NEW ISSUE—FULL BOOK-ENTRY

RATING:
Standard & Poor's: "SP-1+"
(See "RATING" 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 on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. See "Tax Matters" herein with respect to other tax consequences with respect to the Bonds.

$75,715,000
CALIFORNIA COMMUNITY COLLEGE FINANCING AUTHORITY
2006 TAX AND REVENUE ANTICIPATION BONDS, SERIES A

Interest Rate: 4.50% **Yield: 3.62%** **CUSIP No.: 130119BM1**

Date of Delivery: July 3, 2006 Due: June 29, 2007

The California Community College Financing Authority (the "Authority") 2006 Tax and Revenue Anticipation Bonds (the "Bonds") will be issued pursuant to an indenture, dated as of July 1, 2006 (the "Indenture"), between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), for the purpose of purchasing tax and revenue anticipation notes of the California community college districts identified herein (the "Districts"). The Bonds are dated July 3, 2006. The net proceeds of the Bonds will be used to purchase Tax and Revenue Anticipation Notes maturing June 29, 2007 (the "Notes"). The Notes will be assigned to the Trustee under the Indenture for the benefit of the registered owners (the "Owners"), and the payments on the Notes will be used for the payment of the principal of and interest on the Bonds when due. Pursuant to the Indenture, the Notes and all right, title and interest of the Authority therein and to all payments thereon, are irrevocably assigned, pledged and transferred to the Trustee for the benefit of the Owners of the Bonds, and the payments on the Notes shall be used for the payment of the interest on and principal of the Bonds. See "SECURITY AND SOURCES OF PAYMENT—Assignment of Notes; Payment of Bonds" herein.

Interest on the Bonds will be paid at the Maturity Date thereof.

Each Note is a general obligation of the issuing District payable from taxes, income, revenue, cash receipts and other moneys which are received by such District during fiscal year 2006-07 and which are available therefor. The resolution of each District (each, a "Note Resolution") authorizing the execution and delivery of such District's Note provides for the pledge of taxes, income, revenue, cash receipts and other moneys which are intended as receipts for the general fund of such District during fiscal year 2006-07 and which are available for the payment of current expenses and other obligations of such District (the "Unrestricted Revenues") which are received by such District during certain months specified as Pledge Months, as set forth herein. See APPENDIX F—"Schedule of Pledged Revenues." With respect to each Pledge Month, the amount of Unrestricted Revenues which shall constitute Pledged Revenues will be equal to a percent of the principal amount and interest due on the related Note at maturity. Pledged Revenues shall be held by each District in a special account (each, a "Repayment Account") within such District's general fund for the benefit of the holder of the Note. Pursuant to the Indenture, on the last business day of each Pledge Month, the Trustee shall request that each respective District confirm and certify that it has made the required deposit into its Repayment Account. The Indenture creates a trust estate comprised of interests in the Notes. Although the Bonds represent interests in the Notes of all the Districts, the Repayment Accounts of the Districts are not pooled, and no District is liable for the payment of any other District's Note. See "SECURITY AND SOURCES OF PAYMENT—Security for Note Payments" herein.

The scheduled payment of up to 10% of the aggregate principal amount of the Bonds when due will be guaranteed under a Municipal Bond Insurance Policy (the "Policy") to be issued concurrently with the delivery of the Bonds by FINANCIAL SECURITY ASSURANCE INC. (the "Insurer") as further described herein under the caption "SECURITY AND SOURCES OF PAYMENT—Bond Insurance." See also APPENDIX G—"FORM OF MUNICIPAL BOND INSURANCE POLICY" attached hereto.

FSA

The Indenture provides that in the event that on June 25, 2007, the aggregate amount due but unpaid in all Payment Accounts within the Bond Payment Funds (as defined herein) exceeds 10% of all deposits due, the maximum amount available under the Policy will be apportioned among the Bonds according to the ratio of the aggregate shortfall with respect to all Bonds issued.

The obligation of each District is a several and not a joint obligation and is strictly limited to such District's repayment obligation under the applicable Note Resolution and Note; a default by one District will not constitute a default with respect to the Note of any other District. Moneys received by the Trustee attributable to a District shall not be used in any manner (directly or indirectly) to make up any deficiency in any other District's Note Payments.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as owner of the Bonds and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only, in denominations of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be payable on their respective principal and interest payment dates by wire transfer to DTC, which in turn is required to remit such principal and interest to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds, as more fully described herein.

The Bonds are not subject to optional or mandatory redemption prior to their Maturity Date.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM CERTAIN FUNDS PLEDGED UNDER THE INDENTURE. THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS DOES NOT CONSTITUTE A DEBT OF THE AUTHORITY, THE DISTRICTS OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

This cover page contains certain information for general reference only. It is not intended as a summary of this transaction. Investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if issued and delivered and accepted by the Underwriter, subject to the approval of validity by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by their counsel, Fulbright & Jaworski L.L.P., Los Angeles, California. The Bonds in definitive form are expected to be available for delivery through the facilities of DTC in New York, New York, on or about July 3, 2006.

RBC CAPITAL MARKETS

Dated: June 15, 2006

CALIFORNIA COMMUNITY COLLEGE FINANCING AUTHORITY

Scott Lay, Executive Director and Board Member
Ray Giles, Interim Vice President of Operations and Board Member
Doug Brinkley, Board Member
Bonnie Dowd, Board Member
Martha Wescoat-Andes, Board Member

SPECIAL SERVICES

Program Sponsor

Community College League of California

Underwriter

RBC Capital Markets
Los Angeles, California

Bond Counsel

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

Trustee

Wells Fargo Bank, National Association
Los Angeles, California

PARTICIPATING DISTRICTS

Allan Hancock Joint Community College District
Cabrillo Community College District
Feather River Community College District
Marin Community College District
Merced Community College District
Mt. San Jacinto Community College District
Napa Valley Community College District
San Francisco Community College District
San Joaquin Delta Community College District
San Jose-Evergreen Community College District
San Luis Obispo County Community College District
Sequoias Community College District
Shasta-Tehama-Trinity Community College District
Sierra Joint Community College District
Siskiyou Joint Community College District

No broker, dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority, the Districts or the Underwriter. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or any District since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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 opinions, 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 set forth herein has been obtained from the Authority or the Districts and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation by the Underwriter. The information and expression 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 an implication that there has been no change in the affairs of the Authority or the Districts since the date hereof. All summaries of the Notes, the Bonds, the Note Resolutions (each as defined herein) and other documents, are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. The counties in which the respective Districts are located have neither approved this Official Statement nor are responsible for the accuracy or completeness of the statements contained in this Official Statement.

Other than with respect to information concerning the Insurer contained under the caption "SECURITY AND SOURCES OF PAYMENT – Bond Insurance" and APPENDIX G – "Form of Municipal Bond Insurance Policy" herein, none of the information in this Official Statement has been supplied or verified by the Insurer and the Insurer makes no representation or warranty, expressed or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Bonds; or (iii) the tax-exempt status of the interest on the Bonds.

This Official Statement is submitted in connection with the execution and delivery of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "forecast" or other similar words.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL 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 DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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$75,715,000
CALIFORNIA COMMUNITY COLLEGE FINANCING AUTHORITY
2006 TAX AND REVENUE ANTICIPATION BONDS, SERIES A

INTRODUCTORY STATEMENT

This introduction is not a summary of this Official Statement. It is only a brief description of 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 described herein. References to and summaries of provisions of the Constitution and laws of the State of California and any documents referred to herein do not purport to be complete, and such references are qualified in their entirety by reference to the complete provisions.

This Official Statement, including the cover page and appendices hereto (the "Official Statement"), sets forth certain information concerning the California Community College Financing Authority (the "Authority") 2006 Tax and Revenue Anticipation Bonds, Series A in the aggregate principal amount of $75,715,000 (the "Bonds"). Pursuant to the California Community College Cash Flow Financing Program (the "Program") sponsored by the Community College League of California, the Authority may elect, based upon market conditions and other considerations, to issue the Bonds pursuant to an indenture, dated as of July 1, 2006 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee").

Interest on the Bonds will be payable on the Maturity Date thereof. The net proceeds of the Bonds will be used to purchase tax and revenue anticipation notes (the "Notes") of California community college districts participating in the Program (each, a "District," and collectively, the "Districts"), each maturing June 29, 2007 (the "Notes"), as specified in the Indenture. The Notes will be assigned to the Trustee for the benefit of the registered owners (the "Owners") of the Bonds, and the payments on such Notes will be used for the payment of the principal of and interest on the Bonds.

The Note of each District is issued under the authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the "Act") and pursuant to a resolution of issuance adopted by the legislative body of such District (the "Note Resolution"). The issuance and sale of a District's Note will provide moneys to meet such District's anticipated cash flow needs for its fiscal year beginning on July 1, 2006, and ending on June 30, 2007 ("fiscal year 2006-07"), created by timing differences between its anticipated expenditures for fiscal year 2006-07 and its estimated receipt of certain revenues for fiscal year 2006-07.

The Bonds are issued under the Indenture, secured only by amounts deposited and the Notes pledged under the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM CERTAIN FUNDS PLEDGED UNDER THE INDENTURE. THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS DOES NOT CONSTITUTE A DEBT OF THE AUTHORITY, THE DISTRICTS OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Concurrently with the issuance of the Bonds, Financial Security Assurance Inc. (the "Insurer") will issue its Municipal Bond Insurance Policy (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement up to an amount not exceeding 10% of the aggregate principal amount of the Bonds. See "SECURITY AND SOURCES OF PAYMENT — Bond Insurance Policy," "CERTAIN PROVISIONS OF THE INDENTURE — Claims Upon the Policy and Payments by and to the Insurer" and APPENDIX G – "Form of Municipal Bond Insurance Policy" attached hereto. The Indenture provides that in the event that on June 25, 2007, the aggregate amount due but unpaid in all Payment Accounts within the Bond Payment Fund for the Bonds exceeds the maximum amount available under the Policy, such available amount will be apportioned among the Bonds according to the ratio of the aggregate shortfall with respect to all Bonds issued.

All capitalized terms, unless otherwise defined herein, shall have the meanings set forth under "CERTAIN PROVISIONS OF THE INDENTURE — Definitions of Certain Terms" or, if not defined therein, in the Indenture.

Definitions. The definitions are used in this Official Statement and are qualified in their entirety by reference to the provisions of the Indenture.

"Authorized Denomination" means $5,000 or any multiple thereof.

"Business Day" means any day other than a Saturday, a Sunday or any other day on which banks located in California or New York are authorized or required by executive order or law to remain closed, or on which the New York Stock Exchange is closed.

"Maturity Date" means June 29, 2007.

"Owner" means the registered owner, as indicated in the Bond Register, of any Bonds.

"Record Date" means the close of business on the 15th day prior to an Interest Payment Date.

DESCRIPTION OF THE BONDS

Denominations; Payments of Principal and Interest

The Bonds will be prepared in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered Owner of the Bonds and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only in denominations of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the Owners of the Bonds or Registered Owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

The Bonds shall be dated and shall bear interest from July 3, 2006 and shall mature on June 29, 2007. So long as Cede & Co. is the registered Owner of the Bonds, the principal of and interest on the Bonds will be payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which is expected, in turn, to remit such amounts to DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. See "BOOK-ENTRY ONLY SYSTEM" herein. Interest payable on the Bonds on the Maturity Date will be calculated on the basis of a 360-day year of twelve 30-day months.

Redemption

The Bonds are not subject to redemption prior to their Maturity Date.

The Bonds will be dated the Date of Delivery and will bear interest at the rate per annum set forth on the cover page hereof from the Date of Delivery until paid, and will be payable both as to principal and interest in immediately available funds upon maturity.

Registration, Transfer and Exchange of Bonds

The Trustee is required to maintain registration books at its principal corporate trust office in Los Angeles, California (the "Principal Office") for the registration of ownership, transfer and exchange of Bonds. All Bonds are transferable or exchangeable by the Owner thereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee in the books required to be kept by the Trustee, upon surrender of such Bonds accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Whenever any Bond or Bonds are surrendered for transfer or exchange, the Trustee will execute and deliver a new Bond or Bonds of authorized denominations representing the same aggregate principal amount, except that the Trustee will require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee may deem and treat the registered Owner of any Bond as the absolute owner thereof for all purposes.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered bond, in the aggregate principal amount of the Bonds, will be registered in the name of Cede & Co., as nominee for DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bond on the records of DTC. The ownership interest of each actual purchaser of each Bond (the "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, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants 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 Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the 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 Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no 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 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 the Bonds are credit on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on each payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such payable date. 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, the Trustee or the Authority, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Trustee, 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.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered as described in the Indenture. The Beneficial Owner, upon registration of Bonds held in the Beneficial Owner's name, will become the registered Owner of the Bonds.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In such event, Bonds are required to be printed and delivered as described in the Indenture.

THE AUTHORITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OR INDIRECT PARTICIPANTS, PAYMENTS OF BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR ANY OTHER NOTICES SENT TO DTC OR ITS NOMINEE, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE

AUTHORITY IS NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENTS OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE BONDS OR ANY ERROR OR DELAY RELATING THERETO.

The foregoing description of the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments with respect to the Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Bonds with other related transactions by and between DTC, the Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the Participants, as the case may be.

THE DISTRICTS

Each of the Districts is a community college district duly organized and validly existing under the laws of the State. Each has power to borrow money through the issuance of tax and revenue anticipation notes, such as the Notes, under State law. See "SECURITY AND SOURCES OF PAYMENT" herein; APPENDIX B –"Districts' Note Amounts and Coverage Analyses"; APPENDIX C — "Districts' Financial Information"; APPENDIX D — "Districts' Cash Flows and Alternative Cash Resources"; and APPENDIX F — "Schedule of Pledged Revenues." Set forth below is a list of the Districts and the respective counties in which they are located:

Allan Hancock Joint Community College District	Santa Barbara County
Cabrillo Community College District	Santa Cruz County
Feather River Community College District	Plumas County
Marin Community College District	Marin County
Merced Community College District	Merced County
Mt. San Jacinto Community College District	Riverside County
Napa Valley Community College District	Napa County
San Francisco Community College District	San Francisco County
San Joaquin Delta Community College District	San Joaquin County
San Jose-Evergreen Community College District	Santa Clara County
San Luis Obispo County Community College District	San Luis Obispo County
Sequoias Community College District	Tulare County
Shasta-Tehama-Trinity Community College District	Shasta County
Sierra Joint Community College District	Placer County
Siskiyou Joint Community College District	Siskiyou County

In addition to the information provided concerning each District in APPENDIX C, each District has provided certain information regarding its finances and operations in a questionnaire supporting the Program, detailed under the caption "PARTICIPATING DISTRICTS INFORMATION." In addition, certain further information relating to Marin Community College District, San Francisco Community College District and Sierra Joint Community College District, which comprise the three largest participants with respect to the Bonds, is set forth in APPENDIX H — "Additional Information Regarding Certain Participating Districts."

ESTIMATED SOURCES AND USES OF PROCEEDS

The proceeds of the Bonds are expected to be applied as follows:

Sources	
Principal Amount of Bonds	$75,715,000.00
Original Issue Premium	636,006.00
TOTAL SOURCES	$76,351,006.00
Uses	
Deposit to Bond Proceeds Fund	$75,955,511.22
Costs of Issuance[1]	395,494.78
TOTAL USES	$76,351,006.00

[1] Includes municipal bond insurance premium, Underwriter's Discount, fees and expenses of Bond Counsel and the Trustee, and rating and printing costs.

SECURITY AND SOURCES OF PAYMENT

Assignment of Notes; Payment of Bonds

Pursuant to the Indenture, the Notes as described above and all right, title and interest of the Authority therein and to all payments thereon, are irrevocably assigned, pledged and transferred to the Trustee for the benefit of the Owners of the Bonds and for the benefit of the Insurer. The payments on the Notes shall be used for the payment of the interest on and principal of the Bonds or the reimbursement of drawings under or payments made pursuant to the Policy, and the Notes will not be used for any other purpose while any of the Bonds remain Outstanding. The assignment, transfer and pledge of the Notes to the Trustee pursuant to the Indenture constitute a first and exclusive lien on the principal and interest payments and all other rights accruing under the Notes in accordance with the Indenture.

All principal and interest payments on the Notes received by the Trustee shall be held in trust by the Trustee under the terms of the Indenture and shall be deposited by it, as and when received, in the appropriate Payment Account of the respective District within the Bond Payment Fund, established under the Indenture. All money in the Payment Accounts of the Bond Payment Fund shall be held in trust by the Trustee for the benefit and security of the Owners of the Bonds and the Insurer (to the extent provided in the Indenture). As further described under the caption "— Security for the Note Payments" below, each District is required, to the extent necessary, to pay the principal of and the interest on such District's Note, to transfer its Pledged Revenues to the Trustee at least five Business Days prior to the maturity of its Note. Such Pledged Revenues are to be deposited by the Trustee in the appropriate District's Payment Account of the Bond Payment Fund established under the Indenture. So long as any of the Bonds are Outstanding, the Notes may not be assigned, transferred or pledged by the Trustee or the Authority for any other purpose than securing payments due to the Owners.

The Indenture provides that, in the event that on June 25, 2007, the aggregate amount due but unpaid in all Payment Accounts within the Bond Payment Funds for all Bonds exceeds 10% of the aggregate principal amount of the Bonds, such maximum amount available under the Policy will be apportioned among the Bonds according to the ratio of the aggregate shortfall with respect to all Bonds issued. Payments on the Policy, together with amounts on deposit in the Payment Accounts, will be used for the payment of the principal of and interest on the Bonds at their Maturity Date. See the caption "CERTAIN PROVISIONS OF THE INDENTURE — Claims Upon the Policy and Payments by and to the Insurer" herein.

If the amount on deposit in a District's Payment Account is in excess of the amounts required to pay the principal of and interest due on such District's Note on the Maturity Date, such excess amounts shall remain in such District's Payment Account and, subject to any rebate requirements as specified in the Indenture, shall be transferred to such District following payment of the amount of Bonds corresponding to such District's Note and reimbursement to the Insurer for drawings on any payments made pursuant to the Policy and payment to the Insurer, all as provided in the Indenture. To the extent the Trustee receives Note repayments from a District that are less than the amounts required to pay the principal of and interest when due, the Trustee shall apply the moneys received in the following order of priority: first, to pay interest on such Note; and second, to pay the principal of such Note.

Moneys received by the Trustee attributable to one District shall not be used in any manner (directly or indirectly) to make up any deficiency in any other District's Note Payments.

Security for Note Payments

Investors should refer to the caption "THE DISTRICTS" hereof for a list of the Districts which are participating in the issuance of the Bonds.

Sources of Payment. Pursuant to each Note Resolution, the principal amount of a District's Note, together with the interest thereon, will be payable from taxes, income, revenue, cash receipts and other moneys which are received by such District during fiscal year 2006-07 and which are available therefor. Each Note shall be a general obligation of the issuing District, and to the extent a Note is not paid from the Pledged Revenues (defined below) of the issuing District, it will be paid with interest thereon from any other moneys of the issuing District lawfully available therefor, as provided in such District's Note Resolution and by law.

Pledged Revenues. As security for the payment of the principal of and interest on the Notes, each District pledges in its Note Resolution taxes, income, revenue, cash receipts and other moneys of the District which are intended as receipts for the general fund of such District during fiscal year 2006-07 and which are available for the payment of current expenses and other obligations of such District (the "Unrestricted Revenues") which are received by such District during certain months specified as Pledge Months. The Pledge Months for each of the Districts are January and April. See APPENDIX F – "Schedule of Pledged Revenues." The Districts are obligated under their respective Notes to pay specified percentages of the principal amount of and interest due on such Note in the Pledge Months as set forth in APPENDIX D — "Districts' Cash Flows and Alternative Cash Resources" and APPENDIX F — "Schedule of Pledged Revenues" herein. With respect to each Pledge Month, the amount of Unrestricted Revenues which shall constitute Pledged Revenues will be equal to a specified percentage of the principal amount and interest due on the respective Note. The principal of each Note and the interest thereon shall be a first lien and charge against, and shall be payable from, the first moneys received by the District from such Pledged Revenues. In the event that there are insufficient Unrestricted Revenues received by a District to permit the deposit into the related Repayment Account (as described below) of the full amount of Pledged Revenues to be deposited from Unrestricted Revenues in a Pledge Month, then the amount of any deficiency shall be satisfied and made up from any other moneys of that District lawfully available therefor. Pledged Revenues shall be held by each District in a special account (each, a "Repayment Account") within such District's general fund for the benefit of the Owner of the Note (*i.e.*, the Authority). Pursuant to the Indenture, on the last day of each Pledge Month, the Trustee shall request that each District confirm and certify that it has made the required deposit into its Repayment Account. The failure by any District to make its respective deposit into its Repayment Account shall constitute an event of default under such District's Note Resolution, and in accordance therewith, the Trustee shall exercise the rights and remedies set forth under that Note Resolution. Each District has agreed that such District shall cause the moneys in its Repayment Account to be transferred to the Trustee at least 5 days prior to the date that interest on the Note must be paid and prior to the maturity of the Note and that the

Pledged Revenues of such District shall be deposited in such District's Payment Account within the Bond Payment Fund.

Disbursement of Moneys from the Repayment Accounts. Moneys on deposit in each District's Repayment Account shall be applied to the payment of the principal of and interest on the related Note at maturity, as provided in the Note Resolution. In the event that moneys in the Repayment Account are insufficient to pay the principal of and interest on such District's Note when due, such moneys shall be applied first to pay interest on such Note and second to pay principal of the Note. Any moneys remaining in or accruing to a Repayment Account after the principal of and the interest on the related Note have been paid, or provision for such payment has been made, shall be transferred to the general fund of the applicable District, subject to any other disposition required by the Indenture. In the event that there are insufficient Unrestricted Revenues received by a District to permit the deposit into its Repayment Account of the full amount of Pledged Revenues to be deposited from Unrestricted Revenues in a Pledge Month, then the amount of any deficiency shall be satisfied and made up from any other moneys of such District lawfully available for the repayment of such District's Note and the interest thereon.

Investment of Proceeds and Pledged Revenues

Investment Agreements. The Authority expects that a portion of the Bond proceeds, representing certain portions of the proceeds of the Notes of certain Districts, will be invested by the Trustee in an Investment Agreement (an "Investment Agreement" or the "GIC") with FSA Capital Management Services LLC (the "Investment Provider" or the "GIC Provider"). The payment obligations of the GIC Provider are guaranteed by Financial Security Assurance Inc. (the "Guarantor"). The GIC Provider is a subsidiary of the Guarantor. See APPENDIX I – "Districts' Investment Preferences."

The yield on the GIC maturing on June 25, 2007 will be 5.507% per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months). Standard & Poor's, Inc. and Moody's Investors Service have assigned ratings to the Guarantor of "AAA" and "Aaa," respectively. See APPENDIX I – "Districts' Investment Preferences." The Investment Agreement will not guarantee or otherwise provide for payment of amounts due on the Bonds in the event of nonpayment by the Authority.

It is anticipated that the term of the GIC will provide the Trustee with the ability to draw on the Investment Agreement to meet cash flow requirements and to redeposit moneys into each Investment Agreement as cash becomes available. In addition, certain Districts have agreed to invest only the Note repayment set aside amounts in the Investment Agreement.

In the event that the Trustee enters into an Investment Agreement at the request of one or more of the Districts, the terms of that Investment Agreement will provide that the related District shall make a deposit of the net proceeds of their respective Note with the Provider of the Investment Agreement and that the District may withdraw amounts under the Investment Agreement at any time during the 2006-07 Fiscal Year to meet their cash flow obligations. The Investment Agreements will not require or penalize a District for failing to withdraw such moneys.

County Investment Pools. Some of the Bond proceeds representing proceeds of the Notes, together with other general fund deposits of the respective Districts, may be invested in the Treasurer's Pooled Investment Fund of the respective county in which such District is located. See the caption "INVESTMENT OF DISTRICT FUNDS" herein, APPENDIX H – "Additional Information Regarding Certain Participating Districts," APPENDIX I – "Districts' Investment Preferences" and APPENDIX J – "County Treasury Pools."

Bond Insurance

The following information has been provided by the Insurer for use in this Official Statement. No representation is made by the District or the Underwriter as to the accuracy, completeness or adequacy of such information, or as to the absence of material adverse changes in the condition of the Insurer subsequent to the date hereof, including but not limited to a downgrade in the credit ratings of the Insurer. Reference is made to APPENDIX G for a specimen of the Insurer's policy.

Bond Insurance Policy. Concurrently with the issuance of the Bonds, Financial Security Assurance Inc. ("Financial Security" or the "Insurer") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of up to ten percent (10%) of the principal of the Bonds, not to exceed $7,571,500. See "APPENDIX G – Form of Municipal Bond Insurance Policy."

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

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

At March 31, 2006, Financial Security's combined policyholders' surplus and contingency reserves were approximately $2,459,829,000 and its total net unearned premium reserve was approximately $1,858,167,000 in accordance with statutory accounting principles. At March 31, 2006, Financial Security's consolidated shareholder's equity was approximately $2,856,995,000 and its total net unearned premium reserve was approximately $1,504,103,000 in accordance with generally accepted accounting principles.

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

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

INVESTMENT OF DISTRICT FUNDS

The Education Code provides that all of the Districts have fiscal autonomy; however, most District funds, except as otherwise set forth below, are deposited into the appropriate county treasury to the credit of the proper fund of the District. Certain moneys not required for the immediate necessities of a District may be invested in investments specified in Sections 16430 or 53601 of the Government Code. Accordingly, all funds of each District not subject to the exception, including cash receipts and other moneys received by each District for deposit to the general fund of such District and attributable to fiscal year 2006-07, including such District's Pledged Revenues and Unrestricted Revenues, are typically deposited with the Treasury Pool for their county, to remain on deposit therein and generally available for the payment of current expenses and other obligations of the Districts, until deposited into their respective Repayment Accounts.

The Districts invest their general funds in the Pooled Investment Fund of the respective county treasurer in whose county the Districts are located. For a list of the Districts and the counties in which they are located, see "THE DISTRICTS."

The Districts are located in various counties within the State of California, the treasurer and tax collector (generally, a "Treasurer") for each of which maintains a pooled fund for the investment of surplus, discretionary and other moneys of, among others, special districts located in such county (each, a "Treasury Pool"). Because each of the Districts is a community college district of the State with fiscal autonomy, it is not required to deposit all of its surpluses, operating funds and other revenues with the Treasury Pool of the applicable county. On the other hand, each District is eligible for investment in its Treasury Pool, and all Districts maintain balances with their county Treasurers, including their general funds. For information on the respective county Treasury Pools, see APPENDIX J – "County Treasury Pools."

Each Treasury Pool in the State is subject to statutory restrictions and additional policy restrictions as may be determined by the respective county board of supervisors. Treasury Pools consist of the deposits of the applicable county, cities, special districts and other independent public agencies, with a certain class of "involuntary" depositors, including school districts. Discretionary Treasury Pool participants make up varying percentages of each Treasury Pool, but always comprise a minority of those participants. Decisions as to the investment of a Treasury Pool are made by a county investment officer, often the Treasurer, who establishes policies for such investments, taking into account the restrictions set forth in Section 53601 *et seq.* of the Government Code of the State, the applicable county board's policies, and his or her own judgment, weighing criteria such as safety of principal, liquidity and return on investment. Monthly reports of investments in the Treasury Pool are made available to the respective boards of supervisors, and investments are subject to internal controls and audits.

Each county maintains a county treasury oversight committee, pursuant to Section 27131 of the Government Code, which meets periodically to review and monitor the investments and investment policies of the Treasurer for compliance.

None of the Districts controls the investments made by its county Treasurer in its Treasury Pool, and each Treasury Pool will fluctuate by the amount invested and compositions of the investments during each fiscal year. Accordingly, the Districts cannot make representations regarding the security afforded by investments in their respective Treasury Pools. For current information on the respective county Treasury Pools, see APPENDIX J – "County Treasury Pools."

RISK FACTORS

The following factors, together with all other information in this Official Statement, should be considered by potential investors in evaluating a purchase of the Bonds.

Limited Obligations of the Authority

The Bonds are limited obligations of the Authority payable solely from payments with respect to the Notes, as provided in the Indenture. The obligation of the Authority to pay principal of and interest on the Bonds does not constitute a debt of the Authority or of any member thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Limited Source of Repayment for Notes and Defaulted Notes

The source of repayment of the Bonds is Note payments. A District is liable on its Note (even in the event that such Note becomes a Defaulted Note) only to the extent of its available revenues attributable to the 2006-07 fiscal year. If such available revenues are not sufficient to pay its Note or Defaulted Note, as the case may be, such District is not obligated to pay such Note or Defaulted Note from any other sources (including subsequent fiscal years' revenues).

No Joint Obligation

The obligation of a District to make payments on or in respect to its Note is a several and not a joint obligation and is strictly limited to such District's repayment obligation under its Note Resolution and its Note.

Limitation on Remedies

The rights of the owners of the Bonds are subject to certain limitations in the State, including a limitation on the enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Authority and the Districts, respectively, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against joint powers authorities in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of such rights.

Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the Districts, there are no involuntary petitions in bankruptcy. If a District were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee and the Authority could be prohibited from taking certain steps to enforce their rights under the Indenture. In a decision dated March 8, 1995, the United States Bankruptcy Court for the Central District of California ruled that a pledge granted by Orange County pursuant to a resolution adopted by that county in connection with the issuance of tax and revenue anticipation notes ("TRANs") was not effective with respect to general revenues accruing to Orange County after the filing of a petition in bankruptcy. The resolution obligated Orange County to set aside a specified amount of revenues in certain months in order to secure the payment of its TRANs. On July 12, 1995, the United States District Court for the Central District of California reversed the order of the Bankruptcy Court and ordered that the obligation created under the resolution adopted by Orange County is a statutory lien which survived the filing of Orange County's bankruptcy petition.

On January 24, 1996, the United States Bankruptcy Court for the Central District of California held in the case of *County of Orange v. Merrill Lynch* that a California statute providing for a priority of distribution of property held in trust conflicted with, and was preempted by, federal bankruptcy law. In that case, the court addressed the priority of the disposition of moneys held in a county investment pool upon bankruptcy of the county, but the court was not required to address directly the state statute that provides for the lien in favor of holders of tax and revenue anticipation notes. In connection with the Notes of certain Districts, respective counties will hold the taxes and other revenues that will be set aside and pledged to repay the related Notes, and such Districts may invest these funds in the related county's investment pool. In the event such funds are so invested and any such county petitions for the adjustment of its debts under Chapter 9 of the federal bankruptcy code, a court might hold that the Owners of the Bonds do not have a valid lien on the Pledged Moneys. Where such amounts are deposited in the county investment pool, the Owners may not have a priority interest in such amounts. In that circumstance, unless such owners could "trace" the funds, the owners would be only unsecured creditors of such county. There can be no assurance that the owners could successfully so "trace" the pledged taxes and other revenues.

Investment Agreements

The aggregate principal amount of the Notes is equal to the principal amount of the Bonds and the interest rate borne by the Notes is equal to the interest rate borne by the Bonds. All principal and interest payments on the Notes will be deposited by the Trustee, as and when received, in the Bond Payment Fund, and will be invested pursuant to one of the Investment Agreements or in the respective County Treasury Pool. See APPENDIX I – "Districts' Investment Preferences." See also "Investment of Proceeds and Pledged Revenues" herein for the respective yields on the Investment Agreements. The Investment Agreements do not guarantee or otherwise provide for payment of amounts due on the Bonds in the event of nonpayment by the Authority.

Apart from the risk evaluation inherent in the respective ratings of the Investment Providers, no representations can be made as to the solvency or liquidity of either Investment Provider. Furthermore, there can be no assurance that such solvency or liquidity will not deteriorate during the respective terms of the Investment Agreements. In the event that an Investment Provider should become insolvent or declare itself or be declared bankrupt during the term of its Investment Agreement, withdrawals of amounts invested pursuant to its Investment Agreement could be delayed and, in some cases, reduced or eliminated by a trustee in bankruptcy.

If an Investment Provider defaults under its Investment Agreement, the Trustee may withdraw amounts from such Investment Agreement and reinvest such amounts in Permitted Investments.

The payment of principal of and interest on the Bonds will be payable on the Maturity Date. Such payment will, to the extent that the proceeds of the Bonds and principal and interest payments on the Notes are invested in the Investment Agreements, be dependent upon the respective Investment Provider's paying the Trustee the principal amount invested under such Provider's Investment Agreement, and the interest accrued thereon, at the time and in the amount provided in such Investment Agreement.

THE AUTHORITY

The Authority is a public entity organized pursuant to a Joint Exercise of Powers Agreement entered into pursuant to the provisions relating to the joint exercise of powers contained in Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code. The Community College League of California sponsored the formation of the Authority for the purposes of funding cashflow and capital improvements for its member community college districts within the State of California pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

PARTICIPATING DISTRICTS' INFORMATION

Certain information regarding the Districts is included in the appendices hereto. District formation dates, location and size, population figures (attendance figures for the District), three-year tax and revenue anticipation note borrowing history and financial information for each District are included in APPENDIX C – "Districts' Financial Information." Projected cash flows for the coming fiscal year for each District are included in APPENDIX D – "Districts' Cash Flows and Alternative Cash Resources." The estimates and timing of receipts and disbursements in such Cash Flow Analyses are based on certain assumptions and should not be construed as statements of fact. The cash flow projections represent the current best estimate of the Districts, based on information available as of the date of the projections. However, due to the uncertainties inherent in the State of California budgeting process (See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance"), these projections are subject to change and may vary considerably from actual cash flows experienced by the Districts during the 2006-07 fiscal year. APPENDIX H contains certain additional information pertaining to Marin Community College District, San Francisco Community College District and Sierra Joint Community College District, which comprise the three largest participants with respect to the Bonds.

Payment of State assistance in the amounts anticipated depends on the State's adhering to its current 2006-07 budget, including the appropriations therein provided for local assistance. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS–PROPOSITION 98" and APPENDIX B – "Districts' Note Amounts and Coverage Analyses."

Each District maintains insurance or self-insurance in such amounts and with such retentions and other terms providing coverages for property damage, fire and theft, general public liability and workers' compensation, as are adequate, customary and comparable with such insurance maintained by similarly situated community college districts. In addition, based upon prior claims experience, each District believes that its respective recorded liabilities for self-insured claims is adequate.

The information regarding the Districts has been taken or constructed from the official records of the District. Such information has been reviewed by an authorized representative of each District acting in his or her official capacity. Such representative has determined that as of the date hereof the information contained herein is, to the best of his or her 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 to make the statements therein, in light of the circumstances under which they were made, not misleading.

General Information Regarding Districts

Each of the Districts has made the following representations to the Authority with respect to its financial and operational facts:

- During the past 10 years, the District has not failed to deposit moneys in their repayment funds established for the payment of principal of and interest on tax and revenue anticipation notes issued by or on behalf of the District;

- During the past 10 years, the District has not defaulted on a lease or debt obligation;

- There is no action, suit, proceeding or investigation pending or threatened which, if determined adversely to the District, could materially adversely impact the District's ability to repay its District Note;

- There have been no material adverse changes in the District's financial condition since June 30, 2005;

- The District has no taxpaying property owners which will have contributed in excess of ten percent (10%) of the total property tax received by the District during the 2006-07 fiscal year;

- No other conditions or events, including but not limited to labor disputes or hazardous materials, exist or have occurred which may materially adversely affect the finances of the District; and

- The District knows of no other information which should be disclosed in connection with the issuance of the Notes, in order to make the information in this Official Statement, in the light of the circumstances, in which it is presented not misleading.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

Major Revenues

General. California community college districts (other than Basic Aid Districts, as described below) receive, on average, approximately 52 percent of their funds from the State, 44 percent from local sources, and 4 percent from federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery (which is less than 3 percent of a District's annual budget), and other minor sources. Local funds include property taxes, student fees, and miscellaneous sources.

A community college district determines its revenue allocation using a program-based model. The model uses different factors to establish support levels for five different expenditure categories at the community college district: (1) Instruction and Instructional Administration; (2) Instructional Services; (3) Student Services; (4) Operation and Maintenance of Plants; and (5) Institutional Support. Different standards are used in each category to determine fund requirements. The target allocation is obtained by calculating the exact cost of funding the specific standards in each category on a district by district basis. The aggregate total of the financial needs of the five categories establishes the amount of funding a district will receive. State general fund moneys, local property taxes, and certain other local revenues, are allocated to the community college districts based on annual State apportionments of basic and equalization aid to community college districts for general purposes computed up to a revenue limit per unit of full time equivalent students ("FTES"). Such apportionments will, generally speaking, amount to the difference between a district's revenue limit and its local property tax allocation and student enrollment fees. 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 all community college districts in the State.

Local revenues are first used to satisfy district expenditures. The major local revenue source is local property taxes that are collected from within district boundaries. Student enrollment fees from the local community college district generally account for the remainder of local revenues for the district. Property taxes and student enrollment fees are applied towards fulfilling the district's financial need. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State's annual budget. Decreases in State revenues may affect appropriations made by the Legislature to the Districts. The sum of the property taxes, student enrollment fees, and State aid generally comprise the district's revenue limit.

"Basic Aid" community college districts are those districts whose local property tax and student enrollment fee collections exceed the revenue allocation determined by the program based model. Basic aid districts do not receive any funds from the State. The current law in California allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. For fiscal year 2006-07, none of the Districts will qualify as a Basic Aid district.

A small part of each community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State; however, these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes, and prohibits their use for capital purposes.

Tax Shifts and Triple Flip. Assembly Bill No. 1755 ("AB 1755"), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and schools, including community college districts. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required Education Revenue Augmentation Fund ("ERAF") shift to $135 million. Legislation commonly referred to as the "Triple Flip" was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip," one-quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction is redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues. It is expected that the swap of sales taxes for property taxes would terminate once the deficit financing bonds are repaid, which is currently expected to occur in approximately 9 to 13 years.

Budget Procedures. On or before September 15 of each calendar year, the respective board of trustees for each community college district is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor's Office of the California Community Colleges, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the Governor, and by January 10 a proposed State budget is presented by the Governor to the Legislature. The Governor's Budget is then analyzed and discussed in committees, and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the Governor issues a revised budget with changes he or she can support. The law requires the Legislature to submit its approved budget by June 15, and by June 30 the Governor should announce his or her line item reductions and sign the State budget.

In response to growing concern for accountability, the statewide governing board of the California community colleges (the "Board of Governors") and the Chancellor's Office have, through enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment. Since the enactment of such enabling legislation, only one community college district in the State has sought an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of the district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources, and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and FTES patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111

General. In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding "test" to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual cost of living adjustment (COLA) for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is 1989-90. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount Proposition 98 guarantee (K-14 aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to community colleges and K-12 which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth (ADA) and per-capita personal income COLA.

A third formula, established pursuant to Proposition 111 as "Test 3," provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

Proposition 98 and California Teachers' Association v. Gould. The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. One major reason is that Proposition 98 minimum funding levels under the first test and the second test described above are dependent on State General Fund revenues. In prior fiscal years, the State made actual allocations to K-14 districts based on an assumption of State General Fund revenues at a level above that which was ultimately realized. In such years, the State has considered the amounts appropriated above the minimum as a loan to K-14 districts, and has deducted the value of these loans from future years' estimated Proposition 98 minimum funding levels. The State determined that there were loans to K-14 districts of $1.3 billion during fiscal year 1990-91 and $1.1 billion during fiscal year 1991-92, which loans were treated as being repaid during the respective subsequent fiscal year. The State further determined that "prepayments" of future Proposition 98 appropriations were made in fiscal years 1991-92 and 1992-93 in the amount of $1.0 billion and $0.8 billion, respectively, $1.0 billion during fiscal year 1992-93, $787 million during fiscal year 1993-94 and $8 million during fiscal year 1994-95. These "prepayments" have been combined into one loan totaling approximately $1.8 billion, with repayment to come from future years' Proposition 98 entitlements.

The validity of the loan characterization and repayment mechanism were challenged by the California Teachers' Association ("CTA"), which sought to void the obligation to repay the loan amounts.

On April 26, 1994, a Sacramento County superior court entered a judgment that K-14 districts are not obligated to repay the inter-year loans. The decision was appealed by the State, and pending such appeal the CTA and the State reached a settlement which became final on April 12, 1996. Pursuant to the settlement agreement, no new inter-year loans will be created; the existing loans are required to be repaid over an eight-year period, with K-14 schools contributing $825 million from funds allocated to education under Proposition 98, and the State contributing the balance of $938 million. The schools' contribution of $825 million will be counted toward the Proposition 98 guarantee in future years.

State Assistance

California community college districts' principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California's budgets has been obtained from publicly available information which the Districts believe to be reliable; however, neither the Districts nor the Underwriter take any responsibility as to the accuracy or completeness thereof and has not independently verified such information.

2005-06 State Budget. The 2005-06 Budget Act, signed by the Governor on July 11, 2005 (the "2005-06 Budget"), assumes revenues in 2005-06 of $84.4 billion and expenditures of $89.2 billion. The 2005-06 Budget increases Proposition 98 K-14 education funding by over $3 billion, to nearly $50 billion, including set-asides. The 2005-06 Budget provides total Higher Education funding $10.2 billion, an increase of about $871 (9.3%) million over 2004-05 levels. Funding for CCC totals over $8 billion, including $5.5 billion from General Fund and Proposition 98 sources, of which more than $3.7 billion is from the General Fund alone. The amount budgeted from General Fund and Proposition 98 for CCC is 9.7% above the 2004-05 Budget.

Significant features of the 2005-06 Budget for community colleges include:

- *Enrollment Increases.* The 2005-06 Budget provides CCC with a $136.7 million increase for additional enrollment growth, enough to fund approximately 34,000 new FTES in 2005-06. Although CCC's are expected to experience significant decline in enrollment for the current year, the funding association with such declines is retained in the 2005-06 Budget to allow the system to accommodate an additional 13,000 FTES in 2005-06.

- *Student Fees.* Student fees at CCC remain unchanged at $26 per unit. At this tuition level, CCC students may qualify for the maximum federal Pell Grant award. Federal law currently prevents CCC students from qualifying for the maximum award because of the low tuition costs at CCC.

- *Cost of Living Adjustment.* An increase of $198.5 million to provide a 4.23% cost of living adjustment for apportionments for the CCC system.

- *Nursing Initiative.* The 2005-06 Budget recognizes the nursing shortage in the State and provides $10 million in ongoing Proposition 98 General Fund for CCC to expand nursing slots and invest in equipment and infrastructure on local campuses. The 2005-06 Budget also includes $4 million in a one-time basis for start-up matching grants, meant to encourage existing and new programs to support or expand nursing programs

- *Technical Education Initiative.* $37.4 million is set aside to fund the Governor's Career Technical Education Initiative in separate legislation, which would increase the availability of and align K-12 career technical education programs with CCC industry-driven technical instruction programs to offer sequenced instructional opportunities to more K-12 students.

- *Additional Features.* The 2005-06 Budget provides $30 million to continue equalizing disparities in per-student credit instruction funding levels among colleges. Such funding will build on the $80 million included in the 2004-05 Budget.

The 2005-06 Budget also apportions \$16.8 million to provide growth and COLA for essential categorical programs historically receiving these adjustments, such as: Basic Skills, Matriculation, Disabled Students Programs and Services, and Extended Opportunity Programs and Services.

Governor's Proposed 2006-07 State Budget. On January 10, 2006, the Governor released his proposed budget for fiscal year 2006-07 (the "Proposed 2006-07 Budget"). On January 12, 2006, the Legislative Analyst's Office released its Overview of the Governor's Budget (the "LAO Report"). The following information is adapted from the LAO Report.

The Proposed 2006-07 Budget provides for total state spending in 2006-07 of \$123 billion (excluding expenditures of federal funds and bond funds). General Fund spending is projected to increase from \$90.3 billion to \$97.9 billion (an increase of 8.4 percent), while special funds spending falls slightly from \$25.4 billion to \$25 billion. The decline in special funds spending is due to one-time transfers and other factors. Tax receipts supporting the special funds are projected to grow moderately during the budget year.

The Proposed 2006-07 Budget includes roughly \$2 billion in program augmentations and about \$1.3 billion in new loan repayments beyond what is required by current law. The main increase involves Proposition 98 education, where the Governor is proposing to provide \$2.2 billion more than the minimum guarantee over the current and budget year combined. These added funds are proposed for such purposes as school district equalization, payment of past mandates, and cost-of-living adjustments ("COLAs") foregone in past years.

The proposed Proposition 98 allocations for K-12 schools and community colleges show a total of \$54.2 billion in 2006-07, an increase of \$4.3 billion, or 8.7 percent, over the revised current-year estimate. Most of the increase in proposed Proposition 98 spending is supported by General Fund revenues (\$4.1 billion). For 2004-05 and 2005-06, \$1.3 billion in local property tax revenues were transferred annually from local governments to schools. In 2006-07 those transfers end, requiring the General Fund to backfill the loss. Strong local property tax growth (underlying local property tax revenues are projected to grow at 10.7 percent) allows property tax support for Proposition 98 to increase by \$187 million despite the end of the local government transfer. In the current year, funding increases \$25 per pupil to \$7,427 because the Governor proposes roughly the same spending level as in the 2005-06 Budget Act but estimates 21,000 fewer students. Per pupil spending in 2006-07 is \$8,030, an increase of \$604 per pupil, or 8.1 percent, from the revised current-year level. For community colleges, funding grows to \$4,859 per full-time equivalent student, an increase of \$373, or 8.3 percent.

The Proposed 2006-07 Budget includes \$606 million in new Proposition 98 expenditures for community colleges in 2006-07. This reflects an 11.6 percent increase over the revised current-year estimate. Major new expenditures include:

- *COLAs and Growth – \$434 Million.* The proposal provides funding for COLAs at the same rate (5.18 percent) as K-12's statutory rate. It also funds an assumed 3 percent growth in enrollment. This is significantly above the statutory minimum guideline of adult population growth, which is estimated to be 1.74 percent.

- *Equalization – \$130 Million.* The Governor proposes an additional \$130 million for equalization, which is estimated to achieve the statutory target for equalization.

- *Workforce Development – \$30 Million.* The Governor proposes an additional \$30 million to expand upon his current-year initiative on economic development and career technical education. This funding builds upon an existing base of \$20 million, for a total of \$50 million in 2006-07.

The LAO Report concludes that, although the Proposed 2006-07 Budget's more positive revenue assumptions appear reasonable in light of recent positive cash revenue trends, and some of the actions proposed-namely the prepayment of budgetary debt-make sense in light of the improved outlook, the budget should use the current unexpected revenue increases to reduce outstanding obligations rather than to increase spending.

Governor's May Revision to the Proposed 2006-07 State Budget. On May 12, 2006, the Governor released his May Revision to the Proposed 2006-07 Budget (the "May Revision"). On May 15, 2006, the Legislative Analyst's Office (the "LAO") released its Overview of the 2006-07 May Revision. The following information is adapted from the LAO's Overview of the May Revision.

Based on much stronger-than-expected collections of personal income taxes in April, the May Revision projects an additional $7.5 billion in revenues in 2005-06 and 2006-07 combined. The May Revision allocates about $4.3 billion of these increased funds for additional program spending, $1.6 billion for the prepayment of budgetary debt, and $1.6 billion to increase the 2006-07 year-end reserve.

About two-thirds of the total program spending increases is devoted to K-14 Proposition 98 education, where the May Revision proposes increases for a variety of one-time and ongoing purposes. Also proposed are new funds for health care disaster preparedness, additional corrections-related costs, local government grants and reimbursements, and flood control.

In terms of budgetary debt prepayment, the largest item in the May Revision is a $1 billion supplemental payment toward the roughly $10 billion in deficit-financing bonds currently outstanding. The prepayment would enable the state to pay off the bonds about one-half year earlier-by the middle of 2009-10 instead of at the end of that year-assuming that all future supplemental payments from the budget stabilization account were made through 2008-09. Other prepayments are proposed for Proposition 98 settle-up, special fund loans, local mandates, and local flood control subventions.

The May Revision includes an additional $2.1 billion in the current year to meet the required increase in the Proposition 98 minimum guarantees – an additional $1.8 billion for K-12 and an additional $245 million for community colleges. The higher minimum guarantee results from the rapid increase in General Fund revenues in the current year. For the 2006-07 budget year, the Governor provides an additional $793 million for K-14 education, almost all of which goes to K-12 education.

The May Revision increases total Proposition 98 funding for 2006-07 by 10.3 percent over the 2005-06 Budget Act level (10 percent for K-12 and 12.8 percent for community colleges). K-12 Proposition 98 spending per pupil also increases significantly. When the 2005-06 Budget Act was adopted, estimated per pupil spending was at $7,402. The May Revision now proposes $8,291 per pupil for 2006-07, an increase of $889 per pupil or 12 percent.

The May Revision proposes to increase K-14 funding substantially and to provide settle up funds for 2004-05 and 2005-06. Specifically, the May Revision includes $2.9 billion in one-time settle-up payments ($1.6 billion from 2004-05 and $1.3 billion from 2005-06) over seven years beginning in 2007-08. These funds would be on top of the Proposition 98 minimum guarantee obligations for those specific years, and will be counted as appropriations for 2004-05 and 2005-06 for Proposition 98 purposes. The 2006-07 budget-year impact of the increase in K-14 funding is around $1.3 billion. In addition, the May Revision proposes to accelerate the repayment of $150 million in settle-up funds for prior (1995-96 through 2003-04) years formerly scheduled for 2007-08.

For community colleges, the administration estimates that the community colleges will fall about 60 percent short (or 20,000 full-time equivalent students) of their 2005-06 growth target, and thus about $85 million of their 2005-06 enrollment growth funding will revert to the Proposition 98 Reversion Account. The May Revision would rebench community college base enrollment funding downward by $85 million to reflect this enrollment shortfall. The May Revision continues to propose 3 percent growth, but now off this lower base.

The LAO concludes that, although the May Revision has a number of positive features, including its reliance on cautious revenue assumptions and its emphasis on debt prepayments, one-time spending, and the build up of the reserve, the State will continue to face structural budget shortfalls in subsequent years, at a time in which it will be facing a number of risks and budgetary pressures. While the LAO strongly supports the administration's emphasis on budgetary debt prepayment, it contends that more of an emphasis should be placed on debt prepayments and increases to the General Fund reserve. The full text of the LAO's Overview of the 2006-07 May Revision is available at http://www.lao.ca.gov.

Future Budgets. The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools during 2006-07 as budgeted. Continued State budget shortfalls in future fiscal years could have an adverse financial impact on the District.

Final State Budgets

The 2005-06 State Budget was passed and adopted by the State Legislature following the dates on which the Districts approved their individual 2005-06 final budgets. Accordingly, the approved budgets of each District for the 2005-06 fiscal year could not take into account certain final changes reflected in the final State Budget for that fiscal year. In light of that, the Districts may have reevaluated their 2005-06 budgets in the context of those final changes, and, if necessary, may have amended their own budgets to accommodate these changes.

Similarly, the final 2006-07 State Budget is likely to be passed and adopted by the State Legislature subsequent to the date on which the Districts approve their final 2006-07 budgets such that, once again, the approved budgets of the Districts will not have been able to take into account certain final provisions of the State Budget. In light of those final changes, the Districts may reevaluate and, if necessary, may also amend their own budgets for the 2006-07 fiscal year.

The State continues to experience serious budgetary difficulties. It is unclear how the final adopted budget will differ from the Governor's Proposed 2006-07 Budget, and no prediction can be made as to what measures will be incorporated in the final adopted 2006-07 State Budget to resolve the current projected budget deficit for the 2006-07 fiscal year. The final adopted 2006-07 State Budget may adversely affect the cash flows for the Districts that have been projected for that fiscal year. In addition, the fiscal impact of the budget bill, and the trailer bills, upon the Districts will remain unclear until all such bills are approved by the Legislature and the Governor. Accordingly, the Districts cannot predict the final outcome of the 2006-07 State Budget negotiations, the impact that the 2006-07 State Budget will have on their respective finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures.

In June 1998, a complaint was filed in Los Angeles County Superior Court in the case of *White v. Davis* challenging the authority of the State Controller to make payments in the absence of a final, approved State Budget. The Superior Court judge issued a preliminary injunction preventing the State Controller from making payments including those made pursuant to continuing appropriations prior to the enactment of the State's annual budget. As permitted by the State Constitution, the Legislature immediately enacted and the Governor signed an emergency appropriations bill that allowed continued payment of various State obligations, including debt service, and the injunction was stayed by the California Court of Appeal, pending its decision. On May 29, 2002, the California Court of Appeal issued its opinion, upholding the Controller's authority to make payments pursuant to continuous appropriations in the absence of a State budget. The California Supreme Court granted the Controller's Petition for Review on a procedural issue unrelated to continuous appropriations and on the substantive question of state employee salaries during a budget impasse, and also stayed the trial court's injunction. On May 1, 2003, the California Supreme Court issued its opinion upholding the Controller's authority to make payments essential to State services, including when payment is authorized by certain self-executing provisions of the California Constitution (which includes Proposition 98 payments of that portion of state excess revenues transferred to the State School Fund for the support of school and community colleges under article XVI, section 8.5 of the California Constitution), in the absence of a State Budget. The Court also remanded the preliminary injunction issue to the Court of Appeal with instructions to set aside the preliminary injunction in its entirety.

The Districts cannot predict the magnitude or severity of the State's budgetary difficulties in the current or future fiscal years. The Districts also cannot predict the final outcome of State budget negotiations, the impact future State Budgets will have on District finances and operations or what actions the State Legislature and the Governor may take to respond to changing State revenues and expenditures. Current and future State Budgets will be affected by national and State economic conditions and other factors which the Districts cannot control.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIIIA of the California Constitution

On June 6, 1978, the California voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." The full cash value may be increased at a rate not to exceed two percent per year to account for inflation. Article XIIIA has subsequently been amended to print reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Article XIIIA requires a vote of two-thirds 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 (i) on any indebtedness approved by the voters prior to July 1, 1978, or (ii) as the result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (iii) 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 of the proposition, but only if certain accountability measurers are included in the proposition. In addition, Article XIIIA requires the approval of two-thirds 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 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.

That portion of annual property tax revenues generated by increases in assessed valuations within each tax rate area within a county, subject to redevelopment agency, if any, claims on tax increment and subject to changes in organizations, if any, of affected jurisdictions, is allocated to each jurisdiction within the tax rate area in the same proportion that the total property tax revenue from the tax rate area for the prior year was allocated to such jurisdictions.

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.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. 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.

Unitary Property

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

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The Districts are unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the Districts. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" herein.

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), 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 December 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, (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 fifty percent 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 community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related 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.

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

Proposition 46

On June 3, 1986, California voters approved Proposition 46, which added an additional exemption to the 1% tax limitation imposed by Article XIIIA. Under this amendment to Article XIIIA, local governments and school districts may increase the property tax rate above 1% for the period necessary to retire new general obligation bonds, if two-thirds of those voting in a local election approve the issuance of such bonds and the money raised through the sale of the bonds is used exclusively to purchase or improve real property.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act, have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of General Fund revenues as the percentage appropriated to such districts in 1986-87, or (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 would, instead of being returned to taxpayers, be 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.

Proposition 111

On June 5, 1990, the voters of California approved the "Traffic Congestion Relief and Spending Limitation Act of 1990 ("Proposition 111"), which modified the State Constitution to alter the Article XIIIB spending limit and the education funding provisions of Proposition 98. Proposition 111 took effect on July 1, 1990.

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 is 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 new exceptions have been added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, excluded are all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, excluded are any increases in gasoline taxes above the current nine cents per gallon level, 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.

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

The 55 percent vote requirement would apply only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55 percent 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 a high school or elementary school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State can not (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-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 with in a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 1A, 39, 46 and 98 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 revenues of the District or the Districts' ability to expend revenues. The nature and impact of these measures cannot be anticipated by the Districts.

CERTAIN PROVISIONS OF THE NOTE RESOLUTIONS

The following is a summary of certain provisions of each of the Note Resolutions of the Districts not summarized above under the caption "SECURITY AND SOURCES OF PAYMENTS." Reference is made to each Note Resolution in its entirety for a full recital of the provisions thereof.

Disposition of Proceeds of Notes

The moneys received from the sale of a District's Note allocable to such District's share of the Costs of Issuance will be deposited in the Costs of Issuance Fund held and invested by the Trustee under the Indenture and will be expended as directed by the Authority on Costs of Issuance as provided in the Indenture. The remaining net amount received by each District from the sale of its Note will be deposited in the Proceeds Fund established under the Indenture and, until transferred pursuant to a requisition of the District, be invested in Permitted Investments (as defined in and under the terms of the Indenture) as directed by the Authority. While they are on deposit in the Proceeds Fund, proceeds from the sale of the Note shall constitute additional security for repayment of the Note. Upon requisition submitted to the Trustee in accordance with the Indenture, the Note proceeds deposited in the Proceeds Fund shall be transferred to or on behalf of the District for any purpose for which the District is authorized to use and expend moneys.

Additional Payments

Each District agrees to pay, or cause to be paid, in addition to the amounts payable under its Note, any fees or expenses of the Trustee.

No Joint Obligation

The Note of each District will be sold simultaneously with the Notes of the other Districts and will be assigned to secure the Bonds. The obligation of each District to make payments on or in respect to its Note is a several and not a joint obligation and is strictly limited to such District's repayment obligation under its Note Resolution and its Note.

Defaults and Remedies

Defaults. If any one of the following events occurs, it constitutes an "Event of Default" under the affected Note Resolution:

(a) Failure by a District to make or cause to be made the transfers and deposits to its Repayment Account or any other payment required to be paid under its Note Resolution on or before the date on which such transfer, deposit or other payment is due and payable;

(b) Failure by a District to observe and perform any covenant, condition or agreement on its part to be observed or performed under its Note Resolution, for a period of 15 days after written notice, specifying such failure and requesting that it be remedied, is given to such District by the Trustee, unless the Trustee agrees in writing to an extension of such time prior to its expiration;

(c) Any warranty, representation or other statement by or on behalf of a District contained in its Note Resolution or the Purchase Agreement pursuant to which the Authority agrees to purchase the Note from such District (each such agreement, a "Purchase Agreement") or in any requisition or financial report delivered by such District or in any instrument furnished in compliance with or in reference to its Note Resolution or its Purchase Agreement or in connection with its Note, is false or misleading in any material respect; and

(d) The occurrence of certain bankruptcy or insolvency matters with respect to a District.

Remedies. Whenever any Event of Default shall have happened and be continuing under a Note Resolution, the Trustee will, in addition to any other remedies provided in the Note Resolutions or by law or under the Indenture, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Without declaring the Note of the defaulting District to be immediately due and payable, require such District to pay to the Trustee an amount equal to the principal of its Note and interest thereon to maturity, plus all other amounts due under its Note Resolution, and upon notice to such District, the same will become immediately due and payable by such District without further notice or demand; and

(b) Take whatever other action at law or in equity (except for acceleration of payment on the Note) which may appear necessary or desirable to collect the amounts then due and thereafter to become due under such District's Note Resolution or to enforce any other of its rights thereunder.

Certain Representations and Covenants of the Districts

Each District has represented or covenanted under its Note Resolution, among other things, that:

(a) It will not incur any indebtedness secured by a pledge of its Unrestricted Revenues unless such pledge is subordinate in all respects to the pledge of Unrestricted Revenues under its Note Resolution;

(b) So long as any Bonds are outstanding, such District will not create or suffer to be created any pledge of or lien on its Note other than the pledge and lien of the Indenture; and

(c) Such District and its appropriate officials have duly taken, or will take, all proceedings necessary to be taken by them for the levy, collection and enforcement of the Pledged Revenues in accordance with the law and for carrying out the provisions of its Note Resolution and its Note.

Each District also covenants that it will make no use of the proceeds of its Note that would cause such Note to be an "arbitrage bond" under Section 148 of the Code; and, to that end, so long as its Note is outstanding, such District, and all of its officers having custody or control of such proceeds, will comply with all requirements of said section, including restrictions on the use and investment of proceeds of its Note and the rebate of a portion of investment earnings on certain amounts, including proceeds of its Note, if required, to the Federal government, and of the Income Tax Regulations of the United States Treasury promulgated thereunder or under any predecessor provisions, to the extent that such regulations are, at the time, applicable and in effect, so that its Note will not be an "arbitrage bond."

Amendment or Supplement of Note Resolutions

A District may adopt one or more Supplemental Note Resolutions to amend or supplement the Note Resolution without the necessity for consent of the owner of the Note, *provided* that any Supplemental Note Resolution does not adversely affect the interests of the owner of the Note.

CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture not summarized above under the captions "Description of the Bonds" and "Security and Source of Payment" contained herein. Reference is made to the Indenture in its entirety for a full recital of the provisions thereof.

Definitions of Certain Terms

The following terms shall have the following meanings unless the context expressly or by necessary implication requires otherwise:

"Bond Payment Fund" means the Bond Payment Fund established pursuant to the Indenture.

"Business Day" means any day except Saturday, Sunday or any day on which banks located in the city in which the Principal Office of the Trustee or the principal office of the Insurer is located are required or authorized to remain closed.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations issued or applicable thereunder.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to a District or the Authority and related to the authorization, execution, delivery and sale of the Bonds, including, but not limited to, the Insurer's fees or premium, if any, costs of preparation, reproduction and delivery of documents, filing and recording fees, fees and charges of the Trustee, bond counsel fees and charges, other legal fees and charges, fees and disbursements of consultants and professionals, fees and

charges for preparation, execution, safekeeping and delivery of the Bonds and any other costs, charges or fees in connection with the original issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established pursuant to the Indenture.

"Default Rate" means the rate of interest per annum payable with respect to the outstanding portion of each Defaulted Note, which (i) if the Defaulted Note is unpaid and no Credit Instrument (initially the Policy) is applicable thereto, shall equal the Note Rate, or (ii) if the Defaulted Note is paid in whole or in part by an unreimbursed draw or claim or payment under or from a Credit Instrument applicable thereto, is calculated in accordance with the applicable provisions of the Credit Instrument or the Credit Agreement; *provided, however*, if the Credit Instrument or the Credit Agreement, if any, contains no such provision or provisions regarding the calculation of a default rate of interest, "Default Rate" means the Note Rate.

"Defaulted Note" means a Note any of the principal of or interest on which is not paid on the due date therefor.

"Interest Fund" means the Bond Interest Fund established pursuant to the Indenture.

"Maturity Date" means June 29, 2007.

"Note Rate" means the stated rate of interest payable with respect to a Note.

"Note Resolutions" means, collectively, the resolutions adopted by the governing boards of the Districts authorizing the issuance of the Notes and approving the execution and delivery of the Indenture and the Bonds by the Authority.

"Notes" means the tax and revenue anticipation notes issued by the Districts.

"Opinion of Counsel" means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority and satisfactory to and approved by the Trustee (who will be under no liability by reason of such approval).

"Owner" means the registered owner of any outstanding Bond.

"Payment Accounts" means the accounts by that name established in the Bond Payment Fund with respect to each appropriate District pursuant to the Indenture.

"Principal Fund" means the Principal Fund established pursuant to the Indenture.

"Principal Office of the Trustee" means the principal corporate trust office of the Trustee, which, for the Trustee initially appointed under the Indenture, is located in Los Angeles, California.

"Proceeds Fund" means the Bond Proceeds Fund by that name established under the Indenture.

"Program" means the Authority's Community College League of California Cash Flow Financing Program, pursuant to which the Bonds are issued in order to assist the Districts in financing their cash flow deficits.

"Repayment Accounts" means the accounts by that name established pursuant to the Note Resolutions.

Funds and Accounts

Under the Indenture, the Trustee agrees to establish and maintain, in trust, the Costs of Issuance Fund, the Proceeds Fund, the Bond Payment Fund, the Interest Fund, the Principal Fund, the Rebate Fund and within the Bond Payment Fund, a Payment Account for each District.

Costs of Issuance Fund

The moneys in the Costs of Issuance Fund will be used and withdrawn by the Trustee to pay the Costs of Issuance in the manner set forth in the Indenture. On January 1, 2007, or on such earlier date upon request of the Authority, amounts, if any, remaining in the Costs of Issuance Fund (and not required to pay identified Costs of Issuance, including any additional fees or expenses of the Insurer or the Trustee or any Predefaulted Obligations and Reimbursement Obligations) will be transferred on a *pro rata* basis based on the original amount deposited therein, to the Proceeds Fund and credited to each District in proportion to the amounts initially deposited in the Costs of Issuance Fund attributable to each District.

Proceeds Fund

All money in the Proceeds Funds will be held by the Trustee in trust and applied as provided in the Indenture and, pending such application, are pledged to the payment of the Bonds and will be subject to a lien and charge in favor of the Owners and for the further security of the Owners. Funds in the Proceeds Funds will be credited to the Districts, initially in amounts set forth in the schedule attached to the Indenture. Moneys in the Proceeds Funds attributable to each District will be disbursed to each District, as soon as practicable, pursuant to a request of the Authority and a written requisition of the District, submitted in advance of the requested payment date, for any purpose for which the District is authorized to expend moneys; *provided, however*, that no such requisition of a District shall be honored after December 31, 2006 unless the amount on deposit in such District's Payment Account plus the amount remaining in such District's Proceeds Subaccount (as described in the Indenture) after payment of such requisition is at least equal to fifty percent (50%) of the amount of the principal and total interest due; *provided further* that no such requisition shall be honored in any event after March 31, 2007.

Bond Payment Fund

All principal and interest payments on the Notes shall be paid directly by each District to the Trustee. All principal and interest payments on the Notes received by the Trustee will be deposited by the Trustee, as and when received, in the Payment Accounts for the respective Districts within the Bond Payment Fund, and all money in the Payment Accounts of the Bond Payment Fund shall be held in trust by the Trustee for the benefit and security of the Owners to the extent provided in the Indenture. If the amount on deposit in a District's Payment Account is in excess of the amounts required to pay the principal of and interest due on such District's Note at maturity, such excess amounts will remain in such District's Payment Account and be transferred to such District following payment of the amount of Bonds corresponding to such District's Note.

Interest Fund, Principal Fund and Rebate Fund

The Trustee will deposit the money contained in the Bond Payment Fund at the following respective times in the following respective funds, and the money in each of such funds will be disbursed only for the purposes and uses authorized in the Indenture.

Interest Fund. The Trustee, on June 25, 2007, will deposit in the Bond Interest Fund that amount of money representing the interest becoming due and payable on the Bonds at their Maturity Date. All moneys in the Interest Fund will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds for which such interest was deposited by the Trustee.

Principal Fund. The Trustee, on June 25, 2007, will deposit in the Principal Fund that amount of money representing the principal becoming due and payable on the Bonds at their Maturity Date. All moneys in the Principal Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds at their Maturity Date for which such principal was deposited by the Trustee.

Rebate Fund. The Trustee, on the Maturity Date of the Bonds, will deposit in the Rebate Fund that amount of money representing certain interest earned on funds deposited in the Bond Payment Fund in excess of the permissible arbitrage yield as set forth in the Tax Certificate executed by the Authority in connection with the issuance of the Bonds. All money in the Rebate Fund will be used and withdrawn by the Trustee solely in accordance with the provisions of the Indenture.

Claims Upon the Policy and Payments by and to the Insurer

If, on June 25, 2007 (the "Repayment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Bonds to and including their Maturity Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If on the Business Day immediately following the Repayment Date, there continues to be a deficiency in Pledged Revenues on deposit with the Trustee in the Payment Accounts within the Bond Payment Fund to pay the principal of and interest on the Bonds when due not in excess of the maximum amount of the Policy, the Trustee shall make a claim under the Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such Business Day by filling in the form of Notice of Claim and Certificate delivered with the Policy. If, however, on the Business Day immediately following the Repayment Date, there continues to be a deficiency in the amount available in Pledged Revenues on deposit with the Trustee in the Payment Accounts within the Bond Payment Fund to pay the principal of and interest on the Bonds when due in excess of the maximum amount of the Policy, the Trustee shall apportion such maximum amount among the Bonds, proportionately according to the aggregate shortfall, and make a claim under the Policy in such amount and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Policy. Pursuant to the Policy, on the later of the Maturity Date or the Business Day next following the Business Day on which the Insurer shall have received notice of nonpayment, the Insurer shall disburse to the Trustee such an amount due to be paid under the Policy on the Bonds. See APPENDIX G – "Form of Municipal Bond Insurance Policy" attached hereto. Upon payment of a claim under the Policy the Trustee shall establish a special purpose trust account for the benefit of Bondholders with respect to the Bonds referred to in the Indenture as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. Any funds remaining in the Policy Payments Account following the Maturity Date of the Bonds shall promptly be remitted to the Insurer.

Defaults and Remedies

Action on Default. If any default in the deposit of Pledged Revenues in a District's Payment Account on June 25, 2007, or in the payment of principal of or interest on a Note or any other "Event of Default" defined in a Note Resolution shall occur and be continuing, then such default or failure will constitute an "Event of Default" under the Indenture, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall, at the direction of the Insurer and upon notice in writing to such District, exercise the remedies provided to the Owner of such Note then in default or under the Note Resolution pursuant to which it was issued which are necessary or desirable to collect the principal of the Note and the interest thereon to maturity.

Notwithstanding anything to the contrary herein, the Insurer, so long as it has not failed to comply with its payment obligations under the Policy, shall have the right to direct the remedies upon any Event of Default under the Indenture but only so long as such action will not materially adversely affect the rights of any Owner; in such circumstances, the prior consent of the Insurer shall be required prior to any remedial action proposed to be taken by the Trustee under the Indenture with respect to such Note or Notes. The Trustee shall immediately notify the Insurer and each Nationally Recognized Municipal Securities Information Repository of any Event of Default of which the Trustee has actual knowledge.

Other Remedies of the Trustee. The Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against any District or any board member, officer or employee thereof, and to compel such District or any such board member, officer or employee thereof to observe or perform its or his or her duties under applicable law and the agreements, conditions, covenants and terms contained in the Indenture, or in the applicable Note and Note Resolution, required to be observed or performed by it or him or her;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee, the Owner or the Insurer; or

(c) by suit in equity upon the happening of any default under the related Indenture to require any District and any board of trustees member, officer and employee thereof to account as the trustee of any express trust.

Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions set forth immediately above will be deposited into a segregated payment account in the Bond Payment Fund which the Trustee will establish and maintain as necessary relating to the defaulting District's Note and be applied by the Trustee after payment of the Trustee's compensation and other fees of the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid; *provided* that (i) all amounts in the Credit Fund shall be applied solely to payment of the principal of and interest on the Bonds, and (ii) all moneys in the defaulting District's Payment Account of the Bond Payment Fund allocable to the reimbursement of the Insurer for drawings or payments under the Policy shall be applied solely to reimburse the Insurer; and *provided further* that the Trustee will rebate or set aside for rebate any amount required to be paid to the United States of America under the Code:

FIRST, *Costs and Expenses*: to the payment of the costs and expenses of the Trustee and of the Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel;

SECOND, *Interest*: to the payment to the persons entitled thereto of all payments of interest on the Bonds then due and, if the amount available will not be sufficient to pay in full any payment or payments coming due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

THIRD, *Principal*: to the payment to the persons entitled thereto of the unpaid principal of the Bonds which shall have become due, with interest on the overdue principal and interest on the Bonds at a rate equal to the Default Rate and, if the amount available will not be sufficient to pay in full all the amounts due with respect to the Bonds on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference, subject to the provisions set forth in the last paragraph of this subcaption; and

FOURTH, *Predefault Obligations and Reimbursement Obligations*: to the payment of all Predefault Obligations and Reimbursement Obligations applicable to such District, subject to the provisions set forth in the immediately succeeding paragraph.

If, upon the drawing or payment under the Policy in the amount permitted under the Policy, any Owner (other than the Insurer by right of subrogation) remains unpaid in full, no moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall be transferred to the Insurer until all Owners (other than the Insurer for the Bonds by right of subrogation) are paid in full.

Remedies Not Exclusive. No remedy conferred in the Indenture upon or reserved therein to the Trustee is intended to be exclusive, and all remedies will be cumulative and each remedy will be in addition to every other remedy given thereunder or now or hereafter existing under applicable law or equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other applicable law.

Limited Liability of the Authority

Except as expressly provided in the Indenture, the Authority will not have any obligation or liability to the Trustee, the Owners or the Insurer with respect to the payment when due of the Notes by the Districts, or with respect to the observance or performance by the Districts of the other agreements, conditions, covenants and terms contained in the Notes and the Note Resolutions, or with respect to the performance by the Trustee of any obligation contained in the Indenture required to be performed by it. Notwithstanding anything to the contrary contained in the Bonds, the Indenture or any other document related thereto, the Authority will not have any liability under the Indenture or by reason thereof or in connection with any of the transactions contemplated thereby except to the extent payable from moneys received from or with respect to the Notes and available therefor in accordance with the Indenture.

Limited Liability of the Districts

Except as expressly provided in the respective Notes and the Note Resolutions, the Districts will not have any obligation or liability to the Authority, the Owners, the Trustee or the Insurer with respect to the Indenture or the preparation, execution, delivery, transfer, exchange or cancellation of the Bonds or the receipt, deposit or disbursement of the principal of and interest on the Notes by the Trustee, or with respect to the performance by the Trustee of any obligation contained in the Indenture required to be performed by it. Notwithstanding anything to the contrary in the Indenture or any Note or document referred to in the Indenture, no District will incur any obligation under the Indenture except to the extent payable from its unencumbered revenues attributable to the 2006-07 fiscal year, nor will any District incur any obligation on account of any default, action or omission of any other District.

Limited Liability of the Trustee

Except as expressly provided in the Indenture, the Trustee will not have any obligation or liability to the Owners or the Insurer with respect to the payment when due of the Notes by the Districts, or the observance or performance by the Districts of the other agreements, conditions, covenants and terms contained in the Notes and the Note Resolutions.

Amendment of or Supplement to the Indenture

The Indenture and the rights and obligations of the Owners and the Trustee under the Indenture may be amended or supplemented at any time by an amendment thereof or supplement thereto which will become binding when the written consents of the Insurer and the Owners of a majority in aggregate principal amount of the Bonds then outstanding are filed with the Trustee. No such amendment or supplement may (1) reduce the rate of interest on any Bond or reduce the amount of principal of any Bond or extend the Maturity Date thereof without the prior written consent of the Owner of the Bond so affected, (2) reduce the percentage of Owners whose consent is required by the terms of the Indenture for the execution of certain amendments thereof or supplements thereto or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto.

The Indenture and the rights and obligations of the Owners and the Trustee thereunder may also be amended or supplemented at any time by an amendment thereof or supplement thereto which will become binding upon execution with the prior written consent of the Insurer, if applicable, but without the written consents of any Owners, in order to make any modifications or changes necessary or appropriate in the Opinion of Counsel to preserve or protect the exclusion from gross income of interest on the Bonds for federal income tax purposes or, but only to the extent that such amendment will not materially adversely affect the interests of the Owners, for any purpose including, without limitation, one or more of the following purposes:

(a) to add to the agreements, conditions, covenants and terms contained in the Indenture required to be observed or performed by the Authority, other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority, or to surrender any right reserved in the Indenture to or conferred therein on the Authority;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained in the Indenture or in regard to questions arising thereunder which the Authority may deem desirable or necessary; or

(c) to modify, amend or supplement the Indenture or any supplement thereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America and, if the Authority or Bond Counsel so determine, to add to the Indenture or any supplement thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

Investments

Any money held by the Trustee under the Indenture (except moneys on deposit in the Rebate Fund) will, to the fullest extent practicable, be invested by the Trustee in Permitted Investments (as defined in the Indenture and which include the Investment Agreements) which will, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement. The Trustee may act as principal or agent in the acquisition or disposition of any such deposit or investment and may at its sole discretion, for the purpose of any such deposit or investment, except with respect to the Policy Payment Accounts and the Rebate Funds, commingle any of the money held by it under the Indenture. The Trustee will not be liable or responsible for any loss suffered in connection with any such deposit or investment made by it under the terms of and in accordance with the Indenture. The Trustee may present for redemption or sell any such deposit or investment whenever it shall be necessary in order to provide money to meet any payment of the money so deposited or invested, and the Trustee will not be liable or responsible for any losses resulting from any such deposit or investment presented for redemption or sold. Any interest or profits on such deposits and investments received by the Trustee will be credited to the fund or account from which such investment was made. Moneys in the Rebate Funds shall not be invested.

Removal and Resignation of Trustee

The Authority, with the consent of the Insurer, may at any time remove the Trustee by giving written notice of such removal by mail to the Trustee, the Districts, all Owners of Bonds and the Insurer, and the Trustee may at any time resign by giving written notice of such resignation by mail to the Insurer, the Authority, the Districts and all Owners of Bonds. Any removal or resignation of the Trustee and appointment of a successor Trustee will become effective only upon the written acceptance of the appointment by the successor Trustee.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, San Francisco, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of corporations.

Bond Counsel's opinion as to the exclusion from gross income of interest on the Bonds is based upon certain representations of fact and certifications made by the Authority, the Districts and others and is subject to the condition that the Authority and the Districts comply 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 and the Notes to assure that interest 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 on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Authority and the Districts have covenanted to comply with all such requirements.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes provided that the Authority and the Districts continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest 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 amount by which a Bond Owner's original basis for determining gain or loss on a sale or exchange of a Bond (generally the purchase price) exceeds the amount payable on maturity 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 Bond, 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 the 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. Bond purchasers should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds).

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX A.

Previous Audit

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. The Authority previously issued its 2000 Tax and Revenue Anticipation Bonds on July 1, 2000 (the "2000 Bonds") which were the subject of a random audit (the "Audit") by the IRS. The Authority entered into a closing agreement with the IRS with respect to the Audit, pursuant to which certain Districts were required to make payments to the IRS, and the Audit has now been closed. It is possible that the Bonds might be selected for audit by the IRS, and that the market value and liquidity of the Bonds might be affected as a result if the Bonds were to be so audited.

ABSENCE OF LITIGATION

There is no action, suit or proceeding known to be pending or threatened, restraining or enjoining the execution or delivery of the Bonds, the Indenture or the Notes or in any way contesting or affecting the validity of the foregoing or any proceedings of the Authority taken with respect to any of the foregoing.

There is no litigation pending or, to the knowledge of the Authority, threatened, questioning the existence of the Authority, or the title of the officers of the Authority to their respective offices, or the power and authority of the Authority to issue the Bonds. In connection with the delivery of the Notes, each of the Districts will deliver a certificate to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the execution or delivery of the Note or execution and delivery of the Purchase Agreement or the Note Resolution, the application of monies to the payment of the Bonds or the Note or in any manner questioning the proceedings and authority under which the Bonds or the Note were authorized or the obligation of such District to repay the Note at the times and in the manner set forth in the Note Resolution and the Indenture or, to the best of such District's officer's knowledge, threatened, an adverse result of which would (either singularly or in the aggregate) materially adversely affect the financial condition of the District or its ability to conduct its business as currently conducted. In addition, in connection with the delivery of the Notes and the issuance of the Bonds each of the Districts will deliver a certificate to the effect that the information contained in the Official Statement pertaining to such District is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading in any material respect and that as of the date of the Official Statement there has been no material adverse change in the financial condition of such District from that reflected in the audited financial statements of such District, except as set forth in the Official Statement.

RATING

The Bonds have been assigned the rating of "SP-1+" by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") based, in part, on the issuance of the Municipal Bond Insurance Policy. The rating reflects only the view of S&P and neither the Authority nor the Districts make any representation as to the appropriateness of the rating. An explanation of the significance of such rating may be obtained at the following address: S&P, 55 Water Street, New York, New York 10041, telephone number (212) 438-2000. Further, there is no assurance that such rating will continue for any given period of time or that they will not be revised or withdrawn entirely if, in the sole judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of the rating may have an adverse effect on the trading value and the market price of the Bonds.

UNDERWRITING

RBC Dain Rauscher Inc., doing business as RBC Capital Markets (the "Underwriter"), has contracted to purchase the Bonds from the Authority at a price of $76,217,553.22 (representing the principal amount of the Bonds, plus net original issue premium of $636,006.00, less an Underwriter's discount of $133,452.78).

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

CERTAIN LEGAL MATTERS

At the time of the delivery of the Bonds, Stradling, Yocca, Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, will deliver its final approving opinion substantially in the form set forth in APPENDIX A. A copy of such approving opinion will be available for delivery with each Bond. Bond Counsel has undertaken no responsibility for the completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Underwriter by its counsel, Fulbright & Jaworski L.L.P., Los Angeles, California.

CONTINUING DISCLOSURE

The Districts and the Authority have covenanted for the benefit of the holders and beneficial owners of the Bonds to provide notices of certain enumerated events, if material. The notices of material events will be filed with the Municipal Securities Rulemaking Board and with the State Repository, if any. The specific requirements regarding the notices of material events are set forth in 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 Authority has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide notices of material events.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority or Districts and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized and approved by the Authority.

CALIFORNIA COMMUNITY COLLEGE FINANCING AUTHORITY

By: /s/ Ray Giles
Secretary and Board Member

APPENDIX A
FORM OF OPINION OF BOND COUNSEL

July 3, 2006

Members of the Governing Board
California Community College Financing Authority

Re: $75,715,000 California Community College Financing Authority 2006 Tax and Revenue Anticipation Bonds, Series A

Members of the Board:

We hereby certify that we have examined certified copies of the legal proceedings and other proofs submitted pertaining to the issuance and sale by the California Community College Financing Authority (the "Authority") of $75,715,000 aggregate principal amount of California Community College Financing Authority 2006 Tax and Revenue Anticipation Bonds (the "Bonds"), pursuant to the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, and pursuant to the Indenture, dated as of July 1, 2006 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee. The Bonds are dated the date of their initial delivery and mature on June 29, 2007.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under the Constitution and laws of the State of California now in force, that the Indenture is a lawful, enforceable obligation of the Authority, and that the Bonds constitute valid and legally binding limited obligations of the Authority, payable solely from the sources provided therefor in the Indenture.

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

The opinions expressed herein as to the exclusion from gross income of interest on the Bonds are based upon certain representations of fact and certifications made by the Authority and others and are subject to the condition that the Authority and others comply 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 will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Authority and others have covenanted to comply with all such requirements.

We are of the further opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of California.

Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

With respect to the opinions expressed herein, the rights of the owners of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

STRADLING YOCCA CARLSON & RAUTH

APPENDIX B
DISTRICTS' NOTE AMOUNTS AND COVERAGE ANALYSES

California Community College Financing Authority
2006 Tax and Revenue Anticipation Bonds

District Note Amounts and Coverage Analyses

		Base Amounts (1)					Cash Coverage Factors (2)			
District	Series A	2005-06 Actual/Estimated Cash Receipts	2006-07 Projected Cash Receipts	June 30, 2007 Projected Cash Balance Cash Flow	June 30, 2007 Projected Cash Balance Alternative Cash	*TRAN as a % of 2006-07 Receipts*	2006-07 Projected Cash Receipts	June 30, 2007 Cash Flow Balance	June 30, 2007 Cash Flow Balance + Alternative Cash	FSA Repayment Coverage (3)
Allan Hancock C.C.D.	$2,125,000	$44,024,365	$45,355,388	$1,549,451	$1,350,000	4.69%	22.34 x	1.73 x	2.36 x	3.56 x
Cabrillo C.C.D.	$2,930,000	$61,904,431	$63,761,564	$5,912,567	$1,545,000	4.60%	22.76 x	3.02 x	3.55 x	2.58 x
Feather River C.C.D.	$1,000,000	$13,044,044	$13,720,490	$1,065,028	$225,000	7.29%	14.72 x	2.07 x	2.29 x	7.57 x
Marin C.C.D.	$9,500,000	$48,666,891	$48,666,891	$6,586,816	$300,000	19.52%	6.12 x	1.69 x	1.72 x	0.80 x
Merced C.C.D.	$3,015,000	$43,666,996	$51,366,775	$1,163,910	$1,950,000	5.87%	18.04 x	1.39 x	2.03 x	2.51 x
Mt. San Jacinto C.C.D.	$5,000,000	$63,620,116	$66,543,144	$480,769	$1,688,000	7.51%	14.31 x	1.10 x	1.43 x	1.51 x
Napa Valley C.C.D.	$5,000,000	$28,805,441	$29,500,000	$1,104,729	$1,634,000	16.95%	6.90 x	1.22 x	1.55 x	1.51 x
San Francisco C.C.D.	$14,385,000	$197,590,020	$206,532,374	$340,011	$3,600,000	6.97%	15.36 x	1.02 x	1.27 x	0.53 x
San Joaquin Delta C.C.D.	$5,000,000	$96,658,442	$98,000,000	$5,887,664	$821,225	5.10%	20.60 x	2.18 x	2.34 x	1.51 x
San Jose-Evergreen C.C.D.	$5,280,000	$66,481,712	$66,481,712	$13,702,953	$2,600,000	7.94%	13.59 x	3.60 x	4.09 x	1.43 x
San Luis Obispo (Cuesta) C.C.D.	$2,500,000	$51,986,010	$53,986,010	$3,134,699	$1,375,000	4.63%	22.59 x	2.25 x	2.80 x	3.03 x
Sequoias C.C.D.	$4,475,000	$41,904,229	$42,704,229	$92,694	$5,685,000	10.48%	10.54 x	1.02 x	2.29 x	1.69 x
Shasta-Tehama-Trinity C.C.D.	$2,705,000	$44,033,964	$44,033,964	$3,852,333	$1,545,000	6.14%	17.28 x	2.42 x	3.00 x	2.80 x
Sierra C.C.D.	$11,975,000	$78,421,723	$81,000,000	$12,767,228	$3,000,000	14.78%	7.76 x	2.07 x	2.32 x	0.63 x
Siskiyou Joint CCD	$825,000	$14,362,531	$14,000,000	$133,783	$275,000	5.89%	17.97 x	1.16 x	1.50 x	9.18 x
Totals & Averages	**$75,715,000**	**$895,170,915**	**$925,652,541**	**$57,774,635**	**$27,593,225**	**8.56%**	**15.39 x**	**1.86 x**	**2.30 x**	**2.72 x**

(1) Base Amounts exclude Note Amount.

(2) Note Amounts have been added to each Base Amount to calculate Cash Coverage Factors.

(3) FSA Insurance amount divided by each insured note.

APPENDIX C
DISTRICTS' FINANCIAL INFORMATION

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Allan Hancock C.C.D.	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	42,284,501
Total Expenditures			40,439,539
Total Other Financing Sources			30,000
Net Income			1,874,962
Beginning Fund Balance			3,256,865
Adjustments + Transfers			(1,866,135)
Ending Fund Balance			3,265,692
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

Allan Hancock C.C.D. (GASB 35)	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	22,039,733	20,582,429	21,445,979
Total Operating Expenditures	58,255,992	56,131,094	58,718,979
Net Income (Loss)	(36,216,259)	(35,548,665)	(37,273,000)
Total Non-Oper. Revenues (Expenses)	33,416,926	36,179,396	37,484,755
Capital Revenue	4,314,353	1,835,121	4,180,826
Increase (Decrease) in Net Assests	1,515,020	2,465,852	4,392,581
Net Assets Beginning of Year	28,122,559	29,637,579	36,007,699
Net Assets End of Year	29,637,579	32,103,431	40,400,280
Statement of Net Assets			
Total Assets	40,259,786	43,182,830	57,004,080
Total Liabilities	10,622,207	11,079,399	16,603,800
Net Assests	29,637,579	32,103,431	40,400,280
Total Liabilities + Net Assets	40,259,786	43,182,830	57,004,080

Cabrillo C.C.D.	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	52,022,033
Total Expenditures			54,863,156
Total Other Financing Sources			0
Net Income			(2,841,123)
Beginning Fund Balance			5,341,643
Adjustments + Transfers			(617,405)
Ending Fund Balance			1,883,115
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

Cabrillo C.C.D. (GASB 35)	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	18,769,779	21,559,792	24,250,718
Total Operating Expenditures	69,148,690	71,524,406	70,765,871
Net Income (Loss)	(50,378,911)	(49,964,614)	(46,515,153)
Total Non-Oper. Revenues (Expenses)	47,264,901	46,117,798	46,714,556
Capital Revenue	919,494	1,933,007	3,860,437
Increase (Decrease) in Net Assests	(2,194,516)	(1,913,809)	4,059,840
Net Assets Beginning of Year	36,788,128	41,019,895	39,106,086
Net Assets End of Year	34,593,612	39,106,086	43,165,926
Statement of Net Assets			
Total Assets	128,294,885	196,113,220	199,169,024
Total Liabilities	93,701,273	157,007,134	156,003,098
Net Assests	34,593,612	39,106,086	43,165,926
Total Liabilities + Net Assets	128,294,885	196,113,220	199,169,024

Feather River C.C.D.	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	11,235,016	N/A	10,291,480
Total Expenditures	11,038,598		9,466,167
Total Other Financing Sources	(477,559)		86,445
Net Income	(281,141)		911,758
Beginning Fund Balance	1,432,806		742,941
Adjustments + Transfers			(894,033)
Ending Fund Balance	1,151,665		760,666
BALANCE SHEET			
Total Assets	2,188,940		
Total Liabilities	1,037,275		
Total Fund Equity	1,151,665		
Total Liabilities + Fund Equity	2,188,940		

Feather River C.C.D. (GASB 35)	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	N/A	4,453,763	4,974,291
Total Operating Expenditures		12,933,082	13,766,062
Net Income (Loss)		(8,479,319)	(8,791,771)
Total Non-Oper. Revenues (Expenses)		8,059,385	8,352,182
Capital Revenue		264,617	183,148
Increase (Decrease) in Net Assests		(155,317)	(256,441)
Net Assets Beginning of Year		3,547,592	3,392,275
Net Assets End of Year		3,392,275	3,135,834
Statement of Net Assets			
Total Assets		6,049,359	6,473,164
Total Liabilities		2,657,084	3,337,330
Net Assests		3,392,275	3,135,834
Total Liabilities + Net Assets		6,049,359	6,473,164

**CCFS-311 Budget for 2005-06 is unrestricted funds only.*

	Marin C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	40,007,324
Total Expenditures			37,959,265
Total Other Financing Sources			0
Net Income			2,048,059
Beginning Fund Balance			2,934,452
Adjustments + Transfers			(2,048,059)
Ending Fund Balance			2,934,452
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	Marin C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	10,623,000	11,487,520	11,807,510
Total Operating Expenditures	44,546,000	44,855,847	45,359,338
Net Income (Loss)	(33,923,000)	(33,368,327)	(33,551,828)
Total Non-Oper. Revenues (Expenses)	30,727,000	32,112,222	34,933,879
Capital Revenue	359,000	163,081	164,841
Increase (Decrease) in Net Assests	(2,837,000)	(1,093,024)	1,546,892
Net Assets Beginning of Year	22,864,000	20,027,030	18,934,006
Net Assets End of Year	20,027,000	18,934,006	20,480,898
Statement of Net Assets			
Total Assets	29,118,000	28,621,887	109,624,937
Total Liabilities	9,091,000	9,687,881	89,144,039
Net Assests	20,027,000	18,934,006	20,480,898
Total Liabilities + Net Assets	29,118,000	28,621,887	109,624,937

	Merced C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	39,897,241
Total Expenditures			37,972,030
Total Other Financing Sources			216,562
Net Income			2,141,773
Beginning Fund Balance			4,826,356
Adjustments + Transfers			(1,854,399)
Ending Fund Balance			5,113,730
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	Merced C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	15,334,343	15,292,950	16,135,801
Total Operating Expenditures	49,006,770	47,993,460	53,928,957
Net Income (Loss)	(33,672,427)	(32,700,510)	(37,793,156)
Total Non-Oper. Revenues (Expenses)	33,993,707	32,909,707	35,067,520
Capital Revenue	1,123,563	7,861,354	6,089,890
Increase (Decrease) in Net Assests	1,444,843	8,070,551	3,364,254
Net Assets Beginning of Year	30,485,303	32,246,302	40,316,853
Net Assets End of Year	31,930,146	40,316,853	43,681,107
Statement of Net Assets			
Total Assets	64,395,736	73,385,034	78,579,795
Total Liabilities	32,465,590	33,068,181	34,898,688
Net Assests	31,930,146	40,316,853	43,681,107
Total Liabilities + Net Assets	64,395,736	73,385,034	78,579,795

	Mt. San Jacinto C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	41,392,997
Total Expenditures			40,341,476
Total Other Financing Sources			500
Net Income			1,052,021
Beginning Fund Balance			4,137,979
Adjustments + Transfers			(2,490,000)
Ending Fund Balance			2,700,000
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	Mt. San Jacinto C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	18,259,000	19,467,690	23,855,278
Total Operating Expenditures	48,327,000	50,528,964	52,464,774
Net Income (Loss)	(30,068,000)	(31,061,274)	(28,609,496)
Total Non-Oper. Revenues (Expenses)	30,059,000	29,879,877	33,009,764
Capital Revenue	1,586,000	(195,447)	3,762,280
Increase (Decrease) in Net Assests	1,577,000	(1,376,844)	8,162,548
Net Assets Beginning of Year	25,722,950	24,975,746	23,598,902
Net Assets End of Year	27,299,950	23,598,902	31,761,450
Statement of Net Assets			
Total Assets	46,194,000	41,485,182	48,454,391
Total Liabilities	18,894,000	16,509,436	16,692,941
Net Assests	27,300,000	24,975,746	31,761,450
Total Liabilities + Net Assets	46,194,000	41,485,182	48,454,391

**CCFS-311 Budget for 2005-06 is unrestricted funds only.*

	Napa Valley C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	27,650,607
Total Expenditures			26,997,811
Total Other Financing Sources			705,605
Net Income			1,358,401
Beginning Fund Balance			1,983,944
Adjustments + Transfers			(908,311)
Ending Fund Balance			2,434,034
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	Napa Valley C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	10,688,822	11,173,753	12,394,902
Total Operating Expenditures	35,594,160	36,725,381	38,319,578
Net Income (Loss)	(24,905,338)	(25,551,628)	(25,924,676)
Total Non-Oper. Revenues (Expenses)	23,959,299	23,181,525	24,245,848
Capital Revenue	(481,449)	979,319	21,840
Increase (Decrease) in Net Assests	(1,427,488)	(1,390,784)	(1,656,988)
Net Assets Beginning of Year	18,638,729	18,122,998	19,102,317
Net Assets End of Year	17,211,241	16,732,214	17,445,329
Statement of Net Assets			
Total Assets	50,168,321	51,348,614	120,401,585
Total Liabilities	32,011,041	32,246,297	101,277,428
Net Assests	18,157,280	19,102,317	19,124,157
Total Liabilities + Net Assets	50,168,321	51,348,614	120,401,585

	San Francisco C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	167,581,709
Total Expenditures			168,732,459
Total Other Financing Sources			0
Net Income			(1,150,750)
Beginning Fund Balance			16,195,230
Adjustments + Transfers			(296,198)
Ending Fund Balance			14,748,282
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	San Francisco C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	64,042,879	68,932,583	77,113,792
Total Operating Expenditures	219,753,233	218,475,088	239,836,175
Net Income (Loss)	(155,710,354)	(149,542,505)	(162,722,383)
Total Non-Oper. Revenues (Expenses)	143,955,082	141,948,109	141,461,310
Capital Revenue	6,380,919	6,106,898	18,346,670
Increase (Decrease) in Net Assests	(5,374,353)	(1,487,498)	(2,914,403)
Net Assets Beginning of Year	130,148,630	124,774,277	123,286,779
Net Assets End of Year	124,774,277	123,286,779	120,372,376
Statement of Net Assets			
Total Assets	191,596,428	190,574,157	297,226,102
Total Liabilities	66,822,151	67,287,378	176,853,727
Net Assests	124,774,277	123,286,779	120,372,375
Total Liabilities + Net Assets	191,596,428	190,574,157	297,226,102

	San Joaquin Delta C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	70,879,743
Total Expenditures			71,913,761
Total Other Financing Sources			270,058
Net Income			(763,960)
Beginning Fund Balance			6,016,348
Adjustments + Transfers			(45,500)
Ending Fund Balance			5,206,888
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	San Joaquin Delta C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	35,138,592	38,893,180	41,188,367
Total Operating Expenditures	97,600,803	101,243,381	109,859,564
Net Income (Loss)	(62,462,211)	(62,350,201)	(68,671,197)
Total Non-Oper. Revenues (Expenses)	64,279,904	59,332,427	67,942,028
Capital Revenue	4,203,781	537,301	3,355,996
Increase (Decrease) in Net Assests	6,021,474	(2,480,473)	2,626,827
Net Assets Beginning of Year	48,515,652	54,537,126	52,056,653
Net Assets End of Year	54,537,126	52,056,653	54,683,480
Statement of Net Assets			
Total Assets	77,120,394	80,058,868	163,619,209
Total Liabilities	22,583,268	28,002,215	108,935,729
Net Assests	54,537,126	52,056,653	54,683,480
Total Liabilities + Net Assets	77,120,394	80,058,868	163,619,209

**CCFS-311 Budget for 2005-06 is unrestricted funds only.*

	San Jose-Evergreen C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	65,277,819
Total Expenditures			66,829,245
Total Other Financing Sources			1,000
Net Income			(1,550,426)
Beginning Fund Balance			7,157,069
Adjustments + Transfers			(1,726,206)
Ending Fund Balance			3,880,437
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	San Jose-Evergreen C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	32,372,096	34,231,464	38,636,554
Total Operating Expenditures	97,838,706	107,057,385	110,316,337
Net Income (Loss)	(65,466,610)	(72,825,921)	(71,679,783)
Total Non-Oper. Revenues (Expenses)	72,546,213	73,077,211	68,559,449
Capital Revenue	11,638,092	1,833,653	2,913,990
Increase (Decrease) in Net Assests	18,717,695	2,084,943	(206,344)
Net Assets Beginning of Year	90,731,173	102,369,265	104,454,208
Net Assets End of Year	109,448,868	104,454,208	104,247,864
Statement of Net Assets			
Total Assets	252,986,595	255,248,710	300,423,352
Total Liabilities	150,617,330	150,794,502	196,175,488
Net Assests	102,369,265	104,454,208	104,247,864
Total Liabilities + Net Assets	252,986,595	255,248,710	300,423,352

	San Luis Obispo (Cuesta) C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	43,104,322
Total Expenditures			40,625,914
Total Other Financing Sources			0
Net Income			2,478,408
Beginning Fund Balance			3,220,729
Adjustments + Transfers			(2,870,304)
Ending Fund Balance			2,828,833
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	San Luis Obispo (Cuesta) C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	17,465,495	18,969,587	20,291,055
Total Operating Expenditures	53,337,039	54,711,184	58,273,994
Net Income (Loss)	(35,871,544)	(35,741,597)	(37,982,939)
Total Non-Oper. Revenues (Expenses)	34,324,867	34,760,615	35,424,869
Capital Revenue	2,569,149	7,183,268	12,162,373
Increase (Decrease) in Net Assests	1,022,472	6,202,286	9,604,303
Net Assets Beginning of Year	43,018,907	44,041,380	50,243,666
Net Assets End of Year	44,041,379	50,243,666	59,847,969
Statement of Net Assets			
Total Assets	78,339,111	86,394,315	89,799,332
Total Liabilities	34,297,732	36,150,649	29,951,363
Net Assests	44,041,379	50,243,666	59,847,969
Total Liabilities + Net Assets	78,339,111	86,394,315	89,799,332

	Sequoias C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	41,132,734
Total Expenditures			40,287,303
Total Other Financing Sources			0
Net Income			845,431
Beginning Fund Balance			2,575,605
Adjustments + Transfers			(845,431)
Ending Fund Balance			2,575,605
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	Sequoias C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	23,443,293	23,275,212	26,738,077
Total Operating Expenditures	56,232,875	58,676,830	59,616,344
Net Income (Loss)	(32,789,582)	(35,401,618)	(32,878,267)
Total Non-Oper. Revenues (Expenses)	33,400,592	33,794,074	33,495,238
Capital Revenue	2,566,256	10,037,864	7,225,487
Increase (Decrease) in Net Assests	3,177,266	8,430,320	7,842,458
Net Assets Beginning of Year	29,048,470	36,534,556	44,964,876
Net Assets End of Year	32,225,736	44,964,876	52,807,334
Statement of Net Assets			
Total Assets	49,410,338	60,273,929	70,684,229
Total Liabilities	17,184,602	15,309,053	17,876,895
Net Assests	32,225,736	44,964,876	52,807,334
Total Liabilities + Net Assets	49,410,338	60,273,929	70,684,229

**CCFS-311 Budget for 2005-06 is unrestricted funds only.*

	Shasta-Tehama-Trinity C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	36,455,892
Total Expenditures			36,203,116
Total Other Financing Sources			54,000
Net Income			306,776
Beginning Fund Balance			1,878,770
Adjustments + Transfers			(170,000)
Ending Fund Balance			2,015,546
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	Shasta-Tehama-Trinity C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	17,809,944	19,456,988	18,826,107
Total Operating Expenditures	50,509,815	50,526,116	50,410,267
Net Income (Loss)	(32,699,871)	(31,069,128)	(31,584,160)
Total Non-Oper. Revenues (Expenses)	33,387,792	31,447,332	31,059,449
Capital Revenue	1,563,440	1,093,667	674,222
Increase (Decrease) in Net Assests	2,251,361	1,471,871	149,511
Net Assets Beginning of Year	13,750,956	15,179,396	16,273,063
Net Assets End of Year	16,002,317	16,651,267	16,422,574
Statement of Net Assets			
Total Assets	38,266,470	38,243,146	38,571,042
Total Liabilities	22,952,074	21,970,083	22,148,468
Net Assests	15,314,396	16,273,063	16,422,574
Total Liabilities + Net Assets	38,266,470	38,243,146	38,571,042

	Sierra C.C.D.		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	64,753,363
Total Expenditures			63,036,599
Total Other Financing Sources			159,091
Net Income			1,875,855
Beginning Fund Balance			6,599,756
Adjustments + Transfers			(1,438,529)
Ending Fund Balance			7,037,082
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	Sierra C.C.D. (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	24,651,215	26,314,668	31,931,824
Total Operating Expenditures	69,891,107	74,586,908	82,077,778
Net Income (Loss)	(45,239,892)	(48,272,240)	(50,145,954)
Total Non-Oper. Revenues (Expenses)	45,567,438	44,347,045	46,597,546
Capital Revenue	1,831,868	2,948,026	4,193,067
Increase (Decrease) in Net Assests	2,159,414	(977,169)	644,659
Net Assets Beginning of Year	49,559,081	51,430,950	50,453,781
Net Assets End of Year	51,718,495	50,453,781	51,098,440
Statement of Net Assets			
Total Assets	63,093,320	64,874,304	113,555,759
Total Liabilities	11,662,371	14,420,523	62,457,319
Net Assests	51,430,949	50,453,781	51,098,440
Total Liabilities + Net Assets	63,093,320	64,874,304	113,555,759

	Siskiyou Joint CCD		
	06/30/03 Audited	06/30/04 Audited	CCFS-311 Budget 2005-06*
INCOME STATEMENT			
Total Revenues	N/A	N/A	13,804,115
Total Expenditures			14,321,531
Total Other Financing Sources			0
Net Income			(517,416)
Beginning Fund Balance			1,671,868
Adjustments + Transfers			(148,603)
Ending Fund Balance			1,005,849
BALANCE SHEET			
Total Assets			
Total Liabilities			
Total Fund Equity			
Total Liabilities + Fund Equity			

	Siskiyou Joint CCD (GASB 35)		
	06/30/03 Audited	06/30/04 Audited	06/30/05 Audited
Statement of Revenues, Expenses			
Total Operating Revenues	5,056,344	7,259,751	7,839,023
Total Operating Expenditures	17,118,459	19,507,848	21,127,392
Net Income (Loss)	(12,062,115)	(12,248,097)	(13,288,369)
Total Non-Oper. Revenues (Expenses)	13,068,644	12,975,833	13,406,299
Capital Revenue	1,412,885	144,061	100,000
Increase (Decrease) in Net Assests	2,419,414	871,797	217,930
Net Assets Beginning of Year	5,542,036	7,900,982	8,772,779
Net Assets End of Year	7,961,450	8,772,779	8,990,709
Statement of Net Assets			
Total Assets	10,359,926	11,011,907	11,113,885
Total Liabilities	2,398,476	2,239,128	2,123,176
Net Assests	7,961,450	8,772,779	8,990,709
Total Liabilities + Net Assets	10,359,926	11,011,907	11,113,885

**CCFS-311 Budget for 2005-06 is unrestricted funds only.*

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APPENDIX D
DISTRICTS' CASH FLOWS AND ALTERNATIVE CASH RESOURCES

The cash flow projections on the following pages represent the current best estimate of the Districts, based on information available as of the date of the projections. However, due to the uncertainties inherent in the State of California budgeting process (See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance"), these projections are subject to change and may vary considerably from actual cash flows experienced by the Districts during the 2006-07 fiscal year.

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Allan Hancock Joint Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$1,866,579	$4,596,249	$3,444,005	$3,018,823	A	$3,702,010	$6,720,833
August, 2005	3,018,823	2,252,303	3,734,365	1,536,761	A		5,238,771
September, 2005	1,536,761	3,590,973	4,655,785	471,948	A		4,173,958
October , 2005	471,948	3,652,627	3,110,190	1,014,385	A		4,716,395
November, 2005	1,014,385	4,128,090	3,523,687	1,618,788	A		5,320,798
December, 2005	1,618,788	6,748,012	3,820,541	4,546,260	A		8,248,270
January, 2006	4,546,260	3,135,421	3,297,054	4,384,627	A	(1,851,005)	6,235,632
February, 2006	4,384,627	2,280,809	3,689,459	2,975,976	A		4,826,981
March, 2006	2,975,976	2,612,944	3,834,037	1,754,883	A		3,605,888
April, 2006	1,754,883	6,058,434	3,926,427	3,886,890	A	(1,851,005)	3,886,890
May, 2006	3,886,890	2,265,000	3,767,904	2,383,986	E		2,383,986
June, 2006	2,383,986	2,703,503	3,697,931	1,389,558	E		1,389,558
Total		$44,024,365	$44,501,386				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$1,389,558	$4,735,211	$3,497,723	$2,627,047		$2,125,000	$4,752,047
August, 2006	2,627,047	2,320,399	3,792,612	1,154,834			3,279,834
September, 2006	1,154,834	3,699,541	4,728,404	125,971			2,250,971
October, 2006	125,971	3,763,060	3,158,701	730,330			2,855,330
November, 2006	730,330	4,252,898	3,578,648	1,404,580			3,529,580
December, 2006	1,404,580	6,952,030	3,880,132	4,476,478			6,601,478
January, 2007	4,476,478	3,230,217	3,348,480	4,358,215	50%	(1,062,500)	5,420,715
February, 2007	4,358,215	2,349,766	3,747,006	2,960,976			4,023,476
March, 2007	2,960,976	2,691,943	3,893,838	1,759,081			2,821,581
April, 2007	1,759,081	6,241,603	3,987,669	4,013,015	50%	(1,062,500)	4,013,015
May, 2007	4,013,015	2,333,480	3,826,674	2,519,821			2,519,821
June, 2007	2,519,821	2,785,240	3,755,609	1,549,451			1,549,451
Total		$45,355,388	$45,195,495				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Capital Projects Fund	Capital Outlay item acquisition or construction	$2,208,100	$500,000	$500,000
Special Revenue Fund	Child Dev/PCPA/Foundation Funds	$113,594	$150,000	$150,000
Enterprise Fund	Bookstore Fund	$405,381	$400,000	$400,000
Trust and Agency	ASBG/District Trust/Student Rep Fee/Student Ctr Fee/Studen			
Internal Service	Self Insurance Funds (Dental/P&L/Heath Exams)	$298,677	$300,000	$300,000
TOTAL		$3,025,752	$1,350,000	$1,350,000

Cabrillo Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$4,309,974	$5,910,546	$3,387,795	$6,832,725	A		$6,832,725
August, 2005	6,832,725	3,468,362	5,776,838	4,524,250	A		4,524,250
September, 2005	4,524,250	5,430,301	5,391,035	4,563,516	A		4,563,516
October , 2005	4,563,516	5,580,333	5,254,758	4,889,091	A		4,889,091
November, 2005	4,889,091	4,015,503	5,009,429	3,895,165	A		3,895,165
December, 2005	3,895,165	10,888,928	2,455,176	12,328,917	A		12,328,917
January, 2006	12,328,917	2,273,127	8,867,649	5,734,396	A		5,734,396
February, 2006	5,734,396	3,765,652	4,946,573	4,553,475	A		4,553,475
March, 2006	4,553,475	4,250,882	5,213,244	3,591,113	A		3,591,113
April, 2006	3,591,113	9,995,691	5,534,078	8,052,726	E		8,052,726
May, 2006	8,052,726	2,094,443	5,445,535	4,701,634	E		4,701,634
June, 2006	4,701,634	4,230,663	3,832,868	5,099,429	E		5,099,429
Total		$61,904,431	$61,114,977				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$5,099,429	6,087,862	3,489,429	$7,697,862		$2,930,000	$10,627,862
August, 2006	7,697,862	3,572,413	5,950,143	5,320,132			8,250,132
September, 2006	5,320,132	5,593,210	5,552,766	5,360,576			8,290,576
October, 2006	5,360,576	5,747,743	5,412,401	5,695,919			8,625,919
November, 2006	5,695,919	4,135,968	5,159,712	4,672,175			7,602,175
December, 2006	4,672,175	11,215,596	2,528,831	13,358,940			16,288,940
January, 2007	13,358,940	2,341,321	9,133,679	6,566,583	50%	(1,465,000)	8,031,583
February, 2007	6,566,583	3,878,622	5,094,970	5,350,235			6,815,235
March, 2007	5,350,235	4,378,408	5,369,641	4,359,001			5,824,001
April, 2007	4,359,001	10,295,562	5,700,100	8,954,463	50%	(1,465,000)	8,954,463
May, 2007	8,954,463	2,157,276	5,608,901	5,502,838			5,502,838
June, 2007	5,502,838	4,357,583	3,947,854	5,912,567			5,912,567
Total		$63,761,564	$62,948,426				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Proprietary Fund - Bookstore	Bookstore inventory and operations	$845,444	$700,000	$700,000
Expendable Trust-District Trust Funds		$888,846	$845,000	$845,000
TOTAL		$1,734,290	$1,545,000	$1,545,000

Feather River Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$379,442	$961,535	$1,270,859	$70,118	A	$1,450,000	$1,520,118
August, 2005	70,118	1,157,636	759,347	468,407	A		1,918,407
September, 2005	468,407	801,351	1,264,693	5,066	A		1,455,066
October, 2005	5,066	712,346	1,250,069	(532,657)	A		917,343
November, 2005	(532,657)	827,550	1,015,823	(720,930)	A		729,070
December, 2005	(720,930)	2,394,344	848,024	825,390	A		2,275,390
January, 2006	825,390	1,157,480	881,706	1,101,164	A	(725,000)	1,826,164
February, 2006	1,101,164	467,667	1,315,729	253,102	A		978,102
March, 2006	253,102	816,010	964,907	104,205	A		829,205
April, 2006	104,205	2,254,328	907,958	1,450,575	A/E	(725,000)	1,450,575
May, 2006	1,450,575	675,972	900,000	1,226,547	E		1,226,547
June, 2006	1,226,547	817,824	700,000	1,344,371	E		1,344,371
Total		$13,044,044	$12,079,115				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$1,344,371	$1,015,737	$1,472,059	$888,049		$1,000,000	$1,888,049
August, 2006	888,049	1,187,273	887,942	1,187,380			2,187,380
September, 2006	1,187,380	854,742	1,464,916	577,205			1,577,205
October, 2006	577,205	759,806	1,447,977	(110,966)			889,034
November, 2006	(110,966)	882,686	1,176,646	(404,926)			595,074
December, 2006	(404,926)	2,460,906	982,281	1,073,699			2,073,699
January, 2007	1,073,699	1,234,598	1,021,296	1,287,001	50%	(500,000)	1,787,001
February, 2007	1,287,001	479,640	1,524,033	242,608			742,608
March, 2007	242,608	870,378	1,117,670	(4,684)			495,316
April, 2007	(4,684)	2,381,404	1,051,705	1,325,016	50%	(500,000)	1,325,016
May, 2007	1,325,016	721,009	1,042,486	1,003,539			1,003,539
June, 2007	1,003,539	872,312	810,823	1,065,028			1,065,028
Total		$13,720,490	$13,999,834				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Special Revenue Fund	Child Development	$22,847	$25,000	$25,000
Capital Projects Fund	Capital Projects	$133,657	$100,000	$100,000
Enterprise Fund	Bookstore	$112,932	$108,000	$100,000
TOTAL		$269,436	$233,000	$225,000

Marin Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$7,192,799	$1,572,567	$3,975,017	$4,790,349	A	$9,140,000	$13,930,349
August, 2005	4,790,349	995,528	4,303,510	1,482,367	A		10,622,367
September, 2005	1,482,367	852,073	3,603,400	(1,268,960)	A		7,871,040
October, 2005	(1,268,960)	1,329,626	4,271,479	(4,210,813)	A		4,929,187
November, 2005	(4,210,813)	718,850	4,343,202	(7,835,165)	A		1,304,835
December, 2005	(7,835,165)	18,563,931	3,082,891	7,645,875	A		16,785,875
January, 2006	7,645,875	1,917,602	4,794,878	4,768,599	A	(4,570,000)	9,338,599
February, 2006	4,768,599	3,415,298	4,762,380	3,421,517	A		7,991,517
March, 2006	3,421,517	904,898	4,411,542	(85,127)	A		4,484,873
April, 2006	(85,127)	15,446,518	4,232,141	11,129,250	A	(4,570,000)	11,129,250
May, 2006	11,129,250	950,000	4,208,079	7,871,171	E		7,871,171
June, 2006	7,871,171	2,000,000	3,284,355	6,586,816	E		6,586,816
Total		$48,666,891	$49,272,874				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$6,586,816	$1,572,567	$3,926,130	$4,233,253		$9,500,000	$13,733,253
August, 2006	4,233,253	995,528	4,250,583	978,198			10,478,198
September, 2006	978,198	852,073	3,559,084	(1,728,813)			7,771,187
October, 2006	(1,728,813)	1,329,626	4,218,946	(4,618,133)			4,881,867
November, 2006	(4,618,133)	718,850	4,289,787	(8,189,070)			1,310,930
December, 2006	(8,189,070)	18,563,931	3,044,976	7,329,885			16,829,885
January, 2007	7,329,885	1,917,602	4,735,908	4,511,579	50%	(4,750,000)	9,261,579
February, 2007	4,511,579	3,415,298	4,703,810	3,223,067			7,973,067
March, 2007	3,223,067	904,898	4,357,287	(229,322)			4,520,678
April, 2007	(229,322)	15,446,518	4,180,092	11,037,104	50%	(4,750,000)	11,037,104
May, 2007	11,037,104	950,000	4,156,326	7,830,778			7,830,778
June, 2007	7,830,778	2,000,000	3,243,962	6,586,816			6,586,816
Total		$48,666,891	$48,666,891				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Capital Outlay Fund	Scheduled maintenance/facilities projects	$1,235,665	$850,000	$250,000
Child Development Fund	Children's Center	$133,354	$50,000	$50,000
Lease Revenue Bond Int/Redemption	Lease revenue bond repayment			
Self Insurance Fund	Dental & Vision claims expense			
Student Trust Fund	Trust Funds			
TOTAL		$1,369,019	$900,000	$300,000

Merced Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$4,884,712	$4,385,853	$2,398,258	$6,872,307	A	$1,950,000	$8,822,307
August, 2005	6,872,307	2,722,679	3,730,175	5,864,811	A		7,814,811
September, 2005	5,864,811	3,727,802	2,984,794	6,607,819	A		8,557,819
October, 2005	6,607,819	3,179,140	3,551,566	6,235,393	A		8,185,393
November, 2005	6,235,393	4,043,284	3,942,230	6,336,447	A		8,286,447
December, 2005	6,336,447	3,599,937	6,184,225	3,752,159	A		5,702,159
January, 2006	3,752,159	4,274,606	3,435,528	4,591,237	A	(975,000)	5,566,237
February, 2006	4,591,237	3,625,200	6,304,223	1,912,214	A		2,887,214
March, 2006	1,912,214	3,018,251	5,530,857	(600,392)	A		374,608
April, 2006	(600,392)	5,047,617	3,565,315	881,910	A	(975,000)	881,910
May, 2006	881,910	2,637,766	3,017,553	502,123	E		502,123
June, 2006	502,123	3,404,861	2,862,640	1,044,344	E		1,044,344
Total		$43,666,996	$47,507,364				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$1,044,344	$4,824,438	$2,518,171	$3,350,611		$3,015,000	$6,365,611
August, 2006	3,350,611	2,994,947	3,916,684	2,428,875			5,443,875
September, 2006	2,428,875	4,100,582	4,134,034	2,395,423			5,410,423
October, 2006	2,395,423	3,497,054	3,729,144	2,163,333			5,178,333
November, 2006	2,163,333	4,447,612	4,139,341	2,471,604			5,486,604
December, 2006	2,471,604	3,959,931	7,493,436	(1,061,902)			1,953,098
January, 2007	(1,061,902)	4,702,067	3,607,304	32,860	50%	(1,507,500)	1,540,360
February, 2007	32,860	3,987,720	4,619,434	(598,854)			908,646
March, 2007	(598,854)	3,320,076	4,057,400	(1,336,178)			171,322
April, 2007	(1,336,178)	5,552,379	4,143,581	72,620	50%	(1,507,500)	72,620
May, 2007	72,620	5,997,626	4,327,674	1,742,572			1,742,572
June, 2007	1,742,572	3,982,343	4,561,005	1,163,910			1,163,910
Total		$51,366,775	$51,247,209				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Special Revenue	Farm/Child Development	$91,351	$100,000	$100,000
Capital Projects	Capital Projects	$399,913	$50,000	$50,000
Enterprise Fund	Bookstore	$193,499	$200,000	$200,000
Internal Service	Retirement Fund	$22,598	$1,500,000	$1,600,000
TOTAL		$707,361	$1,850,000	$1,950,000

Mt. San Jacinto Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$3,403,797	$7,967,919	$8,053,971	$3,317,745	A	$3,095,000	$6,412,745
August, 2005	3,317,745	4,611,595	5,183,785	2,745,555	A		5,840,555
September, 2005	2,745,555	5,626,869	6,156,728	2,215,696	A		5,310,696
October, 2005	2,215,696	4,451,953	4,469,674	2,197,975	A		5,292,975
November, 2005	2,197,975	3,551,436	5,083,576	665,835	A		3,760,835
December, 2005	665,835	7,140,636	3,674,931	4,131,540	A		7,226,540
January, 2006	4,131,540	10,922,208	6,543,431	8,510,317	A	(1,547,500)	10,057,817
February, 2006	8,510,317	1,683,275	4,838,953	5,354,639	A		6,902,139
March, 2006	5,354,639	3,572,595	6,234,395	2,692,839	A		4,240,339
April, 2006	2,692,839	5,508,630	7,537,700	663,769	A	(1,547,500)	663,769
May, 2006	663,769	6,500,000	6,453,000	710,769	E		710,769
June, 2006	710,769	2,083,000	2,313,000	480,769	E		480,769
Total		$63,620,116	$66,543,144				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$480,769	$8,334,005	$8,053,971	$760,803		$5,000,000	$5,760,803
August, 2006	760,803	4,823,475	5,183,785	400,493			5,400,493
September, 2006	400,493	5,885,396	6,156,728	129,161			5,129,161
October, 2006	129,161	4,656,498	4,469,674	315,985			5,315,985
November, 2006	315,985	3,714,607	5,083,576	(1,052,984)			3,947,016
December, 2006	(1,052,984)	7,468,713	3,674,931	2,740,797			7,740,797
January, 2007	2,740,797	11,424,029	6,543,431	7,621,396	50%	(2,500,000)	10,121,396
February, 2007	7,621,396	1,760,613	4,838,953	4,543,056			7,043,056
March, 2007	4,543,056	3,736,738	6,234,395	2,045,399			4,545,399
April, 2007	2,045,399	5,761,724	7,537,700	269,423	50%	(2,500,000)	269,423
May, 2007	269,423	6,798,643	6,453,000	615,066			615,066
June, 2007	615,066	2,178,703	2,313,000	480,769			480,769
Total		$66,543,144	$66,543,144				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Special Revenue Fund	Safety management/uninsured losses funds	$67,400	$68,000	$68,000
Capital Project Fund	Capital improvements, sched maintenance	$1,196,600	$1,200,000	$1,200,000
Proprietary Fund	Food services and Bookstore operations	$418,000	$420,000	$420,000
TOTAL		$1,682,000	$1,688,000	$1,688,000

Napa Valley College Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$1,573,891	$1,121,438	$1,372,924	$1,322,405	A	$5,000,000	$6,322,405
August, 2005	1,322,405	881,679	3,890,642	(1,686,558)	A		3,313,442
September, 2005	(1,686,558)	1,198,035	2,371,538	(2,860,061)	A		2,139,939
October, 2005	(2,860,061)	373,770	2,390,673	(4,876,964)	A		123,036
November, 2005	(4,876,964)	1,812,145	2,392,295	(5,457,114)	A	475,000	17,886
December, 2005	(5,457,114)	8,433,258	1,981,787	994,357	A	(475,000)	5,994,357
January, 2006	994,357	5,927,292	2,096,905	4,824,744	A	(2,500,000)	7,324,744
February, 2006	4,824,744	98,460	2,288,696	2,634,508	A		5,134,508
March, 2006	2,634,508	118,160	2,413,173	339,495	A		2,839,495
April, 2006	339,495	6,525,153	2,237,365	4,627,283	A	(2,500,000)	4,627,283
May, 2006	4,627,283	505,527	1,634,389	3,498,421	E		3,498,421
June, 2006	3,498,421	1,810,524	4,104,216	1,204,729	E		1,204,729
Total		$28,805,441	$29,174,603				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$1,204,729	$1,148,478	$1,392,943	$960,264		$5,000,000	$5,960,264
August, 2006	960,264	902,938	3,947,372	(2,084,169)			2,915,831
September, 2006	(2,084,169)	1,226,922	2,406,118	(3,263,365)			1,736,635
October, 2006	(3,263,365)	382,782	2,425,532	(5,306,114)		325,000	18,886
November, 2006	(5,306,114)	1,855,840	2,427,177	(5,877,451)		560,000	7,549
December, 2006	(5,877,451)	8,636,601	2,010,684	748,466		(885,000)	5,748,466
January, 2007	748,466	6,070,211	2,127,480	4,691,198	50%	(2,500,000)	7,191,198
February, 2007	4,691,198	100,834	2,322,068	2,469,964			4,969,964
March, 2007	2,469,964	121,009	2,448,360	142,613			2,642,613
April, 2007	142,613	6,682,488	2,269,988	4,555,113	50%	(2,500,000)	4,555,113
May, 2007	4,555,113	517,716	1,658,220	3,414,609			3,414,609
June, 2007	3,414,609	1,854,179	4,164,060	1,104,729			1,104,729
Total		$29,500,000	$29,600,000				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Capital Projects Fund	Capital Projects	$602,648	$622,648	$624,000
Proprietary Fund	Post Retirement	$495,062	$810,062	$1,010,000
TOTAL		$1,097,710	$1,432,710	$1,634,000

San Francisco Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	($1,464,532)	$9,946,781	$5,344,337	$3,137,912	A	$10,850,000	$13,987,912
August, 2005	3,137,912	12,925,722	14,379,381	1,684,253	A		12,534,253
September, 2005	1,684,253	19,925,876	20,660,911	949,218	A		11,799,218
October, 2005	949,218	15,246,898	15,940,861	255,255	A		11,105,255
November, 2005	255,255	12,649,452	21,704,484	(8,799,777)	A		2,050,223
December, 2005	(8,799,777)	27,229,304	15,631,724	2,797,803	A		13,647,803
January, 2006	2,797,803	14,568,119	14,699,327	2,666,595	A	(5,425,000)	8,091,595
February, 2006	2,666,595	16,856,891	16,975,983	2,547,503	A		7,972,503
March, 2006	2,547,503	11,760,751	19,644,467	(5,336,213)	E		88,787
April, 2006	(5,336,213)	21,226,742	15,406,438	484,091	E	(5,425,000)	484,091
May, 2006	484,091	16,426,742	16,806,438	104,395	E		104,395
June, 2006	104,395	18,826,742	18,806,436	124,701	E		124,701
Total		$197,590,020	$196,000,787				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$124,701	$10,396,944	$5,625,630	$4,896,015		$14,385,000	$19,281,015
August, 2006	4,896,015	13,510,703	15,136,223	3,270,494			17,655,494
September, 2006	3,270,494	20,827,664	21,748,374	2,349,783			16,734,783
October, 2006	2,349,783	15,936,929	16,779,890	1,506,822			15,891,822
November, 2006	1,506,822	13,221,930	22,846,875	(8,118,123)			6,266,877
December, 2006	(8,118,123)	28,461,624	16,454,482	3,889,019			18,274,019
January, 2007	3,889,019	15,227,430	15,473,009	3,643,440	50%	(7,192,500)	10,835,940
February, 2007	3,643,440	17,619,785	17,869,494	3,393,730			10,586,230
March, 2007	3,393,730	12,293,009	20,678,431	(4,991,692)			2,200,808
April, 2007	(4,991,692)	22,187,403	16,217,338	978,373	50%	(7,192,500)	978,373
May, 2007	978,373	17,170,169	17,691,026	457,516			457,516
June, 2007	457,516	19,678,786	19,796,291	340,011			340,011
Total		$206,532,374	$206,317,064				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Self Insurance	Workers comp	$1,703,794	$1,800,000	$1,900,000
Captal Projects Fund	Capital Projects	$723,290	$700,000	$700,000
Proprietary Fund	Bookstore	$172,165	$1,000,000	$1,000,000
TOTAL		$2,599,249	$3,500,000	$3,600,000

San Joaquin Delta Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$7,628,723	$4,900,055	$6,516,500	$6,012,278	A	$5,000,000	$11,012,278
August, 2005	6,012,278	8,565,131	10,155,733	4,421,676	A		9,421,676
September, 2005	4,421,676	5,994,456	7,957,591	2,458,541	A		7,458,541
October, 2005	2,458,541	11,421,621	8,297,242	5,582,920	A		10,582,920
November, 2005	5,582,920	6,796,635	7,087,829	5,291,726	A		10,291,726
December, 2005	5,291,726	14,402,673	8,754,212	10,940,187	A		15,940,187
January, 2006	10,940,187	5,525,199	9,067,286	7,398,100	A	(2,500,000)	9,898,100
February, 2006	7,398,100	6,337,694	7,926,921	5,808,873	A		8,308,873
March, 2006	5,808,873	4,167,483	8,678,048	1,298,308	A		3,798,308
April, 2006	1,298,308	16,806,909	8,719,845	9,385,372	E	(2,500,000)	9,385,372
May, 2006	9,385,372	4,921,984	8,393,026	5,914,330	E		5,914,330
June, 2006	5,914,330	6,818,602	6,845,268	5,887,664	E		5,887,664
Total		$96,658,442	$98,399,501				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$5,887,664	$4,968,065	$6,490,043	$4,365,686		$5,000,000	$9,365,686
August, 2006	4,365,686	8,684,010	10,114,501	2,935,194			7,935,194
September, 2006	2,935,194	6,077,655	7,925,283	1,087,566			6,087,566
October, 2006	1,087,566	11,580,146	8,263,555	4,404,157			9,404,157
November, 2006	4,404,157	6,890,968	7,059,052	4,236,072			9,236,072
December, 2006	4,236,072	14,602,573	8,718,670	10,119,975			15,119,975
January, 2007	10,119,975	5,601,885	9,030,473	6,691,388	50%	(2,500,000)	9,191,388
February, 2007	6,691,388	6,425,657	7,894,738	5,222,307			7,722,307
March, 2007	5,222,307	4,225,325	8,642,815	804,817			3,304,817
April, 2007	804,817	17,040,178	8,684,443	9,160,553	50%	(2,500,000)	9,160,553
May, 2007	9,160,553	4,990,298	8,358,950	5,791,900			5,791,900
June, 2007	5,791,900	6,913,240	6,817,476	5,887,664			5,887,664
Total		$98,000,000	$98,000,000				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Special Revenue Fund	Child Development,Farm	$609,607	$71,225	$71,225
Capital Projets		$1,375,148	$1,341,115	$250,000
Enterprise Funds Funds	Bookstore,Food Service	$447,229	$464,863	$500,000
TOTAL		$2,431,984	$1,877,203	$821,225

San Jose-Evergreen Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$13,490,636	$1,639,014	$8,278,649	$6,851,001	A	$5,400,000	$12,251,001
August, 2005	6,851,001	1,242,327	4,550,551	3,542,777	A		8,942,777
September, 2005	3,542,777	1,475,200	7,831,104	(2,813,127)	A		2,586,873
October, 2005	(2,813,127)	4,901,039	1,743,562	344,350	A		5,744,350
November, 2005	344,350	6,593,431	8,987,765	(2,049,984)	A		3,350,016
December, 2005	(2,049,984)	15,902,600	6,732,182	7,120,434	A		12,520,434
January, 2006	7,120,434	9,801,869	5,444,064	11,478,239	A	(2,700,000)	14,178,239
February, 2006	11,478,239		5,374,243	6,103,996	A		8,803,996
March, 2006	6,103,996	4,322,529	6,352,942	4,073,583	A		6,773,583
April, 2006	4,073,583	15,174,891	5,607,201	13,641,273	E	(2,700,000)	13,641,273
May, 2006	13,641,273	356,462	5,473,291	8,524,444	E		8,524,444
June, 2006	8,524,444	5,072,350		13,596,794	E		13,596,794
Total		$66,481,712	$66,375,554				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$13,596,794	$1,639,014	$8,278,649	$6,957,159		$5,280,000	$12,237,159
August, 2006	6,957,159	1,242,327	4,550,551	3,648,935			8,928,935
September, 2006	3,648,935	1,475,200	7,831,104	(2,706,969)			2,573,031
October, 2006	(2,706,969)	4,901,039	1,743,562	450,508			5,730,508
November, 2006	450,508	6,593,431	8,987,765	(1,943,826)			3,336,174
December, 2006	(1,943,826)	15,902,600	6,732,182	7,226,592			12,506,592
January, 2007	7,226,592	9,801,869	5,444,064	11,584,397	50%	(2,640,000)	14,224,397
February, 2007	11,584,397		5,374,243	6,210,154			8,850,154
March, 2007	6,210,154	4,322,529	6,352,942	4,179,741			6,819,741
April, 2007	4,179,741	15,174,891	5,607,201	13,747,432	50%	(2,640,000)	13,747,432
May, 2007	13,747,432	356,462	5,473,291	8,630,603			8,630,603
June, 2007	8,630,603	5,072,350		13,702,953			13,702,953
Total		$66,481,712	$66,375,554				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Enterprise	Cafeteria Operations			
Proprietary	Self Insurance			
Proprietary	L/T Debt - Retiree Benefits	$3,764,000	$2,600,000	$2,600,000
Enterprise	Bookstore Operations			
Trust	Student Center Fee			
Capital Outlay	Equipment, Project Management			
TOTAL		$3,764,000	$2,600,000	$2,600,000

San Luis Obispo County (Cuesta) Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$5,760,055	$3,839,775	$3,229,930	$6,369,900	A	$2,200,000	$8,569,900
August, 2005	6,369,900	3,234,634	5,732,945	3,871,589	A		6,071,589
September, 2005	3,871,589	3,036,033	5,873,010	1,034,612	A		3,234,612
October, 2005	1,034,612	3,398,244	4,020,161	412,695	A		2,612,695
November, 2005	412,695	3,834,090	4,381,713	(134,928)	A		2,065,072
December, 2005	(134,928)	11,140,640	2,060,773	8,944,939	A		11,144,939
January, 2006	8,944,939	3,739,302	6,688,125	5,996,116	A	(1,100,000)	7,096,116
February, 2006	5,996,116	2,334,854	3,851,748	4,479,222	A		5,579,222
March, 2006	4,479,222	2,515,484	4,755,788	2,238,918	A		3,338,918
April, 2006	2,238,918	9,370,303	4,420,400	7,188,821	A	(1,100,000)	7,188,821
May, 2006	7,188,821	2,675,561	4,570,262	5,294,120	A		5,294,120
June, 2006	5,294,120	2,867,090	4,713,833	3,447,377	E		3,447,377
Total		$51,986,010	$54,298,688				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$3,447,377	$3,839,775	$3,229,930	$4,057,222		$2,500,000	$6,557,222
August, 2006	4,057,222	4,234,634	5,732,945	2,558,911			5,058,911
September, 2006	2,558,911	4,036,033	5,873,010	721,934			3,221,934
October, 2006	721,934	3,398,244	4,020,161	100,017			2,600,017
November, 2006	100,017	3,834,090	4,381,713	(447,606)			2,052,394
December, 2006	(447,606)	11,140,640	2,060,773	8,632,261			11,132,261
January, 2007	8,632,261	3,739,302	6,688,125	5,683,438	50%	(1,250,000)	6,933,438
February, 2007	5,683,438	2,334,854	3,851,748	4,166,544			5,416,544
March, 2007	4,166,544	2,515,484	4,755,788	1,926,240			3,176,240
April, 2007	1,926,240	9,370,303	4,420,400	6,876,143	50%	(1,250,000)	6,876,143
May, 2007	6,876,143	2,675,561	4,570,262	4,981,442			4,981,442
June, 2007	4,981,442	2,867,090	4,713,833	3,134,699			3,134,699
Total		$53,986,010	$54,298,688				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Debt Service Fund (Fd 23)	Grant Anticipation Note Repayment Fund			
Debt Service Fund (Fd 29)	Debt Service Fund	$305,789	$94,192	
Debt Service Fund (Fd 29)	Debt Service Fund, Required COPs Reserve			
Special Revenue (Fd 32 & 33)	Childrens Center and Auditorium Funds			
Capital Outlay (Fd 39 & 41)	Construction Projects	$580,253	$950,908	$1,000,000
Capital Outlay (Fd 43)	State Grant Construction Fund			
Enterprise Fund (Fd 51)	Bookstore Fund	$312,446	$350,000	$325,000
Internal Service Fund (Fd 61)	General Liability Insurance	$60,000	$50,000	$50,000
Internal Service Fund (Fd 66)	Dental Insurance			
Fiduciary Funds (Fd 71 - 79)	Trust and Agency Funds			
TOTAL		$1,258,488	$1,445,100	$1,375,000

College of the Sequoias

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$909,552	$2,483,361	$1,822,115	$1,570,798	A	$3,660,000	$5,230,798
August, 2005	1,570,798	4,628,818	3,143,186	3,056,430	A		6,716,430
September, 2005	3,056,430	3,181,754	3,768,311	2,469,873	A		6,129,873
October, 2005	2,469,873	2,985,141	3,982,532	1,472,482	A		5,132,482
November, 2005	1,472,482	2,905,869	3,487,420	890,931	A		4,550,931
December, 2005	890,931	5,715,954	4,530,628	2,076,257	A		5,736,257
January, 2006	2,076,257	3,390,331	3,495,375	1,971,213	A	(1,830,000)	3,801,213
February, 2006	1,971,213	1,971,727	3,633,443	309,497	A		2,139,497
March, 2006	309,497	2,744,818	3,605,621	(551,306)	A		1,278,694
April, 2006	(551,306)	5,657,971	4,366,922	739,743	A	(1,830,000)	739,743
May, 2006	739,743	3,007,363	3,746,008	1,098	E		1,098
June, 2006	1,098	3,231,122	3,149,526	82,694	F		82,694
Total		$41,904,229	$42,731,087				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$82,694	$2,483,361	$1,822,115	$743,940		$4,475,000	$5,218,940
August, 2006	743,940	4,628,818	3,143,186	2,229,572			6,704,572
September, 2006	2,229,572	3,181,754	3,768,311	1,643,015			6,118,015
October, 2006	1,643,015	2,985,141	3,982,532	645,624			5,120,624
November, 2006	645,624	2,905,869	3,487,420	64,073			4,539,073
December, 2006	64,073	6,215,954	4,530,628	1,749,399			6,224,399
January, 2007	1,749,399	3,390,331	3,495,375	1,644,355	50%	(2,237,500)	3,881,855
February, 2007	1,644,355	1,971,727	3,633,443	(17,361)			2,220,139
March, 2007	(17,361)	2,744,818	3,605,621	(878,164)			1,359,336
April, 2007	(878,164)	5,957,971	4,366,922	712,885	50%	(2,237,500)	712,885
May, 2007	712,885	3,007,363	3,719,150	1,098			1,098
June, 2007	1,098	3,231,122	3,139,526	92,694			92,694
Total		$42,704,229	$42,694,229				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Special Revenue Fund	Workforce Development			
Capital Projects Fund	Capital Projects	$293,618	$150,000	$175,000
Special Reserve Fund	Farm Buildings	$1,757,592	$1,820,000	$1,860,000
Retiree Benefits Fund	Retiree Benefits	$2,549,036	$3,500,000	$3,650,000
TOTAL		$4,600,246	$5,470,000	$5,685,000

Shasta-Tehama-Trinity Joint Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$1,929,123	$4,229,145	$4,169,607	$1,988,661	A	$5,000,000	$6,988,661
August, 2005	1,988,661	2,514,450	4,783,295	(280,184)	A		4,719,816
September, 2005	(280,184)	5,235,460	3,851,792	1,103,484	A		6,103,484
October, 2005	1,103,484	3,309,744	4,283,120	130,108	A		5,130,108
November, 2005	130,108	2,728,425	1,638,746	1,219,787	A		6,219,787
December, 2005	1,219,787	5,440,206	3,547,418	3,112,575	A		8,112,575
January, 2006	3,112,575	4,334,347	3,670,418	3,776,504	A	(2,500,000)	6,276,504
February, 2006	3,776,504	2,772,421	3,974,056	2,574,869	A		5,074,869
March, 2006	2,574,869	2,187,509	2,420,347	2,342,031	A		4,842,031
April, 2006	2,342,031	5,271,571	2,350,900	5,262,702	A	(2,500,000)	5,262,702
May, 2006	5,262,702	3,233,554	3,242,505	5,253,751	E		5,253,751
June, 2006	5,253,751	2,777,132	4,178,550	3,852,333	E		3,852,333
Total		$44,033,964	$42,110,754				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$3,852,333	$4,229,145	$4,360,034	$3,721,444		$2,705,000	$6,426,444
August, 2006	3,721,444	2,514,450	5,001,749	1,234,144			3,939,144
September, 2006	1,234,144	5,235,460	4,027,704	2,441,900			5,146,900
October, 2006	2,441,900	3,309,744	4,478,731	1,272,913			3,977,913
November, 2006	1,272,913	2,728,425	1,713,588	2,287,750			4,992,750
December, 2006	2,287,750	5,440,206	3,709,430	4,018,526			6,723,526
January, 2007	4,018,526	4,334,347	3,838,047	4,514,826	50%	(1,352,500)	5,867,326
February, 2007	4,514,826	2,772,421	4,155,552	3,131,695			4,484,195
March, 2007	3,131,695	2,187,509	2,530,885	2,788,319			4,140,819
April, 2007	2,788,319	5,271,571	2,458,266	5,601,624	50%	(1,352,500)	5,601,624
May, 2007	5,601,624	3,233,554	3,390,591	5,444,587			5,444,587
June, 2007	5,444,587	2,777,132	4,369,386	3,852,333			3,852,333
Total		$44,033,964	$44,033,964				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Capital Projects Fund	Capital projects			
Special Revenue Fund	Student services (parking, dorms, food serv)	$1,265,002	$1,500,000	$1,545,000
Proprietary Fund	Trustee and agency funds			
Debt Service Retirement	Bond interest and redemption			
TOTAL		$1,265,002	$1,500,000	$1,545,000

Sierra Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$12,659,274	$9,142,018	$12,163,713	$9,637,579	A	$10,000,000	$19,637,579
August, 2005	9,637,579	2,214,509	5,906,641	5,945,447	A		15,945,447
September, 2005	5,945,447	3,253,976	6,588,280	2,611,143	A		12,611,143
October, 2005	2,611,143	2,423,665	6,324,909	(1,290,101)	A		8,709,899
November, 2005	(1,290,101)	1,725,942	6,184,296	(5,748,455)	A		4,251,545
December, 2005	(5,748,455)	21,405,245	3,321,870	12,334,920	A		22,334,920
January, 2006	12,334,920	4,930,827	4,762,859	12,502,888	A	(5,000,000)	17,502,888
February, 2006	12,502,888	4,716,330	6,275,158	10,944,060	A		15,944,060
March, 2006	10,944,060	2,209,211	6,786,043	6,367,228	A		11,367,228
April, 2006	6,367,228	5,500,000	7,500,000	4,367,228	E	(5,000,000)	4,367,228
May, 2006	4,367,228	17,900,000	7,500,000	14,767,228	E		14,767,228
June, 2006	14,767,228	3,000,000	5,000,000	12,767,228	E		12,767,228
Total		$78,421,723	$78,313,769				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$12,767,228	$9,442,581	$12,580,939	$9,628,870		$11,975,000	$21,603,870
August, 2006	9,628,870	2,287,316	6,109,244	5,806,941			17,781,941
September, 2006	5,806,941	3,360,957	6,814,264	2,353,635			14,328,635
October, 2006	2,353,635	2,503,348	6,541,859	(1,684,876)			10,290,124
November, 2006	(1,684,876)	1,782,686	6,396,423	(6,298,613)			5,676,387
December, 2006	(6,298,613)	22,108,987	3,435,813	12,374,561			24,349,561
January, 2007	12,374,561	5,092,938	4,926,229	12,541,270	50%	(5,987,500)	18,528,770
February, 2007	12,541,270	4,871,389	6,490,401	10,922,258			16,909,758
March, 2007	10,922,258	2,281,843	7,018,810	6,185,291			12,172,791
April, 2007	6,185,291	5,680,824	7,757,257	4,108,858	50%	(5,987,500)	4,108,858
May, 2007	4,108,858	18,488,500	7,757,257	14,840,101			14,840,101
June, 2007	14,840,101	3,098,631	5,171,504	12,767,228			12,767,228
Total		$81,000,000	$81,000,000				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Retiree Benefits	Post retirement medical benefits			
Capital Projects	Facilities maintenance and improvements	$3,947,636	$3,000,000	$3,000,000
TOTAL		$3,947,636	$3,000,000	$3,000,000

Siskiyou Joint Community College District

2005-06 Actual/Estimated Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Actual/ Estimated	2005 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2005	$585,663	$1,878,375	$1,270,954	$1,193,084	A		$1,193,084
August, 2005	1,193,084	1,023,295	875,169	1,341,209	A		1,341,209
September, 2005	1,341,209	1,553,686	1,271,033	1,623,863	A		1,623,863
October, 2005	1,623,863	1,434,682	1,349,636	1,708,909	A		1,708,909
November, 2005	1,708,909	1,024,323	1,550,673	1,182,559	A		1,182,559
December, 2005	1,182,559	2,105,740	1,486,800	1,801,498	A		1,801,498
January, 2006	1,801,498	1,038,520	1,266,502	1,573,516	A		1,573,516
February, 2006	1,573,516	765,892	1,341,401	998,007	A		998,007
March, 2006	998,007	962,416	1,196,677	763,746	A		763,746
April, 2006	763,746	1,128,270	1,177,369	714,647	E		714,647
May, 2006	714,647	678,666	1,064,098	329,215	E		329,215
June, 2006	329,215	768,666	964,098	133,783	E		133,783
Total		$14,362,531	$14,814,411				

2006-07 Projected Cash Flow

Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2006 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2006	$133,783	$1,230,962	$1,201,085	$163,661		$825,000	$988,661
August, 2006	163,661	947,465	877,057	234,069			1,059,069
September, 2006	234,069	1,464,469	1,351,159	347,379			1,172,379
October, 2006	347,379	1,348,469	1,275,441	420,406			1,245,406
November, 2006	420,406	948,468	1,465,426	(96,552)			728,448
December, 2006	(96,552)	2,002,588	1,305,064	600,972			1,425,972
January, 2007	600,972	962,306	1,196,877	366,401	50%	(412,500)	778,901
February, 2007	366,401	1,196,560	1,167,659	395,302			807,802
March, 2007	395,302	1,063,123	1,130,890	327,535			740,035
April, 2007	327,535	1,224,791	1,112,644	439,681	50%	(412,500)	439,681
May, 2007	439,681	786,535	1,005,600	220,617			220,617
June, 2007	220,617	824,264	911,097	133,783			133,783
Total		$14,000,000	$14,000,000				

Alternative Cash Resources

Fund Type	Fund Purpose	Audited Cash Balance as of 6/30/05	Projected Cash Balance as of 6/30/06	Projected Cash Balance as of 6/30/07
Capital Projects	To fund ongoing schedule maintenance and future capital exp	$247,922	$200,000	$175,000
Dorm Revenue Fund	Enterprise fund to provide housing services to students	$169,727	$95,000	$95,000
Child Care Fund	Enteprise fund to provide day care for students	$6,150	$5,000	$5,000
TOTAL		$423,799	$300,000	$275,000

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APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by California Community College Financing Authority (the "Authority") in connection with the issuance by the California Community College Financing Authority (the "Authority") of its $75,715,000 2006 Tax and Revenue Anticipation Bonds, Series A (the "Bonds"). The Bonds are being issued pursuant to the Indenture, dated as of July 1, 2006 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee. The Authority covenants and agrees as follows:

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

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution and the Indenture, 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:

"Dissemination Agent" shall mean the Authority or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"Holders" shall mean, while the Bonds are registered in the name of The Depository Trust Company, any applicable participant in its depository system, or the owner of any Bond for Federal income tax purposes.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

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

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

SECTION 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the Authority shall give or cause to be given notice of the occurrence of any of the following events, if material:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults.

3. Modifications to rights of the Holders of the Bonds.

4. Optional, contingent or unscheduled bond calls.

5. Defeasances.

6. Rating changes.

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

8. Unscheduled draws on debt service reserves reflecting financial difficulties.

9. Unscheduled draws on credit enhancements reflecting financial difficulties.

10. Substitution of credit or liquidity providers, or their failure to perform.

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

(b) Whenever a Listed Event occurs, the Authority shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Authority determines that the occurrence of a Listed Event would be material, the Authority shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) or (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

SECTION 4. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 5. Dissemination Agent. The Authority may, from time to time, appoint or engage a 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 shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Certificate.

SECTION 6. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the Authority 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 Section 3, 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; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority 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 notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds, shall), or any Holder may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority 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 or the related Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Authority to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority 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 negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Trustee, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: July 3, 2006

CALIFORNIA COMMUNITY COLLEGE
FINANCING AUTHORITY

By: ______________________________
Authorized Signatory

APPENDIX F
SCHEDULE OF PLEDGED REVENUES

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California Community College Financing Authority
2006 Tax and Revenue Anticipation Bonds
*Repayment Table**

		First Repayment Pledge Month			Second Repayment Pledge Month		
District	**Note Amount**	**Month**	**Percent**	**Amount**	**Month**	**Percent**	**Amount**
Allan Hancock C.C.D.	$2,125,000	January	50%	$1,115,043	April	50%	$1,115,043
Cabrillo C.C.D.	2,930,000	January	50%	1,537,447	April	50%	1,537,447
Feather River C.C.D.	1,000,000	January	50%	524,726	April	50%	524,726
Marin C.C.D.	9,500,000	January	50%	4,984,897	April	50%	4,984,897
Merced C.C.D.	3,015,000	January	50%	1,582,049	April	50%	1,582,049
Mt. San Jacinto C.C.D.	5,000,000	January	50%	2,623,630	April	50%	2,623,630
Napa Valley C.C.D.	5,000,000	January	50%	2,623,630	April	50%	2,623,630
San Francisco C.C.D.	14,385,000	January	50%	7,548,184	April	50%	7,548,184
San Joaquin Delta C.C.D.	5,000,000	January	50%	2,623,630	April	50%	2,623,630
San Jose-Evergreen C.C.D.	5,280,000	January	50%	2,770,553	April	50%	2,770,553
San Luis Obispo (Cuesta) C.C.D.	2,500,000	January	50%	1,311,815	April	50%	1,311,815
Sequoias C.C.D.	4,475,000	January	50%	2,348,149	April	50%	2,348,149
Shasta-Tehama-Trinity C.C.D.	2,705,000	January	50%	1,419,384	April	50%	1,419,384
Sierra C.C.D.	11,975,000	January	50%	6,283,594	April	50%	6,283,594
Siskiyou Joint CCD	825,000	January	50%	432,899	April	50%	432,899
Totals	***$75,715,000***			***$39,729,631***			***$39,729,631***

*Preliminary, subject to change

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APPENDIX G
FORM OF MUNICIPAL BOND INSURANCE POLICY

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FINANCIAL SECURITY ASSURANCE®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: Effective Date:

Premium: $

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

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

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

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

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

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

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

[Countersignature] FINANCIAL SECURITY ASSURANCE INC.

By ______________________ By ______________________
Authorized Officer

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

FINANCIAL SECURITY ASSURANCE®

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

ISSUER: Policy No.: -N

BONDS: Effective Date:

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

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

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

FINANCIAL SECURITY ASSURANCE INC.

By: ______________________________
Authorized Officer

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

Form 560NY (CA 1/91)

FINANCIAL SECURITY ASSURANCE®

ENDORSEMENT NO. 2 TO MUNICIPAL BOND INSURANCE POLICY (Nonpayment Endorsement)

ISSUER:

BONDS:

Policy No.: -N

Effective Date:

Notwithstanding the terms and provisions contained in this Policy, the amount available under this Policy to pay principal of and interest on Bonds that are Due for Payment but are unpaid by reason of Nonpayment shall not exceed, in the aggregate, the Policy Limit. The amount available to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by any payment under this Policy. "Policy Limit" means [ ]. Amounts payable under this Policy in respect of each Series of Bonds will be apportioned in accordance with the Trust Agreement providing for the execution and delivery of the Bonds. The determination of such apportionment shall be as set forth in the Notice of Nonpayment delivered by the Trustee to Financial Security.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

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

FINANCIAL SECURITY ASSURANCE INC.

By: ______________________________
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

Form 585B NY (CA 5/97)

APPENDIX H
ADDITIONAL INFORMATION REGARDING CERTAIN PARTICIPATING DISTRICTS

The information set forth in this Appendix relates to certain Districts which comprise the largest participants with respect to the Bonds. This information is provided as supplementary information to assist investors in evaluating investment in connection with the Bonds.

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MARIN COMMUNITY COLLEGE DISTRICT

FINANCIAL AND DEMOGRAPHIC INFORMATION

The District

The Marin Community College District (the "District") was established in 1926 and serves Marin County. The District currently maintains one comprehensive community college, College of Marin, with campuses in Kentfield and Novato. The population served by the District was approximately 200,000 as of May 2004.

The District is governed by a seven-member Board of Trustees (the "Board of Trustees"), each member of which is elected to a four-year term. Elections for positions to the Board of Trustees are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a President/Superintendent appointed by the Board of Trustees who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel.

Financial Statements of the District

The following table shows the District's audited financial statements for fiscal year 2003-04 and 2004-05.

MARIN COMMUNITY COLLEGE DISTRICT
Audited Financial Results for Fiscal Years 2002-03 through 2004-05

	Audited 2002-03	Audited 2003-04	Audited 2004-05
OPERATING REVENUES			
Tuition and Fees	$3,712,815	$4,057,729	$4,527,366
Less: Scholarship discount and allowance	(359,686)	--	--
Net tuition and fees	3,353,129	4,057,729	4,527,366
Grant and contracts, non-capital:			
Federal	3,132,388	3,376,488	3,398,251
State	4,137,197	4,023,303	3,881,893
Local	--	30,000	--
TOTAL OPERATING REVENUES	10,622,714	11,487,520	11,807,510
OPERATING EXPENSES			
Salaries	27,053,756	34,753,499	34,878,981
Employee benefits	6,656,538	--	--
Supplies, materials and other operating expenses and services	8,151,092	8,289,494	8,434,774
Equipment, maintenance, and repairs	1,897,066	8,289,494	1,231,246
Depreciation	787,961	899,945	814,337
TOTAL OPERATING EXPENSES	44,546,413	44,855,847	45,359,338
OPERATING LOSS	(33,923,699)	(33,368,327)	(33,551,828)
NON-OPERATING REVENUES (EXPENSES)			
State apportionments, non-capital	2,191,680	1,862,304	1,714,493
Local property taxes	26,400,906	28,206,923	30,513,182
State taxes and other revenues	990,789	458,966	593,564
Investment income, net	72,991	155,431	393,120
Principal expense on capital related debt	216,038	--	--
Interest expense on capital related debt	(4,214)	(44,749)	(41,801)
Other non-operating revenue	787,961	981,384	1,761,321
TOTAL NON-OPERATING REVENUES	30,727,381	31,620,259	34,933,879
INCOME (LOSS) BEFORE OTHER REVENUES	(3,196,318)	(1,748,068)	1,382,051
OTHER REVENUES			
State revenues, capital	321,363	124,990	126,944
Local revenues, capital	37,870	530,054	37,897
TOTAL OTHER REVENUES	359,233	655,044	164,841
NET INCREASE (DECREASE) IN NET ASSETS	(2,837,085)	(1,093,024)	1,546,892
NET ASSETS, BEGINNING OF YEAR	22,864,115	20,027,030	18,934,006
NET ASSETS, END OF YEAR	$20,027,030	$18,934,006	$20,480,898

Source: The District.

General Fund and Adopted Budget

The following table reflects the comparison of the District's General Fund Adopted Budgets for fiscal years 2003-04 through 2005-06 to actual results for fiscal years 2003-04 and 2004-05:

MARIN COMMUNITY COLLEGE DISTRICT
Comparison of General Fund Budgets to Audited Actual Amounts
For Fiscal Years 2002-03 through 2005-06

	Adopted Budget 2003-04	Audited Actuals 2003-04[1]	Adopted Budget 2004-05	Audited Actuals 2004-05[1]	Adopted Budget 2005-06	Estimated Unaudited Actuals 2005-06
Revenues						
Federal	$539,720	$529,704	$536,129	$500,220	$541,857	$542,604
State	5,968,711	5,600,811	5,433,986	5,476,379	6,401,578	6,369,517
Local	33,768,025	33,468,383	35,823,956	35,984,117	39,473,976	37,728,634
TOTAL REVENUES	40,276,456	39,598,898	41,794,071	41,960,716	46,417,411	44,640,755
Expenditures						
Academic Salaries	16,487,319	17,016,668	16,367,102	16,350,175	17,448,884	17,884,130
Classified Salaries	10,335,781	9,732,603	9,642,017	9,750,796	9,961,166	9,793,906
Employee Benefits	8,087,353	7,554,416	8,598,646	8,294,691	9,093,415	8,967,770
Books and Supplies	868,593	750,033	753,223	768,919	1,150,945	861,422
Services and other Operating Expenses	3,898,642	3,980,782	4,374,667	3,954,181	5,306,534	4,820,967
Capital Outlay	564,110	536,796	1,107,427	805,755	1,442,561	1,018,546
Debt Service-Principal	110,347	110,369	110,374	110,374	110,374	110,374
TOTAL EXPENDITURES	40,352,145	39,681,667	40,953,456	40,034,891	44,513,879	43,457,115
Revenues Over (Under) Expenditures	(75,689)	(82,769)	840,615	1,925,825	1,903,532	1,183,640
Other Financing Sources						
Operating Transfers In	313,506	--	--	85,533	8,000	8,000
Operating Transfers Out	--	(49,185)	--	--	--	--
Other Sources	--	6,700	8,700	--	--	--
Other Uses	--	(61,404)	(335,000)	(375,514)	(1,911,532)	(871,532)
Total Other Financing Sources (Uses)	313,506	(103,889)	(326,300)	(289,981)	(1,903,532)	(863,532)
NET INCREASE (DECREASE) IN FUND BALANCE	237,817	(186,658)	514,315	1,635,844	--	320,108
Beginning Balance, July 1	1,467,835	1,467,835	1,281,177	1,281,177	2,917,021	2,917,021
Ending Balance, June 30	$1,705,652	$1,281,177	$1,795,492	$2,917,021	$2,917,021	$3,237,129

[1] Actual results for fiscal year 2003-04 and unaudited results for fiscal year 2004-05 in object-oriented categories for comparison with budget format. For audited results of fiscal years 2003-04 and 2004-05 in revised reporting format, see preceding page.
Source: The District.

Administration

The District is governed by a seven-member Board of Trustees (the "Board of Trustees"), each member of which is elected to a four-year term. Elections for positions to the Board of Trustees are held every two years, alternating between three and four available positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

Name	Office	Term Expires
Greg Brockbank	President	November 30, 2009
Carole Hayashino	Vice President	November 30, 2007
Wanden Treanor	Clerk	November 30, 2009
Barbara Dolan	Member	November 30, 2009
Phil Kranenburg	Member	November 30, 2007
Eva Long	Member	November 30, 2007
Harry Moore	Member	November 30, 2007

The President/Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Dr. Frances L. White is the District's current President/Superintendent.

Brief biographies of the President/Superintendent and the Interim Vice President, College Services follow:

Dr. Frances L. White, President/Superintendent. Dr. Frances L. White is the President/Superintendent of the District. Prior to accepting her current position, Dr. White was President of Skyline College for over four years. Her administrative experience in community colleges includes serving as Executive Vice Chancellor of City College of San Francisco, Interim Chancellor of the San Jose/Evergreen Community College District, and academic dean at Evergreen College in San Jose and Laney College in Oakland, California. She received a bachelor's degree in psychology and a master's degree in counseling psychology from the California State University, Hayward, as well as a Ph.D. in education administration from the University of California at Berkeley.

Mr. Albert J. Harrison, II, Vice President, College Operations. Mr. Albert J. Harrison, II has held the position of Vice President, College Operations of the District since December 1, 2004. Prior to accepting his current position, Mr. Harrison was the Vice Chancellor for Financial Services of Peralta Community College District and the Interim Chancellor of Peralta Community College. Mr. Harrison has worked in public education since 1977. He received a BS degree in Accounting from Florida Atlantic University and a Masters of Business Education/MBA degree from St. Mary's College.

Labor Relations

The District employs 129 full-time certificated professionals and 156 full-time classified employees and managers. In addition, the District employs 285 part-time faculty and staff. These employees are represented by three bargaining units as noted below:

MARIN COMMUNITY COLLEGE DISTRICT
Labor Relations Organizations

Labor Organization	Number of Employees In Organization	Contract Expiration Date
United Professors of Marin	394	June 30, 2007
California State Employees Association	134	June 30, 2007
Service Employees International	40	June 30, 2006

Source: The District.

Retirement Programs

The District participates in the State of California Teachers Retirement System ("STRS"). This plan covers all full-time and most part-time certificated employees. The District's contribution to STRS was $1,251,587 in fiscal year 2003-04, $1,771,367 in fiscal year 2004-05, and is projected to be $1,271,630 in fiscal year 2005-06. In order to receive STRS benefits, an employee must be at least 55 years old and have provided five years of service to California public schools.

The District also participates in the State of California Public Employees Retirement System ("PERS"). This plan covers all classified personnel who are employed more than four hours per day. The District's contribution to PERS was $922,480 in fiscal year 2003-04, $855,659 in fiscal year 2004-05, and is projected to be $722,457 in fiscal year 2005-06. In order to receive PERS benefits, an employee must be at least 50 years old and have provided five years of service to California public schools.

Contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as changes in benefits. The contribution rates are based on statewide rates set by the STRS and PERS retirement boards. STRS has substantial statewide unfunded liability. Since this liability has not been broken down by each school district, it is impossible to determine the District's share.

Joint Powers Authorities

The District participates in four Joint Powers Agreements ("JPAs"): the School Excess Liability Fund, the Marin Schools Insurance Authority, the Northern California Community Colleges, and the Statewide Association of Community Colleges public entity risk pools. The District pays an annual premium to each entity for its workers' compensation, and property and liability coverage. The relationships between the District, the pools and the JPAs are such that they are not component units of the District for financial reporting purposes. Audited financial statements are available from the respective entities.

Assessed Valuations

The following table represents the five-year history of assessed valuations in the District:

MARIN COMMUNITY COLLEGE DISTRICT
Assessed Valuations
Fiscal Year 2001-02 through 2005-06

	Local Secured	Utility	Unsecured	Total
2001-02	$32,751,275,903	$12,289,325	$1,234,605,708	$33,998,170,936
2002-03	35,128,966,176	12,466,245	1,270,621,529	36,412,053,950
2003-04	37,657,300,219	11,975,644	1,298,150,544	38,967,426,407
2004-05	40,377,028,858	9,001,368	1,288,695,268	41,674,725,494
2005-06	44,014,509,489	8,998,381	1,308,977,071	45,332,484,941

Source: California Municipal Statistics, Inc.

Tax Rates

A representative tax rate area located within the District is Tax Rate Area 5-000. The table below demonstrates the total *ad valorem* tax rates levied by all taxing entities in this tax rate area during the five year period from 2001-02 through 2005-06.

MARIN COMMUNITY COLLEGE DISTRICT

Typical Total Tax Rates (1)

TRA 5-000 (2005-06 Assessed Valuation $3,023,638,525)

	2001-02	2002-03	2003-04	2004-05	2005-06
General	1.0000	1.0000	1.0000	1.0000	1.0000
Tamalpais Union High School District	.0080	.0250	.0220	.0280	.0344
Marin Community College District	-	-	-	-	.0188
Mill Valley School District	.0320	.0320	.0320	.0310	.0282
Total	1.0400	1.0570	1.0540	1.0590	1.0814

Source: California Municipal Statistics, Inc.

Principal Taxpayers

The following table lists the twenty largest locally secured taxpayers in the District in terms of their 2005-06 secured assessed valuations:

MARIN COMMUNITY COLLEGE DISTRICT
Twenty Largest Secured Taxpayers
2005-06 Assessed Valuations

	Property Owner	Land Use	2005-06 Assessed Valuation	% of Total [1]
1.	Skywalker Properties Ltd.	Commercial	$229,882,020	0.52%
2.	Corte Madera Village LLC	Commercial	117,228,209	0.27
3.	Spieker Properties	Commercial	111,865,295	0.25
4.	San Marin Assurance Company Inc.	Commercial	108,750,000	0.25
5.	770 Tamalpais Dr. Inc.	Commercial	84,225,226	0.19
6.	Northgate Mall Associates	Commercial	82,427,151	0.19
7.	AMG Realty Partners LP	Commercial	68,659,917	0.16
8.	Strawberry Village Retail	Commercial	64,719,000	0.15
9.	Inland Western Larkspur LLC	Commercial	60,284,539	0.14
10.	Greenery Apartments	Apartments	57,418,407	0.13
11.	Professional Investors Security Funds	Apartments	56,178,606	0.13
12.	Estate of James Campbell, W.H. McVay, Trustee	Commercial	50,979,165	0.12
13.	Steven J. Scarpa	Apartments	50,173,436	0.11
14.	San Rafael Corporate Center	Commercial	46,926,592	0.11
15.	Belvedere Land Company	Apartments	42,896,780	0.10
16.	Bently Holdings California	Commercial	40,416,600	0.09
17.	Lexington Wood Hollow	Commercial	39,780,000	0.09
18.	Regency Center	Commercial	38,346,672	0.09
19.	Tiburon Hotel LLC	Commercial	34,122,845	0.08
20.	Bay Apartment Communities	Apartments	32,518,023	0.07
			$1,417,798,483	3.22%

[1] 2005-06 Local Secured Assessed Valuation: $44,014,509,489.
Source: California Municipal Statistics, Inc.

District Debt Structure

Long-Term Debt. A schedule of changes in long-term debt for the year ended June 30, 2005 is shown below:

	Balance July 1, 2004	Additions and Adjustments	Deductions	Balance June 30, 2005
General Obligation Bonds	--	$75,000,000	--	$75,000,000
Lease Revenue Bonds	$3,065,834	--	$15,000	3,050,834
Energy Efficiency Revenue Bonds	769,839	--	109,977	659,862
Capitalized Lease Obligations	156,014	--	138,990	17,024
Totals	$3,991,687	$75,000,000	$263,967	$78,727,720

General Obligation Bonds. In April 2005, the District issued its Election of 2004 General Obligation Bonds, Series A in an aggregate principal amount of $75,000,000 (the "Series A Bonds"). The District's debt service obligations with respect to the Series A Bonds are as follows:

Year Ending August 1	Annual Principal Payment	Annual Interest Payment[1]	Total Annual Debt Service
2006	$6,200,000.00	$4,455,679.69	$10,655,679.69
2007	5,485,000.00	3,292,937.50	8,777,937.50
2008	6,135,000.00	3,073,537.50	9,208,537.50
2009	325,000.00	2,766,787.50	3,091,787.50
2010	460,000.00	2,757,037.50	3,217,037.50
2011	600,000.00	2,743,237.50	3,343,237.50
2012	860,000.00	2,713,237.50	3,573,237.50
2013	850,000.00	2,670,237.50	3,520,237.50
2014	1,135,000.00	2,627,737.50	3,762,737.50
2015	1,345,000.00	2,570,987.50	3,915,987.50
2016	1,565,000.00	2,503,737.50	4,068,737.50
2017	1,810,000.00	2,425,487.50	4,235,487.50
2018	2,055,000.00	2,348,562.50	4,403,562.50
2019	2,335,000.00	2,245,812.50	4,580,812.50
2020	2,635,000.00	2,129,062.50	4,764,062.50
2021	2,955,000.00	1,997,312.50	4,952,312.50
2022	3,300,000.00	1,849,562.50	5,149,562.50
2023	3,670,000.00	1,684,562.50	5,354,562.50
2024	4,060,000.00	1,510,237.50	5,570,237.50
2025	4,475,000.00	1,317,387.50	5,792,387.50
2026	4,920,000.00	1,104,825.00	6,024,825.00
2027	5,410,000.00	858,825.00	6,268,825.00
2028	5,930,000.00	588,325.00	6,518,325.00
2029	6,485,000.00	291,825.00	6,776,825.00
Total	$75,000,000.00	$52,526,942.19	$127,526,942.19

[1] Debt service payments on the Series A Bonds are made semiannually on February 1, and August 1 of each year from the proceeds of *ad valorem* taxes.

Lease Revenue Bonds. In June 2003, the District caused the execution and delivery of the California Community College Financing Authority Lease Revenue Bonds, Series 2003 for Marin Community College District (the "Lease Revenue Bonds"). The District's debt service obligations with respect to the Lease Revenue Bonds are as follows:

Year Ending (May 15)	Annual Principal Payment	Annual Interest Payment	Total Annual Debt Service
2007	$25,000.00	$39,338.76	$64,338.76
2008	30,000.00	38,838.76	68,838.76
2009	35,000.00	38,201.26	73,201.26
2010	40,000.00	37,326.26	77,326.26
2011	45,000.00	36,226.26	81,226.26
2012	55,000.00	34,876.26	89,876.26
2013	60,000.00	33,157.50	93,157.50
2014	65,000.00	31,132.50	96,132.50
2015	75,000.00	28,857.50	103,857.50
2016	85,000.00	26,138.76	111,138.76
2017	95,000.00	22,951.26	117,951.26
2018	100,000.00	19,293.76	119,293.76
2019	110,000.00	15,293.76	125,293.76
2020	125,000.00	10,893.76	135,893.76
2021	135,000.00	5,737.50	140,737.50
2022	177,655.20	278,769.67	456,424.87
2023	174,282.00	296,374.12	470,656.12
2024	172,033.20	316,307.86	488,341.06
2025	169,784.40	336,819.53	506,603.93
2026	166,411.20	355,519.84	521,931.04
2027	164,162.40	377,045.42	541,207.82
2028	161,913.60	399,177.65	561,091.25
2029	159,664.80	421,928.17	581,592.97
2030	154,042.80	435,765.90	589,808.70
2031	149,545.20	452,323.90	601,869.10
2032	151,794.00	490,367.07	642,161.07
2033	149,545.20	515,454.80	665,000.00
Total	$3,030,834.00	$5,094,117.79	$8,124,951.79

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

FINANCIAL AND DEMOGRAPHIC INFORMATION

The District

The San Francisco Community College District (the "District") was formed in 1970; however, the City College of San Francisco first opened in 1935, the largest multi-campus single community college in the United States, educating 90,000 students annually. The District maintains campuses Downtown, in the Haight, the Mission District, Chinatown/North Beach, Bayview-Hunter's Point, the Tenderloin and the Castro. In addition, the District offers instruction at more that 100 sites throughout the City and County of San Francisco. The boundaries of the District are co-terminous with those of the City and County.

Financial Statements of the District

The following table shows the District's audited financial statements for fiscal year 2001-02 and 2004-05.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
Statement of Revenues, Expenditures and Changes in General Fund Balance for Fiscal Years Ending June 30, 2002 through 2005

	General Fund 2001-2002	General Fund 2002-2003	General Fund 2003-2004	General Fund 2004-2005
Revenues:				
Federal	$5,288,631	$7,238,147	$6,612,015	$7,178,560
State	100,591,980	93,384,609	90,078,125	106,376,484
County and Local	72,151,459	75,911,390	83,265,959	72,154,457
TOTAL REVENUES	178,032,070	176,534,146	179,956,099	185,709,501
Expenditures:				
Salaries and Benefits	153,552,455	155,878,817	152,052,794	165,656,916
Other Operating Expenses	20,351,595	16,875,583	18,576,689	18,905,401
Capital Outlay	2,938,157	1,630,908	2,058,016	1,798,141
TOTAL EXPENDITURES	176,842,207	174,385,308	172,687,499	186,360,458
Transfers and Other Sources/Uses	11,685	(3,296,746)	4,083,793	(2,764,996)
NET INCREASE (DECREASE) IN FUND BALANCE	1,201,548	(1,147,908)	11,352,393	(3,415,953)
Beginning Fund Balance[1]	11,772,543	12,974,091	11,826,183	15,778,576
Fund Balance Adjustments	--	--	--	3,841,985
Ending Fund Balance	$12,974,091	$11,826,183	$23,178,576	$16,204,608

(1) Fund Balance Adjustment in fiscal year 2004-05 created by different treatments between the modified accrual method of accounting and the full accrual method of accounting.

Source: The District.

General Fund and Adopted Budget

The following table shows the District's adopted 2004-05 General Fund (unrestricted) budget, 2004-05 audited results and the Final 2005-06 Budget.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL FUND (UNRESTRICTED)
Adopted Budget for 2004-05, Audited Results for 2004-05
and Final Budget for 2005-06

	Adopted 2004-05 Budget	Audited 2004-05 Results	Final 2005-06 Budget
REVENUES:			
Federal	--	$68,459	--
State	$89,590,464	91,761,861	$108,343,580
County and Local	67,545,181	66,849,911	58,521,578
Other Revenue	443,497	--	716,551
TOTAL REVENUES	157,579,142	158,680,231	167,581,709
EXPENDITURES:			
Academic Salaries	82,371,813	83,717,143	87,508,192
Classified Salaries	33,761,169	32,934,475	33,931,376
Employee Benefits	31,546,832	31,264,371	34,383,702
Supplies and Materials	1,676,545	1,073,218	1,664,286
Services, Other Operating Expenses	10,649,811	10,544,613	11,072,402
Capital Outlay, Transfers and Other	1,064,200	993,927	488,699
TOTAL EXPENDITURES	161,070,370	160,527,747	169,048,657
NET CHANGE IN FUND BALANCE	$(3,491,228)	$(1,847,516)	$(1,466,948)

Source: The District.

Administration

The District is governed by a seven-member Board of Trustees, whose members are elected to four-year terms. The members of the Board of Trustees elect a president and vice-president each year. The day-to-day affairs of the District are the responsibility of the Chancellor. Current board members, together with their office and the date their term expires, are listed below:

Board Member	Office	Term Expires
Dr. Natalie Berg	President	January 2009
Johnnie Carter, Jr.	Vice President	January 2007
Dr. Anita Grier	Member	January 2007
Milton Marks III	Member	January 2009
Julio J. Ramos	Member	January 2009
Rodel E. Rodis	Member	January 2009
Lawrence Wong	Member	January 2007

Enrollment

The following table shows the District's full-time equivalent students ("FTES") for fiscal years 2000-01 through 2003-04 and projections of FTES for fiscal year 2004-05:

Year	FTES
2000-01	34,748
2001-02	35,436
2002-03	37,886
2003-04	37,202
2004-05	35,405
2005-06[1]	35,031

[1] Projected.
Source: The District.

Labor Relations

The District has approximately 2,941 full- and part-time employees (headcount), excluding student workers, falling into the following employee groups: 726 full-time faculty; 1,186 part-time faculty; 876 classified; 46 academic supervisors; 58 classified supervisors, and 49 administrators. For the year ended June 30, 2005, the combined payroll (all employees groups) was approximately $147,894,490, including fringe benefits.

All faculty are represented by the American Federation of Teachers, Local 2121 (AFT). The majority of classified employees are represented by Service Employees International Union, Local 790 (SEIU). Academic Supervisors are represented by the Department Chairperson Council (DCC). Skilled craft workers are represented by the San Francisco Building and Construction Trade Council Unions (SFBCTCU). Administrators and classified managers, supervisors and confidential employees are unrepresented in accord with State Law (Educational Employment Relations Act, Government Code Section 3540 et seq.).

Collective Bargaining Agreements (contracts), regulating wages, benefits and other terms and conditions of employment, exist between the Board of Trustees (as employer) and the exclusive representatives of specified employees groups/bargaining units (AFT; SEIU; DCC and SFBCTCU). The contract with AFT expires on December 31, 2007. The contract with SEIU expires on June 30, 2007. The contract with the DCC expires on December 31, 2008, and the contract with the SFBCTCU expires on June 30, 2007. Wages, benefits and terms and conditions of employment for unrepresented employees are set by resolutions of the Board of Trustees at public meetings.

Retirement Programs

The District participates in the State Teachers Retirement System ("STRS"). This plan basically covers all full-time and certain part-time academic (certificated) employees. The District contributed $6,357,231 to STRS in fiscal year 2004-05, and has budgeted $6,342,248 for fiscal year 2005-06. The civil service staff of the District is covered by and participates in the City and County of San Francisco Retirement System ("SFERS"), to which the District contributed $4,344,736 in fiscal year 2004-05 and for which the District budgeted $4,489,559 for fiscal year 2005-06. The District also participates in the State Public Employees Retirement System ("PERS"). The District contributed $469,845 to PERS in fiscal year 2004-05, and has budgeted $474,195 for fiscal year 2005-06. Both the STRS and PERS systems are operated on a statewide basis.

Insurance

The District maintains insurance or self-insurance in such amounts and with such retentions and other terms providing coverages for property damage, fire and theft, general public liability and worker's compensation, as are adequate, customary and comparable with such insurance maintained by similarly situated community college districts. In addition, based upon prior claims experience, the District believes that the recorded liabilities for self-insured claims are adequate.

The District is self-insured for public liability and property damage claims on the first $25,000 for any claim and is self-insured for worker's compensation claims. The District carries liability insurance in excess of the amounts self-insured, up to a maximum of $15,000,000 per claim and $100,000,000 per claim for property. Based upon prior claims experience, the District believes that the recorded liabilities for self-insured claims are adequate. The District has established restricted accounts for its self-insured workers compensation claims.

Assessed Valuations

The following table represents the five-year history of assessed valuations in the District:

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
Assessed Valuations ($000)[1]
Fiscal Years 2001-02 through 2005-06

	Land	Improvements on Land	Personal Property	Total Assessed Valuation
2001-02	$34,849,574	$51,294,178	$4,744,367	$90,888,119
2002-03	37,851,208	55,002,726	4,681,815	97,535,749
2003-04	40,778,606	57,505,939	3,808,383	102,092,928
2004-05	44,383,604	60,741,259	3,675,195	108,800,058
2005-06	48,278,509	64,291,494	3,476,725	116,046,728

[1] For comparison purposes, all years show full cash values as assessed values.
Source: Office of the Controller, City and County of San Francisco.

Tax Rates

The table below demonstrates the total *ad valorem* tax rates levied by all taxing entities in this tax rate area during the five year period from 2001-02 through 2005-06.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
Typical Tax Rate per $100 Assessed Valuation

	2001-02	2002-03	2003-04	2004-05	2005-06
General Tax Rate	1.00000000%	1.00000000%	1.00000000%	1.00000000%	1.00000000%
City and County Debt Override	.12359506	.11671113	.10682335	.12838968	.12012547
San Francisco Unified School District Override	.00040494	.00028887	.00017665	.00393518	.01092226
San Francisco Community College District Override	.00000000	.00000000	.00000000	.01167514	.00415227
Bay Area Rapid Transit District Override	--	--	--	--	.00480000
Total Tax Rate	1.12400000%	1.11700000%	1.10700000%	1.14400000%	1.14000000%

Source: California Municipal Statistics, Inc.

Principal Taxpayers

The following table lists the twenty largest locally secured taxpayers in the District in terms of their 2005-06 secured assessed valuations:

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
Twenty Largest Secured Taxpayers
2005-06 Assessed Valuations

	Property Owner	Primary Land Use	2005-06 Assessed Valuation	% of Total [1]
1.	Embarcadero Center Venture	Office Building/Commercial	$1,410,865,367	1.47%
2.	555 California Street LLC	Office Building/Commercial	924,454,106	0.96
3.	EOP-One Market LLC	Office Building	401,262,781	0.42
4.	CB-1 Entertainment Partners	Hotel/Condominiums	393,972,145	0.41
5.	Marriott Hotel	Hotel/Condominium	391,943,406	0.41
6.	Post-Montgomery Associates	Office Building/Commercial	382,157,348	0.40
7.	China Basin Ballpark Company LLC	Stadium	375,661,000	0.39
8.	BRE-St. Francis LLC	Hotel	331,824,082	0.35
9.	101 California Venture	Office Building	276,539,067	0.29
10.	NOP 50 Fremont LP	Office Building	274,603,488	0.29
11.	PWREF/MCC-China Basin LLC	Office Building	242,625,477	0.25
12.	S.F. Hilton Inc.	Hotel	242,420,636	0.25
13.	Fremont Sequoia Holdings LP	Office Building	235,338,213	0.25
14.	Third and King Investors LLC	Office Building/Residential	233,159,545	0.24
15.	CEP Second Street Investors LLC	Office Building	228,095,377	0.24
16.	Knickerbocker Properties Inc. X	Office Building	220,522,270	0.23
17.	345 California LP	Office Building	218,379,065	0.23
18.	Transamerica Insurance Corp.	Office Building	201,610,369	0.21
19.	GAP Inc.	Office Building	190,422,368	0.20
20.	BF-Real Estate US II LP	Office Building	184,783,188	0.19
			$7,360,639,298	7.67%

[1] 2005-06 Local Secured Assessed Valuation: $95,997,829,593.
Source: California Municipal Statistics, Inc.

District Debt Structure

Long-Term Debt. A schedule of changes in long-term debt for the year ended June 30, 2005 is shown below:

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005	Due Within One Year
Bonds Payable					
Bond obligations	$36,600,000	$110,000,000	$6,080,000	$140,520,000	$5,040,000
Unamortized bond premium	--	7,609,255	288,959	7,320,296	385,279
Total bonds payable	$36,600,000	$117,609,255	$6,368,959	$147,840,296	$5,425,279
Other liabilities					
Compensated balances	$7,535,968	$2,960,687	$2,497,846	$7,998,809	$2,497,846
Capital leases	141,798	32,651	119,513	54,936	39,193
Claims liability	2,498,555	2,588,393	2,589,823	2,497,125	829,625
Total other liabilities	10,176,321	5,581,731	5,207,182	10,550,870	3,366,664
Total long-term liabilities	$46,776,321	$123,190,986	$11,576,141	$158,391,166	$8,791,943
Due within one year				8,791,943	
Total long-term liabilities				$149,599,223	

Capitalized Lease Obligations. The District leases equipment under various capital leases. Future minimum lease payments are as follows:

Year Ending June 30,	Leases
2006	$42,164
2007	7,511
2008	4,440
2009	3,825
2010	1,912
Total	59,852
Less: Amount Representing Interest	(4,916)
Present Value of Minimum Lease Payments	$54,936

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SIERRA JOINT COMMUNITY COLLEGE DISTRICT

FINANCIAL AND DEMOGRAPHIC INFORMATION

The District

The Sierra Joint Community College District (the "District") comprises all of Nevada County, nearly all of Placer County, and small portions of El Dorado and Sacramento Counties. The District operates a central campus located on a 299-acre site in the city of Rocklin, in Southwestern Placer County, California, and two small satellite campuses located in Grass Valley and Truckee in Nevada County. Classes are also taught at Roseville and other sites throughout the 2,500-square-mile territory of the District. The District currently serves approximately 14,490 students who are enrolled in both day and evening classes, has a full-time faculty of approximately 200 instructors, and a part-time faculty of approximately 650 instructors.

Financial Statements of the District

The following table shows the District's Statement of General Fund Revenues, Expenditures and Changes in Fund Balance for fiscal years 2001-02 through 2004-05.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
Statement of General Fund Revenues, Expenditures and Changes in Fund Balance

	Audited Fiscal Year 2000-01	Audited Fiscal Year 2001-02	Audited Fiscal Year 2002-03	Audited Fiscal Year 2003-04
Revenues:				
Federal sources	$951,583	$1,426,057	$1,804,662	$1,843,332
State sources	17,262,435	16,331,506	11,386,549	9,616,253
Local sources	41,960,734	45,875,915	51,001,819	53,580,952
Total revenues	60,174,752	63,633,478	64,193,030	65,040,537
Expenditures:				
Academic salaries	22,340,434	24,447,790	24,502,988	25,230,994
Classified salaries	12,956,296	14,075,875	14,251,716	13,593,449
Employee benefits	7,622,672	8,559,892	9,817,648	11,283,592
Books and supplies	2,387,557	2,678,209	2,376,944	2,578,495
Contract services and operating expenditures	9,125,758	9,122,486	9,401,223	10,076,492
Capital outlay	1,884,239	2,339,038	1,395,385	1,312,222
Debt service	556,654	442,557	34,098	--
Appropriation for contingencies	--	--	--	--
Other	119,150	123,017	221,830	444,892
Total expenditures	56,992,760	61,788,864	62,001,832	64,520,136
Excess (deficiency) of revenues over (under) expenditures	3,181,992	1,844,614	2,191,198	520,401
Other financing sources (uses):				
Proceeds from capital lease	--	--	--	--
Operating transfers in	--	--	--	554,254
Operating transfers out	(2,454,803)	(2,282,063)	(2,053,615)	(1,470,561)
Total other financing sources (uses)	(2,454,803)	(2,282,063)	(2,053,615)	(916,307)
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other uses	727,189	(437,449)	137,583	(395,906)
Fund equity, July 1, as restated	5,499,315	6,955,070	6,517,621	5,617,727
Prior Year Adjustment	728,566	--	(1,037,477)	--
Fund equity, June 30	$6,955,070	$6,517,621	$5,617,727	$5,221,821

	Audited Fiscal Year 2004-05
Operating Revenues	
Tuition and Fees	$9,662,782
Less: Scholarship Discounts and Allowances	--
Net Tuition and Fees	$9,662,782
Grants and Contracts, noncapital:	
Federal	1,643,610
State	8,141,796
Local	1,169,212
Auxiliary Enterprise Sales and Charges	500,000
Interest	320,828
Total Operating Revenues	21,438,228
Operating Expenses	
Salaries	42,179,518
Employee Benefits	12,803,315
Supplies, Materials, and Other Operating Expenses and Services	13,033,036
Utilities	--
Depreciation	--
Capital Outlay	1,166,749
Student Financial Aid and Scholarships	520,815
Total Operating Expenses	69,703,433
Operating (Loss) Income	(48,265,205)
Non-Operating Revenues (Expenses)	
State Apportionments, noncapital	44,198,217
Local Property Taxes	2,410,466
State Taxes and Other Revenues	2,410,466
Investment Income - Noncapital	--
Investment Income Capital	--
Interest Expense on Capital Asset-Related Data	(40,447)
Other Non-Operating Revenues (Expenses)	56,969
Debt Reduction	(245,176)
Interfund Transfers Out	(2,055,192)
Interfund Transfers In	414,781
Total Nonoperating Revenues (Expenses)	44,739,618
Income Before Capital Revenues	(3,525,587)
Grants and Gifts, capital	--
Local Property Taxes and Other Revenues, capital	3,528,470
Change in Net Assets	2,883
Net Assets Beginning of Year	6,596,906
Net Assets End of Year	$6,599,789

Source: Sierra Joint Community College District.

General Fund and Adopted Budget

The following table sets forth the adopted General Fund Budgets for fiscal years ending June 30, 2004, June 30, 2005 and June 30, 2006, audited actuals for the fiscal years ending June 30, 2004 and June 30, 2005 and estimated unaudited actuals for the fiscal year ending June 30, 2006.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
2003-04/2004-05/2005-06 ADOPTED BUDGETS AND 2003-04/2004-05 ACTUALS
FOR THE GENERAL FUND

	Adopted Budget 2003-04	Audited Actuals 2003-04	Adopted Budget 2004-05	Audited Actuals 2004-05	Adopted Budget 2005-06	Estimated Actuals 2005-06
REVENUES:						
Revenue Limit Source:						
Federal Sources	$1,833,289	$1,843,332	$1,940,193	$1,643,610	$1,084,771	1,100,000
Other State Sources	11,931,370	9,616,253	9,099,873	12,031,471	12,333,062	12,330,000
Other Local Sources	52,878,819	54,135,206	60,360,708	58,393,666	64,013,020	65,400,000
TOTAL REVENUES	66,643,478	65,594,791	71,400,774	72,068,747	77,430,853	78,830,000
EXPENDITURES:						
Certificated Salaries	24,927,503	25,230,994	26,646,321	27,670,818	27,906,371	27,575,000
Classified Salaries	13,431,456	13,593,449	14,415,589	14,508,700	15,726,073	15,350,000
Employee Benefits	11,947,981	11,283,592	11,782,819	12,803,315	13,125,680	12,560,000
Books & Supplies	3,220,955	2,578,495	3,281,691	2,881,648	3,818,984	4,700,000
Services & Operating Expenses	10,591,516	10,076,492	11,092,625	10,151,388	11,783,297	13,000,000
Other Outgo	2,662,178	1,915,453	2,330,734	2,883,246	3,868,102	4,500,000
Capital Outlay	1,404,514	1,312,222	1,347,435	1,166,749	1,165,020	1,060,000
Debt Service	--	--	--	--	--	
Director Support/Indirect Costs	--	--	--	--	--	--
TOTAL EXPENDITURES	68,186,103	65,990,697	70,897,214	72,065,864	77,393,527	78,745,000
Excess (Deficiency) of Revenues Over Expenditures	(1,542,625)	(395,906)	503,560	2,883	37,326	85,000
FUND BALANCE, JULY 1	5,617,727	6,492,812	6,096,906	6,096,906	6,599,789	6,599,789
Prior Year Adjustments	--	--	--	500,000	--	--
FUND BALANCE, JUNE 30	$4,075,102	$6,096,906	$6,600,466	$6,599,789	$6,637,115	6,684,789

Source: Sierra Joint Community College District.

Administration

The District is governed by a seven-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current members of the Board, together with their office and the date their term expires, are listed below:

Name	Office	Term Expires
Jerry Simmons	President	December 2008
Nancy B. Palmer	Vice-President/Clerk	December 2006
David E. Creek	Member	December 2006
Dave Ferrari	Member	December 2006
Aaron Klein	Member	December 2008
Scott Leslie	Member	December 2008
Barbara J. Vineyard	Member	December 2006

Enrollment

The following table shows the District's full-time equivalent students ("FTES") for fiscal years 2000-01 through 2004-05 and projections of FTES for fiscal year 2005-06:

Year	FTES
2000-01	11,089
2001-02	12,677
2002-03	13,395
2003-04	13,915
2004-05	14,054
2005-06[1]	14,332

[1] Projected.
Source: Sierra Joint Community College District.

Labor Relations

As of January 1, 2006, the District employed 1,012 full and part-time certificated employees, and 298 classified, administrative and confidential employees. These employees, except confidentials, some management and some part-time employees, are represented by the three bargaining units as noted below:

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
District Employees

Labor Organization	Number of Employees in Organization
Sierra College Faculty Association	1,012
Sierra College Management Association	36
Federation of United School Employees Local 1212, LIUNA, AFL-CIO	229

Source: Sierra Joint Community College District.

Retirement Programs

The District participates in the State of California Teachers Retirement System ("STRS"). This plan covers all full-time and most part-time certificated employees. The District's contribution to STRS for fiscal year 2004-05 was $1,819,000 and in fiscal year 2005-06 is projected to be $1,910,000. In order to receive STRS benefits, an employee must be at least 55 years old and have provided five years of service to California public schools.

The District also participates in the State of California Public Employees Retirement System ("PERS"). This plan covers all classified personnel who are employed more than four hours per day. The District's contribution to PERS for fiscal year 2004-05 was $1,374,318 and in fiscal year 2005-06 is projected to be $1,350,000. In order to receive PERS benefits, an employee must be at least 50 years old and have provided five years of service to California public schools.

Contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as changes in benefits. The contribution rates are based on statewide rates set by the STRS and PERS retirement boards. STRS has substantial statewide unfunded liability. Since this liability has not been broken down by each school district, it is impossible to determine the District's share.

The District provides lifetime post-employment health care benefits to eligible employees who retire from the District. At June 30, 2005, 175 employees met those eligibility requirements.

Insurance

The District participates in two joint ventures under joint powers agreements (JPAs), Alliance of Schools for Cooperative Insurance Programs (ASCIP) for property, liability, and workers' compensation insurance, and Schools Excess Liability Fund (SELF) for the operation of common risk management and insurance programs. The relationship between the District and each JPA is such that neither JPA is a component unit of the District for financial reporting purposes.

Each JPA is governed by a board consisting of a representative from each member. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the governing boards. The members of each JPA pay premiums commensurate with the level of coverage requested, and they share surpluses and deficits proportionate to their participation in the JPAs.

The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the JPAs' governing boards.

Post-Retirement Health Care Benefits

The District provides lifetime post-retirement health care benefits to eligible employees who retire from the District. The benefits provide retired employees with health insurance coverage. After the retiree is eligible for Medicare, the District provides insurance coverage supplemental to Medicare. Eligibility requirements and benefits vary according to hire date as follows:

Academic Employees:

Employees hired before November 27, 1984 receive 100% paid benefits upon retirement from the District.

Employees hired after November 27, 1984, but before July 2, 1988, must complete five years of service to receive 100% paid benefits.

Employees hired after July 1, 1988, but before July 2, 1994, must complete twelve years of service to receive 100% paid benefits.

Employees hired after June 30, 1994 may purchase benefits at their own expense.

Classified Employees:

Employees hired before December 10, 1985 receive 100% paid benefits upon retirement from the District.

Employees hired after December 10, 1985, but before July 2, 1986, must complete five years of service to receive 100% paid benefits.

Employees hired after July 1, 1986, but before July 2, 1994, must complete fifteen years of service to receive 100% paid benefits.

Employees hired after July 1, 1994 may purchase benefits at their own expense.

Assessed Valuations

The following table represents the five-year history of assessed valuations in the District:

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
Assessed Valuations

	Local Secured	Utility	Unsecured	Total Before Rdv. Increment
		Placer County Portion		
2001-02	$26,316,091,059	$51,564,246	$989,236,069	$27,356,891,374
2002-03	29,709,373,733	47,055,706	1,166,999,396	30,923,428,835
2003-04	33,844,677,866	47,740,855	1,209,161,287	35,101,580,008
2004-05	38,214,127,683	54,662,924	1,271,748,136	39,540,538,743
2005-06	44,054,619,635	52,822,158	1,297,534,753	45,404,976,546
		Nevada County Portion		
2001-02	$8,453,453,261	$16,736,167	$258,685,304	$8,728,874,732
2002-03	9,192,537,195	14,541,245	237,115,591	9,444,194,031
2003-04	10,074,003,754	14,801,569	243,605,005	10,332,410,328
2004-05	11,157,942,554	15,065,691	276,778,754	11,449,786,999
2005-06	12,567,054,733	13,931,421	291,666,560	12,872,652,714
		Sacramento County Portion		
2001-02	$1,781,606,398	$484,192	$31,992,550	$1,814,083,140
2002-03	2,043,799,058	327,530	26,245,973	2,070,372,561
2003-04	2,297,000,113	374,043	24,705,627	2,322,079,783
2004-05	2,610,859,267	466,732	24,774,610	2,636,100,609
2005-06	2,978,117,495	45,350	20,870,470	2,999,033,315
		El Dorado County Portion		
2001-02	$443,588,959	$0	$5,381,165	$448,970,124
2002-03	481,629,793	24,829	4,094,864	485,749,486
2003-04	535,468,106	24,829	4,936,932	540,429,867
2004-05	587,129,014	24,829	5,566,495	592,720,338
2005-06	658,552,527	24,829	6,162,978	664,740,334
		Total		
2001-02	$36,994,739,677	$68,784,605	$1,285,295,088	$38,348,819,370
2002-03	41,427,339,779	61,949,310	1,434,455,824	42,923,744,913
2003-04	46,751,149,839	62,941,296	1,482,408,851	48,296,499,986
2004-05	52,570,058,518	70,220,176	1,578,867,995	54,219,146,689
2005-06	60,258,344,390	66,823,758	1,616,234,761	61,941,402,909

Source: California Municipal Statistics, Inc..

Tax Rates

The table below demonstrates the total *ad valorem* tax rates levied by all taxing entities in this tax rate area during the five year period from 2000-01 through 2005-06.

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
Typical Tax Rate per $100 Assessed Valuation

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
TRA 5-001 (Placer County)						
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Roseville Joint Union High School District Bond	.022896	.025267	.022259	.021810	.030582	.038428
Roseville City School District Bond	.020443	.019774	.017758	.036219	.020120	.035899
Total	1.043339	1.045041	1.040017	1.058029	1.050702	1.074327
TRA 3-001 (Nevada County)						
General	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Sierra Community College District SFID No. 1	--	--	--	--	--	.013800
Tahoe-Truckee Joint Unified School District	.014300	.011700	.010900	.011100	.026200	.009300
Tahoe-Truckee Joint Unified School District SFID No. 1	.038200	.017900	.045900	.031200	.027700	.039800
Total	1.052500	1.029600	1.056800	1.042300	1.053900	1.062900
TRA 61-001 (Sacramento County)						
General	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Center Unified School District	.058500	.058800	.076100	.045400	.052600	.047200
Total All Property	1.058500	1.058800	1.076100	1.045400	1.052600	1.047200
Regional Sanitation Bonds	.010100	.007700	.008200	.007000	.006700	.005500
Total Land and Improvement	.010100	.007700	.008200	.007000	.006700	.005500
TRA 83-048 (El Dorado County)						
General	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Black Oak Mine Unified School District	.013500	.000200	--	--	--	--
Georgetown Divide Public Utility District	.042500	.042500	.037100	.037200	.037200	.037200
Total	1.056000	1.042700	1.037100	1.037200	1.037200	1.037200

Source: California Municipal Statistics, Inc.

Principal Taxpayers

The following table lists the twenty largest locally secured taxpayers in the District in terms of their 2005-06 secured assessed valuations:

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
Twenty Largest Secured Taxpayers
2005-06 Assessed Valuations

	Property Owner	Land Use	2005-06 Assessed Valuation	% of Total [1]
1.	Hewlett Packard Co.	Industrial	$345,594,132	0.57%
2.	NEC Electronics USA Inc.	Industrial	261,564,162	0.43
3.	Roseville Shoppingtown LLC	Shopping Center	222,775,877	0.37
4.	Squaw Valley Ski Corporation / Development Corp.	Ski Resort	120,813,650	0.20
5.	Kobra Properties	Office Building	114,381,441	0.19
6.	Buzz Oates Enterprises	Industrial	89,495,653	0.15
7.	Dell Webb California Corp.	Residential Development	83,778,492	0.14
8.	Squaw Creek Associates	Hotel & Golf	83,240,516	0.14
9.	Centex Homes	Residential Development	75,072,068	0.12
10.	Sunset Ranchos Investors LLC	Residential Properties	72,219,877	0.12
11.	Walmart Stores Inc.	Commercial Store	70,874,295	0.12
12.	NNN Parkway Corporate Plaza LLC	Office Building	64,923,000	0.11
13.	West Valley LLC	Residential Development	63,250,141	0.10
14.	SI VII LLC	Apartments	56,348,950	0.09
15.	Demmon Meridian Partners LP	Apartments	52,579,869	0.09
16.	Rosemead LLC	Apartments	52,060,430	0.09
17.	Creekside Center LLC	Commercial	51,660,437	0.09
18.	Oracle Corporation	Office Building	51,224,940	0.09
19.	Havervill Communities LLC	Apartments	49,361,480	0.08
20.	Trimont Land Co.	Ski Resort	44,598,267	0.07
			$2,025,817,677	3.36%

[1] 2005-06 Local Secured Assessed Valuation: $60,258,344,390.
Source: California Municipal Statistics, Inc.

District Debt Structure

Long-Term Debt. A schedule of changes in long-term debt for the year ended June 30, 2005 is shown below:

	Beginning Balance	Additions	Deductions	Ending Balance
Certificates of Participation	$4,265,000	$7,381,622	$345,000	$11,301,622
SFID Bonds	--	39,664,298	--	39,664,298
Dormitory Bonds	352,000	--	31,000	321,000
California Energy Commission Loan	1,213,320	--	164,516	1,048,804
Capital Lease Obligations	123,520	--	80,660	42,860
Compensated Absences	776,042	112,950	--	888,992
Total	$6,729,882	$47,158,870	$621,176	$53,267,576

Long Term Liabilities

Certificates of Participation. On June 16, 1998, the District delivered $6,005,000 of certificates of participation (the "1998 COPs"). Proceeds were used to advance refund $2,390,000 of outstanding

1991 Certificates of Participation and to fund a residence hall renovation project. Future payments relating to the 1998 COPs are shown in the following table:

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
1998 Certificates of Participation

Year Ending June 1	Gross Annual Debt Service
2006	$542,595.00
2007	537,295.00
2008	546,107.50
2009	548,727.50
2010	555,052.50
2011	554,812.50
2012	258,192.50
2013	254,312.50
2014	255,050.00
2015	255,250.00
2016	254,750.00
2017	253,750.00
2018	257,250.00
Total	$5,073,145.00

Source: Sierra Joint Community College District.

On October 13, 2004, the District delivered $7,400,000 of Certificates of Participation (the "2004 COPs"). Proceeds were used to finance capital improvements to the Rocklin campus. Future payments relating to the 2004 COPs are shown in the following table:

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
2004 Certificates of Participation

Year Ending June 1	Gross Annual Debt Service
2006	$523,828.76
2007	537,728.76
2008	535,666.26
2009	538,416.26
2010	535,228.76
2011	536,078.76
2012	536,628.76
2013	536,548.76
2014	535,743.76
2015	534,093.76
2016	531,443.76
2017	532,887.51
2018	533,300.01
2019	532,643.68
2020	531,143.76
2021	533,668.76
2022	529,925.01
2023	530,043.76
2024	529,003.13
Total	$10,660,609.48

Source: Sierra Joint Community College District.

Dormitory Bonds. Dormitory bonds were issued by the District in 1965 and 1968 pursuant to the State of California Junior College Revenue Bond Act of 1961. These bonds are secured by the net revenues derived by the District from the housing and dining system.

Future payments relating to the Dormitory Bonds as of June 30, 2005 are shown in the table:

Year Ending June 30	Principal	Interest	Total
2006	$20,000	$9,630	$29,630
2007	20,000	9,030	29,030
2008	20,000	8,430	28,430
2009	20,000	7,830	27,830
2010	25,000	7,230	32,230
2011-2015	125,000	24,900	149,900
2016-2018	91,000	5,490	96,490
Totals	$321,000	$72,540	$393,540

Source: Sierra Joint Community College District.

California Energy Commission Loans. The District entered into contracts with the California Energy Commission to receive money for energy conservation projects. The contracts are charged interest at 3% and began reimbursement on December 22, 2002. The combined schedule of the future payments is as follows:

SIERRA JOINT COMMUNITY COLLEGE DISTRICT
California Energy Commission Loans

Year Ending June 30	Principal	Interest	Total
2006	$169,488	$30,206	$199,694
2007	174,611	25,083	199,694
2008	179,839	19,855	199,694
2009	174,469	14,398	188,867
2010	172,590	9,231	181,821
2011	177,807	4,011	181,818
Totals	$1,048,804	$102,784	$1,151,588

Source: Sierra Joint Community College District.

Operating Leases. The District leases certain office/classroom space under non-cancellable operating leases. Total expenditures under these leases were $1,486,053 for the fiscal year ending June 30, 2005. Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Lease Payments
2006	$1,453,589
2007	1,404,240
2008	1,422,950
2009	1,469,907
2010	1,518,414
2011-2015	9,002,977
Total	$16,272,077

Source: Sierra Joint Community College District.

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APPENDIX I
DISTRICTS' INVESTMENT PREFERENCES

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California Community College Financing Authority
2006 Tax and Revenue Anticipation Notes
Investment Preferences

District	TRAN Amount	12 Month GIC (AAA)	County Investment Pool
Allan Hancock C.C.D.	$2,125,000	2,125,000	
Cabrillo C.C.D.	2,930,000	2,930,000	
Feather River C.C.D.	1,000,000		1,000,000
Marin C.C.D.	9,500,000	9,500,000	
Merced C.C.D.	3,015,000	3,015,000	
Mt. San Jacinto C.C.D.	5,000,000	5,000,000	
Napa Valley C.C.D.	5,000,000	5,000,000	
San Francisco C.C.D.	14,385,000	14,385,000	
San Joaquin Delta C.C.D.	5,000,000	5,000,000	
San Jose-Evergreen C.C.D.	5,280,000	5,280,000	
San Luis Obispo (Cuesta) C.C.D.	2,500,000		2,500,000
Sequoias C.C.D.	4,475,000	4,475,000	
Shasta-Tehama-Trinity C.C.D.	2,705,000	2,705,000	
Sierra C.C.D.	11,975,000	11,975,000	
Siskiyou Joint CCD	825,000	825,000	
Totals	**75,715,000**	**72,215,000**	**3,500,000**

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APPENDIX J
COUNTY TREASURY POOLS

ALLAN HANCOCK COMMUNITY COLLEGE DISTRICT

SANTA BARBARA COUNTY INVESTMENT POOL

Composition of the Treasury Pool

As of March 31, 2006, the composition, carrying amount and market value of the County's investments were as follows:

SANTA BARBARA COUNTY INVESTMENT POOL
Summary of Assets Held
(as of March 31, 2006)

Type of Investment	Book Value	Market Value
Local Agency Investment Fund (LAIF)	40,000000.00	40,000,000.00
Commercial Paper	127,948,725.71	127,982,968.32
Federal Agency Coupon Securities	326,866,904.11	322,952,086.35
Federal Agency Coupon – Callables	344,578,395.15	339,611,675.70
Corporate Bonds	15,050,718.86	14,611,890.00
Total	854,444,743.83	845,158,620.37

Source: County of Santa Barbara Treasurer-Tax Collector (www.countyofsb.org/ttcpapg/quarterlyreport.asp).

Santa Barbara County Investment Funds
Quarter Ending March 31, 2006

Summary of Investments in the Treasurer's Pool

Principal Cost	$853,935,851
MARKET VALUE (Provided by Union Bank)	$845,158,620
Cumulative Unrealized Loss	$8,777,231*
Total Net Earnings on the Treasurer's Pool	$7,262,547 **
Average Daily Balance on the Treasurer's Pool	$881,290,705
Cash	$29,279,283
Accrued Interest at Purchase	$109.854
Net Interest Rate on the Treasurer's Pool	3.34%
Weighted Average Days to Maturity	319
Weighted Average Days to Call Date	206

Summary of Investments in Tobacco Settlement Fund

Principal Cost	$2,616,081
Market Value	$2,562,780
Cumulative Unrealized Loss	$53,301
Yield to Maturity	4.91%
Weighted Average Days to Maturity	1,954

Summary of the Certificates of Participation Reserve Funds

Principle Cost	$13,725,330
Market Value	$13,665,334
Cumulative Unrealized Loss	$59,996
Yield To Maturity	4.09%
Weighted Average Days To Maturity	321

Source: County of Santa Barbara Treasurer-Tax Collector (www.countyofsb.org/ttcpapg/quarterlyreport.asp).

* Sufficient liquidity is maintained in the pool to avoid the actual realization of any unrealized losses due to market interest rate fluctuations. It is our basic policy to retain securities in the pool until maturity, when the pool realizes the full par value of the investment.

** This figure includes $243 income from the securities lending program. Under this program we lend some of the securities in our portfolio to a borrower for one day and receive income for it. The borrower provides collateral equal to 102% of the value of the loaned securities. The collateral is held by a third party until the securities are returned to us.

As reflected in the table above, as of March 31, 2006, the principal value and market value of investments credited to the pool were $853 million and $845 million, respectively. As of March 31, 2006, the pool included approximately $29 million in cash or cash equivalents (cash and investments available or maturing within 90 days), which represents the pool's liquidity excluding anticipated property tax collections. As of March 31, 2006, the dollar weighted average portfolio maturity of the pool was 319 days.

CABRILLO COMMUNITY COLLEGE DISTRICT

SANTA CRUZ COUNTY INVESTMENT POOL

The following tables reflect various information with respect to the Pool as of the close of business on March 31, 2006.

SANTA CRUZ COUNTY TREASURY POOL (As of March 31, 2006)

Security Type	Book Value	Rate of Return	Par Value	Market Value	% of Portfolio
U.S. Government Agencies	$99,824,602.03	4.38%	$100,000,000.00	$99,394,880.00	15.79%
Negotiable CD's	179,996,052.69	4.67	180,000,000.00	180,001,800.00	28.47
Medium Term Notes	179,516,872.98	4.48	179,333,332.92	179,425,232.92	28.40
Commercial Paper	161,260,674.26	4.84	162,251,000.00	161,300,766.67	25.51
Miscellaneous Investments	1,000,000.00	5.43	1,000,000.00	1,000,000.00	0.16
Bank of the West Checking	6,659,223.08	2.30	6,659,223.08	6,659,223.08	1.05
Money Market Mutual Funds	3,899,758.47	4.52	3,899,758.47	3,899,758.47	0.62
LAIF	10,000.00	4.03	10,000.00	10,000.00	0.00
TOTAL	$632,167,183.51	4.59%	$633,153,314.47	$631,691,661.14	100.0%

Source: County of Santa Cruz Treasurer-Tax Collector (www.co.santa-cruz.ca.us/ttc/qrep033106.pdf).

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

PLUMAS COUNTY INVESTMENT POOL

The Treasury Pool's Portfolio. As of April 30, 2006, the securities in the Treasury Pool had a par value of $72,615,016.85 and a market value of $72,117,941.84. As of April 30, 2006, 68% of the securities in the Treasury Pool had maturities of zero to one year. The weighted average maturity was 125 days and no maturity was greater than three years and nine months. The duration of the Plumas County Treasury Pool was 120 days. "Duration" is a measure of the price volatility of the portfolio and reflects an estimate of the projected increase or decrease in the value of the portfolio based upon a decrease or increase in interest rates. The approximate composition of all securities and deposits was as follows: 0% of the securities in the Treasury Pool were U.S. Government Treasury securities, 33% of the securities in the Treasury Pool were U.S. Government Agency securities, 18% of the securities in the Treasury Pool were corporate banking and finance bonds, and 46% were invested in the State of California Local Agency Investment Fund. The Treasury Pool has not invested in and does not currently own any derivatives, reverse repurchase agreements, covered call or put option, or any other variable rate securities.

PLUMAS COUNTY INVESTMENT POOL
Summary of Assets Held
(as of April 30, 2006)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity
Commercial Paper Disc. – Amortizing	$2,000,000.00	$1,953,110.38	$1,953,110.38	5.05	175
Federal Agency Coupon Securities	24,000,000.00	23,653,325.00	23,931,902.91	61.89	197
Corporate Bonds	12,800,000.00	12,696,489.61	12,783,484.94	33.06	310
Total Portfolio	$38,800,000.00	$38,302,924.99	$38,668,498.23	100.00%	233

Book Value	$38,668,498.23	
LAIF	33,500,000.00	4.05% Rate
CAMP	315,016.85	4.69% Rate
TOTAL	72,483,515.08	4.05% Total Yield

Total Earnings	April 30 Month ending	Fiscal Year To Date
Current Year	$103,724.58	$816,367.41
Average Daily Balances	33,914,218.01	29,300,265.83
Effective Rate of Return	3.72%	3.35%

Source: County of Plumas Treasurer-Tax Collector.

MARIN COMMUNITY COLLEGE DISTRICT

MARIN COUNTY INVESTMENT POOL

The portfolio structure of the County Pool as of May 31, 2006, was as follows:

Description	Ending Balance May 31, 2006	Weighted Average Days to Maturity
Local Agency Investment Funds	$39,259,813.20	1
Money Market Funds	21,767,609.58	1
Negotiable Cds	170,300,000.00	20
Bankers Acceptances	0.00	0
Commercial Paper – Discount	7,488,575.00	7
Federal Agency Issues - Coupon	297,680,037.57	222
Federal Agency Issues - Discount	25,758,595.28	23
Treasury Securities – Coupon	183,273,457.03	210
Treasury Securities – Discount	0.00	0
Totals & Averages	$745,528,087.66	145

Source: Marin County Treasurer-Tax Collector.

The weighted average maturity of the County Pool, determined at the time of purchase, shall not exceed 540 days to final maturity/call.

The portfolio structure of the County Pool as of March 31, 2006, was as follows:

MERCED COUNTY TREASURY
PORTFOLIO REVIEW
for the Quarter Ending March 31, 2006

Portfolio Composition:	
Book Value of Assets Held	$566,307,844
Market Value of Assets Held	$562,361,933
Assets Maturing Within 90 Days	$125,472,282
Percentage of Market to Book Value	99.3032%
Weighted Average Maturity	308 days
Return on Assets:	
Total Earnings Quarter Ended	$5,059,090
Total Earnings Fiscal YTD	$13,079,603
Rate of Return QTR	3.78%
Rate of Return Fiscal YTD	3.38%

The entire portfolio is in Full Compliance with the Investment Policy and Government

Source: Merced County Treasurer-Tax Collector (www.co.merced.ca.us/treasury/pdfs/portfolioreview.pdf).

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

RIVERSIDE COUNTY POOLED INVESTMENT FUND

The County Treasurer maintains one Pooled Investment Fund (the "PIF") for all local jurisdictions having funds on deposit in the County Treasury. As of May 31, 2006, the portfolio assets comprising the PIF had a market value of $4,024,176,242.

The investments in the Pooled Investment Fund as of May 31, 2006, were as follows:

	Market Value	% of Pool
Federal Agency Securities	$2,653,867,874	65.95%
Cash Equivalents & Money Market Funds	36,000,000	0.89
Commercial Paper	629,767,550	15.65
Negotiable Certificates of Deposit	550,004,523	13.67
Medium Term Notes	49,953,300	1.24
Municipal Bonds	82,827,994	2.06
Certificates of Deposit[1]	20,000,000	0.50
Local Agency Obligations [2]	1,755,000	0.04
Total	$4,024,176,242	100.00%
Weighted Average Yield:	4.41%	
Weighted Average Maturity:	0.80 yrs	

(1) Not rated; all other investments are government securities or rated investments.
(2) Represents Local Agency Obligations issued by the Riverside District Court Financing Corporation and March Joint Powers Redevelopment Agency.

Source: Riverside County Treasurer-Tax Collector (www.treasurer-tax.co.riverside.ca.us/report.html).

As of May 31, 2006, the market value of the PIF was 99.52% of book value. The Treasurer estimates that sufficient liquidity exists within the portfolio to meet daily expenditure needs without requiring any sale of securities at a principal loss prior to their maturity.

NAPA VALLEY COMMUNITY COLLEGE DISTRICT

NAPA COUNTY INVESTMENT POOL

The following table reflects certain limited information with respect to the County Pool as of May 31, 2006. The County expects that the County Pool is sufficiently liquid to cover all anticipated cash flow needs for the Pool participants for at least the next six months, with approximately 30.1% of the portfolio maturing within 90 days. The weighted average days to maturity was 454 days.

Napa County Investment Pool Information
As of May 31, 2006

Investment	Principal	Percent of Total
U.S. Treasuries and Agencies	$373,925,000.00	87.85%
Corporate Notes	0.00	0.00
Bankers Acceptances	0.00	0.00
Commercial Paper	7,550,000.00	1.77
LAIF	40,000,000.00	9.40
Teeter Notes	3,984,038.44	0.94
Time Deposits	200,000.00	0.05
Total, All Funds	$425,659,038.44	100.00%

Source: Napa County Treasurer-Tax Collector.

The Investment Policy may be changed at any time at the discretion of the County Treasurer, with approval by the Board of Supervisors (subject to the state law provisions relating to authorized investments) and as the California Government Code is amended. There can be no assurance that State law and/or the Investment Policy will not be amended in the future to allow investments that are currently prohibited, or that the stated objectives of the County with respect to investments will not change.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

City & County of San Francisco
Portfolio Statistics
May 31, 2006

The Treasurer's investment portfolios are in compliance with the City and County of San Francisco Pooled Investment Policy for fiscal year 2005-06 and California Code 53601.

Portfolio statistics fiscal year to date from July 1, 2005 to May 31, 2006:

	Pooled	All
Interest Received	$109,322,032	$110,766,287
Net Earnings	$117,269,084	$121,471,020
Earned Income Yield	4.114%	4.106%
Average Age of Portfolio	171 Days	166 Days

Total cost of the securities on hand on May 31 was $3,719,865,591 with market value of $3,725,645,552 plus fixed assets accrued interests of $12,487,746.

Investment Outstanding as of May 31, 2006
All Funds
Earned Income Yield for the month of April 4.844%

INVESTMENT TYPE	PORTFOLIO %	PAR VALUE	BOOK VALUE	ACCRUED INTEREST
Treasury Bills	9.98%	$380,000,000	$371,216,164	--
Treasury Notes	32.37	1,212,000,000	1,204,159,874	$10,681,268
FNMA Disc Notes	5.33	202,000,000	198,328,985	--
Fed Home Loan Disc Notes	2.53	95,000,000	94,112,586	--
FMC Disc Notes	10.20	385,000,000	379,390,829	--
Commercial Paper Disc	21.30	800,000,000	792,457,153	--
Negotiable C.D.'S	18.28	680,000,000	680,000,000	1,806,478
Public Time Deposit	.01	200,000	200,000	--
TOTAL:	100.0%	$3,754,200,000	$3,719,865,591	$12,487,746

Source: San Francisco County Treasurer-Tax Collector (http://www.sfgov.org/site/treasurer_index.asp).

SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT

SAN JOAQUIN COUNTY TREASURY POOL

According to the Investment Report of May 31, 2006, the total carrying value of the Treasury Pool as of May 31, 2006 was $1,448,599,499.66. The Chief Deputy Treasurer has stated that the pool's market value was in excess of this amount of this date.

As of May 31, 2006, approximately 23.0% of the Treasury Pool was invested in United States Federal Agency Securities, 20.0% in commercial paper, 49.7% in repurchase agreements, 2.8% in the State of California Local Agency Investment Fund, 2.8% in certificates of deposit, 1.7% was held in deposit at Wells Fargo Bank and less than .1% was held in deposit at Bank of America or kept as currency and vault funds. The Statement of Investment Policy permits investment in repurchase agreements only with dealers with assets in excess of $500,000,000 and having either the highest commercial paper rating, or A or higher rating for the issuer's debt. As of May 31, 2006 there were $720,000,000 of repurchase agreements in the Treasury Pool. The Composition and value of investments under management in the Treasury Pool will vary from time to time depending on cash flow needs of the county and public agencies invested in the Treasury Pool, maturity or sale of investments, purchase of new securities, and fluctuations in interest rates generally.

The Statement of Investment Policy requires that the maturity of investments in the Treasury Pool, excluding investments that have been specifically matched to a bond issue maturity, be subject to the following restrictions: (1) 25% of the Treasury Pool is to mature in 30 days; (2) an additional 30% may mature in up to 180 days; (3) an additional 25% may mature in up to one year; (4) an additional 20% may mature in up to three years. If for any reason the investment portfolio is not in compliance with the maturity percentages, all investments will be restricted to 30 days or less until compliance is achieved. The Investment Policy requires that securities with a maturity of longer than one year will be valued at the market at the end of the month; as of May 31, 2006, there were no securities in the Treasury Pool with a maturity of longer than one year. The longest maturity as of that date was April 17, 2007. The weighted average maturity of the investments within the Treasury Pool is 96 days. The County reports that it expects the Treasury Pool will have sufficient liquid funds to meet disbursement requirements of participants through the next six months.

According to the Treasurer's Report of May 31, 2006, the total amount in the Treasury of $1,448,599,499.66 is shown as follows:

Currency and Vault	$222,229.79
Investments:	
Bankers Acceptance	0.00
Commercial Paper	289,328,509.31
U.S. Treasury	0.00
Repurchase Agreements	720,000,000.00
L.A.I.F.	40,000,000.00
Certificate of Deposit	40,000,000.00
Federal Agencies	333,737,073.06
Bank Deposits:	
Wells Fargo	24,398,542.37
Bank of America	913,145.13
TOTAL TREASURY BALANCE	$1,448,599,499.66

Source: San Joaquin County Treasurer-Tax Collector.

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT

SANTA CLARA COUNTY INVESTMENT POOL

As of March 31, 2006, the Treasury Pool had 64% of its assets invested in U.S. Agency Securities, 35% of its assets invested in other money market instruments (including commercial paper, and medium term notes), and 1% of its assets invested in local agency investment fund. As of March 31, 2006, the cost value of the Treasury Pool was $3,465,947,091 and the market value was $3,441,175,642. The following table summarizes the composition of the Treasury Pool as of March 31, 2006.

SANTA CLARA COUNTY TREASURY POOL
Portfolio Composition
(as of March 31, 2006)

Type of Maturity	Cost Value ($ millions)	% of Total Cost Value
Local Agency Investment Funds	40	1%
Corporate Bonds	337	10
Federal Agency Issues-Coupon	2,065	60
Treasury Notes	25	1
Federal Agency Discount	118	3
Commercial Paper	880	25
TOTAL	$3,465	100%

As of March 31, 2006, the weighted average maturity of the Treasury Pool was 456 days. As of such date, the Treasury Pool had 58% of its assets invested in securities maturing in less than one year, 17% of its assets invested in securities maturing in one to two years, and 25% of its assets invested in securities maturing in over two years. The following table summarizes the maturity structure of the Treasury Pool as of March 31, 2006.

SANTA CLARA COUNTY TREASURY POOL
Maturity Structure of Portfolio
(as of March 31, 2006)

Type of Maturity	Cost Value ($ millions)	% of Total Cost Value
Less than 1 year	$2,010	58%
1 year to 2 years	589	17
2 years to 5 years	866	25.0
	$3,465	100.0%

Source Santa Clara County Treasurer-Tax Collector.

SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

SAN LUIS OBISPO COUNTY INVESTMENT POOL

The portfolio structure (market value) of the San Luis Obispo County Pool as of March 31, 2006, was as follows:

Bankers Acceptances	$16,865,536.98
Farm Credit Banks	49,961,282.80
Federal Home Loan Bank	53,223,325.00
Federal National Mortgage Association	78,691,050.00
Federal Home Loan Mortgage Corp.	82,257,048.40
Local Agency Investment Fund	39,903,698.40
Repurchase Agreement	9,480,000.00
Treasury Bills	43,497,879.45
Treasury Notes	70,661,295.00
Total	$444,541,116.03

A summary of the Treasurer's investment operations for the quarter ending March 31, 2006, and a statement of compliance to the currently adopted County Treasurer's Investment Policy are shown below.

CASH ON HAND/BANKS	$5,473,966.56
INVESTMENTS	
Principal Cost	$443,825,420.30
Market Value	$444,541,116.03
Weighted Average Days to Maturity	193

FINANCIAL STATEMENT REPORT

Amortized Cost	$446,924,259.88	Market Value	$444,541,116.03
Cash on Hand/Banks	5,473,966.56	Cash on Hand/Banks	5,473,966.56
Accrued Interest	1,358,773.93	Accrued Interest	1,358,773.93
Total:	$453,757,000.37	Total:	$451,373,856.52

Participating Dollar Factor: **0.994747973369**
(Derived by dividing total market value by total amount in Treasury)
The value of each participating dollar equals the agency's fund balance as of March 31, 2006 (available from the County Auditor-Controller's Office) multiplied by the participating dollar factor. This equates to approximately a $525.20 decrease per $100,000.

Source: San Luis Obispo County Treasurer-Tax Collector (www.slocounty.ca.gov/tax/treasurerserv/treasurerqreports).

SEQUOIAS COMMUNITY COLLEGE DISTRICT

TULARE COUNTY INVESTMENT POOL

The following information reflects the investment activity for the month ending March 31, 2006 of pooled funds on deposit with the Treasurer and is in compliance with California Government Code Section 2700 *et seq.*, Section 53600 *et seq.*, the County's Ordinance 3157 and the Treasurer's Statement of Investment Policy, dated January 2005.

A listing of the securities in the County Pool is shown below:

TULARE COUNTY INVESTMENT POOL
Portfolio Composition
As of March 31, 2006

	Book Value	Market Value	% of Portfolio	% Permitted by Policy
U.S. Treasuries	$74,259,008	$73,030,275	11%	100%
Federal Agencies	277,324,816	272,455,771	42%	75%
Medium Term/Corporate Notes	65,517,200	64,604,063	10%	30%
Municipals	0	0	0%	20%
Repurchase Agreements	23,000,000	23,000,000	3%	50%
Commercial Paper	168,304,978	168,347,194	26%	40%
Bankers Acceptances	0	0	0%	30%
Certificates of Deposit	0	0	0%	30%
Local Agency Investment Fund	20,000,000	20,000,000	3%	$40 Million
Money Market Funds	30,000,000	30,000,000	5%	15%
Total Portfolio	**$658,406,002**	**$651,437,303**	**100%**	

The County Pool has a high degree of liquidity, as shown below.

TULARE COUNTY INVESTMENT POOL
Maturity Distribution
As of March 31, 2006

	Book Value ($ in millions)
1 year and under	$303
1 to 2 years	140
2 to 3 years	156
3 to 4 years	14
4 to 5 years	44
5 + years	1

The average daily balance of the County Pool as of March 31, 2006 is $632,531,793. The weighted average maturity as of March 31, 2006 is 484 days to maturity.

Source: Tulare County Treasurer-Tax Collector (www.co.tulare.ca.us/government/treasurertax/documents.asp).

SHASTA-TEHAMA-TRINITY COMMUNITY COLLEGE DISTRICT

SHASTA COUNTY TREASURY POOL

The County's investment portfolio as of March 31, 2006, lists securities having a total cost value of $304,062,928.00. The components of the investment portfolio and their respective percentages of the total portfolio as of March 31, 2006, are as follows: Commercial Paper (12.55%); California Local Agency Investment Fund (13.28%); Federal Home Loan Bank Notes (15.27%); Banker's Acceptances (7.42%); Federal Farm Credit Bank Notes (4.83%); Federal National Mortgage Notes (17.29%); Federal Home Loan Mortgage Corporation Notes (19.23%); Inactive Public Deposits (0.66%); Government National Mortgage Association (0.01%); and repurchase agreements (6.14%). The investment portfolio had a weighted average maturity of 120.35 days as of March 31, 2006.

SHASTA COUNTY TREASURY POOL
(As of March 31, 2006)

Security Type	Cost Amount	% of Total	Market Value
Local Agency Investment Fund	$40,000,000.00	13.28	$40,410,000.00
Repurchase Agreement (10% max 20%limit)	18,500,000.00	6.14	18,507,292.08
Inactive Public Deposits (7.5% limit)	2,000,000.00	0.66	2,000,000.00
Treasury Bill (50% limit)	0.00		0.00
Negotiable CD's (20% limit)	10,000,000.00	3.32	10,000,000.00
Commercial Paper (15% limit)	37,797,160.83	12.55	38,238,750.00
Bankers Acceptances (35% limit)	22,351,689.83	7.42	22,558,677.79
Federal Farm Credits (20% limit)	14,544,395.01	4.83	14,730,900.00
Federal Home Loans (20% limit)	46,001,476.71	15.27	46,526,577.60
Federal National Mtge (20% limit)	52,080,313.33	17.29	52,567,800.00
Federal Home Loan Mtge Corp Disc Note (20% limit)	57,909,517.50	19.23	58,470,600.00
Gov't National Mtge. Assn (60% limit)	32,964.39	0.01	52,330.53
TOTAL	$301,217,517.60	100.00%	$304,062,928.00

Source: Shasta County Treasurer-Tax Collector (www.co.shasta.ca.us/departments/TTC/Treasurer).

SIERRA JOINT COMMUNITY COLLEGE DISTRICT

PLACER COUNTY INVESTMENT POOL

The following statistics are as of May 31, 2006, unless otherwise specified. The balance on deposit in the County Treasury was $1,001,717,550.63. Of this amount, $998,292,455.62 was invested with a market value of $991,906,670.19 or 99.36% of amortized cost. The market value and liquidity of the pool depends upon, among other factors, cash position and the maturity of various investments. The weighted average maturity of the pool was 481 days. The pool includes approximately $346,025,095.01 of cash and investments maturing in 180 days or less. Approximately 3.00% of the assets in the investment pool come from public agencies which can make discretionary withdrawals for the purpose of making alternative investments.

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

Type of Investment	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity
U.S. Treasury Coupons	$90,000,000.00	$88,731,424.80	$89,881,658.36	9.00%	383
Federal Agency Coupons	517,000,000.00	513,206,551.94	516,533,378.98	51.74	393
Medium Term Notes	230,075,000.00	229,306,970.60	231,352,315.98	23.17	628
Negotiable Certificates of Deposit	84,500,000.00	84,849,156.70	84,712,536.25	8.49	136
Collateralized Certificates of Deposits	24,500,000.00	24,500,000.00	24,500,000.00	2.45	340
Commercial Paper Disc. – Amortizing	25,482,883.05	25,482,883.05	25,482,883.05	2.55	0
Federal Agency Disc. - Amortizing	20,000,000.00	19,227,500.00	19,227,500.00	1.93	286
Middle Fork JPA	6,602,183.00	6,602,183.00	6,602,183.00	0.66	10,897
Total Investments	$998,160,066.05	$991,906,670.09	$998,292,455.62	100.00%	481
Cash					
Passbook/Checking	3,425,095.01	3,425,095.01	3,425,095.01		
Total Cash and Investments	$1,001,585,161.06	$995,331,765.20	$1,001,717,550.63		

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

SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT

SISKIYOU COUNTY TREASURY POOL

The securities held in the Siskiyou County Treasury portfolio are in direct compliance with the Siskiyou County Investment Policy. It is the opinion of the Treasurer-Tax Collector of Siskiyou County that the next six (6) months of expenditures an be met. There are twenty-seven (27) investments that are in excess of one year.

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

Type of Investment	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity
Managed Pool Investments	$15,847,200.68	$15,846,959.93	$15,847,200.68	20.81%	1
Money Markets	7,636,958.02	7,636,958.02	7,636,958.02	10.03	1
Miscellaneous Securities – Coupon	5,038,497.62	5,038,497.62	5,038,497.62	6.62	29
Commercial Paper – Discount	2,000,000.00	1,992,550.00	1,965,113.61	2.58	27
Federal Agency Issues – Coupon	43,189,000.00	42,714,101.44	43,197,385.28	56.72	718
Treasury Securities – Coupon	805,000.00	811,043.80	830,892.76	1.09	390
Medium and Corporate Notes	1,000,000.00	1,000,340.00	1,007,013.21	1.32	287
Internal Loans	640,000.00	640,000.00	640,000.00	0.84	1
Total Earnings	$76,156,656.32	$75,680,450.81	$76,163,061.18	100.00%	418

Source: Siskiyou County Treasurer-Tax Collector's Office.