

SUPPLEMENT TO PRELIMINARY OFFICIAL STATEMENT
relating to
\$80,000,000*
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
(Santa Clara County, California)
2015 General Obligation Refunding Bonds

This Supplement to the Preliminary Official Statement (this “Supplement”), provides information in connection with the sale of the above-captioned refunding bonds (the “Bonds”) and updates the Preliminary Official Statement of the Foothill-De Anza Community College District (the “District”), dated April 20, 2015 (the “Preliminary Official Statement”), relating to the Bonds. All persons in possession of the Preliminary Official Statement are requested to permanently insert this Supplement inside the front cover of, or otherwise attach this Supplement to, the Preliminary Official Statement. All terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Preliminary Official Statement.

1. The rating assigned to the Bonds by Standard & Poor’s, as shown on the cover page and on page 59 under the heading “RATINGS” of the Preliminary Official Statement is amended to reflect that Standard & Poor’s has upgraded the rating assigned to the Bonds to “AA+”.

2. The description of the Bonds on the cover page, page 2 (under the heading “INTRODUCTION – Description of the Bonds – Payments”), page 6 (under the heading “THE BONDS – Description of the Bonds” and “DEBT SERVICE SCHEDULE”) of the Preliminary Official Statement is amended to provide that interest on the Bonds will be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2016.

Further, the Record Date appearing in the second paragraph under the heading “THE BONDS – Description of the Bonds” is revised to read as follows: January 15, 2016.

3. The delivery date of the Bonds as shown on the cover page and page 3 (under the heading “INTRODUCTION – Offering and Delivery of the Bonds”) of the Preliminary Official Statement is amended to provide that the Bonds will be available for delivery on or about September __, 2015.*

Further, the date of the Official Statement as shown on the cover page is revised to read as follows: August __, 2015.

[REMAINDER OF PAGE LEFT BLANK]

* Preliminary, subject to change.

4. The maturity schedule on the inside cover page of the Preliminary Official Statement shall be replaced in its entirety with the following:

MATURITY SCHEDULE*

\$80,000,000*
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
(Santa Clara County, California)
2015 General Obligation Refunding Bonds

Base CUSIP†: 345102

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2016				
2027				
2028				
2029				
2030				
2031				

5. The name of the Chancellor of the District, as listed on the Masthead, page 1 and page 44 of the Preliminary Official Statement is revised to reflect that Dr. Judy C. Miner is the current Chancellor.

Further, the Chancellor’s biography appearing as the third paragraph under the heading “FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT – Administration” is revised to read as follows:

Dr. Judy C. Miner, Chancellor. Dr. Miner was appointed Chancellor of the District in June 2015 and officially began her position on August 1, 2015. Dr. Miner succeeds Dr. Linda Thor who retired June 30, 2015, after serving as chancellor of the District for more than five years.

Prior to her appointment, Dr. Miner served for eight years as President of Foothill College within the Foothill-De Anza Community College District. She also served as vice president of instruction and in several other administrative positions at De Anza College within the district for 19 years. Prior to her positions with the District, Dr. Miner held numerous administrative positions in instruction, student services, and human resources at City College of San Francisco and the California Community Colleges Chancellor’s Office. Dr. Miner holds a Bachelor of Arts degree in history and French and a Master of Arts degree in history from Lone Mountain College in San Francisco. She earned her Doctor of Education degree in organization and leadership, with a concentration in education law, from the University of San Francisco.

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. None of the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein.

6. The table on page 13 of the Preliminary Official Statement, under the heading “REFUNDING PLAN,” shall be replaced in its entirety with the following:

REFUNDED BONDS*
Foothill-De Anza Community College District

Election of 2006 General Obligation Bonds, Series A

Sinking Fund Payment Date (August 1)	Principal Amount	Interest Rate	Optional Redemption Date	Optional Redemption Price (% of Par Amount)
2027	\$7,300,000	4.50%	8/1/2017	100%
2028	10,150,000	4.50	8/1/2017	100
2029	11,100,000	4.50	8/1/2017	100
2030	12,110,000	4.50	8/1/2017	100
2031	13,185,000	4.50	8/1/2017	100

Election of 2006 General Obligation Bonds, Series B

Sinking Fund Payment Date (August 1)	Principal Amount	Interest Rate	Optional Redemption Date	Optional Redemption Price (% of Par Amount)
2027	\$1,500,000	4.50%	8/1/2017	100%
2028	6,805,000	4.50	8/1/2017	100
2029	7,440,000	4.50	8/1/2017	100
2030	8,115,000	4.50	8/1/2017	100
2031	8,835,000	4.50	8/1/2017	100

* The District may refund all or a portion of the Refunded Bonds, depending upon market conditions.

[REMAINDER OF PAGE LEFT BLANK]

7. The table on page 16 of the Preliminary Official Statement, under the heading “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations,” shall be replaced in its entirety with the following:

**ASSESSED VALUATIONS
Fiscal Year 2005-06 through 2014-15
Foothill-De Anza Community College District**

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2005-06	\$67,138,777,355	\$6,951,216	\$5,949,427,758	\$73,095,156,329
2006-07	74,020,489,225	6,441,120	5,578,833,713	79,605,764,058
2007-08	79,985,109,594	4,082,610	5,786,398,994	85,775,591,198
2008-09	87,548,070,527	4,237,376	6,162,676,227	93,714,984,130
2009-10	91,057,009,698	4,237,376	6,810,383,422	97,871,630,496
2010-11	91,313,000,200	4,237,376	6,080,958,926	97,398,196,502
2011-12	92,893,106,050	4,263,536	6,479,031,711	99,376,401,297
2012-13	97,301,322,005	4,263,536	7,147,704,244	104,453,289,785
2013-14	105,810,589,111	4,263,536	7,545,604,447	113,360,457,094
2014-15	113,156,674,339	2,598,876	7,690,701,163	120,849,974,378
2015-16	125,270,557,912	2,598,876	7,911,760,133	133,184,916,921

*Source: 2005-06 through 2014-15: California Municipal Statistics, Inc.
2015-16: County of Santa Clara Office of the Tax Collector.*

8. The section on pages 21-23 of the Preliminary Official Statement, under the heading “TAX BASE FOR REPAYMENT OF BONDS – Statement of Direct and Overlapping Debt,” shall be replaced in its entirety with the following information:

Statement of Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc., effective as of August 3, 2015, for debt issued as of August 1, 2015. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column 3, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Foothill-De Anza Community College District

2014-15 Assessed Valuation: \$120,849,974,378

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/15</u>
Santa Clara County	33.841%	\$268,218,690
Foothill-De Anza Community College District	100.000	626,557,455⁽¹⁾
Palo Alto Unified School District	100.000	261,673,766
Santa Clara Unified School District	0.090	477,243
Fremont Union High School District	100.000	373,975,088
Mountain View-Los Altos Union High School District	100.000	59,468,581
Cupertino Union School District	100.000	236,168,462
Los Altos Union School District	100.000	68,555,000
Mountain View School District	100.000	14,840,000
Mountain View-Whisman School District	100.000	46,695,000
Sunnyvale School District	100.000	166,485,820
Whisman School District	100.000	19,357,334
Other School Districts	Various	203,173
City of Palo Alto	100.000	70,345,000
City of San Jose	3.808	15,298,069
City of Saratoga	16.160	1,625,696
El Camino Hospital District	97.861	133,364,971
Other Special Districts	Various	103,908
City of Sunnyvale Community Facilities District No. 1	100.000	16,120,000
Santa Clara Valley Water District Benefit Assessment District	33.841	36,104,963
City 1915 Act Bonds	100.000	30,905,530
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,446,543,749

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Santa Clara County General Fund Obligations	33.841%	\$239,411,136
Santa Clara County Pension Obligation Bonds	33.841	124,236,520
Santa Clara County Board of Education Certificates of Participation	33.841	3,055,842
Foothill-De Anza Community College District Certificates of Participation	100.000	11,617,623
Los Gatos-Saratoga Joint Union High School District Certificates of Participation	0.129	9,024
Mountain View-Los Altos Union High School District Certificates of Participation	100.000	2,465,000
Santa Clara Unified School District Certificates of Participation	0.090	12,087
Saratoga Union School District Certificates of Participation	0.283	13,938
City of Cupertino Certificates of Participation	96.218	36,490,677
City of San Jose General Fund Obligations	3.808	25,980,270
City of Sunnyvale General Fund Obligations	86.462	18,035,973
Other Cities General Fund Obligations	Various	4,084,741
Midpeninsula Regional Open Space Park District General Fund Obligations	54.895	69,764,327
Santa Clara County Vector Control District Certificates of Participation	33.841	1,043,995
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$536,221,153
Less: Santa Clara County supported obligations		170,810,288
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$365,410,865

OVERLAPPING TAX INCREMENT DEBT: \$42,845,000

GROSS COMBINED TOTAL DEBT \$3,025,609,902⁽²⁾
NET COMBINED TOTAL DEBT \$2,854,799,614

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

[continue on next page]

Ratios to 2014-15 Assessed Valuation:

Direct Debt (\$626,557,455)	0.52%
Total Direct and Overlapping Tax and Assessment Debt.....	2.02%
Combined Direct Debt (\$638,175,078)	0.53%
Gross Combined Total Debt.....	2.50%
Net Combined Total Debt.....	2.36%

Ratio to Redevelopment Incremental Valuation (\$4,983,573,766):

Total Overlapping Tax Increment Debt.....	0.86%
---	-------

Source: California Municipal Statistics, Inc.

9. The table on page 33 of the Preliminary Official Statement, under the heading “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues,” shall be replaced in its entirety with the following:

**FULL TIME EQUIVALENT STUDENTS⁽¹⁾
Fiscal Years 2009-10 through 2015-16
Foothill-De Anza Community College District**

<u>Fiscal Year</u>	<u>Funded FTES</u>	<u>Unfunded FTES⁽²⁾</u>	<u>Total FTES</u>
2009-10	37,056	--	37,056
2010-11	34,646	--	34,646
2011-12	33,531	--	33,531
2012-13	32,125	--	32,125
2013-14	32,032	--	32,032
2014-15	32,030	--	32,030
2015-16	32,030	--	32,030

⁽¹⁾ One FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District. Includes non-resident FTES counts, which are generally excluded from State funding formula calculations and pay the full cost of tuition to the District.

⁽²⁾ In each fiscal year, the State budget will establish an enrollment cap on the maximum number of FTES, known as the “funded” FTES, for which a community college district will receive a revenue allocation, as determined by the program-based model. A district’s enrollment cap is based on the previous fiscal year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap are considered “unfunded” FTES.

Source: Foothill-De Anza Community College District.

10. The section on pages 35-36 of the Preliminary Official Statement, under the heading “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Budget Procedure,” beginning with the third paragraph of the section, shall be replaced in its entirety with the information on the following page:

The following table shows the District's general fund budgets for fiscal years 2011-12 through 2015-16, the District's actual general fund results for fiscal years 2011-12 through 2013-14, and estimated general fund results for fiscal year 2014-15.

COMPARISON OF GENERAL FUND BUDGETS AND ACTUAL RESULTS
Fiscal Years 2011-12 through 2015-16
Foothill-De Anza Community College District

	Fiscal Year 2011-12		Fiscal Year 2012-13		Fiscal Year 2013-14		Fiscal Year 2014-15		Fiscal Year 2015-16
REVENUES:									
	<u>Budgeted⁽¹⁾</u>	<u>Ending⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Ending⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Ending⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Projected⁽²⁾</u>	<u>Tentative Budget⁽²⁾</u>
Federal	\$2,189,316	\$2,380,196	\$2,251,886	\$2,173,575	\$1,918,745	\$2,123,025	\$2,018,789	\$2,018,789	\$2,048,808
State	76,174,702	67,689,376	58,011,938	59,762,053	51,810,372	58,123,770	72,667,502	76,626,673	79,823,924
Local	<u>123,494,704</u>	<u>132,265,751</u>	<u>123,938,220</u>	<u>147,418,079</u>	<u>143,808,366</u>	<u>147,648,393</u>	<u>148,392,040</u>	<u>150,448,839</u>	<u>150,361,265</u>
TOTAL REVENUES	201,858,722	202,335,323	184,202,044	209,353,707	197,537,483	207,895,188	223,078,331	229,094,301	232,233,997
EXPENDITURES:									
Academic Salaries	86,466,984	84,166,164	82,631,739	84,130,076	83,358,440	86,075,553	86,582,325	88,779,230	89,217,822
Classified Salaries	45,228,449	45,577,421	44,038,057	43,272,447	41,393,805	42,196,502	45,084,333	45,455,511	46,134,701
Employee Benefits	45,176,401	43,947,632	42,972,739	40,061,026	41,312,476	38,011,22	38,840,470	39,228,910	40,704,091
Books and Supplies	4,335,407	3,726,044	3,452,701	4,202,891	2,580,292	4,047,417	5,490,857	4,940,928	5,164,070
Services and Other Operating Expenditures ⁽³⁾	38,650,583	23,989,768	41,468,427	24,196,754	45,029,734	26,467,688	41,289,921	40,202,345	34,864,211
Capital Outlay	<u>897,101</u>	<u>537,299</u>	<u>723,682</u>	<u>560,877</u>	<u>496,144</u>	<u>794,895</u>	<u>3,099,836</u>	<u>1,307,462</u>	<u>1,411,439</u>
TOTAL EXPENDITURES	220,754,925	201,944,328	215,287,345	196,424,071	214,170,891	197,593,27	220,387,742	219,914,386	217,496,334
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(18,896,203)	390,995	(31,085,301)	12,929,636	(16,633,408)	10,301,913	2,690,589	9,179,915	14,737,558
OTHER FINANCING SOURCES/USES	5,934,840	5,845,848	5,672,715	5,913,418	4,999,876	6,042,169	4,735,848	3,879,864	4,318,980
OTHER OUTGO	10,184,264	11,217,617	9,417,194	9,917,509	9,633,532	15,863,378	(9,334,700)	(10,484,735)	(9,357,491)
NET CHANGE IN FUND BALANCE	(23,145,627)	(4,980,774)	(34,829,780)	8,925,545	(21,267,064)	480,704	(1,908,263)	2,575,044	9,699,153
BEGINNING FUND BALANCE	<u>57,259,824</u>	<u>57,259,824</u>	<u>52,279,050</u>	<u>52,279,050</u>	<u>61,204,595</u>	<u>61,204,595</u>	<u>61,685,299</u>	<u>61,685,299</u>	<u>64,260,343</u>
ENDING FUND BALANCE	<u>\$34,114,197</u>	<u>\$52,279,050</u>	<u>\$17,449,270</u>	<u>\$61,204,595</u>	<u>\$39,937,531</u>	<u>\$61,685,299</u>	<u>\$59,777,036</u>	<u>\$64,260,343</u>	<u>\$73,959,496</u>

⁽¹⁾ Budgeted figures for fiscal years 2011-12 through 2014-15, and ending figures for fiscal years 2011-12 through 2013-14, are drawn from the District's CCFS-311 Reports filed with the Chancellor's Office. For audited statements of revenues, expenditures and changes in fund balances for the District's governmental funds for fiscal years 2010-11 through 2013-14, see "FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT — Comparative Financial Statements."

⁽²⁾ Approved by the Board on June 15, 2015.

⁽³⁾ Variance between budgeted and ending amounts for Services and Other Operating Expenditures reflects the District's budgeting practice of assuming the spend down of the carryover general balance from the prior year.

Source: Foothill-De Anza Community College District.

11. The section of the Preliminary Official Statement beginning on page 39, under the heading “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance,” shall be replaced in its entirety with the following:

State Assistance

2015-16 Budget. On June 24, 2015, the Governor signed into law the State budget for fiscal year 2015-16 (the “2015-16 Budget”). The following information is drawn from the State Department of Finance’s summary of the 2015-16 Budget, as well as a summary prepared by the Legislative Analyst’s Office (the “LAO”).

For fiscal year 2014-15, the 2015-16 Budget projects total State general fund revenues of \$111.3 billion, and total State general fund expenditures of \$114.5 billion. The 2015-16 Budget projects that the State will end the 2014-15 fiscal year with a general fund ending balance of \$2.4 billion and total reserves of \$3 billion (including \$1.5 billion in the traditional general reserve and \$1.6 billion in the BSA). For fiscal year 2015-16, the 2015-16 Budget projects total State general fund revenues of \$115 billion and total expenditures of \$115.4 billion, leaving the State with a year-end general fund balance of approximately \$2 billion. The 2015-16 Budget projects total year-end reserves of \$4.6 billion, including \$1.1 billion in the traditional general fund reserve and \$3.5 billion in the BSA.

As a result of higher than anticipated State revenues, the 2015-16 Budget includes revised estimates to the minimum funding guarantees for fiscal years 2013-14 and 2014-15. The 2013-14 minimum guarantee is revised upward to \$58.9 billion, an increase of \$612 million over the estimate included in the 2014-15 State budget. For fiscal year 2014-15, the 2015-16 Budget revises the minimum guarantee upward to \$66.3 billion, an increase of \$5.4 billion over the estimate included in the 2014-15 State budget.

The 2015-16 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2015-16 at \$68.4 billion, including \$49.4 billion of support from the State general fund. This represents an year-to-year increase of \$2.1 billion over the revised level for fiscal year 2014-15. For community college districts, the 2015-16 Budget provides total Proposition 98 funding of \$7.9 billion, including \$5.3 billion from the State general fund. Under the 2015-16 Budget, per-FTES spending in fiscal year 2015-16 is \$6,379, an increase of \$626 (or 11%) from the prior year.

Significant features of the 2015-16 Budget related to community college education include the following:

- *Base Allocations* – An increase of \$156.5 million in Proposition 98 funding for general purpose apportionments to fund 3% enrollment growth. The LAO estimates that this equates to an additional 30,000 FTES Statewide. Funds will be distributed in accordance with a new growth formula mandated by the State budget for fiscal year 2014-15 that gives first priority to districts identified as having the greatest unmet need in adequately serving local educational needs. The 2015-16 Budget also provides \$61 million to fund a 1.02% COLA, and \$266.7 million to increase base allocations in recognition of increased operating expenses including in the areas of facilities, retirement benefits and professional development.
- *K-14 Deferrals* – \$992 million to eliminate all outstanding apportionment deferrals, including \$94 million for community college districts, consistent with a revenue-based trigger mechanism included in the 2014-15 State budget.

- *Non-Credit FTES* – \$49.5 million to reflect an increase in the funding rate for CDCP non-credit courses approved by the 2014-15 State budget, to equal the rate provided for similar credit courses.
- *Maintenance Factor/Settle Up Payments* – The 2015-16 Budget reduces the outstanding Proposition 98 maintenance factor to \$772 million. The maintenance factor is created in years where the State provides less growth in K-14 funding than growth in the State economy by implementing “Test 3” or suspends the guarantee entirely. The 2015-16 Budget also provides \$256 million in “settle up” payments to repay obligations created in years where revenue projections understate the minimum funding guarantee.
- *Student Success* - \$185 million to improve and expand student success and support programs, including \$100 million for orientation, assessment, placement, academic counseling and other education planning services. The balance is allocated to close access and achievement gaps, as identified by local student equity plans and to provide additional support to current and former foster youth students.
- *Full-Time Faculty* – \$62.3 million in Proposition 98 funding to increase the number of full-time faculty within each district. Funding will be allocated based on full-time equivalent enrollment, but community college districts with relatively low proportions of full-time faculty will be required to increase the amount of such faculty more than districts with higher proportions. It is expected that this proposal will create approximately 670 additional full-time faculty positions Statewide.
- *Basic Skills* – \$10 million of Proposition 98 funding to support a pilot program designed to incentivize high schools, community college districts and the California State University system to coordinate the delivery of basic skills instruction to incoming CSU students. The 2015-16 Budget also provides \$60 million to assist community college districts to improve the delivery of basic skills instruction by adopting or expanding the use of evidenced-based models of placement, remediation and student support for underprepared students.
- *Apprenticeship Programs* – \$29.1 million to support the expansion of apprenticeship programs. This includes \$14.1 million to grow such existing programs and \$15 million to create innovative apprenticeship projects that focus on new and emerging industries with unmet labor demands.
- *Career Technical Education Pathways Program* – \$48 million in one-time Proposition 98 funding to support the Career Pathways Trust Program, which provides grant awards to community college districts to develop, enhance and expand career technical education programs that build upon existing regional capacity to meet labor demands.
- *Statewide Performance Strategies* – \$15 million in Proposition 98 funding to implement strategies to improve college performance and student success and outcomes. Of this amount, \$3 million will provide local technical assistance to support implementation of effective practices across all districts. The additional \$12 million is intended to assist in the development and dissemination of effective professional, administrative and educational practices.
- *Cal Grant B Access Awards* – \$39 million in Proposition 98 funding to augment the Cal Grant B Access Awards, to assist students taking more than 12 units with living costs. The 2015-16 Budget also provides \$3 million to assist districts establish administrative procedures to distribute these additional funds.
- *Deferred Maintenance and Instructional Equipment* – \$148 million in one-time Proposition 98 funding that community college districts can use to fund deferred facility maintenance,

instructional equipment, or specified water conservation projects. Districts will not be required to provide matching funds for deferred maintenance.

- *Mandates* – \$621 million in Proposition 98 funding to reduce a backlog of unpaid reimbursement claims to community college districts for the cost of State-mandated programs.
- *Categorical Programs* – \$2.5 million in Proposition 98 funding to support a 1.02% COLA to certain categorical programs.
- *Adult Education* – \$500 million to fund the Adult Education Block Grant program. Prior budgetary legislation mandated the establishment of regional adult education consortia composed of school districts, community college districts and certain other stakeholders to coordinate the delivery of adult education services. Up to \$375 million is available to be distributed directly to K-12 school districts and county offices of education to match amounts that have been spent on adult education within the past two years. The balance will be apportioned directly to consortia for distribution to their member agencies. Beginning in fiscal year 2016-17, all funds for adult education will be apportioned directly to consortia. The 2015-16 Budget also provides \$25 million in one-time Proposition 98 funding to assist consortia develop or update data systems necessary to evaluate the effectiveness of their programs, as well as to fund State-level activities to develop consistent data policies and data collection procedures.

For additional information regarding the 2015-16 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Future Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy ad valorem property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

12. The table on page 45 of the Preliminary Official Statement, under the heading “FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT – Labor Relations,” shall be replaced in its entirety with the following:

BARGAINING UNITS
Foothill-De Anza Community College District

<u>Labor Organization</u>	<u>Number of Employees In Organization</u>	<u>Contract Expiration Date</u>
Foothill-De Anza Faculty Association	1,800	June 30, 2016
Association of Classified Employees	420	June 30, 2016
California School Employees Association – Local 96	88	June 30, 2016
Teamsters – Local 287	35	June 30, 2016
Operation Engineers – Local 3	7	June 30, 2016

Source: Foothill-De Anza Community College District.

13. The section of the Preliminary Official Statement beginning on page 45, under the heading “FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT – Retirement Programs,” shall be replaced in its entirety with the following:

Retirement Programs

The information set forth below regarding the STRS and PERS programs (as defined herein), other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the District or the Underwriters.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers’ Retirement System (“STRS”). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the “STRS Defined Benefit Program”). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, neither the employee, employer or State contribution rate to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State recently passed legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 (“AB 1469”) in to law as a part of the 2014-15 State Budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the “2014 Liability”), within 32 years, by

increasing member, K-14 school district and State contributions to STRS. Commencing on July 1, 2014, the employee contribution rates will increase over a three year phase in period in accordance with the following schedule:

**MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven year phase in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter, the STRS Teachers' Retirement Board (the "STRS Board") is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The District's contribution to STRS was \$5,332,848 for fiscal year 2011-12, \$5,242,757 for fiscal year 2012-13, and \$5,256,317 in fiscal year 2013-14. For fiscal year 2014-15, the District's contribution to STRS was \$5,810,733 (unaudited), and for fiscal year 2015-16 is budgeted to be \$5,918,231.

The State also contributes to STRS, currently in an amount equal to 4.891% of teacher payroll for fiscal year 2015-16. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Pursuant to AB

1469, the State contribution rate will increase over the next three years to a total of 6.328% in fiscal year 2016-17. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2013 included 1,580 public agencies and schools (representing more than 2,500 entities). PERS acts as the common investment and administrative agent for the member agencies. The State and school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the PERS Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 11.847% of eligible salary expenditures for fiscal year 2015-16. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6% of their respective salaries for fiscal year 2013-14. See "— California Public Employees' Pension Reform Act of 2013."

The District's contribution to PERS was \$5,511,264 for fiscal year 2011-12, \$5,505,372 for fiscal year 2012-13, and \$5,344,330 in fiscal year 2013-14. For fiscal year 2014-15, the District's contribution to PERS was \$5,722,845 (unaudited), and for fiscal year 2015-16 is budgeted to be \$5,766,339.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS
(Dollar Amounts in Millions) ⁽¹⁾
Fiscal Years 2010-11 through 2013-14

STRS					
Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)⁽²⁾	Unfunded Liability (MVA)⁽²⁾⁽³⁾	Value of Trust Assets (AVA)⁽⁴⁾	Unfunded Liability (AVA)⁽⁴⁾
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718

PERS					
Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)⁽²⁾	Unfunded Liability (MVA)⁽²⁾	Value of Trust Assets (AVA)⁽⁴⁾	Unfunded Liability (AVA)⁽⁴⁾
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14 ⁽⁵⁾	65,600	56,838	8,761	-- ⁽⁶⁾	-- ⁽⁶⁾

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ Reflects market value of assets.

⁽³⁾ Excludes assets allocated to the SBPA reserve.

⁽⁴⁾ Reflects actuarial value of assets.

⁽⁵⁾ On April 14, 2015, the PERS Finance & Administration Committee approved the K-14 school district contribution rate for fiscal year 2015-16 and released certain actuarial information to be incorporated into the June 30, 2014 actuarial valuation to be released in summer 2015.

⁽⁶⁾ Figures not provided.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

According to the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2014, the future revenue from contributions and appropriations for the STRS Defined Benefit Program was projected to be sufficient to finance its obligations. This finding reflects the scheduled contribution increases specified in AB 1469 and is based on the valuation assumptions and the valuation policy adopted by the STRS Board.

In recent years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. As one consequence of such decrease, the annual contribution amounts paid by PERS member public agencies, including the District, have been increased by 1 to 2% for miscellaneous plans and by 2 to 3% for safety plans beginning in fiscal year 2013-14. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year amortization period for gains and losses, a five-year increase of public agency contribution rates,

including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The PERS Board has delayed the implementation of the new actuarial policies until fiscal year 2015-16 for the State, K-14 school districts and all other public agencies.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions will first be reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employee's Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time.

14. The information contained in "APPENDIX E – SANTA CLARA COUNTY COMMINGLED INVESTMENT POOL" shall be replaced in its entirety with the information contained in "APPENDIX E – SANTA CLARA COUNTY COMMINGLED INVESTMENT POOL" attached hereto.

Dated: August 3, 2015

(THIS PAGE INTENTIONALLY LEFT BLANK)

APPENDIX E

SANTA CLARA COUNTY COMMINGLED INVESTMENT POOL

The following information concerning the Santa Clara County Commingled Investment Pool (the "Treasury Pool") has been provided by the Director of Finance, and has not been confirmed or verified by the District or the Underwriter. The District and the Underwriter have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance, at the direction of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool may be obtained from the Director of Finance at www.sccgov.org; however, the information presented on such website is not incorporated herein by any reference.

[REMAINDER OF PAGE LEFT BLANK]

(THIS PAGE INTENTIONALLY LEFT BLANK)

County of Santa Clara




Finance Agency Controller-Treasurer Department

County Government Center
70 W. Hedding Street, East Wing, 2nd Floor
San Jose, California 95110-1705
(408) 299-5200 FAX (408) 288-9237

May 12, 2015

Submitted by: Alan Minato
Alan Minato, Controller-Treasurer

TO: BOARD OF TRUSTEES, SANTA CLARA COUNTY SCHOOL DISTRICTS
BOARDS OF DIRECTORS, SANTA CLARA COUNTY SPECIAL PURPOSE DISTRICTS

FROM: EMILY HARRISON, DIRECTOR OF FINANCE 

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

RECOMMENDATION

Receive and file the March 31, 2015 Detailed Investment Portfolio Listing.

DISCUSSION

In compliance with the State of California Government Code as amended by Chapters 783 and 784, Statutes of 1995 and in compliance with County Policy, the Santa Clara County Treasury Investment Portfolio Report as of March 31, 2015 is submitted for your review and acceptance.

The attached detailed investment reports list each investment of the County Treasury Pool as well as individual reports for specific investment funds that each school district or special district has in the County Treasury. The reports include the respective purchase and maturity dates, par value, amortized cost, market value, and yield to maturity for each investment.

A summary of market value versus cost is provided below for Commingled Investments of the County Pool.

	Cost	Market Value	Increase (Decrease)	Percent
Commingled Investments	\$5,503,422,027	\$5,511,305,637	\$7,883,610	0.14%

The yield of the pool on March 31, 2015 was 0.54%. As a comparison, on March 31, 2015 the yield of a 6-month Treasury Bill was 0.14%. A two-year Treasury Note was .56%. The State of California Local Agency Investment Fund (LAIF) yield was 0.27%.

Attached with the current investment strategy is a schedule that lists the average maturities and yield for the Commingled Treasury Pool. A chart of investment concentration and of distribution of bond maturities is provided for the Pool. Also included is a chart showing the one-year history of the pool and selected interest rates.

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by Bank of New York, Bloomberg Analytics, dealer quotes, and an independent pricing service.

A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flows are continually monitored and are considered paramount in the selection of securities purchased for the Pool.

If any Commingled Pool participant would like further information on this report, please let me know.

Attachments



Quarterly Investment Report

March 31, 2015



Quarterly Investment Review Table of Contents

Quarterly Investment Report Table of Contents

Summary of Cost Values versus Market Values and Yields	1
Portfolio Strategy, Compliance, Review and Monitoring	2
Commingled Pool: Allocation by Security Types	4
Commingled Pool: Allocation by Ratings	5
Commingled Pool: Holdings by Issuer	6
Commingled Pool: Historical Month End Book Values	7
Commingled Pool: Distribution by Maturity	8
Commingled Pool: Yield to Maturity and Weighted Average Maturity	9
Approved Issuers and Broker/Dealers	10
Commingled Pool: Compliance with Investment Policy	11
Holdings Report: Commingled Pool	12
Holdings Report: Worker's Compensation	23
Holdings Report: Mountain View-Los Altos	24
Holdings Report: Palo Alto Unified	25
Holdings Report: Park Charter Fund	26
Holdings Report: San Jose-Evergreen	27
Holdings Report: West Valley Mission-CCD Building Fund	29
Transaction Activity Report	30

Board of Supervisors: Mike Wasserman, Cindy Chavez, Dave Cortese, Ken Yeager, S. Joseph Simitian

County Executive: Jeffrey V. Smith



Santa Clara County Commingled Pool and Segregated Investments

March 31, 2015

Fund	Cost Value**	Market Value	Variance	% Variance
Commingled Investment Pool ***	\$5,420,449,510	\$5,427,830,022	\$7,380,512	0.14%
Worker's Compensation	\$27,080,426	\$27,402,409	\$321,983	1.19%
Mountain View-Los Altos	\$2,018,941	\$2,019,610	\$669	0.03%
Palo Alto Unified	\$599,324	\$600,703	\$1,379	0.23%
Park Charter Fund	\$11,381,302	\$11,392,340	\$11,038	0.10%
San Jose-Evergreen	\$19,749,315	\$19,791,678	\$42,363	0.21%
West Valley Mission CCD - Building Fund	\$7,874,595	\$7,890,630	\$16,035	0.20%
Medical Malpractice Insurance Fund (1)	\$14,268,614	\$14,378,245	\$109,631	0.77%
Total	\$5,503,422,027	\$5,511,305,637	\$7,883,610	0.14%

(1) Managed by Chandler Asset Management, Inc.

Summary of Yields* for Select Santa Clara County Investment Funds

Fund	2015			2014
	<u>Jan 31</u>	<u>Feb 28</u>	<u>Mar 31</u>	<u>Mar 31</u>
Commingled Investment Pool	0.51%	0.51%	0.54%	0.49%
Worker's Compensation	1.22%	1.22%	1.22%	1.21%
Weighted Yield	0.52%	0.52%	0.54%	0.49%

*Yield to maturity (YTM) is the rate of return paid on a bond, note, or other fixed income security if the investor buys and holds it to its maturity date and if the coupon interest paid over the life of the bond is reinvested at the same rate as the coupon rate. The calculation for YTM is based on the coupon rate, length of time to maturity, and market price at time of purchase.

Yield is a snapshot measure of the yield of the portfolio on the day it was measured based on the current portfolio holdings on that day. This is not a measure of total return, and is not intended to be, since it does not factor in unrealized capital gains and losses and reinvestment rates are dependent upon interest rate changes

**Cost Value is the amortized book value of the securities as of the date of this report.

***This amount does not include the \$100.0 million placed in Treasury's checking account on March 31, 2015. This deposit which is far in excess of nightly check presentation needs does not earn cash interest but rather receives an earned credit that is used to offset the cost of general banking services. This practice is authorized by the County's Investment Policy.



Santa Clara County Commingled Pool and Segregated Investments

Portfolio Strategy

March 31, 2015

Consumer and household spending accounts for approximately 70 percent of U.S. economic activity. After three consecutive months of decline, March retail sales increased 0.9 percent, a pace considered healthy but was slightly less than had been forecasted by economists. March spending was supported by an overall improvement in the labor markets and by lower priced gasoline. Gas prices have declined by 50 percent since June 2014. Bad weather conditions most likely restrained shoppers in January and February.

Manufacturing experienced a 0.1 percent gain in output in March. According to Federal Reserve data, these gains were the first in four months and were preceded by a 0.2 percent decrease in February. Manufacturing, which accounts for about 12 percent of the economy, continues to be constrained by the effects of a strong dollar and low fuel prices which has effected mining production. Exports of manufactured goods have fallen because they have, after converting to dollars, become too expensive for some foreign buyers. Although, the dollar is up 15 percent from its 2011 low, it's still 17 percent lower than it was in early 2002. Also, it remains 27 percent lower than it was in March 1985, when the dollar's extreme overvaluation really hurt U.S. manufacturers. Demand for manufactured product within the auto sector has been reasonably steady because it is supported by U.S. domestic consumers.

Policy makers at the Federal Reserve Bank, in their mid-March meeting indicated they would consider raising short-term rates as early as June 16th or 17th; nevertheless, the Bank would not be in a hurry to hike rates higher. Bank Chairwoman Janet Yellen further added that the central bank intends to proceed cautiously once it starts raising rates and now expects a smaller succession of increases than it had previously. Recent reports reflecting a slowdown in U.S. hiring in March, the effects of a strong dollar on exports, and inflation rates below 2 percent have added to the Reserve Bank's concern over the economy's ability to weather a steady rise in interest rates. For this reason, further delays are expected before a change in interest rates occurs.

Longer term market interest rates dropped modestly over the quarter. At March 31, 2015, the yield of the two year Treasury note was .56 percent, a decline of 10 basis points while the yield of the 10-year Treasury note was 1.93 percent, a decline of 23.9 basis points.

Our portfolio strategy continues to focus on the: (1) acquisition of high quality issuers; (2) identifying and selecting bonds with attractive valuations; (3) appropriately sizing the liquidity portion of the portfolio to ensure adequate cash for near term obligations; and (4) ensuring that monies targeted for longer term investments are deployed in vehicles with favorable risk adjusted yields. Portfolio structuring does not engage in interest rate anticipation strategies.



Santa Clara County Commingled Pool and Segregated Investments

Portfolio Compliance, Review, and Monitoring

March 31, 2015

Yield and Weighted Average Maturity

The yield of the Commingled Pool is 0.54% and the weighted average life is 419 days.

Compliance

The County Treasurer believes the Commingled Pool contains sufficient cash flow from liquid and maturing securities, bank deposits and incoming cash to meet the next six months of expected expenditures.

Review and Monitoring

FTN Financial Main Street Advisors, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by the Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

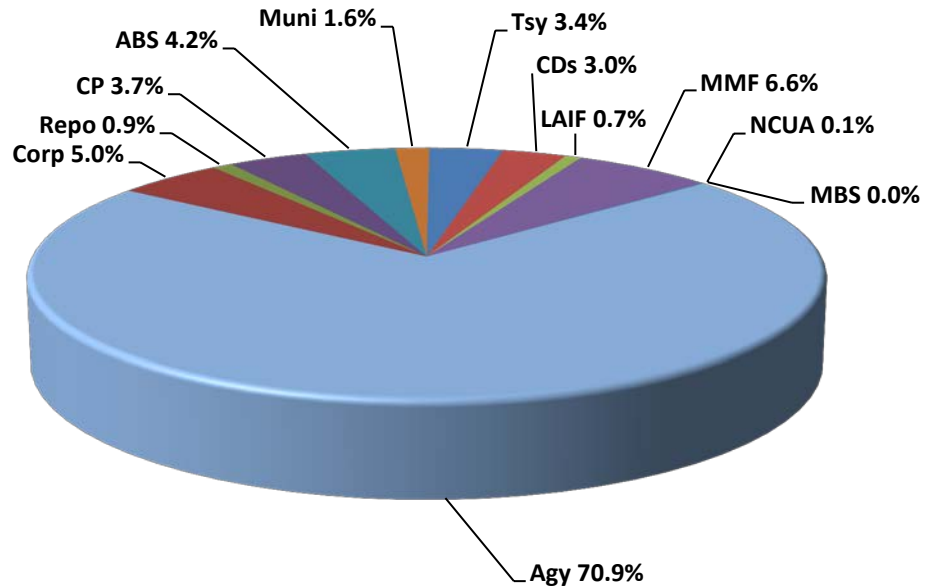


Santa Clara County Commingled Pool

Allocation by Security Types

March 31, 2015

Sector	3/31/2015	12/31/2014	% Chng
Federal Agencies	70.90%	74.07%	-3.2%
Corporate Bonds	4.97%	3.63%	1.3%
Repurchase Agreements	0.92%	0.00%	0.9%
Commercial Paper	3.69%	3.99%	-0.3%
Asset-Backed Securities	4.19%	3.86%	0.3%
Municipal Securities	1.57%	1.50%	0.1%
U.S. Treasuries	3.41%	3.28%	0.1%
Negotiable CDs	2.95%	4.43%	-1.5%
LAIF	0.74%	0.71%	0.0%
Money Market Funds	6.57%	4.44%	2.1%
NCUA Corporate Bonds**	0.09%	0.09%	0.0%
Mortgage-Backed Securities	0.00%	0.00%	0.0%
Total	100.00%	100.00%	



Sector	3/31/2015	12/31/2014
Federal Agencies	3,842,922,200	4,177,293,659
Corporate Bonds	269,422,363	204,466,879
Repurchase Agreements	50,000,000	-
Commercial Paper	199,975,685	224,927,795
Asset-Backed Securities	227,209,440	217,456,672
Municipal Securities	84,912,507	84,842,023
U.S. Treasuries	185,067,688	185,090,083
Negotiable CDs	160,000,178	250,000,434
LAIF	40,000,000	40,000,000
Money Market Funds	355,939,792	250,460,906
NCUA Corporate Bonds**	4,999,656	4,999,221
Mortgage-Backed Securities	-	-
Total	5,420,449,510	5,639,537,673

* Amounts are in base upon book value

**The National Credit Union Administration fully and unconditionally guarantees the timely payment of all amounts of principal and interest and the guarantee is further strengthened and backed by the full faith and credit of the United States.

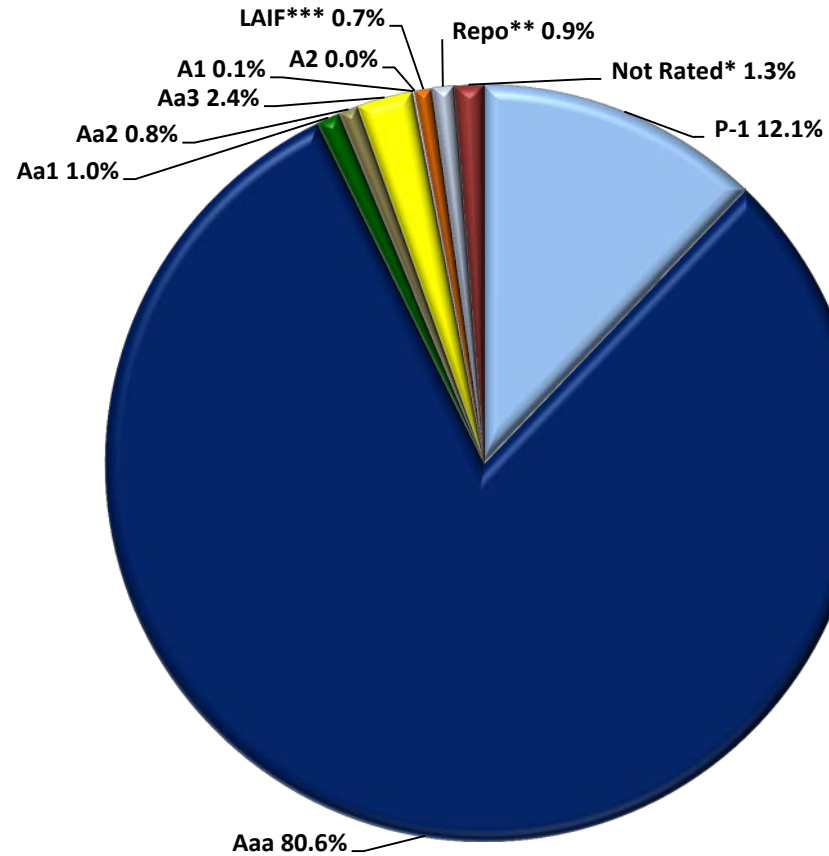


Santa Clara County Commingled Pool

Allocation by Ratings

March 31, 2015

Moody's Rating	Portfolio \$	Portfolio %
P-1	658,222,900	12.1%
Aaa	4,369,588,975	80.6%
Aa1	54,969,845	1.0%
Aa2	44,796,952	0.8%
Aa3	129,609,572	2.4%
A1	4,999,546	0.1%
A2	-	0.0%
A3	-	0.0%
LAIF***	40,000,000	0.7%
Repo**	50,000,000	0.9%
Not Rated*	68,261,721	1.3%
Total	5,420,449,510	100.0%



*Not Rated by Moody's but A-1+ by S&P

**Repurchase Agreements are not rated, but are collateralized by U.S. Treasury securities or securities issued by the Federal Agencies of the U.S.

***LAIF is not rated, but is comprised of State Code allowable securities

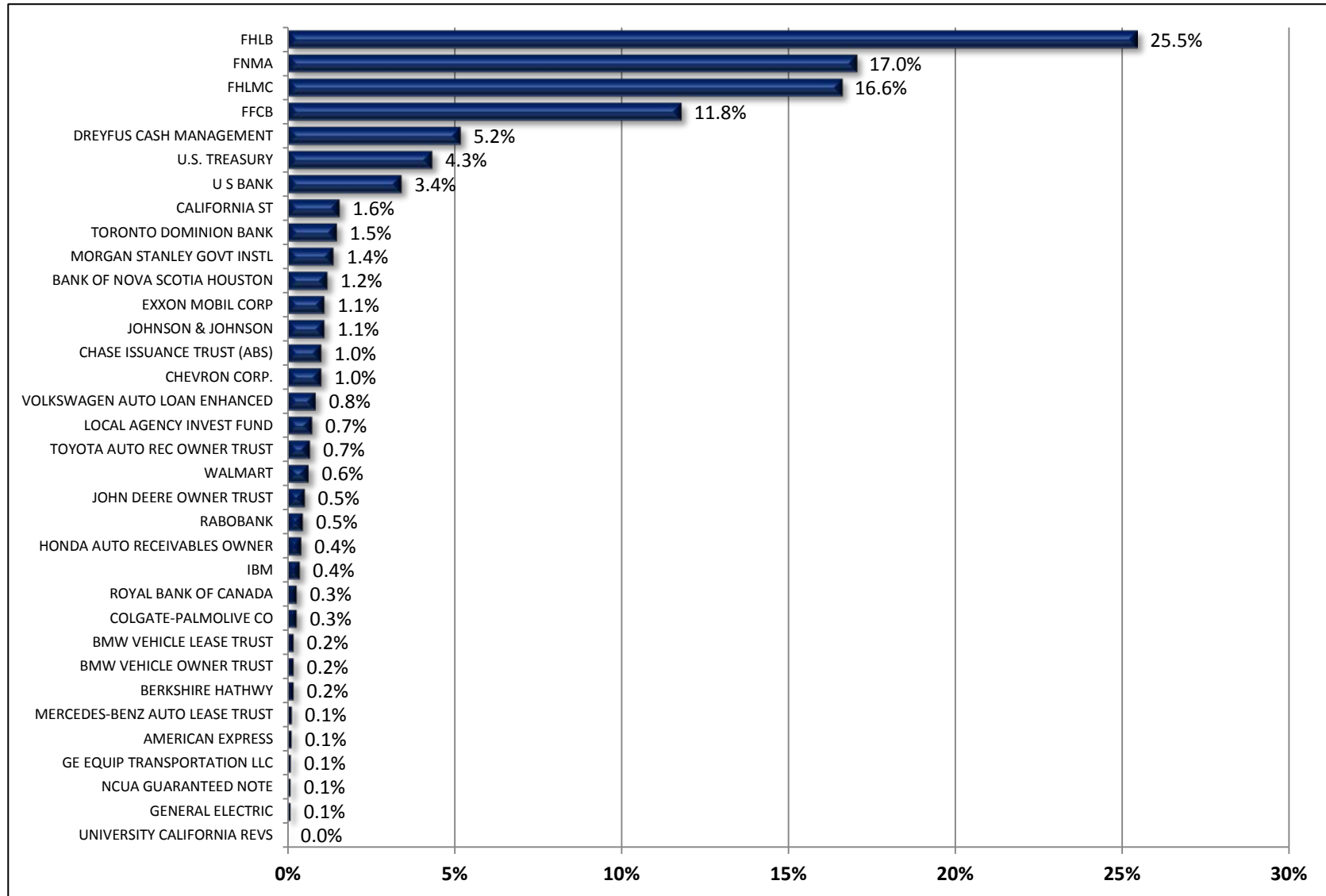
Amounts are based on book values



Santa Clara County Commingled Pool

Holdings by Issuer - Percent of Commingled Pool

March 31, 2015



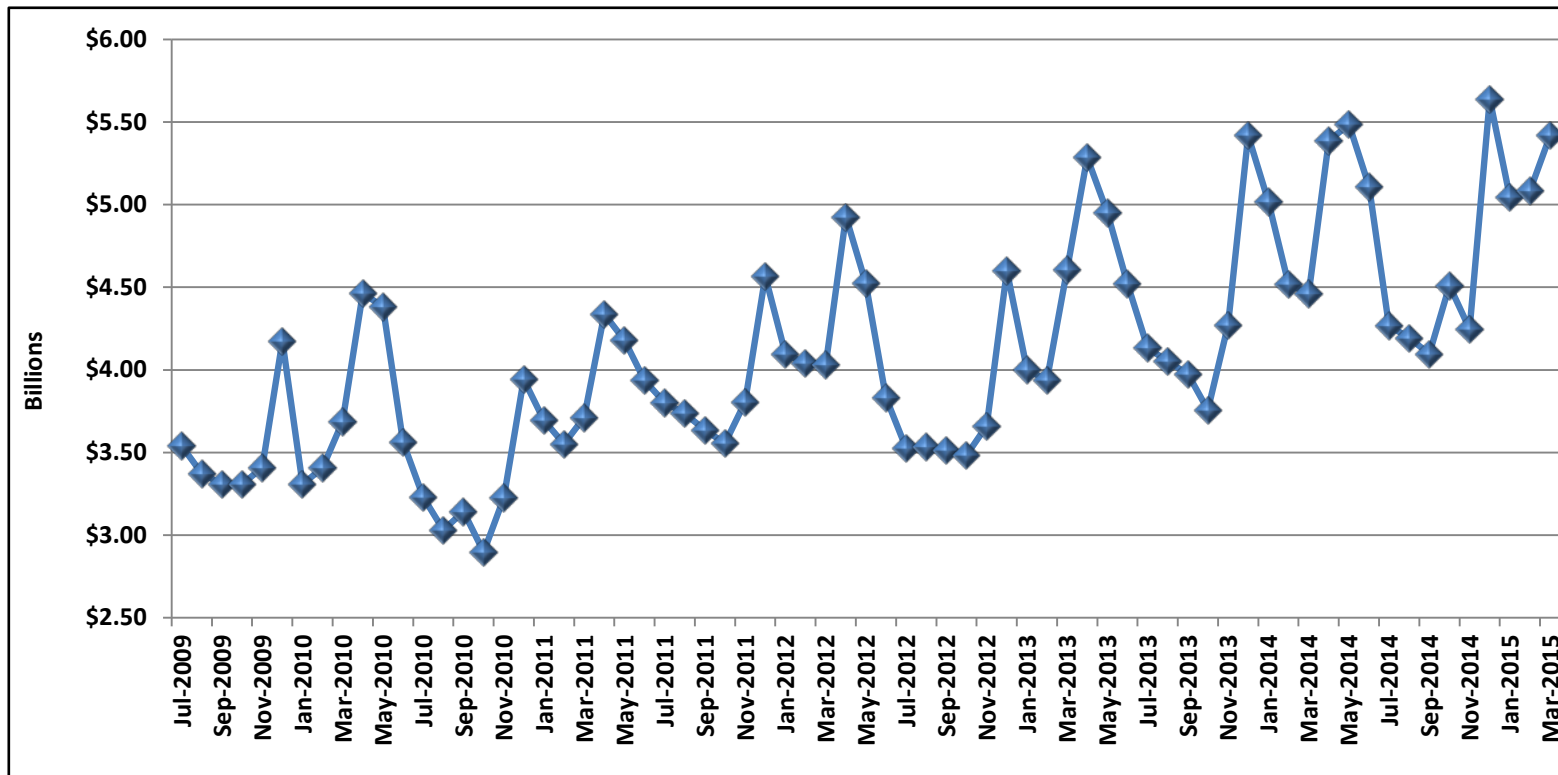
Amounts are based upon book values



Santa Clara County Commingled Pool

Historical Month End Book Values

March 31, 2015



Fiscal Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2010	\$3.541	\$3.373	\$3.307	\$3.307	\$3.408	\$4.175	\$3.307	\$3.408	\$3.687	\$4.463	\$4.384	\$3.536
FY 2011	\$3.230	\$3.032	\$3.143	\$2.898	\$3.227	\$3.943	\$3.695	\$3.551	\$3.712	\$4.339	\$4.179	\$3.935
FY 2012	\$3.801	\$3.736	\$3.637	\$3.555	\$3.805	\$4.567	\$4.097	\$4.040	\$4.032	\$4.926	\$4.525	\$3.833
FY 2013	\$3.508	\$3.517	\$3.515	\$3.469	\$3.645	\$4.600	\$3.918	\$3.982	\$4.606	\$5.286	\$4.952	\$4.521
FY 2014	\$4.133	\$4.052	\$3.975	\$3.758	\$4.271	\$5.419	\$5.019	\$4.520	\$4.461	\$5.386	\$5.487	\$5.108
FY 2015	\$4.267	\$4.194	\$4.096	\$4.051	\$4.247	\$5.639	\$5.045	\$5.085	\$5.420			

Amounts in billions

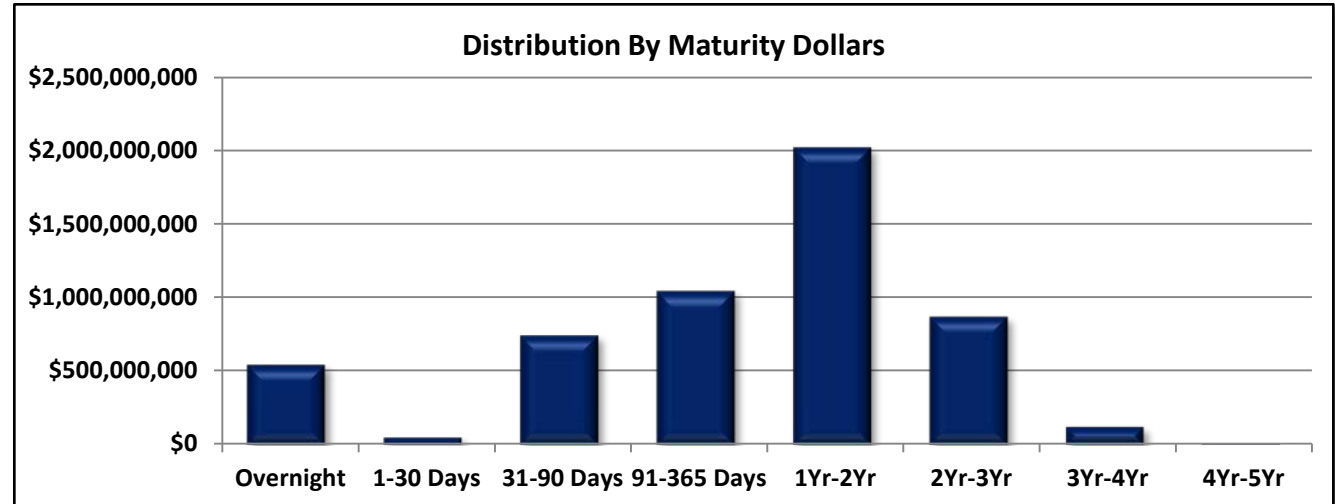


Santa Clara County Commingled Pool

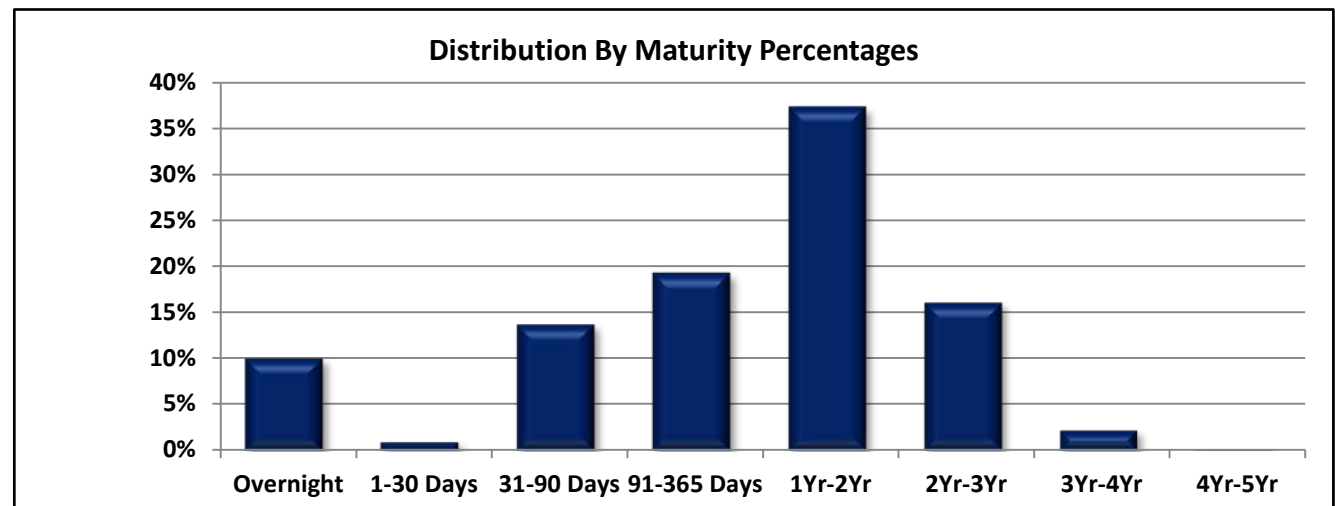
Distribution by Maturity

March 31, 2015

Maturity	Amount*
Overnight	545,939,792
1-30 Days	49,998,403
31-90 Days	746,911,227
91-365 Days	1,046,818,720
1Yr-2Yr	2,027,301,732
2Yr-3Yr	875,610,368
3Yr-4Yr	121,619,744
4Yr-5Yr	6,249,523
	5,420,449,510



Maturity	Amount*
Overnight	10.07%
1-30 Days	0.92%
31-90 Days	13.78%
91-365 Days	19.31%
1Yr-2Yr	37.40%
2Yr-3Yr	16.15%
3Yr-4Yr	2.24%
4Yr-5Yr	0.12%
	100.00%



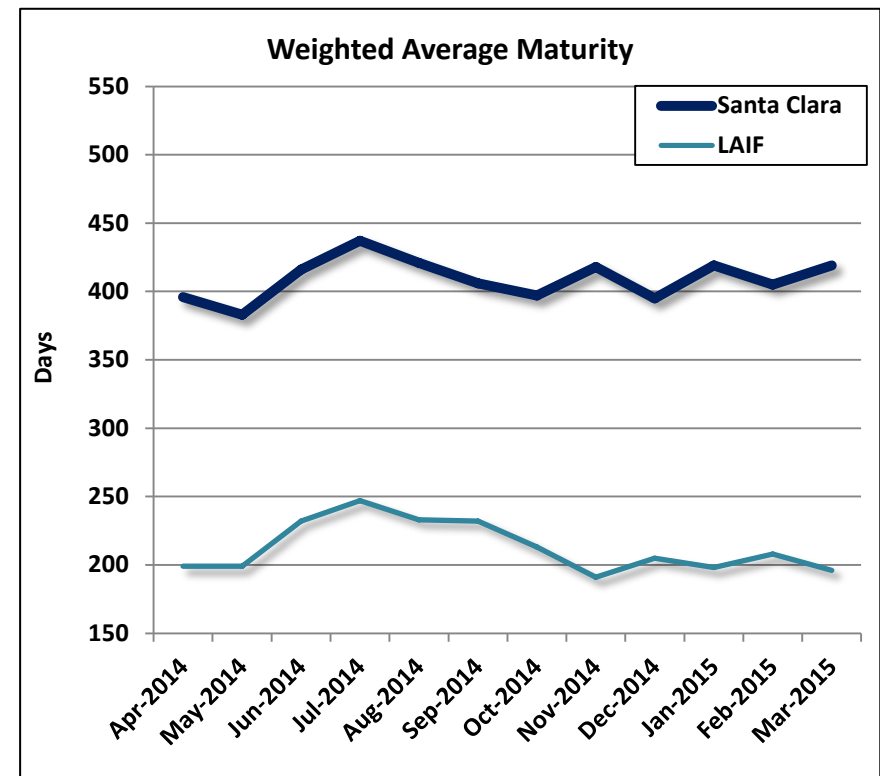
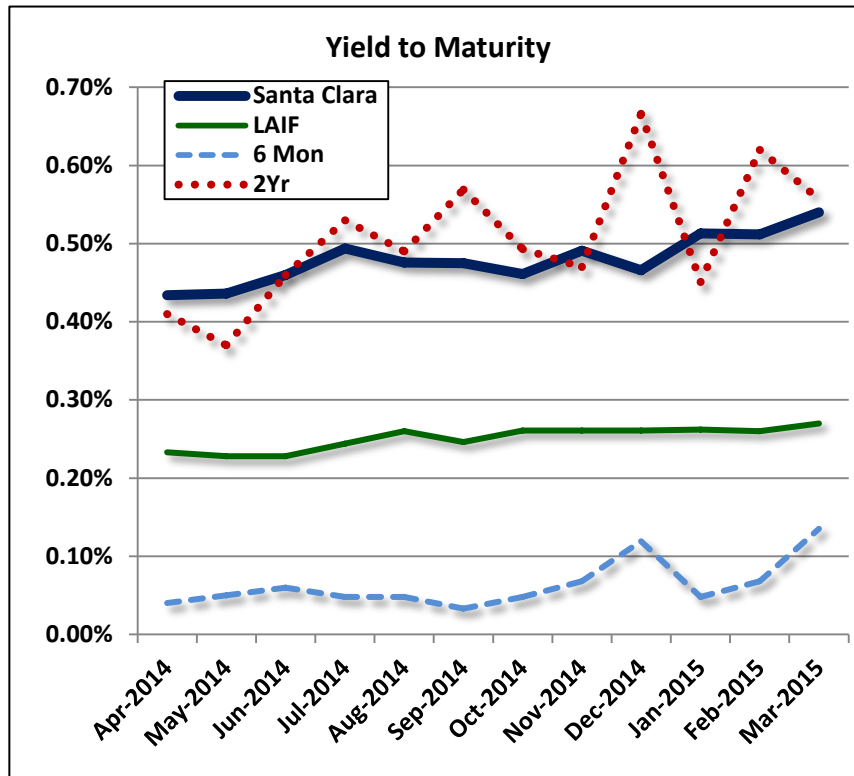
*Amounts are based on book value



Santa Clara County Commingled Pool

Yield to Maturity and Weighted Average Maturity

March 31, 2015



Item	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
SCC YTM	0.43%	0.44%	0.46%	0.49%	0.48%	0.48%	0.46%	0.49%	0.47%	0.51%	0.51%	0.54%
LAIF YTM	0.23%	0.23%	0.23%	0.24%	0.26%	0.25%	0.26%	0.26%	0.26%	0.26%	0.26%	0.27%
6 Mon T-Bill	0.04%	0.05%	0.06%	0.05%	0.05%	0.03%	0.05%	0.07%	0.12%	0.05%	0.07%	0.14%
2Yr T-Note	0.41%	0.37%	0.46%	0.53%	0.49%	0.57%	0.49%	0.47%	0.67%	0.45%	0.62%	0.56%
SCC WAM	396	383	416	437	421	406	397	418	395	419	405	419
LAIF WAM	199	199	232	247	233	232	213	191	205	198	208	196



Santa Clara County

Approved Issuers and Broker/Dealers

March 31, 2015

Direct Commercial Paper Issuers

General Electric Company
Toyota Motor Credit Corp
US Bancorp
Wells Fargo & Co

Broker/Dealers

Barclays Capital, Inc
Blaylock Robert Van, LLC
BMO Capital Markets
BNP Paribas Securities Corp
Brean Capital LLC
Cantor Fitzgerald & Co
CastleOak Securities :P
Citigroup Global Markets Inc
Credit Suisse Securities, USA
Daiwa Capital Markets America Inc
Deutsche Bank Securities Inc
FTN Financial, Inc
Incapital LLC
Jefferies & Co
JP Morgan Securities, Inc
Keybank Capital Markets, Inc
Loop Capital Markets LLC
Merrill Lynch & Co Inc
Mizuho Securities USA, Inc
Morgan Stanley & Co Inc
Piper Jaffray & Co
Raymond James, Inc.
RBC Capital Markets, Inc
Suntrust Robinson Humphrey Inc
UBS
Vining Sparks LP
Wedbush Securities Inc
Wells Fargo Institutional Securities

**Santa Clara County Commingled Pool
Compliance with Investment Policy
March 31, 2015**



Item/Sector	Parameters	In Compliance
Maturity	Weighted Average Maturity (WAM) must be less than 24 months	Yes
Interest Periods	Securities must pay interest within one year of the initial investment and at least semiannually in subsequent years	Yes
Investment Swaps	Similar maturity swaps, so as not to affect cash flow needs, should have minimum 5 basis point gain	Yes
Issuer Limits	No more than 5% of the portfolio shall be invested in aggregate of any single institution of the following types: Bankers Acceptances, CP, Negotiable CDs, and Corporate Notes	Yes
U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years	Yes
U.S. Federal Agencies	No sector limit, no issuer limit, max maturity 5 years	Yes
LAIF	No sector limit, no issuer limit, CA State's deposit limit \$50 million	Yes
Repurchase Agreements	No sector limit, no Issuer limit, max maturity 92 days, treasury and agency collateral at 102% of investment, if maturity exceeds 15 days, must be collateralized by securities with 5 years or less maturities	Yes
Commercial Paper	Sector limit 40%, issuer limit 5%, max maturity 270 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by domestic corporation w/ at least \$500 mil of assets, and long term debt rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Corporate Bonds	Sector limit 30%, issuer limit 5%, max maturity 5 years, rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's), issued by domestic corps/depositories	Yes
Money Market Funds	Sector limit 20%, issuer limit 10%, rated by at least two: AAA-m (S&P/Fitch)/Aaa-mf (Moody's), MMF has at least \$500 mil managed	Yes
Negotiable Certificates of Deposit	Sector limit 30%, issuer limit 5%, max maturity 5 years, if under 1 year rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), if greater than 1 year rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Municipal Securities	Sector limit 10%, no issuer limit, State of CA, local CA agencies, and other municipal securities of the other 49 states, if long-term rated, then by at least two: A- (S&P/Fitch)/A3 (Moody's), if short-term rated, then by at least two: SP-1 (S&P), MIG-1 (Moody's), F-1 (Fitch), revenue based bonds payable solely out of the States' or local agencies' revenues	Yes
Mortgage-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of conforming residential mortgage loans insured by FHLMC/FNMA and residential mortgages guaranteed by FHA (GNMA)	Yes
Asset-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of loans such as installment/receivables, security must be rated by at least two: AA- (S&P/Fitch), Aa3 (Moody's), issuer rated by at least two: A- (S&P/Fitch), A3 (Moody's)	Yes
Bankers' Acceptances	Sector limit 40%, issuer limit 5%, max maturity 180 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by commercial banks	Yes, None in Portfolio
Securities Lending	Sector limit 20%, max maturity 92 days for loans and reinvestment, loan counterparty must be a primary dealer, loaned securities must be owned for at least 30 days	Yes, None in Portfolio
Supranational Debt Obligations	Sector limit 10%, max maturity 5 years, issued or unconditionally guaranteed by the IBRD, rated by at least two: AAA (S&P/Fitch), Aaa (Moody's)	Yes, None in Portfolio

SANTA CLARA COUNTY INVESTMENTS
Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Negotiable CDs											
06417F6H8	34596	BANK OF NOVA SCOTIA HOUSTON	10/22/2013	15,000,000.00	15,000,000.00	15,029,790.00	0.650	0.641	0.650	10/22/2015	204
06417HWX0	35451	BANK OF NOVA SCOTIA HOUSTON	11/25/2014	15,000,000.00	15,000,000.00	15,001,740.00	0.170	0.169	0.172	05/08/2015	37
06417HWY8	35452	BANK OF NOVA SCOTIA HOUSTON	11/25/2014	15,000,000.00	15,000,000.00	15,003,570.00	0.210	0.209	0.212	06/05/2015	65
06417HXN1	35490	BANK OF NOVA SCOTIA HOUSTON	12/09/2014	20,000,000.00	20,000,000.00	20,006,080.00	0.230	0.230	0.233	06/12/2015	72
78009NTJ5	35643	ROYAL BANK OF CANADA	02/12/2015	15,000,000.00	15,000,000.00	14,996,415.00	0.292	0.291	0.295	02/12/2016	317
89112UG70	35396	TORONTO DOMINION BANK	10/30/2014	30,000,000.00	30,000,000.00	30,002,370.00	0.215	0.215	0.217	06/11/2015	71
89112UX30	35474	TORONTO DOMINION BANK	12/04/2014	20,000,177.60	20,000,000.00	20,000,880.00	0.200	0.195	0.197	06/04/2015	64
89113EJJ6	35776	TORONTO DOMINION BANK	03/26/2015	30,000,000.00	30,000,000.00	29,998,410.00	0.085	0.085	0.086	04/27/2015	26
Subtotal and Average				160,000,177.60	160,000,000.00	160,039,255.00		0.232	0.236		93
Repurchase Agreements											
SYS35792	35792	U.S. TREASURY NOTES	03/30/2015	50,000,000.00	50,000,000.00	50,000,000.00	0.090	0.090	0.091	04/01/2015	0
Subtotal and Average				50,000,000.00	50,000,000.00	50,000,000.00		0.090	0.091		0
Federal Agency Bonds											
3133EARQ3	32782	FFCB NOTES	05/23/2012	9,997,724.68	10,000,000.00	10,008,070.00	0.500	0.592	0.600	06/23/2015	83
3133EAZ68	33610	FFCB NOTES	09/25/2012	14,998,912.50	15,000,000.00	15,012,390.00	0.400	0.409	0.415	09/25/2015	177
3133EA7L6	33735	FFCB NOTES	11/09/2012	9,999,212.78	10,000,000.00	10,007,990.00	0.400	0.407	0.413	11/09/2015	222
3133EC7H1	33822	FFCB NOTES	12/17/2012	19,998,186.67	20,000,000.00	20,009,320.00	0.340	0.359	0.364	08/17/2015	138
3133ECSP0	34343	FFCB NOTES	06/24/2013	14,999,965.42	15,000,000.00	15,006,630.00	0.330	0.326	0.331	06/24/2015	84
3133EARQ3	34561	FFCB NOTES	09/30/2013	40,018,216.37	40,000,000.00	40,032,280.00	0.500	0.295	0.299	06/23/2015	83
3133ECX74	34628	FFCB NOTES	11/06/2013	50,003,528.83	50,000,000.00	50,009,750.00	0.300	0.271	0.275	07/13/2015	103
3133EARQ3	34636	FFCB NOTES	11/07/2013	15,008,186.01	15,000,000.00	15,012,105.00	0.500	0.256	0.259	06/23/2015	83
3133EDBE1	34719	FFCB NOTES	12/09/2013	29,996,337.89	30,000,000.00	30,000,360.00	0.220	0.261	0.264	07/09/2015	99
3133EDBE1	34722	FFCB NOTES	12/10/2013	49,991,560.63	50,000,000.00	50,000,600.00	0.220	0.278	0.282	07/09/2015	99
3133EDC59	34758	FFCB NOTES	12/19/2013	49,990,800.00	50,000,000.00	50,004,050.00	0.250	0.294	0.298	08/19/2015	140
3133EDC59	34759	FFCB NOTES	12/19/2013	19,994,204.00	20,000,000.00	20,001,620.00	0.250	0.321	0.325	08/19/2015	140
3133EDES7	34995	FFCB NOTES	04/09/2014	20,451,675.83	20,450,000.00	20,452,985.70	0.230	0.184	0.187	06/10/2015	70
3133EDET5	35006	FFCB NOTES	04/11/2014	20,009,334.04	20,000,000.00	19,999,160.00	0.310	0.228	0.231	11/05/2015	218
3133EDET5	35021	FFCB NOTES	04/17/2014	25,008,149.64	25,000,000.00	24,998,950.00	0.310	0.251	0.255	11/05/2015	218
3133EDGC0	35048	FFCB NOTES	04/25/2014	20,108,000.00	20,108,000.00	20,105,828.34	0.250	0.246	0.250	11/04/2015	217

Data Updated: ~REPORT~: 04/09/2015 09:50

Run Date: 04/09/2015 - 09:50

Portfolio SCL2

AP

FI (PRF_FI) 7.1.1

Report Ver. 7.3.5

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3133EDMC3	35208	FFCB NOTES	07/09/2014	19,972,870.53	20,000,000.00	19,992,460.00	0.250	0.395	0.400	02/26/2016	331
3133EECW8	35448	FFCB NOTES	11/25/2014	10,000,000.00	10,000,000.00	10,023,130.00	0.375	0.369	0.375	05/25/2016	420
3133EECW8	35449	FFCB NOTES	11/25/2014	10,000,000.00	10,000,000.00	10,023,130.00	0.375	0.369	0.375	05/25/2016	420
3133EEEC0	35475	FFCB NOTES	12/04/2014	9,999,300.00	10,000,000.00	9,996,120.00	0.220	0.226	0.229	01/04/2016	278
3133EEEC0	35481	FFCB NOTES	12/05/2014	10,498,157.78	10,500,000.00	10,495,926.00	0.220	0.239	0.243	01/04/2016	278
3133EDQM7	35497	FFCB NOTES	12/10/2014	15,015,206.51	15,000,000.00	15,064,050.00	1.000	0.942	0.955	07/17/2017	838
3133EEFE5	35527	FFCB NOTES	12/18/2014	10,008,684.44	10,000,000.00	10,042,160.00	1.125	1.077	1.092	12/18/2017	992
3133EEFE5	35529	FFCB NOTES	12/18/2014	10,000,000.00	10,000,000.00	10,042,160.00	1.125	1.109	1.125	12/18/2017	992
3133EEFZ8	35536	FFCB NOTES	12/23/2014	20,000,000.00	20,000,000.00	20,019,000.00	0.700	0.690	0.700	02/23/2017	694
3133EEFZ8	35537	FFCB NOTES	12/23/2014	29,971,933.08	30,000,000.00	30,028,500.00	0.700	0.739	0.749	02/23/2017	694
3133EEQX1	35678	FFCB NOTES	02/26/2015	10,018,964.64	10,000,000.00	10,039,690.00	1.000	0.909	0.922	09/25/2017	908
3133EEQX1	35683	FFCB NOTES	02/27/2015	15,010,548.81	15,000,000.00	15,059,535.00	1.000	0.958	0.971	09/25/2017	908
3133EEQX1	35757	FFCB NOTES	03/24/2015	20,052,356.05	20,000,000.00	20,079,380.00	1.000	0.880	0.893	09/25/2017	908
313379DD8	33890	FHLB NOTES	12/31/2012	25,170,310.56	25,000,000.00	25,162,300.00	1.000	0.678	0.688	06/21/2017	812
3133834R9	34257	FHLB NOTES	05/10/2013	14,989,535.90	15,000,000.00	14,991,735.00	0.375	0.426	0.432	06/24/2016	450
3133834R9	34261	FHLB NOTES	05/13/2013	34,964,176.67	35,000,000.00	34,980,715.00	0.375	0.452	0.458	06/24/2016	450
3133834R9	34533	FHLB NOTES	09/17/2013	24,898,580.99	25,000,000.00	24,986,225.00	0.375	0.698	0.708	06/24/2016	450
313373SZ6	34652	FHLB NOTES	11/14/2013	22,771,028.24	22,355,000.00	22,807,733.46	2.125	0.542	0.550	06/10/2016	436
313373SZ6	34663	FHLB NOTES	11/19/2013	25,484,546.42	25,000,000.00	25,506,300.00	2.125	0.479	0.486	06/10/2016	436
313383V81	34668	FHLB NOTES	11/21/2013	30,010,938.46	30,000,000.00	30,020,670.00	0.375	0.281	0.285	08/28/2015	149
313383V81	34671	FHLB NOTES	11/22/2013	18,612,439.37	18,605,000.00	18,617,818.85	0.375	0.272	0.276	08/28/2015	149
313373SZ6	34682	FHLB NOTES	11/26/2013	50,971,117.07	50,000,000.00	51,012,600.00	2.125	0.476	0.483	06/10/2016	436
313373SZ6	34749	FHLB NOTES	12/17/2013	15,287,016.85	15,000,000.00	15,303,780.00	2.125	0.500	0.507	06/10/2016	436
3130A0SD3	34848	FHLB NOTES	01/24/2014	9,993,511.95	10,000,000.00	10,005,220.00	0.380	0.447	0.453	02/19/2016	324
3130A0QG8	34998	FHLB NOTES	04/10/2014	20,005,736.46	20,000,000.00	20,004,580.00	0.280	0.189	0.192	07/29/2015	119
313379ER6	34999	FHLB NOTES	04/10/2014	15,624,956.97	15,615,000.00	15,627,257.78	0.500	0.173	0.176	06/12/2015	72
313379ER6	35000	FHLB NOTES	04/10/2014	10,066,533.28	10,060,000.00	10,067,897.10	0.500	0.167	0.170	06/12/2015	72
3130A1NN4	35004	FHLB NOTES	04/11/2014	14,980,072.71	15,000,000.00	15,067,980.00	0.875	0.925	0.937	05/24/2017	784
313375RN9	35020	FHLB NOTES	04/17/2014	15,086,491.23	15,000,000.00	15,085,500.00	1.000	0.381	0.386	03/11/2016	345
3130A1NW4	35031	FHLB NOTES	04/21/2014	29,998,386.97	30,000,000.00	30,004,470.00	0.250	0.256	0.260	10/15/2015	197
3130A1P69	35063	FHLB NOTES	04/30/2014	19,999,645.40	20,000,000.00	19,997,240.00	0.230	0.229	0.233	10/30/2015	212
3130A22N5	35097	FHLB NOTES	05/19/2014	9,998,385.35	10,000,000.00	10,002,990.00	0.420	0.427	0.433	06/06/2016	432

Data Updated: ~REPORT~: 04/09/2015 09:50

Run Date: 04/09/2015 - 09:50

Portfolio SCL2

AP

FI (PRF_FI) 7.1.1

Report Ver. 7.3.5

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3130A2C61	35136	FHLB NOTES	06/06/2014	4,995,792.96	5,000,000.00	4,996,970.00	0.375	0.439	0.446	06/10/2016	436
3130A2FT8	35163	FHLB NOTES	06/19/2014	9,999,198.33	10,000,000.00	9,997,670.00	0.125	0.159	0.162	06/19/2015	79
3130A2AM8	35192	FHLB NOTES	06/30/2014	24,998,394.14	25,000,000.00	25,001,325.00	0.125	0.160	0.162	06/03/2015	63
3130A22N5	35193	FHLB NOTES	06/30/2014	24,986,260.78	25,000,000.00	25,007,475.00	0.420	0.460	0.466	06/06/2016	432
3130A2AM8	35194	FHLB NOTES	06/30/2014	14,999,036.49	15,000,000.00	15,000,795.00	0.125	0.160	0.162	06/03/2015	63
3130A2C61	35195	FHLB NOTES	06/30/2014	4,994,484.29	5,000,000.00	4,996,970.00	0.375	0.461	0.468	06/10/2016	436
3130A22N5	35206	FHLB NOTES	07/09/2014	19,978,842.79	20,000,000.00	20,005,980.00	0.420	0.503	0.510	06/06/2016	432
3130A2LA2	35218	FHLB NOTES	07/14/2014	32,998,819.58	33,000,000.00	32,998,944.00	0.140	0.155	0.157	06/15/2015	75
3130A22N5	35397	FHLB NOTES	10/30/2014	29,999,335.94	30,000,000.00	30,008,970.00	0.420	0.416	0.421	06/06/2016	432
3130A3CE2	35398	FHLB NOTES	10/30/2014	20,027,807.10	20,000,000.00	20,027,500.00	0.625	0.526	0.533	10/14/2016	562
3130A3CE2	35402	FHLB NOTES	10/31/2014	10,008,212.40	10,000,000.00	10,013,750.00	0.625	0.563	0.571	10/14/2016	562
3130A3FM1	35404	FHLB NOTES	11/04/2014	10,000,000.00	10,000,000.00	9,996,370.00	0.300	0.295	0.300	03/01/2016	335
3130A3FM1	35405	FHLB NOTES	11/04/2014	10,000,000.00	10,000,000.00	9,996,370.00	0.300	0.295	0.300	03/01/2016	335
3130A3CE2	35407	FHLB NOTES	11/06/2014	10,004,991.26	10,000,000.00	10,013,750.00	0.625	0.584	0.592	10/14/2016	562
3130A3CE2	35408	FHLB NOTES	11/06/2014	15,007,486.89	15,000,000.00	15,020,625.00	0.625	0.584	0.592	10/14/2016	562
3130A3GV0	35416	FHLB NOTES	11/10/2014	10,000,000.00	10,000,000.00	9,994,350.00	0.290	0.286	0.290	02/25/2016	330
3130A3M35	35466	FHLB NOTES	12/02/2014	10,001,975.00	10,000,000.00	10,005,160.00	0.520	0.500	0.507	10/14/2016	562
3130A3P32	35482	FHLB NOTES	12/05/2014	15,000,357.77	15,000,000.00	15,016,455.00	0.430	0.422	0.428	07/01/2016	457
3130A3P32	35483	FHLB NOTES	12/05/2014	10,000,000.00	10,000,000.00	10,010,970.00	0.430	0.424	0.430	07/01/2016	457
3130A3P32	35488	FHLB NOTES	12/09/2014	24,982,584.52	25,000,000.00	25,027,425.00	0.430	0.479	0.486	07/01/2016	457
3130A3PB4	35496	FHLB NOTES	12/10/2014	49,987,203.13	50,000,000.00	49,970,450.00	0.230	0.260	0.263	01/04/2016	278
3130A3P40	35505	FHLB NOTES	12/11/2014	24,972,214.10	25,000,000.00	25,031,875.00	0.875	0.912	0.925	07/03/2017	824
3130A3PB4	35506	FHLB NOTES	12/11/2014	9,997,433.94	10,000,000.00	9,994,090.00	0.230	0.260	0.263	01/04/2016	278
3130A2C61	35512	FHLB NOTES	12/12/2014	13,958,061.68	13,975,000.00	13,966,531.15	0.375	0.470	0.477	06/10/2016	436
3133782N0	35516	FHLB NOTES	12/15/2014	25,027,308.76	25,000,000.00	25,125,275.00	0.875	0.806	0.818	03/10/2017	709
3133782N0	35517	FHLB NOTES	12/15/2014	35,083,272.17	35,000,000.00	35,175,385.00	0.875	0.740	0.751	03/10/2017	709
3130A2C61	35520	FHLB NOTES	12/16/2014	24,984,535.11	25,000,000.00	24,984,850.00	0.375	0.421	0.427	06/10/2016	436
3130A3RW6	35528	FHLB NOTES	12/18/2014	25,028,555.90	25,000,000.00	25,087,525.00	1.000	0.938	0.951	08/15/2017	867
3130A3PB4	35530	FHLB NOTES	12/18/2014	24,993,646.94	25,000,000.00	24,985,225.00	0.230	0.259	0.263	01/04/2016	278
3130A3SZ8	35531	FHLB NOTES	12/18/2014	16,988,121.64	17,000,000.00	17,062,951.00	0.950	0.966	0.980	08/15/2017	867
3130A3P81	35541	FHLB NOTES	12/29/2014	15,000,000.00	15,000,000.00	14,993,895.00	0.250	0.246	0.250	01/29/2016	303
3130A3P81	35542	FHLB NOTES	12/29/2014	10,000,000.00	10,000,000.00	9,995,930.00	0.250	0.246	0.250	01/29/2016	303

Data Updated: ~REPORT~: 04/09/2015 09:50

Run Date: 04/09/2015 - 09:50

Portfolio SCL2

AP

FI (PRF_FI) 7.1.1

Report Ver. 7.3.5

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3130A3P81	35543	FHLB NOTES	12/29/2014	25,000,000.00	25,000,000.00	24,989,825.00	0.250	0.246	0.250	01/29/2016	303
3130A3P81	35544	FHLB NOTES	12/29/2014	25,000,000.00	25,000,000.00	24,989,825.00	0.250	0.246	0.250	01/29/2016	303
3130A2Y75	35548	FHLB NOTES	12/30/2014	30,005,605.33	30,000,000.00	29,999,130.00	0.400	0.374	0.380	03/10/2016	344
3130A3SL9	35549	FHLB NOTES	12/30/2014	10,006,459.66	10,000,000.00	10,046,190.00	0.950	0.907	0.920	06/15/2017	806
3130A4GJ5	35684	FHLB NOTES	02/27/2015	19,991,074.87	20,000,000.00	20,099,940.00	1.125	1.124	1.139	04/25/2018	1,120
3130A4GJ5	35685	FHLB NOTES	02/27/2015	11,994,644.92	12,000,000.00	12,059,964.00	1.125	1.124	1.139	04/25/2018	1,120
3134G3J76	33454	FHLMC NOTES	08/30/2012	10,000,183.49	10,000,000.00	10,009,910.00	0.450	0.439	0.445	09/04/2015	156
3134G3J76	33552	FHLMC NOTES	09/17/2012	10,000,430.18	10,000,000.00	10,009,910.00	0.450	0.535	0.543	09/04/2015	156
3137EACW7	33721	FHLMC NOTES	11/01/2012	20,383,832.31	20,000,000.00	20,425,720.00	2.000	0.602	0.610	08/25/2016	512
3137EADQ9	34532	FHLMC NOTES	09/17/2013	24,936,924.69	25,000,000.00	25,031,725.00	0.500	0.718	0.728	05/13/2016	408
3137EADS5	34543	FHLMC NOTES	09/23/2013	10,006,680.20	10,000,000.00	10,056,030.00	0.875	0.819	0.830	10/14/2016	562
3137EADQ9	34723	FHLMC NOTES	12/10/2013	50,021,228.18	50,000,000.00	50,063,450.00	0.500	0.455	0.461	05/13/2016	408
3137EADQ9	34751	FHLMC NOTES	12/17/2013	44,411,129.74	44,400,000.00	44,456,343.60	0.500	0.470	0.477	05/13/2016	408
3137EADQ9	34754	FHLMC NOTES	12/18/2013	25,010,154.57	25,000,000.00	25,031,725.00	0.500	0.457	0.463	05/13/2016	408
3137EADQ9	34971	FHLMC NOTES	04/01/2014	19,997,784.25	20,000,000.00	20,025,380.00	0.500	0.502	0.509	05/13/2016	408
3137EADN6	35207	FHLMC NOTES	07/09/2014	9,858,211.48	10,000,000.00	9,982,300.00	0.750	1.255	1.273	01/12/2018	1,017
3137EADH9	35498	FHLMC NOTES	12/10/2014	25,053,192.60	25,000,000.00	25,139,150.00	1.000	0.891	0.903	06/29/2017	820
3137EADT3	35507	FHLMC NOTES	12/11/2014	15,046,103.10	15,000,000.00	15,074,250.00	0.875	0.701	0.710	02/22/2017	693
3137EADC0	35508	FHLMC NOTES	12/11/2014	16,991,209.72	16,917,000.00	17,037,026.11	1.000	0.760	0.770	03/08/2017	707
3137EADC0	35546	FHLMC NOTES	12/29/2014	16,886,915.38	16,850,000.00	16,969,550.75	1.000	0.873	0.885	03/08/2017	707
3137EADJ5	35556	FHLMC NOTES	12/30/2014	24,999,323.55	25,000,000.00	25,186,450.00	1.000	0.987	1.001	07/28/2017	849
3134G3M31	35755	FHLMC NOTES	03/23/2015	20,050,152.21	20,000,000.00	20,076,780.00	1.000	0.885	0.897	09/27/2017	910
3134G3B90	35756	FHLMC NOTES	03/24/2015	15,009,373.17	15,000,000.00	14,984,115.00	0.875	0.836	0.848	08/15/2017	867
3137EADN6	35760	FHLMC NOTES	03/25/2015	9,955,864.55	10,000,000.00	9,982,300.00	0.750	0.898	0.911	01/12/2018	1,017
3137EADN6	35761	FHLMC NOTES	03/25/2015	9,949,602.09	10,000,000.00	9,982,300.00	0.750	0.921	0.933	01/12/2018	1,017
3137EADN6	35785	FHLMC NOTES	03/30/2015	4,975,774.20	5,000,000.00	4,991,150.00	0.750	0.914	0.926	01/12/2018	1,017
31398A4M1	30108	FNMA NOTES	11/03/2010	25,033,865.59	25,000,000.00	25,199,875.00	1.625	1.359	1.378	10/26/2015	208
3135G0ES8	32277	FNMA NOTES	02/06/2012	20,133,107.16	20,000,000.00	20,277,040.00	1.375	0.941	0.954	11/15/2016	594
31359M4D2	32308	FNMA NOTES	02/22/2012	16,045,427.14	15,000,000.00	16,228,950.00	5.000	1.132	1.147	02/13/2017	684
3135G0NV1	33443	FNMA NOTES	08/30/2012	10,001,629.42	10,000,000.00	10,014,020.00	0.500	0.460	0.466	09/28/2015	180
3135G0ES8	33714	FNMA NOTES	10/29/2012	20,227,342.86	20,000,000.00	20,277,040.00	1.375	0.654	0.663	11/15/2016	594
3135G0NV1	33722	FNMA NOTES	11/01/2012	20,006,255.01	20,000,000.00	20,028,040.00	0.500	0.429	0.435	09/28/2015	180

Data Updated: ~REPORT~: 04/09/2015 09:50

Run Date: 04/09/2015 - 09:50

Portfolio SCL2

AP

FI (PRF_FI) 7.1.1
Report Ver. 7.3.5

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3135G0KM4	33777	FNMA NOTES	11/27/2012	20,004,137.78	20,000,000.00	20,012,180.00	0.500	0.361	0.366	05/27/2015	56
3135G0KM4	34269	FNMA NOTES	05/16/2013	25,009,224.77	25,000,000.00	25,015,225.00	0.500	0.258	0.262	05/27/2015	56
3135G0XP3	34271	FNMA NOTES	05/17/2013	19,971,504.26	20,000,000.00	19,987,860.00	0.375	0.481	0.488	07/05/2016	461
3135G0LN1	34524	FNMA NOTES	09/13/2013	25,005,643.68	25,000,000.00	25,021,900.00	0.500	0.404	0.410	07/02/2015	92
3135G0YE7	34555	FNMA NOTES	09/27/2013	24,962,690.66	25,000,000.00	25,066,375.00	0.625	0.722	0.732	08/26/2016	513
3135G0LN1	34564	FNMA NOTES	09/30/2013	10,004,809.18	10,000,000.00	10,008,760.00	0.500	0.304	0.309	07/02/2015	92
3135G0LN1	34633	FNMA NOTES	11/07/2013	10,005,796.47	10,000,000.00	10,008,760.00	0.500	0.266	0.270	07/02/2015	92
3135G0LN1	34634	FNMA NOTES	11/07/2013	30,017,389.41	30,000,000.00	30,026,280.00	0.500	0.266	0.270	07/02/2015	92
3135G0LN1	34635	FNMA NOTES	11/07/2013	10,005,811.76	10,000,000.00	10,008,760.00	0.500	0.265	0.269	07/02/2015	92
3135G0LN1	34651	FNMA NOTES	11/14/2013	10,005,292.86	10,000,000.00	10,008,760.00	0.500	0.285	0.289	07/02/2015	92
3135G0XP3	34664	FNMA NOTES	11/20/2013	14,973,696.83	15,000,000.00	14,990,895.00	0.375	0.508	0.515	07/05/2016	461
3135G0LN1	34667	FNMA NOTES	11/21/2013	30,017,761.45	30,000,000.00	30,026,280.00	0.500	0.261	0.265	07/02/2015	92
3135G0XP3	34692	FNMA NOTES	11/27/2013	24,960,577.51	25,000,000.00	24,984,825.00	0.375	0.574	0.582	07/05/2016	461
3135G0XP3	34720	FNMA NOTES	12/10/2013	29,940,366.49	30,000,000.00	29,981,790.00	0.375	0.526	0.533	07/05/2016	461
3135G0YE7	34721	FNMA NOTES	12/10/2013	25,014,875.77	25,000,000.00	25,066,375.00	0.625	0.574	0.582	08/26/2016	513
3135G0GY3	34738	FNMA NOTES	12/13/2013	30,244,712.95	30,000,000.00	30,343,920.00	1.250	0.786	0.797	01/30/2017	670
3135G0XP3	34739	FNMA NOTES	12/13/2013	24,939,015.29	25,000,000.00	24,984,825.00	0.375	0.655	0.665	07/05/2016	461
3135G0XP3	34750	FNMA NOTES	12/17/2013	34,933,445.48	35,000,000.00	34,978,755.00	0.375	0.606	0.615	07/05/2016	461
3135G0ZB2	34913	FNMA NOTES	03/10/2014	9,976,972.23	10,000,000.00	10,021,550.00	0.750	0.852	0.863	04/20/2017	750
3135G0VC4	35447	FNMA NOTES	11/25/2014	9,983,754.99	10,000,000.00	10,063,810.00	1.130	1.170	1.186	02/28/2018	1,064
3135G0VC4	35454	FNMA NOTES	11/26/2014	5,994,157.53	6,000,000.00	6,038,286.00	1.130	1.148	1.164	02/28/2018	1,064
3135G0PP2	35750	FNMA NOTES	03/20/2015	16,396,036.77	16,365,000.00	16,424,077.65	1.000	0.909	0.922	09/20/2017	903
3135G0WJ8	35762	FNMA NOTES	03/25/2015	14,925,246.17	15,000,000.00	14,964,360.00	0.875	1.022	1.036	05/21/2018	1,146
Subtotal and Average				2,673,321,763.50	2,669,200,000.00	2,677,092,161.49		0.517	0.524		419
Federal Agency Bonds - CALLABLE											
3133EDXG2	35455	FFCB NOTES	11/26/2014	10,007,646.57	10,000,000.00	10,003,270.00	0.670	0.611	0.619	10/14/2016	562
3133EDXG2	35467	FFCB NOTES	12/02/2014	8,010,286.46	8,000,000.00	8,002,616.00	0.670	0.577	0.585	10/14/2016	562
3130A0HH6	34813	FHLB NOTES	01/10/2014	9,955,401.76	10,000,000.00	10,000,920.00	1.000	1.187	1.203	06/27/2017	818
3130A1CD8	34968	FHLB NOTES	03/28/2014	25,123,062.50	25,000,000.00	25,085,475.00	1.125	0.780	0.791	09/28/2016	546
3130A3BP8	35403	FHLB NOTES	11/03/2014	40,080,886.71	40,000,000.00	40,096,560.00	0.750	0.612	0.620	10/28/2016	576
3130A3BX1	35440	FHLB NOTES	11/24/2014	12,523,370.46	12,500,000.00	12,507,787.50	1.000	0.896	0.908	04/28/2017	758

Data Updated: ~REPORT~: 04/09/2015 09:50

Run Date: 04/09/2015 - 09:50

Portfolio SCL2

AP

FI (PRF_FI) 7.1.1

Report Ver. 7.3.5

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3130A3FY5	35459	FHLB NOTES	11/28/2014	10,000,000.00	10,000,000.00	10,007,520.00	0.700	0.690	0.700	11/25/2016	604
3130A3BP8	35545	FHLB NOTES	12/29/2014	19,445,000.00	19,445,000.00	19,491,940.23	0.750	0.739	0.749	10/28/2016	576
3130A3PZ1	35550	FHLB NOTES	12/30/2014	9,993,258.33	10,000,000.00	10,016,100.00	1.000	1.016	1.030	06/30/2017	821
3130A3UU6	35595	FHLB NOTES	01/27/2015	35,000,000.00	35,000,000.00	35,104,405.00	0.875	0.863	0.875	01/27/2017	667
3130A3UU6	35712	FHLB NOTES	03/09/2015	15,008,272.57	15,000,000.00	15,044,745.00	0.875	0.832	0.844	01/27/2017	667
3130A4JX1	35775	FHLB NOTES	03/26/2015	15,000,000.00	15,000,000.00	15,027,780.00	1.400	1.380	1.400	03/26/2018	1,090
3130A4MW9	35781	FHLB NOTES	03/30/2015	6,000,000.00	6,000,000.00	6,015,174.00	0.900	1.187	1.203	03/30/2017	729
3130A4MS8	35782	FHLB NOTES	03/30/2015	6,875,000.00	6,875,000.00	6,886,900.63	1.000	0.986	1.000	06/30/2017	821
3130A4NZ1	35783	FHLB NOTES	03/30/2015	7,499,250.52	7,500,000.00	7,545,975.00	1.600	1.580	1.602	03/29/2019	1,458
3130A4MW9	35784	FHLB NOTES	03/30/2015	17,550,000.00	17,550,000.00	17,594,383.95	0.900	1.187	1.203	03/30/2017	729
3134G4PX0	34781	FHLMC NOTES	12/27/2013	50,000,000.00	50,000,000.00	49,941,100.00	0.500	0.493	0.500	06/27/2016	453
3134G4UC0	34950	FHLMC NOTES	03/25/2014	29,994,053.32	30,000,000.00	30,035,580.00	0.650	0.655	0.665	07/29/2016	485
3134G4UC0	34957	FHLMC NOTES	03/26/2014	29,997,958.72	30,000,000.00	30,035,580.00	0.650	0.646	0.655	07/29/2016	485
3134G4UC0	35019	FHLMC NOTES	04/17/2014	12,510,539.84	12,500,000.00	12,514,825.00	0.650	0.577	0.585	07/29/2016	485
3134G5C94	35230	FHLMC NOTES	07/21/2014	14,992,506.94	15,000,000.00	15,006,210.00	1.100	1.106	1.122	07/21/2017	842
3134G5ME2	35409	FHLMC NOTES	11/06/2014	10,000,000.00	10,000,000.00	10,009,810.00	1.150	1.134	1.150	11/06/2017	950
3134G5NN1	35441	FHLMC NOTES	11/24/2014	15,000,000.00	15,000,000.00	15,020,145.00	1.250	1.232	1.250	11/24/2017	968
3134G5PS8	35445	FHLMC NOTES	11/25/2014	10,000,000.00	10,000,000.00	9,992,890.00	0.580	0.572	0.580	08/25/2016	512
3134G5RD9	35458	FHLMC NOTES	11/28/2014	14,150,000.00	14,150,000.00	14,147,297.35	0.650	0.641	0.650	11/25/2016	604
3134G5P74	35460	FHLMC NOTES	11/28/2014	9,999,585.42	10,000,000.00	9,997,900.00	0.670	0.663	0.672	11/28/2016	607
3134G5YG4	35711	FHLMC NOTES	03/09/2015	15,004,208.85	15,000,000.00	15,006,000.00	0.875	0.647	0.656	01/27/2017	667
3134G6HR7	35731	FHLMC NOTES	03/16/2015	4,998,274.31	5,000,000.00	5,015,395.00	1.250	1.244	1.261	03/16/2018	1,080
3134G6MD2	35786	FHLMC NOTES	03/30/2015	7,630,000.00	7,630,000.00	7,645,618.61	1.350	1.115	1.131	03/30/2018	1,094
3134G6LP6	35787	FHLMC NOTES	03/30/2015	15,003,744.79	15,000,000.00	15,018,780.00	1.000	0.969	0.983	03/30/2017	729
3134G6LP6	35788	FHLMC NOTES	03/30/2015	20,019,972.22	20,000,000.00	20,025,040.00	1.000	0.919	0.932	03/30/2017	729
3134G6PR8	35789	FHLMC NOTES	03/30/2015	25,000,000.00	25,000,000.00	25,018,575.00	1.200	1.183	1.200	06/28/2018	1,184
3134G5SL0	35540	FHLMC CALLABLE	12/29/2014	10,000,000.00	10,000,000.00	10,016,520.00	0.900	0.887	0.900	06/29/2017	820
3134G5SW6	35551	FHLMC CALLABLE	12/30/2014	19,986,516.67	20,000,000.00	20,032,780.00	1.000	1.016	1.030	06/30/2017	821
3134G5SW6	35552	FHLMC CALLABLE	12/30/2014	19,986,516.67	20,000,000.00	20,032,780.00	1.000	1.016	1.030	06/30/2017	821
3134G5SW6	35553	FHLMC CALLABLE	12/30/2014	10,000,000.00	10,000,000.00	10,016,390.00	1.000	0.986	1.000	06/30/2017	821
3134G5VV4	35554	FHLMC CALLABLE	12/30/2014	10,000,000.00	10,000,000.00	10,017,230.00	1.050	1.035	1.050	06/30/2017	821
3134G5SW6	35555	FHLMC CALLABLE	12/30/2014	31,299,957.10	31,360,000.00	31,411,399.04	1.000	1.071	1.086	06/30/2017	821

Data Updated: ~REPORT~: 04/09/2015 09:50

Run Date: 04/09/2015 - 09:50

Portfolio SCL2

AP

FI (PRF_FI) 7.1.1
Report Ver. 7.3.5

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3135G0WY5	34258	FNMA NOTES	05/14/2013	39,992,587.50	40,000,000.00	39,981,480.00	0.550	0.553	0.561	11/14/2016	593
3135G0XC2	34358	FNMA NOTES	06/20/2013	49,846,453.59	50,000,000.00	49,887,750.00	0.500	0.713	0.723	08/22/2016	509
3135G0VX8	34398	FNMA NOTES	07/10/2013	49,755,408.74	50,000,000.00	50,042,150.00	0.625	0.946	0.960	09/26/2016	544
3135G0VX8	34414	FNMA NOTES	07/17/2013	49,798,973.47	50,000,000.00	50,042,150.00	0.625	0.887	0.900	09/26/2016	544
3135G0XA6	34464	FNMA NOTES	08/12/2013	10,319,781.76	10,500,000.00	10,444,402.50	1.030	1.578	1.600	05/21/2018	1,146
3135G0XR9	34643	FNMA NOTES	11/08/2013	19,967,622.79	20,000,000.00	19,976,600.00	0.550	0.655	0.664	09/06/2016	524
3135G0B77	35605	FNMA NOTES	01/30/2015	15,336,270.00	15,000,000.00	15,359,100.00	2.000	1.175	1.191	01/30/2018	1,035
3135G0C27	35645	FNMA NOTES	02/13/2015	9,999,038.10	10,000,000.00	10,021,540.00	1.350	1.334	1.352	08/13/2018	1,230
Subtotal and Average				878,661,406.68	879,010,000.00	880,144,569.81		0.863	0.875		686
US Treasury Notes											
912828VG2	34755	U.S. TREASURY NOTES	12/18/2013	50,019,876.81	50,000,000.00	50,082,050.00	0.500	0.460	0.466	06/15/2016	441
912828VG2	34997	U.S. TREASURY NOTES	04/09/2014	50,000,000.00	50,000,000.00	50,082,050.00	0.500	0.493	0.499	06/15/2016	441
912828TT7	35023	U.S. TREASURY NOTES	04/17/2014	25,005,637.59	25,000,000.00	25,011,725.00	0.250	0.205	0.208	10/15/2015	197
912828SU5	35026	U.S. TREASURY NOTES	04/17/2014	25,004,154.74	25,000,000.00	25,003,900.00	0.250	0.110	0.112	05/15/2015	44
912828VL1	35045	U.S. TREASURY NOTES	04/24/2014	35,038,018.91	35,000,000.00	35,106,645.00	0.625	0.532	0.540	07/15/2016	471
Subtotal and Average				185,067,688.05	185,000,000.00	185,286,370.00		0.401	0.407		360
Corporate Bonds											
084664BX8	34456	BERKSHIRE HATHWY	08/15/2013	9,997,575.74	10,000,000.00	10,044,680.00	0.950	0.954	0.967	08/15/2016	502
19416QDQ0	30101	COLGATE-PALMOLIVE CO	11/03/2010	14,986,825.36	15,000,000.00	15,090,825.00	1.375	1.510	1.531	11/01/2015	214
166764AC4	34349	CHEVRON CORP.	06/24/2013	5,000,000.00	5,000,000.00	5,022,480.00	0.889	0.876	0.889	06/24/2016	450
166764AA8	35280	CHEVRON CORP.	08/19/2014	9,969,844.52	10,000,000.00	10,008,850.00	1.104	1.202	1.219	12/05/2017	979
166764AL4	35427	CHEVRON CORP.	11/18/2014	30,000,000.00	30,000,000.00	30,244,590.00	1.345	1.326	1.345	11/15/2017	959
166764AV2	35694	CHEVRON CORP.	03/03/2015	10,000,000.00	10,000,000.00	10,048,720.00	1.365	1.346	1.365	03/02/2018	1,066
36962G4T8	30190	GENERAL ELECTRIC	11/09/2010	4,999,545.83	5,000,000.00	5,051,960.00	2.250	2.234	2.265	11/09/2015	222
459200HZ7	35633	IBM	02/06/2015	9,971,053.24	10,000,000.00	9,975,310.00	1.125	1.212	1.228	02/06/2018	1,042
459200HK0	35644	IBM	02/13/2015	9,984,905.49	10,000,000.00	10,035,130.00	1.250	1.286	1.304	02/08/2018	1,044
478160BF0	34700	JOHNSON & JOHNSON	12/05/2013	29,979,803.26	30,000,000.00	30,049,800.00	0.700	0.730	0.741	11/28/2016	607
478160BL7	35435	JOHNSON & JOHNSON	11/21/2014	29,979,152.78	30,000,000.00	30,163,320.00	1.125	1.136	1.151	11/21/2017	965
90331HMF7	35627	U S BANK	02/04/2015	10,004,280.59	10,000,000.00	9,999,740.00	0.377	0.336	0.341	04/22/2016	387
931142DN0	35034	WALMART	04/22/2014	9,998,971.27	10,000,000.00	10,044,650.00	1.000	0.991	1.005	04/21/2017	751

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Corporate Bonds											
931142DN0	35269	WALMART	08/13/2014	9,012,728.31	9,000,000.00	9,040,185.00	1.000	0.917	0.930	04/21/2017	751
931142CX9	35422	WALMART	11/14/2014	5,527,605.70	5,490,000.00	5,524,169.76	1.500	0.284	0.288	10/25/2015	207
931142DE0	34176	WALMART	04/11/2013	1,999,513.52	2,000,000.00	2,003,980.00	0.600	0.615	0.623	04/11/2016	376
931142DE0	34931	WALMART	03/18/2014	8,010,557.20	8,000,000.00	8,015,920.00	0.600	0.464	0.470	04/11/2016	376
30231GAA0	34942	EXXON MOBIL CORP	03/20/2014	10,000,000.00	10,000,000.00	10,033,230.00	0.921	0.908	0.921	03/15/2017	714
30231GAL6	35710	EXXON MOBIL CORP	03/06/2015	50,000,000.00	50,000,000.00	50,287,850.00	1.305	1.287	1.305	03/06/2018	1,070
Subtotal and Average				269,422,362.81	269,490,000.00	270,685,389.76		1.096	1.112		788
Corporate Bonds - NCUA Guaranteed											
62889KAB7	31686	NCUA GUARANTEED NOTE	06/16/2011	4,999,656.37	5,000,000.00	5,011,650.00	1.400	1.416	1.435	06/12/2015	72
Subtotal and Average				4,999,656.37	5,000,000.00	5,011,650.00		1.416	1.436		72
Asset Backed Securities (ABS)											
02587UAB6	35423	AMERICAN EXPRESS	11/14/2014	6,824,528.91	6,820,000.00	6,820,354.64	0.590	0.511	0.518	05/15/2018	1,140
09657YAD4	35060	BMW VEHICLE LEASE TRUST	04/29/2014	10,020,312.50	10,000,000.00	10,000,630.00	0.660	0.465	0.471	06/20/2016	446
09658UAB5	35376	BMW VEHICLE OWNER TRUST	10/15/2014	9,999,662.00	10,000,000.00	10,001,170.00	0.530	0.526	0.534	04/25/2017	755
161571FJ8	34436	CHASE ISSUANCE TRUST (ABS)	07/29/2013	15,040,429.69	15,000,000.00	15,010,545.00	0.790	0.622	0.631	06/15/2017	806
161571FJ8	35420	CHASE ISSUANCE TRUST (ABS)	11/13/2014	10,021,484.38	10,000,000.00	10,007,030.00	0.790	0.419	0.425	06/15/2017	806
36164EAB1	35700	GE EQUIP TRANSPORTATION LLC	03/04/2015	5,499,408.75	5,500,000.00	5,502,238.50	0.890	0.887	0.899	11/24/2017	968
43812XAB1	34430	HONDA AUTO RECEIVABLES OWNER T	07/24/2013	0.00	0.00	0.00	0.540	0.518	0.525	01/15/2016	289
43813XAD6	35087	HONDA AUTO RECEIVABLES OWNER T	05/13/2014	5,068,148.44	5,050,000.00	5,053,787.50	0.740	0.473	0.480	10/15/2018	1,293
43814GAA8	35104	HONDA AUTO RECEIVABLES OWNER T	05/21/2014	0.00	0.00	0.00	0.180	0.177	0.180	05/18/2015	47
43814JAA2	35456	HONDA AUTO RECEIVABLES OWNER T	11/26/2014	7,308,006.83	7,308,006.83	7,308,006.83	0.220	0.217	0.220	12/15/2015	258
43814JAB0	35457	HONDA AUTO RECEIVABLES OWNER T	11/26/2014	9,999,971.00	10,000,000.00	10,001,000.00	0.580	0.572	0.580	01/17/2017	657
477877AB0	35311	JOHN DEERE OWNER TRUST	09/03/2014	8,999,243.10	9,000,000.00	8,995,644.00	0.540	0.538	0.546	07/17/2017	838
47787UAB9	35725	JOHN DEERE OWNER TRUST	03/11/2015	12,999,162.80	13,000,000.00	13,012,948.00	0.870	0.863	0.875	02/15/2018	1,051
47787UAD5	35726	JOHN DEERE OWNER TRUST	03/11/2015	5,999,523.00	6,000,000.00	6,022,158.00	1.320	1.309	1.327	06/17/2019	1,538
58768EAC3	34992	MERCEDES-BENZ AUTO LEASE TRUST	04/09/2014	4,556,850.02	4,556,970.32	4,556,560.19	0.480	0.476	0.482	06/15/2016	441
89231MAC9	34933	TOYOTA AUTO REC OWNER TRUST	03/19/2014	7,998,521.60	8,000,000.00	7,995,344.00	0.670	0.671	0.680	12/15/2017	989
89231MAB1	34934	TOYOTA AUTO REC OWNER TRUST	03/19/2014	3,973,769.92	3,973,795.35	3,973,215.18	0.410	0.405	0.410	08/15/2016	502
89231MAB1	35040	TOYOTA AUTO REC OWNER TRUST	04/23/2014	1,703,853.46	1,703,055.15	1,702,806.50	0.410	0.358	0.363	08/15/2016	502
89231MAB1	35143	TOYOTA AUTO REC OWNER TRUST	06/09/2014	8,411,028.15	8,407,415.59	8,406,188.11	0.410	0.344	0.349	08/15/2016	502

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Asset Backed Securities (ABS)											
89190AAB6	35375	TOYOTA AUTO REC OWNER TRUST	10/15/2014	4,999,694.50	5,000,000.00	4,999,585.00	0.510	0.508	0.515	02/15/2017	686
89236WAB4	35701	TOYOTA AUTO REC OWNER TRUST	03/04/2015	9,499,909.75	9,500,000.00	9,504,085.00	0.710	0.702	0.711	07/17/2017	838
92867RAC3	35064	VOLKSWAGEN AUTO LOAN ENHANCED	04/30/2014	9,998,030.00	10,000,000.00	9,987,080.00	0.910	0.908	0.920	10/22/2018	1,300
92867RAB5	35065	VOLKSWAGEN AUTO LOAN ENHANCED	04/30/2014	19,846,467.34	19,846,820.61	19,835,309.45	0.420	0.415	0.421	03/20/2017	719
92867TAA3	35382	VOLKSWAGEN AUTO LOAN ENHANCED	10/22/2014	2,168,794.60	2,168,794.60	2,168,783.76	0.200	0.179	0.182	10/20/2015	202
92867VAB6	35706	VOLKSWAGEN AUTO LOAN ENHANCED	03/05/2015	11,999,941.20	12,000,000.00	12,007,956.00	0.980	0.885	0.898	06/20/2017	811
Subtotal and Average				192,936,741.94	192,834,858.45	192,872,425.66		0.600	0.608		811
Asset Backed Securities											
161571FR0	33757	CHASE ISSUANCE TRUST (ABS)	11/21/2012	14,999,327.44	15,000,000.00	15,000,150.00	0.540	0.548	0.555	10/15/2015	197
161571FR0	35418	CHASE ISSUANCE TRUST (ABS)	11/12/2014	15,000,342.52	15,000,000.00	15,000,150.00	0.540	0.535	0.543	10/15/2015	197
43813UAC4	32317	HONDA AUTO RECEIVABLES OWNER T	02/23/2012	66,214.43	66,215.24	66,220.14	0.770	0.770	0.780	01/15/2016	289
58768VAC5	34190	MERCEDES-BENZ AUTO LEASE TRUST	04/24/2013	2,396,075.64	2,396,140.82	2,396,080.92	0.590	0.593	0.601	02/15/2016	320
92867GAC7	32251	VOLKSWAGEN AUTO LOAN ENHANCED	01/26/2012	1,810,738.03	1,810,739.42	1,812,088.42	0.850	0.840	0.852	06/22/2015	82
Subtotal and Average				34,272,698.06	34,273,095.48	34,274,689.48		0.562	0.570		199
Municipal Bonds											
13063BFQ0	32542	CALIFORNIA ST	04/23/2012	20,477,567.43	19,250,000.00	20,951,700.00	5.750	2.190	2.221	03/01/2017	700
13063CFD7	34625	CALIFORNIA ST	11/05/2013	12,531,055.99	12,500,000.00	12,582,125.00	1.250	1.075	1.090	11/01/2016	580
13063CFD7	34645	CALIFORNIA ST	11/12/2013	5,026,313.84	5,000,000.00	5,032,850.00	1.250	0.899	0.912	11/01/2016	580
13063CFC9	34650	CALIFORNIA ST	11/13/2013	10,060,176.47	10,000,000.00	10,114,300.00	1.750	1.488	1.508	11/01/2017	945
13063CFC9	34729	CALIFORNIA ST	12/11/2013	9,095,802.71	9,085,000.00	9,188,841.55	1.750	1.678	1.701	11/01/2017	945
13063CPM6	35444	CALIFORNIA ST	11/25/2014	15,022,603.45	15,000,000.00	14,981,850.00	0.750	0.645	0.654	11/01/2016	580
13063CPN4	35534	CALIFORNIA ST	12/22/2014	12,448,987.30	12,450,000.00	12,435,558.00	1.250	1.236	1.253	11/01/2017	945
91412GWV3	35763	UNIVERSITY CALIFORNIA REVS	03/25/2015	250,000.00	250,000.00	251,650.00	2.003	1.975	2.002	05/15/2019	1,505
Subtotal and Average				84,912,507.19	83,535,000.00	85,538,874.55		1.397	1.417		747
Commercial Paper, Discount Notes											
74977LSB4	35401	RABOBANK	10/31/2014	24,994,576.04	25,000,000.00	24,995,131.25		0.196	0.199	05/11/2015	40
9033E1T12	35468	U S BANK	12/02/2014	24,993,714.06	25,000,000.00	24,993,068.00	0.150	0.150	0.152	06/01/2015	61
9033E1T46	35476	U S BANK	12/04/2014	24,993,404.94	25,000,000.00	24,992,642.25	0.150	0.150	0.152	06/04/2015	64
9033E1SV7	35491	U S BANK	12/09/2014	24,993,990.40	25,000,000.00	24,993,485.50	0.150	0.150	0.152	05/29/2015	58

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Commercial Paper, Discount Notes											
9033E1R14	35793	U S BANK	03/30/2015	50,000,000.00	50,000,000.00	49,999,500.00	0.060	0.059	0.060	04/01/2015	0
9033E1R14	35794	U S BANK	03/30/2015	50,000,000.00	50,000,000.00	49,999,500.00	0.060	0.059	0.060	04/01/2015	0
Subtotal and Average				199,975,685.44	200,000,000.00	199,973,327.00		0.111	0.112		27
Federal Agency, Discount Notes											
313312GS3	35513	FFCB DISCOUNT NOTE	12/12/2014	9,997,659.84	10,000,000.00	9,998,810.00	0.120	0.121	0.123	06/10/2015	70
313312HJ2	35561	FFCB DISCOUNT NOTE	12/31/2014	9,996,406.18	10,000,000.00	9,998,540.00	0.150	0.152	0.154	06/26/2015	86
313384FD6	35450	FHLB DISCOUNT NOTE	11/25/2014	9,999,214.28	10,000,000.00	9,999,610.00	0.085	0.086	0.087	05/04/2015	33
313384GR4	35478	FHLB DISCOUNT NOTE	12/05/2014	9,998,270.02	10,000,000.00	9,998,830.00	0.090	0.091	0.092	06/09/2015	69
313384GM5	35480	FHLB DISCOUNT NOTE	12/05/2014	9,997,482.81	10,000,000.00	9,998,900.00	0.139	0.141	0.142	06/05/2015	65
313396HB2	35331	FHLMC DISCOUNT NOTE	09/12/2014	9,997,799.00	10,000,000.00	9,998,660.00	0.100	0.101	0.102	06/19/2015	79
313396GJ6	35211	FHLMC DISCOUNT NOTE	07/09/2014	9,997,753.95	10,000,000.00	9,998,950.00	0.130	0.131	0.133	06/02/2015	62
313396GS6	35264	FHLMC DISCOUNT NOTE	08/11/2014	9,997,269.19	10,000,000.00	9,998,810.00	0.140	0.142	0.144	06/10/2015	70
313396GY3	35274	FHLMC DISCOUNT NOTE	08/14/2014	9,997,035.14	10,000,000.00	9,998,710.00	0.140	0.142	0.144	06/16/2015	76
313396JD6	35300	FHLMC DISCOUNT NOTE	08/27/2014	9,995,881.25	10,000,000.00	9,997,960.00	0.140	0.142	0.144	07/15/2015	105
313396GJ6	35312	FHLMC DISCOUNT NOTE	09/03/2014	9,998,099.83	10,000,000.00	9,998,950.00	0.110	0.111	0.113	06/02/2015	62
313396FA6	35492	FHLMC DISCOUNT NOTE	12/10/2014	19,998,403.40	20,000,000.00	19,999,300.00	0.095	0.096	0.097	05/01/2015	30
313396FU2	35500	FHLMC DISCOUNT NOTE	12/10/2014	19,996,907.48	20,000,000.00	19,998,880.00	0.115	0.116	0.118	05/19/2015	48
313396GZ0	35501	FHLMC DISCOUNT NOTE	12/10/2014	9,997,425.83	10,000,000.00	9,998,700.00	0.120	0.121	0.123	06/17/2015	77
313396FM0	35518	FHLMC DISCOUNT NOTE	12/15/2014	10,998,610.37	11,000,000.00	10,999,472.00		0.111	0.113	05/12/2015	41
313396FQ1	35523	FHLMC DISCOUNT NOTE	12/17/2014	9,998,397.74	10,000,000.00	9,999,490.00	0.130	0.131	0.133	05/15/2015	44
313588GJ8	35213	FNMA DISCOUNT NOTE	07/10/2014	9,997,840.37	10,000,000.00	9,998,950.00		0.126	0.128	06/02/2015	62
313588GU3	35334	FNMA DISCOUNT NOTE	09/16/2014	9,997,793.40	10,000,000.00	9,998,780.00	0.110	0.111	0.113	06/12/2015	72
313396GQ0	35487	FNMA DISCOUNT NOTE	12/08/2014	19,995,074.38	20,000,000.00	19,997,700.00		0.131	0.133	06/08/2015	68
313588FU4	35493	FNMA DISCOUNT NOTE	12/10/2014	24,996,302.44	25,000,000.00	24,998,600.00	0.110	0.111	0.113	05/19/2015	48
313588HG3	35494	FNMA DISCOUNT NOTE	12/10/2014	29,991,575.52	30,000,000.00	29,995,740.00	0.120	0.121	0.123	06/24/2015	84
313588FT7	35503	FNMA DISCOUNT NOTE	12/10/2014	14,997,827.70	15,000,000.00	14,999,175.00	0.110	0.111	0.113	05/18/2015	47
Subtotal and Average				290,939,030.12	291,000,000.00	290,971,517.00		0.120	0.121		62
Local Agency Investment Fund											
SYS8506	8506	LOCAL AGENCY INVEST FUND	07/01/2013	40,000,000.00	40,000,000.00	40,000,000.00	0.250	0.246	0.250		1
Subtotal and Average				40,000,000.00	40,000,000.00	40,000,000.00		0.247	0.250		1

Fund COMM - COMMINGLED POOL
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Money Market											
SYS23519	23519	DREYFUS CASH MANAGEMENT	02/01/2008	280,939,792.38	280,939,792.38	280,939,792.38	0.030	0.029	0.030		1
SYS34291	34291	MORGAN STANLEY GOVT INSTL 8302	05/21/2013	75,000,000.00	75,000,000.00	75,000,000.00	0.040	0.039	0.040		1
Subtotal and Average				355,939,792.38	355,939,792.38	355,939,792.38		0.032	0.032		1
Total Investments and Average				5,420,449,510.14	5,415,282,746.31	5,427,830,022.13		0.533	0.540		418

Fund WK - WORKERS COMP
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3137EADS5	34808	FHLMC NOTES	01/08/2014	4,508,519.86	4,500,000.00	4,525,213.50	0.875	0.739	0.750	10/14/2016	562
3135G0MZ3	34806	FNMA NOTES	01/08/2014	4,467,001.05	4,500,000.00	4,505,620.50	0.875	1.170	1.186	08/28/2017	880
3135G0WJ8	34807	FNMA NOTES	01/08/2014	4,506,250.95	4,600,000.00	4,589,070.40	0.875	1.527	1.548	05/21/2018	1,146
Subtotal and Average				13,481,771.86	13,600,000.00	13,619,904.40		1.146	1.162		862
US Treasury Notes											
912828A59	34790	U.S. TREASURY NOTES	12/27/2013	4,487,047.97	4,500,000.00	4,510,548.00	0.625	0.784	0.795	12/15/2016	624
912828UE8	34791	U.S. TREASURY NOTES	12/27/2013	4,430,541.81	4,500,000.00	4,491,562.50	0.750	1.309	1.327	12/31/2017	1,005
912828A75	34792	U.S. TREASURY NOTES	12/31/2013	4,460,434.78	4,500,000.00	4,559,764.50	1.500	1.721	1.745	12/31/2018	1,370
Subtotal and Average				13,378,024.56	13,500,000.00	13,561,875.00		1.271	1.289		998
Money Market											
SYS34789	34789	DREYFUS CASH MANAGEMENT	12/26/2013	220,629.26	220,629.26	220,629.26	0.030	0.029	0.030		1
Subtotal and Average				220,629.26	220,629.26	220,629.26		0.030	0.030		1
Total Investments and Average				27,080,425.68	27,320,629.26	27,402,408.66		1.199	1.215		922

Fund MVLA - MOUNTAIN VIEW-LOS ALTOS
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
011770V43	32335	ALASKA ST	03/05/2012	60,510.52	60,000.00	60,557.40	3.000	0.420	0.426	08/01/2015	122
797646QR0	32345	SAN FRANCISCO CITY & CNTY CA	03/08/2012	73,641.84	70,000.00	73,945.20	5.000	1.084	1.099	06/15/2016	441
93974CR36	32356	WASHINGTON ST	03/09/2012	77,632.92	75,000.00	77,952.00	5.000	0.710	0.720	02/01/2016	306
Subtotal and Average				211,785.28	205,000.00	212,454.60		0.758	0.768		300
Money Market - Tax Exempt											
SYS33614	33614	BLACKROCK TAX FREE INST	09/25/2012	1,807,155.86	1,807,155.86	1,807,155.86	0.020	0.019	0.020		1
Subtotal and Average				1,807,155.86	1,807,155.86	1,807,155.86		0.020	0.020		1
Total Investments and Average				2,018,941.14	2,012,155.86	2,019,610.46		0.097	0.098		32

Fund PA - PALO ALTO UNIFIED
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
011770V43	32336	ALASKA ST	03/05/2012	201,701.73	200,000.00	201,858.00	3.000	0.420	0.426	08/01/2015	122
797646QR0	32346	SAN FRANCISCO CITY & CNTY CA	03/08/2012	142,023.56	135,000.00	142,608.60	5.000	1.084	1.099	06/15/2016	441
93974CR36	32357	WASHINGTON ST	03/09/2012	155,265.83	150,000.00	155,904.00	5.000	0.710	0.720	02/01/2016	306
Subtotal and Average				498,991.12	485,000.00	500,370.60		0.700	0.709		270
Money Market - Tax Exempt											
SYS33612	33612	BLACKROCK TAX FREE INST	09/25/2012	100,332.38	100,332.38	100,332.38	0.020	0.019	0.020		1
Subtotal and Average				100,332.38	100,332.38	100,332.38		0.020	0.020		1
Total Investments and Average				599,323.50	585,332.38	600,702.98		0.586	0.594		225

Fund PCF - PARK CHARTER FUND
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
US Treasury Notes											
912828SM3	33529	U.S. TREASURY NOTES	09/13/2012	4,030,508.28	4,000,000.00	4,033,436.00	1.000	0.603	0.611	03/31/2017	730
912828KT6	33531	U.S. TREASURY NOTES	09/13/2012	7,135,718.96	7,000,000.00	7,143,829.00	2.375	0.413	0.418	03/31/2016	365
Subtotal and Average				11,166,227.24	11,000,000.00	11,177,265.00		0.482	0.488		496
Money Market											
SYS33657	33657	DREYFUS CASH MANAGEMENT FUND	09/30/2012	215,075.06	215,075.06	215,075.06	0.030	0.029	0.030		1
Subtotal and Average				215,075.06	215,075.06	215,075.06		0.030	0.030		1
Total Investments and Average				11,381,302.30	11,215,075.06	11,392,340.06		0.473	0.480		487

Fund SJE - SAN JOSE- EVERGREEN
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
011770V43	32337	ALASKA ST	03/05/2012	746,296.40	740,000.00	746,874.60	3.000	0.420	0.426	08/01/2015	122
011770Z56	35082	ALASKA ST	05/08/2014	231,176.80	200,000.00	232,078.00	5.000	1.252	1.270	08/01/2019	1,583
011770Z56	35083	ALASKA ST	05/08/2014	288,971.00	250,000.00	290,097.50	5.000	1.252	1.270	08/01/2019	1,583
041042UD2	34919	ARKANSAS ST	03/10/2014	554,737.70	500,000.00	552,765.00	5.000	0.562	0.570	10/01/2017	914
246381AZ0	34859	DELAWARE ST	01/30/2014	824,104.14	750,000.00	822,652.50	5.000	0.552	0.560	07/01/2017	822
246380B65	34872	DELAWARE ST	02/07/2014	111,934.43	100,000.00	111,904.00	5.000	0.818	0.830	03/01/2018	1,065
34153P3H9	34972	FLORIDA STATE BOARD EDUCATION	04/01/2014	400,933.47	350,000.00	403,410.00	5.000	1.351	1.370	06/01/2019	1,522
341150M31	35185	FLORIDA STATE BOARD EDUCATION	06/27/2014	1,244,965.90	1,065,000.00	1,257,307.05	5.000	1.588	1.610	07/01/2020	1,918
373384N28	34845	GEORGIA ST	01/22/2014	570,018.87	500,000.00	570,780.00	5.000	1.055	1.070	12/01/2018	1,340
373384YJ9	34915	GEORGIA ST	03/10/2014	406,996.70	350,000.00	405,079.50	5.000	1.035	1.050	07/01/2019	1,552
373384Q82	35212	GEORGIA ST	07/10/2014	524,798.75	485,000.00	524,755.45	5.000	0.483	0.490	02/01/2017	672
544525RT7	34702	LOS ANGELES CALIF DEPT WTR & P	12/05/2013	564,076.34	500,000.00	566,600.00	5.000	0.946	0.960	07/01/2018	1,187
544525RS9	34703	LOS ANGELES CALIF DEPT WTR & P	12/05/2013	548,776.36	500,000.00	550,150.00	5.000	0.602	0.610	07/01/2017	822
57582PK74	35081	MASSACHUSETTS ST	05/08/2014	606,649.00	530,000.00	608,381.70	5.000	1.242	1.260	04/01/2019	1,461
574193HF8	34837	MARYLAND ST	01/22/2014	545,078.01	500,000.00	544,360.00	4.500	0.582	0.590	08/01/2017	853
5741925H9	34869	MARYLAND ST	02/05/2014	235,114.39	205,000.00	235,458.90	5.000	1.114	1.130	03/01/2019	1,430
5741927Y0	34870	MARYLAND ST	02/05/2014	114,832.04	100,000.00	115,003.00	5.000	1.114	1.130	03/15/2019	1,444
574193JK5	35122	MARYLAND ST	06/02/2014	505,118.40	440,000.00	505,375.20	5.000	1.095	1.110	03/01/2019	1,430
574193KQ0	35289	MARYLAND ST	08/21/2014	796,026.20	700,000.00	792,659.00	5.000	0.798	0.810	08/01/2018	1,218
59266THW4	33072	METROPOLITAN WATER DISTRICT	06/28/2012	526,819.09	500,000.00	529,035.00	5.000	0.724	0.734	07/01/2016	457
604129P91	34860	MINNESOTA ST	01/30/2014	1,134,559.90	1,000,000.00	1,138,180.00	5.000	1.035	1.050	10/01/2018	1,279
6041294D5	35288	MINNESOTA ST	08/21/2014	236,379.51	200,000.00	237,232.00	5.000	1.410	1.430	08/01/2020	1,949
658256T77	34874	NORTH CAROLINA ST	02/07/2014	882,403.67	785,000.00	883,745.15	5.000	0.877	0.890	05/01/2018	1,126
658256B43	34900	NORTH CAROLINA ST	03/03/2014	132,288.18	115,000.00	132,181.00	5.000	1.035	1.050	03/01/2019	1,430
658256T93	35131	NORTH CAROLINA ST	06/05/2014	428,492.95	365,000.00	431,437.30	5.000	1.400	1.420	05/01/2020	1,857
644682F27	34961	NEW HAMPSHIRE ST	03/27/2014	944,885.39	840,000.00	949,015.20	5.000	1.045	1.060	07/01/2018	1,187
649791BE9	35132	NEW YORK ST POWER AUTH	06/05/2014	157,039.26	150,000.00	157,063.50	3.000	0.523	0.530	03/01/2017	700
6775213U8	34836	OHIO ST	01/22/2014	793,874.24	750,000.00	794,355.00	3.000	0.936	0.949	03/01/2018	1,065
6775213T1	34841	OHIO ST	01/22/2014	256,634.85	250,000.00	256,562.50	2.000	0.592	0.600	03/01/2017	700
68608UMS2	32420	OREGON ST	04/04/2012	530,367.12	500,000.00	535,945.00	5.000	1.045	1.060	11/01/2016	580
79771TJS7	34839	SAN FRANCISCO CITY & CNTY CA	01/23/2014	112,547.38	100,000.00	112,904.00	5.000	0.976	0.990	06/15/2018	1,171
797646XK7	34852	SAN FRANCISCO CITY & CNTY CA	01/28/2014	493,695.12	450,000.00	494,082.00	5.000	0.564	0.572	06/15/2017	806

Fund SJE - SAN JOSE- EVERGREEN
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
797646XL5	34853	SAN FRANCISCO CITY & CNTY CA	01/28/2014	507,702.56	450,000.00	508,828.50	5.000	0.925	0.938	06/15/2018	1,171
882722D99	35100	TEXAS STATE REFUNDING	05/20/2014	188,301.88	170,000.00	187,940.10	5.000	0.631	0.640	10/01/2017	914
924258ZN9	34946	VERMONT ST	03/21/2014	115,665.51	100,000.00	116,189.00	5.000	1.262	1.280	08/15/2019	1,597
93974CR36	32358	WASHINGTON ST	03/09/2012	802,206.81	775,000.00	805,504.00	5.000	0.710	0.720	02/01/2016	306
93974CJH4	34840	WASHINGTON ST	01/23/2014	277,851.60	250,000.00	277,852.50	5.000	0.858	0.870	01/01/2018	1,006
97705L3U9	34867	WISCONSIN STATE	02/04/2014	545,096.40	500,000.00	545,070.00	5.000	0.612	0.620	05/01/2017	761
97705L4E4	34880	WISCONSIN STATE	02/13/2014	286,726.52	250,000.00	287,510.00	5.000	1.198	1.214	05/01/2019	1,491
97705L4E4	34881	WISCONSIN STATE	02/13/2014	114,821.33	100,000.00	115,004.00	5.000	1.169	1.185	05/01/2019	1,491
Subtotal and Average				19,288,964.17	17,365,000.00	19,331,327.15		0.923	0.936		1,106
Money Market - Tax Exempt											
SYS33615	33615	BLACKROCK TAX FREE INST	09/25/2012	460,350.95	460,350.95	460,350.95	0.020	0.019	0.020		1
Subtotal and Average				460,350.95	460,350.95	460,350.95		0.020	0.020		1
Total Investments and Average				19,749,315.12	17,825,350.95	19,791,678.10		0.902	0.914		1,080

Fund WVM - WEST VALLEY MISSION-CCD
Investments by Fund
March 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
797646QR0	32347	SAN FRANCISCO CITY & CNTY CA	03/08/2012	3,892,497.50	3,700,000.00	3,908,532.00	5.000	1.084	1.099	06/15/2016	441
Subtotal and Average				3,892,497.50	3,700,000.00	3,908,532.00		1.085	1.100		441
Money Market - Tax Exempt											
SYS33613	33613	BLACKROCK TAX FREE INST	09/25/2012	3,982,097.74	3,982,097.74	3,982,097.74	0.020	0.019	0.020		1
Subtotal and Average				3,982,097.74	3,982,097.74	3,982,097.74		0.020	0.020		1
Total Investments and Average				7,874,595.24	7,682,097.74	7,890,629.74		0.546	0.554		218

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
January 1, 2015 - March 31, 2015
Sorted by Transaction Date - Transaction Date
COMMINGLED POOL Fund

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35482	COMM	3130A3P32	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			4,658.33	4,658.33
35483	COMM	3130A3P32	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			3,105.56	3,105.56
35488	COMM	3130A3P32	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			7,763.89	7,763.89
35488	COMM	3130A3P32	FEDERAL HOME	Accr Int	WELLS FARGO	FHLB NOTES		1,194.44	-1,194.44	0.00
Totals for 01/01/2015								1,194.44	14,333.34	15,527.78
35562	COMM	SYS35562	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	175,000,000.00			-175,000,000.00
34780	COMM	3134G4CV8	FEDERAL HOME LN	Redemption	Daiwa Capital Market	FHLMC NOTES		8,000,000.00		8,000,000.00
34903	COMM	89112TY24	TDNY 0.185% MAT	Redemption	UBS FINANCE	TORONTO		50,000,000.00		50,000,000.00
34962	COMM	06417HHP4	BNSHOU 0.25% MAT	Redemption	UBS FINANCE	BANK OF NOVA		35,000,000.00		35,000,000.00
34966	COMM	313396AB9	FMCDN ZERO CPN	Redemption	PIPER JAFFRAY &	FHLMC DISCOUNT		15,000,000.00		15,000,000.00
35479	COMM	313384AB5	FHDN DISC NOTE	Redemption	JPMorganChase	FHLB DISCOUNT		15,000,000.00		15,000,000.00
34524	COMM	3135G0LN1	FNMA 0.5% MAT	Interest	BARCLAYS CAPITAL	FNMA NOTES			62,500.00	62,500.00
34564	COMM	3135G0LN1	FNMA 0.5% MAT	Interest	MERRILL LYNCH	FNMA NOTES			25,000.00	25,000.00
34633	COMM	3135G0LN1	FNMA 0.5% MAT	Interest	RBC CAPITAL	FNMA NOTES			25,000.00	25,000.00
34634	COMM	3135G0LN1	FNMA 0.5% MAT	Interest	MERRILL LYNCH	FNMA NOTES			75,000.00	75,000.00
34635	COMM	3135G0LN1	FNMA 0.5% MAT	Interest	KEYBANC CAPITAL	FNMA NOTES			25,000.00	25,000.00
34651	COMM	3135G0LN1	FNMA 0.5% MAT	Interest	JEFFERIES & CO,	FNMA NOTES			25,000.00	25,000.00
34667	COMM	3135G0LN1	FNMA 0.5% MAT	Interest	GOLDMAN, SACHS &	FNMA NOTES			75,000.00	75,000.00
34780	COMM	3134G4CV8	FEDERAL HOME LN	Interest	Daiwa Capital Market	FHLMC NOTES			12,200.00	12,200.00
34903	COMM	89112TY24	TDNY 0.185% MAT	Interest	UBS FINANCE	TORONTO			78,368.06	78,368.06
34962	COMM	06417HHP4	BNSHOU 0.25% MAT	Interest	UBS FINANCE	BANK OF NOVA			68,298.61	68,298.61
Totals for 01/02/2015							175,000,000.00	123,000,000.00	471,366.67	-51,528,633.33
35505	COMM	3130A3P40	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			17,013.89	17,013.89
35505	COMM	3130A3P40	FEDERAL HOME	Accr Int	WELLS FARGO	FHLB NOTES		3,645.83	-3,645.83	0.00
Totals for 01/03/2015								3,645.83	13,368.06	17,013.89
35475	COMM	3133EEEC0	FEDERAL FARM CR	Interest	MIZUHO	FFCB NOTES			1,833.33	1,833.33
35481	COMM	3133EEEC0	FEDERAL FARM CR	Interest	MIZUHO	FFCB NOTES			1,925.00	1,925.00
35481	COMM	3133EEEC0	FEDERAL FARM CR	Accr Int	MIZUHO	FFCB NOTES		64.17	-64.17	0.00
35496	COMM	3130A3PB4	FEDERAL HOME	Interest	MIZUHO	FHLB NOTES			8,305.55	8,305.55
35496	COMM	3130A3PB4	FEDERAL HOME	Accr Int	MIZUHO	FHLB NOTES		638.89	-638.89	0.00
35506	COMM	3130A3PB4	FEDERAL HOME	Interest	MIZUHO	FHLB NOTES			1,661.11	1,661.11
35506	COMM	3130A3PB4	FEDERAL HOME	Accr Int	MIZUHO	FHLB NOTES		191.67	-191.67	0.00
35530	COMM	3130A3PB4	FEDERAL HOME	Interest	MIZUHO	FHLB NOTES			4,152.78	4,152.78

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35530	COMM	3130A3PB4	FEDERAL HOME	Accr Int	MIZUHO	FHLB NOTES		1,597.22	-1,597.22	0.00
Totals for 01/04/2015								2,491.95	15,385.82	17,877.77
35564	COMM	SYS35564	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
34975	COMM	313588AE5	FNMA ZERO CPN	Redemption	RBC CAPITAL	FNMA DISCOUNT		15,000,000.00		15,000,000.00
35562	COMM	SYS35562	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		175,000,000.00		175,000,000.00
34271	COMM	3135G0XP3	FNMA 0.375% MAT	Interest	JPMorganChase	FNMA NOTES			37,500.00	37,500.00
34664	COMM	3135G0XP3	FNMA 0.375% MAT	Interest	PIPER JAFFRAY &	FNMA NOTES			28,125.00	28,125.00
34692	COMM	3135G0XP3	FNMA 0.375% MAT	Interest	BARCLAYS CAPITAL	FNMA NOTES			46,875.00	46,875.00
34720	COMM	3135G0XP3	FNMA 0.375% MAT	Interest	BNP PARIBAS	FNMA NOTES			56,250.00	56,250.00
34739	COMM	3135G0XP3	FNMA 0.375% MAT	Interest	DEUTSCHE BANK	FNMA NOTES			46,875.00	46,875.00
34750	COMM	3135G0XP3	FNMA 0.375% MAT	Interest	UBS FINANCE	FNMA NOTES			65,625.00	65,625.00
35562	COMM	SYS35562	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,312.50	1,312.50
Totals for 01/05/2015							200,000,000.00	190,000,000.00	282,562.50	-9,717,437.50
35565	COMM	SYS35565	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
34800	COMM	3130A0KC3	FEDERAL HOME	Redemption	GOLDMAN, SACHS &	FHLB NOTES		20,000,000.00		20,000,000.00
34818	COMM	3130A0KC3	FEDERAL HOME	Redemption	JPMorganChase	FHLB NOTES		15,000,000.00		15,000,000.00
35557	COMM	9033E1N67	USB DISC NOTE	Redemption	U S BANK	U S BANK		25,000,000.00		25,000,000.00
35564	COMM	SYS35564	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
34800	COMM	3130A0KC3	FEDERAL HOME	Interest	GOLDMAN, SACHS &	FHLB NOTES			12,500.00	12,500.00
34818	COMM	3130A0KC3	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			9,375.00	9,375.00
35564	COMM	SYS35564	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			333.33	333.33
Totals for 01/06/2015							200,000,000.00	260,000,000.00	22,208.33	60,022,208.33
35566	COMM	SYS35566	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
35565	COMM	SYS35565	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
35565	COMM	SYS35565	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			333.33	333.33
Totals for 01/07/2015							200,000,000.00	200,000,000.00	333.33	333.33
35568	COMM	9033E1N91	USB DISC NOTE	Purchase	U S BANK	U S BANK	9,999,972.22			-9,999,972.22
35567	COMM	SYS35567	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	225,000,000.00			-225,000,000.00
35462	COMM	313384AH2	FHDN DISC NOTE	Redemption	BNP PARIBAS	FHLB DISCOUNT		15,000,000.00		15,000,000.00
35463	COMM	313384AH2	FHDN DISC NOTE	Redemption	PIPER JAFFRAY &	FHLB DISCOUNT		15,000,000.00		15,000,000.00
35464	COMM	313384AH2	FHDN DISC NOTE	Redemption	FTN FINANCIAL	FHLB DISCOUNT		15,000,000.00		15,000,000.00
35465	COMM	313384AH2	FHDN DISC NOTE	Redemption	JEFFERIES & CO,	FHLB DISCOUNT		15,000,000.00		15,000,000.00
35509	COMM	313312AH3	FCDN DISC NOTE	Redemption	DEUTSCHE BANK	FFCB DISCOUNT		10,000,000.00		10,000,000.00
35566	COMM	SYS35566	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
35566	COMM	SYS35566	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			277.78	277.78
Totals for 01/08/2015							234,999,972.22	270,000,000.00	277.78	35,000,305.56
35569	COMM	SYS35569	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
34910	COMM	313396AJ2	FMCN ZERO CPN	Redemption	KEYBANC CAPITAL	FHLMC DISCOUNT		15,000,000.00		15,000,000.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
34914	COMM	313396AJ2	FMCDN ZERO CPN	Redemption	FTN FINANCIAL	FHLMC DISCOUNT		15,000,000.00		15,000,000.00
34920	COMM	313384AJ8	FHDN ZERO CPN	Redemption	PIPER JAFFRAY &	FHLB DISCOUNT		10,000,000.00		10,000,000.00
34963	COMM	63253TWU8	NABNY 0.2% MAT	Redemption	MORGAN STANLEY	NATIONAL		25,000,000.00		25,000,000.00
34967	COMM	313396AJ2	FMCDN ZERO CPN	Redemption	FTN FINANCIAL	FHLMC DISCOUNT		15,000,000.00		15,000,000.00
34989	COMM	3130A1LZ9	FEDERAL HOME	Redemption	CITIGROUP GLOBAL	FHLB NOTES		30,000,000.00		30,000,000.00
34990	COMM	3130A1LZ9	FEDERAL HOME	Redemption	CITIGROUP GLOBAL	FHLB NOTES		30,000,000.00		30,000,000.00
34991	COMM	3130A1KP2	FEDERAL HOME	Redemption	JEFFERIES & CO,	FHLB NOTES		15,000,000.00		15,000,000.00
35429	COMM	313384AJ8	FHDN ZERO CPN	Redemption	JEFFERIES & CO,	FHLB DISCOUNT		11,000,000.00		11,000,000.00
35567	COMM	SYS35567	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		225,000,000.00		225,000,000.00
35568	COMM	9033E1N91	USB DISC NOTE	Redemption	U S BANK	U S BANK		10,000,000.00		10,000,000.00
34719	COMM	3133EDBE1	FEDERAL FARM CR	Interest	MERRILL LYNCH	FFCB NOTES			33,000.00	33,000.00
34722	COMM	3133EDBE1	FEDERAL FARM CR	Interest	MERRILL LYNCH	FFCB NOTES			55,000.00	55,000.00
34963	COMM	63253TWU8	NABNY 0.2% MAT	Interest	MORGAN STANLEY	NATIONAL			40,000.00	40,000.00
34989	COMM	3130A1LZ9	FEDERAL HOME	Interest	CITIGROUP GLOBAL	FHLB NOTES			8,250.00	8,250.00
34990	COMM	3130A1LZ9	FEDERAL HOME	Interest	CITIGROUP GLOBAL	FHLB NOTES			8,250.00	8,250.00
34991	COMM	3130A1KP2	FEDERAL HOME	Interest	JEFFERIES & CO,	FHLB NOTES			13,500.00	13,500.00
35567	COMM	SYS35567	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			312.50	312.50
Totals for 01/09/2015							250,000,000.00	401,000,000.00	158,312.50	151,158,312.50
35571	COMM	9033E1ND2	USB DISC NOTE	Purchase	U S BANK	U S BANK	14,999,958.33			-14,999,958.33
35570	COMM	SYS35570	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35434	COMM	313384AM1	FHDN DISC NOTE	Redemption	RBC CAPITAL	FHLB DISCOUNT		10,000,000.00		10,000,000.00
35569	COMM	SYS35569	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35207	COMM	3137EADN6	FEDERAL HOME LN	Interest	KEYBANC CAPITAL	FHLMC NOTES			37,500.00	37,500.00
35569	COMM	SYS35569	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,041.67	1,041.67
Totals for 01/12/2015							264,999,958.33	260,000,000.00	38,541.67	-4,961,416.66
35572	COMM	9033E1NE0	USB DISC NOTE	Purchase	U S BANK	U S BANK	9,999,972.22			-9,999,972.22
35573	COMM	SYS35573	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35570	COMM	SYS35570	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35571	COMM	9033E1ND2	USB DISC NOTE	Redemption	U S BANK	U S BANK		15,000,000.00		15,000,000.00
34628	COMM	3133ECX74	FEDERAL FARM CR	Interest	PIPER JAFFRAY &	FFCB NOTES			75,000.00	75,000.00
35570	COMM	SYS35570	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			347.22	347.22
Totals for 01/13/2015							259,999,972.22	265,000,000.00	75,347.22	5,075,375.00
35575	COMM	9033E1NF7	USB DISC NOTE	Purchase	U S BANK	U S BANK	14,999,958.33			-14,999,958.33
35574	COMM	SYS35574	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35432	COMM	313384AP4	FHDN DISC NOTE	Redemption	BNP PARIBAS	FHLB DISCOUNT		10,000,000.00		10,000,000.00
35572	COMM	9033E1NE0	USB DISC NOTE	Redemption	U S BANK	U S BANK		10,000,000.00		10,000,000.00
35573	COMM	SYS35573	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35573	COMM	SYS35573	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			347.22	347.22

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
Totals for 01/14/2015							264,999,958.33	270,000,000.00	347.22	5,000,388.89
35577	COMM	9033E1NG5	USB DISC NOTE	Purchase	U S BANK	U S BANK	9,999,972.22			-9,999,972.22
35576	COMM	SYS35576	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	275,000,000.00			-275,000,000.00
32317	COMM	43813UAC4	HAROT 0.77% MAT	Redemption	MERRILL LYNCH	HONDA AUTO		88,002.26		88,002.26
32317	COMM	43813UAC4	HAROT 0.77% MAT	Cap G/L	MERRILL LYNCH	HONDA AUTO		5.28		5.28
32522	COMM	06052YAC3	BAAT 0.78% MAT	Redemption	BANK OF AMERICA	BANK OF AMERICA		502,588.41		502,588.41
32522	COMM	06052YAC3	BAAT 0.78% MAT	Cap G/L	BANK OF AMERICA	BANK OF AMERICA		17.94		17.94
34190	COMM	58768VAC5	MBALT 0.59% MAT	Redemption	MERRILL LYNCH	MERCEDES-BENZ		3,160,980.10		3,160,980.10
34190	COMM	58768VAC5	MBALT 0.59% MAT	Cap G/L	MERRILL LYNCH	MERCEDES-BENZ		275.98		275.98
35574	COMM	SYS35574	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			250,000,000.00
35575	COMM	9033E1NF7	USB DISC NOTE	Redemption	U S BANK	U S BANK		15,000,000.00		15,000,000.00
32317	COMM	43813UAC4	HAROT 0.77% MAT	Interest	MERRILL LYNCH	HONDA AUTO			200.87	200.87
32522	COMM	06052YAC3	BAAT 0.78% MAT	Interest	BANK OF AMERICA	BANK OF AMERICA			841.09	841.09
33757	COMM	161571FR0	CHAIT 0.54% MAT	Interest	JPMorganChase	CHASE ISSUANCE			6,750.00	6,750.00
34190	COMM	58768VAC5	MBALT 0.59% MAT	Interest	MERRILL LYNCH	MERCEDES-BENZ			5,160.79	5,160.79
35045	COMM	912828VL1	UNITED STATES	Interest	MERRILL LYNCH	U.S. TREASURY			109,375.00	109,375.00
35418	COMM	161571FR0	CHAIT 0.54% MAT	Interest	MORGAN STANLEY	CHASE ISSUANCE			6,750.00	6,750.00
35574	COMM	SYS35574	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			416.67	416.67
34430	COMM	43812XAB1	HAROT 0.54% MAT	Interest	JPMorganChase	HONDA AUTO			974.11	974.11
34430	COMM	43812XAB1	HAROT 0.54% MAT	Redemption	JPMorganChase	HONDA AUTO		863,143.74		863,143.74
34436	COMM	161571FJ8	CHAIT 0.79% MAT	Interest	CITIGROUP GLOBAL	CHASE ISSUANCE			9,875.00	9,875.00
34436	COMM	161571FJ8	CHAIT 0.79% MAT	Redemption	CITIGROUP GLOBAL	CHASE ISSUANCE		571,377.36		571,377.36
34933	COMM	89231MAC9	TAOT 0.67% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			4,466.66	4,466.66
34933	COMM	89231MAC9	TAOT 0.67% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		233,102.28		233,102.28
34934	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			1,995.78	1,995.78
34934	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		658,084.06		658,084.06
34992	COMM	58768EAC3	MBALT 0.48% MAT	Interest	CITIGROUP GLOBAL	MERCEDES-BENZ			2,643.72	2,643.72
34992	COMM	58768EAC3	MBALT 0.48% MAT	Redemption	CITIGROUP GLOBAL	MERCEDES-BENZ		702,166.79		702,166.79
35040	COMM	89231MAB1	TAOT 0.41% MAT	Interest	MORGAN STANLEY	TOYOTA AUTO REC			721.32	721.32
35040	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	MORGAN STANLEY	TOYOTA AUTO REC		282,170.04		282,170.04
35087	COMM	43813XAD6	HAROT 0.74% MAT	Interest	CITIGROUP GLOBAL	HONDA AUTO			3,114.17	3,114.17
35087	COMM	43813XAD6	HAROT 0.74% MAT	Redemption	CITIGROUP GLOBAL	HONDA AUTO		133,288.58		133,288.58
35143	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			3,615.32	3,615.32
35143	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		1,392,925.02		1,392,925.02
35311	COMM	477877AB0	JDOT 0.54% MAT	Interest	RBC CAPITAL	JOHN DEERE			4,050.00	4,050.00
35311	COMM	477877AB0	JDOT 0.54% MAT	Redemption	RBC CAPITAL	JOHN DEERE		285,104.39		285,104.39
35375	COMM	89190AAB6	TAOT 0.51% MAT	Interest	MERRILL LYNCH	TOYOTA AUTO REC			2,125.00	2,125.00
35375	COMM	89190AAB6	TAOT 0.51% MAT	Redemption	MERRILL LYNCH	TOYOTA AUTO REC		193,687.16		193,687.16
35420	COMM	161571FJ8	CHAIT 0.79% MAT	Interest	MORGAN STANLEY	CHASE ISSUANCE			6,583.33	6,583.33
35420	COMM	161571FJ8	CHAIT 0.79% MAT	Redemption	MORGAN STANLEY	CHASE ISSUANCE				0.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35423	COMM	02587UAB6	AME 0.59% MAT	Interest	MORGAN STANLEY	AMERICAN			3,353.17	3,353.17
35423	COMM	02587UAB6	AME 0.59% MAT	Redemption	MORGAN STANLEY	AMERICAN		194,391.07		194,391.07
35456	COMM	43814JAA2	HAROT 0.22% MAT	Interest	BNP PARIBAS	HONDA AUTO			2,273.43	2,273.43
35456	COMM	43814JAA2	HAROT 0.22% MAT	Redemption	BNP PARIBAS	HONDA AUTO		1,578,081.56		1,578,081.56
35457	COMM	43814JAB0	HAROT 0.58% MAT	Interest	BNP PARIBAS	HONDA AUTO			4,833.33	4,833.33
35457	COMM	43814JAB0	HAROT 0.58% MAT	Redemption	BNP PARIBAS	HONDA AUTO		385,507.39		385,507.39
Totals for 01/15/2015							284,999,972.22	276,224,899.41	180,118.76	-8,594,954.05
35578	COMM	SYS35578	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35436	COMM	89233HNG5	TOYO DISC NOTE	Redemption	TOYOTA MOTOR	TOYOTA MOTOR		25,000,000.00		25,000,000.00
35511	COMM	313384AR0	FHDN DISC NOTE	Redemption	BNP PARIBAS	FHLB DISCOUNT		30,000,000.00		30,000,000.00
35576	COMM	SYS35576	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		275,000,000.00		275,000,000.00
35577	COMM	9033E1NG5	USB DISC NOTE	Redemption	U S BANK	U S BANK		10,000,000.00		10,000,000.00
35576	COMM	SYS35576	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			458.33	458.33
Totals for 01/16/2015							250,000,000.00	340,000,000.00	458.33	90,000,458.33
35497	COMM	3133EDQM7	FEDERAL FARM CR	Interest	KEYBANC CAPITAL	FFCB NOTES			75,000.00	75,000.00
35497	COMM	3133EDQM7	FEDERAL FARM CR	Accr Int	KEYBANC CAPITAL	FFCB NOTES		59,583.33	-59,583.33	0.00
Totals for 01/17/2015								59,583.33	15,416.67	75,000.00
35580	COMM	9033E1NM2	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35579	COMM	SYS35579	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
32251	COMM	92867GAC7	VALET 0.85% MAT	Redemption	CITIGROUP GLOBAL	VOLKSWAGEN		451,883.96		451,883.96
32251	COMM	92867GAC7	VALET 0.85% MAT	Cap G/L	CITIGROUP GLOBAL	VOLKSWAGEN		5.24		5.24
35431	COMM	313384AV1	FHDN DISC NOTE	Redemption	FTN FINANCIAL	FHLB DISCOUNT		10,000,000.00		10,000,000.00
35433	COMM	313384AV1	FHDN DISC NOTE	Redemption	UBS FINANCE	FHLB DISCOUNT		10,000,000.00		10,000,000.00
35438	COMM	9033E1NL4	USB 0.08% MAT	Redemption	U S BANK	U S BANK		25,000,000.00		25,000,000.00
35578	COMM	SYS35578	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
32251	COMM	92867GAC7	VALET 0.85% MAT	Interest	CITIGROUP GLOBAL	VOLKSWAGEN			2,310.97	2,310.97
35578	COMM	SYS35578	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,944.44	1,944.44
35060	COMM	09657YAD4	BMWLT 0.66% MAT	Interest	BNP PARIBAS	BMW VEHICLE			5,500.00	5,500.00
35060	COMM	09657YAD4	BMWLT 0.66% MAT	Redemption	BNP PARIBAS	BMW VEHICLE		568,403.91		568,403.91
35064	COMM	92867RAC3	VALET 0.91% MAT	Interest	JPMorganChase	VOLKSWAGEN			7,583.33	7,583.33
35064	COMM	92867RAC3	VALET 0.91% MAT	Redemption	JPMorganChase	VOLKSWAGEN		223,842.32		223,842.32
35065	COMM	92867RAB5	VALET 0.42% MAT	Interest	JPMorganChase	VOLKSWAGEN			9,166.09	9,166.09
35065	COMM	92867RAB5	VALET 0.42% MAT	Redemption	JPMorganChase	VOLKSWAGEN		1,921,408.92		1,921,408.92
35104	COMM	43814GAA8	HAROT 0.18% MAT	Interest	MERRILL LYNCH	HONDA AUTO			107.27	107.27
35104	COMM	43814GAA8	HAROT 0.18% MAT	Redemption	MERRILL LYNCH	HONDA AUTO		597,216.55		597,216.55
35382	COMM	92867TAA3	VALET 0.2% MAT	Interest	CITIGROUP GLOBAL	VOLKSWAGEN			808.02	808.02
35382	COMM	92867TAA3	VALET 0.2% MAT	Redemption	CITIGROUP GLOBAL	VOLKSWAGEN		864,576.72		864,576.72
Totals for 01/20/2015							299,999,861.11	299,627,337.62	27,420.12	-345,103.37

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35584	COMM	90349QTV5	USB 0.1% MAT	Purchase	U S BANK	U S BANK	10,000,000.00			-10,000,000.00
35581	COMM	SYS35581	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35582	COMM	SYS35582	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	125,000,000.00			-125,000,000.00
35030	COMM	3130A1QE1	FEDERAL HOME	Redemption	JEFFERIES & CO,	FHLB NOTES		10,000,000.00		10,000,000.00
35579	COMM	SYS35579	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			250,000,000.00
35580	COMM	9033E1NM2	USB DISC NOTE	Redemption	U S BANK	U S BANK	50,000,000.00			50,000,000.00
35030	COMM	3130A1QE1	FEDERAL HOME	Interest	JEFFERIES & CO,	FHLB NOTES			2,250.00	2,250.00
35230	COMM	3134G5C94	FEDERAL HOME LN	Interest	CITIGROUP GLOBAL	FHLMC NOTES			82,500.00	82,500.00
35579	COMM	SYS35579	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			416.67	416.67
Totals for 01/21/2015							235,000,000.00	310,000,000.00	85,166.67	75,085,166.67
35587	COMM	9033E1NP5	USB DISC NOTE	Purchase	U S BANK	U S BANK	9,999,972.22			-9,999,972.22
35585	COMM	SYS35585	USTN 0.04% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35586	COMM	SYS35586	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	175,000,000.00			-175,000,000.00
35453	COMM	313384AX7	FHDN DISC NOTE	Redemption	PIPER JAFFRAY &	FHLB DISCOUNT		15,000,000.00		15,000,000.00
35581	COMM	SYS35581	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			100,000,000.00
35582	COMM	SYS35582	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	125,000,000.00			125,000,000.00
35584	COMM	90349QTV5	USB 0.1% MAT	Redemption	U S BANK	U S BANK	10,000,000.00			10,000,000.00
35581	COMM	SYS35581	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35582	COMM	SYS35582	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			208.33	208.33
35584	COMM	90349QTV5	USB 0.1% MAT	Interest	U S BANK	U S BANK			27.78	27.78
Totals for 01/22/2015							284,999,972.22	250,000,000.00	375.00	-34,999,597.22
35588	COMM	SYS35588	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35589	COMM	SYS35589	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35585	COMM	SYS35585	USTN 0.04% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35586	COMM	SYS35586	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		175,000,000.00		175,000,000.00
35587	COMM	9033E1NP5	USB DISC NOTE	Redemption	U S BANK	U S BANK		10,000,000.00		10,000,000.00
35585	COMM	SYS35585	USTN 0.04% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			111.11	111.11
35586	COMM	SYS35586	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			291.67	291.67
Totals for 01/23/2015							250,000,000.00	285,000,000.00	402.78	35,000,402.78
35592	COMM	9033E1NT7	USB DISC NOTE	Purchase	U S BANK	U S BANK	24,999,930.56			-24,999,930.56
35590	COMM	SYS35590	USTN 0.04% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	102,000,000.00			-102,000,000.00
35591	COMM	SYS35591	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
30273	COMM	3128X33E1	FHLMC 5.05% MAT	Redemption	BOSC INC	FHLMC NOTES		9,102,000.00		9,102,000.00
30285	COMM	3128X33E1	FHLMC 5.05% MAT	Redemption	BOSC INC	FHLMC NOTES		1,255,000.00		1,255,000.00
35588	COMM	SYS35588	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			100,000,000.00
35589	COMM	SYS35589	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			150,000,000.00
30273	COMM	3128X33E1	FHLMC 5.05% MAT	Interest	BOSC INC	FHLMC NOTES			229,825.50	229,825.50
30285	COMM	3128X33E1	FHLMC 5.05% MAT	Interest	BOSC INC	FHLMC NOTES			31,688.75	31,688.75
35588	COMM	SYS35588	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			416.67	416.67

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35589	COMM	SYS35589	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			500.00	500.00
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Interest	RBC CAPITAL	BMW VEHICLE			4,416.67	4,416.67
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Redemption	RBC CAPITAL	BMW VEHICLE		347,530.34		347,530.34
Totals for 01/26/2015							226,999,930.56	260,704,530.34	266,847.59	33,971,447.37
35595	COMM	3130A3UU6	FNMAC 0.875% MAT	Purchase	JPMorganChase	FHLB NOTES	35,000,000.00			-35,000,000.00
35593	COMM	SYS35593	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	90,000,000.00			-90,000,000.00
35594	COMM	SYS35594	USTN 0.04% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35473	COMM	313384BC2	FHDN DISC NOTE	Redemption	PIPER JAFFRAY &	FHLB DISCOUNT		15,000,000.00		15,000,000.00
35590	COMM	SYS35590	USTN 0.04% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		102,000,000.00		102,000,000.00
35591	COMM	SYS35591	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35592	COMM	9033E1NT7	USB DISC NOTE	Redemption	U S BANK	U S BANK		25,000,000.00		25,000,000.00
35590	COMM	SYS35590	USTN 0.04% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			113.33	113.33
35591	COMM	SYS35591	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			138.89	138.89
Totals for 01/27/2015							225,000,000.00	242,000,000.00	252.22	17,000,252.22
35596	COMM	SYS35596	USTN 0.03% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35597	COMM	SYS35597	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35593	COMM	SYS35593	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		90,000,000.00		90,000,000.00
35594	COMM	SYS35594	USTN 0.04% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35556	COMM	3137EADJ5	FEDERAL HOME LN	Interest	CITIGROUP GLOBAL	FHLMC NOTES			125,000.00	125,000.00
35556	COMM	3137EADJ5	FEDERAL HOME LN	Accr Int	CITIGROUP GLOBAL	FHLMC NOTES		105,555.56	-105,555.56	0.00
35593	COMM	SYS35593	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			100.00	100.00
35594	COMM	SYS35594	USTN 0.04% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			111.11	111.11
8506	COMM	SYS8506	LAIF 1.65%	Interest		LOCAL AGENCY			25,632.70	25,632.70
Totals for 01/28/2015							250,000,000.00	190,105,555.56	45,288.25	-59,849,156.19
35600	COMM	9033E1NW0	USB DISC NOTE	Purchase	U S BANK	U S BANK	19,999,944.44			-19,999,944.44
35599	COMM	SYS35599	USTN 0.03% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35601	COMM	SYS35601	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35596	COMM	SYS35596	USTN 0.03% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35597	COMM	SYS35597	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		150,000,000.00		150,000,000.00
34950	COMM	3134G4UC0	FEDERAL HOME LN	Interest	NOMURA	FHLMC NOTES			97,500.00	97,500.00
34957	COMM	3134G4UC0	FEDERAL HOME LN	Interest	NOMURA	FHLMC NOTES			97,500.00	97,500.00
34998	COMM	3130A0QG8	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			28,000.00	28,000.00
35019	COMM	3134G4UC0	FEDERAL HOME LN	Interest	NOMURA	FHLMC NOTES			40,625.00	40,625.00
35541	COMM	3130A3P81	FEDERAL HOME	Interest	PIPER JAFFRAY &	FHLB NOTES			3,125.00	3,125.00
35542	COMM	3130A3P81	FEDERAL HOME	Interest	PIPER JAFFRAY &	FHLB NOTES			2,083.33	2,083.33
35543	COMM	3130A3P81	FEDERAL HOME	Interest	PIPER JAFFRAY &	FHLB NOTES			5,208.33	5,208.33
35544	COMM	3130A3P81	FEDERAL HOME	Interest	PIPER JAFFRAY &	FHLB NOTES			5,208.32	5,208.32
35596	COMM	SYS35596	USTN 0.03% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			83.33	83.33
35597	COMM	SYS35597	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			166.67	166.67

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
Totals for 01/29/2015							219,999,944.44	250,000,000.00	279,499.98	30,279,555.54
35605	COMM	3135G0B77	FNMA 2.% MAT	Purchase	BARCLAYS CAPITAL	FNMA NOTES	15,356,400.00			-15,356,400.00
35608	COMM	SYS35608	USTN 0.04% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35612	COMM	SYS35612	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	140,000,000.00			-140,000,000.00
35391	COMM	89233HNV0	TOYO DISC NOTE	Redemption	TOYOTA MOTOR	TOYOTA MOTOR		25,000,000.00		25,000,000.00
35599	COMM	SYS35599	USTN 0.03% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35600	COMM	9033E1NW0	USB DISC NOTE	Redemption	U S BANK	U S BANK		20,000,000.00		20,000,000.00
35601	COMM	SYS35601	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
34738	COMM	3135G0GY3	FEDERAL NATL MTG	Interest	BNP PARIBAS	FNMA NOTES			187,500.00	187,500.00
35599	COMM	SYS35599	USTN 0.03% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			83.33	83.33
35601	COMM	SYS35601	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			111.11	111.11
Totals for 01/30/2015							255,356,400.00	245,000,000.00	187,694.44	-10,168,705.56
35620	COMM	9033E1P32	USB DISC NOTE	Purchase	U S BANK	U S BANK	29,999,941.67			-29,999,941.67
35618	COMM	SYS35618	USTN 0.04% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35619	COMM	SYS35619	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35608	COMM	SYS35608	USTN 0.04% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35612	COMM	SYS35612	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		140,000,000.00		140,000,000.00
35608	COMM	SYS35608	USTN 0.04% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			333.33	333.33
35612	COMM	SYS35612	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			466.67	466.67
Totals for 02/02/2015							229,999,941.67	240,000,000.00	800.00	10,000,858.33
35623	COMM	9033E1P40	USB DISC NOTE	Purchase	U S BANK	U S BANK	24,999,930.56			-24,999,930.56
35621	COMM	SYS35621	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35622	COMM	SYS35622	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35618	COMM	SYS35618	USTN 0.04% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35619	COMM	SYS35619	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35620	COMM	9033E1P32	USB DISC NOTE	Redemption	U S BANK	U S BANK		30,000,000.00		30,000,000.00
35618	COMM	SYS35618	USTN 0.04% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			111.11	111.11
35619	COMM	SYS35619	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			138.89	138.89
Totals for 02/03/2015							224,999,930.56	230,000,000.00	250.00	5,000,319.44
35626	COMM	9033E1P57	USB DISC NOTE	Purchase	U S BANK	U S BANK	54,999,847.22			-54,999,847.22
35627	COMM	90331HMF7	USB 0.3767% MAT	Purchase	BARCLAYS CAPITAL	U S BANK	10,006,260.31			-10,006,260.31
35624	COMM	SYS35624	USTN 0.04% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35625	COMM	SYS35625	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35412	COMM	313384BL2	FHDN DISC NOTE	Redemption	WELLS FARGO	FHLB DISCOUNT		10,000,000.00		10,000,000.00
35484	COMM	89233HP40	TOYO DISC NOTE	Redemption	TOYOTA MOTOR	TOYOTA MOTOR		25,000,000.00		25,000,000.00
35486	COMM	313384BL2	FHDN DISC NOTE	Redemption	UBS FINANCE	FHLB DISCOUNT		9,615,000.00		9,615,000.00
35621	COMM	SYS35621	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35622	COMM	SYS35622	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35623	COMM	9033E1P40	USB DISC NOTE	Redemption	U S BANK	U S BANK		25,000,000.00		25,000,000.00
35621	COMM	SYS35621	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35622	COMM	SYS35622	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			138.89	138.89
Totals for 02/04/2015							265,006,107.53	269,615,000.00	277.78	4,609,170.25
35630	COMM	9033E1P65	USB DISC NOTE	Purchase	U S BANK	U S BANK	24,999,930.56			-24,999,930.56
35628	COMM	SYS35628	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35629	COMM	SYS35629	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	125,000,000.00			-125,000,000.00
35624	COMM	SYS35624	USTN 0.04% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35625	COMM	SYS35625	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35626	COMM	9033E1P57	USB DISC NOTE	Redemption	U S BANK	U S BANK		55,000,000.00		55,000,000.00
35624	COMM	SYS35624	USTN 0.04% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			111.11	111.11
35625	COMM	SYS35625	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			111.11	111.11
Totals for 02/05/2015							249,999,930.56	255,000,000.00	222.22	5,000,291.66
35633	COMM	459200HZ7	IBM 1.125% MAT	Purchase	CITIGROUP GLOBAL	IBM	9,969,500.00			-9,969,500.00
35631	COMM	SYS35631	USTN 0.07% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35632	COMM	SYS35632	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	75,000,000.00			-75,000,000.00
35413	COMM	313384BN8	FHDN DISC NOTE	Redemption	FTN FINANCIAL	FHLB DISCOUNT		15,000,000.00		15,000,000.00
35628	COMM	SYS35628	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35629	COMM	SYS35629	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		125,000,000.00		125,000,000.00
35630	COMM	9033E1P65	USB DISC NOTE	Redemption	U S BANK	U S BANK		25,000,000.00		25,000,000.00
35628	COMM	SYS35628	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35629	COMM	SYS35629	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			173.61	173.61
Totals for 02/06/2015							184,969,500.00	265,000,000.00	312.50	80,030,812.50
35635	COMM	SYS35635	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35636	COMM	SYS35636	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,001,520.18			-100,001,520.18
32087	COMM	3137EACH0	FHLMC 2.875% MAT	Redemption	DEUTSCHE BANK	FHLMC NOTES		20,000,000.00		20,000,000.00
35631	COMM	SYS35631	USTN 0.07% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35632	COMM	SYS35632	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		75,000,000.00		75,000,000.00
32087	COMM	3137EACH0	FHLMC 2.875% MAT	Interest	DEUTSCHE BANK	FHLMC NOTES			287,500.00	287,500.00
35631	COMM	SYS35631	USTN 0.07% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			583.33	583.33
35632	COMM	SYS35632	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			312.50	312.50
Totals for 02/09/2015							200,001,520.18	195,000,000.00	288,395.83	-4,713,124.35
35637	COMM	SYS35637	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35638	COMM	SYS35638	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35635	COMM	SYS35635	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35636	COMM	SYS35636	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,001,520.18		100,001,520.18
35635	COMM	SYS35635	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			166.67	166.67
35636	COMM	SYS35636	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			166.67	166.67

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
Totals for 02/10/2015							200,000,000.00	200,001,520.18	333.34	1,853.52
35639	COMM	SYS35639	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35640	COMM	SYS35640	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	90,000,000.00			-90,000,000.00
35637	COMM	SYS35637	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35638	COMM	SYS35638	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35637	COMM	SYS35637	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			166.67	166.67
35638	COMM	SYS35638	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			166.67	166.67
Totals for 02/11/2015							190,000,000.00	200,000,000.00	333.34	10,000,333.34
35643	COMM	78009NTJ5	RBC 0.2917% MAT	Purchase	RBC CAPITAL	ROYAL BANK OF	15,000,000.00			-15,000,000.00
35641	COMM	SYS35641	USTN 0.07% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35642	COMM	SYS35642	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	80,000,000.00			-80,000,000.00
35639	COMM	SYS35639	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35640	COMM	SYS35640	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		90,000,000.00		90,000,000.00
35639	COMM	SYS35639	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35640	COMM	SYS35640	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			125.00	125.00
Totals for 02/12/2015							195,000,000.00	190,000,000.00	263.89	-4,999,736.11
35645	COMM	3135G0C27	FEDERAL NATL MTGPurchase	Purchase	BNP PARIBAS	FNMA NOTES	9,999,000.00			-9,999,000.00
35644	COMM	459200HK0	INTERNATIONAL	Purchase	JEFFERIES & CO,	IBM	9,985,936.11			-9,985,936.11
35648	COMM	9033E1PH1	USB DISC NOTE	Purchase	U S BANK	U S BANK	34,999,611.11			-34,999,611.11
35646	COMM	SYS35646	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35647	COMM	SYS35647	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
34730	COMM	3133ED7H9	FEDERAL FARM CR	Redemption	JPMorganChase	FFCB NOTES		50,000,000.00		50,000,000.00
35641	COMM	SYS35641	USTN 0.07% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35642	COMM	SYS35642	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		80,000,000.00		80,000,000.00
32308	COMM	31359M4D2	FNMA 5.0% MAT	Interest	MORGAN STANLEY	FNMA NOTES			375,000.00	375,000.00
34730	COMM	3133ED7H9	FEDERAL FARM CR	Interest	JPMorganChase	FFCB NOTES			47,500.00	47,500.00
35641	COMM	SYS35641	USTN 0.07% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			194.44	194.44
35642	COMM	SYS35642	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			133.33	133.33
Totals for 02/13/2015							254,984,547.22	230,000,000.00	422,827.77	-24,561,719.45
34456	COMM	084664BX8	BRK 0.95% MAT	Interest	GOLDMAN, SACHS & BERKSHIRE				47,500.00	47,500.00
35528	COMM	3130A3RW6	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			39,583.33	39,583.33
35531	COMM	3130A3SZ8	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			25,570.83	25,570.83
Totals for 02/15/2015									112,654.16	112,654.16
35651	COMM	9033E1PJ7	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35649	COMM	SYS35649	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35650	COMM	SYS35650	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
32302	COMM	89233P5Z5	TOYOTA 1.0% MAT	Redemption	BARCLAYS CAPITAL	TOYOTA MOTOR		25,000,000.00		25,000,000.00
32317	COMM	43813UAC4	HAROT 0.77% MAT	Redemption	MERRILL LYNCH	HONDA AUTO		82,385.56		82,385.56

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
32317	COMM	43813UAC4	HAROT 0.77% MAT	Cap G/L	MERRILL LYNCH	HONDA AUTO		4.94		4.94
32522	COMM	06052YAC3	BAAT 0.78% MAT	Redemption	BANK OF AMERICA	BANK OF AMERICA	465,904.61			465,904.61
32522	COMM	06052YAC3	BAAT 0.78% MAT	Cap G/L	BANK OF AMERICA	BANK OF AMERICA		16.63		16.63
34190	COMM	58768VAC5	MBALT 0.59% MAT	Redemption	MERRILL LYNCH	MERCEDES-BENZ	2,640,856.96			2,640,856.96
34190	COMM	58768VAC5	MBALT 0.59% MAT	Cap G/L	MERRILL LYNCH	MERCEDES-BENZ		230.57		230.57
35646	COMM	SYS35646	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			100,000,000.00
35647	COMM	SYS35647	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			100,000,000.00
35648	COMM	9033E1PH1	USB DISC NOTE	Redemption	U S BANK	U S BANK	35,000,000.00			35,000,000.00
32302	COMM	89233P5Z5	TOYOTA 1.% MAT	Interest	BARCLAYS CAPITAL	TOYOTA MOTOR			125,000.00	125,000.00
32317	COMM	43813UAC4	HAROT 0.77% MAT	Interest	MERRILL LYNCH	HONDA AUTO			144.40	144.40
32522	COMM	06052YAC3	BAAT 0.78% MAT	Interest	BANK OF AMERICA	BANK OF AMERICA			514.40	514.40
33757	COMM	161571FR0	CHAIT 0.54% MAT	Interest	JPMorganChase	CHASE ISSUANCE			6,750.00	6,750.00
33822	COMM	3133EC7H1	FFCB 0.34% MAT	Interest	JEFFERIES & CO,	FFCB NOTES			34,000.00	34,000.00
34190	COMM	58768VAC5	MBALT 0.59% MAT	Interest	MERRILL LYNCH	MERCEDES-BENZ			3,606.50	3,606.50
35418	COMM	161571FR0	CHAIT 0.54% MAT	Interest	MORGAN STANLEY	CHASE ISSUANCE			6,750.00	6,750.00
35646	COMM	SYS35646	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			666.67	666.67
35647	COMM	SYS35647	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			555.56	555.56
34430	COMM	43812XAB1	HAROT 0.54% MAT	Interest	JPMorganChase	HONDA AUTO			585.16	585.16
34430	COMM	43812XAB1	HAROT 0.54% MAT	Redemption	JPMorganChase	HONDA AUTO	827,727.87			827,727.87
34436	COMM	161571FJ8	CHAIT 0.79% MAT	Interest	CITIGROUP GLOBAL	CHASE ISSUANCE			9,875.00	9,875.00
34436	COMM	161571FJ8	CHAIT 0.79% MAT	Redemption	CITIGROUP GLOBAL	CHASE ISSUANCE	588,581.43			588,581.43
34933	COMM	89231MAC9	TAOT 0.67% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			4,466.66	4,466.66
34933	COMM	89231MAC9	TAOT 0.67% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC	240,762.01			240,762.01
34934	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			1,770.66	1,770.66
34934	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC	615,284.65			615,284.65
34992	COMM	58768EAC3	MBALT 0.48% MAT	Interest	CITIGROUP GLOBAL	MERCEDES-BENZ			2,361.89	2,361.89
34992	COMM	58768EAC3	MBALT 0.48% MAT	Redemption	CITIGROUP GLOBAL	MERCEDES-BENZ	665,959.69			665,959.69
35040	COMM	89231MAB1	TAOT 0.41% MAT	Interest	MORGAN STANLEY	TOYOTA AUTO REC			633.56	633.56
35040	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	MORGAN STANLEY	TOYOTA AUTO REC	263,818.72			263,818.72
35087	COMM	43813XAD6	HAROT 0.74% MAT	Interest	CITIGROUP GLOBAL	HONDA AUTO			3,114.17	3,114.17
35087	COMM	43813XAD6	HAROT 0.74% MAT	Redemption	CITIGROUP GLOBAL	HONDA AUTO	136,598.92			136,598.92
35143	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			3,178.52	3,178.52
35143	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC	1,302,334.22			1,302,334.22
35311	COMM	477877AB0	JDOT 0.54% MAT	Interest	RBC CAPITAL	JOHN DEERE			4,050.00	4,050.00
35311	COMM	477877AB0	JDOT 0.54% MAT	Redemption	RBC CAPITAL	JOHN DEERE	295,635.92			295,635.92
35375	COMM	89190AAB6	TAOT 0.51% MAT	Interest	MERRILL LYNCH	TOYOTA AUTO REC			2,125.00	2,125.00
35375	COMM	89190AAB6	TAOT 0.51% MAT	Redemption	MERRILL LYNCH	TOYOTA AUTO REC	202,182.00			202,182.00
35420	COMM	161571FJ8	CHAIT 0.79% MAT	Interest	MORGAN STANLEY	CHASE ISSUANCE			6,583.33	6,583.33
35420	COMM	161571FJ8	CHAIT 0.79% MAT	Redemption	MORGAN STANLEY	CHASE ISSUANCE	392,173.60			392,173.60
35423	COMM	02587UAB6	AME 0.59% MAT	Interest	MORGAN STANLEY	AMERICAN			3,353.17	3,353.17

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35423	COMM	02587UAB6	AME 0.59% MAT	Redemption	MORGAN STANLEY	AMERICAN		199,700.81		199,700.81
35456	COMM	43814JAA2	HAROT 0.22% MAT	Interest	BNP PARIBAS	HONDA AUTO			2,101.86	2,101.86
35456	COMM	43814JAA2	HAROT 0.22% MAT	Redemption	BNP PARIBAS	HONDA AUTO		1,578,056.04		1,578,056.04
35457	COMM	43814JAB0	HAROT 0.58% MAT	Interest	BNP PARIBAS	HONDA AUTO			4,833.33	4,833.33
35457	COMM	43814JAB0	HAROT 0.58% MAT	Redemption	BNP PARIBAS	HONDA AUTO		402,498.10		402,498.10
Totals for 02/17/2015							249,999,861.11	270,900,713.25	227,019.84	21,127,871.98
35654	COMM	9033E1PK4	USB DISC NOTE	Purchase	U S BANK	U S BANK	39,999,888.89			-39,999,888.89
35652	COMM	SYS35652	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35653	COMM	SYS35653	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
34779	COMM	3130A0FX3	FEDERAL HOME	Redemption	JPMorganChase	FHLB NOTES		15,000,000.00		15,000,000.00
35649	COMM	SYS35649	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35650	COMM	SYS35650	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35651	COMM	9033E1PJ7	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
34779	COMM	3130A0FX3	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			15,750.00	15,750.00
35649	COMM	SYS35649	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			166.67	166.67
35650	COMM	SYS35650	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			138.89	138.89
35104	COMM	43814GAA8	HAROT 0.18% MAT	Interest	MERRILL LYNCH	HONDA AUTO			7.67	7.67
35104	COMM	43814GAA8	HAROT 0.18% MAT	Redemption	MERRILL LYNCH	HONDA AUTO		52,895.90		52,895.90
Totals for 02/18/2015							289,999,888.89	265,052,895.90	16,063.23	-24,930,929.76
35659	COMM	9033E1PL2	USB DISC NOTE	Purchase	U S BANK	U S BANK	59,999,833.33			-59,999,833.33
35656	COMM	SYS35656	USTN 0.03% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35658	COMM	SYS35658	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35652	COMM	SYS35652	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35653	COMM	SYS35653	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		150,000,000.00		150,000,000.00
35654	COMM	9033E1PK4	USB DISC NOTE	Redemption	U S BANK	U S BANK		40,000,000.00		40,000,000.00
34758	COMM	3133EDC59	FEDERAL FARM CR	Interest	MERRILL LYNCH	FFCB NOTES			62,500.00	62,500.00
34759	COMM	3133EDC59	FEDERAL FARM CR	Interest	MERRILL LYNCH	FFCB NOTES			25,000.00	25,000.00
34848	COMM	3130A0SD3	FEDERAL HOME	Interest	PIPER JAFFRAY &	FHLB NOTES			18,750.00	18,750.00
35652	COMM	SYS35652	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35653	COMM	SYS35653	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			166.67	166.67
Totals for 02/19/2015							309,999,833.33	290,000,000.00	106,555.56	-19,893,277.77
35662	COMM	9033E1PP3	USB DISC NOTE	Purchase	U S BANK	U S BANK	59,999,500.00			-59,999,500.00
35660	COMM	SYS35660	USTN 0.03% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35661	COMM	SYS35661	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
32251	COMM	92867GAC7	VALET 0.85% MAT	Redemption	CITIGROUP GLOBAL	VOLKSWAGEN		558,411.10		558,411.10
32251	COMM	92867GAC7	VALET 0.85% MAT	Cap G/L	CITIGROUP GLOBAL	VOLKSWAGEN		6.48		6.48
34270	COMM	313381YP4	FEDERAL HOME	Redemption	UBS FINANCE	FHLB NOTES		10,000,000.00		10,000,000.00
35656	COMM	SYS35656	USTN 0.03% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35658	COMM	SYS35658	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		150,000,000.00		150,000,000.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35659	COMM	9033E1PL2	USB DISC NOTE	Redemption	U S BANK	U S BANK		60,000,000.00		60,000,000.00
32251	COMM	92867GAC7	VALET 0.85% MAT	Interest	CITIGROUP GLOBAL	VOLKSWAGEN			1,990.87	1,990.87
34270	COMM	313381YP4	FEDERAL HOME	Interest	UBS FINANCE	FHLB NOTES			12,500.00	12,500.00
35656	COMM	SYS35656	USTN 0.03% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			83.33	83.33
35658	COMM	SYS35658	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			166.67	166.67
35060	COMM	09657YAD4	BMWLT 0.66% MAT	Interest	BNP PARIBAS	BMW VEHICLE			5,500.00	5,500.00
35060	COMM	09657YAD4	BMWLT 0.66% MAT	Redemption	BNP PARIBAS	BMW VEHICLE		602,709.37		602,709.37
35064	COMM	92867RAC3	VALET 0.91% MAT	Interest	JPMorganChase	VOLKSWAGEN			7,583.33	7,583.33
35064	COMM	92867RAC3	VALET 0.91% MAT	Redemption	JPMorganChase	VOLKSWAGEN		230,120.70		230,120.70
35065	COMM	92867RAB5	VALET 0.42% MAT	Interest	JPMorganChase	VOLKSWAGEN			8,501.31	8,501.31
35065	COMM	92867RAB5	VALET 0.42% MAT	Redemption	JPMorganChase	VOLKSWAGEN		2,354,709.36		2,354,709.36
35382	COMM	92867TAA3	VALET 0.2% MAT	Interest	CITIGROUP GLOBAL	VOLKSWAGEN			714.84	714.84
35382	COMM	92867TAA3	VALET 0.2% MAT	Redemption	CITIGROUP GLOBAL	VOLKSWAGEN		1,090,372.71		1,090,372.71
Totals for 02/20/2015							259,999,500.00	324,836,329.72	37,040.35	64,873,870.07
35507	COMM	3137EADT3	FHLMC 0.875	Interest	JPMorganChase	FHLMC NOTES			65,625.00	65,625.00
35507	COMM	3137EADT3	FHLMC 0.875	Accr Int	JPMorganChase	FHLMC NOTES		39,739.58	-39,739.58	0.00
Totals for 02/22/2015								39,739.58	25,885.42	65,625.00
35665	COMM	9033E1PQ1	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35666	COMM	9033E1PQ1	USB DISC NOTE	Purchase	U S BANK	U S BANK	14,999,958.33			-14,999,958.33
35663	COMM	SYS35663	USTN 0.03% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35664	COMM	SYS35664	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35660	COMM	SYS35660	USTN 0.03% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35661	COMM	SYS35661	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35662	COMM	9033E1PP3	USB DISC NOTE	Redemption	U S BANK	U S BANK		60,000,000.00		60,000,000.00
35536	COMM	3133EEFZ8	FEDERAL FARM CR	Interest	UBS FINANCE	FFCB NOTES			23,333.33	23,333.33
35537	COMM	3133EEFZ8	FEDERAL FARM CR	Interest	JEFFERIES & CO,	FFCB NOTES			35,000.00	35,000.00
35660	COMM	SYS35660	USTN 0.03% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			250.00	250.00
35661	COMM	SYS35661	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			333.33	333.33
Totals for 02/23/2015							264,999,819.44	260,000,000.00	58,916.66	-4,940,902.78
35669	COMM	9033E1PR9	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35670	COMM	9033E1PR9	USB DISC NOTE	Purchase	U S BANK	U S BANK	29,999,916.67			-29,999,916.67
35667	COMM	SYS35667	USTN 0.03% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35668	COMM	SYS35668	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35663	COMM	SYS35663	USTN 0.03% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35664	COMM	SYS35664	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35665	COMM	9033E1PQ1	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35666	COMM	9033E1PQ1	USB DISC NOTE	Redemption	U S BANK	U S BANK		15,000,000.00		15,000,000.00
35663	COMM	SYS35663	USTN 0.03% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			83.33	83.33
35664	COMM	SYS35664	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			111.11	111.11

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
Totals for 02/24/2015							279,999,777.78	265,000,000.00	194.44	-14,999,583.34
35673	COMM	9033E1PS7	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35671	COMM	SYS35671	USTN 0.03% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35672	COMM	SYS35672	USTN 0.03% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35667	COMM	SYS35667	USTN 0.03% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35668	COMM	SYS35668	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35669	COMM	9033E1PR9	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35670	COMM	9033E1PR9	USB DISC NOTE	Redemption	U S BANK	U S BANK		30,000,000.00		30,000,000.00
33721	COMM	3137EACW7	FHLMC 2.% MAT	Interest	GOLDMAN, SACHS & FHL	MC NOTES			200,000.00	200,000.00
35416	COMM	3130A3GV0	FEDERAL HOME	Interest	RAYMOND JAMES & FHL	B NOTES			8,458.33	8,458.33
35445	COMM	3134G5PS8	FEDERAL HOME LN	Interest	BNP PARIBAS	FHLMC NOTES			14,500.00	14,500.00
35667	COMM	SYS35667	USTN 0.03% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			83.33	83.33
35668	COMM	SYS35668	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			111.11	111.11
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Interest	RBC CAPITAL	BMW VEHICLE			4,416.67	4,416.67
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Redemption	RBC CAPITAL	BMW VEHICLE		361,459.40		361,459.40
Totals for 02/25/2015							249,999,861.11	280,361,459.40	227,569.44	30,589,167.73
35678	COMM	3133EEQX1	FEDERAL FARM CR	Purchase	BNP PARIBAS	FFCB NOTES	10,019,984.88			-10,019,984.88
35676	COMM	9033E1PT5	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35677	COMM	9033E1PT5	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35674	COMM	SYS35674	USTN 0.03% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35675	COMM	SYS35675	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
35679	COMM	SYS35679	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
34355	COMM	3135G0UM3	FEDERAL NATL MTG	Redemption	BNP PARIBAS	FNMA NOTES		30,880,276.00		30,880,276.00
34355	COMM	3135G0UM3	FEDERAL NATL MTG	Cap G/L	BNP PARIBAS	FNMA NOTES		24,724.00		24,724.00
34713	COMM	3135G0UV3	FEDERAL NATL MTG	Redemption	MIZUHO	FNMA NOTES		10,051,000.00		10,051,000.00
34713	COMM	3135G0UV3	FEDERAL NATL MTG	Cap G/L	MIZUHO	FNMA NOTES		-51,000.00		-51,000.00
35671	COMM	SYS35671	USTN 0.03% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			100,000,000.00
35672	COMM	SYS35672	USTN 0.03% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			100,000,000.00
35673	COMM	9033E1PS7	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
34355	COMM	3135G0UM3	FEDERAL NATL MTG	Interest	BNP PARIBAS	FNMA NOTES			80,353.00	80,353.00
34555	COMM	3135G0YE7	FEDERAL NATL MTG	Interest	UBS FINANCE	FNMA NOTES			78,125.00	78,125.00
34713	COMM	3135G0UV3	FEDERAL NATL MTG	Interest	MIZUHO	FNMA NOTES			37,500.00	37,500.00
34721	COMM	3135G0YE7	FEDERAL NATL MTG	Interest	MERRILL LYNCH	FNMA NOTES			78,125.00	78,125.00
35208	COMM	3133EDMC3	FEDERAL FARM CR	Interest	MERRILL LYNCH	FFCB NOTES			25,000.00	25,000.00
35671	COMM	SYS35671	USTN 0.03% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			83.33	83.33
35672	COMM	SYS35672	USTN 0.03% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			83.33	83.33
Totals for 02/26/2015							410,019,707.10	290,905,000.00	299,269.66	-118,815,437.44
35683	COMM	3133EEQX1	FEDERAL FARM CR	Purchase	KEYBANC CAPITAL	FFCB NOTES	15,011,783.33			-15,011,783.33
35684	COMM	3130A4GJ5	FEDERAL HOME	Purchase	DEUTSCHE BANK	FHLB NOTES	19,990,800.00			-19,990,800.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35685	COMM	3130A4GJ5	FEDERAL HOME	Purchase	MERRILL LYNCH	FHLB NOTES	11,994,480.00			-11,994,480.00
35681	COMM	9033E1Q23	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,583.33			-49,999,583.33
35682	COMM	9033E1Q23	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,583.33			-49,999,583.33
35680	COMM	SYS35680	USTN 0.04% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35515	COMM	3130A2TY2	FEDERAL HOME	Redemption	CITIGROUP GLOBAL	FHLB NOTES		12,000,000.00		12,000,000.00
35674	COMM	SYS35674	USTN 0.03% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35675	COMM	SYS35675	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35676	COMM	9033E1PT5	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35677	COMM	9033E1PT5	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35679	COMM	SYS35679	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
35515	COMM	3130A2TY2	FEDERAL HOME	Interest	CITIGROUP GLOBAL	FHLB NOTES			51,000.00	51,000.00
35515	COMM	3130A2TY2	FEDERAL HOME	Accr Int	CITIGROUP GLOBAL	FHLB NOTES		30,600.00	-30,600.00	0.00
35674	COMM	SYS35674	USTN 0.03% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			83.33	83.33
35675	COMM	SYS35675	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			111.11	111.11
35679	COMM	SYS35679	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			111.11	111.11
Totals for 02/27/2015							246,996,229.99	412,030,600.00	20,705.55	165,055,075.56
34668	COMM	313383V81	FEDERAL HOME	Interest	DEUTSCHE BANK	FHLB NOTES			56,250.00	56,250.00
34671	COMM	313383V81	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			34,884.38	34,884.38
35447	COMM	3135G0VC4	FEDERAL NATL MTG	Interest	KEYBANC CAPITAL	FNMA NOTES			56,500.00	56,500.00
35447	COMM	3135G0VC4	FEDERAL NATL MTG	Accr Int	KEYBANC CAPITAL	FNMA NOTES		27,308.33	-27,308.33	0.00
35454	COMM	3135G0VC4	FEDERAL NATL MTG	Interest	KEYBANC CAPITAL	FNMA NOTES			33,900.00	33,900.00
35454	COMM	3135G0VC4	FEDERAL NATL MTG	Accr Int	KEYBANC CAPITAL	FNMA NOTES		16,573.33	-16,573.33	0.00
Totals for 02/28/2015								43,881.66	137,652.72	181,534.38
32542	COMM	13063BFQ0	CAS 5.75% MAT	Interest	CITIGROUP GLOBAL	CALIFORNIA ST			553,437.50	553,437.50
35404	COMM	3130A3FM1	FEDERAL HOME	Interest	JEFFERIES & CO,	FHLB NOTES			9,750.00	9,750.00
35405	COMM	3130A3FM1	FEDERAL HOME	Interest	RBC CAPITAL	FHLB NOTES			9,750.00	9,750.00
Totals for 03/01/2015									572,937.50	572,937.50
35688	COMM	9033E1Q31	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35689	COMM	9033E1Q31	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35686	COMM	SYS35686	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35687	COMM	SYS35687	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35680	COMM	SYS35680	USTN 0.04% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35681	COMM	9033E1Q23	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35682	COMM	9033E1Q23	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35680	COMM	SYS35680	USTN 0.04% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			333.33	333.33
Totals for 03/02/2015							349,999,722.22	200,000,000.00	333.33	-149,999,388.89
35694	COMM	166764AV2	CHEVRON CORP	Purchase	BARCLAYS CAPITAL	CHEVRON CORP.	10,000,000.00			-10,000,000.00
35692	COMM	9033E1Q49	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35693	COMM	9033E1Q49	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35690	COMM	SYS35690	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35691	COMM	SYS35691	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35559	COMM	89112U4S7	TDNY 0.115% MAT	Redemption	MERRILL LYNCH	TORONTO		25,000,000.00		25,000,000.00
35686	COMM	SYS35686	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			100,000,000.00
35687	COMM	SYS35687	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			150,000,000.00
35688	COMM	9033E1Q31	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35689	COMM	9033E1Q31	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35559	COMM	89112U4S7	TDNY 0.115% MAT	Interest	MERRILL LYNCH	TORONTO			5,031.25	5,031.25
35686	COMM	SYS35686	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35687	COMM	SYS35687	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			250.00	250.00
Totals for 03/03/2015							359,999,722.22	375,000,000.00	5,420.14	15,005,697.92
35699	COMM	36960MQB2	GE DISC NOTE MAT	Purchase	GENERAL ELECTRIC	GENERAL ELECTRIC	39,999,533.33			-39,999,533.33
35700	COMM	36164EAB1	GEET 0.89% MAT	Purchase	MERRILL LYNCH	GE EQUIP	5,499,408.75			-5,499,408.75
35701	COMM	89236WAB4	TAOT 0.71% MAT	Purchase	JPMorganChase	TOYOTA AUTO REC	9,499,909.75			-9,499,909.75
35697	COMM	9033E1Q56	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35698	COMM	9033E1Q56	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35695	COMM	SYS35695	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35696	COMM	SYS35696	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
35690	COMM	SYS35690	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35691	COMM	SYS35691	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			150,000,000.00
35692	COMM	9033E1Q49	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35693	COMM	9033E1Q49	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
33454	COMM	3134G3J76	FHLMC 0.45% MAT	Interest	BNP PARIBAS	FHLMC NOTES			22,500.00	22,500.00
33552	COMM	3134G3J76	FHLMC 0.45% MAT	Interest	BNP PARIBAS	FHLMC NOTES			22,500.00	22,500.00
35690	COMM	SYS35690	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35691	COMM	SYS35691	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			250.00	250.00
Totals for 03/04/2015							454,998,629.61	350,000,000.00	45,388.89	-104,953,240.72
35704	COMM	9033E1Q64	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35705	COMM	9033E1Q64	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35702	COMM	SYS35702	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35703	COMM	SYS35703	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
35706	COMM	92867VAB6	VALET 0.98% MAT	Purchase	BARCLAYS CAPITAL	VOLKSWAGEN	11,999,941.20			-11,999,941.20
35695	COMM	SYS35695	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35696	COMM	SYS35696	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
35697	COMM	9033E1Q56	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35698	COMM	9033E1Q56	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35695	COMM	SYS35695	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35696	COMM	SYS35696	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			333.33	333.33

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
Totals for 03/05/2015							411,999,718.98	400,000,000.00	472.22	-11,999,246.76
35709	COMM	9033E1Q98	USB DISC NOTE	Purchase	U S BANK	U S BANK	44,999,700.00			-44,999,700.00
35707	COMM	SYS35707	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35708	COMM	SYS35708	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35710	COMM	30231GAL6	EXXON MOBIL	Purchase	JPMorganChase	EXXON MOBIL	50,000,000.00			-50,000,000.00
35702	COMM	SYS35702	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35703	COMM	SYS35703	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
35704	COMM	9033E1Q64	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35705	COMM	9033E1Q64	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
34643	COMM	3135G0XR9	FEDERAL NATL MTG	Interest	MIZUHO	FNMA NOTES			55,000.00	55,000.00
35702	COMM	SYS35702	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			166.67	166.67
35703	COMM	SYS35703	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			333.33	333.33
Totals for 03/06/2015							344,999,700.00	400,000,000.00	55,500.00	55,055,800.00
35508	COMM	3137EADC0	FHLMC 1.0% MAT	Interest	JPMorganChase	FHLMC NOTES			84,585.00	84,585.00
35508	COMM	3137EADC0	FHLMC 1.0% MAT	Accr Int	JPMorganChase	FHLMC NOTES		43,702.25	-43,702.25	0.00
35546	COMM	3137EADC0	FHLMC 1.0% MAT	Interest	JPMorganChase	FHLMC NOTES			84,250.00	84,250.00
35546	COMM	3137EADC0	FHLMC 1.0% MAT	Accr Int	JPMorganChase	FHLMC NOTES		51,954.17	-51,954.17	0.00
Totals for 03/08/2015								95,656.42	73,178.58	168,835.00
35712	COMM	3130A3UU6	FNMAC 0.875% MAT	Purchase	JPMorganChase	FHLB NOTES	15,023,862.50			-15,023,862.50
35711	COMM	3134G5YG4	FHLMC 0.875% MAT	Purchase	UBS FINANCE	FHLMC NOTES	15,019,662.50			-15,019,662.50
35715	COMM	9033E1QA5	USB DISC NOTE	Purchase	U S BANK	U S BANK	33,999,924.44			-33,999,924.44
35713	COMM	SYS35713	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35714	COMM	SYS35714	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35707	COMM	SYS35707	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35708	COMM	SYS35708	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		150,000,000.00		150,000,000.00
35709	COMM	9033E1Q98	USB DISC NOTE	Redemption	U S BANK	U S BANK		45,000,000.00		45,000,000.00
35707	COMM	SYS35707	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			500.00	500.00
35708	COMM	SYS35708	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			750.00	750.00
Totals for 03/09/2015							314,043,449.44	295,000,000.00	1,250.00	-19,042,199.44
35718	COMM	9033E1QB3	USB DISC NOTE	Purchase	U S BANK	U S BANK	39,999,911.11			-39,999,911.11
35716	COMM	SYS35716	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35717	COMM	SYS35717	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35713	COMM	SYS35713	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35714	COMM	SYS35714	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		150,000,000.00		150,000,000.00
35715	COMM	9033E1QA5	USB DISC NOTE	Redemption	U S BANK	U S BANK		34,000,000.00		34,000,000.00
35516	COMM	3133782N0	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			109,375.00	109,375.00
35516	COMM	3133782N0	FEDERAL HOME	Accr Int	WELLS FARGO	FHLB NOTES		57,725.69	-57,725.69	0.00
35517	COMM	3133782N0	FEDERAL HOME	Interest	MERRILL LYNCH	FHLB NOTES			153,125.00	153,125.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35517	COMM	3133782N0	FEDERAL HOME	Accr Int	MERRILL LYNCH	FHLB NOTES		80,815.97	-80,815.97	0.00
35548	COMM	3130A2Y75	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			60,000.00	60,000.00
35548	COMM	3130A2Y75	FEDERAL HOME	Accr Int	WELLS FARGO	FHLB NOTES		36,666.67	-36,666.67	0.00
35713	COMM	SYS35713	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			166.67	166.67
35714	COMM	SYS35714	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			250.00	250.00
Totals for 03/10/2015							289,999,911.11	284,175,208.33	147,708.34	-5,676,994.44
35725	COMM	47787UAB9	JDOT 0.87% MAT	Purchase	CITIGROUP GLOBAL	JOHN DEERE	12,999,162.80			-12,999,162.80
35726	COMM	47787UAD5	JDOT 1.32% MAT	Purchase	CITIGROUP GLOBAL	JOHN DEERE	5,999,523.00			-5,999,523.00
35721	COMM	9033E1QC1	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35722	COMM	9033E1QC1	USB DISC NOTE	Purchase	U S BANK	U S BANK	39,999,911.11			-39,999,911.11
35719	COMM	SYS35719	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35720	COMM	SYS35720	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
35699	COMM	36960MQB2	GE DISC NOTE MAT	Redemption	GENERAL ELECTRIC	GENERAL ELECTRIC		40,000,000.00		40,000,000.00
35716	COMM	SYS35716	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35717	COMM	SYS35717	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		150,000,000.00		150,000,000.00
35718	COMM	9033E1QB3	USB DISC NOTE	Redemption	U S BANK	U S BANK		40,000,000.00		40,000,000.00
35020	COMM	313375RN9	FEDERAL HOME	Interest	Daiwa Capital Market	FHLB NOTES			75,000.00	75,000.00
35716	COMM	SYS35716	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			166.67	166.67
35717	COMM	SYS35717	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			250.00	250.00
Totals for 03/11/2015							358,998,485.80	330,000,000.00	75,416.67	-28,923,069.13
35723	COMM	SYS35723	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35724	COMM	SYS35724	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
35719	COMM	SYS35719	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35720	COMM	SYS35720	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		150,000,000.00		150,000,000.00
35721	COMM	9033E1QC1	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35722	COMM	9033E1QC1	USB DISC NOTE	Redemption	U S BANK	U S BANK		40,000,000.00		40,000,000.00
35643	COMM	78009NTJ5	RBC 0.2917% MAT	Interest	RBC CAPITAL	ROYAL BANK OF			3,403.17	3,403.17
35719	COMM	SYS35719	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35720	COMM	SYS35720	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			250.00	250.00
Totals for 03/12/2015							300,000,000.00	340,000,000.00	3,792.06	40,003,792.06
35727	COMM	SYS35727	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35728	COMM	SYS35728	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
35723	COMM	SYS35723	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35724	COMM	SYS35724	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
35723	COMM	SYS35723	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35724	COMM	SYS35724	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			333.33	333.33
Totals for 03/13/2015							300,000,000.00	300,000,000.00	472.22	472.22
32522	COMM	06052YAC3	BAAT 0.78% MAT	Interest	BANK OF AMERICA	BANK OF AMERICA			211.54	211.54

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
34942	COMM	30231GAA0	XOM 0.921% MAT	Interest	MORGAN STANLEY	EXXON MOBIL			46,050.00	46,050.00
Totals for 03/15/2015									46,261.54	46,261.54
35731	COMM	3134G6HR7	FEDERAL HOME LN	Purchase	INCAPITAL LLC	FHLMC NOTES	4,998,250.00			-4,998,250.00
35729	COMM	SYS35729	USTN 0.07% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35730	COMM	SYS35730	USTN 0.08% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
32317	COMM	43813UAC4	HAROT 0.77% MAT	Redemption	MERRILL LYNCH	HONDA AUTO		76,422.05		76,422.05
32317	COMM	43813UAC4	HAROT 0.77% MAT	Cap G/L	MERRILL LYNCH	HONDA AUTO		4.59		4.59
32522	COMM	06052YAC3	BAAT 0.78% MAT	Redemption	BANK OF AMERICA	BANK OF AMERICA		325,442.13		325,442.13
32522	COMM	06052YAC3	BAAT 0.78% MAT	Cap G/L	BANK OF AMERICA	BANK OF AMERICA		11.62		11.62
33784	COMM	3133EC5Q3	FFCB 0.33% MAT	Redemption	PIPER JAFFRAY &	FFCB NOTES		10,000,000.00		10,000,000.00
33787	COMM	3133EC5Q3	FFCB 0.33% MAT	Redemption	PIPER JAFFRAY &	FFCB NOTES		10,000,000.00		10,000,000.00
33835	COMM	3133EAHP6	FFCB 0.52% MAT	Redemption	PIPER JAFFRAY &	FFCB NOTES		21,000,000.00		21,000,000.00
34190	COMM	58768VAC5	MBALT 0.59% MAT	Redemption	MERRILL LYNCH	MERCEDES-BENZ		2,297,827.08		2,297,827.08
34190	COMM	58768VAC5	MBALT 0.59% MAT	Cap G/L	MERRILL LYNCH	MERCEDES-BENZ		200.62		200.62
35005	COMM	3135G0HG1	FEDERAL NATL MTG	Redemption	UBS FINANCE	FNMA NOTES		15,000,000.00		15,000,000.00
35727	COMM	SYS35727	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35728	COMM	SYS35728	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
32317	COMM	43813UAC4	HAROT 0.77% MAT	Interest	MERRILL LYNCH	HONDA AUTO			91.53	91.53
33757	COMM	161571FR0	CHAIT 0.54% MAT	Interest	JPMorganChase	CHASE ISSUANCE			6,750.00	6,750.00
33784	COMM	3133EC5Q3	FFCB 0.33% MAT	Interest	PIPER JAFFRAY &	FFCB NOTES			16,500.00	16,500.00
33787	COMM	3133EC5Q3	FFCB 0.33% MAT	Interest	PIPER JAFFRAY &	FFCB NOTES			16,500.00	16,500.00
33835	COMM	3133EAHP6	FFCB 0.52% MAT	Interest	PIPER JAFFRAY &	FFCB NOTES			54,600.00	54,600.00
34190	COMM	58768VAC5	MBALT 0.59% MAT	Interest	MERRILL LYNCH	MERCEDES-BENZ			2,307.97	2,307.97
35005	COMM	3135G0HG1	FEDERAL NATL MTG	Interest	UBS FINANCE	FNMA NOTES			28,125.00	28,125.00
35418	COMM	161571FR0	CHAIT 0.54% MAT	Interest	MORGAN STANLEY	CHASE ISSUANCE			6,750.00	6,750.00
35727	COMM	SYS35727	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			500.00	500.00
35728	COMM	SYS35728	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,166.67	1,166.67
34430	COMM	43812XAB1	HAROT 0.54% MAT	Interest	JPMorganChase	HONDA AUTO			206.98	206.98
34430	COMM	43812XAB1	HAROT 0.54% MAT	Redemption	JPMorganChase	HONDA AUTO		445,217.87		445,217.87
34436	COMM	161571FJ8	CHAIT 0.79% MAT	Interest	CITIGROUP GLOBAL	CHASE ISSUANCE			9,875.00	9,875.00
34436	COMM	161571FJ8	CHAIT 0.79% MAT	Redemption	CITIGROUP GLOBAL	CHASE ISSUANCE		607,014.39		607,014.39
34933	COMM	89231MAC9	TAOT 0.67% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			4,466.66	4,466.66
34933	COMM	89231MAC9	TAOT 0.67% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		248,794.81		248,794.81
34934	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			1,560.22	1,560.22
34934	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		581,802.54		581,802.54
34992	COMM	58768EAC3	MBALT 0.48% MAT	Interest	CITIGROUP GLOBAL	MERCEDES-BENZ			2,094.76	2,094.76
34992	COMM	58768EAC3	MBALT 0.48% MAT	Redemption	CITIGROUP GLOBAL	MERCEDES-BENZ		637,808.53		637,808.53
35040	COMM	89231MAB1	TAOT 0.41% MAT	Interest	MORGAN STANLEY	TOYOTA AUTO REC			550.19	550.19
35040	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	MORGAN STANLEY	TOYOTA AUTO REC		249,462.42		249,462.42
35087	COMM	43813XAD6	HAROT 0.74% MAT	Interest	CITIGROUP GLOBAL	HONDA AUTO			3,114.17	3,114.17

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35087	COMM	43813XAD6	HAROT 0.74% MAT	Redemption	CITIGROUP	GLOBAL HONDA AUTO		139,146.06		139,146.06
35143	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP	GLOBAL TOYOTA AUTO REC			2,764.19	2,764.19
35143	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP	GLOBAL TOYOTA AUTO REC	1,231,464.74			1,231,464.74
35311	COMM	477877AB0	JDOT 0.54% MAT	Interest	RBC CAPITAL	JOHN DEERE			4,050.00	4,050.00
35311	COMM	477877AB0	JDOT 0.54% MAT	Redemption	RBC CAPITAL	JOHN DEERE	306,771.43			306,771.43
35375	COMM	89190AAB6	TAOT 0.51% MAT	Interest	MERRILL LYNCH	TOYOTA AUTO REC			2,125.00	2,125.00
35375	COMM	89190AAB6	TAOT 0.51% MAT	Redemption	MERRILL LYNCH	TOYOTA AUTO REC	211,316.32			211,316.32
35420	COMM	161571FJ8	CHAIT 0.79% MAT	Interest	MORGAN STANLEY	CHASE ISSUANCE			6,583.33	6,583.33
35420	COMM	161571FJ8	CHAIT 0.79% MAT	Redemption	MORGAN STANLEY	CHASE ISSUANCE	404,455.54			404,455.54
35423	COMM	02587UAB6	AME 0.59% MAT	Interest	MORGAN STANLEY	AMERICAN			3,353.17	3,353.17
35423	COMM	02587UAB6	AME 0.59% MAT	Redemption	MORGAN STANLEY	AMERICAN	205,223.77			205,223.77
35456	COMM	43814JAA2	HAROT 0.22% MAT	Interest	BNP PARIBAS	HONDA AUTO			1,459.32	1,459.32
35456	COMM	43814JAA2	HAROT 0.22% MAT	Redemption	BNP PARIBAS	HONDA AUTO	1,536,368.99			1,536,368.99
35457	COMM	43814JAB0	HAROT 0.58% MAT	Interest	BNP PARIBAS	HONDA AUTO			4,833.33	4,833.33
35457	COMM	43814JAB0	HAROT 0.58% MAT	Redemption	BNP PARIBAS	HONDA AUTO		420,768.12		420,768.12
Totals for 03/16/2015							354,998,250.00	365,925,523.62	180,327.49	11,107,601.11
35734	COMM	9033E1QJ6	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35735	COMM	9033E1QJ6	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,861.11			-49,999,861.11
35732	COMM	SYS35732	USTN 0.08% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35733	COMM	SYS35733	USTN 0.1% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
35729	COMM	SYS35729	USTN 0.07% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35730	COMM	SYS35730	USTN 0.08% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35729	COMM	SYS35729	USTN 0.07% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			194.44	194.44
35730	COMM	SYS35730	USTN 0.08% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			555.56	555.56
Totals for 03/17/2015							399,999,722.22	350,000,000.00	750.00	-49,998,972.22
35740	COMM	36960MQR7	GE DISC NOTE MAT	Purchase	GENERAL ELECTRIC	GENERAL ELECTRIC	49,999,319.44			-49,999,319.44
35741	COMM	36960MQR7	GE DISC NOTE MAT	Purchase	GENERAL ELECTRIC	GENERAL ELECTRIC	49,999,319.44			-49,999,319.44
35738	COMM	9033E1QK3	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35739	COMM	9033E1QK3	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35736	COMM	SYS35736	USTN 0.07% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35737	COMM	SYS35737	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
34724	COMM	3134G36G0	FEDERAL HOME LN	Redemption	JPMorganChase	FHLMC NOTES		25,000,000.00		25,000,000.00
35732	COMM	SYS35732	USTN 0.08% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35733	COMM	SYS35733	USTN 0.1% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
35734	COMM	9033E1QJ6	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35735	COMM	9033E1QJ6	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
34724	COMM	3134G36G0	FEDERAL HOME LN	Interest	JPMorganChase	FHLMC NOTES			43,750.00	43,750.00
35732	COMM	SYS35732	USTN 0.08% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			222.22	222.22
35733	COMM	SYS35733	USTN 0.1% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			555.56	555.56

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
Totals for 03/18/2015							499,998,416.66	425,000,000.00	44,527.78	-74,953,888.88
35744	COMM	9033E1QL1	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,875.00			-49,999,875.00
35745	COMM	9033E1QL1	USB DISC NOTE	Purchase	U S BANK	U S BANK	24,999,937.50			-24,999,937.50
35742	COMM	SYS35742	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35743	COMM	SYS35743	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35736	COMM	SYS35736	USTN 0.07% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35737	COMM	SYS35737	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
35738	COMM	9033E1QK3	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35739	COMM	9033E1QK3	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35736	COMM	SYS35736	USTN 0.07% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			194.44	194.44
35737	COMM	SYS35737	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			500.00	500.00
Totals for 03/19/2015							424,999,812.50	400,000,000.00	694.44	-24,999,118.06
35750	COMM	3135G0PP2	FEDERAL NATL MTG	Purchase	KEYBANC CAPITAL	FNMA NOTES	16,396,420.80			-16,396,420.80
35748	COMM	9033E1QP2	USB DISC NOTE	Purchase	U S BANK	U S BANK	9,999,925.00			-9,999,925.00
35749	COMM	9033E1QP2	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,625.00			-49,999,625.00
35746	COMM	SYS35746	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35747	COMM	SYS35747	USTN 0.08% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
32251	COMM	92867GAC7	VALET 0.85% MAT	Redemption	CITIGROUP GLOBAL	VOLKSWAGEN		441,483.90		441,483.90
32251	COMM	92867GAC7	VALET 0.85% MAT	Cap G/L	CITIGROUP GLOBAL	VOLKSWAGEN		5.12		5.12
35742	COMM	SYS35742	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35743	COMM	SYS35743	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35744	COMM	9033E1QL1	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35745	COMM	9033E1QL1	USB DISC NOTE	Redemption	U S BANK	U S BANK		25,000,000.00		25,000,000.00
32251	COMM	92867GAC7	VALET 0.85% MAT	Interest	CITIGROUP GLOBAL	VOLKSWAGEN			1,595.33	1,595.33
35742	COMM	SYS35742	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35743	COMM	SYS35743	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			625.00	625.00
35060	COMM	09657YAD4	BMWLT 0.66% MAT	Interest	BNP PARIBAS	BMW VEHICLE			5,500.00	5,500.00
35060	COMM	09657YAD4	BMWLT 0.66% MAT	Redemption	BNP PARIBAS	BMW VEHICLE		641,093.52		641,093.52
35064	COMM	92867RAC3	VALET 0.91% MAT	Interest	JPMorganChase	VOLKSWAGEN			7,583.33	7,583.33
35064	COMM	92867RAC3	VALET 0.91% MAT	Redemption	JPMorganChase	VOLKSWAGEN		236,605.83		236,605.83
35065	COMM	92867RAB5	VALET 0.42% MAT	Interest	JPMorganChase	VOLKSWAGEN			7,670.25	7,670.25
35065	COMM	92867RAB5	VALET 0.42% MAT	Redemption	JPMorganChase	VOLKSWAGEN		1,968,085.96		1,968,085.96
35382	COMM	92867TAA3	VALET 0.2% MAT	Interest	CITIGROUP GLOBAL	VOLKSWAGEN			476.05	476.05
35382	COMM	92867TAA3	VALET 0.2% MAT	Redemption	CITIGROUP GLOBAL	VOLKSWAGEN		891,532.74		891,532.74
35706	COMM	92867VAB6	VALET 0.98% MAT	Interest	BARCLAYS CAPITAL	VOLKSWAGEN			4,350.00	4,350.00
35706	COMM	92867VAB6	VALET 0.98% MAT	Redemption	BARCLAYS CAPITAL	VOLKSWAGEN		425,794.11		425,794.11
Totals for 03/20/2015							426,395,970.80	429,604,601.18	27,938.85	3,236,569.23
35755	COMM	3134G3M31	FEDERAL HOME LN	Purchase	MERRILL LYNCH	FHLMC NOTES	20,148,377.78			-20,148,377.78
35753	COMM	9033E1QQ0	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35754	COMM	9033E1QQ0	USB DISC NOTE	Purchase	U S BANK	U S BANK	44,999,900.00			-44,999,900.00
35751	COMM	SYS35751	USTN 0.05% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35752	COMM	SYS35752	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
29930	COMM	3136FPGF8	FNMA 1.75% MAT	Redemption	RBS Securities Inc	FNMA NOTES		25,000,000.00		25,000,000.00
35746	COMM	SYS35746	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			100,000,000.00
35747	COMM	SYS35747	USTN 0.08% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			250,000,000.00
35748	COMM	9033E1QP2	USB DISC NOTE	Redemption	U S BANK	U S BANK		10,000,000.00		10,000,000.00
35749	COMM	9033E1QP2	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
29930	COMM	3136FPGF8	FNMA 1.75% MAT	Interest	RBS Securities Inc	FNMA NOTES			218,750.00	218,750.00
35746	COMM	SYS35746	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			416.67	416.67
35747	COMM	SYS35747	USTN 0.08% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,666.67	1,666.67
Totals for 03/23/2015							415,148,166.67	435,000,000.00	220,833.34	20,072,666.67
35757	COMM	3133EEQX1	FEDERAL FARM CR	Purchase	BNP PARIBAS	FFCB NOTES	20,068,877.11			-20,068,877.11
35756	COMM	3134G3B90	FEDERAL HOME LN	Purchase	KEYBANC CAPITAL	FHLMC NOTES	15,023,668.75			-15,023,668.75
35758	COMM	SYS35758	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35759	COMM	SYS35759	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
35751	COMM	SYS35751	USTN 0.05% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35752	COMM	SYS35752	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
35753	COMM	9033E1QQ0	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35754	COMM	9033E1QQ0	USB DISC NOTE	Redemption	U S BANK	U S BANK		45,000,000.00		45,000,000.00
35751	COMM	SYS35751	USTN 0.05% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			138.89	138.89
35752	COMM	SYS35752	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			388.89	388.89
Totals for 03/24/2015							435,092,545.86	395,000,000.00	527.78	-40,092,018.08
35760	COMM	3137EADN6	FEDERAL HOME LN	Purchase	MORGAN STANLEY	FHLMC NOTES	9,970,808.33			-9,970,808.33
35761	COMM	3137EADN6	FEDERAL HOME LN	Purchase	UBS FINANCE	FHLMC NOTES	9,964,508.33			-9,964,508.33
35762	COMM	3135G0WJ8	FEDERAL NATL MTGPurchase	Purchase	MIZUHO	FNMA NOTES	14,970,057.58			-14,970,057.58
35768	COMM	36960MQW6	GE DISC NOTE MAT	Purchase	GENERAL ELECTRIC	GENERAL ELECTRIC	49,999,513.89			-49,999,513.89
35769	COMM	36960MQW6	GE DISC NOTE MAT	Purchase	GENERAL ELECTRIC	GENERAL ELECTRIC	49,999,513.89			-49,999,513.89
35763	COMM	91412GWV3		Purchase	MORGAN STANLEY	UNIVERSITY	250,000.00			-250,000.00
35766	COMM	9033E1QS6	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35767	COMM	9033E1QS6	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35764	COMM	SYS35764	USTN 0.08% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35765	COMM	SYS35765	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35560	COMM	313312DM9	FCDN DISC NOTE	Redemption	UBS FINANCE	FFCB DISCOUNT		10,000,000.00		10,000,000.00
35740	COMM	36960MQR7	GE DISC NOTE MAT	Redemption	GENERAL ELECTRIC	GENERAL ELECTRIC		50,000,000.00		50,000,000.00
35741	COMM	36960MQR7	GE DISC NOTE MAT	Redemption	GENERAL ELECTRIC	GENERAL ELECTRIC		50,000,000.00		50,000,000.00
35758	COMM	SYS35758	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			100,000,000.00
35759	COMM	SYS35759	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			300,000,000.00
33610	COMM	3133EAZ68	FFCB 0.4% MAT	Interest	JEFFERIES & CO,	FFCB NOTES			30,000.00	30,000.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35678	COMM	3133EEQX1	FEDERAL FARM CR	Interest	BNP PARIBAS	FFCB NOTES			8,333.33	8,333.33
35678	COMM	3133EEQX1	FEDERAL FARM CR	Accr Int	BNP PARIBAS	FFCB NOTES		277.78	-277.78	0.00
35683	COMM	3133EEQX1	FEDERAL FARM CR	Interest	KEYBANC CAPITAL	FFCB NOTES			12,500.00	12,500.00
35683	COMM	3133EEQX1	FEDERAL FARM CR	Accr Int	KEYBANC CAPITAL	FFCB NOTES		833.33	-833.33	0.00
35757	COMM	3133EEQX1	FEDERAL FARM CR	Interest	BNP PARIBAS	FFCB NOTES			16,666.67	16,666.67
35757	COMM	3133EEQX1	FEDERAL FARM CR	Accr Int	BNP PARIBAS	FFCB NOTES		16,111.11	-16,111.11	0.00
35758	COMM	SYS35758	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			166.67	166.67
35759	COMM	SYS35759	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			583.33	583.33
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Interest	RBC CAPITAL	BMW VEHICLE			4,416.67	4,416.67
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Redemption	RBC CAPITAL	BMW VEHICLE		376,298.97		376,298.97
Totals for 03/25/2015							585,154,179.80	510,393,521.19	55,444.45	-74,705,214.16
35775	COMM	3130A4JX1	FEDERAL HOME	Purchase	DEUTSCHE BANK	FHLB NOTES	15,000,000.00			-15,000,000.00
35776	COMM	89113EJ6	TDNY 0.085% MAT	Purchase	MERRILL LYNCH	TORONTO	30,000,000.00			-30,000,000.00
35772	COMM	9033E1QT4	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35773	COMM	9033E1QT4	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,888.89			-49,999,888.89
35770	COMM	SYS35770	USTN 0.08% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35771	COMM	SYS35771	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35774	COMM	SYS35774	USTN 0.06% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35764	COMM	SYS35764	USTN 0.08% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35765	COMM	SYS35765	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35766	COMM	9033E1QS6	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35767	COMM	9033E1QS6	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
34398	COMM	3135G0VX8	FEDERAL NATL MTG	Interest	GOLDMAN, SACHS &FNMA	NOTES			156,250.00	156,250.00
34414	COMM	3135G0VX8	FEDERAL NATL MTG	Interest	GOLDMAN, SACHS &FNMA	NOTES			156,250.00	156,250.00
35764	COMM	SYS35764	USTN 0.08% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			222.22	222.22
35765	COMM	SYS35765	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			625.00	625.00
Totals for 03/26/2015							594,999,777.78	450,000,000.00	313,347.22	-144,686,430.56
35779	COMM	9033E1QW7	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,666.67			-49,999,666.67
35780	COMM	9033E1QW7	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,666.67			-49,999,666.67
35777	COMM	SYS35777	USTN 0.07% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	100,000,000.00			-100,000,000.00
35778	COMM	SYS35778	USTN 0.08% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35770	COMM	SYS35770	USTN 0.08% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35771	COMM	SYS35771	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35772	COMM	9033E1QT4	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35773	COMM	9033E1QT4	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35774	COMM	SYS35774	USTN 0.06% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35755	COMM	3134G3M31	FEDERAL HOME LN	Interest	MERRILL LYNCH	FHLMC NOTES			100,000.00	100,000.00
35755	COMM	3134G3M31	FEDERAL HOME LN	Accr Int	MERRILL LYNCH	FHLMC NOTES		97,777.78	-97,777.78	0.00
35770	COMM	SYS35770	USTN 0.08% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			222.22	222.22

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35771	COMM	SYS35771	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			625.00	625.00
35774	COMM	SYS35774	USTN 0.06% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			166.67	166.67
Totals for 03/27/2015							449,999,333.34	550,097,777.78	3,236.11	100,101,680.55
35781	COMM	3130A4MW9	FEDERAL HOME	Purchase	JEFFERIES & CO,	FHLB NOTES	6,000,000.00			-6,000,000.00
35782	COMM	3130A4MS8	FEDERAL HOME	Purchase	INCAPITAL LLC	FHLB NOTES	6,875,000.00			-6,875,000.00
35783	COMM	3130A4NZ1	FEDERAL HOME	Purchase	INCAPITAL LLC	FHLB NOTES	7,499,250.00			-7,499,250.00
35784	COMM	3130A4MW9	FEDERAL HOME	Purchase	UBS FINANCE	FHLB NOTES	17,550,000.00			-17,550,000.00
35785	COMM	3137EADN6	FEDERAL HOME LN	Purchase	MIZUHO	FHLMC NOTES	4,983,875.00			-4,983,875.00
35786	COMM	3134G6MD2	FEDERAL HOME LN	Purchase	FTN FINANCIAL	FHLMC NOTES	7,630,000.00			-7,630,000.00
35787	COMM	3134G6LP6	FEDERAL HOME LN	Purchase	MIZUHO	FHLMC NOTES	15,003,750.00			-15,003,750.00
35788	COMM	3134G6LP6	FEDERAL HOME LN	Purchase	MIZUHO	FHLMC NOTES	20,020,000.00			-20,020,000.00
35789	COMM	3134G6PR8	FEDERAL HOME LN	Purchase	SUNTRUST	FHLMC NOTES	25,000,000.00			-25,000,000.00
35793	COMM	9033E1R14	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,833.33			-49,999,833.33
35794	COMM	9033E1R14	USB DISC NOTE	Purchase	U S BANK	U S BANK	49,999,833.33			-49,999,833.33
35790	COMM	SYS35790	USTN 0.09% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	50,000,000.00			-50,000,000.00
35791	COMM	SYS35791	USTN 0.1% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35792	COMM	SYS35792	USTN 0.09% MAT	Purchase	BARCLAYS CAPITAL	U.S. TREASURY	50,000,000.00			-50,000,000.00
35768	COMM	36960MQW6	GE DISC NOTE MAT	Redemption	GENERAL ELECTRIC	GENERAL ELECTRIC		50,000,000.00		50,000,000.00
35769	COMM	36960MQW6	GE DISC NOTE MAT	Redemption	GENERAL ELECTRIC	GENERAL ELECTRIC		50,000,000.00		50,000,000.00
35777	COMM	SYS35777	USTN 0.07% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		100,000,000.00		100,000,000.00
35778	COMM	SYS35778	USTN 0.08% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35779	COMM	9033E1QW7	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
35780	COMM	9033E1QW7	USB DISC NOTE	Redemption	U S BANK	U S BANK		50,000,000.00		50,000,000.00
33443	COMM	3135G0NV1	FNMA 0.5% MAT	Interest	UBS AMERICA	FNMA NOTES			25,000.00	25,000.00
33722	COMM	3135G0NV1	FNMA 0.5% MAT	Interest	CITIGROUP GLOBAL	FNMA NOTES			50,000.00	50,000.00
34968	COMM	3130A1CD8	FEDERAL HOME	Interest	NOMURA	FHLB NOTES			140,625.00	140,625.00
35777	COMM	SYS35777	USTN 0.07% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			583.33	583.33
35778	COMM	SYS35778	USTN 0.08% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,666.67	1,666.67
Totals for 03/30/2015							560,561,541.66	550,000,000.00	217,875.00	-10,343,666.66
34291	COMM	SYS34291	MSGI 0%	Purchase		MORGAN STANLEY	75,000,000.00			-75,000,000.00
35790	COMM	SYS35790	USTN 0.09% MAT	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		50,000,000.00		50,000,000.00
35791	COMM	SYS35791	USTN 0.1% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35790	COMM	SYS35790	USTN 0.09% MAT	Interest	BARCLAYS CAPITAL	U.S. TREASURY			125.00	125.00
35791	COMM	SYS35791	USTN 0.1% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			694.44	694.44
Totals for 03/31/2015							75,000,000.00	300,000,000.00	819.44	225,000,819.44
Grand Total							18,296,718,954.	18,556,808,666.	6,259,322.34	266,349,034.24

(THIS PAGE INTENTIONALLY LEFT BLANK)

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 20, 2015

NEW ISSUE -- FULL BOOK-ENTRY

RATINGS: Moody's: "Aaa"; S&P: "AA"

See "RATINGS" herein

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" with respect to tax consequences relating to the Bonds.

\$80,000,000*

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

(Santa Clara County, California)

2015 General Obligation Refunding Bonds

Dated: Date of Delivery

Due: August 1, as shown on inside front cover

This cover page contains information for general reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.

The Foothill-De Anza Community College District (Santa Clara County, California) 2015 General Obligation Refunding Bonds (the "Bonds"), in the aggregate principal amount of \$80,000,000,* are being issued by the Foothill-De Anza Community College District (the "District") to (i) refund portions of the District's outstanding Prior Bonds (as defined herein), and (ii) pay the costs of issuance of the Bonds.

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of Santa Clara County is empowered and obligated to annually levy such *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates).

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Bonds are issuable as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, as paying agent, bond registrar, authentication agent and transfer agent (collectively, the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. See "APPENDIX E – Book-Entry Only System."

The Bonds are subject to optional redemption prior to their respective stated maturity dates as described herein.*

MATURITY SCHEDULE*

(see inside front cover)

The Bonds are offered when, as and if issued, and received by the Underwriter subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the Underwriter by Nixon Peabody LLP. The Bonds, in book-entry form, will be available for delivery through the facilities of the Depository Trust Company in New York, New York, on or about May __, 2015.

Morgan Stanley

Dated: April __, 2015

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

MATURITY SCHEDULE*

\$80,000,000*

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

(Santa Clara County, California)

2015 General Obligation Refunding Bonds

Base CUSIP[†]: 345102

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP[†]</u>
2015				
2027				
2028				
2029				
2030				
2031				

* Preliminary, subject to change.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. None of the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein.

⁽¹⁾ Yield to call at par on August 1, 20__.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Section 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from sources outside of the District which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

“The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information.”

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website. However, the information presented on such website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

(THIS PAGE INTENTIONALLY LEFT BLANK)

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

Board of Trustees

Pearl Cheng, *President*
Joan Barram, *Vice President*
Betsy Bechtel *Member*
Laura Casas, *Member*
Bruce Swenson, *Member*

District Administration

Dr. Linda M. Thor, *Chancellor*
Kevin McElroy, *Vice Chancellor, Business Services*
Hector Quiñonez, *Executive Director, Fiscal Services*
Joni Hayes, *Director, Budget Operations*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Paying Agent and Escrow Agent

U.S. Bank National Association
San Francisco, California

Verification Agent

Grant Thornton LLP
Minneapolis, Minnesota

(THIS PAGE INTENTIONALLY LEFT BLANK)

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE DISTRICT	1
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS	1
PURPOSE OF ISSUE	2
DESCRIPTION OF THE BONDS	2
TAX MATTERS	2
AUTHORITY FOR ISSUANCE OF THE BONDS	3
OFFERING AND DELIVERY OF THE BONDS	3
CONTINUING DISCLOSURE	3
PROFESSIONALS INVOLVED IN THE OFFERING	3
FORWARD LOOKING STATEMENTS	3
OTHER INFORMATION	4
THE BONDS	5
AUTHORITY FOR ISSUANCE	5
SECURITY AND SOURCES OF PAYMENT	5
DESCRIPTION OF THE BONDS	6
ANNUAL DEBT SERVICE	6
REDEMPTION	7
BOOK-ENTRY ONLY SYSTEM	9
TRANSFER AND EXCHANGE OF BONDS	11
DEFEASANCE	11
REFUNDING PLAN	12
ESTIMATED SOURCES AND USES OF FUNDS	14
TAX BASE FOR REPAYMENT OF BONDS	14
<i>AD VALOREM</i> PROPERTY TAXATION	14
ASSESSED VALUATIONS	15
ASSESSED VALUATION BY JURISDICTION	17
ASSESSED VALUATION AND PARCELS BY LAND USE	18
ASSESSED VALUATION OF SINGLE FAMILY HOMES	19
ALTERNATIVE METHOD OF TAX APPORTIONMENT - “TEETER PLAN”	19
TAX LEVIES, COLLECTIONS AND DELINQUENCIES	20
PRINCIPAL TAXPAYERS	20
TAX RATES	21
STATEMENT OF DIRECT AND OVERLAPPING DEBT	21
CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS	23
ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION	23
LEGISLATION IMPLEMENTING ARTICLE XIII A	24
UNITARY PROPERTY	24
ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION	25
ARTICLE XIII C AND ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION	26
PROPOSITION 26	26
PROPOSITIONS 98 AND 111	27
PROPOSITION 39	28
JARVIS V. CONNELL	29
PROPOSITION 1 A AND PROPOSITION 22	29
PROPOSITION 30	30
PROPOSITION 2	31
FUTURE INITIATIVES	32
FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA	32
MAJOR REVENUES	32
TAX SHIFTS AND TRIPLE FLIP	34

TABLE OF CONTENTS (cont'd)

	<u>Page</u>
BUDGET PROCEDURE	34
MINIMUM FUNDING GUARANTEES FOR CALIFORNIA COMMUNITY COLLEGE DISTRICTS UNDER PROPOSITIONS 98 AND 111	37
STATE DISSOLUTION OF REDEVELOPMENT AGENCIES	38
STATE ASSISTANCE.....	39
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT.....	43
INTRODUCTION	44
ADMINISTRATION	44
LABOR RELATIONS	45
RETIREMENT PROGRAMS	45
OTHER POST-EMPLOYMENT BENEFITS	49
RISK MANAGEMENT	50
ACCOUNTING PRACTICES.....	50
COMPARATIVE FINANCIAL STATEMENTS.....	50
DISTRICT DEBT STRUCTURE	52
TAX MATTERS	56
LEGAL MATTERS	58
CONTINUING DISCLOSURE	58
LEGALITY FOR INVESTMENT IN CALIFORNIA	58
ABSENCE OF MATERIAL LITIGATION	58
INFORMATION REPORTING REQUIREMENTS	58
LEGAL OPINION	59
VERIFICATION.....	59
FINANCIAL STATEMENTS	59
RATINGS.....	59
UNDERWRITING	59
ADDITIONAL INFORMATION.....	60
APPENDIX A – EXCERPTS FROM THE 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT	A-1
APPENDIX B – FORM OF OPINION OF BOND COUNSEL.....	B-1
APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE	C-1
APPENDIX D – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR SANTA CLARA COUNTY	D-1
APPENDIX E – SANTA CLARA COUNTY COMMINGLED INVESTMENT POOL	E-1

\$80,000,000*
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
(Santa Clara County, California)
2015 General Obligation Refunding Bonds

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of Foothill-De Anza Community College District (Santa Clara County, California) 2015 General Obligation Refunding Bonds (the “Bonds”).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The Foothill-De Anza Community College District (the “District”) was established on January 15, 1957 and encompasses an area of approximately 105 square miles in Santa Clara County (the “County”). The District is located in the Town of Los Altos Hills, in the heart of the Silicon Valley, and serves local communities in Cupertino, Los Altos, Los Altos Hills, Mountain View, Palo Alto, Sunnyvale and portions of San Jose. The District operates two community colleges, Foothill College and De Anza College, which provide collegiate-level instruction across a wide spectrum of subjects for associate degrees, career and technical training, and transfer to four-year institutions. Each college is fully accredited by the Accrediting Commission for Community and Junior Colleges (“ACCJC”). For fiscal year 2014-15, the District has a full time equivalent student count (“FTES”) of 32,371. Taxable property within the District has a fiscal year 2014-15 total assessed valuation of \$120,849,974,378.

The District is governed by a five-member Board of Trustees (the “Board of Trustees”), each member of which is elected to a four-year term. Elections for positions to the Board of Trustees are held every two years, alternating between two and three available positions. The District’s administrative and financial staff includes a Chancellor, a Vice Chancellor, Business Services, and an Executive Director, Fiscal Services. Dr. Linda M. Thor is the current Chancellor of the District. See “FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT – Administration” for more information.

For more information regarding the District’s tax base, see “TAX BASE FOR REPAYMENT OF BONDS.” See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA” and “FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT” for more general information regarding the District and its finances.

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy such *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property within the District subject to taxation by the District without limitation of rate or amount (except as to certain

* Preliminary, subject to change.

personal property which is taxable at limited rates). See “THE BONDS – Security and Sources of Payment.”

Purpose of Issue

The proceeds of the Bonds will be used to (i) refund portions of the District’s outstanding Election of 2006 General Obligation Bonds, Series A (the “2006 Series A Bonds”) and Election of 2006 General Obligation Bonds, Series B (the “2006 Series B Bonds,” and together with the 2006 Series A Bonds, the “Prior Bonds”), and (ii) pay the costs of issuance of the Bonds. The portions of the Prior Bonds to be refunded with proceeds of the Bonds are referred to herein as the “Refunded Bonds.” See also “REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only (without coupons), initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations set forth on the inside cover, under the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See “APPENDIX E – Book-Entry Only System.” In event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution described herein. See “THE BONDS – Transfer and Exchange of Bonds.”

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “Owners” or “Holders” of the Bonds (other than under the caption “TAX MATTERS,” and in Appendix B) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount or any integral multiple thereof.

Redemption.* The Bonds maturing on or after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, on August 1, 20__ or on any date thereafter as a whole, or in part. See “THE BONDS – Redemption.”

Payments. The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the initial date of delivery of the Bonds (the “Date of Delivery”) and be payable semiannually on each February 1 and August 1 (each a “Bond Payment Date”), commencing August 1, 2015. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof. Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, the designated paying agent, bond registrar, authenticating agent and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants to the Beneficial Owners of the Bonds. See “APPENDIX E – Book-Entry Only System.”

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), based on existing statutes, regulations, rulings and judicial decisions, and

* Preliminary, subject to change.

assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. In the further opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Bond constitutes original issue discount. See “TAX MATTERS.”

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State of California Government Code and other applicable law, and pursuant to a resolution adopted by the Board of Trustees of the District. See “THE BONDS – Authority for Issuance.”

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to the validity by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about May __, 2014.*

Continuing Disclosure

The District will covenant for the benefit of Owners and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events, in compliance with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (collectively, the “Rule”). See “LEGAL MATTERS – Continuing Disclosure.” The specific nature of the information to be made available and of the notices of material events required to be provided are summarized in form of the Continuing Disclosure Certificate in APPENDIX C.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriter (defined herein) by Nixon Peabody LLP. U.S. Bank National Association, San Francisco, California, has been appointed as Paying Agent for the Bonds, and as Escrow Agent (defined herein) with respect to the Refunded Bonds. Grant Thornton LLP, Minneapolis, Minnesota is acting as verification agent for the Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “intend,” “project,” “budget” or

* Preliminary, subject to change.

other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Vice Chancellor, Business Services, Foothill-De Anza Community College District, 12345 El Monte Road, Los Altos Hills, California 94022. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

Certain information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution (defined herein).

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53550 *et seq.*, and other applicable law, and pursuant to a resolution adopted by the Board of Trustees of the District on April 6, 2015 (the “Resolution”).

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy such *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. However, the District can make no representation that such reserve will be established by the County or that such a reserve, if previously established by the County, will be maintained in the future.

Such taxes, when collected, will be deposited by the County into the “Foothill-De Anza Community College District 2015 General Obligation Refunding Bonds Debt Service Fund” (the “Debt Service Fund”), which is segregated and maintained by the County and which has been designated for the payment of principal of and interest on the Bonds when due, and for no other purpose. Pursuant to the Resolution, the District has pledged monies on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy an *ad valorem* property tax for the payment of the Bonds, and will maintain the Debt Service Fund pledged to the repayment of the Bonds, the Bonds are not a debt of the County. See “TAX BASE FOR REPAYMENT OF BONDS.”

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds, as the same become due and payable, will be transferred by the County to the Paying Agent who will in turn remit such funds to DTC for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District’s control, such as general market decline in land values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State of California (the “State”) and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District’s assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” and “TAX BASE FOR REPAYMENT OF BONDS.”

Description of the Bonds

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Purchasers will not receive certificates representing their interests in the Bonds.

The Bonds will be issued as current interest bonds, such that interest thereon will be payable semiannually on each Bond Payment Date, commencing August 1, 2015. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2015, in which event it shall bear interest from its date. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the inside cover hereof.

The principal and redemption premium, if any, payable on the Bonds will be payable in lawful money of the United States of America to the registered Owner thereof, at maturity or redemption upon the surrender thereof at the designated office of the Paying Agent. The interest on the Bonds will be payable in lawful money to the person whose name appears on the bond registration books of the Paying Agent as the registered Owner thereof as of the close of business on the 15th day of the month preceding such Bond Payment Date (a "Record Date"), whether or not such day is a business day, such interest to be paid by wire transfer or check mailed on such Bond Payment Date to such registered Owner at such registered Owner's address as it appears on such registration books or at such address as the registered Owner may have filed with the Paying Agent for that purpose on or before such Record Date. The interest payments on the Bonds will be made in immediately available funds (e.g., by wire transfer) to any registered Owner of at least \$1,000,000 of such outstanding Bonds who shall have requested in writing such method of payment of interest on such Bonds prior to the close of business on the Record Date immediately preceding any Bond Payment Date.

Annual Debt Service

The following table shows the debt service schedule with respect to the Bonds (assuming no optional redemptions are made):

<u>Year Ending (August 1)</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment⁽¹⁾</u>	<u>Total Annual Debt Service</u>
--	--	---	---

⁽¹⁾ Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

See “THE DISTRICT – District Debt Structure – General Obligation Bonds” for a schedule of the combined debt service requirements for all of the District’s outstanding general obligation bonds.

Redemption

Optional Redemption.* The Bonds maturing on or before August 1, 20__ are not subject to redemption. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to their stated maturity dates, at the option of the District, from any source of available funds, in whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Bonds called for redemption, without premium, together with interest accrued thereon to the date of redemption.

Selection of Bonds for Redemption. Whenever provision is made for the redemption of Bonds and less than all Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in integral multiples of \$5,000 principal amount.

Notice of Redemption. When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, the Paying Agent will give notice (a “Redemption Notice”) of the redemption of the Bonds (or portions thereof). Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means Financial Information, Inc.’s “Daily Called Bond Service,” 1 Cragwood Road, 2nd Floor, South Plainfield, New Jersey 07080, Attention: Editor; Mergent Inc., 585 Kingsley Park Drive, Fort Mill, South Carolina 29715, Attention: Called Bond Department; and Standard and Poor’s J.J. Kenny Information Services’ “Called Bond Record,” 55 Water Street, 45th Floor, New York, New York 10041.

“Securities Depository” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

* Preliminary, subject to change.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Payment of Redeemed Bonds. When notice of redemption has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in “—Defeasance” herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption. If notice of redemption is given as described above, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) has been set aside as described in “—Defeasance” herein, the Bonds to be redeemed will become due and payable on such date of redemption.

If on such redemption date, money for the optional redemption of the Bonds to be redeemed, together with interest accrued to such redemption date, shall be paid by an independent escrow agent selected by the District so as to be available therefor on such redemption date and if Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable. All moneys held by such escrow agent for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

Conditional Notice of Notice of Redemption. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in “—Defeasance” herein, such Redemption Notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, and premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent,

on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated "AA+" by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds of the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other

nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Transfer and Exchange of Bonds

Any Bond may be exchanged for Bonds of like tenor, series, maturity and principal amount, upon presentation and surrender at the principal office of the Paying Agent designated for such purpose, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent designated for such purpose, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th business day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premiums, if any), at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with cash and

amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon and moneys transferred from the Debt Service Fund together with the interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such Bonds not so surrendered and paid all sums due with respect thereto.

“Government Obligations” means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or “prerefunded” municipal obligations rated in the highest rating category by Moody’s Investors Service (“Moody’s”) or Standard & Poor’s Ratings Service, a Standard & Poor’s Financial Services, LLC business (“S&P”). In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by S&P and Moody’s.

REFUNDING PLAN

The Bonds are being issued by the District to (i) refund the Refunded Bonds, and (ii) pay the costs of issuance of the Bonds.

The net proceeds from the sale of the Bonds will be paid to U.S. Bank National Association, acting as escrow agent (the “Escrow Agent”), to the credit of an escrow fund (the “Escrow Fund”) established pursuant to an escrow agreement relating to the Refunded Bonds (the “Escrow Agreement”) by and between the District and the Escrow Agent. Pursuant to the Escrow Agreement, the amount deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America, the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds on the first, respective optional redemption dates therefor, as well as the interest due thereon on and before such dates. Information regarding specific maturities of the Refunded Bonds is listed in the following tables.

REFUNDED BONDS
Foothill-De Anza Community College District

Election of 2006 General Obligation Bonds, Series A

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Optional</u> <u>Redemption Price</u> <u>(% of Par Amount)</u>
2031	\$53,845,000	4.500%	8/1/17	100%

Election of 2006 General Obligation Bonds, Series B

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Redemption</u> <u>Date</u>	<u>Optional</u> <u>Redemption Price</u> <u>(% of Par Amount)</u>
2031	\$32,695,000	4.500%	8/1/17	100%

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption prices of the Refunded Bonds, and the accrued interest due on the Refunded Bonds, as described above will be verified by Grant Thornton LLP (the “Verification Agent”). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for payment of the Refunded Bonds will terminate.

Any accrued interest on the Bonds, when received by the District from the sale of the Bonds, any surplus moneys in the Escrow Fund, when received by the District following the redemption of the Refunded Bonds, and any other excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued, shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

Moneys in the Debt Service Fund are expected to be invested through the Santa Clara County Commingled Investment Pool. See “APPENDIX F – SANTA CLARA COUNTY COMMINGLED INVESTMENT POOL.”

[REMAINDER OF PAGE LEFT BLANK]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds

Principal Amount of the Bonds
Net Original Issue Premium
Total Sources

Uses of Funds

Escrow Fund
Costs of Issuance⁽¹⁾
Total Uses

⁽¹⁾ Reflects all costs of issuance, including but not limited to the Underwriter's discount, legal fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent, Verification Agent and Escrow Agent.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem property taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as County, city and special district taxes. Assessed valuations are the same for both District and County taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. Unsecured property comprises certain property not attached to land such as personal property or business property. Boats and airplanes are examples of such property. Unsecured property is assessed on the "unsecured roll."

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are due in two installments, due November 1 and February 1 respectively and become delinquent after December 10 and April 10 respectively. A 10% penalty attaches to any delinquent installment, plus a minimum \$10 cost on the second installment, plus any additional amount determined by the county treasurer-tax collector. Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a minimum \$15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the tax-collecting authority of the relevant county.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien may be recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "—Tax Levies, Collections and Delinquencies."

State law exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts and community college districts (collectively, "K-14 school districts") will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The assessed valuation of property in the District is established by the tax assessing authority for the county in which such property is located, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed and re-assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS." Certain classes of property, such as churches, colleges, not for profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

[REMAINDER OF PAGE LEFT BLANK]

The following represents the 10-year history of assessed valuations in the District.

ASSESSED VALUATIONS
Fiscal Year 2005-06 through 2014-15
Foothill-De Anza Community College District

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

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District’s control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See “THE BONDS – Security and Sources of Payment.”

Appeals and Adjustments of Assessed Valuations. Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (“SBE”), with the appropriate county board of equalization or assessment appeals board. The County Assessor may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution.”

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future will not significantly reduce the assessed valuation of property within the District.

Assessed Valuation by Jurisdiction

The following is an analysis of the assessed valuation of property within the District by jurisdiction for fiscal year 2014-15.

**ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2014-15
Foothill-De Anza Community College District⁽¹⁾**

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Cupertino	\$16,452,186,462	13.61%	\$17,098,778,392	96.22%
City of Los Altos	11,894,742,345	9.84	11,894,742,345	100.00
City of Los Altos Hills	6,209,602,590	5.14	6,209,602,590	100.00
City of Mountain View	20,026,703,061	16.57	20,026,703,061	100.00
City of Palo Alto	27,198,127,032	22.51	27,198,127,032	100.00
City of San Jose	5,358,972,025	4.43	140,740,875,759	3.81
City of Santa Clara	1,528,081,752	1.26	28,758,679,162	5.31
City of Saratoga	1,960,725,682	1.62	12,133,048,482	16.16
City of Sunnyvale	27,174,690,968	22.49	31,429,590,705	86.46
Unincorporated Santa Clara County	<u>3,046,142,461</u>	<u>2.52</u>	14,209,569,129	21.44
Total District	\$120,849,974,378	100.00%		
Santa Clara County	\$120,849,974,378	100.00%	\$357,105,922,425	33.84%

⁽¹⁾ Before deduction of redevelopment incremental valuation.
Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Assessed Valuation and Parcels by Land Use

The following shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2014-15 assessed valuation of such parcels (excluding utility and unsecured assessed valuations).

**ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2014-15
Foothill-De Anza Community College District**

	2014-15 Assessed Valuation⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
Agricultural/Forest	\$379,324,928	0.34%	244	0.22%
Commercial/Office	14,859,501,757	13.13	3,834	3.43
Industrial/Research and Development	11,907,432,505	10.52	1,260	1.13
Recreational	102,386,406	0.09	96	0.09
Government/Institutional	750,343,540	0.66	329	0.29
Miscellaneous/Utilities	<u>225,040,386</u>	<u>0.20</u>	<u>229</u>	<u>0.20</u>
Subtotal Non-Residential	\$28,224,029,522	24.94%	5,992	5.36%
<u>Residential:</u>				
Single Family Residence	\$64,107,033,449	56.65%	76,483	68.38%
Condominium/Townhouse	11,584,280,267	10.24	21,300	19.04
Mobile Home	94,949,757	0.08	1,315	1.18
2-4 Residential Units	2,323,576,468	2.05	3,810	3.41
5+ Residential Units/Apartments	<u>5,924,908,041</u>	<u>5.24</u>	<u>1,555</u>	<u>1.39</u>
Subtotal Residential	\$84,034,747,982	74.26%	104,463	93.40%
Vacant Parcels/Unknown Use	\$897,896,835	0.79%	1,391	1.24%
Total	\$113,156,674,339	100.00%	111,846	100.00%

⁽¹⁾ Local secured assessed valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Assessed Valuation of Single Family Homes

The following table displays the per-parcel analysis of single family residences within the District, in terms of their 2014-15 assessed valuation.

ASSESSED VALUATION OF SINGLE FAMILY HOMES Fiscal Year 2014-15 Foothill-De Anza Community College District

	<u>No. of Parcels</u>	<u>2014-15 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	76,483	\$64,107,033,449	\$838,187	\$653,405

<u>2014-15 Assessed Valuation</u>	<u>No. of Parcels⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$99,999	7,919	10.354%	10.354%	\$594,802,457	0.928%	0.928%
100,000 - 199,999	8,545	11.172	21.526	1,202,001,971	1.875	2.803
200,000 - 299,999	4,865	6.361	27.887	1,221,495,336	1.905	4.708
300,000 - 399,999	4,459	5.830	33.717	1,559,897,743	2.433	7.141
400,000 - 499,999	4,932	6.448	40.166	2,221,185,973	3.465	10.606
500,000 - 599,999	5,064	6.621	46.787	2,784,392,631	4.343	14.950
600,000 - 699,999	4,443	5.809	52.596	2,882,158,540	4.496	19.446
700,000 - 799,999	4,311	5.637	58.233	3,233,079,029	5.043	24.489
800,000 - 899,999	4,405	5.759	63.992	3,747,172,091	5.845	30.334
900,000 - 999,999	4,196	5.486	69.478	3,981,601,289	6.211	36.545
1,000,000 - 1,099,999	3,474	4.542	74.020	3,638,824,921	5.676	42.221
1,100,000 - 1,199,999	2,854	3.732	77.752	3,272,217,022	5.104	47.325
1,200,000 - 1,299,999	2,315	3.027	80.779	2,890,870,048	4.509	51.835
1,300,000 - 1,399,999	2,082	2.722	83.501	2,808,647,345	4.381	56.216
1,400,000 - 1,499,999	1,700	2.223	85.724	2,459,444,620	3.836	60.052
1,500,000 - 1,599,999	1,644	2.149	87.873	2,543,784,452	3.968	64.020
1,600,000 - 1,699,999	1,251	1.636	89.509	2,062,559,625	3.217	67.238
1,700,000 - 1,799,999	1,101	1.440	90.948	1,924,285,928	3.002	70.239
1,800,000 - 1,899,999	888	1.161	92.109	1,640,142,636	2.558	72.798
1,900,000 - 1,999,999	776	1.015	93.124	1,512,221,897	2.359	75.157
2,000,000 and greater	5,259	6.876	100.000	15,926,247,895	24.843	100.000
Total	76,483	100.000%		\$64,107,033,449	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - "Teeter Plan"

Under the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the State Revenue and Taxation Code, each participating local agency levying property taxes, including community college districts, receives from its county the amount of uncollected taxes credited to its fund, in the same manner as if the amount credited had been collected. In return, the county receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency. The Teeter Plan, once adopted by a county, remains in effect unless the county board of supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year, the board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the county. A board of supervisors may, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the county when delinquencies for taxes levied by that agency exceed 3%.

Under the Teeter Plan, as adopted by the County, the County funds the District its full tax levy allocation rather than funding only actual collections (levy less delinquencies). In exchange, the County receives the interest and penalties that accrue on delinquent payments, when the late taxes are collected. The County includes the District's general purpose secured property tax levy and the *ad valorem* property tax levy for the District's general obligation bonds under the Teeter Plan.

Tax Levies, Collections and Delinquencies

The following table shows secured tax levies within the District for its general obligation bonded debt, and amounts delinquent as of June 30, for the fiscal years shown below.

SECURED TAX LEVIES AND DELINQUENCIES Fiscal Years 2008-09 through 2013-14 Foothill-De Anza Community College District

	<u>Secured Tax Levies⁽¹⁾</u>	<u>Amount Delinquent as of June 30</u>	<u>Percentage Delinquent as of June 30</u>
2008-09	\$10,640,050.77	\$133,452.49	1.25%
2009-10	28,989,054.12	319,763.87	1.10
2010-11	29,131,054.42	271,926.65	0.96
2011-12	26,932,716.82	186,921.65	0.69
2012-13	Not available	Not available	0.38
2013-14	30,806,507.43	230,983.03	0.75

⁽¹⁾ Reflects secured tax charges and levies for general obligation bond debt service.
Source: California Municipal Statistics, Inc.

Principal Taxpayers

The following table lists the major taxpayers in the District in terms of their 2014-15 secured assessed valuations.

LARGEST 2014-15 LOCAL SECURED TAXPAYERS Foothill-De Anza Community College District

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

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

⁽²⁾ Reflects only taxable property.

Source: California Municipal Statistics, Inc.

Tax Rates

A representative tax rate area (“TRA”) located within the District is TRA 6-001. The table below demonstrates the total *ad valorem* property tax rates levied by all taxing entities in this TRA, as a percentage of assessed valuation, during the five-year period from 2010-11 through 2014-15.

TYPICAL TAX RATES
Fiscal Years 2010-11 through 2014-15
(TRA 6-001)⁽¹⁾
Foothill-De Anza Community College District

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
General	1.0000%	1.0000%	1.0000%	1.0000%	1.00000%
County Retirement Levy	.0388	.0388	.0388	.0388	.03880
County Hospital Bond	.0095	.0047	.0051	.0035	.09100
City of Palo Alto	.0171	.0155	.0129	.0177	.01594
Palo Alto Unified School District Bond	.0445	.0456	.0951	.0914	.08510
Foothill De-Anza Community College District Bond	<u>.0326</u>	<u>.0297</u>	<u>.0287</u>	<u>.0290</u>	<u>.02760</u>
Total All Property	1.1425%	1.1343%	1.1806%	1.1804%	1.17654%
Santa Clara Valley Water District -- State Water Project (Land and Improvement)	.0070%	.0063%	.0069%	.0070%	.00650%

⁽¹⁾ 2014-15 assessed valuation of TRA 6-001 is \$22,172,491,492 which is 18.35% of the district’s total assessed valuation.

Source: *California Municipal Statistics, Inc.*

Statement of Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc., effective as of March 26, 2015, for debt issued as of February 1, 2015. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column 3, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Foothill-De Anza Community College District

2014-15 Assessed Valuation: \$120,849,974,378

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 2/1/15</u>
Santa Clara County	33.841%	\$270,450,504
Foothill-De Anza Community College District	100.000	635,069,288⁽¹⁾
Palo Alto Unified School District	100.000	293,929,249
Santa Clara Unified School District	0.090	364,698
Fremont Union High School District	100.000	281,085,108
Mountain View-Los Altos Union High School District	100.000	62,718,612
Cupertino Union School District	100.000	249,418,462
Los Altos Union School District	100.000	72,518,760
Mountain View School District	100.000	20,730,000
Mountain View-Whisman School District	100.000	41,800,000
Sunnyvale School District	100.000	162,831,481
Whisman School District	100.000	21,244,500
Other School Districts	Various	208,610
City of Palo Alto	100.000	71,795,000
City of San Jose	3.808	15,298,069
City of Saratoga	16.160	1,706,496
El Camino Hospital District	97.861	135,385,800
Other Special Districts	Various	103,908
City of Sunnyvale Community Facilities District No. 1	100.000	16,570,000
Santa Clara Valley Water District Benefit Assessment District	33.841	36,104,963
City 1915 Act Bonds	100.000	<u>30,695,300</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,420,028,808

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Santa Clara County General Fund Obligations	33.841%	\$249,678,495
Santa Clara County Pension Obligation Bonds	33.841	125,700,246
Santa Clara County Board of Education Certificates of Participation	33.841	3,292,729
Foothill-De Anza Community College District Certificates of Participation	100.000	12,952,915
Los Gatos-Saratoga Joint Union High School District Certificates of Participation	0.129	9,398
Mountain View-Los Altos Union High School District Certificates of Participation	100.000	2,940,000
Santa Clara Unified School District Certificates of Participation	0.090	12,087
Saratoga Union School District Certificates of Participation	0.283	13,938
City of Cupertino Certificates of Participation	96.218	38,467,956
City of Mountain View General Fund Obligations	100.000	985,000
City of San Jose General Fund Obligations	3.808	26,395,533
City of Sunnyvale General Fund Obligations	86.462	18,515,837
Other Cities General Fund Obligations	Various	4,352,587
Midpeninsula Regional Open Space Park District General Fund Obligations	54.895	69,764,327
Santa Clara County Vector Control District Certificates of Participation	33.841	<u>1,108,293</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$554,189,341
Less: Santa Clara County supported obligations		<u>175,124,783</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$379,064,558

<u>OVERLAPPING TAX INCREMENT DEBT:</u>	\$47,903,000
GROSS COMBINED TOTAL DEBT	\$3,022,121,149 ⁽²⁾
NET COMBINED TOTAL DEBT	\$2,846,996,366

- (1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

[continue on next page]

Ratios to 2014-15 Assessed Valuation:

Direct Debt (\$635,069,288)	0.53%
Total Direct and Overlapping Tax and Assessment Debt.....	2.00%
Combined Direct Debt (\$648,022,203)	0.54%
Gross Combined Total Debt	2.50%
Net Combined Total Debt.....	2.36%

Ratios to Redevelopment Incremental Valuation (\$4,983,573,766):

Total Overlapping Tax Increment Debt.....	0.96%
---	-------

Source: California Municipal Statistics, Inc.

**CONSTITUTIONAL AND STATUTORY PROVISIONS
AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem property tax levied by the County for the payment thereof. See “THE BONDS – Security and Sources of Payment.” Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes on behalf of the District for payment of the Bonds.

Article XIII A of the California Constitution

Article XIII A (“Article XIII A”) of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under ‘full cash value,’ or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations.”

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds or more of all members of the State legislature to change any State taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the SBE as part of a “going concern” rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State’s methods of assessing utility property and the allocation of assessed value to local taxing

agencies, including the District. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" and "FOOTHILL DE-ANZA COMMUNITY COLLEGE DISTRICT."

Article XIII B of the California Constitution

Article XIII B ("Article XIII B") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, community college district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines

- (a) "change in the cost of living" with respect to K-14 districts to mean the percentage change in California per capita income from the preceding year, and
- (b) "change in population" with respect to a K-14 school district means the percentage change in the average daily attendance of such K-14 district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" below.

Article XIIC and Article XIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIIC and XIID (respectively, “Article XIIC” and “Article XIID”), which contain a number of provisions affecting the ability of local agencies, including school districts and community college districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIIC establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts and community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the

governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-14 school districts at a level equal to the greater of (a) the same percentage of the State General Fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the General Fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State legislature or a court might not interpret the Accountability Act to require a different percentage of General Fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitations Act of 1990" ("Proposition 111") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax

revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such district's minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into such districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the State legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.
- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capital personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" (also referred to as a "maintenance factor") to K-14 school districts which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts,

community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A of the Constitution. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the State legislature and approval by the Governor.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to K-14 school districts, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to

comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to K-14 school districts or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's General Fund and transportation funds, the State's main funding source for school districts and community college districts, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the State Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total General Fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's General Fund costs by approximately \$1 billion annually for several decades. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Dissolution of Redevelopment Agencies."

Proposition 30

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing on January 1, 2012 and ending in the taxable year commencing on December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$340,000 but less than \$408,000 for joint filers), (ii) 2% for taxable income over \$300,000 but less than \$500,000 for single filers (over \$408,000 but less than \$680,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$680,000 for joint filers).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds are being distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA

are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as “Proposition 2”). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State’s Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the “Annual BSA Transfer”). Supplemental transfers to the BSA (a “Supplemental BSA Transfer”) are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15 year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers the BSA, nor does the State legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as a an emergency within the meaning of Article XIII B of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the

operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 39, 22, 26 and 30 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning State funding of community colleges is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from State revenues. The Bonds are payable from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof.

Major Revenues

California community college districts (other than Basic Aid Districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery (which generally is less than 3 percent), and other minor sources. Local funds include property taxes, student fees, and miscellaneous sources.

A bill passed the State’s legislature (“SB 361”), and signed by the Governor on September 29, 2006, established the present system of funding for community college districts. This system includes allocation of state general apportionment revenues to community college districts based on criteria developed by the Board of Governors of the California Community Colleges (the “Board of Governors”) in accordance with prescribed statewide minimum requirements. In establishing these minimum requirements, the Board of Governors was required to acknowledge community college districts’ need to receive an annual allocation based on the number of colleges and comprehensive centers in each respective district, plus funding received based on the number of credit and noncredit FTES in each district.

SB 361 also specified that, commencing with the 2006-07 fiscal year, the minimum funding per FTES would be: (a) not less than \$4,367 per credit FTES; (b) at a uniform rate of \$2,626 per noncredit FTES; and (c) set at \$3,092 per FTES for a new instructional category of “career development and college preparation” (“CDCP”) enhanced non-credit rate. Each such minimum funding rate is subject to cost of living adjustments (each, a “COLA”), if any, funded through the State budgeting legislation in

each fiscal year. Pursuant to SB 361, the State Chancellor (the “Chancellor”) developed criteria for one-time grants for districts that would have received more funding under the prior system or a then-proposed rural college access grant, than under the current system.

The table on the following page shows the District’s FTES figures for the last five fiscal years, along with projected FTES for the current fiscal year.

FULL TIME EQUIVALENT STUDENTS⁽¹⁾
Fiscal Years 2009-10 through 2014-15
Foothill-De Anza Community College District

<u>Fiscal Year</u>	<u>Funded FTES</u>	<u>Unfunded FTES⁽²⁾</u>	<u>Total FTES</u>
2009-10	37,056	--	37,056
2010-11	34,646	--	34,646
2011-12	33,531	--	33,531
2012-13	32,125	--	32,125
2013-14	32,032	--	32,032
2014-15 ⁽³⁾	32,371	--	32,371

⁽¹⁾ One FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District. Includes non-resident FTES counts, which are generally excluded from State funding formula calculations and pay the full cost of tuition to the District.

⁽²⁾ In each fiscal year, the State budget will establish an enrollment cap on the maximum number of FTES, known as the “funded” FTES, for which a community college district will receive a revenue allocation, as determined by the program-based model. A district’s enrollment cap is based on the previous fiscal year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap are considered “unfunded” FTES.

⁽³⁾ Projected.

Source: Foothill-De Anza Community College District.

Local revenues are first used to satisfy District expenditures. The major local revenue source is local property taxes that are collected from within District boundaries. Student enrollment fees from the local community college district generally account for the remainder of local revenues for the District. Property taxes and student enrollment fees are applied towards fulfilling the District’s financial need. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State’s annual budget. Decreases in State revenues may affect appropriations made by the State legislature to the District. The sum of the property taxes, student enrollment fees, and State aid generally comprise the District’s total funding allocation.

“Basic Aid” community college districts are those districts whose local property tax and student enrollment fee collections, including EPA funds, exceed the revenue allocation determined by the program-based model. The current law in California allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts’ primary funding sources. Rather, property tax growth and the local economy become the determinant factors. The District is not a Basic Aid district.

A small part of a community college district’s budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State, however, these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes, and prohibits their use for capital purposes.

Tax Shifts and Triple Flip

Assembly Bill No. 1755 (“AB 1755”), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and K-14 school districts. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required Education Revenue Augmentation Fund (“ERAF”) shift to \$135 million. Legislation commonly referred to as the “Triple Flip” was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the “California Economic Recovery Act.” This act authorized the issuance of \$15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the “Triple Flip.” Under the “Triple Flip,” one-quarter of local governments’ 1% share of the sales tax imposed on taxable transactions within their jurisdiction is redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for K-14 school districts, the legislation provides for K-14 school districts to receive other state general fund revenues.

Budget Procedure

On or before September 15, the Board of Trustees of the District is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor’s Office of the California Community Colleges (the “Chancellor’s Office”) submits to the Department of Finance (“DOF”) proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals (“BCPs”), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by January 10 a proposed State budget is presented by the governor to the State legislature. The Governor’s Budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the State legislature to submit its approved budget by June 15, and by June 30 the Governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor’s Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California’s community college districts. In accordance with statutory and regulatory provisions, the State Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district’s financial condition, the State Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district’s financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district’s financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district’s financial condition, the State Chancellor will pay special attention to each district’s general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the State Chancellor’s Office where financial solutions to the district’s problems will be addressed and implemented.

The table on the following page shows the District's general fund budgets for fiscal years 2010-11 through 2014-15, the District's actual results for fiscal years 2010-11 through 2013-14 and projected totals for fiscal year 2014-15. See also "APPENDIX A – EXCERPTS FROM THE 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT."

[REMAINDER OF PAGE LEFT BLANK]

COMPARISON OF GENERAL FUND BUDGETS AND ACTUAL RESULTS
Fiscal Years 2010-11 through 2014-15
Foothill-De Anza Community College District

	Fiscal Year 2010-11		Fiscal Year 2011-12		Fiscal Year 2012-13		Fiscal Year 2013-14		Fiscal Year 2014-15	
	<u>Budgeted⁽¹⁾</u>	<u>Ending⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Ending⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Ending⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Ending⁽¹⁾</u>	<u>Budgeted⁽¹⁾</u>	<u>Projected⁽²⁾</u>
REVENUES:										
Federal	\$5,490,746	\$5,242,644	\$2,189,316	\$2,380,196	\$2,251,886	\$2,173,575	\$1,918,745	\$2,123,025	\$2,018,789	\$2,018,789
State	78,526,158	88,300,334	76,174,702	67,689,376	58,011,938	59,762,053	51,810,372	58,123,770	72,667,502	74,088,052
Local	<u>127,647,571</u>	<u>123,605,341</u>	<u>123,494,704</u>	<u>132,265,751</u>	<u>123,938,220</u>	<u>147,418,079</u>	<u>143,808,366</u>	<u>147,648,393</u>	<u>148,392,040</u>	<u>150,478,525</u>
TOTAL REVENUES	211,664,475	217,148,319	201,858,722	202,335,323	184,202,044	209,353,707	197,537,483	207,895,188	223,078,331	226,585,366
EXPENDITURES:										
Academic Salaries	88,900,519	84,728,671	86,466,984	84,166,164	82,631,739	84,130,076	83,358,440	86,075,553	86,582,325	88,628,267
Classified Salaries	46,967,493	48,020,990	45,228,449	45,577,421	44,038,057	43,272,447	41,393,805	42,196,502	45,084,333	45,466,445
Employee Benefits	44,333,741	42,091,246	45,176,401	43,947,632	42,972,739	40,061,026	41,312,476	38,011,222	38,840,470	39,386,355
Books and Supplies	4,381,727	4,287,134	4,335,407	3,726,044	3,452,701	4,202,891	2,580,292	4,047,417	5,490,857	4,955,196
Services and Other Operating Expenditures ⁽²⁾	39,697,151	23,389,460	38,650,583	23,989,768	41,468,427	24,196,754	45,029,734	26,467,688	41,289,921	40,264,625
Capital Outlay	<u>610,536</u>	<u>570,993</u>	<u>897,101</u>	<u>537,299</u>	<u>723,682</u>	<u>560,877</u>	<u>496,144</u>	<u>794,895</u>	<u>3,099,836</u>	<u>927,546</u>
TOTAL EXPENDITURES	224,891,167	203,088,494	220,754,925	201,944,328	215,287,345	196,424,071	214,170,891	197,593,27	220,387,742	219,628,434
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(13,226,692)	14,059,825	(18,896,203)	390,995	(31,085,301)	12,929,636	(16,633,408)	10,301,913	2,690,589	6,956,932
OTHER FINANCING SOURCES/USES	6,847,976	7,053,055	5,934,840	5,845,848	5,672,715	5,913,418	4,999,876	6,042,169	4,735,848	4,752,415
OTHER OUTGO	10,038,915	11,119,853	10,184,264	11,217,617	9,417,194	9,917,509	9,633,532	15,863,378	(9,334,700)	(11,252,285)
NET CHANGE IN FUND BALANCE	(16,417,631)	9,993,027	(23,145,627)	(4,980,774)	(34,829,780)	8,925,545	(21,267,064)	480,704	(1,908,263)	457,062
BEGINNING FUND BALANCE	<u>47,266,797</u>	<u>47,266,797</u>	<u>57,259,824</u>	<u>57,259,824</u>	<u>52,279,050</u>	<u>52,279,050</u>	<u>61,204,595</u>	<u>61,204,595</u>	<u>61,685,299</u>	<u>61,685,299</u>
ENDING FUND BALANCE	<u>\$30,849,166</u>	<u>\$57,259,824</u>	<u>\$34,114,197</u>	<u>\$52,279,050</u>	<u>\$17,449,270</u>	<u>\$61,204,595</u>	<u>\$39,937,531</u>	<u>\$61,685,299</u>	<u>\$59,777,036</u>	<u>\$62,142,361</u>

⁽¹⁾ Budgeted figures for fiscal years 2010-11 through 2014-15, and ending figures for fiscal years 2010-11 through 2013-14, are drawn from the District's CCFS-311 Reports filed with the Chancellor's Office. For audited statements of revenues, expenditures and changes in fund balances for the District's governmental funds for fiscal years 2010-11 through 2013-14, see "FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT — Comparative Financial Statements."

⁽²⁾ As of December 31, 2014.

⁽³⁾ Variance between budgeted and ending amounts for Services and Other Operating Expenditures reflects the District's budgeting practice of assuming the spend down of the carryover general balance from the prior year.

Source: Foothill-De Anza Community College District.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111

General. In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added Test 3 to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount under Proposition 98 guarantee (K-14 aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40%. Because of the major shifts of property tax from local government to community colleges and K-12 which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3 provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of 1% of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the

annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all Redevelopment Agencies in California ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22.” ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling \$1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“AB 1484”), which, together with ABx1 26, is referred to herein as the “Dissolution Act.” The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a “Successor Agency”). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller’s cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund (“Trust Fund”), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any “enforceable obligations” of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines “enforceable obligations” to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least \$250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be

subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) (“AB 1290”), are restricted to educational facilities without offset against revenue limit apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received . . . had the redevelopment agency existed at that time,” and that the county auditor-controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of ABX1 26 using current assessed values . . . and pursuant to statutory pass-through formulas and contractual agreements with other taxing agencies.”

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

State Assistance

California community college districts’ principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California’s budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriter take any responsibility as to the accuracy or completeness thereof and has not independently verified such information.

2014-15 Budget. On June 20, 2014, the Governor signed into law the State budget for fiscal year 2014-15 (the “2014-15 Budget”). The following information is drawn from the State Department of Finance’s summary of the 2014-15 Budget.

The 2014-15 Budget is based on revenue projections previously included in the Governor’s May revision to the proposed budget for fiscal year 2014-15. For fiscal year 2013-14, the 2014-15 Budget projects total State general fund revenues of \$102.2 billion, and total State general fund expenditures of \$100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 fiscal year with a \$2.9 billion general fund surplus. For fiscal year 2014-15, the 2014-15 Budget projects total State general fund revenues of \$109.4 billion and total State general fund expenditures of \$108 billion, leaving the State with a projected general fund surplus for fiscal year 2014-15 of approximately \$2.1 billion. This projected reserve is a combination of \$449 million in the State’s general fund traditional reserve, and an authorized deposit of \$1.6 billion into the Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

The 2014-15 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2014-15 at \$60.9 billion, an increase of \$5.6 billion over the amount included in the fiscal year 2013-14 State budget. When combined with increases of \$4.4 billion in fiscal years 2012-13 and 2013-14, the 2014-15 Budget provides a \$10 billion increased funding for K-14 education.

Significant features of the 2014-15 Budget related to the funding of community college districts include the following:

- The 2014-15 Budget includes a plan to reduce the \$74.4 billion unfunded STRS liability in approximately 30 years by increasing contribution rates among the State, K-14 school districts, and participating employees. For fiscal year 2014-15, these increases are expected to result in \$276 million of additional contributions from all three entities. The plan also provides the STRS Board (as defined herein) with limited authority to (i) increase State, school district and community college district contributions based on changing conditions, and (ii) reduce school district and community college district contributions if they are no longer necessary. For additional information, see “FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT – Retirement Programs.”
- *Implementing Statewide Performance Strategies* – \$1.1 million of funding and nine positions for the State Chancellor’s Office to develop leading indicators of student success and to monitor community college districts’ performance. The 2014-15 Budget also provides \$2.5 million of Proposition 98 funding to provide local technical assistance to support the implementation of effective practices across all community college districts, with a focus on underperforming districts.
- *Investing in Student Success* – \$170 million in Proposition 98 funding to improve and expand student success programs and to strengthen efforts to assist underrepresented students. This amount is allocated as follows: (i) \$100 million to increase orientation, assessment, placement, counseling and other education planning services for all matriculated students, and (ii) \$70 million to close gaps in access and achievement in underrepresented student groups, as identified in local Student Equity Plans.
- *Apportionments* – An increase of \$140.4 million in Proposition 98 funding for growth in general-purpose apportionments, which represents a 2.75% increase in enrollment. The 2014-15 Budget directs the State Board of Governors to adopt a growth formula beginning in fiscal year 2015-16 that gives first priority to the community college districts identified as having the greatest unmet need in adequately serving their community’s higher educational needs. The 2014-15 Budget also provides \$47.3 million of Proposition 98 funding for a 0.85% COLA.
- *Career Technical Education* – A one-time increase of \$50 million in Proposition 98 funding to improve career technical education. The \$50 million will support the Economic and Workforce Development program at the Chancellor’s Office. Additionally, beginning in fiscal year 2015-16, the State Budget increases the funding rate for career development and college preparation noncredit courses to equal the funding rate for credit courses.
- *Technology Infrastructure* – A \$1.4 million one-time increase in Proposition 98 funding and a \$4.6 million ongoing increase in Proposition 98 funding to upgrade bandwidth and replace technology equipment at community college districts.
- *Disabled Student Programs and Services* – \$30 million in Proposition 98 funding to provide support services to students with disabilities.

- *Eliminating Apportionment Deferrals* – \$498 million in Proposition 98 funding to buy down deferrals. The 2014-15 Budget also includes a trigger mechanism that will allow any additional funding resources attributable to fiscal years 2013-14 or 2014-15 subsequent to the enactment of the 2014-15 Budget to be appropriated for the purpose of retiring the remaining \$94 million deferral balance.
- *Mandates* – \$49.5 million in one-time Proposition 98 funding to reimburse community college districts for the cost of State-mandated programs.
- *Financial Stability for Apportionments* – An increase of \$40.5 million in fiscal year 2013-14 and \$37.8 million in fiscal year 2014-15 in Proposition 98 funding by shifting a portion of the revenues from former redevelopment agencies that are scheduled to be received in the final months of the fiscal year to the following fiscal year. Proposition 98 funding will backfill the difference between estimated total fiscal year redevelopment agency revenues and the amount the community college districts receive through April 15.
- *Investing in Deferred Maintenance and Instructional Equipment* – A one-time increase of \$148 million in Proposition 98 funding for deferred maintenance or instructional equipment purchases.

For additional information regarding the State’s budgets and revenue projections and a more detailed description of the 2014-15 Budget, see the State Department of Finance website at www.dof.ca.gov. However, the information presented on such website is not incorporated herein by reference.

Governor’s Proposed 2015-16 Budget. On January 9, 2015, the Governor released his proposed State budget for fiscal year 2015-16 (the “Proposed Budget”). The following information is taken from the LAO’s overview of the Proposed Budget, dated January 13, 2015.

The Proposed Budget assumes, for fiscal year 2014-15, total general fund revenues and transfers of \$108 billion and authorizes total expenditures of \$111.7 billion. The State is projected to end the 2014-15 fiscal year with a general fund surplus of \$2.1 billion, comprised of a balance of \$452 million in the State’s traditional budget reserve and balance of \$1.6 billion in the BSA. For fiscal year 2015-16, the Proposed Budget assumes total general fund revenues of \$113.4 billion and authorizes expenditures of \$113.3 billion. The State is projected to end the 2015-16 fiscal year with a \$3.4 billion general fund surplus, comprised of a \$534 million balance in the budget reserve and \$2.8 billion in the BSA. The balance in the BSA includes a \$1.2 billion deposit mandated by the provisions of Proposition 2. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2.” This \$1.2 billion deposit to the BSA reflects half of the total Annual BSA Transfer and Supplemental BSA Transfer required by Proposition 2, and the Proposed Budget allocates the other \$1.2 billion towards paying down special fund loans and certain Proposition 98 “settle up” obligations created by previous budgetary legislation that understated the minimum funding guarantee. Under the Proposed Budget, outstanding Proposition 98 settle up obligations at the end of fiscal year 2015-16 total \$1.3 billion.

As a result of projected increases to State general fund revenues, as well as certain revisions to student attendance, the Proposed Budget includes revised estimates of the minimum funding guarantees for fiscal years 2013-14 and 2014-15. The 2013-14 minimum funding guarantee is revised upward to \$58.7 billion, an increase of \$371 million from the estimate included in the 2014-15 Budget. For fiscal year 2014-15, the minimum funding guarantee is revised at \$63.2 billion, approximately \$2.3 billion higher than that included in the 2014-15 Budget.

For fiscal year 2015-16, the Proposed Budget sets the minimum funding guarantee at \$65.7 billion, including \$47 billion from the State general fund, and reflects an increase of \$2.6 billion (or 4%) from the revised level for fiscal year 2014-15. Despite the increase in the minimum guarantee, the State general fund share is only \$371 million. A projected growth in available local property tax collections accounts for the balance, and results primarily from the Governor’s assumption that the “triple flip” legislation, which diverts local property tax revenues from school districts and community colleges to local governments, will sunset. See also “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Tax Shifts and Triple Flip.” For purposes of Proposition 98, fiscal year 2015-16 is a “Test 2” year, with the minimum guarantee driven primarily by an increase in per-capita personal income. Under the Proposed Budget, total per-student Proposition 98 funding increases to \$9,571, an increase of \$640 (or 7.2%) from the prior year.

Significant proposals or adjustments with respect to community college funding include the following:

- *Maintenance Factor* – The Proposed Budget authorizes a maintenance factor payment of \$725 million owed to school districts and community college districts, leaving an outstanding maintenance factor of \$1.9 billion.
- *Student Fees* – The Proposed Budget makes no change to resident student fee levels, which would remain at \$46 per unit.
- *Cost of Living Adjustment* – the Proposed Budget provides \$92.4 million to support a 1.58% COLA to general purpose apportionments.
- *Base Allocations* – \$107 million to support a 2% growth in student enrollment. The Proposed Budget also provides \$125 million to support a 2.1% increase to base allocations to account for increased operating expenses in the areas of facilities, retirement benefits, professional development, staffing and other general expenses.
- *Non-Credit FTES* – \$49 million to reflect an increase in the funding rate for CDCP non-credit courses, to equal the rate provided for similar credit courses.
- *Apportionment Deferrals* – An increase of \$95 million in one-time funding to eliminate all outstanding community college apportionment deferrals.
- *Student Success* - \$200 million to improve and expand student success and support programs, including \$100 million for orientation, assessment, placement, academic counseling and other education planning services. The balance is allocated to implement local student equity plans designed to improve access and outcomes, as well as to identify and address achievement disparities for disadvantaged groups.
- *Adult Education* – \$500 million in ongoing funding for adult education. This proposal would build on prior budgetary legislation which mandated the establishment of regional adult education consortia composed of school districts, community college districts and certain other stakeholders for delivery of adult education services. Under the Governor’s proposal, the ongoing funding would support programs in elementary and secondary basic skills, citizenship and English as a second language for immigrants, educational programs for disabled adults, short-term career technical education (CTE) and apprenticeship programs.

For fiscal year 2015-16 only, these funds would replace, on a dollar-for-dollar basis, LCFF funds currently allocated to school district-run adult education programs in these five areas.

- *Career Technical Education* – \$250 million in funding in each of the next three fiscal years to fund a competitive grant initiative that supports K-12 CTE programs that lead to industry-recognized credentials or postsecondary training. Participating school districts, county offices of education and charter schools would be required to match grant contributions dollar-for-dollar, collect accountability data and commit to providing ongoing support to CTE programs after the expiration of grant funding. Applicants would also be expected to partner with local postsecondary institutions, labor organizations and businesses in applying for the grant funds. The Proposed Budget also includes \$48 million to extend the Career Technical Education Pathways Grant Program, created as part of the 2013-14 State budgetary legislation. The primary purpose of the program is to improve linkages between CTE programs and schools and community colleges, as well as between K-14 education and local businesses. The California Department of Education and the California Community Colleges Chancellor’s Office jointly administer the program and allocate funding through an interagency agreement.
- *Apprenticeship Programs* – \$29 million to support the expansion of apprenticeship programs. This includes \$14 million to grow such existing programs and \$15 million to create innovative apprenticeship projects the focus on new and emerging industries with unmet labor demands.
- *Mandates* - \$379 million to reduce a backlog of unpaid reimbursement claims to community college districts for the cost of State-mandated programs.

For additional information regarding the Proposed Budget, see the DOF’s website at www.dof.ca.gov and the LAO’s website at www.lao.ca.gov. However, the information presented on such website is not incorporated herein by reference.

Future Budgets and Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State’s ability to fund education. State budget shortfalls in future fiscal years could have an adverse financial impact on the State general fund budget. However, the obligation to pay *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District’s finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable only from the proceeds of an ad valorem property tax levied by the County for the payment thereof. See “THE BONDS – Security and Sources of Payment.”

Introduction

The Foothill-De Anza Community College District was established on January 15, 1957 and encompasses an area of approximately 105 square miles in Santa Clara County. The District is located in Los Altos Hills, in the heart of the Silicon Valley, and serves local communities in Cupertino, Los Altos, Los Altos Hills, Mountain View, Palo Alto, Sunnyvale and portions of San Jose. The District operates two community colleges, Foothill College and De Anza College, which provide collegiate-level instruction across a wide spectrum of subjects for associate degrees, career and technical training, and transfer to four-year institutions. Each college is fully accredited by the ACCJC. For fiscal year 2014-15, the District's projected FTES count is 32,371. Taxable property within the District has a fiscal year 2014-15 total assessed valuation of \$120,849,974,378.

Administration

The District is governed by a five-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board of Trustees are held every two years, alternating between two and three available positions. Current members of the Board of Trustees, together with their offices and the dates their terms expire, are listed below:

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Pearl Cheng	President	December 2018
Joan Barram	Vice President	December 2016
Betsy Bechtel	Member	December 2016
Laura Casas	Member	December 2016
Bruce Swenson	Member	December 2018

The Chancellor of the District is responsible for administering the affairs of the District in accordance with the policies of the Board of Trustees. Dr. Linda M. Thor is the District's current Chancellor. Brief biographies of key administrators follow:

Dr. Linda M. Thor, Chancellor. Dr. Thor was appointed Chancellor of the District in February 2010. Prior to her appointment, she served as President of Rio Salado College in Arizona for 20 years. She also served as President of West Los Angeles College for four and a half years. Dr. Thor holds a Bachelor of Arts degree in journalism from Pepperdine University, a Master of Public Administration degree from California State University, Los Angeles and a Doctor of Education degree in community college administration from Pepperdine University.

Dr. Thor has officially announced her retirement from the District effective June 30, 2015. The Board of Trustees has initiated a nationwide search for Dr. Thor's successor and plans to have the new chancellor named by the end of June 2015. It is anticipated that the new chancellor will begin on July 1, 2015 or shortly thereafter, depending on availability.

Kevin McElroy, Vice Chancellor, Business Services. Mr. McElroy joined the District as Vice Chancellor, Business Services in August 2010. Prior to this appointment, he served as the Vice President of Administrative Services for Coastline College for over 21 years. Prior to his career in post-secondary education, Mr. McElroy worked in the private business sector. Mr. McElroy obtained his Bachelor of Arts degree in public administration from San Diego State University and Master of Arts degree in public policy and administration from California State University, Long Beach.

Hector Quiñonez, Executive Director, Fiscal Services. Mr. Quiñonez has been with the District for over 24 years. Prior to joining the District, Mr. Quiñonez served on the audit staff of KPMG and

subsequently worked in various accounting and controllership positions within the high technology industry. Mr. Quiñonez is a Certified Public Accountant and holds a Bachelor of Science degree in accounting from San Jose State University.

Joni Hayes, Director, Budget Operations. Ms. Hayes has been with the District for over 25 years in progressively responsible positions in the college and District budget offices. Prior to joining the district, Ms. Hayes worked in the private sector. Ms. Hayes holds a Bachelor of Science degree from Arizona State University.

Labor Relations

As of March 1, 2015, the District employed 531 full-time certificated professionals and 607 full-time classified employees and managers. As of such date, the District also employed 1,290 part-time faculty and staff. District employees, except management and some part-time employees, are represented by five bargaining units as noted below:

**BARGAINING UNITS
Foothill-De Anza Community College District**

<u>Labor Organization</u>	<u>Number of Employees In Organization</u>	<u>Contract Expiration Date</u>
Foothill-De Anza Faculty Association	1,800	June 30, 2016
Association of Classified Employees	420	October 31, 2014*
California School Employees Association – Local 96	88	December 31, 2015
Teamsters – Local 287	35	June 30, 2013*
Operation Engineers – Local 3	7	December 31, 2015

* Members of these bargaining units are working under the terms of their expired contracts.
Source: Foothill-De Anza Community College District.

Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers’ Retirement System (“STRS”). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the “STRS Defined Benefit Program”). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, neither the employee, employer or State contribution rate to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years

assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State recently passed legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 (“AB 1469”) in to law as a part of the 2014-15 State Budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the “2014 Liability”), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing on July 1, 2014, the employee contribution rates will increase over a three year phase in period in accordance with the following schedule:

**MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.15%	8.15%
July 1, 2015	9.20	8.56
July 1, 2016	10.25	9.205

Source: AB 1469.

Pursuant to AB 1469, K-14 school districts’ contribution rate will increase over a seven year phase in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter, the STRS Teachers’ Retirement Board (the “STRS Board”) is required to increase or decrease the K-14 school districts’ contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members’ contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify

adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The District's contribution to STRS was \$5,332,848 for fiscal year 2011-12, \$5,242,757 for fiscal year 2012-13, and \$5,256,317 for fiscal year 2013-14. The District has projected \$5,276,133 as its contribution to STRS for fiscal year 2014-15.

The State also contributes to STRS, currently in an amount equal to 3.454% of teacher payroll for fiscal year 2014-15. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Pursuant to AB 1469, the State contribution rate will increase over the next three years to a total of 6.328% in fiscal year 2016-17. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2013 included 1,580 public agencies and schools (representing more than 2,500 entities). PERS acts as the common investment and administrative agent for the member agencies. The State and school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for school districts throughout the State (the "Schools Pool").

Contributions by employers to the PERS Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 11.771% of eligible salary expenditures for fiscal year 2014-15. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6% of their respective salaries for fiscal year 2013-14. See "— California Public Employees' Pension Reform Act of 2013."

The District's contribution to PERS was \$5,511,264 for fiscal year 2011-12, \$5,505,372 for fiscal year 2012-13, and \$5,344,330 for fiscal year 2013-14. The District has projected \$5,489,910 as its contribution to PERS for fiscal year 2014-15.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS
(Dollar Amounts in Millions) ⁽¹⁾
Fiscal Years 2010-11 through 2012-13

Fiscal Year	STRS				PERS			
	Accrued Liability	Value of Trust Assets (MVA) ⁽²⁾	Unfunded Liability (MVA) ⁽²⁾⁽³⁾	Unfunded Liability (AVA) ⁽⁴⁾	Accrued Liability	Value of Trust Assets (MVA) ⁽²⁾	Unfunded Liability (MVA) ⁽²⁾	Unfunded Liability (AVA) ⁽⁴⁾
2010-11	\$208,405	\$147,140	\$68,365	\$64,475	\$58,358	\$45,901	\$12,457	\$6,811
2011-12	215,189	143,118	80,354	70,957	59,439	44,854	14,585	5,648
2012-13	222,281	157,176	74,374	73,667	61,487	49,482	12,005	5,237

(1) Amounts may not add due to rounding.

(2) Reflects market value of assets.

(3) Excludes SBPA reserve.

(4) Reflects actuarial value of assets.

Source: PERS State & Schools Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

Over the past two years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. As one consequence of such decrease, the annual contribution amounts paid by PERS member public agencies, including the District, have been increased by 1 to 2% for miscellaneous plans and by 2 to 3% for safety plans beginning in fiscal year 2013-14. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The PERS Board has delayed the implementation of the new actuarial policies until fiscal year 2015-16 for the State, K-14 school districts and all other public agencies.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The cost of the revised assumptions shall be amortized over a 20-year period and related increases in public agency contribution rates shall be affected over a three year period,

beginning in fiscal year 2014-15. The new demographic assumptions affect each of: the State, K-14 school districts and all other public agencies.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employee's Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

Other Post-Employment Benefits

Benefit Plan. The District provides medical and dental insurance benefits (the "Post-Employment Benefits") to retirees of the District and their spouses and dependents. Retirees hired prior to July 1, 1997 are eligible for health and hospital benefits, prescription drug coverage, vision care and dental care, subject to certain additional eligibility requirements. Employees hired on or after July 1, 1997 are eligible for a health care bridge program to cover the period of time between retirement and Medicare eligibility.

Funding Policy. The District recognizes expenditures for Post-Employment Benefits on a pay-as-you-go-basis to cover the cost of benefits for current retirees, together with an additional amount to prefund the District's outstanding accrued liability for Post-Employment Benefits (as discussed herein). During fiscal year 2013-14, the District realized total expenditures of \$8,052,973, comprising \$6,552,973 for current premiums and \$1,500,000 deposited to the OPEB Trust (defined herein), for Post-Employment Benefits. The District has projected \$8,000,000 for such expenditures in fiscal year 2014-15, which includes a deposit to the OPEB Trust of \$1,500,000.

The District has established an irrevocable, GASB-qualifying trust (the “OPEB Trust”) to begin funding its outstanding accrued liability for Post-Employment Benefits. The balance in the OPEB Trust, as of June 30, 2014, was \$10,856,831.

Accrued Liability. The District has implemented *Governmental Accounting Standards Board Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans* (“GASB 45”), pursuant to which the District has commissioned and received several actuarial studies of its accrued liability with respect to the Post-Employment Benefits. The most recent of these studies, dated as of August 29, 2013, concluded that the District’s actuarial accrued liability (“AAL”) in respect of the Post-Employment Benefits, as of the July 1, 2013 valuation date, was \$120,204,435, and that the annual required contribution (the “ARC”) was \$9,006,774 in fiscal year 2013-14. The ARC is the amount that would be necessary to fund the value of future benefits earned by current employees during each fiscal year (the “Normal Cost”) and the amount necessary to amortize the UAAL, in accordance with the Governmental Accounting Standards Board Statements Nos. 43 and 45.

As of June 30, 2014, the District recognized a net long-term asset of \$4,092,797 based upon its contributions towards the actuarially-determined ARC. See “APPENDIX A – EXCERPTS FROM THE FISCAL YEAR 2012-13 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 9.”

Risk Management

The District has contracted with various commercial insurers for property and liability coverage up to \$50,000,000, and carries \$20,000,000 of excess insurance through its participation as a member district of the Schools Excess Liability Fund (“SELF”). Settled claims for property and liability insurance have not exceeded commercial coverage for the past three years. The District is currently self-insured for worker’s compensation claims up to \$250,000. Excess insurance is purchased for claims between \$250,000 and \$10,000,000. The District is also self-insured for health care claims of employees participating in the District’s health care plans. The District carries stop loss insurance to limit its aggregate liability to 125% of the expected paid claims and its individual claim liability limit to \$100,000 per year.

See also “APPENDIX A – EXCERPTS FROM THE FISCAL YEAR 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 10.”

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. GASB Statement No. 34 makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective on May 15, 2002 for the District, as well as for any other governmental agency with annual revenues of between \$10 million and \$100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Comparative Financial Statements

Pursuant to applicable guidance from GASB, the District’s financial statements present a comprehensive, entity-wide perspective of the District’s assets, liabilities, and cash flows rather than the

fund-group perspective previously required. The table on the following page displays the District's revenues, expenses and changes in net assets for fiscal years 2009-10 through 2013-14.

**STATEMENT OF TOTAL REVENUES AND EXPENDITURES AND
CHANGES IN FUND BALANCES – PRIMARY GOVERNMENT
Fiscal Years 2009-10 through 2013-14
Foothill-De Anza Community College District**

	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14
OPERATING REVENUES					
Tuition and Fees (gross)	\$48,292,399	\$50,109,849	\$59,934,059	\$72,114,019	\$74,404,157
Less: Scholarship discount and allowances	<u>(5,893,170)</u>	<u>(7,020,454)</u>	<u>(10,511,218)</u>	<u>(14,598,723)</u>	<u>(14,733,614)</u>
Net tuition and fees	42,399,229	43,089,395	49,422,841	57,515,296	59,670,543
Grants and Contracts, non-capital ⁽¹⁾ :					
Federal	24,550,627	26,071,371	--	--	--
State	12,235,488	13,824,642	--	--	--
Local	1,879,984	1,525,796	--	--	--
Auxiliary enterprise sales and charges	14,355,650	13,206,831	12,994,440	11,319,694	12,509,854
Interest on student loans ⁽²⁾	30,081	--	--	--	--
Other operating receipts	<u>10,961,645</u>	<u>6,851,857</u>	<u>9,386,498</u>	<u>8,080,119</u>	<u>6,913,213</u>
TOTAL OPERATING REVENUES	<u>106,412,704</u>	<u>104,569,892</u>	<u>71,803,779</u>	<u>76,915,109</u>	<u>79,093,612</u>
OPERATING EXPENSES					
Salaries	137,968,184	136,859,958	133,568,875	131,010,849	132,416,152
Benefits	44,180,682	40,871,710	45,039,554	41,861,231	39,037,053
Supplies, materials and other operating expenses and services	56,793,558	41,758,337	31,594,443	38,364,852	51,018,684
Student financial aid	--	22,013,966	21,594,443	22,099,541	24,406,421
Utilities	3,962,452	3,432,666	3,305,217	3,649,768	3,463,675
Depreciation	<u>21,960,667</u>	<u>24,964,864</u>	<u>29,554,058</u>	<u>36,093,592</u>	<u>38,815,807</u>
TOTAL OPERATING EXPENSES	<u>264,865,543</u>	<u>269,901,501</u>	<u>264,483,058</u>	<u>273,079,833</u>	<u>289,157,792</u>
LOSS FROM OPERATIONS	(158,452,839)	(165,331,609)	(192,679,279)	(196,164,724)	(210,064,180)
NON-OPERATING REVENUES (EXPENSES)					
State apportionments, non-capital	67,599,547	71,274,649	51,823,471	42,897,095	39,650,274
Local property taxes	76,655,175	72,209,653	73,383,003	78,968,556	77,689,315
State taxes and other revenues	5,482,326	5,192,761	5,323,379	5,613,177	5,548,523
Grants and Contracts, non-capital ⁽¹⁾ :					
Federal	--	--	22,308,519	22,708,134	24,827,283
State	--	--	12,400,418	12,995,513	14,594,706
Local	--	--	1,499,013	2,274,824	2,189,144
Interest on student loans ⁽²⁾	--	--	--	--	101,822
Investment income (loss), non-capital	192,512	(54,085)	(1,650)	(211,351)	47,207
Investment income (loss), capital	(3,080,901)	(306,433)	(289,941)	(671,670)	50,531
Interest income on capital asset-related debt, net	(27,204,184)	(28,472,727)	(58,980,196)	(12,760,489)	(12,124,318)
Other nonoperating revenue	--	--	--	--	<u>941,910</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>119,644,475</u>	<u>119,843,818</u>	<u>107,466,016</u>	<u>151,813,789</u>	<u>153,516,397</u>
LOSS BEFORE CAPITAL REVENUES	(38,808,364)	(45,487,791)	(85,213,263)	(44,350,935)	(56,547,783)
CAPITAL REVENUES					
State apportionment, capital	353,164	--	--	--	460,654
Local property taxes and revenues	34,113,408	35,612,475	35,213,263	35,504,094	39,502,153
TOTAL CAPITAL REVENUES	<u>34,466,572</u>	<u>35,612,475</u>	<u>35,213,263</u>	<u>35,504,094</u>	<u>39,962,807</u>
INCREASE (DECREASE) IN NET ASSETS	(4,341,792)	(9,875,316)	(49,686,952) ⁽³⁾	(8,846,841)	(16,584,976)
NET ASSETS – AS PREVIOUSLY REPORTED	120,975,378	109,076,834	99,201,518	49,514,566	127,523,565
RESTATEMENT	(7,556,752) ⁽⁴⁾	--	--	86,855,840 ⁽⁵⁾	--
NET ASSETS, – AS RESTATED	<u>113,418,626</u>	<u>109,076,834</u>	<u>99,201,518</u>	<u>136,370,406</u>	<u>127,523,565</u>
NET ASSETS - END OF YEAR	<u>\$109,076,834</u>	<u>\$99,201,518</u>	<u>\$49,514,566</u>	<u>\$127,523,565</u>	<u>\$110,938,589</u>

(Footnotes to follow on the next page).

- (1) Beginning in fiscal year 2011-12, non-capital grants and contracts are reported as non-operating revenue, reflecting a change in presentation in the statement of revenues and expenditures for the District's primary government funds.
- (2) Beginning in fiscal year 2013-14, interest on student loans is reported as non-operating revenue, reflecting a change in presentation in the statement of revenues and expenditures for the District's primary government funds.
- (3) Decrease in net assets due primarily to a decrease in State apportionment funding as a result of workload reductions, as well as an increase in other financing use due to the amortization of general obligation bond issuance costs over the life of the bonds.
- (4) Restatement reflects an adjustment to account for the actual interest expense on the District's general obligation bonds. It was determined that the District had not recorded this expense in prior periods, resulting in an overstatement of the District's net assets.
- (5) The District's net beginning position for fiscal year 2012-13 was restated as a result of GASB Statement No. 62 which required the District to capitalize interest as part of the historical cost of constructing certain business-type activity assets.

Source: Foothill-De Anza Community College District.

District Debt Structure

Long-Term Debt. A schedule of the District's general long-term debt as of June 30, 2014, is shown below:

	Balance July 1, 2013⁽¹⁾	Additions	Deductions	Balance June 30, 2014⁽¹⁾
Bonds and Notes Payable				
General Obligation Bonds	\$693,253,428	\$10,419,253	\$8,385,000	\$695,287,681
Premiums, net of amortization	23,850,829	--	1,243,097	22,607,732
Certificates of Participation ⁽¹⁾	<u>17,225,000</u>	<u>--</u>	<u>10,825,000</u>	<u>6,400,000</u>
Total Bonds and Notes Payable	734,329,257	10,419,253	20,453,097	724,295,413
Other Liabilities				
Compensated Absences	1,425,825	130,836	--	1,556,661
Capital Leases	1,882,913	7,580,000	911,268	8,551,645
Claims Liability	4,815,470	--	964,895	3,850,575
Total Other Liabilities	<u>8,124,208</u>	<u>7,710,836</u>	<u>1,876,163</u>	<u>13,958,881</u>
Total Long-Term Debt	<u>\$742,453,465</u>	<u>\$18,130,089</u>	<u>\$22,329,260</u>	<u>\$738,254,294</u>

(1) From the District's fiscal year 2013-14 audited financial statements. The General Obligation Bonds include accrued interest. See also "APPENDIX A – EXCERPTS FROM THE 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT" attached hereto.

Source: Foothill-De Anza Community College District.

General Obligation Bonds. At an election held on November 2, 1999, the voters of the District approved the issuance of not-to-exceed \$248,000,000 of general obligation bonds of the District (the "1999 Authorization"). The District has issued the entirety of bonds authorized by the 1999 Authorization. At an election held on June 6, 2006, the voters of the District approved the issuance of not-to-exceed \$490,800,000 of general obligation bonds of the District (the "2006 Authorization"). The District has issued bonds under the 2006 Authorization totaling \$433,991,936.50 in principal amount. The District has also previously sold three series of refunding bonds to refinance portions of its outstanding general obligation bonded indebtedness.

The following table summarizes the outstanding prior bond issuances of the District, not including the Bonds.

SUMMARY OF OUTSTANDING BONDED DEBT
Foothill-De Anza Community College District

Issuance	Initial Principal Amount	Principal Currently Outstanding⁽¹⁾	Date of Delivery
Election of 1999, Series A	\$99,995,036	\$21,730,037	May 3, 2000
Election of 1999, Series B	90,100,063	49,990,063	September 9, 2003
Election of 1999, Series C	57,904,900	22,062,253	September 20, 2005
Election of 2006, Series A	149,995,250	82,395,250	May 10, 2007
Election of 2006, Series B	99,996,686	50,801,686	May 10, 2007
Election of 2006, Series C	184,000,000	184,000,000	May 19, 2011
2005 Refunding Bonds	22,165,000	22,010,000	September 20, 2005
2012 Refunding Bonds	70,735,000	60,730,000	May 3, 2012
2014 Refunding Bonds	<u>103,015,000</u>	<u>103,015,000</u>	August 19, 2014
Totals	\$877,906,935	\$596,734,289	

⁽¹⁾ As of April 1, 2015. Includes the principal amount of the Refunded Bonds prior to the application of proceeds of the Bonds as described under "THE REFUNDING PLAN." Excludes accrued interest.

Source: *Foothill-De Anza Community College District.*

The table on the following page summarizes the total debt service requirements for the District's outstanding general obligation bonded debt following the issuance of the Bonds (and assuming no further optional redemptions).

[REMAINDER OF PAGE LEFT BLANK]

GENERAL OBLIGATION BONDS – CONSOLIDATED DEBT SERVICE SCHEDULE*
Foothill-De Anza Community College District

Period Ending (August 1)	Election of 1999 Series A	Election of 1999 Series B	Election of 1999 Series C	2005 Refunding Bonds	Election of 2006 Series A⁽¹⁾	Election of 2006 Series B⁽¹⁾	Election of 2006 Series C	2012 Refunding Bonds	2014 Refunding Bonds	The Bonds	Total Annual Debt Service
2015	\$4,520,000.00	\$712,500.00	\$1,107,750.00	\$3,485,525.00	\$4,737,775.00	\$3,012,525.00	\$9,200,000.00	\$2,895,050.00	\$4,649,490.00		
2016	4,880,000.00	712,500.00	--	1,033,200.00	5,034,775.00	3,212,275.00	9,200,000.00	6,800,050.00	4,894,200.00		
2017	5,255,000.00	712,500.00	--	4,063,200.00	5,342,025.00	3,413,775.00	9,200,000.00	4,143,850.00	4,894,200.00		
2018	5,635,000.00	712,500.00	--	4,314,125.00	2,423,025.00	1,471,275.00	9,200,000.00	4,305,750.00	10,069,200.00		
2019	6,025,000.00	712,500.00	--	4,583,525.00	2,423,025.00	1,471,275.00	9,200,000.00	4,476,000.00	10,618,950.00		
2020	6,425,000.00	712,500.00	--	4,879,300.00	2,423,025.00	1,471,275.00	9,200,000.00	4,647,200.00	11,196,350.00		
2021	3,525,000.00	712,500.00	--	5,188,825.00	2,423,025.00	1,471,275.00	9,200,000.00	8,154,500.00	11,794,750.00		
2022	3,850,000.00	6,302,500.00	--	--	2,423,025.00	1,471,275.00	9,200,000.00	8,391,500.00	12,418,250.00		
2023	4,180,000.00	6,662,100.00	3,110,000.00	--	2,423,025.00	1,471,275.00	9,200,000.00	5,597,500.00	13,066,750.00		
2024	4,530,000.00	7,035,000.00	3,340,000.00	--	2,423,025.00	1,471,275.00	9,200,000.00	5,697,750.00	13,736,500.00		
2025	4,905,000.00	7,435,000.00	3,590,000.00	--	2,423,025.00	1,471,275.00	9,200,000.00	5,788,750.00	14,438,750.00		
2026	5,290,000.00	7,860,000.00	3,860,000.00	--	2,423,025.00	1,471,275.00	9,200,000.00	5,875,250.00	15,164,000.00		
2027	5,680,000.00	8,320,000.00	4,145,000.00	--	9,723,025.00	2,971,275.00	9,200,000.00	5,966,750.00	7,123,000.00		
2028	6,105,000.00	8,805,000.00	4,440,000.00	--	12,244,525.00	8,208,775.00	9,545,000.00	6,042,250.00	880,750.00		
2029	6,550,000.00	9,315,000.00	4,765,000.00	--	12,737,775.00	8,537,550.00	9,977,750.00	6,116,750.00	880,750.00		
2030	7,005,000.00	9,865,000.00	5,110,000.00	--	13,248,275.00	8,877,750.00	10,418,000.00	6,184,500.00	880,750.00		
2031	--	18,925,000.00	11,380,000.00	--	13,778,325.00	9,232,575.00	10,849,250.00	--	880,750.00		
2032	--	19,875,000.00	11,195,000.00	--	14,325,000.00	9,435,000.00	11,480,750.00	--	880,750.00		
2033	--	20,865,000.00	10,210,000.00	--	14,900,000.00	9,260,000.00	12,401,250.00	--	880,750.00		
2034	--	21,910,000.00	4,165,000.00	--	15,495,000.00	9,080,000.00	13,349,500.00	--	5,415,750.00		
2035	--	23,005,000.00	--	--	16,115,000.00	8,890,000.00	14,356,500.00	--	8,489,000.00		
2036	--	25,990,000.00	--	--	16,760,000.00	11,235,000.00	12,836,500.00	--	5,507,250.00		
2037	--	--	--	--	--	--	42,382,750.00	--	--		
2038	--	--	--	--	--	--	43,950,000.00	--	--		
2039	--	--	--	--	--	--	45,612,750.00	--	--		
2040	--	--	--	--	--	--	<u>47,313,000.00</u>	--	--		
Total	<u>\$84,360,000.00</u>	<u>\$207,157,100.00</u>	<u>\$70,417,750.00</u>	<u>\$27,547,700.00</u>	<u>\$176,248,725.00</u>	<u>\$108,607,975.00</u>	<u>\$404,073,000.00</u>	<u>\$91,083,400.00</u>	<u>\$158,760,890.00</u>		

⁽¹⁾ Includes debt service on the Refunded Bonds prior to the application of proceeds of the Bonds. See "REFUNDING PLAN."
Source: Foothill-De Anza Community College District.

* Preliminary, subject to change.

Certificates of Participation; Lease Obligations. On April 5, 2005, the District entered into a capital lease agreement (the “2005 Lease”) with CitiMortgage, Inc., since acquired by PNCEF, LLC, to finance the purchase of solar equipment for Foothill and De Anza Colleges.

Future lease payments under the 2005 Lease are as follows:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
07/13/15	\$114,740.36	\$26,090.34	\$140,830.70
01/13/16	117,115.48	23,715.22	140,830.70
07/13/16	119,539.77	21,290.93	140,830.70
01/13/17	122,014.24	18,816.46	140,830.70
07/13/17	124,539.94	16,290.76	140,830.70
01/13/18	127,117.92	13,712.78	140,830.70
07/13/18	129,749.26	11,081.44	140,830.70
01/13/19	132,435.07	8,395.63	140,830.70
07/13/19	135,176.47	5,654.23	140,830.70
01/13/20	<u>137,974.63</u>	<u>2,856.07</u>	<u>140,830.70</u>
Total	<u>\$1,260,403.14</u>	<u>\$147,903.86</u>	<u>\$1,408,307.00</u>

On November 15, 2006, the District caused the execution and delivery of its Certificates of Participation (2006 Financing Project) in the aggregate principal amount of \$11,335,000 (the “2006 Certificates”). The net proceeds of the sale of the 2006 Certificates were used to finance the construction and renovation of certain District facilities, including the Campus Center and the Bookstore on the District’s Foothill Campus and the Campus Center on the District’s De Anza Campus, as well as the acquisition and installation of equipment. Debt service with respect to the 2006 Certificates is payable from lease payments made pursuant to a lease-purchase agreement entered into by the District.

Remaining lease payments with respect to the 2006 Certificates are as follows:

<u>Year Ending (March 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$840,000.00	\$221,772.50	\$1,061,772.50
2017	880,000.00	183,922.50	1,063,922.50
2018	915,000.00	151,362.50	1,066,362.50
2019	950,000.00	117,050.00	1,067,050.00
2020	980,000.00	80,000.00	1,060,000.00
2021	<u>1,020,000.00</u>	<u>40,800.00</u>	<u>1,060,800.00</u>
Total	<u>\$5,585,000.00</u>	<u>\$794,907.50</u>	<u>\$6,379,907.50</u>

On August 19, 2013, the District entered into a lease-purchase agreement (the “2013 Lease”), the right to receive lease payments under which were sold to a private investor for \$7,580,000. The proceeds from the 2013 Lease were used to refund then-outstanding certificates of participation.

Future lease payments under the 2013 Lease are as follows:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9/1/2015	\$524,844.89	\$52,785.45	\$577,630.34
3/1/2016	529,437.28	48,193.06	577,630.34
9/1/2016	534,069.85	43,560.48	577,630.33
3/1/2017	538,742.97	38,887.37	577,630.34
9/1/2017	543,456.97	34,173.37	577,630.34
3/1/2018	548,212.21	29,418.12	577,630.33
9/1/2018	553,009.07	24,621.27	577,630.34
3/1/2019	557,847.90	19,782.44	577,630.34
9/1/2019	562,729.07	14,901.27	577,630.34
3/1/2020	567,652.95	9,977.39	577,630.34
9/1/2020	<u>572,619.91</u>	<u>5,010.42</u>	<u>577,630.33</u>
Total	<u>\$6,032,623.07</u>	<u>\$321,310.64</u>	<u>\$6,353,933.71</u>

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner’s basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner’s original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an

earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE INTEREST ON THE BONDS OR THE MARKET VALUE OF THE BONDS. LEGISLATIVE CHANGES HAVE BEEN PROPOSED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME TAX BEING IMPOSED ON CERTAIN OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THE INTRODUCTION OR ENACTMENT OF ANY OF SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE ISSUANCE OF THE BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX B.

LEGAL MATTERS

Continuing Disclosure

The District has covenanted for the benefit of Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (the District’s fiscal year ends on June 30), commencing with the report for the 2014-15 fiscal year (which is due not later than April 1, 2015), and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed in accordance with the requirements of S.E.C. Rule 15c2-12(b)(5) (the “Rule”). The specific nature of the information to be made available and to be contained in the notices of enumerated events is described in the form of Continuing Disclosure Certificate attached hereto as Appendix C. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Within the past five years, the District failed to file the annual reports for fiscal years 2008-09 and 2012-13 in a timely manner as required by its prior continuing disclosure undertaking pursuant to the Rule. The District has since filed such reports. In addition, within such five year period, certain of the District’s other required annual reports were filed after the date required by the applicable continuing disclosure undertaking, but in no instance later than four days.

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, are eligible for security for deposits of public moneys in the State.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District’s ability to receive *ad valorem* property taxes to collect other revenues or contesting the District’s ability to issue and retire the Bonds.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 (“TIPRA”). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel. A copy of the proposed form of such legal opinion is attached to this Official Statement as Appendix B.

Verification

Upon delivery of the Bonds, Grant Thornton LLP will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to the adequacy of the amounts in the Escrow Fund to pay the redemption price of and accrued interest on the Refunded Bonds.

Financial Statements

Portions of the financial statements with supplemental information for the year ended June 30, 2013, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated November 19, 2014 of Vavrinek, Trine, Day & Co. LLP (the "Auditor"), are included in this Official Statement as Appendix A. In connection with the inclusion of portions of the financial statements and the report of the Auditor thereon in Appendix A to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

RATINGS

Moody's and S&P have assigned ratings of "Aaa" and "AA," respectively, to the Bonds.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, 7 World Trade Center at 250 Greenwich, New York, New York 10007 and Standard & Poor's, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

UNDERWRITING

The Bonds are being purchased by Morgan Stanley & Co. LLC as underwriter (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$_____, which is equal to the initial principal amount of the Bonds of \$_____, plus original issue premium of \$_____, less the Underwriter's discount of \$_____. The Purchase Contract for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover. The offering prices may be changed from time to time by the Underwriter.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, the Underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

ADDITIONAL INFORMATION

Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All of the data contained herein about the District has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District's Board of Trustees.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds.

This Official Statement and the delivery thereof have been duly approved and authorized by the District.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

By _____
Kevin McElroy
Vice Chancellor, Business Services

APPENDIX A

**EXCERPTS FROM THE 2013-14 AUDITED FINANCIAL
STATEMENTS OF THE DISTRICT**

(THIS PAGE INTENTIONALLY LEFT BLANK)

**FOOTHILL-DE ANZA COMMUNITY
COLLEGE DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2014

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

TABLE OF CONTENTS

JUNE 30, 2014

FINANCIAL SECTION

Independent Auditor's Report	2
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements - Primary Government	
Statement of Net Position	12
Statement of Revenues, Expenses, and Changes in Net Position	13
Statement of Cash Flows	14
Fiduciary Funds	
Statement of Net Position	16
Statement of Changes in Net Position	17
Discretely Presented Component Unit – Foothill-De Anza Community College District Foundation	
Statement of Financial Position	18
Statement of Activities	19
Statement of Cash Flows	20
Notes to Financial Statements	21

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Other Postemployment Benefits (OPEB) Funding Progress	51
---	----

SUPPLEMENTARY INFORMATION

District Organization	53
Schedule of Expenditures of Federal Awards	54
Schedule of Expenditures of State Awards	56
Schedule of Workload Measures State General Apportionment Annual (<i>Actual Attendance</i>)	57
Reconciliation of <i>Education Code</i> Section 84362 (50 Percent Law) Calculation	58
Proposition 30 Education Protection Act (EPA) Expenditure Report	61
Reconciliation of Annual Financial and Budget Report (CCFS-311) with Fund Financial Statements	62
Notes to Supplementary Information	63

INDEPENDENT AUDITOR'S REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	66
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	68
Report on State Compliance	70

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results	73
Financial Statement Findings and Recommendations	74
Federal Awards Findings and Questioned Costs	75
State Awards Findings and Questioned Costs	76
Summary Schedule of Prior Audit Findings	77

FINANCIAL SECTION



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITOR'S REPORT

Foothill-DeAnza Community College District
Board of Trustees
Los Altos Hills, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit Foothill-De Anza Community College District Foundation of Foothill-De Anza Community College District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the District as of June 30, 2014, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 5 through 11 and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavinek, Trine, Day & Co LLP

Pleasanton, California
November 19, 2014

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ending June 30, 2014

The Management Discussion and Analysis provides an overview of the District's financial activities for the year. The District has prepared the accompanying financial statements in accordance with the Governmental Accounting Standards Board's (GASB) Codification Section 2200.101 and GASB Codification Sections 2200.190-191. The statements are prepared using the Business Type Activity (BTA) model; this is in compliance with the California Community College Chancellor's Office recommendation to report in a manner consistent with other community college districts.

The annual report consists of three basic financial statements that provide information on the District as a whole:

- The Statement of Net Position
- The Statement of Revenues, Expenses, and Changes in Net Position
- The Statement of Cash Flows

Each one of these statements will be discussed.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)
JUNE 30, 2014**

Condensed Statement of Net Position (in thousands)

ASSETS	<u>2014</u>	<u>2013</u>	<u>Percentage Change</u>	<u>Dollar Change</u>
Current assets				
Cash & cash equivalents	\$ 107,336	\$ 91,284	17.6%	\$ 16,052
Investments	82	82	0.0%	-
Receivables, current portion	34,004	24,484	38.9%	9,520
Inventory and other assets	5,572	5,897	-5.5%	(325)
Total current assets	<u>146,994</u>	<u>121,747</u>	<u>20.7%</u>	<u>25,247</u>
Noncurrent assets				
Restricted cash and cash equivalents	131,314	177,808	-26.1%	(46,494)
Receivables and other assets, noncurrent portion	5,935	7,366	-19.4%	(1,431)
Capital assets, net	631,437	612,534	3.1%	18,903
Total noncurrent assets	<u>768,686</u>	<u>797,708</u>	<u>-3.6%</u>	<u>(29,022)</u>
Total assets	<u><u>915,680</u></u>	<u><u>919,455</u></u>	<u><u>-0.4%</u></u>	<u><u>(3,775)</u></u>
LIABILITIES				
Current liabilities				
Accounts payable & accrued liabilities	36,874	37,707	-2.2%	(833)
Unearned revenue	29,613	11,771	151.6%	17,842
Long-term debt, current portion	13,042	11,753	11.0%	1,289
Total current liabilities	<u>79,529</u>	<u>61,231</u>	<u>29.9%</u>	<u>18,298</u>
Noncurrent liabilities				
Long-term liabilities, noncurrent portion	5,407	6,241	-13.4%	(834)
Long-term debt, noncurrent portion	719,805	724,459	-0.6%	(4,654)
Total noncurrent liabilities	<u>725,212</u>	<u>730,700</u>	<u>-0.8%</u>	<u>(5,488)</u>
Total liabilities	<u>804,741</u>	<u>791,931</u>	<u>1.6%</u>	<u>12,810</u>
NET POSITION				
Net investment in capital assets	5,551	30,520	-81.8%	(24,969)
Restricted	42,826	36,608	17.0%	6,218
Unrestricted	62,562	60,396	3.6%	2,166
Total net position	<u><u>\$ 110,939</u></u>	<u><u>\$ 127,524</u></u>	<u><u>-13.0%</u></u>	<u><u>\$ (16,585)</u></u>

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION) JUNE 30, 2014

Statement of Net Position (Continued)

- Current receivables increased by 38.9%, or approximately \$9.5 million, as a result of the increase in non-resident tuition revenues and student financial aid.
- Restricted cash decreased by 26.1%, or approximately \$46.5 million, as a result of spending on capital projects.
- Capital assets increased by 3.1%, or approximately \$18.9 million, in connection with the completion of Measure C capital projects at both colleges, including the construction renovation of the Advanced Technology Center, the combined site improvements, the elevator upgrades (campus wide), and the modernization of building 5700. Work in process continues on large capital construction projects including the new Foothill-De Anza Education Center in Sunnyvale and concept design of the new District Office building. We anticipate continued growth in capital assets in future years as Measure C projects are completed.
- Unearned revenue increased by 151.6%, or approximately \$17.8 million, due to the early summer enrollment, the State apportionment funding deferral, and the one-time State grant funding for the Online Education Initiative program.
- The current portion of long-term debt increased by 11.0%, or approximately \$1.3 million, in alignment with the debt payment schedule. See Note 8 for the long-term debt discussion.
- The noncurrent portion of long-term debt decreased by 0.6%, or approximately \$4.7 million, consistent with the scheduled repayment of debt obligations.
- Net investments in capital assets decreased by 81.8%, or approximately \$25.0 million, as a result of new accounting standards requiring an interest capitalization restatement.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the District, as well as the non-operating revenues and expenses. The State general apportionment, while budgeted for operations, is considered non-operating revenue in accordance with Generally Accepted Accounting Principles.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION) JUNE 30, 2014

Condensed Statement of Revenues, Expenses and Changes in Net Position (in thousands)

	2014	2013	Percentage Change	Dollar Change
Operating revenues				
Net tuition and fees	\$ 59,671	\$ 57,515	3.7%	\$ 2,156
Auxiliary enterprise, net	12,510	11,320	10.5%	1,190
Other	6,913	8,080	-14.4%	(1,167)
Total operating revenues	79,094	76,915	2.8%	2,179
Operating expenses	289,158	273,080	5.9%	16,078
Loss from operations	(210,064)	(196,165)	7.1%	(13,899)
Non-operating revenues (expenses)				
State apportionment, non-capital	39,650	42,897	-7.6%	(3,247)
Local property taxes	77,689	78,969	-1.6%	(1,280)
Grants and contracts, non-capital	41,611	37,978	9.6%	3,633
State taxes and other revenues	5,548	5,613	-1.2%	(65)
Investment gain/(loss)	200	(883)	-122.7%	1,083
Interest expense	(11,182)	(12,760)	-12.4%	1,578
Total non-operating revenues (expenses)	153,516	151,814	1.1%	1,702
Loss before capital revenues	(56,548)	(44,351)	27.5%	(12,197)
Capital revenues	39,963	35,505	12.6%	4,458
Change in net position	(16,585)	(8,846)	87.5%	(7,739)
Net position-beginning of year	127,524	49,514	157.6%	78,010
Restatement	-	86,856	-100.0%	(86,856)
Net position-end of year	\$ 110,939	\$ 127,524	-13.0%	\$ (16,585)

Operating revenues increased by 2.8%, or approximately \$2.2 million, due to the increase in non-resident tuition revenues. The increase in auxiliary enterprise and the decrease in other operating revenue resulted from the increase in sales and the reclassification of interest income to non-operating revenues.

The changes in non-operating revenue consists of the decrease in State apportionment and local property taxes, and an increase in unrealized gain investment. The increase in grants and contracts results from the increase in Pell grants and related State funded programs. The decrease in interest expense resulted from the reclassification of interest income from operating to non-operating revenue.

Capital revenues increased by 12.6%, or approximately \$4.5 million, due to the increase of the property tax revenue in the general obligation bonds, in the Debt Service Fund.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION) JUNE 30, 2014

Operating Expenses (by Natural classification) (in thousands)

	2014	2013	Percentage Change	Dollar Change
Salaries	\$ 132,416	\$ 131,011	1.1%	\$ 1,405
Benefits	39,037	41,861	-6.7%	(2,824)
Total salaries and benefits	<u>171,453</u>	<u>172,872</u>	-0.8%	<u>(1,419)</u>
Supplies, Materials and Other Operating Expenses and Services	51,019	38,365	33.0%	12,654
Student financial aid	24,406	22,099	10.4%	2,307
Utilities	3,464	3,650	-5.1%	(186)
Depreciation	<u>38,816</u>	<u>36,094</u>	7.5%	<u>2,722</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 289,158</u></u>	<u><u>\$ 273,080</u></u>	5.9%	<u><u>\$ 16,078</u></u>

- Salaries increased by 1.1%, or approximately \$1.4 million, as a result of the cost of living adjustment and contractual obligation increases.
- Benefits decreased by 6.7%, or approximately \$2.8 million, due to changes in the medical benefit plans.
- Supplies, materials, other operating expenses and services increased by 33.0%, or approximately \$12.7 million, due to the increased spending in capital projects.
- Student financial aid increased by 10.4%, or approximately \$2.3 million, due mainly to the increased student qualification for aid.
- Depreciation increased by 7.5%, or approximately \$2.7 million, resulting from the increase in capital asset additions.

Statement of Cash Flows (in thousands)

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This statement helps users assess the District's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

	2014	2013	Percentage Change	Dollar Change
Cash provided by (used in):				
Operating activities	\$ (168,924)	\$ (174,019)	2.93%	\$ 5,095
Non-capital financing activities	170,328	175,638	-3.0%	(5,310)
Capital and related financing activities	(33,071)	(59,379)	44.3%	26,308
Investing activities	<u>1,226</u>	<u>2,316</u>	-47.1%	<u>(1,090)</u>
Net decrease in cash	(30,441)	(55,444)	45.1%	25,003
Cash- beginning of the fiscal year	<u>269,091</u>	<u>324,535</u>	-17.1%	<u>(55,444)</u>
Cash- end of the fiscal year	<u><u>\$ 238,650</u></u>	<u><u>\$ 269,091</u></u>	-11.3%	<u><u>\$ (30,441)</u></u>

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION) JUNE 30, 2014

Economic Factors that may affect the Future

2014/15 Fiscal Year

The State of California controls most of the Foothill-De Anza Community College District's operating income through the apportionment process, growth allowances, Cost of Living Adjustments (COLA), and categorical allocations. Due to continued funding from Proposition 30, the Education Protection Act (EPA) and a stronger overall state economy resulting in higher tax (property and income) revenues, the fiscal year 2014/15 state allocation includes 2.75 % in FTES restoration/growth funding, a modest .85% COLA, partial restoration of existing categorical program funding, new categorical funding in the Student Support and Success and Equity programs, and a significant one-time allocation for deferred maintenance and instructional equipment and library materials. The governor's 2014/15 budget continues a trend of investing in the community college education system that benefits the state economy in the long run. For the second year in a row, there is no threat of mid-year "trigger cuts" to the state budget and the corresponding reduction in funding for community colleges. Additionally, the budget is based on conservative state revenue assumptions by the governor, for which both the Legislative Analyst's Office (LAO) and the Department of Finance (DOF) agree creates a more stable budget that will stay balanced through the end of the fiscal year.

The district addressed its projected 2013/14 structural budget deficit of approximately \$3 million through reduced expenditures and increased revenues in non-resident student enrollment. However, the district has a current 2014/15 structural budget deficit of approximately \$2 million due to the normal increases in operating expenses and the drop in apportionment revenue (330 drop from the FTES base in 2013/14). This deficit will increase contingent upon ongoing COLA salary negotiations expected to conclude in the next several months.

For the second year in a row, we are not facing significant ambiguity in budgeted state revenue and can anticipate receiving our full apportionment allocation over the course of the year. This scenario acknowledges that our approximate \$2 million structural deficit will be covered with one-time dollars, leaving a Stability Fund balance of approximately \$14.4 million for 2015/16 that will be adequate to close any projected deficit until necessary expenditure adjustments can be implemented.

Utilizing approximately \$2 million of our 2014/15 \$16.4 million Stability Fund will allow the colleges and Central Services reasonable time to plan for any necessary cuts and for the district to evaluate enrollment patterns, and the corresponding apportionment payments, in the 2014/15 fiscal year.

Capital improvement expenditures made possible by the passage of General Obligation Bond Measure C have now reached \$365 million. Major accomplishments include construction progress on maintenance and renovation projects, as well as on new facilities, including complete demolition of the old military structures on the nine acres of land at the former Onizuka Base in Sunnyvale secured through the Base Realignment and Closure (BRAC)/public benefit conveyance process in 2013/14, that will become the new regional Foothill-De Anza Education Center. The pace of technology and instructional equipment acquisition and installation has accelerated to outfit the newly renovated buildings. The district is on target with its current three-year spend plan for the bond program.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION) JUNE 30, 2014

The most recent actuarial analysis for the district's unfunded retiree medical liability was completed on August 29, 2013. The study listed the Actuarial Accrued Liability (AAL) at \$120.2 million. The Adopted Budget for fiscal year 2014/15 included a contribution of \$1,500,000 to fully fund the Annual Required Contribution (ARC) for the year. On October 24, 2014 a transfer in the amount of \$1,500,000 was made to the CalPERS California Employers' Retiree Benefit Trust (CERBT), an irrevocable trust. This was in addition to the pay-as-you-go amount of \$7.8 million which was included in the actuarial analysis and that is estimated to be paid in fiscal year 2014/15.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Foothill-De Anza Community College District, Kevin McElroy, Vice Chancellor of Business Services.

Separately issued financial statements for the Foothill-De Anza Community Colleges Foundation component unit may be obtained by contacting Robin Latta-Lyssenko at 12345 El Monte Road, Los Altos Hills, CA 94022.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2014**

ASSETS

Current Assets

Cash and cash equivalents	\$ 107,336,307
Investments	81,798
Accounts receivable, net	33,925,322
Student loans receivable - current portion	78,869
Stores inventories	1,645,493
Prepaid expenses	3,812,732
Deferred issue costs - current portion	113,160
Total Current Assets	<u>146,993,681</u>

Noncurrent Assets

Restricted cash and cash equivalents	131,314,236
Deferred issue costs, net of amortization - noncurrent portion	1,841,885
Net OPEB assets	4,092,797
Capital assets, nondepreciable	73,329,376
Capital assets, net of depreciation	558,107,844
Total Noncurrent Assets	<u>768,686,138</u>
TOTAL ASSETS	<u>915,679,819</u>

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	23,086,636
Interest payable	10,173,461
Unearned revenue	29,613,111
Compensated absences payable - current portion	3,613,728
Long term debt - current portion	13,041,716
Total Current Liabilities	<u>79,528,652</u>

Noncurrent Liabilities

Compensated absences payable - noncurrent portion	1,556,661
Long term debt - noncurrent portion	719,805,342
Unpaid claims and claims adjustment expenses	3,850,575
Total Noncurrent Liabilities	<u>725,212,578</u>
TOTAL LIABILITIES	<u>804,741,230</u>

NET POSITION

Net investment in capital assets	5,551,017
Restricted for:	
Debt service	14,171,864
Capital projects	15,076,273
Scholarships and loans	237,756
Other special purposes	13,340,016
Unrestricted	62,561,663
TOTAL NET POSITION	<u>\$ 110,938,589</u>

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2014**

OPERATING REVENUES	
Tuition and fees	\$ 74,404,157
Less: Scholarship discounts and allowance	(14,733,614)
Net tuition and fees	<u>59,670,543</u>
Auxiliary enterprise sales and charges	12,509,854
Other operating revenues	<u>6,913,215</u>
TOTAL OPERATING REVENUES	<u><u>79,093,612</u></u>
OPERATING EXPENSES	
Salaries	132,416,152
Benefits	39,037,053
Supplies, materials, and other operating expenses and services	51,018,684
Student financial aid	24,406,421
Utilities	3,463,675
Depreciation	<u>38,815,807</u>
TOTAL OPERATING EXPENSES	<u><u>289,157,792</u></u>
LOSS FROM OPERATIONS	<u><u>(210,064,180)</u></u>
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	39,650,274
Local property taxes	77,689,315
Grants and contracts, noncapital	
Federal	24,827,283
State	14,594,706
Local	2,189,144
State taxes and other revenues	5,548,523
Interest on student loans	101,822
Investment income (loss), noncapital	47,207
Investment income (loss), capital	50,531
Interest expense on capital asset-related debt, net	(12,124,318)
Other nonoperating revenue	<u>941,910</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u><u>153,516,397</u></u>
LOSS BEFORE CAPITAL REVENUES AND EXPENSES	<u><u>(56,547,783)</u></u>
CAPITAL REVENUES	
State apportionment, capital	460,654
Local property taxes and revenues	<u>39,502,153</u>
TOTAL INCOME BEFORE OTHER REVENUES AND EXPENSES	<u><u>39,962,807</u></u>
CHANGE IN NET POSITION	<u><u>(16,584,976)</u></u>
NET POSITION, BEGINNING OF YEAR	<u><u>127,523,565</u></u>
NET POSITION, END OF YEAR	<u><u><u>\$ 110,938,589</u></u></u>

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 61,426,298
Payments to suppliers and financial aid	(50,627,965)
Payments to utilities	(3,463,675)
Payments to employees	(132,370,596)
Payments for benefits	(39,693,419)
Payments to students for scholarships and grants	(24,406,421)
Loans to students, net	462,894
Auxiliary enterprise sales and charges	11,738,513
Other operating receipts (payments)	8,010,742
Net Cash Flows From Operating Activities	<u>(168,923,629)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State apportionments	30,578,464
Property taxes - nondebt related	77,689,315
Federal grants and contracts	21,519,044
State grants and contracts	32,049,735
Local grants and contracts	2,614,679
State taxes and other apportionments	5,876,263
Net Cash Flows From Noncapital Financing Activities	<u>170,327,500</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Local revenue, capital projects	39,563,017
Purchase of capital assets	(57,718,361)
State appropriations for capital purposes	460,655
Principal paid on capital debt	(13,784,365)
Interest paid on capital debt	(1,705,066)
Deferred issue costs	113,160
Net Cash Flows From Capital Financing Activities	<u>(33,070,960)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(30)
Interest received from investments	1,226,096
Net Cash Flows From Investing Activities	<u>1,226,066</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(30,441,023)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>269,091,566</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 238,650,543</u></u>

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, Continued
FOR THE YEAR ENDED JUNE 30, 2014**

**RECONCILIATION OF NET OPERATING LOSS TO NET CASH
FLOWS FROM OPERATING ACTIVITIES**

Operating Loss	<u>\$ (210,064,180)</u>
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:	
Depreciation and amortization expense	38,815,807
Changes in Assets and Liabilities:	
Receivables	1,774,425
Stores inventories	(64,627)
Net OPEB asset	953,801
Prepaid expenses	389,708
Accounts payable and accrued liabilities	(553,795)
Unearned revenue	754,154
Compensated absences	35,973
Claims liability	<u>(964,895)</u>
Total Adjustments	<u>41,140,551</u>
Net Cash Flows From Operating Activities	<u><u>\$ (168,923,629)</u></u>

NON CASH TRANSACTIONS

Accretion of interest	<u><u>\$ 10,419,253</u></u>
-----------------------	-----------------------------

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014**

	Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 49,125	\$ 2,390,264
Accounts receivable, net	10,063	83,493
Prepaid expenses	8,000	7,460
Total Assets	67,188	2,481,217
LIABILITIES		
Accounts payable	26,300	112,426
Due to primary government	-	186,202
Unearned revenue	-	91,820
Due to others	-	2,090,769
Total Liabilities	26,300	2,481,217
NET POSITION		
Unreserved	40,888	-
Total Net Position	\$ 40,888	\$ -

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	Trust
ADDITIONS	
Local revenues	\$ 438,757
Total Additions	<u>438,757</u>
DEDUCTIONS	
Classified salaries	6,431
Employee benefits	86
Payments to students	382,696
Services and operating expenditures	64,914
Total Deductions	<u>454,127</u>
OTHER FINANCING SOURCES (USES)	
Operating transfers in	3,480
Capital grants and gifts	8,120
Total Other Financing Sources (Uses)	<u>11,600</u>
Change in Net Position	(3,770)
Net Position - Beginning	44,658
Net Position - Ending	<u>\$ 40,888</u>

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**DISCRETELY PRESENTED COMPONENT UNIT
FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,022,399
Accounts receivable, net	1,142
Promises to give	338,961
Prepaid expenses	14,745
Total Current Assets	<u>1,377,247</u>

NONCURRENT ASSETS

Investments	35,805,587
TOTAL ASSETS	<u><u>\$ 37,182,834</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 607,440
Accrued payroll expenses	172,146
Total Current Liabilities	<u>779,586</u>

NET ASSETS

Unrestricted	5,136,014
Temporarily restricted	13,605,959
Permanently restricted	17,661,275
Total Net Assets	<u>36,403,248</u>
Total Liabilities and Net Assets	<u><u>\$ 37,182,834</u></u>

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**DISCRETELY PRESENTED COMPONENT UNIT
FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
Contributions	\$ 307,506	\$ 2,634,598	\$ 39,021	\$ 2,981,125
Donated services and facilities	62,119	-	-	62,119
Investment income, net of investment expenses	1,647,573	2,728,962	-	4,376,535
Event revenue	74,351	-	-	74,351
Other revenue	99,789	-	-	99,789
Assets released from restrictions	3,385,660	(3,149,231)	(236,429)	-
Total Revenues	<u>5,576,998</u>	<u>2,214,329</u>	<u>(197,408)</u>	<u>7,593,919</u>
EXPENSES				
Grants and scholarships	3,253,264	-	-	3,253,264
Management and general	422,235	-	-	422,235
Fundraising expenses	312,947	-	-	312,947
Donated services and facilities	62,119	-	-	62,119
Total Expenses	<u>4,050,565</u>	<u>-</u>	<u>-</u>	<u>4,050,565</u>
CHANGE IN NET ASSETS	1,526,433	2,214,329	(197,408)	3,543,354
NET ASSETS, BEGINNING OF YEAR	<u>3,609,581</u>	<u>11,391,630</u>	<u>17,858,683</u>	<u>32,859,894</u>
NET ASSETS, END OF YEAR	<u>\$ 5,136,014</u>	<u>\$ 13,605,959</u>	<u>\$ 17,661,275</u>	<u>\$ 36,403,248</u>

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT FOOTHILL-DE ANZA COMMUNITY COLLEGES FOUNDATION STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Position	\$ 3,543,354
Adjustments to Reconcile Changes in Net Position to Net Cash From Operating Activities	
Change in fair value of investments	3,607,867
Changes in Assets and Liabilities	
Contributions receivable	1,142,951
Accounts receivable	35,880
Prepaid expenses	5,880
Accounts payable	77,000
Accrued payroll	1,527
Net Cash Flows From Operating Activities	<u>8,414,459</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	<u>(9,448,916)</u>
-------------------------	--------------------

NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,034,457)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,056,856</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,022,399</u>

The accompanying notes are an integral part of these financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 - ORGANIZATION

Foothill-De Anza Community College District (the District) was established in 1957 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates two colleges located within Santa Clara County, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod Sec) 2100.101.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District follows the criteria in GASB Cod Sec 2100.101 as amended by GASB Cod Sec 2100.138 to provide guidance on the determination of whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit," the "environment and ability to access/influence reporting," and the "significance" criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District, and the following component units:

- Foothill-De Anza Community Colleges Foundation

The Foothill-De Anza Community Colleges Foundation (the Foundation) is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The twenty member board of the Foundation consists of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District with the inclusion of the statements as a discretely presented component unit. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a not-for-profit organization under Internal Revenue Code (IRC) Section 501(c)(3) that reports its financial results in accordance with Financial Accounting Standards Codifications. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes to the financial statements.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Complete financial statements for the Foundation can be obtained from the Foundation's Business Office at 12345 El Monte Road, Los Altos Hills California 94022.

The following entity meets the criterion for inclusion as a "blended" component unit and is consolidated within the financial statements of the District:

- Foothill-De Anza Community College District Financing Corporation

The Foothill-De Anza Community College District Financing Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been "blended" or consolidated within the financial statements as the District as if the activity was the District's. Certificates of participation issued by the Corporation are included as long-term liabilities of the District. Individually-prepared financial statements are not prepared for the Foothill-De Anza Community College District Financing Corporation.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as Governmental Accounting Standards. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees and auxiliary activities through the bookstore and cafeteria.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

The District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date.

The financial statements are presented in accordance with the reporting model as prescribed in Governmental Accounting Standards. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
 - Statements of Net Position - Primary Government
 - Statements of Revenues, Expenses, and Changes in Net Position - Primary Government
 - Statements of Cash Flows - Primary Government
 - Financial Statements for the Fiduciary Funds including:
 - Statements of Fiduciary Net Position
 - Statements of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the statement of cash flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

Investments held at June 30, 2014, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance or to purchase capital assets.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at \$1,044,039 for the year ended June 30, 2014.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30.

Inventories

Inventories consist primarily of bookstore merchandise and cafeteria food and supplies held for resale to the students and faculty of the colleges. Except for bookstore inventories, which are valued using the retail method, inventories are stated at cost, using the lower of cost or market method. The cost is recorded as an expense as the inventory is consumed.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction-in-progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; portable buildings, 15 years; land improvements, 10 years; most equipment and vehicles, 8 years; and technology equipment 3 to 5 years.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the entity-wide financial statements.

Debt Issuance Costs, Premiums, and Discounts

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The amounts have been recorded in the fund from which the employees, who have accumulated the leave, are paid. Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds and notes payable, compensated absences, claims payable, capital lease obligations with maturities greater than one year.

Net Position

Net Position represents the difference between assets and liabilities. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets – net of related debt.

Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. None of the District's restricted net position has resulted from enabling legislation adopted by the District.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Santa Clara bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bonds in 2002 and 2006 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected.

Board of Governors Grant (BOGG) and Fee Waivers

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through BOGG fee waivers in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students-behalf. To the extent that fee waivers have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the related *Compliance Supplement*.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Foundation Financial Statement Presentation

The Foothill-De Anza Community Colleges Foundation presents its financial statements in accordance with Statement of Financial Accounting Codifications. Under these reporting requirements, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the codification, the Foundation does not use fund accounting.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time.

Unrestricted Net Assets: Net assets not subject to donor-imposed restrictions.

Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are recorded at their fair market value on the date of the donation.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Investments are reported at fair value in accordance with FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*.

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Elements of financial statements, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Accounting and Financial Reporting for Derivative Instruments, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Accounting and Financial Reporting for Service Concession Arrangements, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This statement amends the financial statement element classification of certain items previously reported as assets and liabilities and also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The District has implemented the provisions of this Statement for the year ended June 30, 2014.

New Accounting Pronouncements

In June 2012, the GASB issued new standards for *Accounting and Financial Reporting for Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a non-employer entity has a legal requirement to make contributions directly to a pension plan.

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged.

In November 2013, the GASB issued *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this Statement is to address an issue regarding application of the transition provisions of *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a State or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

This requires a State or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a State or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, requiring that the government recognize its contribution as a deferred outflow of resources. In addition, the statement requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a State or local government employer or nonemployer contributing entity that arise from other types of events. At transition, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends the requirement that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions continue to be required to be reported at transition only if it is practical to determine all such amounts.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 3 – CASH AND INVESTMENTS

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section (ESC) 41001). The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Summary of Cash and Investments

Cash and investments as of June 30, 2014, consist of the following:

Primary Government

Cash on hand and in banks	\$ 1,211,240
Cash in revolving accounts and petty cash	14,540
Investments, short term - county cash	106,110,527
Investments, short term - other	81,798
Total Cash and Cash Equivalents	<u>107,418,105</u>
Investments - restricted county cash	131,314,236
Total Cash and Investments	<u><u>\$ 238,732,341</u></u>

Fiduciary Funds

Investments, short term - county cash	\$ 2,439,389
Total Cash and Investments	<u><u>\$ 2,439,389</u></u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County pool and/or by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Fair Value	Weighted Average Maturity in Years
Money Market Accounts	\$ 81,798	0.07
County Pool	<u>237,424,763</u>	1.14
Total	<u><u>\$ 237,506,561</u></u>	

Credit Risk

The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Custodial Credit Risk - Deposits

Cash balances held in the bank are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At June 30, 2014, the carrying amount of the District's cash on hand and in banks (including certificates of deposit) was approximately \$555,000, and the bank balance was \$533,000. At June 30, 2014, the approximately \$280,000 was not covered by FDIC.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

Primary Government

Federal Government	
Categorical aid	\$ 4,212,643
State Government	
Apportionment	16,964,240
Categorical aid	1,290,974
Other State sources	1,413,243
Local Sources	
Interest	932,178
Tuition and fees	6,858,014
Grants and contracts - local	737,068
Other local sources	2,561,001
Less allowance for bad debt	(1,044,039)
Total	<u>\$ 33,925,322</u>

The allowance for doubtful accounts is maintained at an amount which management considers sufficient to fully reserve and provide for the possible uncollectability of other receivable balances. The allowance is calculated based on a sliding scale of student receivable balances and provides for 4 percent for balances up to 30 days old, 7 percent for 31-60 days, 20 percent for 61-90 days, and 50 percent for amounts over 90 days.

Discretely Presented Component Unit

The Foundation's accounts receivable consist primarily of short-term donations expected to be received within one year, and therefore no discount has been recorded. In the opinion of management, all amounts have been deemed to be fully collectable.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2014, was as follows:

	Balance Beginning of Year	Restatement	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated					
Land	\$ 2,489,776	\$ -	\$ -	\$ -	\$ 2,489,776
Construction in progress	68,777,682	21,121,660	37,023,627	32,620,665	94,302,304
Total Capital Assets Not Being Depreciated	71,267,458	21,121,660	37,023,627	32,620,665	96,792,080
Capital Assets Being Depreciated					
Land improvements	100,054,259	12,276,975	9,615,278	-	121,946,512
Building improvements	199,565,191	25,152,885	29,700,379	-	254,418,455
Buildings	474,112,836	(59,282,967)	10,802,469	-	425,632,338
Portable buildings	5,273,060	731,447	156,362	-	6,160,869
Equipment	44,063,391	-	2,984,602	-	47,047,993
Software	5,399,838	-	56,309	-	5,456,147
Total Capital Assets Being Depreciated	828,468,575	(21,121,660)	53,315,399	-	860,662,314
Total Capital Assets	899,736,033	-	90,339,026	32,620,665	957,454,394
Less Accumulated Depreciation					
Land improvements	46,282,607	1,281,467	9,915,957	-	57,480,031
Buildings improvements	124,013,902	3,752,467	16,620,360	-	144,386,729
Buildings	77,805,976	(5,156,554)	7,856,920	-	80,506,342
Portable buildings	3,928,696	122,620	390,898	-	4,442,214
Equipment	30,353,938	-	3,438,696	-	33,792,634
Software	4,816,248	-	592,976	-	5,409,224
Total Accumulated Depreciation	287,201,367	-	38,815,807	-	326,017,174
Depreciable Capital Assets, Net of Depreciation	541,267,208	(21,121,660)	14,499,592	-	534,645,140
Net Capital Assets	\$ 612,534,666	\$ -	\$ 51,523,219	\$ 32,620,665	\$ 631,437,220

Depreciation expense for the year was \$38,815,807.

Interest expense for the year was \$23,781,948. Of this amount, \$22,076,882 was capitalized during the year.

Assets consisting of the De Anza Science Center and Campus Center in the amount of \$30.5 million have been pledged as collateral for notes payable described in Note 8.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Discretely Presented Component Unit

Capital asset activity for the Foundation for the fiscal year ended June 30, 20142014, was as follows

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Equipment	\$ 335,000	\$ -	\$ -	\$ 335,000
Furniture and Fixtures	5,350	-	-	5,350
Total Assets Being Depreciated	340,350	-	-	340,350
Accumulated depreciation	340,350	-	-	340,350
Net Capital Assets	\$ -	\$ -	\$ -	\$ -

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable consisted of the following:

Primary Government

Vendors	\$ 19,465,168
Payroll	3,621,468
Subtotal	<u>23,086,636</u>
Workers compensation reserves	3,850,575
Total	<u>\$ 26,937,211</u>

Fiduciary Funds

Vendors	\$ 138,726
Total	<u>\$ 138,726</u>

NOTE 7 - UNEARNED REVENUE

Unearned revenue consisted of the following:

Primary Government

Federal financial assistance	\$ 47,445
State categorical aid	17,118,673
Other state	932,223
State apportionment	2,229,795
Enrollment fees	7,260,434
Other local	2,024,541
Total	<u>\$ 29,613,111</u>

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2014 fiscal year consisted of the following:

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

Description	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2013	Accreted	Principal Payments	Bonds Outstanding June 30, 2014
Measure E, General Obligation Bond, Series A	5/3/2000	8/1/2030	4.30%-6.26%	\$ 99,995,036	\$ 46,818,018	\$ 2,916,551	\$ -	\$ 49,734,569
Measure E, General Obligation Bond, Series B	9/9/2003	8/1/2036	2.00%-5.79%	90,100,063	78,555,947	3,793,367	1,815,000	80,534,314
Measure E, General Obligation Bond, Series C	9/20/2005	8/1/2036	3.00%-5.03%	57,904,900	51,755,129	1,513,806	685,000	52,583,935
2005 General Obligation Refunding Bond	9/20/2005	8/1/2021	3.00%-5.25%	22,165,000	22,010,000	-	-	22,010,000
2012 General Obligation Refunding Bond	5/03/2012	8/1/2030	0.25-5.00%	70,735,000	70,735,000	-	3,780,000	66,955,000
Measure C, General Obligation Bond, Series A	4/18/2007	8/1/2036	4.00%-5.00%	149,995,250	144,225,349	1,357,229	1,265,000	144,317,578
Measure C, General Obligation Bond, Series B	5/3/2007	8/1/2036	4.00%-5.00%	99,996,686	95,153,985	838,300	840,000	95,152,285
Measure C, General Obligation Bond, Series C	5/19/2011	8/1/2040	4.73%-4.78%	184,000,000	184,000,000	-	-	184,000,000
					\$ 693,253,428	\$ 10,419,253	\$ 8,385,000	\$ 695,287,681

Description of Debt

Payments on the certificates of participation are paid through the Debt Service Fund. Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. Payments on the capital leases are paid through the Debt Service Fund. The accrued vacation will be paid by the fund for which the employee worked. Payments on the claims liabilities will be paid by the self insurance funds.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Certificates of Participation

On November 1, 2006, the Financing Corporation issued Certificates of Participation (COPs) in the amount of \$11,335,000 for the construction and renovation of certain District facilities and the acquisition and installation of equipment, pay capitalized interest with respect to the Certificates through approximately June 30, 2008, and pay costs related to the execution and delivery of the Certificates. The COPs bear effective interest rates ranging from 3.5 percent to 4.0 percent and mature through 2021.

General Obligation Bonds

Measure E

The District, Santa Clara County, California, Election of 1999 General Obligation Bonds (the “Bonds”) were authorized at an election of registered voters held on November 2, 1999, at which two thirds of the persons voting on the proposition voted to authorize the issuance and sale of \$248,000,000 in principal amount of general obligation bonds of the District. The Bonds are being issued to construct and repair college educational facilities.

Series A was sold on May 3, 2000 for a total of \$99,995,036.

Series B was sold on September 9, 2003, for a total of \$90,100,063.

Series C was sold on September 20, 2005 for a total of \$57,904,900.

On October 2, 2002, the District issued General Obligation Refunding Bonds in the amount of \$67,475,000 for the purpose of refunding a portion of the Measure E, Series A General Obligations Bonds.

On September 20, 2005, the District issued General Obligation Refunding Bonds in the amount of \$22,165,000 for the purpose of refunding a portion of the Measure E, Series B General Obligation Bonds.

On May 3, 2012, the District issued General Obligation Refunding Bonds in the amount of \$70,735,000 for the purpose of refunding portions of the Measure E, Series B, Series C General Obligation Bonds, and the 2002 Refunding Obligation Bonds.

Measure C

The District, Santa Clara County, California Election of 2006, General Obligation Bonds (the “Bonds”) were authorized at an election of registered voters held on June 6, 2006 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$490,800,000 principal amount of general obligation bonds of the District. The bonds are being issued to finance the acquisition, construction, modernization and renovation of certain District facilities approved by the District’s registered voters and to pay costs of issuance associated with the Bonds.

Series A was sold on May 10, 2007 for a total of \$149,995,250.

Series B was sold on May 10, 2007, for a total of \$99,996,686.

Series C was sold on May 19, 2011 for a total of \$184,000,000.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Debt Maturity

General Obligation Bonds

The bonds mature through the fiscal years ending June 30, 2041 are as follows:

Measure E, General Obligation Bond,
Series A

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ -	\$ -	\$ -
2016	1,861,833	2,658,167	4,520,000
2017	1,878,361	3,001,639	4,880,000
2018	1,891,117	3,363,883	5,255,000
2019	1,894,093	3,740,907	5,635,000
2020-2024	6,766,524	17,238,476	24,005,000
2025-2029	5,266,948	21,243,052	26,510,000
2030-2031	2,171,161	11,383,839	13,555,000
Total	21,730,037	\$ 62,629,963	\$ 84,360,000
Accreted Interest	28,004,532		
	<u>\$ 49,734,569</u>		

Measure E, General Obligation Bond,
Series B

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ -	\$ 712,500	\$ 712,500
2016	-	712,500	712,500
2017	-	712,500	712,500
2018	-	712,500	712,500
2019	-	712,500	712,500
2020-2024	11,875,000	2,870,850	14,745,850
2025-2029	10,829,161	28,625,839	39,455,000
2030-2034	15,802,680	63,042,320	78,845,000
2035-2037	11,483,222	59,421,778	70,905,000
Total	49,990,063	\$ 157,523,287	\$ 207,513,350
Accreted Interest	30,544,251		
	<u>\$ 80,534,314</u>		

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Measure E, General Obligation Bond,
Series C

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ 835,000	\$ 1,027,875	\$ 1,862,875
2016	1,055,000	980,625	2,035,625
2017	-	954,250	954,250
2018	-	954,250	954,250
2019	-	954,250	954,250
2020-2024	1,332,915	6,548,335	7,881,250
2025-2029	7,006,250	60,081,256	67,087,506
2030-2034	11,673,363	35,757,887	47,431,250
2035-2037	20,079,726	4,639,649	24,719,375
Total	<u>41,982,254</u>	<u>\$ 111,898,377</u>	<u>\$ 153,880,631</u>
Accreted Interest	10,601,681		
	<u>\$ 52,583,935</u>		

General Obligation, 2005 Refunding
Bond

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ -	\$ 1,155,525	\$ 1,155,525
2016	2,330,000	1,094,363	3,424,363
2017	-	1,033,200	1,033,200
2018	3,030,000	953,663	3,983,663
2019	3,440,000	783,826	4,223,826
2020-2022	13,210,000	1,094,888	14,304,888
Total	<u>\$ 22,010,000</u>	<u>\$ 6,115,465</u>	<u>\$ 28,125,465</u>

General Obligation, 2012 Refunding
Bond

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ 6,225,000	\$ 2,949,275	\$ 9,174,275
2016	-	2,895,050	2,895,050
2017	3,905,000	2,816,950	6,721,950
2018	1,405,000	2,724,800	4,129,800
2019	1,595,000	2,670,875	4,265,875
2020-2024	19,470,000	11,340,075	30,810,075
2025-2029	22,920,000	5,877,750	28,797,750
2030-2032	11,435,000	580,375	12,015,375
Total	<u>\$ 66,955,000</u>	<u>\$ 31,855,150</u>	<u>\$ 98,810,150</u>

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Measure C, General Obligation Bond,
Series A

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ 1,600,000	\$ 5,433,525	\$ 7,033,525
2016	1,960,000	5,344,525	7,304,525
2017	2,355,000	5,236,650	7,591,650
2018	2,780,000	5,108,275	7,888,275
2019	3,235,000	4,957,900	8,192,900
2020-2024	24,360,000	21,636,875	45,996,875
2025-2029	42,170,000	13,522,250	55,692,250
2030-2034	45,106,592	23,063,896	68,170,488
2035-2037	12,743,658	35,626,342	48,370,000
Total	136,310,250	\$ 119,930,238	\$ 256,240,488
Accreted Interest	8,007,328		
	<u>\$ 144,317,578</u>		

Measure C, General Obligation Bond,
Series B

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ 1,065,000	\$ 3,650,900	\$ 4,715,900
2016	1,305,000	3,591,650	4,896,650
2017	1,570,000	3,519,775	5,089,775
2018	1,850,000	3,434,275	5,284,275
2019	2,160,000	3,334,025	5,494,025
2020-2024	16,270,000	14,565,125	30,835,125
2025-2029	28,210,000	9,116,638	37,326,638
2030-2034	30,008,702	14,785,398	44,794,100
2035-2037	7,762,985	21,442,015	29,205,000
Total	90,201,687	\$ 77,439,801	\$ 167,641,488
Accreted Interest	4,950,598		
	<u>\$ 95,152,285</u>		

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Measure C, General Obligation Bond,
Series C

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ -	\$ 9,200,000	\$ 9,200,000
2016	-	9,200,000	9,200,000
2017	-	9,200,000	9,200,000
2018	-	9,200,000	9,200,000
2019	-	9,200,000	9,200,000
2020-2024	-	46,000,000	46,000,000
2025-2029	345,000	45,991,375	46,336,375
2030-2034	9,865,000	45,015,375	54,880,375
2035-2039	87,435,000	37,254,375	124,689,375
2040-2041	86,355,000	4,411,875	90,766,875
Total	\$ 184,000,000	\$ 224,673,000	\$ 408,673,000

Certificates of Participation

Fiscal Year	Principal	Interest to Maturity	Total
2015	\$ 815,000	\$ 252,372	\$ 1,067,372
2016	840,000	221,773	1,061,773
2017	880,000	183,922	1,063,922
2018	915,000	151,363	1,066,363
2019	950,000	117,050	1,067,050
2020-2022	2,000,000	120,800	2,120,800
Total	\$ 6,400,000	\$ 1,047,280	\$ 7,447,280

Capital Leases

On April 5, 2005, the district entered into a capital lease agreement with CitiMortgage, Inc., since acquired by PNCEF, LLC, to finance the purchase and installation of Photovoltaic Solar Collecting Systems at Foothill College and De Anza College. The amount of the lease is \$3,188,626 with effective interest rates of 4.14% and mature through 2020.

On August 19, 2013, the district entered into a capital lease agreement with Capital One Public Funding, LLC, to refinance the 2003 Certificate of Participation of \$18.2 million. The refinanced lease amount of \$7,580,000 constitutes the remainder of the refinanced \$18.2 million COP with effective interest rates of 1.75% and mature through 2021.

The assets associated with the Capital Leases are disclosed in the fixed assets analysis, which includes the accumulated depreciation.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

The District's liability on lease agreements with option to purchase is summarized below:

Fiscal Year Ending June 30,	Lease Payment
2015	\$ 1,436,922
2016	1,436,922
2017	1,436,922
2018	1,436,921
2019	1,436,922
2020-2021	2,014,552
Total	<u>9,199,161</u>
Less: Amount Representing Interest	647,516
Present Value of Minimum Lease Payments	<u><u>\$ 8,551,645</u></u>

NOTE 9 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATION

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

Plan Description

The District established an Other Post Employment Benefit Plan (the Plan) which is a single-employer defined benefit healthcare plan administered by the California Employers Retirement Benefit Trust (CERBT). CERBT serves as an irrevocable trust, ensuring that funds contributed into its Investment Trust are dedicated to serving the needs of member districts, and their employees and retirees. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. As of the most recent actuarial study completed, membership of the Plan consisted of 762 retirees and beneficiaries currently receiving benefits, and 929 active plan members. Separate financial statements are not prepared for the Trust.

The District provides retirees, hired before July 1, 1997, their dependents, and domestic partners with health and hospital benefits, prescription drug benefits, vision care benefits, and dental care benefits, subject to eligibility requirements. Employees hired on or after July 1, 1997, are eligible for a health benefits bridge program to cover the period of time between retirement eligibility and Medicare coverage.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2013-2014, the District contributed \$8,052,973 to the Plan, all of which was used for current premiums (99 percent of total premiums).

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Annual OPEB Cost and Net OPEB Asset

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the requirements of *Other Post Employment Benefits* guidance. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding costs) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB assets based on the most recent actuary study prepared in August 29, 2013 with an effective date of July 1, 2013.

Annual required contribution	\$ 11,307,046
Adjustment to annual required contribution	<u>(2,300,272)</u>
Annual OPEB cost (expense)	9,006,774
Contributions made	<u>8,052,973</u>
Decrease in net OPEB asset	(953,801)
Net OPEB asset, July 1, 2013	<u>5,046,598</u>
Net OPEB asset, June 30, 2014	<u><u>\$ 4,092,797</u></u>

Trend Information

Trend information for the annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset for the past three years is as follows:

Year's Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Asset
2012	\$ 8,613,577	\$ 8,509,955	99%	\$ 5,993,099
2013	\$ 8,613,577	\$ 7,667,076	89%	\$ 5,046,598
2014	\$ 9,006,774	\$ 8,052,973	89%	\$ 4,092,797

Funding Status and Funding Progress

The funded status of the OPEB Plan as of July 1, 2013, the date of the most recent actuarial study, is as follows:

Actuarial Accrued Liability (AAL)	\$ 120,204,435
Actuarial Value of Plan Assets	<u>(8,146,391)</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 112,058,044</u></u>
Funded Ratio (Value of Plan Assets/AAL)	6.8%
Covered Payroll	<u>90,386,363</u>
UAAL as Percentage of Covered Payroll	<u><u>123.98%</u></u>

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

The above noted actuarial value of plan assets was based on the July 1, 2013, actuarial valuation. The market value of the Plan Assets as of June 30, 2014 is \$10,856,831. Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, follows the notes to the financial statements and presents multi-year trend information about whether the value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.25 percent investment rate of return (net of administrative expenses), based on the Plan being funded in an irrevocable employee benefit trust fund invested in a long-term fixed income portfolio. Healthcare cost trend rate of 4 percent. Both rates included a 2.75 percent salary increase assumption. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2013, was 30 years. The actuarial value of assets was determined using actuarial techniques that spread the effects of short-term volatility in the market value of investments over a fifteen-year period. At July 1, 2013, the most recent actuarial study date, the Trust held net assets in the amount of \$8,146,391, which consisted of amounts on deposit with CERBT.

NOTE 10 - RISK MANAGEMENT

Property and Liability

During fiscal year ending June 30, 2014, the District contracted with commercial insurers for property coverage and the Schools Excess Liability Fund Joint Powers Authority (SELF) for excess liability insurance coverage.

Workers' Compensation

Effective March 1, 2003, the District is self-insured for certain risks and employee benefits. Workers' compensation claims are self insured to \$250,000. Excess insurance has been purchased which covers worker's compensation claims between \$250,000 and \$10,000,000. The estimate of incurred but not reported and reported claims was actuarially determined based upon historical experience and actuarial assumptions. The current and long term portions of the liability for the unpaid claims for workers' compensation losses as of June 30, 2014 were \$1,092,926, and \$3,850,575, respectively.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Health Care

The District is also self insured for health care claims of employees participating in the District’s health care plans. The District carries stop loss insurance to limit its aggregate liability to 125 percent of the expected paid claims and its individual claim liability limit to \$100,000 per care year.

Insurance Coverages

<u>Insurance Program / Company Name</u>	<u>Type of Coverage</u>	<u>Limits</u>
Travelers Property Casualty Company	Property Insurance	\$25,000-\$50,000,000
Everest National	Excess Liability	\$5,000,000-\$10,000,000
Schools Excess Liability Fund (SELF)	Excess Liability	\$5,000,000-\$20,000,000

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2012 to June 30 2014.

	<u>Health Care</u>	<u>Workers' Compensation</u>	<u>Total</u>
Liability Balance, July 1, 2012	\$ 2,024,043	\$ 6,390,309	\$ 8,414,352
Claims and changes in estimates	-	1,927,956	1,927,956
Claims payments	(985,857)	(1,046,014)	(2,031,871)
Liability Balance, June 30, 2013	1,038,186	7,272,251	8,310,437
Claims and changes in estimates	(265,945)	1,184,092	918,147
Claims payments	(772,241)	(3,512,842)	(4,285,083)
Liability Balance, June 30, 2014	-	4,943,501	4,943,501
Less current portion in accounts payable	-	1,092,926	1,092,926
Total noncurrent, end of year	\$ -	\$ 3,850,575	\$ 3,850,575

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

CalSTRS

Plan Description

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries who are eligible and employed more than 50 percent or more of a full time equivalent position participate in the Defined Benefit Plan (DB Plan). Part time educators hired under contract of less than 50 percent or on an hourly or daily basis without contract may elect membership in the Cash Benefit Balance Program (CB Benefit Program). As a result of the Public Employee Pension Reform Act of 2013 (PEPRA), changes have been made to the defined benefit pension plan effective January 1, 2013. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

The State Teachers Retirement Plan (STRP), a defined benefit plan, provides retirement, disability, and death benefits, and depending on which component of the STRP the employee is in, post retirement cost-of-living adjustments may also be offered. Employees in the DB Plan attaining the age of 60 with five years credited California service (service), are eligible for "normal" retirement and are entitled to a monthly benefit of two percent of their final compensation for each year of service. Final compensation is generally defined as the average salary earnable for the highest three years of consecutive service. The plan permits early retirement options at age 55, or as early as age 50, with at least 30 years of service. After five years of credited service, members become 100 percent vested in retirement benefits earned to date. If a member's employment is terminated, the accumulated member contributions are refundable. The features of the CB Benefit Program include immediate vesting, variable contribution rates that can be bargained, guaranteed interest rates, and flexible retirement options. Participation in the CB Benefit program is optional; however if the employee selects the CB Benefit plan and their basis of employment changes to half time or more, the member will automatically become a member of the DB Plan.

CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, California, 95826.

Funding Policy

Due to the implementation of the Public Employee Pension Reform Act of 2013 (PEPRA), new members must pay at least 50 percent of the normal costs of the plan, which can fluctuate from year to year. For 2013-14, the required contribution rate for new members is 8.0 percent. "Classic" plan members are also required to contribute 8.0 percent of their salary. The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2013-2014 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The CB Benefit Program is an alternative for STRS contribution plan for instructors. Instructors who choose not to sign up for the DB plan or FICA may participate in the CB Benefit program. The District contribution rate for the CB Benefit Program is always a minimum of 4 percent, with the sum of the District and employee contribution always being equal or greater to 8 percent.

The District's total contributions to CalSTRS for the fiscal years ended June 30, 2014, 2013, and 2012, were \$5,256,317, \$5,242,757, and \$5,332,848, respectively, and equal 100 percent of the required contributions for each year.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

CalPERS

Plan Description

The District contributes to the School Employer Pool under CalPERS a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. As a result of the Public Employee Pension Reform Act of 2013 (PEPRA), changes have been made to the defined benefit pension plan effective January 1, 2013. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Funding Policy

As a result of the implementation of the Public Employee Pension Reform Act of 2013 (PEPRA), new members must pay at least 50 percent of the normal costs of the plan, which can fluctuate from year to year. For 2013-2014, the normal cost is 11.85 percent, which rounds to a 6.0 percent contribution rate. "Classic" plan members continue to contribute 7.0 percent. The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The District's contribution rate to CalPERS for fiscal year 2013-2014 was 11.442 percent of covered payroll. The District's contributions to CalPERS for fiscal years ending June 30, 2014, 2013 and 2012, were \$5,344,330, \$5,505,372, and \$5,511,264, respectively, and equaled 100 percent of the required contributions for each year.

On-Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS which amounted to \$3,512,954 (5.541 percent) of salaries subject to CalSTRS. The contributions for fiscal years ending June 30, 2014, 2013, and 2012 were \$3,512,954, \$3,335,805, and \$3,129,223, respectively. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS for the years ended June 30, 2014, 2013, and 2012. These amounts have not been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Deferred Compensation

The District offers its employees a Tax Sheltered Annuity Plan under Internal Revenue Code (IRC) 403(b) and a Deferred Compensation Plan under IRC 457(b). The two plans are available to all permanent employees and permits them to defer a portion of pre-tax salary into investments of an individual's own choosing until future years. The compensation deferred is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The District also offers a governmental plan under IRC 414(d) for the benefit of certain designated employees in the positions of Chancellor, Vice Chancellor(s), and College President(s). The plan provides for employer contributions to a trust for the payment of definitely determinable benefits in accordance with IRC 401(a) compensation limitations and minimum required distribution rules.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 12 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Schools Excess Liability Fund (SELF) Joint Powers Authority (JPA), a statewide JPA established as a program to pool excess liability and workers' compensation coverage for participating California agencies, and the South Bay Regional Public Safety Training Consortium Joint Powers Authority (JPA) established as a program to provide training and educational programs that will be responsive to the needs of the participating California Community College Districts.

The relationship between the District and the JPAs is such that they are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from the respective entities. The District's share of year-end assets, liabilities, or fund equity has not been calculated.

During the year ended June 30, 2014, the District made payments of \$417,269 to the South Bay Regional Public Safety Training Consortium and \$65,952 to SELF.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2014.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2014.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Operating Leases

The District has entered into various operating leases for buildings and equipment with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments under these agreements are as follows:

Year's Ending June 30,	Lease Payment
2015	\$ 1,369,616
2016	1,400,396
2017	1,432,084
2016-2020	1,464,706
Total	<u>\$ 5,666,802</u>

Construction Commitments

As of June 30, 2014, the District had the following commitments with respect to the unfinished capital projects: The projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Measure C		
Campus drive	\$ 238,900	09/30/15
Construction management / Design management	2,525,091	06/30/15
Exterior painting and bird remediation	162,646	10/31/14
Fine arts scene shop	198,165	09/30/14
Flint parking structure	237,414	08/31/15
Library and ISC	1,197,593	08/31/16
Media & Learning Center	287,159	12/31/14
Modernization of Learning Support Center, Biology and General Classrooms	551,206	09/19/14
Construction overhead	1,044,187	08/01/16
Parking circulation	148,300	09/30/15
Property acquisition	1,530,515	08/31/16
Scheduled maintenance	282,967	06/30/21
Other projects	718,150	08/11/15
Subtotal Measure C	<u>9,122,293</u>	
Measure E		
ETS Building board room / Chancellor's office	404,638	06/30/15
Renovation of district office building	1,723,861	03/31/15
Overhead	567,225	06/30/15
Other projects	152,018	03/09/15
Subtotal Measure E	<u>2,847,742</u>	
Total Construction Commitments	<u>\$ 11,970,035</u>	

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 14 – OPERATING EXPENSES

The following schedule details the functional classifications of the operating expenses reported in the statement of revenues, expenses, and changes net assets for the year ended June 30, 2014.

	Salaries	Employee Benefits	Supplies Material, and Other Expenses	Financial Aid	Utilities	Depreciation	Total
Instruction	\$ 77,521,799	\$ 15,360,791	\$ 4,781,335	\$ -	\$ 65	\$ -	\$ 97,663,990
Academic Support	12,015,246	3,466,495	1,665,193	-	8,623	-	17,155,557
Student Services	12,644,276	3,972,742	2,147,682	-	20,890	-	18,785,590
Operation and Maintenance of Plant	5,663,997	2,424,507	2,259,314	-	3,239,010	-	13,586,828
Institution support	15,739,552	11,433,587	24,662,972	-	81,644	-	51,917,755
Community Services & Economic Development	1,456,201	366,313	3,434,676	-	195	-	5,257,385
Auxiliary Operations	7,375,081	2,012,618	12,067,512	-	113,248	-	21,568,459
Student Aid	-	-	-	24,406,421	-	-	24,406,421
Depreciation	-	-	-	-	-	38,815,807	38,815,807
	<u>\$ 132,416,152</u>	<u>\$ 39,037,053</u>	<u>\$ 51,018,684</u>	<u>\$ 24,406,421</u>	<u>\$ 3,463,675</u>	<u>\$ 38,815,807</u>	<u>\$ 289,157,792</u>

NOTE 15 – DONATED SERVICES AND FACILITIES

Donated services and facilities to the Foothill-De Anza Community Colleges Foundation totaling \$62,119, for the year ended June 30, 2014, consisted of accounting and management support, comprehensive insurance, office space, and other miscellaneous internal services provided by the District.

The valuation of such services and facilities is determined based upon various factors, including employee salaries and benefits, office rent, and certain other operating expenses. All significant donated services and facilities, and related costs are recognized and reported annually.

NOTE 16 - SUBSEQUENT EVENT

The District issued a General Obligation Refunding Bond in an aggregate principal amount of \$103,015,000 dated August 19, 2014 to refund portions of the District’s Election 1999 and 2006 General Obligation Bonds. The notes mature on August 1, 2024, with effective interest rates of 0.860% to 3.360%.

REQUIRED SUPPLEMENTARY INFORMATION

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING
PROGRESS
FOR THE YEAR ENDED JUNE 30, 2014**

Fiscal Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal Method	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2012	6,430,877	117,564,565	111,133,688	5.5%	94,425,252	118%
6/30/2013	6,430,877	117,564,565	111,133,688	5.5%	93,948,323	118%
6/30/2014	8,146,391	120,204,435	112,058,044	6.8%	90,386,363	124%

(THIS PAGE INTENTIONALLY LEFT BLANK)

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

[Closing Date]

Board of Trustees
Foothill-De Anza Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ _____ Foothill-De Anza Community College District (Santa Clara County, California) 2015 General Obligation Refunding Bonds (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution (the "Resolution") of the Board of Trustees of the Foothill-De Anza Community College District (the "District").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of

the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

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

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

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

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

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Foothill-De Anza Community College District (the “District”) in connection with the issuance of \$ _____ of the District’s 2015 General Obligation Refunding Bonds (the “Bonds”). The Bonds are being issued pursuant to a Resolution of the District adopted April 6, 2015 (the “Resolution”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

“Official Statement” means the Official Statement relating to the sale of the Bonds, dated as of _____, 2015.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2014-15 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content and Form of Annual Reports.

(a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (A) State funding received by the District for the last completed fiscal year;
- (B) Enrollment and FTES of the District for the last completed fiscal year;
- (C) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for then-current fiscal year;
- (D) Assessed Valuation of taxable property within the District for then-current fiscal year; and

- (E) secured *ad valorem* property tax levies and delinquencies for taxable property within the District, to the extent Santa Clara County no longer implements the Teeter Plan (as such term is defined in the Official Statement) with respect to tax levies for general obligation bonded debt of the District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

- (b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. bankruptcy, insolvency, receivership or similar event of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled bond calls.
4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District.

The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this

Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2015

FOOTHILL-DE ANZA COMMUNITY COLLEGE
DISTRICT

By _____

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: 2015 General Obligation Refunding Bonds

Date of Issuance: _____, 2015

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

FOOTHILL-DE ANZA COMMUNITY COLLEGE
DISTRICT

By _____ [form only; no signature required]

(THIS PAGE INTENTIONALLY LEFT BLANK)

APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR SANTA CLARA COUNTY

The following economic data for Santa Clara County (the "County") is presented for information purposes only. The Bonds are not a debt or obligation of the County.

General

Santa Clara County is one of the nine counties in the greater metropolitan San Francisco Bay Area. As the home of "Silicon Valley," the area is the birthplace of the semiconductor and computer industries in the United States.

Population

The following table summarizes population estimates for the County and State of California.

POPULATION ESTIMATES 2001 through 2014 Santa Clara County and State of California

<u>Year⁽¹⁾</u>	<u>Santa Clara County</u>	<u>State of California</u>
2001	1,690,366	34,256,789
2002	1,693,230	34,725,516
2003	1,693,752	35,163,609
2004	1,695,602	35,570,847
2005	1,698,234	35,869,173
2006	1,706,676	36,116,202
2007	1,725,066	36,399,676
2008	1,747,912	36,704,375
2009	1,767,204	36,966,713
2010	1,781,427	37,223,900
2011	1,794,337	37,427,946
2012	1,813,702	37,668,804
2013	1,840,895	37,984,138
2014	1,868,558	38,340,074

⁽¹⁾ As of January 1.

Source: State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 & 2010 Census Counts, 2011-2014 with 2010 Census Counts.*

Income

The following tables summarize annual personal income and per capita personal income data for the County, State of California and United States from 2005 through 2013.

PERSONAL INCOME
2005 through 2013
Santa Clara County, State of California, and United States
(Dollars in Thousands)

<u>Year</u>	<u>Santa Clara County</u>	<u>State of California</u>	<u>United States</u>
2005	\$86,759,409	\$1,395,992,214	\$10,605,595,000
2006	95,173,424	1,499,308,841	11,376,405,000
2007	102,266,957	1,564,289,335	11,990,104,000
2008	101,802,215	1,596,229,973	12,429,234,000
2009	94,954,702	1,537,094,676	12,080,223,000
2010	101,723,463	1,578,553,439	12,417,659,000
2011	112,812,484	1,685,635,498	13,189,935,000
2012	124,801,907	1,805,193,769	13,873,161,000
2013	130,624,491	1,856,614,186	14,151,427,000

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

PER CAPITA PERSONAL INCOME⁽¹⁾
2005 through 2013
Santa Clara County, State of California, and United States

<u>Year</u>	<u>Santa Clara County</u>	<u>State of California</u>	<u>United States</u>
2005	\$51,787	\$38,964	\$35,888
2006	56,277	41,623	38,127
2007	59,734	43,152	39,804
2008	58,475	43,608	40,873
2009	53,795	41,587	39,379
2010	56,939	42,282	40,144
2011	62,283	44,749	42,332
2012	67,974	47,505	44,200
2013	70,151	48,434	44,765

⁽¹⁾ Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The following table summarizes civilian labor force, employment and unemployment statistics for the County and State of California between 2010 and 2014.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
2010 through 2014
Santa Clara County and State of California**

<u>Year</u>	<u>Area</u>	<u>Labor Force</u>	<u>Employment</u> ⁽¹⁾	<u>Unemployment</u> ⁽²⁾	<u>Unemployment Rate (%)</u> ⁽³⁾
2010	Santa Clara County	926,900	830,500	96,400	10.4
	State of California	18,336,300	16,091,900	2,244,300	12.2
2011	Santa Clara County	940,600	853,200	87,400	9.3
	State of California	18,419,500	16,260,100	2,159,400	11.7
2012	Santa Clara County	961,500	885,200	76,300	7.9
	State of California	18,554,800	16,630,100	1,924,700	10.4
2013	Santa Clara County	975,000	911,400	63,700	6.5
	State of California	18,671,600	17,002,900	1,668,700	8.9
2014	Santa Clara County	995,600	943,800	51,800	5.2
	State of California	18,811,400	17,397,100	1,414,300	7.5

⁽¹⁾ Includes persons involved in labor-management trade disputes.

⁽²⁾ Includes all persons without jobs who are actively seeking work.

⁽³⁾ The unemployment rate is computed from un-rounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department.
March 2014 Benchmark.

Industry

The County is entirely within the San Jose-Santa Clara-Sunnyvale Metropolitan Statistical Area (the "MSA"). The following table summarizes the annual average industry employment in the MSA between 2010 and 2014.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES 2010 through 2014 San Jose-Santa Clara-Sunnyvale MSA

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Farm	5,200	5,000	4,900	5,000	5,200
Mining and Logging	200	200	200	300	300
Construction	32,200	31,600	34,600	37,200	39,200
Manufacturing	151,500	155,300	155,900	155,700	159,100
Wholesale Trade	35,000	34,000	35,000	36,300	36,700
Retail Trade	78,900	81,800	84,100	84,900	85,900
Transportation, Warehousing and Utilities	12,000	12,100	13,000	14,200	15,000
Information	46,500	51,300	54,200	58,700	66,400
Financial Activities	31,100	32,400	33,300	33,900	35,100
Professional and Business Services	160,900	166,700	178,200	191,200	203,800
Education and Health Services	123,400	125,800	133,700	143,800	150,900
Leisure and Hospitality	74,900	77,400	82,500	87,500	91,800
Other Services	24,300	24,600	24,800	25,400	26,400
Government	<u>94,500</u>	<u>92,700</u>	<u>91,400</u>	<u>91,800</u>	<u>93,700</u>
Total All Industries	870,400	890,900	925,800	965,900	1,009,500

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2013 Benchmark.

Largest Employers

The following tables list the largest employers in the County as of June 30, 2014.

LARGEST EMPLOYERS As of June 30, 2014 Santa Clara County

<u>Employer</u>	<u># of Employees</u>
Cisco Technology	16,819
Santa Clara County	16,408
Apple Computer, Inc.	15,000
Stanford University	14,641
Kaiser Permanente	13,500
Google Inc.	11,000
Stanford Hospital & Clinics	8,451
Lockheed Martin Space Systems Co.	6,400
Intel Corporation	5,800
City of San Jose	5,650

Source: Santa Clara County 'Comprehensive Annual Financial Report' for the year ending June 30, 2014.

Commercial Activity

The following tables summarize taxable sales in the County from 2005 through 2013.

TAXABLE SALES 2005 through 2012 Santa Clara County (Dollars in Thousands)

	<u>Retail Permits</u>	<u>Retail Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2005	20,820	\$18,903,508	48,903	\$30,193,802
2006	21,035	20,039,932	48,313	32,273,238
2007	20,480	20,790,258	47,651	33,663,448
2008	20,603	19,313,313	47,253	32,274,306
2009	26,695	16,385,238	43,396	27,427,709
2010	27,215	17,695,858	43,583	30,523,322
2011	27,252	19,419,542	43,390	33,431,217
2012	28,109	21,116,708	43,980	36,220,445
2013	29,535	22,424,642	45,310	37,621,606

Note: In 2009, retail permits expanded to include permits for food services.

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

Construction Activity

The following tables summarize new building permits and valuations in the County from 2009 through 2013.

BUILDING PERMITS AND VALUATIONS 2009 through 2013 Santa Clara County

<u>Valuation (\$000's)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Residential	\$578,690	\$1,076,362	\$1,005,884	\$1,524,818	\$2,060,045
Non-Residential	<u>1,187,776</u>	<u>1,137,316</u>	<u>1,498,752</u>	<u>1,885,770</u>	<u>4,204,576</u>
TOTAL	\$1,766,466	\$2,213,678	\$2,504,637	\$3,410,588	\$6,264,621
<i>New Dwelling Units</i>					
Single-Family	667	815	978	1,432	1,859
Multi-Family	450	3,617	2,234	4,245	6,009
TOTAL	1,117	4,432	3,212	5,677	7,868

Note: Columns may not add to totals due to rounding.

Source: Construction Industry Research Board.

(THIS PAGE INTENTIONALLY LEFT BLANK)

APPENDIX E

SANTA CLARA COUNTY COMMINGLED INVESTMENT POOL

The following information concerning the Santa Clara County Commingled Investment Pool (the "Treasury Pool") has been provided by the Director of Finance, and has not been confirmed or verified by the District or the Underwriter. The District and the Underwriter have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance, at the direction of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool may be obtained from the Director of Finance at www.sccgov.org; however, the information presented on such website is not incorporated herein by any reference.

[REMAINDER OF PAGE LEFT BLANK]

(THIS PAGE INTENTIONALLY LEFT BLANK)



Quarterly Investment Report

December 31, 2014

Received: 02/10/2015



Quarterly Investment Review Table of Contents

Quarterly Investment Report

Table of Contents

Summary of Cost Values versus Market Values and Yields	1
Portfolio Strategy, Compliance, Review and Monitoring	2
Commingled Pool: Allocation by Security Types	4
Commingled Pool: Allocation by Ratings	5
Commingled Pool: Holdings by Issuer	6
Commingled Pool: Historical Month End Book Values	7
Commingled Pool: Distribution by Maturity	8
Commingled Pool: Yield to Maturity and Weighted Average Maturity	9
Approved Issuers and Broker/Dealers	10
Commingled Pool: Compliance with Investment Policy	11
Holdings Report: Commingled Pool	12
Holdings Report: Worker's Compensation	23
Holdings Report: Mountain View-Los Altos	24
Holdings Report: Palo Alto Unified	25
Holdings Report: Park Charter Fund	26
Holdings Report: San Jose-Evergreen	27
Holdings Report: West Valley Mission-CCD Building Fund	29
Transaction Activity Report	30

Board of Supervisors: Mike Wasserman, Cindy Chavez, Dave Cortese, Ken Yeager, S. Joseph Simitian

County Executive: Jeffrey V. Smith



Santa Clara County Commingled Pool and Segregated Investments

December 31, 2014

Fund	Cost Value**	Market Value	Variance	% Variance
Commingled Investment Pool ***	\$5,639,537,673	\$5,638,798,116	-\$739,557	-0.01%
Worker's Compensation	\$27,040,532	\$27,181,901	\$141,369	0.52%
Mountain View-Los Altos	\$2,018,005	\$2,018,744	\$739	0.04%
Palo Alto Unified	\$596,881	\$598,457	\$1,575	0.26%
Park Charter Fund	\$11,315,395	\$11,301,634	-\$13,761	-0.12%
San Jose-Evergreen	\$19,662,270	\$19,657,636	-\$4,633	-0.02%
West Valley Mission CCD - Building Fund	\$11,914,222	\$11,927,338	\$13,116	0.11%
Medical Malpractice Insurance Fund (1)	\$14,260,414	\$14,269,439	\$9,025	0.06%
Total	\$5,726,345,392	\$5,725,753,264	-\$592,128	-0.01%

(1) Managed by Chandler Asset Management, Inc.

Summary of Yields* for Select Santa Clara County Investment Funds

Fund	2014			2013
	<u>Oct 31</u>	<u>Nov 30</u>	<u>Dec 31</u>	<u>Dec 31</u>
Commingled Investment Pool	0.46%	0.49%	0.47%	0.44%
Worker's Compensation	1.22%	1.22%	1.22%	0.66%
Weighted Yield	0.47%	0.50%	0.47%	0.44%

*Yield to maturity (YTM) is the rate of return paid on a bond, note, or other fixed income security if the investor buys and holds it to its maturity date and if the coupon interest paid over the life of the bond is reinvested at the same rate as the coupon rate. The calculation for YTM is based on the coupon rate, length of time to maturity, and market price at time of purchase.

Yield is a snapshot measure of the yield of the portfolio on the day it was measured based on the current portfolio holdings on that day. This is not a measure of total return, and is not intended to be, since it does not factor in unrealized capital gains and losses and reinvestment rates are dependent upon interest rate changes

**Cost Value is the amortized book value of the securities as of the date of this report.

***This amount does not include the \$100.0 million placed in Treasury's checking account on December 31, 2014. This deposit which is far in excess of nightly check presentation needs does not earn cash interest but rather receives an earned credit that is used to offset the cost of general banking services. This practice is authorized by the County's Investment Policy.



Santa Clara County Commingled Pool and Segregated Investments

Portfolio Strategy

December 31, 2014

Indications from the latest Federal Reserve meeting would suggest that they are in no hurry to raise rates. Some analysts still feel that an increase in rates will occur in mid- 2015 while others take the view that nothing will occur until 2016.

The announcement that Gross Domestic Product grew 5% in the past quarter, spurred by consumer spending, should support consideration of an increase next year. As has been discussed in the prior months, the sharp decline in oil prices has had a major impact on the consumer's pocket book. Although there has been considerable discussion about the lack of wage growth, the decrease in energy costs for households is the equivalent of a tax cut or a wage increase. The stimulative value of low oil prices is just starting to come into play.

Longer term interest rates have declined recently, but this appears to be a flight to quality based on a slowing global economy and the impact on major oil exporting countries. Short rates remain unchanged.

We continue to feel that the Feds will begin the process of moving rates higher in mid- 2015 and so we are maintaining the average life of the portfolio on the short side of its historical numbers. New tax funds are being placed primarily in short term securities with a few purchases out about two to three years when we find value.



Santa Clara County Commingled Pool and Segregated Investments

Portfolio Compliance, Review, and Monitoring

December 31, 2014

Yield and Weighted Average Maturity

The yield of the Commingled Pool is 0.47% and the weighted average life is 395 days.

Compliance

After comparing the securities held in safekeeping with Treasury's custodial bank to the securities listed in the County's investment records, no variances were cited in the attached report prepared by the County's Internal Audit Division. The County Treasurer believes the Commingled Pool contains sufficient cash flow from liquid and maturing securities, bank deposits and incoming cash to meet the next six months of expected expenditures.

Review and Monitoring

FTN Financial Main Street Advisors, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by the Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

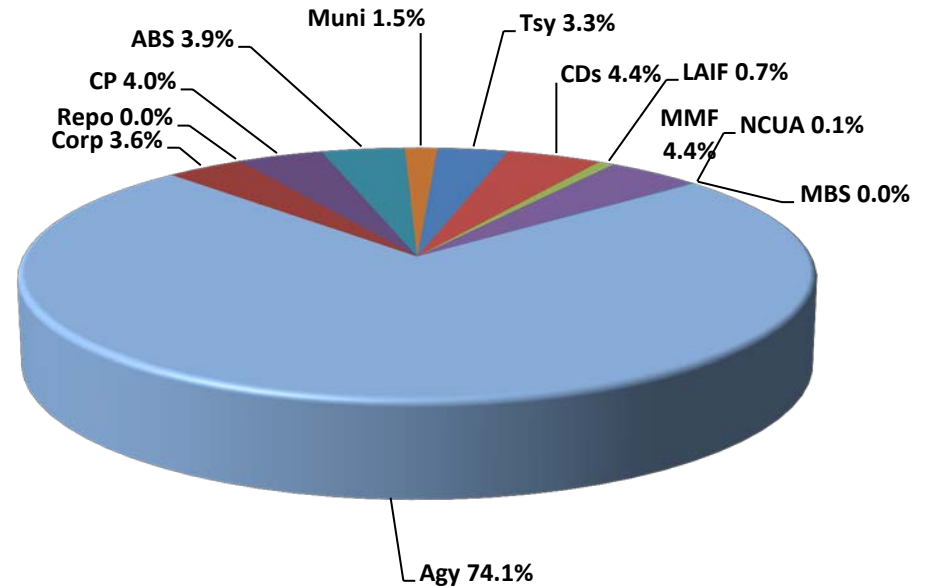


Santa Clara County Commingled Pool

Allocation by Security Types

December 31, 2014

Sector	12/31/2014	9/30/2014	% Chng
Federal Agencies	74.07%	73.23%	0.8%
Corporate Bonds	3.63%	3.60%	0.0%
Repurchase Agreements	0.00%	0.00%	0.0%
Commercial Paper	3.99%	4.88%	-0.9%
Asset-Backed Securities	3.86%	4.31%	-0.5%
Municipal Securities	1.50%	1.40%	0.1%
U.S. Treasuries	3.28%	4.52%	-1.2%
Negotiable CDs	4.43%	3.66%	0.8%
LAIF	0.71%	0.98%	-0.3%
Money Market Funds	4.44%	3.30%	1.1%
NCUA Corporate Bonds**	0.09%	0.12%	0.0%
Mortgage-Backed Securities	0.00%	0.00%	0.0%
Total	100.00%	100.00%	



Sector	12/31/2014	9/30/2014
Federal Agencies	4,177,293,659	2,999,866,107
Corporate Bonds	204,466,879	147,435,671
Repurchase Agreements	-	-
Commercial Paper	224,927,795	199,999,033
Asset-Backed Securities	217,456,672	176,544,297
Municipal Securities	84,842,023	57,543,006
U.S. Treasuries	185,090,083	185,112,976
Negotiable CDs	250,000,434	150,000,645
LAIF	40,000,000	40,000,000
Money Market Funds	250,460,906	135,075,335
NCUA Corporate Bonds**	4,999,221	4,998,785
Mortgage-Backed Securities	-	-
Total	5,639,537,673	4,096,575,855

* Amounts are in base upon book value

**The National Credit Union Administration fully and unconditionally guarantees the timely payment of all amounts of principal and interest and the guarantee is further strengthened and backed by the full faith and credit of the United States.

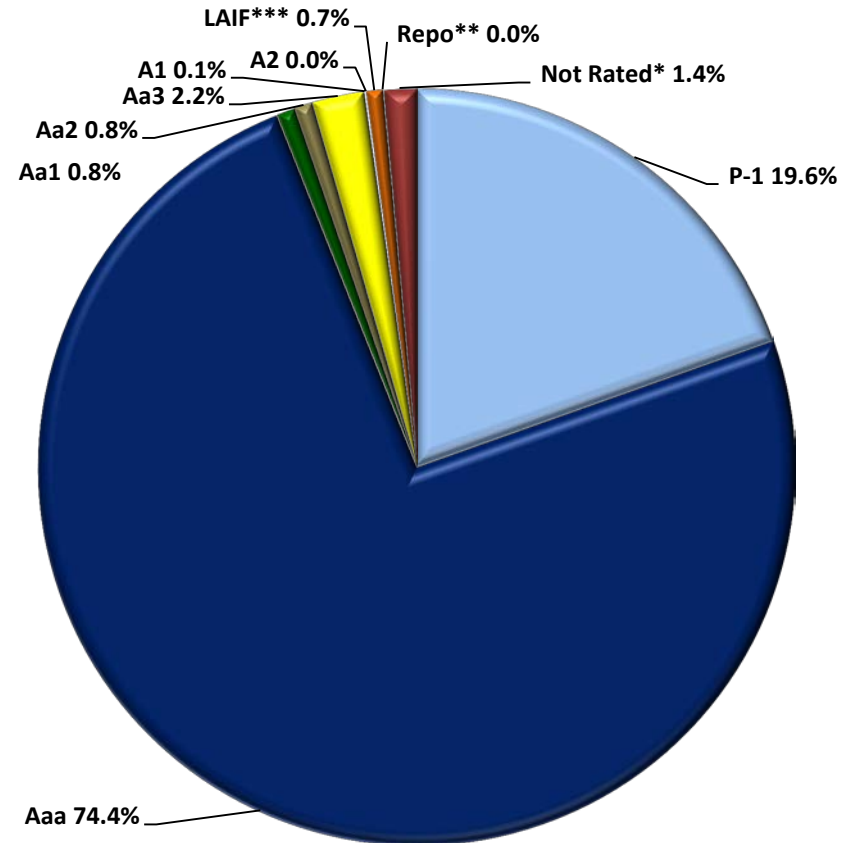


Santa Clara County Commingled Pool

Allocation by Ratings

December 31, 2014

Moody's Rating	Portfolio \$	Portfolio %
P-1	1,104,038,342	19.6%
Aaa	4,195,484,450	74.4%
Aa1	44,967,029	0.8%
Aa2	44,566,973	0.8%
Aa3	124,821,605	2.2%
A1	4,999,358	0.1%
A2	-	0.0%
A3	-	0.0%
LAIF***	40,000,000	0.7%
Repo**	-	0.0%
Not Rated*	80,659,915	1.4%
Total	5,639,537,673	100.0%



*Not Rated by Moody's but A-1+ by S&P

**Repurchase Agreements are not rated, but are collateralized by U.S. Treasury securities or securities issued by the Federal Agencies of the U.S.

***LAIF is not rated, but is comprised of State Code allowable securities

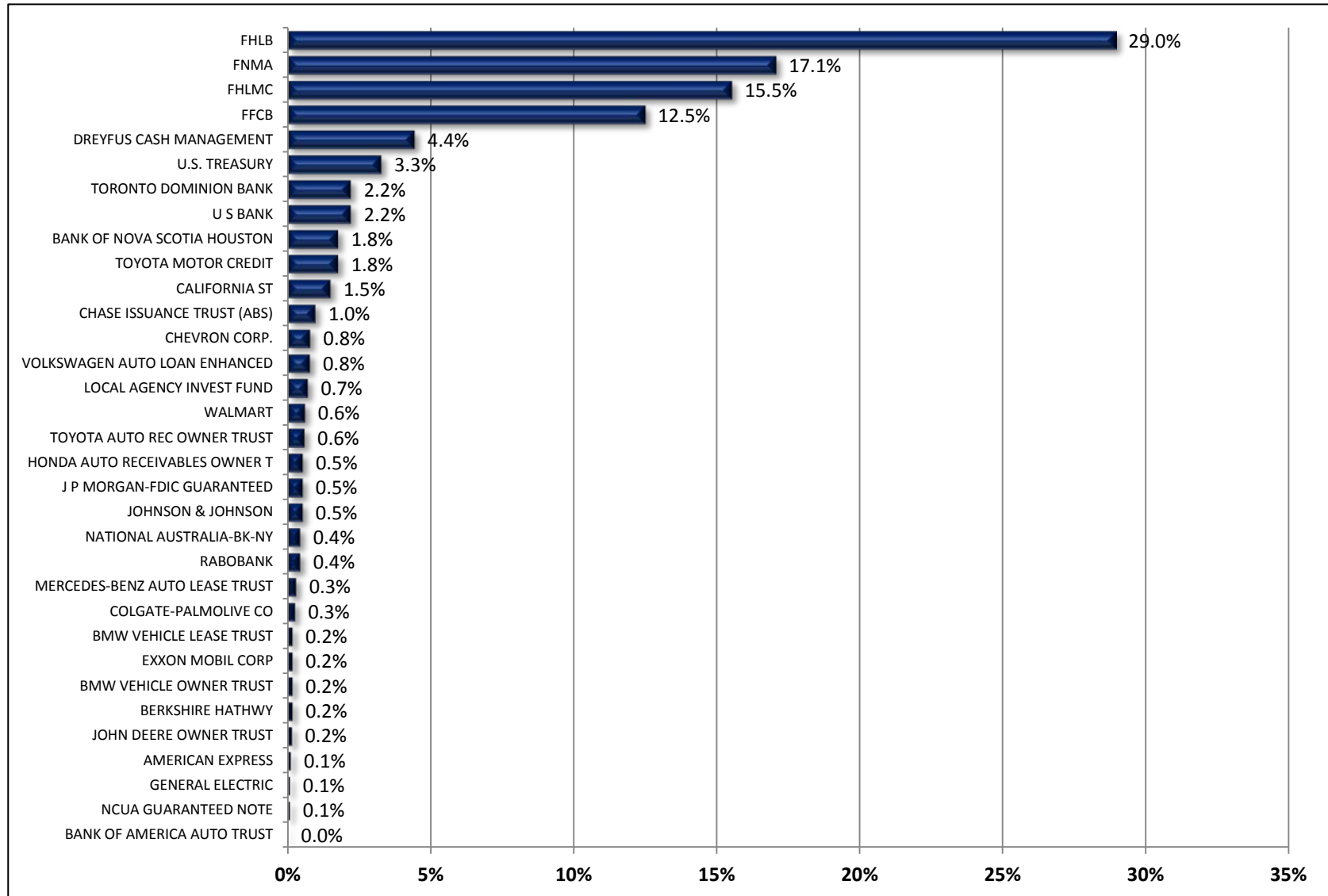
Amounts are based on book values



Santa Clara County Commingled Pool

Holdings by Issuer - Percent of Commingled Pool

December 31, 2014



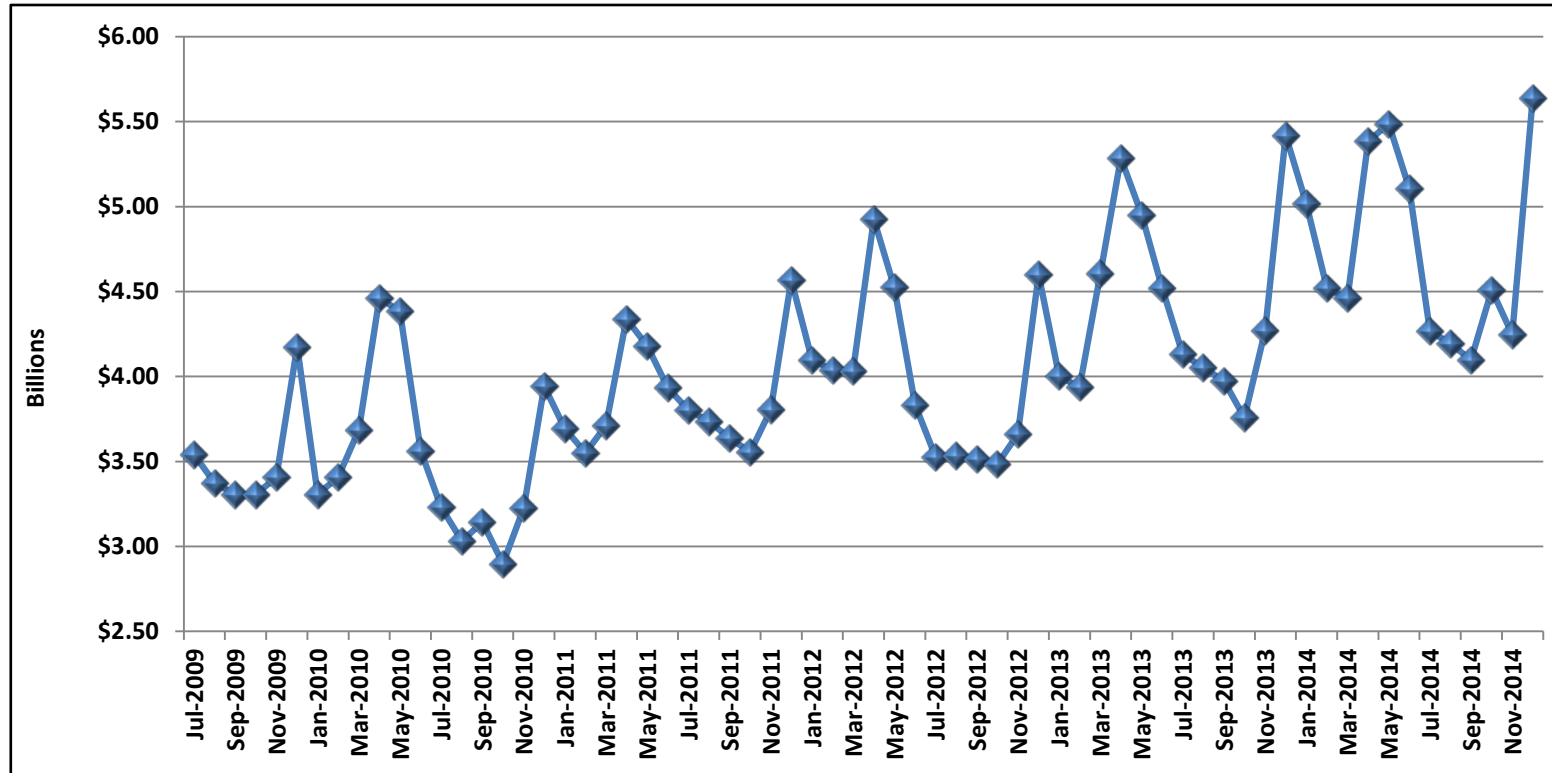
Amounts are based upon book values



Santa Clara County Commingled Pool

Historical Month End Book Values

December 31, 2014



Fiscal Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2010	\$3.541	\$3.373	\$3.307	\$3.307	\$3.408	\$4.175	\$3.307	\$3.408	\$3.687	\$4.463	\$4.384	\$3.536
FY 2011	\$3.230	\$3.032	\$3.143	\$2.898	\$3.227	\$3.943	\$3.695	\$3.551	\$3.712	\$4.339	\$4.179	\$3.935
FY 2012	\$3.801	\$3.736	\$3.637	\$3.555	\$3.805	\$4.567	\$4.097	\$4.040	\$4.032	\$4.926	\$4.525	\$3.833
FY 2013	\$3.508	\$3.517	\$3.515	\$3.469	\$3.645	\$4.600	\$3.918	\$3.982	\$4.606	\$5.286	\$4.952	\$4.521
FY 2014	\$4.133	\$4.052	\$3.975	\$3.758	\$4.271	\$5.419	\$5.019	\$4.520	\$4.461	\$5.386	\$5.487	\$5.108
FY 2015	\$4.267	\$4.194	\$4.096	\$4.051	\$4.247	\$5.639						

Amounts in billions

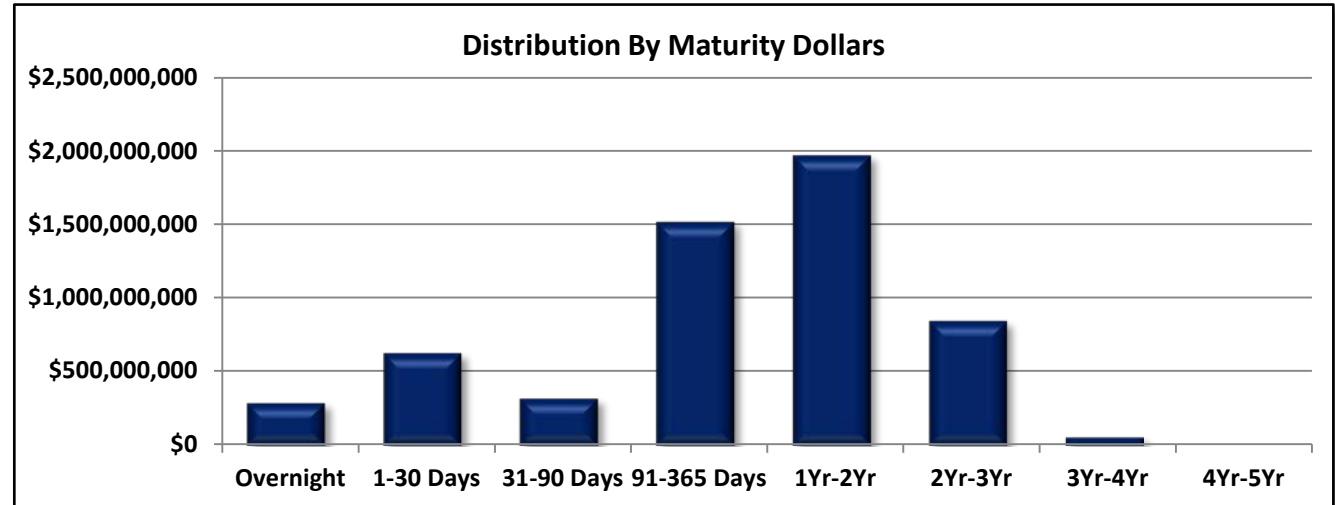


Santa Clara County Commingled Pool

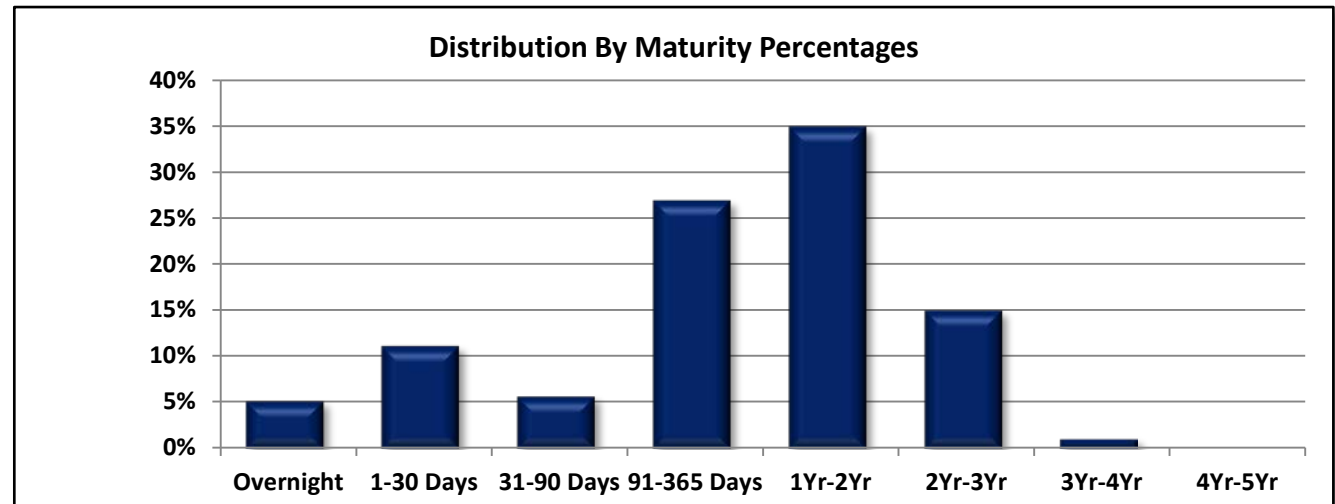
Distribution by Maturity

December 31, 2014

Maturity	Amount*
Overnight	290,460,906
1-30 Days	629,371,184
31-90 Days	320,985,174
91-365 Days	1,520,416,190
1Yr-2Yr	1,972,483,896
2Yr-3Yr	847,802,711
3Yr-4Yr	58,017,613
4Yr-5Yr	-
	5,639,537,673



Maturity	Amount*
Overnight	5.15%
1-30 Days	11.16%
31-90 Days	5.69%
91-365 Days	26.96%
1Yr-2Yr	34.98%
2Yr-3Yr	15.03%
3Yr-4Yr	1.03%
4Yr-5Yr	0.00%
	100.00%



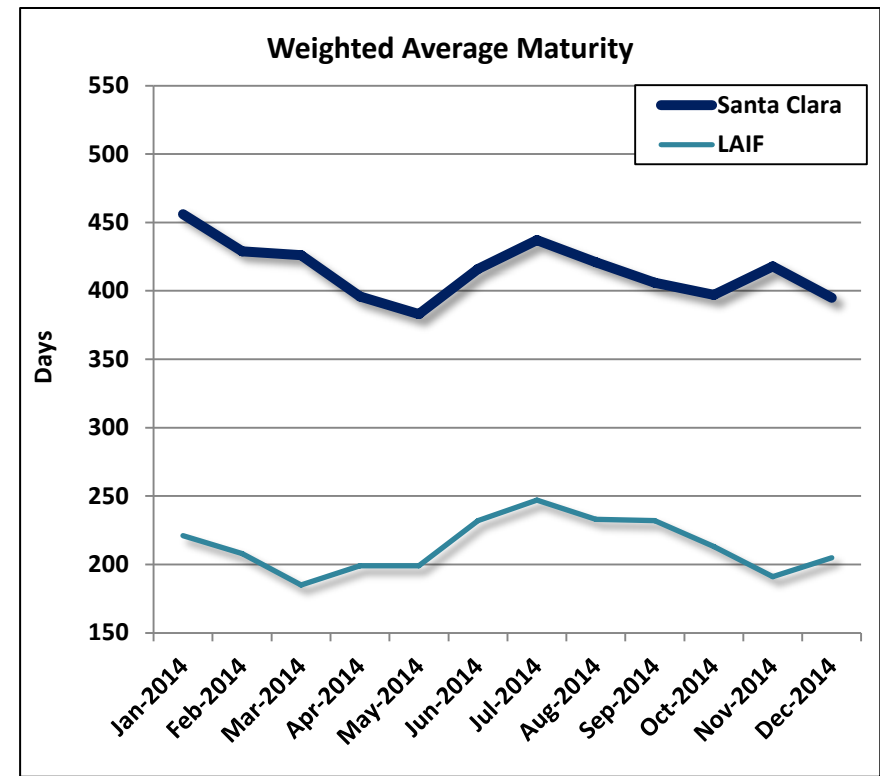
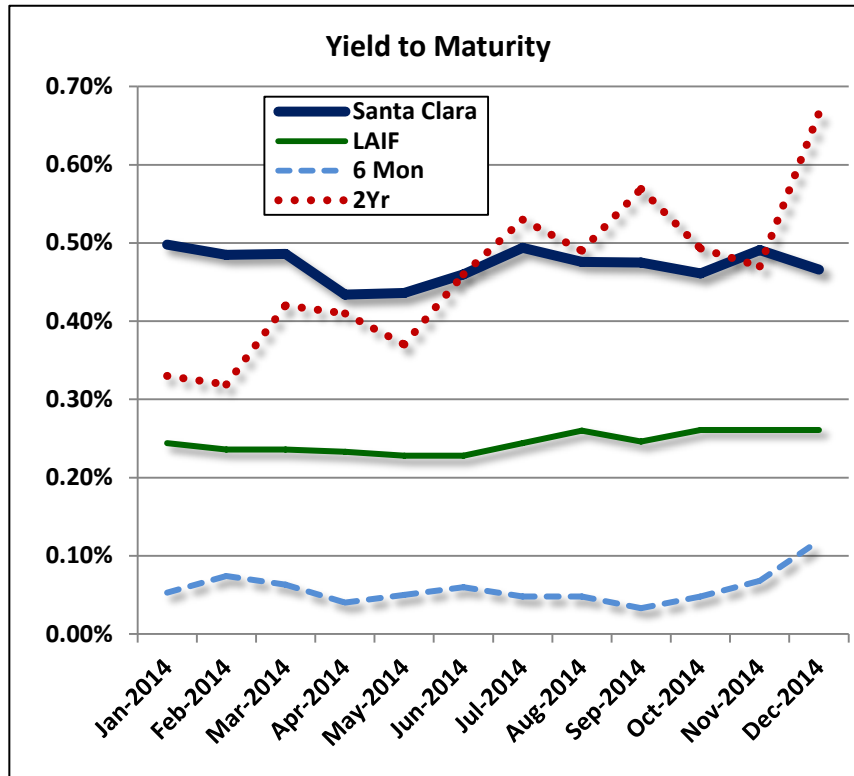
*Amounts are based on book value



Santa Clara County Commingled Pool

Yield to Maturity and Weighted Average Maturity

December 31, 2014



Item	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
SCC YTM	0.50%	0.49%	0.49%	0.43%	0.44%	0.46%	0.49%	0.48%	0.48%	0.46%	0.49%	0.47%
LAIF YTM	0.24%	0.24%	0.24%	0.23%	0.23%	0.23%	0.24%	0.26%	0.25%	0.26%	0.26%	0.26%
6 Mon T-Bill	0.05%	0.07%	0.06%	0.04%	0.05%	0.06%	0.05%	0.05%	0.03%	0.05%	0.07%	0.12%
2Yr T-Note	0.33%	0.32%	0.42%	0.41%	0.37%	0.46%	0.53%	0.49%	0.57%	0.49%	0.47%	0.67%
SCC WAM	456	429	426	396	383	416	437	421	406	397	418	395
LAIF WAM	221	208	185	199	199	232	247	233	232	213	191	205



Santa Clara County

Approved Issuers and Broker/Dealers

December 31, 2014

Direct Commercial Paper Issuers

Bank of Nova Scotia
General Electric Company
Toyota Motor Credit Corp
US Bancorp
Wells Fargo & Co

Broker/Dealers

Barclays Capital, Inc
Blaylock Robert Van, LLC
BNP Paribas Securities Corp
Cantor Fitzgerald & Co
Citigroup Global Markets Inc
Daiwa Capital Markets America Inc
Deutsche Bank Securities Inc
FTN Financial, Inc
Goldman, Sachs & Co
Jefferies & Co
JP Morgan Securities, Inc
Keyban Capital Markets, Inc
Merrill Lynch & Co Inc
Mizuho Securities USA, Inc
Morgan Stanley & Co Inc
Nomura Securities International Inc
Piper Jaffray & Co
Raymond James, Inc.
RBC Capital Markets, Inc
Scotia Capital
UBS Securities LLC
Wells Fargo Institutional Securities



Santa Clara County Commingled Pool

Compliance with Investment Policy

December 31, 2014

Item/Sector	Parameters	In Compliance
Maturity	Weighted Average Maturity (WAM) must be less than 24 months	Yes
Interest Periods	Securities must pay interest within one year of the initial investment and at least semiannually in subsequent years	Yes
Investment Swaps	Similar maturity swaps, so as not to affect cash flow needs, should have minimum 5 basis point gain	Yes
Issuer Limits	No more than 5% of the portfolio shall be invested in aggregate of any single institution of the following types: Bas, CP, Negotiable CDs, and Corporate Notes	Yes
U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years	Yes
U.S. Federal Agencies	No sector limit, no issuer limit, max maturity 5 years	Yes
LAIF	No sector limit, no issuer limit, CA State's deposit limit \$50 million	Yes
Repurchase Agreements	No sector limit, no Issuer limit, max maturity 92 days, treasury and agency collateral at 102% of investment, if maturity exceeds 15 days, must be collateralized by securities with 5 years or less maturities	Yes
Commercial Paper	Sector limit 40%, issuer limit 5%, max maturity 270 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by domestic corporation w/ at least \$500 mil of assets, and long term debt rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Corporate Bonds	Sector limit 30%, issuer limit 5%, max maturity 5 years, AA- (S&P/Fitch)/Aa3 (Moody's), issued by domestic corps/depositories	Yes
Money Market Funds	Sector limit 20%, issuer limit 10%, rated by at least two: AAA-m (S&P/Fitch)/Aaa-mf (Moody's), MMF has at least \$500 mil managed	Yes
Negotiable Certificates of Deposit	Sector limit 30%, issuer limit 5%, max maturity 5 years, if under 1 year rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), if greater than 1 year rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's), issued by national/state chartered banks	Yes
Municipal Securities	Sector limit 10%, no issuer limit, State of CA, local CA agencies, and other municipal securities of the other 49 states, if long-term rated, then by at least two: A- (S&P/Fitch)/A3 (Moody's), if short-term rated, then by at least two: SP-1 (S&P), MIG-1 (Moody's), F-1 (Fitch), revenue based bonds payable solely out of the States' or local agencies' revenues	Yes
Mortgage-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of conforming residential mortgage loans insured by FHLMC/FNMA and residential mortgages guaranteed by FHA (GNMA)	Yes
Asset-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of loans such as installment/receivables, security must be rated by at least two: AA- (S&P/Fitch), Aa3 (Moody's), issuer rated by at least two: A- (S&P/Fitch), A3 (Moody's)	Yes
Bankers' Acceptances	Sector limit 40%, issuer limit 5%, max maturity 180 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by commercial banks	Yes, None in Portfolio
Securities Lending	Sector limit 20%, max maturity 92 days for loans and reinvestment, loan counterparty must be a primary dealer, loaned securities must be owned for at least 30 days	Yes, None in Portfolio

(THIS PAGE INTENTIONALLY LEFT BLANK)



FOR ADDITIONAL BOOKS: ELABRA.COM OR (888) 935-2272