

Wardon B. Ford

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

DEPT: Treasurer-Tax Collector

BOARD AGENDA # *B-6

Urgent

Routine

int

AGENDA DATE August 12, 2014

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

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, 2014

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, 2014.
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 \$4,862.00 for Fiscal Year 2013/2014. While the fund generated \$2,276,636.59 in interest earnings for the fiscal year ending June 30, 2014, the General Fund's portion of these earnings, which is 80% net of expenses or \$1,816,447.27 will be used towards paying off the accumulated deficit in the Health Services Agency Enterprise Fund in the current Fiscal Year 2014/2015.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-422

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

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

MOTION: This Item was removed from the consent calendar for discussion and consideration.

ATTEST: *Elizabeth A. King*
ELIZABETH A. KING, Assistant Clerk

File No.

FISCAL IMPACT CONTINUED:

Costs associated with managing the Tobacco Endowment Series 2006 Fund were \$4,419.00 for Fiscal Year 2013/2014. This fund generated \$961,591.58 in interest earnings for the fiscal year ending June 30, 2014, of which \$764,854.26 (80% net of expenses) has been transferred to the General Fund as discretionary revenue in the current Fiscal Year 2014/2015.

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 2013/2014 were \$2,276,636.59. In accordance with the investment policy, interest and net gains received have been distributed as follows: 80% net of expenses or

Acceptance of the Annual Reports for the County of Stanislaus Tobacco Endowment Funds - Series 2002 and Series 2006 for Fiscal Year Ending June 30, 2014
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\$1,816,447.27 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, 2014 was \$60,432,135.35.

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.

During the Fiscal Year 2009/2010, \$7,475,978.00 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, \$1,041,911.64 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 \$455,470.00 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 \$2,628,000.00 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.

The balance in the 2006 fund at June 30, 2014 was \$32,983,971.74. 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 2013/2014 were \$961,591.58. In accordance with the investment policy, interest and net gains received have been distributed as follows: 80% net of expenses or \$764,854.26 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 2013/2014, there were five municipal bond calls with a par value of \$10,125,000.00. Six long term municipal bonds were purchased with a par value of \$12,595,000.00. As of June 30, 2014, the Series 2002 Tobacco Portfolio balance was \$60,432,135.35 and had a market to par value of 107%.

The 2006 Tobacco Portfolio has included investments in long term municipal bonds since Fiscal Year 2010/2011. During the Fiscal Year 2013/2014, there were no additional bond purchases or calls. As of June 30, 2014, the Series 2006 Tobacco Portfolio balance was \$32,983,971.74 and had a market to par value of 107.8%.

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

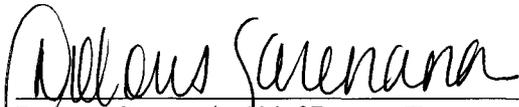
Telephone: 209-525-4463



County of Stanislaus Tobacco Endowment Series 2002 Fund
Annual Report
June 2014

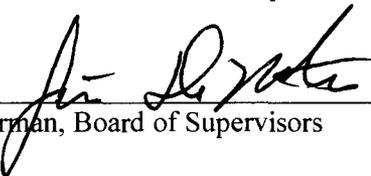
The Stanislaus County Tobacco Endowment Series 2002 Fund generated \$2,276,636.59 in interest income for the fiscal year ending June 30, 2014. The cash receipts yielded an average interest rate of 3.3%. Five municipal bonds were called prior to maturity resulting in a net loss of \$110,939.36 in unamortized premiums which was recorded as a decrease to interest income and is included in the above amount. Costs associated with managing the fund were \$4,862.00 giving a net distribution to the County of \$1,816,447.27 which was distributed to the County on July 18, 2014.

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


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
MONEY MARKET FUND ACTIVITY
INVESCO, INVESTMENT# 15, ACCOUNT# XXXXXX6492
FISCAL YEAR ENDING JUNE 2014

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
BEGINNING	3,734,808.31	3,734,869.81	3,734,933.36	3,734,996.91	3,735,058.41	3,735,189.61
INTEREST	61.50	63.55	63.55	61.50	131.20	245.40
ADDITIONS						
WITHDRAWALS						
ENDING VALUE	3,734,869.81	3,734,933.36	3,734,996.91	3,735,058.41	3,735,189.61	3,735,435.01

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD
BEGINNING	3,735,435.01	3,735,688.59	3,735,942.17	3,736,118.12	3,736,262.83	3,736,554.67	3,734,808.31
INTEREST	253.58	253.58	175.95	144.71	291.84	35.35	1,781.71
ADDITIONS							0.00
WITHDRAWALS							0.00
TOTAL	3,735,688.59	3,735,942.17	3,736,118.12	3,736,262.83	3,736,554.67	3,736,590.02	3,736,590.02

STANISLAUS COUNTY 2002 TOBACCO SERIES
MUTUAL FUND ACTIVITY
USAA, INVESTMENT# 19, ACCOUNT# XXXXXX7035
FISCAL YEAR ENDING JUNE 2014

	TRANSACTION SHARES	CUMULATIVE SHARES	PRICE	PURCHASE	WITHDRAWAL	INTEREST EARNINGS	TOTAL AS SUM OF DOLLARS	TOTAL SHARES AT ENDING PRICE
06/28/13	2,207.055	1,401,909.965	10.74				15,049,892.63	15,056,513.02
07/01/13	4,043.296	1,405,953.261	10.74	43,425.00			15,093,317.63	15,099,938.02
07/16/13	(286,654.763)	1,119,298.498	10.74		(3,078,672.15)		12,014,645.47	12,021,265.87
07/22/13	(165,030.820)	954,267.678	10.74		(1,772,431.01)		10,242,214.47	10,248,834.86
07/24/13	(202,179.559)	752,088.119	10.73		(2,169,386.67)		8,072,827.80	8,069,905.52
07/31/13	1,769.478	753,857.597	10.73			18,986.50	8,091,814.30	8,088,892.02
08/01/13	229,089.003	982,946.600	10.73	2,458,125.00			10,549,939.30	10,547,017.02
08/06/13	190,405.965	1,173,352.565	10.73	2,043,056.00			12,592,995.31	12,590,073.02
08/06/13	(414,941.286)	758,411.279	10.73		(4,452,320.00)		8,140,675.31	8,137,753.02
08/09/13	(410,866.522)	347,544.757	10.73		(4,408,597.78)		3,732,077.53	3,729,155.24
08/30/13	848.750	348,393.507	10.70			9,081.63	3,741,159.15	3,727,810.52
09/03/13	23,210.945	371,604.452	10.69	248,125.00			3,989,284.15	3,972,451.59
09/16/13	191,768.007	563,372.459	10.69	2,050,000.00			6,039,284.15	6,022,451.59
09/30/13	651.757	564,024.216	10.71			6,980.32	6,046,264.47	6,040,699.35
10/01/13	29,458.319	593,482.535	10.71	315,498.60			6,361,763.07	6,356,197.95
10/31/13	882.943	594,365.478	10.72			9,465.15	6,371,228.22	6,371,597.92
11/04/13	6,554.727	600,920.205	10.72	70,266.67			6,441,494.89	6,441,864.60
11/15/13	4,664.179	605,584.384	10.72	50,000.00			6,491,494.89	6,491,864.60
11/29/13	930.793	606,515.177	10.71			9,968.79	6,501,463.68	6,495,777.55
12/31/13	876.527	607,391.704	10.70			9,378.84	6,510,842.52	6,499,091.23
01/02/14	4,058.411	611,450.115	10.70	43,425.00			6,554,267.52	6,542,516.23
01/22/14	190,038.060	801,488.175	10.72	2,037,208.00			8,591,475.52	8,591,953.24
01/31/14	1,008.492	802,496.667	10.72			10,811.03	8,602,286.55	8,602,764.27
02/03/14	26,119.403	828,616.070	10.72	280,000.00			8,882,286.55	8,882,764.27
02/28/14	1,193.994	829,810.064	10.74			12,823.50	8,895,110.05	8,912,160.09
03/04/14	18,680.168	848,490.232	10.74	200,625.00			9,095,735.05	9,112,785.09
03/31/14	1,116.271	849,606.503	10.71			11,955.26	9,107,690.32	9,099,285.65
04/01/14	30,800.654	880,407.157	10.71	329,875.00			9,437,565.32	9,429,160.65
04/15/14	189,417.537	1,069,824.694	10.72	2,030,556.00			11,468,121.32	11,468,520.72
04/30/14	1,450.371	1,071,275.065	10.72			15,547.98	11,483,669.30	11,484,068.70
05/02/14	11,380.597	1,082,655.662	10.72	122,000.00			11,605,669.30	11,606,068.70
05/15/14	4,659.832	1,087,315.494	10.73	50,000.00			11,655,669.29	11,666,895.25
05/30/14	1,651.022	1,088,966.516	10.73			17,715.47	11,673,384.76	11,684,610.72
06/30/14	1,482.778	1,090,449.294	10.72			15,895.38	11,689,280.14	11,689,616.43
Totals				12,372,185.28	(15,881,407.61)	148,609.84		

STANISLAUS COUNTY 2002 TOBACCO SERIES
MUNICIPAL BOND ACTIVITY
UNION BANK OF CALIFORNIA, ACCOUNT# XXXXXX0241
FISCAL YEAR ENDING JUNE 2014

DATE:	INV #	CUSIP	AGENCY	PAR	COST	PAR PAID	COUPON	YIELD	MATURITY
						@CALL			
HOLDINGS ON JUNE 30, 2013				38,600,000.00	40,300,427.06				
PURCHASES:									
07/17/13	56	13063B5B4	CALIFORNIA STATE	1,000,000.00	1,170,750.00		5.00%	2.88%	10/1/2022
07/17/13	57	13063B5F5	CALIFORNIA STATE	1,715,000.00	1,876,227.15		5.00%	2.85%	10/1/2025
07/24/13	58	91412GHV0	UNIV OF CALIFORNIA REVENUE	2,000,000.00	2,150,200.00		5.00%	3.98%	5/15/2030
08/07/13	59	13077CA46	CALIFORNIA ST UNIV REVENUE	3,880,000.00	4,452,300.00		5.00%	3.29%	11/1/2024
08/12/13	63	072024RS3	BAY AREA TOLL AUTHORITY	2,000,000.00	2,168,280.00		5.00%	3.85%	4/1/2028
08/12/13	60	072024RS3	BAY AREA TOLL AUTHORITY	2,000,000.00	2,167,520.00		5.00%	3.85%	4/1/2028
TOTAL PURCHASES:				12,595,000.00	13,985,277.15				
CALLS:									
08/01/13	30	796720AX8	SAN BERNARDINO CA GO	2,125,000.00	2,237,200.00	2,125,000.00	5.00%	4.32%	8/1/2023
08/06/13	28	18933QAX4	CLOVIS CALIF PUB FING AUTH WTR REV	2,000,000.00	2,075,240.00	2,000,000.00	5.00%	4.49%	3/1/2028
09/16/13	31	900207CF6	TURLOCK CAL PUB REV	2,000,000.00	2,074,040.00	2,000,000.00	5.00%	4.52%	9/15/2033
01/22/14	3	612553BW6	MONTEREY PARK CALIF REDEV AGY	2,000,000.00	1,938,640.00	2,000,000.00	4.75%	4.97%	9/1/2026
04/15/14	2	171294DZ1	CHULA VISTA CA	2,000,000.00	2,000,000.00	2,010,000.00	5.00%	5.00%	8/1/2032
TOTAL CALLS:				10,125,000.00	10,325,120.00	10,135,000.00			
MATURITIES:									
None									
TOTAL MATURITIES:				0.00	0.00				
HOLDINGS ON JUNE 30, 2014				41,070,000.00	43,960,584.21				



**2002 Tobacco Series 2013/14
Portfolio Management
Portfolio Summary
June 30, 2014**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Funds	3,736,590.02	3,736,590.02	3,736,590.02	6.35	1	1	0.010	0.010
Mutual Fund	11,689,280.14	11,689,616.43	11,689,280.14	19.86	1	1	0.552	0.560
Municipal Bonds	41,070,000.00	45,005,928.90	43,418,274.34	73.79	6,167	4,546	3.921	3.976
Investments	56,495,870.16	60,432,135.35	58,844,144.50	100.00%	4,551	3,355	3.004	3.045

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	157,450.93	1,867,790.63	1,867,790.63
Average Daily Balance	58,838,822.06	58,025,657.78	
Effective Rate of Return	3.26%	3.22%	

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 2013/14
Portfolio Management
Portfolio Details - Investments
June 30, 2014**

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			3,736,590.02	3,736,590.02	3,736,590.02	0.010	0.010	0.010	1	
Subtotal and Average			3,736,590.02		3,736,590.02	3,736,590.02	3,736,590.02		0.010	0.010	1	
Mutual Fund												
SYS19	19	USAA Tax-Exempt Short-Term Fun		07/01/2002	11,689,280.14	11,689,616.43	11,689,280.14	0.560	0.552	0.560	1	
Subtotal and Average			11,673,914.61		11,689,280.14	11,689,616.43	11,689,280.14		0.552	0.560	1	
Municipal Bonds												
13062NL96	4	California State		08/30/2002	2,000,000.00	2,292,340.00	2,072,537.15	6.000	4.162	4.220	1,005	04/01/2017
13063B3Q3	55	California State		06/25/2013	1,990,000.00	2,353,194.90	2,283,152.40	5.000	1.968	1.995	1,918	10/01/2019
13063BWM0	46	California State		04/24/2012	2,000,000.00	2,080,760.00	1,978,502.39	2.500	2.644	2.680	2,466	04/01/2021
13063BWZ1	47	California State		04/24/2012	1,090,000.00	1,313,079.40	1,245,566.25	5.000	2.831	2.870	2,831	04/01/2022
343261EQ2	9	Florin Calif Resource Consv Di		09/09/2002	2,000,000.00	2,009,080.00	2,000,000.00	4.750	4.685	4.750	2,984	09/01/2022
13063B5B4	56	California State		07/17/2013	1,000,000.00	1,210,030.00	1,153,025.80	5.000	2.828	2.868	3,014	10/01/2022
156809CV5	21	Cerritos Pub Fing Auth Rev Tax		10/21/2002	1,000,000.00	1,076,660.00	1,000,000.00	5.000	4.931	5.000	3,045	11/01/2022
13077CA46	59	California State Univ Revenue		08/07/2013	3,880,000.00	4,682,461.60	4,406,448.07	5.000	3.362	3.409	3,776	11/01/2024
13063B5F5	57	California State		07/17/2013	1,715,000.00	1,957,483.85	1,863,604.91	5.000	3.963	4.018	4,110	10/01/2025
072024RS3	60	Bay Area CA Toll Auth Toll Bri		08/12/2013	2,000,000.00	2,310,380.00	2,157,377.87	5.000	4.168	4.226	5,023	04/01/2028
072024RS3	63	Bay Area CA Toll Auth Toll Bri		08/07/2013	2,000,000.00	2,310,380.00	2,157,941.98	5.000	4.160	4.217	5,023	04/01/2028
13063BLW0	44	California State		09/28/2011	2,500,000.00	2,671,675.00	2,484,954.46	4.250	4.251	4.311	5,176	09/01/2028
797300XY1	34	San Diego Redev		06/14/2004	2,000,000.00	1,999,940.00	1,983,735.23	5.000	5.030	5.100	5,176	09/01/2028
13063BRE4	51	California State		08/27/2012	3,000,000.00	3,465,420.00	3,416,082.45	5.250	3.950	4.005	5,694	02/01/2030
13063BRE4	53	California State		08/27/2012	2,000,000.00	2,310,280.00	2,275,814.57	5.250	3.956	4.011	5,694	02/01/2030
91412GHV0	58	Univ of California Revenue		07/24/2013	2,000,000.00	2,276,880.00	2,141,834.87	5.000	4.304	4.364	5,797	05/15/2030
801495G30	54	Santa Clara Calif Uni Sch Dist		08/28/2012	2,895,000.00	2,668,524.15	2,763,555.91	3.000	3.326	3.372	5,844	07/01/2030
79875FDRO	1	San Marcos Calif Pub Faci Auth		08/22/2002	2,000,000.00	2,003,400.00	1,984,629.43	4.875	4.892	4.960	6,240	08/01/2031
901073DA1	8	Tustin Calif Uni Sch Dist SPL		09/03/2002	2,000,000.00	2,008,900.00	2,000,000.00	5.000	4.931	5.000	6,637	09/01/2032
769045PU3	29	Riverside Redevelopment		02/06/2004	2,000,000.00	2,005,060.00	2,049,510.60	5.000	4.692	4.757	6,971	08/01/2033
Subtotal and Average			43,428,317.44		41,070,000.00	45,005,928.90	43,418,274.34		3.921	3.976	4,546	
Total and Average			58,838,822.06		56,495,870.16	60,432,135.35	58,844,144.50		3.004	3.045	3,355	

**2002 Tobacco Series 2013/14
Portfolio Management
Activity By Type
June 1, 2014 through June 30, 2014**

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	0.010		35.35	0.00	
		Subtotal			35.35	0.00	3,736,590.02
Mutual Fund							
SYS19	19	USAA Tax-Exempt Short-Term Fun	0.560		15,895.38	0.00	
		Subtotal			15,895.38	0.00	11,689,280.14
Municipal Bonds							
		Subtotal					43,418,274.34
		Total			15,930.73	0.00	58,844,144.50

**2002 Tobacco Series 2013/14
Portfolio Management
Activity Summary
June 2013 through June 2014**

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	2013	21	58,720,456.82	3.016	3.058	0.020	1	1	5,053	3,480
July	2013	24	56,997,083.02	3.389	3.436	0.020	3	0	5,657	4,013
August	2013	25	57,259,818.79	3.559	3.608	0.020	3	2	5,775	4,369
September	2013	24	57,494,311.50	3.411	3.458	0.020	0	1	5,364	4,064
October	2013	24	57,677,181.85	3.394	3.441	0.080	0	0	5,336	4,014
November	2013	24	57,767,815.85	3.381	3.428	0.080	0	0	5,324	3,980
December	2013	24	57,756,874.08	3.380	3.427	0.080	0	0	5,323	3,954
January	2014	23	57,860,143.63	3.225	3.270	0.080	0	1	5,014	3,764
February	2014	23	58,132,441.86	3.205	3.249	0.060	0	0	4,989	3,723
March	2014	23	58,324,419.27	3.190	3.234	0.040	0	0	4,971	3,686
April	2014	22	58,679,764.13	3.032	3.074	0.020	0	1	4,567	3,412
May	2014	22	58,848,992.59	3.024	3.066	0.010	0	0	4,552	3,378
June	2014	22	58,844,144.50	3.004	3.045	0.010	0	0	4,551	3,355
Average		23	58,027,957.53	3.247%	3.292%	0.042	1	0	5,114	3,784

**2002 Tobacco Series 2013/14
Portfolio Management
Distribution of Investments By Type
June 2013 through June 2014**

Security Type	June 2013	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	Average by Period
Money Market Funds	6.4	6.6	6.5	6.5	6.5	6.5	6.5	6.5	6.4	6.4	6.4	6.4	6.4	6.4%
Mutual Fund	25.6	14.2	6.5	10.5	11.1	11.3	11.3	14.9	15.3	15.6	19.6	19.8	19.9	15.0%
Municipal Bonds	68.0	79.3	86.9	83.0	82.5	82.3	82.3	78.7	78.3	78.0	74.1	73.8	73.8	78.5%
Municipal Anticipation Notes														

**2002 Tobacco Series 2013/14
Portfolio Management
Interest Earnings Summary
June 30, 2014**

	June 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	0.00	2,237,184.39
Plus Accrued Interest at End of Period	587,223.61	587,501.38
Less Accrued Interest at Beginning of Period	(424,569.44)	(632,476.38)
Less Accrued Interest at Purchase During Period	(0.00)	(123,619.45)
Interest Earned during Period	162,654.17	2,068,589.94
Adjusted by Premiums and Discounts	-20,778.82	-239,695.44
Adjusted by Capital Gains or Losses	0.00	-110,927.14
Earnings during Periods	141,875.35	1,717,967.36
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	15,930.73	150,391.56
Plus Accrued Interest at End of Period	-6,719.04	-6,719.04
Less Accrued Interest at Beginning of Period	(-6,363.89)	(-6,150.76)
Interest Earned during Period	15,575.58	149,823.28
Total Interest Earned during Period	178,229.75	2,218,413.22
Total Adjustments from Premiums and Discounts	-20,778.82	-239,695.44
Total Capital Gains or Losses	0.00	-110,927.14
Total Earnings during Period	157,450.93	1,867,790.64



County of Stanislaus Tobacco Endowment Series 2006 Fund
Annual Report
June 2014

The Stanislaus County Tobacco Endowment Series 2006 Fund generated \$961,591.58 in interest income for the fiscal year ending June 30, 2014. The cash receipts yielded an average interest rate of 2.5%. No sales or calls were made prior to maturity. Costs associated with managing the fund were \$4,419.00, giving a net distribution to the County of \$764,854.26 which was distributed to the County on July 18, 2014.

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



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, INVESTMENT# 10000, ACCOUNT# XXXXXX6493
FISCAL YEAR ENDING JUNE 2014

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
BEGINNING	10,279,753.31	9,514,520.78	9,514,691.73	9,514,853.86	9,515,010.76	9,515,345.17
INTEREST	169.50	170.95	162.13	156.90	334.41	625.20
ADDITIONS						
WITHDRAWALS	(765,402.03)					
ENDING VALUE	9,514,520.78	9,514,691.73	9,514,853.86	9,515,010.76	9,515,345.17	9,515,970.37

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD
BEGINNING	9,515,970.37	9,516,616.41	8,417,262.45	8,417,696.14	7,685,022.39	7,685,623.41	10,279,753.31
INTEREST	646.04	646.04	433.69	326.25	601.02	72.76	4,344.89
ADDITIONS							0.00
WITHDRAWALS		(1,100,000.00)		(733,000.00)		(795,000.00)	(3,393,402.03)
TOTAL	9,516,616.41	8,417,262.45	8,417,696.14	7,685,022.39	7,685,623.41	6,890,696.17	6,890,696.17

STANISLAUS COUNTY 2006 TOBACCO SERIES
MUTUAL FUND ACTIVITY
USAA, INVESTMENT# 10001, ACCOUNT# XXXXXX3596
FISCAL YEAR ENDING JUNE 2014

	TRANSACT. SHARES	CUMULATIVE SHARES	PRICE	PURCHASE	WITHDRAWAL	INTEREST EARNINGS	TOTAL AS SUM OF DOLLARS	TOTAL SHARES AT ENDING PRICE
06/28/13		422,306.771	10.74				4,501,857.42	4,535,574.72
07/31/13	641.50	422,948.273	10.73			6,883.32	4,508,740.74	4,538,234.97
08/30/13	693.59	423,641.860	10.70			7,421.38	4,516,162.12	4,532,967.90
09/03/13	19,851.21	443,493.065	10.69	212,209.38			4,728,371.50	4,740,940.86
09/30/13	619.60	444,112.669	10.71			6,635.96	4,735,007.46	4,756,446.68
10/01/13	12,861.81	456,974.480	10.71	137,750.00			4,872,757.46	4,894,196.68
10/31/13	680.33	457,654.812	10.72			7,293.16	4,880,050.62	4,906,059.58
11/29/13	707.40	458,362.209	10.71			7,576.22	4,887,626.84	4,909,059.26
12/16/13	7,906.54	466,268.751	10.70	84,600.00			4,972,226.84	4,989,075.64
12/31/13	668.32	466,937.072	10.70			7,151.03	4,979,377.87	4,996,226.67
01/31/14	694.82	467,631.893	10.72			7,448.48	4,986,826.35	5,013,013.89
02/28/14	674.60	468,306.494	10.74			7,245.21	4,994,071.56	5,029,611.75
03/04/14	19,758.79	488,065.282	10.74	212,209.38			5,206,280.94	5,241,821.13
03/31/14	641.30	488,706.578	10.71			6,868.28	5,213,149.22	5,234,047.45
04/01/14	12,861.81	501,568.389	10.71	137,750.00			5,350,899.22	5,371,797.45
04/30/14	745.73	502,314.122	10.72			7,994.26	5,358,893.48	5,384,807.39
05/30/14	765.28	503,079.400	10.73			8,211.43	5,367,104.91	5,398,041.96
06/16/14	7,891.79	510,971.191	10.72	84,600.00			5,451,704.91	5,477,611.17
06/30/14	690.22	511,661.415	10.72			7,399.20	5,459,104.11	5,485,010.37
Totals				869,118.76	0.00	88,127.93		

STANISLAUS COUNTY 2006 TOBACCO SERIES
 MUNICIPAL BOND ACTIVITY
 UNION BANK OF CALIFORNIA, ACCOUNT# XXXXXX0242
 FISCAL YEAR ENDING JUNE 2014

CUSIP	AGENCY	PAR	COST	COUPON	YIELD	MATURITY
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HOLDINGS ON JUNE 30, 2013	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, 2014	18,260,000.00	19,086,905.45			
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**2006 Tobacco Series 2013/14
Portfolio Management
Portfolio Summary
June 30, 2014**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Fund	6,890,696.17	6,890,696.17	6,890,696.17	22.05	1	1	0.010	0.010
Mutual Fund	5,459,104.11	5,485,010.37	5,459,104.11	17.47	1	1	0.552	0.560
Municipal Bonds	18,260,000.00	20,608,265.20	18,904,083.37	60.49	5,648	4,588	4.163	4.221
Investments	30,609,800.28	32,983,971.74	31,253,883.65	100.00%	3,416	2,775	2.617	2.653

Total Earnings	June 30	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year		73,167.22	882,631.11	882,631.11
Average Daily Balance		31,870,101.53	32,892,766.97	
Effective Rate of Return		2.79%	2.68%	

Gordon B. Ford, Treasurer/Tax Collector

**2006 Tobacco Series 2013/14
Portfolio Management
Portfolio Details - Investments
June 30, 2014**

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			6,890,696.17	6,890,696.17	6,890,696.17	0.010	0.010	0.010	1	
SYS10004	10004	Tax Exempt Money Market Fund			0.00	0.00	0.00	0.010	0.010	0.010	1	
Subtotal and Average			7,553,196.17		6,890,696.17	6,890,696.17	6,890,696.17		0.010	0.010	1	
Mutual Fund												
SYS10001	10001	Tax Exempt Bond Fund		03/29/2006	5,459,104.11	5,485,010.37	5,459,104.11	0.560	0.552	0.560	1	
Subtotal and Average			5,409,651.55		5,459,104.11	5,485,010.37	5,459,104.11		0.552	0.560	1	
Municipal Bonds												
544351HH5	10015	Los Angeles Calif		04/03/2012	2,110,000.00	2,394,596.80	2,340,195.15	4.000	1.804	1.829	1,888	09/01/2019
797646RB4	10016	San Francisco Calif City & Cty		04/03/2012	2,000,000.00	2,139,740.00	2,107,667.36	4.000	3.381	3.428	4,367	06/15/2026
797646RB4	10017	San Francisco Calif City & Cty		04/03/2012	2,230,000.00	2,385,810.10	2,350,049.10	4.000	3.381	3.428	4,367	06/15/2026
13063BNC2	10014	California State		09/28/2011	1,500,000.00	1,767,795.00	1,609,500.00	5.250	4.364	4.424	4,445	09/01/2026
13062TPM0	10009	California State		01/20/2011	1,305,000.00	1,423,820.25	1,254,488.45	5.000	5.375	5.450	4,810	09/01/2027
13063BLV2	10013	California State		09/28/2011	2,500,000.00	2,930,250.00	2,667,611.46	5.250	4.468	4.530	4,810	09/01/2027
13063BAS1	10007	California State		10/27/2010	2,000,000.00	2,299,440.00	2,108,140.27	5.250	4.645	4.710	5,571	10/01/2029
13063BAR3	10008	California State		01/19/2011	3,410,000.00	3,873,146.20	3,187,640.65	5.000	5.622	5.700	5,571	10/01/2029
13063BEP3	10006	California State		10/07/2010	1,205,000.00	1,393,666.85	1,278,790.93	5.375	4.699	4.764	5,722	03/01/2030
Subtotal and Average			18,907,253.81		18,260,000.00	20,608,265.20	18,904,083.37		4.163	4.221	4,588	
Total and Average			31,870,101.53		30,609,800.28	32,983,971.74	31,253,883.65		2.617	2.653	2,775	

**2006 Tobacco Series 2013/14
Portfolio Management
Activity By Type
June 1, 2014 through June 30, 2014**

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	0.010		72.76	795,000.00	
		Subtotal			72.76	795,000.00	6,890,696.17
Mutual Fund							
SYS10001	10001	Tax Exempt Bond Fund	0.560		91,999.20	0.00	
		Subtotal			91,999.20	0.00	5,459,104.11
Municipal Bonds							
		Subtotal					18,904,083.37
		Total			92,071.96	795,000.00	31,253,883.65

**2006 Tobacco Series 2013/14
Portfolio Management
Activity Summary
June 2013 through June 2014**

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	2013	12	33,764,408.86	2.435	2.468	0.020	0	0	3,171	2,781
July	2013	12	32,999,500.06	2.502	2.537	0.020	0	0	3,244	2,827
August	2013	12	33,000,532.85	2.509	2.544	0.020	0	0	3,243	2,809
September	2013	12	33,212,980.74	2.500	2.535	0.020	0	0	3,222	2,773
October	2013	12	33,351,621.25	2.503	2.538	0.080	0	0	3,208	2,743
November	2013	12	33,352,972.31	2.491	2.526	0.070	0	0	3,207	2,725
December	2013	12	33,438,788.98	2.488	2.522	0.080	0	0	3,198	2,700
January	2014	12	33,440,323.92	2.480	2.514	0.080	0	0	3,197	2,682
February	2014	12	32,341,655.62	2.550	2.585	0.060	0	0	3,305	2,756
March	2014	12	32,554,607.40	2.527	2.562	0.040	0	0	3,282	2,719
April	2014	12	31,961,118.35	2.582	2.618	0.040	0	0	3,342	2,751
May	2014	12	31,963,371.23	2.569	2.605	0.010	0	0	3,341	2,732
June	2014	12	31,253,883.65	2.617	2.653	0.010	0	0	3,416	2,775
Average		12	32,818,135.79	2.519%	2.554%	0.042	0	0	3,260	2,752

**2006 Tobacco Series 2013/14
Portfolio Management
Distribution of Investments By Type
June 2013 through June 2014**

Security Type	June 2013	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	Average by Period
Money Market Fund	30.5	28.8	28.8	28.7	28.5	28.5	28.5	28.5	26.0	25.9	24.0	24.1	22.1	27.1%
Mutual Fund	13.3	13.7	13.7	14.3	14.6	14.7	14.9	14.9	15.4	16.0	16.8	16.8	17.5	15.1%
Municipal Bonds	56.2	57.5	57.5	57.1	56.8	56.8	56.7	56.6	58.5	58.1	59.2	59.2	60.5	57.8%

**2006 Tobacco Series 2013/14
Portfolio Management
Interest Earnings Summary
June 30, 2014**

	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	217,867.88	217,867.88
Less Accrued Interest at Beginning of Period	(230,041.32)	(217,867.89)
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	-6,559.54	-78,714.76
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	65,867.02	790,403.99
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	7,471.96	92,472.82
Plus Accrued Interest at End of Period	-14,055.31	-14,055.31
Less Accrued Interest at Beginning of Period	(-13,883.55)	(-13,809.61)
Interest Earned during Period	7,300.20	92,227.12
Total Interest Earned during Period	79,726.76	961,345.87
Total Adjustments from Premiums and Discounts	-6,559.54	-78,714.76
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	73,167.22	882,631.11