

*Gordon P. 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, 2009

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, 2009

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, 2009.
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 \$5,920.68 for Fiscal Year 2008/2009. While the fund generated \$2,520,480.39 in interest earnings for year ending June 30, 2009, the General Fund's portion of these earnings, which is 80% net of expenses or \$2,010,463.63, which will be used towards paying off the accumulated deficit in the Health Services Agency Enterprise Fund in the current fiscal year 2009/2010.

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BOARD ACTION AS FOLLOWS:

No. 2009-533

On motion of Supervisor Chiesa, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

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:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

**Acceptance of the Annual Reports for the County of Stanislaus  
Tobacco Endowment Funds - Series 2002 and Series 2006 for Fiscal  
Year Ending June 30, 2009  
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**FISCAL IMPACT CONTINUED:**

Costs associated with managing the Tobacco Endowment Series 2006 Fund were \$2,420.68 for Fiscal Year 2008/2009. This fund generated \$1,091,433.42 in interest earnings for year ending June 30, 2009, of which \$870,726.06 (80% net of expenses) has been transferred to the General Fund as discretionary revenue in the current fiscal year 2009/2010.

**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.

**Acceptance of the Annual Reports for the County of Stanislaus  
Tobacco Endowment Funds - Series 2002 and Series 2006 for Fiscal  
Year Ending June 30, 2009  
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**DISCUSSION CONTINUED:**

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 15<sup>th</sup> 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 2008/2009 were \$2,520,480.39. And in accordance with the investment policy, interest and net gains received have been distributed as follows: 80% net of expenses or \$2,010,463.63 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 decided that the annual distribution that is received by the General Fund would be dedicated towards paying down the Health Services Agency accumulated deficit.

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 \$42,153,611.25 in bonds to further securitize the Tobacco Settlement Revenues. Of that amount, \$40,971,290.96 was placed in an endowment - the County of Stanislaus Tobacco Endowment Series 2006 Fund. The balance in the fund at June 30, 2009 was \$42,214,814.72. However, 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.

**Acceptance of the Annual Reports for the County of Stanislaus  
Tobacco Endowment Funds - Series 2002 and Series 2006 for Fiscal  
Year Ending June 30, 2009  
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**DISCUSSION CONTINUED:**

Interest earnings in the Tobacco Endowment Fund Series 2006 for Fiscal Year 2008/2009 were \$1,091,433.42. And in accordance with the investment policy, interest and net gains received have been distributed as follows: 80% net of expenses or \$870,726.06 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. Since bond insurers such as Ambac have been downgraded, many municipal bonds have experienced a reduction in market value. As of June 30, 2009, the Series 2002 Tobacco Portfolio had a market to book value of 96.6% compared to the market to book value of 98.8% for the Series 2006 Tobacco Portfolio, which is more heavily weighted in money market funds that are more liquid but earn less interest.

**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.



Gordon B. Ford  
Treasurer/Tax Collector

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County of Stanislaus Tobacco Endowment Series 2002 Fund  
Annual Report  
June 2009

The Stanislaus County Tobacco Endowment Series 2002 Fund generated \$2,520,480.39 in interest income for the fiscal year ending June 30, 2009. The cash receipts yielded an average interest rate of 4.34%. No sales were made prior to maturity and no gains due to sale were recorded. Costs associated with managing the fund were \$5,920.68 giving a net distribution to the County of \$2,010,463.63 which was distributed to the County on July 17, 2009.

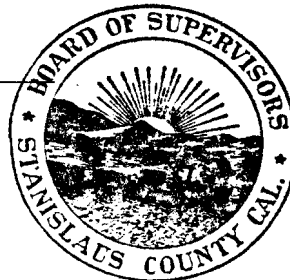
The portfolio has been reviewed by both the Treasurer and the Chief Deputy Treasurer for compliance with the investment policy. All investments are non-AMT investments and no taxable interest was generated. The Union Bank of California custodial statement has been reviewed by both the Treasurer and Chief 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

Gordon B. Ford, Treasurer

The County of Stanislaus Board of Supervisors has reviewed and accepted the Stanislaus County Tobacco Endowment Fund annual report

Chairman, Board of Supervisors



STANISLAUS COUNTY 2002 TOBACCO SERIES  
MUNICIPAL BOND ACTIVITY  
UNION BANK OF CALIFORNIA, ACCOUNT# XXXXXX0241  
FISCAL YEAR ENDING JUNE 2009

CUSIP                  PAR                  COST                  COUPON                  YIELD                  PURCHASED MATURITY

HOLDINGS ON JUNE 30, 2008	47,165,000.00	47,916,054.70	
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PURCHASES:

NONE							
TOTAL PURCHASES:	0.00	0.00					

SALES:

NONE							
TOTAL SALES:	0.00	0.00					

HOLDINGS ON JUNE 30, 2009	47,165,000.00	47,916,054.70	
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STANISLAUS COUNTY 2002 TOBACCO SERIES  
MONEY MARKET FUND ACTIVITY  
INVESCO AIM, INVESTMENT# 15, ACCOUNT# XXXXXX6492  
FISCAL YEAR ENDING JUNE 2009

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
AIM						
BEGINNING	6,463,550.64	4,502,953.69	3,942,133.59	4,263,622.32	4,472,078.92	4,547,617.26
INTEREST	7,847.71	7,141.90	5,282.48	10,119.10	11,613.34	4,556.78
ADDITIONS	116,250.00	432,125.00	316,206.25	198,337.50	63,925.00	25,000.00
WITHDRAWALS	-2,084,694.66	-1,000,087.00				
ENDING VALUE	4,502,953.69	3,942,133.59	4,263,622.32	4,472,078.92	4,547,617.26	4,577,174.04

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	YTD
AIM							
BEGINNING	4,577,174.04	4,697,172.83	5,131,469.87	5,449,531.15	5,649,784.69	5,715,449.18	6,463,550.64
INTEREST	3,748.79	2,172.04	1,855.03	1,916.04	1,739.49	1,175.20	59,167.90
ADDITIONS	116,250.00	432,125.00	316,206.25	198,337.50	63,925.00	25,000.00	2,303,687.50
WITHDRAWALS							-3,084,781.66
TOTAL	4,697,172.83	5,131,469.87	5,449,531.15	5,649,784.69	5,715,449.18	5,741,624.38	5,741,624.38

STANISLAUS COUNTY 2002 TOBACCO SERIES  
MUTUAL FUND ACTIVITY  
USAA, INVESTMENT# 19, ACCOUNT# XXXXXX7035  
FISCAL YEAR ENDING JUNE 2009

	TRANSACT. SHARES	CUMULATIVE SHARES	PRICE	TRANSACTION VALUE	TOTAL AS SUM OF DOLLARS	TOTAL SHARES AT ENDING PRICE	CUMULATIVE GAIN/LOSS
31-Jul-08	1,254.075	349,479.327	10.54	13,217.95	3,664,995.45	3,683,512.11	0.00
31-Aug-08	1,277.954	350,757.281	10.58	13,520.75	3,678,516.20	3,711,012.03	50.16
30-Sep-08	1,309.234	352,066.515	10.43	13,655.31	3,692,171.51	3,672,053.75	-329.64
31-Oct-08	1,469.201	353,535.716	10.32	15,162.15	3,707,333.67	3,648,488.59	-752.18
30-Nov-08	1,231.876	354,767.592	10.32	12,712.96	3,720,046.63	3,661,201.55	-752.18
31-Dec-08	1,383.787	356,151.379	10.25	14,183.82	3,734,230.45	3,650,551.63	-1,210.14
31-Jan-09	1,323.296	357,474.675	10.43	13,801.98	3,748,032.42	3,728,460.86	216.56
28-Feb-09	1,242.501	358,717.176	10.40	12,922.01	3,760,954.43	3,730,658.63	-60.92
31-Mar-09	1,245.502	359,962.678	10.38	12,928.31	3,773,882.74	3,736,412.60	-270.76
30-Apr-09	1,209.370	361,172.048	10.41	12,589.54	3,786,472.29	3,759,801.02	81.36
31-May-09	1,126.814	362,298.862	10.44	11,763.94	3,798,236.22	3,782,400.12	469.76
30-Jun-09	1,070.588	363,369.450	10.43	11,166.23	3,809,402.46	3,789,943.36	329.03





**2002 Tobacco Series 2008/09  
Portfolio Management  
Portfolio Summary  
June 30, 2009**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
Money Market Funds	5,741,624.38	5,741,624.38	5,741,624.38	10.044	1	1	0.118	0.120
Mutual Fund	3,809,402.46	3,789,943.36	3,809,402.46	6.664	1	1	3.580	3.630
Municipal Bonds	47,165,000.00	45,687,834.25	47,614,356.97	83.292	7,960	5,710	4.681	4.746
<b>Investments</b>	<b>56,716,026.84</b>	<b>55,219,401.99</b>	<b>57,165,383.81</b>	<b>100.00%</b>	<b>6,630</b>	<b>4,756</b>	<b>4.150</b>	<b>4.207</b>

<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year	200,094.26	2,468,636.48	2,468,636.48
<b>Average Daily Balance</b>	<b>57,156,389.12</b>	<b>56,368,213.37</b>	
<b>Effective Rate of Return</b>	<b>4.26%</b>	<b>4.38%</b>	

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.

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Gordon B. Ford, Treasurer/Tax Collector

**2002 Tobacco Series 2008/09  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Money Market Funds</b>												
SYS15	15	AIM Tax Free Institutional Fun			5,741,624.38	5,741,624.38	5,741,624.38	0.120	0.118	0.120	1	
		<b>Subtotal and Average</b>	<b>5,741,624.38</b>		<b>5,741,624.38</b>	<b>5,741,624.38</b>	<b>5,741,624.38</b>		<b>0.118</b>	<b>0.120</b>	<b>1</b>	
<b>Mutual Fund</b>												
SYS19	19	USAA Tax-Exempt Short-Term Fun		07/01/2002	3,809,402.46	3,789,943.36	3,809,402.46	3.630	3.580	3.630	1	
		<b>Subtotal and Average</b>	<b>3,798,608.44</b>		<b>3,809,402.46</b>	<b>3,789,943.36</b>	<b>3,809,402.46</b>		<b>3.580</b>	<b>3.630</b>	<b>1</b>	
<b>Municipal Bonds</b>												
21969PBW8	14	Corona Calif Pub Fing Auth		09/10/2002	1,170,000.00	1,209,581.10	1,167,381.43	3.625	3.659	3.710	1,158	09/01/2012
212218LC3	25	Contra Costa Wtr Dist Wtr Rev		12/19/2002	2,000,000.00	2,085,900.00	1,995,169.49	4.250	4.241	4.300	2,283	10/01/2015
861419HB8	26	Stockton USD		01/23/2003	1,000,000.00	1,018,160.00	1,000,000.00	4.250	4.192	4.250	2,375	01/01/2016
13062NL96	4	California State		08/30/2002	2,000,000.00	2,152,060.00	2,204,422.89	6.000	4.162	4.220	2,831	04/01/2017
544712JT0	12	Los Angeles CA Wastewr Sys Re		09/09/2002	2,000,000.00	2,025,280.00	2,060,424.32	5.000	4.501	4.563	3,652	07/01/2019
359796AT6	13	Fullerton Calif Jt Un High Sch		09/09/2002	2,000,000.00	2,038,100.00	2,064,117.48	5.000	4.511	4.573	4,049	08/01/2020
13062NG92	11	California State		09/09/2002	2,000,000.00	1,885,320.00	2,083,034.86	5.000	4.440	4.502	4,598	02/01/2022
343261EQ2	9	Florin Calif Resource Consv Di		09/09/2002	2,000,000.00	1,828,400.00	2,000,000.00	4.750	4.685	4.750	4,810	09/01/2022
156809CV5	21	Cerritos Pub Fing Auth Rev Tax		10/21/2002	1,000,000.00	888,380.00	1,000,000.00	5.000	4.931	5.000	4,871	11/01/2022
231210FG5	22	Cupertino CA CTFS Partn Refina		10/21/2002	2,000,000.00	1,942,840.00	1,964,347.92	4.500	4.636	4.701	5,113	07/01/2023
261005JA1	33	Downey Unified School District		06/08/2004	1,080,000.00	1,224,482.40	1,076,067.86	5.000	4.972	5.041	5,144	08/01/2023
540261FT6	23	Lodi CA Uni Sch Dist		10/31/2002	2,500,000.00	2,514,025.00	2,519,445.18	5.000	4.843	4.910	5,144	08/01/2023
796720AX8	30	San Bernardino Comm Coll		02/06/2004	2,125,000.00	2,394,216.25	2,206,091.09	5.000	4.524	4.587	5,144	08/01/2023
196904EZ5	10	Colton Calif Pub Fing Auth Rev		09/09/2002	1,930,000.00	1,771,566.30	1,930,000.00	4.750	4.685	4.750	5,388	04/01/2024
542433FY8	35	Long Beach USD		06/22/2004	1,630,000.00	1,667,033.60	1,613,991.06	5.000	5.031	5.101	5,875	08/01/2025
7976526Z2	5	San Francisco Airport Commn In		08/30/2002	1,000,000.00	881,760.00	952,798.71	4.500	4.912	4.980	6,148	05/01/2026
7976527Z1	6	San Francisco Airport Commn In		08/30/2002	730,000.00	643,684.80	695,543.06	4.500	4.912	4.980	6,148	05/01/2026
612553BW6	3	Monterey Park CA Redev Agy Tax		08/22/2002	2,000,000.00	1,859,500.00	1,956,156.23	4.750	4.902	4.970	6,271	09/01/2026
13062T3G7	38	California State		05/25/2007	690,000.00	761,732.40	690,000.00	5.000	4.932	5.001	6,483	04/01/2027
13062T3R3	39	California State		05/25/2007	1,310,000.00	1,182,982.40	1,310,000.00	5.000	4.932	5.001	6,483	04/01/2027
18933QAX4	28	Clovis Public Financing Auth		02/06/2004	2,000,000.00	2,024,480.00	2,058,351.16	5.000	4.671	4.736	6,818	03/01/2028
797300XY1	34	San Diego Redev		06/14/2004	2,000,000.00	1,670,720.00	1,977,994.72	5.000	5.030	5.100	7,002	09/01/2028
79875FDR0	1	San Marcos Calif Pub Faci Auth		08/22/2002	2,000,000.00	1,902,580.00	1,980,130.72	4.875	4.892	4.960	8,066	08/01/2031
798153FC1	24	San Jose Ca Fing Auth Lease Re		11/14/2002	1,000,000.00	989,190.00	985,876.42	5.000	5.049	5.119	8,371	06/01/2032
171294DZ1	2	Chula Vista Calif CTFS Partn		08/22/2002	2,000,000.00	1,724,560.00	2,000,000.00	5.000	4.931	5.000	8,432	08/01/2032
901073DA1	8	Tustin Calif Uni Sch Dist SPL		09/03/2002	2,000,000.00	1,769,780.00	2,000,000.00	5.000	4.931	5.000	8,463	09/01/2032
769045PU3	29	Riverside Redevelopment		02/06/2004	2,000,000.00	1,746,720.00	2,062,482.81	5.000	4.692	4.757	8,797	08/01/2033

Portfolio T06

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**2002 Tobacco Series 2008/09  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Municipal Bonds</b>												
900207CF6	31	Turlock Financing Auth		02/06/2004	2,000,000.00	1,884,800.00	2,060,529.56	5.000	4.700	4.765	8,842	09/15/2033
<b>Subtotal and Average</b>			<b>36,330,394.86</b>		<b>47,165,000.00</b>	<b>45,687,834.25</b>	<b>47,614,356.97</b>		<b>4.681</b>	<b>4.746</b>	<b>5,710</b>	
<b>Total and Average</b>			<b>45,870,627.68</b>		<b>56,716,026.84</b>	<b>55,219,401.99</b>	<b>57,165,383.81</b>		<b>4.150</b>	<b>4.207</b>	<b>4,756</b>	



**2002 Tobacco Series 2008/09  
Activity Report  
Sorted By Issuer  
July 1, 2008 - June 30, 2009**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Current Rate	Par Value		Ending Balance
				Beginning Balance				Purchases or Deposits	Redemptions or Withdrawals	
<b>Issuer: AIM Tax Free Institutional Fun</b>										
<b>Money Market Funds</b>										
SYS15	15	AIM Tax Free Institutional Fun					0.120	2,362,855.40	3,084,781.66	
		<b>Subtotal and Balance</b>		<u>6,463,550.64</u>				<u>2,362,855.40</u>	<u>3,084,781.66</u>	<u>5,741,624.38</u>
		<b>Issuer Subtotal</b>	10.123%	<u>6,463,550.64</u>				<u>2,362,855.40</u>	<u>3,084,781.66</u>	<u>5,741,624.38</u>
<b>Issuer: California State</b>										
<b>Municipal Bonds</b>										
		<b>Subtotal and Balance</b>		<u>6,000,000.00</u>						<u>6,000,000.00</u>
		<b>Issuer Subtotal</b>	10.579%	<u>6,000,000.00</u>				<u>0.00</u>	<u>0.00</u>	<u>6,000,000.00</u>
<b>Issuer: Chula Vista Calif CTFS Partn</b>										
<b>Municipal Bonds</b>										
		<b>Subtotal and Balance</b>		<u>2,000,000.00</u>						<u>2,000,000.00</u>
		<b>Issuer Subtotal</b>	3.526%	<u>2,000,000.00</u>				<u>0.00</u>	<u>0.00</u>	<u>2,000,000.00</u>
<b>Issuer: Colton Calif Pub Fing Auth Rev</b>										
<b>Municipal Bonds</b>										
		<b>Subtotal and Balance</b>		<u>1,930,000.00</u>						<u>1,930,000.00</u>
		<b>Issuer Subtotal</b>	3.403%	<u>1,930,000.00</u>				<u>0.00</u>	<u>0.00</u>	<u>1,930,000.00</u>
<b>Issuer: Contra Costa Wtr Dist Wtr Rev</b>										
<b>Municipal Bonds</b>										
		<b>Subtotal and Balance</b>		<u>2,000,000.00</u>						<u>2,000,000.00</u>
		<b>Issuer Subtotal</b>	3.526%	<u>2,000,000.00</u>				<u>0.00</u>	<u>0.00</u>	<u>2,000,000.00</u>

2002 Tobacco Series 2008/09  
 Activity Report  
 July 1, 2008 - June 30, 2009

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Corona Calif Pub Fing Auth</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				1,170,000.00					1,170,000.00
Issuer Subtotal			2.063%	1,170,000.00			0.00	0.00	1,170,000.00
<b>Issuer: Cerritos Pub Fing Auth Rev Tax</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				1,000,000.00					1,000,000.00
Issuer Subtotal			1.763%	1,000,000.00			0.00	0.00	1,000,000.00
<b>Issuer: Cupertino CA CTFS Partn Refina</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: Clovis Public Financing Auth</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: Downey Unified School District</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				1,080,000.00					1,080,000.00
Issuer Subtotal			1.904%	1,080,000.00			0.00	0.00	1,080,000.00
<b>Issuer: Florin Calif Resource Consv Di</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,000,000.00					2,000,000.00

2002 Tobacco Series 2008/09  
 Activity Report  
 July 1, 2008 - June 30, 2009

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: Fullerton Calif Jt Un High Sch</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: Lodi CA Uni Sch Dist</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,500,000.00					2,500,000.00
Issuer Subtotal			4.408%	2,500,000.00			0.00	0.00	2,500,000.00
<b>Issuer: Long Beach USD</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				1,630,000.00					1,630,000.00
Issuer Subtotal			2.874%	1,630,000.00			0.00	0.00	1,630,000.00
<b>Issuer: Los Angeles CA Wastewtr Sys Re</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: Monterey Park CA Redev Agy Tax</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: Riverside Redevelopment</b>									
<b>Municipal Bonds</b>									

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: San Bernardino Comm Coll</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,125,000.00					2,125,000.00
Issuer Subtotal			3.747%	2,125,000.00			0.00	0.00	2,125,000.00
<b>Issuer: San Diego Redev</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: San Francisco Airport Commn In</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				1,730,000.00					1,730,000.00
Issuer Subtotal			3.050%	1,730,000.00			0.00	0.00	1,730,000.00
<b>Issuer: San Jose Ca Fing Auth Lease Re</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				1,000,000.00					1,000,000.00
Issuer Subtotal			1.763%	1,000,000.00			0.00	0.00	1,000,000.00
<b>Issuer: San Marcos Calif Pub Faci Auth</b>									
<b>Municipal Bonds</b>									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			3.526%	2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: Stockton USD</b>									

2002 Tobacco Series 2008/09  
 Activity Report  
 July 1, 2008 - June 30, 2009

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Stockton USD</b>									
<b>Municipal Bonds</b>									
				<u>1,000,000.00</u>					<u>1,000,000.00</u>
				<u>1,000,000.00</u>			<u>0.00</u>	<u>0.00</u>	<u>1,000,000.00</u>
			1.763%						
<b>Issuer: Turlock Financing Auth</b>									
<b>Municipal Bonds</b>									
				<u>2,000,000.00</u>					<u>2,000,000.00</u>
				<u>2,000,000.00</u>			<u>0.00</u>	<u>0.00</u>	<u>2,000,000.00</u>
			3.526%						
<b>Issuer: Tustin Calif Uni Sch Dist SPL</b>									
<b>Municipal Bonds</b>									
				<u>2,000,000.00</u>					<u>2,000,000.00</u>
				<u>2,000,000.00</u>			<u>0.00</u>	<u>0.00</u>	<u>2,000,000.00</u>
			3.526%						
<b>Issuer: USAA Tax-Exempt Short-Term Fun</b>									
<b>Mutual Fund</b>									
SYS19	19	USAA Tax-Exempt Short-Term Fun			3.630		<u>157,624.99</u>	<u>0.00</u>	
				<u>3,651,777.47</u>			<u>157,624.99</u>	<u>0.00</u>	<u>3,809,402.46</u>
				<u>3,651,777.47</u>			<u>157,624.99</u>	<u>0.00</u>	<u>3,809,402.46</u>
			6.717%						
		<b>Total</b>	<b>100.000%</b>	<b>57,280,328.11</b>			<b>2,520,480.39</b>	<b>3,084,781.66</b>	<b>56,716,026.84</b>



**2002 Tobacco Series 2008/09  
Portfolio Management  
Activity Summary  
June 2008 through June 2009**

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	2008	29	57,783,524.86	4.268	4.327	1.460	0	0	6,625	5,010
July	2008	30	55,823,256.41	4.412	4.474	1.880	0	0	6,794	5,158
August	2008	30	55,272,234.28	4.411	4.472	1.590	0	0	6,861	5,183
September	2008	30	55,603,655.60	4.708	4.773	5.250	0	0	6,820	5,126
October	2008	30	55,823,551.60	4.452	4.514	1.670	0	0	6,793	5,079
November	2008	30	55,908,080.10	4.389	4.450	1.090	0	0	6,782	5,045
December	2008	30	55,948,097.95	4.391	4.452	1.030	0	0	6,777	5,015
January	2009	30	56,078,175.99	4.311	4.371	0.460	0	0	6,761	4,977
February	2009	30	56,521,672.27	4.270	4.330	0.520	0	0	6,707	4,914
March	2009	30	56,848,939.13	4.247	4.306	0.410	0	0	6,668	4,859
April	2009	30	57,058,059.44	4.224	4.283	0.500	0	0	6,644	4,816
May	2009	30	57,131,765.14	4.167	4.225	0.190	0	0	6,635	4,784
June	2009	30	57,165,383.81	4.150	4.207	0.120	0	0	6,630	4,756
<b>Average</b>		<b>30</b>	<b>56,382,030.51</b>	<b>4.338%</b>	<b>4.399%</b>	<b>1.244</b>	<b>0</b>	<b>0</b>	<b>6,731</b>	<b>4,979</b>

**2002 Tobacco Series 2008/09  
Portfolio Management  
Distribution of Investments By Type  
June 2008 through June 2009**

Security Type	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	Average by Period
<b>Money Market Funds</b>	11.2	8.1	7.1	7.7	8.0	8.1	8.2	8.4	9.1	9.6	9.9	10.0	10.0	8.9%
<b>Mutual Fund</b>	6.3	6.6	6.7	6.6	6.6	6.7	6.7	6.7	6.7	6.6	6.6	6.7	6.7	6.6%
<b>Municipal Bonds</b>	82.5	85.4	86.2	85.7	85.4	85.2	85.1	84.9	84.3	83.8	83.5	83.4	83.3	84.5%

**2002 Tobacco Series 2008/09  
Portfolio Management  
Interest Earnings Summary  
June 30, 2009**

	June 30 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	25,000.00	2,303,687.50
Plus Accrued Interest at End of Period	792,913.22	792,913.22
Less Accrued Interest at Beginning of Period	( 625,939.25)	( 792,913.22)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	<u>191,973.97</u>	<u>2,303,687.50</u>
Adjusted by Premiums and Discounts	-3,722.76	-44,673.02
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	<u>188,251.21</u>	<u>2,259,014.48</u>
<b>Pass Through Securities:</b>		
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	<u>0.00</u>	<u>0.00</u>
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	<u>0.00</u>	<u>0.00</u>
<b>Cash/Checking Accounts:</b>		
Interest Collected	12,341.43	216,792.89
Plus Accrued Interest at End of Period	-6,569.32	-6,569.32
Less Accrued Interest at Beginning of Period	( -6,070.94)	( 601.57)
Interest Earned during Period	<u>11,843.05</u>	<u>209,622.00</u>
<b>Total Interest Earned during Period</b>	<b>203,817.02</b>	<b>2,513,309.50</b>
<b>Total Adjustments from Premiums and Discounts</b>	<b>-3,722.76</b>	<b>-44,673.02</b>
<b>Total Capital Gains or Losses</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Earnings during Period</b>	<b>200,094.26</b>	<b>2,468,636.48</b>



**2002 Tobacco Series 2008/09  
Cash/Checking Activity  
July 1, 2008 - June 30, 2009**

Issuer	Investment #	Fund	Security ID	Current Rate	Transaction Date	Receipt	Deposits	Withdrawals	Interest Received	Balance
<b>Money Market Funds</b>										
<b>AIM Tax Free Institutional Fun</b>										
	15	0001	SYS15							<b>6,463,550.64</b>
				1.460	07/01/2008					6,463,550.64
				1.460	07/01/2008		116,250.00			6,579,800.64
				1.460	07/14/2008					6,587,648.35
				1.460	07/22/2008			2,084,694.66		4,502,953.69
				1.880	07/31/2008					4,502,953.69
				1.880	08/01/2008		432,125.00			4,935,078.69
				1.880	08/01/2008					4,942,220.59
				1.880	08/04/2008			1,000,087.00	7,141.90	3,942,133.59
				1.590	08/31/2008					3,942,133.59
				1.590	09/01/2008					3,947,416.07
				1.590	09/02/2008		266,206.25			4,213,622.32
				1.590	09/16/2008		50,000.00			4,263,622.32
				5.250	09/30/2008					4,263,622.32
				5.250	10/01/2008				10,119.10	4,273,741.42
				5.250	10/01/2008		198,337.50			4,472,078.92
				1.670	10/31/2008					4,472,078.92
				1.670	11/01/2008					4,483,692.26
				1.670	11/03/2008		63,925.00		11,613.34	4,547,617.26
				1.090	11/30/2008					4,547,617.26
				1.090	12/01/2008				4,556.78	4,552,174.04
				1.090	12/01/2008		25,000.00			4,577,174.04
				1.030	12/31/2008					4,577,174.04
				1.030	01/01/2009				3,748.79	4,580,922.83
				1.030	01/02/2009		116,250.00			4,697,172.83
				0.460	01/31/2009					4,697,172.83
				0.460	02/01/2009				2,172.04	4,699,344.87
				0.460	02/03/2009		432,125.00			5,131,469.87
				0.520	02/28/2009					5,131,469.87
				0.520	03/01/2009				1,855.03	5,133,324.90
				0.520	03/03/2009		266,206.25			5,399,531.15
				0.520	03/17/2009		50,000.00			5,449,531.15
				0.410	03/31/2009					5,449,531.15
				0.410	04/01/2009				1,916.04	5,451,447.19

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**2002 Tobacco Series 2008/09  
Cash/Checking Activity  
July 1, 2008 - June 30, 2009**

Issuer	Investment #	Fund	Security ID	Current Transaction Rate	Transaction Date	Receipt	Deposits	Withdrawals	Interest Received	Balance
	15	0001	SYS15							<b>5,451,447.19</b>
				0.410	04/02/2009		198,337.50			5,649,784.69
				0.500	04/30/2009					5,649,784.69
				0.500	05/01/2009				1,739.49	5,651,524.18
				0.500	05/01/2009		63,925.00			5,715,449.18
				0.190	05/31/2009					5,715,449.18
				0.190	06/01/2009				1,175.20	5,716,624.38
				0.190	06/01/2009		25,000.00			5,741,624.38
				0.120	06/30/2009					5,741,624.38
	<b>Subtotal and Ending Balance</b>			<b>0.120</b>			<b>2,303,687.50</b>	<b>3,084,781.66</b>	<b>59,167.90</b>	<b>5,741,624.38</b>
<b>Mutual Fund</b>										
<b>USAA Tax-Exempt Short-Term Fun</b>										
	19	0001	SYS19							<b>3,651,777.47</b>
				4.120	07/01/2008					3,651,777.47
				4.120	07/31/2008				13,217.98	3,664,995.45
				4.010	08/01/2008					3,664,995.45
				4.010	08/31/2008				13,520.75	3,678,516.20
				4.570	09/01/2008					3,678,516.20
				4.570	09/30/2008				13,655.31	3,692,171.51
				4.960	10/01/2008					3,692,171.51
				4.960	10/31/2008				15,162.16	3,707,333.67
				4.770	11/01/2008					3,707,333.67
				4.770	11/30/2008				12,712.95	3,720,046.62
				4.890	12/01/2008					3,720,046.62
				4.890	12/31/2008				14,183.82	3,734,230.44
				4.500	01/01/2009					3,734,230.44
				4.500	01/31/2009				13,801.98	3,748,032.42
				4.250	02/01/2009					3,748,032.42
				4.250	02/28/2009				12,922.01	3,760,954.43
				4.370	03/01/2009					3,760,954.43
				4.370	03/31/2009				12,928.31	3,773,882.74
				4.100	04/01/2009					3,773,882.74
				4.100	04/30/2009				12,589.55	3,786,472.29
				3.760	05/01/2009					3,786,472.29
				3.760	05/31/2009				11,763.94	3,798,236.23

2002 Tobacco Series 2008/09  
 Cash/Checking Activity  
 July 1, 2008 - June 30, 2009

Issuer	Investment #	Fund	Security ID	Current Transaction Rate	Date Receipt	Deposits	Withdrawals	Interest Received	Balance
	19	0001	SYS19	3.630	06/01/2009				3,798,236.23
				3.630	06/30/2009			11,166.23	3,798,236.23
									3,809,402.46
	Subtotal and Ending Balance			3.630		0.00	0.00	157,624.99	3,809,402.46
<b>Total</b>						<b>2,303,687.50</b>	<b>3,084,781.66</b>	<b>216,792.89</b>	<b>9,551,026.84</b>



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 2009

The Stanislaus County Tobacco Endowment Series 2006 Fund generated \$1,091,433.42 in interest income for the fiscal year ending June 30, 2009. The cash receipts yielded an average interest rate of 2.56%. No sales were made prior to maturity and no gains due to sale were recorded. Costs associated with managing the fund were \$2,420.68, giving a net distribution to the County of \$870,726.06 which was distributed to the County on July 17, 2009.

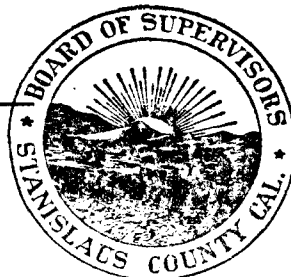
The portfolio has been reviewed by both the Treasurer and the Chief Deputy Treasurer for compliance with the investment policy. All investments are non-AMT investments and no taxable interest was generated. All securities are valued at cost.

Dolores Sarenana, Chief Deputy Treasurer

Gordon B. Ford, Treasurer

The County of Stanislaus Board of Supervisors has reviewed and accepted the Stanislaus County Tobacco Endowment Fund annual report.

Chairman, Board of Supervisors



STANISLAUS COUNTY 2006 TOBACCO SERIES  
MONEY MARKET FUND ACTIVITY  
INVESCO AIM, INVESTMENT# 10000, ACCOUNT# XXXXXX6493  
FISCAL YEAR ENDING JUNE 2009

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
AIM						
BEGINNING	16,690,505.56	15,513,227.17	15,533,466.65	15,553,668.60	15,590,737.46	15,631,224.85
INTEREST	21,666.86	20,239.48	20,201.95	37,068.86	40,487.39	15,683.59
ADDITIONS						
WITHDRAWALS	-1,198,945.25					
ENDING VALUE	15,513,227.17	15,533,466.65	15,553,668.60	15,590,737.46	15,631,224.85	15,646,908.44

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	YTD
AIM							
BEGINNING	15,646,908.44	15,659,723.13	15,666,975.51	15,672,672.19	15,678,229.15	15,683,055.78	16,690,505.56
INTEREST	12,814.69	7,252.38	5,696.68	5,556.96	4,826.63	3,224.91	194,720.38
ADDITIONS							0.00
WITHDRAWALS							-1,198,945.25
TOTAL	15,659,723.13	15,666,975.51	15,672,672.19	15,678,229.15	15,683,055.78	15,686,280.69	15,686,280.69



STANISLAUS COUNTY 2006 TOBACCO SERIES  
MUTUAL FUND ACTIVITY  
USAA, INVESTMENT# 10001, ACCOUNT# XXXXXXX3596  
FISCAL YEAR ENDING JUNE 2009

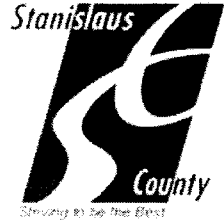
	TRANSACT. SHARES	CUMULATIVE SHARES	PRICE	TRANSACTION VALUE	TOTAL AS SUM OF DOLLARS	TOTAL SHARES AT ENDING PRICE	CUMULATIVE GAIN/LOSS
31-Jul-08	8,890.250	2,477,490.681	10.54	93,703.24	26,233,423.65	26,112,751.78	0.00
31-Aug-08	9,059.533	2,486,550.214	10.58	95,849.86	26,329,273.51	26,307,701.26	355.61
30-Sep-08	9,281.279	2,495,831.493	10.43	96,803.74	26,426,077.25	26,031,522.47	-2,336.86
14-Oct-08	-969,932.105	1,525,899.388	10.31	-10,000,000.00	16,426,077.25	15,732,022.69	-5,604.58
31-Oct-08	8,095.220	1,533,994.608	10.32	83,542.67	16,509,619.92	15,830,824.35	-15,031.60
30-Nov-08	5,345.119	1,539,339.727	10.32	55,161.63	16,564,781.55	15,885,985.98	-5,332.27
31-Dec-08	6,004.265	1,545,343.992	10.25	61,543.72	16,626,325.26	15,839,775.92	-8,179.27
31-Jan-09	5,741.795	1,551,085.787	10.43	59,886.92	16,686,212.18	16,177,824.76	222.35
28-Feb-09	5,391.223	1,556,477.010	10.40	56,068.72	16,742,280.90	16,187,360.90	-1,350.18
31-Mar-09	5,404.242	1,561,881.252	10.38	56,096.03	16,798,376.93	16,212,327.40	-2,506.35
30-Apr-09	5,247.465	1,567,128.717	10.41	54,626.11	16,853,003.04	16,313,809.94	-609.96
31-May-09	4,889.257	1,572,017.974	10.44	51,043.84	16,904,046.89	16,411,867.65	1,443.85
30-Jun-09	4,645.289	1,576,663.263	10.43	48,450.36	16,952,497.25	16,444,597.83	710.35

STANISLAUS COUNTY 2006 TOBACCO SERIES  
MONEY MARKET FUND ACTIVITY  
USAA, INVESTMENT# 10004, ACCOUNT# XXXXXXXX9983\*  
FISCAL YEAR ENDING JUNE 2009

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
AIM						
BEGINNING	0.00	0.00	0.00	10,000,000.00	10,014,104.80	10,026,168.25
INTEREST				14,104.80	12,063.45	11,954.98
ADDITIONS						
WITHDRAWALS						
ENDING VALUE				10,014,104.80	10,026,168.25	10,038,123.23

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	YTD
AIM							
BEGINNING	10,038,123.23	10,045,262.44	10,051,595.89	10,059,109.96	10,066,888.84	10,076,005.20	10,000,000.00
INTEREST	7,139.21	6,333.45	7,514.07	7,778.88	9,116.36	7,931.00	83,936.20
ADDITIONS							0.00
WITHDRAWALS							0.00
TOTAL	10,045,262.44	10,051,595.89	10,059,109.96	10,066,888.84	10,076,005.20	10,083,936.20	10,083,936.20

\*ACCOUNT OPENED 10/14/08



**2006 Tobacco Series 2008/09  
Portfolio Management  
Portfolio Summary  
June 30, 2009**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
Money Market Fund	25,770,216.89	25,770,216.89	25,770,216.89	60.32	1	1	0.427	0.433
Mutual Fund	16,952,497.25	16,444,597.83	16,952,497.25	39.68	1	1	3.580	3.630
<b>Investments</b>	<b>42,722,714.14</b>	<b>42,214,814.72</b>	<b>42,722,714.14</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>1.678</b>	<b>1.702</b>

<b>Total Earnings</b>	<b>June 30</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year		57,918.92	1,065,130.32	1,065,130.32
<b>Average Daily Balance</b>		<b>42,668,212.16</b>	<b>42,293,913.72</b>	
<b>Effective Rate of Return</b>		<b>1.65%</b>	<b>2.52%</b>	

Gordon B. Ford, Treasurer/Tax Collector

**2006 Tobacco Series 2008/09  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Money Market Fund</b>												
SYS10000	10000	Tax-Free Institutional Fund			15,686,280.69	15,686,280.69	15,686,280.69	0.120	0.118	0.120	1	
SYS10004	10004	TAX EXEMPT MONEY MARKET FUND		10/14/2008	10,083,936.20	10,083,936.20	10,083,936.20	0.920	0.907	0.920	1	
<b>Subtotal and Average</b>			<b>10,076,269.57</b>		<b>25,770,216.89</b>	<b>25,770,216.89</b>	<b>25,770,216.89</b>		<b>0.427</b>	<b>0.433</b>	<b>1</b>	
<b>Mutual Fund</b>												
SYS10001	10001	Tax Exempt Bond Fund		03/29/2006	16,952,497.25	16,444,597.83	16,952,497.25	3.630	3.580	3.630	1	
<b>Subtotal and Average</b>			<b>16,905,661.90</b>		<b>16,952,497.25</b>	<b>16,444,597.83</b>	<b>16,952,497.25</b>		<b>3.580</b>	<b>3.630</b>	<b>1</b>	
<b>Total and Average</b>			<b>26,981,931.47</b>		<b>42,722,714.14</b>	<b>42,214,814.72</b>	<b>42,722,714.14</b>		<b>1.678</b>	<b>1.702</b>	<b>1</b>	



**2006 Tobacco Series 2008/09  
Activity Report  
Sorted By Issuer  
July 1, 2008 - June 30, 2009**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Issuer: Tax-Free Institutional Fund</b>									
<b>Money Market Fund</b>									
SYS10000	10000	Tax-Free Institutional Fund			0.120		194,720.38	1,198,945.25	
		<b>Subtotal and Balance</b>		<b>16,690,505.56</b>			<b>194,720.38</b>	<b>1,198,945.25</b>	<b>15,686,280.69</b>
		<b>Issuer Subtotal</b>	<b>36.716%</b>	<b>16,690,505.56</b>			<b>194,720.38</b>	<b>1,198,945.25</b>	<b>15,686,280.69</b>
<b>Issuer: Tax Exempt Bond Fund</b>									
<b>Mutual Fund</b>									
SYS10001	10001	Tax Exempt Bond Fund			3.630		812,776.84	10,000,000.00	
		<b>Subtotal and Balance</b>		<b>26,139,720.41</b>			<b>812,776.84</b>	<b>10,000,000.00</b>	<b>16,952,497.25</b>
		<b>Issuer Subtotal</b>	<b>39.680%</b>	<b>26,139,720.41</b>			<b>812,776.84</b>	<b>10,000,000.00</b>	<b>16,952,497.25</b>
<b>Issuer: TAX EXEMPT MONEY MARKET FUND</b>									
<b>Money Market Fund</b>									
SYS10004	10004	TAX EXEMPT MONEY MARKET FUND			0.920		10,083,936.20	0.00	
		<b>Subtotal and Balance</b>		<b>0.00</b>			<b>10,083,936.20</b>	<b>0.00</b>	<b>10,083,936.20</b>
		<b>Issuer Subtotal</b>	<b>23.603%</b>	<b>0.00</b>			<b>10,083,936.20</b>	<b>0.00</b>	<b>10,083,936.20</b>
		<b>Total</b>	<b>100.000%</b>	<b>42,830,225.97</b>			<b>11,091,433.42</b>	<b>11,198,945.25</b>	<b>42,722,714.14</b>

**2006 Tobacco Series 2008/09  
Portfolio Management  
Activity Summary  
June 2008 through June 2009**

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	2008	2	42,830,225.99	2.945	2.986	1.460	0	0	1	1
July	2008	2	41,746,650.82	3.218	3.262	1.880	0	0	1	1
August	2008	2	41,862,740.15	3.138	3.181	1.590	0	0	1	1
September	2008	2	41,979,745.84	4.408	4.469	5.250	0	0	1	1
October	2008	3	42,114,462.17	2.893	2.933	1.877	1	0	1	1
November	2008	3	42,222,174.64	2.565	2.600	1.199	0	0	1	1
December	2008	3	42,311,356.93	2.601	2.637	1.179	0	0	1	1
January	2009	3	42,391,197.75	2.097	2.126	0.585	0	0	1	1
February	2009	3	42,460,852.30	2.064	2.093	0.688	0	0	1	1
March	2009	3	42,530,159.08	2.080	2.109	0.633	0	0	1	1
April	2009	3	42,598,121.03	2.003	2.031	0.676	0	0	1	1
May	2009	3	42,663,107.86	1.797	1.822	0.550	0	0	1	1
June	2009	3	42,722,714.14	1.678	1.702	0.433	0	0	1	1
<b>Average</b>		<b>3</b>	<b>42,341,039.13</b>	<b>2.576%</b>	<b>2.612%</b>	<b>1.385</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

**2006 Tobacco Series 2008/09  
Portfolio Management  
Distribution of Investments By Type  
June 2008 through June 2009**

Security Type	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	Average by Period
Money Market Fund	39.0	37.2	37.1	37.1	60.8	60.8	60.7	60.6	60.6	60.5	60.4	60.4	60.3	53.5%
Mutual Fund	61.0	62.8	62.9	63.0	39.2	39.2	39.3	39.4	39.4	39.5	39.6	39.6	39.7	46.5%
Municipal Bonds														

**2006 Tobacco Series 2008/09  
Portfolio Management  
Interest Earnings Summary  
June 30, 2009**

	June 30 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
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
<b>Pass Through Securities:</b>		
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
<b>Cash/Checking Accounts:</b>		
Interest Collected	59,606.27	1,091,433.42
Plus Accrued Interest at End of Period	-4,623.09	-4,623.09
Less Accrued Interest at Beginning of Period	( -2,935.74)	( 21,680.01)
	<hr/>	<hr/>
Interest Earned during Period	57,918.92	1,065,130.32
<hr/>		
<b>Total Interest Earned during Period</b>	<b>57,918.92</b>	<b>1,065,130.32</b>
<b>Total Adjustments from Premiums and Discounts</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Capital Gains or Losses</b>	<b>0.00</b>	<b>0.00</b>
<hr/>		
<b>Total Earnings during Period</b>	<b>57,918.92</b>	<b>1,065,130.32</b>





**2006 Tobacco Series 2008/09  
Cash/Checking Activity  
July 1, 2008 - June 30, 2009**

Issuer	Investment #	Fund	Security ID	Current Rate	Transaction Date	Receipt	Deposits	Withdrawals	Interest Received	Balance
<b>Money Market Fund</b>										
<b>Tax-Free Institutional Fund</b>										
	10000	EN06	SYS10000							<b>16,690,505.56</b>
				1.460	07/01/2008					16,690,505.56
				1.460	07/14/2008					16,712,172.42
				1.460	07/22/2008				21,666.86	15,513,227.17
				1.880	07/31/2008			1,198,945.25		15,513,227.17
				1.880	08/01/2008					15,533,466.65
				1.590	08/31/2008				20,239.48	15,533,466.65
				1.590	09/01/2008					15,553,668.60
				5.250	09/30/2008				20,201.95	15,553,668.60
				5.250	10/01/2008					15,590,737.46
				1.670	10/31/2008				37,068.86	15,590,737.46
				1.670	11/01/2008					15,631,224.85
				1.090	11/30/2008				40,487.39	15,631,224.85
				1.090	12/01/2008					15,646,908.44
				1.030	12/31/2008				15,683.59	15,646,908.44
				1.030	01/01/2009					15,646,908.44
				0.460	01/31/2009				12,814.69	15,659,723.13
				0.460	02/01/2009					15,659,723.13
				0.520	02/28/2009				7,252.38	15,666,975.51
				0.520	03/01/2009					15,666,975.51
				0.520	03/31/2009				5,696.68	15,672,672.19
				0.410	03/31/2009					15,672,672.19
				0.410	04/01/2009					15,678,229.15
				0.500	04/30/2009				5,556.96	15,678,229.15
				0.500	05/01/2009					15,678,229.15
				0.190	05/31/2009				4,826.63	15,683,055.78
				0.190	06/01/2009					15,683,055.78
				0.120	06/30/2009				3,224.91	15,686,280.69
				0.120	06/30/2009					15,686,280.69
				<b>Subtotal and Ending Balance</b>	<b>0.120</b>		<b>0.00</b>	<b>1,198,945.25</b>	<b>194,720.38</b>	<b>15,686,280.69</b>
<b>TAX EXEMPT MONEY MARKET</b>										
	10004	EN06	SYS10004							<b>0.00</b>
				2.200	10/14/2008					10,000,000.00
				2.200	10/31/2008					10,014,104.80
				1.370	11/01/2008				14,104.80	10,014,104.80

Portfolio EN06  
AC

**2006 Tobacco Series 2008/09  
Cash/Checking Activity  
July 1, 2008 - June 30, 2009**

Issuer Investment #	Fund	Security ID	Current Rate	Transaction Date	Receipt	Deposits	Withdrawals	Interest Received	Balance
10004	EN06	SYS10004							<b>10,014,104.80</b>
			1.370	11/28/2008				12,063.45	10,026,168.25
			1.410	12/01/2008					10,026,168.25
			1.410	12/11/2008				601.57	10,026,769.82
			1.410	12/18/2008				401.07	10,027,170.89
			1.410	12/31/2008				10,952.34	10,038,123.23
			0.780	01/01/2009					10,038,123.23
			0.780	01/31/2009				7,139.21	10,045,262.44
			0.950	02/01/2009					10,045,262.44
			0.950	02/28/2009				6,333.45	10,051,595.89
			0.980	03/01/2009					10,051,595.89
			0.980	03/31/2009				7,514.07	10,059,109.96
			0.950	04/01/2009					10,059,109.96
			0.950	04/30/2009				7,778.88	10,066,888.84
			1.110	05/01/2009					10,066,888.84
			1.110	05/31/2009				9,116.36	10,076,005.20
			0.920	06/01/2009					10,076,005.20
			0.920	06/30/2009				7,931.00	10,083,936.20
<b>Subtotal and Ending Balance</b>			<b>0.920</b>			<b>0.00</b>	<b>0.00</b>	<b>83,936.20</b>	<b>10,083,936.20</b>
<b>Mutual Fund</b>									
<b>Tax Exempt Bond Fund</b>									
10001	EN06	SYS10001							<b>26,139,720.41</b>
			4.080	07/01/2008					26,139,720.41
			4.080	07/31/2008				93,703.24	26,233,423.65
			4.120	08/01/2008					26,233,423.65
			4.120	08/31/2008				95,849.86	26,329,273.51
			4.010	09/01/2008					26,329,273.51
			4.010	09/30/2008				96,803.74	26,426,077.25
			4.570	10/01/2008					26,426,077.25
			4.570	10/14/2008			10,000,000.00		16,426,077.25
			4.570	10/31/2008				83,542.67	16,509,619.92
			4.770	11/01/2008					16,509,619.92
			4.770	11/30/2008				55,161.63	16,564,781.55
			4.890	12/01/2008					16,564,781.55
			4.890	12/31/2008				61,543.72	16,626,325.27

Portfolio EN06  
AC

2006 Tobacco Series 2008/09  
 Cash/Checking Activity  
 July 1, 2008 - June 30, 2009

Issuer Investment #	Fund	Security ID	Current Rate	Transaction Date Receipt	Deposits	Withdrawals	Interest Received	Balance
10001	EN06	SYS10001						16,626,325.27
			4.500	01/01/2009				16,626,325.27
			4.500	01/31/2009			59,886.92	16,686,212.19
			4.250	02/01/2009				16,686,212.19
			4.250	02/28/2009			56,068.72	16,742,280.91
			4.370	03/01/2009				16,742,280.91
			4.370	03/31/2009			56,096.03	16,798,376.94
			4.100	04/01/2009				16,798,376.94
			4.100	04/30/2009			54,626.11	16,853,003.05
			3.760	05/01/2009				16,853,003.05
			3.760	05/31/2009			51,043.84	16,904,046.89
			3.630	06/01/2009				16,904,046.89
			3.630	06/30/2009			48,450.36	16,952,497.25
<b>Subtotal and Ending Balance</b>			<b>3.630</b>		<b>0.00</b>	<b>10,000,000.00</b>	<b>812,776.84</b>	<b>16,952,497.25</b>
<b>Total</b>					<b>0.00</b>	<b>11,198,945.25</b>	<b>1,091,433.42</b>	<b>42,722,714.14</b>