

**CHICO UNIFIED FINANCING CORPORATION**  
**BOARD OF DIRECTORS ANNUAL MEETING**  
**November 19, 2014**

**Immediately following the Open Session of the Board of Education  
Regular Session which begins at 6:00 pm**

**Chico City Council Chambers  
421 Main Street, Chico, CA 95928**

**AGENDA**

- 1. CALL TO ORDER**
- 2. INFORMATION AND DISCUSSION**
  - 2.1 Annual Financial Report/Status Update
- 3. ACTION CALENDAR**
  - 3.1 Consider Approval of Minutes of Annual Meeting – November 20, 2013
- 4. ADJOURNMENT**

Dr. Kathleen Kaiser, President  
Board of Education  
Chico Unified School District

**AGENDA ITEM:** Chico Unified Schools Financing Corporation Annual Meeting

**Prepared by:** Kevin Bultema, Assistant Superintendent, Business Services

☐ Consent

Board Date November 19, 2014

☒ Information Only

☐ Discussion/Action

**Background Information**

The Chico Unified Schools Financing Corporation was formed to facilitate the use of debt financing for specific projects throughout the District. The projects began in 1996 when \$2.9 million in debt was issued to finance lighting and HVAC system retrofits for the majority of school sites. This debt was refinanced in 2004 at which point the principal was \$2.7 million.

The second project of the Financing Corporation was issued in 2005 to fund the Solar Photovoltaic System on the roof of Little Chico Creek Elementary School.

The Financial Corporation has not issued any new debt since 2005. The annual repayment schedule is attached.

**Educational Implications**

The solar array located at Little Chico Creek is for the benefit of students now and in the near future. The project serves as a science lab for students throughout the District. A kiosk has been installed in the library where children can watch the system produce energy. Students can see the number of kilowatts being generated, as well as the historical output of the system, which is a valuable learning opportunity.

**Fiscal Implications**

None.

NEW ISSUE  
DTC BOOK-ENTRY ONLYS&P Insured Rating: "AAA"  
See "RATING" herein  
(Ambac Insured)

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 TheCHICO 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 January 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

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MINUTES

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**1. CALL TO ORDER**

At 8:19 p.m. Board President Griffin called the November 20, 2013, Annual Meeting to order at the Chico City Council Chambers at 421 Main Street, Chico, CA.

Present: Griffin, Kaiser, Thompson

Absent: Robinson, Hovey

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

Assistant Superintendent Kevin Bulterma reviewed the Certificates of Participation (COPs) financing package and announced the Financing Corporation has not issued any new debt.

**3. ACTION CALENDAR****3.1 Consider Approval of Minutes of Annual Meeting – November 7, 2012**

Board Member Thompson moved to approve the Minutes of the Annual Meeting held on November 7, 2012; seconded by Board Vice President Kaiser

AYES: Griffin, Kaiser, Thompson

NOES: None

ABSENT: Robinson, Hovey

**6. ADJOURNMENT**

At 8:24 p.m. Board President Griffin adjourned the CUSD Financing Corporation Board of Directors Annual Meeting.

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APPROVED:

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Board of Education

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Administration