NEW ISSUE – FULL BOOK-ENTRY

INSURED RATING: Standard & Poor's: "AA+"
UNDERLYING RATING: Standard & Poor's: "A+"
(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 the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

$4,885,623.95
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(County of Placer, California)
Election of 2007 General Obligation Bonds, Series 2011A

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

This cover page contains information for quick 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.

The School Facilities Improvement District No. 1 of the Roseville Joint Union High School District, Election of 2007 General Obligation Bonds, Series 2011A (the "Bonds") are being issued by the Roseville Joint Union High School District (the "School District"). The Bonds were authorized at an election of the registered voters of School Facilities Improvement District No. 1 of the Roseville Joint Union High School District ("Improvement District No. 1") held on April 24, 2007, at which two-thirds or more of the persons voting on the proposition voted to authorize the issuance and sale of not-to-exceed $115,000,000 principal amount of general obligation bonds of Improvement District No. 1 to finance the construction of a new high school, acquire land, install infrastructure, and to fund all related planning and environmental expenses associated therewith, and for other projects as approved by the voters, for schools in Improvement District No. 1.

The Bonds represent an obligation of Improvement District No. 1 payable solely from *ad valorem* property taxes levied and collected by the County. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* taxes for the payment of principal of and interest on and Accreted Value of the Bonds upon all property subject to taxation by the Improvement District No. 1, without limitation of rate or amount (except as to certain personal property which is taxable at limited rates).

The Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). Interest on the Current Interest Bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2011. The Capital Appreciation Bonds accrete interest from the date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2011.

The Bonds are issuable as fully registered Bonds in denominations of $5,000 principal amount and Maturity Value, as applicable, or any integral multiple thereof. Payments of principal of and interest on and Accreted Value of the Bonds will be paid by the Bank of New York Mellon Trust Company, N.A., as Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. See "APPENDIX G – Book-Entry-Only System" herein.

The scheduled payment of principal of (or, in the case of 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 ASSURED GUARANTY MUNICIPAL CORP. (See "THE BONDS – Bond Insurance.")

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein.

ASSURED GUARANTY® MUNICIPAL

Maturity Schedules
(see inside cover pages)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure 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 18, 2011.

STONE & YOUNGBERG

The date of this Official Statement is May 3, 2011.

MATURITY SCHEDULES

$4,885,623.95
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(County of Placer, California)
Election of 2007 General Obligation Bonds, Series 2011A

Base CUSIP(c): 777871

$1,165,000.00 Current Interest Serial Bonds

Maturity August 1	Principal Amount	Interest Rate	Yield	CUSIP(c)
2011	$155,000.00	2.000%	0.500%	AA2
2023	135,000.00	4.500	4.620	AB0
2024	160,000.00	4.500	4.800	AC8
2025	190,000.00	4.750	4.950	AD6
2026	220,000.00	5.000	5.070	AE4
2029	305,000.00	5.250	5.350	AF1

$815,000.00 5.375% Current Interest Term Bonds due August 1, 2032 – Yield 5.550%;CUSIP(c) AG9

$1,825,000.00 5.625% Current Interest Term Bonds due August 1, 2041 – Yield 5.850%; CUSIP(c) AH7

$1,080,623.95 Capital Appreciation Serial Bonds

Maturity August 1	Denominational Amount	Accretion Rate	Yield to Maturity	Maturity Value	CUSIP(c)
2015	$9,191.25	12.000%	3.230%	$15,000	AK0
2016	13,633.75	12.000	3.600	25,000	AL8
2017	19,414.40	12.000	4.030	40,000	AM6
2018	21,598.50	12.000	4.440	50,000	AN4
2019	24,989.25	12.000	4.840	65,000	AP9
2020	29,083.60	12.000	5.170	85,000	AQ7
2021	45,361.00	7.900	5.400	100,000	AR5
2022	60,081.75	5.880	5.630	115,000	AS3
2027	83,634.90	7.000	7.000	255,000	AT1
2028	84,313.60	7.100	7.100	280,000	AU8
2030	88,329.50	7.300	7.300	350,000	AV6
2033	93,526.30	7.600	7.600	490,000	AX2
2034	90,945.75	7.700	7.700	525,000	AY0
2035	89,286.95	7.770	7.770	565,000	AZ7
2036	87,519.30	7.820	7.820	605,000	BA1
2037	85,984.95	7.840	7.840	645,000	BB9
2038	84,952.80	7.850	7.850	690,000	BC7
2039	68,776.40	7.860	7.860	605,000	BD5

(c) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein.

COUNTY OF PLACER, CALIFORNIA

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

BOARD OF TRUSTEES

DISTRICT ADMINISTRATION

Tony Monetti, *Superintendent*
Gary Stevens, *Assistant Superintendent, Business Services*
Ron Serverson, *Assistant Superintendent, Personnel*
John Montgomery*, Assistant Superintendent, Cirriculum*

PROFESSIONAL SERVICES

BOND COUNSEL AND DISCLOSURE 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 Mellon Trust Company, N.A.
Los Angeles, California

TABLE OF CONTENTS

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds. No dealer, broker, salesperson or other person has been authorized by Improvement District No. 1 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 Improvement District No. 1.

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 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 Improvement District No. 1 and the School District herein.

Certain information set forth herein, other than that provided by Improvement District No. 1 and the School District, has been obtained from sources 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 Improvement District No. 1 or the School District. 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 a representation of facts. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of Improvement District No. 1 or the School District since the date hereof.

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 cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

The School District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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

$4,885,623.95
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(County of Placer, California)
Election of 2007 General Obligation Bonds, Series 2011A

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale of School Facilities Improvement District No. 1 of the Roseville Joint Union High School District (County of Placer, California) Election of 2007 General Obligation Bonds, Series 2011A (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 the Bonds to potential investors is made only by means of the entire Official Statement.

The School District

The Roseville Joint Union High School District (the "School 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 School District currently has five comprehensive high schools for grades 9-12, a continuation school for students 16 years and older, one adult education school and an independent study program. Enrollment in the School District for the 2010-11 school year is 10,047 high school students. The School District also operates an adult school which serves approximately 2,600 adults annually. For more complete information concerning the School District, including certain financial information, see "THE SCHOOL DISTRICT" and "SCHOOL DISTRICT FINANCIAL INFORMATION." Excerpts from the School District's audited financial statements for the fiscal year ended June 30, 2010 are included as Appendix A and should be read in their entirety. The discussion of the School District's financial history and the financial information contained herein does not purport to be complete or definitive.

The Improvement District No. 1

The School Facilities Improvement District No. 1 of the Roseville Joint Union High School District ("Improvement District No. 1") is located in the northwest portion of the School District, and includes portions of the City of Roseville, and an adjacent unincorporated territory of the County. Improvement District No. 1 encompasses approximately 11.8 square miles, representing approximately 16.4% of the territory of the School District. The Improvement District has 1,998 completed single family homes, approximately 1,900 occupied single family homes and a population of approximately 5,000. See "IMPROVEMENT DISTRICT NO. 1" herein.

Sources of Payment for the Bonds

The Bonds represent an obligation of Improvement District No. 1 payable solely from *ad valorem* property taxes levied and collected by the County. The Board of Supervisors of the County (the "County Board") is empowered and obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within Improvement District No. 1 subject to taxation 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" herein.

Purpose of Issue

The Bonds are being issued to finance the construction of a new high school, acquire land, install infrastructure, and to fund all related planning and environmental expenses associated therewith, and for other projects as approved by the voters, for schools in Improvement District No. 1.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See "THE BONDS – Descriptions of the Bonds" and "APPENDIX G – BOOK-ENTRY ONLY SYSTEM." In the 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 (defined herein).

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 cover page hereof.

The Capital Appreciation Bonds mature on August 1 in the years indicated on the inside cover page hereof, are payable only at maturity and will not pay interest on a current basis. The Maturity Value of a Capital Appreciation Bond is equal to its Accreted Value on the maturity date thereof. The accreted value (the "Accreted Value") of any Capital Appreciation Bond is equal to its initial principal amount (the "Denominational Amount") and the interest accreting thereon between the delivery date thereof and the date of calculation of such Accreted Value.

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 Maturity Value, as applicable, or any integral multiple thereof.

Redemption. The Current Interest Bonds maturing on or after August 1, 2022 are subject to redemption prior to their respective stated maturity dates, at the option of the School District, from any source of funds, on August 1, 2021, or on any date thereafter as a whole, or in part as described herein. The Capital Appreciation Bonds maturing on or after August 1, 2027 are subject to redemption prior to their respective stated maturity dates, at the option of the School District, from any source of funds, on August 1, 2021, or on any date thereafter as a whole, or in part as described herein. The Current Interest Term Bonds maturing on August 1, 2032 and August 1, 2041 are subject to mandatory sinking fund redemption as described herein. See "THE BONDS – Redemption" herein.

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 (each a "Bond Payment Date"), commencing August 1, 2011. Principal on the Current Interest Bonds is payable in the amounts and years as set forth on the inside cover page hereof. The Capital Appreciation Bonds do not pay current interest. Each Capital Appreciation Bond accretes in value from its Denominational Amount on the Date of Delivery to its Maturity Value on the maturity thereof at the Accretion Rate per annum set forth on the inside cover page hereof, compounded semiannually on February 1 and August 1 of each year commencing on August 1, 2011, and is payable only at maturity in the amounts and year as set forth set forth in the accreted value tables as shown in Appendix F.

Payments of the principal of and interest on and Accreted Value of the Bonds will be made by the Bank of New York Mellon Trust Company, N.A., the designated paying agent, bond registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined herein) to the beneficial owners of the Bonds.

Bond Insurance. The scheduled payment of principal of (or, in the case of 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 ASSURED GUARANTY MUNICIPAL CORP. See "THE BONDS – Bond Insurance" and "RATINGS" herein.

Tax Matters

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

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State of California Government Code and other applicable law, and pursuant to a resolution adopted by the Board of Education of the School District acting as the governing board of Improvement District No. 1. See "THE BONDS – Authority for Issuance" herein.

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 in New York, New York on or about May 18, 2011.

Continuing Disclosure

The School District will covenant for the benefit of bondholders to make available certain financial information and operating data relating to the School 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 is summarized in "APPENDIX E – Form of Continuing Disclosure Certificate for Bonds" attached hereto.

Forward-Looking Statements

When used in this Official Statement and in any continuing disclosure by the School District, in any press release and in any oral statement made with the approval of an authorized officer of Improvement District No. 1 or the School 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.

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 Assistant Superintendent, Business Services, Roseville Joint Union High School District, 1750 Cirby Way, Roseville, California 95661, telephone: (916) 786-2051. The School District may impose a charge for copying, mailing and handling.

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

The information set forth herein, other than that provided by the School 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 School 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 School 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.

Capitalized terms used but not otherwise defined herein will have the meaning assigned to such terms by the Bond Resolution (defined herein).

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and other applicable law (the "Act") and pursuant to a resolution adopted by the Board of Education of the School District, acting as the governing board of Improvement District No. 1 on September 15, 2010 (the "Bond Resolution"). The County has adopted a resolution pursuant to Section 15140(b) of the Education Code, which authorizes school districts within the County to issue general obligation bonds on their own behalf, and, pursuant to which, the Bonds are being issued by the District.

The Bonds received authorization at an election held on April 24, 2007, by an affirmative vote of two-thirds or more of the votes cast by eligible voters within Improvement District No. 1 to issue $115,000,000 of general obligation bonds (the "Authorization"). The Bonds represent the first issuance of bonds within the Authorization, and following the issuance thereof, $110,114,376.05 of the Authorization will remain.

Security and Sources of Payment

The Bonds represent general obligations of the Improvement District No. 1, payable solely from *ad valorem* taxes levied by the County. The County Board is empowered and obligated to annually levy *ad valorem* taxes for the payment of principal of and interest on and Accreted Value of the Bonds upon all property within the Improvement District No. 1 subject to taxation by such Improvement District No. 1 without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on and Accreted Value of the Bonds when due. Such taxes, when collected, will be deposited into the fund designated as "School Facilities Improvement District No. 1 of the Roseville Joint Union High School District Series 2011A Debt Service Fund" (the "Debt Service Fund"). The Debt Service Fund is maintained by the County and are required by the Act to be applied for the payment of principal of and interest on and Accreted Value of the Bonds when due. Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds, and will maintain the Debt Service Fund, the Bonds are not a debt of the County.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on and Accreted Value of the Bonds as the same becomes due and payable, shall be transferred by the Paying Agent to DTC for remittance of such principal, interest and Accreted Value to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the Improvement District No. 1 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 Improvement District No. 1 may cause the annual tax rate to fluctuate. Economic and other factors beyond the School District's control, such as economic recession, deflation of land values, a relocation out of Improvement District No. 1 or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood or other natural disaster, could cause a reduction in the assessed value within Improvement District No. 1 and necessitate a corresponding increase in the annual tax rate in such Improvement District No. 1. For further information regarding Improvement District No. 1's assessed valuations, tax rates, overlapping debt, and other matters concerning taxation, see "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

Bond Insurance

The following information has been provided by Assured Guaranty Municipal Corp. ("AGM" or the "Insurer") for use in this Official Statement, and neither the School District nor the Underwriter take any responsibility for the accuracy or completeness thereof. Reference is made to APPENDIX H for a specimen of the municipal bond insurance policy of the Insurer.

Bond Insurance Policy. Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of (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 Appendix H to this Official Statement. See "RATINGS" herein.

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

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

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

Current Financial Strength Ratings

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

On October 25, 2010, S&P published a Research Update in which it downgraded AGM's counterparty credit and financial strength rating from "AAA" (negative outlook) to "AA+" (stable outlook). Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

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

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

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

Capitalization of AGM

At March 31, 2011, AGM's consolidated policyholders' surplus and contingency reserves were approximately $3,058,791,206 and its total net unearned premium reserve was approximately $2,285,987,748, in each case, in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

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

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

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

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

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

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

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 for DTC. Purchasers will not receive certificates representing their interest in the Bonds.

Interest with respect to the Current Interest Bonds accrues from their date of delivery, and is payable semiannually on February 1 and August 1 of each year commencing August 1, 2011. 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 Bond 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 next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2011, in which event it shall bear interest from the Date of Delivery. The Current Interest Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1, in the years and amounts set forth on the inside cover page hereof. The Current Interest Bonds are issuable in denominations of $5,000 or any integral multiple thereof.

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 page hereof, compounded semiannually on February 1 and August 1 of each year commencing on August 1, 2011. The Maturity Value of a Capital Appreciation Bond is its Accreted Value at its maturity date ("Maturity Value"). Interest with respect to each Capital Appreciation Bond is represented by the amount each such 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 and August 1. See the maturity schedule on the inside cover page hereof and "APPENDIX F – ACCRETED VALUE TABLES" herein. The Capital Appreciation Bonds are dated the Date of Delivery of the Bonds. The Capital Appreciation Bonds are issuable in denominations of $5,000 Maturity Value or any integral multiple thereof.

Paying Agent

The Bank of New York Mellon Trust Company, N.A. will act as the Paying Agent for the Bonds. As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC.

Neither the School 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. See "APPENDIX G – Book-Entry Only System" herein.

Payment

The principal and Accreted Value of the Bonds will be payable in lawful money of the United States of America to the registered owner thereof, upon the surrender thereof at the principal office of the Paying Agent. The interest on the Current Interest Bonds will be payable in lawful money to the person whose name appears on the bond registration books of the Paying Agent as the registered owner thereof as of the close of business on the 15th day of the month preceding any Bond 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 Bond 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 Paying Agent for that purpose. The interest payments on the Current Interest Bonds will 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 Bond Payment Date.

Redemption

Optional Redemption. The Current Interest Bonds maturing on or before August 1, 2021, are not subject to redemption prior to their respective maturity dates. The Current Interest Bonds maturing on or after August 1, 2022, are subject to redemption prior to their respective stated maturity dates, at the option of the School District, from any source of available funds, as a whole or in part on any date on or after

August 1, 2021, at a redemption price equal to the principal amount of the Current Interest Bonds to be redeemed, plus interest thereon to the date fixed redemption, without premium.

The Capital Appreciation Bonds maturing on or before August 1, 2022 are not subject to redemption prior to their fixed maturity dates. The Capital Appreciation Bonds maturing on or after August 1, 2027 may be redeemed prior to their respective stated maturity dates at the option of the School District, from any source of funds, on August 1, 2021 or on any date thereafter, in whole or in part, at a redemption price equal to the Accreted Value of the Capital Appreciation Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Current Interest Term Bonds maturing on August 1, 2032, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2031, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

	Redemption Date (August 1)	Principal Amount
	2031	$380,000.00
	2032[1]	435,000.00
Total		$815,000.00

[1] Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately or as otherwise directed by the School District, in integral multiples of $5,000, by any portion of the Current Interest Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

The Current Interest Term Bonds maturing on August 1, 2041, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2039, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

	Redemption Date (August 1)	Principal Amount
	2039	$135,000.00
	2040	795,000.00
	2041	895,000.00
Total		$1,825,000.00

[1] Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately or as otherwise directed by the School District, in integral multiples of $5,000, by any portion of the Current Interest Term Bond optionally redeemed prior to the mandatory sinking fund redemption date

Selection of Bonds for Redemption. Whenever provision is made for the redemption of Bonds and less than all Bonds are to be redeemed, the Paying Agent, upon written instruction from the School District, shall select Bonds for redemption as so directed by the School District and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent, shall select Bonds for redemption by lot.

Redemption by lot shall be in such manner as the Paying Agent shall determine. 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 30 nor more than 45 days prior to the redemption date (i) by registered or certified mail to the respective registered owners thereof at the addresses appearing on the bond registration books, (ii) by registered or certified mail or overnight delivery service to the Securities Depository described below, and (iii) by registered or certified mail, telephonically confirmed transmission or overnight delivery service to one or more of the Information Services described below. 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 Paying Agent, (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 or Accretion Rate, as applicable, and stated maturity date of each Bond to be redeemed in whole or in part. Such notice will further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto will cease to accrue or accrete.

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 1 Cragwood Road, 2nd Floor, South Plainfield, New Jersey 07080, Attention: Editor; Mergent, Inc., 585 Kingsley Park Drive, Fort Mill, South Carolina 29715, 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 Depository" shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Fax (212) 855-1000 or (212) 855-7320.

The actual receipt by the owner of any Bond or of any Securities Depository or Information Service of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice mailed, will not affect the validity of the proceedings for the redemption of such Bond or the cessation of interest on the date fixed for redemption. A certificate of the Paying Agent or the School District that notice of call and redemption has been given to owners and the appropriate Securities Depository or Information Services will be conclusive as against all parties.

Payment of Redeemed Bonds. When notice of redemption has been given, substantially as described above, and when the amount necessary for the payment of principal of and premium, if any, is set aside for the purpose in the Debt Service Fund, the Bonds designated for redemption 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, such Bonds will be redeemed and paid at said redemption price out of the Debt Service Fund, and no interest will accrue on such Bonds called for redemption after the redemption date specified in such notice, and the owners of said Bonds so called for redemption after such redemption date will look for the payment of such Bonds and the premium thereon only to such 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 Paying Agent 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 or Maturity Value to the unredeemed portion of the Bond surrendered (the "Transfer Amount"). Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the County, the School District and Improvement District No. 1 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 accrued to such redemption date, is held by the Paying Agent 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 Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest with respect thereto to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

Defeasance

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

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the School District an amount of cash which together with amounts then on deposit in the Debt Service Fund is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal, interest, Accreted Value and premium, if any; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the School 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, interest, Accreted Value 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 School District, Improvement District No. 1 and the Paying Agent with respect to all outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District 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 Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership 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 Investors Service.

Registration, Transfer and Exchange of Bonds

So long as any of the Bonds remain outstanding, the School District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in the Bond Resolution (the "Bond Register"). Subject to the provisions of the Bond Resolution, the person in whose name a Bond is registered on the Bond Register will be regarded as the absolute owner of that Bond for all purposes of the Bond Resolution. Payment of or on account of the principal or Accreted Value of and premium, if any, and interest on any Bond will be made only to or upon the order of that person; neither the School District, nor the Paying Agent will be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution. All such payments will be valid and effectual to satisfy and discharge the School District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent will complete, 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 accruing 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.

In all cases of exchanged or transferred Bonds, the Paying Agent shall sign and authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. All fees and costs of transfer will be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer will be valid obligations of the Improvement District No. 1, evidencing the same debt, and entitled to the same security and benefit under the Bond Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be canceled by the Paying Agent. The School District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the School District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. As requested, written reports of the surrender and cancellation of Bonds shall be made to the School District by the Paying Agent. The cancelled Bonds shall be retained for six years, then returned to the School District or destroyed by the Paying Agent as directed by the School District.

Neither the School District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment 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.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds will be applied as follows:

Sources of Funds	
Principal Amount of Bonds	$4,885,623.95
Net Original Issue Premium	4,497.70
Total Sources	$4,890,121.65
Uses of Funds	
Building Fund[1]	$4,637,442.31
Debt Service Fund	4,497.70
Costs of Issuance[1]	248,181.64
Total Uses	$4,890,121.65

(1) A portion of the proceeds of the Bonds will be used to pay costs of issuance thereof, including legal fees, Underwriter's discount, printing costs, bond insurance premium, the costs and fees of the Paying Agent, and other costs of issuance of the Bonds.

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DEBT SERVICE SCHEDULE

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

	Current Interest Bonds		Capital Appreciation Bonds		
Period Ending August 1	Annual Principal Payment	Annual Interest Payment[1]	Annual Principal Payment[2]	Annual Accreted Interest Payment[2]	Total Debt Service
2011	$155,000.00	$40,327.43	--	--	$195,327.43
2012	--	195,775.00	--	--	195,775.00
2013	--	195,775.00	--	--	195,775.00
2014	--	195,775.00	--	--	195,775.00
2015	--	195,775.00	$9,191.25	$5,808.75	210,775.00
2016	--	195,775.00	13,633.75	11,366.25	220,775.00
2017	--	195,775.00	19,414.40	20,585.60	235,775.00
2018	--	195,775.00	21,598.50	28,401.50	245,775.00
2019	--	195,775.00	24,989.25	40,010.75	260,775.00
2020	--	195,775.00	29,083.60	55,916.40	280,775.00
2021	--	195,775.00	45,361.00	54,639.00	295,775.00
2022	--	195,775.00	60,081.75	54,918.25	310,775.00
2023	135,000.00	195,775.00	--	--	330,775.00
2024	160,000.00	189,700.00	--	--	349,700.00
2025	190,000.00	182,500.00	--	--	372,500.00
2026	220,000.00	173,475.00	--	--	393,475.00
2027	--	162,475.00	83,634.90	171,365.10	417,475.00
2028	--	162,475.00	84,313.60	195,686.40	442,475.00
2029	305,000.00	162,475.00	--	--	467,475.00
2030	--	146,462.50	88,329.50	261,670.50	496,462.50
2031	380,000.00	146,462.50	--	--	526,462.50
2032	435,000.00	126,037.50	--	--	561,037.50
2033	--	102,656.26	93,526.30	396,473.70	592,656.26
2034	--	102,656.26	90,945.75	434,054.25	627,656.26
2035	--	102,656.26	89,286.95	475,713.05	667,656.26
2036	--	102,656.26	87,519.30	517,480.70	707,656.26
2037	--	102,656.26	85,984.95	559,015.05	747,656.26
2038	--	102,656.26	84,952.80	605,047.20	792,656.26
2039	135,000.00	102,656.26	68,776.40	536,223.60	842,656.26
2040	795,000.00	95,062.50	--	--	890,062.50
2041	895,000.00	50,343.76	--	--	945,343.76
Totals	$3,805,000.00	$4,705,690.01	$1,080,623.95	$4,424,376.05	$14,015,690.01

(1) Interest payments will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2011, in the case of the Current Interest Bonds.

(2) The Capital Appreciation Bonds are payable only at maturity on August 1 of the years indicated on the inside cover hereof, and interest on such Capital Appreciation Bonds is compounded semiannually on February 1 and August 1, commencing on August 1, 2011.

APPLICATION OF PROCEEDS OF BONDS

Building Fund

The proceeds of the sale of the Bonds, net of costs of issuance, shall be deposited in the "School Facilities Improvement District No. 1 of the Roseville Joint Union High School District Series 2011A Building Fund" (the "Building Fund") and shall be applied only for the purposes for which the Bonds are issued. Any interest earnings on moneys held in the Building Fund shall be retained in the Building Fund.

Debt Service Fund

The *ad valorem* property taxes levied by the County for the payment of the Bonds, when collected, will be deposited into the Debt Service Fund. Any premium or accrued interest received 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 or paid and otherwise 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 School District as provided and permitted by law.

Permitted Investments

In accordance with the Bond Resolution and subject to federal tax restrictions, moneys in the Debt Service Fund and Building Fund may be invested in any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code"), in the Local Agency Investment Fund of the California State Treasurer (the "LAIF"), 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, or in a guaranteed investment contract with a provider rated in the second highest category by each rating agency then rating the Bonds, or in the Placer County Investment Pool (the "County Pool") maintained by the Director of Finance. Moneys in the Debt Service Fund and Building Fund are expected to be invested through the County Pool.

PLACER COUNTY INVESTMENT POOL

The following information concerning the Treasury Pool of the County of Placer (the "County Treasury") has been provided by the Placer County Treasurer-Tax Collector (the "County Treasurer") and has not been confirmed or verified by the School District. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

The County Treasurer manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited in the County Treasury by the County, all County school districts, community college districts, and various special districts within the County. State law requires that all moneys of the County, community college districts and certain special districts be held in the County Treasury by the County 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 April 30, 2011, unless otherwise specified. The book value of the balance on deposit in the County Treasury was $1,189,674,203.43. Of this amount, $1,127,379,269.73 was invested with a market value of $1,132,975,965.18 or 100.5% 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 1,340 days.

The following is a summary of the County Treasury as of April 30, 2011.

Type of Investment	Book Value	Market Value	% of Portfolio
U.S. Treasury Coupons	$111,272,979.88	$112,477,363.47	9.87%
Federal Agency Coupons	439,626,393.35	441,123,498.34	39.00
Medium Term Notes	257,671,375.71	260,418,239.50	22.86
Negotiable Certificates of Deposit	170,084,956.92	170,233,300.00	15.09
Commercial Paper Disc. - Amortizing	89,980,158.34	89,980,158.34	7.98
PFA – HELICOPTER	1,097,300.77	1,097,300.77	0.10
Local Agency GO Bond	185,000.00	185,000.00	0.02
Local Agency Bonds	56,769,844.00	56,769,844.00	5.04
mPower Placer	691,260.76	691,260.76	0.07
Total Investments	$1,127,379,269.73	$1,132,975,965.18	100.00%
Cash			
Passbook/Checking	62,294,933.70	62,294,933.70	
Total Cash and Investments	$1,189,674,203.43	$1,195,270,898.88	

Source: County of Placer Treasurer-Tax Collector's Office.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on and Accreted Value of 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" herein.) 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 Appendix to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes and the ability of the School District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds. The taxes levied by the County for payment of the Bonds were approved by the voters of Improvement District No.1 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. Determined in this manner, the full cash value is also referred to as the "base year value." 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 has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of 66.67% 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 66.67% 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 identified in clause (b) of the preceding sentence; the tax for payment of the Improvement District No. 1 Bonds falls within the exception identified in clause (c) of the preceding sentence. In addition, Article XIIIA requires the approval of 66.67% 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 66.67% 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 66.67% vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and 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.

Article XIIIC also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a mandatory, statutory duty on the County to levy a property tax sufficient to pay debt service on the Bonds coming due in each year. The initiative power cannot be used to reduce or repeal the authority and obligation to levy such taxes which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the mandatory, statutory duty of the School District and the County with respect to such taxes which are pledged as security for payment of the Bonds. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

The School District and the Improvement District No. 1 do 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 School District or Improvement District No. 1, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the School District or Improvement District No. 1, thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the School District or Improvement District No. 1.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

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 State general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the State 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 current level of guaranteed funding pursuant to Proposition 98 is 34.55% of the State general fund.

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 are, 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 State 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 66.67%) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay such 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 School 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, and property taxes could 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 acquire or improve real property that received 66.67% voter approval after July 1, 1978.

The 55% vote requirement applies 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 School District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the School 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 School 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 and Proposition 22

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.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's General Fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 will be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1 percent of the State's total General Fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's General Fund costs by approximately $1 billion annually for several decades.

State Cash Management Legislation

Since 2002, the State has engaged in the practice of deferring certain apportionments to school districts in order to manage the State's cash flow. This practice has included deferring certain apportionments from one fiscal year to the next. These "cross-year" deferrals have been codified and are expected to be on-going. Legislation enacted with respect to fiscal year 2010-11 provided for additional inter-fiscal year deferrals. On March 1, 2010, the Governor signed into law Assembly Bill No. 5 of the Eighth Extraordinary Session of the California Legislature ("ABX8 5") which enacted various provisions to enable the State to effectively manage its cash resources. On March 22, 2010, the Governor signed into law Assembly Bill No. 14 of the Eighth Extraordinary Session of the California Legislature ("ABX8 14," and together with ABX8 5, the "2010-11 Cash Management Legislation"), which bill amended and clarified certain provisions of ABX8 5. With respect to the funding of school districts in fiscal year 2010-11, the 2010-11 Cash Management Legislation authorizes the deferral of all State apportionments due in July 2010, October 2010 and March 2011 by no more than 60, 90 or 60 days, respectively (the "2010-11 Cash Management Deferrals"). None of the 2010-11 Cash Management Deferrals may exceed $2.5 billion at any one time. The State Controller, State Treasurer and State Director of Finance are also authorized, upon the joint concurrence thereof, to accelerate or delay any of the 2010-11 Cash Management Deferrals by up to one month.

Pursuant to the provisions of the 2010-11 Cash Management Legislation, on March 30, 2010 the State Controller, State Treasurer and Director of Finance jointly provided a written declaration of the expected amounts and timing of apportionment deferrals for fiscal year 2010-11. On April 16, 2010, the State Department of Education issued a letter informing school districts that all three 2010-11 Cash Management Deferrals would be implemented, each for the maximum authorized amount of $2.5 billion, as follows: (i) the July 2010 apportionment was deferred for 60 days to September 2010; (ii) the October 2010 apportionment was deferred 90 days until January 2011; and (iii) the March 2011 apportionment was deferred until April 29, 2011. On August 23, 2010, the Director of Finance issued a letter informing various public officials, including the State Department of Education, that the deferral of the October 2010 apportionment would be accelerated by one month, to September 2010. The 2010-11 Cash Management Legislation provided for an exemption to the 2010-11 Cash Management Deferrals for a school district that would be unable to meet its expenditure obligations if its State apportionments are delayed. The School District, however, did not apply for an exemption from any of the 2010-11 Cash Management Deferrals.

On March 24, 2011, the Governor signed into law Senate Bill 82 ("SB 82"), which authorized the extension many of the provisions of the 2010-11 Cash Management Legislation into fiscal year 2011-12. SB 82 authorizes the deferral of State apportionments during fiscal year 2011-12, as follows: (i) $700 million from July 2011 to September 2011, (ii) $700 million from July 2011 to January 2012, (iii) $1.4 billion from August 2011 to January 2012, (iv) $2.4 billion from October 2011 to January 2012, and (v) $1.4 billion from March 2012 to April 2012. Collectively, these deferrals are referred to as the "2011-12 Cash Management Deferrals." The State Director of Finance is required to certify to school districts no later than April 15, 2011 which of the 2011-12 Cash Management Deferrals will be implemented, and in what amounts.

In the event any of the 2011-12 Cash Management Deferrals are implemented, the State Controller, State Treasurer and State Director of Finance are required to review, as necessary but no less than monthly, the actual State general fund cash receipts and disbursements in comparison to the Governor's most recent revenue and expenditure projections. If the Controller, Treasurer and Director of Finance determine that sufficient cash is available to pay the State apportionments being deferred while maintaining a prudent cash reserve, such State apportionments are required to be paid as soon as feasible.

Unlike the 2010-11 Cash Management Legislation, SB 82 does not authorize the 2011-12 Cash Management Deferrals to be accelerated or delayed. However, SB 82 does provide similar exemption provisions for a school district that would be unable to meet its expenditure obligations if its State apportionments are delayed.

As an additional cash management measure, the Governor, on October 19, 2010, approved trailer legislation to the 2010-11 Budget ("AB 1610") which amended existing Education Code provisions providing for cross-fiscal year deferrals of State apportionments to school districts. Specifically, AB 1610 increased the existing April-to-July deferral by $420,000,000 and the existing May-to-July deferral by $800,000,000. Recent legislation signed into law by the Governor has authorized an increase to these cross-fiscal year deferrals. See "SCHOOL DISTRICT FINANCIAL INFORMATION – Senate Bill 70" herein.

Recent Litigation Regarding State Funding of Education

On May 20, 2010, more than 60 individual students and their respective families, nine California school districts, the California Congress of Parents Teachers & Students, the Association of California School Administrators, and the California School Boards Association filed a complaint for declaratory and injunctive relief, entitled *Maya Robles-Wong, et al. v. State of California, et al.*, (the "Robles Complaint") in the Alameda County Superior Court. The Robles Complaint alleges, among other things, that the State's current system of funding public education is not designed to support core education programs and that the State has failed to meet its constitutional duties to maintain and support a system of common schools. The Robles Complaint further alleges that the State's system for funding education is not rationally or demonstrably aligned with the goals and objectives of the State's prescribed educational program, and the costs of ensuring that children of all needs have the opportunity to become proficient in accordance with State academic standards. The Robles Complaint requests that the court enter a permanent injunction to, among other things, require the State to align its school finance system with its prescribed educational program, as well as to direct the defendants to cease operating the existing public school finance system or any other system of public finance that does not meet the requirements of the State Constitution.

The School District is not a party to the Robles Complaint. The School District cannot predict whether any of the plaintiffs listed in the Robles Complaint will be successful, what the potential remedies would be or the State's response to any such remedies. The School District makes no representation with regards to how any final court decision with respect to the Robles Complaint would affect the financial status of the School District or the State.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 26, 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 School District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the School District.

TAX BASE FOR REPAYMENT OF THE BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of Improvement District No. 1. The Bonds are payable solely from* ad valorem *taxes levied and collected by the County on taxable property in the Improvement District No. 1. The School District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in each 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 County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

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

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in Improvement District No. 1 is established by the County Assessor, 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 Improvement District No. 1 has a net taxable assessed valuation for fiscal year 2010-11 of $627,474,976. Shown in the following table are the assessed valuations for Improvement District No. 1 for 2010-11, and the assessed valuation by jurisdiction for fiscal year 2010-11.

The following table shows the local secured, utility and unsecured assessed valuation in fiscal years 2008-09 through 2010-11 in Improvement District No. 1.

ASSESSED VALUATION
Roseville Joint Union High School District
School Facilities Improvement District No. 1

	Local Secured	Utility	Unsecured	Total	Annual % Change[(1)]
2008-09	$578,204,784	0	$1,108,475	$579,313,259	--
2009-10	682,477,482	0	1,486,723	683,964,205	18.06%
2010-11	626,307,073	0	1,167,903	627,474,976	-8.26%

(1) Provided by the Underwriter.
Source: California Municipal Statistics, Inc.

Economic and other factors beyond the School District's control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by 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 man-made disaster, such as earthquake, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the School District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the County to pay the debt service with respect to the Improvement District No. 1's general obligation bonds. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICT REVENUES – Article IIIA of the California Constitution" and "THE BONDS – Security and Sources of Payment" herein.

Appeals and Reductions of Assessed Valuation

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals or unilateral County reductions in the future will not significantly reduce the assessed valuation of property within Improvement District No. 1 or the School District.

Assessed Valuation by Jurisdiction

The following table shows the assessed valuation by jurisdiction in fiscal year 2010-11 in Improvement District No. 1.

2010-11 ASSESSED VALUATION BY JURISDICTION[(1)]
Roseville Joint Union High School District
School Facilities Improvement District No. 1

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Roseville	$580,239,463	92.47%	$15,691,526,572	3.70%
Unincorporated Placer County	47,235,513	7.53	23,224,835,107	0.20
Total Placer County	$627,474,976	100.00%	53,640,601,497	1.17

(1) Before deduction of redevelopment incremental valuation.
Source: California Municipal Statistics, Inc.

Assessed Valuation and Parcels by Land Use

The following table shows the assessed valuation and parcels by land use in fiscal year 2010-11 in Improvement District No. 1.

2010-11 ASSESSED VALUATION AND PARCELS BY LAND USE
Roseville Joint Union High School District
School Facilities Improvement District No. 1

	2010-11 Assessed Valuation[(1)]	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% Total
Non-Residential:						
Agricultural	$20,045,679	3.20%	13	0.52%	13	0.52%
Commercial	4,306,187	0.69	2	0.08	2	0.08
Vacant Commercial	204,000	0.03	1	0.04	1	0.04
Vacant Industrial	24,221,442	3.87	2	0.08	2	0.08
Government/Social/Institutional	0	0.00	11	0.44	0	0.00
Vacant Other/Undeveloped	58,839,124	9.39	412	16.53	412	16.62
Miscellaneous	542,000	0.09	5	0.20	5	0.20
Subtotal Non-Residential	$108,158,432	17.27%	446	17.90%	435	17.55%
Residential:						
Single Family Residence	$476,379,124	76.06%	1,423	57.10%	1,423	57.40%
4+ Residential Units/Apartments	0	0.00	2	0.08	0	0.00
Miscellaneous Residential Improvements	45,000	0.01	1	0.04	1	0.04
Vacant Residential	41,724,517	6.66	620	24.88	620	25.01
Subtotal Residential	$518,148,641	82.73%	2,046	82.10%	2,044	82.45%
Total	$626,307,073	100.00%	2,492	100.00%	2,479	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation Per Parcel of Single-Family Homes

The following table shows the assessed valuation per parcel of single-family homes in fiscal year 2010-11 in Improvement District No. 1.

2010-11 ASSESSED VALUATION PER PARCEL OF SINGLE-FAMILY HOMES
Roseville Joint Union High School District
School Facilities Improvement District No. 1

	No. of Parcels	2010-11 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	1,423	$476,379,124	$334,771	$340,181

2010-11 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	0	0.000%	0.000%	$0	0.000%	0.000%
$25,000 - $49,999	35	2.460	2.460	1,565,872	0.329	0.329
$50,000 - $74,999	28	1.968	4.427	1,535,000	0.322	0.651
$75,000 - $99,999	3	0.211	4.638	264,249	0.055	0.706
$100,000 - $124,999	0	0.000	4.638	0	0.000	0.706
$125,000 - $149,999	2	0.141	4.779	279,091	0.059	0.765
$150,000 - $174,999	1	0.070	4.849	168,392	0.035	0.800
$175,000 - $199,999	1	0.070	4.919	188,210	0.040	0.840
$200,000 - $224,999	8	0.562	5.481	1,698,355	0.357	1.196
$225,000 - $249,999	70	4.919	10.401	16,655,543	3.496	4.693
$250,000 - $274,999	82	5.762	16.163	21,748,632	4.565	9.258
$275,000 - $299,999	131	9.206	25.369	37,283,342	7.826	17.084
$300,000 - $324,999	189	13.282	38.651	58,981,610	12.381	29.466
$325,000 - $349,999	211	14.828	53.479	70,621,124	14.825	44.290
$350,000 - $374,999	173	12.157	65.636	62,509,877	13.122	57.412
$375,000 - $399,999	237	16.655	82.291	91,780,131	19.266	76.678
$400,000 - $424,999	151	10.611	92.902	62,642,441	13.150	89.828
$425,000 - $449,999	53	3.725	96.627	23,124,557	4.854	94.682
$450,000 - $474,999	28	1.968	98.595	12,842,005	2.696	97.378
$475,000 - $499,999	16	1.124	99.719	7,773,186	1.632	99.010
$500,000 and greater	4	0.281	100.000	4,717,507	0.990	100.000
Total	1,423	100.000%		$476,379,124	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Taxation of State-Assessed Utility Property

A portion of property tax revenue of Improvement District No. 1 is derived from utility property subject to assessment by the State Board of Equalization ("SBE"). State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions that are assessed as part of a "going concern" rather than as individual pieces of real or personal property. The assessed value of unitary and certain other State-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including Improvement District No. 1) according to statutory formulae generally based on the distribution of taxes in the prior year.

Recent changes in the California electric utility industry structure and in the way in which components of the industry are regulated and owned, including the sale of electric generation assets to largely unregulated, nonutility companies, may affect how utility assets are assessed in the future, and which local agencies are to receive the property taxes. Improvement District No. 1 is unable to predict the impact of these changes on their utility property tax revenues, or whether legislation or 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 Improvement District No. 1 and the School District.

Because the School District is a 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 "SCHOOL DISTRICT FINANCIAL INFORMATION – Revenue Sources" herein.

Alternative Method of Tax Apportionment

The Board of Supervisors of the County has approved, the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (each a "Teeter Plan"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plans for the County, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the School District, for which the county acts as the tax-levying or tax-collecting agency.

The Teeter Plan for the County 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 School District will receive 100% of the *ad valorem* property tax to which the School District is entitled irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan of the County is to remain in effect unless the Board of Supervisors of the applicable county orders its discontinuance or unless, prior to the commencement of any fiscal year of the county (which commences on July 1 for the County), the Board of Supervisors of the 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 the event the Board of Supervisors of the County is to order discontinuance of its county's Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the School District and Improvement District No. 1) for which such county acts as the tax-levying or tax-collecting agency.

Tax Rates

The following tables summarize the total *ad valorem* tax rates levied by all taxing entities in four typical tax rate areas within Improvement District No. 1 between fiscal years 2008-09 through 2010-11.

SUMMARY OF *AD VALOREM* TAX RATES
Roseville Joint Union High School District
School Facilities Improvement District No. 1

Tax Rate Per $100 of Assessed Valuation

Placer County Inside (TRA 5-066 – 2010-11 Assessed Valuation: $580,239,463)

	2008-09	2009-10	2010-11
County	$1.000000	$1.000000	$1.000000
Roseville Joint Union High School District Bond	.032086	.035903	.081754
Roseville City School District Bond	.029002	.032491	.041786
Total	$1.061088	$1.068394	$1.123540

Placer County Outside (TRA 69-027 – 2010-11 Assessed Valuation: $17,625,159)

	2008-09	2009-10	2010-11
County	$1.000000	$1.000000	$1.000000
Roseville Joint Union High School District Bond	.032086	.035903	.081754
Roseville City School District Bond	.029002	.032491	.041786
Total	$1.061088	$1.068394	$1.123540

Source: California Municipal Statistics, Inc.

Largest Property Owners

The following table shows the 20 largest property taxpayers in Improvement District No. 1 as determined by secured assessed valuation in fiscal year 2010-11.

LARGEST 2010-11 LOCAL SECURED PROPERTY TAXPAYERS
Roseville Joint Union High School District
School Facilities Improvement District No. 1

	Property Owner	Primary Land Use	2010-11 Assessed Valuation	% of Total[1]
1.	Roseville Fiddyment Land Venture LLC	Undeveloped	$29,745,920	4.75%
2.	Placer Ranch Inc.	Industrial Land	28,283,367	4.52
3.	Pulte Home Corporation	Residential Development	12,685,961	2.03
4.	D M Placer 400 LLC	Undeveloped	12,211,476	1.95
5.	Centex Homes	Residential Development	9,581,712	1.53
6.	Meritage Homes of California Inc.	Residential Development	8,543,193	1.36
7.	Lennar Homes of California	Residential Development	8,460,291	1.35
8.	West Roseville LLC	Undeveloped	8,000,000	1.28
9.	KB Home Sacramento Inc.	Residential Development	5,217,608	0.83
10.	Signature at Fiddyment Ranch	Residential Development	5,136,680	0.82
11.	PL Roseville LLC	Commercial Store	4,319,466	0.69
12.	Silverwood Investors LLC	Residential Development	3,850,000	0.61
13.	D R Horton Inc. Sacramento	Residential Development	3,180,000	0.51
14.	K. Hovnanian at Fiddyment Ranch LLC	Residential Development	2,604,281	0.42
15.	West Roseville Development Company Inc.	Undeveloped	2,447,175	0.39
16.	Longs Drugs Stores of California	Commercial Store	2,146,454	0.34
17.	Phillips Road 160 Investors	Undeveloped	2,087,959	0.33
18.	D. B. & Pamella D. Meikle Trust	Residential Properties	1,748,707	0.28
19.	Peter & Jennifer M Amoruso Trustees	Undeveloped	894,546	0.14
20.	Joanne T. Bartlett Trust	Residential Properties	870,226	0.14
			$152,015,022	24.27%

(1) 2010-11 local secured assessed valuation: $626,307,073.
Source: California Municipal Statistics, Inc.

Debt Obligations

Set forth below are direct and overlapping debt reports regarding Improvement District No. 1 (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective December 1, 2010. The Debt Reports are included for general information purposes only. School District has not reviewed the Debt Report for completeness or accuracy and make 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 Improvement District No. 1 in whole or in part. Such long-term obligations generally are not payable from revenues of the School District (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 1. 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 is 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 respective 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 respective 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 respective District, as determined by multiplying the total outstanding debt of each agency by the percentage of the respective District's assessed valuation represented in column 2.

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Roseville Joint Union High School District
School Facilities Improvement District No. 1

2010-11 Assessed Valuation:	$627,474,976
Redevelopment Incremental Valuation:	(7,208,858)
Adjusted Assessed Valuation:	$620,266,118

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 12/1/10
Roseville Joint Union High School District	3.057%	$ 3,023,540
Roseville Union High School District School Facilities Improvement District No. 1	**100.000**	-[1]
Roseville City School District	5.688	1,808,516
City of Roseville Fiddyment Ranch Community Facilities District No. 1	100.000	77,645,000
City of Roseville Westpark Community Facilities District No. 1	83.313	64,484,262
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$146,961,318
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Placer County General Fund Obligations	1.209%	$ 603,231
Placer County Office of Education Certificates of Participation	1.209	28,956
Sierra Joint Community College District Certificates of Participation	0.870	121,496
Roseville Joint Union High School District Certificates of Participation	3.057	119,682
Roseville City School District Certificates of Participation	5.688	728,633
City of Roseville Certificates of Participation	3.846	763,239
Placer County Mosquito and Vector Control District Certificates of Participation	1.209	56,400
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$2,421,637
COMBINED TOTAL DEBT		$149,382,955[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 2010-11 Assessed Valuation:
Direct Debt.. - %
Total Direct and Overlapping Tax and Assessment Debt.....23.42%

Ratios to Adjusted Assessed Valuation:
Combined Total Debt..24.08%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: $0

Source: California Municipal Statistics, Inc.

IMPROVEMENT DISTRICT NO. 1

General Description

The Bonds are being issued by the School District on behalf of Improvement District No. 1. On January 16, 2007, Improvement District No. 1 was established by the Board of Education of the School District pursuant to its Resolution No. 0701 and the Act.

With respect to the authorization for the Bonds, the Board of Education ordered an election of the registered voters residing in the territory of Improvement District No. 1, which was held on April 24, 2007. At this election, 91.67% of the voters voting on the measure approved the issuance of not-to-exceed $115,000,000 principal amount of general obligation bonds for Improvement District No. 1.

Location and Territory

The School Facilities Improvement District No. 1 of the Roseville Joint Union High School District ("Improvement District No. 1") is located in the northwest portion of the School District, and includes portions of the City of Roseville and adjacent unincorporated territory of the County. Improvement District No. 1 encompasses approximately 11.8 square miles, representing approximately 16.4% of the territory of the School District. The Improvement District No. 1 has 1,998 completed single family homes, approximately 1,900 occupied single family homes and a population of approximately 5,000 persons.

Specific area plans approved by the City of Roseville would permit the development within Improvement District No. 1 of about 21,500 residential units and about 8.3 million square feet of non-residential building space.

Governing Board

The Board of Education of the School District serves as the governing board of Improvement District No. 1. See "THE SCHOOL DISTRICT – Administration" herein.

THE SCHOOL DISTRICT

Introduction

The School 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 School District currently has five comprehensive high schools for grades 9-12, a continuation school for students 16 years and older, one adult education school and an independent study program. Enrollment in the School District for the 2010-11 school year is 10,047 high school students. The School District also operates an adult school which serves approximately 2,600 adults annually.

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

Administration

The governing board of the School 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 2012
Scott E. Huber	Vice President	November 2014
Paige K. Stauss	Clerk	November 2012
Linda M. Park	Member	November 2014
R. Jan Pinney	Member	November 2012

Mr. Tony Monetti, the Superintendent of the School District, is responsible for administering the affairs of the School District in accordance with the policies of the Board. Other administrators include Gary Stevens, Assistant Superintendent, Business Services, Ron Severson, Assistant Superintendent, Personnel; John Montgomery, Assistant Superintendent, Curriculum.

Tony Monetti, Superintendent. Mr. Monetti joined the School District on July 2000. He was formerly the Associate Superintendent of Secondary Schools with the Capistrano Unified School District. He has also served as a district administrator, high school and elementary principal, and as a high school and middle school assistant principal and teacher. Mr. Monetti serves on the boards of LEED (Linking Education and Economic Development) and BECOME (Business, Educators and Community Organized to Maximize Education). Mr. Monetti received a B.A. in Political Science and a standard Secondary Credential from San Francisco State University. He received a M.A. in Education and an administrative credential from Pepperdine University.

Gary Stevens, Assistant Superintendent, Business Services. Mr. Stevens was appointed as the Assistant Superintendent, Business Services in June 2007. Prior thereto he served as the Director of Accounting since November 1986. Gary's responsibilities include oversight of the Business, Facilities Development, Food Services, Maintenance and Operations, Student Transportation and Technology Departments. Prior to joining the School District he worked as a Plant Controller for Overhead Door Company. Mr. Stevens received his B.S in Accounting and Minor in Economics from California State University, Sacramento. Mr. Stevens also completed his certified Chief Business Official certification in 2006 from the California Association of School Business Officials.

Recent Enrollment Trends

District enrollment increased by 185% between 1987-88 and 2010-11, representing an average annual compound growth rate of 4.5%. The following table shows a 24-year enrollment history for the School District.

ANNUAL ENROLLMENT
FISCAL YEARS 1987-88 THROUGH 2010-11
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
2007-08	9,206	249	2.8
2008-09	9,503	297	3.2
2009-10	9,833	330	3.5
2010-11(1)	10,047	214	2.2

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

Labor Relations

As of March 1, 2011, the School District employed 502 full-time equivalent certificated and administrative employees, and 265 classified employees. The School District 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	441	June 30, 2010[2]
California School Employees Association	283	June 30, 2010[2]

[1] As of March 1, 2010.
[2] Contracts currently being negotiated.
Source: Roseville Joint Union High School District.

School 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 School 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 School District's contribution to STRS was $3,200,610 in fiscal year 2008-09, $3,163,012 in fiscal year 2009-10 and is projected to be $3,185,588 in fiscal year 2010-11. The School District's contribution to PERS was $934,899 in fiscal year 2008-09, $923,280 in fiscal year 2009-10 and is projected to be $1,018,185 in fiscal year 2010-11.

The School District is currently required by statute to contribute 8.25% of eligible salary expenditures to STRS, while participants contribute 8% of their respective salaries. STRS has a substantial statewide unfunded liability. Since this liability has not been broken down by each school School District, it is impossible to determine the School District's share. The School District was required to contribute to PERS at an actuarially determined rate, which is 10.707% of eligible salary expenditures for fiscal year 2010-11, while participants contribute 7% of their respective salaries.

Early Retirement – Service Recognition. The School District Board has adopted a service recognition reward program. The retiring employee can choose to participate in either , but not both, the School District service recognition program or, as applicable and when offered at the School District, the State STRS (certificated) or CalPERS (classified) Golden Handshake (or other similar state offered programs). The School District has entered into contracts with certain eligible employees whereby years of School District service will determine the service award between $7,000 and $15,000. The employees have the option of selecting cash payment, future medical benefits or the purchase of an annuity. During fiscal year ended June 30, 2010, 8 employees were granted benefits under this program in the amount of $95,900.

Other Post-Employment Benefits. The School District does not provide employees with other post-employment benefits.

Joint Powers Agreements

The School District is a member of the Schools Insurance Group (SIG), for the operation of common risk management and insurance program and a School Project for Utility Rate Reduction (SPURR). SIG and SPURR are both governed by a governing board consisting of representatives from member districts. The relationship between the School District and the joint powers authorities is such that the joint powers authorities are not component units of the School District for financial reporting purposes.

SCHOOL DISTRICT FINANCIAL INFORMATION

The information in this section concerning the School District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on or Accreted Value of the Bonds is payable from the general fund of the School 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 School 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 School 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 School 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 School 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 School 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 School District's fiscal year begins on July 1 and ends on June 30.

Financial Statements

The School District's general fund finances the legally authorized activities of the School 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 School District for the fiscal year ended June 30, 2009, and prior fiscal years are on file with the School District and available for public inspection at the Office of the Superintendent of the School District, 1750 Cirby Way, Roseville, California 95661, telephone: (916) 786-2051. The audited financial statements for the year ended June 30, 2010, 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 2005-06 through 2009-10

	Fiscal Year 2005-06	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10
REVENUES					
Revenue Limit Sources					
State Apportionments	$7,128,058	$8,484,679	$9,774,572	$10,723,935	$8,906,386
Local Sources	40,932,173	45,334,981	47,953,933	47,589,603	46,076,213
Total Revenue Limit Sources	48,060,231	53,819,660	57,728,505	58,313,538	54,982,599
Federal Revenues	1,609,089	1,974,211	1,771,630	5,869,867	3,649,208
Other State Revenues	4,415,237	7,713,641	6,143,547	3,722,100	7,314,783
Other Local Revenues	4,751,565	5,715,696	5,904,368	6,257,987	5,452,437
TOTAL REVENUES	58,836,122	69,223,208	71,548,050	74,163,492	71,399,027
EXPENDITURES					
Current Expenditures					
Certificated Salaries	30,295,987	33,052,119	36,591,313	38,311,066	37,514,261
Classified Salaries	8,622,956	9,627,356	10,291,172	10,611,098	9,999,825
Employee Benefits	11,029,006	11,608,181	12,808,131	13,199,191	12,921,212
Books and Supplies	3,418,720	4,449,631	4,691,121	4,356,118	3,287,209
Services and Operating Expenditures	4,380,899	4,491,900	4,374,033	4,618,522	4,768,146
Capital Outlay	130,108	198,928	68,385	137,694	90,093
Other Outgo	334,041	662,828	509,029	661,138	789,859
Debt Service	1,538,299	633,775	598,781	637,728	452,075
Direct Support/Indirect Costs	(137,401)	--	--	--	76,464
TOTAL EXPENDITURES	59,612,615	64,724,718	69,931,965	72,532,555	69,899,144
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(776,493)	4,498,490	1,616,085	1,630,937	1,499,883
OTHER FINANCING SOURCES/(USES)	959,313	185,302	9,592	3,889	(324,850)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	182,820	4,683,792	1,625,677	1,634,826	1,175,033
FUND BALANCE, BEGINNING OF YEAR	$7,118,110	$7,300,930	$11,984,722	$13,610,399	$15,245,225
FUND BALANCE, AT END OF YEAR	$7,300,930	$11,984,722	$13,610,399	$15,245,225	$16,420,258

Source: Roseville Joint Union High School District.

Budget Process

The School 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 School 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 School 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 School District's general fund adopted budgets compared with actual results for the fiscal years ending June 30, 2009, June 30, 2010 and June 30, 2011 and the adopted budget compared with projected totals for the year ending June 30, 2011 are set forth below:

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
General Fund Budgets
Fiscal Years 2008-09 through 2010-11

	2008-09 Budget	2008-09 Actual	2009-10 Budget	2009-10 Actual	2010-11 Original Adopted Budget(1)	2010-11 Projected Totals(2)
REVENUES						
Revenue Limit Sources						
State Apportionments	$10,927,735	$10,723,935	$10,519,254	$8,906,386	$6,971,416	$16,533,280
Local Sources	48,247,758	47,589,603	45,000,000	46,076,213	48,010,719	42,258,874
Total Revenue Limit Sources	59,175,493	58,313,538	55,519,254	54,982,599	54,982,135	58,792,154
Federal Revenues	1,652,712	5,869,867	2,214,137	3,649,208	2,511,333	5,102,393
Other State Revenues	5,598,722	3,722,100	5,043,530	7,314,783	5,211,790	6,943,421
Other Local Revenues	6,043,663	6,257,987	6,373,225	5,452,437	5,203,859	5,369,069
TOTAL REVENUES	72,470,590	74,163,492	69,150,146	71,399,027	67,909,117	76,207,037
EXPENDITURES						
Current Expenditures						
Certificated Salaries	38,133,076	38,311,066	36,863,869	37,514,261	36,826,971	38,021,336
Classified Salaries	10,770,507	10,611,098	10,186,618	9,999,825	9,755,428	9,870,311
Employee Benefits	13,650,144	13,199,191	13,219,940	12,921,212	12,898,140	13,058,926
Books and Supplies	6,475,036	4,356,118	5,454,217	3,287,209	4,981,482	5,531,402
Services and Operating Expenditures	5,500,785	4,618,522	5,364,735	4,768,146	7,164,620	6,122,495
Other Outgo	649,000	661,138	795,000	90,093	1,354,707	830,863
Capital Outlay	27,711	137,694	32,312	789,859	15,310	134,548
Debt Service	631,762	637,728	630,700	452,075	--	--
Direct Support/Indirect Costs	--	--	--	76,464	(35,000)	602,929
TOTAL EXPENDITURES	75,838,021	72,532,555	72,547,391	69,899,144	72,961,658	74,172,810
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(3,367,431)	1,630,937	(3,397,245)	1,499,883	(5,052,541)	2,034,227
OTHER FINANCING SOURCES/(OTHER USES)	317,851	3,889	299,336	(324,850)	247,920	(842,356)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/ (UNDER) EXPENDITURES AND OTHER USES	(3,049,580)	1,634,826	(3,097,909)	1,175,033	(4,804,621)	1,191,871
FUND BALANCE, BEGINNING OF YEAR	13,610,399	13,610,399	15,245,225	15,245,225	11,782,213	16,420,258
FUND BALANCE, AT END OF YEAR	$10,560,819	$15,245,225	$12,147,316	$16,420,258	$6,977,592	$17,612,129

(1) Adopted on June 15, 2010.
(1) From the School District's 2nd Interim Report.
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, enrollment and revenue limit for the School District for the last 10 years, and a projection for 2010-11.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Average Daily Attendance and Enrollment
and A.D.A. Revenue Limit
2000-01 through 2010-11

Academic Year	Average Daily Attendance	A.D.A. Base Revenue Limit[(2)]	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	8,376	6,379	8,978
2007-08	8,648	6,669	9,237
2008-09	8,955	7,048	9,534
2009-10	9,297	7,348	9,853
2010-11[(1)]	9,481	7,319	10,047

(1) Projected.
(2) The State's practice of deficit revenue limit funding, which reduced the amount of revenue limit funds received by school districts, was eliminated effective in fiscal year 2000-01, reinstated beginning in fiscal year 2003-04, eliminated again effective in fiscal year 2006-07, and reinstated again in fiscal year 2008-09.
Note: The ADA figures shown are based on School District implementation of legislation which requires that average daily attendance be based on actual attendance only. The School 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 School 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 School 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 School 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 78.62% of general fund revenues in 2008-09, 77.01% of general fund revenues in 2009-10 and are projected to equal approximately 77.15% of such revenues in 2010-11.

Federal Revenues. The federal government provides funding for several School 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 7.91% of general fund revenues in 2008-09, 5.11% of general fund revenues in 2009-10 and are projected to equal approximately 6.70% of such revenues in 2010-11.

Other State Revenues. As discussed above, the School District receives State apportionment of basic and equalization aid in an amount equal to the difference between the School District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the School 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 5.02% of general fund revenues in 2008-09, 10.25% of general fund revenues in 2009-10 and are projected to equal approximately 9.11% of such revenues in 2010-11.

Other Local Revenues. In addition to property taxes, the School 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 8.44% of general fund revenues in 2008-09, 7.64% of general fund revenues in 2009-10 and are projected to equal approximately 7.05% of such revenues in 2010-11.

The School District maintains a Capital Project Fund, apart from the General Fund, to account for developer fees collected by the School District. The table below sets forth the developer fees collected by the School District during the last 13 fiscal years and a projected amount for 2010-11.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Annual Developer Fees Collections

Fiscal Year	Developer Fees for School 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	5,375,840
2007-08	6,226,151
2008-09	3,383,067
2009-10	3,630,782
2010-11[1]	3,048,694

[1] Projected.
Source: Roseville Joint Union High School District.

School District Debt Structure

Short-Term Debt. On September 2, 2010, the School District issued $11,500,000 of tax and revenue anticipation notes ("TRANs") maturing on September 1, 2011, with a coupon interest rate of 2.00% and a yield of 0.75%, to provide for anticipated cash flows deficits and operations.

Changes in Long-Term Debt. A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2010 is shown below:

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
General Obligation Bonds	$128,211,325	$2,938,019	$4,605,000	$126,544,344
Certificates of Participation	4,345,000	--	430,000	3,915,000
Capitalized Lease Obligations	636,254	--	232,595	403,659
Compensated Absences	215,246	69,960	--	285,206
	$133,407,825	$3,007,979	$5,267,595	$131,148,209

Certificates of Participation. In December 2003, the School District executed and delivered $6,300,000 of Certificates of Participation (the "2003 Certificates"), with variable interest rates for the acquisition, modernization, improvement and construction of School District facilities. The Certificates of Participation mature January 1, 2018. Annual requirements to amortize the principal with respect to the 2003 Certificates, as of June 30, 2010, are as follows:

Year Ending June 30	Principal Component To Be Prepaid
2011	$440,000
2012	455,000
2013	470,000
2014	480,000
2015	495,000
2016-18	1,575,000
Total	$3,915,000

Source: Roseville Joint Union High School District.

General Obligation Bonds. The School 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 School District, to issue $51,000,000 maximum principal amount of general obligation bonds (the "1991 Authorization"). The School 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.

The School District received authorization at an election held on November 2, 2004 by at least 55% of the votes cast by eligible voters within the School District to issue $79,000,000 maximum principal amount of general obligation bonds (the "2004 Authorization"). The School District issued an initial series of bonds (the "2004 Series A Bonds") in April 2006 in the original principal amount of $26,000,000. The School District issued an a second series of bonds (the "2004 Series B Bonds") in July 2006 in the original principal amount of $25,000,000. The School District issued an a third series of bonds (the "2004 Series C Bonds") in April 2007 in the original principal amount of $27,997,958.85. The School District has no remaining 2004 Authorization.

At an election held on April 24, 2007, eligible voters within the Improvement District No. 1 approved a measure to authorize the issuance of not to exceed $115,000,000 of general obligation 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 Bonds are the first series of Bonds to be issued under the Authorization. After issuance of the Bonds, the Improvement District No. will have $110,114,376.05 of remaining authorization. For a schedule of the Improvement District No. 1's currently outstanding general obligation bonds see "DEBT SERVICE SCHEDULE" herein.

The table on the following page indicates the annual debt service for all of the School District's currently outstanding general obligation 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
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	$17,530,248.34	$24,149,513.10	$5,825,000.00	$3,848,225.00	$13,806,500.00	$39,272,487.58	$42,120,800.00	$51,724,875.00	$198,277,649.02

(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 School 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
2011	$256,512
2012	165,739
	422,251
Less amount representing interest	(18,592)
	$403,659

Source: Roseville Joint Union High School District.

Assessed Valuations

The assessed valuation of property in the School 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 SCHOOL 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.

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Property within the School District has a total assessed valuation for fiscal year 2010-11 of $20,995,928,398. The following table represents the 24-year history of assessed valuations within the School District.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Assessed Valuations
Fiscal Years 1987-88 through 2010-11

Fiscal Year	Total School 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	16,689,882,787	12.3
2005-06	18,818,669,303	12.8
2006-07	21,800,763,964	15.8
2007-08	23,261,018,721	6.7
2008-09	23,337,291,846	0.3
2009-10	22,458,012,158	(3.8)
2010-11	20,995,928,398	(6.5)

(1) Excludes assessed valuation from unitary utility roll, beginning in 1987-88.
Source: California Municipal Statistics, Inc.

Assessed Valuation and Parcels by Land Use

The following table shows the assessed valuation and parcels by land use in fiscal year 2010-11 in School District.

2010-11 ASSESSED VALUATION AND PARCELS BY LAND USE
Roseville Joint Union High School District

	2010-11 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% Total
Non-Residential:						
Agricultural	$46,521,369	0.23%	92	0.16%	92	0.16%
Commercial/Office	2,773,822,137	13.63	1,452	2.47	1,318	2.31
Vacant Commercial	262,781,425	1.29	425	0.72	405	0.71
Industrial	1,614,206,914	7.93	401	0.68	397	0.69
Vacant Industrial	75,430,962	0.37	301	0.51	283	0.50
Recreational	95,304,584	0.47	135	0.23	0	0.00
Government/Social/Institutional	44,172,522	0.22	277	0.47	98	0.17
Vacant Other/Undeveloped	195,670,487	0.96	1,730	2.94	1,176	2.06
Miscellaneous	6,301,526	0.03	759	1.29	506	0.89
Subtotal Non-Residential	$5,114,211,926	25.12%	5,572	9.48%	4,275	7.48%
Residential:						
Single Family Residence	$13,812,415,474	67.85%	47,584	81.00%	47,540	83.18%
Condominium/Townhouse	350,085,826	1.72	2,691	4.58	2,688	4.70
Mobile Home	17,876,804	0.09	423	0.72	423	0.74
2-3 Residential Units	164,601,289	0.81	765	1.30	765	1.34
4+ Residential Units/Apartments	778,416,739	3.82	283	0.48	279	0.49
Miscellaneous Residential Improvements	8,264,224	0.04	68	0.12	68	0.12
Vacant Residential	110,896,623	0.54	1,360	2.32	1,115	1.95
Subtotal Residential	$15,242,556,979	74.88%	53,174	90.52%	52,878	92.52%
Total	$20,356,768,905	100.00%	58,746	100.00%	57,153	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation Per Parcel of Single-Family Homes

The following table shows the assessed valuation per parcel of single-family homes in fiscal year 2010-11 in School District.

2010-11 ASSESSED VALUATION PER PARCEL OF SINGLE-FAMILY HOMES
Roseville Joint Union High School District

	No. of Parcels	2010-11 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	47,540	$13,812,415,474	$290,543	$260,399

2010-11 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	166	0.349%	0.349%	$3,362,005	0.024%	0.024%
$25,000 - $49,999	850	1.788	2.137	33,309,180	0.241	0.265
$50,000 - $74,999	777	1.634	3.772	48,042,844	0.348	0.613
$75,000 - $99,999	852	1.792	5.564	75,176,202	0.544	1.158
$100,000 - $124,999	1,215	2.556	8.119	137,427,375	0.995	2.153
$125,000 - $149,999	1,738	3.656	11.775	239,499,332	1.734	3.886
$150,000 - $174,999	2,953	6.212	17.987	482,981,850	3.497	7.383
$175,000 - $199,999	4,262	8.965	26.952	800,108,544	5.793	13.176
$200,000 - $224,999	4,313	9.072	36.024	914,469,787	6.621	19.797
$225,000 - $249,999	4,769	10.032	46.056	1,131,442,575	8.191	27.988
$250,000 - $274,999	4,441	9.342	55.398	1,164,973,857	8.434	36.422
$275,000 - $299,999	3,351	7.049	62.446	960,160,986	6.951	43.374
$300,000 - $324,999	3,031	6.376	68.822	947,727,334	6.861	50.235
$325,000 - $349,999	2,725	5.732	74.554	918,101,406	6.647	56.882
$350,000 - $374,999	2,686	5.650	80.204	973,558,803	7.048	63.930
$375,000 - $399,999	1,891	3.978	84.182	730,546,830	5.289	69.220
$400,000 - $424,999	1,331	2.800	86.981	549,015,481	3.975	73.194
$425,000 - $449,999	1,072	2.255	89.236	468,301,716	3.390	76.585
$450,000 - $474,999	884	1.859	91.096	407,890,257	2.953	79.538
$475,000 - $499,999	718	1.510	92.606	350,028,112	2.534	82.072
$500,000 and greater	3,515	7.394	100.000	2,476,290,998	17.928	100.000
Total	47,540	100.000%		$13,812,415,474	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Secured Tax Charge and Delinquency

The following table shows the secured tax charge and delinquency in fiscal year 2009-10 in School District.

2009-10 SECURED TAX CHARGE AND DELINQUENCY
Roseville Joint Union High School District

	Secured Tax Charge (1)	Amt. Del. June 30	% Del. June 30
Placer County Portion	$7,267,113.77	$195,348.36	2.69%
Sacramento County Portion	$473,470.00	$11,937.00	2.52%

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

Assessed Valuation by Jurisdiction

The following table shows the assessed valuation by jurisdiction in fiscal year 2010-11 in the School District.

2010-11 ASSESSED VALUATION BY JURISDICTION[(1)]
Roseville Joint Union High School District

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Rocklin	$11,393,758	0.05%	$6,595,656,221	0.17%
City of Roseville	15,662,100,874	74.60	$15,691,526,572	99.81%
Unincorporated Placer County	3,964,973,478	18.88	$23,224,835,107	17.07%
Unincorporated Sacramento County	1,357,460,288	6.47	$46,303,375,799	2.93%
Total Placer County	$19,638,468,110	93.53%	$53,640,601,497	36.61%
Total Sacramento County	1,357,460,288	6.47	$123,060,332,688	1.10%
Total District	$20,995,928,398	100.00%		

(1) Before deduction of redevelopment incremental valuation.
Source: California Municipal Statistics, Inc.

Largest Property Owners

The following table shows the 20 largest property taxpayers in School District as determined by secured assessed valuation in fiscal year 2010-11.

LARGEST 2010-11 LOCAL SECURED PROPERTY TAXPAYERS
Roseville Joint Union High School District

	Property Owner	2010-11 Primary Land Use	Assessed Valuation	% of Total[(1)]
1.	Roseville Shoppingtown LLC	Shopping Center	$396,871,103	1.95%
2.	NEC Electronics USA Inc.	Industrial	293,033,580	1.44
3.	Hewlett Packard Co.	Industrial	254,832,722	1.25
4.	W2005 Fargo Hotels Pool C Realty LP	Hotel	84,643,663	0.42
5.	Donahue Schriber Realty Group LP	Commercial	68,886,730	0.34
6.	UCM Caiprosemeade LLC	Apartments	63,043,729	0.31
7.	Prime Roseville LP	Apartments	60,580,524	0.30
8.	Roseville Fountains LP	Shopping Center	53,146,210	0.26
9.	Walmart Stores Inc.	Commercial	51,176,981	0.25
10.	John L. Sullivan Family LP	Auto Dealership	46,143,721	0.23
11.	NNN Parkway Corporate Plaza LLC	Office Building	45,920,000	0.23
12.	Safeway Inc.	Shopping Center	45,606,012	0.22
13.	Forest Cove 388 LLC	Apartments	41,031,333	0.20
14.	Hines Douglas Corporate Center LP	Office Building	35,740,000	0.18
15.	Hines Summit at Douglas LP	Office Building	35,210,000	0.17
16.	PL Roseville LP	Commercial	34,319,466	0.17
17.	Property Reserve Inc.	Office Building	33,830,000	0.17
18.	G&SL LLC	Apartments	33,457,281	0.16
19.	Autumn Oaks 200&216 LLC	Apartments	32,452,349	0.16
20.	TJM Shopping Center 05 LLC	Shopping Center	31,830,000	0.16
			$1,741,755,404	8.56%

(1) 2010-11 Local Secured Assessed Valuation: $20,356,768,905.
Source: California Municipal Statistics, Inc.

State Budget Measures

The following information concerning the State's budgets has been obtained from publicly available information which the School District believes to be reliable; however, the School District does not guarantee the accuracy or completeness of this information and has not independently verified such information.

2010-11 Budget. The 2010-11 Budget Act (the "2010-11 Budget") was signed into law by the Governor on October 8, 2010. On October 12, 2010, the LAO released its summary of the major features of the 2010-11 Budget (the "LAO Budget Summary"). The following information is adapted from LAO Budget Summary.

Absent corrective measures, the 2010-11 Budget projects a fiscal year 2010-11 ending deficit of approximately $17.9 billion. To address this gap, the 2010-11 Budget relies on $7.8 billion of expenditure and cost reductions, $5.4 billion of federal funding measures, $3.3 of revenue measures, and $2.7 billion of loans, transfers and one-time fund shifts.

With the implementation of these measures, the 2010-11 Budget assumes, for fiscal year 2009-10, year-end revenues of $81.6 billion and expenditures of $86.3 billion. The 2010-11 Budget also assumes the State ended fiscal year 2009-10 with a budget deficit of $6.3 billion. For fiscal year 2010-11, the 2010-11 Budget projects total revenues of $89.4 billion (an increase of 8.4% from the prior year) and authorizes total expenditures of $86.5 billion (an increase of 0.2% from the prior year). The State is also projected to end fiscal year 2010-11 with a $1.3 million surplus. The LAO notes that well over two-thirds of the measures included in the 2010-11 Budget are of a one-time nature. As a result, the State is expected to continue facing structural deficit problems in future fiscal years.

Total Proposition 98 funding is increased in fiscal year 2010-11 to $49.7 billion, including $36.2 billion from the State general fund. This represents an increase of $115 million, or 0.2%, from the prior year. To fund at this level, the 2010-11 Budget authorizes the suspension of the Proposition 98 minimum funding requirement. Absent this suspension, the LAO estimates that Proposition 98 funding would need to increase by approximately $4.1 billion in fiscal year 2010-11. The 2010-11 Budget also projects a "settle up obligation" of approximately $1.8 billion resulting from the State appropriating less funding in fiscal year 2009-10 than required by the Proposition 98 minimum funding guarantee. The 2010-11 Budget provides for $300 million to begin funding this settle-up obligation.

Although Proposition 98 funding increases slightly in fiscal year 2010-11, expenditure reductions are necessary because of the number of one-time solutions built into the fiscal year 2009-10 budget. To that end, the 2010-11 Budget reduces total Proposition 98 expenditures by approximately $3.4 billion. The bulk of this reduction is treated as payment deferral rather than a spending cut. Specifically, the 2010-11 Budget provides for the deferral of $1.9 billion in State apportionments due in the spring of 2011, including $1.7 billion for school districts and county offices of education. The 2010-11 Budget projects significant savings in child care funding by requiring contractors to utilize accumulated reserves to offset contract amounts ($83.1 million), reducing reimbursement rates for certain providers ($18.7 million) and reducing administrative allowances for certain contractors ($17.1 million). Other significant measures include a decrease of $700 million in unallocated funds for a variety of K-12 categorical programs, and $550 million in projected savings in the K-3 Class Size Reduction Program.

During the State's budgetary impasse, various State vendors went unpaid and the State's annual revenue anticipation notes ("RANs") borrowing was delayed. Without the proceeds from such RANs, the 2010-11 Budget projects that the State will have difficulty meeting all its financial obligations without the use of registered warrants (also known as IOUs). Therefore, the 2010-11 Budget includes provisions authorizing the State Controller to delay the payment of school district and community college district apportionments, as well as various other State payments, in October by several days. Such deferrals would be in addition to existing deferrals of State apportionments.

Other significant features of the 2010-11 Budget includes the following:

- *Higher Education.* $250 million of increased funding to the University of California system and $260 million of increased funding to the California State University system. These augmentations are each $106 million lower than the amounts included in the Governor's May revision to his proposed budget for fiscal year 2010-11 (the "May Revision"), reflecting the receipt of federal stimulus funding. The 2010-11 Budget also includes a $100 million reduction to the Cal Grant financial aid program, and instead backfills this reduction with excess revenue from the Student Loan Operating Fund.

- *State Employee Compensation.* The 2010-11 Budget implements $1.6 billion in reductions to State personnel costs, including $896 million in anticipated savings from recent agreements with State employee unions and $580 million in anticipated savings from a 5% reduction in the State workforce.

- *Social Services.* $300 million in anticipated savings in the In-Home Supportive Services ("IHSS") program, including $190 million from the application of the State sales tax to IHSS providers, $35 million from a 3.6% reduction to authorized service hours for IHSS recipients, and a $75 million adjustment to reflect a lower than anticipated caseload.

- *Medi-Cal.* $187 million in anticipated savings by requiring managed care enrollment of certain Medi-Cal recipients, $100 million in anticipated savings from rate freezes and reductions to certain Medi-Cal providers, and $26 million in assumed savings from antifraud efforts.

- *CalWorks.* The 2010-11 Budget does not include the proposed elimination of the CalWORKs program included in the May Revision. However, CalWORKs funding was subject to various Gubernatorial vetoes, as discussed below.

- *Corrections/Rehabilitation.* $820 million in unallocated reductions to inmate medical services achieved primarily by paroling certain sick inmates. The 2010-11 Budget also assumes $219 million in savings from unspecified adult correctional population changes.

- *State Courts.* $405 million reduction to State general fund support for trial courts. This reduction would be largely offset by a one-time shift of $350 million in redevelopment funding.

- *Local Mandate Securitization.* The 2010-11 Budget authorizes joint powers authorities to issue up to $1 billion of ten-year "local mandate claim receivables" backed by the State's repayment obligation to cities, counties and special districts. Under the plan, the State would pay interest on the receivables at a rate of 2% per year, with local agencies bearing all other additional interest or issuance costs.

- *Federal Funding*. As mentioned above, the 2010-11 Budget assumes $5.4 billion in federal funding measures, allowing for a like reduction of State general fund costs. This additional funding is to be achieved primarily through federal approval for reductions in state costs or service levels, and the receipt of additional federal stimulus funding. The LAO notes that most of these measures have not been approved by Congress.

- *Revenue Measures.* The 2010-11 Budget includes $3.3 billion of revenue measures, including (i) $1.4 billion in additional revenues by adopting the LAO's May 2010 revenue forecast, (ii) $1.2 billion of additional revenues by extending the current ban on Net Operating Loss tax deductions, and (iii) $1.2 billion in one-time revenue from the sale of 11 state office properties.

- *Gubernatorial Vetoes.* In signing the budget, the Governor vetoed $963 million in State general fund expenditures, including (i) $256 million by eliminating CalWORKs Stage 3 child care, (ii) $80 million for child welfare services, (iii) $12 million for HIV/AIDS health programs, (iv) $10 million for health clinics, (v) $6 million for community based programs run by the Department of Aging, and (vi) $133 million of funding for student mental health services.

Additional information regarding the 2010-11 Budget is available from the LAO's website: www.lao.ca.gov.

Fiscal Outlook Report. On November 10, 2010, the LAO released a report entitled "The 2011-12 Budget: California's Fiscal Outlook" (the "Fiscal Outlook Report"), which updates expenditure and revenue projections for fiscal year 2010-11. The following information has been adapted from the Fiscal Outlook Report.

The Fiscal Outlook Report provides the LAO's projections of the State's General Fund revenues and expenditures for fiscal years 2010-11 through 2015-16 under current law, absent any actions to close the State's budget gap. Such projections primarily reflect current-law spending requirements and tax provisions, while relying on the LAO's independent assessment of the outlook for the State's economy, demographics, revenues, and expenditures.

The Fiscal Outlook Report concludes that although the 2010-11 Budget had projected the State would end fiscal year 2010-11 with a $1.3 billion General Fund reserve, the LAO now projects, if no actions are taken, the State faces a 2010-11 year-end General Fund deficit of $6.1 billion. The Fiscal Outlook Report attributes this projected budget deficit to (i) an expected failure to receive approximately $3.5 billion in federal funding (or flexibility in operating state-federal programs like Medi-Cal), (ii) reductions in projected revenues and (iii) increases in projected expenditures. The Fiscal Outlook Report assumes the State will be unable to achieve fiscal year 2009-10 and/or fiscal year 2010-11 budget solutions totaling approximately $3 billion. In addition, the Fiscal Outlook Report forecasts revenue for fiscal years 2009-10 and 2010-11 approximately $447 million below the 2010-11 Budget assumptions, and projects that the State will be unable to achieve an additional $800 million in budgeted solutions for fiscal year 2010-11 due to recent statutory changes. See, for example, "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 26" herein.

Additional information regarding the Fiscal Outlook Report may be obtained from the LAO at www.lao.ca.gov.

Governor's 2011-12 Proposed Budget. On January 10, 2011 the Governor released his proposed budget for fiscal year 2011-12 (the "Proposed State Budget"). On January 12, 2011 the LAO released its Overview of the Governor's Budget (the "LAO Overview"). The following information has been adapted from excerpted portions of the LAO Overview.

The Proposed State Budget estimates that, without corrective action by the Legislature and the Governor, the State would end 2011-12 with a $25.4 billion deficit. Specifically, the administration estimates that the General Fund will end 2010-11 with a deficit of $8.2 billion (as opposed to the $1.5 billion reserve balance assumed when the 2010-11 Budget was adopted). For 2011-12, the Governor estimates that the gap between expenditures and revenues will be $17.2 billion.

In total, the Governor proposes $26.4 billion in budget solutions. If adopted and achieved in full, the Governor's budget plan would leave the State with a reserve of around $1 billion at the end of 2011-12. The Governor proposes to reduce current-law General Fund state expenditures by $12.5 billion. These expenditure-related solutions include both reductions in services and benefits and use of other funding sources in lieu of the General Fund. The Governor proposes a total of $14 billion in new revenues, of which $3 billion is attributed to 2010-11. The additional revenues to be deposited in the General Fund would result in a $2 billion increase in the Proposition 98 minimum funding guarantee for schools and community colleges (reducing the net effect of these new revenues to $12 billion). The remaining $1.9 billion in solutions comes from borrowing from special funds and other sources.

The LAO reports that two significant and interrelated themes run through the Governor's budget package: (1) his plan to submit to State voter approval an extension of the four temporary tax increases adopted in February 2009 and (2) his plan to restructure the state-local relationship in the delivery of services by shifting funding and responsibility to local governments for those services (referred to herein as "realignment"). In addition, the Governor proposes dramatic changes in the area of local economic development by proposing the elimination of redevelopment agencies.

The LAO notes that the Governor proposes to put two ballot measures before the voters: (1) a constitutional measure to extend the temporary tax increases by another five years and to dedicate two of these revenues to realignment and (2) a measure to change state law provisions regarding certain tobacco product excise taxes to allow the funds to be used in the Medi-Cal Program. The LAO expects that the Governor will ask that a separate measure be placed on a future election ballot to allow new mechanisms for funding redevelopment at the local level.

The Governor had proposed an accelerated budget process with a target date of March 1 to have all of the enabling legislation necessary to implement the budget solutions in place. This approach would have allowed the Legislature and the administration to put in place the budget solutions required to address the budget deficit in March and then finalize action on the budget bill prior to the state legislature's June 15 constitutional deadline for adopting a balanced budget. In the view of the administration, this would have allowed for the incorporation of any updated May Revision forecasts, as well as the results of the special election. No special election has been scheduled.

While the Governor's revenue proposals result in a $2 billion increase in the Proposition 98 minimum funding guarantee for schools above its current-law level, the Proposed State Budget would result in a small programmatic funding decline for K-12 education and more significant reductions for community colleges and child care programs. The Proposed State Budget reduces total Proposition 98 spending by less than 1% from the current year to the budget year. Under the Governor's plan, K-12 funding would change negligibly from 2010-11 to 2011-12. By comparison, community college district funding would be reduced $361 million or 6.3%. The Governor's Proposition 98 plan includes no cost-of-living-adjustments but funds enrollment growth for K-12 education (0.22%) and community college districts (1.9%).

Under the Governor's plan, K-12 programmatic funding per student decreases by about $100 or 1.4% from 2010-11 to 2011-12. Most of the decline in K-12 per student funding is attributable to the loss of federal stimulus funding. Under the Proposed State Budget, K-12 per student programmatic funding in 2011-12 would be 6.4% lower than the fiscal year 2007-08 level.

The most substantial component of the Governor's Proposition 98 plan consists of $2.2 billion in new inter-year deferrals from 2011-12 to 2012-13—$2.1 billion from K-12 revenue limit payments and $129 million from community college district apportionment payments. In addition to the inter-year deferrals, the Governor proposes to continue intra-year deferrals to help with the State's cash flow problems. The Governor's intra-year deferral plan would delay $2.5 billion in K-12 payments and $200 million in community college district apportionments beginning in July 2011, reflecting the same magnitude as the 2010-11 intra-year deferrals.

The Governor proposes to achieve $750 million in Proposition 98 child care savings by making four major policy changes: (1) reducing child care subsidies by about 35%; (2) reducing income eligibility for subsidized child care from 75% to 60% of state median income, (3) eliminating subsidized child care for 11- and 12-year olds, and (4) reducing a portion of CalWORKs caseload based on reform proposals. After accounting for various other federal and state adjustments, the Governor's proposal would reduce total 2011-12 funding for Proposition 98-supported child care programs by about $652 million (29%) and child care slots by about 9,900 (3%) compared to 2010-11.

The Governor proposes a $400 million reduction to community college apportionments. In addition, the Governor reduces Proposition 98 funding for the Division of Juvenile Facilities by $8.7 million to reflect a three-year phase-out linked with his realignment proposal and provides no funding authority for the State's student and teacher data systems pending a comprehensive review of the two projects. In contrast to the proposed reductions, the Governor proposes two notable K-12 augmentations. First, the Governor provides $90 million to cover the ongoing cost of about 35 K-14 mandates. Though this is the same level of support as provided in the current year, the State used one-time funds in 2010-11. Second, the Governor provides $43 million in ongoing funding (and $11 million in one-time funding) for the Emergency Repair Program, which provides grants to low-performing schools to pay for school facility repairs needed for public health or safety reasons.

The Governor's plan also includes a two-year extension of existing K-14 fiscal relief options. For both school districts and community colleges, the Governor proposes to extend "categorical flexibility" from 2012-13 through 2014-15, reducing restrictions on funding associated with certain categorical programs. For school districts, the plan also would extend the existing K-3 Class Size Reduction Program from 2011-12 through 2013-14. Additionally, for school districts, the Governor proposes extending for two years the existing statutory provisions that reduce routine maintenance requirements, suspend deferred maintenance requirements, postpone instructional materials purchases, and lower unrestricted budget reserve requirements.

The Proposed State Budget would also eliminate the Office of the Secretary of Education, resulting in estimated non-Proposition 98 General Fund net savings of roughly $400,000 in the current year and $1.6 million in the budget year.

Although the LAO concludes that the Proposed State Budget's estimate of the size of the budget problem and its assumptions of the effectiveness of the proposed solutions are generally reasonable, it finds that significant political and practical obstacles to the proposed solutions may exist and notes that, in total, around $12 billion of the Governor's proposed budget solutions are dependent upon voter approval in June. The LAO credits the Governor's efforts to craft a budget plan that is heavily focused on multiyear and ongoing solutions. The LAO's early assessment of the out-year effects of the Proposed State Budget is somewhat less favorable than the administration's, but the LAO concludes that the Proposed State Budget would go a long way toward eliminating the State's persistent budget gap.

Additional information regarding the Proposed State Budget for fiscal year 2011-12 may be obtained from the LAO at www.lao.ca.gov and from the Department of Finance at www.dof.ca.gov/budget/.

Senate Bill 70. On March 24, 2011, the Governor signed into law Senate Bill 470 ("SB 70"), which implements several provisions included in the Proposed State Budget. Significant features of SB 70 relating to the funding of school districts include the following:

- For fiscal year 2011-12, SB 70 increases the revenue limit deficit factor for county offices of education and school districts to 19.892% and 19.608 %, respectively.

- SB 70 extends, for an additional two fiscal years, existing flexibility options available to school districts relating to deferred maintenance contributions, use of surplus proceeds from the sale of real property, general fund reserve requirements, categorical program funding expenditures, reduction of instructional minutes, Class Size Reduction Program penalties, and the implementation of new State instructional materials.

- SB 70 establishes a zero percent cost of living adjustment for K-12 programmatic funding for fiscal year 2011-12.

- SB 70 authorizes three new cross-fiscal year deferrals of State apportionments, as follows: (1) $1.3 billion from March to August, (2) $763,794,000 from April to August, and (3) $500 million from June to July. SB 70 also makes several one-time modifications to existing 2010-11 intra-fiscal year deferrals. The existing $2 billion February-to-July deferral is broken down into three deferrals of $24.7 million to be paid in July, $1.4 million to be paid in August and $569.8 million to be paid in September. SB 70 also extends the existing April-to-July deferral to September and the existing May-to-July deferral to September. These deferrals are in addition to existing inter-fiscal year deferrals applicable to fiscal years 2010-11 and 2011-12. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – State Cash Management Legislation" herein.

- SB 70 extends eligibility for supplemental categorical block grants to charter schools that begin operations in fiscal year 2011-12. SB 70 also appropriates $5 million from the State general fund to the Charter School Revolving Loan Fund.

- SB 70 authorizes the State Director of Finance to adjust the State's Proposition 98 calculation to ensure that any shift in property taxes previously received by redevelopment agencies does not affect the State's minimum funding obligations under Proposition 98.

- SB 70 implements a reduction to categorical funding for basic aid school districts in proportion to the revenue limit funding reductions experienced by non-basic aid school districts in fiscal years 2008-09 and 2009-10. SB 70 declares the State legislature's intent to restore this categorical funding at the same time as such revenue limit funding reductions are restored.

The full text of SB 70 is available at http://www.leginfo.ca.gov/bilinfo. However, such information is not incorporated herein by any reference.

Future Actions. The School 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 School District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund education. Continued State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the School 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. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

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

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the School District and others and is subject to the condition that the School 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 School 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 IRS has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

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

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

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the School 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.

The proposed forms of opinions of Bond Counsel for the Bonds are included in Appendices D and E hereto.

LEGAL MATTERS

Continuing Disclosure

The School 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 School District and the Improvement District No. 1 (each an "Annual Report") by not later than eight months following the end of the School District's fiscal years (which shall be March 1 of each year, so long as the School District's fiscal year ends on June 30), commencing with the report for the 2010-11 fiscal year, and to provide notices of the occurrence of certain enumerated events, if material. The Annual Reports and notices of material events will be filed by the School District with the Municipal Securities Rulemaking Board. The specific nature of the information to be made available and to be contained in the notices of material events is summarized under the captions "APPENDIX E – Form of Continuing Disclosure Certificate". These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5). The School District has, in the past, failed to file certain portions of the Annual Reports and material event notices required by its existing continuing disclosure obligations. The School District has since filed all such information and is currently in compliance with all filings required by its outstanding 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 School District is not aware of any litigation pending or threatened questioning the political existence of Improvement District No. 1 or the School District or contesting Improvement District No.1's ability to levy *ad valorem* taxes for payment of the Bonds or contesting the School District's ability to request the issuance the Bonds.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 (the "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 for 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 Owner 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.

Financial Statements

Excerpts from the financial statements with supplemental information for the year ended June 30, 2010, the independent auditor's report of the School District, and the related statements of activities and of cash flows for the year then ended, and the report dated November 29, 2010 of Perry & Smith, LLP, independent accountants (the "Auditor"), are included in this Official Statement as Appendix B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in Appendix B to this Official Statement, the School District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

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. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

RATINGS

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") has assigned a rating of "AA+" (Stable Outlook) to the Bonds, based upon the issuance by Assured Guaranty Municipal Corp. of its policy with respect to the Bonds. S&P has also assigned an underlying rating of "A+" to the Bonds.

Such ratings reflect only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: Standard & Poor's, a Standard & Poor's Financial Services LLC business, 55 Water Street, 45th Floor, New York, NY 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 rating will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the 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") pursuant to a purchase contract by and among the School District and the Underwriter, at a purchase price of $4,729,940.01 (which is equal to the principal amount of the Bonds of $4,885,623.95, plus net original issue premium of $4,497.70, less Underwriter's discount of $73,284.36, and less a bond insurance premium of $86,897.28).

The purchase contract for the Bonds provide that the Underwriter will purchase all of the applicable Bonds if any are purchased, the obligations to make such purchases being subject to certain terms and conditions set forth in said agreements, the approval of certain legal matters by Bond 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 page hereof. The offering prices may be changed from time to time by the Underwriter.

The Underwriter has entered into an agreement (the "Distribution Agreement") with First Republic Securities Company LLC, member FINRA/SIPC, a subsidiary of First Republic Bank. for retail distribution of certain municipal securities offerings, at the original issue prices. Pursuant to the Distribution Agreement, if applicable to the Bonds, the Underwriter will share a portion of its underwriting compensation with respect to the Bonds, with First Republic Securities Company LLC.

ADDITIONAL INFORMATION

Quotations from and summaries and explanations of the Bonds, the Bond 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 School District records. Appropriate officials of Improvement District No. 1 and the School District, 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 School District's Board of Education.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

By /s/ Gary Stevens
Assistant Superintendent, Business Services
of the School District

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APPENDIX A

VICINITY OF IMPROVEMENT DISTRICT NO. 1 AND THE SCHOOL DISTRICT – LOCATION MAP

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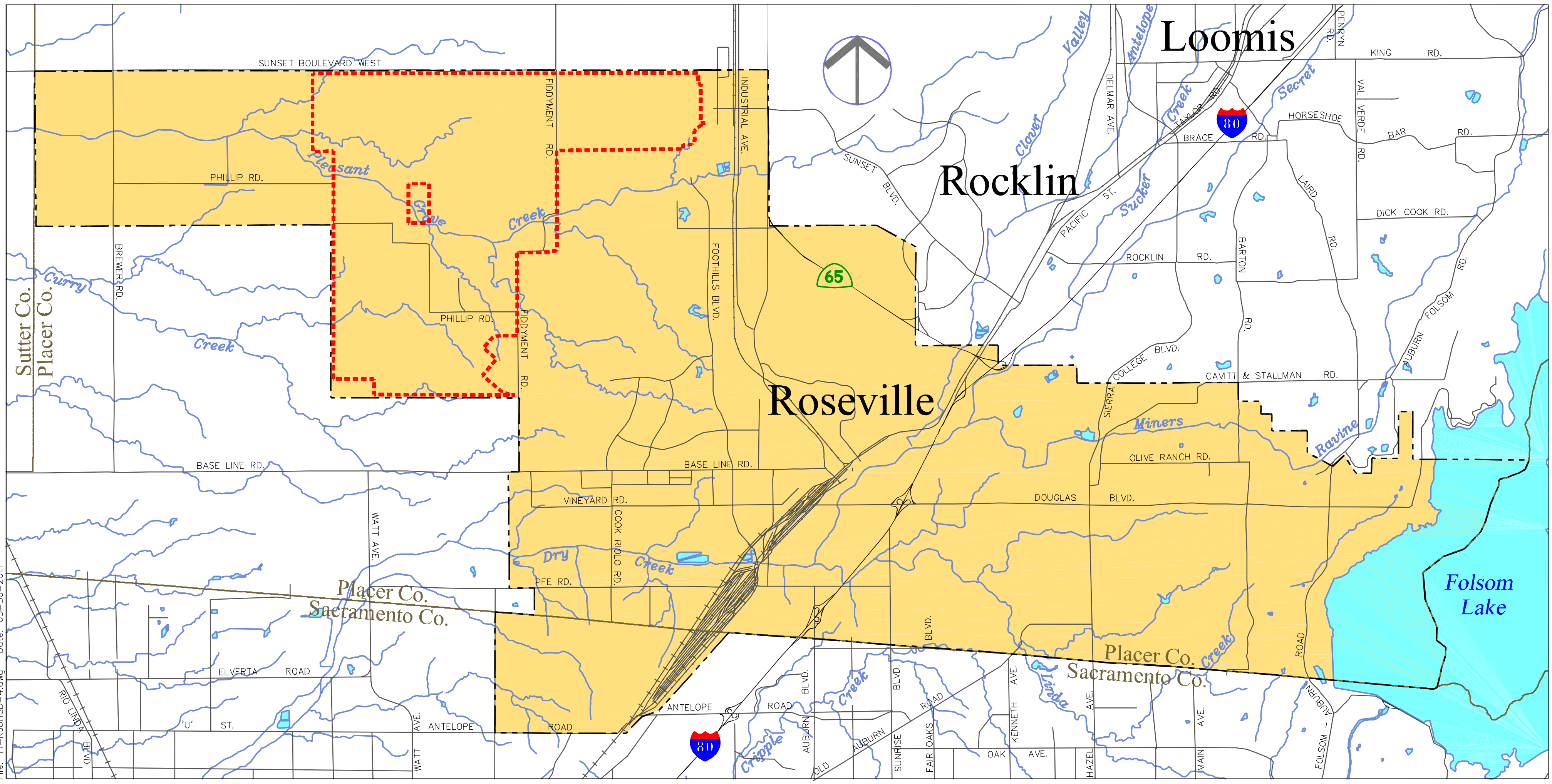

Legend:

School Facilities Improvement District No. 1 (S.F.I.D. No. 1)

Roseville Joint Union High School District Boundary

School Facilities Improvement District No. 1

Roseville Joint Union High School District

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APPENDIX B

EXCERPTS FROM THE 2009-10 AUDITED FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT

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ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

COUNTY OF PLACER

ROSEVILLE, CALIFORNIA

FINANCIAL STATEMENTS

WITH SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2010

AND

INDEPENDENT AUDITOR'S REPORT

PERRY-SMITH

THE POWER OF CONFIDENCE

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2010

TABLE OF CONTENTS

PERRY-SMITH
THE POWER OF CONFIDENCE

Perry-Smith LLP
400 Capitol Mall | Suite 1200
Sacramento, CA 95814
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916.441.1000

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, 2010, 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, 2010, and the respective changes in financial position 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 November 29, 2010 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Our audit was conducted for the purposes of forming an opinion on the financial statements that collectively comprise 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
November 29, 2010

This section of Roseville Joint Union High School District's annual financial report presents District management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 and 2, and the District's financial statement, which immediately follow this section.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities, present on pages 14 and 15, provide information about the activities of the District as a whole and present a long-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 16 through 21, 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

- For the Governmental Activities programs, total current year revenues exceeded total current year expenses by $347,296.

- Capital assets, net, decreased by $3,563,154 due mostly to an increase in accumulated depreciation from Antelope High School construction moving from WIP to building and furniture & equipment on the fixed asset books and calculating a full year of depreciation at the larger asset base.

- The District's 2009/10 P2 Average Daily Attendance increased by 342 or 3.82% over 2008/09. This resulted in additional growth to the District's revenue limit funding.

- In 2009-10 the District received $106,542 of additional unrestricted federal stimulus money from ARRA (American Recovery and Reinvestment Act). The District also received Federal SFSF dollars of $1,102,643 but was not available money for discretionary use. The state "backfilled" five state categorical programs with this money which the state had previously swept and reimbursed with the federal money.

- 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 2009-10, General Fund expenditures and other financing uses totaled $71,063,304.

- The ending fund balance (EFB) for the General Fund at June 30th was $16,420,258. This includes a 3% reserve for state required economic uncertainties and a 2% general reserve per board policy 3130. Both total $3,863,718. The EFB also include $6,855,356 which is 9.7% of the total and consists of categorical, site base budgets, and other department carryovers, sweeps, legally restricted categoricals, and revolving cash and prepaid accounts. The remaining $5,701,184 of EFB is 8.0% of the total and is undesignated, but the majority of the funds will be applied to future year budget reductions.

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 two different perspectives, district-wide and funds.

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

- Individual parts of the District, which are reported as fund financial statements, comprise the remaining statements.

    - Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.

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

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

Reporting the District as a Whole

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

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

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

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

THE FINANCIAL REPORT (CONTINUED)

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

Reporting the District as a Whole

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 contracts 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, Capital Facilities, and County School Facilities 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.

THE FINANCIAL REPORT (CONCLUDED)

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 $137,774,073 at June 30, 2009 to $138,121,369 at June 30, 2010; an increase of $347,296, or +.25%.

Comparative Statement of Net Assets

	2010	2009
Assets:		
Current & Other Assets	$ 62,596,864	$ 58,353,192
Capital Assets	222,084,000	225,647,154
Total Assets	$ 284,680,864	$ 284,000,346
Liabilities:		
Other Liabilities	15,411,286	12,818,448
Long-Term Debt Outstanding	131,148,209	133,407,825
Total Liabilities	146,559,495	146,226,273
Net Assets:		
Invested in Capital Assets, net of related debt	91,220,997	92,454,575
Restricted	32,387,681	35,959,616
Unrestricted	14,512,691	9,359,882
Total Net Assets	$ 138,121,369	$ 137,774,073
Comparative Change--$	$ 347,296	n/a
Comparative Change--%	+0.25%	n/a

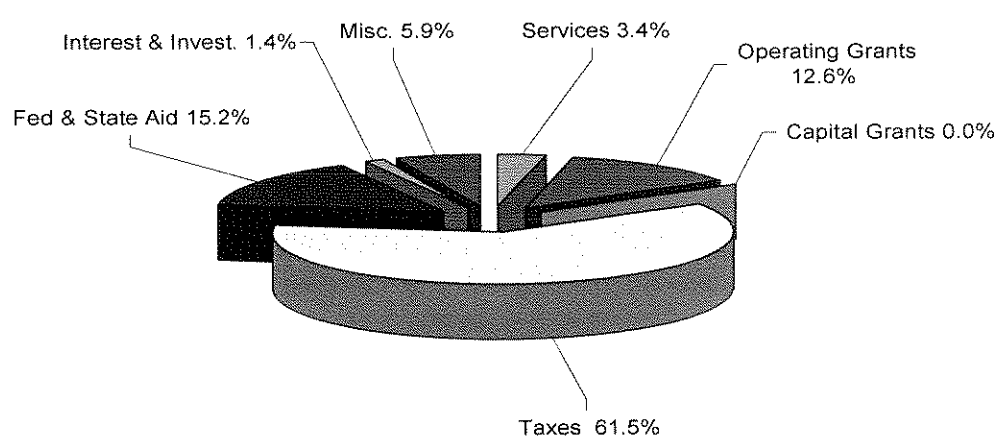
FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

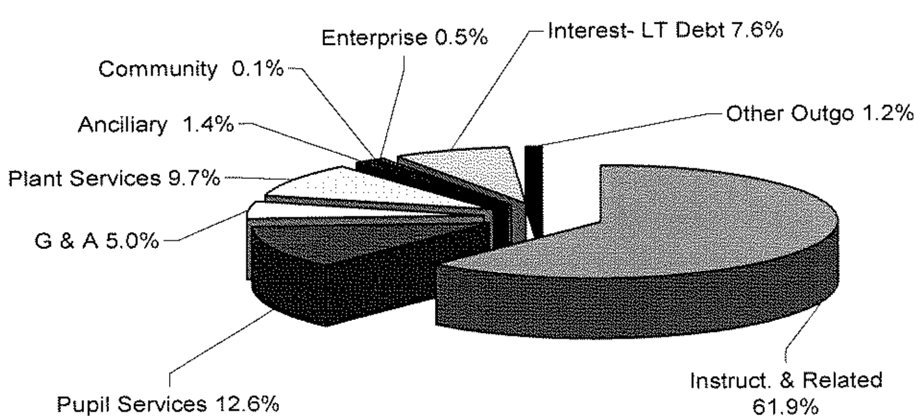
Comparative Statement of Revenues and Expenses

	Governmental Activities	
	2010	2009
Program Revenues:		
Charge for Services	$ 3,026,906	$ 3,010,315
Operating Grants and Contributions	11,112,494	12,931,087
Capital Grants and Contributions	1,276	335,692
General Revenues:		
Taxes Levied	54,437,747	55,390,690
Federal and State Aid	13,442,951	13,336,809
Interest and Investment Earnings	1,222,534	1,899,078
Miscellaneous	5,205,565	4,319,085
Total Revenues	$ 88,449,473	$ 91,222,756
Program Expenses:		
Instruction	46,772,971	47,124,722
Instruction-Related Services	7,783,432	7,489,473
Pupil Services	11,059,058	11,537,987
General Administration	4,387,286	4,877,586
Plant Services	8,547,421	11,461,860
Ancillary Services	1,261,281	1,237,216
Community Services	81,927	18,046
Enterprise	431,462	446,618
Interest on Long-Term Debt	6,686,123	7,234,156
Other Outgo	1,091,216	1,003,166
Total Expenses	88,102,177	92,430,830
Change In Net Assets	$ 347,296	$ (1,208,074)
Comparative Change--$	$ 1,555,370	n/a
Comparative Change--%	-128.75%	n/a

Government Activities 2010 - Revenue



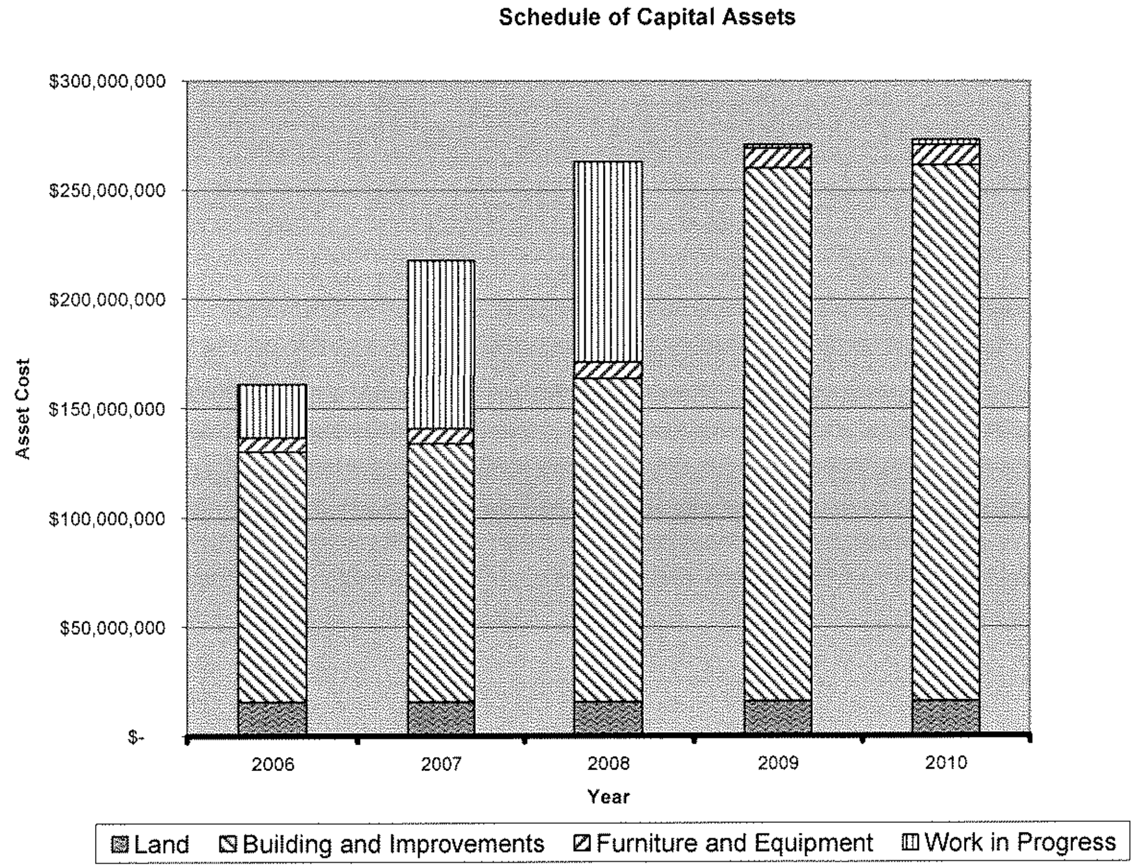
Government Activities 2010 - Expenses



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

Comparative Schedule of Capital Assets

	Governmental Activities	
	2010	2009
Land	$ 15,840,620	$ 15,840,620
Buildings and Improvements	245,457,604	244,032,547
Furniture and Equipment	9,392,012	9,239,843
Work in Progress	2,287,593	1,548,081
Subtotals	272,977,829	270,661,091
Less: Accumulated Depreciation	(50,893,829)	(45,013,937)
Capital Assets, Net	$ 222,084,000	$ 225,647,154
Comparative Change--$	$ (3,563,154)	n/a
Comparative Change--%	-1.58%	n/a



Capital assets, net of depreciation decreased by $3,563,154, a 1.58% decrease, due mostly to the completion of construction at Antelope High School and a full year of assets being depreciated.

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.

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

Comparative Schedule of Long-Term Liabilities

	Governmental Activities	
	2010	2009
General Obligation Bonds	$ 126,544,344	$ 128,211,325
Certificates of Participation	3,915,000	4,345,000
Capital Leases	403,659	636,254
Compensated Absences	285,206	215,246
Totals	$ 131,148,209	$ 133,407,825

The table reflects the fact that practically all of the district's debt is issued in support of school construction to meet the District's strong, annual enrollment growth. A bond rating in March 2010 from Fitch Ratings -- issued for 1992 series D and 2004 series A, B, and C – was a strong 'AA+'. A similar bond rating for the District's GO bonds performed by Standard & Poor's Rating in April 2010 gave a bond rating of 'AA -'. Bond rating agency rationale included:

- Good financial policies and practices.
- A very strong financial position in recent years with operating surpluses.
- "Good" district management practices under Financial Management Assessment.
- Overall net debt to be moderate.

Bond debt -- combined with developer fee revenue and state construction funds – has been used for:

- Prior site facility construction.
- Technology improvements to infrastructure systems.
- Various identified modernizations/additions throughout the district.

A net $232,595 decrease in capital leases is due to lease obligations paid and no new lease contracts entered into during the fiscal year.

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

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

Comparative Schedule of Fund Balances

Fund (fund #)	Fund Balances June 30, 2010	Fund Balances June 30, 2009	Increase (Decrease)
General (01)	$ 16,420,258	$ 15,245,225	$ 1,175,033
Adult Education (11)	401,733	609,719	(207,986)
Cafeteria (13)	548,294	237,598	310,696
Deferred Maintenance (14)	1,215,989	1,368,780	(152,791)
Pupil Transportation (15)	168,535	179,963	(11,428)
Building Fund (21)	-	28,864	(28,864)
Capital Facilities (25)	22,807,724	22,023,474	784,250
County School Facilities (35)	-	354,210	(354,210)
Special Reserve (40)	472,267	480,496	(8,229)
Bond Interest and Redemption (51)	6,670,034	6,546,645	123,389
Totals	$ 48,704,834	$ 47,074,974	$ 1,629,860

As can be seen in the scheduled fund balances, the District has a number of very different funds within which District programs operate. The General Fund has historically had a fund balance in excess of the state required reserve of 3%. The reserved ending fund balance is at over 7%.

The increase in the General Fund balance of $1,175,033 is primarily due to an increase in categorical program carryovers to 2010-11 and multiple department and program savings.

The Capital Facilities Fund (Developer Fees) still maintains a healthy balance with fund designation for site and classroom projects as identified in the capital improvement plan.

The County Schools Facilities Fund decreased due to the completion of Antelope High School which correlates with the ending in the Building Fund.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The 2010/11 General Fund budget reflects a $4,804,621 deficit. By removing the $1,181,537 impact of state categorical program expenses (revenue recorded in 2009/10, expenses recorded in 2010/11) the true operating deficit in 2010/11 is $3,623,084. The budget includes increased costs for employee longevity step moves on the applicable salary schedules, and increased health and welfare costs. The budget also includes budget reductions of $4,259,711 which are necessary for the District to move toward a balanced budget by the year 2012/13. The District is projecting deficit spending for the fiscal years '10/11 and '11/12 and is using selected, available reserves during the two deficit years.

- The State of California continues to show the impacts of a slowing economy and many economic indicators such as unemployment remain weak. The state budget for fiscal year 2010/11 is projecting a shortfall of $19.3 billion. The potential exists for the new Governor and the Legislature to impose new mid-year budget cuts for '10/11 if the deficit increases and budget assumptions do not materialize. If mid-year education cuts are enacted at the state level for 2010-11, the District will have adequate reserves to offset mid-year reductions as one potential option. This will help to ensure that educational programs are not disrupted during the current fiscal year. More will be known by January 2011 when the new Governor presents the revised budget plan for 2010-11 and the new FY 2011-12 budget.

- After the final 2010/11 adopted budget was approved by the Board, additional information was received stating that the district would be receiving the final 10% SFSF Federal Stimulus money (ARRA) and the Federal Education Jobs Bill funds in 2010/11. The allocation for the additional SFSF funds should be approximately $360,000 and the Jobs Bill funds, approximately $1.86 million. Neither one of these funding sources can be relied upon in future years and are considered one time funding sources.

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.

BASIC FINANCIAL STATEMENTS

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2010

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 55,565,888
Accounts receivable	6,738,223
Prepaid expenditures	281,500
Stores inventory	11,253
Capital assets, net of accumulated depreciation (Note 4)	222,084,000
Total assets	284,680,864
LIABILITIES	
Accounts payable	5,217,809
TRANs payable (Note 2)	10,000,000
Deferred revenue	193,477
Long-term liabilities (Note 5):	
Due within one year	5,868,744
Due after one year	125,279,465
Total liabilities	146,559,495
NET ASSETS	
Invested in capital assets, net of related debt	91,220,997
Restricted (Note 6)	32,387,681
Unrestricted	14,512,691
Total net assets	$ 138,121,369

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, 2010

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Governmental Activities
Governmental activities (Note 4):					
Instruction	$ 46,772,971	$ 7,308	$ 7,634,111	$ 1,276	$ (39,130,276)
Instruction-related services:					
Supervision of instruction	1,058,162	4,916	214,588		(838,658)
Instructional library, media and technology	602,665		152,004		(450,661)
School site administration	6,122,605	1,159	93,661		(6,027,785)
Pupil services:					
Home-to-school transportation	2,183,591	998,813	219,793		(964,985)
Food services	2,979,056	1,981,118	1,090,768		92,830
All other pupil services	5,896,411		936,875		(4,959,536)
General administration:					
Data processing	956,603				(956,603)
All other general administration	3,430,683		53,114		(3,377,569)
Plant services	8,547,421	24,829	466,983		(8,055,609)
Ancillary services	1,261,281		1,085		(1,260,196)
Community services	81,927				(81,927)
Enterprise activities	431,462				(431,462)
Other outgo	1,091,216	8,763	249,512		(832,941)
Interest on long-term liabilities	6,686,123				(6,686,123)
Total governmental activities	$ 88,102,177	$ 3,026,906	$ 11,112,494	$ 1,276	(73,961,501)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	45,824,849
Taxes levied for debt service	8,329,218
Taxes levied for other specific purposes	283,680
Federal and state aid not restricted to specific purposes	13,442,951
Interest and investment earnings	1,222,534
Miscellaneous	5,205,565
Total general revenues	74,308,797
Change in net assets	347,296
Net assets, July 1, 2009	137,774,073
Net assets, June 30, 2010	$ 138,121,369

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2010

	General Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
Cash in County Treasury	$ 11,855,130	$ 23,474,388	$ 6,670,034	$ 3,120,614	$ 45,120,166
Cash on hand and in banks	34,768			46,549	81,317
Cash in revolving fund	10,000			100	10,100
Cash with Fiscal Agent, restricted for TRANs	10,336,578				10,336,578
Cash with Fiscal Agent		17,727			17,727
Accounts receivable	6,547,766	74,080		116,377	6,738,223
Prepaid expenditures	281,500				281,500
Due from other funds	9,969	114,923		240,575	365,467
Stores inventory				11,253	11,253
Total assets	$ 29,075,711	$ 23,681,118	$ 6,670,034	$ 3,535,468	$ 62,962,331
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 2,190,078	$ 830,519		$ 677,956	$ 3,698,553
TRANs payable	10,000,000				10,000,000
Deferred revenue	151,973			41,504	193,477
Due to other funds	313,402	42,875		9,190	365,467
Total liabilities	12,655,453	873,394		728,650	14,257,497
Fund balances:					
Reserved for:					
Revolving fund	10,000			100	10,100
Prepaid expenditures	281,500				281,500
Stores inventory				11,253	11,253
Unspent categorical revenue	248,011				248,011
Unreserved, reported in:					
General Fund	15,880,747				15,880,747
Special Revenue Funds				2,323,198	2,323,198
Capital Projects Funds		22,807,724		472,267	23,279,991
Debt Service Funds			$ 6,670,034		6,670,034
Total fund balances	16,420,258	22,807,724	6,670,034	2,806,818	48,704,834
Total liabilities and fund balances	$ 29,075,711	$ 23,681,118	$ 6,670,034	$ 3,535,468	$ 62,962,331

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, 2010

Total fund balances - Governmental Funds		$ 48,704,834
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 $272,977,829 and the accumulated depreciation is $50,893,829 (Note 4).		222,084,000
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, 2010 consisted of (Note 5):		
General Obligation Bonds	$ (126,544,344)	
Certificates of Participation	(3,915,000)	
Capitalized lease obligations	(403,659)	
Compensated absences	(285,206)	
		(131,148,209)
Unmatured interest is not recognized until it is due and, therefore, is not accrued as a payable in governmental funds.		(1,519,256)
Total net assets - governmental activities		$ 138,121,369

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, 2010

	General Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Revenue limit sources:					
State apportionment	$ 8,906,386				$ 8,906,386
Local sources	46,076,213				46,076,213
Total revenue limit	54,982,599				54,982,599
Federal sources	3,649,208			$ 1,162,274	4,811,482
Other state sources	7,314,783		$ 623,388	417,000	8,355,171
Other local sources	5,452,437	$ 4,462,734	7,776,385	2,173,317	19,864,873
Total revenues	71,399,027	4,462,734	8,399,773	3,752,591	88,014,125
Expenditures:					
Certificated salaries	37,514,261			498,755	38,013,016
Classified salaries	9,999,825			1,139,423	11,139,248
Employee benefits	12,921,212			483,741	13,404,953
Books and supplies	3,287,209	79,718		2,014,927	5,381,854
Contract services and operating expenditures	4,768,146	903,676		285,083	5,956,905
Capital outlay	90,093	1,741,220		830,444	2,661,757
Other outgo	789,859				789,859
Debt service:					
Principal retirement	452,075		4,605,000	210,520	5,267,595
Interest	76,464		3,671,384	21,230	3,769,078
Total expenditures	69,899,144	2,724,614	8,276,384	5,484,123	86,384,265
Excess (deficiency) of revenues over (under) expenditures	1,499,883	1,738,120	123,389	(1,731,532)	1,629,860
Other financing sources (uses):					
Operating transfers in	839,310	28,864		1,718,117	2,586,291
Operating transfers out	(1,164,160)	(982,734)		(439,397)	(2,586,291)
Total other financing sources (uses)	(324,850)	(953,870)		1,278,720	
Net change in fund balances	1,175,033	784,250	123,389	(452,812)	1,629,860
Fund balances, July 1, 2009	15,245,225	22,023,474	6,546,645	3,259,630	47,074,974
Fund balances, June 30, 2010	$ 16,420,258	$ 22,807,724	$ 6,670,034	$ 2,806,818	$ 48,704,834

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, 2010

Net change in fund balances - Total Governmental Funds		$ 1,629,860
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net assets (Note 4).	$ 2,375,160	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(5,937,256)	
Donated capital assets are not reported because they do not affect current financial resources. In the government-wide statements, donated capital assets are reported as revenue and as increases to capital assets, at their fair market value on the date of donation (Note 4).	8,496	
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).	(9,554)	
Accretion of interest is not recorded in the governmental funds, but increases the long-term liabilities in the statement of net assets (Note 5).	(2,938,019)	
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).	5,267,595	
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.	20,974	
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).	(69,960)	(1,282,564)
Change in net assets of governmental activities		$ 347,296

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, 2010

	Trust	Agency Funds			
	Scholarship Fund	Warrant Pass-Through	Student Body Account	Total	Total
ASSETS					
Cash and investments (Note 2):					
Cash in County Treasury	$ 599,860	$ 1,023,663		$ 1,023,663	$ 1,623,523
Cash on hand and in banks			$ 1,123,927	1,123,927	1,123,927
Total assets	599,860	1,023,663	1,123,927	2,147,590	2,747,450
LIABILITIES					
Accounts payable	198				198
Due to other agencies		1,023,663		1,023,663	1,023,663
Due to student groups			1,123,927	1,123,927	1,123,927
Total liabilities	198	1,023,663	1,123,927	2,147,590	2,147,788
NET ASSETS					
Net assets - restricted (Note 6)	$ 599,662	$ -	$ -	$ -	$ 599,662

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

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS

TRUST FUND

For the Year Ended June 30, 2010

	Scholarship Fund
Additions:	
Other local sources	$ 119,064
Deductions:	
Contract services and operating expenditures	74,396
Change in net assets	44,668
Net assets, July 1, 2009	554,994
Net assets, June 30, 2010	$ 599,662

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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 lease-purchase agreements. 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 General 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

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, and a focus on the major funds.

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 Change in Fiduciary Net Assets at the fund financial statement level.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Government-Wide Financial Statements (Continued)

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

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

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

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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation - Fund Accounting (Continued)

A - Governmental Fund Types (Continued)

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 Capital Facilities, Building, 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.

B - Fiduciary Fund Types

1 - Trust Fund:

The Trust Fund is used to account for assets held by the District as Trustee. The District maintains one trust fund, the Scholarship Fund, which is used by the District to provide financial assistance to students of the District.

2 - Agency Funds:

Agency Funds are used to account for assets of others for which the District acts as an agent. All cash activity and assets of the various student bodies of the District are accounted for in the Student Body Account. For Student Body Accounts, individual totals by school and club are maintained within the District's accounting system. The Warrant Pass-Through Fund represents a payroll clearing account with funds held at the County Office for the accrued payroll liability as of June 30, 2010.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 for the General Fund are presented as Required Supplementary Information.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 $285,206 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, pupil transportation, capital projects, debt service and scholarships represent the portion of net assets the District plans to expend on adult education programs, food service operations, deferred maintenance projects, pupil transportation, capital projects, debt service and scholarships, 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.

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, 2010 consisted of the following:

	Governmental Activities	Fiduciary Activities
Pooled Funds:		
Cash in County Treasury	$ 45,120,166	$ 1,623,523
Deposits:		
Cash on hand and in banks	81,317	1,123,927
Revolving cash fund	10,100	
Cash with Fiscal Agent, restricted for repayment of TRANs	10,336,578	
Cash with Fiscal Agent	17,727	
	$ 55,565,888	$ 2,747,450

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, 2010 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 $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institution. In addition, the District's accounts are maintained at institutions participating in the FDIC's Transaction Account Guarantee Program. Under the program, through December 31, 2009, all non-interest bearing accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's basic deposit insurance rules. At June 30, 2010, the carrying amount of the District's accounts was $1,215,344, and the bank balance was $1,615,712, of which $335,587 was fully covered by the FDIC insurance.

Cash with Fiscal Agent, Restricted for Repayment of TRANs

On September 1, 2009 the District issued $10,000,000 of Tax and Revenue Anticipation Notes (TRANs), maturing on September 8, 2010, with a coupon interest rate of 3.00% and a yield of 1.50%, 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, 2010. Repayment terms require the entire TRANs principal and accrued interest to be set aside. As of June 30, 2010, funds totaling $10,336,578 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, 2010.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

3. INTERFUND TRANSACTIONS

Interfund Activity

Transactions between funds of the District are recorded as interfund transfers. 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, 2010 were as follows:

Fund	Interfund Receivables	Interfund Payables
Major Funds:		
General	$ 9,969	$ 313,402
Capital Facilities	114,923	42,875
Non-Major Funds:		
Adult Education	198,479	9,190
County School Facilities	42,096	
Totals	$ 365,467	$ 365,467

Interfund Transfers

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

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

Transfer from the General Fund to the Special Reserve Fund for special facility needs.	$ 75,600
Transfer from the General Fund to the Cafeteria Fund for meals for the needy funding.	800
Transfer from the General Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs.	75,000
Transfer from the General Fund to the Adult Education Fund for the current year allocation of Adult Education funding.	793,380
Transfer from the General Fund to the Deferred Maintenance Fund for the current year allocation of Deferred Maintenance funding.	219,380
Transfer from the Capital Facilities Fund to the General Fund for payment of Certificates of Participation.	503,777
Transfer from the Capital Facilities Fund to County School Facilities Fund to pay for construction costs.	478,957
Transfer from Adult Education Fund to the General Fund for indirect costs.	35,533

3. INTERFUND TRANSACTIONS (Continued)

Interfund Transfers (Continued)

Transfer from Adult Education Fund to the General Fund as part of the categorical flexibility.	$ 300,000
Transfer from the Building Fund to the Capital Facilities Fund to close out the remaining funds in the Building Fund.	28,864
Transfer from the Special Reserve Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs.	75,000
Totals	$ 2,586,291

4. CAPITAL ASSETS

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

	Balance July 1, 2009	Additions and Transfers	Deductions and Transfers	Balance June 30, 2010
Non-depreciable:				
Land	$ 15,840,620			$ 15,840,620
Work-in-process	1,548,081	$ 1,891,389	$ 1,151,877	2,287,593
Depreciable:				
Improvement of sites	4,118,063			4,118,063
Buildings	239,914,484	1,425,057		241,339,541
Equipment	9,239,843	219,087	66,918	9,392,012
Totals, at cost	270,661,091	3,535,533	1,218,795	272,977,829
Less accumulated depreciation:				
Improvement of sites	(3,580,405)	(115,376)		(3,695,781)
Buildings	(35,673,389)	(4,893,211)		(40,566,600)
Equipment	(5,760,143)	(928,669)	(57,364)	(6,631,448)
Total accumulated depreciation	(45,013,937)	(5,937,256)	(57,364)	(50,893,829)
Capital assets, net	$225,647,154	$ (2,401,723)	$ 1,161,431	$222,084,000

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 3,453,892
Supervision of instruction	79,218
Instructional library, media and technology	38,835
School site administration	458,214
Home-to-school transportation	165,456
Food services	223,517
All other pupil services	444,284
Ancillary services	94,953
Community services	6,134
Enterprise activities	32,302
All other general administration	251,999
Centralized data processing	77,850
Plant services	610,602
Total depreciation expense	$ 5,937,256

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
2011	$ 1,762,703	$ 57,297	$ 1,820,000
2012	1,785,222	179,778	1,965,000
2013	1,803,405	317,855	2,121,260
2014	1,824,910	465,660	2,290,570
2015	1,846,416	626,627	2,473,043
2016-2020	5,680,572	2,999,803	8,680,375
	$ 14,703,228	$ 4,647,020	$ 19,350,248

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

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
2011	$ 1,778,412	$ 51,588	$ 1,830,000
2012	1,760,909	159,091	1,920,000
2013	1,742,370	272,629	2,014,999
2014	1,725,523	389,477	2,115,000
2015	1,705,160	514,840	2,220,000
2016-2020	8,462,741	4,436,772	12,899,513
2021-2025	1,649,937	1,330,063	2,980,000
	$ 18,825,052	$ 7,154,460	$ 25,979,512

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 2024.

Year Ending June 30,	Principal	Interest	Total
2011	$ 355,000	$ 7,988	$ 362,988
2012	357,507	27,493	385,000
2013	348,694	46,306	395,000
2014	339,548	65,452	405,000
2015	330,120	84,880	415,000
2016-2020	1,515,838	714,162	2,230,000
2021-2025	1,066,572	928,428	1,995,000
	$ 4,313,279	$ 1,874,709	$ 6,187,988

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

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 2025.

Year Ending June 30,	Principal	Interest	Total
2011	$ 195,000	$ 26,640	$ 221,640
2012	210,000	16,613	226,613
2013	225,000	5,681	230,681
2014	202,970	42,030	245,000
2015	195,840	54,160	250,000
2016-2020	896,512	458,488	1,355,000
2021-2025	762,745	767,255	1,530,000
	$ 2,688,067	$ 1,370,867	$ 4,058,934

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
2011	$ 225,000	$ 464,152	$ 689,152
2012	255,000	453,353	708,353
2013	285,000	440,846	725,846
2014	315,000	426,596	741,596
2015	350,000	410,802	760,802
2016-2020	2,325,000	1,747,733	4,072,733
2021-2025	3,585,000	996,694	4,581,694
2026-2030	1,885,000	100,931	1,985,931
	$ 9,225,000	$ 5,041,107	$ 14,266,107

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

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 2030.

Year Ending June 30,	Principal	Interest	Total
2011	$ 100,000	$ 1,134,831	$ 1,209,831
2012	165,000	1,129,781	1,294,781
2013	235,000	1,121,781	1,356,781
2014	310,000	1,110,881	1,420,881
2015	390,000	1,096,882	1,486,882
2016-2020	3,445,000	5,141,872	8,586,872
2021-2025	6,880,000	3,965,000	10,845,000
2026-2030	12,080,000	1,634,750	13,714,750
	$ 23,605,000	$ 16,335,778	$ 39,915,778

In July 2006, the District issued 2004 General Obligation Bonds, Series B, in the amount of $25,000,000. Bond proceeds were 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 2030.

Year Ending June 30,	Principal	Interest	Total
2011	$ 65,000	$ 1,190,513	$ 1,255,513
2012	40,000	1,188,150	1,228,150
2013	100,000	1,185,000	1,285,000
2014	170,000	1,178,925	1,348,925
2015	245,000	1,169,588	1,414,588
2016-2020	2,625,000	5,553,025	8,178,025
2021-2025	5,810,000	4,561,587	10,371,587
2026-2030	10,610,000	2,549,250	13,159,250
2031-2035	4,430,000	110,750	4,540,750
	$ 24,095,000	$ 18,686,788	$ 42,781,788

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

In April 2007, the District issued 2004 General Obligation Bonds, Series C, in the amount of $27,997,959. Bond proceeds were used for construction, renovation and repair of District facilities. The Current Interest Bonds carry interest rates ranging from 4.0% to 5.0% and are scheduled to mature through 2023. The Capital Appreciation Bonds carry interest rates ranging from 4.59% to 4.66% and are scheduled to mature from 2024 through 2031.

Year Ending June 30,	Principal	Interest	Total
2011	$ 420,000	$ 792,650	$ 1,212,650
2012	540,000	773,450	1,313,450
2013	630,000	750,050	1,380,050
2014	730,000	722,850	1,452,850
2015	830,000	691,650	1,521,650
2016-2020	6,035,000	2,766,250	8,801,250
2021-2025	9,182,443	2,051,057	11,233,500
2026-2030	6,552,317	8,057,683	14,610,000
2031-2035	4,169,958	6,850,042	11,020,000
	$ 29,089,718	$ 23,455,682	$ 52,545,400

Certificates of Participation

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,	
2011	$ 440,000
2012	455,000
2013	470,000
2014	480,000
2015	495,000
2016-2020	1,575,000
	$ 3,915,000

5. LONG-TERM LIABILITIES (Continued)

Capitalized Lease Obligations

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

Year Ending June 30,	Lease Payments
2011	$ 256,512
2012	165,739
	422,251
Less amount representing interest	(18,592)
	$ 403,659

Schedule of Changes in Long-Term Liabilities

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

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Amounts Due Within One Year
General Obligation Bonds	$ 128,211,325	$ 2,938,019	$ 4,605,000	$ 126,544,344	$ 4,901,115
Certificates of Participation	4,345,000		430,000	3,915,000	440,000
Capitalized lease obligations	636,254		232,595	403,659	242,423
Compensated absences	215,246	69,960		285,206	285,206
	$ 133,407,825	$ 3,007,979	$ 5,267,595	$ 131,148,209	$ 5,868,744

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 the General Fund, Deferred Maintenance Fund and Pupil Transportation Equipment Fund. 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, 2010:

	Governmental Activities
Restricted for:	
Revolving cash fund	$ 10,100
Stores inventory	11,253
Prepaid expenditures	281,500
Unspent categorical program revenues	248,011
Adult education programs	401,633
Food service operations	537,041
Deferred maintenance projects	1,215,989
Pupil transportation	168,535
Capital projects	22,843,585
Debt service	6,670,034
	$ 32,387,681

	Fiduciary Activities
Restricted for scholarships	$ 599,662

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.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Description and Provisions

California Public Employees' Retirement System (CalPERS) (Continued)

Funding Policy

Active plan members are required to contribute 7.0% of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2009-2010 was 9.709% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2008, 2009 and 2010 were $896,440, $934,899 and $923,280, respectively, and equal 100% of the required contributions for each year.

State Teachers' Retirement System (STRS)

Plan Description

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

Funding Policy

Active plan members are required to contribute 8.0% of their salary. The required employer contribution rate for fiscal year 2009-2010 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal years ending June 30, 2008, 2009 and 2010 were $3,094,537, $3,200,610 and $3,163,012, respectively, and equal 100% of the required contributions for each year.

8. POST-RETIREMENT BENEFITS

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 $7,000 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, 2010, 8 employees were granted benefits under this program in the amount of $95,900.

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.

Condensed financial information for SIG for the year ended June 30, 2010:

Total assets	$ 73,817,529
Total liabilities	$ 28,156,104
Total net assets	$ 45,661,425
Total revenues	$ 77,308,712
Total expenditures	$ 72,127,014

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, 2009 (the most current information available) is as follows:

Total assets	$ 18,870,053
Total liabilities	$ 12,884,337
Total net assets	$ 5,985,716
Total revenues	$ 49,708,518
Total expenses	$ 48,435,784

9. JOINT POWERS AGREEMENTS (Continued)

School Project for Utility Rate Reduction (SPURR) (Continued)

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

Tax and Revenue Anticipation Notes

On August 12, 2010, the District issued $11,500,000 of Tax and Revenue Anticipation Notes (TRANs), maturing on September 1, 2011, with a coupon interest rate of 2.00% and a yield of 0.75%, to provide for anticipated cash flow deficits from operations. The TRANs are a general obligation of the District, and are payable solely from taxes, income, revenue, cash receipts and other moneys generated by the District during the fiscal year 2010-2011 and legally available for payment thereof.

Subsequent Events

The District has reviewed all events occurring from June 30, 2010 through November 29, 2010, the date the financial statements were issued. No subsequent events occurred requiring accrual or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2010

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Revenue limit sources:				
State apportionment	$ 10,519,254	$ 7,819,373	$ 8,906,386	$ 1,087,013
Local sources	45,000,000	47,116,689	46,076,213	(1,040,476)
Total revenue limit	55,519,254	54,936,062	54,982,599	46,537
Federal sources	2,214,137	3,984,601	3,649,208	(335,393)
Other state sources	5,043,530	4,417,762	7,314,783	2,897,021
Other local sources	6,373,225	5,478,504	5,452,437	(26,067)
Total revenues	69,150,146	68,816,929	71,399,027	2,582,098
Expenditures:				
Certificated salaries	36,863,869	38,073,006	37,514,261	558,745
Classified salaries	10,186,618	10,341,986	9,999,825	342,161
Employee benefits	13,219,940	13,115,710	12,921,212	194,498
Books and supplies	5,454,217	5,798,796	3,287,209	2,511,587
Contract services and operating expenditures	5,364,735	6,046,598	4,768,146	1,278,452
Capital outlay	32,312	116,932	90,093	26,839
Other outgo	795,000	789,846	789,859	(13)
Debt service:				
Principal retirement	437,000	452,000	452,075	(75)
Interest	193,700	193,700	76,464	117,236
Total expenditures	72,547,391	74,928,574	69,899,144	5,029,430
(Deficiency) excess of revenues (under) over expenditures	(3,397,245)	(6,111,645)	1,499,883	7,611,528
Other financing sources (uses):				
Operating transfers in	645,116	954,758	839,310	(115,448)
Operating transfers out	(345,780)	(370,780)	(1,164,160)	(793,380)
Total other financing sources (uses)	299,336	583,978	(324,850)	(908,828)
Net change in fund balance	(3,097,909)	(5,527,667)	1,175,033	6,702,700
Fund balance, July 1, 2009	15,245,225	15,245,225	15,245,225	
Fund balance, June 30, 2010	$ 12,147,316	$ 9,717,558	$ 16,420,258	$ 6,702,700

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

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APPENDIX C

THE CITY OF ROSEVILLE AND PLACER COUNTY STATISTICAL AND DEMOGRAPHIC INFORMATION

The School 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 School 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 School 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.

The County has an estimated area of 1,506 square miles. The County is bordered by the State of Nevada on the east, Nevada County on the north, Yuba and Sutter County on the west and by Sacramento and El Dorado Counties on the south, and is included in the four-county Sacramento Metropolitan Statistical Area. There are six incorporated cities in the County, with Auburn being the County's seat. The communities of Roseville, Rocklin and Lincoln, in the southeastern Valley area of Placer County, and the city of Auburn in the central Gold County area of the County, comprise the County's principal population centers. the County's diverse economy and geography encompasses North Lake Tahoe, where tourism is the primary economic activity, and South Placer in the Sacramento metropolitan area, where the high technology sector is the leading employer. The County has a large winter tourist industry with nine ski resorts and a wide variety of summer activities.

Population

The City's 2010 population was estimated to be 115,781, or approximately 33% of the County total of 347,102. The City's population increased by 83% between 1996 and 2010, representing an average annual compound growth rate of approximately 4.1%.

POPULATION
City Of Roseville, Placer County and State of California
1996-2010

	City of Roseville		County of Placer		State of California	
Year[1]	Population	Percent Change	Population	Percent Change	Population	Percent Change
1996	63,234	--	215,019	--	31,837,399	--
1997	67,429	6.63%	222,286	3.38%	32,207,869	1.16%
1998	71,571	6.14	229,686	3.33	32,657,877	1.40
1999	76,634	7.07	238,293	3.75	33,140,771	1.48
2000[2]	79,921	4.29	248,399	4.24	33,873,086	2.21
2001	83,249	4.16	258,928	4.24	34,430,970	1.65
2002	87,785	5.45	271,585	4.89	35,063,959	1.84
2003	93,670	6.70	284,451	4.74	35,652,700	1.68
2004	98,566	5.23	297,060	4.43	36,199,342	1.53
2005	103,161	4.66	308,362	3.80	36,676,931	1.32
2006	105,437	2.21	318,623	3.33	37,087,005	1.12
2007	107,097	1.57	326,751	2.55	37,463,609	1.02
2008	109,496	2.24	334,232	2.29	37,871,509	1.09
2009	112,826	3.04	341,304	2.12	38,255,508	1.01
2010	115,781	2.62	347,102	1.70	38,648,090	1.03

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

Income

The following tables summarizes per capita personal income for Placer County, California and the United States for 1994-2008.

PER CAPITA PERSONAL INCOME
Placer County, State of California and the United States
1994-2008

Year	Placer County	California	United States
1994	$26,052	$23,448	$22,297
1995	27,740	24,498	23,262
1996	29,541	25,788	24,442
1997	31,624	27,063	25,654
1998	33,974	29,195	27,258
1999	36,102	30,679	28,333
2000	37,995	33,398	30,318
2001	38,727	33,890	31,145
2002	38,513	34,045	31,462
2003	39,534	34,977	32,271
2004	42,065	36,904	33,881
2005	43,982	38,767	35,424
2006	46,421	41,567	37,698
2007	47,877	43,402	39,392
2008	47,195	43,852	40,166

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

Industry and Employment

The following table summarizes the wage and salary employment industry in the Sacramento-Arden-Arcade-Roseville Metropolitan Statistical Area, which includes both the County and the City.

ESTIMATED NUMBER OF WAGE AND SALARY WORKERS BY INDUSTRY
Sacramento-Arden-Arcade-Roseville MSA
2006-2010

	2006	2007	2008	2009	2010
Total Farm	7,500	7,900	8,200	8,300	8,300
Mining and Logging	700	700	700	400	400
Construction	70,700	66,900	56,200	43,500	38,300
Manufacturing:	42,800	40,900	38,700	34,400	32,900
Wholesale Trade	28,400	27,900	26,500	24,100	22,600
Retail Trade	100,700	99,800	95,100	87,600	87,400
Transportation, Warehousing & Utilities	24,500	25,400	25,100	23,200	22,500
Information	20,000	20,100	19,200	18,300	17,200
Financial Activities	64,600	61,800	57,500	52,900	48,500
Professional & Business Services	112,500	112,100	110,100	101,100	101,800
Education & Health Services	92,100	96,800	99,400	99,800	99,000
Leisure & Hospitality	85,300	86,600	85,900	81,900	80,000
Other Services	28,300	29,000	29,600	28,800	28,100
Government	228,400	235,000	238,200	235,300	229,200
Total (all industries)	906,600	911,000	890,200	839,800	816,100

* Totals may not add to sums due to rounding; March 2010 benchmark.
Source: California State Department of Employment Development, Labor Market Information Division.

With respect to the City, the County and the State, the following table summarizes the civilian labor force, employment and unemployment for the calendar years 2004 through 2010.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City of Roseville, Placer County and State of California
Calendar Years 2004 through 2010
Annual Averages[(1)]

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate
2004	Roseville	50,000	47,600	2,400	4.8%
	Placer County	159,100	151,500	7,600	4.8
	California	17,444,400	16,354,800	1,089,700	6.2
2005	Roseville	51,700	49,500	2,300	4.4%
	Placer County	164,600	157,400	7,100	4.3
	California	17,544,800	16,592,200	952,600	5.4
2006	Roseville	53,200	51,000	2,200	4.2%
	Placer County	169,300	162,200	7,000	4.2
	California	17,686,700	16,821,300	865,400	4.9
2007	Roseville	54,300	51,700	2,600	4.8%
	Placer County	172,800	164,600	8,200	4.8
	California	17,928,700	16,970,200	959,500	5.3
2008	Roseville	55,700	52,100	3,600	6.5%
	Placer County	177,100	165,800	11,400	6.4
	California	18,191,000	16,883,400	1,307,600	7.2
2009	Roseville	56,500	50,600	5,900	10.5%
	Placer County	179,800	161,000	18,800	10.4
	California	18,204,200	16,141,500	2,062,700	11.3
2010	Roseville	55,700	49,300	6,400	11.5
	Placer County	177,000	156,700	20,300	11.5
	California	18,176,200	15,916,300	2,259,900	12.4

(1) March 2010 Benchmark, data not seasonally adjusted.
Source: State of California Employment Development Department.

Major Employers

The following table lists the major employers operating in Placer County.

MAJOR EMPLOYERS
Placer County
2010

Rank #	Name of Business	Employees	Type of Business
1.	Hewlett-Packard Co.	3,500	Computer hardware manufacturer
2.	Kaiser Permanente	3,064	Health care
3.	Placer County	2,400	Government agency
4.	Union Pacific Railroad	2,000	Transportation
5.	Sutter Health	1,983	Health care
6.	Northstar-At-Tahoe	1,500	Ski resort
7.	Thunder Valley Casino Resort	1,412	American Indian casino
8.	City of Roseville	1,282	Municipal government
9.	PRIDE Industries Inc.	1,135	Disabled persons employment service
10.	Raley's	1,008	Retail grocery
11.	Placer County Office of Education	1,004	K-12 education
12.	Dry Creek Joint Elementary School District	990	Education
13.	Rocklin Unified School District	911	School district
14.	Wells Fargo	886	Financial services
15.	Renasas Electronics America	645	Semiconductor manufacturer
16.	Pacific Gas and Electric Co.	595	Natural gas and electric utility
17.	SureWest Communications	562	Entertainment and communications services
18.	Western Placer Unified School District	550	School district
19.	United Natural Foods Inc.	500	Organic and natural food distribution center
20.	Sierra Joint Community College District	491	Community college

Source: Sacramento Business Journal, 2010 Book of Lists, March 19, 2010.

Income

Per capita personal income in the County grew by 30.7% from 1999 to 2008, representing an average annual compound growth of 2.7%. The following tables summarize per capital personal income for the County, California and the United States for 1999 to 2008.

PER CAPITAL PERSONAL INCOME
Placer County, State of California, and United States of America
1999-2008

Year[1]	Placer County	% Annual Change	State of California	% Annual Change	United States of America	% Annual Change
1999	$36,102	--	$30,679	--	$28,333	--
2000	37,995	5.24%	33,398	8.86%	30,318	7.01%
2001	38,727	1.93	33,890	1.47	31,145	2.73
2002	38,513	(0.55)	34,045	0.46	31,462	1.02
2003	39,534	2.65	34,977	2.74	32,271	2.57
2004	42,065	6.40	36,904	5.51	33,881	4.99
2005	43,982	4.56	38,767	5.05	35,424	4.55
2006	46,421	5.55	41,567	7.22	37,698	6.42
2007	47,877	3.14	43,402	4.41	39,392	4.49
2008	47,195	(1.42)	43,852	1.04	40,166	1.96

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

Commercial Activity

Commercial activity is an important contributor to the County's economy. The table below shows the County's taxable transactions from 2005 through 2009.

VALUATION OF TAXABLE TRANSACTIONS
County of Placer
(In Thousands)
2005 - 2009

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2005	5,055	$5,539,337	11,488	$7,232,568
2006	5,218	5,710,898	11,623	7,531,225
2007	5,065	5,553,447	11,676	7,431,405
2008	5,841	5,009,849	12,104	6,634,810
2009	7,819	4,453,186	11,135	5,796,644

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

The table below shows the City's taxable transactions from 2005 through 2009.

VALUATION OF TAXABLE TRANSACTIONS
City of Roseville
(In Thousands)
2005 - 2009

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2005	2,172	$3,484,451	4,442	$3,897,859
2006	2,216	3,532,041	4,538	4,024,823
2007	2,102	3,284,087	4,561	3,854,226
2008	2,497	2,923,771	4,869	3,409,792
2009	3,400	2,708,864	4,441	3,104,840

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

Construction Activity

The following tables provides summaries of the building permit valuations and the number of new dwelling units authorized in the County and the City from 2006 through 2010.

BUILDING PERMIT VALUATIONS
Placer County
(Dollars in Thousands)
2006-2010

	2006	2007	2008	2009	2010
Valuation					
Residential	$778,770	$669,985	$442,769	$324,704	$334,235
Non-residential	417,258	478,566	299,505	113,576	108,644
Total	$1,196,028	$1,148,551	$742,274	$438,280	$442,879
New Housing Units					
Single family	2,557	2,177	1,330,	1,056	1,088
Multiple family	648	236	383	259	83
Total	3,205	2,413	1,713	1,315	1,171

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

BUILDING PERMIT VALUATIONS
City of Roseville
(Dollars in Thousands)
2006-2010

	2006	2007	2008	2009	2010
Valuation					
Residential	$169,640	$247,690	$183,497	$130,625	$136,015
Non-residential	216,642	240,521	161,637	57,356	53,187
Total	$386,282	$488,211	$345,134	$187,981	$189,201
New Housing Units					
Single family	752	1,050	676	602	635
Multiple family	48	103	308	49	--
Total	800	1,153	984	651	635

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

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL REGARDING THE IMPROVEMENT DISTRICT NO. 1 BONDS

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

May 18, 2011

Governing Board
Roseville Joint Union High School District
School Facilities Improvement District No. 1

Members of the Governing Board:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $4,885,623.95 School Facilities Improvement District No. 1 of the Roseville Joint Union High School District Election of 2007 General Obligation Bonds, Series 2011A (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 Title 1, Division 1, Part 10, Chapters 1 and 2 of the California Education Code, a two-thirds vote of the qualified electors of the School Facilities Improvement District No. 1 ("Improvement District No. 1") of the Roseville Joint Union High School District (the "School District") voting at an election held on April 24, 2007, a resolution of the Board of Education of the Roseville Joint Union High School District, (the "School District"), acting as the Governing Board of Improvement District No. 1 (the "Resolution").

2. The Bonds constitute valid and binding general obligations of Improvement District No. 1, 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 Improvement District No. 1, 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 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.

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.

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

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the School District and others and are subject to the condition that the School 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 School District has covenanted to comply with all such requirements.

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

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

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX E

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 $4,885,623.95 of the School Facilities Improvement District No. 1 of the Roseville Joint Union High School District Election of 2007 General Obligation Bonds, Series 2011A (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the Board of Education of the School District, acting as the Governing Board of the School Facilities Improvement District No. 1 of the Roseville Joint Union High School District ("Improvement District No. 1") dated September 15, 2010 (the "Resolution"). The School District Resolution and the County Resolution are together referred to as the "Resolution." The School District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School 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 School 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 School District, or any successor Dissemination Agent designated in writing by the School District (which may be the School District) and which has filed with the School 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) and 5(b) of this Disclosure Certificate.

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

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

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The School District shall, or shall cause the Dissemination Agent to, not later than eight months following the end of the School District's fiscal year (which shall be March 1 of each year, so long as the School District's fiscal year ends on June 30), commencing with the report for the 2010-11 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 School 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 School 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 School 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 School District shall provide the Annual Report in a format suitable for reporting to the Repositories to the Dissemination Agent (if other than the School District). If the School District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the School 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 School 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 and Form of Annual Reports. (a) The School District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the School 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 School 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 School District and Improvement District No. 1 of the type included in the Official Statement in the following categories (to the extent not included in the School District's audited financial statements):

(a) The School District's approved annual budget for the then-current fiscal year;

(b) Assessed value of taxable property in Improvement District No. 1 as shown on the most recent equalized assessment roll;

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

(d) Top ten property owners in the School 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 School 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 School District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

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

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

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

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

7. unscheduled draws on credit enhancement reflecting financial difficulties.

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

9. bankruptcy, insolvency, receivership or similar event of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5, the School 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. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above, adverse tax opinions, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

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

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

7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

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

(d) If the School District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the School District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. 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 School District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The School 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 School District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or 5(b), as applicable.

SECTION 7. Dissemination Agent. The School 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 School District. Upon such resignation, the School 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 School 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 School District. The School 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 School 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, 5(a) of 5(b), 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 School 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 School 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(b), 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 School 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 School 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 School 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 School 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 School 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 School 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 School District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The School 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 School 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 School 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 School 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 School District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: May 18, 2011

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

By: ______________________________

Gary Stevens
Assistant Superintendent, Business Services

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Roseville Joint Union High School District

Name of Bond Issue: School Facilities Improvement District No. 1 of the Roseville Joint Union High School District Election of 2007 General Obligation Bonds, Series 2011A

Date of Issuance: May 18, 2011

NOTICE IS HEREBY GIVEN that the School 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 School District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

By [form only; no signature required]

APPENDIX F

ACCRETED VALUE TABLES

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CAPITAL APPRECIATION BONDS
TABLE OF ACCRETED VALUES

Date	8/1/2015 12.000%	8/1/2016 12.000%	8/1/2017 12.000%	8/1/2018 12.000%	8/1/2019 12.000%	8/1/2020 12.000%	8/1/2021 7.900%	8/1/2022 5.880%	8/1/2027 7.000%
5/18/2011	$3,063.75	$2,726.75	$2,426.80	$2,159.85	$1,922.25	$1,710.80	$2,268.05	$2,612.25	$1,639.90
8/1/2011	3,137.05	2,791.95	2,484.80	2,211.50	1,968.20	1,751.70	2,303.95	2,643.10	1,662.90
2/1/2012	3,325.25	2,959.45	2,633.90	2,344.15	2,086.30	1,856.80	2,394.95	2,720.80	1,721.15
8/1/2012	3,524.80	3,137.05	2,791.95	2,484.80	2,211.50	1,968.20	2,489.55	2,800.80	1,781.35
2/1/2013	3,736.25	3,325.25	2,959.45	2,633.90	2,344.15	2,086.30	2,587.90	2,883.15	1,843.70
8/1/2013	3,960.45	3,524.80	3,137.05	2,791.95	2,484.80	2,211.50	2,690.15	2,967.90	1,908.25
2/1/2014	4,198.05	3,736.25	3,325.25	2,959.45	2,633.90	2,344.15	2,796.40	3,055.15	1,975.05
8/1/2014	4,449.95	3,960.45	3,524.80	3,137.05	2,791.95	2,484.80	2,906.85	3,145.00	2,044.15
2/1/2015	4,716.95	4,198.05	3,736.25	3,325.25	2,959.45	2,633.90	3,021.70	3,237.45	2,115.70
8/1/2015	5,000.00	4,449.95	3,960.45	3,524.80	3,137.05	2,791.95	3,141.05	3,332.65	2,189.75
2/1/2016	--	4,716.95	4,198.05	3,736.25	3,325.25	2,959.45	3,265.10	3,430.60	2,266.40
8/1/2016	--	5,000.00	4,449.95	3,960.45	3,524.80	3,137.05	3,394.10	3,531.50	2,345.75
2/1/2017	--	--	4,716.95	4,198.05	3,736.25	3,325.25	3,528.15	3,635.30	2,427.85
8/1/2017	--	--	5,000.00	4,449.95	3,960.45	3,524.80	3,667.50	3,742.20	2,512.80
2/1/2018	--	--	--	4,716.95	4,198.05	3,736.25	3,812.40	3,852.20	2,600.75
8/1/2018	--	--	--	5,000.00	4,449.95	3,960.45	3,962.95	3,965.45	2,691.80
2/1/2019	--	--	--	--	4,716.95	4,198.05	4,119.50	4,082.05	2,786.00
8/1/2019	--	--	--	--	5,000.00	4,449.95	4,282.25	4,202.05	2,883.50
2/1/2020	--	--	--	--	--	4,716.95	4,451.35	4,325.60	2,984.45
8/1/2020	--	--	--	--	--	5,000.00	4,627.20	4,452.80	3,088.90
2/1/2021	--	--	--	--	--	--	4,810.00	4,583.70	3,197.00
8/1/2021	--	--	--	--	--	--	5,000.00	4,718.45	3,308.90
2/1/2022	--	--	--	--	--	--	--	4,857.15	3,424.70
8/1/2022	--	--	--	--	--	--	--	5,000.00	3,544.55
2/1/2023	--	--	--	--	--	--	--	--	3,668.65
8/1/2023	--	--	--	--	--	--	--	--	3,797.05
2/1/2024	--	--	--	--	--	--	--	--	3,929.95
8/1/2024	--	--	--	--	--	--	--	--	4,067.50
2/1/2025	--	--	--	--	--	--	--	--	4,209.85
8/1/2025	--	--	--	--	--	--	--	--	4,357.20
2/1/2026	--	--	--	--	--	--	--	--	4,509.70
8/1/2026	--	--	--	--	--	--	--	--	4,667.55
2/1/2027	--	--	--	--	--	--	--	--	4,830.90
8/1/2027	--	--	--	--	--	--	--	--	5,000.00
2/1/2028	--	--	--	--	--	--	--	--	--
8/1/2028	--	--	--	--	--	--	--	--	--
2/1/2029	--	--	--	--	--	--	--	--	--
8/1/2029	--	--	--	--	--	--	--	--	--
2/1/2030	--	--	--	--	--	--	--	--	--
8/1/2030	--	--	--	--	--	--	--	--	--
2/1/2031	--	--	--	--	--	--	--	--	--
8/1/2031	--	--	--	--	--	--	--	--	--
2/1/2032	--	--	--	--	--	--	--	--	--
8/1/2032	--	--	--	--	--	--	--	--	--
2/1/2033	--	--	--	--	--	--	--	--	--
8/1/2033	--	--	--	--	--	--	--	--	--
2/1/2034	--	--	--	--	--	--	--	--	--
8/1/2034	--	--	--	--	--	--	--	--	--
2/1/2035	--	--	--	--	--	--	--	--	--
8/1/2035	--	--	--	--	--	--	--	--	--
2/1/2036	--	--	--	--	--	--	--	--	--
8/1/2036	--	--	--	--	--	--	--	--	--
2/1/2037	--	--	--	--	--	--	--	--	--
8/1/2037	--	--	--	--	--	--	--	--	--
2/1/2038	--	--	--	--	--	--	--	--	--
8/1/2038	--	--	--	--	--	--	--	--	--
2/1/2039	--	--	--	--	--	--	--	--	--
8/1/2039	--	--	--	--	--	--	--	--	--

CAPITAL APPRECIATION BONDS
TABLE OF ACCRETED VALUES

Date	8/1/2028 7.100%	8/1/2030 7.300%	8/1/2033 7.600%	8/1/2034 7.700%	8/1/2035 7.770%	8/1/2036 7.820%	8/1/2037 7.840%	8/1/2038 7.850%	8/1/2039 7.860%
5/18/2011	$1,505.60	$1,261.85	$954.35	$866.15	$790.15	$723.30	$666.55	$615.60	$568.40
8/1/2011	1,527.05	1,280.35	968.90	879.55	802.45	734.65	677.00	625.25	577.40
2/1/2012	1,581.30	1,327.10	1,005.70	913.40	833.65	763.40	703.55	649.80	600.05
8/1/2012	1,637.40	1,375.50	1,043.95	948.60	866.00	793.25	731.15	675.30	623.65
2/1/2013	1,695.55	1,425.75	1,083.60	985.10	899.65	824.25	759.80	701.85	648.15
8/1/2013	1,755.75	1,477.75	1,124.80	1,023.05	934.60	856.50	789.60	729.40	673.65
2/1/2014	1,818.05	1,531.70	1,167.50	1,062.40	970.95	889.95	820.55	758.00	700.10
8/1/2014	1,882.60	1,587.60	1,211.90	1,103.30	1,008.65	924.75	852.70	787.75	727.65
2/1/2015	1,949.45	1,645.55	1,257.95	1,145.80	1,047.85	960.95	886.15	818.70	756.20
8/1/2015	2,018.65	1,705.65	1,305.75	1,189.90	1,088.55	998.50	920.85	850.80	785.95
2/1/2016	2,090.30	1,767.90	1,355.35	1,235.70	1,130.85	1,037.55	956.95	884.20	816.85
8/1/2016	2,164.50	1,832.40	1,406.85	1,283.30	1,174.75	1,078.10	994.50	918.90	848.95
2/1/2017	2,241.35	1,899.30	1,460.35	1,332.70	1,220.40	1,120.25	1,033.45	955.00	882.30
8/1/2017	2,320.95	1,968.60	1,515.80	1,384.00	1,267.80	1,164.10	1,074.00	992.45	916.95
2/1/2018	2,403.35	2,040.50	1,573.40	1,437.30	1,317.10	1,209.60	1,116.10	1,031.45	953.00
8/1/2018	2,488.65	2,114.95	1,633.20	1,492.65	1,368.25	1,256.90	1,159.85	1,071.90	990.45
2/1/2019	2,577.00	2,192.15	1,695.30	1,550.10	1,421.40	1,306.05	1,205.30	1,114.00	1,029.40
8/1/2019	2,668.50	2,272.15	1,759.70	1,609.80	1,476.65	1,357.10	1,252.55	1,157.70	1,069.85
2/1/2020	2,763.20	2,355.10	1,826.55	1,671.75	1,534.00	1,410.15	1,301.65	1,203.15	1,111.90
8/1/2020	2,861.30	2,441.05	1,896.00	1,736.15	1,593.60	1,465.30	1,352.65	1,250.35	1,155.60
2/1/2021	2,962.90	2,530.15	1,968.05	1,802.95	1,655.50	1,522.60	1,405.70	1,299.45	1,201.00
8/1/2021	3,068.05	2,622.50	2,042.80	1,872.40	1,719.80	1,582.15	1,460.80	1,350.45	1,248.20
2/1/2022	3,177.00	2,718.25	2,120.45	1,944.45	1,786.65	1,644.00	1,518.05	1,403.45	1,297.25
8/1/2022	3,289.75	2,817.45	2,201.00	2,019.35	1,856.05	1,708.30	1,577.55	1,458.55	1,348.25
2/1/2023	3,406.55	2,920.30	2,284.65	2,097.10	1,928.15	1,775.05	1,639.40	1,515.80	1,401.25
8/1/2023	3,527.50	3,026.90	2,371.45	2,177.80	2,003.05	1,844.50	1,703.70	1,575.30	1,456.30
2/1/2024	3,652.70	3,137.35	2,461.60	2,261.65	2,080.90	1,916.60	1,770.45	1,637.15	1,513.55
8/1/2024	3,782.40	3,251.90	2,555.15	2,348.75	2,161.75	1,991.55	1,839.85	1,701.40	1,573.00
2/1/2025	3,916.65	3,370.60	2,652.25	2,439.15	2,245.70	2,069.40	1,912.00	1,768.15	1,634.85
8/1/2025	4,055.70	3,493.60	2,753.00	2,533.10	2,332.95	2,150.30	1,986.95	1,837.55	1,699.10
2/1/2026	4,199.70	3,621.10	2,857.65	2,630.60	2,423.60	2,234.40	2,064.85	1,909.70	1,765.85
8/1/2026	4,348.80	3,753.30	2,966.20	2,731.90	2,517.75	2,321.75	2,145.75	1,984.65	1,835.25
2/1/2027	4,503.15	3,890.30	3,078.95	2,837.05	2,615.60	2,412.55	2,229.90	2,062.55	1,907.40
8/1/2027	4,663.00	4,032.30	3,195.95	2,946.30	2,717.20	2,506.90	2,317.30	2,143.50	1,982.35
2/1/2028	4,828.55	4,179.45	3,317.40	3,059.70	2,822.75	2,604.90	2,408.15	2,227.65	2,060.25
8/1/2028	5,000.00	4,332.00	3,443.45	3,177.50	2,932.40	2,706.75	2,502.55	2,315.05	2,141.25
2/1/2029	--	4,490.15	3,574.30	3,299.85	3,046.35	2,812.60	2,600.65	2,405.95	2,225.40
8/1/2029	--	4,654.05	3,710.10	3,426.90	3,164.70	2,922.55	2,702.60	2,500.35	2,312.85
2/1/2030	--	4,823.90	3,851.10	3,558.85	3,287.65	3,036.85	2,808.55	2,598.50	2,403.75
8/1/2030	--	5,000.00	3,997.45	3,695.85	3,415.35	3,155.55	2,918.65	2,700.50	2,498.20
2/1/2031	--	--	4,149.35	3,838.15	3,548.05	3,278.95	3,033.05	2,806.50	2,596.40
8/1/2031	--	--	4,307.05	3,985.90	3,685.90	3,407.15	3,151.95	2,916.65	2,698.45
2/1/2032	--	--	4,470.70	4,139.40	3,829.10	3,540.40	3,275.50	3,031.15	2,804.50
8/1/2032	--	--	4,640.60	4,298.75	3,977.85	3,678.80	3,403.90	3,150.10	2,914.70
2/1/2033	--	--	4,816.95	4,464.25	4,132.40	3,822.65	3,537.30	3,273.75	3,029.25
8/1/2033	--	--	5,000.00	4,636.10	4,292.95	3,972.15	3,676.00	3,402.25	3,148.30
2/1/2034	--	--	--	4,814.60	4,459.75	4,127.45	3,820.10	3,535.80	3,272.00
8/1/2034	--	--	--	5,000.00	4,633.00	4,288.80	3,969.85	3,674.55	3,400.60
2/1/2035	--	--	--	--	4,813.00	4,456.50	4,125.45	3,818.80	3,534.25
8/1/2035	--	--	--	--	5,000.00	4,630.75	4,287.15	3,968.70	3,673.15
2/1/2036	--	--	--	--	--	4,811.85	4,455.25	4,124.45	3,817.50
8/1/2036	--	--	--	--	--	5,000.00	4,629.90	4,286.35	3,967.55
2/1/2037	--	--	--	--	--	--	4,811.35	4,454.60	4,123.45
8/1/2037	--	--	--	--	--	--	5,000.00	4,629.45	4,285.50
2/1/2038	--	--	--	--	--	--	--	4,811.15	4,453.95
8/1/2038	--	--	--	--	--	--	--	5,000.00	4,629.00
2/1/2039	--	--	--	--	--	--	--	--	4,810.90
8/1/2039	--	--	--	--	--	--	--	--	5,000.00

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

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

General

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 securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has 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 School 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 School District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or the School 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 School District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

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

The School 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 School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

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

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

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

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

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

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APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

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

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

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

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

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

Form 500NY (5/90)