

Gordon B. Ford

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Treasurer-Tax Collector

BOARD AGENDA # *B-4

Urgent

Routine

AGENDA DATE August 11, 2015

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Acceptance of the Annual Reports for the County of Stanislaus Tobacco Endowment Funds - Series 2002 and Series 2006 for Fiscal Year Ending June 30, 2015

STAFF RECOMMENDATIONS:

1. Accept the Annual Reports for the County of Stanislaus Tobacco Endowment Funds - Series 2002 and Series 2006 for Fiscal Year Ending June 30, 2015.
2. Authorize the Chairman of the Board of Supervisors to sign on behalf of the Board that the reports have been reviewed and accepted.

FISCAL IMPACT:

Preparation of these annual reports is a minimal cost to the County. Costs associated with managing the Tobacco Endowment Fund Series 2002 were \$4,921 for Fiscal Year 2014/2015. While the fund generated \$2,326,329 in interest earnings for the fiscal year ending June 30, 2015, the General Fund's portion of these earnings, which is 80% net of expenses or \$1,856,142 will be used towards paying off the accumulated deficit in the Health Services Agency Enterprise Fund in the current Fiscal Year 2015/2016.

- Continued on Page 2 -

BOARD ACTION AS FOLLOWS:

No. 2015-371

On motion of Supervisor Chiesa, Seconded by Supervisor DeMartini
 and approved by the following vote,
 Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow
 Noes: Supervisors: None
 Excused or Absent: Supervisors: None
 Abstaining: Supervisor: None

- 1) X Approved as recommended
- 2) _____ Denied
- 3) _____ Approved as amended
- 4) _____ Other:

MOTION:

ATTEST:

Christine Ferraro
 CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT CONTINUED:

These earnings have been used to make annual payments towards a Health Services Agency (HSA) loan as a result of the agency's cash deficit. The loan was signed on September 14, 2004 for an original amount of \$20,489,032. On September 13, 2005, the loan was increased by \$3,236,112 for a revised balance of \$23,725,144. In the Fiscal Year 2014/2015 Final Budget, the Board of Supervisors approved the use of \$15 million of unassigned fund balance to pay down the HSA debt. The outstanding principal and interest balance of \$6,032,025 was fully paid off in October 2014.

A second loan in the amount of \$9,637,050 had been approved by the Board of Supervisors on March 24, 2009. The loan was established for a payment to Doctors Medical Center of the County's share of funds recouped by the Centers for Medicare and Medicaid Services (CMS) related to the graduate medical education (GME) funding pertaining to the Family Practice Residency program. The remainder of the above noted \$15 million of unassigned fund balance was used to partially pay down the second loan. A payment of \$8,697,975 was applied to the loan, leaving an outstanding balance of \$1,347,746 as of June 30, 2015. The net interest earnings after expenses of \$1,856,142 from the Tobacco Endowment Fund Series 2002 fiscal year 2014/2015 has been used to pay off the remaining balance of this second loan in full in the current Fiscal Year 2015/2016.

Costs associated with managing the Tobacco Endowment Fund Series 2006 were \$4,569 for Fiscal Year 2014/2015. This fund generated \$960,450 in interest earnings for the fiscal year ending June 30, 2015, of which \$763,791 (80% net of expenses) has been transferred to the General Fund as discretionary revenue in the current Fiscal Year 2015/2016.

DISCUSSION:

In November 1998, the Attorneys General of 46 states (including California), the District of Columbia, the Commonwealth of Puerto Rico, Guam, The United States Virgin Islands, American Samoa and the Territory of the Northern Marianas (collectively, the "Settling States") and the four largest United States tobacco manufacturers (OPM's) entered into a master settlement agreement in resolution of cigarette-smoking related litigation. The master settlement agreement released the OPM's from past, present and future smoking-related claims in exchange for, among other things, certain payments to be made to the settling states.

On August 5, 1998 the counsel for the State of California and various cities and counties therein ("participating jurisdictions") entered into a memorandum of understanding (MOU). Pursuant to the MOU, participating jurisdictions were entitled to receive a portion of the payments made to the State of California in accordance with the master settlement agreement. Some jurisdictions, in an effort to manage/mitigate the

risks associated with the receipt of the Tobacco Settlement Revenues (TSRs) opted to securitize this revenue stream.

On June 6, 2000, the Board of Supervisors authorized the Chief Executive Officer and the Debt Advisory Committee to proceed with the securitization of the County's share of the TSRs by issuing Tobacco Settlement Asset-Backed Bonds. In March 2002, the County sold their interest in the TSRs, received \$52,403,206 and subsequently placed the funds in an endowment.

In January 2002, the County Board of Supervisors delegated responsibility for the investment of the TSRs to the County Treasurer/Tax Collector in accordance with Stanislaus County's Investment Policy for the Investment of the Proceeds from the Securitization of the Tobacco Industry's Master Settlement Agreement. This policy includes language that mandates preparation of an annual report by the Office of the Treasurer/Tax Collector no later than August 15th following the close of each fiscal year on June 30. The report is to be forwarded to the Board of Supervisors for final review and acceptance.

Interest earnings in the Tobacco Endowment Fund Series 2002 for Fiscal Year 2014/2015 were \$2,326,329. In accordance with the investment policy, interest and net gains received have been distributed as follows: 80% net of expenses or \$1,856,142 was distributed to the General Fund as discretionary revenue and the remaining 20% was re-invested in the endowment in the current fiscal year. On September 14, 2004, in the 2003/2004 Final Budget, the Board of Supervisors decided that the annual distribution that is received by the General Fund would be dedicated towards paying down the Health Services Agency accumulated deficit. The balance in the 2002 fund at June 30, 2015 was \$60,158,256.

Since the offering of the 2002 Tobacco Bonds, interest rates fell and investor demand for tobacco settlement asset-backed bonds greatly improved giving the County the opportunity to either refund or restructure the 2002 bonds or issue additional bonds. In January 2006, the Board of Supervisors authorized the Chief Executive Officer and the Debt Advisory Committee to proceed with determining the optimal bond structure for the County.

On March 29, 2006, Stanislaus County issued \$42,153,611 in bonds to further securitize the Tobacco Settlement Revenues. Of that amount, \$40,971,291 was placed in an endowment - the County of Stanislaus Tobacco Endowment Fund Series 2006.

During the Fiscal Year 2009/2010, \$7,475,978 was withdrawn from this fund to provide a loan to the Animal Services Facility Capital Project as approved by the Stanislaus County Board of Supervisor's Agenda item 2009-522 dated August 4, 2009.

During the Fiscal Year 2011/2012, \$1,041,912 was withdrawn from this fund to provide a loan to the Coroner's Facility Capital Project and for the final debt payment on the

Medical Arts Building, which was to be re-used for the Coroner's facility as approved by the Stanislaus County Board of Supervisor's Agenda item 2011-746 dated December 13, 2011. Subsequent to that decision, on April 1, 2014 the Stanislaus County Board of Supervisors approved the re-location of the Coroner's Facility Capital Project to another existing County building, and authorized the Project Manager to initiate the disposition of the Medical Arts Building, including a requirement to return to the Board of Supervisors to recommend next steps for the disposition of the Medical Arts Building.

During the Fiscal Year 2012/2013, an additional \$455,470 was withdrawn from this fund for the same loan to the Coroner's Facility Capital Project as approved by the Stanislaus County Board of Supervisor's Agenda item 2011-746 dated December 13, 2011.

During the Fiscal Year 2013/2014, a total of \$2,628,000 was withdrawn from this fund for an internal borrowing to reimburse expenses incurred by the Jail Expansion Project Fund (AB900 Phase II) as approved by the Stanislaus County Board of Supervisors Agenda item 2012-277 dated June 5, 2012.

During the Fiscal Year 2014/2015, \$3,457,000 was withdrawn from this fund for an internal borrowing to reimburse expenses incurred by the Jail Expansion Project Fund (AB900 Phase II) as approved by the Stanislaus County Board of Supervisors Agenda item 2012-277 dated June 5, 2012 and \$316,000 was also withdrawn from this fund for an internal borrowing to reimburse expenses incurred by the Coroner Facility Project Fund as approved by the Stanislaus County Board of Supervisors Agenda items 2011-746 dated December 13, 2011 and 2014-149 dated April 1, 2014.

The balance in the 2006 fund at June 30, 2015 was \$29,233,484. While these funds are invested separately, they fall under Stanislaus County's Investment Policy for the Investment of the Proceeds from the Securitization of the Tobacco Industry's Master Settlement Agreement, and are invested within the parameters of that policy.

Interest earnings in the Tobacco Endowment Fund Series 2006 for Fiscal Year 2014/2015 were \$960,450. In accordance with the investment policy, interest and net gains received have been distributed as follows: 80% net of expenses or \$763,791 was distributed to the General Fund as discretionary revenue and the remaining 20% was re-invested in the endowment in the current fiscal year.

The 2002 Tobacco Portfolio includes investments in long term municipal bonds. During the Fiscal Year 2014/2015, there were two municipal bond calls with a par value of \$4,000,000. Six long term municipal bonds were purchased with a par value of \$11,070,000. As of June 30, 2015, the Series 2002 Tobacco Portfolio balance was \$60,158,256 and had a market to par value of 110%.

The 2006 Tobacco Portfolio has included investments in long term municipal bonds since Fiscal Year 2010/2011. During the Fiscal Year 2014/2015, there were no

additional bond purchases or calls. As of June 30, 2015, the Series 2006 Tobacco Portfolio balance was \$29,233,484 and had a market to par value of 108%.

POLICY ISSUES:

Stanislaus County's Investment Policy for the Investment of the Proceeds from the Securitization of the Tobacco Industry's Master Settlement Agreement mandates that the Office of the Treasurer/Tax Collector prepare an annual report for the Board of Supervisors.

Approval of this agenda item will support the Board's priority of Efficient Delivery of Public Services.

STAFFING IMPACT:

There is no staffing impact associated with this agenda item.

CONTACT PERSON:

Gordon B. Ford, Treasurer-Tax Collector

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OFFICE OF TREASURER/TAX COLLECTOR

Gordon B. Ford
Treasurer/Tax Collector

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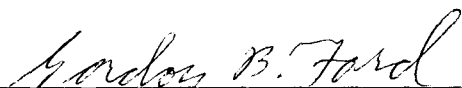
County of Stanislaus Tobacco Endowment Series 2002 Fund
Annual Report
June 2015

The Stanislaus County Tobacco Endowment Series 2002 Fund generated \$2,326,329 in interest income for the fiscal year ending June 30, 2015. The invested funds yielded an average interest rate of 3.3%. Two municipal bonds were called prior to maturity resulting in a net loss of \$48,682 in unamortized premium which was recorded as a decrease to interest income and is included in the above amount. Costs associated with managing the fund were \$4,921 giving a net distribution to the County of \$1,856,142 which was distributed to the County on July 20, 2015.

The portfolio has been reviewed by both the Treasurer and the Chief Deputy Treasurer for compliance with the investment policy. All investments are non-AMT investments and no taxable interest was generated. The Union Bank custodial statement has been reviewed by both the Treasurer and Chief Deputy Treasurer for accuracy and completeness. The custodial statement is the source of market valuation for securities held by our custodial agent. All other securities are valued at cost.

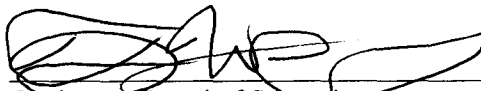

Dolores Sarenana, Chief Deputy Treasurer

7/22/15
Date


Gordon B. Ford, Treasurer

7/28/15
Date

The County of Stanislaus Board of Supervisors has reviewed and accepted the Stanislaus County Tobacco Endowment Series 2002 Fund Annual Report


Chairman, Board of Supervisors

10/11/15
Date

STANISLAUS COUNTY 2002 TOBACCO SERIES
MONEY MARKET FUND ACTIVITY
INVESCO, INVESTMENT# 15, ACCOUNT# XXXXXX6492
FISCAL YEAR ENDING JUNE 2015

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
BEGINNING	3,736,590.02	1,915,311.05	1,915,335.01	1,915,351.13	355,565.93	355,581.21
INTEREST	30.30	23.96	16.12	15.60	15.28	3.00
ADDITIONS						
WITHDRAWALS	(1,821,309.27)			(1,559,800.80)		
ENDING VALUE	1,915,311.05	1,915,335.01	1,915,351.13	355,565.93	355,581.21	355,584.21

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD
BEGINNING	355,584.21	355,587.31	355,590.41	355,593.21	355,596.31	355,741.35	3,736,590.02
INTEREST	3.10	3.10	2.80	3.10	145.04	3.10	264.50
ADDITIONS							0.00
WITHDRAWALS							(3,381,110.07)
TOTAL	355,587.31	355,590.41	355,593.21	355,596.31	355,741.35	355,744.45	355,744.45

STANISLAUS COUNTY 2002 TOBACCO SERIES
MUTUAL FUND ACTIVITY
USAA, INVESTMENT# 19, ACCOUNT# XXXXXX7035
FISCAL YEAR ENDING JUNE 2015

	TRANSACTION SHARES	CUMULATIVE SHARES	PRICE	PURCHASE	WITHDRAWAL	INTEREST EARNINGS	TOTAL AS SUM OF DOLLARS	TOTAL SHARES AT ENDING PRICE
06/30/14	1,482.778	1,090,449.294	10.72				11,689,280.14	11,689,616.43
07/01/14	4,050.840	1,094,500.134	10.72	43,425.00			11,732,705.14	11,733,041.44
07/31/14	1,435.854	1,095,935.988	10.71			15,378.00	11,748,083.14	11,737,474.43
08/01/14	21,475.257	1,117,411.245	10.71	230,000.00			11,978,083.14	11,967,474.43
08/29/14	1,458.126	1,118,869.371	10.72			15,631.11	11,993,714.25	11,994,279.66
09/02/14	18,715.019	1,137,584.390	10.72	200,625.00			12,194,339.26	12,194,904.66
09/30/14	(628,738.562)	508,845.828	10.71		(6,733,790.00)		5,460,549.26	5,449,738.82
09/30/14	1,368.699	510,214.527	10.71			14,658.77	5,475,208.02	5,464,397.58
10/01/14	30,771.922	540,986.449	10.72	329,875.00			5,805,083.03	5,799,374.73
10/27/14	188,795.605	729,782.054	10.72	2,023,888.89			7,828,971.91	7,823,263.62
10/27/14	(466,560.996)	263,221.058	10.72		(5,001,533.88)		2,827,438.04	2,821,729.74
10/31/14	654.636	263,875.694	10.71			7,011.15	2,834,449.19	2,826,108.68
11/03/14	11,391.223	275,266.917	10.71	122,000.00			2,956,449.19	2,948,108.68
11/17/14	4,672.897	279,939.814	10.70	50,000.00			3,006,449.18	2,995,356.01
11/28/14	316.575	280,256.389	10.70			3,387.35	3,009,836.54	2,998,743.36
12/01/14	8,617.336	288,873.725	10.71	92,291.67			3,102,128.21	3,093,837.59
12/31/14	362.411	289,236.136	10.69			3,874.17	3,106,002.38	3,091,934.29
01/02/15	11,855.057	301,091.193	10.69	126,730.56			3,232,732.94	3,218,664.85
01/30/15	365.986	301,457.179	10.71			3,919.71	3,236,652.65	3,228,606.39
02/02/15	17,953.782	319,410.961	10.71	192,285.01			3,428,937.65	3,420,891.39
02/27/15	401.810	319,812.771	10.69			4,295.35	3,433,233.00	3,418,798.52
03/02/15	205,858.279	525,671.050	10.69	2,200,625.00			5,633,858.00	5,619,423.52
03/31/15	609.909	526,280.959	10.68			6,513.83	5,640,371.83	5,620,680.64
04/01/15	36,115.012	562,395.971	10.68	385,708.33			6,026,080.16	6,006,388.97
04/30/15	729.773	563,125.744	10.65			7,772.08	6,033,852.24	5,997,289.17
05/01/15	11,455.399	574,581.143	10.65	122,000.00			6,155,852.24	6,119,289.17
05/15/15	4,703.669	579,284.812	10.63	50,000.00			6,205,852.24	6,157,797.55
05/29/15	766.070	580,050.882	10.62			8,135.66	6,213,987.91	6,160,140.37
06/01/15	10,004.708	590,055.590	10.62	106,250.00			6,320,237.91	6,266,390.37
06/30/15	773.695	590,829.285	10.60			8,201.17	6,328,439.07	6,262,790.42
Totals				6,275,704.46	(11,735,323.88)	98,778.35		

STANISLAUS COUNTY 2002 TOBACCO SERIES
MUNICIPAL BOND ACTIVITY
UNION BANK OF CALIFORNIA, ACCOUNT# XXXXXX0241
FISCAL YEAR ENDING JUNE 2015

DATE: INV # CUSIP AGENCY PAR COST PAR PAID COUPON YIELD MATURITY
@CALL

HOLDINGS ON JUNE 30, 2014				41,070,000.00	43,960,584.21				
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PURCHASES:

09/30/14	64	544646S94	Los Angeles Unif School District	1,250,000.00	1,524,975.00				
09/30/14	65	271014YC0	East Bay Municipal Utilities Dist	2,250,000.00	2,696,197.50				
09/30/14	66	797400JH2	San Diego Reg Transp Commission	2,000,000.00	2,456,660.00				
10/28/14	67	797355ZE7	San Diego CA Unified School Dist	1,950,000.00	2,495,142.00				
10/28/14	69	786134UC8	Sacramento Cnty CA Sanit Dist	2,000,000.00	2,443,100.00				
10/28/14	71	801181AS7	Santa Ana College Improve Dist No 1	1,620,000.00	1,559,800.80				
TOTAL PURCHASES:				11,070,000.00	13,175,875.30				

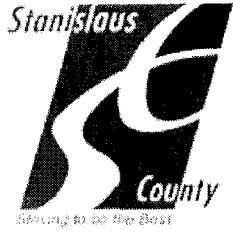
CALLS:

10/27/14	29	769045PU3	Riverside CA Redevelopment Agency	2,000,000.00	2,076,500.00	2,000,000.00	5.00%	4.76%	8/1/1933
03/01/15	9	343261EQ2	Florin CA Resource Conserv Dist	2,000,000.00	2,000,000.00	2,000,000.00	4.75%	4.75%	9/1/2022
TOTAL CALLS:				4,000,000.00	4,076,500.00	4,000,000.00			

MATURITIES:

None									
TOTAL MATURITIES:				0.00	0.00				

HOLDINGS ON JUNE 30, 2015				48,140,000.00	53,059,959.51				
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**2002 Tobacco Series 2014/15
Portfolio Management
Portfolio Summary
June 30, 2015**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Funds	355,744.45	355,744.45	355,744.45	0.60	1	1	0.000	0.000
Mutual Fund	6,328,439.07	6,262,790.42	6,328,439.07	10.75	1	1	0.730	0.740
Municipal Bonds	48,140,000.00	53,539,721.40	52,179,477.26	88.64	5,646	4,276	3.611	3.661
Investments	54,824,183.52	60,158,256.27	58,863,660.78	100.00%	5,005	3,791	3.279	3.325

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	163,482.32	1,911,944.83	1,911,944.83
Average Daily Balance	58,872,312.81	58,065,616.09	
Effective Rate of Return	3.38%	3.29%	

Market Values have been reconciled to Union Bank of California Custody Statement and differ only by the amount of Accrued Interest at Purchase which has not been received. This figure can be found on the Investment Status Report.

Gordon B. Ford, Treasurer/Tax Collector

**2002 Tobacco Series 2014/15
Portfolio Management
Portfolio Details - Investments
June 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Money Market Funds												
SYS15	15	Invesco Tax Free Inst Fund			355,744.45	355,744.45	355,744.45		0.000	0.000	1	
Subtotal and Average			355,744.45		355,744.45	355,744.45	355,744.45		0.000	0.000	1	
Mutual Fund												
SYS19	19	USAA Tax-Exempt Short-Term Fun		07/01/2002	6,328,439.07	6,262,790.42	6,328,439.07	0.740	0.730	0.740	1	
Subtotal and Average			6,320,511.27		6,328,439.07	6,262,790.42	6,328,439.07		0.730	0.740	1	
Municipal Bonds												
13062NL96	4	California State		08/30/2002	2,000,000.00	2,185,120.00	2,046,160.01	6.000	4.162	4.220	640	04/01/2017
13063B3Q3	55	California State		06/25/2013	1,990,000.00	2,296,917.70	2,227,313.85	5.000	1.968	1.995	1,553	10/01/2019
13063BWM0	46	California State		04/24/2012	2,000,000.00	2,077,060.00	1,981,687.22	2.500	2.644	2.680	2,101	04/01/2021
13063BWZ1	47	California State		04/24/2012	1,090,000.00	1,293,579.30	1,225,493.19	5.000	2.831	2.870	2,466	04/01/2022
13063B5B4	56	California State		07/17/2013	1,000,000.00	1,194,450.00	1,134,477.22	5.000	2.828	2.868	2,649	10/01/2022
156809CV5	21	Cerritos Pub Fing Auth Rev Tax		10/21/2002	1,000,000.00	1,076,970.00	1,000,000.00	5.000	4.931	5.000	2,680	11/01/2022
13077CA46	59	California State Univ Revenue		08/07/2013	3,880,000.00	4,672,257.20	4,355,501.48	5.000	3.362	3.409	3,411	11/01/2024
13063B5F5	57	California State		07/17/2013	1,715,000.00	1,892,313.85	1,850,395.58	5.000	3.963	4.018	3,745	10/01/2025
797400JH2	66	San Diego Reg Transp Comm		09/30/2014	2,000,000.00	2,398,820.00	2,426,774.74	5.000	2.643	2.680	3,927	04/01/2026
544646S94	64	Los Angeles Unified School Dis		09/30/2014	1,250,000.00	1,486,825.00	1,507,362.56	5.000	2.747	2.785	4,018	07/01/2026
797355ZE7	67	San Diego Ca Unif Sch Dist		10/28/2014	1,950,000.00	2,391,187.50	2,466,110.77	5.250	2.604	2.640	4,383	07/01/2027
786134UC8	69	Sacramento Cnty Ca Santn Dists		10/28/2014	2,000,000.00	2,361,820.00	2,420,253.98	5.000	2.907	2.948	4,536	12/01/2027
072024RS3	60	Bay Area CA Toll Auth Toll Bri		08/12/2013	2,000,000.00	2,298,760.00	2,145,932.21	5.000	4.168	4.226	4,658	04/01/2028
072024RS3	63	Bay Area CA Toll Auth Toll Bri		08/07/2013	2,000,000.00	2,298,760.00	2,146,455.29	5.000	4.160	4.217	4,658	04/01/2028
13063BLW0	44	California State		09/28/2011	2,500,000.00	2,691,775.00	2,486,016.49	4.250	4.251	4.311	4,811	09/01/2028
797300XY1	34	San Diego Redeve		06/14/2004	2,000,000.00	2,000,080.00	1,984,883.33	5.000	5.030	5.100	4,811	09/01/2028
13063BRE4	51	California State		08/27/2012	3,000,000.00	3,451,800.00	3,389,381.97	5.250	3.950	4.005	5,329	02/01/2030
13063BRE4	53	California State		08/27/2012	2,000,000.00	2,301,200.00	2,258,115.24	5.250	3.956	4.011	5,329	02/01/2030
91412GHV0	58	Univ of California Revenue		07/24/2013	2,000,000.00	2,298,320.00	2,132,898.83	5.000	4.304	4.364	5,432	05/15/2030
271014YC0	65	East Bay Mun Util Dist Wtr		09/30/2014	2,250,000.00	2,627,955.00	2,674,761.67	5.000	3.315	3.361	5,449	06/01/2030
801495G30	54	Santa Clara Calif Uni Sch Dist		08/28/2012	2,895,000.00	2,698,342.65	2,771,771.17	3.000	3.326	3.372	5,479	07/01/2030
801181AS7	71	Santa Ana Clg Impt Dist #1		10/30/2014	1,620,000.00	1,523,788.20	1,562,201.29	3.000	3.245	3.291	5,875	08/01/2031
79875FDR0	1	San Marcos Calif Pub Faci Auth		08/22/2002	2,000,000.00	2,006,680.00	1,985,529.17	4.875	4.892	4.960	5,875	08/01/2031
901073DA1	8	Tustin Calif Uni Sch Dist SPL		09/03/2002	2,000,000.00	2,014,940.00	2,000,000.00	5.000	4.931	5.000	6,272	09/01/2032
Subtotal and Average			52,196,057.09		48,140,000.00	53,539,721.40	52,179,477.26		3.611	3.661	4,276	

2002 Tobacco Series 2014/15
Portfolio Management
Portfolio Details - Investments
June 30, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
Total and Average			58,872,312.81		54,824,183.52	60,158,256.27	58,863,660.78		3.279	3.325	3,791

**2002 Tobacco Series 2014/15
Portfolio Management
Activity By Type
June 1, 2015 through June 30, 2015**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Money Market Funds (Monthly Summary)							
SYS15	15	Invesco Tax Free Inst Fund			3.10	0.00	
		Subtotal			3.10	0.00	355,744.45
Mutual Fund							
SYS19	19	USAA Tax-Exempt Short-Term Fun	0.740		114,451.17	0.00	
		Subtotal			114,451.17	0.00	6,328,439.07
Municipal Bonds							
		Subtotal					52,179,477.26
		Total			114,454.27	0.00	58,863,660.78

**2002 Tobacco Series 2014/15
Portfolio Management
Activity Summary
June 2014 through June 2015**

Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
June	2014	22	58,844,144.50	3.004	3.045	0.010	0	0	4,551	3,355
July	2014	22	57,060,889.72	3.094	3.137	0.010	0	0	4,692	3,435
August	2014	22	57,285,765.93	3.077	3.120	0.010	0	0	4,672	3,396
September	2014	25	57,480,012.64	3.351	3.397	0.010	3	0	5,221	3,928
October	2014	27	57,763,106.86	3.472	3.520	0.010	3	1	5,384	4,209
November	2014	27	57,904,206.41	3.461	3.509	0.010	0	0	5,368	4,168
December	2014	27	57,902,019.48	3.457	3.505	0.010	0	0	5,360	4,131
January	2015	27	57,948,788.26	3.449	3.497	0.010	0	0	5,349	4,093
February	2015	27	58,106,753.60	3.439	3.487	0.010	0	0	5,332	4,053
March	2015	26	58,279,601.95	3.288	3.334	0.000	0	1	5,063	3,917
April	2015	26	58,633,226.83	3.277	3.322	0.000	0	0	5,030	3,864
May	2015	26	58,779,214.23	3.279	3.324	0.000	0	0	5,015	3,825
June	2015	26	58,863,660.78	3.279	3.325	0.000	0	0	5,005	3,791
Average		25	58,065,491.63	3.302%	3.348%	0.007	0	0	5,080	3,859

**2002 Tobacco Series 2014/15
Portfolio Management
Distribution of Investments By Type
June 2014 through June 2015**

Security Type	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	Average by Period
Money Market Funds	6.4	3.4	3.3	3.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	1.7%
Mutual Fund	19.9	20.6	20.9	9.5	4.9	5.2	5.4	5.6	5.9	9.7	10.3	10.6	10.8	10.7%
Municipal Bonds	73.8	76.1	75.7	87.1	94.5	94.2	94.0	93.8	93.5	89.7	89.1	88.8	88.6	87.6%
Municipal Anticipation Notes														

**2002 Tobacco Series 2014/15
Portfolio Management
Interest Earnings Summary
June 30, 2015**

	June 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	106,250.00	2,275,968.34
Plus Accrued Interest at End of Period	658,435.30	658,713.08
Less Accrued Interest at Beginning of Period	(574,472.26)	(587,501.39)
Less Accrued Interest at Purchase During Period	(0.00)	(119,209.38)
	<hr/>	<hr/>
Interest Earned during Period	190,213.04	2,227,970.65
Adjusted by Premiums and Discounts	-34,303.07	-365,997.77
Adjusted by Capital Gains or Losses	0.00	-48,674.61
	<hr/>	<hr/>
Earnings during Periods	155,909.97	1,813,298.27
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	<hr/>	<hr/>
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
	<hr/>	<hr/>
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	8,204.27	99,042.85
Plus Accrued Interest at End of Period	-6,800.37	-6,800.37
Less Accrued Interest at Beginning of Period	(-6,168.45)	(-6,404.09)
	<hr/>	<hr/>
Interest Earned during Period	7,572.35	98,646.57
	<hr/>	<hr/>
Total Interest Earned during Period	197,785.39	2,326,617.22
Total Adjustments from Premiums and Discounts	-34,303.07	-365,997.77
Total Capital Gains or Losses	0.00	-48,674.61
	<hr/>	<hr/>
Total Earnings during Period	163,482.32	1,911,944.84



Gordon B. Ford
Treasurer/Tax Collector


PO Box 3052, Modesto, CA 95353-3052
Phone: 209.525.6524 Fax: 209.525.4333

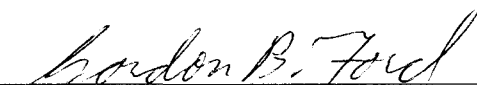
County of Stanislaus Tobacco Endowment Series 2006 Fund
Annual Report
June 2015

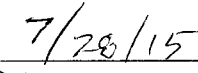
The Stanislaus County Tobacco Endowment Series 2006 Fund generated \$960,450 in interest income for the fiscal year ending June 30, 2015. The invested funds yielded an average interest rate of 3.0%. No sales or calls were made prior to maturity. Costs associated with managing the fund were \$4,569, giving a net distribution to the County of \$763,791 which was distributed to the County on July 20, 2015.

The portfolio has been reviewed by both the Treasurer and the Chief Deputy Treasurer for compliance with the investment policy. All investments are non-AMT investments and no taxable interest was generated. The Union Bank custodial statement has been reviewed by both the Treasurer and Chief Deputy Treasurer for accuracy and completeness. The custodial statement is the source of market valuation for securities held by our custodial agent. All other securities are valued at cost.

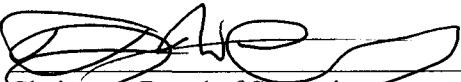

Dolores Sarenana, Chief Deputy Treasurer

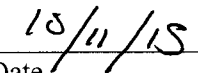

Date


Gordon B. Ford, Treasurer


Date

The County of Stanislaus Board of Supervisors has reviewed and accepted the Stanislaus County Tobacco Endowment Series 2006 Fund Annual Report


Chairman, Board of Supervisors


Date

STANISLAUS COUNTY 2006 TOBACCO SERIES
MUTUAL FUND ACTIVITY
USAA, INVESTMENT# 10001, ACCOUNT# XXXXXX3596
FISCAL YEAR ENDING JUNE 2015

	TRANSACT. SHARES	CUMULATIVE SHARES	PRICE	PURCHASE	WITHDRAWAL	INTEREST EARNINGS	TOTAL AS SUM OF DOLLARS	SHARES AT ENDING PRICE
06/30/14	690.22	511,661.415	10.72				5,459,104.11	5,485,010.37
07/31/14	671.32	512,332.733	10.71			7,189.82	5,466,293.93	5,487,083.57
08/29/14	669.76	513,002.495	10.72			7,179.85	5,473,473.78	5,499,386.75
09/02/14	19,795.65	532,798.146	10.72	212,209.38			5,685,683.16	5,711,596.13
09/30/14	640.58	533,438.721	10.71			6,860.56	5,692,543.72	5,713,128.70
10/01/14	12,849.81	546,288.534	10.72	137,750.00			5,830,293.71	5,856,213.08
10/31/14	732.39	547,020.925	10.71			7,843.91	5,838,137.62	5,858,594.11
11/28/14	625.08	547,646.004	10.70			6,688.35	5,844,825.97	5,859,812.24
12/15/14	7,906.54	555,552.546	10.70	84,600.00			5,929,425.97	5,944,412.24
12/31/14	693.02	556,245.568	10.69			7,408.41	5,936,834.38	5,946,265.12
01/31/15	678.70	556,924.267	10.71			7,268.87	5,944,103.25	5,964,658.90
02/28/15	702.02	557,626.284	10.69			7,504.56	5,951,607.81	5,961,024.98
03/02/15	16,821.80	574,448.080	10.69	179,825.00			6,131,432.81	6,140,849.98
03/04/15	3,032.25	577,480.325	10.68	32,384.38			6,163,817.18	6,167,489.87
03/31/15	677.81	578,158.135	10.68			7,239.01	6,171,056.19	6,174,728.88
04/01/15	12,897.94	591,056.075	10.68	137,750.00			6,308,806.19	6,312,478.88
04/30/15	768.03	591,824.102	10.65			8,179.49	6,316,985.68	6,302,926.69
05/29/15	787.66	592,611.764	10.62			8,364.97	6,325,350.65	6,293,536.93
06/15/15	7,973.61	600,585.374	10.61	84,600.00			6,409,950.65	6,372,210.82
06/30/15	782.72	601,368.096	10.60			8,296.82	6,418,247.47	6,374,501.82
Totals				869,118.75	0.00	90,024.62		

STANISLAUS COUNTY 2006 TOBACCO SERIES
MONEY MARKET FUND ACTIVITY
INVESCO, INVESTMENT# 10000, ACCOUNT# XXXXXX6493
FISCAL YEAR ENDING JUNE 2015

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
BEGINNING	6,890,696.17	6,121,484.21	6,121,538.72	2,348,589.87	2,348,638.35	2,348,657.88
INTEREST	61.30	54.51	51.15	48.48	19.53	18.90
ADDITIONS						
WITHDRAWALS	(769,273.26)		(3,773,000.00)			
ENDING VALUE	6,121,484.21	6,121,538.72	2,348,589.87	2,348,638.35	2,348,657.88	2,348,676.78

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD
BEGINNING	2,348,676.78	2,348,696.31	2,348,715.84	2,348,733.48	2,348,753.01	2,349,710.12	6,890,696.17
INTEREST	19.53	19.53	17.64	19.53	957.11	19.53	1,306.74
ADDITIONS							0.00
WITHDRAWALS							(4,542,273.26)
TOTAL	2,348,696.31	2,348,715.84	2,348,733.48	2,348,753.01	2,349,710.12	2,349,729.65	2,349,729.65

STANISLAUS COUNTY 2006 TOBACCO SERIES
MUNICIPAL BOND ACTIVITY
UNION BANK OF CALIFORNIA, ACCOUNT# XXXXXX0242
FISCAL YEAR ENDING JUNE 2015

CUSIP	AGENCY	PAR	COST	COUPON	YIELD	MATURITY
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HOLDINGS ON JUNE 30, 2014	18,260,000.00	19,086,905.45			
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PURCHASES:

NONE					
TOTAL PURCHASES:	0.00	0.00			

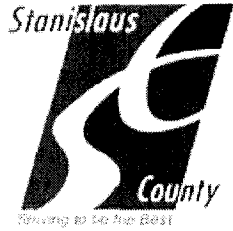
CALLS:

NONE					
TOTAL CALLS:	0.00	0.00			

MATURITIES:

NONE					
TOTAL CALLS:	0.00	0.00			

HOLDINGS ON JUNE 30, 2015	18,260,000.00	19,086,905.45			
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Stanislaus County

**2006 Tobacco Series 2014/15
Portfolio Management
Portfolio Summary
June 30, 2015**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Fund	2,349,729.65	2,349,729.65	2,349,729.65	8.52	1	1	0.000	0.000
Mutual Fund	6,418,247.49	6,374,501.82	6,418,247.49	23.26	1	1	0.730	0.740
Municipal Bonds	18,260,000.00	20,509,252.15	18,825,368.60	68.22	5,655	4,229	4.170	4.228
Investments	27,027,977.14	29,233,483.62	27,593,345.74	100.00%	3,859	2,886	3.015	3.057

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	73,521.01	881,572.28	881,572.28
Average Daily Balance	27,549,015.93	27,525,376.21	
Effective Rate of Return	3.25%	3.20%	

Gordon B. Ford, Treasurer/Tax Collector

Reporting period 06/01/2015-06/30/2015

Run Date: 07/13/2015 - 15:16

Portfolio T06
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PM (PRF_PM1) 7.2.5
Report Ver. 7.3.2

**2006 Tobacco Series 2014/15
Portfolio Management
Portfolio Details - Investments
June 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Money Market Fund												
SYS10000	10000	Invesco Tax- Free Inst Fund			2,349,729.65	2,349,729.65	2,349,729.65		0.000	0.000	1	
SYS10004	10004	Tax Exempt Money Market Fund			0.00	0.00	0.00	0.010	0.010	0.010	1	
Subtotal and Average			2,349,729.65		2,349,729.65	2,349,729.65	2,349,729.65		0.000	0.000	1	
Mutual Fund												
SYS10001	10001	Tax Exempt Bond Fund		03/29/2006	6,418,247.49	6,374,501.82	6,418,247.49	0.740	0.730	0.740	1	
Subtotal and Average			6,370,747.23		6,418,247.49	6,374,501.82	6,418,247.49		0.730	0.740	1	
Municipal Bonds												
544351HH5	10015	Los Angeles Calif		04/03/2012	2,110,000.00	2,345,898.00	2,295,641.25	4.000	1.804	1.829	1,523	09/01/2019
797646RB4	10016	San Francisco Calif City & Cty		04/03/2012	2,000,000.00	2,147,280.00	2,098,661.72	4.000	3.381	3.428	4,002	06/15/2026
797646RB4	10017	San Francisco Calif City & Cty		04/03/2012	2,230,000.00	2,394,217.20	2,340,007.82	4.000	3.381	3.428	4,002	06/15/2026
13063BNC2	10014	California State		09/28/2011	1,500,000.00	1,769,445.00	1,600,500.00	5.250	4.364	4.424	4,080	09/01/2026
13062TPM0	10009	California State		01/20/2011	1,305,000.00	1,371,320.10	1,258,324.77	5.000	5.375	5.450	4,445	09/01/2027
13063BLV2	10013	California State		09/28/2011	2,500,000.00	2,927,050.00	2,654,881.48	5.250	4.468	4.530	4,445	09/01/2027
13063BAS1	10007	California State		10/27/2010	2,000,000.00	2,303,100.00	2,101,049.10	5.250	4.645	4.710	5,206	10/01/2029
13063BAR3	10008	California State		01/19/2011	3,410,000.00	3,854,527.60	3,202,221.59	5.000	5.622	5.700	5,206	10/01/2029
13063BEP3	10006	California State		10/07/2010	1,205,000.00	1,396,414.25	1,274,080.87	5.375	4.699	4.764	5,357	03/01/2030
Subtotal and Average			18,828,539.05		18,260,000.00	20,509,252.15	18,825,368.60		4.170	4.228	4,229	
Total and Average			27,549,015.93		27,027,977.14	29,233,483.62	27,593,345.74		3.015	3.057	2,886	

**2006 Tobacco Series 2014/15
Portfolio Management
Activity By Type
June 1, 2015 through June 30, 2015**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Money Market Fund (Monthly Summary)							
SYS10000	10000	Invesco Tax- Free Inst Fund			19.53	0.00	
		Subtotal			19.53	0.00	2,349,729.65
Mutual Fund							
SYS10001	10001	Tax Exempt Bond Fund	0.740		92,896.82	0.00	
		Subtotal			92,896.82	0.00	6,418,247.49
Municipal Bonds							
		Subtotal					18,825,368.60
		Total			92,916.35	0.00	27,593,345.74

**2006 Tobacco Series 2014/15
Portfolio Management
Activity Summary
June 2014 through June 2015**

Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
June	2014	12	31,253,883.65	2.617	2.653	0.010	0	0	3,416	2,775
July	2014	12	30,485,301.94	2.680	2.718	0.010	0	0	3,502	2,825
August	2014	12	30,485,976.74	2.675	2.712	0.010	0	0	3,501	2,805
September	2014	12	26,925,538.25	3.030	3.072	0.010	0	0	3,963	3,154
October	2014	12	27,064,621.09	3.028	3.070	0.010	0	0	3,941	3,116
November	2014	12	27,065,206.69	3.016	3.058	0.010	0	0	3,940	3,096
December	2014	12	27,150,237.16	3.008	3.050	0.010	0	0	3,927	3,062
January	2015	12	27,150,965.99	2.999	3.041	0.010	0	0	3,926	3,040
February	2015	12	27,146,175.15	2.999	3.041	0.010	0	0	3,926	3,025
March	2015	12	27,364,836.97	2.986	3.028	0.000	0	0	3,894	2,974
April	2015	12	27,504,226.44	2.989	3.031	0.000	0	0	3,873	2,938
May	2015	12	27,506,988.95	3.011	3.053	0.000	0	0	3,872	2,916
June	2015	12	27,593,345.74	3.015	3.057	0.000	0	0	3,859	2,886
Average		12	28,053,638.83	2.927%	2.968%	0.007	0	0	3,811	2,970

**2006 Tobacco Series 2014/15
Portfolio Management
Distribution of Investments By Type
June 2014 through June 2015**

Security Type	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	Average by Period
Money Market Fund	22.1	20.1	20.1	8.7	8.7	8.7	8.7	8.7	8.7	8.6	8.5	8.5	8.5	11.4%
Mutual Fund	17.5	17.9	18.0	21.1	21.6	21.6	21.9	21.9	21.9	22.6	23.0	23.0	23.3	21.2%
Municipal Bonds	60.5	62.0	62.0	70.1	69.8	69.7	69.5	69.5	69.5	68.9	68.5	68.5	68.2	67.4%

**2006 Tobacco Series 2014/15
Portfolio Management
Interest Earnings Summary
June 30, 2015**

	June 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	84,600.00	869,118.76
Plus Accrued Interest at End of Period	217,867.87	217,867.87
Less Accrued Interest at Beginning of Period	(230,041.31)	(217,867.88)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	72,426.56	869,118.75
Adjusted by Premiums and Discounts	-6,559.56	-78,714.77
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	65,867.00	790,403.98
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	8,316.35	91,331.36
Plus Accrued Interest at End of Period	-14,070.20	-14,070.20
Less Accrued Interest at Beginning of Period	(-13,407.86)	(-13,907.14)
Interest Earned during Period	7,654.01	91,168.30
Total Interest Earned during Period	80,080.57	960,287.05
Total Adjustments from Premiums and Discounts	-6,559.56	-78,714.77
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	73,521.01	881,572.28