

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

CONTINUING DISCLOSURE ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2014

IN CONNECTION WITH

\$99,995,036.05

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES A**

\$90,100,062.75

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES B**

\$57,904,900.25

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES C**

\$22,165,000

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
2005 GENERAL OBLIGATION REFUNDING BOND**

\$11,335,000

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
CERTIFICATE OF PARTICIPATION
2006 FINANCING PROJECT**

\$149,995,250.35

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
ELECTION OF 2006 GENERAL OBLIGATION BONDS, SERIES A**

\$99,996,686.15

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
ELECTION OF 2006 GENERAL OBLIGATION BONDS, SERIES B**

\$184,000,000

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
ELECTION OF 2006 GENERAL OBLIGATION BONDS, SERIES C**

\$70,735,000

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
2012 GENERAL OBLIGATION REFUNDING BONDS**

\$99,995,036.05
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES A

| MATURITY DATE <u>(August 1)</u> | <u>CUSIP</u> |
|------------------------------------|--------------|
| 2015 | 345102 AS 6 |
| 2016 | 345102 AT 4 |
| 2017 | 345102 AU 1 |
| 2018 | 345102 AV 9 |
| 2019 | 345102 AW 7 |
| 2020 | 345102 AX 5 |
| 2021 | 345102 AY 3 |
| 2022 | 345102 AZ 0 |
| 2023 | 345102 BA 4 |
| 2024 | 345102 BB 2 |
| 2025 | 345102 BC 0 |
| 2026 | 345102 BD 8 |
| 2027 | 345102 BE 6 |
| 2028 | 345102 BF 3 |
| 2029 | 345102 BG 1 |
| 2030 | 345102 BH 9 |

\$90,100,062.75
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES B

| MATURITY DATE <u>(August 1)</u> | <u>CUSIP</u> |
|------------------------------------|--------------|
| 2005 | 345102 CT2 |
| 2007 | 345102 CV7 |
| 2008 | 345102 CW5 |
| 2009 | 345102 CX3 |
| 2010 | 345102 CY1 |
| 2011 | 345102 CZ8 |
| 2012 | 345102 DA2 |
| 2013 | 345102 DB0 |
| 2014 | 345102 DC8 |
| 2016 | 345102 DE4 |
| 2018 | 345102 DG9 |
| 2022 | 345102 DL8 |
| 2023 | 345102 DM6 |
| 2024 | 345102 DN4 |
| 2025 | 345102 DP9 |
| 2026 | 345102 DQ7 |
| 2027 | 345102 DR5 |
| 2028 | 345102 DS3 |
| 2029 | 345102 DT1 |
| 2030 | 345102 DU8 |
| 2031 | 345102 DV6 |
| 2032 | 345102 DW4 |
| 2033 | 345102 DX2 |
| 2034 | 345102 DY0 |
| 2035 | 345102 DZ7 |
| 2033 | 345102 EA1 |

\$57,904,900.25
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES C

| MATURITY DATE <u>(August 1)</u> | <u>CUSIP</u> |
|------------------------------------|--------------|
| 2007 | 345102 EM5 |
| 2008 | 345102 EN3 |
| 2009 | 345102 EP8 |
| 2010 | 345102 EQ6 |
| 2011 | 345102 ER4 |
| 2012 | 345102 ES2 |
| 2013 | 345102 ET0 |
| 2014 | 345102 EU7 |
| 2015 | 345102 EV5 |
| 2016 | 345102 EW3 |
| 2017 | 345102 EX1 |
| 2018 | 345102 EY9 |
| 2019 | 345102 EZ6 |
| 2020 | 345102 FA0 |
| 2021 | 345102 FB8 |
| 2022 | 345102 FC6 |
| 2023 | 345102 FD4 |
| 2024 | 345102 FE2 |
| 2025 | 345102 FF9 |
| 2026 | 345102 FG7 |
| 2027 | 345102 FH5 |
| 2028 | 345102 FJ1 |
| 2029 | 345102 FK8 |
| 2030 | 345102 FL6 |
| 2031 | 345102 FM4 |
| 2032 | 345102 FN2 |
| 2033 | 345102 FP7 |
| 2034 | 345102 FQ5 |
| 2036 | 345102 FR3 |

\$22,165,000
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SANTA CLARA COUNTY, CALIFORNIA
2005 GENERAL OBLIGATION REFUNDING BOND

| MATURITY DATE <u>(August 1)</u> | <u>CUSIP</u> |
|------------------------------------|--------------|
| 2006 | 345102 FS1 |
| 2015 | 345102 FT9 |
| 2017 | 345102 FU6 |
| 2018 | 345102 FV4 |
| 2019 | 345102 FW2 |
| 2020 | 345102 FX0 |
| 2021 | 345102 FY8 |

\$11,335,000
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
CERTIFICATE OF PARTICIPATION
2006 FINANCING PROJECT

| MATURITY DATE <u>(March 1)</u> | <u>CUSIP</u> |
|-----------------------------------|--------------|
| 2008 | 345104 EJ8 |
| 2009 | 345104 EK5 |
| 2010 | 345104 EL3 |
| 2011 | 345104 EM1 |
| 2012 | 345104 EN9 |
| 2013 | 345104 EP4 |
| 2013 | 345104 EQ2 |
| 2014 | 345104 ER0 |
| 2015 | 345104 ES8 |
| 2015 | 345104 ET6 |
| 2016 | 345104 EV1 |
| 2016 | 345104 EU3 |
| 2017 | 345104 EW9 |
| 2018 | 345104 EX7 |
| 2019 | 345104 EY5 |
| 2020 | 345104 EZ2 |
| 2021 | 345104 FA6 |

\$149,995,250.35
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
ELECTION OF 2006 GENERAL OBLIGATION BONDS, SERIES A

| MATURITY DATE <u>(August 1)</u> | <u>CUSIP</u> |
|------------------------------------|--------------|
| 2010 | 345102 FZ5 |
| 2011 | 345102 GA9 |
| 2017 | 345102 GB7 |
| 2022 | 345102 GC5 |
| 2027 | 345102 GD3 |
| 2031 | 345102 GE1 |
| 2032 | 345102 GF8 |
| 2033 | 345102 GG6 |
| 2034 | 345102 GH4 |
| 2035 | 345102 GJ0 |
| 2036 | 345102 GK7 |

\$99,996,686.15
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
ELECTION OF 2006 GENERAL OBLIGATION BONDS, SERIES B

| MATURITY DATE <u>(August 1)</u> | <u>CUSIP</u> |
|------------------------------------|--------------|
| 2010 | 345102 GL5 |
| 2011 | 345102 GM3 |
| 2017 | 345102 GN1 |
| 2022 | 345102 GP6 |
| 2027 | 345102 GQ4 |
| 2031 | 345102 GR2 |
| 2032 | 345102 GS0 |
| 2033 | 345102 GT8 |
| 2034 | 345102 GU5 |
| 2035 | 345102 GV3 |
| 2036 | 345102 GW1 |

\$184,000,000
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
ELECTION OF 2006 GENERAL OBLIGATION BONDS, SERIES C

MATURITY DATE
(August 1)

CUSIP

2036
2040

345102 JH1
345102 JG3

\$70,735,000
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
(SANTA CLARA COUNTY, CALIFORNIA)
2012 GENERAL OBLIGATION REFUNDING BONDS

| MATURITY DATE <u>(August 1)</u> | <u>CUSIP</u> |
|------------------------------------|--------------|
| 2013 | 345102 JU2 |
| 2014 | 345102 JV0 |
| 2014 | 345102 KM8 |
| 2016 | 345102 JW8 |
| 2017 | 345102 JX6 |
| 2018 | 345102 JY4 |
| 2019 | 345102 JZ1 |
| 2020 | 345102 KA4 |
| 2021 | 345102 KB2 |
| 2022 | 345102 KC0 |
| 2023 | 345102 KD8 |
| 2024 | 345102 KE6 |
| 2025 | 345102 KF3 |
| 2026 | 345102 KG1 |
| 2027 | 345102 KH9 |
| 2028 | 345102 KJ5 |
| 2029 | 345102 KK2 |
| 2030 | 345102 KL0 |

CONTINUING DISCLOSURE ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2014

This Continuing Disclosure Annual Report has been prepared to satisfy the obligations of the Foothill-De Anza Community College District (the "District"), as provided in that certain Continuing Disclosure Certificate, dated May 18, 2000 (the "2000 Disclosure Certificate"), by the District in connection with the sale and issuance of its \$99,995,036.05 Election of 1999 General Obligation Bonds, Series A Bonds (the "Series A Bonds"), as provided in that certain Continuing Disclosure Certificate, dated September 23, 2003 (the "September 2003 Disclosure Certificate"), by the District in connection with the sale and issuance of its \$90,100,062.75 Election of 1999 General Obligation Bonds, Series B Bonds (the "Series B Bonds"), as provided in that certain Continuing Disclosure Certificate, dated October 4, 2005 (the "2005 Disclosure Certificate"), by the District in connection with the sale and issuance of its \$57,904,900.25 Election of 1999 General Obligation Bonds, Series C Bonds (the "Series C Bonds"), as provided in that certain Continuing Disclosure Certificate, dated October 4, 2005 (the "October 2005 Disclosure Certificate"), by the District in connection with the sale and issuance of its \$22,165,000 2005 General Obligation Refunding Bonds (the "Refunding Bonds"), as provided in that certain Continuing Disclosure Certificate, dated November 12, 2006 (the "2006 Disclosure Certificate"), by the District in connection with the sale and issuance of its \$11,335,000 Certificate of Participation (the "2006 Financing Project"), as provided in that certain Continuing Disclosure Certificate, dated May 10, 2007 (the "2007 Disclosure Certificate"), by the District in connection with the sale and issuance of its \$149,995,250.35 Election of 2006 General Obligation Bonds, Series A Bonds (the "2006 GOB Series A Bonds") and as provided in that certain Continuing Disclosure Certificate, dated May 10, 2007 (the "May 2007 Disclosure Certificate"), by the District in connection with the sale and issuance of its \$99,996,686.15 Election of 2006 General Obligation Bonds, Series B Bonds (the "2006 GOB Series B Bonds"), as provided in that certain Continuing Disclosure Certificate, dated May 19, 2011 (the "2011 Disclosure Certificate"), by the District in connection with the sale and issuance of its \$184,000,000 Election of 2006 General Obligation Bonds, Series C Bonds (the "2006 GOB Series C Bonds"), as provided in that certain Continuing Disclosure Certificate, dated May 3, 2012 (the "2012 Disclosure Certificate"), by the District in connection with the issuance of its \$70,735,000 2012 General Obligation Refunding Bonds (the "Bonds"), and collectively with the 2000 Disclosure Certificate, the September 2003 Disclosure Certificate, the 2005 Disclosure Certificate, the October 2005 Disclosure Certificate, the 2006 Disclosure Certificate, the 2007 Disclosure Certificate, the May 2007 Disclosure Certificate, the 2011 Disclosure Certificate, and the 2012 Disclosure Certificate, collectively the "Disclosure Certificates").

The Series A Bonds have been issued pursuant to a Resolution of the District adopted April 17, 2000. The Series B Bonds have been issued pursuant to a Resolution of the District adopted August 4, 2003. The Series C Bonds have been issued pursuant to a Resolution of the District adopted August 29, 2005. The 2005 Refunding Bonds have been issued pursuant to a Resolution of the District adopted August 29, 2005. The Certificate of Participation of the 2006 Financing Project has been issued pursuant to a Resolution of the District adopted October 2, 2006. The 2006 GOB Series A Bonds have been issued pursuant to a Resolution of the District adopted June 7, 2006 and supplemented by the Bond Resolution of the District on March 12, 2007. The 2006 GOB Series B Bonds have been issued pursuant to a Resolution of the District adopted June 7, 2006 and supplemented by the Bond Resolution of the District on March 12, 2007. The 2006 GOB Series C Bonds have been issued pursuant to a Resolution of the District adopted May 2, 2011. The 2012 Refunding Bonds have been issued pursuant to a Resolution of the District adopted March 5, 2012.

As provided in Section 3 of each Disclosure Certificate, this Continuing Disclosure Annual Report is prepared and submitted to EMMA – Electronic Municipal Market Access website. All capitalized terms used herein shall have the meanings set forth in the Disclosure Certificates.

The following information is being provided as required under Section 4 of the Disclosure Certificates:

1. The audited financial statements of the District for the fiscal year ending June 30, 2014, is attached hereto as Exhibit A.

2. The adopted budget of the District for the District for the fiscal year ending June 30, 2015, is attached hereto as Exhibit B.

2. An update of the following tables from the Official Statement dated May 3, 2000, with respect to the Series A Bonds, the Official Statement, dated September 9, 2003, with respect to the Series B Bonds, the Official Statement, dated September 20, 2005, with respect to the Series C Bonds, the Official Statement, dated September 20, 2005, with respect to the Refunding Bonds, the Official Statement, dated November 1, 2006, with respect to the 2006 Financing Project, the Official Statement, dated April 18, 2007, with respect to the 2006 GOB Series A Bonds, the Official Statement, dated May 3, 2007, with respect to the 2006 GOB Series B Bonds, the Official Statement, dated May 19, 2011, with respect to the 2006 GOB Series C Bonds, the Official Statement, dated May 19, 2011, with respect to the Refunding Bonds, the Official Statement, dated May 3, 2012 and in regards to the District's Fiscal Year ending June 30, 2014.

3. The Election of 2006 General Obligation Bonds, Series A, Unqualified Opinion Letter and The Election of 2006 General Obligation Bonds, Series B, Unqualified Opinion Letter, are attached hereto as Exhibit C.

A. Enrollment

The following table shows the District's full-time equivalent students ("FTES") for fiscal years 2004-05 through 2013-14:

| <u>Year</u> | <u>FTES</u> |
|-------------|-------------|
| 2004-05 | 34,052 |
| 2005-06 | 35,494 |
| 2006-07 | 35,779 |
| 2007-08 | 37,364 |
| 2008-09 | 38,570 |
| 2009-10 | 37,056 |
| 2010-11 | 34,624 |
| 2011-12 | 33,531 |
| 2012-13 | 32,124 |
| 2013-14 | 31,942 |

Source: Foothill-De Anza Community College District.

B. Long-Term Debt

General long-term debt as of June 30, 2014 consisted of the following:

| | Balance Beginning of Year | Additions | Deductions | Balance End of Year | Due in One Year |
|--------------------------------|---------------------------------|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| Bonds and Notes Payable | | | | | |
| General obligation bonds | \$ 693,253,428 | \$ 10,419,253 | \$ 8,385,000 | \$ 695,287,681 | \$ 9,725,000 |
| Premiums, net of amortization | 23,850,829 | | 1,243,097 | 22,607,732 | 1,243,097 |
| Certificate of participation | 17,225,000 | | 10,825,000 | 6,400,000 | 815,000 |
| Total Bonds and Notes Payable | <u>734,329,257</u> | <u>10,419,253</u> | <u>20,453,097</u> | <u>724,295,413</u> | <u>11,783,097</u> |
| Other Liabilities | | | | | |
| Compensated absences | 1,425,825 | 130,836 | - | 1,556,661 | - |
| Capital leases | 1,882,913 | 7,580,000 | 911,268 | 8,551,645 | 1,258,619 |
| Claims liability | 4,815,470 | - | 964,895 | 3,850,575 | - |
| Total Other Liabilities | <u>8,124,208</u> | <u>7,710,836</u> | <u>1,876,163</u> | <u>13,958,881</u> | <u>1,258,619</u> |
| Total Long-Term Debt | <u><u>\$ 742,453,465</u></u> | <u><u>\$ 18,130,089</u></u> | <u><u>\$ 22,329,260</u></u> | <u><u>\$ 738,254,294</u></u> | <u><u>\$ 13,041,716</u></u> |

| Description | Issue Date | Maturity Date | Interest Rate | Original Issue | Bond Outstanding June 30, 2013 | Accreted | Principal Payment | Bonds Outstanding June 30, 2014 |
|--|------------|---------------|---------------|----------------|--------------------------------|---------------------|--------------------|---------------------------------|
| Measure E, General Obligation Bonds Series A | 5/3/2000 | 8/1/2030 | 4.30%-6.26% | \$99,995,036 | \$46,818,018 | \$2,916,551 | \$2,916,551 | \$49,734,569 |
| Measure E, General Obligation Bonds Series B | 9/9/2003 | 8/1/2036 | 2.00%-5.79% | 90,100,063 | 78,555,947 | 3,793,367 | 1,815,000 | 80,534,314 |
| Measure E, General Obligation Bonds Series C | 9/20/2005 | 8/1/2036 | 3.00%-5.03% | 57,904,900 | 51,755,129 | 1,513,806 | 685,000 | 52,583,935 |
| 2005 General Obligation Refunding Bonds | 9/20/2005 | 8/1/2021 | 3.00%-5.25% | 22,165,000 | 22,010,000 | - | - | 22,010,000 |
| 2012 General Obligation Refunding Bonds | 5/3/2012 | 8/1/2030 | 0.25%-5.00% | 70,735,000 | 70,735,000 | - | 3,780,000 | 66,955,000 |
| Measure C, General Obligation Bonds Series A | 4/18/2007 | 8/1/2036 | 4.00%-5.00% | 149,995,250 | 144,225,349 | 1,357,229 | 1,265,000 | 144,317,578 |
| Measure C, General Obligation Bonds Series B | 5/3/2007 | 8/1/2036 | 4.00%-5.00% | 99,996,686 | 95,153,985 | 838,300 | 840,000 | 95,152,285 |
| Measure C, General Obligation Bonds Series C | 5/19/2011 | 8/1/2040 | 4.73%-4.78% | 184,000,000 | <u>184,000,000</u> | = | = | <u>184,000,000</u> |
| Total | | | | | <u>\$693,253,428</u> | <u>\$10,419,253</u> | <u>\$8,385,000</u> | <u>\$695,287,681</u> |

⁽¹⁾ Reflecting interest rates on outstanding maturities.
Source: Foothill-De Anza Community College District.

C. Assessed Valuations

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

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
Assessed Valuations
(Before Redevelopment Adjustments)**

| | <u>Local Secured</u> | <u>Utility</u> | <u>Unsecured</u> | <u>Total</u> |
|---------|----------------------|----------------|------------------|-----------------|
| 2005-06 | 67,138,777,355 | 6,951,216 | 5,949,427,758 | 73,095,156,329 |
| 2006-07 | 74,020,489,225 | 6,441,120 | 5,578,833,713 | 79,605,764,058 |
| 2007-08 | 79,985,109,594 | 4,082,610 | 5,786,398,994 | 85,775,591,198 |
| 2008-09 | 87,548,070,527 | 4,237,376 | 6,162,676,227 | 93,714,984,130 |
| 2009-10 | 91,057,009,698 | 4,237,376 | 6,810,383,422 | 97,871,630,496 |
| 2010-11 | 91,313,000,200 | 4,237,376 | 6,080,958,926 | 97,398,196,502 |
| 2011-12 | 92,893,106,050 | 4,263,536 | 6,479,031,711 | 99,376,401,297 |
| 2012-13 | 97,301,322,005 | 4,263,536 | 7,147,704,244 | 104,453,289,785 |
| 2013-14 | 105,810,589,111 | 4,263,536 | 7,545,604,447 | 113,360,457,094 |
| 2014-15 | 113,156,674,339 | 2,598,876 | 7,690,701,163 | 120,849,974,378 |

Source: California Municipal Statistics, Inc.

D. Principal Taxpayers

The following table lists the major taxpayers in the District in terms of their secured assessed valuations. The District provides educational services to and its boundaries include portions of the County.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT Largest 2014-15 Local Secured Taxpayers

| <u>Property Owner</u> | <u>Primary Land Use</u> | <u>2014-15 Assessed Valuation</u> | <u>% of Total (1)</u> |
|--|--------------------------|---------------------------------------|---------------------------|
| 1. Board of Regents Leland Stanford Jr. University (2) | Various Land Holdings | \$ 4,544,233,435 | 4.02% |
| 2. Google Inc. | Research and Development | 1,645,688,678 | 1.45 |
| 3. Apple Computer Inc. | Office Building | 887,216,784 | 0.78 |
| 4. Lockheed Missiles and Space Co. Inc. | Manufacturing | 635,029,323 | 0.56 |
| 5. Network Appliance Inc. | Research and Development | 564,700,634 | 0.50 |
| 6. Yahoo Inc. | Office Building | 384,728,781 | 0.34 |
| 7. Intuitive Surgical Inc. | Office Building | 352,794,364 | 0.31 |
| 8. Menlo & Juniper Networks LLC | Industrial | 341,130,138 | 0.30 |
| 9. HCP Life Science REIT Inc. | Industrial | 332,893,961 | 0.29 |
| 10. Applied Materials Inc. | Manufacturing | 306,710,478 | 0.27 |
| 11. SPF Mathilda LLC | Office Building | 291,450,039 | 0.26 |
| 12. Park Kiely REIT Inc. | Apartments | 285,107,538 | 0.25 |
| 13. MT SPE LLC | Office Building | 276,453,512 | 0.24 |
| 14. Sobrato Interests | Office Building | 263,831,187 | 0.23 |
| 15. Agilent Technologies Inc. | Industrial | 244,670,536 | 0.22 |
| 16. Campus Holdings Inc. | Office Building | 244,621,763 | 0.22 |
| 17. MT Lot 3 EFG LLC | Office Building | 244,465,601 | 0.22 |
| 18. Tishman Speyer Archstone-Smith | Apartments | 221,456,160 | 0.20 |
| 19. Space Systems Loral Land LLC | Research and Development | 214,150,727 | 0.19 |
| 20. Symantec Corporation | Office Building | <u>207,720,905</u> | <u>0.18</u> |
| | | \$12,489,054,544 | 11.04% |

(1) 2014-15 Local Secured Assessed Valuation: \$113,156,674,339

(2) Taxable property only.

Source: California Municipal Statistics, Inc.

E. Summary Financial Information

The following table shows the District's audited actuals for fiscal year 2013-14 and the District's adopted budget for 2014-15.

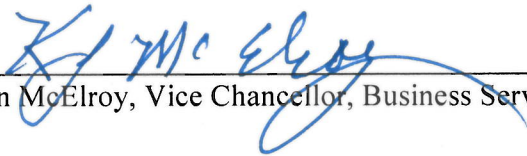
**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
Comparison of General Fund Audited Actuals for Fiscal Years 2013-14,
and General Fund Budget for Fiscal Year 2014-15**

| | Audited Actuals <u>2013-14</u> | Adopted Budget <u>2014-15</u> |
|--|---|--|
| Revenues | | |
| Federal | \$2,123,025 | \$2,018,789 |
| State | 58,477,766 | 72,667,502 |
| Local | <u>147,648,393</u> | <u>148,392,040</u> |
| TOTAL REVENUES | <u>208,249,184</u> | <u>223,078,331</u> |
| Expenditures | | |
| Certificated Salaries | 86,075,553 | 86,582,325 |
| Classified Salaries | 42,196,502 | 45,084,333 |
| Employee Benefits | 38,011,219 | 38,840,470 |
| Supplies and Materials | 4,047,417 | 5,490,857 |
| Other Operating Expenses and Services | 26,576,737 | 41,289,921 |
| Capital Outlay | 794,895 | 3,099,836 |
| TOTAL EXPENDITURES | <u>197,702,324</u> | <u>220,387,742</u> |
| Revenues Over (Under) Expenditures | 10,546,860 | 2,690,589 |
| Other Financing Sources | | |
| Operating Transfers In | 6,042,168 | 4,735,848 |
| Operating Transfers Out | -15,281,708 | -8,748,457 |
| Other Sources | 0 | 0 |
| Other Outgo | -581,670 | -586,243 |
| Capitalized Lease Proceeds | 0 | 0 |
| Contingencies | <u>0</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | -9,821,209 | -4,598,852 |
| NET INCREASE (DECREASE) IN FUND BALANCE | 725,651 | -1,908,263 |
| Beginning Balance | | |
| Net Beginning Balance, July 1 | 61,142,751 | 61,930,245 |
| Prior Year's Adjustments | | |
| Adjusted Beginning Balance | 61,843 | 0 |
| Ending Balance, June 30 | <u>\$61,930,245</u> | <u>\$60,021,983</u> |

Source: Foothill-De Anza Community College District.

The information set forth herein has been obtained from sources believed by the District to be reliable. There can be no assurance on to the accuracy of such information and inquiries concerning the scope and methodology of procedures carried out to complete the information presented should be directed to California Municipal Statistics, Inc. at 5460 College Avenue, Oakland, California, 94618.

FOOTHILL-DE ANZA COMMUNITY COLLEGE
DISTRICT



Kevin McElroy, Vice Chancellor, Business Service

EXHIBIT A

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDING JUNE 30, 2014**

EXHIBIT B

**ADOPTED BUDGET OF THE DISTRICT
FOR FISCAL YEAR ENDING JUNE 30, 2015**

EXHIBIT C

**ELECTION OF 2006 GENERAL OBLIGATION BONDS, SERIES A,
UNQUALIFIED OPINION LETTER
AND
ELECTION OF 2006 GENERAL OBLIGATION BONDS, SERIES B,
UNQUALIFIED OPINION LETTER**

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

44 MONTGOMERY STREET, SUITE 4200

SAN FRANCISCO, CA 94104

TELEPHONE (415) 283-2240

FACSIMILE (415) 283-2255

ORANGE COUNTY

(949) 725-4000

SAN DIEGO

(858) 720-2150

SAN FRANCISCO

(415) 283-2240

SANTA BARBARA

(805) 564-0065

SACRAMENTO

(916) 449-2350

March 27, 2008

Board of Trustees
Foothill-De Anza Community College District

\$149,995,250.35

*FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
(Santa Clara County, California)
Election of 2006 General Obligation Bonds, Series A*

Ladies and Gentlemen:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$149,995,250.35 Foothill-De Anza Community College District Election of 2006 General Obligation Bonds, Series A (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, a fifty-five percent vote of the qualified electors of the Foothill-De Anza Community College District (the "District") voting at an election held on June 6, 2006 and a resolution of the Board of Trustees of the District (the "Board") dated June 7, 2006, as supplemented by a resolution of the Board dated March 12, 2007 (collectively, the "Resolution").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal, maturity value and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. 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.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. For purposes of the previous sentence, the stated redemption price at maturity includes the aggregate sum of all debt service payments on Capital Appreciation Bonds. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), 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 Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

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

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

Stradling Jones Carboni Routh

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March 27, 2008

Board of Trustees
Foothill-De Anza Community College District

\$99,996,686.15
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
(Santa Clara County, California)
Election of 2006 General Obligation Bonds, Series B

Ladies and Gentlemen:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$99,996,686.15 Foothill-De Anza Community College District Election of 2006 General Obligation Bonds, Series B (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, a fifty-five percent vote of the qualified electors of the Foothill-De Anza Community College District (the "District") voting at an election held on June 6, 2006 and a resolution of the Board of Trustees of the District (the "Board") dated June 7, 2006, as supplemented by a resolution of the Board dated March 12, 2007 (collectively, the "Resolution").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal, maturity value and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. 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.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. For purposes of the previous sentence, the stated redemption price at maturity includes the aggregate sum of all debt service payments on Capital Appreciation Bonds. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), 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 Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

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