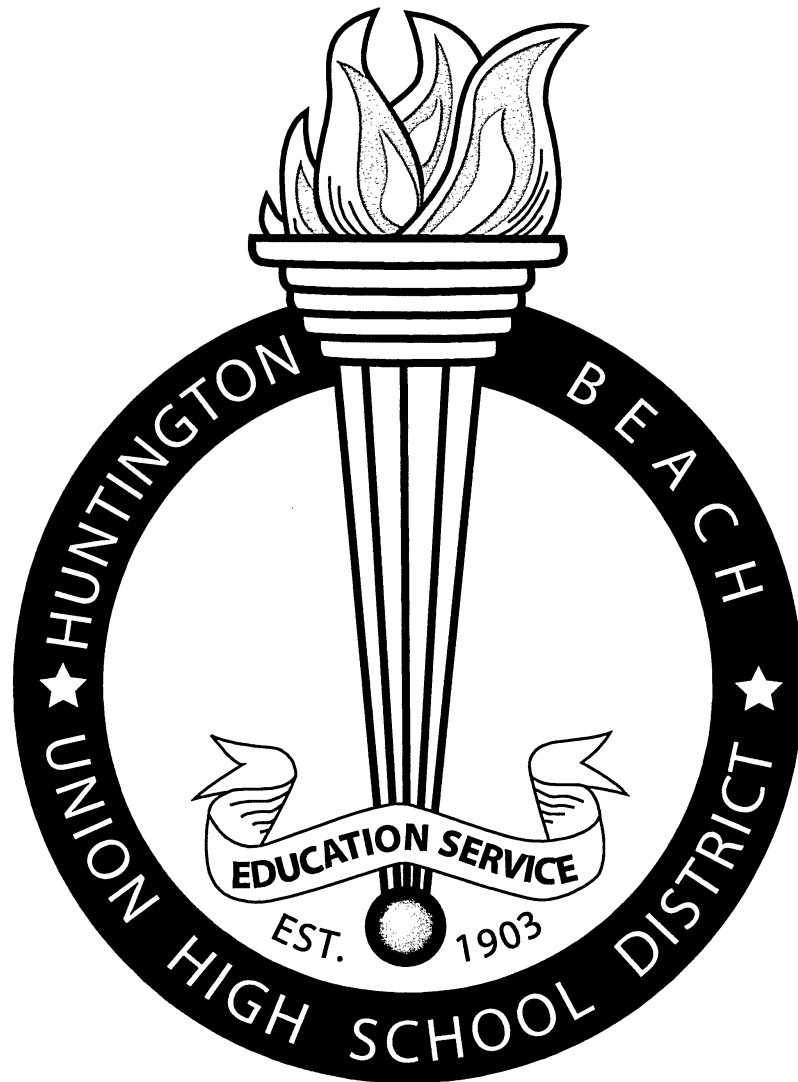


HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT

AGENDA



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

December 11, 2018

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT
FINANCING CORPORATION

Annual Meeting
December 11, 2018
4:45 p.m.

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

1. Approval of Minutes:

 Annual Meeting, December 12, 2017

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 12, 2017**

BOARD MEMBERS PRESENT:	Dr. Bonnie Castrey Dr. Duane Dishno Susan Henry Kathleen Iverson Dr. Michael Simons
BOARD MEMBERS ABSENT:	None
ADMINISTRATIVE PERSONNEL PRESENT:	Dr. Clint Harwick Superintendent Carolee Ogata, Deputy Superintendent, Human Resources Jeff Starr, Assistant Superintendent, Business Services Dr. Owen Crosby, Assistant Superintendent, Educational Services Carole Thomas, Executive Assistant
ADMINISTRATIVE PERSONNEL ABSENT:	None
PLACE AND DATE OF MEETING	District Office Tuesday, December 12, 2017
CALL TO ORDER:	The meeting was called to order at 4:34 p.m. by the President, Dr. Simons.
APPROVAL OF MINUTES: (1)	It was moved by Mrs. Iverson, seconded by Dr. Castrey, to approve the minutes of the meeting held December 13, 2016. Motion carried 4-0 Mrs. Henry was absent.
ANNUAL MEETING REPORT: (2)	Nothing to report.
NEW BUSINESS: (3)	There was no new business.

MRS. HENRY
ENTERED:

Mrs. Henry entered the meeting at 4:36 p.m.

ADJOURNMENT:

The meeting was adjourned at 4:37 p.m.

Clerk

Secretary

HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

In May 2016, the Huntington Beach Union High School District Financing Corporation of the Huntington Beach Union High School District issued 2016 Refunding and School Financing Projects Certificates of Participation in the amount of \$35,585,000. The certificates mature through September 1, 2046, with interest rates from 2.00 percent to 5.00 percent. Proceeds from the issuance were used to refinance a portion of the 2007 and the remaining outstanding balance of the 2012 Certificates of Participation obligation and set up a capital project fund for future projects. As of June 30, 2018, the principal balance outstanding was \$35,045,000.

The certificates of participation mature as follows:

<u>Fiscal Year</u>	<u>Principal Including Accreted Interest to Date</u>	<u>Accreted Interest</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2019	\$ 455,000	\$ -	\$ 1,644,881	\$ 2,099,881
2020	520,000	-	1,627,206	2,147,206
2021	705,000	-	1,602,706	2,307,706
2022	3,140,000	-	1,510,697	4,650,697
2023	3,470,000	-	1,346,600	4,816,600
2024-2028	18,050,020	4,119,980	4,897,900	27,067,900
2029-2033	17,483,631	11,116,369	3,906,766	32,506,766
2034-2038	18,853,832	17,301,168	3,852,138	40,007,138
2039-2043	10,014,512	4,300,488	1,363,000	15,678,000
2044-2047	5,125,000	-	336,953	5,461,953
Total	<u>\$ 77,816,995</u>	<u>\$ 36,838,005</u>	<u>\$ 22,088,847</u>	<u>\$ 136,743,847</u>

MEMORANDUM

TO: Board of Trustees
FROM: Clint Harwick, Ed.D., Secretary
DATE: December 11, 2018
SUBJECT: ANNUAL MEETING REPORT

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

2007 Capital Project

In October 2007, the Financing Corporation sold \$35,071,090 of certificates, 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.

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, 2018.

2010 Financing Adult Education Project

In April 2010, the Financing Corporation sold \$7,875,000 of certificates, the proceeds of which together with other available funds, were used to finance a portion of the costs of the construction of certain adult education facilities. The project was completed in August 2011. The remaining 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").

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

2010 Financing Adult Education Project (cont.)

The following assets were held by the Trustee as of June 30, 2018:

Certificates of Participation:

Base Rental Fund	\$ 692,400.32
Interest Fund	\$ 984.05
	<u>\$ 693,384.37</u>

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.

2012 School Facility Bridge Funding Program

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). The debt service for this issue has been refinanced with the proceeds from the “2016 Refunding and School Financing Projects” COP.

The following assets were held by the Trustee as of June 30, 2018:

Certificates of Participation:

Main	\$1,528,308.10
Reserve Fund	\$ 137.71
Base Rental Payment Fund	\$ 7.26
	<u>\$1,528,453.07</u>

2016 Refunding and School Financing Project

In June, 2016, the Financing Corporation issued certificates in the amount of \$35,585,000 to prepay all of the 2012 COP’s and a portion of the 2007 COP’s, as well as to finance improvements to district sites and facilities, including, but not limited to upgrading and modernizing swimming pool facilities at two district sites.

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

The net proceeds from the creation of the 2016 Refunding and School Financing Projects Reserve Fund are being held in trust by and among U.S. Bank National Association, St. Paul, Minnesota (Trustee) and the funds will be used for future capital projects.

2016 Refunding and School Financing Project (cont.)

The following assets were held by the Trustee as of June 30, 2018:

Certificates of Participation:

Main	184.29
Lease Payment Fund	11.33
Project Fund	<u>\$6,435,017.06</u>
	\$6,435,212.68

Interest payments on the 2016 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 2016 Certificates as of June 30, 2018.

In Summary

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 12, 2017.

1. Interest payments are current through 12-01-18.
 - (a) 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 and are prepaid by the district for payment to investors semi-annually on September 1 and March 1.
 - (b) 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 and are prepaid by the district for payment to investors semi-annually on September 1 and March 1.
 - (c) Fixed interest rate payments on the 2016 obligations are being made from the Trustee accounts on a semi-annual basis. These funds are being held by the Trustee and are prepaid by the district for payment to investors semi-annually on September 1 and March 1.
2. The audit information of the Financing Corporation through June 30, 2018 is submitted for approval.

CH:bm