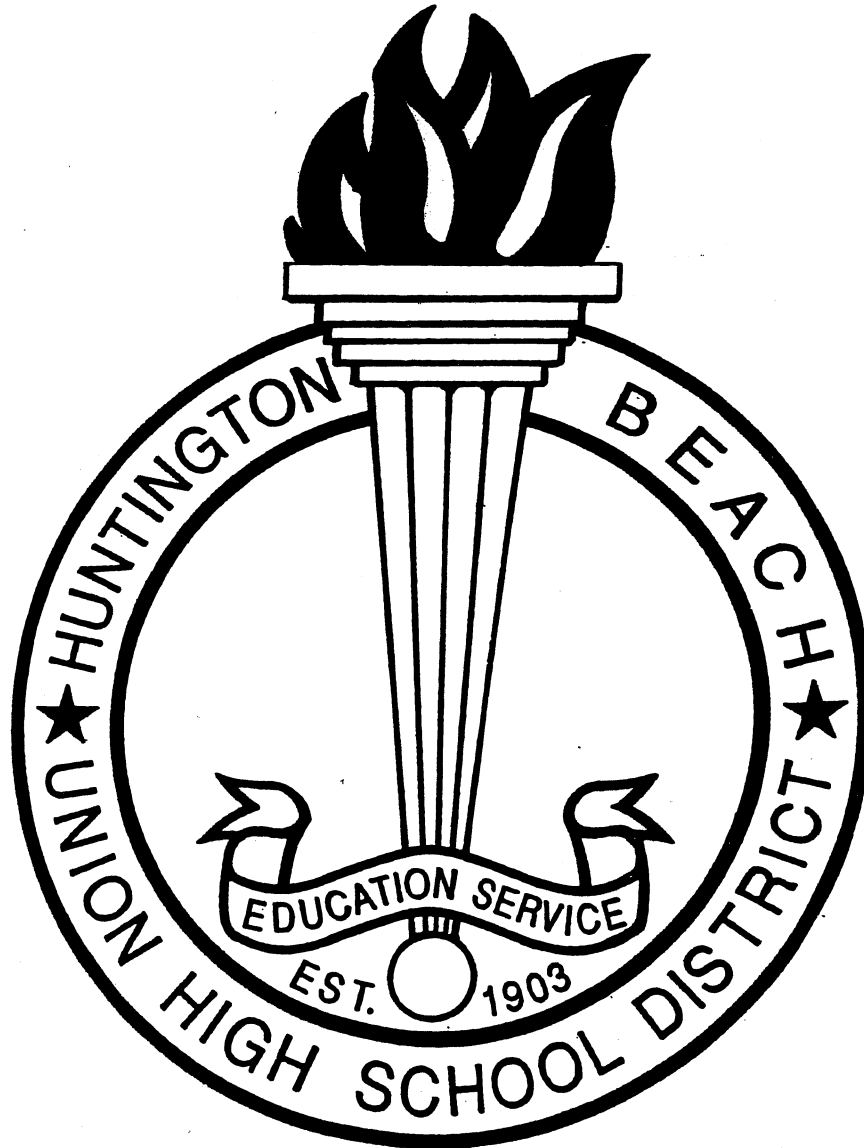


HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT

AGENDA



**FOR THE ANNUAL MEETING OF THE
BOARD OF TRUSTEES
OF THE FINANCING CORPORATION**

December 9, 2014

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
FINANCING CORPORATION

Annual Meeting
December 9, 2014
(Immediately Following HBUHSD Board Meeting)

Place of Meeting: Huntington Beach Union High School District Board Room
5832 Bolsa Avenue
Huntington Beach, California

1. Approval of Minutes:
Annual Meeting, December 10, 2013
2. Annual Meeting Report
3. New Business:
None
4. Adjournment

UNADOPTED MINUTES

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
FINANCING CORPORATION

**MINUTES OF ANNUAL MEETING OF THE BOARD OF DIRECTORS
HELD DECEMBER 10, 2013**

BOARD MEMBERS
PRESENT: Bonnie Castrey
Duane Dishno
Susan Henry
Kathleen Iverson

BOARD MEMBERS
ABSENT: Michael Simons

ADMINISTRATIVE
PERSONNEL PRESENT: Gregory Plutko, Superintendent
Carolee Ogata, Asst. Superintendent, Human Resources
Carrie Delgado, Assistant Superintendent, Business Services
Don Austin, Assistant Superintendent, Educational Services
Carole Thomas, Executive Assistant

ADMINISTRATIVE
PERSONNEL ABSENT: None

PLACE AND DATE OF
MEETING District Education Center
Tuesday, December 10, 2013

CALL TO ORDER: The meeting was called to order at 9:35 p.m. by the President, Mrs. Iverson.

APPROVAL OF
MINUTES: It was moved by Mrs. Henry, seconded by Ms Castrey, to approve the minutes of the Annual Meeting held December 11, 2012.

Motion carried 4-0.
Dr. Simons was absent.

ANNUAL MEETING
REPORT: Ms Delgado stated that this was a routine annual report identified by transactions for long-term debt Certificates of Participation. There were no new transactions other than regular debt service payments we make.

ADJOURNMENT: The meeting was adjourned at 9:36 p.m.

Clerk

Secretary

MEMORANDUM

TO: Board of Trustees
FROM: Gregory Plutko, Ed.D., Secretary
SUBJECT: **ANNUAL MEETING REPORT**
DATE: December 9, 2014

The following is intended to provide background information regarding the District's Certificates of Participation.

In October 2003, the Financing Corporation sold \$17,000,000 of certificates, "2003 School Facility Bridge Funding Program", the proceeds of which, together with other available funds, were used to finance the acquisition, construction and installation of certain District facilities. The remaining outstanding principal balance was completely refunded in March 2012 with the "2012 School Facility Bridge Funding Program". There was no remaining outstanding balance as of June 30, 2013.

In October 2007, the Financing Corporation sold an additional \$35,071,090.45 of certificates, "2007 Capital Project", the proceeds of which together with other available funds, were used to finance the following projects; an olympic size pool at Ocean View High School, upgrade/replacement of stadiums at Huntington Beach High School and Westminster High School, acquisition of additional bleachers at the football field at Ocean View High School, and District-wide acquisition or replacement of certain equipment and transportation items. Certain other projects identified in the District capital plan, were funded in whole or in part with certificate proceeds.

The Certificates are secured by a lease agreement between the District and the Financing Corporation.

The net proceeds from the sale of the 2007 Certificates are being held in trust by and among U.S. Bank National Association, St. Paul, Minnesota ("Trustee") and are subsequently being transferred to the District as needed.

The following assets were held by the Trustee as of June 30, 2014:

Certificates of Participation:	
Acquisition Fund	\$0.00
Reserve Fund	<u>\$3,507,109.05</u>
	\$3,507,109.05

Interest payments on the 2007 Certificates are due and payable semi-annually on March 1 and September 1 of each year. Principal payments are due annually on September 1.

The Financing Corporation is in compliance with significant covenants of the 2007 Certificates as of June 30, 2014.

In April 2010, the Financing Corporation sold \$7,875,000 of certificates, “2010 Financing – Adult Education Project”, the proceeds of which together with other available funds, were used to (i) finance a portion of the costs of the construction of certain adult education facilities, (ii) fund a reserve fund for the certificates, (iii) pay capitalized interest evidenced by the certificates, and (iv) pay the costs incurred in connection with the execution and delivery of the certificates. The project was completed in August 2011.

The certificates are secured by a lease agreement between the District and the Financing Corporation.

The net proceeds from the sale of the 2010 Certificates are being held in trust by and among U.S. Bank National Association, St. Paul, Minnesota (“Trustee”) and are subsequently being transferred to the District as needed.

The following assets were held by the Trustee as of June 30, 2014:

Certificates of Participation:

Acquisition Fund	\$0.00
Base Rental Fund	\$21.56
Interest Fund	\$958.55
Reserve Fund	<u>\$712,587.35</u>
	\$713,567.46

Interest payments on the 2010 Certificates are due and payable semi-annually on September 1 and March 1 of each year, with the annual principal payment due September 1.

In March 2012, the Financing Corporation sold \$17,300,000 of certificates, “2012 School Facility Bridge Funding Program”, the proceeds of which were used to prepay the Huntington Beach Union High School District Certificates of Participation (2003 School Facility Bridge Funding Program).

The certificates are secured by a lease agreement between the District and the Financing Corporation.

The net proceeds from the sale of the 2012 Certificates are being held in trust by and among U.S. Bank National Association, St. Paul, Minnesota (Trustee) and the account is currently being used to facilitate debt service obligations.

The following assets were held by the Trustee as of June 30, 2014:

Certificates of Participation:	
Reserve Fund	\$1,731,392.99
Base Rental Payment Fund	<u>\$65,001.02</u>
	\$1,796,394.01

Interest payments on the 2012 Certificates are due and payable semi-annually on March 1 and September 1 of each year, and commenced on September 1, 2012. Principal payments are due annually on September 1.

The Financing Corporation is in compliance with significant covenants of the 2010 Certificates as of June 30, 2014.

Listed below are the activities of the Huntington Beach Union High School District Financing Corporation since the last meeting of the Board of Directors on December 10, 2013.

1. Interest payments are current through 12-01-13.
2. (a) The 2003 Certificates were prepaid in March 2012 from the proceeds of 2012 Certificates.
(b) Fixed interest rate payments on the 2007 obligations are being made from the Trustee accounts on a semi-annual basis. These funds are being held by the Trustee in a "Capitalized Interest Fund" and are being transferred to the "Interest Fund" for payment to investors semi-annually on September 1 and March 1.
(c) Fixed interest rate payments on the 2010 obligations are being made from the Trustee accounts on a semi-annual basis. These funds are being held by the Trustee in a "Base Rental Fund" and are being transferred to the "Interest Fund" for payment to investors semi-annually on September 1 and March 1.
3. The Statement by Domestic Non-profit Corporation and the \$20.00 filing fee are due every other year. The next statement and fee payment will be filed in December 2015. No Federal return (Form 990) or State return (Form 199) was required because the Corporation's gross receipts are below \$25,000.
4. The audit information of the Financing Corporation through June 30, 2014 is submitted for approval.

CD:ks

CorpAgendaAnnual2014

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Certificates of Participation

In October 2007, the Huntington Beach Union High School District Financing Corporation issued certificates in the aggregate principal amount of \$35,071,090. The capital project certificates were issued as both current interest and capital appreciation certificates, with the capital appreciation portion accreting to a maturity value of \$72,045,000 and an aggregate maturity value of \$86,170,000. The certificates mature through September 1, 2038, with interest yields from 4.00 percent to 5.14 percent. Proceeds from the sale of the certificates were used to finance specific construction and modernization projects as authorized in the issuing statements. As of June 30, 2014, the principal balance outstanding was \$43,329,377.

In April 2010, the Huntington Beach Union High School District Financing Corporation of the Huntington Beach Union High School District issued 2010 Certificates of Participation in the amount of \$7,875,000. The certificates mature through September 1, 2039, with interest yields ranging from 3.00 percent to 5.25 percent. Proceeds from the sale of the certificates will be used to finance a portion of costs of the construction of the Adult Education Facilities, fund a reserve fund for the certificates, pay capitalized interest with respect to the certificates, and to pay costs incurred in connection with the execution and delivery of certificates. As of June 30, 2014, the principal balance of \$7,810,000 remained outstanding.

In March 2012, the Huntington Beach Union High School District Financing Corporation of the Huntington Beach Union High School District issued 2012 Certificates of Participation in the amount of \$17,300,000. The certificates mature through September 1, 2046, with interest yields from 2.20 percent. Proceeds from the issuance were used to refinance the entire outstanding 2003 Certificate of Participation obligation and set up a reserve fund to offset future payments. As of June 30, 2014, the principal balance outstanding was \$17,150,000.

The certificates of participation mature as follows:

Fiscal Year	Principal		Accreted Interest	Current Interest to Maturity		Total
	Including	Accreted Interest to Date				
2015	\$	230,000	\$ -	\$ 1,368,180	\$	1,598,180
2016		295,000	-	1,359,238		1,654,238
2017		350,000	-	1,347,941		1,697,941
2018		425,000	-	1,334,248		1,759,248
2019		490,000	-	1,317,958		1,807,958
2020-2024		11,340,000	-	5,653,155		16,993,155
2025-2029		15,161,149	7,638,851	3,255,586		26,055,586
2030-2034		14,626,111	14,388,889	2,661,003		31,676,003
2035-2039		15,877,117	20,702,883	1,803,568		38,383,568
2040-2044		5,965,000	-	1,119,922		7,084,922
2045-2047		3,530,000	-	120,010		3,650,010
Total	\$	68,289,377	\$ 42,730,623	\$ 21,340,809	\$	132,360,809