ISSUE — FULL BOOK-ENTRY

Ratings: Standard & Poor's: "AAA"
Fitch: "AAA"
(See "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.)

$27,997,958.85
ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
Election of 2004 General Obligation Bonds, Series C

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 C (the "Bonds"), in the aggregate principal amount of $27,997,958.85, 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 will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). 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 and Maturity Value 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 Current Interest Bonds accrues from the Date of Delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2008. Payment to owners of $1,000,000 or more in principal amount of the Current Interest Bonds, at the owner's option, will be made by wire transfer. The Current Interest Bonds are issuable as fully registered Bonds in denominations of $5,000 or any integral multiple thereof.

The Capital Appreciation Bonds are dated the Date of Delivery and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2007, and are payable only at maturity. The Capital Appreciation Bonds are issuable as fully registered Bonds in Maturity Value amounts of $5,000 or any integral multiple thereof.

Payments of principal and Maturity Value 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 Current Interest Bonds are subject to redemption prior to maturity as described herein. The Capital Appreciation Bonds are not subject to redemption prior to maturity.

The scheduled payment of principal of (or in the case of the Capital Appreciation Bonds, the Accreted Value) 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 SECURITY ASSURANCE INC. (the "Insurer"). (See "THE BONDS – Bond Insurance" and "APPENDIX F – Form of Municipal Bond Insurance Policy.")

FSA

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 May 16, 2007.

STONE & YOUNGBERG LLC

The date of this Official Statement is April 27, 2007

MATURITY SCHEDULE

Base CUSIP†: 777849

$17,375,000.00 Current Interest Serial Bonds

Maturity August 1	Principal Amount	Interest Rate	Yield	CUSIP†	Maturity August 1	Principal Amount	Interest Rate	Yield	CUSIP†
2008	$30,000	4.00%	3.50%	LL2	2016	$1,065,000	4.50%	3.80%	LU2
2009	280,000	4.00	3.52	LM0	2017	1,195,000	4.50	3.85(1)	LV0
2010	420,000	4.00	3.53	LN8	2018	1,335,000	5.00	3.90(1)	LW8
2011	540,000	4.00	3.57	LP3	2019	1,500,000	5.00	3.95(1)	LX6
2012	630,000	4.00	3.60	LQ1	2020	1,675,000	5.00	4.00(1)	LY4
2013	730,000	4.00	3.65	LR9	2021	1,860,000	5.00	4.03(1)	LZ1
2014	830,000	4.00	3.70	LS7	2022	2,065,000	5.00	4.06(1)	MA5
2015	940,000	4.00	3.75	LT5	2023	2,280,000	5.00	4.09(1)	MB3

$10,622,958.85 Capital Appreciation Serial Bonds

Maturity August 1	Denominational Amount	Accretion Rate	Yield to Maturity	Maturity Value	CUSIP†
2024	$1,151,794.55	4.59%	4.59%	$2,515,000	MC1
2025	1,155,547.60	4.60	4.60	2,645,000	MD9
2026	1,156,259.25	4.61	4.61	2,775,000	ME7
2027	1,158,187.80	4.62	4.62	2,915,000	MF4
2028	1,159,097.40	4.63	4.63	3,060,000	MG2
2029	1,160,807.90	4.64	4.64	3,215,000	MH0
2030	1,446,898.45	4.65	4.65	4,205,000	MJ6
2031	2,234,365.90	4.66	4.66	6,815,000	MK3

(1) *Yield to call at par on August 1, 2016.*

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

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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.

Other than with respect to information concerning Financial Security Assurance Inc. (the "Insurer") contained under the captions "THE BONDS – Bond Insurance – Bond Insurance Policy" and " – Financial Security Assurance Inc." and "APPENDIX F – FORM OF MUNICIPAL BOND INSURANCE POLICY" herein, none of the information in this Official Statement has been supplied or verified by the Insurer and the Insurer makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Bonds; or (iii) the tax exempt status of the interest on the Bonds.

$27,997,958.85
ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
Election of 2004 General Obligation Bonds, Series C

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 C, in the principal amount of $27,997,958.85 (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 an independent study program which serves the high school needs of approximately 350 students. Enrollment in the District for the 2006-07 school year is 8,957 high school students. The District also operates an adult school which serves approximately 300 adults annually. 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, 2006 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 and Maturity Value (as defined herein) 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

Current Interest and Capital Appreciation Bonds. The Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). The Current Interest Bonds mature on August 1 in the years indicated on the inside front cover hereof. The Capital Appreciation Bonds are payable only at maturity and will not pay interest on a current basis.

The Maturity Value of each Capital Appreciation Bond is equal to its accreted value upon the maturity date thereof ("Maturity Value"), being composed of its initial denominational amount ("the Denominational Amount") and the interest accreting thereon between the delivery date and its respective maturity date.

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 $5,000 Maturity Value, as applicable, or any integral multiple thereof (although one Capital Appreciation Bond may have an odd Maturity Value).

Redemption. The Current Interest Bonds maturing on or after August 1, 2017 may be redeemed before maturity at the option of the District from any source of funds, on August 1, 2016 or on any date thereafter, as a whole or in part. The Current Interest Bonds maturing on or before August 1, 2016 and all of the Capital Appreciation Bonds are not subject to redemption prior to their fixed maturity dates. See "THE BONDS – Redemption."

Payments. Interest on the Current Interest 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, 2008. Each Capital Appreciation Bond accretes in value from its Denominational Amount to its Maturity Value on the maturity thereof at the Accretion Rate per annum set forth on the inside cover, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2007, and is payable only at maturity according to the amounts set forth in the accreted value table as shown in APPENDIX D attached hereto.

Bond Insurance. The scheduled payment of principal of (or in the case of the Capital Appreciation Bonds, the Accreted Value) 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 Security Assurance Inc. (the "Insurer"). 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 Education 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 May 16, 2007.

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 April 17, 2007 (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"). On July 20, 2006, the District sold its second series of bonds under the Authorization in an aggregate principal amount of $25,000,000 (the "Series B Bonds"). The Bonds represent the third series of bonds within the Authorization and account for substantially the entire remaining amount of the District's Authorization. See "DISTRICT FINANCIAL INFORMATION – District Debt Structure – General Obligation Bonds"

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 and Maturity Value 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 and Maturity Value of and interest on the Bonds when due. Such taxes, when collected, will be deposited into the Roseville Joint Union High School District Election of 2004 General Obligation Bonds, Series C Debt Service Fund (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 and Maturity Value 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 and Maturity Value 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 and Maturity Value of and interest on the Bonds. DTC will thereupon make payment of principal, interest and Maturity Value of the Bonds to the DTC Participants who will thereupon make payments of principal, interest and Maturity Value 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 the Insurer for use in this Official Statement, and neither the District nor the Underwriter take any responsibility for the accuracy or completeness thereof. Reference is made to APPENDIX F for a specimen of the Insurer's policy with respect to the Bonds.

Bond Insurance Policy. Concurrently with the issuance of the Bonds, the Insurer will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the Accreted Value) and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement. See "APPENDIX F – Form of Municipal Bond Insurance Policy" attached hereto.

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

Financial Security Assurance Inc. The Insurer is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or the Insurer is liable for the obligations of the Insurer.

At December 31, 2006, the Insurer's combined policyholders' surplus and contingency reserves were approximately $2,554,147,000 and its total net unearned premium reserve was approximately $2,070,751,000 in accordance with statutory accounting principles. At December 31, 2006, the Insurer's consolidated shareholder's equity was approximately $2,722,312,000 and its total net unearned premium reserve was approximately $1,648,334,000 in accordance with generally accepted accounting principles.

The consolidated financial statements of the Insurer included in, or as exhibits to, the annual and quarterly reports filed after December 31, 2005 by Holdings with the Securities and Exchange Commission are hereby incorporated by reference into this Official Statement. All financial statements of Financial Security included in, or as exhibits to, documents filed by Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Official Statement and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. The Insurer makes no representation regarding the Bonds or the advisability of investing in the Bonds. The Insurer makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that the Insurer has provided to the District the information presented under this caption for inclusion in the Official Statement.

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 Current Interest 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, 2008. Interest on the Current Interest Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest 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, 2008, in which event it shall bear interest from its date; *provided*, that if, at the time of authentication of any Current Interest Bond interest is in default on any outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Current Interest Bonds. The Current Interest Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Current Interest Bonds mature on August 1, in the years and amounts set forth on the inside cover hereof.

The Capital Appreciation Bonds are dated the Date of Delivery of the Bonds. The Capital Appreciation Bonds are issuable in the denominations of $5,000 Maturity Value or any integral multiple thereof. One Capital Appreciation Bond may have an odd Maturity Value. No Capital Appreciation Bond shall have principal maturing on more than one date. Each Capital Appreciation Bond shall accrete interest from the Date of Delivery.

The Capital Appreciation Bonds are payable only at maturity, and will not pay interest on a current basis. The Capital Appreciation Bonds accrete in value from the Date of Delivery at the accretion rates per annum set forth on the inside cover, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2007. The Maturity Value of a Capital Appreciation Bond (the "Maturity Value") is its Accreted Value at its maturity date. Interest with respect to each Capital Appreciation Bond is represented by the amount each Capital Appreciation Bond accretes in value from its initial principal amount on the Date of Delivery (the "Denominational Amount") to the date for which Accreted Value is calculated. The Accreted Value (the "Accreted Value") of a Capital Appreciation Bond is calculated by discounting on a 30-day month, 360-day year basis its Maturity Value on the basis of a constant interest rate (the "Accretion Rate") compounded semiannually on February 1 and August 1, of each year to the date for which an Accreted Value is calculated, and if the date for which Accreted Value is calculated is between February 1 and August 1, by pro-rating the Accreted Values to the closest prior or subsequent February 1 or August 1. See "DEBT SERVICE SCHEDULES" and "APPENDIX D – Accreted Value Table."

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, Maturity Value 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 fo0llowed 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 Bond Registrar, 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, the Bond Registrar, 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 Bond Registrar, 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 Bond Registrar, 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 Bond Registrar. 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 Bond Registrar'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 Bond Registrar. 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 Bond Registrar. 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, 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 any authorized denomination upon presentation and surrender at the 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 registration books upon presentation and surrender of the Bond at such office of the Bond Registrar together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar 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 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 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 Current Interest Bonds and the Maturity Value of the Capital Appreciation 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 Current Interest 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 Current Interest 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 Current Interest Bonds who shall have requested in writing such method of payment of interest on the Current Interest Bonds prior to the close of business on the Record Date immediately preceding any Interest Payment Date.

Redemption

Optional Redemption. The Current Interest Bonds maturing on or before August 1, 2016 are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after

August 1, 2017 may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, on August 1, 2016 or on any date thereafter, as a whole or in part, at a redemption price equal to the principal amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Capital Appreciation Bonds are not subject to redemption prior to 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, in the case of Current Interest Bonds, 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 or Maturity Value 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 Current Interest 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 Transfer Amount (which with respect to any outstanding Current Interest Bonds means the principal amount thereof and with respect to any Capital Appreciation Bonds means the Maturity Value thereof) 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 Transfer Amount of the Bond surrendered and bearing or accreting interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

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 Bond Registrar 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, Maturity Value and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with the Bond Registrar 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, Maturity Value 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 Bond Registrar with respect to all outstanding Bonds shall cease and terminate, except only the obligation of the Bond Registrar 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	$27,997,958.85
Net Original Issue Premium	996,856.55
Total Sources	$28,994,815.40
Uses of Funds	
Building Fund	$27,997,958.85
Debt Service Fund	574,073.31
Costs of Issuance[(1)]	422,783.24
Total Uses	$28,994,815.40

[(1)] 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):

	Current Interest Bonds		Capital Appreciation Bonds		
Year Ending (August 1)	Annual Principal Payment	Annual Interest Payment[(1)]	Annual Principal Payment[(2)]	Annual Accreted Interest Payment[(2)]	Total Annual Debt Service
2008	$30,000.00	$982,918.75	--	--	$1,012,918.75
2009	280,000.00	812,250.00	--	--	1,092,250.00
2010	420,000.00	801,050.00	--	--	1,221,050.00
2011	540,000.00	784,250.00	--	--	1,324,250.00
2012	630,000.00	762,650.00	--	--	1,392,650.00
2013	730,000.00	737,450.00	--	--	1,467,450.00
2014	830,000.00	708,250.00	--	--	1,538,250.00
2015	940,000.00	675,050.00	--	--	1,615,050.00
2016	1,065,000.00	637,450.00	--	--	1,702,450.00
2017	1,195,000.00	589,525.00	--	--	1,784,525.00
2018	1,335,000.00	535,750.00	--	--	1,870,750.00
2019	1,500,000.00	469,000.00	--	--	1,969,000.00
2020	1,675,000.00	394,000.00	--	--	2,069,000.00
2021	1,860,000.00	310,250.00	--	--	2,170,250.00
2022	2,065,000.00	217,250.00	--	--	2,282,250.00
2023	2,280,000.00	114,000.00	--	--	2,394,000.00
2024	--	--	$1,151,794.55	$1,363,205.45	2,515,000.00
2025	--	--	1,155,547.60	1,489,452.40	2,645,000.00
2026	--	--	1,156,259.25	1,618,740.75	2,775,000.00
2027	--	--	1,158,187.80	1,756,812.20	2,915,000.00
2028	--	--	1,159,097.40	1,900,902.60	3,060,000.00
2029	--	--	1,160,807.90	2,054,192.10	3,215,000.00
2030	--	--	1,446,898.45	2,758,101.55	4,205,000.00
2031	--	--	2,234,365.90	4,580,634.10	6,815,000.00
Total	$17,375,000.00	$9,531,093.75	$10,622,958.85	$17,522,041.15	$55,051,093.75

(1) *Interest payments on the Current Interest Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2008.*

(2) *The Capital Appreciation Bonds are payable only at maturity on August 1 of each year, and interest on such Capital Appreciation Bonds is compounded semiannually on February 1 and August 1, commencing on August 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 Election of 2004 General Obligation Bonds, Series C Building Fund (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 March 31, 2007, unless otherwise specified. The balance on deposit in the County Treasury was $1,099,610,065.92. Of this amount, $1,079,721,906.73 was invested with a market value of $1,078,317,275.92 or 99.87% 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 745 days. The pool includes approximately $369,888,159 of investments maturing in 180 days or less.

The following is a summary of the Treasurer's Investment Pool as of March 31, 2007.

Type of Investment	Book Value	Market Value	% of Portfolio[2]
U.S. Treasury Coupons	$59,914,283.92	$59,520,700.00	5.55%
Federal Agency Coupons	546,928,614.33	546,042,490.81	50.65
Medium Term Notes	231,425,532.62	231,302,519.55	21.43
Negotiable Certificates of Deposit	40,000,110.31	39,998,200.00	3.70
Collateralized Certificates of Deposits [1]	52,500,000.00	52,500,000.00	4.86
Commercial Paper Disc. – Amortizing [1]	77,431,784.72	77,431,784.73	7.17
Federal Agency Disc. – Amortizing	9,997,277.78	9,997,277.78	0.93
Treasury Discount – Amortizing	49,436,018.05	49,436,018.05	4.58
Middle Fork JPA	12,088,285.00	12,088,285.00	1.12
Total Investments	$1,079,721,906.73	$1,078,317,275.92	100.00%
Cash			
Passbook/Checking	19,888,159.19	19,888,159.19	
Total Cash and Investments	$1,099,610,065.92	$1,098,205,435.11	

[1] 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 and Maturity Value 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.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

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-third 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.

Kindergarten-University Public Education Facilities Bond Act of 2006

The Kindergarten-University Public Education Facilities Bond Act of 2006 ("Proposition 1D") appeared on the November 7, 2006 ballot as Proposition 1D and was approved by California voters. This measure authorizes the sale and issuance of $10.4 billion in general obligation bonds for construction and renovation of K-12 school facilities ($7.3 billion) and higher education facilities ($3.1 billion).

K-12 School Facilities. Proposition 1D makes available $3.3 billion for reconstruction or modernization of existing K-12 school facilities. K 12 school districts will be required to pay for 40% of these costs with local revenues, unless qualified for hardship funding. Proposition 1D also includes $1.9 billion for acquisition of land and new construction of K-12 school facilities. K-12 school districts will be required to pay for 50% of such costs with local revenues, unless qualified for hardship funding. Proposition 1D directs a total of $1.0 billion to K-12 school districts which are considered severely overcrowded, specifically to schools that have large number of pupils relative to the size of the school site. $29 million will be available to fund joint-use projects.

Higher Education Facilities. Proposition 1D includes approximately $3.1 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in the

State's public higher education systems. The Governor and the Legislature will select the specific projects to be funded by the bond proceeds.

The table below shows the planned use of bond funds for the $10.4 billion bond issuance:

PROPOSITION 1D
Use of Bond Funds
(In Millions)

K-12	
Modernization projects	$3,330[1]
New construction projects	1,900[1][2]
Severely overcrowded schools	1,000
Charter schools facilities	500
Career technical facilities	500
Environment-friendly projects	100
Joint-use projects	29
Subtotal, K-12	$7,329
Higher Education	
Community Colleges	$1,507
University of California	890[3]
California State University	690
Subtotal, Higher Education	$3,087
Total	$10,416

(1) A total of up to $200 million is available from these two amounts combined as incentive funding to promote the creation of small high schools.
(2) Up to $200 million is available for earthquake-related retrofitting.
(3) $200 million is available for medical education programs.
Source: California Legislative Analyst's Office.

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 total assessed valuation for fiscal year 2006-07 of $21,800,790,664. The following table represents the 20-year history of assessed valuations within the District.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Assessed Valuations
Fiscal Years 1987-88 through 2006-07

Fiscal Year	Total District Assessed Valuation[1]	Annual % Change
1987-88	2,275,787,349	--
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	16,689,832,297	12.3
2005-06	18,818,756,793	12.8
2006-07	21,800,790,664	15.8

(1) Excludes assessed valuation from unitary utility roll, beginning in 1988-89.
Source: California Municipal Statistics, Inc.

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Assessed Valuation by Jurisdiction(1)

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Rocklin	$3,132,974	0.01%	$6,672,170,055	0.05%
City of Roseville	16,079,367,947	73.76	$16,123,028,725	99.73%
Unincorporated Placer County	4,157,689,459	19.07	$21,562,789,987	19.28%
Unincorporated Sacramento County	1,560,600,284	7.16	$46,395,169,810	3.36%
Total Placer County	20,240,190,380	92.84	$52,562,789,987	38.51%
Total Sacramento County	1,560,600,284	7.16	$122,587,488,587	1.27%
	$21,800,790,664	100.00%		

(1) Before deduction of redevelopment incremental valuation.
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

	2006-07 Assessed Valuation(1)	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% Total
Non-Residential:						
Agricultural	$51,568,104	0.24%	81	0.14%	81	0.15%
Commercial	2,943,967,572	13.92	1,336	2.45	1,216	2.32
Vacant Commercial	257,209,354	1.22	394	0.72	378	0.72
Industrial	1,554,953,626	7.35	392	0.72	391	0.75
Vacant Industrial	67,114,937	0.32	231	0.42	215	0.41
Recreational	79,387,986	0.38	101	0.19	98	0.19
Government/Social/Institutional	38,411,988	0.18	269	0.49	85	0.16
Vacant Other	125,617,393	0.59	1,297	2.38	820	1.56
Miscellaneous	7,249,014	0.03	989	1.81	671	1.28
Subtotal Non-Residential	$5,125,479,974	24.23%	5,090	9.33%	3,955	7.54%
Residential:						
Single Family Residence	$14,247,809,572	67.35%	44,092	80.89%	44,071	84.01%
Condominium/Townhouse	73,220,058	0.35	540	0.99	540	1.03
Mobile Home	47,057,276	0.22	423	0.78	423	0.81
2-3 Residential Units	163,907,149	0.77	763	1.40	763	1.45
4+ Residential Units/Apartments	701,891,492	3.32	222	0.41	220	0.42
Miscellaneous Residential Improvements	8,264,224	0.04	68	0.12	68	0.13
Vacant Residential	788,725,392	3.73	3,312	6.08	2,418	4.61
Subtotal Residential	$16,030,875,163	75.77%	49,420	90.67%	48,503	92.46%
Total	$21,156,355,137	100.00%	54,510	100.00%	52,458	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 2005-06. 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 2005-06

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
2005-06	6,402,842	102,492	1.60

(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 either of the Counties (which commences on July 1 for each of the Counties), the Board of Supervisors of such county receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the applicable county, in which event the Board of Supervisors of the applicable 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 2006-07 assessed valuation of $8,897,425,860, representing 40.8% 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 2006-07 assessed valuation of $1,523,426,467, representing 7.0% 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 2006-07 assessed valuation of $235,160,466, 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 2002-03 to 2006-07.

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

	2002-03	2003-04	2004-05	2005-06	2006-07
County of Placer	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Roseville Joint Union High School District Bonds	0.022259	0.021810	0.020120	.038428	.027182
Roseville City School District Bonds	0.017758	0.036219	0.030582	.035899	.023604
TOTAL	$1.040017	$1.058029	$1.050702	$1.074327	$1.050786

Unincorporated Placer County -- Tax Rate Area 69-027

	2002-03	2003-04	2004-05	2005-06	2006-07
County of Placer	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Roseville Joint Union High School District Bonds	0.022259	0.021810	0.020120	.038428	.027182
Eureka Union School District Bonds	0.024376	0.026483	0.024000	.023457	.022162
San Juan Suburban Water	0.006524	0.007939	--	--	--
TOTAL	$1.053159	$1.056232	$1.044120	$1.061885	$1.049344

Unincorporated Sacramento County -- Tax Rate Area 66-002

	2002-03	2003-04	2004-05	2005-06	2006-07
County of Sacramento	$1.0000	$1.0000	$1.0000	$1.000000	$1.000000
Roseville Joint Union High School District Bonds	0.0223	0.0218	0.0201	.038400	.027200
Dry Creek Joint Elementary School District Bonds	0.0411	0.0365	0.0324	.029100	.028300
Subtotal	1.0634	1.0583	1.0525	1.067500	1.055500
Regional Sanitation (Land and Improvement)	0.0082	0.0070	0.0067	.005500	--
TOTAL	$1.0716	$1.0653	$1.0592	$1.073000	$1.055500

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 2006-07.

LARGEST 2006-07 LOCAL SECURED PROPERTY TAXPAYERS
Roseville Joint Union High School District

	Property Owner	Land Use	2006-07 Assessed Valuation	% of Total (1)
1.	PL Roseville LLC	Residential Development	$357,509,644	1.69%
2.	Hewlett Packard Co.	Industrial	328,036,807	1.55
3.	NEC Electronics USA Inc.	Industrial	309,105,242	1.46
4.	Roseville Shoppingtown LLC	Shopping Center	198,422,197	0.94
5.	Kobra Properties	Office Building	137,451,533	0.65
6.	John Mourier Construction	Residential Development	112,628,870	0.53
7.	Donahue Schriber Realty Group LP	Commercial	94,434,929	0.45
8.	NNN Parkway Corporate Plaza LLC	Office Building	66,221,460	0.31
9.	SI VII LLC	Apartments	57,508,490	0.27
10.	Walmart Stores Inc.	Commercial	55,317,403	0.26
11.	Miller Brothers Eureka Road One & Two LLC	Office Building	53,040,000	0.25
12.	John L. Sullivan Family LP	Auto Dealership	48,646,953	0.23
13.	CA Summit at Douglas Ridge Phase I & II Office	Office Building	45,045,600	0.21
14.	EOP Johnson Ranch Corporate Centre LLC	Office Building	44,808,297	0.21
15.	Evergreen Britannia Land Joint Venture	Commercial Store	42,733,179	0.20
16.	TJM Shopping Center 05 A LLC	Shopping Center	42,330,000	0.20
17.	Villas at Galleria LP	Apartments	40,282,555	0.19
18.	Comcast of Sacramento I LLC	Communications	37,524,260	0.18
19.	Property Reserve Inc.	Office Building	34,246,733	0.16
20.	Haverhill Communities LLC	Apartments	34,064,984	0.16
			$2,139,359,136	10.11%

(1) 2006-07 Local Secured Assessed Valuation: $21,156,355,137.
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 April 1, 2007. 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

2006-07 Assessed Valuation:	$21,800,790,664
Redevelopment Incremental Valuation:	(772,204,509)
Adjusted Assessed Valuation:	$21,028,586,155

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Outstanding Debt as of 4/1/07	
Roseville Joint Union High School District	100.000%	$81,172,384	(1)
Dry Creek Joint Elementary School District	100.000	16,823,042	
Dry Creek Joint Elementary School District Community Facilities District No. 1	100.000	22,699,923	
Eureka Union School District	100.000	8,686,931	
Roseville City School District	100.000	37,917,378	
Placer County Community Facilities District No. 2001-1	55.797	10,169,003	
City of Roseville Community Facilities Districts	99.636-100.	393,006,847	
California Statewide Communities Development Authority Assessment District No. 04-1	96.487	1,499,317	
California Statewide Communities Development Authority Assessment District No. 05-1	20.044	635,119	
Sacramento Area Flood Control Operation and Maintenance Assessment District	1.939	86,092	
City of Roseville 1915 Act Bonds	100.000	1,115,000	
Placer County 1915 Act Bonds	100.000	3,200,000	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$577,011,036	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Placer County General Fund Obligations	38.445%	$8,636,669	
Placer County Office of Education Certificates of Participation	38.445	1,064,927	
Sacramento County General Fund Obligations	1.346	4,993,228	
Sacramento County Pension Obligations	1.346	12,719,216	
Sacramento County Board of Education Certificates of Participation	1.346	165,020	
Sierra Joint Community College District Certificates of Participation	30.553	3,183,623	
Roseville Joint Union High School District Certificates of Participation	100.000	5,165,000	
Eureka Union School District Certificates of Participation	100.000	6,795,000	
Roseville City School District Certificates of Participation	100.000	18,000,000	
City of Rocklin Certificates of Participation	0.051	2,828	
City of Roseville Certificates of Participation	99.995	23,798,810	
Sacramento Metropolitan Fire District Pension Obligations	3.038	2,089,353	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$86,613,674	
COMBINED TOTAL DEBT		$663,624,710	(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 2006-07 Assessed Valuation:
Direct Debt ($81,172,384) 0.37%
Total Direct and Overlapping Tax and Assessment Debt....... 2.65%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($86,337,384) 0.41%
Combined Total Debt.. 3.16%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/06: $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 72 square miles. The District currently has four comprehensive high schools for grades 9-12, a continuation school for grades 9-12, and an independent study program which serves the high school needs of approximately 350 students. Enrollment in the District for the 2006-07 school year is 8,957 high school students. The District also operates an adult school which serves approximately 300 adults annually.

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
Garry Genzlinger	President	November 2008
Paige K. Stauss	Vice President	November 2008
Kelly L. Lafferty	Clerk	November 2010
Jack Duran	Member	November 2010
R. Jan Pinney	Member	November 2008

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 De Graw, Assistant Superintendent, Personnel; John Montgomery, Assistant Superintendent, Curriculum; and Gary Stevens, Director of Accounting.

Recent Enrollment Trends

District enrollment increased by 153.5% between 1987-88 and 2006-07, representing an average annual compound growth rate of 5.0%. The following table shows a 20-year enrollment history for the District.

ANNUAL ENROLLMENT
FISCAL YEARS 1987-88 THROUGH 2006-07
Roseville Joint Union High School District

Year	Enrollment	Annual Change	Annual % Change
1987-88	3,533	--	--
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	8.4
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	4.0
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
2006-07	8,957	323	3.7

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

Labor Relations

As of June 30, 2006, the District employed 556 full-time equivalent certificated and administrative employees, and 267 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	556	June 30, 2007[2]
California School Employees Association	267	June 30, 2007[2]

[1] As of June 30, 2006.
[2] Contracts currently being negotiated.
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 $2,377,139 in fiscal year 2004-05, $2,575,401 in fiscal year 2005-06 and is projected to be $2,926,545 in fiscal year 2006-07. The District's contribution to PERS was $703,163 in fiscal year 2004-05, $703,054 in fiscal year 2005-06 and is projected to be $730,211 in fiscal year 2006-07.

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, 2006, one retiree meets these eligibility requirements. The retiree in question receives a maximum of $350/month of benefits to age 65.

The benefit is accounted for by the District on a pay-as-you-go basis. During fiscal year 2005-06, expenditures of $4,200 were recognized for retiree health care benefits. The approximate accumulated future liability for this retiree of the District at June 30, 2006 amounted to $6,650. 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 2005-06, 12 employees were granted benefits under this program in the amount of $137,312.

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 and Maturity Value 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, 2006, 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, 2006, 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 2002-03 through 2006-07

	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Fiscal Year 2005-06	Fiscal Year 2006-07[1]
REVENUES					
Revenue Limit Sources					
State Apportionments	$9,499,202	$5,569,905	$8,392,286	$7,128,058	$12,117,767
Local Sources	30,262,011	34,947,412	35,830,272	40,932,173	41,742,230
Total Revenue Limit Sources	39,761,213	40,517,317	44,222,558	48,060,231	53,859,997
Federal Revenues	2,316,476	2,090,369	1,628,494	1,609,089	2,220,030
Other State Revenues	3,760,169	3,464,431	4,069,223	4,415,237	7,052,503
Other Local Revenues	4,175,281	3,915,963	4,192,181	4,751,565	5,771,732
TOTAL REVENUES	50,013,139	49,988,080	54,112,457	58,836,122	68,904,262
EXPENDITURES					
Current Expenditures					
Certificated Salaries	25,952,728	26,793,724	27,774,453	30,295,987	33,394,137
Classified Salaries	7,348,304	7,773,452	7,931,237	8,622,956	9,739,897
Employee Benefits	8,357,742	9,003,209	10,448,921	11,029,006	11,922,243
Books and Supplies	3,640,339	3,449,053	3,469,338	3,418,720	4,965,482
Services and Operating Expenditures	3,503,629	3,786,220	3,914,964	4,380,899	7,274,585
Capital Outlay	195,777	186,140	191,804	130,108	89,551
Other Outgo	154,764	149,013	200,998	334,041	617,888
Debt Service	419,487	490,260	994,913	1,538,299	625,500
Direct Support/Indirect Costs	(197,031)	(242,332)	(186,553)	(137,401)	(255,902)
TOTAL EXPENDITURES	49,375,739	51,388,739	54,740,074	59,612,615	68,373,381
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	637,400	(1,400,659)	(627,618)	(776,493)	530,881
OTHER FINANCING SOURCES/(USES)	(31,364)	565,454	829,793	959,313	(77,779)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	606,036	(835,205)	202,175	182,820	453,102
FUND BALANCE, BEGINNING OF YEAR	$7,145,104	$7,751,140	$6,915,935	$7,118,110	$7,300,930
FUND BALANCE, AT END OF YEAR	$7,751,140	$6,915,935	$7,118,110	$7,300,930	$7,754,032

(1) Projected totals for fiscal year 2006-07 based on Second Interim Report, dated January 31, 2007.
Source: Roseville Joint Union High School District.

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 adopted budgets compared with actual results for the fiscal years ending June 30, 2005 and June 30, 2006 and the adopted budget compared with projected totals for the year ending June 30, 2007 are set forth below:

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
General Fund Budgets
Fiscal Years 2004-05 through 2006-07

	2004-05 Adopted Budget	2004-05 Actual	2005-06 Adopted Budget	2005-06 Actual	2006-07 Adopted Budget	2006-07 Projected Totals[1]
REVENUES						
Revenue Limit Sources						
State Apportionments	$9,900,958	$8,392,286	$10,892,549	$7,128,058	$12,906,241	$12,117,767
Local Sources	34,296,110	35,830,272	38,000,000	40,932,173	40,000,000	41,742,230
Total Revenue Limit Sources	44,197,068	44,222,558	48,892,549	48,060,231	52,906,241	53,859,997
Federal Revenues	1,869,100	1,628,494	1,758,107	1,609,089	1,770,996	2,220,030
Other State Revenues	3,837,335	4,069,223	4,067,913	4,415,237	4,282,756	7,052,503
Other Local Revenues	4,251,628	4,192,181	4,083,220	4,751,565	4,459,104	5,771,732
TOTAL REVENUES	54,155,131	54,112,457	58,801,789	58,836,122	63,419,097	68,904,262
EXPENDITURES						
Current Expenditures						
Certificated Salaries	28,010,138	27,774,453	29,539,996	30,295,987	32,118,824	33,394,137
Classified Salaries	8,123,943	7,931,237	8,684,815	8,622,956	9,452,910	9,739,897
Employee Benefits	10,653,615	10,448,921	11,777,450	11,029,006	11,720,153	11,922,243
Books and Supplies	3,676,836	3,469,338	3,303,278	3,418,720	3,746,734	4,965,482
Services and Operating Expenditures	4,729,088	3,914,964	5,405,748	4,380,899	5,280,697	7,274,585
Other Outgo	213,793	191,804	1,313,500	130,108	927,500	89,551
Capital Outlay	274,000	200,998	157,500	334,041	89,551	617,888
Debt Service	1,086,000	994,913	--	1,538,299	--	625,500
Direct Support/Indirect Costs	(225,334)	(186,553)	(137,861)	(137,401)	(255,902)	(255,902)
TOTAL EXPENDITURES	56,542,079	54,740,074	60,044,426	59,612,615	63,080,467	68,373,381
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(2,386,948)	(627,618)	(1,242,637)	(776,493)	338,630	530,881
OTHER FINANCING SOURCES/(OTHER USES)	945,642	829,793	525,546	959,313	(42,070)	(77,779)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/ (UNDER) EXPENDITURES AND OTHER USES	(1,441,306)	202,175	(717,091)	182,820	296,560	453,102
FUND BALANCE, BEGINNING OF YEAR	$6,915,934	$6,915,935	$7,118,110	$7,118,110	$6,760,683	$7,300,930
FUND BALANCE, AT END OF YEAR	$5,474,628	$7,118,110	$6,401,019	$7,300,930	$7,057,243	$7,754,032

[1] Projected totals for fiscal year 2006-07 are derived from the Second Interim Report of the District, dated January 31, 2007.
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 six years, and a projection through 2006-07.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Average Daily Attendance and Enrollment
and A.D.A. Base Revenue Limit
2000-01 through 2006-07

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	8,131	5,915	8,634
2006-07(1)	8,411	6,378	8,957

(1) Projected.
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 81.7% of general fund revenues in 2004-05, 81.7% of general fund revenues in 2005-06 and are projected to equal approximately 78.2% of such revenues in 2006-07.

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 3.0% of general fund revenues in 2004-05, 2.7% of general fund revenues in 2005-06 and are projected to equal approximately 3.2% of such revenues in 2006-07.

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 7.5% of general fund revenues in 2004-05, 7.5% of general fund revenues in 2005-06 and are projected to equal approximately 10.2% of such revenues in 2006-07.

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 7.7% of general fund revenues in 2004-05, 8.1% of general fund revenues in 2005-06 and are projected to equal approximately 8.4% of such revenues in 2006-07.

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 eight fiscal years and estimates for fiscal year 2006-07.

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	5,121,384
2006-07(1)	5,700,000

(1) Estimated.
Source: Roseville Joint Union High School District.

District Debt Structure

Short-Term Debt. On August 11, 2006, the District issued $11,000,000 of tax and revenue anticipation notes ("TRANs") maturing on August 31, 2007, with a coupon interest rate of 4% and a yield of 3.42%, 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, 2007.

Changes in Long-Term Debt. A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2006 is shown below:

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
General Obligation Bonds	$81,567,146	$2,474,797	$3,105,000	$80,936,943
Certificates of Participation	6,795,000	--	1,240,000	5,555,000
Capitalized Lease Obligations	260,430	371,739	136,937	495,232
Compensated Absences	199,005	--	45,283	153,722
	$88,821,581	$2,846,536	$4,527,220	$87,140,897

Certificates of Participation. 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. Annual requirements to amortize the principal with respect to the 2004 Certificates, as of June 30, 2006, are as follows:

Year Ending June 30	Principal Component To Be Prepaid
2007	$390,000
2008	405,000
2009	415,000
2010	430,000
2011	440,000
2012-2016	2,410,000
2017-2021	1,065,000
Total	$5,555,000

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 "1991 Series A Bonds") in July 1992 in the original principal amount of $13,793,791.50, a second series of bonds (the "1991 Series B Bonds") in June 1995 in the original principal amount of $19,030,284.10, a third series of bonds (the "1991 Series C Bonds") in July 1998 in the original principal amount of $4,995,895.40, a fourth series of bonds (the "1991 Series D Bonds") in July 1999 in the original principal amount of $3,000,841.15, and a fifth series of bonds (the "1991 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.

As noted herein, the District issued the Series A Bonds and Series B Bonds pursuant to the Authorization in the respective original principal amounts of $26,000,000 and $25,000,000. The Bonds represent the third series of bonds within the Authorization and account for substantially the entire remaining amount of the District's Authorization. See "THE BONDS – Authority for Issuance."

The District has recently formed its School Facilities Improvement District No. 1 of the Roseville Joint Union High School District (the "Improvement District"), which consists of portion of the District's territory located entirely within Placer County. At an election held on April 24, 2007, eligible voters within the Improvement District approved a measure to authorize the issuance of not to exceed $115,000,000 of general obligation bonds (the "Improvement District Bonds") to finance the construction of a new high school, acquire land, install infrastructure, and to fund all related planning and environmental expenses associated therewith.

The table on the following page indicates the annual debt service for all of the District's currently outstanding general obligation bonds, including the Bonds.

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

Year Ending	1991 Series A Debt Service[1]	1991 Series B Debt Service[2]	1991 Series C Debt Service[3]	1991 Series D Debt Service[4]	1991 Series E Debt Service[5]	2004 Series A Debt Service	2004 Series B Debt Service	2004 Series C Debt Service	Combined Debt Service
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	$1,012,918.75	7,874,012.51
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	1,092,250.00	8,301,553.76
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	1,221,050.00	8,656,213.76
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	1,324,250.00	9,067,333.76
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	1,392,650.00	9,541,618.27
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	1,467,450.00	10,051,929.68
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	1,538,250.00	10,580,189.14
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	1,615,050.00	11,159,784.81
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	1,702,450.00	11,752,939.74
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	1,784,525.00	12,388,562.26
2018	--	2,700,979.20	455,000.00	275,000.00	845,430.00	1,814,681.26	1,727,725.00	1,870,750.00	9,689,565.46
2019	--	2,837,195.90	470,000.00	285,000.00	870,180.00	1,901,887.50	1,811,475.00	1,969,000.00	10,144,738.40
2020	--	2,980,000.00	480,000.00	290,000.00	886,875.00	1,998,000.00	1,903,175.00	2,069,000.00	10,607,050.00
2021	--	--	495,000.00	300,000.00	910,675.00	2,095,500.00	1,999,250.00	2,170,250.00	7,970,675.00
2022	--	--	505,000.00	305,000.00	936,287.50	2,195,500.00	2,099,250.00	2,282,250.00	8,323,287.50
2023	--	--	515,000.00	315,000.00	958,750.00	2,307,500.00	2,201,750.00	2,394,000.00	8,692,000.00
2024	--	--	--	320,000.00	983,062.50	2,420,500.00	2,311,250.00	2,515,000.00	8,549,812.50
2025	--	--	--	--	1,003,962.50	2,539,000.00	2,427,000.00	2,645,000.00	8,614,962.50
2026	--	--	--	--	1,031,450.00	2,667,250.00	2,553,250.00	2,775,000.00	9,026,950.00
2027	--	--	--	--	--	2,794,250.00	2,679,000.00	2,915,000.00	8,388,250.00
2028	--	--	--	--	--	2,934,500.00	2,813,750.00	3,060,000.00	8,808,250.00
2029	--	--	--	--	--	3,081,750.00	2,951,500.00	3,215,000.00	9,248,250.00
2030	--	--	--	--	--	--	4,651,500.00	4,205,000.00	8,856,500.00
2031	--	--	--	--	--	--	--	6,815,000.00	6,815,000.00
Total	$24,035,248.34	$30,959,513.10	$7,265,075.00	$4,722,925.00	$16,482,560.00	$44,195,262.62	$47,959,343.75	$55,051,093.75	$230,671,021.56

(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.

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
2007	$110,008
2008	110,007
2009	110,008
2010	110,008
2011	110,008
2012-2016	18,571
Total	$568,610

Source: Roseville Joint Union High School District.

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 or Maturity Value 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.

2006-07 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 summary of the 2006-07 Budget prepared by the State Department of Finance and available at http://www.dof.ca.gov/. The 2006-07 Budget assumes revenues in 2006-07 of $93.9 billion and expenditures of $101.2 billion. Proposition 98 K-14 education funding in the 2006-07 Budget increases to $55.1 billion, an increase of 3.3% over fiscal year 2005-06.

Total funding from all sources available to K-12 education increases by $2.9 billion over the revised 2005-06 Budget bringing total funding to $67.1 billion for the 2006-07 fiscal year. The 2005-06 revised per pupil funding of $10,748 represents an increase of $423 from the 2005 Budget Act level of $10,325. Funding per pupil from all sources for 2006-07 is $11,264, an increase of $516 from the revised 2005-06 level. The General Fund comprises approximately 75% of this total funding, or $41.3 billion.

The 2006-07 Budget includes the following significant changes to major K-12 education programs:

- *Enrollment Growth*. The 2006-07 Budget provides $112.4 million for K-12 enrollment growth increases. Because statewide K-12 enrollment growth is projected to be negative for 2006-07, growth costs were limited to certain programs with targeted populations, such as Economic Impact Aid ($29.3 million) and Adult Education ($15.1 million).

- *Cost-Of-Living Adjustments*. The 2006-07 Budget includes over $2.6 billion to provide a 5.92% cost-of-living adjustment ("COLA") to K-12 programs. Included in this amount are funding for school apportionments ($1.9 billion), special education ($184.3 million) and K-3 class size reduction ($182.5 million).

- *Revenue Limits*. Revenue limit funding constitutes the basic funding source for classroom instruction. The 2006-07 Budget provides a net increase of $2.3 billion to school district and county office of education revenue limits, which includes the decrease due to anticipated average daily attendance declines, the increase due to the COLA factor and an adjustment to account for revised local revenues.

- *Deficit Reduction*. The 2006-07 Budget includes $308.6 million to completely eliminate the deficit factor for school district and county offices of education revenue limits. This funding compensates local education agencies for reduced COLAs provided in prior years and provides an ongoing source of general purpose funding.

- *Equalization*. The 2006-07 Budget includes $350 million for school district revenue limit equalization to address the disparity in base general-purpose funding levels across school districts. These funding disparities are rooted in historical changes to property tax law and result in less funding being provided to some districts than is provided to other, equally situated school districts.

- *K-12 Education Mandates*. The 2006-07 Budget provides approximately $957 million in Proposition 98 General Fund to fund K-12 mandate costs. Of that amount, $927 million is for the purpose of paying off prior year claims.

- *Charter Schools*. The 2006-07 Budget provides a $32.9 million increase for the charter school categorical block grant to fully fund the provisions of Chapter 359, Statutes of 2005. Charter schools will also receive $9 million to fund facility leasing costs for schools that serve low-income student populations.

- *Economic Impact Aid*. The 2006-07 Budget includes a $350 million Proposition 98 General Fund augmentation to the Economic Impact Aid Program to help close the achievement gap of English learner and economically disadvantaged students. The funds will support additional programs and services for these students.

- *After-School Programs*. In 2005-06, the state After-School Education and Safety Program was funded at $121.6 million, serving more than 100,000 children annually. Beginning in 2006-07, Proposition 49 will provide an increase of $428 million over that funding level.

Governor's Proposed 2007-08 State Budget. On January 10, 2007, the Governor released his proposed budget for fiscal year 2007-08 (the "Proposed 2007-08 Budget"). On January 12, 2007, the Legislative Analyst's Office released its Overview of the Governor's Budget (the "LAO Report"). The following information is adapted from the LAO Report.

The Proposed 2007-08 Budget includes only a few expansions, and instead proposes a number of budget balancing actions, including a major redirection of transportation funds and significant reductions in social services, to eliminate a significant shortfall in the budget year. The Proposed 2007-08 Budget provides for total state spending in 2007-08 of $131 billion (excluding expenditures of federal funds and bond funds). General Fund spending is projected to increase from $102.1 billion to $103.1 billion (an increase of 1%), while special funds spending rises from $24.5 billion to $27.7 billion. Based on an expected fiscal year 2006-07 General Fund reserve of $2.9 billion, and projected General Fund revenues of $102.3 billion, the Proposed 2007-08 Budget provides for a year-end reserve of $2.1 billion.

Proposition 98 funding in the Proposed 2007-08 Budget is affected by a proposed transfer of $627 million from the State's Public Transportation Account to fund the Home-to-School Transportation program. In addition to this transfer, the Proposed 2007-08 Budget would "rebench" the Proposition 98 minimum funding requirement downward by a like amount, thereby freeing up $627 million in General Fund monies. This shift would not affect total funding for school transportation or the level of school transportation services. The Legislative Analyst's Office believes that this proposed funding shift and rebenching of the Proposition 98 guarantee raises serious policy and legal issues and may not achieve the proposed General Fund savings.

The Proposed 2007-08 Budget provides $56.8 billion in total K-14 Proposition 98 funding. This is an increase of $1.8 billion, or 3.3%, over the revised current-year estimate. (This funding level, however, reflects the "rebenching" of the Proposition 98 requirement described above.) Most of the increase in proposed K-14 Proposition 98 funding would be covered by growth in local property tax revenues ($1.4 billion).

Year-to-year K-12 Proposition 98 comparisons are complicated by the proposed transportation funding shift. If the shift were to occur, total K-12 Proposition 98 funding would increase by $1.4 billion, or 2.9%, from 2006-07 levels. If the $627 million shift were not to occur, total K-12 Proposition 98 funding would increase by $2.1 billion, or 4.2%, from 2006-07. Similarly, comparisons of Proposition 98 per pupil funding rates also are complicated by the proposed shift. If the shift were to occur, the 2007-08 Proposition 98 per pupil funding rate would be $8,525, an increase of $275, or 3.3%, from the revised current-year estimate. If the $627 million shift were not to occur, the 2007-08 per pupil funding rate would be $8,631, an increase of $381, or 4.6%, over 2006-07.

The Proposed 2007-08 Budget contains relatively few Proposition 98 program expansions. The primary funding increases go toward providing COLAs and increasing the Proposition 98 share of the state's child care program. Partial funding for these expenditures comes from savings associated with declines in K-12 attendance. Key features in the Proposed 2007-08 Budget's program funding include:

- *Fully Funds COLAs ($1.9 Billion).* The proposal fully funds both statutory and discretionary COLAs. Specifically, the budget provides $1.9 billion for a 4.04% COLA—$1.4 billion for revenue limits and $516 million for categorical programs.

- *Increases Proposition 98 Spending for Child Care ($269 Million).* The Governor proposes to increase Proposition 98 funding for California Work Opportunity and Responsibility to Kids ("CalWORKs") child care by $269 million. This proposal would free up a comparable amount of federal Temporary Assistance for Needy Families funds for other CalWORKs purposes, thereby offsetting General Fund costs and creating savings for the state. This funding shift proposal would not affect total monies available for child care or the level of child care services.

- *Recognizes Savings From Declining Attendance (About $90 Million).* The budget assumes that student attendance will decline by 0.39% from 2006-07 to 2007-08. The Governor's budget shows roughly $90 million in associated attendance-related savings.

The Proposed 2007-08 Budget also includes the following K-12 education expenditures from one-time funds:

- *Quality Education Improvement Act ($268 Million).* The budget includes the first installment of a $2.9 billion settlement agreement related to Proposition 98 K-14 funding requirements. The bulk of the funds are for reducing class size in grades 4-12 in about 500 low-performing schools.

- *School Facilities ($6.9 Billion).* The budget proposes to spend $6.9 billion in bond monies in 2006-07 and 2007-08 for school facilities. Of the $6.9 billion, $3.1 billion comes from the 2006 School Facilities Bond (authorized by Proposition 1D) and the remainder comes from the 2004 and 2002 school bonds. The Governor's Strategic Growth Plan proposes to seek an additional $6.5 billion in general obligation bonds for K-12 school facilities on the 2008 ballot and $5.1 billion on the 2010 ballot.

- *Various One-Time Expenditures ($252 million).* The Governor proposes to spend $186 million from the Proposition 98 Reversion Account. The bulk of these one-time monies are designated for emergency facility repairs at low performing schools ($100 million), facility lease costs for charter schools located in low-income areas ($44 million), and child care ($26 million). In addition, the budget proposes to spend $65 million in 2006-07 attendance-related savings for various one-time purposes. The bulk is for continuing teacher block grants to low performing schools for a third year ($50 million) and establishing a new program to recruit retiring professionals into teaching ($10 million).

The LAO Report indicates that the Proposed 2007-08 Budget raises a number of serious policy and legal issues, which may make implementation problematic, and the Proposed 2007-08 Budget's assumptions on matters ranging from the fiscal benefits of its solutions to the outcome of court cases involving the State appear to be optimistic. According to the LAO, adverse outcomes in just a few of these areas could easily eliminate most or all of the budget's proposed reserve. Given the above factors, as well as the continuing existence of the structural budget shortfall facing the state, The LAO Report concludes that it will be important for the Legislature to develop a more realistic budget which includes alternative budgetary solutions and avoids raising ongoing commitments (absent identified funding to pay for them).

Additional information regarding the LAO Report and the Proposed 2007-08 Budget is available from the websites of the LAO (at www.lao.ca.gov) and the California Department of Finance (at www.dof.ca.gov).

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 2006-07 fiscal year (which is due not later than March 1, 2008), 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.

New Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date of this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

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

Standard & Poor's ("S&P"), a Division of The McGraw-Hill Companies, and Fitch Ratings ("Fitch") have assigned ratings of "AAA" and "AAA," respectively, based on the issuance by the Insurer of a municipal bond insurance policy with respect to the Bonds. The Bonds have been assigned ratings of "AA-" and "AA" by S&P and Fitch, respectively, without regard to the issuance of any municipal bond insurance 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 $28,572,032.16, which is equal to the initial principal amount of the Bonds of $27,997,958.85, plus net original issue premium of $996,856.55, less the Underwriter's discount of $279,979.59, less $142,803.65 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 2005-06 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2006

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PERRY-SMITH LLP
ACCOUNTANTS

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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, 2006, 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, 2006, 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 20, 2006 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.

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 20, 2006

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

This section of Roseville Joint Union High School District's annual financial report presents management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2006. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 and 2, and the District's basic financial statements, which immediately follow this section.

USING THIS ANNUAL FINANCIAL REPORT

This annual financial report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities, present on pages 12 through 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 and fiduciary activities, presented on pages 14 through 20, 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 $8,404,054. 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 $13,116,297, 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 281 or 3.58%. Also, the District recorded 76,260 hours of summer school and supplemental instructional hour. These items have caused additional growth in the District's revenue limit funding.

- This is the fourth year that capital asset balances have been included in the basic 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 2005-06, General Fund expenditures and other financing uses totaled $60,304,241, excluding state on-behalf payments. At June 30, 2006, the District has available reserves of $2,692,985 in the General Fund, which represents a reserve of 4.5%.

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 basic financial statements, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The 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 (CONTINUED)

Reporting the District as a Whole (Continued)

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 Roseville Joint Union High School District are the General Fund, Building Fund, Capital Facilities, County School Facilities Fund and Bond Interest and Redemption 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 $73,844,695 at June 30, 2005 to $82,248,749 at June 30, 2006; an increase of $8,404,054, or 11.38%.

Comparative Statement of Net Assets

	2006	2005
Assets:		
Current & Other Assets	$ 59,916,224	$ 60,754,030
Capital Assets	127,597,234	114,480,937
Total Assets	187,513,458	175,234,967
Liabilities:		
Other Liabilities	18,123,812	12,568,691
Long-Term Liabilities Outstanding	87,140,897	88,821,581
Total Liabilities	105,264,709	101,390,272
Net Assets:		
Invested in Capital Assets, net of related debt	40,610,059	25,858,361
Restricted	36,256,714	42,363,202
Unrestricted	5,381,976	5,623,132
Total Net Assets	$ 82,248,749	$ 73,844,695
Comparative Change--$	$ 8,404,054	n/a
Comparative Change--%	11.38%	n/a

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

GOVERNMENTAL ACTIVITIES (CONTINUED)

Comparative Statement of Activities

	Governmental Activities	
	2006	2005
Program Revenues:		
Charge for Services	$ 2,965,140	$ 2,757,220
Operating Grants and Contributions	6,735,714	6,306,345
Capital Grants and Contributions	93,839	1,442,776
General Revenues:		
Taxes Levied	48,834,156	39,556,421
Federal and State Aid	10,407,692	11,228,186
Interest and Investment Earnings	1,939,971	628,680
Miscellaneous	8,391,756	6,007,864
Total Revenues	79,368,268	67,927,492
Program Expenses:		
Instruction	36,332,004	33,393,728
Instruction-Related Services	5,761,737	5,466,392
Pupil Services	9,074,152	8,587,709
General Administration	4,246,959	4,211,837
Plant Services	8,547,793	7,948,950
Ancillary Services	1,003,620	942,782
Community Services Enterprise	186,378	182,349
Interest on Long-Term Debt	5,085,177	3,354,552
Other Outgo	726,394	435,177
Total Expenses	70,964,214	64,523,476
Change In Net Assets	$ 8,404,054	$ 3,404,016
Comparative Change--$	$ 5,000,038	n/a
Comparative Change--%	146.89%	n/a

Comparative Schedule of Capital Assets

	Governmental Activities 2006	2005
Land	$ 15,710,620	$ 15,107,514
Building and Improvements	114,508,203	96,400,478
Furniture and Equipment	6,268,216	5,906,794
Work in Progress	24,392,412	27,665,189
Subtotals	160,879,451	145,079,975
Less: Accumulated Depreciation	33,282,217	30,599,038
Capital Assets, Net	$ 127,597,234	$ 114,480,937
Comparative Change--$	$ 13,116,297	n/a
Comparative Change--%	11.46%	n/a

Capital assets, net of depreciation, increased by $13,116,297, due primarily to the aggressive facilities modernization program, including modernization of the gymnasium and weight-room at Oakmont, parking lot rebuild at Oakmont, and artificial turf and track at Woodcreek High School.

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 Long-Term Liabilities

	Governmental Activities	
	2006	2005
General Obligation Bonds	$ 80,936,943	$ 81,567,146
Certificates of Participation	5,555,000	6,795,000
Capital Leases	495,232	260,430
Compensated Absences	153,722	199,005
Totals	$ 87,140,897	$ 88,821,581

No new bond debt was issued in the fiscal year. This follows 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 most recent bond debt – was 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 spending in 2005/06 maintained educational programs, followed by a planned, balanced budget in 2006/07

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

- A fifth high school – Antelope High School – scheduled for opening in August 2008.
- Technology improvements to infrastructure systems.
- Various identified modernizations/additions.

The $234,802 increase in capital leases is due to the purchase of four new buses (+$371,000) and pay down of other lease obligations.

The notes to the basic 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, 2006	Fund Balances June 30, 2005	Increase (Decrease)
General (01)	$ 7,300,930	$ 7,118,110	$ 182,820
Adult Education (11)	$ 437,201	$ 282,874	$ 154,327
Cafeteria (13)	$ 467,112	$ 338,777	$ 128,335
Deferred Maintenance (14)	$ 481,400	$ 416,773	$ 64,627
Pupil Transportation (15)	$ 52,573	$ 14,799	$ 37,774
Building Fund (21)	$ 2,041,485	$ 16,372,080	$ (14,330,595)
Developer Fees (25)	$ 20,698,012	$ 16,060,343	$ 4,637,669
County School Facilities (35)	$ 3,926,510	$ 3,778,503	$ 148,007
Capital Projects-Special Reserve (40)	$ 79,656	$ 141,019	$ (61,363)
Bond Interest and Redemption (51)	$ 7,306,505	$ 4,014,500	$ 3,292,005
Totals	$ 42,791,384	$ 48,537,778	$ (5,746,394)

As can be seen in the comparative schedule of 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 2006-07 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. The new Antelope High School project started construction in April 2006 and will continue.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The 2006/07 General Fund budget is balanced between revenues and expenditures with a projected operating surplus of $296,560. The budget includes increased costs for employee longevity step moves on the applicable salary schedules, increased health and welfare costs, and estimated cost impacts for settlements of collective bargaining for all employee groups. This means that the district is in an excellent fiscal position. Future year's projections show that, if current trends are maintained, the District will sustain a positive fiscal health and will be able to open our new Antelope High School in fall 2008 using designated fund reserves and avoid major fiscal impacts.

- Strong economic projections for the State of California for the next several years show that funding of public education will continue on a positive trend.

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.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2006

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 47,375,789
Cash with Fiscal Agent, restricted for repayment of Tax and Revenue Anticipation Notes (TRANs) (Note 2)	9,473,302
Accounts receivable:	
Federal government	431,450
State government	1,640,653
Local government	747,085
Prepaid expenditures	228,071
Stores inventory	19,874
Capital assets, net of accumulated depreciation (Note 4)	127,597,234
Total assets	187,513,458
LIABILITIES	
Accounts payable	8,964,618
TRANs payable (Note 2)	9,000,000
Deferred revenue	159,194
Long-term liabilities (Note 5):	
Due within one year	6,075,065
Due after one year	81,065,832
Total liabilities	105,264,709
NET ASSETS	
Invested in capital assets, net of related debt	40,610,059
Restricted (Note 6)	36,256,714
Unrestricted	5,381,976
Total net assets	$ 82,248,749

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, 2006

		Program Revenues			Net (Expense) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities (Note 4):					
Instruction	$ 36,332,004	$ 43,551	$ 5,178,203	$ 93,839	$ (31,016,411)
Instruction-related services:					
Supervision of instruction	730,405		151,595		(578,810)
Instructional library, media and technology	282,863		25,851		(257,012)
School site administration	4,748,469	1,243	43,361		(4,703,865)
Pupil services:					
Home-to-school transportation	2,399,316	1,165,273	247,655		(986,388)
Food services	1,980,863	1,755,073	266,335		40,545
All other pupil services	4,693,973		691,066		(4,002,907)
General administration:					
Data processing	1,185,739				(1,185,739)
All other general administration	3,061,220		105,655		(2,955,565)
Plant services	8,547,793		15,733		(8,532,060)
Ancillary services	1,003,620				(1,003,620)
Enterprise activities	186,378				(186,378)
Other outgo	726,394		10,260		(716,134)
Interest on long-term liabilities	5,085,177				(5,085,177)
Total governmental activities	$ 70,964,214	$ 2,965,140	$ 6,735,714	$ 93,839	(61,169,521)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	40,713,501
Taxes levied for debt service	7,967,519
Taxes levied for other specific purposes	153,136
Federal and State aid not restricted to specific purposes	10,407,692
Interest and investment earnings	1,939,971
Miscellaneous	8,391,756
Total general revenues	69,573,575
Change in net assets	8,404,054
Net assets, July 1, 2005	73,844,695
Net assets, June 30, 2006	$ 82,248,749

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2006

	General Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS							
Cash and investments:							
Cash in County Treasury	$ 5,324,265	$ 773,754	$ 8,373,071	$ 2,709,385	$ 7,306,505	$ 1,206,300	$ 25,693,280
Cash on hand and in banks	19,256					28,334	47,590
Cash in revolving fund	10,300					100	10,400
Cash with Fiscal Agent, restricted for TRANs	9,473,302						9,473,302
Cash with Fiscal Agent		13,429	15,396				28,825
Investments		8,035,607	13,560,087				21,595,694
Accounts receivable:							
Federal government	412,520					18,930	431,450
State government	1,640,653						1,640,653
Local government and other	623,254		21,704			101,827	746,785
Prepaid expenditures	281,500						281,500
Due from other funds	1,686,608		2,316,774	4,464,531		461,584	8,929,497
Stores inventory						19,874	19,874
Total assets	$ 19,471,658	$ 8,822,790	$ 24,287,032	$ 7,173,916	$ 7,306,505	$ 1,836,949	$ 68,898,850
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 2,678,377		$ 1,974,321	$ 3,247,406		$ 118,971	$ 8,019,075
TRANs payable	9,000,000						9,000,000
Deferred revenue	105,767					53,427	159,194
Due to other funds	386,584	$ 6,781,305	1,614,699			146,609	8,929,197
Total liabilities	12,170,728	6,781,305	3,589,020	3,247,406		319,007	26,107,466
Fund balances	7,300,930	2,041,485	20,698,012	3,926,510	$ 7,306,505	1,517,942	42,791,384
Total liabilities and fund balances	$ 19,471,658	$ 8,822,790	$ 24,287,032	$ 7,173,916	$ 7,306,505	$ 1,836,949	$ 68,898,850

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, 2006

Total fund balances - Governmental Funds		$ 42,791,384
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 $160,879,451 and the accumulated depreciation is $33,282,217 (Note 4).		127,597,234
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, 2006 consisted of (Note 5):		
General Obligation Bonds	$ 80,936,943	
Certificates of Participation	5,555,000	
Capitalized lease obligations	495,232	
Compensated absences	153,722	
		(87,140,897)
Costs associated with the issuance of long-term liabilities are not financial resources and, therefore, are not reported as assets in governmental funds.		(53,429)
Unmatured interest is not recognized until it is due and, therefore, is not accrued as a payable in governmental funds.		(945,543)
Total net assets - governmental activities		$ 82,248,749

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, 2006

	General Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:							
Revenue limit sources:							
State apportionment	$ 7,128,058					$ 770,169	$ 7,898,227
Local sources	40,932,173						40,932,173
Total revenue limit	48,060,231					770,169	48,830,400
Federal sources	1,609,089					338,568	1,947,657
Other State sources	4,415,237		$ 86,450		$ 606,847	317,540	5,426,074
Other local sources	4,751,565	$ 646,211	5,805,206	$ 97,606	7,490,017	1,915,072	20,705,677
Total revenues	58,836,122	646,211	5,891,656	97,606	8,096,864	3,341,349	76,909,808
Expenditures:							
Certificated salaries	30,295,987					403,190	30,699,177
Classified salaries	8,622,956					792,408	9,415,364
Employee benefits	11,029,006					414,841	11,443,847
Books and supplies	3,418,720		445,514			1,044,646	4,908,880
Contract services and operating expenditures	4,380,899		1,124,316	27,955		700,412	6,233,582
Capital outlay	130,108		5,620,419	7,354,209		422,925	13,527,661
Other outgo	334,041						334,041
Debt service:							
Principal retirement	1,258,176				3,105,000	118,761	4,481,937
Interest	280,123				1,699,859	3,470	1,983,452
Total expenditures	59,750,016		7,190,249	7,382,164	4,804,859	3,900,653	83,027,941
(Deficiency) excess of revenues (under) over expenditures	(913,894)	646,211	(1,298,593)	(7,284,558)	3,292,005	(559,304)	(6,118,133)
Other financing sources (uses):							
Operating transfers in	1,650,939		7,550,961	7,432,565		629,225	17,263,690
Operating transfers out	(554,225)	(14,976,806)	(1,614,699)			(117,960)	(17,263,690)
Proceeds from capitalized lease obligations						371,739	371,739
Total other financing sources (uses)	1,096,714	(14,976,806)	5,936,262	7,432,565		883,004	371,739
Net change in fund balances	182,820	(14,330,595)	4,637,669	148,007	3,292,005	323,700	(5,746,394)
Fund balances, July 1, 2005	7,118,110	16,372,080	16,060,343	3,778,503	4,014,500	1,194,242	48,537,778
Fund balances, June 30, 2006	$ 7,300,930	$ 2,041,485	$ 20,698,012	$ 3,926,510	$ 7,306,505	$ 1,517,942	$ 42,791,384

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, 2006

Net change in fund balances - Total Governmental Funds		$ (5,746,394)
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).	$ (2,846,536)	
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.	(1,041)	
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).	4,481,937	
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.	(645,492)	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net assets (Note 4).	15,992,014	
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported (Note 4).	(5,891)	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(2,868,899)	
Costs previously capitalized as work in progress were determined to be non-capitalizable expenditures (Note 4).	(927)	
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).	45,283	14,150,448
Change in net assets of governmental activities		$ 8,404,054

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, 2006

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Revenue limit sources:				
State apportionment	$ 10,892,549	$ 7,346,996	$ 7,128,058	$ (218,938)
Local sources	38,000,000	40,744,005	40,932,173	188,168
Total revenue limit	48,892,549	48,091,001	48,060,231	(30,770)
Federal sources	1,758,107	1,817,153	1,609,089	(208,064)
Other State sources	4,067,913	4,414,123	4,415,237	1,114
Other local sources	4,083,220	4,126,617	4,751,565	624,948
Total revenues	58,801,789	58,448,894	58,836,122	387,228
Expenditures:				
Certificated salaries	29,539,996	30,295,988	30,295,987	1
Classified salaries	8,684,815	8,622,957	8,622,956	1
Employee benefits	11,777,450	11,070,760	11,029,006	41,754
Books and supplies	3,303,278	3,507,625	3,418,720	88,905
Contract services and operating expenditures	5,405,748	4,380,899	4,380,899	
Capital outlay	157,500	203,884	130,108	73,776
Other outgo	202,000	347,344	334,041	13,303
Debt service:				
Principal retirement	818,500	818,500	1,258,176	(439,676)
Interest	293,000	293,000	280,123	12,877
Total expenditures	60,182,287	59,540,957	59,750,016	(209,059)
Deficiency of revenues under expenditures	(1,380,498)	(1,092,063)	(913,894)	178,169
Other financing sources (uses):				
Operating transfers in	1,223,861	1,223,861	1,650,939	427,078
Operating transfers out	(560,454)	(554,225)	(554,225)	
Total other financing sources (uses)	663,407	669,636	1,096,714	427,078
Net change in fund balance	(717,091)	(422,427)	182,820	605,247
Fund balance, July 1, 2005	7,118,110	7,118,110	7,118,110	
Fund balance, June 30, 2006	$ 6,401,019	$ 6,695,683	$ 7,300,930	$ 605,247

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, 2006

	Private Purpose Trust	Agency Funds			
	Scholarship Fund	Warrant Pass-Through	Student Body Account	Total	Total
ASSETS					
Cash and investments (Note 2):					
Cash in County Treasury	$ 544,203	$ 300		$ 300	$ 544,503
Cash on hand and in banks			$ 888,036	888,036	888,036
Total assets	544,203	300	888,036	888,336	1,432,539
LIABILITIES					
Accounts payable	46,047				46,047
Due to other funds		300		300	300
Due to student groups			888,036	888,036	888,036
Total liabilities	46,047	300	888,036	888,336	934,383
NET ASSETS					
Net assets - restricted (Note 6)	$ 498,156	$ -	$ -	$ -	$ 498,156

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS

PRIVATE PURPOSE TRUST FUND

June 30, 2006

	Private Purpose Trust Fund
Additions:	
Other local sources	$ 105,451
Deductions:	
Contract services and operating expenditures	51,080
Change in net assets	54,371
Net assets, July 1, 2005	443,785
Net assets, June 30, 2006	$ 498,156

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO BASIC 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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. The following is a summary of the more significant policies:

<u>Reporting Entity</u>

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 of Education.

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 basic 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 basic financial statements include:

  - A Management's 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 basic financial statements (including notes to basic financial statements).

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 and the Statement of Changes in Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of 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, Cafeteria, Deferred Maintenance and Pupil Transportation Equipment 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 Building, Capital Facilities, 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 Scholarship Fund, which is used by the District to provide financial 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 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 originally adopted and the final revised budget is presented for the General Fund in the basic 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 Change 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 $153,722 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 and investments at June 30, 2006 consisted of the following:

	Governmental Activities	Fiduciary Activities
Pooled Funds:		
Cash in County Treasury	$ 25,693,280	$ 544,503
Deposits:		
Cash on hand and in banks	47,590	888,036
Revolving cash fund	10,400	
Cash with Fiscal Agent, restricted for repayment of TRANs	9,473,302	
Cash with Fiscal Agent	28,825	
Investments	21,595,694	
	$ 56,849,091	$ 1,432,539

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.

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

In accordance with applicable State laws, the Placer County Treasurer may invest in derivative securities. However, at June 30, 2006 the Placer County Treasurer has represented that the Treasurer's Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

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, 2006, the carrying amount of the District's accounts was $57,990, and the bank balance was $960,350. Of the bank balance, $166,279 was covered by the FDIC insurance and $794,071 was uninsured.

Cash with Fiscal Agent, Restricted for Repayment of TRANs

On August 11, 2005, the District issued $9,000,000 of Tax and Revenue Anticipation Notes (TRANs) maturing August 26, 2006 with a coupon interest rate of 4.0% 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 from revenues and cash receipts generated by the District during the fiscal year ended June 30, 2006. Repayment terms require the entire TRANs principal and accrued interest to be set aside. As of June 30, 2006, funds totaling $9,473,302 held in the General Fund were pledged to repay the principal and accrued interest.

Cash with Fiscal Agent

Cash with Fiscal Agent represents amounts held with a custodian as of June 30, 2006.

Investments

Investments consist of certificates of deposit plus accrued interest invested on behalf of the District, and maintained by, the Placer County Treasurer, as shown below:

	Carrying Amount	Fair Value
USB AG, par $13,500,000, 5.15%	$ 13,560,087	$ 13,560,087
USB AG, par $8,000,000, 5.15%	8,035,607	8,035,607
	$ 21,595,694	$ 21,595,694

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, 2006, 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.

2. CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2006, 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, 2006 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 1,686,608	$ 386,584
Special Revenue Funds:		
Adult Education	107,359	71,609
Cafeteria	800	
Pupil Transportation	125,000	
Capital Projects Fund:		
Building		6,781,305
Capital Facilities	2,316,774	1,614,699
County School Facilities	4,464,531	
Special Reserve	228,425	75,000
Agency Fund:		
Warrant Pass-Through		300
Totals	$ 8,929,497	$ 8,929,497

Interfund Transfers

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

3. INTERFUND TRANSACTIONS (Continued)

Interfund Transfers (Continued)

Interfund transfers for the 2005-2006 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.	203,425
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.	300,000
Transfer from the Capital Facilities Fund to the General Fund for payment of Certificates of Participation.	1,513,538
Transfer from the Adult Education Fund to the General Fund for indirect costs.	36,240
Transfer from the Capital Facilities Fund to the General Fund for indirect costs.	101,161
Transfer of General Obligation Bond proceeds from the Building Fund to the County School Facilities Fund to pay for construction costs.	7,432,565
Transfer of General Obligation Bond proceeds from the Building Fund to the Capital Facilities Fund to pay for construction costs.	7,544,241
Transfer from the Special Reserve Fund to the Capital Facilities Fund to reallocate reimbursed funds collected from the City of Roseville.	6,720
Transfer from the Special Reserve Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs.	75,000
Totals	$ 17,263,690

4. CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2006 is shown below:

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
Land	$ 15,107,514	$ 603,106		$ 15,710,620
Improvement of sites	4,118,063			4,118,063
Buildings	92,282,415	18,107,724		110,390,139
Equipment	5,906,794	553,033	$ 191,611	6,268,216
Work-in-process	27,665,189	10,386,187	13,658,963	24,392,413
Totals, at cost	145,079,975	29,650,050	13,850,574	160,879,451
Less accumulated depreciation:				
Improvement of sites	(3,123,708)	(115,376)		(3,239,084)
Buildings	(23,520,969)	(2,295,497)		(25,816,466)
Equipment	(3,954,361)	(458,026)	(185,720)	(4,226,667)
Total accumulated depreciation	(30,599,038)	(2,868,899)	(185,720)	(33,282,217)
Capital assets, net	$114,480,937	$ 26,781,151	$ 13,664,854	$127,597,234

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 1,598,027
Supervision of instruction	32,043
Instructional library, media and technology	12,455
School site administration	208,673
Home-to-school transportation	122,856
Food services	86,990
All other pupil services	216,910
Ancillary services	44,074
All other general administration	136,249
Data processing	52,390
Plant services	358,232
Total depreciation expense	$ 2,868,899

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
2007	$ 1,294,218	$ 40,782	$ 1,335,000
2008	1,311,080	128,920	1,440,000
2009	1,332,649	227,351	1,560,000
2010	1,349,287	335,713	1,685,000
2011	1,364,767	455,233	1,820,000
2012-2016	7,047,631	4,476,331	11,523,962
2017-2021	2,938,155	3,068,131	6,006,286
	$ 16,637,787	$ 8,732,461	$ 25,370,248

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
2007	1,465,419	39,581	1,505,000
2008	1,456,491	123,509	1,580,000
2009	1,445,910	214,090	1,660,000
2010	1,429,271	310,729	1,740,000
2011	1,414,846	415,154	1,830,000
2012-2016	6,832,894	3,772,106	10,605,000
2017-2021	6,647,835	6,896,678	13,544,513
	$ 20,692,666	$ 11,771,847	$ 32,464,513

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
2007	$ 270,000	$ 64,125	$ 334,125
2008	290,000	51,525	341,525
2009	310,000	38,025	348,025
2010	335,000	23,513	358,513
2011	355,000	7,987	362,987
2012-2016	1,388,198	636,802	2,025,000
2017-2021	1,198,277	1,086,723	2,285,000
2022-2026	639,231	875,768	1,514,999
	$ 4,785,706	$ 2,784,468	$ 7,570,174

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
2007	$ 145,000	$ 58,513	$ 203,513
2008	155,000	51,612	206,612
2009	170,000	44,053	214,053
2010	180,000	35,737	215,737
2011	195,000	26,640	221,640
2012-2016	910,887	301,407	1,212,294
2017-2021	693,818	691,182	1,385,000
2022-2026	481,079	758,921	1,240,000
	$ 2,930,784	$ 1,968,065	$ 4,898,849

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 2027.

Year Ending June 30,	Principal	Interest	Total
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	225,000	464,153	689,153
2012-2016	1,590,000	2,124,847	3,714,847
2017-2021	2,540,000	1,625,758	4,165,758
2022-2026	3,890,000	800,625	4,690,625
2027-2031	980,000	25,725	1,005,725
	$ 9,890,000	$ 6,975,468	$ 16,865,468

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
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	100,000	1,134,831	1,234,831
2012-2016	1,580,000	5,538,806	7,118,806
2017-2021	4,015,000	4,984,141	8,999,141
2022-2026	7,765,000	3,598,875	11,363,875
2027-2031	10,145,000	1,079,125	11,224,125
	$ 26,000,000	$ 21,150,982	$ 47,150,982

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.

5. LONG-TERM LIABILITIES (Continued)

Certificates of Participation (Continued)

The 1991 Certificates were paid off during the fiscal year ended June 30, 2006.

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,	
2007	$ 390,000
2008	405,000
2009	415,000
2010	430,000
2011	440,000
2012-2016	2,410,000
2017-2021	1,065,000
	$ 5,555,000

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
2007	$ 110,008
2008	110,007
2009	110,008
2010	110,008
2011	110,008
2012-2016	18,571
	568,610
Less amount representing interest	(73,378)
	$ 495,232

5. LONG-TERM LIABILITIES (Continued)

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2006 is shown below:

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006	Amounts Due Within One Year
General Obligation Bonds	$ 81,567,146	$ 2,474,797	$ 3,105,000	$ 80,936,943	$ 5,444,637
Certificates of Participation	6,795,000		1,240,000	5,555,000	390,000
Capitalized lease obligations	260,430	371,739	136,937	495,232	86,706
Compensated absences	199,005		45,283	153,722	153,722
	$ 88,821,581	$ 2,846,536	$ 4,527,220	$ 87,140,897	$ 6,075,065

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, 2006:

	Governmental Activities
Restricted for:	
Revolving cash fund	$ 10,400
Stores inventory	19,874
Prepaid expenditures	228,071
Unspent categorical program revenues	527,889
Adult education programs	437,101
Food service operations	447,238
Deferred maintenance projects	481,400
Pupil Transportation	52,573
Capital projects	26,745,663
Debt service	7,306,505
	$ 36,256,714

	Fiduciary Activities
Restricted for scholarships	$ 498,156

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).

Plan Description and Provisions

California Public Employees' Retirement System (CalPERS)

Plan Description

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

Funding Policy

Active plan members are required to contribute 7% 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 2005-2006 was 9.12% 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, 2004, 2005 and 2006 were $723,097, $703,163 and $703,054, 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.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Description and Provisions (Continued)

State Teachers' Retirement System (STRS) (Continued)

Funding Policy

Active plan members are required to contribute 8% of their salary. The required employer contribution rate for fiscal year 2005-2006 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, 2004, 2005 and 2006 were $2,279,175, $2,377,139 and $2,575,401, respectively, and equal 100% of the required contributions for each year.

8. POST-RETIREMENT BENEFITS

Healthcare

In addition to pension benefits described in Note 7, the District provides medical, vision, and dental benefits when employee contracts specify this. As of June 30, 2006, 1 retiree met these eligibility requirements. This retiree receives a maximum of $350 per month for benefits to age 65. During the year, expenditures of $4,200 were recognized on a pay-as-you-go basis 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, 2006 amounts to $6,650. 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, 2006, 12 employees were granted benefits under this program in the amount of $137,312.

9. 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.

9. JOINT POWERS AGREEMENTS (Continued)

Schools Insurance Group (Continued)

Condensed financial information for SIG for the year ended June 30, 2005 (the most current information available) is as follows:

Total assets	$ 36,664,049
Total liabilities	$ 29,183,931
Total net assets	$ 7,480,118
Total revenues	$ 62,342,965
Total expenditures	$ 47,498,452

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, 2005 (the most current information available) is as follows:

Total assets	$ 10,051,695
Total liabilities	$ 8,422,910
Total net assets	$ 1,628,785
Total revenues	$ 31,273,275
Total expenses	$ 30,987,842

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.

10. 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.

11. SUBSEQUENT EVENTS

General Obligation Bonds

In July 2006, the District issued 2004 General Obligation Bonds, Series B, in the amount of $25,000,000. Bond proceeds will be used for acquisition, modernization and improvement of District facilities. The Bonds carry interest rates ranging from 4.5% to 6.0% and are scheduled to mature through August 2030.

Tax and Revenue Anticipation Notes

On August 11, 2006 the District issued $11,000,000 of Tax and Revenue Anticipation Notes (TRANs), maturing on August 31, 2007, with a coupon interest rate of 4.00% and a yield of 3.42%, 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, 2007.

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 the 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 was estimated to be 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 2006.

PLACER COUNTY
CIVILIAN LABOR FORCE, EMPLOYMENT
AND UNEMPLOYMENT ANNUAL AVERAGES
2002-2006

	2002	2003	2004	2005	2006
Labor Force	138,600	153,400	159,300	162,100	169,00
Employment	132,200	146,000	152,200	155,700	161,900
Unemployment	6,300	7,400	7,100	6,400	7,100
Unemployment Rate	4.5%	4.8%	4.5%	4.0%	4.2%

March 2006 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 of Roseville for the years 2002 through 2006.

CITY OF ROSEVILLE
CIVILIAN LABOR FORCE, EMPLOYMENT
AND UNEMPLOYMENT ANNUAL AVERAGES
2002-2006

	2002	2003	2004[1]	2005[1]	2006[1]
Labor Force	36,480	37,270	48,600	51,500	53,100
Employment	34,740	35,410	46,500	49,400	50,900
Unemployment	1,740	1,860	2,100	2,100	2,200
Unemployment Rate	4.8%	5.0%	4.3%	4.0%	4.2%

March 2006 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
2000-2005

	2000	2001	2002	2003	2004	2005
Total Farm	400	400	400	500	600	500
Natural Resources & Mining	100	100	100	100	100	100
Construction	11,900	14,100	14,700	16,600	16,800	16,700
Manufacturing	11,300	10,500	8,100	8,800	9,400	9,500
Trade, Transportation & Utilities	20,600	23,000	23,500	24,600	25,400	26,500
Information	2,500	2,600	2,500	2,800	2,900	2,700
Financial Activities	6,700	7,300	8,200	9,200	10,000	11,000
Professional & Business Services	12,500	13,300	12,700	13,800	13,900	14,200
Education & Health Services	9,500	10,800	11,800	12,500	13,100	13,500
Leisure & Hospitality	13,700	14,500	15,400	16,400	17,200	17,600
Other Services	4,700	4,700	3,900	3,500	3,900	4,100
Government	17,700	18,200	19,500	20,900	21,400	22,200
Total All Industries[1]	111,500	119,500	120,700	129,900	134,700	138,600

[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 2006.

PLACER COUNTY
MAJOR EMPLOYERS
2006

Firm	Type of Business	2006 Employment
Hewlett Packard	Computer Equipment Manufacturer	4,000
Placer County	County Government	2,527[(1)]
Kaiser Permanente	Healthcare	1,980
City of Roseville	Municipal Government	1,288
Raley's	Grocery/Retail	1,251
Squaw Valley Ski Corp.	Ski Resort	1,200[(2)]
Union Pacific Railroad	Transportation Railroad	1,100
Wal-Mart Stores Inc.	Retail Merchandise	1,053
PRIDE Industries	Packaging, Warehousing, Electronic Assembly	1,050
Sutter Health	Healthcare	985
Roseville Joint Union High School District	Public Education	897
Rocklin Unified School District	Public Education	884
NEC Electronics America Inc.	Semiconductor Devices	700[(3)]
Dry Creek Joint Elementary School District	Public Education	651[(4)]
Wells Fargo	Financial Services	632
Pacific Gas and Electric Co.	Utility	624
Target	Retail Merchandiser	604
Placer County Office of Education	Public Education	584
SureWest Communications	Telecommunications Services	574
Resort at Squaw Valley	Recreation Services	560[(5)]
United Natural Foods	Wholesale Groceries	478
Sierra Joint Community College District	Public Education	472
Western Placer Unified School District	Public Education	470
United Parcel Services	Shipping	356
Sierra Pacific Industries	Lumber Materials	320

(1) Does not include 295 temporaries.
(2) Includes 1,000 seasonal employees.
(3) Does not include 100 temporaries.
(4) Does not include 342 temporaries.
(5) Peak season. 400 year-round.
Source: Sacramento Business Journal Top 25 Book of Lists (March 2006).

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 of Roseville, the County, the State of California and the nation for the years 2000 through 2005.

CITY OF ROSEVILLE, PLACER COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME
2000-2005

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
2005	N/A	52,702	44,681	40,529

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

Taxable Sales

The following tables show taxable transactions within the County and the city of Roseville for the calendar years 2001 through the 2006.

PLACER COUNTY
TAXABLE TRANSACTIONS
2001-2005
(Dollars in Thousands)

	2001	2002	2003	2004	2005
Apparel Stores Group	$130,639	$140,273	$151,425	$182,781	$194,547
General Merchandise Group	546,461	604,767	654,898	692,463	738,097
Specialty Stores Group	493,508	557,955	585,236	630,218	696,905
Food Stores Group	227,640	246,260	256,357	256,228	276,490
Eating and Drinking Group	360,756	389,389	418,410	464,769	504,728
Household Group	130,254	151,768	168,596	205,139	228,056
Building Material Group	301,831	357,094	403,768	467,430	480,570
Automotive Group	1,418,317	1,521,879	1,691,680	1,888,201	2,157,160
All Other Retail Stores Group	183,830	191,819	208,976	236,924	262,784
RETAIL STORES TOTAL	3,793,236	4,161,204	4,539,346	5,024,153	5,539,337
Business and Personal Services	205,368	208,330	214,001	212,581	213,040
All Other Outlets	1,203,325	1,180,347	1,220,471	1,358,832	1,480,191
TOTAL ALL OUTLETS	$5,201,929	$5,549,881	$5,973,818	$6,595,566	$7,232,568

Source: California State Board of Equalization.

CITY OF ROSEVILLE
TAXABLE TRANSACTIONS
2001-2006
(Dollars in Thousands)

	2001	2002	2003	2004	2005
Apparel Stores	$110,463	$118,936	$128,694	$158,633	$167,693
General Merchandise	370,924	418,267	467,494	561,058	599,179
Food Stores	66,469	75,978	93,286	95,389	101,410
Eating & Drinking Places	177,347	195,011	214,558	235,917	258,486
Home Furnishings & Appliances	82,000	96,700	108,737	136,822	135,036
Building Material & Farm Implements	174,920	217,298	251,148	288,940	293,684
Auto Dealers & Supplies	938,034	1,026,213	1,125,482	1,201,552	1,281,810
Service Stations	90,944	89,200	114,336	130,953	152,008
Other Retail Stores	341,119	376,465	412,610	446,106	495,145
Total Retail Stores	$2,352,220	2,614,068	2,916,345	3,255,370	3,484,451
All Other Outlets	404,367	374,189	372,114	405,061	413,408
Total All Outlets	$2,756,587	$2,988,257	$3,288,459	$3,660,431	$3,897,859

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 of Roseville from 2001 through 2005.

PLACER COUNTY
BUILDING PERMIT VALUATIONS
(Dollars in Thousands)
2001-2006

	2001	2002	2003	2004	2005	2006
Valuation						
Residential	$1,087,367	$1,310,682	$1,135,607	$1,214,868	$1,281,500	$778,770
Non-residential	219,632	255,053	256,302	331,687	368,984	417,258
Total	$1,306,998	$1,565,736	$1,391,910	$1,546,556	$1,650,484	$1,196,028
New Housing Units						
Single family	4,728	5,441	4,670	4,727	4,856	2,562
Multiple family	1,257	1,747	584	167	446	648
Total	5,985	7,188	5,254	4,896	4,896	3,210

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

CITY OF ROSEVILLE
BUILDING PERMIT VALUATIONS
(Dollars in Thousands)
2001-2006

	2001	2002	2003	2004	2005	2006
Valuation						
Residential	$420,601	$608,015	$429,167	$263,602	$194,870	$169,640
Non-residential	108,590	166,118	155,968	171,974	151,506	216,642
Total	$529,190	$774,133	$585,135	$435,576	$346,376	386,282
New Housing Units						
Single family	1,456	2,300	1,467	999	826	757
Multiple family	762	914	474	109	165	48
Total	2,218	3,214	1,941	1,108	991	805

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 1991-2005.

PLACER COUNTY, STATE OF CALIFORNIA AND THE UNITED STATES
PER CAPITA PERSONAL INCOME
1991-2005

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	29,828	27,939
2000	36,419	32,458	29,843
2001	37,066	32,859	30,562
2002	36,604	32,769	30,795
2003	37,303	33,469	31,466
2004	38,958	35,380	33,090
2005	N/A[(1)]	36,936	34,471

[(1)] Per Capita Personal Income data not yet available for the County for 2005.
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, the 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 the 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:

May 16, 2007

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 $27,997,958.85 Roseville Joint Union High School District Election of 2004 General Obligation Bonds, Series C (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 $27,997,958.85 of the District's Election of 2004 General Obligation Bonds, Series C (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the District dated April 17, 2007 (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 2006-07 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: May 16, 2007.

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 C

Date of Issuance: May 16, 2007.

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

ACCRETED VALUE TABLE

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BOND ACCRETED VALUE TABLE

Roseville Joint Union High School District

Election of 2004

General Obligation Bonds, Series C

****

Final Numbers

Date	CAB Bond 8/1/2024 4.59%	CAB Bond 8/1/2025 4.60%	CAB Bond 8/1/2026 4.61%	CAB Bond 8/1/2027 4.62%	CAB Bond 8/1/2028 4.63%	CAB Bond 8/1/2029 4.64%	CAB Bond 8/1/2030 4.65%	CAB Bond 8/1/2031 4.66%
5/16/2007	2,289.85	2,184.40	2,083.35	1,986.60	1,893.95	1,805.30	1,720.45	1,639.30
8/1/2007	2,311.60	2,205.15	2,103.20	2,005.60	1,912.10	1,822.65	1,737.00	1,655.10
2/1/2008	2,364.65	2,255.90	2,151.70	2,051.90	1,956.40	1,864.90	1,777.40	1,693.65
8/1/2008	2,418.95	2,307.80	2,201.30	2,099.30	2,001.65	1,908.20	1,818.70	1,733.10
2/1/2009	2,474.45	2,360.85	2,252.05	2,147.80	2,048.00	1,952.45	1,861.00	1,773.50
8/1/2009	2,531.25	2,415.15	2,303.95	2,197.40	2,095.40	1,997.75	1,904.30	1,814.80
2/1/2010	2,589.35	2,470.70	2,357.05	2,248.20	2,143.95	2,044.10	1,948.55	1,857.10
8/1/2010	2,648.75	2,527.55	2,411.40	2,300.10	2,193.55	2,091.55	1,993.85	1,900.40
2/1/2011	2,709.55	2,585.65	2,466.95	2,353.25	2,244.35	2,140.05	2,040.20	1,944.65
8/1/2011	2,771.75	2,645.15	2,523.85	2,407.60	2,296.30	2,189.70	2,087.65	1,989.95
2/1/2012	2,835.35	2,706.00	2,582.00	2,463.25	2,349.45	2,240.50	2,136.20	2,036.35
8/1/2012	2,900.40	2,768.20	2,641.50	2,520.15	2,403.85	2,292.50	2,185.85	2,083.80
2/1/2013	2,967.00	2,831.90	2,702.40	2,578.35	2,459.50	2,345.65	2,236.70	2,132.35
8/1/2013	3,035.10	2,897.00	2,764.70	2,637.90	2,516.45	2,400.10	2,288.70	2,182.00
2/1/2014	3,104.75	2,963.65	2,828.45	2,698.85	2,574.70	2,455.80	2,341.90	2,232.85
8/1/2014	3,176.00	3,031.80	2,893.60	2,761.20	2,634.30	2,512.75	2,396.35	2,284.90
2/1/2015	3,248.85	3,101.55	2,960.30	2,824.95	2,695.30	2,571.05	2,452.05	2,338.10
8/1/2015	3,323.45	3,172.90	3,028.55	2,890.25	2,757.70	2,630.70	2,509.05	2,392.60
2/1/2016	3,399.70	3,245.85	3,098.35	2,957.00	2,821.50	2,691.75	2,567.40	2,448.35
8/1/2016	3,477.75	3,320.50	3,169.80	3,025.30	2,886.85	2,754.20	2,627.10	2,505.40
2/1/2017	3,557.55	3,396.90	3,242.85	3,095.20	2,953.65	2,818.10	2,688.20	2,563.75
8/1/2017	3,639.20	3,475.00	3,317.60	3,166.70	3,022.05	2,883.45	2,750.70	2,623.50
2/1/2018	3,722.70	3,554.95	3,394.05	3,239.85	3,092.00	2,950.35	2,814.65	2,684.65
8/1/2018	3,808.15	3,636.70	3,472.30	3,314.70	3,163.60	3,018.80	2,880.10	2,747.20
2/1/2019	3,895.55	3,720.35	3,552.35	3,391.25	3,236.85	3,088.85	2,947.05	2,811.20
8/1/2019	3,984.95	3,805.90	3,634.20	3,469.60	3,311.75	3,160.50	3,015.55	2,876.70
2/1/2020	4,076.40	3,893.45	3,718.00	3,549.75	3,388.45	3,233.85	3,085.65	2,943.75
8/1/2020	4,169.95	3,983.00	3,803.70	3,631.75	3,466.85	3,308.85	3,157.40	3,012.30
2/1/2021	4,265.65	4,074.60	3,891.35	3,715.65	3,547.15	3,385.60	3,230.80	3,082.50
8/1/2021	4,363.55	4,168.35	3,981.05	3,801.45	3,629.25	3,464.15	3,305.95	3,154.35
2/1/2022	4,463.70	4,264.20	4,072.80	3,889.25	3,713.25	3,544.55	3,382.80	3,227.85
8/1/2022	4,566.15	4,362.30	4,166.70	3,979.10	3,799.25	3,626.75	3,461.45	3,303.05
2/1/2023	4,670.95	4,462.60	4,262.75	4,071.05	3,887.20	3,710.90	3,541.95	3,380.00
8/1/2023	4,778.15	4,565.25	4,361.00	4,165.05	3,977.15	3,797.00	3,624.30	3,458.75
2/1/2024	4,887.80	4,670.25	4,461.50	4,261.30	4,069.25	3,885.10	3,708.55	3,539.35
8/1/2024	5,000.00	4,777.65	4,564.35	4,359.70	4,163.45	3,975.25	3,794.80	3,621.80
2/1/2025		4,887.55	4,669.55	4,460.45	4,259.85	4,067.45	3,883.00	3,706.20
8/1/2025		5,000.00	4,777.20	4,563.45	4,358.45	4,161.80	3,973.30	3,792.55
2/1/2026			4,887.30	4,668.90	4,459.35	4,258.35	4,065.65	3,880.90
8/1/2026			5,000.00	4,776.75	4,562.60	4,357.15	4,160.20	3,971.35
2/1/2027				4,887.10	4,668.20	4,458.25	4,256.90	4,063.90
8/1/2027				5,000.00	4,776.25	4,561.70	4,355.90	4,158.55
2/1/2028					4,886.85	4,667.50	4,457.15	4,255.45
8/1/2028					5,000.00	4,775.80	4,560.80	4,354.60
2/1/2029						4,886.60	4,666.85	4,456.10
8/1/2029						5,000.00	4,775.35	4,559.90
2/1/2030							4,886.35	4,666.15
8/1/2030							5,000.00	4,774.85
2/1/2031								4,886.15
8/1/2031								5,000.00

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APPENDIX F

FORM OF MUNICIPAL BOND INSURANCE POLICY

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FINANCIAL SECURITY ASSURANCE®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: Effective Date:

Premium: $

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature]	FINANCIAL SECURITY ASSURANCE INC.
By ____________________	By ____________________
	Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd. (212) 826-0100
31 West 52nd Street, New York, N.Y. 10019

Form 500NY (5/90)

FINANCIAL SECURITY ASSURANCE®

ENDORSEMENT NO. 1 TO MUNICIPAL BOND INSURANCE POLICY (California Insurance Guaranty Association)

ISSUER:

BONDS:

Policy No.: -N

Effective Date:

Notwithstanding the terms and provisions contained in this Policy, it is further understood that the insurance provided by this Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 14.2 (commencing with Section 1063) of Chapter 1 of Part 2 of Division 1 of the California Insurance Code.

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 SECURITY ASSURANCE INC. has caused this Endorsement to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By: ______________________________
Authorized Officer

SPECIMEN

A subsidiary of Financial Security Assurance Holdings Ltd.
31 West 52nd Street, New York, N.Y. 10019
(212) 826-0100

Form 560NY (CA 1/91)

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