

STIFEL

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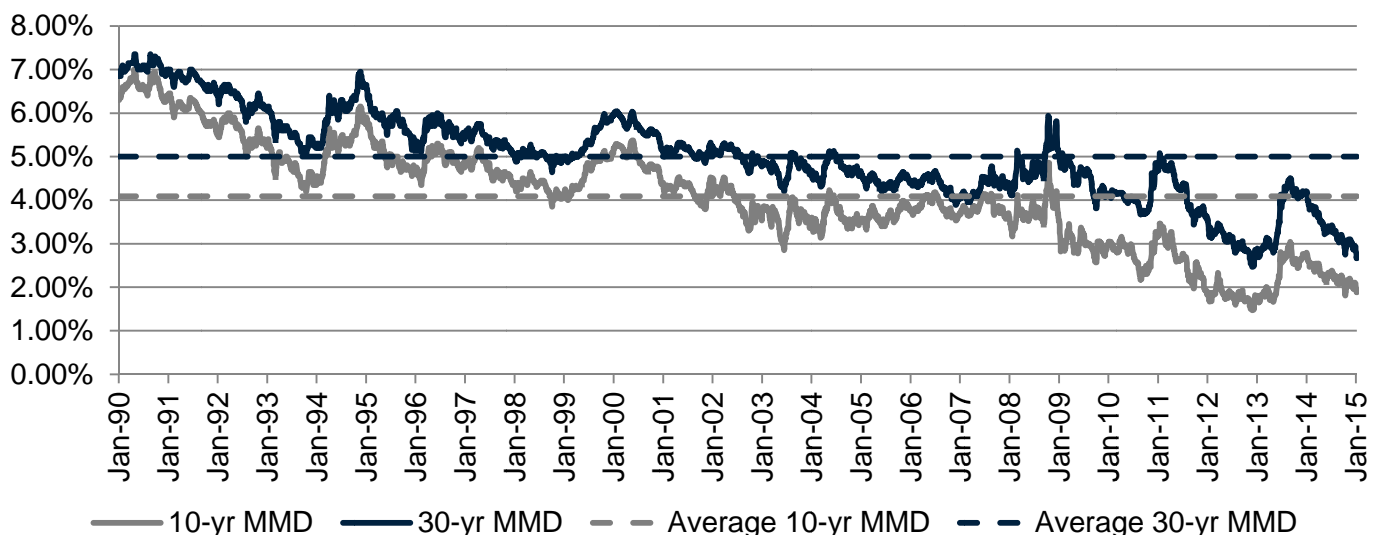
DATE: January 9, 2015

SUBJECT: General Obligation Bonds – Refunding Analysis

The purpose of this memorandum is to provide the Mt. San Antonio Community College District (the “District”) with a refunding analysis with respect to its general obligation bond program. Based on current market conditions the District could refund the current interest rate bonds of the 2001 Election, 2008 Series D bonds (the “Prior Bonds”). ***As detailed in this memorandum, the refunding of these bonds may provide the District’s taxpayers with \$2.1 million in gross savings.***

Market Update: The beginning of 2015 has seen a decline in equities as the price of oil fell below the psychological \$50/barrel level. Geopolitical issues continue to be a market focus with global tensions precipitating a “flight to quality” among investors that took Treasury yields to lows not seen since May 2013 with the 10 and 30-Year Treasury yield reaching 1.97% and 2.55%, respectively. Similarly the municipal market took off with 10 and 30-Year MMD reaching 1.88% and 2.67% respectively – both yields more than 220 basis points below their average since 1990.

10-Year and 30-Year AAA MMD January 1990 to Present



Debt Overview: The District's general obligation bonds have a total par outstanding of \$371 million. The current interest rate bonds of the 2001 Election, 2008 Series D bonds are callable at 100% on June 1, 2018. The adjacent table displays the par amount outstanding, the final coupon and maturity date, and the call features for the District's outstanding general obligation bonds.

Election of 2008

Issue	Dated Date	Par Amount		Final		Call Feature
		Original	Outstanding	Maturity	Coupon	
Series 2013A	8/1/13	\$205,586,691	\$203,861,691	8/1/2043	0.000%	8/1/23 @ 100*
Series 2013B	8/1/13	\$11,715,000	\$10,640,000	8/1/2023	4.103%	Non-Callable
Total		\$217,301,691	\$214,501,691			

*CIBs and CABs callable 8/1/2023 @ 100%, CCABs maturing 8/1/2028 or later callable 2/1/2028 at redemption price, CCABs maturing on 8/1/2043 callable 8/1/2035 at redemption price.

Election of 2001

Issue	Dated Date	Par Amount		Final		Call Feature
		Original	Outstanding	Maturity	Coupon	
Series C	9/29/06	\$79,996,203	\$1,975,000	9/1/2016	4.000%	Non-Callable
Series D	7/23/08	\$26,003,609	\$22,378,676	6/1/2033	5.000%	6/1/18 @ 100**
Total		\$105,999,812	\$24,353,676			

**CABs are non-callable

Refunding Results: The refunding results in the adjacent tables reflect estimated interest rates based on the District's "Aa2/AA" ratings, as well as recent comparable financings and secondary market trades. In today's market, a refunding of the 2001 Election, 2008 Series D bonds could produce net present value savings of \$1.67 million or 8.36%. Cash flow savings total \$2.1 million throughout the life of the financing.

Refunding Bonds

Issue	Dated Date	Par Amount		Final		Call Feature
		Original	Outstanding	Maturity	Coupon	
2005 GO Ref	9/22/05	\$75,745,843	\$11,800,843	8/1/2017	0.000%	Non-Callable
2012 GO Ref	6/21/12	\$29,850,000	\$11,540,000	8/1/2015	3.750%	Non-Callable
2013 Series A	8/1/13	\$74,910,000	\$73,910,000	9/1/2028	5.000%	9/1/23 @ 100
2013 Series B	8/1/13	\$48,190,000	\$47,085,000	8/1/2023	4.103%	Non-Callable
Total		\$152,950,000	\$132,535,000			

Refunding Summary

Refunding Par	\$18,720,000
Refunded Par	\$20,065,000
True Interest Cost	2.88%
Gross Savings	\$2,106,300
NPV Savings (\$)	\$1,677,172
NPV Savings (%)	8.36%

Refunding Cash Flow Savings

Maturity	Debt Service		Annual Savings
	Prior	Refunding	
2016	\$981,900	\$918,650	\$63,250
2017	\$981,900	\$918,650	\$63,250
2018	\$981,900	\$918,650	\$63,250
2019	\$1,886,900	\$1,763,650	\$123,250
2020	\$1,898,400	\$1,774,850	\$123,550
2021	\$1,900,000	\$1,774,250	\$125,750
2022	\$1,900,000	\$1,773,000	\$127,000
2023	\$1,898,000	\$1,774,500	\$123,500
2024	\$1,898,500	\$1,773,500	\$125,000
2025	\$1,896,250	\$1,770,000	\$126,250
2026	\$1,896,250	\$1,769,000	\$127,250
2027	\$1,898,250	\$1,770,250	\$128,000
2028	\$2,097,000	\$1,958,500	\$138,500
2029	\$2,097,500	\$1,959,250	\$138,250
2030	\$2,099,000	\$1,961,250	\$137,750
2031	\$2,096,250	\$1,959,250	\$137,000
2032	\$2,099,250	\$1,958,250	\$141,000
2033	\$1,417,500	\$1,323,000	\$94,500
Total	\$31,924,750	\$29,818,450	\$2,106,300

We hope that the above refunding analysis is of value to the District. We continually strive to provide valuable information to California community college districts and look forward to discussing it in further detail in the near future. If you have any questions or need additional information, please do not hesitate to contact us. Thank you.

Assumptions: All numbers are preliminary and are subject to change. Tax-exempt interest rates used for the analysis above were derived from spreads to the 'AAA' rated MMD Index of comparable recently priced financings and secondary market trades as of January 9, 2015. Analysis assumes refunding bonds produce debt service that is proportional to that of the refunded bonds. Analysis assumes the District's outstanding Aa2/AA ratings. Costs of issuance are estimated and based on recent comparable transactions, actual amounts will be provided to the underwriter by the issuer and its financial advisor. In no way does Stifel represent that the bonds would receive such rating or guarantee such pricing results.

Source data used for determination of outstanding bonds includes District Official Statements, Audited Financial Statements and Thomson Reuters.



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Note: Please see reverse side of this page for refunding assumptions detail and Stifel disclosure.

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