<u>ISSUE — FULL BOOK-ENTRY</u>

Ratings: Fitch: AAA
Standard & Poor's: AAA
Financial Guaranty Insured
(See "THE BONDS — Bond Insurance" and "RATINGS" herein.)

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 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. 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" with respect to tax consequences relating to the Bonds.)

$25,000,000
ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
Election of 2004 General Obligation Bonds, Series B

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

The Roseville Joint Union High School District Election of 2004 General Obligation Bonds, Series B (the "Bonds"), in the aggregate principal amount of $25,000,000, are being issued by the Roseville Joint Union High School District (the "District") to fund the construction, renovation and repair of certain District high school facilities. The Bonds were authorized at an election of the registered voters of the District held on November 2, 2004 (the "Authorization"), at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of not to exceed $79,000,000 principal amount of general obligation bonds.

The Bonds represent general obligations of the District, payable solely from *ad valorem* property taxes levied and collected by the County of Placer (the "County") and the County of Sacramento (together with the County, the "Counties"). The Boards of Supervisors of the Counties have the power and are obligated to annually levy *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates).

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds.

Interest with respect to the Bonds accrues from the Date of Delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2007. Payment to owners of $1,000,000 or more in principal amount of the Bonds, at the owner's option, will be made by wire transfer. The Bonds are issuable as fully registered Bonds in denominations of $5,000 or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by The Bank of New York Trust Company, N.A., as Bond Registrar and Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. (See "THE BONDS — Book-Entry Only System.")

The Bonds are subject to redemption prior to maturity as described herein.

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 Financial Guaranty Insurance Company, doing business in California as FGIC Insurance Company ("Financial Guaranty"). (See "APPENDIX E — Form of Municipal Bond Insurance Policy.")

FGIC Financial Guaranty Insurance Company

Maturity Schedule
(see inside front cover)

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

The Bonds are offered when, as and if issued, and received by the Underwriter subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. The Bonds, in book-entry form, will be available for delivery through the facilities of the Depository Trust Company in New York, New York on or about July 20, 2006.

Stone & Youngberg LLC

The date of this Official Statement is July 7, 2006.

MATURITY SCHEDULE

Base CUSIP[(1)]: 777849

$3,905,000 Serial Bonds

Maturity August 1	Principal Amount	Interest Rate	Yield	CUSIP[(1)]	Maturity August 1	Principal Amount	Interest Rate	Yield	CUSIP[(1)]
2007	$770,000	6.00%	3.65%	KK5	2016	$ 415,000	5.00%	4.25%*	KU3
2008	40,000	4.50	3.75	KL3	2017	515,000	5.00	4.35*	KV1
2009	95,000	4.50	3.80	KM1	2018	625,000	5.00	4.40*	KW9
2010	65,000	4.50	3.85	KN9	2019	740,000	4.50	4.58	KX7
2011	40,000	4.50	3.90	KP4	2020	865,000	4.50	4.65	KY5
2012	100,000	4.50	3.97	KQ2	2021	1,000,000	5.00	4.55*	KZ2
2013	170,000	4.50	4.05	KR0	2022	1,150,000	5.00	4.58*	LA6
2014	245,000	4.50	4.15	KS8	2023	1,310,000	5.00	4.61*	LB4
2015	330,000	4.50	4.20	KT6	2024	1,485,000	5.00	4.64*	LC2

$5,665,000 5.00% Term Bonds due August 1, 2027 — Yield 4.70%* CUSIP(1): LF5

$9,375,000 5.00% Term Bonds due August 1, 2030 — Yield 4.74%* CUSIP(1): LJ7

* Yield to call at par on August 1, 2015.

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

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

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

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

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 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 the completeness of such information."

In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page and said public offering prices may be changed from time to time by the Underwriter.

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ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

Board of Trustees

District Administration

Tony Monetti, *Superintendent*
Richard Strickland, *Deputy Superintendent*
Glen Degraw, *Assistant Superintendent, Personnel*
Steven Lawrence, *Assistant Superintendent , Curriculum*
Gary Stevens, *Director of Accounting*

PROFESSIONAL SERVICES

Bond Counsel

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

Underwriter

Stone & Youngberg LLC
San Francisco, California

Bond Registrar, Transfer Agent and Paying Agent

The Bank of New York Trust Company, N.A.
San Francisco, California

TABLE OF CONTENTS

Page

TABLE OF CONTENTS (cont'd)

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$25,000,000
ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
Election of 2004 General Obligation Bonds, Series B

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale of Roseville Joint Union High School District, Placer and Sacramento Counties, California, Election of 2004 General Obligation Bonds, Series B, in the principal amount of $25,000,000 (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 and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District

The Roseville Joint Union High School District (the “District”), located in California’s Sacramento Valley, serves the city of Roseville and certain unincorporated areas of Placer and Sacramento Counties, and encompasses approximately 72 square miles. The District currently has four comprehensive high schools for grades 9-12, a continuation school for grades 9-12, and a small school for high-risk freshmen and sophomores. The District also operates an adult school which serves approximately 300 adults annually, and an independent study program which serves the high school needs of approximately 500 students. Enrollment in the District for the 2005-2006 school year is 8,634 students. For more complete information concerning the District, including certain financial information, see “THE DISTRICT” and “DISTRICT FINANCIAL INFORMATION.” Excerpts from the District’s audited financial statements for the fiscal year ended June 30, 2005 are included as Appendix A and should be read in their entirety. The discussion of the District’s financial history and the financial information contained herein does not purport to be complete or definitive.

Sources of Payment for the Bonds

The Bonds are general obligations of the District. The Boards of Supervisors of the County of Placer (the “County”) and the County of Sacramento (together with the County, the “Counties”) have the power and are obligated to annually levy *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property within the District subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). See “THE BONDS – Security and Sources of Payment.”

Purpose of Issue

The Bonds are being issued to finance the construction, renovation and repair of certain District high school facilities (the “Project”), as authorized by the voters of the District at the election on November 2, 2004, and to pay all necessary legal, financial, engineering and contingent costs in connection with the issuance of the Bonds. See “APPLICATION OF PROCEEDS OF THE BONDS – The Project.”

Description of the Bonds

Serial and Term Bonds. The Bonds will be issued as Serial Bonds (the "Serial Bonds") and Term Bonds (the "Term Bonds"). The Serial Bonds mature serially on each August 1 from August 1, 2007 to August 1, 2024. The Term Bonds mature on August 1, 2027 and August 1, 2030.

Form and Registration. The Bonds will be issued in fully registered form only (without coupons), initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations set forth on the inside cover, 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 will not be entitled to receive physical delivery of the Bonds. See "THE BONDS – Book-Entry Only System." In event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution described herein. See "THE BONDS – Registration, Transfer and Exchange of Bonds."

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

Redemption. The Bonds maturing on or after August 1, 2016 may be redeemed before maturity at the option of the District from any source of funds, on August 1, 2015 or on any date thereafter, as a whole or in part. The Bonds maturing on or before August 1, 2015 are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on August 1, 2027 and August 1, 2030 are subject to mandatory redemption commencing on August 1, 2025 and August 1, 2028, respectively. See "THE BONDS – Redemption."

Payments. Interest on the Bonds accrues from the date of delivery of the Bonds (the "Date of Delivery"), and is payable semiannually on each February 1 and August 1, commencing February 1, 2007. Principal on the Bonds is payable on August 1, commencing August 1, 2007, in the amounts and years as set forth on the inside cover page hereof.

Bond Insurance. 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 Financial Guaranty Insurance Company, doing business in California as FGIC Insurance Company ("Financial Guaranty"). See "THE BONDS – Bond Insurance" and "RATINGS."

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 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. 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 Education Code and other applicable law, and pursuant to a resolution adopted by the Board of Trustees of the District. See "THE BONDS – Authority for Issuance."

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to the validity by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July 20, 2006.

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, if material, in compliance with S.E.C. Rule 15c2-12(b)(5). The specific nature of the information to be made available and of the notices of material events required to be provided are summarized below under the captions "LEGAL MATTERS – Continuing Disclosure" and "APPENDIX C – Form of Continuing Disclosure Certificate" attached hereto.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California is acting as Bond Counsel to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth will receive compensation from the District contingent upon the sale and delivery of the Bonds. The Bank of New York Trust Company, N.A., San Francisco, California is acting as registrar, transfer agent and paying agent for the Bonds.

Forward Looking Statements

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

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

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Superintendent, Roseville Joint Union High School District, 1750 Cirby Way, Roseville, California 95661, telephone: (916) 786-2051. The District may impose a charge for copying, mailing and handling.

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

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

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

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (the "Act"), commencing with Section 15264 *et seq*., Article XIIIA of the California Constitution and pursuant to a resolution adopted by the Board of Trustees of the District on June 6, 2006 (the "Resolution"). The County has adopted a resolution pursuant to Section 15140(b) of the Education Code, which authorizes school districts and community college districts to issue bonds on their own behalf, pursuant to which the Bonds are being issued by the District.

The District received authorization at an election held on November 2, 2004 (the "Authorization") to issue not to exceed $79,000,000 of general obligation bonds. On April 28, 2005, the District sold its first series of bonds under the Authorization in an aggregate principal amount of $26,000,000 (the "Series A Bonds"). The Bonds represent the second series of bonds within the Authorization. After the issuance of the Bonds, $28,000,000 of the District's Authorization will remain.

Security and Sources of Payment

The Bonds are general obligations of the District. The Boards of Supervisors of the Counties have the power and are obligated to annually levy *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property located within the District subject to taxation by the District without limitation as to rate or amount (except upon certain personal property which is taxable at limited rates). Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. Such taxes, when collected, will be deposited into the Roseville Joint Union High School District General Obligation Bond Debt Service Fund, Series B (the "Debt Service Fund"), which is segregated and maintained by the County and which is required by the Act to be applied for the payment of principal of and interest on the Bonds when due. Although the Counties are obligated to levy *ad valorem* taxes for the payment of the Bonds and the County will maintain the Debt Service Fund, the Bonds are not a debt of either of the Counties.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds, as the same become due and payable, shall be transferred by the County to the Bond Registrar which, in turn, shall pay such moneys to DTC to pay, as the case may be, the principal of and interest on the Bonds. DTC will thereupon make payment of principal and interest of the Bonds to the DTC Participants who will thereupon make payments of principal and interest to the Beneficial Owners (as hereinafter defined) of the Bonds.

The amount of the annual *ad valorem* taxes levied by the Counties 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 in any year. Fluctuations in the annual debt service on the 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, such as general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State of California (the "State") and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "TAX BASE FOR REPAYMENT OF BONDS."

Bond Insurance

The following information has been provided by Financial Guaranty for use in this Official Statement, and neither the District nor the Underwriter takes any responsibility for the accuracy or completeness thereof. Reference is made to APPENDIX E for a specimen of Financial Guaranty's policy with respect to the Bonds.

Payments Under the Policy. Concurrently with the issuance of the Bonds, Financial Guaranty Insurance Company, doing business in California as FGIC Insurance Company ("Financial Guaranty") will issue its Municipal Bond New Issue Insurance Policy for the Bonds (the "Policy"). The Policy unconditionally guarantees the payment of that portion of the principal or accreted value (if applicable) of and interest on the Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the District. Financial Guaranty will make such payments to U.S. Bank Trust National Association, or its successor as its agent (the "Fiscal Agent"), on the later of the date on which such principal, accreted value or interest (as applicable) is due or on the business day next following the day on which Financial Guaranty shall have received notice (in accordance with the terms of the Policy) from an owner of Bonds or the Paying Agent of the nonpayment of such amount by the District. The Fiscal Agent will disburse such amount due on any Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner's right to receive payment of the principal, accreted value or interest (as applicable) due for payment and evidence, including any appropriate instruments of assignment, that all of such owner's rights to payment of such principal, accreted value or interest (as applicable) shall be vested in Financial Guaranty. The term "nonpayment" in respect of a Bond includes any payment of principal, accreted value or interest (as applicable) made to an owner of a Bond 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.

Once issued, the Policy is non-cancellable by Financial Guaranty. The Policy covers failure to pay principal (or accreted value, if applicable) of the Bonds on their stated maturity dates and their mandatory sinking fund redemption dates, and not on any other date on which the Bonds may have been otherwise called for redemption, accelerated or advanced in maturity. The Policy also covers the failure to pay interest on the stated date for its payment. In the event that payment of the Bonds is accelerated, Financial Guaranty will only be obligated to pay principal (or accreted value, if applicable) and interest in the originally scheduled amounts on the originally scheduled payment dates. Upon such payment, Financial Guaranty will become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and will be fully subrogated to all of the Bondholder's rights thereunder.

The Policy does not insure any risk other than Nonpayment by the District, as defined in the Policy. Specifically, the Policy does not cover: (i) payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity; (ii) payment of any redemption, prepayment or acceleration premium; or (iii) nonpayment of principal (or accreted value, if applicable) or interest caused by the insolvency or negligence or any other act or omission of the trustee or paying agent, if any.

As a condition of its commitment to insure Bonds, Financial Guaranty may be granted certain rights under the Bond documentation. The specific rights, if any, granted to Financial Guaranty in connection with its insurance of the Bonds may be set forth in the description of the principal legal documents appearing elsewhere in this Official Statement, and reference should be made thereto.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

The Policy is not covered by the California Insurance Guaranty Association (California Insurance Code, Article 14.2).

Financial Guaranty Insurance Company. Financial Guaranty is a New York stock insurance corporation that writes financial guaranty insurance in respect of public finance and structured finance obligations and other financial obligations, including credit default swaps. Financial Guaranty is licensed to engage in the financial guaranty insurance business in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands and the United Kingdom.

Financial Guaranty is a direct, wholly owned subsidiary of FGIC Corporation, a Delaware corporation. At March 31, 2006, the principal owners of FGIC Corporation and the approximate percentage of its outstanding common stock owned by each were as follows: The PMI Group, Inc. – 42%; affiliates of the Blackstone Group L.P. – 23%; and affiliates of the Cypress Group L.L.C. – 23%. Neither

FGIC Corporation nor any of its stockholders or affiliates is obligated to pay any debts of Financial Guaranty or any claims under any insurance policy, including the Policy, issued by Financial Guaranty.

Financial Guaranty is subject to the insurance laws and regulations of the State of New York, where Financial Guaranty is domiciled, including New York's comprehensive financial guaranty insurance law. That law, among other things, limits the business of each financial guaranty insurer to financial guaranty insurance (and related lines); requires that each financial guaranty insurer maintain a minimum surplus to policyholders; establishes limits on the aggregate net amount of exposure that may be retained in respect of a particular issuer or revenue source (known as single risk limits) and on the aggregate net amount of exposure that may be retained in respect of particular types of risk as compared to the policyholders' surplus (known as aggregate risk limits); and establishes contingency, loss and unearned premium reserve requirements. In addition, Financial Guaranty is also subject to the applicable insurance laws and regulations of all other jurisdictions in which it is licensed to transact insurance business. The insurance laws and regulations, as well as the level of supervisory authority that may be exercised by the various insurance regulators, vary by jurisdiction.

At March 31, 2006, Financial Guaranty had net admitted assets of approximately $3.603 billion, total liabilities of approximately $2.454 billion, and total capital and policyholders' surplus of approximately $1.149 billion, determined in accordance with statutory accounting practices ("SAP") prescribed or permitted by insurance regulatory authorities.

The unaudited consolidated financial statements of Financial Guaranty and subsidiaries, on the basis of U.S. generally accepted accounting principles ("GAAP"), as of March 31, 2006 and the audited consolidated financial statements of Financial Guaranty and subsidiaries, on the basis of GAAP, as of December 31, 2005 and 2004, which have been filed with the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"), are hereby included by specific reference in this Official Statement. Any statement contained herein under the heading "THE BONDS – Bond Insurance," or in any documents included by specific reference herein, shall be modified or superseded to the extent required by any statement in any document subsequently filed by Financial Guaranty with such NRMSIRs, and shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement. All financial statements of Financial Guaranty (if any) included in documents filed by Financial Guaranty with the NRMSIRs subsequent to the date of this Official Statement and prior to the termination of the offering of the Bonds shall be deemed to be included by specific reference into this Official Statement and to be a part hereof from the respective dates of filing of such documents.

The New York State Insurance Department recognizes only SAP for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York Insurance Law, and for determining whether its financial condition warrants the payment of a dividend to its stockholders. Although Financial Guaranty prepares both GAAP and SAP financial statements, no consideration is given by the New York State Insurance Department to financial statements prepared in accordance with GAAP in making such determinations. A discussion of the principal differences between SAP and GAAP is contained in the notes to Financial Guaranty's SAP financial statements.

Copies of Financial Guaranty's most recently published GAAP and SAP financial statements are available upon request to: Financial Guaranty Insurance Company, 125 Park Avenue, New York, NY 10017, Attention: Corporate Communications Department. Financial Guaranty's telephone number is (212) 312-3000.

Financial Guaranty's Credit Ratings. The financial strength of Financial Guaranty is rated "AAA" by Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., "Aaa" by Moody's

Investors Service, and "AAA" by Fitch Ratings. Each rating of Financial Guaranty should be evaluated independently. The ratings reflect the respective ratings agencies' current assessments of the insurance financial strength of Financial Guaranty. Any further explanation of any rating may be obtained only from the applicable rating agency. These ratings are not recommendations to buy, sell or hold the Bonds, and are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. Financial Guaranty does not guarantee the market price or investment value of the Bonds nor does it guarantee that the ratings on the Bonds will not be revised or withdrawn.

Neither Financial Guaranty nor any of its affiliates accepts any responsibility for the accuracy or completeness of the Official Statement or any information or disclosure that is provided to potential purchasers of the Bonds, or omitted from such disclosure, other than with respect to the accuracy of information with respect to Financial Guaranty or the Policy under the heading "THE BONDS – Bond Insurance." In addition, Financial Guaranty makes no representation regarding the Bonds or the advisability of investing in the Bonds.

Description of the Bonds

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee of DTC. Purchasers will not receive certificates representing their interests in the Bonds.

Interest with respect to the Bonds accrues from the Date of Delivery, and is payable semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing February 1, 2007. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before January 15, 2007, in which event it shall bear interest from its date; *provided*, that if, at the time of authentication of any Bond interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1, in the years and amounts set forth on the inside cover hereof.

Book-Entry Only System

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

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

DTC, the world's largest 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 2.2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor's highest rating: AAA. 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 and www.dtc.org.

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 effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

Redemption proceeds, distributions, and dividend payments 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 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 nor its nominee, Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or 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.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

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

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

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.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least $1,000,000 in aggregate principal amount, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Paying Agent together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Bond Registrar

The Bank of New York Trust Company, N.A., located in San Francisco, California, will act as the registrar, transfer agent, and paying agent for the Bonds (the "Bond Registrar"). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Bond Registrar will send any notice of prepayment or other notices to Owners only to DTC.

Neither the Bond Registrar, the District, nor the Underwriter of the Bonds have any responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of interests in the Bonds.

Payment

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

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2015 are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on or after August 1, 2016 may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, on August 1, 2015 or on any date thereafter, as a whole or in part, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Term Bonds maturing on August 1, 2027, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2025, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
2025	$1,675,000
2026	1,885,000
2027[(1)]	2,105,000
TOTAL	$5,665,000

(1) Final Maturity

The Term Bonds maturing on August 1, 2030, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2028, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
2028	$2,345,000
2029	2,600,000
2030[(1)]	4,430,000
TOTAL	$9,375,000

(1) Final Maturity

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

Notice of Redemption. Notice of any redemption of Bonds will be mailed, postage-prepaid, not less than thirty nor more than forty-five days prior to the redemption date (i) to the respective registered owners thereof at the addresses appearing on the bond registration books, (ii) to the Securities Depositories described below, and (iii) to one or more of the Information Services described below. Notice of redemption to the Securities Depositories and the Information Services will be given by registered mail, facsimile transmission or overnight delivery service. Each notice of redemption will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Bond Registrar, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Moody's Municipal and Government, 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bond Department; and Standard and Poor's J.J. Kenny Information Services' "Called Bond Record," 55 Water Street, 45th Floor, New York, New York 10041.

"Securities Depositories" shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Fax (212) 855-7320.

The actual receipt by the Owner of any Bond or of any Information Service or Securities Depository of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

The notice or notices required for redemption will be given by the Bond Registrar or its designee. A certificate by the Bond Registrar that notice of call and redemption has been given to owners of Bonds and to the appropriate Securities Depositories and Information Services shall be conclusive as against all parties, and no Bondowner whose Bond is called for redemption may object thereto or object to the cessation of interest on the fixed redemption date by any claim or showing that said Bondowner failed to actually receive such notice of call and redemption.

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

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

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

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

Registration, Transfer and Exchange of Bonds

So long as any of the Bonds remain outstanding, the District will cause the Bond Registrar to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry only system as described above is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Bond Registrar, initially located in Los Angeles, California. Interest on the Bonds will be paid by the Bond Registrar by check or draft mailed to the person whose name appears on the registration books of the Bond Registrar as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least $1,000,000 in aggregate principal amount, interest payments shall be wired to a bank and account number on file with the Bond Registrar as of the Record Date.

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

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding any Interest Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Interest Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

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

(a) Cash: by irrevocably depositing with the Paying Agent or 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 sufficient to pay all Bonds outstanding and designated for defeasance, including all principal, interest and premium, if any; or

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

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

"Government Obligations" means direct and general obligations of the United States of America (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 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 of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds	
Principal Amount of the Bonds	$25,000,000.00
Net Original Issue Premium	546,144.95
Total Sources	$25,546,144.95
Uses of Funds	
Building Fund	$25,000,000.00
Debt Service Fund(1)	141,838.62
Costs of Issuance(2)	404,306.33
Total Uses	$25,546,144.95

(1) *Represents net original issuance premium to be deposited in the Debt Service Fund..*
(2) *All costs of issuance, including insurance premium and Underwriter's discount.*

DEBT SERVICE SCHEDULE

The following table shows the debt service schedule with respect to the Bonds (assuming no optional redemptions are made):

Year Ending (August 1)	Annual Principal Payment[(1)]	Annual Interest Payment[(2)]	Total Annual Debt Service
2007	$770,000	$1,282,268.75	$2,052,268.75
2008	40,000	1,198,050.00	1,238,050.00
2009	95,000	1,196,250.00	1,291,250.00
2010	65,000	1,191,975.00	1,256,975.00
2011	40,000	1,189,050.00	1,229,050.00
2012	100,000	1,187,250.00	1,287,250.00
2013	170,000	1,182,750.00	1,352,750.00
2014	245,000	1,175,100.00	1,420,100.00
2015	330,000	1,164,075.00	1,494,075.00
2016	415,000	1,149,225.00	1,564,225.00
2017	515,000	1,128,475.00	1,643,475.00
2018	625,000	1,102,725.00	1,727,725.00
2019	740,000	1,071,475.00	1,811,475.00
2020	865,000	1,038,175.00	1,903,175.00
2021	1,000,000	999,250.00	1,999,250.00
2022	1,150,000	949,250.00	2,099,250.00
2023	1,310,000	891,750.00	2,201,750.00
2024	1,485,000	826,250.00	2,311,250.00
2025	1,675,000	752,000.00	2,427,000.00
2026	1,885,000	668,250.00	2,553,250.00
2027	2,105,000	574,000.00	2,679,000.00
2028	2,345,000	468,750.00	2,813,750.00
2029	2,600,000	351,500.00	2,951,500.00
2030	4,430,000	221,500.00	4,651,500.00
Total	$25,000,000	$22,959,343.75	$47,959,343.75

(1) *Amounts shown from August 1, 2025 through August 1, 2027 represent mandatory sinking fund payments on the Term Bonds maturing August 1, 2027. Amounts shown from August 1, 2028 through August 1, 2030 represent mandatory sinking fund payments on the Term Bonds maturing August 1, 2030.*

(2) *Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2007.*

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

APPLICATION OF PROCEEDS OF THE BONDS

The District plans to use a portion of the proceeds from the Bonds to finance the construction, renovation and repair of certain District high school facilities, as authorized by the voters of the District in the Authorization (collectively, the "Project").

A portion of the net proceeds of the sale of the Bonds shall be deposited in the Roseville Joint Union High School District General Obligation Bond Building Fund, Series B (the "Building Fund") and shall be applied only to finance the Project, as described above. Any interest earnings on moneys held in the Building Fund shall be retained in the Building Fund.

Any premium or accrued interest received by the District on the sale of the Bonds shall be deposited in the Debt Service Fund. Any interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are moneys remaining in the Debt Service Fund or otherwise held in trust for the payment of the redemption price of the Bonds, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

In accordance with the Resolution and subject to federal tax restrictions, moneys in the Debt Service Funds shall be initially invested in the County-administered pooled investment fund (the "County Pool"). See "COUNTY OF PLACER INVESTMENT POOL." Subsequently, such moneys may continue to be invested in the County Pool or invested, at the direction of the District in accordance with the Resolution and subject to federal tax restrictions, in any other lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code") or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, in the California Local Agency Investment Fund ("LAIF") or in a guaranteed investment contract with a financial institution or insurance company which has at the date of execution thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated not lower than the second highest rating category (without regard to subcategories) by Standard & Poor's Ratings Service and Moody's Investors Service.

COUNTY OF PLACER INVESTMENT POOL

This section provides a general description of the County's investment policy, current portfolio holdings, and valuation procedures. The information has been adapted from material prepared by the County for inclusion in this Official Statement. The District makes no representation as to the accuracy or completeness of such information. Further information may be obtained from the office of the Treasurer-Tax Collector of Placer County, 2976 Richardson Drive, Auburn, California 95603.

The County Treasurer manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited in the Treasury by the County, all County school and community college districts, and various special districts within the County. State law requires that all moneys of the County, school and community college districts and certain special districts be held in the County Treasury by the Treasurer. The County Treasurer accepts funds only from agencies located within the County. The moneys on deposit are predominantly derived from local government revenues consisting of property taxes, state and federal funding and other fees and charges.

Moneys deposited in the County Treasury by the participants represent an undivided interest in all assets and investments in the County Treasury based upon the amount deposited and the average daily balances. All investments in the County Treasurer's investment pool are amortized and accrued monthly and are priced on a monthly basis for informational purposes. Gains and losses are recorded when they are actually realized upon sale or other disposition of the investment and adjusting entries for market value are made at year-end if necessary as required by GASB 31. Investment earnings, less actual treasury administrative costs, are distributed monthly to all pool participants on a pro-rata basis based on average daily balance.

The County Treasurer's investment policy states that preservation of capital and maintenance of liquidity shall be of primary concern with earnings to be at market rates of return commensurate with minimum levels of risk. The County Treasurer maintains a reserve of cash and cash equivalents projected to be more than sufficient to meet foreseeable liquidity needs. The policy allows for the purchase of a variety of securities as specified by California Government Code Sections 53601 and 53635 with further limitations and specifications regarding market risk, maturity, credit ratings, and diversification. The County Board of Supervisors adopts the County Treasurer's investment policy annually. The County Treasury Oversight Committee monitors the County Treasurer's conformance to the investment policy. Copies of the County Treasurer's investment policy can be obtained from the County Treasurer-Tax Collector, 2976 Richardson Drive, Auburn, California 95603.

The following statistics are as of May 31, 2006, unless otherwise specified. The balance on deposit in the County Treasury was $1,001,717,550. Of this amount, $998,292,455 was invested with a market value of $991,906,670 or 99.36% of amortized cost. The market value and liquidity of the pool depends upon, among other factors, cash position and the maturity of various investments. The weighted average maturity of the pool was 481 days. The pool includes approximately $244,025,095 of investments maturing in 90 days or less. Approximately 3.04% of the assets in the investment pool come from public agencies which can make discretionary withdrawals for the purpose of making alternative investments.

The following is a summary of the Treasurer's Investment Pool as of May 31, 2006.

Type of Investment	Book Value	Market Value	% of Portfolio[2]
U.S. Treasury Securities	$ 88,881,658	$88,731,424	9.00
Federal Government Agencies	516,533,378	513,206,551	51.74
Medium Term Notes	231,352,315	229,306,970	23.17
Negotiable Certificates of Deposit	84,712,536	84,849,156	8.49
Collateralized Certificates of Deposits [1]	24,500,000	24,500,000	2.45
Commercial Paper Disc. – Amortizing [1]	25,482,883	25,482,883	2.55
Federal Agency Disc. - Amortizing	19,227,500	19,227,500	1.93
Middle Fork JPA	6,602,183	6,602,183	.66
Total Investments	$998,292,455	$991,906,670	100.00%
Cash			
Passbook/Checking	3,425,096	3,425,095	
Total Cash and Investments	$1,001,717,550	$995,331,765	

[1] Market Value priced at Book Value.
[2] Excluding cash.
Source: County of Placer Treasurer-Tax Collector's Office.

Neither the District nor the Underwriter has made an independent investigation of the investments in the County Treasury and has made no assessment of the current County Investment Policy. The value of the various investments in the County Treasury will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the County Treasurer, with the consent of the Treasury Oversight Committee and the County Board of Supervisors may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the County Treasury will not vary significantly from the values described herein.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "THE BONDS – Security and Sources of Payment") Articles XIIIA, XIIIB, XIIIC and XIIID of the Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and 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 District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA, Article XIIIC, and all applicable laws.

Article XIIIA of the California Constitution

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

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as the result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the State legislature to change any State taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIIIA

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

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

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

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

Article XIIIB of the California Constitution

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

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

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

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

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

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

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

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "Propositions 98 and 111" below.

Article XIIIC and Article XIIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Propositions 98 and 111

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

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

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

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

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

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

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

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

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

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

Proposition 39

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

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

Proposition 1A

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State’s authority over major local government revenue sources. Under Proposition 1A, the State can 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 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 Fee 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: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) 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.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID of the California Constitution and Propositions 39, 98 and 111 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. 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

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

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

Property taxes on the secured roll are due in two installments, November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus a $10 cost on the second installment. Property on the secured roll with delinquent taxes is sold to the State on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and is then subject to sale by the tax-collecting authority of the relevant county.

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

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

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

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability of revenue from growth in tax bases to such entities may be affected by the establishment of redevelopment agencies which, under certain circumstances, may be entitled to revenues resulting from the increase in certain property values.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessors of Placer and Sacramento Counties, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein.

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Property within the District has a net taxable assessed valuation for fiscal year 2005-06 of $18,818,756,793. The following table represents the 25-year history of assessed valuations within the District.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Assessed Valuations
Fiscal Years 1981-82 through 2005-06

Fiscal Year	Total District Assessed Valuation[1]	Annual % Change
1981-82	$1,288,887,692	--
1982-83	1,460,258,181	13.5%
1983-84	1,617,816,039	10.8
1984-85	1,848,009,993	14.2
1985-86	2,149,579,908	16.3
1986-87	2,439,708,218	13.5
1987-88	2,275,787,349	-6.7[2]
1988-89	2,544,146,220	11.8
1989-90	3,143,018,966	23.5
1990-91	3,922,430,348	24.8
1991-92	4,818,401,764	22.8
1992-93	5,420,469,201	12.5
1993-94	5,705,420,605	5.3
1994-95	6,022,025,157	5.5
1995-96	6,670,141,696	10.8
1996-97	7,144,545,849	7.1
1997-98	7,501,996,737	5.0
1998-99	8,252,706,348	10.0
1999-00	9,092,797,799	10.2
2000-01	10,122,500,528	11.3
2001-02	11,463,676,985	13.2
2002-03	12,902,445,949	12.5
2003-04	14,867,947,143	15.2
2004-05	16,689,882,787	12.3
2005-06	18,818,756,793	12.7

Notes: (1) Excludes assessed valuation from unitary utility roll, beginning in 1988-89. Excludes assessed valuation of Center Unified School District, formerly a feeder elementary school district to the District, which unified effective July 1, 1982.

(2) Effective fiscal year for unification of Rocklin Unified School District, formerly a feeder elementary school district to the District. Upon unification, property formerly in the District became the sole jurisdiction of the Rocklin Unified School District.

Source: California Municipal Statistics, Inc.

The following is an analysis of the District's assessed valuation by land use.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Assessed Valuation and Parcels by Land Use

	2005-06 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% Total
Non-Residential:						
Agricultural	$ 50,450,524	0.28%	81	0.15%	81	0.16%
Commercial	2,552,243,025	13.98	1,300	2.47	1,180	2.33
Vacant Commercial	218,487,159	1.20	375	0.71	357	0.71
Industrial	1,319,610,183	7.23	384	0.73	383	0.76
Vacant Industrial	63,003,860	0.35	229	0.43	215	0.42
Recreational	75,162,248	0.41	90	0.17	88	0.17
Government/Social/Institutional	37,524,302	0.21	262	0.50	91	0.18
Vacant Other	120,170,851	0.66	1,274	2.42	812	1.60
Miscellaneous	7,000,522	0.04	980	1.86	658	1.30
Subtotal Non-Residential	$4,443,652,674	24.34%	4,975	9.45%	3,865	7.64%
Residential:						
Single Family Residence	$12,557,731,949	68.79%	42,737	81.15%	42,720	84.43%
Condominium/Townhouse	68,866,567	0.38	540	1.03	540	1.07
Mobile Home	45,880,339	0.25	421	0.80	421	0.83
2-3 Residential Units	152,441,531	0.84	765	1.45	765	1.51
4+ Residential Units/Apartments	642,751,232	3.52	215	0.41	213	0.42
Miscellaneous Residential Improvements	7,982,504	0.04	69	0.13	69	0.14
Vacant Residential	336,730,695	1.84	2,941	5.58	2,007	3.97
Subtotal Residential	$13,812,384,817	75.665	47,688	90.55%	46,735	92.36%
Total	$18,256,037,491	100.00%	52,663	100.00%	50,600	100.00%

[1] Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Taxation of State-Assessed Utility Property

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

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is not a Basic Aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION."

Secured Tax Charges and Delinquencies

The following tables show the tax levies and delinquencies for the District's debt service levies on property in Placer County from 1993-94 to 2004-2005. These tax levies are for debt service on the Bonds and all other general obligation bonds of the District.

SECURED TAX CHARGES AND DELINQUENCY RATES
Roseville Joint Union High School District
Placer County Portion
Fiscal Years 1993-94 to 2004-05

Fiscal Year	Secured Tax Charge[(1)]	Amount Delinquent June 30	Percent Delinquent June 30
1993-94	$419,399	$13,413	3.20%
1994-95	490,508	12,544	2.56
1995-96	476,914	8,848	1.86
1996-97	1,494,448	27,458	1.84
1997-98	1,372,751	19,021	1.39
1998-99	1,583,323	20,742	1.31
1999-00	1,756,177	19,514	1.11
2000-01	2,059,809	19,514	0.95
2001-02	2,565,767	30,791	1.20
2002-03	2,543,572	28,262	1.11
2003-04	2,857,956	25,269	0.88
2004-05	2,959,646	25,834	0.87

(1) Debt service levy only.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment

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

The Teeter Plan is applicable to all tax levies for which such county acts as the tax-levying or tax-collecting agency, or for which such county's treasury is the legal depository of the tax collections.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy in fiscal year 2006-07. The District will receive 100% of the *ad valorem* property tax levied in the Counties to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the Counties.

The Teeter Plan is to remain in effect unless the Board of Supervisors of either of the Counties orders its discontinuance or unless, prior to the commencement of any fiscal year of the Counties (which commences on July 1 for the Counties), the Board of Supervisors of either of the Counties receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in such county, in which event the Board of Supervisors of such county is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors of either of the Counties may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in such county if the rate of secure tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event the Board of Supervisors of either of the Counties is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which such county acts as the tax-levying or tax-collecting agency.

Tax Rates

There are a total of 145 tax rate areas in the District. The largest District tax rate area located within the City of Roseville, Tax Rate Area 5-001, has a fiscal year 2005-06 assessed valuation of $7,902,124,846, representing 41.9% of the District's taxable assessed valuation. A representative tax rate area located within unincorporated Placer County, Tax Rate Area 69-027, has a fiscal year 2005-06 assessed valuation of $1,368,698,255 representing 7.2% of the District's taxable assessed valuation. A representative tax rate area located within unincorporated Sacramento County, Tax Rate Area 66-002, has a fiscal year 2005-06 assessed valuation of $213,313,203, representing 1.1% of the District's taxable assessed valuation. The following table summarizes the total *ad valorem* tax rates levied by all taxing entities in these three tax rate areas during the five-year period from 2001-02 to 2005-06.

SUMMARY OF AD VALOREM TAX RATES
$1 PER $100 OF ASSESSED VALUATION
Roseville Joint Union High School District

City of Roseville -- Tax Rate Area 5-001

	2001-02	2002-03	2003-04	2004-05	2005-06
County of Placer	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Roseville Joint Union High School District Bonds	0.025267	0.022259	0.021810	0.020120	.038428
Roseville City School District Bonds	0.019774	0.017758	0.036219	0.030582	.035899
TOTAL	$1.045041	$1.040017	$1.058029	$1.050702	$1.074327

Unincorporated Placer County -- Tax Rate Area 69-027

	2001-02	2002-03	2003-04	2004-05	2005-06
County of Placer	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Roseville Joint Union High School District Bonds	0.025267	0.022259	0.021810	0.020120	.038428
Eureka Union School District Bonds	0.027751	0.024376	0.026483	0.024000	.023457
San Juan Suburban Water	0.009227	0.006524	0.007939	--	--
TOTAL	$1.062245	$1.053159	$1.056232	$1.044120	$1.061885

Unincorporated Sacramento County -- Tax Rate Area 66-002

	2001-02	2002-03	2003-04	2004-05	2005-06
County of Sacramento	$1.0000	$1.0000	$1.0000	$1.0000	$1.000000
Roseville Joint Union High School District Bonds	0.0253	0.0223	0.0218	0.0201	.038400
Dry Creek Joint Elementary School District Bonds	0.0502	0.0411	0.0365	0.0324	.029100
Subtotal	$1.0755	$1.0634	$1.0583	1.0525	1.067500
Regional Sanitation (Land and Improvement)	$0.0077	$0.0082	$0.0070	0.0067	.005500
TOTAL	$1.0832	$1.0716	$1.0653	$1.0592	$1.073000

Source: California Municipal Statistics, Inc.

Largest Property Owners

The following table shows the 20 largest property taxpayers in the District as determined by secured assessed valuation in fiscal year 2005-06.

LARGEST 2005-06 LOCAL SECURED PROPERTY TAXPAYERS
Roseville Joint Union High School District

	Property Owner	Primary Land Use	Assessed Valuation	Total[(1)]
1.	Hewlett Packard Co.	Industrial	$345,594,132	1.89%
2.	NEC Electronics USA Inc.	Industrial	261,564,162	1.43
3.	Roseville Shoppingtown LLC	Shopping Center	222,775,877	1.22
4.	Kobra Properties	Office Building	114,381,441	0.63
5.	Walmart Stores Inc.	Commercial Store	70,874,295	0.39
6.	NNN Parkway Corporate Plaza LLC	Office Building	64,923,000	0.36
7.	SI VII LLC	Apartments	56,348,950	0.31
8.	Rosemead LLC	Apartments	52,060,430	0.29
9.	Haverhill Communities LLC	Apartments	49,361,480	0.27
10.	EOP Johnson Ranch Corporate Centre LLC	Office Building	43,929,707	0.24
11.	EOP Douglas Corporate Center II LLC	Office Building	43,914,014	0.24
12.	Evergreen Britannia Land Joint Venture	Commercial Store	43,505,864	0.24
13.	PL Roseville LP	Shopping Center	40,652,576	0.22
14.	Villas at Galleria LP	Apartments	39,492,702	0.22
15.	Comcast of Sacramento I LLC	Communications	36,903,839	0.20
16.	Albertsons Inc.	Warehouse	36,875,070	0.20
17.	Property Reserve Inc.	Office Building	33,575,230	0.18
18.	Home Depot USA Inc.	Commercial Store	32,761,028	0.18
19.	Roseville Plaza LLC	Shopping Center	31,365,000	0.17
20.	JB Management LP	Shopping Center	30,487,238	0.17
			$1,651,346,035	9.05%

(1) 2005-06 local secured assessed valuation: $18,256,037,491.
Source: California Municipal Statistics, Inc.

Debt Obligations

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective May 1, 2006. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the District; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the District; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the District, as determined by multiplying the total outstanding debt of each agency by the percentage of the District's assessed valuation represented in column 2.

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Roseville Joint Union High School District

2005-06 Assessed Valuation:	$18,818,756,793
Redevelopment Incremental Valuation:	(596,092,725)
Adjusted Assessed Valuation:	$18,222,664,068

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 5/1/06	
Roseville Joint Union High School District	100.000%	$60,249,260	(1)
Dry Creek Joint School District	100.000	17,763,042	
Dry Creek Joint School District Community Facilities District No. 1	100.000	23,924,923	
Eureka Union School District	100.000	9,418,163	
Roseville City School District	100.000	39,203,085	
Sacramento Regional County Sanitation District	1.409	45,229	
Placer County Community Facilities District No. 2001-1	55.797	10,436,829	
City of Roseville Community Facilities Districts	99.636-100.	319,181,844	
California Statewide Communities Development Authority Assessment District No. 04-1	96.487	1,524,795	
California Statewide Communities Development Authority Assessment District No. 05-1	20.044	642,674	
Sacramento Area Flood Control Operation and Maintenance Assessment District	1.961	89,614	
City of Roseville 1915 Act Bonds	100.000	1,850,000	
County 1915 Act Bonds	100.000	3,260,000	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$487,589,458	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Placer County General Fund Obligations	38.611%	$9,146,946	
Placer County Office of Education Certificates of Participation	38.611	1,113,927	
Sacramento County General Fund Obligations	1.378	4,770,470	
Sacramento County Pension Obligations	1.378	13,156,069	
Sacramento County Board of Education Certificates of Participation	1.378	176,246	
Sierra Joint Community College District Certificates of Participation	30.528	3,376,397	
Roseville Joint Union High School District Certificates of Participation	100.000	5,995,000	
Eureka Union School District Certificates of Participation	100.000	7,105,000	
Roseville City School District Certificates of Participation	100.000	18,825,000	
City of Rocklin Certificates of Participation	0.038	2,247	
City of Roseville Certificates of Participation	99.985	24,731,290	
Sacramento Metropolitan Fire District Pension Obligations	3.070	2,124,102	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$90,522,694	
COMBINED TOTAL DEBT		$578,112,152	(2)

(1) Excludes the Bonds described herein.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2005-06 Assessed Valuation:
Direct Debt ($60,249,260) 0.32%
Total Direct and Overlapping Tax and Assessment Debt....... 2.59%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($66,244,260) 0.36%
Combined Total Debt.. 3.17%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/05: $0

Source: California Municipal Statistics, Inc.

THE DISTRICT

Introduction

The Roseville Joint Union High School District (the "District"), located in California's Sacramento Valley, serves the city of Roseville and certain unincorporated areas of Placer and Sacramento Counties, and encompasses approximately 118 square miles. The District currently has four comprehensive high schools for grades 9-12, a continuation school for grades 9-12, and a small school for high-risk freshmen and sophomores. The District also operates an adult school which serves approximately 300 adults annually, and an independent study program which serves the high school needs of approximately 500 students. Enrollment in the District for the 2005-2006 school year is 8,634 students.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial reports of the District may be obtained by contacting: Roseville Joint Union High School District, 1750 Cirby Way, Roseville, California 95661, Attention: Superintendent.

Administration

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

Board Member	Office	Term Expires
R. Jan Pinney	President	November 2008
Garry Genzlinger	Vice President	November 2008
Paige K. Stauss	Clerk	November 2008
James Joiner	Member	November 2006
Kelly L. Lafferty	Member	November 2006

Mr. Tony Monetti, the Superintendent of the District, is responsible for administering the affairs of the District in accordance with the policies of the Board. Other administrators include Richard Strickland, Deputy Superintendent; Glen Degraw, Assistant Superintendent, Personnel; Steven Lawrence, Assistant Superintendent, Curriculum; and Gary Stevens, Director of Accounting.

Recent Enrollment Trends

District enrollment increased by 84.3% between 1986-87 and 2005-06, representing an average annual compound growth rate of 17%. The following table shows a 20-year enrollment history for the District.

ANNUAL ENROLLMENT
FISCAL YEARS 1986-87 THROUGH 2005-06
Roseville Joint Union High School District

Year	Enrollment	Annual Change	Annual % Change
1986-87	3,477	--	--
1987-88	3,533	56	1.6%
1988-89	3,640	107	3.0
1989-90	3,810	170	4.7
1990-91	3,901	91	2.4
1991-92	4,198	297	7.6
1992-93	4,266	68	1.6
1993-94	4,318	52	1.2
1994-95	4,681	363	7.6
1995-96	5,019	338	7.2
1996-97	5,123	104	2.1
1997-98	5,970	847	16.5
1998-99	6,515	545	9.1
1999-00	6,844	329	5.0
2000-01	7,115	271	3.9
2001-02	7,368	253	3.6
2002-03	7,734	366	5.0
2003-04	8,030	296	3.8
2004-05	8,394	364	4.5
2005-06	8,634	240	2.9

Note: Enrollment as of October CBEDS in each school year.
Source: Roseville Joint Union High School District.

Labor Relations

As of June 30, 2005, the District employed 672.84 full-time equivalent certificated and administrative employees, and 216.10 classified employees. These employees, except management, confidential and some part-time employees are represented by the bargaining units noted in the following table.

LABOR BARGAINING UNITS
Roseville Joint Union High School District

Labor Organization	Number of Employees In Organization[1]	Contract Expiration Date
Roseville Secondary Education Association	402	June 30, 2007
California School Employees Association	260	June 30, 2007

[1] As of June 30, 2005.
Source: Roseville Joint Union High School District.

District Retirement Systems

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

All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

All full-time and some part time classified employees participate in PERS, a cost-sharing multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provision are established by the State statutes, as legislatively amended, with the Public Employees' Retirement Laws. The District is part of a "cost-sharing" pool within PERS. One actuarial valuation is performed for those employers participating in the pool, and the same contributions rates applies to each.

The District is required by statute to contribute 8.25% of gross salary expenditures to STRS and 9.116% to PERS. Participants are required to contribute 8% and 7% of applicable gross salary to STRS and PERS, respectively. The District's employer contributions to STRS and to PERS met the required contribution rates established by law.

The District's contribution to STRS was $2,279,175 in fiscal year 2003-04, $2,377,139 in fiscal year 2004-05 and is projected to be $2,723,357 in fiscal year 2005-06. The District's contribution to PERS was $723,097 in fiscal year 2003-04, $703,163 in fiscal year 2004-05 and is projected to be $743,542 in fiscal year 2005-06.

Other Post-Employment Benefits

Healthcare. In addition to pension benefits previously described, the District provides medical, vision and dental benefits when employee contracts specify this. As of June 30, 2005, two retirees met these eligibility requirements. The District will pay 100% of the health benefits of a former Superintendent through June 30, 2005. The other retiree receives a maximum of $350/month of benefits to age 65. Both retirees are paid on a pay-as-you-go basis. During the year, expenditures of $16,888 were recognized for retiree health care benefits.

One former employee will qualify for the continued, future coverage. The approximate accumulated future liability for this retiree of the District at June 30, 2005 amounted to $10,850. This amount was calculated based upon the number of months remaining until the former employee reaches the age of 65.

Early Retirement – Service Recognition. The District Board has adopted a service recognition reward program. This program replaced participation in both STRS and CalPERS Golden Handshake. The District has entered into contracts with certain eligible employees whereby years of District service will establish the service award between $1,200 and $15,000. The employees have the option of selecting cash payment, future medical benefits or the purchase of an annuity. During fiscal year 2004-05, 8 employees were granted benefits under this program in the amount of $88,300.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest 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 "THE BONDS – Security and Sources of Payment."

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts.

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

In addition, the Governmental Accounting Standards Board ("GASB") has released Statement No. 34, which makes certain changes in the annual financial statements for all governmental agencies in the United States who report in accordance with GASB, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective for the fiscal year ended June 30, 2003 for the District, as well as for any other governmental agency with annual revenues of $10 million or more but less than $100 million in the first fiscal year after June 15, 1999.

The District's accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the General Fund which accounts for all financial resources not requiring a special type of fund. The District's fiscal year begins on July 1 and ends on June 30.

Financial Statements

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2005, and prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent of the District, 1750 Cirby Way, Roseville, California 95661, telephone: (916) 786-2051. The audited financial statements for the year ended June 30, 2005, are included in APPENDIX A hereto.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Summary of General Fund
Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2001-02 through 2005-06

	Fiscal Year 2001-02	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Fiscal Year 2005-06[1]
REVENUES					
Revenue Limit Sources					
State Apportionments	$10,018,652	$9,499,202	$5,569,905	$8,544,505	$8,319,103
Local Sources	27,080,831	30,262,010	34,947,412	35,678,053	39,771,898
Total Revenue Limit Sources	37,099,483	39,761,212	40,517,317	44,222,558	$48,091,001
Federal Revenues	1,497,096	2,316,476	2,090,369	1,628,494	1,975,749
Other State Revenues	5,182,038	3,760,169	3,464,431	4,069,223	4,255,527
State On-Behalf Payments	1,072,375	--	--	--	--
Other Local Revenues	4,026,706	4,175,281	3,915,963	4,192,181	4,126,617
TOTAL REVENUES	48,877,698	50,013,137	49,988,080	54,112,456	58,448,894
EXPENDITURES					
Current Expenditures					
Certificated Salaries	24,273,238	25,952,716	26,793,724	27,774,453	30,131,086
Classified Salaries	6,974,525	7,348,306	7,773,452	7,931,237	8,707,924
Employee Benefits	7,503,253	8,357,744	9,003,209	10,448,921	11,143,132
State On-Behalf Payments	1,072,375	--	--	--	--
Books and Supplies	3,847,565	3,640,341	3,449,053	3,469,736	3,938,602
Services and Operating Expenditures	3,488,608	3,503,633	3,786,220	3,914,564	3,892,485
Other Outgo	145,098	574,252	149,013	1,195,912	347,344
Capital Outlay	557,310	195,778	186,140	191,804	203,884
Debt Service	451,242	--	490,260	--	--
Direct Support/Indirect Costs	(193,423)	(197,031)	(242,332)	(186,553)	(357,427)
TOTAL EXPENDITURES	48,119,791	49,375,739	51,388,739	54,740,073	59,338,096
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	757,907	637,399	(1,400,659)	(627,617)	(889,202)
OTHER FINANCING SOURCES/(USES)	(90,478)	(31,363)	565,454	829,793	531,775
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	667,429	606,036	(835,205)	202,176	(357,427)
FUND BALANCE, BEGINNING OF YEAR	$6,477,673	$7,145,103	$7,751,139	$6,915,934	$7,118,110
FUND BALANCE, AT END OF YEAR	$7,145,102	$7,751,139	$6,915,934	$7,118,110	$6,760,683

(1) Estimated Actuals based on Second Interim Report, dated April 19, 2006.
Source: Roseville Joint Union High School District Audited Financial Reports for fiscal years 2001-02 through 2004-05.

Budget Process

The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. A district may be on either a dual or single budget cycle. The dual budget option requires a revised and readopted budget by September 1 that is subject to State-mandated standards and criteria. The revised budget must reflect changes in projected income and expenses subsequent to July 1. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

For both dual and single budgets submitted on July 1, the counties superintendents will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before August 15, the county superintendent will approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than September 22, the county superintendent must notify the Superintendent of Public Instruction of all school districts whose budget has been disapproved.

For all dual budget options and for single and dual budget option districts whose budgets have been disapproved, the district must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent two fiscal years. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or subsequent two fiscal years.

The District has never had an adopted budget disapproved by the county superintendent of schools, and has never received a "qualified" or "negative" certification of an Interim Financial Report pursuant to AB 1200.

General Fund Budget

The District's general fund budgets compared with actuals for the fiscal years ending June 30, 2004 and June 30, 2005 and the adopted budget compared with estimated actuals for the year ending June 30, 2006 are set forth below:

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
General Fund Budgets
Fiscal Years 2003-04, 2004-05 and 2005-06

	2003-04 Adopted Budget	**2003-04 Actual**	**2004-05 Adopted Budget**	**2004-05 Actual**	**2005-06 Adopted Budget**	**2005-06 Estimated Actuals***
REVENUES						
Revenue Limit Sources						
State Apportionments	$10,193,759	$5,569,905	$9,900,958	$8,544,505	$10,892,549	$8,319,103
Local Sources	31,000,000	34,947,412	34,296,110	35,678,053	38,000,000	39,771,898
Total Revenue Limit Sources	41,193,759	40,517,317	44,197,068	44,222,558	48,892,549	48,091,001
Federal Revenues	2,022,689	2,090,369	1,869,100	1,628,494	1,758,107	1,975,749
Other State Revenues	3,315,698	3,464,431	3,837,335	4,069,223	4,067,913	4,255,527
State On-Behalf Revenues	--	--	--	--	--	--
Other Local Revenues	3,674,575	3,915,963	4,251,628	4,192,181	4,083,220	4,126,617
TOTAL REVENUES	50,206,721	49,988,080	54,155,131	54,112,456	58,801,789	58,448,894
EXPENDITURES						
Current Expenditures						
Certificated Salaries	27,529,672	26,793,724	28,010,138	27,774,453	29,539,996	30,131,086
Classified Salaries	7,954,634	7,773,452	8,123,943	7,931,237	8,684,815	8,707,924
Employee Benefits	9,218,013	9,003,209	10,653,615	10,448,921	11,777,450	11,143,132
State On-Behalf Payments	--	--	--	--	--	--
Books and Supplies	2,914,811	3,449,053	3,676,836	3,469,736	3,303,278	3,938,602
Services and Operating Expenditures	4,835,885	3,786,220	4,729,088	3,914,564	5,405,748	3,892,485
Other Outgo	629,000	149,013	213,793	1,195,912	1,313,500	347,344
Capital Outlay	52,500	186,140	274,000	191,804	157,500	203,884
Debt Service	--	490,260	1,086,000	--	--	--
Direct Support/Indirect Costs	(236,434)	(242,332)	(225,334)	(186,553)	(137,861)	973,639
TOTAL EXPENDITURES	52,898,081	51,388,739	56,542,079	54,740,073	60,044,426	59,338,096
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(2,691,360)	(1,400,659)	(2,386,948)	(627,617)	(1,242,637)	(889,202)
OTHER FINANCING SOURCES/(OTHER USES)	425,200	565,454	945,642	829,793	525,546	531,775
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/ (UNDER) EXPENDITURES AND OTHER USES	(2,266,160)	(835,205)	(1,441,306)	202,176	(717,091)	(357,427)
FUND BALANCE, BEGINNING OF YEAR	$7,751,139	$7,751,139	$6,915,934	$6,915,934	$7,118,110	$7,118,110
FUND BALANCE, AT END OF YEAR	$5,484,979	$6,915,934	$5,474,628	$7,118,110	$6,401,019	$6,760,683

* Estimated actuals for fiscal year 2005-06 are derived from the Second Interim Report of the District, dated April 19, 2006.
Source: Roseville Joint Union High School District.

State Funding of Education

Most California school districts receive a significant portion of their funding from State appropriations. As a result, changes in State revenues may affect appropriations made by the Legislature to school districts.

Annual State apportionments of basic and equalization aid to school districts are computed based on a revenue limit per unit of average daily attendance ("A.D.A."). Prior to fiscal year 1998-99, daily attendance numbers included students who were absent from school for an excused absence, such as illness. Effective in fiscal year 1998-99, only actual attendance is be counted in A.D.A.

This change is essentially fiscally neutral for school districts which maintain the same excused absence rate. The rate per student was recalculated to provide the same total funding to school districts in the base year as would have been received under the old system. In the future, school districts which can improve their actual attendance rate will receive additional funding.

The following table reflects the average daily attendance and enrollment for the District for the last five years, and a projection through 2005-06.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Average Daily Attendance and Enrollment
and A.D.A. Base Revenue Limit
2000-01 through 2005-06

Academic Year	Average Daily Attendance	A.D.A. Base Revenue Limit	Enrollment
2000-01	6,572	$5,095	7,120
2001-02	6,844	5,289	7,368
2002-03	7,211	5,397	7,734
2003-04	7,451	5,499	8,030
2004-05	7,777	5,672	8,394
2005-06*	8,322	5,914	8,634

* Estimated.
Note: The ADA figures shown are based on District implementation of legislation which requires that average daily attendance be based on actual attendance only. The District's revenue limit is adjusted to account for the change in attendance accounting and is revenue neutral with prior years.
Source: Roseville Joint Union High School District.

Revenue limit calculations are adjusted annually in accordance with a number of factors designed primarily to provide cost of living increases and to equalize revenues among California school districts.

Revenue Sources

The District categorizes its general fund revenues into four sources: (1) revenue limit sources (consisting of a mix of State and local revenues), (2) federal revenues, (3) other State revenues and (4) other local revenues. Each of these revenue sources is described below.

Revenue Limit Sources. Since fiscal year 1973-74, California school districts have operated under general purpose revenue limits established by the State Legislature. In general, revenue limits are calculated for each school district by multiplying the A.D.A. for such district by a base revenue limit per unit of A.D.A. The revenue limit calculations are adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type.

Funding of the District's revenue limit is provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments will amount to the difference between the District's revenue limit and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy and collect all property taxes, and prescribed how levies on county-wide property values (except for levies to support prior voter-approved indebtedness) are to be shared with local taxing entities within each county.

The revenue limit sources constituted approximately 81% of general fund revenues in 2003-04, 81.7% of general fund revenues in 2004-05 and are budgeted to equal approximately 82.3% of such revenues in 2005-06.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Drug Free Schools, Education for Economic Security, and the free and reduced lunch program. The federal revenues, most of which are restricted, constituted approximately 4.2% of general fund revenues in 2003-04, 3% of general fund revenues in 2004-05 and are budgeted to equal approximately 3.4% of such revenues in 2005-06.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives substantial other State revenues. These other State revenues are primarily restricted revenues funding items such as the Class Size Reduction Program, Educational Technology Assistance Grants, mandated cost reimbursements and instructional materials, among others. Other State revenues constituted approximately 7% of general fund revenues in 2003-04, 7.6% of general fund revenues in 2004-05 and are budgeted to equal approximately 7.3% of such revenues in 2005-06.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as leases and rentals, interest earnings, interagency services, and other local sources. Other local revenues constituted approximately 7.9% of general fund revenues in 2003-04, 7.8% of general fund revenues in 2004-05 and are budgeted to equal approximately 7.1% of such revenues in 2005-06.

Developer Fees

The District maintains a Capital Project Fund, apart from the General Fund, to account for developer fees collected by the District. The table below sets forth the developer fees collected by the District during the last seven fiscal years and estimates for fiscal year 2005-06.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Annual Developer Fees Collections

Fiscal Year	Developer Fees for District
1997-98	$5,374,140
1998-99	5,564,876
1999-00	5,626,207
2000-01	7,142,129
2001-02	10,662,140
2002-03	8,638,127
2003-04	6,447,243
2004-05	5,161,334
2005-06*	4,421,792

* Estimated.
Source: Roseville Joint Union High School District.

General Obligation Bonds

The District received authorization at an election held on June 4, 1991, by at least two-thirds of the votes cast by eligible voters within the District, to issue $51,000,000 maximum principal amount of general obligation bonds (the "1991 Authorization"). The District issued an initial series of bonds (the "Series A Bonds") in July 1992 in the original principal amount of $13,793,791.50, a second series of bonds (the "Series B Bonds") in June 1995 in the original principal amount of $19,030,284.10, a third series of bonds (the "Series C Bonds") in July 1998 in the original principal amount of $4,995,895.40, a fourth series of bonds (the "Series D Bonds") in July 1999 in the original principal amount of $3,000,841.15, and a fifth series of bonds (the "Series E Bonds") in August 2001 in the original principal amount of $10,175,000. The Series A Bonds, Series B Bonds, Series C Bonds, Series D Bonds and the Series E Bonds are collectively referred to herein as the "1991 Authorization Bonds." There is no more principal remaining from the 1991 Authorization for the issuance of additional general obligation bonds.

The annual debt service for each series of the 1991 Authorization and 2004 Authorization Bonds is shown in the following table.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Outstanding General Obligation Bonds Annual Debt Service
1991 Authorization and 2004 Authorization

Year Ending	Series A Bonds [(1)]	Series B Bonds [(2)]	Series C Bonds [(3)]	Series D Bonds [(4)]	Series E Bonds [(5)]	Series A 2004 Bonds	Series B 2004 Bonds	Combined Debt Service
2006	$1,335,000.00	$1,505,000.00	$340,200.00	$206,847.50	$630,815.00	$3,776,441.67	---	$7,794,304.17
2007	1,440,000.00	1,580,000.00	348,050.00	210,177.50	645,415.00	1,285,681.26	$2,052,268.75	7,561,592.51
2008	1,560,000.00	1,660,000.00	355,000.00	218,047.50	659,215.00	1,170,781.26	1,238,050.00	6,861,093.76
2009	1,685,000.00	1,740,000.00	366,050.00	220,057.50	677,215.00	1,229,731.26	1,291,250.00	7,209,303.76
2010	1,820,000.00	1,830,000.00	370,975.00	226,417.50	694,215.00	1,236,581.26	1,256,975.00	7,435,163.76
2011	1,965,000.00	1,920,000.00	385,000.00	231,862.50	714,090.00	1,298,081.26	1,229,050.00	7,743,083.76
2012	2,121,259.51	2,015,000.00	395,000.00	236,362.50	732,615.00	1,361,481.26	1,287,250.00	8,148,968.27
2013	2,290,570.92	2,115,000.00	405,000.00	245,000.00	749,077.50	1,427,081.26	1,352,750.00	8,584,479.68
2014	2,473,042.88	2,220,000.00	415,000.00	250,000.00	769,115.00	1,494,681.26	1,420,100.00	9,041,939.14
2015	2,674,088.55	2,335,000.00	425,000.00	260,000.00	787,490.00	1,569,081.26	1,494,075.00	9,544,734.81
2016	2,886,286.48	2,451,087.00	435,000.00	265,000.00	804,010.00	1,644,881.26	1,564,225.00	10,050,489.74
2017	3,120,000.00	2,575,251.00	445,000.00	270,000.00	823,430.00	1,726,881.26	1,643,475.00	10,604,037.26
2018	---	2,700,979.20	455,000.00	275,000.00	845,430.00	1,814,681.26	1,727,725.00	7,818,815.46
2019	---	2,837,195.90	470,000.00	285,000.00	870,180.00	1,901,887.50	1,811,475.00	8,175,738.40
2020	---	2,980,000.00	480,000.00	290,000.00	886,875.00	1,998,000.00	1,903,175.00	8,538,050.00
2021	---	---	495,000.00	300,000.00	910,675.00	2,095,500.00	1,999,250.00	5,800,425.00
2022	---	---	505,000.00	305,000.00	936,287.50	2,195,500.00	2,099,250.00	6,041,037.50
2023	---	---	515,000.00	315,000.00	958,750.00	2,307,500.00	2,201,750.00	6,298,000.00
2024	---	---	---	320,000.00	983,062.50	2,420,500.00	2,311,250.00	6,034,812.50
2025	---	---	---	---	1,003,962.50	2,539,000.00	2,427,000.00	5,969,962.50
2026	---	---	---	---	1,031,450.00	2,667,250.00	2,553,250.00	6,251,950.00
2027	---	---	---	---	---	2,794,250,00	2,679,000.00	5,473,250.00
2028	---	---	---	---	---	2,934,500.00	2,813,750.00	5,748,750.00
2029	---	---	---	---	---	3,081,750.00	2,951,500.00	6,033,250.00
2030	---	---	---	---	---	---	4,651,500.00	4,651,500.00
Total	$25,370,248.34	$32,464,513.10	$7,605,275.00	$4,929,772.50	$17,113,375.00	$47,971,704.29	$47,959,343.75	$183,414,231.98

(1) Interest on the Series A Bonds is payable on February 1 and August 1. Principal and accreted value is payable on August 1.
(2) For the Capital Appreciation Series B Serial Bonds, interest is compounded on February 1 and August 1 and accreted value is payable on August 1. For the Capital Appreciation Series B Term Bonds, interest is compounded on December 1 and June 1 and accreted value is payable on June 1.
(3) For the Capital Appreciation Series C Bonds maturing August 1, 2011, to August 1, 2022, interest is compounded on February 1 and August 1 and accreted value is payable on August 1. For the Capital Appreciation Series C Bonds maturing July 1, 2023, interest is compounded on January 1 and July 1 and accreted value is payable on July 1.
(4) For the Capital Appreciation Series D Bonds maturing August 1, 2013, to August 1, 2023, interest is compounded on February 1 and August 1 and accreted value is payable on August 1. For the Capital Appreciation Series D Bonds maturing July 1, 2024, interest is compounded on January 1 and July 1 and accreted value is payable on July 1.
(5) Interest on the Series E Bonds is payable on February 1 and August 1. Principal is payable on August 1.

Source: Roseville Joint Union High School District.

Certificates of Participation

In August 1991, the District issued $3,740,000 of Certificates of Participation (the "1991 Certificates"), with variable interest rates for land acquisition to be used for a new high school. The Certificates of Participation mature on August 1, 2006.

The District's future obligations on the 1991 Certificates are as follows

Year Ending June 30	
2006	$420,000
2007	440,000
Total	$860,000

In January 2004, the District issued $6,300,000 of Certificates of Participation (the "2004 Certificates"), with variable interest rates for the acquisition, modernization, improvement and construction of District facilities. The Certificates of Participation mature January 1, 2018.

The District's future obligations on the 2004 Certificates are as follows

Year Ending June 30	
2006	$380,000
2007	390,000
2008	405,000
2009	415,000
2010	430,000
2011-2015	2,340,000
2016-2020	1,575,000
Total	$5,935,000

Source: Roseville Joint Union High School District.

Capital Leases

The District leases office equipment and vehicles under agreements which provide for title to pass upon expiration of the lease period. Future minimum payments are as follows:

Year Ending June 30	Lease Payments
2006	$146,994
2007	24,762
2008	24,762
2009	24,762
2010	24,762
2011-2015	43,330
	289,372
Less amount representing interest	(28,942)
Total	$260,430

Source: Roseville Joint Union High School District.

Tax and Revenue Anticipation Notes. On August 11, 2005, the District issued $9,000,000 of tax and revenue anticipation notes ("TRANs") maturing on August 26, 2006, with a coupon interest rate of 4% and a yield of 2.75%, to provide for anticipated cash flows deficits and operations. The TRANs are a general obligation of the District and are payable from revenues and cash receipts generated by the District during the fiscal year ended June 30, 2006.

State Budget Measures

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

2005-06 State Budget. On July 11, 2005, the Governor signed the 2005-06 Budget Act (the "2005-06 Budget"). The information in this section is adapted from the Governor's summary of the 2005-06 Budget. The 2005-06 Budget includes general fund revenues of approximately $92.0 billion along with general fund expenditures of approximately $90.0 billion. The 2005-06 Budget contemplates no additional borrowing or taxes.

The 2005-06 Budget fully funds cost-of-living ("COLA") adjustments, K-14 student growth, restores half of the general purposes revenue limit funding reductions reflected in prior State budgets and provides over $70 million for the repayment of prior-year mandated costs for school district and community college districts. With respect to K-12 education, the 2005-06 Budget increases total K-12 funding from all sources to $62.3 billion, representing the largest year-to-year increase in State history. Total funding per pupil increases by $380, from $9,945 in fiscal year 2004-05 to $10,325 in fiscal year 2005-06. Proposition 98 funding is estimated to be $7,402 per pupil in fiscal year 2005-06, an increase of $379 per pupil from fiscal year 2004-05.

Aspects of the 2005-06 Budget pertaining to K-12 education include:

- *Enrollment Growth*. The 2005-06 Budget includes $193.6 million to fund enrollment growth increases for school apportionments, special education and other categorical programs. This amount includes $4.4 million deferred to fiscal year 2006-07 and reflects the Governor's goal of preserving core K-12 services despite difficult fiscal times.

- *Cost of Living Adjustments*. The 2005-06 Budget provides over $1.7 billion to provide a 4.23 percent COLA increase to K-12 programs. Of this amount, $15.7 million is deferred to fiscal year 2006-07. The 4.23 percent calculation exceeds the expected growth of the consumer price index in California.

- *Revenue Limits*. The 2005-06 Budget provides a net increase of $1.6 billion to school district and county office of education revenue limits, which includes funding for enrollment growth, COLA adjustment and the repayment of $328 million or approximately half of the outstanding deficit factor owed as a result of reductions made in prior fiscal years.

2006-2007 Budget. The 2006-07 Budget Act was signed by the Governor on June 30, 2006 (the "2006-07 Budget"). The following information is adapted from the Legislative Analyst's budget analysis. The 2006-07 Budget assumes revenues in 2006-07 of $94.4 billion and expenditures of $101.3 billion. Proposition 98 K-14 education funding in the 2006-07 Budget increases to $55.1 billion, an increase of 10.3 percent over the revised fiscal year 2005-06 spending level.

Total funding from all sources available to K-12 education increases by $3.1 billion over the revised 2005-06 Budget, bringing total funding to $55.1 billion for the 2006-07 fiscal year. The 2005-06 revised per ADA funding of $7,777 for K-12 education represents an increase of $375 from the 2005-06 Budget Act level of $7,402. Funding per pupil for K-12 education for 2006-07 is $8,244, an increase of $467 (or 11.4%) from the revised 2005-06 level.

The 2006-07 Budget provides approximately $4.5 billion is new ongoing K-12 expenditures, including the following significant changes to major K-12 education programs:

- *Enrollment Growth and Cost-Of-Living Adjustments*. The budget provides $2.6 billion to fund a 5.92 percent COLA for revenue limits and most categorical programs (including statutory and discretionary COLAs). The budget also reflects a net of roughly $220 million in savings – mostly for revenue limits – due to estimates that statewide attendance will decline by 0.26 percent in 2006-07 compared to revised estimates for the preceding year. (In general, the budget does not decrease funding for categorical programs based on these declines in statewide growth rates, but rather continues to fund them at 2005-06 levels plus COLAs).

- *Proposition 49 After School Program.* The budget package includes $426 million in new Proposition 98 spending for after school programs, as required by Proposition 49 (passed by voters in 2002). These funds were provided after the state fully funded the 2006-07 Proposition 98 minimum guarantee. In addition, the budget includes around $2 million in non-Proposition 98 General Fund monies for the California Department of Education to administer and evaluate the program.

- *Revenue Equalization.* The budget provides $350 million to reduce historical inequities in general purpose spending. Trailer bill legislation stipulates that these funds will be allocated using the current equalization methodology, which sets targets at the 90th percentile of average daily attendance and distinguishes districts by size and type.

- *Economic Impact Aid Augmentation and Formula Change.* The budget includes a $350 million funding increase for districts to educate economically disadvantaged and English learner students, bringing total program funding to roughly $975 million. Trailer bill legislation changes the distribution formula to address data issues and historic inequities in the distribution of funds.

- *Counselors.* The budget provides $200 million for additional counselors for students in grades 7-12. The trailer bill includes a requirement that, as a condition of receiving these funds, districts develop a course plan to assist low-performing 7th grade students and high school students who have not passed the California High School Exit Examination.

- *Arts and Music Block Grant.* The budget includes $105 million to create a new block grant, which will provide districts with supplemental funding to hire staff and purchase supplies for standards-aligned instruction in arts and music.

- *Expansion of Child Care Eligibility.* The budget "unfreezes" child care income eligibility levels to a maximum of 75 percent of current state median income. To accommodate the projected increases in caseload as a result of the eligibility change, the budget provides $67 million for additional subsidized child care slots.

- *Preschool Expansion.* The budget provides $50 million for expanded preschool services. The budget also provides $50 million in one-time funds for facility loans to providers.

- *Additional Support for High School Exit Exam.* The budget provides an increase of $50 million for supplemental instruction for 11th and 12th grade students who have not passed the California High School Exit Examination. Combined with the $20 million that continues from the prior year, the 2006-07 budget provides $500 per student for each 12th grade student. Funds available after funding 12th grade students will be distributed for services to 11th grade students.

- *Additional One-Time Funds.* The budget provides an additional $2.5 billion in one-time K-12 education funds. This total is comprised of three main sources – additional funds required to meet the Proposition 98 minimum guarantee in 2005-06 ($2 billion), settle-up payments to meet Proposition 98 obligations from prior years ($258 million), and the Proposition 98 Reversion Account, which are funds that have been appropriated for K-14 education in prior years but not used ($226 million).

Future Budgets. The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures 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 during 2006-07 as budgeted. Continued State budget shortfalls in future fiscal years could have an adverse financial impact on the District.

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. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of such corporations.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase 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).

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 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 for the Bonds is attached hereto as APPENDIX C.

LEGAL MATTERS

Continuing Disclosure

The District has covenanted for the benefit of 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 eight months following the end of the District's fiscal year (the District's fiscal year ends on June 30), commencing with the report for the 2005-06 fiscal year (which is due not later than April 1, 2007), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed with each Nationally Recognized Municipal Securities Information Repository and with the appropriate State information depository, if any. The notices of material events will be filed by the District with each Nationally Recognized Municipal Securities Information Repository or with the Municipal Securities Rulemaking Board, and with the appropriate State information depository, if any.

The specific nature of the information to be made available and to be contained in the notices of material events is described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX C. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). The District has, in the past, failed to file certain of its required annual reports in a timely manner as required under previous continuing disclosure obligations. The District has since filed all such reports and is current on all filings required under its continuing disclosure obligations.

Legality for Investment in California

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

Absence of Material Litigation

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

Certain Legal Matters

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel.

RATINGS

Fitch Ratings ("Fitch") and Standard & Poor's ("S&P"), a Division of The McGraw-Hill Companies, have assigned ratings of "AAA" and "AAA," respectively, to the Bonds based on the issuance by Financial Guaranty of the Policy with respect to the Bonds. The Bonds have been assigned ratings of "AA" and "AA-" by Fitch and S&P, respectively, without regard to the Policy.

Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, New, York 10004 and Standard & Poor's, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

UNDERWRITING

The Bonds are being purchased by Stone & Youngberg LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $25,141,838.62, which is equal to the initial principal amount of the Bonds of $25,000,000.00, plus net original issue premium of $546,144.95, less the Underwriter's discount of $250,000.00, less $154,306.33 to be retained by the Underwriter to pay costs of issuance associated with the Bonds. The Contract of Purchase for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover. The offering prices may be changed from time to time by the Underwriter.

ADDITIONAL INFORMATION

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

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

By: /s/ Richard Strickland
Deputy Superintendent

APPENDIX A

EXCERPTS FROM THE 2004-05 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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PERRY-SMITH LLP

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

COUNTY OF PLACER

ROSEVILLE, CALIFORNIA

FINANCIAL STATEMENTS

WITH SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2005

AND

INDEPENDENT AUDITOR'S REPORT

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ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2005

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Roseville Joint Union High School District
Roseville, California

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Roseville Joint Union High School District, as of and for the year ended June 30, 2005, which collectively comprise Roseville Joint Union High 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.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Roseville Joint Union High School District as of June 30, 2005, and the respective changes in financial position and 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 October 14, 2005 on our consideration of Roseville Joint Union High 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.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is 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.

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916.441.1000 FAX 916.441.1110 URL www.perry-smith.com

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purposes of forming an opinion on the financial statements that collectively comprise Roseville Joint Union High 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 Roseville Joint Union High 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
October 14, 2005

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This section of the Roseville Joint Union High School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2005. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 and 2, and the District's financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities, present on pages 12 and 13, provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 14 and 16, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- Total current year revenues exceeded total current year expenses by $3,404,016. This is primarily due to revenues in the construction funds being receipted in the current year and expenses being incurred in subsequent periods.

- Capital assets, net of depreciation, increased by $11,427,921, due to multiple projects across the District. These projects are all addressed in the District's capital facilities plan.

- The District's ADA increased by 340 or 4.531%. Also, the District recorded 81,002 hours of summer school and supplemental instructional hours, a new record for the district. These items have caused additional growth in the District's revenue limit funding.

- This is the third year that capital asset balances have been included in the financial statements of the District as mandated by the Governmental Accounting Standards Board.

- The District maintains sufficient reserves for a district of its size. It meets the state required minimum reserve for economic uncertainty of 3% of general fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2004-05, General Fund expenditures and other financing uses totaled $55,066,984, excluding state on-behalf payments. At June 30, 2005, the District has available reserves of $2,895,392 in the General Fund, which represents a reserve of 5.3%.

THE FINANCIAL REPORT

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements 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 comprise the remaining statements.
  - Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
  - Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

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

Reporting the District as a Whole

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.

- Increases or decreases 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 the 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.

In the Statement of Net Assets and the Statement of Activities, we divide the District into two kinds of activities:

THE FINANCIAL REPORT (CONCLUDED)

Reporting the District as a Whole (Concluded)

Governmental Activities:

The basic services provided by the District, such as regular and special education, administration, and transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition are also included here, but are financed by a combination of state and federal contract and grants, and local revenues.

Business-type Activities:

The District does not provide any services that should be included in this category.

Reporting the District's Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

Governmental Funds

The major governmental funds of the Roseville Joint Union High School District are the General Fund, Capital Facilities Fund and Building Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business-type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore no reconciling entries are required. Internal service funds are reported with the Governmental Funds. The District has no funds of this type.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship and student activity funds. All of the District's fiduciary activities are reported in separate Fiduciary Statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

GOVERNMENTAL ACTIVITIES

The District's net assets increased from $70,440,679 at June 30, 2004 to $73,844,695 at June 30, 2005; an increase of $3,404,016, or 4.83%.

Comparative Statement of Net Assets

		2005	2004
Assets:			
Current & Other Assets		$ 60,754,030	$ 44,149,450
Capital Assets		$ 114,480,937	$ 103,053,016
	Total Assets	$ 175,234,967	$ 147,202,466
Liabilities:			
Current Liabilities		$ 12,568,691	$ 12,666,991
Long-Term Liabilities		$ 88,821,581	$ 64,094,796
	Total Liabilities	$ 101,390,272	$ 76,761,787
Net Assets:			
Invested in Capital Assets, net of related debt		$ 25,858,361	$ 39,116,012
Restricted		$ 42,363,202	$ 24,589,269
Unrestricted		$ 5,632,132	$ 6,735,398
	Total Net Assets	$ 73,844,695	$ 70,440,679
Comparative Change--$		$ 3,404,016	N/A
Comparative Change--%		4.83%	N/A

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Comparative Statement of Revenues and Expenses

	Governmental Activities	
	2005	2004
Program Revenues:		
Charge for Services	$ 2,757,220	$ 2,572,578
Operating Grants and Contributions	6,306,345	6,931,866
Capital Grants and Contributions	1,442,776	9,119,011
General Revenues:		
Taxes Levied	39,556,421	38,793,917
Federal and State Aid	11,228,186	7,428,083
Interest and Investment Earnings	628,680	288,289
Miscellaneous	6,007,864	7,082,891
Total Revenues	$ 67,927,492	$ 72,216,635
Program Expenses:		
Instruction	33,393,728	31,428,233
Instruction-Related Services	5,466,392	5,122,996
Pupil Services	8,587,709	8,039,048
General Administration	4,211,837	3,939,073
Plant Services	7,948,950	8,278,488
Ancillary Services	942,782	933,794
Community Services Enterprise	182,349	226,307
Interest on Long-Term Debt	3,354,552	3,667,574
Other Outgo	435,177	149,013
Total Expenses	64,523,476	61,784,526
Change In Net Assets	$ 3,404,016	$ 10,432,109
Comparative Change-$	$ (7,028,093)	N//A
Comparative Change-%	-67.37%	N/A

Comparative Schedule of Capital Assets

	Governmental Activities 2005	Governmental Activities 2004
Land	$ 15,107,514	$ 15,107,514
Building and Improvements	96,400,478	90,072,703
Furniture and Equipment	5,906,794	5,514,480
Work in Progress	27,665,189	20,464,205
Subtotals	$ 145,079,975	$ 131,158,902
Less: Accumulated Depreciation	$ 30,599,038	$ 28,105,886
Capital Assets, Net	$ 114,480,937	$ 103,053,016
Comparative Change--$	$ 11,427,921	N/A
Comparative Change--%	$ 11.09%	N/A

Capital assets, net of depreciation, increased by $11,427,921, due primarily to the aggressive facilities modernization program, including completion of the new two story classroom science wing and Performing Arts building at Roseville High and the two story classroom structure at Granite Bay High.

All of the district's facilities and other assets are extremely well maintained. The capital improvement plan has consistently included modernization, upgrading, and new construction at all of our campuses such that the district's facilities overall are regarded as among the highest quality in the region.

Comparative Schedule of Outstanding Liabilities

	Governmental Activities 2005	Governmental Activities 2004
General Obligation Bonds	$ 81,567,146	$ 55,989,982
Certificates of Participation	6,795,000	7,555,000
Capital Leases	260,430	392,022
Compensated Absences	199,005	157,792
Totals	$ 88,821,581	$ 64,094,796

New debt bonds were issued in the fiscal year in the amount of $26,000,000 to help cash flow needs for the completion of critical classroom projects. This financing is part of the District's capital improvement master plan. The table reflects the fact that practically all of the district's debt is issued in support of school construction to meet our district's strong, annual enrollment growth. A recent bond rating -- issued for the new bond debt – a very strong AAA. Bond rating agency rationale included:

- Strong (district) financial performance with solid revenues; and
- Moderate debt levels coupled with growth-related capital needs; and
- Planned deficit spending in the 2004/05 to maintain educational programs, followed by a planned, balanced budget in 2005/06

The new bond debt -- combined with developer fee revenue and state construction funds -- will be used for:

- A fifth high school
- Technology improvements
- Various identified modernizations/additions.

The $41,213 increase in accrued vacation time (compensated absences) is primarily due to workload in key departmental areas.

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement.

Comparative Schedule of Fund Balances

Fund (fund #)	Fund Balances June 30, 2005	Fund Balances June 30, 2004	Increase (Decrease)
General (01)	$ 7,118,110	$ 6,915,934	$ 202,176
Adult Education (11)	$ 282,874	$ 243,853	$ 39,021
Cafeteria (13)	$ 338,777	$ 296,722	$ 42,055
Deferred Maintenance (14)	$ 416,773	$ 756,111	$ (339,338)
Pupil Transportation (15)	$ 14,799	$ 82,039	$ (67,240)
Building Fund (21)	$ 16,372,080	$ -	$ 16,372,080
Capital Facilities (25)	$ 16,060,343	$ 16,862,098	$ (801,755)
County School Facilities (35)	$ 3,778,503	$ 2,689,142	$ 1,089,361
Capital Projects-Special Reserve (40)	$ 141,019	$ 210,368	$ (69,349)
Totals	$ 44,523,278	$ 28,056,267	$ 16,467,011

As can be seen in the scheduled fund balances, the district has a number of very different funds within which district programs operate. The general fund has historically had a fund balance in excess of the state required reserve of 3%. By design, the Board adopted a 2005-06 balanced operating budget while ensuring that there were no educational program reductions and no personnel layoffs. The reserved ending fund balance still remains at over 5%.

The Capital Facilities and County Schools Facilities funds still maintain healthy balances but these balances are earmarked for classroom projects identified in the capital improvement plan.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The 2005/06 General Fund budget is balanced between revenues and expenditures. The budget includes increased costs for employee longevity step moves on the applicable salary schedules. However, no budget capacity is currently available to consider overall employee salary schedule changes. The District is committed to being competitive with surrounding districts in the area of salary and benefit compensation in order to attract and retain the best teachers and support staff. As such, the District will be examining alternatives that provide compensation increases.

- The construction market is experiencing significant increase in costs of facility construction in most major sectors – labor, materials, etc. This world wide reality combined with the constraints of funding availability is causing the District to reevaluate the major facilities projects that can be started and completed. Alternative financing methods will need to be explored along with potential scaling back of specific projects.

- Since adoption of the 2005/06 budget, the nation's energy picture has changed. Even with inflation factors built into the District's adopted budget, the cost of diesel fuel is increasing at an unexpected rate. This will bring added pressure to our pupil transportation department to maintain budget integrity.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the district Business Department, Roseville Joint Union High School District, 1750 Cirby Way, Roseville, CA 95661 or (916) 782-5096.

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BASIC FINANCIAL STATEMENTS

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2005

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 49,265,518
Cash with Fiscal Agent, restricted for repayment of Tax and Revenue Anticipation Notes (TRANs) (Note 2)	7,764,967
Accounts receivable:	
Federal government	259,337
State government	2,508,103
Local government	116,983
Prepaid expenditures	832,284
Stores inventory	6,838
Capital assets, net of accumulated depreciation (Note 4)	114,480,937
Total assets	175,234,967
LIABILITIES	
Accounts payable	4,875,328
TRANS payable (Note 2)	7,500,000
Deferred revenue	193,363
Long-term liabilities (Note 5):	
Due within one year	4,240,942
Due after one year	84,580,639
Total liabilities	101,390,272
NET ASSETS	
Invested in capital assets, net of related debt	25,858,361
Restricted (Note 6)	42,363,202
Unrestricted	5,623,132
Total net assets	$ 73,844,695

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2005

	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	$ 33,393,728	$ 12,858	$ 4,559,522	$ 1,442,776	$ (27,378,572)
Instruction-related services:					
Supervision of instruction	779,834		214,178		(565,656)
Instructional library, media and technology	311,817		24,497		(287,320)
School site administration	4,374,741	426	36,600		(4,337,715)
Pupil services:					
Home-to-school transportation	1,915,084	1,091,388	339,359		(484,337)
Food services	1,973,908	1,652,549	276,534		(44,825)
All other pupil services	4,698,717		697,336		(4,001,381)
General administration:					
Data processing	1,168,263				(1,168,263)
All other general administration	3,043,574		94,382		(2,949,192)
Plant services	7,948,950		29,619		(7,919,331)
Ancillary services	942,782				(942,782)
Enterprise activities	182,349				(182,349)
Other outgo	435,177	(1)	34,318		(400,860)
Interest on long-term liabilities	3,354,552				(3,354,552)
Total governmental activities	$ 64,523,476	$ 2,757,220	$ 6,306,345	$ 1,442,776	(54,017,135)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					35,678,053
Taxes levied for debt service					3,675,695
Taxes levied for other specific purposes					202,673
Federal and State aid not restricted to specific purposes					11,228,186
Interest and investment earnings					628,680
Miscellaneous					6,007,864
Total general revenues					57,421,151
Change in net assets					3,404,016
Net assets, July 1, 2004					70,440,679
Net assets, June 30, 2005					$ 73,844,695

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2005

	General Fund	Building Fund	Capital Facilities Fund	All Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
Cash in County Treasury	$ 5,458,534	$ 16,359,138	$ 17,852,418	$ 9,433,468	$ 49,103,558
Cash on hand and in banks	53,559		56,485	13,689	123,733
Cash in revolving fund	10,300			100	10,400
Cash with Fiscal Agent, restricted for TRANs	7,764,967				7,764,967
Cash with Fiscal Agent		12,942	14,885		27,827
Accounts receivable:					
Federal government	259,337				259,337
State government	2,508,103				2,508,103
Local government and other				116,983	116,983
Prepaid expenditures and expenses	281,500		603,172		884,672
Due from other funds	35,369			44,169	79,538
Stores inventory				6,838	6,838
Total assets	$ 16,371,669	$ 16,372,080	$ 18,526,960	$ 9,615,247	$ 60,885,956
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 1,590,781		$ 2,466,617	$ 517,879	$ 4,575,277
TRANs payable	7,500,000				7,500,000
Deferred revenue	118,609			74,754	193,363
Due to other funds	44,169			35,369	79,538
Total liabilities	9,253,559		2,466,617	628,002	12,348,178
Fund balances	7,118,110	$ 16,372,080	16,060,343	8,987,245	48,537,778
Total liabilities and fund balances	$ 16,371,669	$ 16,372,080	$ 18,526,960	$ 9,615,247	$ 60,885,956

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

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

June 30, 2005

Total fund balances - Governmental Funds		$ 48,537,778
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 $145,079,975 and the accumulated depreciation is $30,599,038 (Note 4).		114,480,937
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2005 consisted of (Note 5):		
General Obligation Bonds	$ 81,567,146	
Certificates of Participation	6,795,000	
Capitalized lease obligations	260,430	
Compensated absences	199,005	
		(88,821,581)
Costs associated with the issuance of long-term liabilities are not financial resources and, therefore, are not reported as assets in governmental funds.		(52,388)
Unmatured interest is not recognized until it is due and, therefore, is not accrued as a payable in governmental funds.		(300,051)
Total net assets - governmental activities		$ 73,844,695

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2005

	General Fund	Building Fund	Capital Facilities Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Revenue limit sources:					
State apportionment	$ 8,392,286			$ 660,366	$ 9,052,652
Local sources	35,830,272				35,830,272
Total revenue limit	44,222,558			660,366	44,882,924
Federal sources	1,628,494			336,104	1,964,598
Other State sources	4,069,223		$ 146,737	1,754,579	5,970,539
Other local sources	4,192,181	$ 17,709	5,510,992	5,296,219	15,017,101
Total revenues	54,112,456	17,709	5,657,729	8,047,268	67,835,162
Expenditures:					
Certificated salaries	27,774,453			382,082	28,156,535
Classified salaries	7,931,237			779,657	8,710,894
Employee benefits	10,448,921			429,272	10,878,193
Books and supplies	3,469,338		678,227	989,402	5,136,967
Contract services and operating expenditures	3,914,962	431,924	1,268,614	339,877	5,955,377
Capital outlay	191,804		11,129,261	2,607,921	13,928,986
Other outgo	200,998				200,998
Debt service:					
Principal retirement	777,315			2,939,277	3,716,592
Interest	217,598			768,362	985,960
Total expenditures	54,926,626	431,924	13,076,102	9,235,850	77,670,502
Deficiency of revenues under expenditures	(814,170)	(414,215)	(7,418,373)	(1,188,582)	(9,835,340)
Other financing sources (uses):					
Operating transfers in	1,156,704		7,737,953	2,126,392	11,021,049
Operating transfers out	(140,358)	(9,648,987)	(1,121,335)	(110,369)	(11,021,049)
Proceeds from issuance of General Obligation Bonds		26,000,000			26,000,000
Other financing sources		435,282		553,088	988,370
Total other financing sources (uses)	1,016,346	16,786,295	6,616,618	2,569,111	26,988,370
Net change in fund balances	202,176	16,372,080	(801,755)	1,380,529	17,153,030
Fund balances, July 1, 2004	6,915,934		16,862,098	7,606,716	31,384,748
Fund balances, June 30, 2005	$ 7,118,110	$ 16,372,080	$ 16,060,343	$ 8,987,245	$ 48,537,778

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

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

For the Year Ended June 30, 2005

Net change in fund balances - Total Governmental Funds		$ 17,153,030
Amounts reported for governmental activities in the statement of activities are different because:		
Issuance of long-term liabilities is an other financing source in the governmental funds, but increases the long-term liabilities in the statement of net assets (Note 5).	$ (28,402,164)	
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.	412,318	
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 5).	3,716,592	
Unmatured interest on long-term liabilities is not recognized in the governmental funds until the period it is incurred, but is recognized as an expense in the period it becomes due on the statement of net assets.	(862,468)	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net assets (Note 4).	13,928,986	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(2,493,152)	
Costs previously capitalized as work in progress were determined to be non-capitalizeable expenditures (Note 4).	(7,913)	
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 5).	(41,213)	(13,749,014)
Change in net assets of governmental activities		$ 3,404,016

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL

MAJOR FUND - GENERAL FUND

For the Year Ended June 30, 2005

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Revenue limit sources:				
State apportionment	$ 12,064,749	$ 8,338,082	$ 8,392,286	$ 54,204
Local sources	31,917,624	35,832,611	35,830,272	(2,339)
Total revenue limit	43,982,373	44,170,693	44,222,558	51,865
Federal sources	1,678,538	2,000,259	1,628,494	(371,765)
Other State sources	3,583,286	3,976,821	4,069,223	92,402
Other local sources	4,263,620	3,912,741	4,192,181	279,440
Total revenues	53,507,817	54,060,514	54,112,456	51,942
Expenditures:				
Certificated salaries	27,885,560	27,948,488	27,774,453	174,035
Classified salaries	8,148,570	8,099,830	7,931,237	168,593
Employee benefits	10,490,100	10,586,990	10,448,921	138,069
Books and supplies	3,011,855	3,802,293	3,469,338	332,955
Contract services and operating expenditures	4,695,707	3,914,826	3,914,962	(136)
Capital outlay	146,900	213,793	191,804	21,989
Other outgo	180,000	277,459	200,998	76,461
Debt service:				
Principal retirement	740,000	740,000	777,315	(37,315)
Interest	346,000	346,000	217,598	128,402
Total expenditures	55,644,692	55,929,679	54,926,626	1,003,053
Deficiency of revenues under expenditures	(2,136,875)	(1,869,165)	(814,170)	1,054,995
Other financing sources (uses):				
Operating transfers in	1,107,644	1,311,334	1,156,704	(154,630)
Operating transfers out	(140,358)	(140,358)	(140,358)	
Total other financing sources (uses)	967,286	1,170,976	1,016,346	(154,630)
Net change in fund balance	(1,169,589)	(698,189)	202,176	900,365
Fund balance, July 1, 2004	6,915,934	6,915,934	6,915,934	
Fund balance, June 30, 2005	$ 5,746,345	$ 6,217,745	$ 7,118,110	$ 900,365

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

TRUST AND AGENCY FUNDS

June 30, 2005

ASSETS	
Cash and investments (Note 2):	
Cash in County Treasury	$ 489,332
Cash on hand and in banks	808,757
Total assets	1,298,089
LIABILITIES	
Accounts payable	45,547
Due to students/student groups	808,757
Total liabilities	854,304
NET ASSETS	
Net assets, restricted (Note 6)	$ 443,785

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

PRIVATE PURPOSE TRUST FUND

June 30, 2005

	Private Purpose Trust Fund
Additions:	
Other local sources	$ 112,338
Deductions:	
Contract services and operating expenditures	11,627
Net income	100,711
Net assets, July 1, 2004	343,074
Net assets, June 30, 2005	$ 443,785

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Roseville Joint Union High 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 generally accepted accounting principles 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.

The District receives funding from local, State and Federal government sources and must comply with all of the requirements of these funding source entities.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District and the Roseville Joint Union High School District Financing Corporation (the "Corporation") have a financial and operational relationship that meets the reporting entity definition criteria for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of the District.

The following are those aspects of the relationship between the District and the Corporation which satisfy the inclusion criteria:

Accountability

1. The Corporation's Board of Directors were appointed by the District's Board.

2. The District is able to impose its will upon the Corporation, based on the following:

   - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.

   - The District exercises significant influence over operations of the Corporation, as the District is the sole lessee of all facilities owned by the Corporation. Likewise, the District's lease payments are the sole revenue source of the Corporation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Accountability (Continued)

3. The Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:

   - Any deficits incurred by the Corporation will be reflected in the lease payments of the District.
   - Any surpluses of the Corporation revert to the District at the end of the lease period.
   - The District has assumed a "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation.

Scope of Public Service

The Corporation is a nonprofit public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in June 1991. The Corporation was formed for the sole purpose of providing financing assistance to the District for construction and acquisition of Woodcreek High School. The District occupies all Corporation facilities under a lease-purchase agreement effective through August 1, 2006. At the end of the lease term, title to all Corporation property will pass to the District for no additional consideration.

Financial Presentation

For financial presentation purposes, the Corporation's financial activity has been blended with the financial data of the District. The financial statements present the Corporation's financial activity within the Building Fund and the Bond Interest and Redemption Fund. Certificates of Participation issued by the Corporation are reported as long-term liabilities in the government-wide financial statements.

Basis of Presentation - Financial Statements

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- The financial statements include:
  - A Management Discussion and Analysis 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.
- Change in the fund financial statements to focus on the major funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Financial Statements (Continued)

These and other changes are reflected in the accompanying financial statements (including notes to basic financial statements). The District implemented the general provisions of the Statement during the year ended June 30, 2003.

Basis of Presentation - Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display 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 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 GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.*

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 or account groups, 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 two broad categories which, in aggregate, include six 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 specific purposes. This classification includes the Adult Education, Pupil Transportation Equipment, Cafeteria and Deferred Maintenance Funds.

3 - Capital Projects Funds:

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

4 - Debt Service Fund:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

B - Fiduciary Fund Types

1 - Private Purpose Trust Fund:

The Private Purpose Trust Funds are used to account for assets held by the District as Trustee. The District maintains one private purpose trust fund, the Foundation Fund, which is used by the District to provide assistance to students of the District.

2 - Agency Funds - Student Body Account:

The Student Body Account is an agency fund for which the District acts as an agent for all the cash activity of the various student body organizations. Individual totals by school and club are maintained within the District's accounting system.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the 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.

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 in 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

The District employs budgetary control by major object code and by individual appropriation account. 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 final revised budget is presented in the financial statements.

Stores Inventory

Inventories are valued at average cost method. Inventory recorded in the Cafeteria Fund consists mainly of consumable supplies. Inventories are recorded as an expenditure at the time individual inventory items are consumed.

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 5 - 50 years depending on asset types.

Cafeteria Food Purchases

The Cafeteria purchases food through the State of California Office of Surplus Property and is only required to pay handling charges on these purchases. The Statement of Revenues, Expenditures and Changes in Fund Balances reflects only the handling charges incurred. Supplies expenditures would have been greater had the District paid fair market value for the government surplus food commodities.

Compensated Absences

Compensated absences totaling $199,005 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenues

Revenues from Federal, State and local special projects and programs are 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, stores inventory and prepaid expenditures reflect the portion of net assets represented by revolving cash fund, stores inventory and prepaid expenditures, respectively. These amounts are not available for appropriation and expenditure at the balance sheet date. The restriction for unspent categorical program revenues represents the portion of net assets restricted to specific program expenditures. The restrictions for adult education programs, food service operations, deferred maintenance projects, capital projects and debt service represent the portion of net assets the District plans to expend on adult education programs, food service operations, deferred maintenance projects, capital projects and debt service, respectively.

Estimates

The preparation of 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.

Property Taxes

Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before November 15 and March 15. Unsecured property taxes are due in one installment on or before August 31. The Counties of Sacramento and Placer bill and collect taxes for the District. Tax revenues are recognized by the District when received.

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. All encumbrances are liquidated at June 30.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. CASH AND INVESTMENTS

Cash at June 30, 2005 consisted of the following:

Pooled Funds:	
Cash in County Treasury	$ 49,592,890
Cash with Fiscal Agent, restricted for repayment of TRANs	$ 7,764,967
Cash with Fiscal Agent	$ 27,827
Deposits:	
Cash on hand and in banks	$ 932,490
Revolving cash fund	$ 10,400

Pooled Funds

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

In accordance with applicable State laws, the Placer County Treasurer may invest in derivative securities. However, at June 30, 2005 the Placer County Treasurer has represented that the Treasurer's Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Cash with Fiscal Agent, Restricted for Repayment of TRANs

On September 28, 2004, the District issued $7,500,000 of Tax and Revenue Anticipation Notes (TRANs) maturing September 28, 2005 with a coupon interest rate of 3.0% and a yield of 1.4% to provide for anticipated cash flow deficits from operations. The TRANs are a general obligation of the District, and are payable from revenues and cash receipts generated by the District during the fiscal year ended June 30, 2005. Repayment terms require the entire TRANs principal and accrued interest to be set aside. As of June 30, 2005, funds totaling $7,764,967 held in the General Fund were pledged to repay the principal and accrued interest.

2. CASH AND INVESTMENTS (Continued)

Deposits - Custodial Credit Risk

Cash balances held in banks and revolving funds are insured up to $100,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2005, the carrying amount of the District's accounts was $942,890, and the bank balance was $1,015,832. Of the bank balance, $165,686 was covered by the FDIC insurance and $850,146 was uninsured.

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, 2005, 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, 2005, the District had no concentration of credit risk.

3. INTERFUND TRANSACTIONS

Interfund Activity

Transactions between funds of the District are recorded as interfund transfers. 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

Individual fund interfund receivable and payable balances at June 30, 2005 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 35,369	$ 44,169
Special Revenue Funds:		
Adult Education	19,169	35,369
Capital Projects Fund:		
Special Reserve for Capital Outlay Projects	25,000	
Totals	$ 79,538	$ 79,538

3. INTERFUND TRANSACTIONS (Continued)

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 2004-2005 fiscal year were as follows:

Transfer from the General Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs.	$ 50,000
Transfer from the General Fund to the Special Reserve for Capital Outlay Projects Fund for special facility needs.	49,558
Transfer from the General Fund to the Cafeteria Fund for meals for the needy funding.	800
Transfer from the General Fund to the Deferred Maintenance Fund for the State-required match.	40,000
Transfer from the Capital Facilities Fund to the General Fund for payment of Certificates of Participation.	970,151
Transfer from the Adult Education Fund to the General Fund for indirect costs.	35,369
Transfer from the Capital Facilities Fund to the General Fund for indirect costs.	151,184
Transfer of General Obligation Bond proceeds from the Building Fund to the County School Facilities Fund to pay for construction costs.	1,911,034
Transfer of General Obligation Bond proceeds from the Building Fund to the Capital Facilities Fund to pay for construction costs.	7,737,953
Transfer from the Special Reserve Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs.	75,000
Totals	$ 11,021,049

4. CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2005 is shown below:

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
Land	$ 15,107,514			$ 15,107,514
Improvement of sites	4,118,063			4,118,063
Buildings	85,954,640	$ 6,327,775		92,282,415
Equipment	5,514,480	392,314		5,906,794
Work-in-process	20,464,205	12,506,181	$ 5,305,197	27,665,189
Totals, at cost	131,158,902	19,226,270	5,305,197	145,079,975
Less accumulated depreciation:				
Improvement of sites	(3,008,329)	(115,376)		(3,123,705)
Buildings	(21,573,814)	(1,947,155)		(23,520,969)
Equipment	(3,523,743)	(430,621)		(3,954,364)
Total accumulated depreciation	(28,105,886)	(2,493,152)		(30,599,038)
Capital assets, net	$103,053,016	$ 16,733,118	$ 5,305,197	$114,480,937

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 1,375,973
Supervision of instruction	32,529
Instructional library, media and technology	12,884
School site administration	180,007
Home-to-school transportation	84,077
Food services	81,334
All other pupil services	201,844
Ancillary services	38,847
All other general administration	124,262
Data processing	50,755
Plant services	310,640
Total depreciation expense	$ 2,493,152

5. LONG-TERM LIABILITIES

General Obligation Bonds

In July 1992, the District issued General Obligation Bonds in the amount of $13,793,792 for land acquisition and the construction of new high schools. The 1992 General Obligation Bonds, Series A, are authorized pursuant to the special election of the registered voters held in June 1991, and are payable from the ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 3.5% to 6.6% and are scheduled to mature through 2017.

Year Ending June 30,	Principal	Interest	Total
2006	$ 1,170,000	$ 70,200	$ 1,240,200
2007	1,216,380	118,620	1,335,000
2008	1,231,629	208,371	1,440,000
2009	1,251,285	308,715	1,560,000
2010	1,266,295	418,705	1,685,000
2011-2015	6,533,709	4,136,164	10,669,873
2016-2017	4,105,723	4,574,652	8,680,375
	$ 16,775,021	$ 9,835,427	$ 26,610,448

In June 1995, the District issued 1992 General Obligation Bonds, Series B, in the amount of $19,030,284. Bond proceeds were used for land acquisition and construction of new high schools. The Capital Appreciation Serial Bonds interest and yield vary, ranging from 4.4% to 6.0% and are scheduled to mature through 2020.

Year Ending June 30,	Principal	Interest	Total
2006	$ 1,435,000		$ 1,435,000
2007	1,505,000		1,505,000
2008	1,580,000		1,580,000
2009	1,660,000		1,660,000
2010	1,740,000		1,740,000
2011-2015	10,100,000		10,100,000
2016-2020	2,915,061	$ 9,984,452	12,899,513
2021-2025		2,980,000	2,980,000
	$ 20,935,061	$ 12,964,452	$ 33,899,513

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

In July 1998, the District issued 1992 General Obligation Bonds, Series 1998C, in the amount of $4,995,895. Bond proceeds were used for land acquisition and the construction of new high schools. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 4.5% to 5.3% and are scheduled to mature through 2023.

Year Ending June 30,	Principal	Interest	Total
2006	$ 250,000	$ 86,625	$ 336,625
2007	270,000	75,825	345,825
2008	290,000	64,125	354,125
2009	310,000	51,525	361,525
2010	335,000	38,025	373,025
2011-2015	1,955,000	31,500	1,986,500
2016-2020	1,464,821	765,179	2,230,000
2021-2023		1,995,000	1,995,000
	$ 4,874,821	$ 3,107,804	$ 7,982,625

In July 1999, the District issued 1992 General Obligation Bonds, Series 1999D, in the amount of $3,000,841. Bond proceeds were used for land acquisition and construction of new high schools. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 4.6% to 5.65% and are scheduled to mature through 2024.

Year Ending June 30,	Principal	Interest	Total
2006	$ 135,000	$ 70,818	$ 205,818
2007	145,000	64,952	209,952
2008	155,000	58,813	213,813
2009	170,000	51,612	221,612
2010	180,000	44,053	224,053
2011-2015	1,125,000	84,671	1,209,671
2016-2020	1,067,243	287,757	1,355,000
2021-2025		1,530,000	1,530,000
	$ 2,977,243	$ 2,192,676	$ 5,169,919

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

In August 2001, the District issued 1992 General Obligation Bonds, Series E, in the amount of $10,175,000. Bond proceeds were used for land acquisition and construction of new high schools. The Current Interest Serial Bonds interest and yield vary, ranging from 4.0% to 5.2% and are scheduled to mature through 2026.

Year Ending June 30,	Principal	Interest	Total
2006	$ 115,000	$ 498,115	$ 613,115
2007	135,000	493,115	628,115
2008	155,000	487,315	642,315
2009	175,000	480,715	655,715
2010	200,000	473,215	673,215
2011-2015	1,430,000	2,195,750	3,625,750
2016-2020	2,325,000	1,747,733	4,072,733
2021-2025	3,585,000	996,694	4,581,694
2026	1,885,000	100,931	1,985,931
	$ 10,005,000	$ 7,473,583	$ 17,478,583

In April 2005, the District issued 2004 General Obligation Bonds, Series A, in the amount of $26,000,000. Bond proceeds were used for acquisition, modernization and improvement of District facilities. The Bonds carry interest rates ranging from 3.5% to 5.0% and are scheduled to mature through 2029.

Year Ending June 30,	Principal	Interest	Total
2006		$ 820,721	$ 820,721
2007	$ 2,135,000	1,393,561	3,528,561
2008	140,000	1,143,231	1,283,231
2009	30,000	1,140,256	1,170,256
2010	90,000	1,138,156	1,228,156
2011-2015	1,200,000	5,594,157	6,794,157
2016-2020	3,445,000	5,141,872	8,586,872
2021-2025	6,880,000	3,965,000	10,845,000
2026	12,080,000	1,634,750	13,714,750
	$ 26,000,000	$ 21,971,704	$ 47,971,704

5. LONG-TERM LIABILITIES (Continued)

Certificates of Participation

In August 1991, the District issued $3,740,000 of Certificates of Participation, with variable interest rates for land acquisition to be used for a new high school. The Certificates of Participation mature on August 1, 2006.

The District's future obligations on the 1991 Certificates are as follows:

Year Ending June 30,	
2006	$ 420,000
2007	440,000
	$ 860,000

In January 2004, the District issued $6,300,000 of Certificates of Participation, with variable interest rates for the acquisition, modernization, improvement and construction of District facilities. The Certificates of Participation mature January 1, 2018.

The District's future obligations on the 2004 Certificates are as follows:

Year Ending June 30,	
2006	$ 380,000
2007	390,000
2008	405,000
2009	415,000
2010	430,000
2011-2015	2,340,000
2016-2020	1,575,000
	$ 5,935,000

5. LONG-TERM LIABILITIES (Continued)

Capitalized Lease Obligations

The District leases office equipment and vehicles under agreements which provide for title to pass upon expiration of the lease period. Future minimum lease payments are as follows:

Year Ending June 30,	Lease Payments
2006	$ 146,994
2007	24,762
2008	24,762
2009	24,762
2010	24,762
2011-2015	43,330
	289,372
Less amount representing interest	(28,942)
	$ 260,430

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2005 is shown below:

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005	Amounts Due Within One Year
General Obligation Bonds	$ 55,989,982	$ 28,402,164	$ 2,825,000	$ 81,567,146	$ 3,105,000
Certificates of Participation	7,555,000		760,000	6,795,000	800,000
Capitalized lease obligations	392,022		131,592	260,430	136,937
Compensated absences	157,792	41,213		199,005	199,005
	$ 64,094,796	$ 28,443,377	$ 3,716,592	$ 88,821,581	$ 4,240,942

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 General Fund. Payments on the capitalized lease obligations are made from various District funds. Payments on compensated absences are made from the Fund for which the related employee worked.

6. RESTRICTED NET ASSETS

The restricted net assets consisted of the following at June 30, 2005:

	Governmental Activities
Restricted for:	
Revolving cash fund	$ 10,400
Stores inventory	6,838
Prepaid expenditures	832,284
Unspent categorical program revenues	256,768
Adult education programs	282,774
Food service operations	331,939
Deferred maintenance projects	416,773
Capital projects	36,210,926
Debt service	4,014,500
	$ 42,363,202

	Fiduciary Activities
Restricted for scholarships	$ 443,785

7. 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).

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.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Description and Provisions (Continued)

California Public Employees' Retirement System (CalPERS) (Coı

Funding Policy

Active plan members are required to contribute 7% 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 2004-2005 was 9.2% 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, 2003, 2004 and 2005 were $186,102, $723,097 and $703,163, 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, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8% of their salary. The required employer contribution rate for fiscal year 2004-2005 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, 2003, 2004 and 2005 were $2,200,553, $2,279,175 and $2,377,139, respectively, and equal 100% of the required contributions for each year.

8. POST-RETIREMENT BENEFITS

Healthcare

In addition to pension benefits described in Note 8, the District provides medical, vision, and dental benefits when employee contracts specify this. As of June 30, 2005, 2 retirees met these eligibility requirements. The District pays 100% of the health benefits of the former Superintendent through June 30, 2005. The other retiree receives a maximum of $350 per month for benefits to age 65. Both retirees are paid on a pay-as-you-go basis. During the year, expenditures of $16,888 were recognized for retiree health care benefits.

8. POST-RETIREMENT BENEFITS (Continued)

Healthcare (Continued)

One former employee will qualify for the continued, future coverage. The approximate accumulated future liability for this retiree of the District at June 30, 2005 amounts to $10,850. This amount was calculated based upon the number of months remaining until the former employee reaches the age of 65.

Early Retirement - Service Recognition

The Board of Trustees has adopted a service recognition reward program. The retiring employee can choose to participate in either, but not both, the District service recognition program or, as applicable and when offered at the District, the State STRS (certificated) or CalPERS (classified) Golden Handshake (or other similar State offered programs). The District has entered into contracts with certain eligible employees whereby years of District service will determine the service award between $1,200 and $15,000. The employees have the option of selecting cash payment, future medical benefits, or purchase of an annuity. During the year ended June 30, 2005, 8 employees were granted benefits under this program in the amount of $88,300.

9. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations in individual funds were as follows:

Fund	Excess Expenditures
General Fund:	
Contract services and operating expenditures	$ 136

Budget revisions for expenditures in excess of budgeted amounts were not made at the end of the fiscal year.

10. JOINT POWERS AGREEMENTS

Schools Insurance Group

The District is a member of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program. The Authority is governed by a Governing Board consisting of representatives of member districts. The Governing Board controls the operations of SIG, including selections of management and approval of operating budgets.

Condensed financial information for SIG for the year ended June 30, 2004 (the most current information available) is as follows:

Total assets	$ 26,799,731
Total liabilities	$ 34,164,126
Total accumulated deficit	$ (7,364,395)
Total revenues	$ 53,543,418
Total expenditures	$ 55,929,545

10. JOINT POWERS AGREEMENTS (Continued)

School Project for Utility Rate Reduction (SPURR)

The District is also a member of a School Project for Utility Rate Reduction (SPURR) Joint Powers Authority. The Authority is governed by a Governing Board consisting of representatives from member districts. The Board controls the operations of SPURR including selections of management and approval of operating budgets.

Condensed financial information for SPURR for the year ended June 30, 2004 (the most current information available) is as follows:

Total assets	$ 8,896,554
Total liabilities	$ 7,553,202
Total net assets	$ 1,343,352
Total revenues	$ 25,089,019
Total expenses	$ 24,721,436

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 the 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.

Also, the District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

12. SUBSEQUENT EVENT

Tax and Revenue Anticipation Notes

On August 11, 2005 the District issued $9,000,000 of Tax and Revenue Anticipation Notes (TRANs), maturing on August 26, 2006, with a coupon interest rate of 4.00% and a yield of 2.75%, to provide for anticipated cash flow deficits from operations. The TRANs are a general obligation of the District, and are payable solely from revenues and cash receipts generated by the District during the fiscal year ending June 30, 2006.

APPENDIX B

THE CITY OF ROSEVILLE AND PLACER COUNTY
STATISTICAL AND DEMOGRAPHIC INFORMATION

The District encompasses the entire City, as well as unincorporated areas of Placer County (the "County") and Sacramento County. The following economic data for the City of Roseville (the "City") and the County are presented for information purposes only. The Bonds are not a debt or obligation of the City or the County.

General

The District is in California's Sacramento Valley, near the foothills of the Sierra Nevada. It is located about 16 miles northeast of Sacramento, The State capital, and 110 miles east of San Francisco. Roseville is the largest city in Placer County in addition to being its commercial and industrial center.

The District has warm summers typical of central California, with an average high temperature of 94 degrees and an average low temperature of 60 degrees in July. Winter temperatures are moderate; in January, the average high is 53 degrees and the average low is 38 degrees. The temperature drops below freezing an average of eight days per year. Rainfall averages 20 inches annually and falls mostly during the winter.

Population

The City's 2006 population is 104,655, or approximately 33% of the County total of 316,508. The City's population increased by 108% between 1992 and 2006, representing an average annual compound growth rate of approximately 7.2%.

CITY OF ROSEVILLE AND PLACER COUNTY
POPULATION
1992-2006

	City of Roseville		County of Placer	
Year[(1)]	Population	Percent Change	Population	Percent Change
1992	50,300	--	187,000	--
1993	54,200	7.8	194,000	3.7%
1994	56,600	4.4	200,000	3.1
1995	59,300	4.8	207,200	3.6
1996	63,200	6.6	215,000	3.8
1997	67,400	6.6	222,300	3.4
1998	71,600	6.2	229,700	3.3
1999	76,700	7.1	238,300	3.7
2000	79,921[(2)]	4.2	248,399[(2)]	4.2
2001	83,237	4.1	258,392	4.0
2002	87,667	5.3	271,224	4.9
2003	93,534	6.6	284,034	4.7
2004	98,407	5.2	296,579	4.4
2005	103,185	4.8	308,431	3.9
2006	104,655	1.4	316,508	2.6

(1) As of January 1.
(2) As of April 1.
Source: California State Department of Finance, Demographic Research Unit.

Employment

The following table shows the labor force, employment and unemployment for the County for the years 2001 through 2005.

PLACER COUNTY
CIVILIAN LABOR FORCE, EMPLOYMENT
AND UNEMPLOYMENT ANNUAL AVERAGES
2001-2005

	2001	2002	2003	2004	2005
Labor Force	131,600	138,600	153,400	159,300	162,100
Employment	126,900	132,200	146,000	152,200	155,700
Unemployment	4,700	6,300	7,400	7,100	6,400
Unemployment Rate	3.5%	4.5%	4.8%	4.5%	4.0%

March 2005 Benchmark; data not seasonally adjusted.
Source: California State Employment Development Department.

Employment

The following table shows the labor force, employment and unemployment for the City for the years 2001 through 2005.

CITY OF ROSEVILLE
CIVILIAN LABOR FORCE, EMPLOYMENT
AND UNEMPLOYMENT ANNUAL AVERAGES
2001-2005

	2001	2002	2003	2004[1]	2005[1]
Labor Force	34,580	36,480	37,270	48,600	51,500
Employment	33,290	34,740	35,410	46,500	49,400
Unemployment	1,290	1,740	1,860	2,100	2,100
Unemployment Rate	3.7%	4.8%	5.0%	4.3%	4.0%

March 2005 Benchmark; data not seasonally adjusted.
(1) The methodology for calculating State and County labor force data was changed by the California Employment Development Department in February 2005, starting with the year 2004. Data reflecting the revised methodology is unavailable for years prior to 2004. Previously released data is not comparable to the new data.
Source: California State Employment Development Department.

The following table summarizes the wage and salary employment industry in the County.

PLACER COUNTY
ESTIMATED NUMBER OF WAGE
AND SALARY WORKERS BY INDUSTRY
2000-2004

	2000	2001	2002	2003	2004
Total Farm	400	400	400	500	700
Natural Resources & Mining	100	100	100	100	100
Construction	11,900	14,100	14,700	16,600	17,200
Manufacturing	11,300	10,500	8,100	8,800	9,200
Trade, Transportation & Utilities	20,600	23,000	23,500	24,600	25,500
Information	2,500	2,600	2,500	2,800	2,800
Financial Activities	6,700	7,300	8,200	9,200	9,800
Professional & Business Services	12,500	13,300	12,700	13,800	14,300
Education & Health Services	9,500	10,800	11,800	12,500	13,100
Leisure & Hospitality	13,700	14,500	15,400	16,400	16,700
Other Services	4,700	4,700	3,900	3,500	3,700
Government	17,700	18,200	19,500	20,900	21,000
Total All Industries[1]	111,500	119,500	120,700	129,900	134,000

(1) Totals may not add to sums due to rounding; March 2005 benchmark.
Source: California State Department of Employment Development, Labor Market Information Division.

Major Employers

The following table lists the major employers operating in the County as of 2005.

PLACER COUNTY
MAJOR EMPLOYERS
2005

Firm	Type of Business	2005 Employment
Hewlett Packard	Computer Equipment Manufacturer	4,000
Placer County	County Government	3,000
Kaiser Permanente	Healthcare	1,847
Sutter Health	Healthcare	1,319
Squaw Valley Ski Corp.	Ski Resort	1,300[(1)]
Raley's	Grocery/Retail	1,135
City of Roseville	Municipal Government	1,132
Union Pacific Railroad	Transportation Railroad	1,062
PRIDE Industries	Packaging, Warehousing, Electronic Assembly	1,060
Rocklin Unified School District	Public Education	848
Roseville Joint Union High School District	Public Education	842
SureWest Communications	Telecommunications Services	760
NEC Electronics (USA)	Semiconductor Devices	710
Solectron Global Services	Semiconductor Devices	703
Resort at Squaw Valley	Recreation Services	700
PG&E	Utility	630
Dry Creek Joint Elementary School District	Public Education	580
Wells Fargo	Financial Services	570
Target	Retail	555
Agilent Technologies	Electronics, Communication and Calibration/Measuring Equipment Manufacturer	450
Sierra Joint Community College District	Public Education	450
United Natural Foods	Wholesale Groceries	440
Western Placer Unified School District	Public Education	385
Coherent Inc.	Electronic Components & Accessories	350
Sierra Pacific Industries	Lumber Materials	330

(1) 1,500 peak ski season; 250 year-round.
Source: Sacramento Business Journal Top 25 Book of Lists (March 2005).

Median Household Income

Effective Buying Income (EBI) is defined as money income less personal income tax and non-tax payments. The following table summarizes the median household effective buying income for the City, the County, the State and the nation for the years 2000 through 2004.

**CITY OF ROSEVILLE, PLACER COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME
2000-2004**

Year	City of Roseville	Placer County	California	United States
2000	$54,826	$54,389	$44,464	$39,129
2001	54,635	49,427	43,532	38,365
2002	50,602	50,350	42,484	38,035
2003	50,595	50,504	42,924	38,201
2004	51,407	51,455	43,915	39,324

Source: Sales & Marketing Management, Survey of Buying Power.

Taxable Sales

The following tables show taxable transactions within the County and the City for the calendar years 2000 through the 2004.

**PLACER COUNTY
TAXABLE TRANSACTIONS
2000-2004
(Dollars in Thousands)**

	2000	2001	2002	2003	2004
Apparel Stores Group	$86,874	$130,639	$140,273	$151,425	$182,781
General Merchandise Group	461,057	546,461	604,767	654,898	692,463
Specialty Stores Group	449,925	493,508	557,955	585,236	630,218
Food Stores Group	215,609	227,640	246,260	256,357	256,228
Eating and Drinking Group	321,954	360,756	389,389	418,410	464,769
Household Group	105,599	130,254	151,768	168,596	205,139
Building Material Group	253,900	301,831	357,094	403,768	467,430
Automotive Group	1,327,042	1,418,317	1,521,879	1,691,680	1,888,201
All Other Retail Stores Group	162,387	183,830	191,819	208,976	236,924
RETAIL STORES TOTAL	3,384,347	3,793,236	4,161,204	4,539,346	5,024,153
Business and Personal Services	203,768	205,368	208,330	214,001	212,581
All Other Outlets	1,153,452	1,203,325	1,180,347	1,220,471	1,358,832
TOTAL ALL OUTLETS	$4,741,567	$5,201,929	$5,549,881	$5,973,818	$6,595,566

Source: California State Board of Equalization.

CITY OF ROSEVILLE
TAXABLE TRANSACTIONS
2000-2004
(Dollars in Thousands)

	2000	2001	2002	2003	2004
Apparel Stores	$67,603	$110,463	$118,936	$128,694	$158,633
General Merchandise	306,446	370,924	418,267	467,494	561,058
Food Stores	64,750	66,469	75,978	93,286	95,389
Eating & Drinking Places	140,862	177,347	195,011	214,558	235,917
Home Furnishings & Appliances	59,436	82,000	96,700	108,737	136,822
Building Material & Farm Implements	146,088	174,920	217,298	251,148	288,940
Auto Dealers & Supplies	879,626	938,034	1,026,213	1,125,482	1,201,552
Service Stations	84,345	90,944	89,200	114,336	130,953
Other Retail Stores	273,708	341,119	376,465	412,610	446,106
Total Retail Stores	$2,022,864	$2,352,220	2,614,068	2,916,345	3,255,370
All Other Outlets	372,430	404,367	374,189	372,114	405,061
Total All Outlets	$2,395,294	$2,756,587	$2,988,257	$3,288,459	$3,660,431

Source: California State Board of Equalization.

Construction Activity

The following table provides a summary of the building permit valuations and the number of new dwelling units authorized in the County and the City from 2001 through 2005.

PLACER COUNTY
BUILDING PERMIT VALUATIONS
(Dollars in Thousands)
2001-2005

	2001	2002	2003	2004	2005
Valuation					
Residential	$1,087,367	$1,310,682	$1,135,607	$1,214,868	$1,281,500
Non-residential	219,632	255,053	256,302	331,687	368,984
Total	$1,306,998	$1,565,736	$1,391,910	$1,546,556	$1,650,484
New Housing Units					
Single family	4,728	5,441	4,670	4,727	4,856
Multiple family	1,257	1,747	584	167	446
Total	5,985	7,188	5,254	4,896	4,896

Note: Totals may not add to sums due to rounding.
Source: Construction Industry Research Board.

CITY OF ROSEVILLE
BUILDING PERMIT VALUATIONS
(Dollars in Thousands)
2001-2005

	2001	2002	2003	2004	2005
Valuation					
Residential	$420,601	$608,015	$429,167	$263,602	$194,870
Non-residential	108,590	166,118	155,968	171,974	151,506
Total	$529,190	$774,133	$585,135	$435,576	$346,376
New Housing Units					
Single family	1,456	2,300	1,467	999	826
Multiple family	762	914	474	109	165
Total	2,218	3,214	1,941	1,108	991

Note: Totals may not add to sums due to rounding.
Source: Construction Industry Research Board.

The following tables summarizes per capita personal income for the County, California and the United States for 1991-2004.

PLACER COUNTY, STATE OF CALIFORNIA AND THE UNITED STATES
PER CAPITA PERSONAL INCOME
1991-2004

Year	Placer County	California	United States
1991	$22,788	$20,748	$19,163
1992	23,373	21,348	20,105
1993	23,737	21,895	20,800
1994	24,785	22,953	22,056
1995	25,865	24,304	23,059
1996	28,314	25,563	24,651
1997	30,096	26,521	25,412
1998	31,694	28,240	26,893
1999	33,412	29,712	27,880
2000	36,419	32,463	29,845
2001	37,066	32,882	30,574
2002	36,604	32,803	30,810
2003	37,303	33,400	31,484
2004	38,958	35,219	33,050

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Transportation

The County's transportation network is an integral part of its development. Centrally located in the State, the area is the hub of several major highways. Interstate 80 runs through the County connecting San Francisco to New York. Highway 65 runs north from I-80 to Lincoln and Marysville. Interstate 5, which is west of the County, runs north to Seattle and south to San Diego.

Union Pacific Railroad, located in Roseville, serves 23 States, linking every major West Coast and Gulf Coast port. As a result of the 1996 merger of the Union Pacific with the Southern Pacific, Placer County has access to Burlington Northern Santa Fe Railway, giving the county service by both major Western railroads. Union Pacific's major freight classification facility for Northern California, Nevada and Oregon will remain in Roseville. About $150 million is being invested to increase the volume of traffic that can be processed through the Roseville facility. Intermodal traffic will continue to be handled at Roseville and Lathrop, California for the Sacramento region.

Amtrak provides daily passenger service from Placer County to locations in and out of California.

Greyhound operates a station in Roseville, providing interstate destination services. Greyhound also operates throughout the County, with bus depots or regularly scheduled stops in most of the communities along major highways and roads.

The Sacramento County Airport System operates a system of airports serving the Sacramento air service region. The Air Service Region includes Sacramento, El Dorado, Placer, Yuba, Sutter, and Yolo counties, and large portions of Amador, Colusa, Nevada, and Solano counties.

The Airport System encompasses Sacramento International Airport (International), Sacramento Mather Airport (Mather), Sacramento Executive Airport (Executive), and Franklin Field (FF). In addition, the Sacramento County Airport System owns but does not operate the former McClellan Air Force Base (McClellan). International is the principal passenger air carrier airport serving the air service region. Mather Airport, a former U.S. Air Force Base, serves air cargo airlines and general aviation. Executive Airport is a general aviation airport with no scheduled passenger service. Franklin Field is a general aviation airport used primarily for training purposes by local student pilots. McClellan, a former U.S. Air Force Base, is conceptually planned to support aircraft maintenance and U.S. Coast Guard operations.

Several trucking companies serve the County, ranging from interstate lines to local haulers, and transporting a wide variety of goods. United Parcel Service, with a distribution center in Rocklin, offers freight transportation services as well.

The Port of Sacramento is located approximately 38 miles from the City of Roseville. The Port handles oceangoing freighters via San Francisco Bay. Aside from having both covered and uncovered storage areas for bulk cargo, the Port also has a 50-acre log yard used for accumulation and trans-shipment of logs.

Recreation and Tourism

The City operates a park and recreation program which won the 1972 National Gold Medal Award presented by the National League of Cities. Among the major City facilities are a golf course, two swimming pools and several municipal parks. Nearby is Folsom Lake, with camping, boating and fishing facilities.

The County offers many recreational facilities, particularly in the mountainous areas to the east. Lake Tahoe, 100 miles away, offers summer and winter recreation. Skiing and winter sports are also available in northern and eastern Placer County. Fishing, hunting and hiking are popular recreational activities in the County.

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APPENDIX C

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:

July 20, 2006

Board of Trustees
Roseville Joint Union High School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $25,000,000 Roseville Joint Union High School District Election of 2004 General Obligation Bonds, Series B (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 Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California, a vote of fifty-five percent or more of the qualified electors of the Roseville Joint Union High School District (the "District") voting at an election held on November 2, 2004, and a resolution of the Board of Trustees of the District (the "Resolution").

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

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

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

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. For purposes of the previous sentence, the stated redemption price at maturity includes the aggregate sum of all debt service payments on Capital Appreciation Bonds. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before

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

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the 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 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 Internal Revenue Code of 1986, as amended (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.

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 D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Roseville Joint Union High School District (the "District") in connection with the issuance of $25,000,000 of the District's Election of 2004 General Obligation Bonds, Series B (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the District dated June 8, 2006 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

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

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

"Holders" shall mean registered owners of the Bonds.

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

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission can be found at www.sec.gov/info/municipal/nrmsir.htm or www.sec.gov.

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

"Repository" shall mean each National Repository and each State Repository.

"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.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than eight months following the end of the District's fiscal year (which shall be March 1 of each year, so long as the District's fiscal year ends on June 30), commencing with the report for the 2005-06 Fiscal Year, provide to the Participating Underwriter and each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

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

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

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 preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. 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) The District's approved annual budget for the then-current fiscal year;

(b) Assessed value of taxable property in the District as shown on the most recent equalized assessment roll;

(c) If the Counties no longer include the tax levy for payment of the Bonds in their respective Teeter Plan, the property tax levies, collections and delinquencies for the District for the most recently completed fiscal year; and

(d) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value and their percentage of total secured assessed value, if material.

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 each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

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, if material:

1. principal and interest payment delinquencies.

2. non-payment related defaults.

3. modifications to rights of Bondholders.

4. optional, contingent or unscheduled bond calls.

5. defeasances.

6. rating changes.

7. adverse tax opinions or events affecting the tax-exempt status of the Bonds.

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

9. unscheduled draws on the credit enhancement reflecting financial difficulties.

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

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

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

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with the Repositories or provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repositories. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(b).

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

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, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

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

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriters, 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 Repositories. 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 Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: July 20, 2006.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

By: ____

Richard Strickland
Deputy Superintendent

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Roseville Joint Union High School District

Name of Bond Issue: Election of 2004 General Obligation Bonds, Series B

Date of Issuance: July 20, 2006.

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: _______________________

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

By ______[form only; no signature required]_________

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APPENDIX E

FORM OF MUNICIPAL BOND INSURANCE POLICY

FGIC

Financial Guaranty Insurance Company
Doing business in California as FGIC Insurance Company
125 Park Avenue
New York, NY 10017
T 212·312·3000
T 800·352·0001

Municipal Bond
New Issue Insurance Policy

Issuer:	**Policy Number:**
	Control Number: 0010001
Bonds:	**Premium:**

Financial Guaranty Insurance Company ("Financial Guaranty"), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay to U.S. Bank Trust National Association or its successor, as its agent (the "Fiscal Agent"), for the benefit of Bondholders, that portion of the principal and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

Financial Guaranty will make such payments to the Fiscal Agent on the date such principal or interest becomes Due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. The Fiscal Agent will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid by reason of Nonpayment by the Issuer but only upon receipt by the Fiscal Agent, in form reasonably satisfactory to it, of (i) evidence of the Bondholder's right to receive payment of the principal or interest Due for Payment and (ii) evidence, including any appropriate instruments of assignment, that all of the Bondholder's rights to payment of such principal or interest Due for Payment shall thereupon vest in Financial Guaranty. Upon such disbursement, Financial Guaranty shall become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and shall be fully subrogated to all of the Bondholder's rights thereunder, including the Bondholder's right to payment thereof.

This Policy is non-cancellable for any reason. The premium on this Policy is not refundable for any reason, including the payment of the Bonds prior to their maturity. This Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bond.

As used herein, the term "Bondholder" means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. "Due for Payment" means, when referring to the principal of a Bond, 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 and means, when referring to interest on a Bond, the stated date for payment of interest. "Nonpayment" in respect of a Bond means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all

FGIC

Financial Guaranty Insurance Company
Doing business in California as FGIC Insurance Company
125 Park Avenue
New York, NY 10017
T 212·312·3000
T 800·352·0001

Municipal Bond
New Issue Insurance Policy

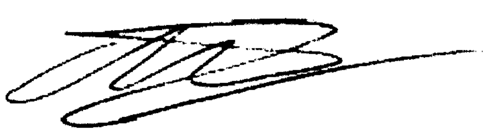
principal and interest Due for Payment on such Bond. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or a paying agent for the Bonds to Financial Guaranty. "Business Day" means any day other than a Saturday, Sunday or a day on which the Fiscal Agent is authorized by law to remain closed.

In Witness Whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date: **Authorized Representative**

U.S. Bank Trust National Association, acknowledges that it has agreed to perform the duties of Fiscal Agent under this Policy.



Authorized Officer

FGIC

Financial Guaranty Insurance Company
Doing business in California as FGIC Insurance Company
125 Park Avenue
New York, NY 10017
T 212·312·3000
T 800·352·0001

Endorsement
To Financial Guaranty Insurance Company Insurance Policy

Policy Number: **Control Number:** 0010001

SPECIMEN

It is further understood that the term "Nonpayment" in respect of a Bond includes any payment of principal or interest made to a Bondholder by or on behalf of the issuer of such Bond which has been recovered from such Bondholder 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.

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date: **Authorized Representative**

Acknowledged as of the Effective Date written above:

Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent

FGIC

Financial Guaranty Insurance Company
Doing business in California as FGIC Insurance Company
125 Park Avenue
New York, NY 10017
T 212·312·3000
T 800·352·0001

Mandatory California State Amendatory Endorsement

To Financial Guaranty Insurance Company Insurance Policy

Policy Number: **Control Number:** 0010001

SPECIMEN

The insurance provided by this Policy is not covered by the California Insurance Guaranty Association (California Insurance Code, Article 14.2).

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date: **Authorized Representative**

Acknowledged as of the Effective Date written above:

Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent

FGIC

Financial Guaranty Insurance Company
Doing business in California as FGIC Insurance Company
125 Park Avenue
New York, NY 10017
T 212·312·3000
T 800·352·0001

Mandatory California State Amendatory Endorsement

To Financial Guaranty Insurance Company Insurance Policy

Policy Number: **Control Number:** 0010001

SPECIMEN

Notwithstanding the terms and conditions in this Policy, it is further understood that there shall be no acceleration of payment due under such Policy unless such acceleration is at the sole option of Financial Guaranty.

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:

Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent