

CHICO UNIFIED SCHOOL FINANCING CORPORATION
BOARD OF DIRECTORS ANNUAL MEETING

September 20, 2006

Immediately following the Open Session of the Board of Education
Regular meeting which begins at 7:00 p.m.

Chico City Council Chambers

AGENDA

- 1. CALL TO ORDER**

- 2. INFORMATION AND DISCUSSION**
 - 2.1 Annual Financial Report/Status Update

- 3. ACTION CALENDAR**
 - 3.1 Minutes of Annual Meeting – September 7, 2005

- 6. ADJOURNMENT**

Rick Rees, President
Board of Education
Chico Unified School District

**CHICO UNIFIED SCHOOLS FINANCING CORPORATION
BOARD OF DIRECTORS
ANNUAL MEETING
AS OF SEPTEMBER 20, 2006**

1996 FINANCING PROJECT

SOURCES AND USES OF FUNDS:

SOURCES:

COPS FINANCING		\$2,995,000
----------------	--	-------------

USES:

COST OF HVAC/LIGHTING RETRO-FITS		\$2,222,985
----------------------------------	--	-------------

COST OF FINANCING:

COST OF ISSUANCE	\$174,087	
ADMINISTRATION COSTS	\$18,608	\$192,695

LEASE PAYMENT FUND:

DEFERRED PAYMENTS 09/96-09/98	\$270,869
----------------------------------	-----------

RESERVE FUND:

LEGAL REQUIREMENT	\$308,451
-------------------	-----------

TOTAL USES		\$2,995,000
------------	--	-------------

PROJECTS COMPLETED:

CJHS		\$374,778
COHASSET		\$119,349
HOOKER OAK		\$141,154
MARIGOLD		\$338,246
CHAPMAN		\$39,798
MCMANUS		\$251,314
PARKVIEW		\$3,033
JAY PARTRIDGE		\$493,057
SIERRA VIEW		\$197,745
BJHS		\$41,942
LIGHTING PROJECTS-VARIOUS SITES		\$222,569
TOTAL PROJECT COSTS		\$2,222,985

In the opinion of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Special Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the portion of each Rental Payment due under the Facilities Lease designated as and comprising interest and received by the owners of the Certificates is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Special Counsel, such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Special Counsel expresses no opinion regarding other federal or state income tax consequences relating to the accrual or receipt of such interest or the ownership or disposition of the Certificates. See "LEGAL MATTERS—Tax-Matters" herein.

\$2,705,000
2004 CERTIFICATES OF PARTICIPATION
(2004 CAPITAL PROJECTS)

Evidencing And Representing A Proportionate Interest Of The
Registered Owners Thereof In Rental Payments To Be Made By The

CHICO UNIFIED SCHOOL DISTRICT
(BUTTE COUNTY, CALIFORNIA)

Pursuant To A Facilities Lease With The
CHICO UNIFIED SCHOOLS FINANCING CORPORATION

DATED: Date of Delivery

DUE: September 1, as shown below

The 2004 Certificates of Participation (the "Certificates") are being executed and delivered in the aggregate principal amount of \$2,705,000. The Certificates are being sold for the purpose of implementing the District's 2004 Capital Projects. See "2004 Capital Projects" herein.

The Certificates evidence and represent the fractional undivided interests of the Owners thereof in Rental Payments (as defined herein) to be made by the Chico Unified School District (the "District") pursuant to a Facilities Lease dated October 1, 2004 (the "Facilities Lease"), between the Chico Unified Schools Financing Corporation, a California nonprofit public benefit corporation (the "Corporation"), and the District. The Certificates are being delivered pursuant to a Trust Agreement dated October 1, 2004 (the "Trust Agreement"), by and among U. S. Bank National Association. (the "Trustee"), the Corporation and the District. The Certificates will be payable only on their respective maturity dates and are first payable on September 1, 2005. The Certificates are subject to optional and extraordinary prepayment. See "THE CERTIFICATES—Redemption Provision" herein.

THE DISTRICT HAS COVENANTED IN THE FACILITIES LEASE TO TAKE SUCH ACTION AS MAY BE NECESSARY TO INCLUDE AND MAINTAIN ALL RENTAL PAYMENTS AS AND WHEN DUE FOR THE FACILITIES LEASE, SUBJECT TO ABATEMENT, AS FURTHER DESCRIBED HEREIN, IN ITS ANNUAL BUDGET AND TO MAKE THE NECESSARY ANNUAL APPROPRIATIONS FOR ALL SUCH RENTAL PAYMENTS. THE OBLIGATION OF THE DISTRICT TO MAKE RENTAL PAYMENTS IS A SPECIAL OBLIGATION OF THE DISTRICT AND DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR THE COUNTY OF BUTTE OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE CORPORATION HAS NO OBLIGATION OR LIABILITY WHATSOEVER TO THE OWNERS OF THE CERTIFICATES.

Ambac

Payment of the principal of and interest on the Certificates when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Certificates.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELEVANT TO AN INVESTMENT IN THE CERTIFICATES. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. CAPITALIZED TERMS USED ON THIS COVER PAGE NOT OTHERWISE DEFINED WILL HAVE THE MEANING SET FORTH HEREIN.

MATURITY SCHEDULE

Maturity Date September 1	Principal Amount	Coupon Rate	Reoffering Price / Yield	Maturity Date September 1	Principal Amount	Coupon Rate	Reoffering Price / Yield
2005	\$ 20,000	2.000 %	1.650 %	2011	\$ 240,000	3.000 %	3.125 %
2006	125,000	2.000	1.900	2012	255,000	3.250	3.350
2007	185,000	2.000	100.0	2013	270,000	3.350	3.500
2008	215,000	2.250	100.0	2014	285,000	3.500	3.600
2009	225,000	2.600	100.0	2015	300,000	3.625	3.750
2010	235,000	2.900	100.0	2016	315,000	3.750	3.850
				2017	35,000	4.000	100.0

The Certificates will be offered when, as and if executed and delivered and received by the underwriter, subject to the approval as to their legality by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Special Counsel. It is anticipated that the Certificates, in definitive form, will be available for delivery through the facilities of DTC in New York, New York on or about October 28, 2004.

This Official Statement is dated October 7, 2004

Estimated Rental Payments

Rental Payments are required to be made in semiannual installments by the District under the Facilities Lease on or before February 15 and August 15 of each year the Certificates are outstanding, commencing on August 15, 2005, for the use and possession of the Facilities.

The Facilities Lease requires that Rental Payments be deposited in the Certificate Fund maintained by the Trustee. On each Principal Payment Date, the Trustee will withdraw from the Certificate Fund the aggregate amount necessary to make annual principal and semiannual interest payments with respect to the Certificates, as shown in the following exhibit of the Rental Payment Schedule.

Rental Payment Schedule 2004 Certificates of Participation

Date	Principal	Interest Rate Coupon	Interest	Semi-Annual Debt Service	Gross Annual Debt Service
Sep 1, 2005	\$20,000	2.000%	\$69,603.73	\$89,603.73	\$89,603.73
Mar 1, 2006			\$41,148.75	\$41,148.75	
Sep 1, 2006	\$125,000	2.000%	\$41,148.75	\$166,148.75	\$207,297.50
Mar 1, 2007			\$39,898.75	\$39,898.75	
Sep 1, 2007	\$185,000	2.000%	\$39,898.75	\$224,898.75	\$264,797.50
Mar 1, 2008			\$38,048.75	\$38,048.75	
Sep 1, 2008	\$215,000	2.250%	\$38,048.75	\$253,048.75	\$291,097.50
Mar 1, 2009			\$35,630.00	\$35,630.00	
Sep 1, 2009	\$225,000	2.600%	\$35,630.00	\$260,630.00	\$296,260.00
Mar 1, 2010			\$32,705.00	\$32,705.00	
Sep 1, 2010	\$235,000	2.900%	\$32,705.00	\$267,705.00	\$300,410.00
Mar 1, 2011			\$29,297.50	\$29,297.50	
Sep 1, 2011	\$240,000	3.000%	\$29,297.50	\$269,297.50	\$298,595.00
Mar 1, 2012			\$25,697.50	\$25,697.50	
Sep 1, 2012	\$255,000	3.250%	\$25,697.50	\$280,697.50	\$306,395.00
Mar 1, 2013			\$21,553.75	\$21,553.75	
Sep 1, 2013	\$270,000	3.350%	\$21,553.75	\$291,553.75	\$313,107.50
Mar 1, 2014			\$17,031.25	\$17,031.25	
Sep 1, 2014	\$285,000	3.500%	\$17,031.25	\$302,031.25	\$319,062.50
Mar 1, 2015			\$12,043.75	\$12,043.75	
Sep 1, 2015	\$300,000	3.625%	\$12,043.75	\$312,043.75	\$324,087.50
Mar 1, 2016			\$6,606.25	\$6,606.25	
Sep 1, 2016	\$315,000	3.750%	\$6,606.25	\$321,606.25	\$328,212.50
Mar 1, 2017			\$700.00	\$700.00	
Sep 1, 2017	\$35,000	4.000%	\$700.00	\$35,700.00	\$36,400.00
	\$2,705,000		\$670,326.23	\$3,375,326.23	\$3,375,326.23

MINUTES

1. CALL TO ORDER

- 1.1 Rick Rees called the September 7, 2005, Annual Meeting to order at 9:22 p.m. in the City Council Chambers at 411 Main Street, Chico, CA,

Present: Rees, Reed, Huber, Anderson, Watts

Absent: None

2. INFORMATION AND DISCUSSION – Status Update

- 2.1 Randy Meeker, Assistant Superintendent – Business Services, gave an update on Certificates of Participation, which since 1997 were issued through the Financing Corporation and require annual status updates through 2017. Projects completed include lighting retrofits and HVAC systems installed in schools that didn't have them. There were no comments or questions from the public.

3. ACTION CALENDAR

- 3.1 Minutes of Annual Meeting – 02/05/03

A motion was made by Anthony Watts and seconded by Scott Huber to approve the minutes of February 5, 2003.

AYES: Anderson, Huber, Rees, Watts

NOES: None

ABSTAIN: Reed

- 3.2 Resolution #939-05 – Approving the Form of and Authorizing the Execution and Delivery of a Site Lease, a Lease/Purchase Agreement, and an Assignment Agreement and Authorizing Certain Additional Actions. A motion was made by Scott Huber and seconded by Jann Reed to approve Resolution #939-05. Superintendent Brown stated his reservations surrounding this project.

AYES: Huber, Reed, Rees, Watts

NOES: Anderson

ABSTAIN: None

4. ADJOURNMENT

At 9:29 p.m. Rick Anderson adjourned the meeting.

APPROVED:

Board of Education

Administration