

NEW ISSUE—FULL BOOK-ENTRY

**RATINGS: Moody’s: “Aaa”; S&P: “AAA”
(See “MISCELLANEOUS – 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. 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” herein with respect to tax consequences relating to the Bonds.

\$150,000,000*
WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
(Santa Clara and Santa Cruz Counties, California)
Election of 2018 General Obligation Bonds, Series 2019A

Dated: Date of Delivery

Due: August 1, as shown on the inside cover

This cover page contains certain information for quick 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 not otherwise defined shall have the meanings set forth herein.

The West Valley-Mission Community College District (Santa Clara and Santa Cruz Counties, California) Election of 2018 General Obligation Bonds, Series 2019A (the “Bonds”), were authorized at an election of the registered voters of the West Valley-Mission Community College District (the “District”) held on November 6, 2018, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of \$698,000,000 aggregate principal amount of general obligation bonds of the District. The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuance of the Bonds.

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

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 (“DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds, such that interest thereon shall accrue from the date of delivery and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2019. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A. as the designated Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as stated herein.*

Maturity Schedule
(See inside front cover)

The Bonds are offered when, as and if issued, and received by the Underwriters, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters will be passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel, and for the Underwriters by Nixon Peabody LLP, Los Angeles, California. It is anticipated that 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 April __, 2019.

Morgan Stanley

PiperJaffray

Dated: March __, 2019

* 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*

\$ _____
WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
(Santa Clara and Santa Cruz Counties, California)
Election of 2018 General Obligation Bonds, Series 2019A

Base CUSIP⁽¹⁾:

\$ _____ **Serial Bonds**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Suffix⁽¹⁾</u>
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\$ _____ - ____% Term Bonds due August 1, 20__ - Yield: ____%; CUSIP⁽¹⁾ Suffix:

* Preliminary, subject to change.

⁽¹⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), 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 the CGS database. None of the Underwriters, the Municipal Advisor or the District is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriters and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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 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 Underwriters have provided the following sentence for inclusion in this Official Statement: “The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of their transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.”

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS 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 UNDERWRITERS 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 COVER PAGE AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT

Board of Trustees

Anne Kepner, *President, Trustee Area 3*
Susan Fish, *Vice President, Trustee Area 7*
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Jack Lucas, *Member, Trustee Area 5*
Robert Owens, *Member, Trustee Area 2*
Karl Watanabe, *Member, Trustee Area 1*

District Administration

Dr. Patrick Schmitt, *Chancellor*
Edralin J. Maduli, *Vice Chancellor, Administrative Services*
Daniel Peck, *President, Mission College*
Bradley Davis, *President, West Valley College*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

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

Municipal Advisor

KNN Public Finance, LLC
Oakland, California

Paying Agent

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

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\$150,000,000*
WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
(Santa Clara and Santa Cruz Counties, California)
Election of 2018 General Obligation Bonds, Series 2019A

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the West Valley-Mission Community College District (Santa Clara and Santa Cruz Counties, California) Election of 2018 General Obligation Bonds, Series 2019A (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 West Valley-Mission Community College District (the “District”) was established in 1963 and provides higher education in Santa Clara County (the “County”) and a portion of Santa Cruz County (together with the County, the “Counties”). The District operates two colleges (collectively, the “Colleges”). West Valley College, founded in 1964, is situated on a 143-acre campus in the foothills of the Santa Cruz Mountains in Saratoga, California. Mission College, which opened in 1975, is located on a 164-acre site in Santa Clara, California. The Colleges are each fully accredited by the Accrediting Commission for Community and Junior Colleges (the “ACCJC”). For fiscal year 2018-19, the District’s projected full time equivalent student (“FTES”) is 11,297, and taxable property within the District has an assessed valuation of \$140,799,624,585.

The governing body of the District is the Board of Trustees (the “Board”), which includes seven voting members elected by the voters of the District within seven trustee areas. The Trustees serve four-year terms. Elections for trustee positions to the Board are held every two years, alternating between three and four positions. The management and policies of the District are administered by a Board-appointed Chancellor. Dr. Patrick Schmitt is the District’s current Chancellor. Dr. Schmitt will be retiring at the end of the current fiscal year, and the Board expects to select a replacement before then.

For more information about the District generally, see “WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT” herein. For more information regarding the District’s assessed valuation, see “TAX BASE FOR REPAYMENT OF BONDS” herein. The District’s audited financial statements for fiscal year ended June 30, 2018 are attached hereto as APPENDIX B and should be read in their entirety.

* Preliminary, subject to change.

Purpose of the Bonds

The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuing the Bonds.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the California Government Code and other applicable law, and pursuant to a resolution adopted by the Board on February 5, 2019 (the “Resolution”). See “THE BONDS – Authority for Issuance” herein.

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 Boards of Supervisors of the Counties (the “County Boards”) are empowered and obligated to levy such *ad valorem* taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See also “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS” herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See “THE BONDS – Book-Entry Only System” herein. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution. See also “THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners” herein.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the “Owners,” “Bond Owners” or “Holders” of the Bonds (other than under the captions “INTRODUCTION – Tax Matters” and “TAX MATTERS” herein and in APPENDIX A attached hereto) 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 in the denominations of \$5,000 principal amount or any integral multiple thereof.

Redemption.* Certain of the Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates as further described herein. See also “THE BONDS – Redemption” herein.

Payments. The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the initial date of delivery thereof (the “Date of Delivery”), such interest to be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2019 (each, a “Bond Payment Date”). Principal of the Bonds is payable on August 1 in the amounts and years set forth on the inside cover page hereof.

* Preliminary, subject to change.

Payments of the principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A. as the designated paying agent, bond registrar and transfer agent (collectively, the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners.

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 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. 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” herein with respect to certain tax consequences of ownership of the Bonds.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about April __, 2019.

Bond Owner’s Risks

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District and certain other considerations related thereto, see “TAX BASE FOR REPAYMENT OF BONDS” and “LIMITATION ON REMEDIES; BANKRUPTCY” herein.

Continuing Disclosure

The District will covenant for the benefit of Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriters (as defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). See “LEGAL MATTERS – Continuing Disclosure” herein. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto.

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,” “intend,” “estimate,” “project,” “budget” or 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.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, acting as Bond Counsel and Disclosure Counsel to the District and KNN Public Finance, LLC, Oakland, California, acting as Municipal Advisor to the District, will each receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriters by Nixon Peabody LLP, Los Angeles, California. From time to time, Bond Counsel represents each of the Underwriters on matters unrelated to the Bonds or the District.

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 West Valley-Mission Community College District, 14000 Fruitvale Avenue, Saratoga, CA 95070, telephone: (408) 741-2195. 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 entirety by reference to each such documents, statutes and constitutional provisions.

Certain of the 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.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code of the State of California (the “Act”), commencing with Section 53506 *et seq.*, as amended, Article XIII A of the California Constitution and the Resolution. The District received authorization at an election held on November 6, 2018 by the requisite 55% of the votes cast by eligible voters within the District to issue \$698,000,000 aggregate principal amount of general obligation bonds (the “2018 Authorization”). The Bonds are the first series of bonds issued under the 2018 Authorization, and following the issuance thereof, \$548,000,000* will remain unissued.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The County Boards are empowered and obligated to levy such *ad valorem* taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. Such *ad valorem* property taxes will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest thereon when due, as described above. The levy of *ad valorem* property taxes for payment of the Bonds may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The Counties, however, are not obligated to establish or maintain such a reserve for any of the Bonds, and the District can make no representation that the Counties will do so. Such taxes, when collected, will be placed by the Counties in the Debt Service Fund (defined herein) created by the Resolution, which fund is required to be segregated and maintained by the County and which is designated for the payment of the Bonds and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and the County will maintain the Debt Service Fund, the Bonds are not a debt of either of the Counties.

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. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the Counties to repay the Bonds, as described above, 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 and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial

* Preliminary, subject to change.

destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, wildfire, 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" herein.

Statutory Lien

Pursuant to California Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

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. See "— Book-Entry Only System" herein. Beneficial Owners will not receive certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing August 1, 2019. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond will 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 next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2019, in which event it will bear interest from the Date of Delivery. 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 pages hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15th day of the month immediately preceding such Bond Payment Date (the "Record Date"), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds shall be payable upon maturity upon surrender at the principal office of the Paying Agent. The principal of, and interest, and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of

America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds.

Annual Debt Service

The following table summarizes the annual debt service requirements of the District for the Bonds, together with the District’s other outstanding general obligation bonds, assuming no optional redemptions are made:

<u>Year Ending August 1</u>	<u>Outstanding Bonds Debt Service⁽¹⁾⁽²⁾</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment⁽³⁾</u>	<u>Total Annual Debt Service</u>
2019	\$41,104,072.26			
2020	44,009,622.26			
2021	41,767,868.26			
2022	42,690,570.26			
2023	43,620,773.76			
2024	44,566,578.76			
2025	45,558,735.26			
2026	45,950,302.26			
2027	46,968,620.26			
2028	48,026,666.26			
2029	49,100,709.26			
2030	50,208,668.00			
2031	62,237,105.00			
2032	63,540,359.00			
2033	64,874,830.00			
2034	66,226,071.00			
2035	59,138,060.00			
2036	23,566,800.00			
2037	18,561,800.00			
2038	16,782,800.00			
2039	17,649,400.00			
2040	<u>18,267,600.00</u>			
Total	<u>\$954,418,011.86</u>			

- (1) Includes gross debt service on the District’s General Obligation Bonds, Election of 2004, Series C (the “2004 Series C Bonds”), which were designated as “Build America Bonds” for purposes of the American Recovery and Reinvestment Act of 2009 and with respect to which the District expects to receive, through August 1, 2019 (the “Crossover Date”), a cash subsidy from the United State Treasury equal to 35% of the interest payable on the 2004 Series C Bonds (subject to federal sequestration actions).
- (2) Includes debt service on the District’s 2017 General Obligation Refunding Bonds, Series B (the “2017 Series B Refunding Bonds”), which bonds were issued to refund the 2004 Series C Bonds on a crossover basis. Interest on the 2017 Series B Refunding Bonds will, prior to the Crossover Date, be payable solely from proceeds of such bonds on deposit in an escrow fund therefor. The 2004 Series C Bonds are expected to redeemed in their entirety on the Crossover Date.
- (3) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2019.

For additional information, and for a full debt service schedule of all of the District’s outstanding general obligation bond debt, see “WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds” herein.

Application and Investment of Bond Proceeds

The proceeds of the sale from the Bonds, net of costs of issuance and any premium received upon the sale thereof, will be deposited by the County to the credit of the building fund created by the Resolution (the “Building Fund”), and will be applied solely for the purposes for which the Bonds are being issued. Interest earnings in the Building Fund will be retained therein. Any excess proceeds of the Bonds on deposit in the Building Fund not needed for the authorized purposes for which the Bonds are being issued shall, upon written notice from the District, be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds.

The *ad valorem* property taxes levied by the Counties for the payment of the Bonds, when collected, are required to be held separate and apart by the County in a debt service fund created by the Resolution (the “Debt Service Fund”), and used only for payment of principal of and interest on Bonds. Accrued interest and any premium received upon the sale of the Bonds will be deposited into the Debt Service Fund. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Debt Service Fund, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Moneys in the Building Fund and Debt Service Fund are expected to be invested through the County’s pooled investment fund. See “APPENDIX E – SANTA CLARA COUNTY INVESTMENT POOL” herein

Redemption

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

Mandatory Sinking Fund Redemption*. The Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__ at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Bonds to be so redeemed and the dates therefor and the final maturity date is as indicated in the following table:

Redemption Date (August 1)	Principal Amount to be Redeemed
---------------------------------------	--

Total

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds for redemption as so directed by the District, and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as

* Preliminary, subject to change.

directed by the District, and if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; *provided, however*, that the portion of any Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

Notice of Redemption. When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a “Redemption Notice”) of the redemption of the Bonds. 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 portion of 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. Such Redemption Notice will further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue.

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 (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) 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 (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access.

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

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 shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Conditional Notice of Redemption. With respect to any notice of optional redemption of Bonds 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 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 of, 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 notice shall 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 will 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.

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

If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest accrued to such redemption date, shall be held in trust so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

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 will 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 neither the District nor the Underwriters take any responsibility for the accuracy or completeness thereof. The District and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants (as defined herein) 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 or 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, 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" and together with the Direct Participants, the "Participants"). DTC has an S&P (as defined herein) rating of "AA+." 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. The information set forth on such website is not incorporated by reference herein.

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, defaults, and proposed amendments to the Resolution. 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 and distributions on 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 or distributions 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.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent, initially located in Dallas, Texas. Interest on the Bonds will be paid by the Paying Agent by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of like series, tenor, maturity and principal amount upon presentation and surrender at the designated office of the Paying Agent, 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 registration books upon presentation and surrender of the Bond at such designated office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, 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 or accruing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) 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 at any time 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 any amounts transferred from the Debt Service Fund, is sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and premium, 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 (as defined herein) together with any amounts transferred from the Debt Service Fund, and any other cash, if required, in such amount as will, together with 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, accrued interest thereon, and premium, if any), at or before their maturity date;

then, notwithstanding that any such maturities of Bonds shall not have been surrendered for payment, all obligations of the District and the Paying Agent with respect to all outstanding Bonds shall cease and terminate, except only the obligation of the 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 the 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, 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), and obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. 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 all such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by S&P Global Ratings (“S&P”) or by Moody’s Investors Service (“Moody’s”).

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

Sources of Funds

Principal Amount of Bonds
[Net] Original Issue Premium
Total Sources

Uses of Funds

Costs of Issuance⁽¹⁾
Deposit to Building Fund
Deposit to Debt Service Fund
Total Uses

⁽¹⁾ Reflects all costs of issuance of the Bonds, including, but not limited to, demographics fees, legal and municipal advisory fees, ratings fees, underwriting discount, and the costs and fees of the Paying Agent. See also "MISCELLANEOUS – Underwriting" herein.

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 shall be payable solely from ad valorem property taxes levied and collected by the Counties 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 Counties 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. The Counties levy and collect all property taxes for property falling within such county's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the respective treasurer-tax collector (or equivalent officer) of the Counties. After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes

and the delinquency penalty, plus a \$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 treasurer-tax collector.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the 16ssesse; (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 16ssesse; (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 16ssesse; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the 16ssesse. See also "– Tax Delinquencies" herein.

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.

Assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is 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 applicable county in which such property is located, except for public utility property which is assessed by the State Board of Equalization ("SBE"). Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A of the State Constitution. For a discussion of how properties currently are assessed and re-assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein. 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.

The following table sets forth the 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year.

ASSESSED VALUATIONS
Fiscal Years 2009-10 through 2018-19
West Valley-Mission Community College District

Santa Clara County Portion

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2009-10	\$76,288,165,478	\$116,315,606	\$8,117,043,986	\$84,521,525,070
2010-11	74,416,299,381	102,373,976	7,501,370,060	82,020,043,417
2011-12	74,802,080,318	105,770,166	8,129,158,569	83,037,009,053
2012-13	77,764,627,165	127,060,747	7,977,378,226	85,869,066,138
2013-14	84,927,864,120	248,860,747	8,394,719,370	93,571,444,237
2014-15	91,438,714,205	298,727,712	8,061,879,835	99,799,321,752
2015-16	100,854,053,906	296,427,712	8,672,795,820	109,823,277,438
2016-17	109,860,807,698	272,202,712	9,733,212,656	119,866,223,066
2017-18	117,917,706,680	257,040,216	10,445,555,100	128,620,301,996
2018-19	127,166,228,717	243,104,636	12,031,586,909	139,440,920,262

Santa Cruz County Portion

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2009-10	\$961,343,868	--	\$2,814,935	\$964,158,803
2010-11	956,488,183	--	2,705,921	959,194,104
2011-12	950,875,867	--	3,219,473	954,095,340
2012-13	951,731,368	--	3,325,807	955,057,175
2013-14	992,561,821	--	3,259,440	995,821,261
2014-15	1,062,791,694	--	2,671,874	1,065,463,568
2015-16	1,145,203,273	--	2,454,785	1,147,658,058
2016-17	1,208,984,101	--	3,978,976	1,212,963,077
2017-18	1,282,960,278	--	4,008,080	1,286,968,358
2018-19	1,354,741,150	--	3,963,173	1,358,704,323

Total District

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2009-10	\$77,249,509,346	\$116,315,606	\$8,119,858,921	\$85,485,683,873
2010-11	75,372,787,564	102,373,976	7,504,075,981	82,979,237,521
2011-12	75,752,956,185	105,770,166	8,132,378,042	83,991,104,393
2012-13	78,716,358,533	127,060,747	7,980,704,033	86,824,123,313
2013-14	85,920,425,941	248,860,747	8,397,978,810	94,567,265,498
2014-15	92,501,505,899	298,727,712	8,064,551,709	100,864,785,320
2015-16	101,999,257,179	296,427,712	8,675,250,605	110,970,935,496
2016-17	111,069,791,799	272,202,712	9,737,191,632	121,079,186,143
2017-18	119,200,666,958	257,040,216	10,449,563,180	129,907,270,354
2018-19	128,520,969,867	243,104,636	12,035,550,082	140,799,624,585

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, fire, wildfire, 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 rates levied by the County to pay the debt service with the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuation. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board. County assessors 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" herein.

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.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Article XIII A of the California Constitution" herein.

No assurance can be given that property tax appeals currently pending or in the future, or actions by county assessors, will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 (“AB 102”). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities.

Assessed Valuation by Land Use. The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2018-19.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2018-19
West Valley-Mission Community College District

	2018-19	% of	No. of	% of
<u>Non-Residential:</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Total</u>	<u>Parcels</u>	<u>Total</u>
Agricultural/Rural	\$333,486,056	0.26%	1,050	0.86%
Commercial/Office Building	18,861,268,611	14.68	4,287	3.52
Industrial	14,976,921,817	11.65	1,346	1.11
Recreational/Stadium	1,329,501,061	1.03	53	0.04
Government/Social/Institutional	1,641,387,027	1.28	577	0.47
Miscellaneous/Utilities & Communication	<u>438,263,616</u>	<u>0.34</u>	<u>571</u>	<u>0.47</u>
Subtotal Non-Residential	\$37,580,828,188	29.24%	7,884	6.48%
<u>Residential:</u>				
Single Family Residence	\$63,322,322,855	49.27%	82,011	67.37%
Condominium/Townhouse	10,586,945,591	8.24	19,941	16.38
Mobile Home	212,815,671	0.17	2,861	2.35
2-4 Residential Units	2,988,230,220	2.33	4,924	4.04
5+ Residential Units/Apartments	<u>13,020,114,195</u>	<u>10.13</u>	<u>2,113</u>	<u>1.74</u>
Subtotal Residential	\$90,130,428,532	70.13%	111,850	91.88%
Vacant Parcels	\$809,713,147	0.63%	2,003	1.65%
Total	\$128,520,969,867	100.00%	121,737	100.00%

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

Assessed Valuation by Jurisdiction. The following table below shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2018-19 assessed valuation.

ASSESSED VALUATION AND PARCELS BY JURISDICTION⁽¹⁾
Fiscal Year 2018-19
West Valley-Mission Community College District

<u>Jurisdiction:</u>	Assessed Valuation <u>in District</u>	% of <u>District</u>	Assessed Valuation <u>of Jurisdiction</u>	% of Jurisdiction <u>in District</u>
City of Campbell	\$10,187,110,496	7.24%	\$10,187,110,496	100.00%
City of Cupertino	3,469,728,754	2.46	25,182,059,606	13.78
Town of Los Gatos	13,154,669,768	9.34	13,154,669,768	100.00
City of Monte Sereno	2,189,749,893	1.56	2,189,749,893	100.00
City of San Jose	44,673,837,827	31.73	181,926,524,174	24.56
City of Santa Clara	41,783,179,505	29.68	43,964,913,741	95.04
City of Saratoga	12,966,260,012	9.21	15,393,228,913	84.23
City of Sunnyvale	5,858,509,573	4.16	46,351,829,722	12.64
Unincorporated Santa Clara County	5,157,874,434	3.66	17,939,974,386	28.75
Unincorporated Santa Cruz County	<u>1,358,704,323</u>	<u>0.96</u>	26,480,602,928	5.13
Total District	\$140,799,624,585	100.00%		
<u>Summary by County:</u>				
Santa Clara County	\$139,440,920,262	99.04%	\$482,861,280,340	28.88%
Santa Cruz County	<u>1,358,704,323</u>	<u>0.96</u>	45,820,424,328	2.97
Total District	\$140,799,624,585	100.00%		

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

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Assessed Valuation of Single Family Homes. The following table shows the distribution of single family homes within the District among various fiscal year 2018-19 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

**ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2018-19**

West Valley-Mission Community College District

	<u>No. of Parcels</u>	<u>2018-19 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	82,011	\$63,322,322,855	\$772,120	\$630,754

<u>2018-18 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	9,332	11.379%	11.379%	\$674,035,435	1.064%	1.064%
100,000 - 199,999	7,090	8.645	20.024	1,022,872,325	1.615	2.680
200,000 - 299,999	5,650	6.889	26.913	1,414,657,647	2.234	4.914
300,000 - 399,999	6,158	7.509	34.422	2,160,416,951	3.412	8.326
400,000 - 499,999	5,668	6.911	41.333	2,546,277,472	4.021	12.347
500,000 - 599,999	5,382	6.563	47.896	2,969,943,616	4.690	17.037
600,000 - 699,999	5,793	7.064	54.960	3,770,149,478	5.954	22.991
700,000 - 799,999	6,038	7.362	62.322	4,524,449,933	7.145	30.136
800,000 - 899,999	5,974	7.284	69.607	5,073,678,940	8.012	38.148
900,000 - 999,999	4,721	5.757	75.363	4,467,629,282	7.055	45.204
1,000,000 - 1,099,999	3,446	4.202	79.565	3,607,290,144	5.697	50.901
1,100,000 - 1,199,999	2,621	3.196	82.761	3,008,591,098	4.751	55.652
1,200,000 - 1,299,999	2,034	2.480	85.241	2,538,068,320	4.008	59.660
1,300,000 - 1,399,999	1,725	2.103	87.344	2,322,686,851	3.668	63.328
1,400,000 - 1,499,999	1,447	1.764	89.109	2,092,953,598	3.305	66.633
1,500,000 - 1,599,999	1,124	1.371	90.479	1,738,463,511	2.745	69.379
1,600,000 - 1,699,999	1,043	1.272	91.751	1,718,095,253	2.713	72.092
1,700,000 - 1,799,999	831	1.013	92.764	1,451,659,938	2.292	74.384
1,800,000 - 1,899,999	697	0.850	93.614	1,287,397,159	2.033	76.417
1,900,000 - 1,999,999	605	0.738	94.352	1,177,409,925	1.859	78.277
2,000,000 and greater	<u>4,632</u>	<u>5.648</u>	100.000	<u>13,755,595,979</u>	<u>21.723</u>	100.000
Total	82,011	100.000%		\$63,322,322,855	100.000%	

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

Tax Delinquencies

The following table shows secured *ad valorem* property tax levies within the District, and amounts delinquent as of June 30, for the fiscal years 2008-09 through 2017-18. The Counties have each implemented the Teeter Plan. See “– Alternative Method of Tax Apportionment – Teeter Plan” below.

SECURED TAX CHARGES AND DELINQUENCIES⁽¹⁾
Fiscal Years 2008-09 through 2017-18
West Valley-Mission Community College District

<u>Fiscal Year</u>	<u>Secured Tax Charge</u>	<u>Amount Delinquent as of June 30</u>	<u>Percent Delinquent as of June 30</u>
2008-09	\$2,392,036.69	\$55,403.21	2.32%
2009-10	10,499,937.59	177,839.54	1.69
2010-11	10,124,398.46	145,527.85	1.44
2011-12	9,908,284.55	91,720.66	0.93
2012-13 ⁽²⁾	--	--	0.57
2013-14	21,691,052.41	173,897.01	0.80
2014-15	11,005,732.33	111,803.35	1.02
2015-16	23,475,927.38	144,663.57	0.62
2016-17	21,392,002.36	123,747.04	0.58
2017-18	23,496,778.77	140,798.27	0.60

⁽¹⁾ District’s general obligation bond debt service levy.

⁽²⁾ Dollar amounts unavailable.

Source: *California Municipal Statistics, Inc.*

Alternative Method of Tax Apportionment – Teeter Plan

The Boards of Supervisors of the Counties have each implemented 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 California Revenue and Taxation Code. Under the Teeter Plan, the Counties apportion secured property taxes on an accrual basis when due (irrespective of actual collections) to their local political subdivisions, including the District, for which such Counties act as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies for which the Counties act as the tax-levying or tax-collecting agency, or for which the applicable county treasury is the legal depository of the tax collections. As adopted by the Counties, the Teeter Plan excludes Mello-Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied to pay the principal of and interest on the Bonds will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the Counties.

The Teeter Plan is to remain in effect unless the respective Boards of Supervisors of the Counties order its discontinuance or unless, prior to the commencement of any fiscal year of the Counties (which commence on July 1), the Boards of Supervisors receive a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in such County. In the event such Board of Supervisors are to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the Counties act as the tax-levying or tax-collecting agency.

Tax Rates

Representative tax rate areas (each, a “TRA”) located within the District are TRA 3-000, TRA 7-000, TRA 7-014 and TRA 17-076, all within the County. The table below demonstrates the total *ad valorem* property tax rates levied, as a percentage of assessed valuation, by all taxing entities in these TRAs during the five-year period from 2014-15 through 2018-19.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
Fiscal Years 2014-15 through 2018-19
Select Total Tax Rates per \$100 of Assessed Valuation⁽¹⁾
Typical Tax Rate (TRA 3-000, TRAs 7-000, 7-014 and TRA 17-076)

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Typical Total Tax Rates per \$100 Assessed Valuation (TRA 3-000 – 2018-19 Assessed Valuation: \$5,657,963,293)⁽²⁾					
General	1.0000%	1.0000%	1.0000%	1.00000%	1.00000%
County Retirement Levy	.0388	.0388	.0388	.03880	.03880
County Hospital Bonds	.0091	.0088	.0086	.02086	.01770
Los Gatos School District Bonds	.0806	.0718	.0552	.05110	.04860
Los Gatos Joint Union High School District Bonds	.0516	.0423	.0469	.04570	.03040
West Valley Community College District Bonds	.0137	.0232	.0196	.02000	.01980
Midpeninsula Open Space District	--	.0008	.0006	.00090	.00180
Total All Property	1.1921%	1.1857%	1.1697%	1.17736%	1.15710%
Santa Clara Valley Water District State Water Project	.0065%	.0057%	.0086%	.00620%	.00420%
Typical Total Tax Rates per \$100 Assessed Valuation (TRAs 7-000 and 7-014 – 2018-19 Assessed Valuation: \$33,504,588,956)⁽³⁾					
General	1.0000%	1.0000%	1.0000%	1.00000%	1.00000%
County Retirement Levy	.0388	.0388	.0388	.03880	.03880
County Hospital Bonds	.0091	.0088	.0086	.02086	.01770
Santa Clara Unified School District	.0704	.0942	.0818	.08280	.07070
West Valley Community College District Bonds	.0120	.0232	.0196	.02000	.01980
Total All Property	1.1303%	1.1650%	1.1488%	1.16246%	1.14700%
Santa Clara Valley Water District State Water Project	.0065%	.0057%	.0086%	.00620%	.00420%
Typical Total Tax Rates per \$100 Assessed Valuation (TRA 17-076 – 2018-19 Assessed Valuation: \$6,478,602,335)⁽⁴⁾					
General	1.0000%	1.0000%	1.0000%	1.00000%	1.00000%
County Retirement Levy	.0388	.0388	.0388	.03880	.03880
County Hospital Bonds	.0091	.0088	.0086	.02086	.01770
Union School District Bonds	.1073	.1019	.1054	.10610	.10660
Campbell Union High School District Bonds	.0284	.0257	.0252	.05190	.04870
West Valley Community College District Bonds	.0120	.0232	.0196	.02000	.01980
City of San Jose Bond	.0334	.0223	.0207	.01860	.01700
Total All Property	1.1921%	1.2207%	1.2183%	1.25626%	1.24860%
Santa Clara Valley Water District State Water Project	.0065%	.0057%	.0086%	.00620%	.00420%

⁽¹⁾ Tax Rate Areas 3-000, 7-000, 7-014, and 17-076 are the largest in the District in terms of assessed valuation.

⁽²⁾ 2018-19 assessed valuation of TRA 3-000 is \$5,657,963,293 which is 4.02% of the district’s total assessed valuation.

⁽³⁾ 2018-19 combined assessed valuation of TRAs 7-000 and 7-014 is \$33,504,588,956 which is 23.80% of the district’s total assessed valuation.

⁽⁴⁾ 2018-19 assessed valuation of TRA 17-076 is \$6,478,602,335 which is 4.60% of the district’s total assessed valuation.

Source: California Municipal Statistics, Inc.

Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2018-19 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2018-19
West Valley-Mission Community College District

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2018-19 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Campus Holdings Inc.	Office Building	\$2,419,045,770	1.88%
2.	Forty Niners SC Stadium Company LLC	Football Stadium	1,139,166,200	0.89
3.	Cisco Technology Inc.	Industrial	1,112,106,788	0.87
4.	Sobrato Interests	Industrial/Apartments	1,065,665,276	0.83
5.	Intel Corporation	Industrial	974,618,702	0.76
6.	FRIT San Jose Town & Country Village LLC	Commercial/Apartments	788,243,126	0.61
7.	River View Apartments	Apartments	663,819,040	0.52
8.	VF Mall LLC	Shopping Center/Mall	651,618,555	0.51
9.	Xeres Ventures LLC	Industrial	486,494,941	0.38
10.	Nvidia Land Development LLC	Office Building	483,391,664	0.38
11.	3515-3585 Monroe Street LLC	Apartments	468,303,397	0.36
12.	Augustine Bowers LLC	Office Building	453,854,537	0.35
13.	Samsung Semiconductor Inc.	Office Building	396,913,687	0.31
14.	Essex Portfolio LP	Apartments	391,791,280	0.30
15.	Oracle America Inc.	Office Building	373,844,258	0.29
16.	Columbia California Campus 3333 Office	Office Building	317,398,081	0.25
17.	Santa Clara PHASE III EFH LLC	Office Building	311,100,000	0.24
18.	Tishman Speyer Archstone-Smith	Apartments	304,046,243	0.24
19.	PR 3975 Freedom Circle	Office Building	296,799,730	0.23
20.	2525 Augustine Circle LLC	Office Building	291,340,978	0.23
			<u>\$13,389,562,253</u>	<u>10.42%</u>

⁽¹⁾ The fiscal year 2018-19 total District secured assessed valuation is \$128,520,969,867.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the “Debt Report”), prepared by California Municipal Statistics, Inc. and effective as of February 1, 2019. 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 following table shows the percentage of each overlapping entity’s assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity’s existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

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. The second column 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 the third column, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

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**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
West Valley-Mission Community College District**

2018-19 Assessed Valuation: \$140,799,624,585

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 2/1/19</u>
Santa Clara County	28.878%	\$273,538,192
West Valley-Mission Community College District	100.000	485,310,000⁽¹⁾
Santa Clara Unified School District	99.397	660,329,060
Union High School Districts	0.002 – 100.000	501,705,576
Campbell Union School District	100.000	194,775,237
Los Gatos Union School District	100.000	80,975,000
Moreland School District	100.000	103,742,251
Union School District	100.000	103,253,148
Other School Districts	Various	90,590,270
Cities of San Jose and Saratoga	24.556 & 84.234	86,587,016
El Camino Hospital District	1.877	2,336,677
Saratoga and Zayante Fire Protection District	97.438	2,672,982
Midpeninsula Open Space District	14.432	13,343,827
Santa Cruz Libraries Finance Authority Community Facilities District No. 2016-1	3.278	685,758
Santa Clara Valley Water District Benefit Assessment District	28.878	<u>21,245,545</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,621,090,539

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Santa Clara County General Fund Obligations	28.878%	\$209,564,504
Santa Clara County Pension Obligation Bonds	28.878	101,759,974
Santa Clara County Board of Education Certificates of Participation	28.878	1,439,568
Santa Cruz County General Fund Obligations	2.965	2,039,003
Santa Cruz County Board of Education Certificates of Participation	2.965	257,671
West Valley-Mission Community College District General Fund Obligations	100.000	62,200,000
School District General Fund Obligations	Various	34,689,547
City of Campbell General Fund Obligations	100.000	7,505,843
City of San Jose General Fund Obligations	24.556	123,023,104
City of Santa Clara General Fund Obligations	95.038	16,022,456
Other City General Fund Obligations	Various	6,304,082
Santa Clara County Vector Control District Certificates of Participation	28.878	713,287
Midpeninsula Regional Open Space Park District General Fund Obligations	14.432	<u>16,950,471</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$582,469,510
Less: Santa Clara County supported obligations		<u>95,665,276</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$486,804,234

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$733,255,388
GROSS COMBINED TOTAL DEBT	\$3,936,815,437 ⁽²⁾
NET COMBINED TOTAL DEBT	\$3,841,150,161

<u>Ratios to 2018-19 Assessed Valuation:</u>	
Direct Debt (\$485,310,000)	0.34%
Total Direct and Overlapping Tax and Assessment Debt.....	1.86%
Combined Direct Debt (\$547,510,000)	0.39%
Gross Combined Total Debt.....	2.80%
Net Combined Total Debt	2.73%

<u>Ratios to Redevelopment Incremental Valuation (\$22,529,177,592):</u>	
Total Overlapping Tax Increment Debt.....	3.25%

⁽¹⁾ Excludes the Bonds.

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

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the 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 Counties 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 Counties on behalf of the District to levy taxes 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 Counties to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations” herein.

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) on 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 item (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 (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.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A of the State Constitution to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

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. So long as the District is a basic aid district, taxes lost through any reduction in assessed valuation will not be compensated by the State as equalization aid under the State’s education financing formulas. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues” herein.

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 XIII C and Article XIII D 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 XIII C and XIII D (respectively, "Article XIII C" and "Article XIII D"), 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 XIII C 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 XIII C 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 XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D 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 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 XIIB 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 Limitation 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: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) 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 capita 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 governing board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the governing 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 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.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than

\$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) 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 personal income tax increases are being 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 will be 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 board is 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 to 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 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 Funding 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.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of \$9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes \$3 billion for the new construction of K-12 facilities and an additional \$3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school districts lack sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of \$1 billion will be available for the modernization and new construction of charter school (\$500 million) and technical education (\$500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at \$3 million for a new facility and \$1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes \$2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and Legislature will select among eligible projects as part of the annual state budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 state facilities funding.

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, 30, 55 and 51 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 college districts 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 solely from the proceeds of an ad valorem property tax which is required to be levied by the Counties in an amount sufficient for the payment thereof.

Major Revenues

General. 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, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for the most of the remainder. 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, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, and State aid comprise a district's revenue limit. State funding is generally subject to the appropriation of funds in the State's annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

"Basic Aid" community college districts (also referred to "community supported" districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. See also

“CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 55” herein. Thus, Basic Aid districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that the legislatively determined annual COLAs 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 determining factors. **The District currently qualifies as a Basic Aid district, and for fiscal year 2018-19, the District’s local tax collections, student fees and EPA funds are expected to exceed its revenue allocation by approximately \$50,808,093.**

Enrollment Based Funding. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 (“SB 361”). SB 361 provided for a basic allocation (a “Basic Allocation”) based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation (“CDCP”) non-credit FTES.

SB 361 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 non-credit FTES; and (c) \$3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP FTES at the same level as credit FTES. Each such minimum funding rate was subject to cost of living adjustments (each, a “COLA”), if any, funded through the State budgeting legislation in each fiscal year.

One unit of 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.

In each fiscal year, the State budget established an enrollment cap on the maximum number of resident FTES, known as the “funded” FTES, for which a community college district would receive a revenue allocation. A district’s enrollment cap was 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 were considered “unfunded” FTES. Nonresident and international students are excluded from the State funding formula and pay full tuition.

Student Centered Funding Formula. Assembly Bill 1809 (“AB 1809”), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, referred to as the “Student Centered Funding Formula,” (the “SCFF”). The SCFF includes three components: (1) a base allocation (the “Base Allocation”) driven primarily by enrollment, (2) a supplemental allocation (the “Supplemental Allocation”) based on the number of certain types of low-income students, and (3) a student success allocation (the “Student Success Allocation”) that is calculated using various performance-based metrics.

The SCFF includes several provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2018-19 through 2020-21, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2021-22 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2018-19, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above.)

Base Allocation. The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see “—Enrollment Based Funding”), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation is expected to constitute approximately 70% of Statewide funding for community college district in fiscal year 2018-19, 65% in fiscal year 2019-20 and 60% in fiscal years 2020-21 and onward.

The SCFF provides minimum funding levels for credit FTES for the first three fiscal years, as follows: (i) \$3,727 for fiscal year 2018-19, (ii) \$3,387 for fiscal year 2019-20, adjusted for COLAs and other base adjustments, and (iii) \$3,046 for fiscal year 2020-21, adjusted for COLAs and other base adjustments in both the then-current and prior fiscal year. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts, which do not include the District, that were entitled to higher funding rates under the prior funding formula. Beginning in fiscal year 2021-22, the provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See “—Enrollment Based Funding” herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

The table below shows the District’s resident FTES figures for the last nine fiscal years, along with projected FTES for the current fiscal year.

RESIDENT FULL TIME EQUIVALENT STUDENTS
Fiscal Years 2009-10 through 2018-19
West Valley-Mission Community College District

<u>Fiscal Year</u>	<u>Funded FTES</u>	<u>Unfunded FTES</u>	<u>Total FTES</u>
2009-10	17,110	179	17,289
2010-11	17,509	72	17,581
2011-12	16,108	127	16,235
2012-13	15,639	--	15,639
2013-14	14,397	--	14,397
2014-15	13,489	--	13,489
2015-16	13,448	--	13,448
2016-17	12,815	--	12,815
2017-18	12,673	--	12,673
2018-19 ⁽¹⁾	11,297	--	11,297

⁽¹⁾ Projected.

Source: West Valley-Mission Community College District.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that qualify for Federal Pell Grants, California College Promise Grants or student fee waivers under California Education Code 76300. The SCFF provides \$919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the provision of COLAs and other adjustments to this amount will be subject to appropriation therefor in the annual State budget. Headcounts are not unduplicated, such that districts will receive twice as much supplemental funding for a student that falls into more than one of the aforementioned categories.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in a various student outcome metrics, including obtaining various degrees and

certificates, completing transfer-level math and English courses within a student's first year, and having students obtain a regional living wage within a year of completing community college. The Student Success Allocation is expected to account for 10% of statewide funding for community college districts in fiscal year 2018-19, 15% in fiscal year 2019-20 and 20% in fiscal years 2020-21 and onward. Each metric is assigned a point value, with some metrics are weighted more than others. A single student outcome with more points will generate more funding. Outcome metrics for students that qualify for Federal Pell Grants and California College Promise Grants are eligible for additional funding.

For fiscal year 2018-19, the SCFF provides a rate for all students of \$440 per point, and additional \$111 per point for Pell Grant and California College Promise Grant students. For fiscal year 2019-20, these rates increase to \$660 per point and \$167 per point, respectively, subject to COLAs and other base adjustments. For fiscal year 2020-21, the rates increase to \$880 per point and \$222 per point, respectively, subject to COLAs and other base adjustments.

Budget Procedures

On or before September 15, the Board of the District is required under California Code of Regulations Section 58305, to adopt a balanced budget. Each September, every State agency, including the State 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 in the State Assembly and Senate. In May of each year, 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 community college districts at risk and, when necessary, the authority to intervene in the management of a community college district to bring about improvement in such district's financial condition. To stabilize such a district's financial condition, the State Chancellor may, as a last resort, seek an appropriation from the State 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 FTES 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.

See "WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT – General Fund Budgeting" herein for more information regarding the District's recent budgets.

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 (i.e. FTES) and per-capita personal income COLA.

Test 3, established pursuant to Proposition 111, 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 Assistance

State community college districts' principal funding formulas, and (except for Basic Aid districts as described herein) principal revenue sources, are derived from the State budget. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriters have independently verified such information.

2018-19 Budget. On June 27, 2018, the Governor signed into law the State budget for fiscal year 2018-19 (the "2018-19 Budget"). The following information is drawn from the LAO's preliminary review of the 2018-19 Budget.

To protect against potential future economic recessions, the 2018-19 Budget fully funds the BSA with a total deposit of over \$4.4 billion, including a \$2.6 billion optional deposit in addition to the Constitutionally-required deposit, and adds two additional reserves to State law: the Safety Net Reserve Fund, intended to save money specifically for future expenditures of the CalWORKs and Medi-Cal programs; and the Budget Deficit Savings Account ("BDSA"), which for 2018-19 will temporarily hold the \$2.6 billion optional BSA deposit until May 2019. In May 2019, the optional BSA deposit amount will be adjusted as necessary to reflect updated estimates of revenues, at which point it will be transferred to the BSA. The projected ending balance in the BSA at the end of the 2018-19 fiscal year is expected to equal the BSA's current constitutional maximum of 10 percent of the estimated general fund revenues for fiscal year 2018-19.

For fiscal year 2017-18, the 2018-19 Budget projects total general fund revenues and transfers of \$129.8 billion and total expenditures of \$127.0 billion. The State is projected to end the 2017-18 fiscal year with total available general fund reserves of \$16.7 billion, including \$7.3 billion in the traditional general fund reserve and \$9.4 billion in the BSA. For fiscal year 2018-19, the 2018-19 Budget projects total general fund revenues and transfers of \$133.3 billion and authorizes expenditures of \$138.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$15.9 billion, including \$2.0 billion in the traditional general fund reserve, \$13.8 billion in the BSA and \$200 million in the Safety Net Reserve Fund. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

With respect to education funding, the 2018-19 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2016-17 and 2017-18, as a result of higher general fund revenues. The 2018-19 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2016-17 at \$71.6 billion, an increase of \$252 million from the prior year. The 2018-19 Budget revises the minimum funding guarantee for fiscal year 2017-18 at \$75.6 billion, reflecting an increase of \$1.1 billion from the prior year. As part of the 2017-18 increase, the State is making an additional maintenance factor payment of \$789 million, on top of a previous \$536 million payment. After making the approximately \$1.3 billion total payment, the State will have eliminated all remaining maintenance factor for the first time since 2005-06. In both 2016-17 and 2017-18, the State is spending at the calculated minimum guarantee.

For fiscal year 2018-19, the 2018-19 Budget sets the minimum funding guarantee at \$78.4 billion, reflecting an increase of \$2.8 billion (or 3.7%) from the revised prior-year level. Fiscal year 2018-19 is

projected to be a “Test 2” year, with the increase in the minimum funding guarantee attributable to a 3.67% increase in per capita personal income. With respect to community college education, the 2018-19 Budget sets Proposition 98 funding at \$9.2 billion, including \$6.0 billion from the State general fund, reflecting an increase of \$474 million (or 5.5%) from the prior year. This increase includes \$164 million for the K-12 component of the Strong Workforce Program – excluding this amount, the total increase for community college spending from the prior year’s level is \$310 million (or 3.6%). Per-FTES spending increases \$630 (or 8.5%) to \$8,046.

Other significant features with respect to community college education funding include the following:

- *New Funding Formula* – \$175 million in ongoing and \$35 million one-time Proposition 98 funding to begin the transition to a new community college funding formula. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues – Student Centered Funding Formula.”
- *Enrollment; Apportionments* – An increase of \$60 million in Proposition 98 funding to base allocations to support a 1% growth in enrollment system-wide. The 2018-19 Budget also provides \$173 million to fund a 2.71% COLA to apportionments and \$13 million to fund a 2.71% COLA to selected categorical programs.
- *California Online College* – \$100 million in one-time Proposition 98 funding and \$20 million in ongoing Proposition 98 funding for the establishment and operation of a fully online community college (the “Online College”) to be administered by the California Community Colleges Board of Governors.
- *Online Programs for Existing Community College Districts* – \$35 million one-time Proposition 98 funding for existing community college districts to develop online programs and courses that lead to short-term industry-valued credentials or enable a student who completed a program at the Online College to continue their education at an existing community college.
- *Faculty* – \$50 million additional ongoing Proposition 98 funding for colleges to hire more full-time faculty, and \$50 million one-time Proposition 98 funding for part-time faculty office hours.
- *Financial Aid* – \$46 million in Proposition 98 funding for the expansion of the California College Promise Grant program. The 2018-19 Budget also replaces the Full-Time Student Success Grant and the Community College Completion Grant with a new program – the Community Colleges Student Success Completion Grant – intended to help financially needy community college students with their living costs. The 2018-19 Budget provides \$132 million in funding for this new program, an increase of \$41 million over the combined cost of the two prior programs in 2017-18.
- *Student Services* – Several one-time allocations for community college districts to help students with various issues of core academic instruction, including \$10 million to provide mental health services, \$10 million to address student hunger at campuses, and \$10 million to provide legal services to undocumented students.
- *Maintenance and Instructional Equipment* – \$28 million in one-time Proposition 98 funding for scheduled maintenance, special repairs, hazardous substance abatement, architectural

barrier removal, certain seismic retrofit projects, water conservation projects and replacement of instructional equipment and library materials. Funds will be allocated based on full time equivalent student enrollment.

- *Proposition 51* – \$10 million in Proposition 51 bond funds for initial design activities for six new capital outlay projects, and \$40 million in Proposition 51 bond funds for subsequent phases of 15 projects approved in the 2017-18 fiscal year.

For additional information regarding the 2018-19 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.

Proposed 2019-20 Budget. On January 10, 2019, the Governor released his proposed State budget for fiscal year 2019-20 (the "Proposed 2019-20 Budget"). The following information is drawn from the DOF's summary, and the LAO's review of, the Proposed 2019-20 Budget.

For fiscal year 2018-19, the Proposed 2019-20 Budget projects total general fund revenues and transfers of \$136.9 billion and total expenditures of \$144.1 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$18.3 billion, including \$3.9 billion in the traditional general fund reserve, \$13.5 billion in the BSA and \$900 million in the Safety Net Reserve Fund. For fiscal year 2019-20, the Proposed 2019-20 Budget projects total general fund revenues and transfers of \$142.6 billion and authorizes expenditures of \$144.2 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of \$18.5 billion, including \$2.3 billion in the traditional general fund reserve, \$15.3 billion in the BSA and \$900 million in the Safety Net Reserve Fund. The Governor notes that additional deposits to the BSA are premised on a recent opinion by the California Office of Legislative Counsel which concluded that supplemental payments to the BSA made in prior fiscal years do not count towards calculating its constitutional maximum of 10%. Under the Governor's new estimates, mandatory deposits to the BSA represent only 8.1% of State general fund taxes. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

With respect to education funding, the Proposed 2019-20 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2017-18 and 2018-19, as a result of lower-than-anticipated ADA and a year-to-year decline in State general fund revenue growth. The Proposed 2019-20 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2017-18 at \$75.5 billion, a decrease of \$120.1 million from the prior year. The Proposed 2019-20 Budget revises the minimum funding guarantee for fiscal year 2018-19 at \$77.9 billion, reflecting a decrease of \$525.7 million from the prior year. Notwithstanding these decreases, the Proposed 2019-20 Budget maintains level funding for K-14 education in these years by maintaining a \$44 million overappropriation to the fiscal year 2017-18 minimum guarantee and using settle-up payments to offset otherwise unfunded obligations in fiscal year 2018-19.

For fiscal year 2019-20, the Proposed 2019-20 Budget sets the minimum funding guarantee at \$80.7 billion, reflecting an increase of \$2.8 billion (or 3.6%) from the revised prior-year level. Fiscal year 2019-20 is projected to be a "Test 3" year. Significant features with respect to community college funding include the following:

- *Student Centered Funding Formula* – The Proposed 2019-20 Budget includes certain revisions to the Student Centered Funding Formula, including (i) funding outcomes included in the Student Success Allocation at their current rates, adjusted for inflation in fiscal year 2019-20, and (ii) establishing reasonable limits, capped at 10%, on the year-over-year

increases in resources a community college district could receive through the Student Success Allocation. See also “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA –Major Revenues – Student Centered Funding Formula.”

- *Enrollment; Apportionments* – An increase of \$26 million in Proposition 98 funding to base allocations to support a growth in enrollment system-wide. The Proposed 2019-20 Budget also provides \$248.3 million to fund a 3.46% COLA to apportionments, and \$18 million to fund a similar COLA for the Adult Education block grant program.
- *California College Promise* – \$40 million of Proposition 98 funding to support a second year of free tuition for certain qualifying students.
- *Pension Costs* – A \$3 billion, one-time payment from non-Proposition 98 funds to CalSTRS, to reduce long-term liabilities for K-14 school districts. Of this amount, \$700 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. The remaining \$2.3 billion would be paid towards employers’ long-term unfunded liability.
- *Legal Services* – An increase of \$10 million in Proposition 98 funding to provide legal services to undocumented and immigrant students, faculty and staff on district campuses.
- *Proposition 51* – \$358.7 million in Proposition 51 bond funds for 12 new and 15 continuing projects.

For additional information regarding the Proposed 2019-20 Budget, see the DOF 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.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances are 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 solely from the proceeds of an ad valorem property tax which is required to be levied by the Counties in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.

Introduction

The District was established in 1963 and provides higher education in the County and a portion of Santa Cruz County. The District operates two colleges. West Valley College, founded in 1964, is situated on a 143-acre campus in the foothills of the Santa Cruz Mountains in Saratoga, California. Mission College, which opened in 1975, is located on a 164-acre site in Santa Clara, California. The Colleges are each fully accredited by the ACCJC. For fiscal year 2018-19, the District's projected FTES count is 11,297, and taxable property within the District has an assessed valuation of \$140,799,624,585.

Administration

The governing body of the District is the Board of Trustees (the "Board"), which includes seven voting members elected by the voters of the District within seven trustee areas. The Trustees serve four-year terms. Elections for trustee positions to the Board are held every two years, alternating between three and four positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Anne Kepner	President	2022
Susan Fish	Vice President	2022
Jack Lucas	Trustee	2022
Adrienne Grey	Trustee	2020
Robert Owens	Trustee	2020
Karl Watanabe	Trustee	2020
Randi Kinman	Trustee	2020

The Chancellor of the District is appointed by the Board and reports to the Board. The Chancellor is responsible for management of the District's day-to-day operations and supervises the work of other key administrators. Brief biographies of the Chancellor and the Vice Chancellor, Administrative Services follow:

Dr. Patrick Schmitt, Chancellor. Mr. Schmitt began his tenure as Chancellor of the District in July of 2012. Previously, Mr. Schmitt served as president of Pierce College in Puyallup, Washington from 2010 to 2012. Mr. Schmitt's prior positions also include serving as campus executive officer and dean at the University of Wisconsin-Waukesha, and as associate dean, dean and vice president of instruction at South Suburban College in South Holland, Illinois. Mr. Schmitt has over 30 years of experience in higher education, including 16 as a full-time faculty member. Mr. Schmitt received a Bachelor of Arts degree in Communications and Theatre from the University of Illinois-Chicago, and a Doctorate degree from the University of Wisconsin-Madison in American 20th Century Theatre and Drama, Dramatic Theory and Criticism. He has also pursued graduate study in Instructional Technology at the University of South Florida. Dr. Schmitt will be retiring at the end of the current fiscal year, and the Board expects to select a replacement before then.

Edralin J. Maduli, Vice Chancellor, Administrative Services. Mr. Maduli was appointed as Vice Chancellor, Administrative Services of the District on April 20, 2009. Previously, Mr. Maduli served as Assistant Superintendent/Vice President, Administrative Services of San Luis Obispo County Community College District and Vice President, Business Services of Las Positas College. Mr. Maduli received his Bachelor of Science degree in Aeronautical Engineering from the California Polytechnic University (San Luis Obispo), Master of Science degree in Aeronautical Engineering from University of Oklahoma and Master of Business Administration degree from Golden Gate University in San Francisco. In November 2016, Mr. Maduli was elected to the Board of Trustees of the Chabot-Las Positas Community College District.

Labor Relations

District employees, except management and some part-time employees, are represented by four bargaining units as shown in the following table.

BARGAINING UNITS West Valley-Mission Community College District

Employees	Bargaining Unit	Expiration Date
774	West Valley-Mission Federation of Teachers	6/30/2019
303	West Valley-Mission Classified Employee Association	6/30/2021
25	Teamsters Union Local 856 – Supervisors	6/30/2019
7	Peace Officers Association	6/30/2020

Source: West Valley-Mission 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 be construed as a representation by either the District, the Municipal Advisor 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, none of the employee, employer nor State contribution rates 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 passed the 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”) into law as a part of the State’s fiscal year 2014-15 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 July 1, 2014, the employee contribution rate increased 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 the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018.

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 contributions to STRS were \$3,338,173 for fiscal year 2014-15, \$3,920,846 for fiscal year 2015-16, \$5,171,247 for fiscal year 2016-17 and \$6,436,623 for fiscal year 2017-18. The District has budgeted its contribution to STRS to be \$8,470,390 for fiscal year 2018-19.

The State also contributes to STRS, currently in an amount equal to 7.328% for fiscal year 2018-19. 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. 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, 2017 included 1,624 public agencies and 1,366 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 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 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 18.062% of eligible salary expenditures or fiscal year 2018-19. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2017-18 and fiscal year 2018-19, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6.5% in fiscal year 2017-18 and will be 7% in fiscal year 2018-19. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS were \$2,987,744 for fiscal year 2014-15, \$2,893,626 for fiscal year 2015-16, \$3,771,350 for fiscal year 2016-17 and \$5,181,100 for fiscal year 2017-18. The District has budgeted its contribution to PERS to be \$6,639,089 for fiscal year 2018-19.

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 (Schools Pool)
(Dollar Amounts in Millions)⁽¹⁾
Fiscal Years 2010-11 through 2016-17

<u>STRS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)⁽²⁾</u>	<u>Unfunded Liability (MVA)⁽²⁾</u>	<u>Value of Trust Assets (AVA)⁽³⁾</u>	<u>Unfunded Liability (AVA)⁽³⁾</u>
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
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261

<u>PERS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)</u>	<u>Unfunded Liability (MVA)</u>	<u>Value of Trust Assets (AVA)⁽³⁾</u>	<u>Unfunded Liability (AVA)⁽³⁾</u>
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	65,600	56,838	8,761	-- ⁽⁴⁾	-- ⁽⁴⁾
2014-15	73,325	56,814	16,511	-- ⁽⁴⁾	-- ⁽⁴⁾
2015-16	77,544	55,785	21,759	-- ⁽⁴⁾	-- ⁽⁴⁾
2016-17	84,416	60,865	23,551	-- ⁽⁴⁾	-- ⁽⁴⁾

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

⁽³⁾ Reflects actuarial value of assets.

⁽⁴⁾ Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

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

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on the change in actuarial assumptions adopted by the STRS Board, including the adoption of a 7% investment rate of return, recent investment experience and the insufficiency of the contributions received in fiscal year 2016-17 to cover interest on the unfunded actuarial obligation, the 2017 STRS Actuarial Valuation reports that the unfunded actuarial obligation increased by \$10.6 billion since the June 30, 2016 actuarial valuation and the funded ratio decreased by 1.1% to 62.6% over such time period. As a result, it is currently projected that there will be a need for higher contributions from the State, employers and members in the future to reach full funding by 2046.

According to the 2017 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.6%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

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%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% in fiscal year 2017-18, 7.25% in fiscal year 2018-19 and 7.00% in fiscal year 2019-20. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

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 fixed 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 new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

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 were first 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 PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The Schools Pool Actuarial Valuation as of June 30, 2017, reported that, based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2019-20 is projected to be 20.7%, with annual increases thereafter, resulting in a projected 25.5% employer contribution rate for fiscal year 2025-26.

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 Employees' 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 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.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2018, the District's proportionate shares of the STRS and PERS net pension liabilities were \$69,615,249 and \$51,165,618, respectively. For more information, see "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

Post-Employment Health Care Benefits

Benefits Plan. The District administers a single-employer defined benefit plan (the “Plan”) that provides lifetime medical and dental insurance benefits (the “Post-Employment Benefits”) to eligible retirees and their spouses hired prior to January 1, 1994. Faculty employees were eligible to receive after reaching 55 years of age, with at least 10 years of service to the District. Classified and management employees were eligible after reaching 50 years of age, with at least 10 years of service to the District. Employees hired after January 1, 1994 are not eligible for Post-Employment Benefits. As of June 30, 2018 there were 503 beneficiaries receiving benefits and 52 active plan participants.

Funding Policy. The amount of the District’s contribution per employee towards such annual premiums is determined according to the collective bargaining agreements. Currently, the District’s contribution is 50% of premiums for 10 years of service, and a 10% contribution for each additional year of service, up to 15 years. For fiscal years 2014-15 through 2017-18, total District contributions towards Post-Employment Benefits (including the cost of current premiums) were \$9,399,941, \$12,404,965, \$22,974,720 and \$6,998,111, respectively. For fiscal year 2018-19, the District has budgeted \$5,000,000 of total contributions towards Post-Employment Benefits.

The District has established a GASB-compliant irrevocable trust operated by PERS (the “OPEB Trust”) to fund its accrued liability for Post-Employment Benefits. As of June 30, 2018, the balance of funds in the OPEB Trust equaled \$69,113,673.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 (each, “GASB 74” and “GASB 75”) with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer’s financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan’s net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan’s fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position is performed based on the funding policy and assumptions of the plan, along with the

methodology specified in GASB. The Fiduciary Net Position measures the value of trust assets, adjusted for payees and receivables.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District’s financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. See also “APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11” attached hereto.

Actuarial Study. The District’s most recent actuarial study, dated as of November 10, 2017, calculated the District’s accrued liability in accordance with GASB No. 74 and GASB No. 75. The study concluded that, as of a June 30, 2017 valuation date, the District’s Total OPEB Liability was \$56,605,296, its Fiduciary Net Position was \$63,552,076 and its Net OPEB Liability was \$(6,946,780).

Risk Management

The District is exposed to various risks of loss related to property, general liability, workers’ compensation and employee benefits. These risks are addressed through a combination of commercial insurance and participation in certain public entity risk pools.

The District is a member of two Joint Power Authorities (the “JPAs”), as described below. The District pays an annual premium to the applicable entity for its workers compensation, property and general insurance coverage. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

A.	<u>Entity</u>	Northern California Community College Pool	Bay Area Community College Districts
B.	<u>Purpose</u>	Administer Workers’ Compensation Insurance	Administer Property and General Insurance
C.	<u>Participants</u>	San Jose, Evergreen, Gavilan, and West Valley-Mission Community College Districts	Nine participating Bay Area Community College Districts
D.	<u>Governing Board</u>	Member from the District	Member from the District

Land Corporation; Educational Foundation

The Mission-West Valley Land Corporation (the “Land Corporation”) is a not-for-profit corporation formed pursuant to Section 501(c)(3) of the Internal Revenue Code. The Land Corporation’s board of directors is comprised entirely of members from the District’s Board of Trustees, and was incorporated in 1985. The primary purpose of the Land Corporation is to promote the educational success of the District through various means. Currently, the Land Corporation leases 54.4 acres of District land which are subleased to commercial tenants pursuant to long-term leases with provisions that allow for market valuations of rent every five years. These leases generate approximately \$6.5 million in annual revenue, from which the Land Corporation contributes approximately \$5.3 million per year to the District’s general fund. The Land Corporation also holds additional funds that can be granted or loaned to the District. The financial activity of the Land Corporation is reported as a separate discretely presented component unit of the District.

The West Valley-Mission Community Colleges Educational Foundation (the “Foundation”) is a non-profit organization pursuant to Section 501(c)(3) of the Internal Revenue Code. The Foundation provides financial assistance to students and teachers of the District, and contributes financial to various educational programs at the District. The financial activity of the Foundation is reported as a separate discretely presented component unit of the District.

See also “APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 1” herein.

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 has released Statement No. 34, which 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.

General Fund Budgeting

The table on the following page shows the District’s general fund budgets for fiscal years 2014-15 through 2018-19 and unaudited ending results for fiscal years 2014-15 through 2017-18. For further information, see also “—Comparative Financial Statements” and “APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT” attached hereto.

GENERAL FUND BUDGETING
Fiscal Years 2014-15 through 2018-19
West Valley-Mission Community College District

	Fiscal Year 2014-15		Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19
	<u>Budgeted</u>	<u>Ending</u>	<u>Budgeted</u>	<u>Ending</u>	<u>Budgeted</u>	<u>Ending</u>	<u>Budgeted</u>	<u>Ending</u>	<u>Budgeted</u>
REVENUES:									
Federal Revenues	\$2,662,325	\$2,121,480	\$2,044,514	\$2,036,664	\$3,809,120	\$3,627,223	\$7,079,021	\$4,659,863	\$7,204,904
State Revenues	14,118,331	14,622,169	22,596,557	19,868,915	28,270,210	22,218,175	30,178,060	24,222,816	29,377,442
Local Revenues	<u>99,006,410</u>	<u>103,498,474</u>	<u>107,977,947</u>	<u>114,844,636</u>	<u>117,849,725</u>	<u>131,334,308</u>	<u>125,156,557</u>	<u>137,723,162</u>	<u>134,010,227</u>
Total Revenues	115,787,066	120,242,123	132,619,018	136,750,215	149,929,055	157,179,706	162,413,638	166,605,841	170,592,573
EXPENDITURES:									
Academic Salaries	41,366,932	44,637,653	44,823,961	43,500,991	51,734,296	50,486,055	53,860,044	54,666,134	56,461,682
Classified Salaries	20,855,366	21,036,125	23,505,209	22,645,597	27,052,830	26,182,694	30,860,257	29,526,805	32,680,258
Employee Benefits	19,836,945	19,652,482	21,441,360	22,630,002	27,984,593	24,938,758	31,079,254	28,960,153	34,042,995
Supplies and Materials	3,064,129	1,764,460	3,301,617	2,037,983	3,364,992	2,206,608	3,883,159	2,189,119	3,372,873
Other Operating Expenses and Services	11,956,074	11,744,502	17,375,378	14,071,229	19,607,460	16,121,673	21,504,806	16,336,333	20,763,917
Capital Outlay	<u>2,383,093</u>	<u>3,534,677</u>	<u>4,651,899</u>	<u>3,776,478</u>	<u>2,828,405</u>	<u>2,459,508</u>	<u>3,093,139</u>	<u>1,992,171</u>	<u>4,043,597</u>
Total Expenditures	99,462,539	102,369,899	115,099,424	108,662,280	132,572,576	122,395,296	144,280,659	133,670,715	151,365,322
Excess /(Deficiency) of Revenues over Expenditures	16,324,527	17,872,224	17,519,594	28,087,935	17,356,479	34,784,410	18,132,979	32,935,126	19,227,251
Other Financing Sources	895,792	107,726	64,347	84,321	52,593	159,842	60,501	211,721	49,918
Other Outgo	(11,149,715)	(12,621,033)	(9,631,318)	(18,545,306)	(17,771,399)	(21,772,040)	(18,687,703)	(23,633,727)	(15,645,982)
Net Increase/(Decrease) in Fund Balance	6,070,604	5,358,917	7,952,623	9,626,950	(362,327)	13,172,212	(494,223)	9,513,120	3,631,187
Beginning Fund Balance:									
Net Beginning Balance, July 1	25,702,444	25,702,444	31,061,361	31,061,362	40,688,312	40,688,312	52,706,597	52,706,597	62,219,717
Adjustments	==	==	==	==	==	<u>(1,153,928)</u>	==	==	==
Ending Fund Balance, June 30	<u>\$31,773,048</u>	<u>\$31,061,361</u>	<u>\$39,013,984</u>	<u>\$40,688,312</u>	<u>\$40,325,985</u>	<u>\$52,706,596</u>	<u>\$52,212,374</u>	<u>\$62,219,717</u>	<u>\$65,850,904</u>

⁽¹⁾ From the District's CCFS-311 Reports filed with the California Community Colleges Chancellor's Office. For audited statements of total revenues, expenditures and changes in fund balances for the District's governmental funds for fiscal years 2013-14 through 2017-18, see "—Comparative Financial Statements" herein.

Source: West Valley-Mission Community College District.

Comparative Financial Statements

The following table reflects the District's audited revenues, expenditures and changes in net assets from fiscal years 2013-14 through 2017-18.

STATEMENT OF TOTAL REVENUES AND EXPENDITURES AND CHANGES IN NET POSITION Fiscal Years 2013-14 through 2017-18 West Valley-Mission Community College District

	Fiscal Year <u>2013-14</u>	Fiscal Year <u>2014-15</u>	Fiscal Year <u>2015-16</u>	Fiscal Year <u>2016-17</u>	Fiscal Year <u>2017-18</u>
OPERATING REVENUES					
Student Tuition and Fees	\$19,312,255	\$18,132,276	\$17,969,634	\$20,191,748	\$18,209,569
Less: Scholarship discount and allowance	<u>(7,344,249)</u>	<u>(6,620,564)</u>	<u>(6,537,292)</u>	<u>(5,221,161)</u>	<u>(4,866,915)</u>
Net tuition and fees	11,968,006	11,511,712	11,432,342	14,970,587	13,342,654
Auxiliary Enterprises	4,389,921	5,070,046	4,697,235	2,435,690	1,484,602
TOTAL OPERATING REVENUES	<u>16,357,927</u>	<u>16,581,758</u>	<u>16,129,577</u>	<u>17,406,277</u>	<u>14,827,256</u>
OPERATING EXPENSES					
Salaries	65,921,158	70,530,220	72,109,009	82,930,926	89,502,089
Employee benefits	31,453,128	31,341,347	29,521,159	31,359,592	45,105,511
Supplies, materials and other operating expenses and services	21,082,294	19,185,931	22,783,335	20,517,153	31,475,620
Student financial aid	16,975,964	15,011,067	14,978,003	12,798,036	11,683,773
Depreciation	<u>11,112,758</u>	<u>13,317,265</u>	<u>17,678,322</u>	<u>14,245,662</u>	<u>14,200,066</u>
TOTAL OPERATING EXPENSES	<u>146,545,302</u>	<u>149,385,830</u>	<u>157,069,828</u>	<u>161,851,369</u>	<u>191,967,059</u>
OPERATING LOSS	<u>(130,187,375)</u>	<u>(132,804,072)</u>	<u>(140,940,251)</u>	<u>(144,445,092)</u>	<u>(177,139,803)</u>
NON-OPERATING REVENUES (EXPENSES)					
Local property taxes, levied for general purposes	74,621,039	81,229,095	88,130,384	95,577,953	118,862,021
Education Protection Account	--	--	--	--	1,267,234
Taxes levied for other specific purposes	36,667,981	11,263,521	26,119,703	25,345,903	--
Federal revenues	22,001,736	18,659,045	17,768,414	16,278,638	17,468,772
State revenues, other	15,598,308	18,050,578	21,066,912	23,411,089	26,269,536
Investment income, net	444,692	780,803	1,534,734	711,426	1,266,569
Interest expense on capital related debt	(4,344,428)	(17,190,132)	(18,319,132)	(16,298,402)	(17,964,585)
Interest income on capital asset-related debt	399,433	687,038	1,436,703	1,581,016	2,587,650
Transfer from agency funds	178,437	160,561	316,916	211,729	126,976
Transfer to agency funds ⁽¹⁾	(426,433)	(723,085)	(5,048,500)	(3,886)	(10,723,678)
Local grants and other non-operating revenue	<u>19,951,168</u>	<u>12,429,756</u>	<u>18,652,821</u>	<u>26,110,667</u>	<u>18,462,327</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>165,091,933</u>	<u>125,347,180</u>	<u>151,658,955</u>	<u>172,926,133</u>	<u>157,622,822</u>
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	<u>34,904,558</u>	<u>(7,456,892)</u>	<u>10,718,704</u>	<u>28,481,041</u>	<u>(19,516,981)</u>
State revenues, capital	353,334	617,970	6,392,561 ⁽²⁾	5,019,361	2,808,651
Gain (loss) on disposal of fixed assets	--	--	--	--	(1,141,252)
Local property taxes and revenues, capital	--	--	--	--	<u>28,960,499</u>
INCREASE IN NET ASSETS	<u>35,257,892</u>	<u>(6,838,922)</u>	<u>17,111,265</u>	<u>33,500,402</u>	<u>11,110,917</u>
NET ASSETS, BEGINNING OF YEAR	<u>126,353,892</u>	<u>76,350,613⁽⁴⁾</u>	<u>69,511,691</u>	<u>86,622,956</u>	<u>120,123,358</u>
Restatement	<u>(3,039,221)⁽³⁾</u>	--	--	--	<u>(56,858,614)⁽⁵⁾</u>
NET ASSETS, END OF YEAR	<u>\$158,572,563</u>	<u>\$69,511,691</u>	<u>\$86,622,956</u>	<u>\$120,123,359</u>	<u>\$74,375,661</u>

⁽¹⁾ Transfers to agency funds primarily reflects the District's transfers to the District's OPEB Trust, which will vary year-to-year based on available funding, as well as occasional transfers to the District's student center fund.

⁽²⁾ Year-to-year increase in State revenues, capital primarily reflects the receipt of increased, one-time funds which were authorized to be used for any locally-determined purposes, as well additional funding received from the Land Corporation.

⁽³⁾ Restatement reflects the implementation of GASB Statement No. 65, pursuant to which the District changed its method of accounting for certain debt issuance costs.

⁽⁴⁾ Reflects the implementation of GASB Statement No. 68, which effectively decreased the net beginning position as of July 1, 2014 by \$82,221,950, and results from recognizing the District's proportional shares of the STRS and PERS net pension liabilities, net of related deferred outflows of resources. See "—Retirement Systems" herein.

⁽⁵⁾ The District's beginning net position was decreased, due to an adjustment made to recognize the net OPEB liabilities following implementation of GASB 75. See "—Post-Employment Healthcare Benefits" herein, and APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 14" attached hereto.

Source: West Valley-Mission Community College District.

District Debt Structure

Long-Term Debt. A schedule of the District's general long-term debt as of June 30, 2018, is shown below:

	<u>Beginning</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Accretions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
General obligation bonds	\$403,056,994	\$100,000,000	\$118,006	\$13,485,000	\$489,690,000
Revenue bonds	56,580,000	--	--	655,000	55,925,000
Premium, net of amortization	<u>51,995,076</u>	<u>10,307,851</u>	--	<u>5,822,135</u>	<u>56,480,792</u>
Total, Bonds and Notes Payable	511,632,070	110,307,851	118,006	19,962,135	602,095,792
Compensated absences	14,550,185	1,743,307	--	--	16,293,492
Net pension liability	<u>101,393,575</u>	<u>19,387,292</u>	--	--	<u>120,780,867</u>
Total Other Liabilities	115,943,760	21,130,599	--	--	137,074,359
Total long-term obligations	<u>\$627,575,830</u>	<u>\$131,438,450</u>	<u>\$118,006</u>	<u>\$19,962,135</u>	<u>\$739,170,151</u>

Source: West Valley-Mission Community College District.

General Obligation Bonds. The District has previously issued general obligation bonds pursuant to two voter-approved authorizations, as well as four series of general obligation refunding bonds to refinance portions thereof. The Bonds will constitute the first issuance of bonds under the 2018 Authorization. The following table shows the currently outstanding prior bond issuances of the District, not including the Bonds.

OUTSTANDING GENERAL OBLIGATION BONDS West Valley-Mission Community College District

<u>Bond Issuance</u>	<u>Initial</u> <u>Principal Amount</u>	<u>Principal</u> <u>Currently</u> <u>Outstanding⁽¹⁾</u>	<u>Date of Delivery</u>
General Obligation Bonds, Election of 2004, Series B	\$14,184,692.00	\$2,385,000.00	6/2/2009
General Obligation Bonds, Election of 2004, Series C	120,815,000.00	120,815,000.00 ⁽²⁾	6/2/2009
Election of 2012 General Obligation Bonds, Series 2012A	100,000,000.00	67,095,000.00	9/13/2012
Election of 2012 General Obligation Bonds, Series 2015B	150,000,000.00	133,500,000.00	2/25/2015
2012 General Obligation Refunding Bonds	28,345,000.00	23,960,000.00	9/13/2012
2015 General Obligation Refunding Bonds	28,100,000.00	27,920,000.00	2/25/2015
2017 General Obligation Refunding Bonds, Series A	10,340,000.00	9,635,000.00	3/8/2017
2017 General Obligation Refunding Bonds, Series B	115,395,000.00	115,395,000.00	3/8/2017
Election of 2012 General Obligation Bonds, Series 2017C	100,000,000.00	100,000,000.00	10/4/2017

⁽¹⁾ As of January 1, 2019.

⁽²⁾ The 2004 Series C Bonds were refunded, on a crossover basis, with proceeds of the 2017 General Obligation Refunding Bonds, Series B, and are expected to be redeemed in their entirety on the August 1, 2019 Crossover Date, as further described herein.

The table on the following page shows the annual debt service requirements for the District's outstanding general obligation bond debt, including the Bonds.

GENERAL OBLIGATION BONDS ANNUAL DEBT SERVICE
West Valley-Mission Community College District

Year	2004 Series B	2004 Series C	2012A	2012 Refunding	2015B	2015 Refunding	2017 Refunding	2017 Refunding	2017C	The Bonds
Ending	Bonds	Bonds⁽¹⁾⁽²⁾	Bonds	Bonds	Bonds	Bonds	Bonds, Series A	Bonds, Series B⁽³⁾	Bonds	
August 1										
2019	\$2,504,250.00	\$7,836,366.00	\$5,321,506.26	\$3,522,500.00	\$5,613,150.00	\$1,396,000.00	\$787,850.00	\$5,220,950.00	\$8,901,500.00	
2020	--	10,396,366.00	5,321,306.26	3,727,500.00	5,943,150.00	1,396,000.00	863,250.00	7,805,950.00	8,556,100.00	
2021	--	10,400,462.00	5,319,056.26	3,935,500.00	6,268,250.00	1,396,000.00	910,500.00	7,861,700.00	5,676,400.00	
2022	--	10,399,814.00	5,321,056.26	4,156,000.00	6,601,650.00	1,396,000.00	949,250.00	7,918,200.00	5,948,600.00	
2023	--	10,389,117.50	5,321,806.26	4,378,000.00	6,945,650.00	1,396,000.00	995,650.00	7,964,950.00	6,229,600.00	
2024	--	10,368,372.50	5,321,056.26	4,620,500.00	7,299,250.00	1,396,000.00	1,039,250.00	8,001,950.00	6,520,200.00	
2025	--	10,352,579.00	5,318,556.26	4,861,500.00	7,671,450.00	1,396,000.00	1,085,050.00	8,049,200.00	6,824,400.00	
2026	--	10,315,546.00	5,319,056.26	--	8,053,200.00	5,906,000.00	1,134,800.00	8,085,700.00	7,136,000.00	
2027	--	10,261,414.00	5,322,056.26	--	8,445,200.00	6,180,500.00	1,194,000.00	8,106,450.00	7,459,000.00	
2028	--	10,210,510.00	5,322,056.26	--	8,850,700.00	6,470,000.00	1,244,500.00	8,136,700.00	7,792,200.00	
2029	--	10,146,853.00	5,318,806.26	--	9,277,700.00	6,757,500.00	1,305,000.00	8,155,450.00	8,139,400.00	
2030	--	10,070,443.00	5,321,125.00	--	9,713,700.00	7,071,750.00	1,364,750.00	8,167,700.00	8,499,200.00	
2031	--	19,931,280.00	5,321,925.00	--	10,166,700.00	--	--	17,952,000.00	8,865,200.00	
2032	--	20,003,634.00	5,320,075.00	--	10,639,200.00	--	--	18,331,250.00	9,246,200.00	
2033	--	20,064,280.00	5,320,350.00	--	11,124,600.00	--	--	18,720,000.00	9,645,600.00	
2034	--	20,109,621.00	5,320,850.00	--	11,625,000.00	--	--	19,114,000.00	10,056,600.00	
2035	--	20,136,060.00	5,320,600.00	--	12,143,600.00	--	--	11,055,200.00	10,482,600.00	
2036	--	--	5,321,400.00	--	12,683,400.00	--	--	--	5,562,000.00	
2037	--	--	5,319,600.00	--	13,242,200.00	--	--	--	--	
2038	--	--	--	--	16,782,800.00	--	--	--	--	
2039	--	--	--	--	17,649,400.00	--	--	--	--	
2040	--	--	--	--	18,267,600.00	--	--	--	--	
Total	<u>\$2,504,250.00</u>	<u>\$221,392,718.00</u>	<u>\$101,092,243.86</u>	<u>\$29,201,500.00</u>	<u>\$225,007,550.00</u>	<u>\$42,157,750.00</u>	<u>\$12,873,850.00</u>	<u>\$178,647,350.00</u>	<u>\$141,540,800.00</u>	

⁽¹⁾ Reflects gross debt service on the 2004 Series C Bonds, which were designated as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Pursuant to the Recovery Act, the District expects to receive a cash subsidy payment from the United States Treasury, through the Crossover Date, equal to 35% of the interest payable on the 2004 Series C Bonds on or about each interest payment date. Such subsidy payments, when received by the County on behalf of the District, are required to be deposited into the debt service fund therefor. The cash payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the Recovery Act. The subsidy payments are subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the subsidy payments by 6.2% through the end of the current federal fiscal year (September 30, 2019). In the absence of action by the U.S. Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect subsidy payments currently scheduled for receipt in future federal fiscal years. However, notwithstanding current and any future reductions, the County will be required to levy *ad valorem* taxes in an amount sufficient to pay the debt service prior to the Crossover Date.

⁽²⁾ Prior to the Crossover Date, the 2004 Series C Bonds will continue to be payable solely from *ad valorem* taxes. On the Crossover Date, such bonds are expected to be redeemed in their entirety.

⁽³⁾ Debt service on the District's 2017 General Obligation Refunding Bonds, Series B, prior to the Crossover Date, is payable from proceeds thereof on deposit in an escrow account established therefor. From and after the Crossover Date, such bonds shall be payable solely from *ad valorem* property taxes levied and collected by the Counties on taxable property within the boundaries of the District.

Revenue Bonds. On November 24, 2009 the California Community College Financing Authority (the “Authority”) concurrently issued its Revenue Bonds, Series 2009A (the “2009A Authority Bonds”) and its Revenue Bonds, Series 2009A-1 (the “2009A-1 Authority Bonds,” and together with the 2009A Authority Bonds, the “2009 Authority Bonds”), in order to finance the construction, modernization and renovation of District sites and facilities. The 2009 Authority Bonds are payable from certain revenues of the Authority consisting of (i) lease payments made by the District pursuant to a lease/purchase agreement by and between the District and the Authority, and (ii) debt service payments made by the District on certain Student Center Revenue Bonds purchased by the Authority.

On December 22, 2016, the Authority issued its Lease Revenue Refunding Bonds, Series 2016C in the aggregate principal amount of \$45,405,000 (the “2016 Authority Bonds”), to refund, on a crossover basis, the 2009A-1 Authority Bonds. Prior to August 1, 2019, the 2009A-1 Authority Bonds will remain a special obligation of the Authority payable from certain revenues of the Authority as described above. On such date, proceeds of the 2016 Authority Bonds on deposit in an escrow fund therefor will be used to redeem the 2009A-1 Authority Bonds.

The following table lists a schedule of payments due from the District.

**ANNUAL DEBT SERVICE PAYMENTS – UNDERLYING DISTRICT OBLIGATIONS⁽¹⁾
California Community College Financing Authority Revenue Bonds**

Year Ending July 15	2009A Bonds		2009A-1 Bonds⁽²⁾	
	Principal Payment	Interest Payment	Principal Payment	Interest Payment
2019	\$1,080,000.00	\$54,000.00	--	4,221,578.50
2020	--	--	\$1,315,000.00	4,221,578.50
2021	--	--	1,565,000.00	4,122,664.20
2022	--	--	1,820,000.00	4,004,944.90
2023	--	--	4,565,000.00	3,868,044.50
2024	--	--	6,405,000.00	3,524,665.20
2025	--	--	6,915,000.00	3,042,881.10
2026	--	--	7,475,000.00	2,472,186.16
2027	--	--	8,065,000.00	1,855,274.40
2028	--	--	14,415,000.00	1,189,669.96
Total	<u>\$1,080,000.00</u>	<u>\$54,000.00</u>	<u>\$52,540,000.00</u>	<u>\$32,523,487.42</u>

⁽¹⁾ The 2009 Authority Bonds are payable on each February 1 and August 1 as to interest, and August 1 as to principal. Payments on the underlying District obligations are due on January 15 and July 15 of each year

⁽²⁾ Reflects gross debt service on the 2009A-1 Authority Bonds, which were designated “Build America Bonds” for purposes of the Recovery Act, pursuant to which the Authority expects to receive, through the August 1, 2019 crossover date, a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the 2009A-1 Authority Bonds on or about each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the Recovery Act. The Authority is obligated to deposit any cash subsidy payments it receives into a debt service fund for the 2009A-1 Authority Bonds. The subsidy payments are subject to reduction (the “Sequestration Reduction”) pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the subsidy payments by 6.2% through the end of the current federal fiscal year (September 30, 2019). In the absence of action by the U.S. Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect subsidy payments currently scheduled for receipt in future federal fiscal years. However, notwithstanding current and any future reductions, the District is required to make all debt service payments from legally available sources, and to make any necessary supplemental budgetary appropriations therefor.

Lease Revenue Bonds. On August 23, 2011, the Authority concurrently issued its Lease Revenue Bonds, Series 2011B for West Valley-Mission Community College District (the “2011B Authority Bonds”) and its Lease Revenue Bonds, Series 2011C for West Valley-Mission Community College District (the “2011C Authority Bonds,” together with the 2011B Authority Bonds, the “2011 Authority Bonds”), in order to finance the construction, modernization and renovation of District sites and facilities.

On December 22, 2016, the Authority issued the 2016 Authority Bonds to refund, on a crossover basis, the 2009A-1 Authority Bonds. See “—Revenue Bonds” herein. Prior to August 1, 2019, the 2016 Authority Bonds are payable solely from the proceeds thereof on deposit in an escrow fund established therefor. The 2011 Authority Bonds are, and the 2016 Authority Bonds from and after August 1, 2019 shall be, payable from lease payments made by the District pursuant to a lease/purchase agreements by and between the District and the Authority. The following table lists a schedule of lease payments due by the District in connection with the 2011 Authority Bonds and the 2016 Authority Bonds.

ANNUAL LEASE PAYMENTS
California Community College Financing Authority Lease Revenue Bonds

Year Ending July 15	2011B Bonds ⁽¹⁾		2011C Bonds ⁽¹⁾⁽³⁾		Series 2016C Bonds ⁽²⁾		Gross Lease Payments
	Principal Component	Interest Component	Principal Component	Interest Component	Principal Component	Interest Component	
2019	--	\$223,750.00	--	\$280,050.00	--	--	\$503,800.00
2020	--	223,750.00	\$2,480,000.00	280,050.00	\$725,000.00	\$2,235,050.00	5,943,850.00
2021	--	223,750.00	--	153,644.40	930,000.00	2,213,300.00	3,520,694.40
2022	--	223,750.00	--	153,644.40	1,140,000.00	2,176,100.00	3,693,494.40
2023	--	223,750.00	--	153,644.40	3,840,000.00	2,130,500.00	6,347,894.40
2024	--	223,750.00	--	153,644.40	5,640,000.00	1,938,500.00	7,955,894.40
2025	--	223,750.00	--	153,644.40	6,105,000.00	1,656,500.00	8,138,894.40
2026	--	223,750.00	--	153,644.40	6,590,000.00	1,351,250.00	8,318,644.40
2027	\$5,000.00	223,750.00	--	153,644.40	7,090,000.00	1,021,750.00	8,494,144.40
2028	25,000.00	223,437.50	2,520,000.00	153,644.40	13,345,000.00	667,250.00	16,934,331.90
2029	285,000.00	221,875.00	--	--	--	--	506,875.00
2030	320,000.00	204,062.50	--	--	--	--	524,062.50
2031	365,000.00	184,062.50	--	--	--	--	549,062.50
2032	410,000.00	161,250.00	--	--	--	--	571,250.00
2033	460,000.00	135,625.00	--	--	--	--	595,625.00
2034	510,000.00	106,875.00	--	--	--	--	616,875.00
2035	570,000.00	75,000.00	--	--	--	--	645,000.00
2036	<u>630,000.00</u>	<u>39,375.00</u>	--	--	--	--	<u>669,375.00</u>
Total	<u>\$3,580,000.00</u>	<u>\$3,365,312.50</u>	<u>\$5,000,000.00</u>	<u>\$1,789,255.20</u>	<u>\$45,405,000.00</u>	<u>\$15,390,200.00</u>	<u>\$74,529,767.70</u>

⁽¹⁾ Lease payments with respect thereto due on January 15 and July 15 of each year.

⁽²⁾ Lease payments with respect thereto due on March 15 and November 15 of each year. Does not reflect any lease payments to pay the interest on the 2016 Authority Bonds prior to August 1, 2019, which interest payments are expected to be made exclusively from proceeds thereof on deposit in an escrow fund established therefor. However, the District is obligated to make up any shortfall in such escrow payments.

⁽³⁾ Reflects gross debt service on the 2011C Authority Bonds, which were designated as “New Clean Renewable Energy Bonds” pursuant to an irrevocable election by the District to have Sections 54C of the Code apply thereto. The District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 70% of the interest that would have payable with respect to such bonds on or about each semi-annual lease payment date, if such interest was calculated at a federal tax credit rate of 4.78%, as determined under Section 54A(b)(3) of the Code. The table above reflects gross debt service payments and does not reflect the anticipated receipt of the subsidy. Such subsidy payments are required to be deposited, as and when received, in the lease payment fund for the 2011C Authority Bonds, to be used as a credit against future debt service thereon. The subsidy payments do not constitute a full faith and credit guarantee of the United States Government, but are required to be paid by the Treasury pursuant to the Hiring Incentives to Restore Employment Act of 2010. The subsidy payments are subject to reduction (the “Sequestration Reduction”) pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the subsidy payments by 6.2% through the end of the current federal fiscal year (September 30, 2019). In the absence of action by the U.S. Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect subsidy payments currently scheduled for receipt in future federal fiscal years. However, notwithstanding current and any future reductions, the District is required to make all lease payments from legally available sources, and to make any necessary supplemental budgetary appropriations therefor.

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. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The excess of the stated redemption price at maturity over the issue price of a Bond (the first price at which a substantial amount of a maturity is to be sold to the public) 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 applicable 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 and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of the Bonds is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income for federal income tax purposes 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 gain or loss on sale or exchange of 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 CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE 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 STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. 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 for federal income tax purposes of interest (or original issue discount) on any Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render 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 continue 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 A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of community college districts. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" herein. If the safeguards are not successful in preventing a community college district from becoming insolvent, the State Chancellor and the Board of Governors, operating through a special trustee appointed by the State Chancellor, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the community college district for the adjustment of its debts. In addition, an insolvent community college district may be able to file a petition under Chapter 9 before a special trustee is appointed. Prior to such petition, if any, the community college district is required to participate in a neutral evaluation process with interested parties as provided in the Government Code or declare a fiscal emergency and adopt a resolution by a majority vote of the

governing board that includes findings that the financial state of the community college district jeopardizes the health, safety, or well-being of the residents of its jurisdiction or service area absent the protections of Chapter 9.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien

Pursuant to Section 53515 of the Government Code, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Security and Sources of Payment” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the Treasury Pool, as described in “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – SANTA CLARA COUNTY INVESTMENT POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor’s Rights

The proposed form of the approving opinion of Bond Counsel attached hereto as Appendix A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State 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 State Government Code, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

Current Undertakings. In connection with the issuance of the Bonds, the District has covenanted for the benefit of bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the District (the “Annual Reports”) by not later than nine months following the end of the District’s fiscal year (which currently ends June 30), commencing with the report for the 2018-19 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Prior Undertakings. Within the past five years, the District failed to timely file the annual report required by one of its existing continuing disclosure undertakings for fiscal year 2012-13. The District also failed to associate in a timely manner the annual report for fiscal year 2013-14 with certain of its outstanding debt.

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 or 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 Code, 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. The effective date of this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 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 legal opinion of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers thereof without cost. A copy of the proposed form of such legal opinion for the Bonds is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Bonds have been assigned ratings of "Aaa" and "AAA" by Moody's and S&P, respectively.

The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings should be obtained from the rating agencies. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official

media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

Financial Statements

The District's audited financial statements with required supplemental information for the year ended June 30, 2018, the independent auditor's report of the District, the related statements of activities and of cash flows for the year then ended, and the report dated November 1, 2018 of Cossolias Wilson Dominguez Leavitt, Certified Public Accountants (the "Auditor"), are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B 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.

Underwriting

Morgan Stanley & Co. LLC and Piper Jaffray & Co. (the "Underwriters") have agreed to purchase all of the Bonds for a purchase price of \$_____ (consisting of the principal amount of the Bonds of \$_____, plus net original issue premium of \$_____, and less an Underwriters' discount of \$_____).

The purchase contract relating to the Bonds provides that the Underwriters 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 such purchase contracts, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the inside cover page of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices. The offering prices may be changed from time to time by the Underwriters.

The Underwriters have provided the following for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should be construed as a representation of the District.

Morgan Stanley & Co. LLC, an 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.

Piper Jaffray & Co. has entered into a distribution agreement (the "Schwab Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Schwab Agreement, CS&Co. will purchase Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

ADDITIONAL INFORMATION

This Official Statement supplies information to prospective buyers of the Bonds. 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.

Some of the data contained herein 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.

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.

**WEST VALLEY-MISSION COMMUNITY
COLLEGE DISTRICT**

By: _____
Patrick Schmitt
Chancellor

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APPENDIX A

FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation Bond Counsel, proposes to render its final approving opinion with respect to the Bonds substantially in the following form.

_____, 2019

Governing Board
West Valley-Mission Community College District

Members of the Governing Board:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$_____ West Valley-Mission Community College District (Santa Clara and Santa Cruz Counties, California) Election of 2018 General Obligation Bonds, Series 2019A (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 Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code of the State of California (the “Act”), commencing with Section 53506 *et seq.*, a fifty-five percent vote of the qualified electors of the West Valley-Mission Community College District (the “District”) voting at an election held on November 6, 2018, and a resolution of the Board of Trustees of the District (the “Resolution”).
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.
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 Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. Original issue discount that accrues to the Bond Owner 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 is exempt from State of California personal income tax.

6 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 Internal Revenue Code of 1986, as amended (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 Bond Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bond Owner. 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 to the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

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APPENDIX B

2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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West Valley - Mission

Community College District

ANNUAL FINANCIAL REPORT

JUNE 30, 2018 AND 2017



COSSOLIAS | WILSON
DOMINGUEZ | LEAVITT
CERTIFIED PUBLIC ACCOUNTANTS

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
West Valley-Mission Community College District
Saratoga, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units, Mission-West Valley Land Corporation and West Valley-Mission Community College Foundation of West Valley-Mission Community College District (the District) as of and for the years ended June 30, 2018, and 2017 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, and the 2017-2018 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. 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 opinions.

Opinion

In our opinion, and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the District as of June 30, 2018, and 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principles

As discussed in Note 2 to the financial statements, the District implemented the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, "Accounting for Financial Reporting for Postemployment Benefits Other than Pensions". This Statement replaces the requirements of GASB Statements No. 45, "Accounting and Reporting for Employers Post-Employment Benefits Other than Pensions", as amended, and GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." Note disclosures and required supplementary information requirements about OPEB are also discussed. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis, the Schedule of Other Postemployment Benefits (OPEB) Funding Progress, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of District Contributions as listed in the table of contents 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information 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 1, 2018, 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.

CWDL, Certified Public Accountants

San Diego, California
November 1, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the West Valley-Mission Community College District (the District) as of June 30, 2018. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2018. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District Management.

OBJECTIVES OF THE AUDIT

The audit of the West Valley-Mission Community College District had the following objectives:

- To express an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with U. S. generally accepted accounting principles (GAAP).
- To evaluate the adequacy of the systems and procedures affecting compliance with government audit standards, guides, procedures, statutes, rules, and regulations which could have a material effect on the financial statements in accordance with government auditing standards.
- To review and report on the District's system of internal controls related to major federal programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The Statements of Net Position - page 19
- Statements of Revenues, Expenses, and Changes in Net Position – page 20
- The Statements of Cash Flows – page 21

The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term obligations.

The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities, which are supported primarily by local property taxes and State apportionment revenues. Activities are reported as either operating or non-operating. A community college depends on State apportionment for operating expenses; however, the operating expenses reflect a loss because the financial reporting model classifies State appropriations, taxes and interest income as non-operating revenues.

The Statement of Cash Flow provides an analysis of the sources and uses of cash within the operations of the District. This statement helps measure the ability to meet financial obligations as they mature.

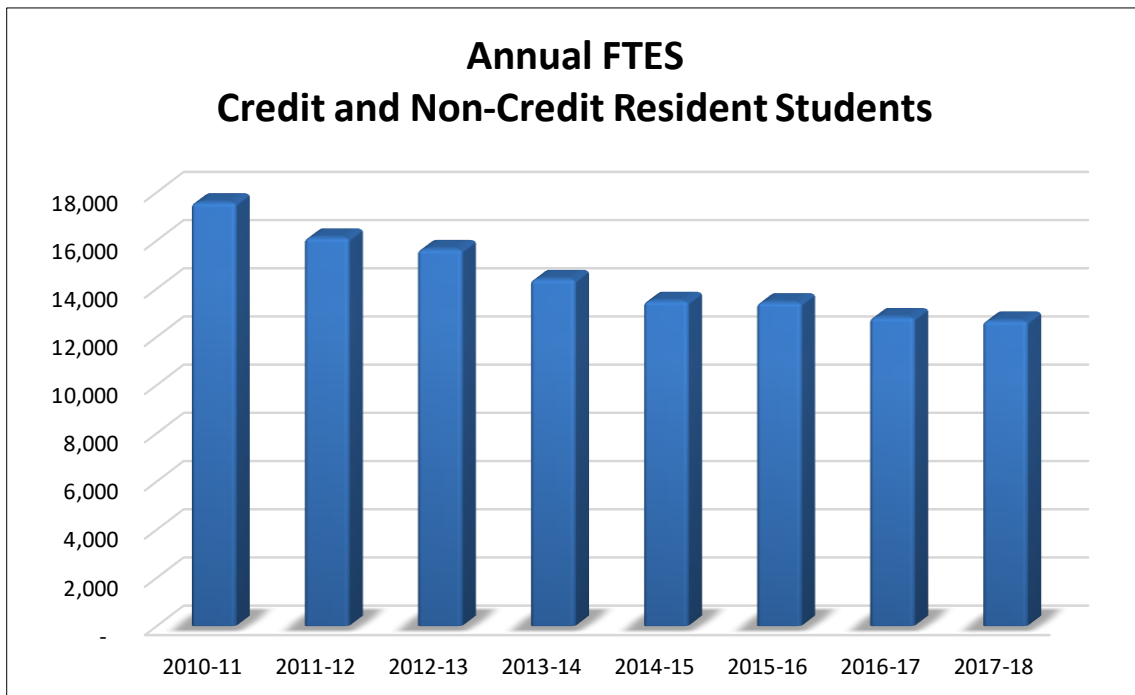
The California Community Colleges System's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial reporting purposes.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

STUDENT ATTENDANCE HIGHLIGHTS

The District reported 12,672 FTES on the CCFS-320 Annual Student Attendance Report (P-3), a decrease from the previous year's P-3 report. The decrease of FTES was due to a decline in enrollment.

Enrollment continues to be a major challenge and opportunity for the District. The colleges are aggressively pursuing additional enrollment with a combination of strategies that include marketing; targeted recruitment and outreach; program development; and additional class sections both on and off-site.



This chart illustrates total credit and noncredit FTES reported on the CCFS-320 Annual Student Attendance Report. Total FTES decreased by 143 or 1.12 percent, from FY 2016-17 to FY 2017-18.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

FINANCIAL HIGHLIGHTS

- In fiscal year 2017-18, the District received sufficient revenues from local property taxes and student fees to fully fund the State base revenue amount. This is the sixth year the District has been self-supporting or "community supported." The District gave a 5.00% salary enhancement to employees with bargaining units who had settled their contracts with the District and with "meet and confer" units. Actual revenues exceeded the Adopted Budget by approximately \$13.6 million due to one-time redevelopment monies and increased in property taxes.
- During fiscal year 2017-18, student enrollment fees were \$46 per unit, and the non-resident tuition fee was \$234 per unit. The District did not apply a foreign citizen capital outlay fee.
- As a community supported district, the District is not affected by State shortfalls or mid-year reductions. The District was able to sustain current operations and set money aside to cover the expected increase in cost for PERS and STRS pension liability.
- The District ended fiscal year 2017-18 with an Unrestricted General Fund balance of \$60.3 million. As of June 30, 2018, the Unrestricted General Fund set aside a five percent reserve of \$6.5 million and a contingency reserve of \$3.9 million. The Board of Trustees has set a goal to maintain at least a five percent reserve in the Unrestricted General fund. Board policy also allows the District to set aside no more than a three percent contingency reserve to cover unanticipated expenditures during the year. The District has set aside \$26.8 million in community support funds reserve for future allocations. The District also set aside \$20 million for Lease Revenue Bonds debt payoff. The remainder of the fund balance has been assigned to Banked Leave Liability and other specific contractual purposes.
- The District migrated all classified employees to the CalPERS medical tiered rate plans on January 1, 2015. In April 2018, faculty transitions from the prior medical composite rate plan to the CalPERS medical tiered rate plans. The District's maximum contributions for FY 2017-18 are limited to \$11,741 for single coverage, \$22,072 for two-party coverage, and \$28,270 for family coverage, annually.
- Retiree medical benefit costs have decreased due to the move to the CalPERS medical plan. The District provides retirees hired before 1994 with lifetime medical benefits. The District has accounted for retiree benefits on a "pay-as-you-go" basis. An actuarial study determined the total Other Post Employment Benefit Plan (OPEB) Liability, as of June 30, 2017, was \$56.6 million. This amount represents the present value of all benefits to be paid for current and future retirees.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

FINANCIAL HIGHLIGHTS, continued

- An on-going solution to cover the increased costs of retiree benefits is to participate in the California Employer's Retirement Benefit Trust (CERBT). The CERBT is a Section 115 Trust and is Internal Revenue Service compliant. The Board of Trustees approved a resolution in fiscal year 2011-12 authorizing the District to "deposit all or a portion of the amounts received from the State of California in connection with the construction of capital projects into an irrevocable trust under the auspices of the CalPERS and invested therein in accordance with the investment criteria established by CalPERS." It is an irrevocable trust dedicated to the purposes of pre-funding OPEB. The balance of investments in the trust account as of June 30, 2018, was \$68.2 million. The money from the trust fund has allowed the District to stabilize the cost of retiree benefits in the Unrestricted General Fund. The increase in cost can be covered by the OPEB Trust Fund.
- In fiscal year 2017-18, the Board of Trustees approved a resolution to establish a new trust fund administered through Public Agency Retirement System (PARS) to invest funds to cover future CalSTRS and CalPERS pension rate increases. The Pension Rate Stabilization Program is an IRS-approved irrevocable trust program which is designed to prefund pension obligations. The plan allows the District to securely set aside funds in a tax-exempt, IRS-compliant prefunding vehicle to mitigate long-term contribution rate growth. The balance in the Pension Stabilization Trust Fund as of June 30, 2018 was \$10.5 million.
- Student financial aid provided to qualifying students throughout the District was approximately \$11.7 million in fiscal year 2017-18. This aid is provided through grants and loans from the Federal government, the State Chancellor's Office, and local funding.
- In September 2017, the District issued General Obligation Bonds, Measure C Series 2017C in the amount of \$100 million. The bonds were issued to finance the acquisition, construction, modernization and renovation of District sites and facilities, and to pay the cost associated with the issuance of the bonds. The bonds were rated AAA by both Moody's and Standard and Poor's.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

THE DISTRICT AS A WHOLE

	2018	2017	Change	2016	Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets	\$ 294,653,095	\$ 245,374,997	\$ 49,278,098	\$ 292,260,161	\$ (46,885,164)
Noncurrent assets	523,714,345	524,326,166	(611,821)	449,941,798	74,384,368
Deferred outflow of resources	45,045,868	31,168,976	13,876,892	17,606,176	13,562,800
Total Assets and Deferred Outflows of Resources	863,413,308	800,870,139	62,543,169	759,808,135	41,062,004
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current liabilities	53,010,303	57,285,735	(4,275,432)	45,745,695	11,540,040
Noncurrent liabilities	723,834,988	611,738,840	112,096,148	598,318,255	13,420,585
Deferred inflows of resources	12,192,356	11,722,206	470,150	29,121,229	(17,399,023)
Total Liabilities and Deferred Inflows of Resources	789,037,647	680,746,781	108,290,866	673,185,179	7,561,602
NET POSITION					
Invested in capital assets, net of related debt	76,322,575	100,723,471	(24,400,896)	88,265,461	12,458,010
Restricted	55,686,073	45,828,926	9,857,147	55,808,236	(9,979,310)
Unrestricted	(57,632,987)	(26,429,039)	(31,203,948)	(57,450,741)	31,021,702
Total Net Position	\$ 74,375,661	\$ 120,123,358	\$ (45,747,697)	\$ 86,622,956	\$ 33,500,402

- Current assets consist of cash and cash equivalents, accounts receivable, and prepaid expenditures and other assets.
 - Cash and investments consist mainly of cash in the county treasury, local agency investment funds (LAIF), and investments from the Bond issuance.
 - The increase of \$49.3 million is primarily due to the increases in property tax revenues and accounts receivables from changes in expenditures for federal and state grants.

- Non-current assets consist of net OPEB asset and capital assets.
 - The net OPEB asset decreased by \$55.1 million as a result of the implementation of GASB Statement No. 75. This standard requires District's to report the total OPEB liability reduced by the value of plan assets held in an irrevocable trust. The District restated its beginning net position by \$(56.9) million due to the implementation of GASB Statement No. 75. Capital assets (net of depreciation) are the historical value of land, buildings, construction in progress and equipment less depreciation.
 - Net capital assets increased by \$54.5 million due to an increase to Construction in Progress for construction projects and capitalization of a portion of interest costs associated with the capital projects.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

THE DISTRICT AS A WHOLE, continued

- Current liabilities consist of accounts payable, interest payable, unearned revenue, due to fiduciary funds, and long-term debt (current portion).
 - Accounts payable and accrued liabilities consist mainly of payables to vendors and accrued payroll benefits.
 - Unearned revenue relates to federal, state, and local program funds that were received, but not yet earned, as of the fiscal year end. Most grants are considered earned when spent up to the amount of the award.
 - The current portion of long-term obligations consists of the principal payment to be paid in the next fiscal year for the General Obligation Bonds, Revenue Bonds, and Compensated Absences.
 - The current liabilities decreased by \$4.3 million primarily due to the decreased in unearned revenue for federal, state, and local programs.

- Non-current liabilities consist of compensated absences, net pension liability, and long-term debt (non-current portion). It consists of all the long-term debt that is to be paid beyond the next fiscal year.
 - The non-current liabilities increased by \$112.1 million due to additional long-term debt from the issues of Measure C, Series C in FY 2017-18. A portion of the increase was contributed to the increase in pension liability with the implementation of GASB 75.

- The net position decreased by \$45.7 million due to the results of the changes in assets and liabilities noted above.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

OPERATING RESULTS FOR THE YEAR

The results of this year's operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Position* on page 20.

	2018	2017	Change	2016	Change
OPERATING REVENUES					
Tuition and fees	\$ 13,342,654	\$ 14,970,587	\$ (1,627,933)	\$ 11,432,342	\$ 3,538,245
Auxiliary enterprises	1,484,602	2,435,690	(951,088)	4,697,235	(2,261,545)
Total Operating Revenues	14,827,256	17,406,277	(2,579,021)	16,129,577	1,276,700
OPERATING EXPENSES					
Salaries and benefits	134,607,600	114,290,518	20,317,082	101,630,168	12,660,350
Supplies, materials, and other operating expenses	31,475,620	20,517,153	10,958,467	22,783,335	(2,266,182)
Student financial aid	11,683,773	12,798,036	(1,114,263)	14,978,003	(2,179,967)
Depreciation	14,200,066	14,245,662	(45,596)	17,678,322	(3,432,660)
Total Operating Expenses	191,967,059	161,851,369	30,115,690	157,069,828	4,781,541
Operating Loss	(177,139,803)	(144,445,092)	(32,694,711)	(140,940,251)	(3,504,841)
NON-OPERATING REVENUES (EXPENSES)					
Property taxes	118,862,021	95,577,953	23,284,068	88,130,384	7,447,569
Education protection account	1,267,234	1,214,097	53,137	1,410,022	(195,925)
Federal revenues	17,468,772	16,278,638	1,190,134	17,768,414	(1,489,776)
State revenues	26,269,536	22,196,992	4,072,544	19,656,890	2,540,102
Interest expense, net	(14,110,366)	(14,005,960)	(104,406)	(15,347,695)	1,341,735
Transfers with fiduciary funds, net	(10,596,702)	207,843	(10,804,545)	(4,731,584)	4,939,427
Other non-operating revenues	18,462,327	26,110,667	(7,648,340)	18,652,821	7,457,846
Total Non-Operating Revenues (Expenses)	157,622,822	147,580,230	10,042,592	125,539,252	22,040,978
OTHER REVENUES (EXPENSES)					
State and local capital income	30,627,898	30,365,264	262,634	32,512,264	(2,147,000)
Change in Net Position	11,110,917	33,500,402	(22,389,485)	17,111,265	16,389,137
NET POSITION, BEGINNING OF YEAR	120,123,358	86,622,956	33,500,402	69,511,691	17,111,265
PRIOR PERIOD ADJUSTMENT (SEE NOTE 14)	(56,858,614)	-	(56,858,614)	-	-
NET POSITION, END OF YEAR	\$ 74,375,661	\$ 120,123,358	\$ (45,747,697)	\$ 86,622,956	\$ 33,500,402

- Operating revenues consist of revenues from student tuition/fees and auxiliary enterprises.
 - The decreased of \$1.6 million is due to the decline in tuition and fees as a result of declining enrollment.
 - Auxiliary revenue consists of community education funds and contract education revenues. The operation is self-supporting and contributes to the student programs on the campus. The amounts declined from prior year by \$1 million.

- Operating expenses consist of salaries/benefits, supplies, materials, other operating expenses, student financial aid disbursements, and depreciation.
 - Salaries and benefits expense increased by \$20.3 million due to increase in pension expense and salary enhancement in FY 2017-18.
 - Other operating expenses increased by \$10.9 million.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

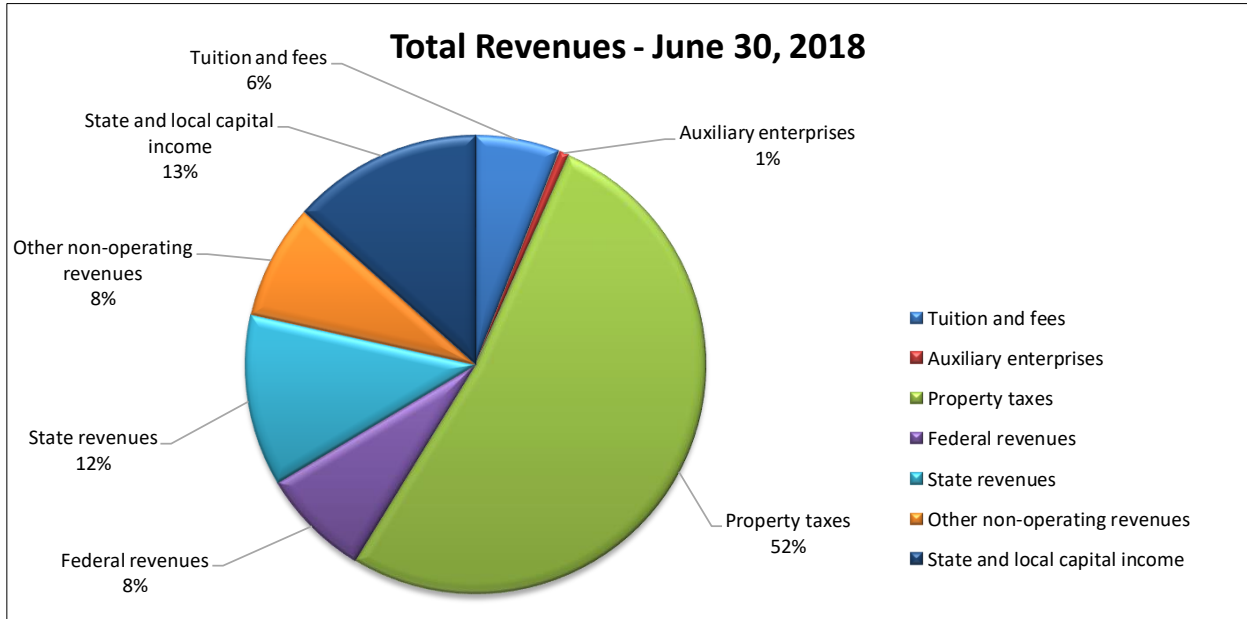
OPERATING RESULTS FOR THE YEAR, continued

- Non-operating revenues (expenses) primarily consist of property taxes, State and Federal revenues, and interest.
 - Property taxes increased by \$23.3 million due to increased property values and one-time redevelopment monies.
 - Grants and contract revenues relate primarily to student financial aid as well as to specific Federal and State grants received for programs serving the students and programs of the District. The revenues are restricted and can only be expensed based on program guidelines. (Net change is an increase of \$5.3 million.)
 - Other non-operating revenues consist primarily of local grants and Land Corporation commitments. There was a decreased of \$7.6 million in FY 2017-18.

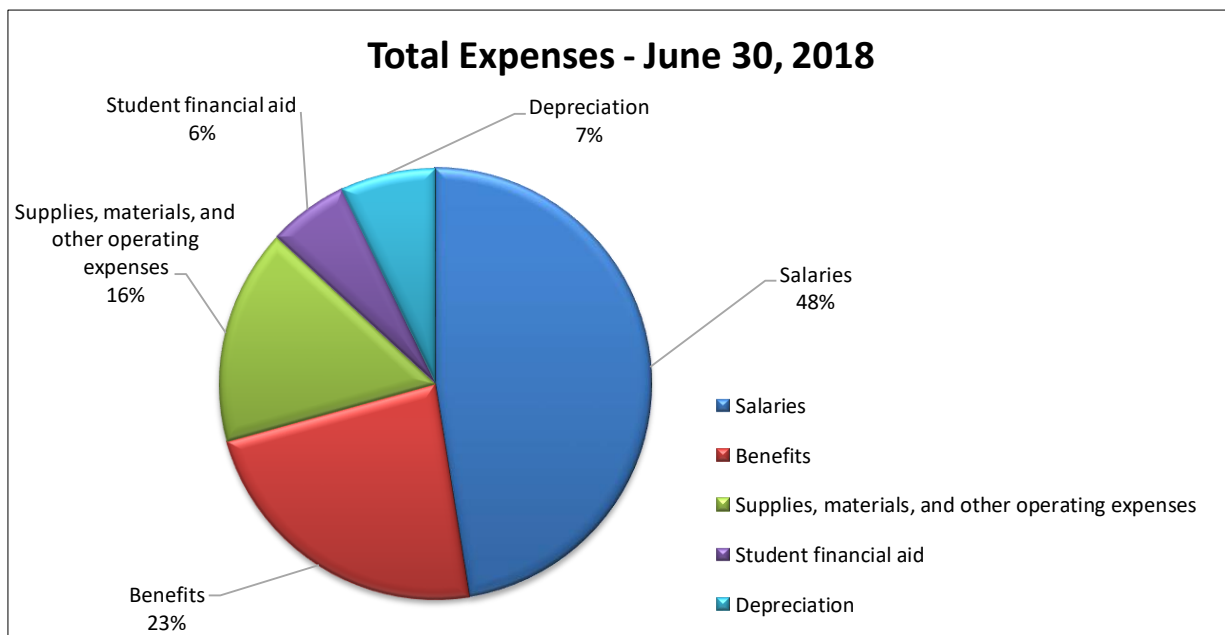
- Net position was restated by \$(56.9) million as a decrease to beginning net position as a result of the District's implementation of GASB Statement No. 75 related to Other Post-Employment Benefits. This standard brought on the District's full share of the total OPEB liability. This amount is offset with the District's irrevocable trust, resulting in a net OPEB asset as of June 30, 2018.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

OPERATING RESULTS FOR THE YEAR, continued

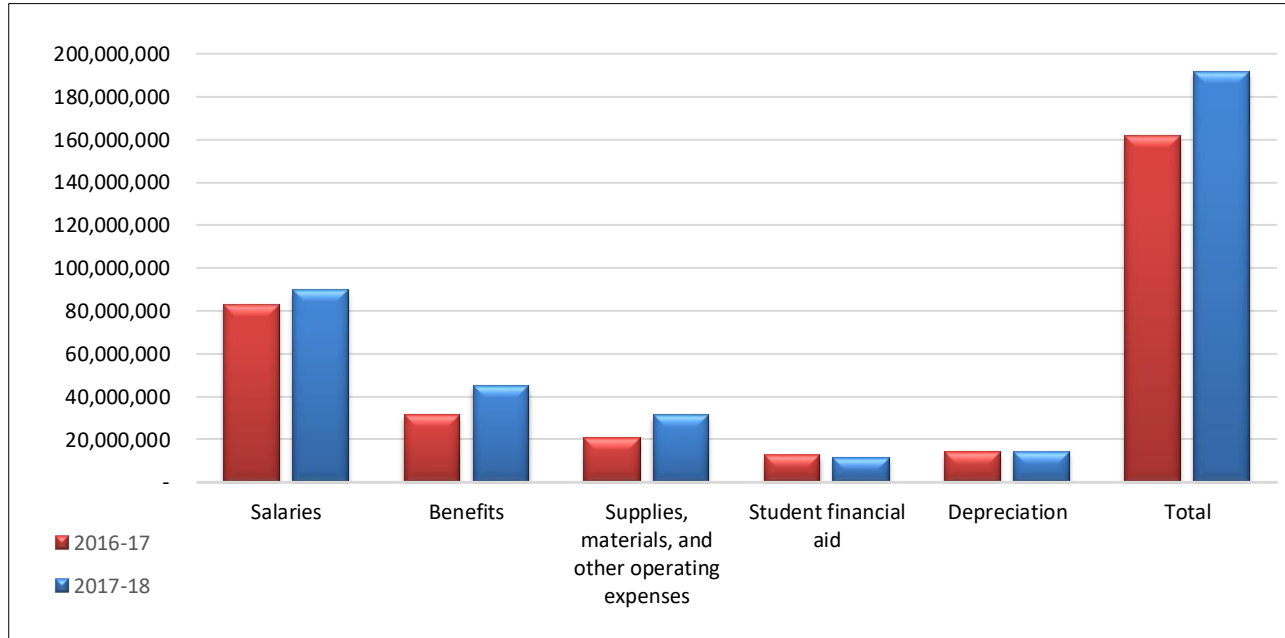


The following chart represents the District's operating expenses. The total cost of salaries and benefits accounts for 71% of the total expenditures. The other operating expenses comprise of 29% of the District expenditures, such as financial aid, instructional contracts, facilities rentals, advertising, property insurance, legal services, and many other expenses that are necessary to the operation of a college.



**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

OPERATING RESULTS FOR THE YEAR, continued



- The overall operating expenses for the District increased by 19% from the previous fiscal year end.
- Salaries and benefits have increased by 18%. This includes the effects of vacant positions, changes in benefit rates, a COLA increase, the result of changes in actuarial studies, increased contributions to Other Post Employment Benefit plan. In addition, pension expense was recognized based on service cost.
- Operating costs and supplies increased by \$11.0 million.
- Student financial aid decreased \$1.1 million due to a decrease in enrollment.
- The change in depreciation expenses is due to changes in capital assets from bond projects. This amount has remained stable year-over-year.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

OPERATING RESULTS FOR THE YEAR, continued

In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Functional expenses for the year ended June 30, 2018 for all Funds except Trust and Agency Funds are as follows:

2018	Salaries and Benefits	Operating Costs and Supplies	Student Financial Aid	Depreciation	Total
Instructional activities	\$ 62,134,922	\$ 1,572,611	\$ -	\$ -	\$ 63,707,533
Academic support	14,767,962	1,952,106	-	-	16,720,068
Student services	21,810,362	2,084,685	-	-	23,895,047
Plant operations and maintenance	6,910,423	9,251,745	-	-	16,162,168
Instructional support services	18,626,253	7,357,032	-	-	25,983,285
Community services and economic development	5,267,169	4,531,991	-	-	9,799,160
Auxiliary services and auxiliary operations	5,090,510	1,978,604	-	-	7,069,114
Student aid	-	2,746,846	11,683,773	-	14,430,619
Unallocated depreciation	-	-	-	14,200,066	14,200,066
Total	\$ 134,607,601	\$ 31,475,620	\$ 11,683,773	\$ 14,200,066	\$ 191,967,060

Functional expenses for the year ended June 30, 2017 for all Funds except Trust and Agency Funds are as follows:

2017	Salaries and Benefits	Operating Costs and Supplies	Student Financial Aid	Depreciation	Total
Instructional activities	\$ 55,312,215	\$ 503,494	\$ -	\$ -	\$ 55,815,709
Academic support	23,353,164	10,019,860	-	-	33,373,024
Student services	16,623,716	2,219,493	-	-	18,843,209
Plant operations and maintenance	5,060,009	1,823,216	-	-	6,883,225
Instructional support services	4,955,435	741,502	-	-	5,696,937
Community services and economic development	4,161,743	3,298,793	-	-	7,460,536
Auxiliary services and auxiliary operations	4,824,236	1,910,758	-	-	6,734,994
Student aid	-	37	12,798,036	-	12,798,073
Unallocated depreciation	-	-	-	14,245,662	14,245,662
Total	\$ 114,290,518	\$ 20,517,153	\$ 12,798,036	\$ 14,245,662	\$ 161,851,369

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

CHANGES IN CASH POSITION

The Statement of Cash Flows on pages 21 and 22 provides information about the cash receipts and payments during the year. This statement also assists users in assessing the District’s ability to meet its obligations as they come due and its need for external financing. The primary operating receipts are student tuition and fees. The primary operating expense of the District is the payment of salaries and benefits to staff.

While federal, state and local grants, property taxes, and enrollment fees are the primary source of non-capital related revenue, the GASB accounting standards require that this source of revenue is shown as non-operating revenue as it comes from the general resources of the State and not the primary users of the college’s programs and services – the students.

Cash Provided by (Used in)	2018	2017	Change	2016	Change
Operating activities	\$ (150,275,853)	\$ (132,621,289)	\$ (17,654,564)	\$ (126,016,364)	\$ (6,604,925)
Noncapital financing activities	168,202,926	151,121,468	17,081,458	141,938,986	9,182,482
Capital financing activities	31,109,501	(68,284,590)	99,394,091	(46,775,022)	(21,509,568)
Investing activities	1,266,569	711,426	555,143	1,534,734	(823,308)
Net Increase (Decrease) in Cash	50,303,143	(49,072,985)	99,376,128	(29,317,666)	(19,755,319)
Cash, Beginning of Year	235,054,945	284,127,930	(49,072,985)	313,445,596	(29,317,666)
Cash, End of Year	\$ 285,358,088	\$ 235,054,945	\$ 50,303,143	\$ 284,127,930	\$ (49,072,985)

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the District had \$516.8 million of capital assets, including land, buildings, and furniture and equipment. At June 30, 2017, our capital assets were \$462.3 million. The District is currently in the middle of a major capital improvement program with construction on-going throughout the college campuses. These projects are primarily funded through the general obligation bonds. These projects are accounted for within the Construction in Progress account until the project is completed, at which time the cost of the buildings and/or improvements will be brought into the depreciable Buildings and Improvement category.

Capital projects are continuing through the 2017- 2018 fiscal year and beyond with primary funding through the general obligation bond.

	2018	2017	Change	2016	Change
Capital Assets not being depreciated	\$ 190,133,686	\$ 121,825,584	\$ 68,308,102	\$ 91,443,547	\$ 30,382,037
Capital Assets being depreciated	459,938,056	463,600,036	(3,661,980)	424,644,297	38,955,739
Accumulated depreciation	(133,304,177)	(123,153,366)	(10,150,811)	(109,706,703)	(13,446,663)
Total Capital Assets	\$ 516,767,565	\$ 462,272,254	\$ 54,495,311	\$ 406,381,141	\$ 55,891,113

Debt Obligations

At the end of the 2017- 2018 fiscal year, the District had \$489.7 million of principal and accreted interest on general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the West Valley-Mission Community College District boundaries. In addition to the above obligations, the District is obligated to pay lease revenue bonds, employees of the District for vacation and load banking benefits and lease purchase agreement for equipment.

	2018	2017	Change	2016	Change
General obligation bonds	\$ 489,690,000	\$ 403,056,994	\$ 86,633,006	\$ 421,944,894	\$ (18,887,900)
Lease revenue bonds	55,925,000	56,580,000	(655,000)	64,180,000	(7,600,000)
Premiums, net	56,480,792	51,995,076	4,485,716	33,894,943	18,100,133
Compensated absences	16,293,492	14,550,185	1,743,307	12,969,283	1,580,902
Net pension liability	120,780,867	101,393,575	19,387,292	80,689,356	20,704,219
Total Long-term Liabilities	\$ 739,170,151	\$ 627,575,830	\$ 111,594,321	\$ 613,678,476	\$ 13,897,354

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Board of Trustees adopted the final budget for FY 2017-18 on September 5, 2017.

Within the District, operating costs have continually increased. Community support funds are used to cover the increased operating costs, employer retirement contributions, and taxes.

The Administration is directed to consider the following in developing the budget:

1. Maintain effective instructional and student support programs and services to foster a learning-centered environment.
2. Seek growth in Full-time Equivalent Students (FTES) to efficiently manage enrollment and class sections.
3. Improve administrative systems and organizational structures to enhance efficiency and effectiveness.
4. Control the rising cost of health care benefits through plan design, aggressive negotiations with providers, hard audits of participants and collective bargaining.
5. Effectively manage cash to meet anticipated obligations.
6. Allocate resources to address accreditation recommendations.
7. Examine all possible assets of the District to determine how such assets can generate additional revenues and aggressively pursue community and business partnerships.

The 2017-18 budget was balanced with Community Support funds. The District continues to maintain a prudent unrestricted general fund reserve of 5 percent and a board contingency reserve of no more than 3 percent.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT

The economic position of the District is dependent on the collection of property taxes and student enrollment fees. In fiscal 2017-18, the District continued to achieve community support status. The District did not have a cash flow constraint during fiscal year 2017-18. The District will continue to monitor cash on a monthly basis to ensure there is sufficient cash to support daily operations. The District set aside money in a Pension Stabilization Trust fund through PARS to cover the rising costs for CalSTRS and CalPERS pensions.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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 the West Valley-Mission Community College District:

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Ngoc.chim@wvm.edu

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION – PRIMARY GOVERNMENT
JUNE 30, 2018 AND 2017

ASSETS	2018	2017
Current Assets:		
Cash and cash equivalents	\$ 78,176,198	\$ 60,219,477
Restricted cash and cash equivalents	207,181,890	174,835,468
Accounts receivable, net	8,418,491	9,363,243
Prepaid expenditures and other assets	876,516	956,809
Total Current Assets	<u>294,653,095</u>	<u>245,374,997</u>
Noncurrent Assets:		
Net OPEB asset	6,946,780	62,053,912
Capital assets, net	516,767,565	462,272,254
Total Noncurrent Assets	<u>523,714,345</u>	<u>524,326,166</u>
TOTAL ASSETS	<u>818,367,440</u>	<u>769,701,163</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to bond refundings	7,751,485	8,182,123
Deferred outflows related to pensions	37,294,383	22,986,853
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>45,045,868</u>	<u>31,168,976</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 863,413,308</u>	<u>\$ 800,870,139</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 15,199,959	\$ 11,237,823
Interest payable	9,055,636	10,286,685
Unearned revenue	13,419,545	18,656,314
Due to fiduciary funds	-	1,267,923
Long-term debt, current portion	15,335,163	15,836,990
Total Current Liabilities	<u>53,010,303</u>	<u>57,285,735</u>
Noncurrent Liabilities:		
Compensated absences	15,950,251	14,550,185
Net pension liability	120,780,867	101,393,575
Long-term debt, non-current portion	587,103,870	495,795,080
Total Noncurrent Liabilities	<u>723,834,988</u>	<u>611,738,840</u>
TOTAL LIABILITIES	<u>776,845,291</u>	<u>669,024,575</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred charge on refunding	3,268,001	3,540,334
Deferred inflows related to pensions	8,924,355	8,181,872
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>12,192,356</u>	<u>11,722,206</u>
NET POSITION		
Net investment in capital assets	76,322,575	100,723,471
Restricted for:		
Debt service	49,278,454	43,937,676
Capital projects	3,952,079	-
Educational programs	1,895,929	1,402,722
Other special purposes	559,611	488,528
Unrestricted	<u>(57,632,987)</u>	<u>(26,429,039)</u>
TOTAL NET POSITION	<u>74,375,661</u>	<u>120,123,358</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 863,413,308</u>	<u>\$ 800,870,139</u>

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PRIMARY
GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES		
Tuition and fees	\$ 18,209,569	\$ 20,191,748
Less: Scholarship discounts and allowances	(4,866,915)	(5,221,161)
Net tuition and fees	13,342,654	14,970,587
Auxiliary enterprise sales and charges	1,484,602	2,435,690
TOTAL OPERATING REVENUES	14,827,256	17,406,277
OPERATING EXPENSES		
Salaries	89,502,089	82,930,926
Employee benefits	45,105,511	31,359,592
Supplies, materials, and other operating expenses and services	31,475,620	20,517,153
Student aid	11,683,773	12,798,036
Depreciation	14,200,066	14,245,662
TOTAL OPERATING EXPENSES	191,967,059	161,851,369
OPERATING INCOME (LOSS)	(177,139,803)	(144,445,092)
NON-OPERATING REVENUES (EXPENSES)		
Local property taxes	118,862,021	95,577,953
Education protection account	1,267,234	1,214,097
Federal revenues	17,468,772	16,278,638
State taxes and other revenues	26,269,536	22,196,992
Investment income, noncapital	1,266,569	711,426
Interest expense on capital asset-related debt	(17,964,585)	(16,298,402)
Investment income, capital	2,587,650	1,581,016
Transfer from agency funds	126,976	211,729
Transfer to agency funds	(10,723,678)	(3,886)
Local grants and other non-operating income	18,462,327	26,110,667
TOTAL NON-OPERATING REVENUES (EXPENSES)	157,622,822	147,580,230
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(19,516,981)	3,135,138
State revenues, capital	2,808,651	5,019,361
Gain (loss) on disposal of fixed assets	(1,141,252)	-
Local property taxes and revenues, capital	28,960,499	25,345,903
CHANGE IN NET POSITION	11,110,917	33,500,402
NET POSITION, BEGINNING OF YEAR	120,123,358	86,622,956
PRIOR YEAR ADJUSTMENT (SEE NOTE 14)	(56,858,614)	-
NET POSITION, END OF YEAR	\$ 74,375,661	\$ 120,123,358

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS – PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 15,822,335	\$ 13,005,086
Payments to or on behalf of employees	(125,919,947)	(119,360,077)
Payments to vendors for supplies and services	(29,155,374)	(15,903,952)
Payments to students	(12,507,469)	(12,798,036)
Auxiliary enterprise sales and charges	1,484,602	2,435,690
Net Cash Used by Operating Activities	<u>(150,275,853)</u>	<u>(132,621,289)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Property taxes, non-capital	118,862,021	95,577,953
Federal grants and contracts	17,257,665	16,484,946
State grants and contracts	23,790,996	25,810,492
Local grants and other non-operating	20,156,869	29,054,911
Contributions to trusts	(11,864,625)	(15,806,834)
Net Cash Provided by Non-capital Financing Activities	<u>168,202,926</u>	<u>151,121,468</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(68,695,377)	(66,662,193)
Loss on disposal of capital assets	(1,141,252)	-
State revenue, capital projects	2,808,651	5,019,361
Property taxes, related to capital debt	28,960,499	25,345,903
Proceeds from long-term debt, related to capital projects	99,648,653	-
Principal paid on capital debt	(12,840,973)	(13,035,000)
Interest paid on capital debt	(20,218,350)	(20,533,677)
Interest received on capital asset-related debt	2,587,650	1,581,016
Net Cash Provided (Used) by Capital Financing Activities	<u>31,109,501</u>	<u>(68,284,590)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,266,569	711,426
Net Cash Provided by Investing Activities	<u>1,266,569</u>	<u>711,426</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	50,303,143	(49,072,985)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	235,054,945	284,127,930
CASH & CASH EQUIVALENTS, END OF YEAR	<u>\$ 285,358,088</u>	<u>\$ 235,054,945</u>

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

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS – PRIMARY GOVERNMENT, Continued
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	2018	2017
Operating loss	\$ (177,139,803)	\$ (144,445,092)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation expense	14,200,066	14,245,662
On-behalf STRS contributions	2,969,133	2,300,342
Changes in Assets and Liabilities:		
Accounts receivables, net	2,479,681	(1,817,823)
Prepaid expenses	80,293	(368,999)
Net OPEB asset	(1,751,482)	(18,493,255)
Accounts payable and accrued liabilities	2,144,403	8,512,074
Unearned revenue	(823,696)	2,647,729
Compensated absences	1,743,307	(1,580,902)
Change in deferred outflows	(14,307,530)	2,801,446
Change in deferred inflows	742,483	(17,126,690)
Net pension liability	19,387,292	20,704,219
Total Adjustments	26,863,950	11,823,803
Net Cash Flows From Operating Activities	\$ (150,275,853)	\$ (132,621,289)
 CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING :		
Cash in banks	\$ 78,176,198	\$ 60,219,477
Cash equivalents, restricted	207,181,890	174,835,468
Total Cash and Cash Equivalents	\$ 285,358,088	\$ 235,054,945
 NON CASH TRANSACTIONS		
On-behalf payments for benefits	\$ 2,969,133	\$ 2,300,342

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2018 AND 2017

	Trust	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,117,900	\$ 1,090,530
Accounts receivable, net	10,561,963	102,122
Total Assets	11,679,863	1,192,652
LIABILITIES		
Accounts payable	41,357	4,290
Deferred revenue	68,127	66,724
Total Liabilities	109,484	71,014
NET POSITION		
Reserved for net pension liability	10,504,821	-
Unreserved	1,065,558	1,121,638
Total Net Position and Liabilities	\$ 11,679,863	\$ 1,192,652

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	Trust	
	2018	2017
OPERATING REVENUES:		
Local revenue	\$ 1,421,408	\$ 1,363,364
Total Operating Revenues	1,421,408	1,363,364
OPERATING EXPENSES:		
Salaries	611,583	686,939
Employee benefits	238,159	279,089
Supplies and materials	44,651	59,158
Other operating expenses	674,976	466,157
Total Operating Expenses	1,569,369	1,491,343
OTHER FINANCING SOURCES (USES)		
Operating transfers in	10,723,678	3,886
Operating transfers out	(126,976)	(211,729)
Total Other Financing Sources (Uses)	10,596,702	(207,843)
Net Change in Net Position	10,448,741	(335,822)
Beginning of Year	1,121,638	1,457,460
End of Year	\$ 11,570,379	\$ 1,121,638

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
MISSION-WEST VALLEY LAND CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 5,498,406	\$ 6,292,368
Investments	7,089,813	5,053,346
Rent receivable	-	10,849
Interest receivable	67,248	40,781
Noncurrent Assets		
Land	16,702	16,702
Lease commissions - net	532,871	547,848
Total Assets	<u>13,205,040</u>	<u>11,961,894</u>
 LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	652,612	385,346
Noncurrent Liabilities		
Refundable security deposits	550,000	550,000
Total Liabilities	<u>1,202,612</u>	<u>935,346</u>
 NET ASSETS		
Unrestricted	12,002,428	11,026,548
Total Net Assets	<u>12,002,428</u>	<u>11,026,548</u>
Total Liabilities and Net Assets	<u>\$ 13,205,040</u>	<u>\$ 11,961,894</u>

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

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
MISSION-WEST VALLEY LAND CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
UNRESTRICTED REVENUES		
Rental Income	\$ 6,281,166	\$ 5,988,310
Interest Income	177,230	150,176
Total Revenues	6,458,396	6,138,486
EXPENSES		
Grants for special projects	3,248,768	1,843,926
Grants to Advancement Foundation	602,946	550,698
Rent	1,570,291	1,495,119
Legal	19,659	135,440
Contracted services	5,943	53,985
Amortization of commissions	14,977	14,977
Audit fees	14,500	14,000
Financial services	4,388	4,770
Taxes and licenses	559	537
Office supplies and expense	-	285
Bank service charges	485	94
Total Expenses	5,482,516	4,113,831
CHANGE IN NET ASSETS	975,880	2,024,655
NET ASSETS, BEGINNING OF YEAR	11,026,548	9,001,893
NET ASSETS, END OF YEAR	\$ 12,002,428	\$ 11,026,548

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

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
MISSION-WEST VALLEY LAND CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 975,880	\$ 2,024,655
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	-	48,204
Net realized and unrealized loss on investments	81,802	80,856
Reinvested dividends	(66,805)	(18,666)
Amortization of commissions	14,977	14,977
Changes in:		
Rents receivable	10,849	655,330
Interest receivable	(26,467)	(28,809)
Accounts payable and accrued expenses	267,266	(364,152)
Net Cash Provided by (Used by) Operating Activities	<u>1,257,502</u>	<u>2,412,395</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from refundable security deposits	2,129,701	2,515,144
Purchase of investments	(4,181,165)	(7,630,680)
Net Cash Provided by (Used by) Investing Activities	<u>(2,051,464)</u>	<u>(5,115,536)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(793,962)	(2,703,141)
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR	6,292,368	8,995,509
CASH & CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,498,406</u>	<u>\$ 6,292,368</u>

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,263,794	\$ 1,047,626
Investments	17,270,925	17,193,788
Accounts receivable	-	11,550
Promises to give	1,179	126,252
Charitable remainder trust	1,086,976	1,016,882
Other assets	351,317	282,431
Total Assets	19,974,191	19,678,529
LIABILITIES		
Accrued liabilities	442,109	4,664
Total Liabilities	442,109	4,664
NET ASSETS		
Unrestricted	596,299	573,986
Temporarily restricted	9,330,860	10,153,431
Permanently restricted	9,604,923	8,946,448
Total Net Assets	19,532,082	19,673,865
Total Liabilities and Net Assets	\$ 19,974,191	\$ 19,678,529

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

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

Year Ended June 30, 2018	Unrestricted	Temporarily Restricted	Permanently Restricted	2018 Total	2017 Total
SUPPORT AND REVENUE					
Donations	\$ 1,118	\$ 301,514	\$ 658,475	\$ 961,107	\$ 1,665,380
In-kind contributions	17,941	-	-	17,941	361,876
Event Income	-	-	-	-	23,197
Interest Income	167	552,824	-	552,991	474,612
Investment Income	-	556,935	-	556,935	924,936
Other Income	6,593	78,452	-	85,045	47,343
Donated services	323,492	-	-	323,492	-
Satisfaction of programs Restrictions/Transfers	2,375,049	(2,375,049)	-	-	-
Total Support and Revenue	2,724,360	(885,324)	658,475	2,497,511	3,497,344
EXPENSES					
Program Services	2,375,049	-	-	2,375,049	909,632
Management and General	326,998	-	-	326,998	431,438
Total Expenses	2,702,047	-	-	2,702,047	1,341,070
Change in Net Assets	22,313	(885,324)	658,475	(204,536)	2,156,274
NET ASSETS, BEGINNING OF YEAR	573,986	10,153,431	8,946,448	19,673,865	17,517,891
ADJUSTMENTS	-	62,753	-	62,753	-
NET ASSETS, END OF YEAR	\$ 596,299	\$ 9,330,860	\$ 9,604,923	\$ 19,532,082	\$ 19,673,865

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (204,536)	\$ 2,156,274
Change in fair value of investments	(77,137)	(924,936)
Contributions restricted for endowment	(658,475)	-
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in:		
Accounts receivable	136,623	254,345
Other assets	(6,133)	-
Charitable trust	(70,094)	-
Accrued liabilities	437,445	(121,564)
Net Cash Provided (Used) by Operating Activities	(442,307)	1,364,119
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contribution restricted for investment in endowment	658,475	(1,113,621)
NET INCREASE (DECREASE) IN CASH	216,168	250,498
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,047,626	797,128
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,263,794	\$ 1,047,626

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 – ORGANIZATION

The West Valley-Mission Community College District (the District) was established in 1963 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering post-secondary educational services to residents of Santa Clara County. The District operates under a locally elected seven-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 community colleges located within Santa Clara County, California. While the District is a political subdivision of the State of California, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District follows GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine 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 District has determined that the West Valley-Mission Community College Foundation does not meet the criteria for inclusion under GASB 61. 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:

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consist of the primary government (the District), as well as the following component units.

- West Valley-Mission College District Financing Corporation
- Mission-West Valley Land Corporation
- West Valley-Mission Community College Foundation
- Mission College Center for Innovation and Technology

The *West Valley-Mission College District Financing Corporation* (the Corporation) is a legally separate organization component unit of the District. The Corporation was formed to provide financing assistance to the District for construction and acquisition of major capital facilities. The District appoints the Corporation's governing board. All accounting and administrative functions are performed by the District. The Corporation meets the criteria of the governing authority's ability to significantly influence operations and accountability for fiscal matters and the criteria for inclusion in the District's reporting entity and is reported as a blended component unit. The financial activities of the Corporation have been included in these financial statements in the Revenue Bond Debt Service Fund and the Capital Outlay Projects Fund. Individually-prepared financial statements are not prepared for the Corporation.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The *Mission-West Valley Land Corporation* (MWVLC) is a non-profit organization under IRS Code Section 501(c)(3). The board of the MWVLC is the same as the District's. The MWVLC meets the criteria of the governing authority's ability to significantly influence operations and accountability for fiscal matters and the criteria for inclusion in the Districts reporting entity. Its purpose is to provide programs that enhance and enrich the community life of the District both educationally and culturally. The financial activity of the MWVLC is reported as a separate discretely presented component unit. Individually-prepared financial statements can be obtained from District Business Office.

The *West Valley-Mission Community Colleges Foundation* (the Foundation) is a non-profit organization under IRS Code Section 501(c)(3). The Foundation meets the criteria of the governing authority's ability to significantly influence operations and accountability for fiscal matters and the criteria for inclusion in the Districts reporting entity. It is dedicated to providing assistance to the students, teachers, and programs of the West Valley and Mission Colleges. The financial activity of the Foundation is reported as a separate discretely presented component unit. Individually-prepared financial statements can be obtained from District Business Office.

The *Mission College Center for Innovation and Technology* (the Center) is a non-profit organization under IRS Code Section 501(c)(3). The Center does not meet the criteria of the governing authority's ability to significantly influence operations and accountability for fiscal matters and the criteria for inclusion in the Districts reporting entity. It is dedicated to providing assistance to the students, teachers, and programs of the West Valley and Mission Colleges. The financial activity of the Center is not included in this report. Individually-prepared financial statements can be obtained from District Business Office.

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 defined by GASB statements No. 34 and No. 35, as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows 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 significant intra-agency and 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, available means expected to be received within 60 days of fiscal year-end. For the District, operating revenues consist primarily of student fees and auxiliary through the bookstore and cafeteria.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 student (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.

The District reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements. The District has elected not to apply FASB pronouncements issued after November 30, 1989.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussions and Analysis for Public Colleges and Universities*, as amended by GASB Statements No. 37, No. 38, and No. 39. 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 of Fiduciary Funds including:
 - Statements of Net Position – Fiduciary Funds
 - Statements of Changes in Net Position – Fiduciary Funds
- Notes to Financial Statements

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The following is a summary of the more significant policies:

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 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 to external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments held at June 30, 2018 and 2017, 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 a 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 government or imposed by enabling legislation. Restricted assets represented investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt.

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 for potentially uncollectible student fees is based upon management's estimates and analysis. The allowance was estimated at \$500,884 and \$929,512, respectively, as of June 30, 2018 and 2017.

Prepaid Expenses

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

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$100,000 for land and buildings, \$50,000 for land improvements and building improvements and \$5,000 for equipment 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 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; building improvements, 25 years, land improvements, 20 years; and equipment, 5 to 10 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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for the pension contributions made after the measurement date of the Net Pension Obligation.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred charges on bond refunding and the difference between actual and expected rate of return on investments specific to the net pension liability.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

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 current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the entity-wide financial statements.

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 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.

The District also established policy to accrue faculty banked leave. The rates to accrue banked leave are as follows:

Banked Load Limit	Basis of Accrual
Less than 1.0	Prevailing associate / part-time faculty rate
1.0	Full-time faculty rate
1.01 but less than 2.0	First 1.0 at full-time faculty rate, the excess at part-time faculty rate
2.0	Full-time faculty rate
2.01 and more	First 2.0 at full-time faculty rate, the excess at part-time faculty rate

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences, continued

A full-time faculty member cannot earn greater than 2.0 banked loads in addition to the 2.0 of pre-retirement banked load. The absolute accumulative total of banked load at any time is 4.0. The full liability for this benefit is reported on the entity-wide financial statements.

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 are recorded as deferred revenue.

Noncurrent Liabilities

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

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represents the difference between assets and liabilities. 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: consist 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 debts.

Net position is reported as restricted when there are limitations 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. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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. Substantially all unrestricted net position is designated for educational and general operations of the District.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position, continued

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The government-wide financial statements report \$55,686,073 of restricted net position.

State Apportionments

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 reclassifications and corrections are accrued in the year in which the FTES are generated. In a year when a community college district receives sufficient revenue from local property taxes and fees to fully fund or exceeds their base revenue amount, the District will not receive any apportionment revenue from the state, therefore, the District will be self-supporting or community supported.

Property Tax

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 a General Obligation Bond Measure H in 2004 and Measure C in 2012 for the acquisition, construction and remodeling of certain District property. As a result of the passage of the Bonds, 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.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within the scholarships, discounts, and allowances 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.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, as well as other programs funded by the Federal government agencies. 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. During the years ended June 30, 2018 and 2017, the District distributed \$648,570 and \$718,349, respectively, in direct lending through the U.S. Department of Education. These amounts have been included as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students, however, the amounts are included on the Schedule of Federal Financial Assistance.

On-Behalf Payments

GASB Statement No 24 requires direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees for another legally separate entity be recognized as revenue and expenditures by the employer entity. The State of California makes direct on-behalf payments to CalSTRS and CalPERS on behalf of all community colleges in California. The California Department of Education has issued a fiscal advisory instructing districts not to record the revenue and expenditures for the on-behalf payments within the funds and account of a district. The amount of the on-behalf payments made for the District for the year ended June 30, 2018, was \$2,969,133 for CalSTRS and \$0 for CalPERS. Refer to Note 13 for additional information regarding the CalSTRS and CalPERS on behalf payments. These amounts are reflected in the District's audited financial statements.

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.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Interfund Activity

Interfund transfers and interfund receivables and payables between governmental funds are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Component Units – Mission-West Valley Land Corporation and West Valley-Mission Community Colleges Foundation Presentation

The Mission-West Valley Land Corporation (Land Corporation) and the West Valley-Mission Community Colleges Foundation (Foundation) present their financial statements in accordance with Financial Accounting Codifications. Under these reporting requirements, the component units are 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 component units do not use fund accounting.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the organization 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 Organizations and/or the passage of time.

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

Revenues and expense 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 donations.

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 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 component units are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Change in Accounting Principles

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by State and local governmental employers about financial support for OPEB 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 all postemployment benefits (pensions and OPEB) 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 GASB Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

The requirements of this Statement are effective for financial statements for periods beginning after June 30, 2017. The District has implemented GASB Statement No. 75 as of June 30, 2018.

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged; however, no such asset retirement obligations are known at this time.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements, continued

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Early implementation is encouraged. This statement is not expected to have a significant effect on the district financial reporting.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The District is in the process of determining the effect on the financial reporting.

Comparative Financial Information

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 3 - DEPOSITS 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 accounting 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	40%	30%
Banker's Acceptance	180 days	25%	10%
Commercial Paper	270 days	30%	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	20% of base	None
Reverse Repurchase Agreements	92 days	30%	None
Medium-Term Corporate Notes	5 years	20%	10%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	None	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

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 3 - DEPOSITS AND INVESTMENTS, continued

Summary of District deposits and investments

Deposits and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Total Business-Type Activities	\$ 285,358,088
Component Unit - Mission-West Valley Land Corporation	12,588,219
Component Unit - West Valley-Mission Community College Foundation	18,534,719
Fiduciary	1,113,079
Total Deposits and Investments	<u>\$ 317,594,105</u>

Deposits and investments as of June 30, 2018, consists of the following:

Cash on hand and in banks	\$ 3,176,088
Investments	314,418,017
Total Deposits and Investments	<u>\$ 317,594,105</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 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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Fair Value	Weighted Average Maturity
U.S. Treasury Cash Reserves	\$ 480,728	36 Days
Mutual funds - equities	16,039,103	Not applicable
Mutual funds - fixed income	16,539,299	Not applicable
State Pool	4,913,508	193 Days
County Pool	276,445,379	479 Days
	<u>\$ 314,418,017</u>	

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 3 - DEPOSITS AND INVESTMENTS, continued

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool are not required to be rated, nor have they been rated as of June 30, 2018.

Investment Type	Fair Value	Not Required To Be Rated	Rating as of Year-End	
			Aaa	Unrated
U.S. Treasury Cash Reserves	\$ 480,728	\$ -	\$ 480,728	\$ -
Mutual funds - equities	16,039,103	-	16,039,103	-
Mutual funds - fixed income	16,539,299	-	16,539,299	-
State Pool	4,913,508	4,913,508	-	-
County Pool	276,445,379	276,445,379	-	276,445,379
	<u>\$ 314,418,017</u>	<u>\$ 281,358,887</u>	<u>\$ 33,059,130</u>	<u>\$ 276,445,379</u>

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit.) The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2018, approximately \$1.08 million of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The California government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Santa Clara County Treasury Investment Pool and/or Local Agency Investment Funds/State Investment Pools are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2018:

Investment Type	Fair Value	Fair Value Measurements Using			Uncategorized
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
U.S. Treasury Cash Reserves	\$ 480,728	\$ -	\$ 480,728	\$ -	\$ -
Mutual funds - equities	16,039,103	16,039,103	-	-	-
Mutual funds - fixed income	16,539,299	-	16,539,299	-	-
State Pool	4,913,508	-	-	4,913,508	-
County Pool	276,445,379	-	-	-	276,445,379
	<u>\$ 314,418,017</u>	<u>\$ 16,039,103</u>	<u>\$ 17,020,027</u>	<u>\$ 4,913,508</u>	<u>\$ 276,445,379</u>

All assets have been valued using a market approach, with quoted market prices.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivables for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

	2018	2017
Federal Government		
Categorical aid	\$ 1,894,928	\$ 1,843,258
State Government		
Categorical aid	1,030,448	1,224,680
Lottery	266,932	1,227,390
Other state sources	1,269,545	91,047
Local Government		
Interest	-	395,078
Student receivables, net	1,738,499	4,218,180
Other local sources	2,218,139	363,610
Total	<u>\$ 8,418,491</u>	<u>\$ 9,363,243</u>
Student receivables	\$ 2,239,383	\$ 5,147,692
Less: Allowance for bad debt	(500,884)	(929,512)
Student receivables, net	<u>\$ 1,738,499</u>	<u>\$ 4,218,180</u>

Discretely Presented Component Units

The Mission-West Valley Land Corporation's accounts receivable consist primarily of interest receivable.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2018, was as follows:

	Beginning Balance		Beginning Balance	
	July 1, 2017	Additions	Deductions	June 30, 2018
Capital Assets not being Depreciated				
Land	\$ 2,050,827	\$ -	\$ -	\$ 2,050,827
Construction in progress	119,774,757	69,013,234	705,132	188,082,859
Total Capital Assets Not Being Depreciated	121,825,584	69,013,234	705,132	190,133,686
Capital Assets Being Depreciated				
Land improvements	44,563,072	163,155	-	44,726,227
Buildings and improvements	401,572,654	462,168	5,090,548	396,944,274
Furniture and equipment	15,444,725	867,527	36,743	16,275,509
Vehicles	2,019,585	35,677	63,216	1,992,046
Total Capital Assets Being Depreciated	463,600,036	1,528,527	5,190,507	459,938,056
Total Capital Assets	585,425,620	70,541,761	5,895,639	650,071,742
Less Accumulated Depreciation				
Land improvements	10,914,438	2,237,176	-	13,151,614
Buildings and improvements	99,114,329	10,389,513	3,949,296	105,554,546
Furniture and equipment	11,749,311	1,405,321	36,743	13,117,889
Vehicles	1,375,288	168,056	63,216	1,480,128
Total Accumulated Depreciation	123,153,366	14,200,066	4,049,255	133,304,177
Net Capital Assets	\$ 462,272,254	\$ 56,341,695	\$ 1,846,384	\$ 516,767,565

Depreciation expense for the year was \$14,200,066.

Interest expense for the year was \$24,703,518. Of this amount, \$4,703,311 was capitalized during the year.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 6 - CAPITAL ASSETS, continued

Capital asset activity for the District for the fiscal year ended June 30, 2017, was as follows:

	Beginning Balance		Beginning Balance	
	July 1, 2016	Additions	Deductions	June 30, 2017
Capital Assets not being Depreciated				
Land	\$ 2,050,827	\$ -	\$ -	\$ 2,050,827
Construction in progress	89,392,720	69,692,646	39,310,609	119,774,757
Total Capital Assets Not Being Depreciated	91,443,547	69,692,646	39,310,609	121,825,584
Capital Assets Being Depreciated				
Land improvements	42,951,366	1,717,900	106,194	44,563,072
Buildings and improvements	364,834,059	37,592,420	853,825	401,572,654
Furniture and equipment	14,877,044	579,699	12,018	15,444,725
Vehicles	1,981,828	58,876	21,119	2,019,585
Total Capital Assets Being Depreciated	424,644,297	39,948,895	993,156	463,600,036
Total Capital Assets	516,087,844	109,641,541	40,303,765	585,425,620
Less Accumulated Depreciation				
Land improvements	8,756,274	2,224,568	66,404	10,914,438
Buildings and improvements	89,314,336	10,499,451	699,458	99,114,329
Furniture and equipment	10,403,282	1,358,047	12,018	11,749,311
Vehicles	1,232,811	163,596	21,119	1,375,288
Total Accumulated Depreciation	109,706,703	14,245,662	798,999	123,153,366
Net Capital Assets	\$ 406,381,141	\$ 95,395,879	\$ 39,504,766	\$ 462,272,254

Depreciation expense for the year was \$14,245,662.

Interest expense for the year was \$20,533,677. Of this amount, \$3,668,739 was capitalized during the year.

Discretely Presented Component Unit

As of June 30, 2018, and 2017, the Mission-West Valley Land Corporation owned land with a historical cost of \$16,702.

NOTE 7 - INTERFUND TRANSACTIONS

Operating Transfers

Operating transfers between District governmental funds are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These operating transfers within governmental funds have been eliminated through consolidation within the entity-wide financial statements. During the 2017-18 fiscal year the amount transferred to fiduciary funds from the primary government funds totaled to \$10,723,678 and from fiduciary to primary government funds totaled \$126,976.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 – ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	2018	2017
Accrued payroll benefits	\$ 1,252,990	\$ 1,348,540
Federal categoricals	37,218	79,471
State categoricals	1,859,986	-
Construction project related vendors	10,696,241	7,611,400
Vendors	1,353,524	2,198,412
Total	\$ 15,199,959	\$ 11,237,823

Discretely Presented Component Units

The accounts payable of Mission-West Valley Land Corporation and the West Valley-Mission Community College District Foundation consisted primarily of amounts owed to vendors for supplies and services.

NOTE 9 – UNEARNED REVENUE

Unearned Revenue consisted of the following:

	2018	2017
Federal financial assistance	\$ 234,497	\$ 351,681
State categorical aid	6,568,592	9,181,411
Enrollment fees	3,927,436	4,751,132
Capital projects	1,946,815	2,839,779
Other local	742,205	1,532,311
Total	\$ 13,419,545	\$ 18,656,314

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 10 - LONG-TERM OBLIGATIONS

Long-term Obligations Summary

The changes in the District's long-term obligations during the 2018 fiscal year consisted of the following:

	Balance July 1, 2017	Additions	Accretions	Deductions	Balance June 30, 2018	Due Within One Year
Bonds and Notes Payable						
General obligation bonds	\$ 403,056,994	\$ 100,000,000	\$ 118,006	\$ 13,485,000	\$ 489,690,000	\$ 9,800,000
Revenue bonds	56,580,000	-	-	655,000	55,925,000	860,000
Premiums, net	51,995,076	10,307,851	-	5,822,135	56,480,792	4,331,922
Total Bonds and Notes Payable	511,632,070	110,307,851	118,006	19,962,135	602,095,792	14,991,922
Other Long-Term Liabilities						
Compensated absences	14,550,185	1,743,307	-	-	16,293,492	343,241
Net pension liability	101,393,575	19,387,292	-	-	120,780,867	-
Total Other Long-Term Liabilities	115,943,760	21,130,599	-	-	137,074,359	343,241
Total Long-Term Obligations	\$ 627,575,830	\$ 131,438,450	\$ 118,006	\$ 19,962,135	\$ 739,170,151	\$ 15,335,163

The changes in the District's long-term obligations during the 2017 fiscal year consisted of the following:

	Balance July 1, 2016	Additions	Accretions	Deductions	Balance June 30, 2017	Due Within One Year
Bonds and Notes Payable						
General obligation bonds	\$ 421,944,894	\$ 125,735,000	\$ 332,100	\$ 144,955,000	\$ 403,056,994	\$ 11,315,000
Revenue bonds	64,180,000	45,405,000	-	53,005,000	56,580,000	655,000
Premiums, net	33,894,943	21,967,123	-	3,866,990	51,995,076	3,866,990
Total Bonds and Notes Payable	520,019,837	193,107,123	332,100	201,826,990	511,632,070	15,836,990
Other Long-Term Liabilities						
Compensated absences	12,969,283	1,580,902	-	-	14,550,185	-
Net pension liability	80,689,356	20,704,219	-	-	101,393,575	-
Total Other Long-Term Liabilities	93,658,639	22,285,121	-	-	115,943,760	-
Total Long-Term Obligations	\$ 613,678,476	\$ 215,392,244	\$ 332,100	\$ 201,826,990	\$ 627,575,830	\$ 15,836,990

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 10 - LONG-TERM OBLIGATIONS, continued

Description of Debt

2004 Measure H

In November, 2014, the voters of the District approved the issuance of general obligation bonds of the District. On May 18, 2006, the District issued 2004 Measure H, Series 2004A Bonds. On June 2, 2009, the District issued 2004 Measure H, Series 2009B. Concurrently with Series B Bonds, the District issued the third and final series of bonds (2004 Measure H, Series 2009C). The outstanding debt amount as of June 30, 2018 for Series 2009B is \$4,605,000, and the 2017 Refunding is \$9,950,000 and \$115,395,000.

2009 Revenue Bonds

On November 24, 2009, the California Community College Financing Authority issued its Revenue Bonds, Series 2009A and 2009A-1 for the West Valley Mission Community College District in order to finance the construction, modernization and renovation of District sites and facilities. The outstanding debt amount as of June 30, 2018 is \$1,940,000 and 2016 Refunding of \$45,405,000. The District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 35% of the interest payable on 2009A-1.

2011 Lease Revenue Bonds

On August 23, 2011, Lease Revenue Bonds, Series 2011B and 2011C was issued to finance the solar project at Mission College and West Valley College. The outstanding debt amount as of June 30, 2018 is \$8,580,000. The District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 70% of the interest.

2012 Measure C

On June 5, 2012, the voters of the District approved the issuance of general obligation bonds of the District. On September 13, 2012, the District issued its 2012 General Obligation Bonds, Series 2012A. Concurrently with the issuance of the 2012A Bonds, the District issued its 2012 General Obligation Refunding Bonds (2012 Refunding Bonds). On February 25, 2015, the District issued its 2012 General Obligation Bonds, Series 2015B. On October 4, 2017, the District issued its 2012 General Obligation Bonds, Series 2017C. The outstanding debt service as of June 30, 2018 is \$69,265,000 for Series 2012A, \$26,055,000 for 2012 Refunding Bonds, \$136,500,000 for Series 2015B, \$27,920,000 for 2015 Refunding Bonds and \$100,000,000 for Series 2017C.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 10 - LONG-TERM OBLIGATIONS, continued

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Yield	Original Issue	Bonds				Bonds
				Outstanding July 1, 2017	Additions	Accretion	Redeemed	Outstanding June 30, 2018
6/2/2009	8/1/2019	5.00%	\$ 14,184,692	\$ 6,656,994	\$ -	\$ 118,006	\$ 2,170,000	\$ 4,605,000
9/13/2012	8/1/2037	3.375-5.00%	100,000,000	71,350,000	-	-	2,085,000	69,265,000
9/13/2012	8/1/2025	2.00-5.00%	28,345,000	27,895,000	-	-	1,840,000	26,055,000
2/25/2015	8/1/2030	2.00-5.00%	28,100,000	27,920,000	-	-	-	27,920,000
2/25/2015	8/1/2040	3.00-5.00%	150,000,000	143,500,000	-	-	7,000,000	136,500,000
3/8/2017	8/1/2030	2.00-5.00%	10,340,000	10,340,000	-	-	390,000	9,950,000
3/8/2017	8/1/2035	3.00-5.00%	115,395,000	115,395,000	-	-	-	115,395,000
10/4/2017	8/1/2016	3.00-4.00%	100,000,000	-	100,000,000	-	-	100,000,000
				\$ 403,056,994	\$ 100,000,000	\$ 118,006	\$ 13,485,000	\$ 489,690,000

The general obligation bonds mature through fiscal year 2040-41 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2019	\$ 9,800,000	\$ 20,898,231	\$ 30,698,231
2020	12,560,000	20,470,481	33,030,481
2021	13,380,000	19,965,331	33,345,331
2022	11,670,000	19,431,581	31,101,581
2023	13,125,000	18,858,706	31,983,706
2024-2028	89,875,000	82,980,231	172,855,231
2029-2033	143,110,000	56,377,984	199,487,984
2034-2038	147,475,000	21,666,225	169,141,225
2039-2041	48,695,000	3,030,900	51,725,900
Subtotal	\$ 489,690,000	\$ 263,679,670	\$ 753,369,670

Revenue Bonds

Issue Date	Maturity Date	Yield	Original Issue	Outstanding July 1, 2017	Additions	Redeemed	Outstanding June 30, 2018
11/5/2009	8/1/2028	2.00-5.00%	\$ 56,120,000	\$ 2,595,000	\$ -	\$ 655,000	\$ 1,940,000
8/3/2011	6/1/2036	3.00-6.25%	9,905,000	8,580,000	-	-	8,580,000
12/1/2016	8/1/2028	3.00-5.00%	45,405,000	45,405,000	-	-	45,405,000
				\$ 56,580,000	\$ -	\$ 655,000	\$ 55,925,000

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 10 - LONG-TERM OBLIGATIONS, continued

The revenue bonds mature through 2036 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2019	\$ 860,000	\$ 2,228,274	\$ 3,088,274
2020	4,285,000	2,814,350	7,099,350
2021	930,000	2,765,850	3,695,850
2022	1,140,000	2,601,569	3,741,569
2023	3,840,000	2,572,094	6,412,094
2024-2028	41,320,000	10,562,647	51,882,647
2029-2033	1,840,000	2,326,457	4,166,457
2034-2036	1,710,000	356,875	2,066,875
Subtotal	\$ 55,925,000	\$ 26,228,116	\$ 82,153,116

Compensated Absences and Faculty Banked Leave Liability

The District calculated the total long-term portion of compensated absences as of June 30, 2018 at \$16,293,492. Of this amount, \$12,545,940 was calculated for the unfunded faculty banked leave, \$3,747,552 for accrued vacation and compensatory time.

Aggregate Net Pension Obligation

At June 30, 2018, the liability for the aggregate net pension obligation amounted to \$120,780,867. See Note 13 for additional information.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 11 - POSTEMPLOYMENT BENEFITS

For the fiscal year ended June 30, 2018, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Benefit)
District Plan	\$ (6,946,780)	\$ -	\$ -	\$ (1,751,482)

Plan Description

The Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by West Valley-Mission Community College District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses.

	Faculty	Classified	Management
Benefit types provided	Medical and Dental	Medical and Dental	Medical and Dental
Duration of benefits	Lifetime	Lifetime	Lifetime
Required services	10 years*	10 years*	10 years*
Minimum age	55	50	50
Dependent coverage	Yes	Yes	Yes
District contribution	50-100%*	50-100%*	50-100%*
District cap	None	None	None

*Retirees receive 50% benefits for 10 years of service plus 10% for additional years of service to 100% for 15 years of service. Employees hired after January 1, 1994 are not eligible for medical benefits upon retirement.

Contribution Information

The contribution requirements of plan members and the District are established and may be amended by the District, the District's bargaining units and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the District, the District's bargaining units and the unrepresented groups. For fiscal year 2017-2018, the District did not contribute to the plan. The District recognizes the costs of providing those benefits and related costs when paid.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 11 - POSTEMPLOYMENT BENEFITS, continued

Employees Covered by Benefit Term

The following is a table of plan participants at June 30, 2018:

	Number of Participants
Inactive Employees/Dependents Receiving Benefits	503
Inactive Employees/Dependents Entitled to but not yet Receiving Benefits	-
Active Employees	52
	<u>555</u>

Contributions to Trust

Eligible employees are not permitted to make contributions to the Trust. The Plan administrator (CalPERS) shall, on behalf of the employer (District), make all contribution to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the total OPEB obligation over a period not to exceed 30 years. The District has a net OPEB asset of \$6,946,780 as of June 30, 2018.

OPEB Plan Investments

The plan discount rate of 6.5% was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Rate of Return*
US Large Cap	43%	7.8%
US Mid Cap	23%	7.8%
Long-Term Corporate Bonds	12%	5.3%
Long-Term Government Bonds	6%	4.5%
Treasury Inflation Protected Securities (TIPS)	5%	7.8%
US Real Estate	8%	7.8%
All Commodities	3%	7.8%

**Geometric average*

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 30-year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 30 years.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 11 - POSTEMPLOYMENT BENEFITS, continued

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Measurement date	June 30, 2017
Census data	The census was provided by the District as of June 30, 2016
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.75%
Investment rate of return	6.00%
Discount rate	6.00%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2009 CalSTRS mortality tables were used. For classified employees the 2014 CalPERS active mortality for miscellaneous employees were used.

Changes in the Net OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance July 1, 2016	\$ 57,196,258	\$ 42,439,058	\$ 14,757,200
Changes for the year:			
Service cost	240,286	-	240,286
Interest	3,314,416	-	3,314,416
Employer contributions	-	19,952,498	(19,952,498)
Employee contributions	-	-	-
Net investment income	-	5,349,830	(5,349,830)
Administrative expense	-	(43,646)	43,646
Benefit payments	(4,145,664)	(4,145,664)	-
Net change	(590,962)	21,113,018	(21,703,980)
Balance June 30, 2017	\$ 56,605,296	\$ 63,552,076	\$ (6,946,780)

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2018: 112%

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 11 - POSTEMPLOYMENT BENEFITS, continued

Sensitivity of the net pension liability to assumptions

The following presents the net OPEB liability calculated using the discount rate of 6.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (5.0 percent) and 1 percent higher (7.0):

	Discount Rate 1% Lower (5.0%)	Valuation Discount Rate (6.0%)	Discount Rate 1% Higher (7.0%)
Net OPEB liability	\$ (2,224,256)	\$ (6,946,780)	\$ (11,015,889)

The following table presents the net OPEB liability calculated using the health care cost trend rate of 4.0 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	Trend Rate 1% Lower (3.0%)	Valuation Trend Rate (4.0%)	Trend Rate 1% Higher (5.0%)
Net OPEB liability	\$ (11,277,888)	\$ (6,946,780)	\$ (1,974,999)

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 12 - RISK MANAGEMENT

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year ending June 30, 2018, the District contracted with the Bay Area Community College District for property and general insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2017-2018, the District participated in the Northern California Community College Pool ("NCCCCP") for workers' compensation insurance coverage. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the fiscal year ended June 30, 2018, the District reported its proportionate share of the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 69,615,249	\$ 20,492,966	\$ 5,423,006	\$ 8,031,352
CalPERS	51,165,618	16,801,417	3,501,349	9,408,616
Total	\$ 120,780,867	\$ 37,294,383	\$ 8,924,355	\$ 17,439,968

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018 AND 2017**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2018, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	9.205%*
Required employer contribution rate	14.43%	14.43%
Required state contribution rate	9.328%	9.328%

*The rate imposed on CalSTRS 2% at 62 members assuming no change in the normal cost of benefits.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2018, are presented above, and the District's total contributions were \$6,436,623.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	69,615,249
State's proportionate share of the net pension liability associated with the District		41,184,129
Total	\$	<u>110,799,378</u>

The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.075 percent and 0.076 percent, respectively, resulting in a net decrease in the proportionate share of 0.001 percent.

For the year ended June 30, 2018, the District recognized pension expense of \$8,031,352. In addition, the District recognized pension expense and revenue of \$2,167,564 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 2,944,711
Differences between expected and actual experience	257,444	1,242,388
Changes in assumptions	12,896,715	-
Net changes in proportionate share of net pension liability	902,184	1,235,907
District contributions subsequent to the measurement date	6,436,623	-
Total	\$ 20,492,966	\$ 5,423,006

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ 1,404,580
2020	1,404,580
2021	1,404,582
2022	283,352
2023	1,943,884
Thereafter	2,192,359
	\$ 8,633,337

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 2010, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant. Based on the model for CalSTRS consulting actuary investment practice, a best estimate range was determined assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentile for the long-term distribution of annualized returns.

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

The assumed asset allocation is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Global Equity	47%	6.30%
Fixed Income	12%	0.30%
Real Estate	13%	5.20%
Private Equity	13%	9.30%
Cash/Liquidity	2%	-1.00%
Absolute Return/Risk Mitigation Strategies	9%	2.90%
Inflation Sensitive	4%	3.80%
	100%	

*20-year geometric average

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 102,217,287	\$ 69,615,249	\$ 43,156,486

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement

System (CalPERS) Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) and the Safety Risk Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These report(s) and CalPERS audited financial information are publically available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2018, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	6.000%
Required employer contribution rate	13.89%	13.89%

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2018, are presented above, and the total District contributions were \$5,181,100.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2018, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$51,165,618. The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.214 percent and 0.204 percent, respectively, resulting in a net increase in the proportionate share of 0.010 percent.

For the year ended June 30, 2018, the District recognized pension expense of \$9,408,616. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 810,321	\$ -
Differences between expected and actual experience	1,989,900	-
Changes in assumptions	7,473,544	573,199
Net changes in proportionate share of net pension liability	1,346,552	2,928,150
District contributions subsequent to the measurement date	5,181,100	-
Total	\$ 16,801,417	\$ 3,501,349

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ 2,754,084
2020	3,267,547
2021	2,729,939
2022	(632,602)
	\$ 8,118,968

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 1997, through June 30, 2011
Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns.

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10*	Real Return Years 11+**
Global Equity	47%	4.90%	5.38%
Fixed Income	19%	0.80%	2.27%
Inflation Assets	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%
	100%		

*An expected inflation of 2.5% used for this period

**An expected inflation of 3.0% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Plan's net pension liability	\$ 75,281,021	\$ 51,165,618	\$ 31,159,873

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, continued

Social Security

As established by Federal law, all public-sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its alternative plan for full time employees. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee's gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

Alternative Plan

The District offers Accumulation Program for Part-Time and Limited Service Employees (Apple Plan) approved in 1991 for part-time employees who are not members of CalSTRS and CalPERS. The District contributes 4 percent of their salary on behalf of the employees to the plan.

On Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for community college education. These payments consist of state general fund contributions of approximately \$2,969,133 to CalSTRS.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The beginning net position decreased by \$56,858,614. This was due to adjustments made to bring on the net OPEB liabilities following the District's implementation of GASB Statements No. 75 during the year ended June 30, 2018. See Note 2, Summary of Significant Accounting Policies, Change in Accounting Principles for further details on the implementation of GASB Statements No. 75.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal, State and Local 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.

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, 2018.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 15 - COMMITMENTS AND CONTINGENCIES, continued

Construction Commitments

As of June 30, 2018, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitments	Expected Date of Completion
West Valley College		
Applied Arts and Sciences Renovation	\$ 140,476	10/31/2018
Business Division and Admin Justice Renovation	1,821,739	12/30/2018
Planetarium New Building	70,670	6/30/2019
Hum-Fine Arts Building Renovation	9,175	12/30/2018
Student Services Center	10,642,505	12/30/2019
Athletic Field Turf Restoration - Phase I	1,429,351	8/30/2020
Mission College		
Main Building Replacement: Phase II	120,324	12/30/2018
Main Building Demo and Plaza Landscape	2,038,942	6/30/2022
Technology Enhanced Building	1,287,976	8/30/2020
Wellness and Human Performance Center	5,250	12/30/2018
Districtwide		
District Facilities Building Replacement	278,796	12/30/2018
HVAC/Lighting Energy Retrofit	236,800	12/30/2018
Security, Safety and Monitoring	8,513	8/30/2019
	<u>\$ 18,090,517</u>	

NOTE 16 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Northern California Community College Pool ("NCCCP") and the Bay Area Community College District (BACCD) Joint Powers Authority JPAs. The District pays annual premiums for its property and general liability and workers' compensation coverage. The relationship between the District and the JPA is such that it is not a component unit 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, 2018, the District made payments of \$1,266,929 and \$590,766 to NCCCP and BACCD, respectively.

REQUIRED SUPPLEMENTAL INFORMATION

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018**

	2018
Total OPEB liability	
Service cost	\$ 240,286
Interest	3,314,416
Benefit payments	(4,145,664)
Net change in total OPEB liability	(590,962)
Total OPEB liability, beginning of year	57,196,258
Total OPEB liability, end of year (a)	<u>\$ 56,605,296</u>
Plan fiduciary net position	
Employer contributions	\$ 19,952,498
Employee contributions	-
Net investment income	5,349,830
Administrative expense	(43,646)
Benefit payments	(4,145,664)
Change in plan fiduciary net position	<u>21,113,018</u>
Fiduciary trust net position, beginning of year	42,439,058
Fiduciary trust net position, end of year (b)	<u>\$ 63,552,076</u>
Net OPEB liability (asset), ending (a) - (b)	\$ (6,946,780)
Covered payroll	\$ 4,868,772
Plan fiduciary net position as a percentage of the total OPEB liability	112%
Net OPEB asset as a percentage of covered payroll	143%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF CONTRIBUTIONS – OPEB
 FOR THE YEAR ENDED JUNE 30, 2018**

	2018
Actuarially determined contribution	\$ 7,009,091
Contributions in relations to the actuarially determined contribution	19,952,498
Contribution deficiency (excess)	\$ (12,943,407)
Covered-employee payroll	\$ 4,868,772
Contribution as a percentage of covered-employee payroll	143.96%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018**

Cal STRS	2018	2017	2016	2015
District's proportion of the net pension liability	0.075%	0.076%	0.074%	0.077%
District's proportionate share of the net pension liability	\$ 69,615,249	\$ 61,116,464	\$ 49,594,453	\$ 44,819,057
State's proportionate share of the net pension liability associated with the District	41,184,129	34,792,513	26,229,999	27,063,682
Total	<u>\$ 110,799,378</u>	<u>\$ 95,908,977</u>	<u>\$ 75,824,452</u>	<u>\$ 71,882,739</u>
District's covered - employee payroll	\$ 44,605,842	\$ 36,565,856	\$ 34,569,782	\$ 32,770,268
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	156.07%	167.14%	143.46%	136.77%
Plan fiduciary net position as a percentage of the total pension liability	69.0%	70.0%	74.0%	76.5%
Cal PERS	2018	2017	2016	2015
District's proportion of the net pension liability	0.214%	0.204%	0.211%	0.229%
District's proportionate share of the net pension liability	\$ 51,165,618	\$ 40,277,100	\$ 31,094,903	\$ 26,012,297
District's covered - employee payroll	\$ 37,300,936	\$ 24,427,967	\$ 26,112,078	\$ 24,245,700
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	137.17%	164.88%	119.08%	107.29%
Plan fiduciary net position as a percentage of the total pension liability	71.9%	73.9%	79.4%	83.4%

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in Net OPEB Liability and Related Ratios

The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of Contributions – OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Schedule of District Contributions – Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation for either CalSTRS or CalPERS.

Changes in Assumptions

The discount rate for CalPERS was 7.65% as of June 30, 2017 and 7.15% as of June 30, 2018. The discount rate for CalSTRS was 7.60% as of June 30, 2017 and 7.10% as of June 30, 2018. The change in discount rate increased the total net pension liability for each plan.

SUPPLEMENTARY INFORMATION

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
DISTRICT ORGANIZATION
JUNE 30, 2018**

The West Valley-Mission Community College District was established in January, 1963. The District encompasses areas primarily in Santa Clara County and also Santa Cruz County, California. The administrative offices of the District are located in Saratoga, California. There were no changes in the boundaries of the District during the current year. The District's colleges are each accredited by the Western Association of Schools and Junior Colleges.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Anne Kepner	President	2018
Susan Fish	Vice President	2018
Adrienne Grey	Member	2020
Jack Lucas	Member	2018
Randi Kinman	Member	2020
Robert Owens	Member	2020
Karl Watanabe	Member	2020
Lani Yoshimoto	Student Trustee MC	2018
Mikela Lazari	Student Trustee WVC	2018

DISTRICT ADMINISTRATION

Patrick Schmitt, Ph.D.
Chancellor

Edralin J. Maduli
Vice Chancellor, Administrative Services

Bradley J. Davis
President, West Valley College

Daniel Peck
President, Mission College

Albert M. Moore
Associate Vice Chancellor, Human Resources

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Number	Program Revenues				Total Program Expenditures
			Cash Received	Accounts Receivable	Deferred Revenue	Total Revenue	
U.S. DEPARTMENT OF EDUCATION							
Student Financial Aid Cluster							
Pell Grant	84.063	[1]	\$ 8,870,191	\$ 950,363	\$ -	\$ 9,820,554	\$ 9,820,554
Supplemental Educational Opportunity Grant (SEOG)	84.007	[1]	364,343	-	-	364,343	364,343
Federal Work Study Program	84.033	[1]	225,325	74,662	-	299,987	299,987
Federal Direct Student Loans	84.032	[1]	604,100	44,470	-	648,570	648,570
Student Financial Aid Administration Allowance	85.063	[1]	30,525	1,268	11,653	20,140	85,605
Student Financial Aid Veteran Admin			8,033	-	5,856	2,177	2,177
TRiO Project - ACCESS	84.042A	[1]	436,799	154,492	-	591,291	591,291
Higher Education - Institutional Aid (AANAPISI) - STEMlink	84.031L	[1]	315,817	60,428	-	376,245	376,245
Higher Education - Institutional Aid (HSI) - STEMlink	84.031C	[1]	1,000,324	141,497	-	1,141,821	1,141,821
Higher Education - Institutional Aid - Title Part III	84.031A	[1]	393,837	83,340	-	477,177	477,177
Pass-Through California State Chancellor's Office Perkins, Title I-C							
	84.048	[1]	148,184	97,585	-	245,769	245,769
			12,397,478	1,608,105	17,509	13,988,074	14,053,539
U.S. DEPARTMENT OF LABOR							
American Apprenticeship	17.268	[1]	229,382	109,488	-	338,870	338,870
U.S. DEPARTMENT OF AGRICULTURE							
Pass-Through California Department of Education Child and Adult Care Food Program							
	10.558	[2]	35,010	-	-	35,010	35,010
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
ProjectARISE							
	93.243	[1]	72,344	26,687	-	99,031	99,031
Pass-Through California State Chancellor's Office Temporary Assistance to Needy Families (TANF)							
	93.558	[2]	51,998	16,420	-	68,418	68,418
Pass-Through Santa Clara County							
CalWORKS	93.558	[2]	139,575	17,927	-	157,502	157,502
Title IV-E	93.658	[2]	1,151,256	42,963	216,988	977,231	1,054,572
Medical Assistance Program (MAA)	93.778	[2]	91,845	-	91,565	280	280
Title IV-E - Foster Care	93.658	[2]	11,359	23,809	-	35,168	35,168
Foster and Kinship Care Education			71,514	48,875	-	120,389	120,389
			1,854,283	286,169	308,553	1,831,899	1,909,240
Total			\$ 14,251,761	\$ 1,894,274	\$ 326,062	\$ 15,819,973	\$ 15,962,779

[1] Not applicable

[2] Not available

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR YEAR ENDED JUNE 30, 2018**

Program	Program Revenues				Total Revenue	Total Program Expenditures
	Cash Received	Accounts Receivable	Accounts Payable	Deferred Revenue		
Lottery - Restricted	\$ 1,299,358	\$ 266,932	\$ -	\$ 578,926	\$ 987,364	\$ 987,364
Basic Skills	582,221	-	-	419,405	162,816	162,816
State Financial Aid 2%	315,769	-	-	233,536	82,233	82,233
Economic Workforce Development: Deputy Sector Navigator (DSN)	213,307	283,118	-	-	496,425	496,425
Staff Development	10,757	-	-	-	10,757	10,757
Human Resources Staff Diversity	75,066	-	-	37,081	37,985	37,985
AB86Water-CA Career Pathways Trust	3,714,505	-	1,079,156	-	2,635,349	2,635,349
California Apprenticeship Initiative	-	257,335	-	-	257,335	257,335
MetroEd Consortium Partnership	56,486	24,829	-	-	81,315	81,315
Silicon Valley Engineering Tech Path (SV ETP)	36,924	87,928	-	-	124,852	124,852
Adult Education Block Grant (AEBG)	698,281	-	-	161,941	536,340	536,340
Instructional Block Grant	219,066	-	-	37,250	181,816	181,816
Basic Skills Partnership	-	57,354	-	-	57,354	57,354
CA College Promise Grant	749,887	-	-	546,886	203,001	203,001
Apprenticeship RSI	183,000	-	-	182,918	82	82
Veteran's Resource Center	37,254	-	-	29,270	7,984	7,984
Guided Pathways	363,859	-	-	363,859	-	-
Extended Opportunity Programs and Services (EOPS)	1,338,439	-	30,596	987	1,306,856	1,306,856
Cooperative Agencies Resources for Education (CARE)	141,369	-	1,253	-	140,116	140,116
Disabled Students Programs and Services (DSPS)	1,260,030	-	-	-	1,260,030	1,260,030
CalWorks	331,198	-	-	-	331,198	331,198
Student Success Program (SSSP) - Credit	4,129,746	-	-	1,379,635	2,750,111	2,750,111
Student Success Program (SSSP) - Non Credit	15,067	-	-	15,067	-	-
Student Equity, Diversity and Success	1,181,656	-	-	316,882	864,774	864,774
Strong Workforce Direct 16-17	2,873,246	-	-	1,944,294	928,952	928,952
CTE - Transitions	51,968	30,709	-	-	82,677	82,677
CTE Nursing	61,600	92,400	-	-	154,000	154,000
Foster Care and Kinship	151,166	1,700	-	-	152,866	152,866
Math, Engineering & Science Achievement (MESA) FSS Grant	8,802	67,221	-	-	76,023	76,023
BFAP	505,352	-	-	-	505,352	505,352
Full Time Student Success Grant (FTSS)	400,500	-	-	10,000	390,500	390,500
Child Development Center - First 5 grant	20,761	-	-	-	20,761	20,761
Child Development Center - State grant (Tax Bailout)	52,699	-	-	-	52,699	52,699
Child Development Center - State grant - General	261,246	-	-	-	261,246	261,246
Child Development Consortium	19,975	6,350	-	-	26,325	26,325
Puente Project	3,000	-	-	-	3,000	3,000
Industry Driven Reg - IDRC	58,000	11,780	-	-	69,780	69,780
Basic Skills Transformation - BST	601,987	94,724	-	16,565	680,146	680,146
Information Effectiveness	136,798	-	-	134,609	2,189	2,189
CTE Data Unlocked Fund	57,251	-	-	52,092	5,159	5,159
Community College Completion	127,000	-	-	64,635	62,365	62,365
Hunger Free Campus	29,230	-	-	6,238	22,992	22,992
CA Emergency Aid Fund (Dreamer)	43,787	-	-	-	43,787	43,787
DSN Mini Grant	1,500	-	-	1,500	-	-
Campus Safety	35,445	-	-	35,015	430	430
Global Trade Workforce	-	15,000	-	-	15,000	15,000
Subtotal	\$22,454,558	\$1,297,380	\$1,111,005	\$6,568,591	\$16,072,342	\$16,072,342

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR YEAR ENDED JUNE 30, 2018**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2017 only)			
1. Noncredit	175.09	-	175.09
2. Credit	55.65	-	55.65
B. Summer Intersession (Summer 2018 - Prior to July 1, 2018)			
1. Noncredit	105.15	-	105.15
2. Credit	1,261.73	-	1,261.73
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	7,537.27	-	7,537.27
(b) Daily Census Contact Hours	231.87	-	231.87
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	917.72	-	917.72
(b) Credit	91.53	-	91.53
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	1,361.92	-	1,361.92
(b) Daily Census Contact Hours	933.38	-	933.38
(c) Noncredit Independent Study/Distance Education Courses	1.03	-	1.03
D. Total FTES	12,672.34	-	12,672.34
Supplemental Information (subset of above information)			
E. In-service Training Courses	39.52	-	39.52
F. Basic Skills Courses and Immigrant Education			
1. Credit	827.76	-	827.76
2. Noncredit	87.00	-	87.00
Total Basic Skills FTES	914.76	-	914.76

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF THE EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR YEAR ENDED JUNE 30, 2018**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	22,977,774	-	22,977,774	22,977,774	-	22,977,774
Other	1300	16,982,409	-	16,982,409	16,982,409	-	16,982,409
Total Instructional Salaries		39,960,183	-	39,960,183	39,960,183	-	39,960,183
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	9,903,848	-	9,903,848
Other	1400	-	-	-	343,364	-	343,364
Total Non-Instructional Salaries		-	-	-	10,247,212	-	10,247,212
Total Academic Salaries		39,960,183	-	39,960,183	50,207,395	-	50,207,395
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	18,229,008	-	18,229,008
Other	2300	-	-	-	2,101,043	-	2,101,043
Total Non-Instructional Salaries		-	-	-	20,330,051	-	20,330,051
Instructional Aides							
Regular Status	2200	1,026,214	-	1,026,214	1,026,214	-	1,026,214
Other	2400	176,524	-	176,524	176,524	-	176,524
Total Instructional Aides		1,202,738	-	1,202,738	1,202,738	-	1,202,738
Total Classified Salaries		1,202,738	-	1,202,738	21,532,789	-	21,532,789
Employee Benefits	3000	12,655,276	-	12,655,276	25,362,907	-	25,362,907
Supplies and Materials	4000	-	-	-	712,737	-	712,737
Other Operating Expenses	5000	143,584	-	143,584	8,764,784	-	8,764,784
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		53,961,781	-	53,961,781	106,580,612	-	106,580,612

See accompanying note to supplementary information.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF EDUCATION CODE SECTION 84362 (50 PERCENT LAW) CALCULATION (CONTINUED)
FOR YEAR ENDED JUNE 30, 2018**

<u>Exclusions</u>							
Activities to Exclude							
Inst. Staff-Retirees' Benefits and Incentives	5900	-	-	-	-	-	-
Std. Health Svcs. Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Non-inst.Staff-Retirees' Benefits and Incentives	6740	-	-	-	-	-	-
Object to Exclude							
Rents and Leases	5060	-	-	-	33,561	-	33,561
Lottery Expenditures		-	-	-	-	-	-
Academic Salaries	1000	-	-	-	1,557,293	-	1,557,293
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	579,556	-	579,556
Supplies and Materials	4000						
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	-	-	-
Non-inst. Supplies & Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-
Other Operating Expenses and Services	5000	-	-	-	-	-	-
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400						
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ -	\$ -	\$ -	\$ 2,170,410	\$ -	\$ 2,170,410
Total for ECS 84362, 50% Law		\$ 53,961,781	\$ -	\$ 53,961,781	\$ 104,410,202	\$ -	\$ 104,410,202
Percent of CEE (Instructional Salary Cost/Total CEE)		51.68%	0.00%	51.68%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 52,205,101	\$ -	\$ 52,205,101

See accompanying note to supplementary information.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
 PROPOSITION 30 EDUCATION PROTECTION ACCOUNT EXPENDITURE REPORT
 FOR YEAR ENDED JUNE 30, 2018**

EPA Revenue	1,267,234
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	1,267,234	-	-	1,267,234
Total		1,267,234	-	-	1,267,234

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPROT (CCFS-331) WITH AUDITED
FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2018.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
RECONCILIATION OF FUND EQUITY TO NET POSITION
JUNE 30, 2018**

**Total Fund Equity - District Funds Included
in the Reporting Entity:**

General Fund	\$ 62,219,719	
Capital Projects Fund	149,641,009	
Special Revenue Funds	559,611	
Debt Service Funds	49,278,454	
Enterprise Funds	3,947,207	
Student Financial Aid Fund	44,350	265,690,350

Assets recorded within the statements of net position not included in the District fund financial statements:

Nondepreciable capital assets	\$ 190,133,686	
Depreciable capital assets	459,938,056	
Accumulated depreciation	(133,304,177)	516,767,565

Net OPEB Asset 6,946,780

Unmatured Interest (9,055,636)

Deferred outflows recorded within the statement of net position not included in the District fund financial statements:

Deferred outflows related to bond refundings		7,751,485
Deferred outflows related to pensions		37,294,383

Liabilities recorded within the statements of net position not recorded in the District fund financial statements:

General obligation bonds	\$ 489,690,000	
Lease revenue bonds	55,925,000	
Premiums, net	56,480,792	
Compensated absences	15,950,251	
Net pension liability	120,780,867	(738,826,910)

Deferred inflows recorded within the statement of net position not included in the District fund financial statements:

Deferred charge on refunding		(3,268,001)
Deferred inflows related to pensions		(8,924,355)

**Net Position Reported Within the
Statements of Net Position**

\$ 74,375,661

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District’s governing board members and administration members.

Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenses, and Changes in Net Assets-Primary Government and the related expenditures reported on the Schedule of Federal Awards. The reconciliation amounts consist primarily of funds that in the previous period were recorded as revenues but were unspent. These unspent balances have been expended in the current period. These unspent balances are reported as legally restricted ending balances within the Statement of Net Position-Primary Government.

	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 17,468,772
Build America Bonds	N/A	(1,377,818)
Retiree Health Benefits	N/A	(114,973)
Lease Revenue Bonds	N/A	(156,008)
Title IV-E	93.658	77,341
Pell Administrative Allowance Carryover	85.063	65,465
Total Schedule of Expenditures of Federal Awards		<u>\$ 15,962,779</u>

Schedule of Expenditures of State Awards

The accompanying schedule of expenditures of State awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State System’s Office.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION – CONTINUED
JUNE 30, 2018**

NOTE 1 - PURPOSE OF SCHEDULES, continued

Schedule of Workload Measures for State General Apportionment

Full-Time Equivalent Students (FTES) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. These schedules provide information regarding the annual attendance measurements of students throughout the District.

Reconciliation of Education Code Section 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Proposition 30 Education Protection Act (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

Reconciliation of Annual Financial and Budget Report (CCFS-311) with Fund Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's internal fund financial statements.

Reconciliation of Governmental Funds to the Statement of Net Position

The schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements prepared on a modified accrual basis, to the entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35. business-type activities reporting model.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees
West Valley-Mission Community College District
Saratoga, California

We have audited, 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 the financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of West Valley-Mission Community College District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 1, 2018.

Emphasis of Matter – Change in Accounting Principles

As discussed in Note 2 to the financial statements, in 2018, the Districted adopted new accounting guidance, GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governments.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
November 1, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Trustees
West Valley-Mission Community College District
Saratoga, California

Report on Compliance for Each Major Federal Program

We have audited West Valley-Mission Community College District's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2018. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
November 1, 2018



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

The Board of Trustees
West Valley-Mission Community College District
Saratoga, California

Report on State Compliance

We have audited West Valley-Mission Community College District's (the District) compliance with the types of compliance requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2017-18*, issued by the California Community Colleges Chancellor's Office for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on West Valley-Mission Community College District's compliance with the requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the *California Community Colleges Contracted District Audit Manual (CDAM) 2017-18*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2018.

Other Matters

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with State laws and regulations applicable to the following:

- Section 421 – Salaries of Classroom Instructors (50 Percent Law)
- Section 423 – Apportionment for Instructional Service Agreements/Contracts
- Section 424 – State General Apportionment Funding System
- Section 425 – Residency Determination for Credit Courses
- Section 426 – Students Actively Enrolled
- Section 427 – Dual Enrollment (CCAP and Non-CCAP)
- Section 428 – Student Equity
- Section 429 – Student Success and Support Program (SSSP)
- Section 430 – Scheduled Maintenance Program
- Section 431 – Gann Limit Calculation
- Section 435 – Open Enrollment
- Section 439 – Proposition 39 Clean Energy
- Section 440 – Intersession Extension Programs
- Section 444 – Apprenticeship Related and Supplemental Instruction (RSI) Funds
- Section 475 – Disabled Student Programs and Services (DSPS)
- Section 479 – To Be Arranged Hours (TBA)
- Section 490 – Proposition 1D and 51 State Bond Funded Projects
- Section 491 – Education Protection Account Funds

The District reports no Intersession Extension Programs or Proposition 1D State Bond Funded Projects therefore, the compliance tests within these sections were not applicable.

CWDL, Certified Public Accountants

San Diego, California
November 1, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2018**

Section I – Schedule of Audit Findings and Questioned Costs

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards	<u>No</u>
Identification of major programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.032, 84.033 84.063</u>	<u>Student Financial Aid Cluster</u>
<u>84.031C</u>	<u>Higher Education - Institutional Aid (HSI) - STEMLink</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for State programs:	<u>Modified</u>

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no financial statement findings or questioned costs identified during 2017-18.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs identified during 2017-18.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section IV – State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

Finding #2018-1: 429 STUDENT SUCCESS AND SUPPORT PROGRAM FUNDS

Criteria or Specific Requirement:

California Code of Regulations, Title 5 Education, Division 6. California Community Colleges, Sections 51024, 55500-55534, and 58106 provide guidance for the Core SSSP services for credit and noncredit programs that are claimable against state funds including:

1. Orientation
2. Initial assessment for appropriate placement
3. Counseling, advising and education planning services
4. Follow-up services
5. Other services

Actions that do not qualify for funding as follow-up services are those that are a one-sided action on the part of the college and those that are primarily administrative or clerical.

Condition:

In our testing over the core services provided to students, we noted that the District MIS report backup did not accurately report the actual services provided to students. The District did maintain all necessary documentation for the support of specific services provided to each student, however, a data error during the MIS data submission caused an inaccurate reporting of services by student.

Context

We noted the following exceptions as described above:

- West Valley College:
 - Student #1 was listed as having received “SS07 assessment” on the MIS data report but did not receive assessment services per review of detailed records.
 - Student #2 was listed as having received “SS08 Counseling” on the MIS data report but did not receive counseling services per review of detailed records.
- Mission College:
 - Student #3 was listed as having received “SS06 Orientation” on the MIS data report but did not receive orientation services per review of detailed records.
 - Student #4 was listed as having received “SS08 Counseling” on the MIS data report but did not receive counseling services per review of detailed records.

Cause:

Unknown data manipulation error.

Effect:

Noncompliance with the requirements noted above.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Finding #2018-1: 429 STUDENT SUCCESS AND SUPPORT PROGRAM FUNDS, continued

Questioned Costs:

There are no direct, determinable costs as the District appears to have accurately reported total services provided to students in its student information system, but did not accurately report that student detail on its MIS submission.

Recommendation

We recommend the District strengthen its controls to ensure that it properly maintains accurate backup of MIS reported figures, and reconciles those to its system of student data to ensure compliance with applicable rules and regulations.

District Response:

Management has noted the finding and has strengthened controls by adding review process and audit reports to validate the data prior to State submission. The District has resubmitted MIS Student Success file to correct the issue.

**WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

There were no audit findings or questioned costs identified during 2016-17.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the West Valley-Mission Community College District (the “District”) in connection with the issuance of \$ _____ of the District’s Election of 2018 General Obligation Bonds, Series 2019A (the “Bonds”). The Bonds are being issued pursuant to Resolution of the Board of Trustees of the District adopted on February 5, 2019. 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 Underwriters in complying with Securities and Exchange Commission 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 KNN Public Finance, LLC, 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.

“Financial Obligation” means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“Official Statement” shall mean the Official Statement relating to the sale of the Bonds, dated as of _____, 2019.

“Participating Underwriter” shall mean the original underwriters 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 2018-19 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 timely 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 to the Repository.

SECTION 4. Content 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):

- (i) State funding received by the District for the last completed fiscal year;
- (ii) FTES of the District for the last completed fiscal year;
- (iii) outstanding District indebtedness;
- (iv) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting the adopted budget for the then-current fiscal year;
- (v) assessed valuation for real property located in the District for the then-current fiscal year; and
- (vi) secured *ad valorem* tax delinquencies for the most recently completed fiscal year within the portions of the District located in Santa Clara County or Santa Cruz County, to the extent that either of such county discontinues the Teeter Plan (as such term is defined in the Official Statement).

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. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(10), 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 Holders.
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.
8. Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondowners.

(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 Underwriters, 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 Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Signature. This Disclosure Certificate has been executed by the undersigned on the date hereof, and such signature binds the District to the undertaking herein provided.

Date: _____, 2019

WEST VALLEY-MISSION COMMUNITY COLLEGE
DISTRICT

By _____
Vice Chancellor of Administrative Services

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2018 General Obligation Bonds, Series 2019A

Date of Issuance: _____, 2019

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: _____

WEST VALLEY-MISSION COMMUNITY COLLEGE
DISTRICT

By _____ [form only; no signature required]

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APPENDIX D

ECONOMIC PROFILES OF THE CITIES OF SANTA CLARA AND SARATOGA AND SANTA CLARA AND SANTA CRUZ COUNTIES

Information in this Appendix has been assembled from various sources believed to be reliable; however, the District does not warrant the accuracy or thoroughness of this information. The Bonds are not obligations of the City of Santa Clara (“Santa Clara”), the City of Saratoga (“Saratoga,” and together with Santa Clara, the “Cities”) or Santa Clara or Santa Cruz Counties (together, the “Counties”), and do not represent a lien or charge against any funds or property thereof. The following information is provided only to give prospective investors an overview of the general economic condition of the Cities and the Counties. The information included herein reflects the most recently available data from the sources indicated.

General

Santa Clara County (“Santa Clara County”) lies immediately south of San Francisco Bay and is the fourth most populous county in the State. It encompasses an area of approximately 1,300 square miles. The County was incorporated in 1850 as one of the original 27 counties of the State and operates under a home rule charter, adopted by County voters in 1950 and amended in 1976.

Santa Cruz County (“Santa Cruz County,” and together with Santa Clara County, the “Counties”) is located along the central coast of California approximately 65 miles south of San Francisco. An important vacation and recreation area, it covers 439 square miles, two-thirds of which is forest land owned by the United States Department of Agriculture. Santa Cruz County’s boundaries are chiefly natural ones—the Santa Cruz Mountains to the east, the Pajaro River on the south, and to the west, Monterey Bay and the Pacific Ocean.

Population

The following table details current population estimates for the County, the Cities and the State for the past 10 years.

POPULATION ESTIMATES 2009 through 2018 City of Santa Clara, City of Saratoga, Santa Clara County, Santa Cruz County and State of California

<u>Year</u> ⁽¹⁾	<u>City of Santa Clara</u>	<u>City of Saratoga</u>	<u>Santa Clara County</u>	<u>Santa Cruz County</u>	<u>State of California</u>
2009	114,795	29,815	1,767,204	260,892	36,966,713
2010 ⁽²⁾	116,468	29,926	1,781,642	262,382	37,253,956
2011	118,573	30,357	1,803,329	264,802	37,529,913
2012	119,950	30,571	1,828,843	267,234	37,874,977
2013	121,685	30,948	1,857,211	269,192	38,234,391
2014	122,504	31,062	1,880,197	271,134	38,568,628
2015	123,155	31,097	1,905,156	273,966	38,912,464
2016	125,265	31,219	1,924,582	275,737	39,179,627
2017	125,528	31,271	1,937,473	276,504	39,500,973
2018	129,604	31,435	1,956,598	276,864	39,809,693

⁽¹⁾ Except where noted, as of January 1.

⁽²⁾ As of April 1.

Source: California Department of Finance.

Personal Income

The following table shows the per capita personal income for the Counties, the State and United States for years 2008 through 2017.

**PER CAPITA PERSONAL INCOME
2008 through 2017
Santa Clara County, Santa Cruz County, State of California, and United States**

<u>Year</u>	<u>Santa Clara County</u>	<u>Santa Cruz County</u>	<u>State of California</u>	<u>United States</u>
2008	\$61,511	\$47,248	\$43,895	\$40,904
2009	57,106	45,485	42,050	39,284
2010	61,289	48,589	43,609	40,545
2011	66,366	50,180	46,145	42,727
2012	72,704	53,124	48,751	44,582
2013	72,754	54,017	49,173	44,826
2014	78,955	56,452	52,237	47,025
2015	86,141	59,598	55,679	48,940
2016	92,168	60,924	57,497	49,831
2017	98,032	64,028	59,796	51,640

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Commercial Activity

The following tables summarize taxable sales in the Cities and Counties from 2012 through 2016. Annualized data for years beyond 2016 is not yet available.

**ANNUAL TAXABLE SALES
2012 through 2016
City of Santa Clara
(Dollars in Thousands)**

<u>Year</u>	<u>Retail and Food Permits</u>	<u>Retail and Food Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2012	2,144	\$1,880,480	4,285	\$3,740,168
2013	2,317	1,950,591	4,495	3,890,974
2014	2,338	2,184,411	4,506	4,220,131
2015	2,398	2,223,003	4,891	4,433,990
2016	2,386	2,172,895	4,924	4,387,262

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

**ANNUAL TAXABLE SALES
2012 through 2016
City of Saratoga
(Dollars in Thousands)**

<u>Year</u>	<u>Retail and Food Permits</u>	<u>Retail and Food Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2012	382	\$73,688	559	\$89,880
2013	388	75,882	579	93,081
2014	401	74,806	594	91,741
2015	443	78,026	712	99,904
2016	439	78,627	711	99,321

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

**ANNUAL TAXABLE SALES
2012 through 2016
Santa Clara County
(Dollars in Thousands)**

<u>Year</u>	<u>Retail and Food Permits</u>	<u>Retail and Food Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2012	28,109	\$21,116,708	43,980	\$36,220,445
2013	29,535	22,424,642	45,310	37,621,606
2014	30,058	23,271,753	45,852	39,628,655
2015	20,057	23,700,907	50,573	41,231,759
2016	30,146	24,158,590	50,519	41,831,669

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

**ANNUAL TAXABLE SALES
2012 through 2016
Santa Cruz County
(Dollars in Thousands)**

<u>Year</u>	<u>Retail and Food Permits</u>	<u>Retail and Food Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2012	5,835	\$2,375,320	8,320	\$3,056,694
2013	6,074	2,525,183	8,539	3,270,766
2014	6,274	2,610,443	8,735	3,382,117
2015	3,562	2,679,131	9,730	3,546,784
2016	6,221	2,724,302	9,891	3,611,274

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 Cities and Counties from 2013 through 2017.

BUILDING PERMITS AND VALUATIONS 2013 through 2017 City of Santa Clara (Dollars in Thousands)

<u>Valuation</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Residential	\$94,498	\$335,179	\$83,949	\$131,582	\$311,304
Non-Residential	<u>320,909</u>	<u>503,150</u>	<u>1,006,622</u>	<u>989,493</u>	<u>504,762</u>
TOTAL	\$415,407	\$838,329	\$1,090,571	\$1,121,075	\$816,066
<u>New Dwelling Units</u>					
Single-Family	74	42	103	68	79
Multi-Family	<u>422</u>	<u>1,645</u>	<u>161</u>	<u>351</u>	<u>1,449</u>
TOTAL	496	1,687	264	419	1,528

Note: Columns may not add to totals due to rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS 2013 through 2017 City of Saratoga (Dollars in Thousands)

<u>Valuation</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Residential	\$67,172	\$58,152	\$72,569	\$84,863	\$83,909
Non-Residential	<u>16,320</u>	<u>\$6,385</u>	<u>13,665</u>	<u>6,066</u>	<u>8,453</u>
TOTAL	\$83,492	\$64,537	\$86,234	\$90,929	\$92,362
<u>New Dwelling Units</u>					
Single-Family	33	26	31	31	40
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	33	26	31	31	40

Note: Columns may not add to totals due to rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2013 through 2017
Santa Clara County
(Dollars in Thousands)

<u>Valuation</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Residential	\$2,060,045	\$2,230,348	\$1,866,596	\$1,709,883	\$2,308,296
Non-Residential	<u>4,204,576</u>	<u>2,655,413</u>	<u>3,589,801</u>	<u>4,698,159</u>	<u>3,359,316</u>
TOTAL	\$6,266,634	\$4,885,761	\$5,456,397	\$6,408,042	\$5,667,612
 <u>New Dwelling Units</u>					
Single-Family	1,859	1,602	1,710	1,608	2,022
Multi-Family	<u>6,009</u>	<u>8,310</u>	<u>3,906</u>	<u>3,297</u>	<u>6,629</u>
TOTAL	7,868	9,912	5,616	4,905	8,651

Note: Columns may not add to totals due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2013 through 2017
Santa Cruz County
(Dollars in Thousands)

<u>Valuation</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Residential	\$71,183	\$73,285	\$76,083	\$101,418	\$117,022
Non-Residential	<u>47,439</u>	<u>88,860</u>	<u>55,829</u>	<u>94,161</u>	<u>44,907</u>
TOTAL	\$118,622	\$162,145	\$131,912	\$195,579	\$161,929
 <u>New Dwelling Units</u>					
Single-Family	94	114	102	107	210
Multi-Family	<u>37</u>	<u>9</u>	<u>62</u>	<u>209</u>	<u>151</u>
TOTAL	131	123	164	316	361

Note: Columns may not add to totals due to rounding.
Source: Construction Industry Research Board.

Employment

The following table summarizes civilian labor force, employment and unemployment statistics for the Cities, Counties and State from 2013 through 2017.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
2013 through 2017
City of Santa Clara, City of Saratoga,
Santa Clara County, Santa Cruz County and State of California**

<u>Year</u>	<u>Area</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2013	City of Santa Clara	65,000	61,200	3,800	5.8%
	City of Saratoga	13,800	13,100	600	4.6
	Santa Clara County	971,800	909,100	62,700	6.5
	Santa Cruz County	142,100	127,500	14,600	10.3
	State of California	18,624,300	16,958,700	1,665,600	8.9
2014	City of Santa Clara	66,400	63,300	3,100	4.6%
	City of Saratoga	14,100	13,600	500	3.7
	Santa Clara County	991,800	940,700	51,100	5.1
	Santa Cruz County	142,600	130,100	12,500	8.8
	State of California	18,755,000	17,348,600	1,406,400	7.5
2015	City of Santa Clara	67,600	65,100	2,500	3.7%
	City of Saratoga	14,400	14,000	400	2.9
	Santa Clara County	1,009,800	967,800	41,900	4.2
	Santa Cruz County	143,400	132,700	10,700	7.5
	State of California	18,893,200	17,723,300	1,169,900	6.2
2016	City of Santa Clara	68,800	66,500	2,300	3.4%
	City of Saratoga	14,600	14,300	400	2.7
	Santa Clara County	1,026,500	987,900	38,600	3.8
	Santa Cruz County	144,500	134,600	10,000	6.9
	State of California	19,102,700	18,065,000	1,037,700	5.4
2017	City of Santa Clara	68,600	66,900	1,700	2.5%
	City of Saratoga	14,200	13,800	400	2.7
	Santa Clara County	1,042,000	1,008,600	33,400	3.2
	Santa Cruz County	143,800	135,700	8,200	5.7
	State of California	19,312,000	18,393,100	918,900	4.8

Source: California Employment Development Department. March 2017 Benchmark.

Industry

Santa Clara County is entirely within the San Jose-Santa Clara-Sunnyvale Metropolitan Statistical Area. Santa Cruz County is entirely within the Santa Cruz-Watsonville Metropolitan Statistical Area. The following table summarizes the annual average industry employment in the Counties from 2013 through 2017.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES 2013 through 2017 San Jose-Santa Clara-Sunnyvale MSA

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Farm	5,000	5,300	5,500	6,100	5,800
Mining and Logging and Construction	37,800	40,000	44,200	48,600	50,000
Manufacturing	158,400	161,700	164,800	166,600	166,700
Wholesale Trade	36,400	37,200	37,200	36,800	35,500
Retail Trade	83,900	85,300	86,600	85,800	86,300
Transportation, Warehousing and Utilities	13,800	14,400	14,600	15,500	15,400
Information	58,700	65,700	70,500	75,700	85,100
Financial Activities	33,700	34,100	34,600	35,600	36,100
Professional and Business Services	190,000	201,800	215,100	223,300	227,600
Education and Health Services	143,800	150,000	156,300	162,500	168,700
Leisure and Hospitality	87,500	91,900	95,800	99,400	102,300
Other Services	25,400	26,400	26,900	27,600	28,700
Government	<u>91,800</u>	<u>93,400</u>	<u>92,900</u>	<u>94,100</u>	<u>95,700</u>
Total All Industries	966,200	1,007,100	1,044,900	1,077,500	1,104,000

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2017 Benchmark.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES 2013 through 2017 Santa Cruz-Watsonville MSA

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Farm	8,300	8,500	8,300	8,400	8,200
Mining and Logging and Construction	3,200	3,400	3,700	4,400	4,600
Manufacturing	6,000	6,200	6,700	7,000	6,900
Wholesale Trade	3,500	3,500	3,500	3,400	3,300
Retail Trade	11,500	11,800	12,000	12,400	12,300
Transportation, Warehousing and Utilities	1,400	1,300	1,500	1,500	1,600
Information	800	800	800	800	800
Financial Activities	3,400	3,500	3,500	3,600	3,500
Professional and Business Services	9,700	9,500	9,700	9,800	10,200
Education and Health Services	16,500	16,900	17,300	17,300	17,900
Leisure and Hospitality	12,200	12,900	13,600	13,900	14,100
Other Services	4,100	4,300	4,500	4,600	4,800
Government	<u>20,600</u>	<u>21,100</u>	<u>21,400</u>	<u>21,700</u>	<u>22,200</u>
Total All Industries	101,200	103,700	106,600	108,900	110,400

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2017 Benchmark.

Largest Employers

The following tables list some of the principal employers in the Cities and the Counties.

PRINCIPAL EMPLOYERS

2018

City of Santa Clara

<u>Employer</u>	<u>Employees</u>
Applied Materials, Inc.	8,500
Intel Corporation	7,801
Advanced Micro Devices Inc.	3,000
California's Great America	2,500
Avaya Inc.	2,000
Santa Clara University	2,000
City of Santa Clara	1,904
Macy's	1,200
Catalyst Semiconductor Inc.	1,100
Sra Oss Inc.	1,338
LSA Global	1,001

Source: City of Santa Clara Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

PRINCIPAL EMPLOYERS

2018

City of Saratoga

<u>Employer</u>	<u>Employees</u>
West Valley Community College ⁽¹⁾	445
Saratoga Retirement Community	295
Saratoga Union School District	288
Sub-Acute Saratoga Hospital	166
Saratoga High School	133
Our Lady of Fatima Villa	123
Prospect High School	100
Safeway	80
City of Saratoga	56
Saratoga County Club	55

⁽¹⁾ For more current information regarding the District's employee counts, see "WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT – Labor Relations" in the front part of this Official Statement.

Source: City of Saratoga Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

**PRINCIPAL EMPLOYERS
2018
Santa Clara County**

<u>Employer</u>	<u>Employees</u>
Apple Computer, Inc.	25,000
Alphabet Inc	20,000
County of Santa Clara	18,806
Stanford University	16,919
Cisco Technology Inc.	14,120
Kaiser Permanente	12,500
Stanford Healthcare	10,034
Tesla Motors Inc	10,000
Intel Corporation	8,450
City of San Jose	6,159

Source: County of Santa Clara Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

**PRINCIPAL EMPLOYERS
2018
Santa Cruz County**

<u>Employer</u>	<u>Estimated Number of Employees⁽¹⁾</u>
University of California – Santa Cruz	1,000 – 4,999
Pajaro Valley Unified School District	1,000 – 4,999
County of Santa Cruz	1,000 – 4,999
Dominican Hospital	1,000 – 4,999
Santa Cruz Beach Boardwalk	1,000 – 4,999
Larse Farms	500 – 999
Granite Rock	500 – 999
Cabrillo College	500 – 999
City of Santa Cruz	500 – 999
Watsonville Community Hospital	500 – 999
West Marine Products, Inc.	500 – 999
Plantronics	500 – 999

⁽¹⁾ Number of Employees reflects a range provided by the California Employment Development Department data.
Source: Santa Cruz County 'Comprehensive Annual Financial Report' for the year ending June 30, 2018.

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APPENDIX E

SANTA CLARA COUNTY INVESTMENT POOL

The following information concerning the Santa Clara County Investment Pool (the “Investment Pool”) reflects the most recently available quarterly report, and most recently available monthly summary, produced by the Santa Clara County Director of Finance, and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriters. The District, the Municipal Advisor and the Underwriters have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment 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, with the consent 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 Investment Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor nor the Underwriters 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 Investment Pool may be obtained from the Director of Finance at <https://www.sccgov.org/sites/fin/>; however, the information presented on such website is not incorporated herein by any reference.

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Quarterly Investment Report

December 31, 2018



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Quarterly Investment Report Table of Contents

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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, 2018

Fund	Cost Value**	Market Value	Variance	% Variance
Commingled Investment Pool	\$8,198,763,772	\$8,162,704,925	-\$36,058,846	-0.44%
Worker's Compensation	\$28,535,469	\$28,532,495	-\$2,974	-0.01%
Park Charter Fund	\$4,203,582	\$4,190,481	-\$13,101	-0.31%
San Jose-Evergreen	\$17,024,332	\$16,978,735	-\$45,597	-0.27%
Medical Malpractice Insurance Fund (1)	\$9,294,751	\$9,199,477	-\$95,274	-1.03%
Total	\$8,257,821,905	\$8,221,606,114	-\$36,215,791	-0.44%

(1) Managed by Chandler Asset Management, Inc.

Summary of Yields* for Select Santa Clara County Investment Funds

Fund	2018			2017
	<u>Oct 31</u>	<u>Nov 30</u>	<u>Dec 31</u>	<u>Dec 31</u>
Commingled Investment Pool	1.93%	2.03%	2.13%	1.43%
Worker's Compensation	2.07%	2.10%	2.34%	1.49%
Weighted Yield	1.93%	2.03%	2.13%	1.43%

*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.



Santa Clara County Commingled Pool and Segregated Investments

Portfolio Strategy

December 31, 2018

The U.S. economy as measured by gross domestic product (GDP) grew by 3.2 percent in 2018 bolstered by low unemployment rate, the lowest in 48 years, and ongoing strength in household spending which accounts for about 70 percent of the domestic economy. Most recently, GDP expanded by 2.9 percent in the quarter ended December 31, 2018. The current economic expansion is relatively long and in its tenth year. Job gains remain robust. The unemployment rate in December 2018 was 3.8 percent and, even with the impact of the government shutdown, the jobless rate further declined to 3.7 percent during January 2019. Matching the past year's strength in employment growth may be difficult. Businesses continue to cite a shortage of qualified workers as a restraint on hiring. Even if job growth should decelerate, consumer spending continues to be as a growth driver benefiting from increases in wage income, support from corporate profitability and access to credit. Furthermore, economists expect mounting labor cost pressures will motivate businesses to increase capital spending to adopt and acquire productivity-enhancing practices.

Unlike the domestic U.S. economy, there are concerning signs of a synchronized global economic slow-down emanating from China and Europe. China has encountered significant headwinds. Equity markets returned a negative 20 percent in 2018. The U.S. imposed tariffs worth \$250 billion on Chinese exports sold in the United States. Most critically, China has been absorbing the negative consequences of deleveraging its economy to contain an overuse of credit and borrowing. Similarly, Europe experienced faltering growth in 2018. The German economy nearly entered a recession while Italy's political crisis and the protracted difficulties related to Britain removing itself from European Union took their toll.

The Federal Reserve Bank ("Fed") policy makers in December 2018 increased their benchmark interest rate by a quarter of a percentage point with the intent that the rate will fluctuate between 2.25 and 2.5 percent. This decision had been widely anticipated. So far, policy makers have lifted borrowing costs four times in 2018 and nine times since the Fed's initial rate hike in December 2015. The Fed, in crafting monetary policy, attempts to strike a delicate balance between containment of inflation, which is accomplished by restraining the economy from over-heating, and stimulating economic growth. With U.S. unemployment at its lowest level since 1969, the latest data show the effects of a tight labor market have begun to translate into higher wages. Nevertheless, the expected pass-through from low unemployment to rising wages has not materialized, all of which should have been inflationary even with policy makers hiking interest rates. Numerous factors including structural pressures, which continue to suppress wages, are unexpectedly assisting policy makers. Most frequently cited factors include globalization, foreign competition, automation and technology, outsourcing, on-line retailing, erosion of low-skill workers' bargaining power, industry concentration, and hidden slack in the labor markets.



Santa Clara County Commingled Pool and Segregated Investments

Portfolio Strategy

December 31, 2018

Core inflation, which excludes food and energy, rose 0.2 percent in January 2019 from the prior month, an increase that has been the same each month for the fifth straight time, indicating inflation is steady. The 2.1 percent gain in January measured over the prior twelve trailing months following the 2.2 percent gain in December, suggests that the Fed's preferred measure of gauging inflation based on consumption continues to remain below the 2 percent inflation goal set by policy makers.

The 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.

Broker-dealers have generally down-sized the amount of securities carried in inventories in response to risk-curbing rules crafted after the 2008 financial crisis. These risk curbing rules include the international regulatory framework for banks called Basel III and the U.S. 2010 Dodd-Frank Law. The Treasury Division has increased its capability to review a larger volume of inventory listings to find attractive bonds. Portfolio structuring does not solely rely on interest rate anticipation strategies, which primarily speculate on the direction of interest rates to earn favorable returns.



Santa Clara County Commingled Pool and Segregated Investments

Portfolio Compliance, Review, and Monitoring

December 31, 2018

Yield and Weighted Average Maturity

The yield of the Commingled Pool is 2.13 and the weighted average life is 406 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.

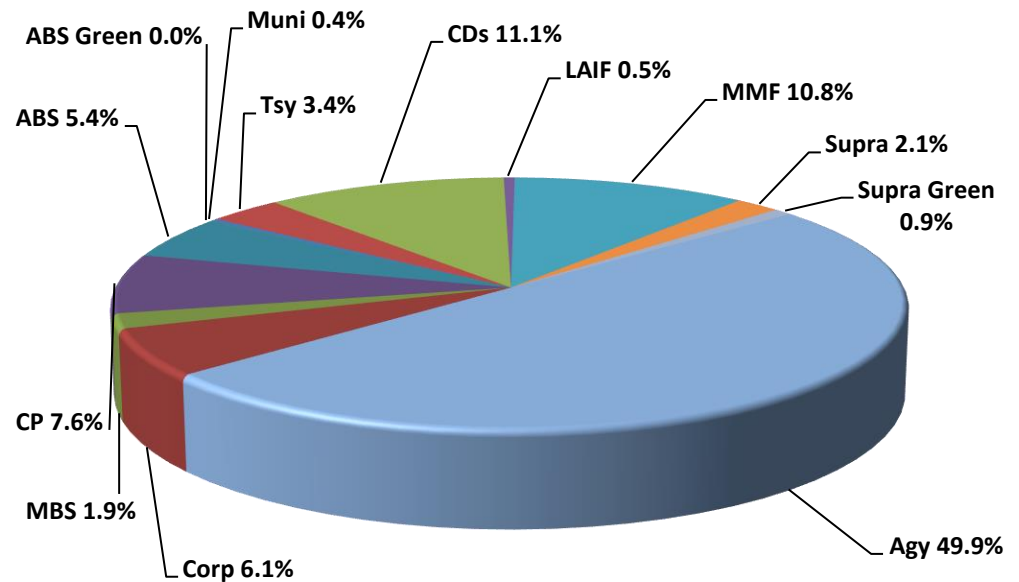


Santa Clara County Commingled Pool

Allocation by Security Types

December 31, 2018

Sector	12/31/2018	9/30/2018	% Chng
Federal Agencies	49.86%	57.04%	-7.2%
Corporate Bonds	6.09%	7.98%	-1.9%
Mortgage Backed Securities	1.89%	1.83%	0.1%
Commercial Paper	7.60%	3.81%	3.8%
ABS	5.44%	6.63%	-1.2%
ABS Green Bonds	0.01%	0.03%	0.0%
Municipal Securities	0.39%	0.52%	-0.1%
U.S. Treasuries	3.40%	1.87%	1.5%
Negotiable CDs	11.10%	4.57%	6.5%
LAIF	0.50%	0.67%	-0.2%
Money Market Funds	10.79%	10.48%	0.3%
Supranationals	2.08%	3.43%	-1.4%
Supranationals Green Bonds	0.85%	1.14%	-0.3%
Total	100.00%	100.00%	



Sector	12/31/2018	9/30/2018
Federal Agencies	4,087,750,692	3,494,862,445
Corporate Bonds	498,895,940	488,697,843
Mortgage Backed Securities	155,243,940	112,012,904
Commercial Paper	623,225,009	233,227,345
ABS	445,793,370	406,502,129
ABS Green Bonds	1,035,737	1,627,580
Municipal Securities	32,001,276	32,005,371
U.S. Treasuries	279,065,937	114,375,248
Negotiable CDs	910,000,000	280,000,000
LAIF	41,270,791	41,047,764
Money Market Funds	884,353,094	642,369,779
Supranational	170,127,986	210,134,135
Supranationals Green Bonds	70,000,000	70,000,000
Total	8,198,763,772	6,126,862,543

Amounts are based on book value

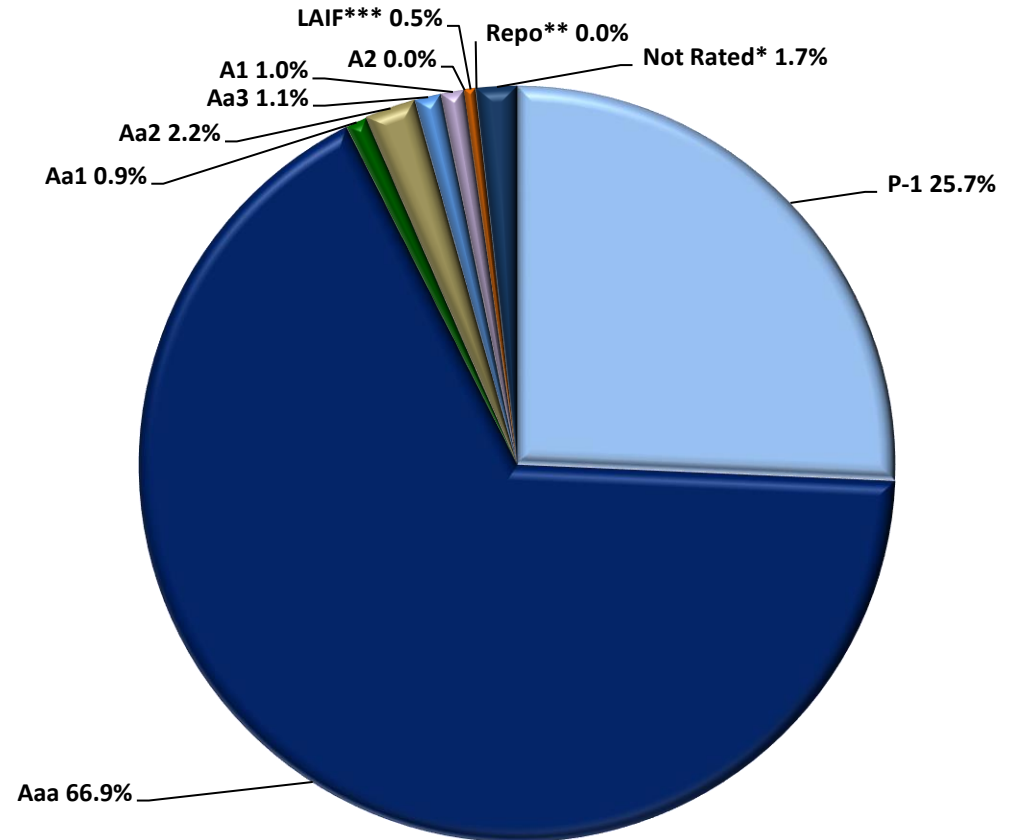


Santa Clara County Commingled Pool

Allocation by Ratings

December 31, 2018

Moody's Rating	Portfolio \$	Portfolio %
P-1	2,105,786,721	25.7%
Aaa	5,481,665,920	66.9%
Aa1	74,970,608	0.9%
Aa2	178,605,700	2.2%
Aa3	92,543,423	1.1%
A1	82,058,225	1.0%
A2	-	0.0%
A3	-	0.0%
LAIF***	41,270,791	0.5%
Repo**	-	0.0%
Not Rated*	141,862,383	1.7%
Total	8,198,763,772	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

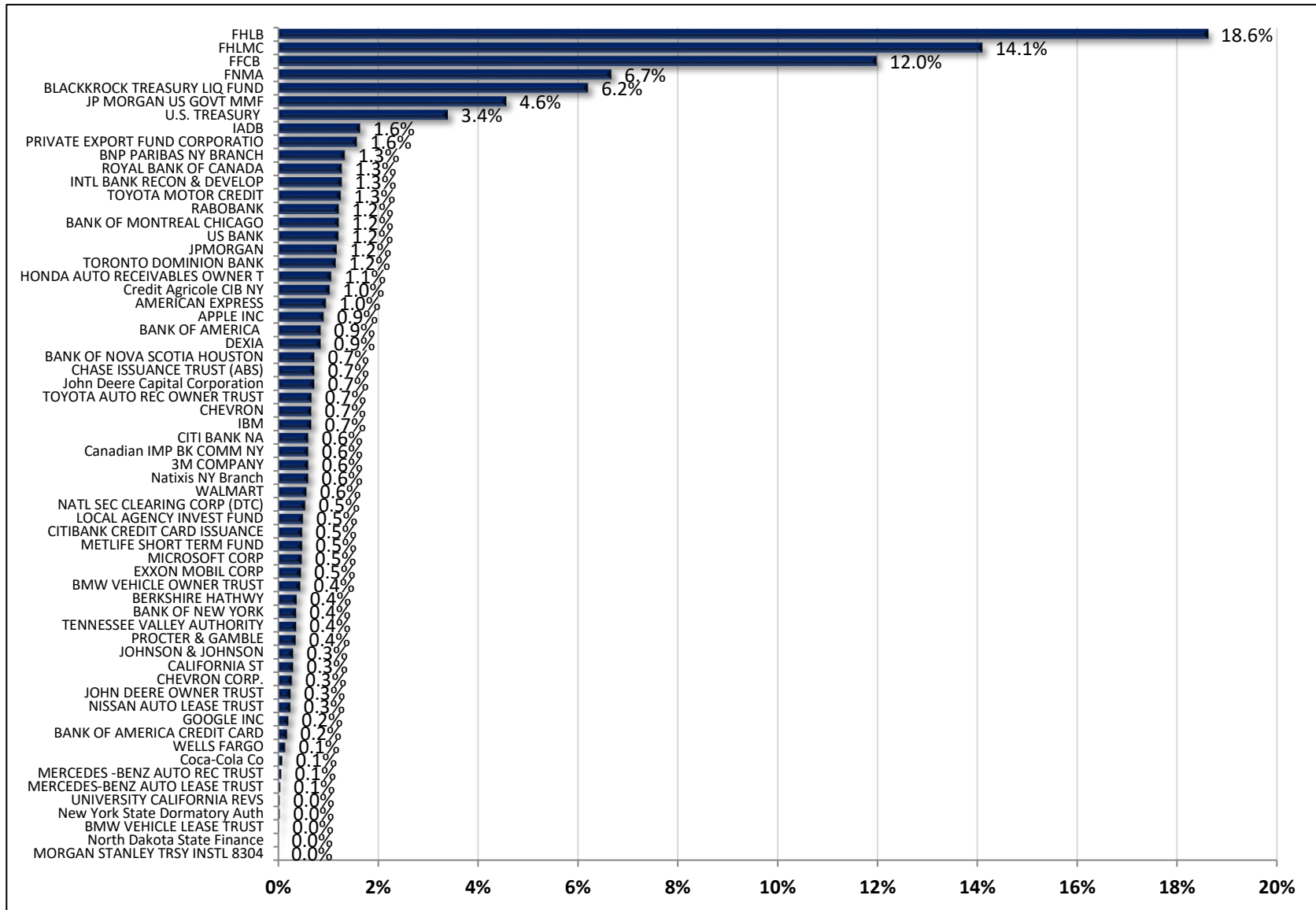
Amounts are based on book values



Santa Clara County Commingled Pool

Holdings by Issuer - Percent of Commingled Pool

December 31, 2018



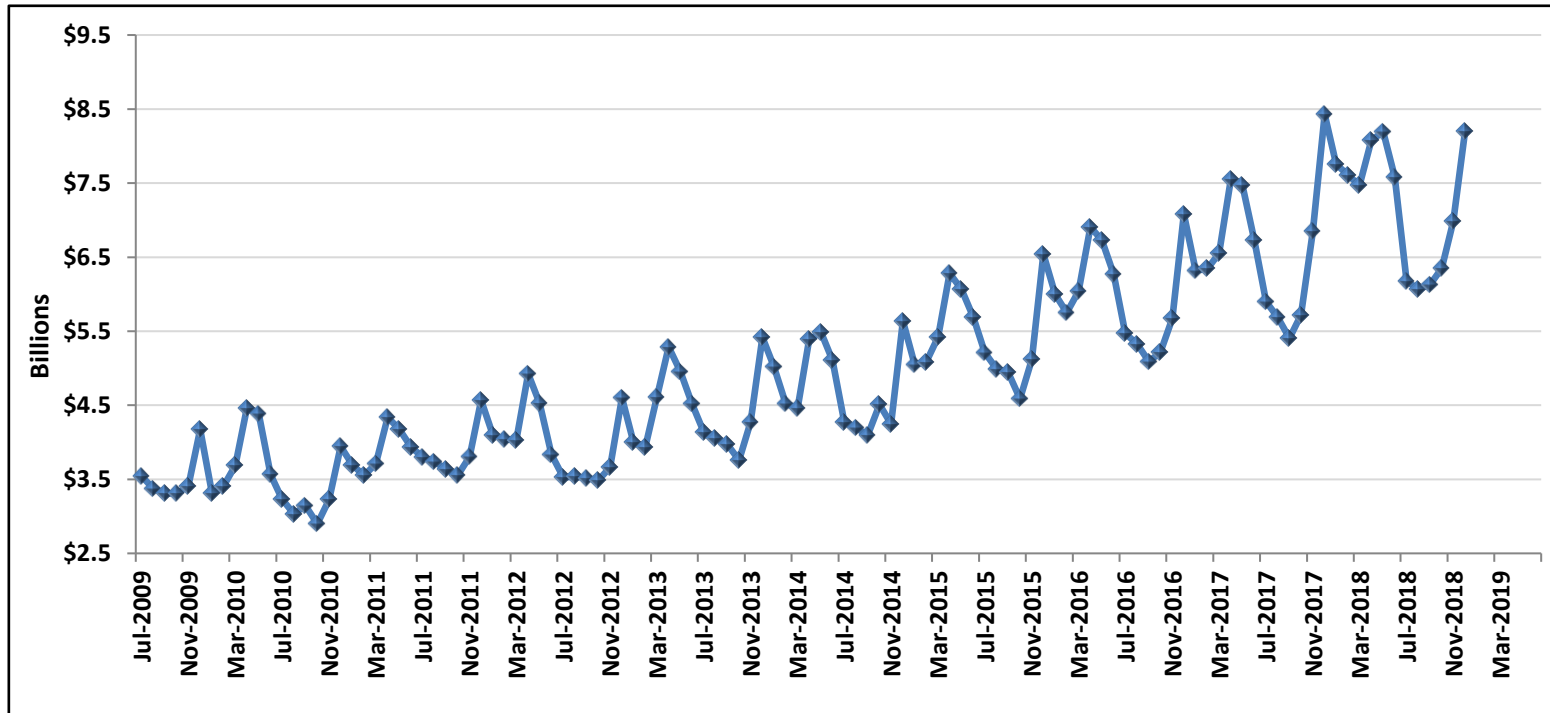
Amounts are based on book values



Santa Clara County Commingled Pool

Historical Month End Book Values

December 31, 2018



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	\$6.284	\$6.065	\$5.690
FY 2016	\$5.212	\$4.990	\$4.941	\$4.587	\$5.120	\$6.543	\$5.997	\$5.752	\$6.040	\$6.911	\$6.728	\$6.263
FY 2017	\$5.469	\$5.328	\$5.088	\$5.220	\$5.671	\$7.082	\$6.319	\$6.348	\$6.550	\$7.556	\$7.469	\$6.730
FY 2018	\$5.898	\$5.689	\$5.408	\$5.720	\$6.850	\$8.427	\$7.754	\$7.608	\$7.472	\$8.079	\$8.192	\$7.584
FY 2019	\$6.180	\$6.068	\$6.127	\$6.350	\$6.987	\$8.199						

Amounts in billions

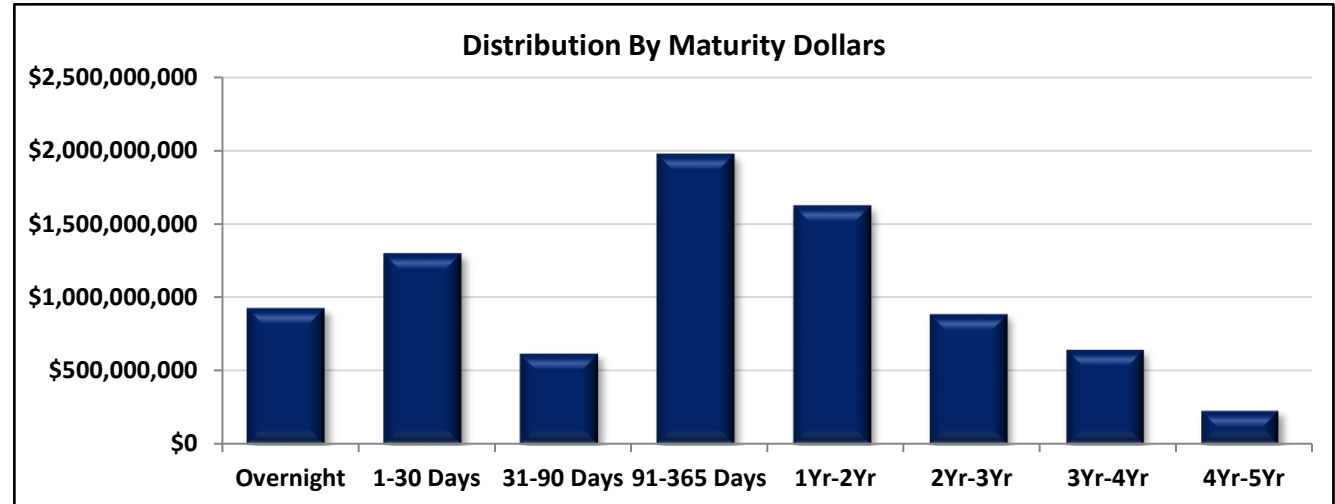


Santa Clara County Commingled Pool

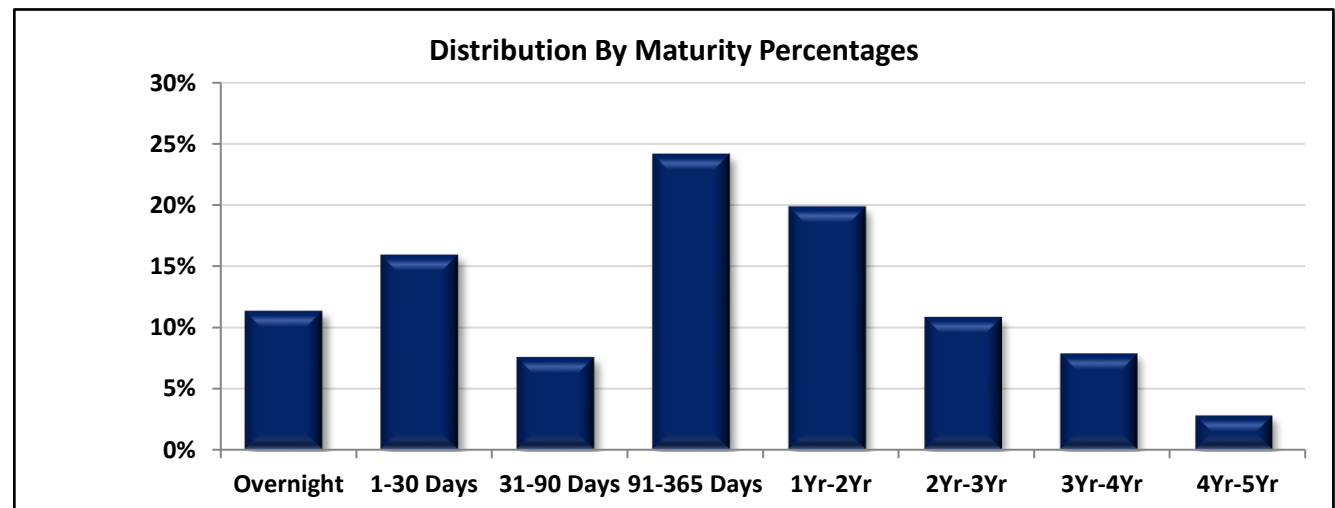
Distribution by Maturity

December 31, 2018

Maturity	Amount*
Overnight	925,623,885
1-30 Days	1,300,478,392
31-90 Days	616,676,842
91-365 Days	1,977,231,553
1Yr-2Yr	1,624,689,530
2Yr-3Yr	885,528,989
3Yr-4Yr	641,901,671
4Yr-5Yr	226,632,910
	8,198,763,772



Maturity	Amount*
Overnight	11.29%
1-30 Days	15.86%
31-90 Days	7.52%
91-365 Days	24.12%
1Yr-2Yr	19.82%
2Yr-3Yr	10.80%
3Yr-4Yr	7.83%
4Yr-5Yr	2.76%
	100.00%



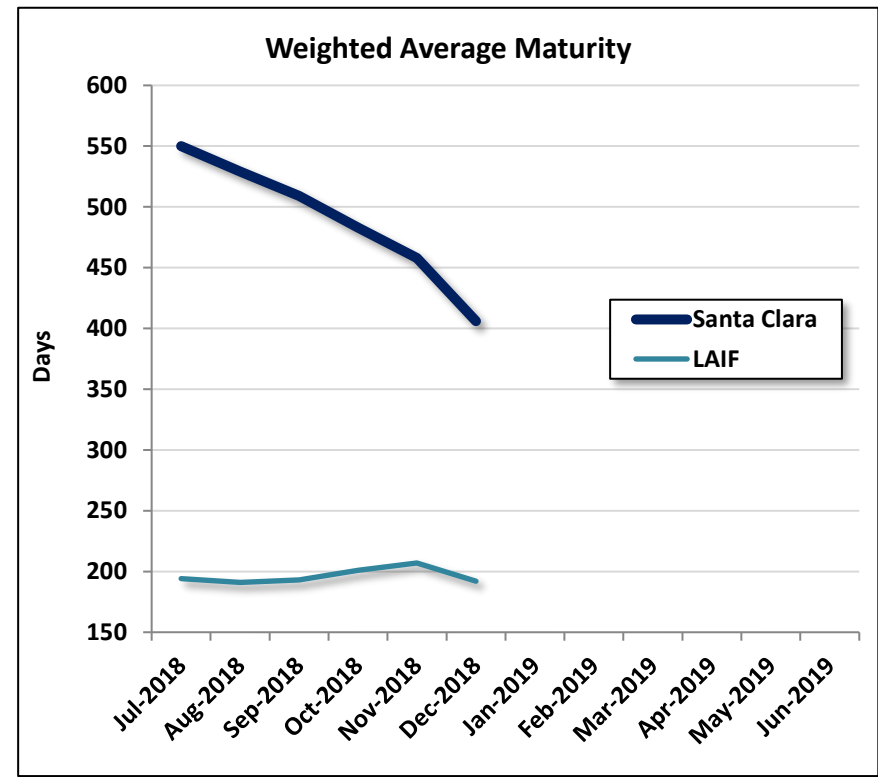
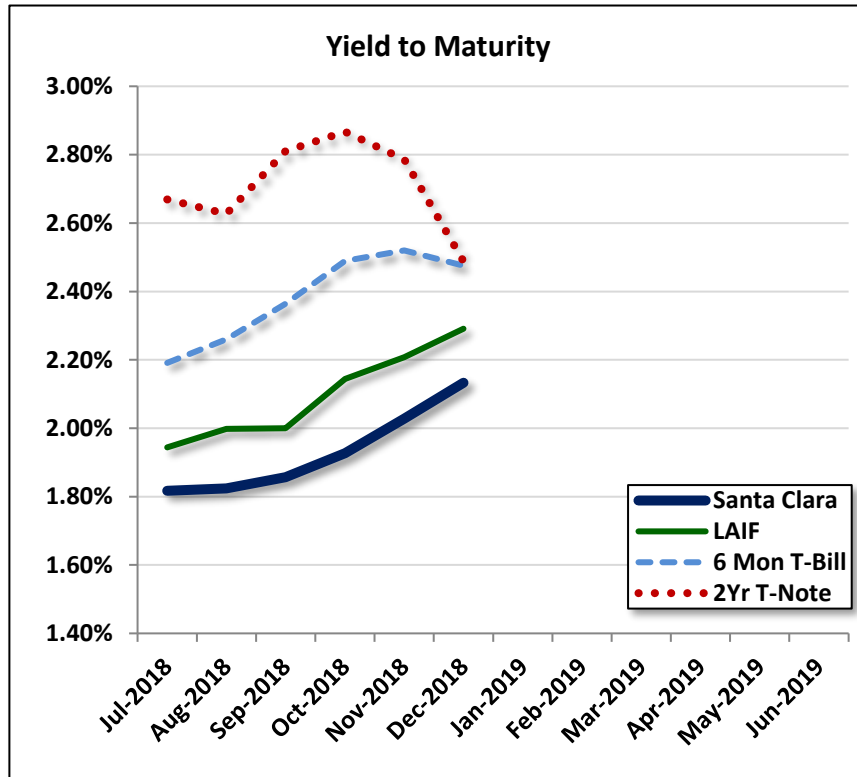
*Amounts are based on book value



Santa Clara County Commingled Pool

Yield to Maturity and Weighted Average Maturity

December 31, 2018



Item	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
SCC YTM	1.82%	1.82%	1.86%	1.93%	2.03%	2.13%						
LAIF YTM	1.94%	2.00%	2.00%	2.14%	2.21%	2.29%						
6 Mon T-Bill	2.19%	2.26%	2.36%	2.49%	2.52%	2.48%						
2Yr T-Note	2.67%	2.63%	2.81%	2.87%	2.79%	2.49%						
SCC WAM	550	529	509	483	458	406						
LAIF WAM	194	191	193	201	207	192						



Santa Clara County

Approved Issuers and Broker/Dealers

December 31, 2018

Direct Commercial Paper Issuers

Toyota Motor Credit
US Bank, NA
Dexia Credit Local, NY

Broker/Dealers

Academy Securities, Inc
Bank of America Merrill Lynch
Barclays Capital, Inc
BMO Capital Markets
BNP Paribas Securities Corp
BNY Mellon Capital Markets, LLC
BOK Financial Securities (Bank of Oklahoma)
Brean Capital LLC
Cantor Fitzgerald & Co
Citigroup Global Markets Inc
Daiwa Capital Markets America Inc
Deutsche Bank Securities Inc
FTN Financial Capital Markets
Incapital LLC
Jefferies & Co
JP Morgan Securities, Inc
Keybank Capital Markets, Inc
Loop Capital Markets LLC
Mizuho Securities USA, Inc
MUFG Securities USA LLC
Raymond James, Inc.
RBC Capital Markets, Inc
UBS Financial Services Inc
Vining Sparks LP
Williams Capital

Santa Clara County Commingled Pool
Compliance with Investment Policy
December 31, 2018



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 \$65 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
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
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 , collateral must exceed market value of security by 2%	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



Santa Clara County Commingled Pool

Allocation by Security Types

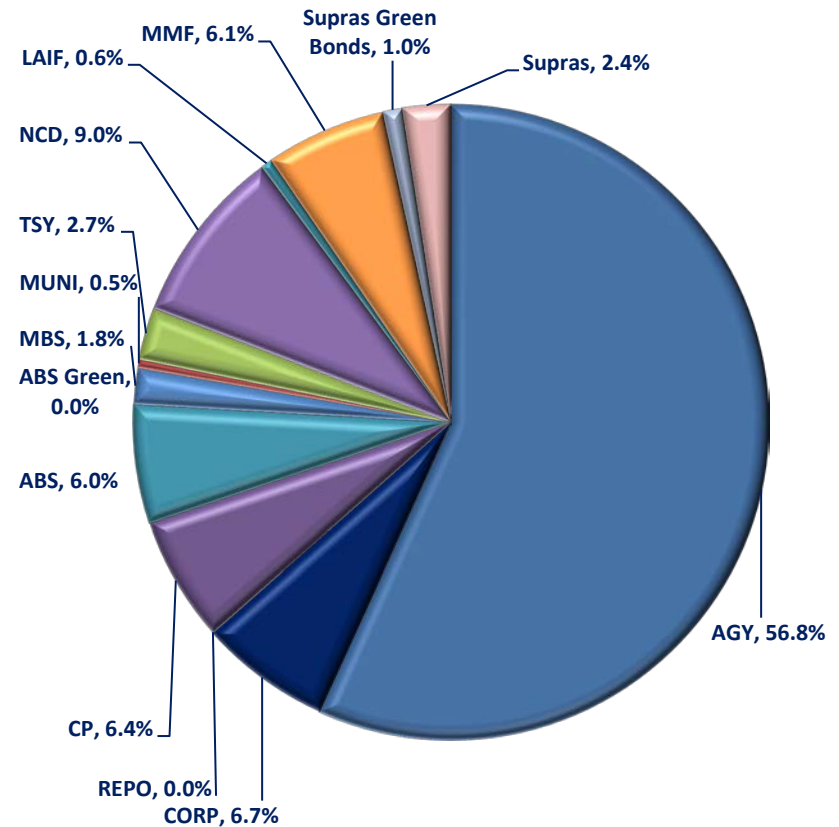
For the Month Ended November 30, 2018

Average Daily Balance	\$ 6,549,656,803.35
Book Yield	2.028%
Weighted Average Maturity	458 Days

Investment Type	Par Value (Millions)	Book Value* (Millions)	Value (Millions)
Federal Agencies	\$ 3,983.54	\$ 3,980.05	\$ 3,934.84
Corporate Bonds	469.83	468.83	464.65
Repurchase Agreements	-	-	-
Commercial Paper	445.00	442.67	442.58
Asset-Backed Securities	420.21	420.13	417.20
Asset-Backed Sec Green Bds	1.22	1.22	1.22
Mortgage Backed Securities	127.54	127.90	126.24
Municipal Securities	31.97	32.00	31.23
U.S. Treasuries	185.00	184.29	183.88
Negotiable CDs	625.00	625.00	624.91
LAIF	41.27	41.27	41.27
Money Market Funds	423.53	423.53	423.53
Supranationals Green Bonds	70.00	70.00	69.93
Supranationals	170.00	170.13	168.71
Total	\$ 6,994.11	\$ 6,987.03	\$ 6,930.17

*Represents Amortized Book Value

Asset Allocation By Market Value





Santa Clara County Commingled Pool

Allocation by Security Types

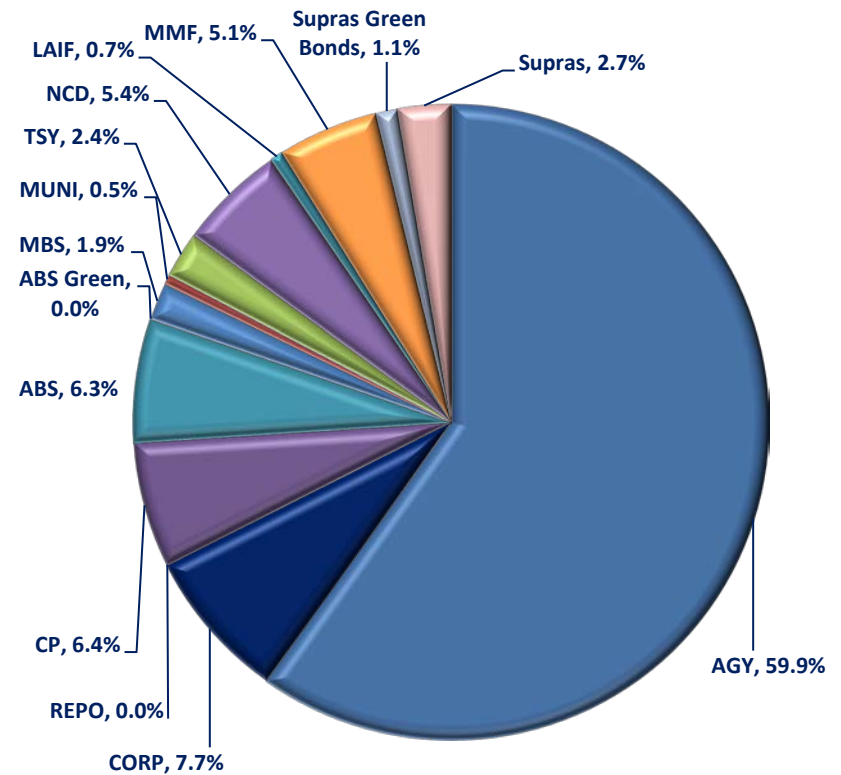
For the Month Ended October 31, 2018

Average Daily Balance	\$ 6,163,420,898.62
Book Yield	1.927%
Weighted Average Maturity	483 Days

Investment Type	Par Value (Millions)	Book Value* (Millions)	Value (Millions)
Federal Agencies	\$ 3,817.51	\$ 3,814.25	\$ 3,762.87
Corporate Bonds	489.83	488.76	484.20
Repurchase Agreements	-	-	-
Commercial Paper	405.00	402.59	402.47
Asset-Backed Securities	398.17	398.10	394.83
Asset-Backed Sec Green Bds	1.43	1.43	1.43
Mortgage Backed Securities	119.87	120.24	118.25
Municipal Securities	31.97	32.00	31.24
U.S. Treasuries	150.00	149.26	148.77
Negotiable CDs	340.00	340.00	339.92
LAIF	41.27	41.27	41.27
Money Market Funds	321.57	321.57	321.57
Supranationals Green Bonds	70.00	70.00	69.83
Supranationals	170.00	170.13	168.43
Total	\$ 6,356.63	\$ 6,349.60	\$ 6,285.08

*Represents Amortized Book Value

Asset Allocation By Market Value



SANTA CLARA COUNTY INVESTMENTS
Fund COMM - COMMINGLED POOL
Investments by Fund
December 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Negotiable CDs											
06052TZT0	38564	BANK OF AMERICA	04/05/2018	50,000,000.00	50,000,000.00	49,999,650.00	2.490	2.490	2.524	01/04/2019	3
06370RNQ8	38957	BANK OF MONTREAL CHICAGO	11/07/2018	50,000,000.00	50,000,000.00	49,999,850.00	2.880	2.880	2.920	07/31/2019	211
06370RRU5	39081	BANK OF MONTREAL CHICAGO	12/18/2018	50,000,000.00	50,000,000.00	50,004,800.00	2.880	2.880	2.920	07/15/2019	195
34959TMZ6	38456	BNP PARIBAS NY BRANCH	02/15/2018	60,000,000.00	60,000,000.00	59,985,240.00	2.290	2.290	2.321	02/01/2019	31
05586FGN1	38949	BNP PARIBAS NY BRANCH	11/05/2018	50,000,000.00	50,000,000.00	50,000,200.00	2.930	2.930	2.970	08/05/2019	216
06417G3L0	39046	BANK OF NOVA SCOTIA HOUSTON	12/10/2018	60,000,000.00	60,000,000.00	59,988,840.00	2.880	2.880	2.920	07/08/2019	188
22534H3T6	38562	Credit Agricole CIB NY	04/05/2018	45,000,000.00	45,000,000.00	44,997,660.00	2.510	2.475	2.510	01/31/2019	30
22535CAQ4	39008	Credit Agricole CIB NY	11/27/2018	40,000,000.00	40,000,000.00	40,005,080.00	2.980	2.980	3.021	08/26/2019	237
13606BK54	39015	Canadian IMP BK COMM NY	11/28/2018	50,000,000.00	50,000,000.00	50,022,700.00	2.970	2.970	3.011	08/26/2019	237
17305TC83	39054	CITI BANK NA	12/11/2018	50,000,000.00	50,000,000.00	50,006,450.00	2.920	2.920	2.960	06/10/2019	160
25215FDD3	38688	DEXIA	05/04/2018	40,000,000.00	40,000,000.00	39,998,360.00	2.490	2.455	2.490	01/28/2019	27
25215FEK6	39061	DEXIA	12/12/2018	30,000,000.00	30,000,000.00	30,000,390.00	2.750	2.750	2.788	06/07/2019	157
21685V7C7	39087	RABOBANK	12/18/2018	50,000,000.00	50,000,000.00	49,996,450.00	2.850	2.850	2.889	07/19/2019	199
21685V6U8	38984	RABOBANK	11/20/2018	50,000,000.00	50,000,000.00	49,994,700.00	2.850	2.850	2.889	07/19/2019	199
78012UDV4	38751	ROYAL BANK OF CANADA	05/23/2018	15,000,000.00	15,000,000.00	14,988,365.10	2.660	2.660	2.696	05/24/2019	143
78012UGJ8	38848	ROYAL BANK OF CANADA	08/29/2018	20,000,000.00	20,000,000.00	19,970,863.20	2.630	2.630	2.666	07/05/2019	185
78012UJP1	38908	ROYAL BANK OF CANADA	10/24/2018	25,000,000.00	25,000,000.00	24,995,198.25	2.890	2.890	2.930	08/02/2019	213
78012UKV6	39045	ROYAL BANK OF CANADA	12/07/2018	45,000,000.00	45,000,000.00	45,001,048.50	2.900	2.900	2.940	07/12/2019	192
89113XE26	38563	TORONTO DOMINION BANK	04/05/2018	50,000,000.00	50,000,000.00	50,001,407.50	2.550	2.515	2.550	01/31/2019	30
89114MMK0	38991	TORONTO DOMINION BANK	11/21/2018	45,000,000.00	45,000,000.00	45,023,314.05	3.000	3.000	3.041	08/16/2019	227
90333VZU7	38907	US BANK	10/24/2018	35,000,000.00	35,000,000.00	35,000,799.05	2.910	2.873	2.913	07/22/2019	202
Subtotal and Average				910,000,000.00	910,000,000.00	909,981,365.65	2.766	2.804		153	
Mortgage Backed Securities (MBS)											
3137AYCE9	38387	FHLMC Multi-Family	01/12/2018	20,157,000.00	20,000,000.00	19,851,968.00	2.682	2.199	2.230	10/25/2022	1,393
3137AYCE9	38391	FHLMC Multi-Family	01/16/2018	7,555,078.13	7,500,000.00	7,444,488.00	2.682	2.209	2.239	10/25/2022	1,393
3137AWQH1	38465	FHLMC Multi-Family	02/22/2018	5,460,553.13	5,580,000.00	5,471,437.75	2.307	3.155	3.198	08/25/2022	1,332
3137B36J2	38643	FHLMC Multi-Family	03/20/2018	20,345,312.50	20,000,000.00	20,289,304.00	3.320	2.865	2.905	02/25/2023	1,516
3137AYCE9	38666	FHLMC Multi-Family	04/17/2018	11,616,539.06	11,745,000.00	11,658,068.21	2.682	3.032	3.074	10/25/2022	1,393
3137AYCE9	38744	FHLMC Multi-Family	06/05/2018	19,788,281.25	20,000,000.00	19,851,968.00	2.682	3.070	3.112	10/25/2022	1,393
3137B4WB8	38854	FHLMC Multi-Family	09/12/2018	4,768,285.16	4,775,000.00	4,795,686.26	3.060	2.968	3.009	07/25/2023	1,666

Fund COMM - COMMINGLED POOL
Investments by Fund
December 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Mortgage Backed Securities (MBS)											
3137B5JM6	38864	FHLMC Multi-Family	09/25/2018	10,135,937.50	10,000,000.00	10,233,811.00	3.531	2.710	2.748	07/25/2023	1,666
3137B3NA2	38945	FHLMC Multi-Family	11/02/2018	10,605,782.00	10,605,782.00	10,729,184.52	3.250	3.120	3.163	04/25/2023	1,575
3137B5KW2	39026	FHLMC Multi-Family	12/03/2018	10,092,187.50	10,000,000.00	10,200,869.00	3.458	2.907	2.947	08/25/2023	1,697
3137FBUV6	39093	FHLMC Multi-Family	12/20/2018	19,987,500.00	20,000,000.00	19,987,966.00	2.527	2.422	2.456	07/25/2020	571
3138LAYM5	38477	FNMA Multi-Family	02/27/2018	3,503,076.49	3,542,934.51	3,494,123.25	2.550	2.888	2.928	09/01/2022	1,339
3136B1XP4	38664	FNMA Multi-Family	04/30/2018	3,875,286.57	3,799,706.61	3,842,384.53	3.560	2.746	2.784	09/25/2021	998
3136B1XP4	38665	FNMA Multi-Family	04/30/2018	3,875,286.57	3,799,706.61	3,842,384.53	3.560	2.746	2.784	09/25/2021	998
31381N7G2	38884	FNMA Multi-Family	10/11/2018	3,477,834.28	3,468,620.76	3,483,623.76	3.270	3.045	3.088	10/01/2020	639
Subtotal and Average				155,243,940.15	154,816,750.49	155,177,266.81		2.751	2.789		1,321
Federal Agency Bonds											
3133EEWG1	35799	FFCB NOTES	04/01/2015	9,922,209.65	9,950,000.00	9,922,169.85	1.300	1.353	1.371	04/01/2019	90
3133EFZN0	36584	FFCB NOTES	02/24/2016	14,981,550.00	15,000,000.00	14,979,180.00	1.030	1.057	1.072	02/12/2019	42
3133EF4Y0	36726	FFCB NOTES	04/27/2016	26,753,864.07	26,855,000.00	26,731,225.31	1.000	1.112	1.128	04/26/2019	115
3133EGWH4	37018	FFCB NOTES	09/30/2016	10,009,400.00	10,000,000.00	9,657,540.00	1.280	1.243	1.260	09/29/2021	1,002
3133EGT47	37194	FFCB NOTES	12/08/2016	10,000,000.00	10,000,000.00	9,837,190.00	2.010	1.982	2.010	12/08/2021	1,072
3133EG2D6	37305	FFCB NOTES	12/30/2016	25,026,250.00	25,000,000.00	24,801,550.00	1.550	1.490	1.511	09/27/2019	269
3133EG5D3	37378	FFCB NOTES	01/27/2017	5,000,000.00	5,000,000.00	4,911,855.00	2.030	2.002	2.030	01/27/2022	1,122
3133EG5Q4	37399	FFCB NOTES	02/01/2017	20,000,000.00	20,000,000.00	19,984,380.00	1.300	1.282	1.300	02/01/2019	31
3133EG6C4	37404	FFCB NOTES	02/03/2017	14,997,900.00	15,000,000.00	14,844,675.00	1.550	1.533	1.554	02/03/2020	398
3133EG3X1	37466	FFCB NOTES	02/16/2017	14,981,340.00	15,000,000.00	14,993,040.00	1.250	1.297	1.315	01/17/2019	16
3133EHBA0	37502	FFCB NOTES	03/02/2017	19,977,600.00	20,000,000.00	19,769,840.00	1.520	1.537	1.558	03/02/2020	426
3133EHXC9	37566	FFCB NOTES	03/20/2017	13,460,042.75	13,475,000.00	13,445,920.95	1.450	1.485	1.506	03/20/2019	78
3133EHXC9	37574	FFCB NOTES	03/20/2017	25,004,000.00	25,000,000.00	24,946,050.00	1.450	1.422	1.441	03/20/2019	78
3133EG3X1	37628	FFCB NOTES	03/30/2017	24,962,500.00	25,000,000.00	24,988,400.00	1.250	1.316	1.334	01/17/2019	16
3133EHEZ2	37639	FFCB NOTES	04/06/2017	15,000,000.00	15,000,000.00	14,821,230.00	1.600	1.578	1.600	04/06/2020	461
3133EHFL2	37665	FFCB NOTES	04/13/2017	14,994,255.00	15,000,000.00	14,802,285.00	1.550	1.541	1.563	04/13/2020	468
3133EHFL2	37666	FFCB NOTES	04/13/2017	9,996,900.00	10,000,000.00	9,868,190.00	1.550	1.539	1.560	04/13/2020	468
3133EHFL2	37667	FFCB NOTES	04/13/2017	9,996,900.00	10,000,000.00	9,868,190.00	1.550	1.539	1.560	04/13/2020	468
3133EHGA5	37725	FFCB NOTES	04/21/2017	25,008,250.00	25,000,000.00	24,756,525.00	1.440	1.406	1.426	10/21/2019	293
3133EHHG1	37761	FFCB NOTES	05/03/2017	5,000,000.00	5,000,000.00	4,907,875.00	1.750	1.726	1.750	05/03/2021	853
3133EHHG1	37762	FFCB NOTES	05/03/2017	10,000,000.00	10,000,000.00	9,815,750.00	1.750	1.726	1.750	05/03/2021	853

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Federal Agency Bonds											
3133EHJA2	37793	FFCB NOTES	05/08/2017	34,988,800.00	35,000,000.00	34,519,835.00	1.550	1.539	1.561	05/08/2020	493
3133EHKH5	37841	FFCB NOTES	05/23/2017	12,009,960.00	12,000,000.00	11,815,488.00	1.570	1.522	1.543	07/23/2020	569
3133EHMR1	37901	FFCB NOTES	06/12/2017	5,000,000.00	5,000,000.00	4,973,615.00	1.375	1.356	1.375	06/12/2019	162
3133EHMR1	37905	FFCB NOTES	06/12/2017	5,000,000.00	5,000,000.00	4,973,615.00	1.375	1.356	1.375	06/12/2019	162
3133EHWM1	38024	FFCB NOTES	09/01/2017	3,006,120.00	3,000,000.00	2,932,668.00	1.700	1.624	1.647	09/01/2021	974
3133EHWM1	38025	FFCB NOTES	09/01/2017	5,000,000.00	5,000,000.00	4,887,780.00	1.700	1.676	1.700	09/01/2021	974
3133EHWM1	38026	FFCB NOTES	09/01/2017	7,015,610.00	7,000,000.00	6,842,892.00	1.700	1.619	1.642	09/01/2021	974
3133EHZA4	38046	FFCB NOTES	09/20/2017	9,969,300.00	10,000,000.00	9,760,000.00	1.660	1.715	1.739	09/20/2021	993
3133EHJ95	38081	FFCB NOTES	10/26/2017	9,996,500.00	10,000,000.00	9,851,200.00	1.750	1.737	1.762	10/26/2020	664
3133EHJ95	38082	FFCB NOTES	10/26/2017	4,995,500.00	5,000,000.00	4,925,600.00	1.750	1.756	1.780	10/26/2020	664
3133EHP31	38126	FFCB NOTES	11/10/2017	9,973,005.00	9,975,000.00	9,802,841.48	1.950	1.928	1.955	11/02/2021	1,036
3133EHW58	38169	FFCB NOTES	11/27/2017	14,995,500.00	15,000,000.00	14,808,690.00	1.900	1.943	1.970	11/27/2020	696
3133EHW58	38204	FFCB NOTES	12/01/2017	21,498,926.50	21,550,000.00	21,275,151.30	1.900	1.954	1.982	11/27/2020	696
3133EGYC3	38310	FFCB NOTES	12/20/2017	8,302,050.00	8,550,000.00	8,258,727.15	1.730	2.338	2.371	10/12/2022	1,380
3133EJGH6	38506	FFCB NOTES	03/15/2018	23,006,440.00	23,000,000.00	22,939,073.00	2.440	2.395	2.429	10/15/2020	653
3133EJHS1	38544	FFCB NOTES	03/27/2018	24,499,265.00	24,500,000.00	24,467,635.50	2.250	2.222	2.253	06/27/2019	177
3133EJHL6	38545	FFCB NOTES	03/27/2018	9,991,200.00	10,000,000.00	9,981,500.00	2.375	2.387	2.420	03/27/2020	451
3133EJLU1	38629	FFCB NOTES	04/24/2018	14,992,500.00	15,000,000.00	14,969,925.00	2.420	2.829	2.869	01/24/2020	388
3133EJLU1	38630	FFCB NOTES	04/24/2018	29,991,600.00	30,000,000.00	29,939,850.00	2.420	2.814	2.854	01/24/2020	388
3133EJPX1	38718	FFCB NOTES	05/21/2018	4,977,950.00	5,000,000.00	5,033,210.00	2.875	3.253	3.299	12/21/2022	1,450
3133EJSU4	38831	FFCB NOTES	06/29/2018	10,002,700.00	10,000,000.00	9,985,980.00	2.530	2.476	2.511	12/26/2019	359
3133EJTT6	38837	FFCB NOTES	07/05/2018	4,995,800.00	5,000,000.00	5,007,725.00	2.625	2.623	2.659	01/05/2021	735
3133EJTT6	38838	FFCB NOTES	07/05/2018	4,995,800.00	5,000,000.00	5,007,725.00	2.625	2.623	2.659	01/05/2021	735
3133EJZH5	38878	FFCB NOTES	10/05/2018	13,876,660.00	14,000,000.00	14,086,702.00	2.800	2.997	3.038	09/13/2022	1,351
3133EJK24	38943	FFCB NOTES	11/01/2018	14,997,900.00	15,000,000.00	15,177,480.00	3.000	2.963	3.004	10/19/2021	1,022
3133EJW70	38999	FFCB NOTES	11/26/2018	34,970,950.00	35,000,000.00	35,224,490.00	2.875	2.869	2.909	05/26/2021	876
3133EJW70	39023	FFCB NOTES	11/30/2018	26,799,248.00	26,825,000.00	26,997,055.55	2.875	2.875	2.915	05/26/2021	876
3133EJ3B3	39075	FFCB NOTES	12/17/2018	9,987,400.00	10,000,000.00	10,060,630.00	2.800	2.805	2.844	12/17/2021	1,081
3133EJY60	39105	FFCB NOTES	12/24/2018	12,606,375.00	12,500,000.00	12,678,912.50	3.020	2.765	2.803	03/03/2023	1,522
3133EJ3B3	39108	FFCB NOTES	12/24/2018	4,308,213.00	4,300,000.00	4,326,070.90	2.800	2.695	2.732	12/17/2021	1,081
313383VN8	35826	FHLB NOTES	04/09/2015	9,727,434.20	9,460,000.00	9,417,146.20	2.000	1.321	1.340	09/13/2019	255
313383VN8	35827	FHLB NOTES	04/09/2015	25,854,057.45	25,155,000.00	25,041,047.85	2.000	1.332	1.351	09/13/2019	255

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
313378QK0	35867	FHLB NOTES	04/15/2015	10,251,100.00	10,000,000.00	9,989,550.00	1.875	1.196	1.213	03/08/2019	66
3130A5Z77	36288	FHLB NOTES	10/21/2015	5,077,950.00	5,000,000.00	4,943,110.00	1.830	1.469	1.490	07/29/2020	575
3130A5Z77	36289	FHLB NOTES	10/19/2015	5,088,700.00	5,000,000.00	4,943,110.00	1.830	1.424	1.444	07/29/2020	575
3130A5Z77	36298	FHLB NOTES	10/23/2015	5,086,650.00	5,000,000.00	4,943,110.00	1.830	1.432	1.452	07/29/2020	575
3130A5Z77	36308	FHLB NOTES	10/26/2015	10,142,000.00	10,000,000.00	9,886,220.00	1.830	1.498	1.519	07/29/2020	575
3130A5Z77	36310	FHLB NOTES	10/26/2015	5,072,900.00	5,000,000.00	4,943,110.00	1.830	1.490	1.511	07/29/2020	575
313379EE5	36402	FHLB NOTES	12/02/2015	17,305,608.00	17,200,000.00	17,125,438.00	1.625	1.243	1.261	06/14/2019	164
313379EE5	36550	FHLB NOTES	02/05/2016	15,250,200.00	15,000,000.00	14,934,975.00	1.625	1.102	1.117	06/14/2019	164
3130A7PU3	36679	FHLB NOTES	04/11/2016	10,020,500.00	10,000,000.00	9,830,900.00	1.200	1.131	1.147	04/06/2020	461
3133782M2	36707	FHLB NOTES	04/19/2016	20,321,829.95	20,015,000.00	19,979,833.64	1.500	0.946	0.960	03/08/2019	66
313378J77	36756	FHLB NOTES	05/12/2016	15,423,750.00	15,000,000.00	14,871,690.00	1.875	1.105	1.120	03/13/2020	437
313378J77	36760	FHLB NOTES	05/13/2016	6,162,780.00	6,000,000.00	5,948,676.00	1.875	1.133	1.149	03/13/2020	437
3133834H1	36877	FHLB NOTES	07/12/2016	15,183,600.00	15,000,000.00	14,742,060.00	1.375	1.040	1.055	06/12/2020	528
313378J77	36886	FHLB NOTES	07/15/2016	15,427,350.00	15,000,000.00	14,871,690.00	1.875	1.055	1.069	03/13/2020	437
3130A7L37	36896	FHLB NOTES	07/21/2016	5,039,100.00	5,000,000.00	4,987,665.00	1.250	0.939	0.952	03/15/2019	73
313380WG8	36993	FHLB NOTES	09/30/2016	19,694,805.00	19,500,000.00	19,113,295.50	1.375	1.100	1.115	09/11/2020	619
313380WG8	37022	FHLB NOTES	10/06/2016	12,067,800.00	12,000,000.00	11,762,028.00	1.375	1.210	1.227	09/11/2020	619
3133834H1	37037	FHLB NOTES	10/13/2016	10,047,400.00	10,000,000.00	9,828,040.00	1.375	1.225	1.242	06/12/2020	528
313380WG8	37054	FHLB NOTES	10/24/2016	10,060,000.00	10,000,000.00	9,801,690.00	1.375	1.199	1.216	09/11/2020	619
313383HU8	37058	FHLB NOTES	10/19/2016	15,313,350.00	15,000,000.00	14,826,960.00	1.750	1.147	1.163	06/12/2020	528
313380WG8	37072	FHLB NOTES	10/28/2016	13,916,687.40	13,860,000.00	13,585,142.34	1.375	1.248	1.266	09/11/2020	619
3130AA3R7	37108	FHLB NOTES	11/17/2016	34,991,950.00	35,000,000.00	34,621,090.00	1.375	1.363	1.382	11/15/2019	318
3130AABG2	37149	FHLB NOTES	11/30/2016	14,940,300.00	15,000,000.00	14,729,190.00	1.875	1.931	1.957	11/29/2021	1,063
3130AAE46	37190	FHLB NOTES	12/08/2016	49,998,000.00	50,000,000.00	49,974,900.00	1.250	1.234	1.252	01/16/2019	15
3130AADN5	37289	FHLB NOTES	12/28/2016	40,003,120.00	40,000,000.00	39,761,480.00	1.375	1.353	1.371	06/28/2019	178
3130A8Y72	37372	FHLB NOTES	01/26/2017	34,502,650.00	35,000,000.00	34,641,950.00	0.875	1.430	1.450	08/05/2019	216
3130AAXX1	37548	FHLB NOTES	03/10/2017	19,953,600.00	20,000,000.00	19,954,660.00	1.375	1.471	1.491	03/18/2019	76
3130AAXX1	37549	FHLB NOTES	03/10/2017	19,953,600.00	20,000,000.00	19,954,660.00	1.375	1.471	1.491	03/18/2019	76
3130AAXX1	37614	FHLB NOTES	03/28/2017	25,000,625.00	25,000,000.00	24,943,325.00	1.375	1.354	1.373	03/18/2019	76
313382K69	37711	FHLB NOTES	04/13/2017	25,894,911.00	25,860,000.00	25,400,079.90	1.750	1.690	1.714	03/12/2021	801
313378CR0	37726	FHLB NOTES	04/19/2017	25,502,000.00	25,000,000.00	24,701,500.00	2.250	1.794	1.819	03/11/2022	1,165
313378J77	37778	FHLB NOTES	04/28/2017	14,133,280.00	14,000,000.00	13,880,244.00	1.875	1.513	1.535	03/13/2020	437

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Federal Agency Bonds											
3130ABDX1	37816	FHLB NOTES	05/24/2017	30,000,000.00	30,000,000.00	29,862,090.00	1.400	1.380	1.400	05/24/2019	143
313379RB7	37961	FHLB NOTES	06/30/2017	5,024,350.00	5,000,000.00	4,906,995.00	1.875	1.722	1.746	06/11/2021	892
3130ACE26	38033	FHLB NOTES	09/08/2017	21,929,380.00	22,000,000.00	21,555,160.00	1.375	1.462	1.482	09/28/2020	636
3130A3UQ5	38102	FHLB NOTES	11/03/2017	10,020,600.00	10,000,000.00	9,868,430.00	1.875	1.781	1.806	12/11/2020	710
3130ACUK8	38178	FHLB NOTES	11/28/2017	25,000,000.00	25,000,000.00	24,639,875.00	2.000	1.972	2.000	05/28/2021	878
3130AAE46	38202	FHLB NOTES	11/30/2017	24,870,250.00	25,000,000.00	24,987,450.00	1.250	1.692	1.716	01/16/2019	15
313383HU8	38247	FHLB NOTES	12/08/2017	24,888,750.00	25,000,000.00	24,711,600.00	1.750	1.905	1.932	06/12/2020	528
3130A66T9	38269	FHLB NOTES	12/13/2017	24,757,750.00	25,000,000.00	24,613,475.00	1.625	1.961	1.989	09/11/2020	619
3130ADJH6	38418	FHLB NOTES	01/29/2018	7,610,811.75	7,615,000.00	7,576,163.50	2.100	2.099	2.128	01/29/2020	393
313370US5	38436	FHLB NOTES	02/05/2018	5,069,050.00	5,000,000.00	5,026,450.00	2.875	2.292	2.324	09/11/2020	619
313379EE5	38469	FHLB NOTES	02/21/2018	24,821,250.00	25,000,000.00	24,891,625.00	1.625	2.149	2.179	06/14/2019	164
3130ADUY6	38570	FHLB NOTES	04/06/2018	31,568,053.50	31,575,000.00	31,529,405.70	2.450	2.425	2.459	09/21/2020	629
3130ADXU1	38578	FHLB NOTES	04/09/2018	19,982,400.00	20,000,000.00	19,945,780.00	2.320	2.340	2.372	01/09/2020	373
3130A02T6	38596	FHLB NOTES	04/13/2018	25,018,250.00	25,000,000.00	24,949,775.00	2.375	2.289	2.321	09/13/2019	255
3130A8Y72	38615	FHLB NOTES	04/19/2018	24,528,250.00	25,000,000.00	24,744,250.00	0.875	2.330	2.363	08/05/2019	216
3130AECJ7	38733	FHLB NOTES	05/21/2018	9,996,400.00	10,000,000.00	10,014,430.00	2.625	2.607	2.643	05/28/2020	513
3130AFB63	38896	FHLB NOTES	10/22/2018	14,984,250.00	15,000,000.00	15,123,525.00	2.950	2.958	2.999	01/22/2021	752
3130AFB63	38901	FHLB NOTES	10/23/2018	4,994,750.00	5,000,000.00	5,041,175.00	2.950	2.958	2.999	01/22/2021	752
3130AFB63	38920	FHLB NOTES	10/26/2018	25,006,500.00	25,000,000.00	25,205,875.00	2.950	2.898	2.939	01/22/2021	752
3130AFB63	38922	FHLB NOTES	10/26/2018	5,000,850.00	5,000,000.00	5,041,175.00	2.950	2.902	2.943	01/22/2021	752
313370E38	38978	FHLB NOTES	11/19/2018	20,166,400.00	20,000,000.00	20,238,200.00	3.375	2.787	2.826	06/12/2020	528
3130AFE78	39016	FHLB NOTES	11/29/2018	14,342,968.50	14,350,000.00	14,548,001.30	3.000	2.970	3.012	12/09/2022	1,438
3130A0F70	39069	FHLB NOTES	12/14/2018	10,208,100.00	10,000,000.00	10,305,490.00	3.375	2.883	2.923	12/08/2023	1,802
3130A0F70	39106	FHLB NOTES	12/24/2018	3,589,705.00	3,500,000.00	3,606,921.50	3.375	2.778	2.817	12/08/2023	1,802
3137EADM8	35873	FHLMC NOTES	04/16/2015	29,916,300.00	30,000,000.00	29,690,010.00	1.250	1.296	1.314	10/02/2019	274
3137EADM8	36322	FHLMC NOTES	10/29/2015	9,957,300.00	10,000,000.00	9,896,670.00	1.250	1.343	1.362	10/02/2019	274
3137EADM8	36332	FHLMC NOTES	11/04/2015	18,192,740.50	18,350,000.00	18,160,389.45	1.250	1.456	1.476	10/02/2019	274
3137EADM8	36337	FHLMC NOTES	11/06/2015	7,912,320.00	8,000,000.00	7,917,336.00	1.250	1.519	1.540	10/02/2019	274
3137EADM8	36340	FHLMC NOTES	11/09/2015	9,868,900.00	10,000,000.00	9,896,670.00	1.250	1.576	1.598	10/02/2019	274
3137EAEC9	36989	FHLMC NOTES	09/27/2016	19,855,200.00	20,000,000.00	19,316,140.00	1.125	1.261	1.278	08/12/2021	954
3137EAEC9	36992	FHLMC NOTES	09/29/2016	9,933,800.00	10,000,000.00	9,658,070.00	1.125	1.248	1.265	08/12/2021	954
3137EAEE5	37443	FHLMC NOTES	02/09/2017	20,013,000.00	20,000,000.00	19,775,660.00	1.500	1.456	1.477	01/17/2020	381

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3134G3A91	37454	FHLMC NOTES	01/19/2017	19,997,400.00	20,000,000.00	19,838,780.00	1.400	1.385	1.404	08/22/2019	233
3134GA6W9	37580	FHLMC NOTES	02/28/2017	11,150,000.00	11,150,000.00	11,061,625.10	1.500	1.479	1.500	08/28/2019	239
3137EAEF2	37835	FHLMC NOTES	04/20/2017	44,846,100.00	45,000,000.00	44,318,790.00	1.375	1.471	1.491	04/20/2020	475
3137EAEJ4	38057	FHLMC NOTES	09/29/2017	14,972,850.00	15,000,000.00	14,765,175.00	1.625	1.663	1.687	09/29/2020	637
3137EAEK1	38135	FHLMC NOTES	11/15/2017	24,976,000.00	25,000,000.00	24,688,700.00	1.875	1.881	1.908	11/17/2020	686
3137EAEB1	38403	FHLMC NOTES	01/19/2018	24,581,500.00	25,000,000.00	24,761,525.00	0.875	1.985	2.013	07/19/2019	199
3137EAEI9	38462	FHLMC NOTES	02/16/2018	44,881,200.00	45,000,000.00	44,843,760.00	2.375	2.433	2.466	02/16/2021	777
3135G0UU5	35847	FNMA NOTES	04/13/2015	7,084,070.00	7,000,000.00	6,932,793.00	1.750	1.474	1.494	03/06/2020	430
3135G0UU5	35856	FNMA NOTES	04/14/2015	14,762,362.32	14,584,000.00	14,443,979.02	1.750	1.469	1.489	03/06/2020	430
3136FTZZ5	36088	FNMA NOTES	06/26/2015	7,455,639.40	7,370,000.00	7,365,990.72	1.750	1.397	1.417	01/30/2019	29
3135G0A78	36347	FNMA NOTES	11/13/2015	9,980,600.00	10,000,000.00	9,900,470.00	1.625	1.650	1.672	01/21/2020	385
3135G0A78	36361	FNMA NOTES	11/18/2015	20,006,200.00	20,000,000.00	19,800,940.00	1.625	1.585	1.607	01/21/2020	385
3135G0A78	36383	FNMA NOTES	11/24/2015	9,986,700.00	10,000,000.00	9,900,470.00	1.625	1.635	1.658	01/21/2020	385
3135G0A78	36384	FNMA NOTES	11/24/2015	9,987,500.00	10,000,000.00	9,900,470.00	1.625	1.633	1.656	01/21/2020	385
3135G0H63	36505	FNMA NOTES	01/08/2016	24,984,500.00	25,000,000.00	24,980,350.00	1.375	1.376	1.395	01/28/2019	27
3135G0N33	37253	FNMA NOTES	12/19/2016	19,661,600.00	20,000,000.00	19,798,020.00	0.875	1.515	1.536	08/02/2019	213
3135G0S38	37582	FNMA NOTES	02/09/2017	10,050,300.00	10,000,000.00	9,852,030.00	2.000	1.866	1.892	01/05/2022	1,100
3136FTZZ5	37620	FNMA NOTES	03/29/2017	10,944,857.75	10,865,000.00	10,859,089.44	1.750	1.324	1.343	01/30/2019	29
3135G0T45	37783	FNMA NOTES	04/10/2017	39,820,400.00	40,000,000.00	39,195,000.00	1.875	1.943	1.970	04/05/2022	1,190
3135G0S38	38079	FNMA NOTES	10/25/2017	9,997,000.00	10,000,000.00	9,852,030.00	2.000	1.979	2.007	01/05/2022	1,100
3135G0S38	38142	FNMA NOTES	11/16/2017	11,390,328.05	11,395,000.00	11,226,388.19	2.000	1.982	2.010	01/05/2022	1,100
3135G0T78	38163	FNMA NOTES	11/22/2017	4,958,800.00	5,000,000.00	4,905,480.00	2.000	2.149	2.179	10/05/2022	1,373
3135G0T60	38209	FNMA NOTES	12/04/2017	9,898,800.00	10,000,000.00	9,834,650.00	1.500	1.866	1.892	07/30/2020	576
3135G0N33	38367	FNMA NOTES	01/05/2018	39,321,600.00	40,000,000.00	39,596,040.00	0.875	1.946	1.973	08/02/2019	213
880591EV0	38503	TENNESSEE VALLEY AUTHORITY	03/08/2018	19,956,800.00	20,000,000.00	19,932,000.00	2.250	2.327	2.360	03/15/2020	439
880591EV0	38815	TENNESSEE VALLEY AUTHORITY	06/21/2018	9,940,800.00	10,000,000.00	9,966,000.00	2.250	2.535	2.570	03/15/2020	439
Subtotal and Average				2,318,856,358.74	2,318,284,000.00	2,300,809,502.84		1.776	1.800		489
Federal Agency Bonds - CALLABLE											
3133EF2L0	36688	FFCB NOTES	04/13/2016	20,000,000.00	20,000,000.00	19,687,160.00	1.400	1.380	1.400	04/13/2020	468
3133EF2L0	36689	FFCB NOTES	04/13/2016	15,000,000.00	15,000,000.00	14,765,370.00	1.400	1.380	1.400	04/13/2020	468
3133EF2L0	36690	FFCB NOTES	04/13/2016	15,000,000.00	15,000,000.00	14,765,370.00	1.400	1.380	1.400	04/13/2020	468

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3133EGKA2	36866	FFCB NOTES	07/06/2016	20,000,000.00	20,000,000.00	19,482,600.00	1.500	1.479	1.500	07/06/2021	917
3133EG2P9	37300	FFCB NOTES	12/29/2016	10,000,000.00	10,000,000.00	9,887,820.00	2.320	2.288	2.320	12/29/2021	1,093
3133EG2P9	37301	FFCB NOTES	12/29/2016	15,000,000.00	15,000,000.00	14,831,730.00	2.320	2.288	2.320	12/29/2021	1,093
3133EHKT9	38272	FFCB NOTES	12/13/2017	10,823,314.00	10,915,000.00	10,662,306.84	2.220	2.368	2.400	11/25/2022	1,424
3133EGG82	38326	FFCB NOTES	12/26/2017	1,942,780.00	2,000,000.00	1,941,318.00	1.520	2.262	2.293	11/15/2021	1,049
3133EGNK7	38341	FFCB NOTES	12/29/2017	4,365,761.50	4,450,000.00	4,363,999.30	1.320	2.049	2.077	07/27/2020	573
3133EGAH8	38342	FFCB NOTES	12/29/2017	10,654,672.50	10,875,000.00	10,621,590.75	1.550	2.144	2.174	05/17/2021	867
3133EGKD6	38346	FFCB NOTES	12/29/2017	6,850,480.00	7,000,000.00	6,822,816.00	1.625	2.188	2.218	10/05/2021	1,008
3133EFF28	38368	FFCB NOTES	01/05/2018	5,157,146.25	5,245,000.00	5,144,505.80	1.650	2.171	2.202	03/01/2021	790
3133EHFD0	39022	FFCB NOTES	11/30/2018	4,708,089.00	4,850,000.00	4,769,140.80	2.400	3.079	3.121	04/11/2023	1,561
3133EFX44	39107	FFCB NOTES	12/24/2018	5,332,931.10	5,490,000.00	5,358,240.00	2.050	2.814	2.853	10/05/2022	1,373
3130A3XL3	36117	FHLB NOTES	07/09/2015	7,203,165.00	7,250,000.00	7,161,535.50	1.500	1.624	1.646	02/10/2020	405
3130A7HM0	36641	FHLB NOTES	03/29/2016	19,990,000.00	20,000,000.00	19,941,020.00	1.250	1.249	1.267	03/29/2019	87
3130A9W49	37131	FHLB NOTES	11/25/2016	15,000,000.00	15,000,000.00	14,775,735.00	1.250	1.232	1.250	02/24/2020	419
3130AANA2	37382	FHLB NOTES	01/30/2017	25,000,000.00	25,000,000.00	24,695,550.00	1.750	1.726	1.750	07/30/2020	576
3130AANA2	37383	FHLB NOTES	01/30/2017	5,000,000.00	5,000,000.00	4,939,110.00	1.750	1.726	1.750	07/30/2020	576
3130AB3T1	37641	FHLB NOTES	04/24/2017	20,000,000.00	20,000,000.00	19,758,280.00	1.750	1.726	1.750	07/24/2020	570
3130ABZE9	38016	FHLB NOTES	08/28/2017	8,400,000.00	8,400,000.00	8,279,342.40	1.650	1.627	1.650	08/28/2020	605
3130ACK52	38389	FHLB NOTES	01/12/2018	24,693,500.00	25,000,000.00	24,633,200.00	1.700	2.134	2.164	10/05/2020	643
3130AEXG0	38855	FHLB NOTES	09/25/2018	15,000,000.00	15,000,000.00	15,056,610.00	3.000	2.958	3.000	03/25/2022	1,179
3130A9MR9	38858	FHLB NOTES	09/17/2018	9,179,249.30	9,685,000.00	9,341,037.23	1.650	2.981	3.023	10/12/2022	1,380
3130AC2P8	38859	FHLB NOTES	09/17/2018	9,798,600.00	10,000,000.00	9,876,100.00	1.800	2.831	2.870	08/28/2020	605
3130AFA72	38921	FHLB NOTES	10/26/2018	12,000,000.00	12,000,000.00	12,112,152.00	3.250	3.205	3.250	04/26/2023	1,576
3130AFC54	38942	FHLB NOTES	11/01/2018	14,997,000.00	15,000,000.00	15,012,210.00	3.250	3.212	3.256	11/08/2021	1,042
3130A8R54	39014	FHLB NOTES	11/28/2018	4,710,050.00	5,000,000.00	4,782,025.00	1.800	3.102	3.145	07/28/2023	1,669
3134G8JT7	36583	FHLMC NOTES	02/24/2016	12,500,000.00	12,500,000.00	12,344,700.00	1.500	1.479	1.500	02/24/2020	419
3134G8TV1	36644	FHLMC NOTES	03/29/2016	7,000,000.00	7,000,000.00	6,980,848.00	1.220	1.203	1.220	03/29/2019	87
3134G8S83	36648	FHLMC NOTES	03/30/2016	20,000,000.00	20,000,000.00	19,777,180.00	1.500	1.479	1.500	12/30/2019	363
3134G8PD5	36649	FHLMC NOTES	03/30/2016	19,996,000.00	20,000,000.00	19,802,960.00	1.350	1.337	1.355	09/30/2019	272
3134G8PD5	36650	FHLMC NOTES	03/30/2016	3,714,257.00	3,715,000.00	3,678,399.82	1.350	1.337	1.355	09/30/2019	272
3134G8PD5	36651	FHLMC NOTES	03/30/2016	6,375,000.00	6,375,000.00	6,312,193.50	1.350	1.331	1.350	09/30/2019	272
3134G8PD5	36654	FHLMC NOTES	03/30/2016	12,498,125.00	12,500,000.00	12,376,850.00	1.350	1.335	1.354	09/30/2019	272

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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3134G9DD6	36721	FHLMC NOTES	04/26/2016	11,988,000.00	12,000,000.00	11,950,440.00	1.150	1.167	1.184	04/26/2019	115
3134G9AV9	36729	FHLMC NOTES	04/28/2016	14,985,000.00	15,000,000.00	14,827,410.00	1.250	1.261	1.279	10/28/2019	300
3134G9AV9	36730	FHLMC NOTES	04/28/2016	4,245,750.00	4,250,000.00	4,201,099.50	1.250	1.261	1.279	10/28/2019	300
3134G9HM2	36785	FHLMC NOTES	05/26/2016	9,000,000.00	9,000,000.00	8,892,036.00	1.300	1.282	1.300	11/26/2019	329
3134G9HW0	36787	FHLMC NOTES	05/26/2016	5,250,000.00	5,250,000.00	5,184,700.50	1.250	1.232	1.250	11/26/2019	329
3134G9QW0	36823	FHLMC NOTES	06/14/2016	20,000,000.00	20,000,000.00	19,884,360.00	1.280	1.262	1.280	06/14/2019	164
3134G3K90	37344	FHLMC NOTES	01/19/2017	10,003,400.00	10,000,000.00	9,850,030.00	1.700	1.667	1.690	09/25/2020	633
3134GBBM3	37518	FHLMC NOTES	03/29/2017	25,000,000.00	25,000,000.00	24,701,075.00	2.000	1.972	2.000	03/29/2021	818
3134GA5T7	37578	FHLMC NOTES	02/28/2017	3,500,000.00	3,500,000.00	3,458,378.00	2.125	2.095	2.125	01/26/2022	1,121
3134GA5T7	37579	FHLMC NOTES	02/28/2017	20,000,000.00	20,000,000.00	19,762,160.00	2.125	2.096	2.125	01/26/2022	1,121
3134GBEW8	37621	FHLMC NOTES	04/26/2017	25,000,000.00	25,000,000.00	24,831,075.00	1.500	1.479	1.500	07/26/2019	206
3134GBEW8	37668	FHLMC NOTES	04/26/2017	8,000,000.00	8,000,000.00	7,945,944.00	1.500	1.479	1.500	07/26/2019	206
3134GBGZ9	37669	FHLMC NOTES	04/27/2017	15,000,000.00	15,000,000.00	14,774,730.00	2.000	1.972	2.000	01/27/2022	1,122
3134GBEF5	37696	FHLMC NOTES	04/27/2017	3,640,000.00	3,640,000.00	3,599,111.88	1.700	1.676	1.700	04/27/2020	482
3134GBJJ2	37741	FHLMC NOTES	04/26/2017	10,000,000.00	10,000,000.00	9,829,500.00	1.750	1.726	1.750	01/26/2021	756
3134GBJJ2	37742	FHLMC NOTES	04/26/2017	25,000,000.00	25,000,000.00	24,573,750.00	1.750	1.726	1.750	01/26/2021	756
3134GBLR1	37801	FHLMC NOTES	05/25/2017	20,000,000.00	20,000,000.00	19,691,120.00	1.750	1.726	1.750	11/25/2020	694
3134GBLQ3	37804	FHLMC NOTES	05/22/2017	20,000,000.00	20,000,000.00	19,756,040.00	1.650	1.627	1.650	05/22/2020	507
3134GBPM8	37817	FHLMC NOTES	05/24/2017	15,000,000.00	15,000,000.00	14,766,420.00	2.000	1.972	2.000	02/24/2022	1,150
3134GBRR5	37849	FHLMC NOTES	06/15/2017	20,000,000.00	20,000,000.00	19,650,260.00	1.800	1.775	1.800	06/15/2021	896
3134GBRU8	37861	FHLMC NOTES	06/22/2017	30,000,000.00	30,000,000.00	29,596,140.00	1.625	1.602	1.625	06/22/2020	538
3134GBSM5	37880	FHLMC NOTES	06/22/2017	5,450,000.00	5,450,000.00	5,368,854.95	1.700	1.676	1.700	09/22/2020	630
3134GBRZ7	37893	FHLMC NOTES	06/20/2017	15,000,000.00	15,000,000.00	14,836,860.00	1.500	1.479	1.500	12/20/2019	353
3134GBSW3	37894	FHLMC NOTES	06/22/2017	5,000,000.00	5,000,000.00	4,919,135.00	1.750	1.726	1.750	12/22/2020	721
3134GBYF3	37988	FHLMC NOTES	07/27/2017	5,750,000.00	5,750,000.00	5,657,459.50	1.800	1.775	1.800	01/27/2021	757
3134GBF64	38055	FHLMC NOTES	09/28/2017	6,000,000.00	6,000,000.00	5,899,416.00	1.600	1.578	1.600	09/28/2020	636
3134GBU83	38090	FHLMC NOTES	10/30/2017	15,000,000.00	15,000,000.00	14,788,980.00	2.000	1.972	2.000	10/29/2021	1,032
3134GBZ70	38170	FHLMC NOTES	11/27/2017	25,000,000.00	25,000,000.00	24,637,200.00	1.875	1.849	1.875	11/27/2020	696
3134GBZ70	38171	FHLMC NOTES	11/27/2017	10,000,000.00	10,000,000.00	9,854,880.00	1.875	1.849	1.875	11/27/2020	696
3134GSAC9	38334	FHLMC NOTES	12/28/2017	10,000,000.00	10,000,000.00	9,885,630.00	2.050	2.021	2.050	12/28/2020	727
3134GSAX3	38352	FHLMC NOTES	01/08/2018	25,000,000.00	25,000,000.00	24,719,550.00	2.220	2.189	2.220	07/01/2022	1,277
3134G9Q75	38408	FHLMC NOTES	01/23/2018	19,760,000.00	20,000,000.00	19,837,860.00	1.250	2.033	2.062	07/26/2019	206

Fund COMM - COMMINGLED POOL
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CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3134GSFE0	38466	FHLMC NOTES	02/26/2018	20,000,000.00	20,000,000.00	19,999,580.00	2.500	2.465	2.500	02/26/2021	787
3134GSGS8	38496	FHLMC NOTES	03/29/2018	20,000,000.00	20,000,000.00	20,005,800.00	2.700	2.663	2.700	03/29/2022	1,183
3134GSMY8	38796	FHLMC NOTES	06/15/2018	15,000,000.00	15,000,000.00	15,051,750.00	2.750	3.426	3.474	06/15/2023	1,626
3134GSPR0	38827	FHLMC NOTES	06/28/2018	22,000,000.00	22,000,000.00	22,027,104.00	3.000	2.958	3.000	06/28/2022	1,274
3134GSZX6	38961	FHLMC NOTES	11/08/2018	19,967,000.00	20,000,000.00	20,003,220.00	3.020	3.056	3.098	01/25/2021	755
3134GSB95	39006	FHLMC NOTES	11/27/2018	10,000,000.00	10,000,000.00	10,021,620.00	3.000	2.958	3.000	11/27/2020	696
3134G94B0	39118	FHLMC NOTES	12/26/2018	1,969,000.00	2,000,000.00	1,975,814.00	2.250	2.824	2.863	08/16/2021	958
3134GSL60	39122	FHLMC NOTES	12/27/2018	25,000,000.00	25,000,000.00	25,043,750.00	3.000	2.959	3.000	09/27/2022	1,365
3134GSJ48	39123	FHLMC NOTES	12/27/2018	30,000,000.00	30,000,000.00	30,079,470.00	3.100	3.057	3.100	06/27/2022	1,273
3136G2WX1	36576	FNMA NOTES	02/22/2016	15,500,000.00	15,500,000.00	15,473,371.00	1.250	1.232	1.250	02/22/2019	52
3136G3NC5	36782	FNMA NOTES	05/24/2016	4,997,500.00	5,000,000.00	4,970,225.00	1.000	1.003	1.016	05/24/2019	143
3136G3QY4	36793	FNMA NOTES	05/27/2016	5,000,000.00	5,000,000.00	4,973,985.00	1.250	1.212	1.229	05/30/2019	149
3136G3QY4	36794	FNMA NOTES	05/27/2016	15,000,000.00	15,000,000.00	14,921,955.00	1.250	1.212	1.229	05/30/2019	149
3136G3QY4	36795	FNMA NOTES	05/27/2016	5,000,000.00	5,000,000.00	4,973,985.00	1.250	1.212	1.229	05/30/2019	149
3136G3PR0	36797	FNMA NOTES	05/27/2016	24,942,500.00	25,000,000.00	24,418,275.00	1.500	1.526	1.548	05/26/2021	876
3136G3TD7	36845	FNMA NOTES	06/28/2016	12,992,980.00	12,980,000.00	12,895,214.64	1.200	1.150	1.165	06/28/2019	178
3136G3TB1	36846	FNMA NOTES	06/28/2016	12,065,062.50	12,050,000.00	11,965,360.80	1.100	1.043	1.057	06/28/2019	178
3136G3SQ9	36849	FNMA NOTES	06/28/2016	25,000,000.00	25,000,000.00	24,830,425.00	1.150	1.134	1.150	06/28/2019	178
3135G0L50	36875	FNMA NOTES	07/12/2016	30,000,000.00	30,000,000.00	29,768,280.00	1.050	1.035	1.050	07/12/2019	192
3136G3SY2	36880	FNMA NOTES	07/13/2016	7,500,000.00	7,500,000.00	7,422,982.50	1.250	1.232	1.250	09/30/2019	272
3136G3A62	36902	FNMA NOTES	07/26/2016	15,000,000.00	15,000,000.00	14,868,540.00	1.050	1.035	1.050	07/26/2019	206
3136G4BV4	37017	FNMA NOTES	09/30/2016	20,015,000.00	20,000,000.00	19,576,760.00	1.450	1.411	1.430	09/30/2020	638
3135G0Q30	37103	FNMA NOTES	10/21/2016	29,997,000.00	30,000,000.00	29,674,080.00	1.180	1.167	1.183	09/27/2019	269
3136G4MD2	37509	FNMA NOTES	03/16/2017	3,000,000.00	3,000,000.00	2,961,492.00	1.850	1.824	1.850	09/16/2020	624
3136G4NP4	38233	FNMA NOTES	12/06/2017	39,788,000.00	40,000,000.00	39,487,360.00	1.800	1.979	2.007	07/24/2020	570
3136G4NP4	38235	FNMA NOTES	12/07/2017	5,967,600.00	6,000,000.00	5,923,104.00	1.800	1.983	2.011	07/24/2020	570
Subtotal and Average				1,311,163,913.15	1,314,120,000.00	1,300,186,114.21		1.854	1.880		663
US Treasury Notes											
912828S43	38300	U.S. TREASURY NOTES	12/15/2017	19,675,000.00	20,000,000.00	19,808,600.00	0.750	1.770	1.794	07/15/2019	195
912828TN0	38302	U.S. TREASURY NOTES	12/19/2017	24,660,156.25	25,000,000.00	24,734,500.00	1.000	1.792	1.817	08/31/2019	242
912828B33	38309	U.S. TREASURY NOTES	12/20/2017	24,919,921.88	25,000,000.00	24,983,500.00	1.500	1.766	1.791	01/31/2019	30

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US Treasury Notes											
912828SX9	38386	U.S. TREASURY NOTES	01/12/2018	19,788,281.25	20,000,000.00	19,887,600.00	1.125	1.878	1.904	05/31/2019	150
9128282K5	38457	U.S. TREASURY NOTES	02/15/2018	24,729,492.19	25,000,000.00	24,829,000.00	1.375	2.102	2.132	07/31/2019	211
912828Y46	39102	U.S. TREASURY NOTES	12/21/2018	14,984,179.69	15,000,000.00	15,018,150.00	2.625	2.654	2.691	07/31/2020	577
912828S43	39103	U.S. TREASURY NOTES	12/21/2018	34,644,531.25	35,000,000.00	34,665,050.00	0.750	2.527	2.562	07/15/2019	195
Subtotal and Average				163,401,562.51	165,000,000.00	163,926,400.00		2.077	2.106		208
Corporate Bonds											
037833CB4	36918	APPLE INC	08/04/2016	29,970,000.00	30,000,000.00	29,701,740.00	1.100	1.118	1.134	08/02/2019	213
037833DJ6	38124	APPLE INC	11/13/2017	44,962,200.00	45,000,000.00	44,407,215.00	2.000	2.001	2.029	11/13/2020	682
06405LAA9	39031	BANK OF NEW YORK	12/04/2018	25,000,000.00	25,000,000.00	24,958,000.00	3.036	2.994	3.036	12/04/2020	703
06405LAA9	39032	BANK OF NEW YORK	12/04/2018	5,000,000.00	5,000,000.00	4,991,600.00	3.036	2.994	3.036	12/04/2020	703
084664CG4	36620	BERKSHIRE HATHWY	03/15/2016	4,996,200.00	5,000,000.00	4,988,960.00	1.700	1.702	1.726	03/15/2019	73
084664CK5	36933	BERKSHIRE HATHWY	08/15/2016	9,990,300.00	10,000,000.00	9,895,030.00	1.300	1.314	1.333	08/15/2019	226
084670BQ0	38830	BERKSHIRE HATHWY	06/29/2018	9,851,900.00	10,000,000.00	9,868,840.00	2.200	2.732	2.770	03/15/2021	804
084670BL1	38832	BERKSHIRE HATHWY	07/02/2018	5,920,556.15	5,953,000.00	5,924,258.92	2.100	2.561	2.597	08/14/2019	225
166764BH2	36765	CHEVRON CORP.	05/16/2016	15,000,000.00	15,000,000.00	14,919,000.00	1.561	1.539	1.561	05/16/2019	135
166764BP4	37503	CHEVRON CORP.	03/03/2017	8,000,000.00	8,000,000.00	7,928,832.00	1.991	1.963	1.991	03/03/2020	427
02079KAA5	38601	GOOGLE INC	04/16/2018	17,169,064.90	16,705,000.00	17,040,803.91	3.625	2.645	2.682	05/19/2021	869
459200JN2	37380	IBM	01/27/2017	9,990,400.00	10,000,000.00	9,886,200.00	1.900	1.906	1.933	01/27/2020	391
478160BR4	38504	JOHNSON & JOHNSON	03/08/2018	25,022,101.04	25,282,000.00	25,215,508.34	1.125	2.160	2.190	03/01/2019	59
48125LRG9	36966	JPMORGAN	09/23/2016	12,487,250.00	12,500,000.00	12,385,000.00	1.650	1.661	1.685	09/23/2019	265
191216BT6	38529	Coca-Cola Co	03/19/2018	7,348,425.00	7,500,000.00	7,371,495.00	1.875	2.646	2.682	10/27/2020	665
594918BN3	36923	MICROSOFT CORP	08/08/2016	9,989,700.00	10,000,000.00	9,900,500.00	1.100	1.119	1.135	08/08/2019	219
594918BV5	37419	MICROSOFT CORP	02/06/2017	14,989,950.00	15,000,000.00	14,891,100.00	1.850	1.847	1.873	02/06/2020	401
594918AY0	38123	MICROSOFT CORP	11/13/2017	14,088,811.04	14,096,000.00	13,976,043.04	1.850	1.847	1.872	02/12/2020	407
742718EQ8	38524	PROCTER & GAMBLE	03/15/2018	19,267,200.00	20,000,000.00	19,487,800.00	1.700	2.728	2.766	11/03/2021	1,037
742718EQ8	38526	PROCTER & GAMBLE	03/16/2018	9,640,400.00	10,000,000.00	9,743,900.00	1.700	2.709	2.747	11/03/2021	1,037
89236TDE2	36776	TOYOTA MOTOR CREDIT	05/20/2016	19,972,000.00	20,000,000.00	19,887,000.00	1.400	1.428	1.447	05/20/2019	139
89236TDH5	37057	TOYOTA MOTOR CREDIT	10/18/2016	4,997,500.00	5,000,000.00	4,941,550.00	1.550	1.545	1.567	10/18/2019	290
89236TDU6	37702	TOYOTA MOTOR CREDIT	04/17/2017	4,997,700.00	5,000,000.00	4,937,900.00	1.950	1.938	1.965	04/17/2020	472
89236TDM4	38700	TOYOTA MOTOR CREDIT	05/10/2018	8,159,902.00	8,200,000.00	8,198,278.00	1.700	2.411	2.445	01/09/2019	8
90331HML4	36773	U S BANK	05/19/2016	19,961,974.56	19,589,000.00	19,450,701.66	2.125	1.533	1.554	10/28/2019	300

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Corporate Bonds											
90331HNJ8	38409	U S BANK	01/23/2018	44,979,750.00	45,000,000.00	44,714,250.00	2.350	2.340	2.373	01/23/2020	387
931142EA7	38076	WALMART	10/20/2017	6,989,850.00	7,000,000.00	6,890,170.00	1.900	1.920	1.947	12/15/2020	714
931142EG4	38826	WALMART	06/27/2018	39,987,600.00	40,000,000.00	40,064,800.00	2.850	2.843	2.882	06/23/2020	539
94988J5D5	36805	WELLS FARGO	06/02/2016	11,994,840.00	12,000,000.00	11,939,040.00	1.750	1.740	1.764	05/24/2019	143
30231GAP7	38495	EXXON MOBIL CORP	03/06/2018	6,707,177.76	6,744,000.00	6,731,988.94	1.708	2.239	2.270	03/01/2019	59
30231GAP7	38505	EXXON MOBIL CORP	03/09/2018	8,219,873.10	8,265,000.00	8,250,280.04	1.708	2.244	2.275	03/01/2019	59
30231GAD4	38515	EXXON MOBIL CORP	03/12/2018	12,942,150.00	13,000,000.00	12,976,054.00	1.819	2.236	2.267	03/15/2019	73
30231GAV4	38852	EXXON MOBIL CORP	09/10/2018	9,844,600.00	10,000,000.00	9,856,020.00	2.222	2.837	2.876	03/01/2021	790
Subtotal and Average				498,439,375.55	499,834,000.00	496,319,858.85		2.123	2.153		432
Asset Backed Securities (ABS)											
02582JHG8	37862	AMERICAN EXPRESS	05/30/2017	33,994,553.20	34,000,000.00	33,841,209.80	1.640	1.602	1.624	12/15/2021	1,079
02582JHQ6	38646	AMERICAN EXPRESS	03/21/2018	44,994,775.50	45,000,000.00	44,824,837.50	2.670	2.653	2.690	10/17/2022	1,385
05522RCZ9	39062	BANK OF AMERICA CORP	12/12/2018	20,147,080.47	20,140,000.00	20,196,909.60	3.000	2.862	2.902	09/15/2023	1,718
05522RDA3	39082	BANK OF AMERICA CREDIT CARD	12/18/2018	15,000,585.94	15,000,000.00	15,093,901.50	3.100	3.064	3.107	12/15/2023	1,809
05582XAD4	37036	BMW VEHICLE LEASE TRUST	10/13/2016	2,016,486.00	2,016,752.62	2,013,757.34	1.430	1.423	1.443	09/20/2019	262
05582QAD9	36893	BMW VEHICLE OWNER TRUST	07/20/2016	4,532,828.81	4,532,849.21	4,503,394.30	1.160	1.147	1.163	11/25/2020	694
09659QAD9	38412	BMW VEHICLE OWNER TRUST	01/24/2018	31,999,680.00	32,000,000.00	31,772,345.60	2.350	2.329	2.362	04/25/2022	1,210
161571HF4	36929	CHASE ISSUANCE TRUST (ABS)	08/11/2016	22,993,668.10	23,000,000.00	22,798,393.50	1.270	1.267	1.285	07/15/2021	926
161571HN7	38708	CHASE ISSUANCE TRUST (ABS)	05/10/2018	37,000,000.00	37,000,000.00	36,886,084.40	2.655	2.537	2.572	04/17/2023	1,567
43814NAC9	36587	HONDA AUTO RECEIVABLES OWNER T	02/25/2016	1,715,227.95	1,715,471.72	1,711,541.06	1.220	1.213	1.230	12/18/2019	351
43814QAC2	36800	HONDA AUTO RECEIVABLES OWNER T	05/31/2016	2,992,143.46	2,992,201.51	2,980,361.67	1.390	1.375	1.395	04/15/2020	470
43814RAC0	37059	HONDA AUTO RECEIVABLES OWNER T	10/25/2016	7,572,806.86	7,573,298.37	7,505,097.03	1.210	1.199	1.216	12/18/2020	717
43814TAC6	37615	HONDA AUTO RECEIVABLES OWNER T	03/28/2017	13,555,083.28	13,555,889.86	13,439,341.74	1.720	1.706	1.729	06/22/2020	538
43811BAC8	37976	HONDA AUTO RECEIVABLES OWNER T	06/27/2017	27,997,578.00	28,000,000.00	27,710,482.80	1.680	1.666	1.690	08/16/2021	958
43814UAG4	38738	HONDA AUTO RECEIVABLES OWNER T	05/30/2018	11,999,738.40	12,000,000.00	12,011,922.00	3.010	2.988	3.030	05/18/2022	1,233
43815AAC6	39013	HONDA AUTO RECEIVABLES OWNER T	11/28/2018	21,746,748.38	21,750,000.00	21,853,332.08	3.160	3.144	3.188	01/17/2023	1,477
47788MAC4	36600	JOHN DEERE OWNER TRUST	03/02/2016	1,914,012.89	1,914,314.21	1,909,829.74	1.360	1.353	1.371	04/15/2020	470
47788NAC2	36905	JOHN DEERE OWNER TRUST	07/27/2016	3,336,210.53	3,336,476.12	3,321,325.18	1.250	1.240	1.257	06/15/2020	531
47787XAC1	37507	JOHN DEERE OWNER TRUST	03/02/2017	7,484,890.47	7,485,956.48	7,432,468.57	1.780	1.769	1.793	04/15/2021	835
47788CAC6	38476	JOHN DEERE OWNER TRUST	02/28/2018	8,249,406.83	8,250,000.00	8,223,281.55	2.660	2.641	2.678	04/18/2022	1,203
58768MAC5	37065	MERCEDES-BENZ AUTO LEASE TRUST	10/26/2016	234,978.26	234,979.02	234,862.56	1.350	1.335	1.354	08/15/2019	226

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Asset Backed Securities (ABS)											
58769DAE0	38785	MERCEDES-BENZ AUTO LEASE TRUST	06/11/2018	3,965,156.25	4,000,000.00	3,968,163.20	2.010	2.701	2.739	01/17/2023	1,477
58769BAD6	36956	MERCEDES -BENZ AUTO REC TRUST	09/14/2016	5,604,160.73	5,604,843.97	5,561,017.45	1.260	1.251	1.269	02/16/2021	777
65478UAD1	36557	NISSAN AUTO LEASE TRUST	02/10/2016	2,101,159.28	2,101,636.78	2,090,577.55	1.340	1.335	1.353	10/15/2020	653
65478DAD9	38475	NISSAN AUTO LEASE TRUST	02/28/2018	18,497,885.45	18,500,000.00	18,411,930.75	2.650	2.585	2.621	05/16/2022	1,231
89237KAD5	36601	TOYOTA AUTO REC OWNER TRUST	03/02/2016	2,769,044.87	2,769,201.89	2,760,523.77	1.250	1.238	1.256	03/16/2020	440
89231LAD9	37035	TOYOTA AUTO REC OWNER TRUST	10/12/2016	8,393,966.80	8,395,017.86	8,336,934.41	1.230	1.222	1.239	10/15/2020	653
89238MAD0	37568	TOYOTA AUTO REC OWNER TRUST	03/15/2017	8,989,138.48	8,990,196.63	8,926,136.98	1.730	1.684	1.708	02/16/2021	777
89238KAD4	38137	TOYOTA AUTO REC OWNER TRUST	11/15/2017	23,997,787.20	24,000,000.00	23,624,714.40	1.930	1.914	1.940	01/18/2022	1,113
89231PAD0	38958	TOYOTA AUTO REC OWNER TRUST	11/07/2018	9,997,837.00	10,000,000.00	10,079,834.00	3.180	3.167	3.211	03/15/2023	1,534
Subtotal and Average				405,794,619.47	405,859,086.25	404,024,512.03		2.192	2.222		1,182
Asset Backed Securities-Green Bond											
89231UAD9	36753	TOYOTA AUTO REC OWNER TRUST	05/11/2016	1,035,701.80	1,035,754.73	1,030,166.00	1.300	1.283	1.301	04/15/2020	470
Subtotal and Average				1,035,701.80	1,035,754.73	1,030,166.00		1.284	1.301		470
Municipal Bonds											
13063CSQ4	36313	CALIFORNIA ST	10/27/2015	10,282,955.20	10,220,000.00	10,084,074.00	1.800	1.632	1.655	04/01/2020	456
13063CP87	36731	CALIFORNIA ST	04/28/2016	14,925,600.00	15,000,000.00	14,565,900.00	1.500	1.608	1.630	04/01/2021	821
65887PHS7	37523	North Dakota State Finance	03/06/2017	578,915.00	500,000.00	541,665.00	5.000	1.400	1.420	10/01/2021	1,004
64990CEM9	36822	New York State Dormatory Auth	06/14/2016	3,000,000.00	3,000,000.00	2,978,640.00	1.456	1.435	1.455	07/01/2019	181
91412GWW3	35763	UNIVERSITY CALIFORNIA REVS	03/25/2015	250,000.00	250,000.00	249,422.50	2.003	1.975	2.002	05/15/2019	134
91412GD36	36710	UNIVERSITY CALIFORNIA REVS	04/20/2016	3,000,000.00	3,000,000.00	2,984,040.00	1.169	1.152	1.168	05/15/2019	134
Subtotal and Average				32,037,470.20	31,970,000.00	31,403,741.50		1.557	1.578		577
Commercial Paper, Discount											
16677KNJ8	38987	CHEVRON	11/21/2018	14,942,966.70	15,000,000.00	14,982,300.00	2.360	2.369	2.401	01/18/2019	17
16677KNJ8	38988	CHEVRON	11/21/2018	39,847,911.11	40,000,000.00	39,952,800.00	2.360	2.369	2.401	01/18/2019	17
45113VPS3	39065	IBM	12/13/2018	44,754,375.00	45,000,000.00	44,802,352.35	2.620	2.634	2.670	02/26/2019	56
24422MNW7	39060	John Deere Capital Corporation	12/12/2018	59,796,650.00	60,000,000.00	59,868,499.80	2.490	2.498	2.533	01/30/2019	29
46640QNU1	38685	JP Morgan Securities	05/03/2018	39,235,000.00	40,000,000.00	39,918,177.60	2.550	2.635	2.671	01/28/2019	27
46640QUS8	38931	JP Morgan Securities	10/29/2018	44,011,125.00	45,000,000.00	44,229,960.00	2.930	3.023	3.065	07/26/2019	206
59157UNU0	39000	METLIFE SHORT TERM FUND	11/26/2018	23,151,536.25	23,250,000.00	23,207,323.23	2.420	2.430	2.464	01/28/2019	27

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Commercial Paper, Discount											
59157UNW6	39007	METLIFE SHORT TERM FUND	11/27/2018	16,677,937.78	16,750,000.00	16,717,058.28	2.420	2.430	2.464	01/30/2019	29
88580DN26	39092	3M COMPANY	12/19/2018	49,953,527.78	50,000,000.00	49,993,444.50	2.390	2.392	2.425	01/02/2019	1
63873KNX1	39099	Natixis NY Branch	12/21/2018	49,851,944.44	50,000,000.00	49,886,534.50	2.600	2.607	2.643	01/31/2019	30
63763QP84	38974	NATL SEC CLEARING CORP (DTC)	11/16/2018	44,741,700.00	45,000,000.00	44,884,511.10	2.460	2.474	2.508	02/08/2019	38
7426M3NJ4	38687	PRIVATE EXPORT FUND CORPORATIO	05/03/2018	49,194,722.22	50,000,000.00	49,934,250.00	2.230	2.300	2.332	01/18/2019	17
7426M3PF0	38766	PRIVATE EXPORT FUND CORPORATIO	06/01/2018	49,179,833.33	50,000,000.00	49,826,520.50	2.280	2.347	2.379	02/15/2019	45
7426M3PB9	38788	PRIVATE EXPORT FUND CORPORATIO	06/13/2018	29,538,300.00	30,000,000.00	29,905,710.00	2.280	2.336	2.369	02/11/2019	41
89233HN42	38577	TOYOTA MOTOR CREDIT	04/09/2018	63,820,250.00	65,000,000.00	64,982,955.70	2.420	2.493	2.528	01/04/2019	3
Subtotal and Average				618,697,779.61	625,000,000.00	623,092,397.56		2.501	2.535		38
Federal Agency Discount Notes											
313312BT6	38610	FFCB DISCOUNT NOTE	04/18/2018	35,372,100.00	36,000,000.00	35,903,988.00	2.100	2.157	2.187	02/11/2019	41
313312BM1	38980	FFCB DISCOUNT NOTE	11/20/2018	24,875,409.72	25,000,000.00	24,943,325.00	2.330	2.374	2.407	02/05/2019	35
313312BG4	39019	FFCB DISCOUNT NOTE	11/29/2018	29,878,725.00	30,000,000.00	29,942,490.00	2.310	2.351	2.384	01/31/2019	30
313312BE9	38883	FFCB DISC NOTE	10/11/2018	24,827,361.11	25,000,000.00	24,955,375.00		2.275	2.307	01/29/2019	28
313384AD1	38365	FHLB DISCOUNT	01/04/2018	34,361,250.00	35,000,000.00	34,995,380.00	1.800	1.850	1.876	01/04/2019	3
313384CH0	38543	FHLB DISCOUNT	03/27/2018	16,960,319.31	17,300,000.00	17,237,720.00	2.110	2.171	2.201	02/25/2019	55
313384BF5	38936	FHLB DISCOUNT	10/31/2018	49,708,041.67	50,000,000.00	49,907,450.00	2.310	2.355	2.388	01/30/2019	29
313384BF5	39035	FHLB DISCOUNT	12/06/2018	39,854,922.22	40,000,000.00	39,925,960.00	2.374	2.415	2.449	01/30/2019	29
313384CL1	39128	FHLB DISCOUNT	12/28/2018	24,897,097.22	25,000,000.00	24,905,000.00		2.399	2.433	02/28/2019	58
313384AB5	39129	FHLB DISCOUNT	12/31/2018	174,979,097.23	175,000,000.00	175,000,000.00	2.150	2.180	2.210	01/02/2019	1
Subtotal and Average				455,714,323.48	458,300,000.00	457,716,688.00		2.232	2.263		20
Treasury Bills											
912796QU6	38915	U S TREASURY BILL	10/25/2018	34,797,840.97	35,000,000.00	34,951,350.00		2.330	2.362	01/24/2019	23
912796UJ6	38998	U S TREASURY BILL	11/26/2018	34,889,118.06	35,000,000.00	34,971,300.00		2.320	2.352	01/15/2019	14
912796UL1	39040	U S TREASURY BILL	12/07/2018	44,843,318.75	45,000,000.00	44,918,179.07		2.406	2.439	01/29/2019	28
Subtotal and Average				114,530,277.78	115,000,000.00	114,840,829.07		2.357	2.390		22
Local Agency Investment Fund											
SYS8506	8506	LOCAL AGENCY INVEST FUND	07/01/2015	41,270,790.90	41,270,790.90	41,270,790.90	2.210	2.179	2.210		1
Subtotal and Average				41,270,790.90	41,270,790.90	41,270,790.90		2.180	2.210		1

Fund COMM - COMMINGLED POOL
Investments by Fund
December 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Money Market											
SYS37590	37590	JP MORGAN US GOVT MMF	02/27/2017	375,000,038.34	375,000,038.34	375,000,038.34	2.280	2.248	2.280		1
SYS34292	34292	MORGAN STANLEY TRSY INSTL 8304	05/21/2013	193,644.09	193,644.09	193,644.09	2.330	2.298	2.330		1
SYS23519	23519	BLACKROCK TREASURY LIQ FUND	02/01/2008	509,159,411.27	509,159,411.27	509,159,411.27	2.320	2.288	2.320		1
Subtotal and Average				884,353,093.70	884,353,093.70	884,353,093.70		2.271	2.303		1
Supranationals - Green Bond											
45818WBU9	38324	IADB	12/21/2017	25,000,000.00	25,000,000.00	25,022,000.00	2.486	2.417	2.451	01/15/2022	1,110
45905UVR2	36643	INTL BANK RECON & DEVELOP	03/29/2016	45,000,000.00	45,000,000.00	44,959,050.00	1.170	1.154	1.170	01/29/2019	28
Subtotal and Average				70,000,000.00	70,000,000.00	69,981,050.00		1.605	1.628		414
Supranationals											
4581X0CX4	37663	IADB	04/12/2017	34,917,050.00	35,000,000.00	34,551,300.00	1.625	1.680	1.704	05/12/2020	497
45818WBP0	38317	IADB	12/21/2017	45,036,450.00	45,000,000.00	45,070,200.00	2.506	2.384	2.417	07/15/2022	1,291
45818WBM7	38385	IADB	01/12/2018	20,130,800.00	20,000,000.00	20,089,000.00	2.636	2.325	2.357	07/15/2021	926
45818WBM7A	38739	IADB	05/30/2018	10,077,200.00	10,000,000.00	10,044,500.00	2.636	2.292	2.324	07/15/2021	926
459058FA6	36653	INTL BANK RECON & DEVELOP	03/30/2016	19,938,800.00	20,000,000.00	19,704,600.00	1.376	1.435	1.455	03/30/2020	454
459058FK4	36881	INTL BANK RECON & DEVELOP	07/13/2016	39,991,600.00	40,000,000.00	39,556,000.00	0.876	0.869	0.881	08/15/2019	226
Subtotal and Average				170,091,900.00	170,000,000.00	169,015,600.00		1.760	1.784		714
ABS - Cont.											
17305EFW0	37208	CITIBANK CREDIT CARD ISSUANCE	12/08/2016	39,997,856.00	40,000,000.00	39,575,548.00	1.750	1.725	1.749	11/19/2021	1,053
Subtotal and Average				39,997,856.00	40,000,000.00	39,575,548.00		1.726	1.750		1,053
Total Investments and Average				8,190,628,963.04	8,204,843,476.07	8,162,704,925.12		2.106	2.135		406

Fund WK - WORKERS COMP
Investments by Fund
December 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3133EJZU6	38872	FFCB NOTES	09/27/2018	2,990,940.00	3,000,000.00	3,022,479.00	2.850	2.915	2.956	09/20/2021	993
3133EJZH5	38879	FFCB NOTES	10/05/2018	991,190.00	1,000,000.00	1,006,193.00	2.800	2.997	3.038	09/13/2022	1,351
3133EJ3B3	39112	FFCB NOTES	12/24/2018	2,003,820.00	2,000,000.00	2,012,126.00	2.800	2.695	2.732	12/17/2021	1,081
3130A0F70	39114	FHLB NOTES	12/24/2018	1,538,445.00	1,500,000.00	1,545,823.50	3.375	2.778	2.817	12/08/2023	1,802
3137EAEC9	37310	FHLMC NOTES	12/30/2016	2,405,175.00	2,500,000.00	2,414,517.50	1.125	1.961	1.988	08/12/2021	954
3135G0R39	37309	FNMA NOTES	12/30/2016	3,451,070.00	3,500,000.00	3,453,607.50	1.000	1.489	1.510	10/24/2019	296
Subtotal and Average				13,380,640.00	13,500,000.00	13,454,746.50		2.330	2.363		937
Money Market											
SYS34789	34789	BLACKKROCK TREASURY LIQ FUND	12/26/2013	15,077,748.67	15,077,748.67	15,077,748.67	2.320	2.288	2.320		1
Subtotal and Average				15,077,748.67	15,077,748.67	15,077,748.67		2.288	2.320		1
Total Investments and Average				28,458,388.67	28,577,748.67	28,532,495.17		2.308	2.340		442

Fund PCF - PARK CHARTER FUND
Investments by Fund
December 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3133EJ3B3	39113	FFCB NOTES	12/24/2018	1,703,247.00	1,700,000.00	1,710,307.10	2.800	2.695	2.732	12/17/2021	1,081
3137EAEC9	37307	FHLMC NOTES	12/30/2016	481,035.00	500,000.00	482,903.50	1.125	1.961	1.988	08/12/2021	954
3135G0R39	37308	FNMA NOTES	12/30/2016	1,479,030.00	1,500,000.00	1,480,117.50	1.000	1.488	1.508	10/24/2019	296
Subtotal and Average				3,663,312.00	3,700,000.00	3,673,328.10		2.109	2.138		746
Money Market											
SYS33657	33657	BLACKKROCK TREASURY LIQ FUND	09/30/2012	517,153.29	517,153.29	517,153.29	2.320	2.288	2.320		1
Subtotal and Average				517,153.29	517,153.29	517,153.29		2.288	2.320		1
Total Investments and Average				4,180,465.29	4,217,153.29	4,190,481.39		2.131	2.160		654

Fund SJE - SAN JOSE- EVERGREEN
Investments by Fund
December 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
011770Z56	35082	ALASKA ST	05/08/2014	237,632.00	200,000.00	203,682.00	5.000	1.252	1.270	08/01/2019	212
011770Z56	35083	ALASKA ST	05/08/2014	297,040.00	250,000.00	254,602.50	5.000	1.252	1.270	08/01/2019	212
13063C5Q9	37543	CALIFORNIA ST	03/14/2017	579,740.00	500,000.00	555,195.00	5.000	1.844	1.870	08/01/2022	1,308
13063BFJ6	37573	CALIFORNIA ST	03/20/2017	447,000.00	400,000.00	416,200.00	5.250	2.661	2.698	03/01/2022	1,155
13063BAM4	37714	CALIFORNIA ST	03/08/2017	249,300.00	225,000.00	230,980.50	5.250	0.957	0.971	10/01/2021	1,004
20772JQ96	37546	Connecticut-F	03/09/2017	569,125.00	500,000.00	536,945.00	5.000	1.873	1.900	11/15/2021	1,049
34153P3H9	34972	FLORIDA STATE BOARD EDUCATION	04/01/2014	413,157.50	350,000.00	354,690.00	5.000	1.351	1.370	06/01/2019	151
341150M31	35185	FLORIDA STATE BOARD EDUCATION	06/27/2014	1,271,056.20	1,065,000.00	1,115,512.95	5.000	1.588	1.610	07/01/2020	547
373384YJ9	34915	GEORGIA ST	03/10/2014	421,190.00	350,000.00	355,645.50	5.000	1.035	1.050	07/01/2019	181
57582PK74	35081	MASSACHUSETTS ST	05/08/2014	623,841.80	530,000.00	534,255.90	5.000	1.242	1.260	04/01/2019	90
57582RKW5	37561	MASSACHUSETTS ST	03/16/2017	232,492.00	200,000.00	219,744.00	5.000	1.607	1.630	04/01/2022	1,186
5741925H9	34869	MARYLAND ST	02/05/2014	243,999.20	205,000.00	206,094.70	5.000	1.114	1.130	03/01/2019	59
5741927Y0	34870	MARYLAND ST	02/05/2014	119,165.00	100,000.00	100,663.00	5.000	1.114	1.130	03/15/2019	73
574193JK5	35122	MARYLAND ST	06/02/2014	518,927.20	440,000.00	442,349.60	5.000	1.095	1.110	03/01/2019	59
6041294D5	35288	MINNESOTA ST	08/21/2014	240,548.00	200,000.00	210,004.00	5.000	1.410	1.430	08/01/2020	578
658256B43	34900	NORTH CAROLINA ST	03/03/2014	137,045.50	115,000.00	115,615.25	5.000	1.035	1.050	03/01/2019	59
658256T93	35131	NORTH CAROLINA ST	06/05/2014	438,762.85	365,000.00	380,592.80	5.000	1.400	1.420	05/01/2020	486
677521Q82	37526	OHIO ST	03/08/2017	351,478.95	305,000.00	329,732.45	5.000	1.509	1.530	10/01/2021	1,004
924258ZN9	34946	VERMONT ST	03/21/2014	119,348.00	100,000.00	101,989.00	5.000	1.262	1.280	08/15/2019	226
93974CC65	37524	WASHINGTON ST	03/08/2017	575,750.00	500,000.00	538,730.00	5.000	1.352	1.371	07/01/2021	912
97705L4E4	34880	WISCONSIN STATE	02/13/2014	296,920.00	250,000.00	252,660.00	5.000	1.198	1.214	05/01/2019	120
97705L4E4	34881	WISCONSIN STATE	02/13/2014	118,935.00	100,000.00	101,064.00	5.000	1.169	1.185	05/01/2019	120
97705MFT7	37717	WISCONSIN STATE	03/29/2017	580,895.00	500,000.00	550,420.00	5.000	1.647	1.670	05/01/2022	1,216
Subtotal and Average				9,083,349.20	7,750,000.00	8,107,368.15		1.485	1.506		624
Money Market - Tax Exempt											
SYS33615	33615	Dreyfus Tax Exempt Inst	09/25/2012	8,871,366.95	8,871,366.95	8,871,366.95	1.530	1.509	1.530		1
Subtotal and Average				8,871,366.95	8,871,366.95	8,871,366.95		1.509	1.530		1
Total Investments and Average				17,954,716.15	16,621,366.95	16,978,735.10		1.497	1.518		299

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
October 1, 2018 - December 31, 2018
Sorted by Transaction Date - Transaction Date
COMMINGLED POOL Fund

Investment #	Fund	CUSIP	Inv Descrip	TransactionDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
38873	COMM	36960MK28	GE DISC NOTE MAT	10/01/2018	GENERAL ELECTRIC	GENERAL ELECTRIC	149,990,916.66			-149,990,916.66
38379	COMM	912828RH5	UNITED STATES	10/01/2018	Daiwa Capital Market	U.S. TREASURY		25,000,000.00		25,000,000.00
35799	COMM	3133EEWG1	FEDERAL FARM CR	10/01/2018	INCAPITAL LLC	FFCB NOTES			64,675.00	64,675.00
36313	COMM	13063CSQ4	CALIFORNIA ST FOR	10/01/2018	WELLS FARGO	CALIFORNIA ST			91,980.00	91,980.00
36641	COMM	3130A7HM0	FEDERAL HOME	10/01/2018	INCAPITAL LLC	FHLB NOTES			125,000.00	125,000.00
36644	COMM	3134G8TV1	FHLMC 1.22% MAT	10/01/2018	INCAPITAL LLC	FHLMC NOTES			42,700.00	42,700.00
36648	COMM	3134G8S83	FEDERAL HOME LN	10/01/2018	INCAPITAL LLC	FHLMC NOTES			150,000.00	150,000.00
36649	COMM	3134G8PD5	FEDERAL HOME LN	10/01/2018	INCAPITAL LLC	FHLMC NOTES			135,000.00	135,000.00
36650	COMM	3134G8PD5	FEDERAL HOME LN	10/01/2018	INCAPITAL LLC	FHLMC NOTES			25,076.25	25,076.25
36651	COMM	3134G8PD5	FEDERAL HOME LN	10/01/2018	INCAPITAL LLC	FHLMC NOTES			43,031.25	43,031.25
36653	COMM	459058FA6	IBRD 1.375% MAT	10/01/2018	MERRILL LYNCH	INTL BANK RECON &			137,600.00	137,600.00
36654	COMM	3134G8PD5	FEDERAL HOME LN	10/01/2018	SUNTRUST	FHLMC NOTES			84,375.00	84,375.00
36731	COMM	13063CP87	CALIFORNIA ST FOR	10/01/2018	WELLS FARGO	CALIFORNIA ST			112,500.00	112,500.00
36880	COMM	3136G3SY2	FEDERAL NATL MTG	10/01/2018	INCAPITAL LLC	FNMA NOTES			46,875.00	46,875.00
37017	COMM	3136G4BV4	FEDERAL NATL MTG	10/01/2018	BREAN CAPITAL LLC	FNMA NOTES			145,000.00	145,000.00
37018	COMM	3133EGWH4	FEDERAL FARM CR	10/01/2018	INCAPITAL LLC	FFCB NOTES			64,000.00	64,000.00
37518	COMM	3134GBBM3	FEDERAL HOME LN	10/01/2018	INCAPITAL LLC	FHLMC NOTES			250,000.00	250,000.00
37523	COMM	65887PHS7	NORTH DAKOTA	10/01/2018	LOOP CAPITAL	North Dakota State F			12,500.00	12,500.00
38057	COMM	3137EAEJ4	FEDERAL HOME LN	10/01/2018	KEYBANC CAPITAL	FHLMC NOTES			121,875.00	121,875.00
38379	COMM	912828RH5	UNITED STATES	10/01/2018	Daiwa Capital Market	U.S. TREASURY			171,875.00	171,875.00
38496	COMM	3134GSGS8	FHLMC 2.7% MAT	10/01/2018	INCAPITAL LLC	FHLMC NOTES			270,000.00	270,000.00
Totals for 10/01/2018							149,990,916.66	25,000,000.00	2,094,062.50	-122,896,854.16
38874	COMM	36960MK36	GE DISC NOTE MAT	10/02/2018	GENERAL ELECTRIC	GENERAL ELECTRIC	149,990,874.99			-149,990,874.99
38873	COMM	36960MK28	GE DISC NOTE MAT	10/02/2018	GENERAL ELECTRIC	GENERAL ELECTRIC		150,000,000.00		150,000,000.00
35873	COMM	3137EADM8	FEDERAL HOME LN	10/02/2018	Daiwa Capital Market	FHLMC NOTES			187,500.00	187,500.00
36322	COMM	3137EADM8	FEDERAL HOME LN	10/02/2018	KEYBANC CAPITAL	FHLMC NOTES			62,500.00	62,500.00
36332	COMM	3137EADM8	FEDERAL HOME LN	10/02/2018	KEYBANC CAPITAL	FHLMC NOTES			114,687.50	114,687.50
36337	COMM	3137EADM8	FEDERAL HOME LN	10/02/2018	KEYBANC CAPITAL	FHLMC NOTES			50,000.00	50,000.00
36340	COMM	3137EADM8	FEDERAL HOME LN	10/02/2018	KEYBANC CAPITAL	FHLMC NOTES			62,500.00	62,500.00
34292	COMM	SYS34292	MSTI 0.0%	10/02/2018		MORGAN STANLEY			299.68	299.68
34292	COMM	SYS34292	MSTI 0.0%	10/02/2018		MORGAN STANLEY	299.68			-299.68
37590	COMM	SYS37590	JPM TE 0.44%	10/02/2018	JPMorganChase	JP MORGAN US			0.05	0.05
37590	COMM	SYS37590	JPM TE 0.44%	10/02/2018	JPMorganChase	JP MORGAN US	0.05			-0.05

Portfolio SCL2

AP

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

Investment #	Fund	CUSIP	Inv Descrip	TransactionDate	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
Totals for 10/02/2018							149,991,174.72	150,000,000.00	477,487.23	486,312.51
38875	COMM	36960MK44	GE DISC NOTE MAT	10/03/2018	GENERAL ELECTRIC	GENERAL ELECTRIC	149,990,416.68			-149,990,416.68
38874	COMM	36960MK36	GE DISC NOTE MAT	10/03/2018	GENERAL ELECTRIC	GENERAL ELECTRIC		150,000,000.00		150,000,000.00
Totals for 10/03/2018							149,990,416.68	150,000,000.00		9,583.32
38876	COMM	313385J49	FHDN DISC NOTE	10/04/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
38875	COMM	36960MK44	GE DISC NOTE MAT	10/04/2018	GENERAL ELECTRIC	GENERAL ELECTRIC		150,000,000.00		150,000,000.00
Totals for 10/04/2018							199,988,055.56	150,000,000.00		-49,988,055.56
38878	COMM	3133EJZH5	FEDERAL FARM CR	10/05/2018	INCAPITAL LLC	FFCB NOTES	13,900,615.56			-13,900,615.56
38877	COMM	313385J80	FHDN DISC NOTE	10/05/2018	UBS FINANCE	FHLB DISCOUNT	199,952,666.68			-199,952,666.68
36258	COMM	459058ER0	IBRD 1.0% MAT	10/05/2018	Daiwa Capital Market	INTL BANK RECON &		15,000,000.00		15,000,000.00
36259	COMM	459058ER0	IBRD 1.0% MAT	10/05/2018	MERRILL LYNCH	INTL BANK RECON &		25,000,000.00		25,000,000.00
38876	COMM	313385J49	FHDN DISC NOTE	10/05/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
36258	COMM	459058ER0	IBRD 1.0% MAT	10/05/2018	Daiwa Capital Market	INTL BANK RECON &			75,000.00	75,000.00
36259	COMM	459058ER0	IBRD 1.0% MAT	10/05/2018	MERRILL LYNCH	INTL BANK RECON &			125,000.00	125,000.00
37783	COMM	3135G0T45	FEDERAL NATL MTG	10/05/2018	JPMorganChase	FNMA NOTES			375,000.00	375,000.00
38163	COMM	3135G0T78	FEDERAL NATL MTG	10/05/2018	KEYBANC CAPITAL	FNMA NOTES			50,000.00	50,000.00
38346	COMM	3133EGKD6	FEDERAL FARM CR	10/05/2018	BREAN CAPITAL LLC	FFCB NOTES			56,875.00	56,875.00
38389	COMM	3130ACK52	FEDERAL HOME	10/05/2018	DEUTSCHE BANK	FHLB NOTES			212,500.00	212,500.00
Totals for 10/05/2018							213,853,282.24	240,000,000.00	894,375.00	27,041,092.76
38880	COMM	313385J98	FHDN DISC NOTE	10/09/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
38877	COMM	313385J80	FHDN DISC NOTE	10/09/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
36679	COMM	3130A7PU3	FEDERAL HOME	10/09/2018	KEYBANC CAPITAL	FHLB NOTES			60,000.00	60,000.00
37639	COMM	3133EHEZ2	FEDERAL FARM CR	10/09/2018	INCAPITAL LLC	FFCB NOTES			120,000.00	120,000.00
Totals for 10/09/2018							199,988,166.68	200,000,000.00	180,000.00	191,833.32
38881	COMM	313385K21	FHDN DISC NOTE	10/10/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
38880	COMM	313385J98	FHDN DISC NOTE	10/10/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
Totals for 10/10/2018							199,988,166.68	200,000,000.00		11,833.32
38883	COMM	313312BE9	FFCBND DISC NOTE	10/11/2018	MIZUHO	FFCB DISC NOTE	24,827,361.11			-24,827,361.11
38882	COMM	313385K39	FHLB DISC NOTE	10/11/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
38884	COMM	31381N7G2	FNAM 3.27% MAT	10/11/2018	BOK FINANCIAL	FNMA Multi-Family	8,642,168.42			-8,642,168.42
38881	COMM	313385K21	FHDN DISC NOTE	10/11/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
Totals for 10/11/2018							233,457,696.21	200,000,000.00		-33,457,696.21
38885	COMM	313385K62	FHDN DISC NOTE	10/12/2018	UBS FINANCE	FHLB DISCOUNT	199,964,500.00			-199,964,500.00
38882	COMM	313385K39	FHLB DISC NOTE	10/12/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38310	COMM	3133EGYC3	FEDERAL FARM CR	10/12/2018	INCAPITAL LLC	FFCB NOTES			73,957.50	73,957.50
38858	COMM	3130A9MR9	FEDERAL HOME	10/12/2018	BREAN CAPITAL LLC	FHLB NOTES			79,901.25	79,901.25
38858	COMM	3130A9MR9	FEDERAL HOME	10/12/2018	BREAN CAPITAL LLC	FHLB NOTES		68,803.85	-68,803.85	0.00

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Totals for 10/12/2018							199,964,500.00	200,068,803.85	85,054.90	189,358.75
38886	COMM	313385K70	FHDN DISC NOTE	10/15/2018	UBS FINANCE	FHLB DISCOUNT	199,988,222.24			-199,988,222.24
8506	COMM	SYS8506	LAIF 1.65%	10/15/2018		LOCAL AGENCY	223,027.07			-223,027.07
36216	COMM	47787WAC3	JDOT 1.44% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE		191,815.29		191,815.29
36753	COMM	89231UAD9	TOYO 1.3% MAT	10/15/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC		194,031.07		194,031.07
36753	COMM	89231UAD9	TOYO 1.3% MAT	10/15/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC		9.92		9.92
38885	COMM	313385K62	FHDN DISC NOTE	10/15/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
36688	COMM	3133EF2L0	FEDERAL FARM CR	10/15/2018	INCAPITAL LLC	FFCB NOTES			140,000.00	140,000.00
36689	COMM	3133EF2L0	FEDERAL FARM CR	10/15/2018	Daiwa Capital Market	FFCB NOTES			105,000.00	105,000.00
36690	COMM	3133EF2L0	FEDERAL FARM CR	10/15/2018	CANTOR	FFCB NOTES			105,000.00	105,000.00
36753	COMM	89231UAD9	TOYO 1.3% MAT	10/15/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC			1,763.25	1,763.25
37665	COMM	3133EHFL2	FEDERAL FARM CR	10/15/2018	Daiwa Capital Market	FFCB NOTES			116,250.00	116,250.00
37666	COMM	3133EHFL2	FEDERAL FARM CR	10/15/2018	DEUTSCHE BANK	FFCB NOTES			77,500.00	77,500.00
37667	COMM	3133EHFL2	FEDERAL FARM CR	10/15/2018	INCAPITAL LLC	FFCB NOTES			77,500.00	77,500.00
38317	COMM	45818WBP0	IADB 1.42917% MAT	10/15/2018	BMO CAPITAL	IADB			274,050.00	274,050.00
38324	COMM	45818WBU9	IADB 1.64203% MAT	10/15/2018	BMO CAPITAL	IADB			147,750.00	147,750.00
38385	COMM	45818WBM7	IADB 1.92152% MAT	10/15/2018	MERRILL LYNCH	IADB			128,400.00	128,400.00
38506	COMM	3133EJGH6	FEDERAL FARM CR	10/15/2018	INCAPITAL LLC	FFCB NOTES			280,600.00	280,600.00
38739	COMM	45818WBM7A	IADB 1.92152% MAT	10/15/2018	BMO CAPITAL	IADB			64,200.00	64,200.00
36216	COMM	47787WAC3	JDOT 1.44% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE			230.24	230.24
36216	COMM	47787WAC3	JDOT 1.44% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE		15,596.84		15,596.84
36216	COMM	47787WAC3	JDOT 1.44% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE				0.00
36216	COMM	47787WAC3	JDOT 1.44% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE				0.00
36557	COMM	65478UAD1	NALT 1.34% MAT	10/15/2018	MERRILL LYNCH	NISSAN AUTO			3,356.01	3,356.01
36557	COMM	65478UAD1	NALT 1.34% MAT	10/15/2018	MERRILL LYNCH	NISSAN AUTO		297,271.13		297,271.13
36600	COMM	47788MAC4	JDOT 1.36% MAT	10/15/2018	MERRILL LYNCH	JOHN DEERE			3,977.01	3,977.01
36600	COMM	47788MAC4	JDOT 1.36% MAT	10/15/2018	MERRILL LYNCH	JOHN DEERE		484,125.68		484,125.68
36601	COMM	89237KAD5	TAOT 1.25% MAT	10/15/2018	MERRILL LYNCH	TOYOTA AUTO REC			4,965.60	4,965.60
36601	COMM	89237KAD5	TAOT 1.25% MAT	10/15/2018	MERRILL LYNCH	TOYOTA AUTO REC		664,411.23		664,411.23
36800	COMM	43814QAC2	HAROT 1.39% MAT	10/15/2018	MERRILL LYNCH	HONDA AUTO			5,487.52	5,487.52
36800	COMM	43814QAC2	HAROT 1.39% MAT	10/15/2018	MERRILL LYNCH	HONDA AUTO		598,365.25		598,365.25
36905	COMM	47788NAC2	JDOT 1.25% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE			5,175.08	5,175.08
36905	COMM	47788NAC2	JDOT 1.25% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE		485,565.85		485,565.85
36929	COMM	161571HF4	CHAIT 1.27% MAT	10/15/2018	JPMorganChase	CHASE ISSUANCE			24,341.66	24,341.66
36929	COMM	161571HF4	CHAIT 1.27% MAT	10/15/2018	JPMorganChase	CHASE ISSUANCE		763,692.88		763,692.88
36956	COMM	58769BAD6	MBART 1.26% MAT	10/15/2018	CITIGROUP GLOBAL	MERCEDES -BENZ			7,793.12	7,793.12
36956	COMM	58769BAD6	MBART 1.26% MAT	10/15/2018	CITIGROUP GLOBAL	MERCEDES -BENZ		591,420.36		591,420.36
37035	COMM	89231LAD9	TAOT 1.23% MAT	10/15/2018	JPMorganChase	TOYOTA AUTO REC			11,544.92	11,544.92
37035	COMM	89231LAD9	TAOT 1.23% MAT	10/15/2018	JPMorganChase	TOYOTA AUTO REC		941,554.03		941,554.03
37065	COMM	58768MAC5	MBALT 1.35% MAT	10/15/2018	BANK OF AMERICA	MERCEDES-BENZ			2,411.63	2,411.63

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37065	COMM	58768MAC5	MBALT 1.35% MAT	10/15/2018	BANK OF AMERICA	MERCEDES-BENZ		538,675.99		538,675.99
37507	COMM	47787XAC1	JDOT 1.78% MAT	10/15/2018	BANK OF AMERICA	JOHN DEERE			12,608.33	12,608.33
37507	COMM	47787XAC1	JDOT 1.78% MAT	10/15/2018	BANK OF AMERICA	JOHN DEERE		294,631.91		294,631.91
37568	COMM	89238MAD0	TAOT 1.73% MAT	10/15/2018	BANK OF AMERICA	TOYOTA AUTO REC			14,416.67	14,416.67
37568	COMM	89238MAD0	TAOT 1.73% MAT	10/15/2018	BANK OF AMERICA	TOYOTA AUTO REC		357,554.91		357,554.91
37862	COMM	02582JHG8	AME 1.64% MAT	10/15/2018	ROYAL BANK OF	AMERICAN			46,466.68	46,466.68
37862	COMM	02582JHG8	AME 1.64% MAT	10/15/2018	ROYAL BANK OF	AMERICAN		944,635.12		944,635.12
37976	COMM	43811BAC8	HAROT 1.68% MAT	10/15/2018	CITIGROUP GLOBAL	HONDA AUTO			39,200.00	39,200.00
37976	COMM	43811BAC8	HAROT 1.68% MAT	10/15/2018	CITIGROUP GLOBAL	HONDA AUTO		832,545.30		832,545.30
38137	COMM	89238KAD4	TAOT 1.93% MAT	10/15/2018	JPMorganChase	TOYOTA AUTO REC			38,599.99	38,599.99
38137	COMM	89238KAD4	TAOT 1.93% MAT	10/15/2018	JPMorganChase	TOYOTA AUTO REC		610,092.47		610,092.47
38475	COMM	65478DAD9	NALT 2.65% MAT	10/15/2018	MERRILL LYNCH	NISSAN AUTO			40,854.16	40,854.16
38475	COMM	65478DAD9	NALT 2.65% MAT	10/15/2018	MERRILL LYNCH	NISSAN AUTO		415,751.75		415,751.75
38476	COMM	47788CAC6	JDOT 2.66% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE			18,287.50	18,287.50
38476	COMM	47788CAC6	JDOT 2.66% MAT	10/15/2018	ROYAL BANK OF	JOHN DEERE		188,176.38		188,176.38
38646	COMM	02582JHQ6	AME 2.67% MAT	10/15/2018	BARCLAYS CAPITAL	AMERICAN			100,125.00	100,125.00
38646	COMM	02582JHQ6	AME 2.67% MAT	10/15/2018	BARCLAYS CAPITAL	AMERICAN		903,600.12		903,600.12
38708	COMM	161571HN7	CHAIT 2.1227% MAT	10/15/2018	BARCLAYS CAPITAL	CHASE ISSUANCE			67,870.65	67,870.65
38708	COMM	161571HN7	CHAIT 2.1227% MAT	10/15/2018	BARCLAYS CAPITAL	CHASE ISSUANCE		656,121.99		656,121.99
38785	COMM	58769DAE0	MBALT 2.01% MAT	10/15/2018	BOK FINANCIAL	MERCEDES-BENZ			6,700.00	6,700.00
38785	COMM	58769DAE0	MBALT 2.01% MAT	10/15/2018	BOK FINANCIAL	MERCEDES-BENZ		82,812.65		82,812.65
8506	COMM	SYS8506	LAIF 1.65%	10/15/2018		LOCAL AGENCY			223,027.07	223,027.07
Totals for 10/15/2018							200,211,249.31	211,052,458.12	2,195,452.09	13,036,660.90
38887	COMM	313385K88	FHDN DISC NOTE	10/16/2018	UBS FINANCE	FHLB DISCOUNT	199,988,222.24			-199,988,222.24
38886	COMM	313385K70	FHDN DISC NOTE	10/16/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
Totals for 10/16/2018							199,988,222.24	200,000,000.00		11,777.76
38888	COMM	313385K96	FHDN DISC NOTE	10/17/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
38889	COMM	313385K96	FHDN DISC NOTE	10/17/2018	MIZUHO	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
37049	COMM	3133EGYN9	FEDERAL FARM CR	10/17/2018	INCAPITAL LLC	FFCB NOTES		5,000,000.00		5,000,000.00
38887	COMM	313385K88	FHDN DISC NOTE	10/17/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
37049	COMM	3133EGYN9	FEDERAL FARM CR	10/17/2018	INCAPITAL LLC	FFCB NOTES			23,500.00	23,500.00
37702	COMM	89236TDU6	TOYOTA MOTOR	10/17/2018	BANK OF AMERICA	TOYOTA MOTOR			48,750.00	48,750.00
Totals for 10/17/2018							249,985,208.35	205,000,000.00	72,250.00	-44,912,958.35
38890	COMM	313385L20	FHDN DISC NOTE	10/18/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
38891	COMM	313385L20	FHDN DISC NOTE	10/18/2018	MIZUHO	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
38888	COMM	313385K96	FHDN DISC NOTE	10/18/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38889	COMM	313385K96	FHDN DISC NOTE	10/18/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
37057	COMM	89236TDH5	TOYOTA MOTOR	10/18/2018	MERRILL LYNCH	TOYOTA MOTOR			38,750.00	38,750.00
36587	COMM	43814NAC9	HAROT 1.22% MAT	10/18/2018	JPMorganChase	HONDA AUTO			3,651.91	3,651.91

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36587	COMM	43814NAC9	HAROT 1.22% MAT	10/18/2018	JPMorganChase	HONDA AUTO		640,006.74		640,006.74
37059	COMM	43814RAC0	HAROT 1.21% MAT	10/18/2018	BARCLAYS CAPITAL	HONDA AUTO			9,799.86	9,799.86
37059	COMM	43814RAC0	HAROT 1.21% MAT	10/18/2018	BARCLAYS CAPITAL	HONDA AUTO		715,317.86		715,317.86
38738	COMM	43814UAG4	HAROT 3.01% MAT	10/18/2018	BARCLAYS CAPITAL	HONDA AUTO			30,100.00	30,100.00
38738	COMM	43814UAG4	HAROT 3.01% MAT	10/18/2018	BARCLAYS CAPITAL	HONDA AUTO		268,119.65		268,119.65
Totals for 10/18/2018							249,985,208.35	251,623,444.25	82,301.77	1,720,537.67
38893	COMM	09659CKN7	BNP P DISC NOTE	10/19/2018	MERRILL LYNCH	BNP PARIBAS NY	49,991,000.00			-49,991,000.00
38894	COMM	313385L53	FHDN DISC NOTE	10/19/2018	MIZUHO	FHLB DISCOUNT	49,991,125.00			-49,991,125.00
38895	COMM	313385L53	FHDN DISC NOTE	10/19/2018	UBS FINANCE	FHLB DISCOUNT	199,964,500.00			-199,964,500.00
38892	COMM	63873KKN6	NATXNY DISC NOTE	10/19/2018	MERRILL LYNCH	Natixis NY Branch	99,982,000.00			-99,982,000.00
38890	COMM	313385L20	FHDN DISC NOTE	10/19/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38891	COMM	313385L20	FHDN DISC NOTE	10/19/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
Totals for 10/19/2018							399,928,625.00	250,000,000.00		-149,928,625.00
38897	COMM	313385L61	FHDN DISC NOTE	10/22/2018	MIZUHO	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
38900	COMM	313385L61	FHDN DISC NOTE	10/22/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
38896	COMM	3130AFB63	FEDERAL HOME	10/22/2018	INCAPITAL LLC	FHLB NOTES	14,984,250.00			-14,984,250.00
38898	COMM	63873KKP1	NATXNY DISC NOTE	10/22/2018	MERRILL LYNCH	Natixis NY Branch	49,997,000.00			-49,997,000.00
38899	COMM	21687BKP5	RABO DISC NOTE	10/22/2018	MERRILL LYNCH	RABOBANK	99,994,027.78			-99,994,027.78
38892	COMM	63873KKN6	NATXNY DISC NOTE	10/22/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
38893	COMM	09659CKN7	BNP P DISC NOTE	10/22/2018	MERRILL LYNCH	BNP PARIBAS NY		50,000,000.00		50,000,000.00
38894	COMM	313385L53	FHDN DISC NOTE	10/22/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38895	COMM	313385L53	FHDN DISC NOTE	10/22/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
37725	COMM	3133EHGA5	FEDERAL FARM CR	10/22/2018	INCAPITAL LLC	FFCB NOTES			180,000.00	180,000.00
37835	COMM	3137EAEF2	FHLMC 1.375% MAT	10/22/2018	CITIGROUP GLOBAL	FHLMC NOTES			309,375.00	309,375.00
37036	COMM	05582XAD4	BMWLT 1.43% MAT	10/22/2018	MIZUHO	BMW VEHICLE			5,012.63	5,012.63
37036	COMM	05582XAD4	BMWLT 1.43% MAT	10/22/2018	MIZUHO	BMW VEHICLE		679,790.71		679,790.71
37615	COMM	43814TAC6	HAROT 1.72% MAT	10/22/2018	BANK OF AMERICA	HONDA AUTO			23,617.52	23,617.52
37615	COMM	43814TAC6	HAROT 1.72% MAT	10/22/2018	BANK OF AMERICA	HONDA AUTO		973,364.88		973,364.88
Totals for 10/22/2018							414,960,486.13	401,653,155.59	518,005.15	-12,789,325.39
38904	COMM	09659CKQ0	BNP P DISC NOTE	10/23/2018	MERRILL LYNCH	BNP PARIBAS NY	49,997,000.00			-49,997,000.00
38905	COMM	313385L79	FHDN DISC NOTE	10/23/2018	UBS FINANCE	FHLB DISCOUNT	199,988,222.24			-199,988,222.24
38906	COMM	313385L79	FHDN DISC NOTE	10/23/2018	MIZUHO	FHLB DISCOUNT	49,997,055.56			-49,997,055.56
38901	COMM	3130AFB63	FEDERAL HOME	10/23/2018	INCAPITAL LLC	FHLB NOTES	4,995,159.72			-4,995,159.72
38903	COMM	63873KKQ9	NATXNY DISC NOTE	10/23/2018	MERRILL LYNCH	Natixis NY Branch	49,997,000.00			-49,997,000.00
38902	COMM	21687BKQ3	RABO DISC NOTE	10/23/2018	MERRILL LYNCH	RABOBANK	99,994,000.00			-99,994,000.00
38897	COMM	313385L61	FHDN DISC NOTE	10/23/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38898	COMM	63873KKP1	NATXNY DISC NOTE	10/23/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
38899	COMM	21687BKP5	RABO DISC NOTE	10/23/2018	MERRILL LYNCH	RABOBANK		100,000,000.00		100,000,000.00
38900	COMM	313385L61	FHDN DISC NOTE	10/23/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00

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Totals for 10/23/2018							454,968,437.52	400,000,000.00		-54,968,437.52
38910	COMM	313385L87	FHDN DISC NOTE	10/24/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
38911	COMM	313385L87	FHDN DISC NOTE	10/24/2018	MIZUHO	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
38914	COMM	313385L87	FHDN DISC NOTE	10/24/2018	MERRILL LYNCH	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
38912	COMM	63873KKR7	NATXNY DISC NOTE	10/24/2018	MERRILL LYNCH	Natixis NY Branch	49,997,000.00			-49,997,000.00
38913	COMM	21687BKR1	RABO DISC NOTE	10/24/2018	MERRILL LYNCH	RABOBANK	99,994,027.78			-99,994,027.78
38908	COMM	78012UJP1	RBC 2.89% MAT	10/24/2018	ROYAL BANK OF	ROYAL BANK OF	25,000,000.00			-25,000,000.00
38907	COMM	90333VZU7	USBKMN 2.91% MAT	10/24/2018	U S BANK	US BANK	35,000,000.00			-35,000,000.00
37746	COMM	3133EHGE7	FEDERAL FARM CR	10/24/2018	MIZUHO	FFCB NOTES		26,502,000.00		26,502,000.00
38902	COMM	21687BKO3	RABO DISC NOTE	10/24/2018	MERRILL LYNCH	RABOBANK		100,000,000.00		100,000,000.00
38903	COMM	63873KKO9	NATXNY DISC NOTE	10/24/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
38904	COMM	09659CKO0	BNP P DISC NOTE	10/24/2018	MERRILL LYNCH	BNP PARIBAS NY		50,000,000.00		50,000,000.00
38905	COMM	313385L79	FHDN DISC NOTE	10/24/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38906	COMM	313385L79	FHDN DISC NOTE	10/24/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
37641	COMM	3130AB3T1	FEDERAL HOME	10/24/2018	INCAPITAL LLC	FHLB NOTES			175,000.00	175,000.00
37746	COMM	3133EHGE7	FEDERAL FARM CR	10/24/2018	MIZUHO	FFCB NOTES			159,012.00	159,012.00
Totals for 10/24/2018							509,973,277.80	476,502,000.00	334,012.00	-33,137,265.80
38918	COMM	313385L95	FHDN DISC NOTE	10/25/2018	MIZUHO	FHLB DISCOUNT	49,997,055.56			-49,997,055.56
38919	COMM	313385L95	FHDN DISC NOTE	10/25/2018	UBS FINANCE	FHLB DISCOUNT	199,988,222.24			-199,988,222.24
38916	COMM	63873KKS5	NATXNY DISC NOTE	10/25/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
38917	COMM	21687BKS9	RABO DISC NOTE	10/25/2018	MERRILL LYNCH	RABOBANK	99,994,027.78			-99,994,027.78
38915	COMM	912796QU6	UNITED STATES	10/25/2018	MIZUHO	U S TREASURY BILL	34,797,840.97			-34,797,840.97
38910	COMM	313385L87	FHDN DISC NOTE	10/25/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38911	COMM	313385L87	FHDN DISC NOTE	10/25/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38912	COMM	63873KKR7	NATXNY DISC NOTE	10/25/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
38913	COMM	21687BKR1	RABO DISC NOTE	10/25/2018	MERRILL LYNCH	RABOBANK		100,000,000.00		100,000,000.00
38914	COMM	313385L87	FHDN DISC NOTE	10/25/2018	MERRILL LYNCH	FHLB DISCOUNT		50,000,000.00		50,000,000.00
36893	COMM	05582QAD9	BMWOT 1.16% MAT	10/25/2018	JPMorganChase	BMW VEHICLE			6,109.48	6,109.48
36893	COMM	05582QAD9	BMWOT 1.16% MAT	10/25/2018	JPMorganChase	BMW VEHICLE		603,779.17		603,779.17
38387	COMM	3137AYCE9	FHLMCM 2.682%	10/25/2018	BREAN CAPITAL LLC	FHLMCM Multi-Family			44,700.00	44,700.00
38387	COMM	3137AYCE9	FHLMCM 2.682%	10/25/2018	BREAN CAPITAL LLC	FHLMCM Multi-Family		483,189.60		483,189.60
38391	COMM	3137AYCE9	FHLMCM 2.682%	10/25/2018	BREAN CAPITAL LLC	FHLMCM Multi-Family			16,762.50	16,762.50
38391	COMM	3137AYCE9	FHLMCM 2.682%	10/25/2018	BREAN CAPITAL LLC	FHLMCM Multi-Family		181,105.08		181,105.08
38412	COMM	09659QAD9	BMWOT 2.35% MAT	10/25/2018	JPMorganChase	BMW VEHICLE			62,666.66	62,666.66
38412	COMM	09659QAD9	BMWOT 2.35% MAT	10/25/2018	JPMorganChase	BMW VEHICLE		761,333.47		761,333.47
38465	COMM	3137AWQH1	FHLMCM 2.307%	10/25/2018	BREAN CAPITAL LLC	FHLMCM Multi-Family			10,727.55	10,727.55
38465	COMM	3137AWQH1	FHLMCM 2.307%	10/25/2018	BREAN CAPITAL LLC	FHLMCM Multi-Family		136,227.16		136,227.16
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	10/25/2018	BOK FINANCIAL	FNMA Multi-Family			7,565.10	7,565.10
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	10/25/2018	BOK FINANCIAL	FNMA Multi-Family		5,823.86		5,823.86

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38643	COMM	3137B36J2	FHLMCM 3.32% MAT	10/25/2018	BARCLAYS CAPITAL	FHLMC Multi-Family			55,333.34	55,333.34
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	10/25/2018	BARCLAYS CAPITAL	FHLMC Multi-Family		452,678.18		452,678.18
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	10/25/2018	VINING SPARKS	IBG FNMA Multi-Family			12,603.75	12,603.75
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	10/25/2018	VINING SPARKS	IBG FNMA Multi-Family		193,527.68		193,527.68
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	10/25/2018	JPMorganChase	FNMA Multi-Family			12,603.75	12,603.75
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	10/25/2018	JPMorganChase	FNMA Multi-Family		193,527.68		193,527.68
38666	COMM	3137AYCE9	FHLMCM 2.682%	10/25/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			26,250.08	26,250.08
38666	COMM	3137AYCE9	FHLMCM 2.682%	10/25/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		278,463.61		278,463.61
38744	COMM	3137AYCE9	FHLMCM 2.682%	10/25/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			44,700.00	44,700.00
38744	COMM	3137AYCE9	FHLMCM 2.682%	10/25/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		474,350.94		474,350.94
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	10/25/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			12,176.25	12,176.25
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	10/25/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		99,131.68		99,131.68
38864	COMM	3137B5JM6	FHLMCM 3.531%	10/25/2018	INCAPITAL LLC	FHLMC Multi-Family			29,425.00	29,425.00
38864	COMM	3137B5JM6	FHLMCM 3.531%	10/25/2018	INCAPITAL LLC	FHLMC Multi-Family		208,885.21		208,885.21
38864	COMM	3137B5JM6	FHLMCM 3.531%	10/25/2018	INCAPITAL LLC	FHLMC Multi-Family			-23,540.00	-23,540.00
38864	COMM	3137B5JM6	FHLMCM 3.531%	10/25/2018	INCAPITAL LLC	FHLMC Multi-Family				0.00
38884	COMM	31381N7G2	FNMAM 3.27% MAT	10/25/2018	BOK FINANCIAL	FNMA Multi-Family			-7,815.01	-7,815.01
38884	COMM	31381N7G2	FNMAM 3.27% MAT	10/25/2018	BOK FINANCIAL	FNMA Multi-Family				0.00
Totals for 10/25/2018							484,771,146.55	454,072,023.32	310,268.45	-30,388,854.78
38925	COMM	313385M45	FHDN DISC NOTE	10/26/2018	MIZUHO	FHLB DISCOUNT	49,991,166.67			-49,991,166.67
38926	COMM	313385M45	FHDN DISC NOTE	10/26/2018	UBS FINANCE	FHLB DISCOUNT	199,964,666.68			-199,964,666.68
38920	COMM	3130AFB63	FEDERAL HOME	10/26/2018	KEYBANC CAPITAL	FHLB NOTES	25,014,694.44			-25,014,694.44
38921	COMM	3130AFA72	FEDERAL HOME	10/26/2018	BREAN CAPITAL	LLCFHLB NOTES	12,000,000.00			-12,000,000.00
38922	COMM	3130AFB63	FEDERAL HOME	10/26/2018	KEYBANC CAPITAL	FHLB NOTES	5,002,488.89			-5,002,488.89
38923	COMM	63873KKV8	NATXNY DISC NOTE	10/26/2018	MERRILL LYNCH	Natixis NY Branch	99,982,000.00			-99,982,000.00
38924	COMM	21687BKV2	RABO DISC NOTE	10/26/2018	MERRILL LYNCH	RABOBANK	99,982,083.34			-99,982,083.34
36722	COMM	3134G8YU7	FEDERAL HOME LN	10/26/2018	JPMorganChase	FHLMC NOTES		25,000,000.00		25,000,000.00
38916	COMM	63873KKS5	NATXNY DISC NOTE	10/26/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
38917	COMM	21687BKS9	RABO DISC NOTE	10/26/2018	MERRILL LYNCH	RABOBANK		100,000,000.00		100,000,000.00
38918	COMM	313385L95	FHDN DISC NOTE	10/26/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38919	COMM	313385L95	FHDN DISC NOTE	10/26/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
36721	COMM	3134G9DD6	FEDERAL HOME LN	10/26/2018	INCAPITAL LLC	FHLMC NOTES			69,000.00	69,000.00
36722	COMM	3134G8YU7	FEDERAL HOME LN	10/26/2018	JPMorganChase	FHLMC NOTES			131,250.00	131,250.00
36726	COMM	3133EF4Y0	FEDERAL FARM CR	10/26/2018	DEUTSCHE BANK	FFCB NOTES			134,275.00	134,275.00
37621	COMM	3134GBEW8	FEDERAL HOME LN	10/26/2018	INCAPITAL LLC	FHLMC NOTES			187,500.00	187,500.00
37668	COMM	3134GBEW8	FEDERAL HOME LN	10/26/2018	INCAPITAL LLC	FHLMC NOTES			60,000.00	60,000.00
38081	COMM	3133EHJ95	FEDERAL FARM CR	10/26/2018	MIZUHO	FFCB NOTES			87,500.00	87,500.00
38082	COMM	3133EHJ95	FEDERAL FARM CR	10/26/2018	MIZUHO	FFCB NOTES			43,750.00	43,750.00
Totals for 10/26/2018							491,937,100.02	475,000,000.00	713,275.00	-16,223,825.02

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38927	COMM	313385M52	FHDN DISC NOTE	10/29/2018	UBS FINANCE	FHLB DISCOUNT	199,988,222.24			-199,988,222.24
38928	COMM	313385M52	FHDN DISC NOTE	10/29/2018	MIZUHO	FHLB DISCOUNT	49,997,055.56			-49,997,055.56
38931	COMM	46640QUS8	JPMSCC ZERO CPN	10/29/2018	JPMorganChase	JP Morgan Securities	44,011,125.00			-44,011,125.00
38930	COMM	63873KKW6	NATXNY DISC NOTE	10/29/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
38929	COMM	21687BKW0	RABO DISC NOTE	10/29/2018	MERRILL LYNCH	RABOBANK	99,994,027.78			-99,994,027.78
38923	COMM	63873KKV8	NATXNY DISC NOTE	10/29/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
38924	COMM	21687BKV2	RABO DISC NOTE	10/29/2018	MERRILL LYNCH	RABOBANK		100,000,000.00		100,000,000.00
38925	COMM	313385M45	FHDN DISC NOTE	10/29/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38926	COMM	313385M45	FHDN DISC NOTE	10/29/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
36729	COMM	3134G9AV9	FEDERAL HOME LN	10/29/2018	INCAPITAL LLC	FHLMC NOTES			93,750.00	93,750.00
36730	COMM	3134G9AV9	FEDERAL HOME LN	10/29/2018	WELLS FARGO	FHLMC NOTES			26,562.50	26,562.50
36773	COMM	90331HML4	USB 2.125% MAT	10/29/2018	BARCLAYS CAPITAL	U S BANK			208,133.13	208,133.13
37696	COMM	3134GBEF5	FEDERAL HOME LN	10/29/2018	INCAPITAL LLC	FHLMC NOTES			30,940.00	30,940.00
38090	COMM	3134GBU83	FEDERAL HOME LN	10/29/2018	INCAPITAL LLC	FHLMC NOTES			150,000.00	150,000.00
38529	COMM	191216BT6	KOPP 1.875% MAT	10/29/2018	INCAPITAL LLC	Coca-Cola Co			70,312.50	70,312.50
Totals for 10/29/2018							493,984,430.58	450,000,000.00	579,698.13	-43,404,732.45
38934	COMM	313385M60	FHDN DISC NOTE	10/30/2018	MIZUHO	FHLB DISCOUNT	49,997,055.56			-49,997,055.56
38935	COMM	313385M60	FHDN DISC NOTE	10/30/2018	UBS FINANCE	FHLB DISCOUNT	199,988,222.24			-199,988,222.24
38933	COMM	63873KL13	NATXNY DISC NOTE	10/30/2018	MERRILL LYNCH	Natixis NY Branch	99,988,000.00			-99,988,000.00
38932	COMM	21687BKX8	RABO DISC NOTE	10/30/2018	MERRILL LYNCH	RABOBANK	99,994,027.78			-99,994,027.78
38927	COMM	313385M52	FHDN DISC NOTE	10/30/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38928	COMM	313385M52	FHDN DISC NOTE	10/30/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38929	COMM	21687BKW0	RABO DISC NOTE	10/30/2018	MERRILL LYNCH	RABOBANK		100,000,000.00		100,000,000.00
38930	COMM	63873KKW6	NATXNY DISC NOTE	10/30/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
Totals for 10/30/2018							449,967,305.58	450,000,000.00		32,694.42
38936	COMM	313384BF5	FHDN DISC NOTE	10/31/2018	MIZUHO	FHLB DISCOUNT	49,708,041.67			-49,708,041.67
38937	COMM	313385M78	FHLB DISC NOTE	10/31/2018	UBS FINANCE	FHLB DISCOUNT	199,988,611.12			-199,988,611.12
38938	COMM	313385M78	FHLB DISC NOTE	10/31/2018	MIZUHO	FHLB DISCOUNT	49,997,152.78			-49,997,152.78
38932	COMM	21687BKX8	RABO DISC NOTE	10/31/2018	MERRILL LYNCH	RABOBANK		100,000,000.00		100,000,000.00
38934	COMM	313385M60	FHDN DISC NOTE	10/31/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38935	COMM	313385M60	FHDN DISC NOTE	10/31/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
Totals for 10/31/2018							299,693,805.57	350,000,000.00		50,306,194.43
38943	COMM	3133EJK24	FEDERAL FARM CR	11/01/2018	INCAPITAL LLC	FFCB NOTES	15,012,900.00			-15,012,900.00
38939	COMM	313385M86	FHDN DISC NOTE	11/01/2018	MIZUHO	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
38940	COMM	313385M86	FHDN DISC NOTE	11/01/2018	MERRILL LYNCH	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
38942	COMM	3130AFC54	FEDERAL HOME	11/01/2018	KEYBANC CAPITAL	FHLB NOTES	14,998,354.17			-14,998,354.17
38941	COMM	63873KL21	NATXNY DISC NOTE	11/01/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
38933	COMM	63873KL13	NATXNY DISC NOTE	11/01/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
38937	COMM	313385M78	FHLB DISC NOTE	11/01/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00

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38938	COMM	313385M78	FHLB DISC NOTE	11/01/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
Totals for 11/01/2018							379,990,462.52	350,000,000.00		-29,990,462.52
38946	COMM	313885N36	FHDN DISC NOTE	11/02/2018	MIZUHO	FHLB DISCOUNT	49,991,041.67			-49,991,041.67
38947	COMM	313385N36	FHDN DISC NOTE	11/02/2018	UBS FINANCE	FHLB DISCOUNT	199,964,166.68			-199,964,166.68
38945	COMM	3137B3NA2	FHLMC REMIC	11/02/2018	INCAPITAL LLC	FHLMC Multi-Family	10,607,696.94			-10,607,696.94
38948	COMM	63873KL54	NATXNY DISC NOTE	11/02/2018	MERRILL LYNCH	Natixis NY Branch	99,982,000.00			-99,982,000.00
38939	COMM	313385M86	FHDN DISC NOTE	11/02/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38940	COMM	313385M86	FHDN DISC NOTE	11/02/2018	MERRILL LYNCH	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38941	COMM	63873KL21	NATXNY DISC NOTE	11/02/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
38126	COMM	3133EHP31	FFCB 1.95% MAT	11/02/2018	KEYBANC CAPITAL	FFCB NOTES			97,256.25	97,256.25
34292	COMM	SYS34292	MSTI 0.0%	11/02/2018		MORGAN STANLEY			335.90	335.90
34292	COMM	SYS34292	MSTI 0.0%	11/02/2018		MORGAN STANLEY	335.90			-335.90
37590	COMM	SYS37590	JPM TE 0.44%	11/02/2018	JPMorganChase	JP MORGAN US			0.04	0.04
37590	COMM	SYS37590	JPM TE 0.44%	11/02/2018	JPMorganChase	JP MORGAN US	0.04			-0.04
Totals for 11/02/2018							360,545,241.23	350,000,000.00	97,592.19	-10,447,649.04
38949	COMM	05586FGN1	BNP P 2.93% MAT	11/05/2018	JPMorganChase	BNP PARIBAS NY	50,000,000.00			-50,000,000.00
38950	COMM	313385N44	FHDN DISC NOTE	11/05/2018	UBS FINANCE	FHLB DISCOUNT	199,988,333.32			-199,988,333.32
38952	COMM	313385N44	FHDN DISC NOTE	11/05/2018	MIZUHO	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
38951	COMM	21687BL66	RB DISC NOTE MAT	11/05/2018	MERRILL LYNCH	RABOBANK	99,994,027.78			-99,994,027.78
36329	COMM	594918BF0	MSFT 1.3% MAT	11/05/2018	JPMorganChase	MICROSOFT CORP		20,000,000.00		20,000,000.00
38946	COMM	313885N36	FHDN DISC NOTE	11/05/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38947	COMM	313385N36	FHDN DISC NOTE	11/05/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38948	COMM	63873KL54	NATXNY DISC NOTE	11/05/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
36329	COMM	594918BF0	MSFT 1.3% MAT	11/05/2018	JPMorganChase	MICROSOFT CORP			130,000.00	130,000.00
37761	COMM	3133EHHG1	FFCB 1.75% MAT	11/05/2018	INCAPITAL LLC	FFCB NOTES			43,750.00	43,750.00
37762	COMM	3133EHHG1	FFCB 1.75% MAT	11/05/2018	Daiwa Capital Market	FFCB NOTES			87,500.00	87,500.00
38524	COMM	742718EQ8	PG 1.7% MAT	11/05/2018	MIZUHO	PROCTER &			170,000.00	170,000.00
38526	COMM	742718EQ8	PG 1.7% MAT	11/05/2018	MIZUHO	PROCTER &			85,000.00	85,000.00
Totals for 11/05/2018							399,979,402.77	370,000,000.00	516,250.00	-29,463,152.77
38955	COMM	313385N51	FHLB DISC NOTE	11/06/2018	UBS FINANCE	FHLB NOTES	199,988,166.68			-199,988,166.68
38956	COMM	313385N51	FHLB DISC NOTE	11/06/2018	MIZUHO	FHLB NOTES	49,997,041.67			-49,997,041.67
38950	COMM	313385N44	FHDN DISC NOTE	11/06/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38951	COMM	21687BL66	RB DISC NOTE MAT	11/06/2018	MERRILL LYNCH	RABOBANK		100,000,000.00		100,000,000.00
38952	COMM	313385N44	FHDN DISC NOTE	11/06/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
Totals for 11/06/2018							249,985,208.35	350,000,000.00		100,014,791.65
38957	COMM	06370RNQ8	BMOCHI 2.88% MAT	11/07/2018	BMO CAPITAL	BANK OF	50,000,000.00			-50,000,000.00
38959	COMM	313385N69	FHDN DISC NOTE	11/07/2018	MIZUHO	FHLB DISCOUNT	49,997,083.33			-49,997,083.33
38960	COMM	313385N69	FHDN DISC NOTE	11/07/2018	UBS FINANCE	FHLB DISCOUNT	199,988,333.32			-199,988,333.32

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38958	COMM	89231PAD0	TAOT 3.18% MAT	11/07/2018	JPMorganChase	TOYOTA AUTO REC	9,997,837.00			-9,997,837.00
38955	COMM	313385N51	FHLB DISC NOTE	11/07/2018	UBS FINANCE	FHLB NOTES		200,000,000.00		200,000,000.00
38956	COMM	313385N51	FHLB DISC NOTE	11/07/2018	MIZUHO	FHLB NOTES		50,000,000.00		50,000,000.00
Totals for 11/07/2018							309,983,253.65	250,000,000.00		-59,983,253.65
38962	COMM	313385N77	FHDN DISC NOTE	11/08/2018	MIZUHO	FHLB DISCOUNT	49,997,069.44			-49,997,069.44
38963	COMM	313385N77	FHDN DISC NOTE	11/08/2018	UBS FINANCE	FHLB DISCOUNT	199,988,277.76			-199,988,277.76
38961	COMM	3134GSZX6	FEDERAL HOME LN	11/08/2018	BARCLAYS CAPITAL	FHLMC NOTES	19,988,811.11			-19,988,811.11
38959	COMM	313385N69	FHDN DISC NOTE	11/08/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38960	COMM	313385N69	FHDN DISC NOTE	11/08/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
37793	COMM	3133EHJA2	FEDERAL FARM CR	11/08/2018	JPMorganChase	FFCB NOTES			271,250.00	271,250.00
Totals for 11/08/2018							269,974,158.31	250,000,000.00	271,250.00	-19,702,908.31
38964	COMM	313385P34	FHDN DISC NOTE	11/09/2018	UBS FINANCE	FHLB DISCOUNT	199,952,666.68			-199,952,666.68
38965	COMM	313385P34	FHDN DISC NOTE	11/09/2018	MIZUHO	FHLB DISCOUNT	49,988,166.67			-49,988,166.67
38962	COMM	313385N77	FHDN DISC NOTE	11/09/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38963	COMM	313385N77	FHDN DISC NOTE	11/09/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
Totals for 11/09/2018							249,940,833.35	250,000,000.00		59,166.65
38966	COMM	313385P42	FHDN DISC NOTE	11/13/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
38967	COMM	313385P42	FHDN DISC NOTE	11/13/2018	MIZUHO	FHLB DISCOUNT	49,997,013.89			-49,997,013.89
38964	COMM	313385P34	FHDN DISC NOTE	11/13/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38965	COMM	313385P34	FHDN DISC NOTE	11/13/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
37663	COMM	4581X0CX4	IADB 1.625% MAT	11/13/2018	ROYAL BANK OF	IADB			284,375.00	284,375.00
38124	COMM	037833DJ6	APPLE INC, SR NT	11/13/2018	JPMorganChase	APPLE INC			450,000.00	450,000.00
Totals for 11/13/2018							249,985,069.45	250,000,000.00	734,375.00	749,305.55
38968	COMM	313385P59	FHDN DISC NOTE	11/14/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
38969	COMM	313385P59	FHDN DISC NOTE	11/14/2018	MIZUHO	FHLB DISCOUNT	49,997,013.89			-49,997,013.89
38966	COMM	313385P42	FHDN DISC NOTE	11/14/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38967	COMM	313385P42	FHDN DISC NOTE	11/14/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
Totals for 11/14/2018							249,985,069.45	250,000,000.00		14,930.55
38970	COMM	313385P67	FHDN DISC NOTE	11/15/2018	UBS FINANCE	FHLB DISCOUNT	199,987,944.44			-199,987,944.44
38971	COMM	313385P67	FHDN DISC NOTE	11/15/2018	MIZUHO	FHLB DISCOUNT	49,996,986.11			-49,996,986.11
36753	COMM	89231UAD9	TOYO 1.3% MAT	11/15/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC		209,087.96		209,087.96
36753	COMM	89231UAD9	TOYO 1.3% MAT	11/15/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC		10.68		10.68
38968	COMM	313385P59	FHDN DISC NOTE	11/15/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38969	COMM	313385P59	FHDN DISC NOTE	11/15/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
35763	COMM	91412GWV3		11/15/2018	MORGAN STANLEY	UNIVERSITY			2,503.75	2,503.75
36710	COMM	91412GD36	UNIVCA 1.169% MAT	11/15/2018	WELLS FARGO	UNIVERSITY			17,535.00	17,535.00
36753	COMM	89231UAD9	TOYO 1.3% MAT	11/15/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC			1,553.04	1,553.04
37108	COMM	3130AA3R7	FHLB 1.375% MAT	11/15/2018	BANK OF AMERICA	FHLB NOTES			240,625.00	240,625.00

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38326	COMM	3133EGG82	FEDERAL FARM CR	11/15/2018	BREAN CAPITAL LLC	CFGB NOTES			15,200.00	15,200.00
36557	COMM	65478UAD1	NALT 1.34% MAT	11/15/2018	MERRILL LYNCH	NISSAN AUTO			3,024.06	3,024.06
36557	COMM	65478UAD1	NALT 1.34% MAT	11/15/2018	MERRILL LYNCH	NISSAN AUTO		324,633.60		324,633.60
36600	COMM	47788MAC4	JDOT 1.36% MAT	11/15/2018	MERRILL LYNCH	JOHN DEERE			3,428.33	3,428.33
36600	COMM	47788MAC4	JDOT 1.36% MAT	11/15/2018	MERRILL LYNCH	JOHN DEERE		655,167.51		655,167.51
36601	COMM	89237KAD5	TAOT 1.25% MAT	11/15/2018	MERRILL LYNCH	TOYOTA AUTO REC			4,273.50	4,273.50
36601	COMM	89237KAD5	TAOT 1.25% MAT	11/15/2018	MERRILL LYNCH	TOYOTA AUTO REC		702,085.76		702,085.76
36800	COMM	43814QAC2	HAROT 1.39% MAT	11/15/2018	MERRILL LYNCH	HONDA AUTO			4,794.41	4,794.41
36800	COMM	43814QAC2	HAROT 1.39% MAT	11/15/2018	MERRILL LYNCH	HONDA AUTO		592,324.25		592,324.25
36905	COMM	47788NAC2	JDOT 1.25% MAT	11/15/2018	ROYAL BANK OF	JOHN DEERE			4,669.29	4,669.29
36905	COMM	47788NAC2	JDOT 1.25% MAT	11/15/2018	ROYAL BANK OF	JOHN DEERE		652,937.70		652,937.70
36929	COMM	161571HF4	CHAIT 1.27% MAT	11/15/2018	JPMorganChase	CHASE ISSUANCE			24,341.66	24,341.66
36929	COMM	161571HF4	CHAIT 1.27% MAT	11/15/2018	JPMorganChase	CHASE ISSUANCE		788,012.42		788,012.42
36956	COMM	58769BAD6	MBART 1.26% MAT	11/15/2018	CITIGROUP GLOBAL	MERCEDES -BENZ			7,172.14	7,172.14
36956	COMM	58769BAD6	MBART 1.26% MAT	11/15/2018	CITIGROUP GLOBAL	MERCEDES -BENZ		628,929.74		628,929.74
37035	COMM	89231LAD9	TAOT 1.23% MAT	11/15/2018	JPMorganChase	TOYOTA AUTO REC			10,579.83	10,579.83
37035	COMM	89231LAD9	TAOT 1.23% MAT	11/15/2018	JPMorganChase	TOYOTA AUTO REC		1,009,878.93		1,009,878.93
37065	COMM	58768MAC5	MBALT 1.35% MAT	11/15/2018	BANK OF AMERICA	MERCEDES-BENZ			1,805.62	1,805.62
37065	COMM	58768MAC5	MBALT 1.35% MAT	11/15/2018	BANK OF AMERICA	MERCEDES-BENZ		668,149.09		668,149.09
37507	COMM	47787XAC1	JDOT 1.78% MAT	11/15/2018	BANK OF AMERICA	JOHN DEERE			12,608.33	12,608.33
37507	COMM	47787XAC1	JDOT 1.78% MAT	11/15/2018	BANK OF AMERICA	JOHN DEERE		398,691.31		398,691.31
37568	COMM	89238MAD0	TAOT 1.73% MAT	11/15/2018	BANK OF AMERICA	TOYOTA AUTO REC			14,416.67	14,416.67
37568	COMM	89238MAD0	TAOT 1.73% MAT	11/15/2018	BANK OF AMERICA	TOYOTA AUTO REC		295,675.83		295,675.83
37862	COMM	02582JHG8	AME 1.64% MAT	11/15/2018	ROYAL BANK OF	AMERICAN			46,466.68	46,466.68
37862	COMM	02582JHG8	AME 1.64% MAT	11/15/2018	ROYAL BANK OF	AMERICAN		973,221.39		973,221.39
37976	COMM	43811BAC8	HAROT 1.68% MAT	11/15/2018	CITIGROUP GLOBAL	HONDA AUTO			39,200.00	39,200.00
37976	COMM	43811BAC8	HAROT 1.68% MAT	11/15/2018	CITIGROUP GLOBAL	HONDA AUTO		859,394.20		859,394.20
38137	COMM	89238KAD4	TAOT 1.93% MAT	11/15/2018	JPMorganChase	TOYOTA AUTO REC			38,599.99	38,599.99
38137	COMM	89238KAD4	TAOT 1.93% MAT	11/15/2018	JPMorganChase	TOYOTA AUTO REC		628,691.63		628,691.63
38475	COMM	65478DAD9	NALT 2.65% MAT	11/15/2018	MERRILL LYNCH	NISSAN AUTO			40,854.16	40,854.16
38475	COMM	65478DAD9	NALT 2.65% MAT	11/15/2018	MERRILL LYNCH	NISSAN AUTO		428,148.35		428,148.35
38476	COMM	47788CAC6	JDOT 2.66% MAT	11/15/2018	ROYAL BANK OF	JOHN DEERE			18,287.50	18,287.50
38476	COMM	47788CAC6	JDOT 2.66% MAT	11/15/2018	ROYAL BANK OF	JOHN DEERE		193,896.01		193,896.01
38646	COMM	02582JHQ6	AME 2.67% MAT	11/15/2018	BARCLAYS CAPITAL	AMERICAN			100,125.00	100,125.00
38646	COMM	02582JHQ6	AME 2.67% MAT	11/15/2018	BARCLAYS CAPITAL	AMERICAN		929,402.36		929,402.36
38708	COMM	161571HN7	CHAIT 2.1227% MAT	11/15/2018	BARCLAYS CAPITAL	CHASE ISSUANCE			78,999.63	78,999.63
38708	COMM	161571HN7	CHAIT 2.1227% MAT	11/15/2018	BARCLAYS CAPITAL	CHASE ISSUANCE		672,485.16		672,485.16
38785	COMM	58769DAE0	MBALT 2.01% MAT	11/15/2018	BOK FINANCIAL	MERCEDES-BENZ			6,700.00	6,700.00
38785	COMM	58769DAE0	MBALT 2.01% MAT	11/15/2018	BOK FINANCIAL	MERCEDES-BENZ		84,917.74		84,917.74
Totals for 11/15/2018							249,984,930.55	261,695,741.62	737,763.59	12,448,574.66

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38972	COMM	313385P91	FHDN DISC NOTE	11/16/2018	MIZUHO	FHLB DISCOUNT	49,990,958.33			-49,990,958.33
38973	COMM	313385P91	FHDN DISC NOTE	11/16/2018	UBS FINANCE	FHLB DISCOUNT	199,963,833.32			-199,963,833.32
38974	COMM	63763QP84	NSCCPP DISC NOTE	11/16/2018	ROYAL BANK OF	NATL SEC	44,741,700.00			-44,741,700.00
37112	COMM	3133EGJ48	FFCB 0.89% MAT	11/16/2018	KEYBANC CAPITAL	FFCB NOTES		25,000,000.00		25,000,000.00
38970	COMM	313385P67	FHDN DISC NOTE	11/16/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38971	COMM	313385P67	FHDN DISC NOTE	11/16/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
36765	COMM	166764BH2	CHEVRON CORP	11/16/2018	WELLS FARGO	CHEVRON CORP.			117,075.00	117,075.00
37112	COMM	3133EGJ48	FFCB 0.89% MAT	11/16/2018	KEYBANC CAPITAL	FFCB NOTES			111,250.00	111,250.00
Totals for 11/16/2018							294,696,491.65	275,000,000.00	228,325.00	-19,468,166.65
38976	COMM	313385Q25	FHDN DISC NOTE	11/19/2018	MIZUHO	FHLB DISCOUNT	49,997,013.89			-49,997,013.89
38977	COMM	313385Q25	FHDN DISC NOTE	11/19/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
38978	COMM	313370E38	FEDERAL HOME	11/19/2018	KEYBANC CAPITAL	FHLB NOTES	20,460,775.00			-20,460,775.00
36370	COMM	3133EFPJ0	FEDERAL FARM CR	11/19/2018	WELLS FARGO	FFCB NOTES		15,000,000.00		15,000,000.00
38972	COMM	313385P91	FHDN DISC NOTE	11/19/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38973	COMM	313385P91	FHDN DISC NOTE	11/19/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
36370	COMM	3133EFPJ0	FEDERAL FARM CR	11/19/2018	WELLS FARGO	FFCB NOTES			96,750.00	96,750.00
37208	COMM	17305EFW0	CCCIT 1.75% MAT	11/19/2018	CITIGROUP GLOBAL	CITIBANK CREDIT			350,000.00	350,000.00
38135	COMM	3137EAEK1	FHLMC 1.875% MAT	11/19/2018	JPMorganChase	FHLMC NOTES			234,375.00	234,375.00
38342	COMM	3133EGAH8	FEDERAL FARM CR	11/19/2018	BREAN CAPITAL LLC	FFCB NOTES			84,281.25	84,281.25
38601	COMM	02079KAA5	GOOG 3.625% MAT	11/19/2018	INCAPITAL LLC	GOOGLE INC			302,778.13	302,778.13
36587	COMM	43814NAC9	HAROT 1.22% MAT	11/19/2018	JPMorganChase	HONDA AUTO			3,001.24	3,001.24
36587	COMM	43814NAC9	HAROT 1.22% MAT	11/19/2018	JPMorganChase	HONDA AUTO		640,993.25		640,993.25
37059	COMM	43814RAC0	HAROT 1.21% MAT	11/19/2018	BARCLAYS CAPITAL	HONDA AUTO			9,078.58	9,078.58
37059	COMM	43814RAC0	HAROT 1.21% MAT	11/19/2018	BARCLAYS CAPITAL	HONDA AUTO		752,807.34		752,807.34
38738	COMM	43814UAG4	HAROT 3.01% MAT	11/19/2018	BARCLAYS CAPITAL	HONDA AUTO			30,100.00	30,100.00
38738	COMM	43814UAG4	HAROT 3.01% MAT	11/19/2018	BARCLAYS CAPITAL	HONDA AUTO		276,434.15		276,434.15
Totals for 11/19/2018							270,445,844.45	266,670,234.74	1,110,364.20	-2,665,245.51
38980	COMM	313312BM1	FCDN DISC NOTE	11/20/2018	MIZUHO	FFCB DISCOUNT	24,875,409.72			-24,875,409.72
38981	COMM	313385Q33	FHDN DISC NOTE	11/20/2018	MIZUHO	FHLB DISCOUNT	49,997,013.89			-49,997,013.89
38982	COMM	313385Q33	FHDN DISC NOTE	11/20/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
38983	COMM	63873KLM7	NATXNY DISC NOTE	11/20/2018	MERRILL LYNCH	Natixis NY Branch	49,997,000.00			-49,997,000.00
38979	COMM	21687BLM1	RABO DISC NOTE	11/20/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89
38984	COMM	21685V6U8	RB 2.85% MAT	11/20/2018	MERRILL LYNCH	RABOBANK	50,000,000.00			-50,000,000.00
38976	COMM	313385Q25	FHDN DISC NOTE	11/20/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38977	COMM	313385Q25	FHDN DISC NOTE	11/20/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
36776	COMM	89236TDE2	TOYO 1.4% MAT	11/20/2018	BARCLAYS CAPITAL	TOYOTA MOTOR			140,000.00	140,000.00
37036	COMM	05582XAD4	BMWLT 1.43% MAT	11/20/2018	MIZUHO	BMW VEHICLE			4,202.55	4,202.55
37036	COMM	05582XAD4	BMWLT 1.43% MAT	11/20/2018	MIZUHO	BMW VEHICLE		745,856.09		745,856.09
Totals for 11/20/2018							424,854,493.06	250,745,856.09	144,202.55	-173,964,434.42

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38987	COMM	16677KNJ8	CHEVRO DISC NOTE	11/21/2018	CITIGROUP	GLOBAL CHEVRON	14,942,966.70			-14,942,966.70
38988	COMM	16677KNJ8	CHEVRO DISC NOTE	11/21/2018	CITIGROUP	GLOBAL CHEVRON	39,847,911.11			-39,847,911.11
38985	COMM	313385Q58	FHDN DISC NOTE	11/21/2018	MIZUHO	FHLB DISCOUNT	49,994,027.78			-49,994,027.78
38986	COMM	313385Q58	FHDN DISC NOTE	11/21/2018	UBS FINANCE	FHLB DISCOUNT	199,976,111.12			-199,976,111.12
38989	COMM	63873KLP0	NATXNY DISC NOTE	11/21/2018	MERRILL LYNCH	Natixis NY Branch	49,994,000.00			-49,994,000.00
38990	COMM	21687BLP4	RABO DISC NOTE	11/21/2018	MERRILL LYNCH	RABOBANK	49,994,027.78			-49,994,027.78
38991	COMM	89114MMK0	TDNY 3.% MAT	11/21/2018	JPMorganChase	TORONTO	45,000,000.00			-45,000,000.00
38979	COMM	21687BLM1	RABO DISC NOTE	11/21/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
38981	COMM	313385Q33	FHDN DISC NOTE	11/21/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38982	COMM	313385Q33	FHDN DISC NOTE	11/21/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38983	COMM	63873KLM7	NATXNY DISC NOTE	11/21/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
37615	COMM	43814TAC6	HAROT 1.72% MAT	11/21/2018	BANK OF AMERICA	HONDA AUTO			22,222.38	22,222.38
37615	COMM	43814TAC6	HAROT 1.72% MAT	11/21/2018	BANK OF AMERICA	HONDA AUTO		1,000,625.32		1,000,625.32
Totals for 11/21/2018							449,749,044.49	351,000,625.32	22,222.38	-98,726,196.79
38992	COMM	313385Q82	FHDN DISC NOTE	11/23/2018	UBS FINANCE	FHLB DISCOUNT	199,963,833.32			-199,963,833.32
38993	COMM	313385Q82	FHDN DISC NOTE	11/23/2018	MIZUHO	FHLB DISCOUNT	49,990,958.33			-49,990,958.33
38994	COMM	313385Q82	FHDN DISC NOTE	11/23/2018	MERRILL LYNCH	FHLB DISCOUNT	49,990,958.33			-49,990,958.33
38995	COMM	63873KLS4	NATXNY DISC NOTE	11/23/2018	MERRILL LYNCH	Natixis NY Branch	49,991,000.00			-49,991,000.00
38985	COMM	313385Q58	FHDN DISC NOTE	11/23/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38986	COMM	313385Q58	FHDN DISC NOTE	11/23/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38989	COMM	63873KLP0	NATXNY DISC NOTE	11/23/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
38990	COMM	21687BLP4	RABO DISC NOTE	11/23/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
37804	COMM	3134GBLQ3	FEDERAL HOME LN	11/23/2018	INCAPITAL LLC	FHLMC NOTES			165,000.00	165,000.00
Totals for 11/23/2018							349,936,749.98	350,000,000.00	165,000.00	228,250.02
38999	COMM	3133EJW70	FEDERAL FARM CR	11/26/2018	DEUTSCHE BANK	FFCB NOTES	34,970,950.00			-34,970,950.00
38996	COMM	313385Q90	FHDN DISC NOTE	11/26/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
38997	COMM	313385Q90	FHDN DISC NOTE	11/26/2018	MIZUHO	FHLB DISCOUNT	49,997,013.89			-49,997,013.89
39000	COMM	59157UNU0	METSHR DISC NOTE	11/26/2018	CITIGROUP	GLOBAL METLIFE SHORT	23,151,536.25			-23,151,536.25
39001	COMM	63873KLT2	NATXNY DISC NOTE	11/26/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
38998	COMM	912796UJ6	UNITED STATES	11/26/2018	BMO CAPITAL	U S TREASURY BILL	34,889,118.06			-34,889,118.06
38992	COMM	313385Q82	FHDN DISC NOTE	11/26/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38993	COMM	313385Q82	FHDN DISC NOTE	11/26/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38994	COMM	313385Q82	FHDN DISC NOTE	11/26/2018	MERRILL LYNCH	FHLB DISCOUNT		50,000,000.00		50,000,000.00
38995	COMM	63873KLS4	NATXNY DISC NOTE	11/26/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
36782	COMM	3136G3NC5	FEDERAL NATL MTG	11/26/2018	INCAPITAL LLC	FNMA NOTES			25,000.00	25,000.00
36785	COMM	3134G9HM2	FEDERAL HOME LN	11/26/2018	INCAPITAL LLC	FHLMC NOTES			58,500.00	58,500.00
36787	COMM	3134G9HW0	FEDERAL HOME LN	11/26/2018	INCAPITAL LLC	FHLMC NOTES			32,812.50	32,812.50
36797	COMM	3136G3PR0	FEDERAL NATL MTG	11/26/2018	BREAN CAPITAL	LLCFNMA NOTES			187,500.00	187,500.00
36805	COMM	94988J5D5	WELLS 1.75% MAT	11/26/2018	WELLS FARGO	WELLS FARGO			105,000.00	105,000.00

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37131	COMM	3130A9W49	FEDERAL HOME	11/26/2018	INCAPITAL LLC	FHLB NOTES			93,750.00	93,750.00
37801	COMM	3134GBLR1	FEDERAL HOME LN	11/26/2018	INCAPITAL LLC	FHLMC NOTES			175,000.00	175,000.00
37816	COMM	3130ABDX1	FEDERAL HOME	11/26/2018	INCAPITAL LLC	FHLB NOTES			210,000.00	210,000.00
38272	COMM	3133EHKT9	FEDERAL FARM CR	11/26/2018	INCAPITAL LLC	FFCB NOTES			121,156.50	121,156.50
36893	COMM	05582QAD9	BMWOT 1.16% MAT	11/26/2018	JPMorganChase	BMW VEHICLE			5,525.83	5,525.83
36893	COMM	05582QAD9	BMWOT 1.16% MAT	11/26/2018	JPMorganChase	BMW VEHICLE		642,342.71		642,342.71
38387	COMM	3137AYCE9	FHLMCM 2.682%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family			44,700.00	44,700.00
38387	COMM	3137AYCE9	FHLMCM 2.682%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family		491,375.45		491,375.45
38391	COMM	3137AYCE9	FHLMCM 2.682%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family			16,762.50	16,762.50
38391	COMM	3137AYCE9	FHLMCM 2.682%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family		184,173.23		184,173.23
38412	COMM	09659QAD9	BMWOT 2.35% MAT	11/26/2018	JPMorganChase	BMW VEHICLE			62,666.66	62,666.66
38412	COMM	09659QAD9	BMWOT 2.35% MAT	11/26/2018	JPMorganChase	BMW VEHICLE		784,336.10		784,336.10
38465	COMM	3137AWQH1	FHLMCM 2.307%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family			10,727.55	10,727.55
38465	COMM	3137AWQH1	FHLMCM 2.307%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family		138,635.81		138,635.81
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	11/26/2018	BOK FINANCIAL	FNMA Multi-Family			7,804.48	7,804.48
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	11/26/2018	BOK FINANCIAL	FNMA Multi-Family		5,422.99		5,422.99
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	11/26/2018	BARCLAYS CAPITAL	FHLMC Multi-Family			55,333.34	55,333.34
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	11/26/2018	BARCLAYS CAPITAL	FHLMC Multi-Family		459,747.30		459,747.30
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	11/26/2018	VINING SPARKS IBG	FNMA Multi-Family			12,029.62	12,029.62
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	11/26/2018	VINING SPARKS IBG	FNMA Multi-Family		172,644.62		172,644.62
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	11/26/2018	JPMorganChase	FNMA Multi-Family			12,029.62	12,029.62
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	11/26/2018	JPMorganChase	FNMA Multi-Family		172,644.62		172,644.62
38666	COMM	3137AYCE9	FHLMCM 2.682%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family			26,250.08	26,250.08
38666	COMM	3137AYCE9	FHLMCM 2.682%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family		283,181.14		283,181.14
38744	COMM	3137AYCE9	FHLMCM 2.682%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family			44,700.00	44,700.00
38744	COMM	3137AYCE9	FHLMCM 2.682%	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family		482,387.05		482,387.05
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family			12,176.25	12,176.25
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	11/26/2018	BREAN CAPITAL LLC	FHLMC Multi-Family		100,517.14		100,517.14
38864	COMM	3137B5JM6	FHLMCM 3.531%	11/26/2018	INCAPITAL LLC	FHLMC Multi-Family			29,425.00	29,425.00
38864	COMM	3137B5JM6	FHLMCM 3.531%	11/26/2018	INCAPITAL LLC	FHLMC Multi-Family		211,829.05		211,829.05
38884	COMM	31381N7G2	FNMAM 3.27% MAT	11/26/2018	BOK FINANCIAL	FNMA Multi-Family			24,226.54	24,226.54
38884	COMM	31381N7G2	FNMAM 3.27% MAT	11/26/2018	BOK FINANCIAL	FNMA Multi-Family		2,581,578.57		2,581,578.57
Totals for 11/26/2018							442,990,673.76	356,710,815.78	1,373,076.47	-84,906,781.51
39008	COMM	22535CAQ4	CANYCD 2.98% MAT	11/27/2018	JPMorganChase	Credit Agricole CIB	40,000,000.00			-40,000,000.00
39004	COMM	313385R24	FHDN DISC NOTE	11/27/2018	MIZUHO	FHLB DISCOUNT	49,997,013.89			-49,997,013.89
39005	COMM	313385R24	FHDN DISC NOTE	11/27/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
39006	COMM	3134GSB95	FEDERAL HOME LN	11/27/2018	INCAPITAL LLC	FHLMC NOTES	10,000,000.00			-10,000,000.00
39007	COMM	59157UNW6	METSHR DISC NOTE	11/27/2018	CITIGROUP GLOBAL	METLIFE SHORT	16,677,937.78			-16,677,937.78
39002	COMM	63873KLU9	NATXNY DISC NOTE	11/27/2018	MERRILL LYNCH	Natixis NY Branch	49,997,000.00			-49,997,000.00
39003	COMM	21687BLU3	RABO DISC NOTE	11/27/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89

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38996	COMM	313385Q90	FHDN DISC NOTE	11/27/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38997	COMM	313385Q90	FHDN DISC NOTE	11/27/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39001	COMM	63873KLT2	NATXNY DISC NOTE	11/27/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
38169	COMM	3133EHW58	FFCB 1.9% MAT	11/27/2018	INCAPITAL LLC	FFCB NOTES			142,500.00	142,500.00
38170	COMM	3134GBZ70	FEDERAL HOME LN	11/27/2018	INCAPITAL LLC	FHLMC NOTES			234,375.00	234,375.00
38171	COMM	3134GBZ70	FEDERAL HOME LN	11/27/2018	INCAPITAL LLC	FHLMC NOTES			93,750.00	93,750.00
38204	COMM	3133EHW58	FFCB 1.9% MAT	11/27/2018	INCAPITAL LLC	FFCB NOTES			204,725.00	204,725.00
Totals for 11/27/2018							416,657,021.12	350,000,000.00	675,350.00	-65,981,671.12
39015	COMM	13606BK54	CIBCNY 2.97% MAT	11/28/2018	JPMorganChase	Canadian IMP BK	50,000,000.00			-50,000,000.00
39009	COMM	313385R32	FHDN DISC NOTE	11/28/2018	MIZUHO	FHLB DISCOUNT	49,997,013.89			-49,997,013.89
39010	COMM	313385R32	FHDN DISC NOTE	11/28/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
39014	COMM	3130A8R54	FEDERAL HOME	11/28/2018	BREAN CAPITAL LLC	FHLB NOTES	4,740,050.00			-4,740,050.00
39013	COMM	43815AAC6	HAROT 3.16% MAT	11/28/2018	JPMorganChase	HONDA AUTO	21,746,748.38			-21,746,748.38
39012	COMM	63873KLV7	NATXNY DISC NOTE	11/28/2018	MERRILL LYNCH	Natixis NY Branch	49,997,000.00			-49,997,000.00
39011	COMM	21687BLV1	RABO DISC NOTE	11/28/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89
39002	COMM	63873KLU9	NATXNY DISC NOTE	11/28/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
39003	COMM	21687BLU3	RABO DISC NOTE	11/28/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
39004	COMM	313385R24	FHDN DISC NOTE	11/28/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39005	COMM	313385R24	FHDN DISC NOTE	11/28/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
38178	COMM	3130ACUK8	FEDERAL HOME	11/28/2018	INCAPITAL LLC	FHLB NOTES			250,000.00	250,000.00
38733	COMM	3130AECJ7	FEDERAL HOME	11/28/2018	INCAPITAL LLC	FHLB NOTES			136,354.20	136,354.20
Totals for 11/28/2018							426,465,881.72	350,000,000.00	386,354.20	-76,079,527.52
39019	COMM	313312BG4	FCDN DISC NOTE	11/29/2018	MIZUHO	FFCB DISCOUNT	29,878,725.00			-29,878,725.00
39017	COMM	313385R40	FHDN DISC NOTE	11/29/2018	MIZUHO	FHLB DISCOUNT	49,997,097.22			-49,997,097.22
39018	COMM	313385R40	FHDN DISC NOTE	11/29/2018	UBS FINANCE	FHLB DISCOUNT	199,988,388.88			-199,988,388.88
39016	COMM	3130AFE78	FEDERAL HOME	11/29/2018	INCAPITAL LLC	FHLB NOTES	14,370,472.67			-14,370,472.67
39021	COMM	63873KLW5	NATXNY DISC NOTE	11/29/2018	MERRILL LYNCH	Natixis NY Branch	49,997,000.00			-49,997,000.00
39020	COMM	21687BLW9	RABO DISC NOTE	11/29/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89
39009	COMM	313385R32	FHDN DISC NOTE	11/29/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39010	COMM	313385R32	FHDN DISC NOTE	11/29/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39011	COMM	21687BLV1	RABO DISC NOTE	11/29/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
39012	COMM	63873KLV7	NATXNY DISC NOTE	11/29/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
37149	COMM	3130AABG2	FEDERAL HOME	11/29/2018	BANK OF AMERICA	FHLB NOTES			140,625.00	140,625.00
Totals for 11/29/2018							394,228,697.66	350,000,000.00	140,625.00	-44,088,072.66
39022	COMM	3133EHFD0	FEDERAL FARM CR	11/30/2018	BREAN CAPITAL LLC	FFCB NOTES	4,723,932.33			-4,723,932.33
39023	COMM	3133EJW70	FEDERAL FARM CR	11/30/2018	KEYBANC CAPITAL	FFCB NOTES	26,807,817.10			-26,807,817.10
39024	COMM	313385R73	FHDN DISC NOTE	11/30/2018	MIZUHO	FHLB DISCOUNT	49,991,541.67			-49,991,541.67
39025	COMM	313385R73	FHDN DISC NOTE	11/30/2018	UBS FINANCE	FHLB DISCOUNT	199,966,166.68			-199,966,166.68
37148	COMM	3134GAXX7	FEDERAL HOME LN	11/30/2018	INCAPITAL LLC	FHLMC NOTES		15,000,000.00		15,000,000.00

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39017	COMM	313385R40	FHDN DISC NOTE	11/30/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39018	COMM	313385R40	FHDN DISC NOTE	11/30/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39020	COMM	21687BLW9	RABO DISC NOTE	11/30/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
39021	COMM	63873KLW5	NATXNY DISC NOTE	11/30/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
36793	COMM	3136G3QY4	FEDERAL NATL MTG	11/30/2018	INCAPITAL LLC	FNMA NOTES			31,250.00	31,250.00
36794	COMM	3136G3QY4	FEDERAL NATL MTG	11/30/2018	INCAPITAL LLC	FNMA NOTES			93,750.00	93,750.00
36795	COMM	3136G3QY4	FEDERAL NATL MTG	11/30/2018	INCAPITAL LLC	FNMA NOTES			31,250.00	31,250.00
37148	COMM	3134GAXX7	FEDERAL HOME LN	11/30/2018	INCAPITAL LLC	FHLMC NOTES			75,000.00	75,000.00
38386	COMM	912828SX9	UNITED STATES	11/30/2018	DEUTSCHE BANK	U.S. TREASURY			112,500.00	112,500.00
Totals for 11/30/2018							281,489,457.78	365,000,000.00	343,750.00	83,854,292.22
39027	COMM	313385R81	FHDN DISC NOTE	12/03/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
39028	COMM	313385R81	FHDN DISC NOTE	12/03/2018	MIZUHO	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
39026	COMM	3137B5KW2	FHLMC SERIES	12/03/2018	INCAPITAL LLC	FHLMC Multi-Family	10,096,029.72			-10,096,029.72
39024	COMM	313385R73	FHDN DISC NOTE	12/03/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39025	COMM	313385R73	FHDN DISC NOTE	12/03/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
Totals for 12/03/2018							260,081,238.07	250,000,000.00		-10,081,238.07
39031	COMM	06405LAA9	BANK NEW YORK	12/04/2018	CITIGROUP GLOBAL	BANK OF NEW	25,000,000.00			-25,000,000.00
39032	COMM	06405LAA9	BANK NEW YORK	12/04/2018	Academy Securities	BANK OF NEW	5,000,000.00			-5,000,000.00
39029	COMM	313385S23	FHDN DISC NOTE	12/04/2018	MIZUHO	FHLB DISCOUNT	49,994,166.67			-49,994,166.67
39030	COMM	313385S23	FHDN DISC NOTE	12/04/2018	UBS FINANCE	FHLB DISCOUNT	199,976,666.68			-199,976,666.68
39033	COMM	63873KM61	NATXNY DISC NOTE	12/04/2018	MERRILL LYNCH	Natixis NY Branch	99,988,000.00			-99,988,000.00
39034	COMM	21687BM65	RABO DISC NOTE	12/04/2018	MERRILL LYNCH	RABOBANK	49,994,027.78			-49,994,027.78
39027	COMM	313385R81	FHDN DISC NOTE	12/04/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39028	COMM	313385R81	FHDN DISC NOTE	12/04/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
34292	COMM	SYS34292	MSTI 0.0%	12/04/2018		MORGAN STANLEY			332.84	332.84
34292	COMM	SYS34292	MSTI 0.0%	12/04/2018		MORGAN STANLEY	332.84			-332.84
37590	COMM	SYS37590	JPM TE 0.44%	12/04/2018	JPMorganChase	JP MORGAN US			0.04	0.04
37590	COMM	SYS37590	JPM TE 0.44%	12/04/2018	JPMorganChase	JP MORGAN US	0.04			-0.04
Totals for 12/04/2018							429,953,194.01	250,000,000.00	332.88	-179,952,861.13
39035	COMM	313384BF5	FHDN DISC NOTE	12/06/2018	MIZUHO	FHLB DISCOUNT	39,854,922.22			-39,854,922.22
39036	COMM	313385S31	FHDN DISC NOTE	12/06/2018	MIZUHO	FHLB DISCOUNT	49,997,013.89			-49,997,013.89
39037	COMM	313385S31	FHDN DISC NOTE	12/06/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
39039	COMM	63873KM79	NATXNY DISC NOTE	12/06/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
39038	COMM	21687BM73	RABO DISC NOTE	12/06/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89
37590	COMM	SYS37590	JPM TE 0.44%	12/06/2018	JPMorganChase	JP MORGAN US	200,000,000.00			-200,000,000.00
39029	COMM	313385S23	FHDN DISC NOTE	12/06/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39030	COMM	313385S23	FHDN DISC NOTE	12/06/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39033	COMM	63873KM61	NATXNY DISC NOTE	12/06/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
39034	COMM	21687BM65	RABO DISC NOTE	12/06/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00

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Totals for 12/06/2018							639,831,005.56	400,000,000.00		-239,831,005.56
39041	COMM	313385S64	FHDN DISC NOTE	12/07/2018	MIZUHO	FHLB DISCOUNT	49,991,041.67			-49,991,041.67
39042	COMM	313385S64	FHDN DISC NOTE	12/07/2018	UBS FINANCE	FHLB DISCOUNT	199,964,166.68			-199,964,166.68
39043	COMM	21687BMA6	FHDN DISC NOTE	12/07/2018	MERRILL LYNCH	FHLB DISCOUNT	49,991,041.67			-49,991,041.67
39044	COMM	63873KMA2	NATXNY DISC NOTE	12/07/2018	MERRILL LYNCH	Natixis NY Branch	99,982,000.00			-99,982,000.00
39045	COMM	78012UKV6	RBC 2.9% MAT	12/07/2018	ROYAL BANK OF	ROYAL BANK OF	45,000,000.00			-45,000,000.00
39040	COMM	912796UL1	UNITED STATES	12/07/2018	MIZUHO	U S TREASURY BILL	44,843,318.75			-44,843,318.75
39036	COMM	313385S31	FHDN DISC NOTE	12/07/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39037	COMM	313385S31	FHDN DISC NOTE	12/07/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39038	COMM	21687BM73	RABO DISC NOTE	12/07/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
39039	COMM	63873KM79	NATXNY DISC NOTE	12/07/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
Totals for 12/07/2018							489,771,568.77	400,000,000.00		-89,771,568.77
39046	COMM	06417G3L0	BNSHOU 2.88% MAT	12/10/2018	JPMorganChase	BANK OF NOVA	60,000,000.00			-60,000,000.00
39049	COMM	313385S72	FHDN DISC NOTE	12/10/2018	MIZUHO	FHLB DISCOUNT	49,997,041.67			-49,997,041.67
39050	COMM	313385S72	FHDN DISC NOTE	12/10/2018	UBS FINANCE	FHLB DISCOUNT	199,988,166.68			-199,988,166.68
39048	COMM	63873KMB0	NATXNY DISC NOTE	12/10/2018		Natixis NY Branch	99,994,000.00			-99,994,000.00
39047	COMM	21687BMB4	RABO DISC NOTE	12/10/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89
37590	COMM	SYS37590	JPM TE 0.44%	12/10/2018	JPMorganChase	JP MORGAN US	130,000,000.00			-130,000,000.00
39041	COMM	313385S64	FHDN DISC NOTE	12/10/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39042	COMM	313385S64	FHDN DISC NOTE	12/10/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39043	COMM	21687BMA6	FHDN DISC NOTE	12/10/2018	MERRILL LYNCH	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39044	COMM	63873KMA2	NATXNY DISC NOTE	12/10/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
37194	COMM	3133EGT47	FEDERAL FARM CR	12/10/2018	INCAPITAL LLC	FFCB NOTES			100,500.00	100,500.00
Totals for 12/10/2018							589,976,222.24	400,000,000.00	100,500.00	-189,875,722.24
39053	COMM	0530A3MC9	ADPPP DISC NOTE	12/11/2018	CITIGROUP	GLOBAL AUTO DATA PROC	99,993,888.88			-99,993,888.88
39054	COMM	17305TC83	CITINA 2.92% MAT	12/11/2018	CITIGROUP	GLOBAL CITI BANK NA	50,000,000.00			-50,000,000.00
39051	COMM	313385S80	FHDN DISC NOTE	12/11/2018	UBS FINANCE	FHLB DISCOUNT	199,988,333.32			-199,988,333.32
39052	COMM	313385S80	FHDN DISC NOTE	12/11/2018	MIZUHO	FHLB DISCOUNT	49,997,083.33			-49,997,083.33
39056	COMM	63873KMC8	NATXNY DISC NOTE	12/11/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
39055	COMM	21687BMC2	RABO DISC NOTE	12/11/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89
37590	COMM	SYS37590	JPM TE 0.44%	12/11/2018	JPMorganChase	JP MORGAN US	45,000,000.00			-45,000,000.00
39047	COMM	21687BMB4	RABO DISC NOTE	12/11/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
39048	COMM	63873KMB0	NATXNY DISC NOTE	12/11/2018		Natixis NY Branch		100,000,000.00		100,000,000.00
39049	COMM	313385S72	FHDN DISC NOTE	12/11/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39050	COMM	313385S72	FHDN DISC NOTE	12/11/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
37961	COMM	313379RB7	FEDERAL HOME	12/11/2018	INCAPITAL LLC	FHLB NOTES			46,875.00	46,875.00
38102	COMM	3130A3UQ5	FEDERAL HOME	12/11/2018	INCAPITAL LLC	FHLB NOTES			93,750.00	93,750.00
Totals for 12/11/2018							594,970,319.42	400,000,000.00	140,625.00	-194,829,694.42

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39062	COMM	05522RCZ9	BAC 3.% MAT	12/12/2018	ROYAL BANK OF	BANK OF AMERICA	20,237,710.47			-20,237,710.47
39061	COMM	25215FEK6	DX 2.75% MAT	12/12/2018	DEXIA	DEXIA	30,000,000.00			-30,000,000.00
39058	COMM	313385T22	FHDN DISC NOTE	12/12/2018	MIZUHO	FHLB DISCOUNT	49,994,138.89			-49,994,138.89
39059	COMM	313385T22	FHDN DISC NOTE	12/12/2018	UBS FINANCE	FHLB DISCOUNT	199,976,555.56			-199,976,555.56
39060	COMM	24422MNVW7	JDCCP DISC NOTE	12/12/2018	CITIGROUP GLOBAL	John Deere Capital C	59,796,650.00			-59,796,650.00
39057	COMM	63873KMD6	NATXNY DISC NOTE	12/12/2018	MERRILL LYNCH	Natixis NY Branch	124,992,500.00			-124,992,500.00
39063	COMM	SYS39063	USTN 2.17% MAT	12/12/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39051	COMM	313385S80	FHDN DISC NOTE	12/12/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39052	COMM	313385S80	FHDN DISC NOTE	12/12/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39053	COMM	0530A3MC9	ADPPP DISC NOTE	12/12/2018	CITIGROUP GLOBAL	AUTO DATA PROC		100,000,000.00		100,000,000.00
39055	COMM	21687BMC2	RABO DISC NOTE	12/12/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
39056	COMM	63873KMC8	NATXNY DISC NOTE	12/12/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
36877	COMM	3133834H1	FEDERAL HOME	12/12/2018	KEYBANC CAPITAL	FHLB NOTES			103,125.00	103,125.00
37037	COMM	3133834H1	FEDERAL HOME	12/12/2018	KEYBANC CAPITAL	FHLB NOTES			68,750.00	68,750.00
37058	COMM	313383HU8	FHLB 1.75% MAT	12/12/2018	KEYBANC CAPITAL	FHLB NOTES			131,250.00	131,250.00
37901	COMM	3133EHMR1	FFCB 1.375% MAT	12/12/2018	Daiwa Capital Market	FFCB NOTES			34,375.00	34,375.00
37905	COMM	3133EHMR1	FFCB 1.375% MAT	12/12/2018	INCAPITAL LLC	FFCB NOTES			34,375.00	34,375.00
38247	COMM	313383HU8	FHLB 1.75% MAT	12/12/2018	KEYBANC CAPITAL	FHLB NOTES			218,750.00	218,750.00
38978	COMM	313370E38	FEDERAL HOME	12/12/2018	KEYBANC CAPITAL	FHLB NOTES			337,500.00	337,500.00
38978	COMM	313370E38	FEDERAL HOME	12/12/2018	KEYBANC CAPITAL	FHLB NOTES		294,375.00	-294,375.00	0.00
Totals for 12/12/2018							684,997,554.92	500,294,375.00	633,750.00	-184,069,429.92
39068	COMM	313385T22	FHDN DISC NOTE	12/13/2018	MERRILL LYNCH	FHLB DISCOUNT	99,994,416.66			-99,994,416.66
39065	COMM	45113VPS3	IBM DISC NOTE	12/13/2018	CITIGROUP GLOBAL	IBM	44,754,375.00			-44,754,375.00
39066	COMM	63873KME4	NATXNY DISC NOTE	12/13/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
39067	COMM	21687BME8	RABO DISC NOTE	12/13/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89
39064	COMM	SYS39064	USTN 2.17% MAT	12/13/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39057	COMM	63873KMD6	NATXNY DISC NOTE	12/13/2018	MERRILL LYNCH	Natixis NY Branch		125,000,000.00		125,000,000.00
39063	COMM	SYS39063	USTN 2.17% MAT	12/13/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
39063	COMM	SYS39063	USTN 2.17% MAT	12/13/2018	BARCLAYS CAPITAL	U.S. TREASURY			12,055.54	12,055.54
Totals for 12/13/2018							494,739,805.55	325,000,000.00	12,055.54	-169,727,750.01
39072	COMM	313385T55	FHDN DISC NOTE	12/14/2018	MIZUHO	FHLB DISCOUNT	99,982,833.00			-99,982,833.00
39073	COMM	313385T55	FHDN DISC NOTE	12/14/2018	UBS FINANCE	FHLB DISCOUNT	199,965,666.68			-199,965,666.68
39069	COMM	3130A0F70	FEDERAL HOME	12/14/2018	KEYBANC CAPITAL	FHLB NOTES	10,213,725.00			-10,213,725.00
39070	COMM	63873KMH7	NATXNY DISC NOTE	12/14/2018	MERRILL LYNCH	Natixis NY Branch	99,982,000.00			-99,982,000.00
39071	COMM	21687BMH1	RABO DISC NOTE	12/14/2018	MERRILL LYNCH	RABOBANK	49,991,041.67			-49,991,041.67
39074	COMM	SYS39074	USTN 2.18% MAT	12/14/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39058	COMM	313385T22	FHDN DISC NOTE	12/14/2018	MIZUHO	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39059	COMM	313385T22	FHDN DISC NOTE	12/14/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39064	COMM	SYS39064	USTN 2.17% MAT	12/14/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00

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39066	COMM	63873KME4	NATXNY DISC NOTE	12/14/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
39067	COMM	21687BME8	RABO DISC NOTE	12/14/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
39068	COMM	313385T22	FHDN DISC NOTE	12/14/2018	MERRILL LYNCH	FHLB DISCOUNT		100,000,000.00		100,000,000.00
36402	COMM	313379EE5	FEDERAL HOME	12/14/2018	INCAPITAL LLC	FHLB NOTES			139,750.00	139,750.00
36550	COMM	313379EE5	FEDERAL HOME	12/14/2018	DEUTSCHE BANK	FHLB NOTES			121,875.00	121,875.00
36823	COMM	3134G9QW0	FEDERAL HOME LN	12/14/2018	JEFFERIES & CO,	FHLMC NOTES			128,000.00	128,000.00
38469	COMM	313379EE5	FEDERAL HOME	12/14/2018	KEYBANC CAPITAL	FHLB NOTES			203,125.00	203,125.00
39064	COMM	SYS39064	USTN 2.17% MAT	12/14/2018	BARCLAYS CAPITAL	U.S. TREASURY			12,055.54	12,055.54
Totals for 12/14/2018							660,135,266.35	700,000,000.00	604,805.54	40,469,539.19
39075	COMM	3133EJ3B3	FEDERAL FARM CR	12/17/2018	INCAPITAL LLC	FFCB NOTES	9,987,400.00			-9,987,400.00
39077	COMM	313385T63	FHDN DISC NOTE	12/17/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
39078	COMM	313385T63	FHDN DISC NOTE	12/17/2018	MIZUHO	FHLB DISCOUNT	99,994,028.00			-99,994,028.00
39080	COMM	63873KMJ3	NATXNY DISC NOTE	12/17/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
39079	COMM	21687BMJ7	RABO DISC NOTE	12/17/2018	MERRILL LYNCH	RABOBANK	49,997,013.89			-49,997,013.89
39076	COMM	SYS39076	USTN 2.27% MAT	12/17/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
36753	COMM	89231UAD9	TOYO 1.3% MAT	12/17/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC		188,709.07		188,709.07
36753	COMM	89231UAD9	TOYO 1.3% MAT	12/17/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC		9.64		9.64
39070	COMM	63873KMH7	NATXNY DISC NOTE	12/17/2018	MERRILL LYNCH	Natixis NY Branch	100,000,000.00			100,000,000.00
39071	COMM	21687BMH1	RABO DISC NOTE	12/17/2018	MERRILL LYNCH	RABOBANK	50,000,000.00			50,000,000.00
39072	COMM	313385T55	FHDN DISC NOTE	12/17/2018	MIZUHO	FHLB DISCOUNT	100,000,000.00			100,000,000.00
39073	COMM	313385T55	FHDN DISC NOTE	12/17/2018	UBS FINANCE	FHLB DISCOUNT	200,000,000.00			200,000,000.00
39074	COMM	SYS39074	USTN 2.18% MAT	12/17/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			200,000,000.00
36753	COMM	89231UAD9	TOYO 1.3% MAT	12/17/2018	CITIGROUP GLOBAL	TOYOTA AUTO REC			1,326.51	1,326.51
37849	COMM	3134GBRR5	FHLMC 1.8% MAT	12/17/2018	INCAPITAL LLC	FHLMC NOTES			180,000.00	180,000.00
38076	COMM	931142EA7	WAL-MART STORES	12/17/2018	BARCLAYS CAPITAL	WALMART			66,500.00	66,500.00
38796	COMM	3134GSMY8	FEDERAL HOME LN	12/17/2018	INCAPITAL LLC	FHLMC NOTES			206,250.00	206,250.00
39074	COMM	SYS39074	USTN 2.18% MAT	12/17/2018	BARCLAYS CAPITAL	U.S. TREASURY			36,333.32	36,333.32
36557	COMM	65478UAD1	NALT 1.34% MAT	12/17/2018	MERRILL LYNCH	NISSAN AUTO			2,661.55	2,661.55
36557	COMM	65478UAD1	NALT 1.34% MAT	12/17/2018	MERRILL LYNCH	NISSAN AUTO	281,843.18			281,843.18
36600	COMM	47788MAC4	JDOT 1.36% MAT	12/17/2018	MERRILL LYNCH	JOHN DEERE			2,685.82	2,685.82
36600	COMM	47788MAC4	JDOT 1.36% MAT	12/17/2018	MERRILL LYNCH	JOHN DEERE	455,519.49			455,519.49
36601	COMM	89237KAD5	TAOT 1.25% MAT	12/17/2018	MERRILL LYNCH	TOYOTA AUTO REC			3,542.16	3,542.16
36601	COMM	89237KAD5	TAOT 1.25% MAT	12/17/2018	MERRILL LYNCH	TOYOTA AUTO REC	631,277.27			631,277.27
36800	COMM	43814QAC2	HAROT 1.39% MAT	12/17/2018	MERRILL LYNCH	HONDA AUTO			4,108.30	4,108.30
36800	COMM	43814QAC2	HAROT 1.39% MAT	12/17/2018	MERRILL LYNCH	HONDA AUTO	554,528.69			554,528.69
36905	COMM	47788NAC2	JDOT 1.25% MAT	12/17/2018	ROYAL BANK OF	JOHN DEERE			3,989.14	3,989.14
36905	COMM	47788NAC2	JDOT 1.25% MAT	12/17/2018	ROYAL BANK OF	JOHN DEERE	493,100.36			493,100.36
36929	COMM	161571HF4	CHAIT 1.27% MAT	12/17/2018	JPMorganChase	CHASE ISSUANCE			24,341.66	24,341.66
36929	COMM	161571HF4	CHAIT 1.27% MAT	12/17/2018	JPMorganChase	CHASE ISSUANCE	813,607.73			813,607.73
36956	COMM	58769BAD6	MBART 1.26% MAT	12/17/2018	CITIGROUP GLOBAL	MERCEDES -BENZ			6,511.76	6,511.76

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36956	COMM	58769BAD6	MBART 1.26% MAT	12/17/2018	CITIGROUP GLOBAL	MERCEDES -BENZ		596,832.08		596,832.08
37035	COMM	89231LAD9	TAOT 1.23% MAT	12/17/2018	JPMorganChase	TOYOTA AUTO REC			9,544.70	9,544.70
37035	COMM	89231LAD9	TAOT 1.23% MAT	12/17/2018	JPMorganChase	TOYOTA AUTO REC		916,882.34		916,882.34
37065	COMM	58768MAC5	MBALT 1.35% MAT	12/17/2018	BANK OF AMERICA	MERCEDES-BENZ			1,053.96	1,053.96
37065	COMM	58768MAC5	MBALT 1.35% MAT	12/17/2018	BANK OF AMERICA	MERCEDES-BENZ		701,869.14		701,869.14
37507	COMM	47787XAC1	JDOT 1.78% MAT	12/17/2018	BANK OF AMERICA	JOHN DEERE			12,016.94	12,016.94
37507	COMM	47787XAC1	JDOT 1.78% MAT	12/17/2018	BANK OF AMERICA	JOHN DEERE		615,352.21		615,352.21
37568	COMM	89238MAD0	TAOT 1.73% MAT	12/17/2018	BANK OF AMERICA	TOYOTA AUTO REC			13,990.40	13,990.40
37568	COMM	89238MAD0	TAOT 1.73% MAT	12/17/2018	BANK OF AMERICA	TOYOTA AUTO REC		714,127.54		714,127.54
37862	COMM	02582JHG8	AME 1.64% MAT	12/17/2018	ROYAL BANK OF	AMERICAN			46,466.68	46,466.68
37862	COMM	02582JHG8	AME 1.64% MAT	12/17/2018	ROYAL BANK OF	AMERICAN		1,003,047.39		1,003,047.39
37976	COMM	43811BAC8	HAROT 1.68% MAT	12/17/2018	CITIGROUP GLOBAL	HONDA AUTO			39,200.00	39,200.00
37976	COMM	43811BAC8	HAROT 1.68% MAT	12/17/2018	CITIGROUP GLOBAL	HONDA AUTO		887,548.33		887,548.33
38137	COMM	89238KAD4	TAOT 1.93% MAT	12/17/2018	JPMorganChase	TOYOTA AUTO REC			38,599.99	38,599.99
38137	COMM	89238KAD4	TAOT 1.93% MAT	12/17/2018	JPMorganChase	TOYOTA AUTO REC		648,042.65		648,042.65
38475	COMM	65478DAD9	NALT 2.65% MAT	12/17/2018	MERRILL LYNCH	NISSAN AUTO			40,854.16	40,854.16
38475	COMM	65478DAD9	NALT 2.65% MAT	12/17/2018	MERRILL LYNCH	NISSAN AUTO		440,981.76		440,981.76
38476	COMM	47788CAC6	JDOT 2.66% MAT	12/17/2018	ROYAL BANK OF	JOHN DEERE			18,287.50	18,287.50
38476	COMM	47788CAC6	JDOT 2.66% MAT	12/17/2018	ROYAL BANK OF	JOHN DEERE		199,824.25		199,824.25
38646	COMM	02582JHQ6	AME 2.67% MAT	12/17/2018	BARCLAYS CAPITAL	AMERICAN			100,125.00	100,125.00
38646	COMM	02582JHQ6	AME 2.67% MAT	12/17/2018	BARCLAYS CAPITAL	AMERICAN		955,977.21		955,977.21
38708	COMM	161571HN7	CHAIT 2.1227% MAT	12/17/2018	BARCLAYS CAPITAL	CHASE ISSUANCE			82,436.00	82,436.00
38708	COMM	161571HN7	CHAIT 2.1227% MAT	12/17/2018	BARCLAYS CAPITAL	CHASE ISSUANCE		690,669.44		690,669.44
38785	COMM	58769DAE0	MBALT 2.01% MAT	12/17/2018	BOK FINANCIAL	MERCEDES-BENZ			6,700.00	6,700.00
38785	COMM	58769DAE0	MBALT 2.01% MAT	12/17/2018	BOK FINANCIAL	MERCEDES-BENZ		87,079.90		87,079.90
38958	COMM	89231PAD0	TAOT 3.18% MAT	12/17/2018	JPMorganChase	TOYOTA AUTO REC			33,566.67	33,566.67
38958	COMM	89231PAD0	TAOT 3.18% MAT	12/17/2018	JPMorganChase	TOYOTA AUTO REC		181,215.22		181,215.22
39013	COMM	43815AAC6	HAROT 3.16% MAT	12/17/2018	JPMorganChase	HONDA AUTO			32,455.83	32,455.83
39013	COMM	43815AAC6	HAROT 3.16% MAT	12/17/2018	JPMorganChase	HONDA AUTO		402,535.90		402,535.90
39062	COMM	05522RCZ9	BAC 3.0% MAT	12/17/2018	ROYAL BANK OF	BANK OF AMERICA			-45,315.00	-45,315.00
39062	COMM	05522RCZ9	BAC 3.0% MAT	12/17/2018	ROYAL BANK OF	BANK OF AMERICA				0.00
39062	COMM	05522RCZ9	BAC 3.0% MAT	12/17/2018	ROYAL BANK OF	BANK OF AMERICA			50,350.00	50,350.00
39062	COMM	05522RCZ9	BAC 3.0% MAT	12/17/2018	ROYAL BANK OF	BANK OF AMERICA		343,155.00		343,155.00
Totals for 12/17/2018							659,960,497.45	662,803,735.79	1,018,583.05	3,861,821.39
39082	COMM	05522RDA3	BACCT 3.1% MAT	12/18/2018	ROYAL BANK OF	BANK OF AMERICA	15,008,335.94			-15,008,335.94
39081	COMM	06370RRU5	BMOCHI 2.88% MAT	12/18/2018	BMO CAPITAL	BANK OF	50,000,000.00			-50,000,000.00
39083	COMM	313385T71	FHDN DISC NOTE	12/18/2018	UBS FINANCE	FHLB DISCOUNT	199,988,055.56			-199,988,055.56
39084	COMM	313385T71	FHDN DISC NOTE	12/18/2018	MIZUHO	FHLB DISCOUNT	99,994,028.00			-99,994,028.00
39085	COMM	63873KMK0	NATXNY DISC NOTE	12/18/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
39087	COMM	21685V7C7	RABO 2.85% MAT	12/18/2018	MERRILL LYNCH	RABOBANK	50,000,000.00			-50,000,000.00

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39086	COMM	SYS39086	USTN 2.3% MAT	12/18/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39076	COMM	SYS39076	USTN 2.27% MAT	12/18/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
39077	COMM	313385T63	FHDN DISC NOTE	12/18/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39078	COMM	313385T63	FHDN DISC NOTE	12/18/2018	MIZUHO	FHLB DISCOUNT		100,000,000.00		100,000,000.00
39079	COMM	21687BMJ7	RABO DISC NOTE	12/18/2018	MERRILL LYNCH	RABOBANK		50,000,000.00		50,000,000.00
39080	COMM	63873KMJ3	NATXNY DISC NOTE	12/18/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
39076	COMM	SYS39076	USTN 2.27% MAT	12/18/2018	BARCLAYS CAPITAL	U.S. TREASURY			12,611.12	12,611.12
36587	COMM	43814NAC9	HAROT 1.22% MAT	12/18/2018	JPMorganChase	HONDA AUTO			2,349.56	2,349.56
36587	COMM	43814NAC9	HAROT 1.22% MAT	12/18/2018	JPMorganChase	HONDA AUTO		595,575.75		595,575.75
37059	COMM	43814RAC0	HAROT 1.21% MAT	12/18/2018	BARCLAYS CAPITAL	HONDA AUTO			8,319.50	8,319.50
37059	COMM	43814RAC0	HAROT 1.21% MAT	12/18/2018	BARCLAYS CAPITAL	HONDA AUTO		677,451.57		677,451.57
38738	COMM	43814UAG4	HAROT 3.01% MAT	12/18/2018	BARCLAYS CAPITAL	HONDA AUTO			30,100.00	30,100.00
38738	COMM	43814UAG4	HAROT 3.01% MAT	12/18/2018	BARCLAYS CAPITAL	HONDA AUTO		285,052.23		285,052.23
Totals for 12/18/2018							714,984,419.50	651,558,079.55	53,380.18	-63,372,959.77
39089	COMM	313385T89	FHDN DISC NOTE	12/19/2018	UBS FINANCE	FHLB DISCOUNT	199,987,944.44			-199,987,944.44
39090	COMM	313385T89	FHDN DISC NOTE	12/19/2018	MIZUHO	FHLB DISCOUNT	99,993,972.00			-99,993,972.00
39092	COMM	88580DN26	MMMPP DISC NOTE	12/19/2018	CITIGROUP GLOBAL	3M COMPANY	49,953,527.78			-49,953,527.78
39091	COMM	63873KML8	NATXNY DISC NOTE	12/19/2018	MERRILL LYNCH	Natixis NY Branch	99,994,000.00			-99,994,000.00
39088	COMM	SYS39088	USTN 2.3% MAT	12/19/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39083	COMM	313385T71	FHDN DISC NOTE	12/19/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39084	COMM	313385T71	FHDN DISC NOTE	12/19/2018	MIZUHO	FHLB DISCOUNT		100,000,000.00		100,000,000.00
39085	COMM	63873KMK0	NATXNY DISC NOTE	12/19/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
39086	COMM	SYS39086	USTN 2.3% MAT	12/19/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
39086	COMM	SYS39086	USTN 2.3% MAT	12/19/2018	BARCLAYS CAPITAL	U.S. TREASURY			12,777.78	12,777.78
Totals for 12/19/2018							649,929,444.22	600,000,000.00	12,777.78	-49,916,666.44
39094	COMM	313385T97	FHDN DISC NOTE	12/20/2018	UBS FINANCE	FHLB DISCOUNT	199,986,944.44			-199,986,944.44
39095	COMM	313385T97	FHDN DISC NOTE	12/20/2018	MIZUHO	FHLB DISCOUNT	99,993,472.00			-99,993,472.00
39096	COMM	313385T97	FHDN DISC NOTE	12/20/2018	MERRILL LYNCH	FHLB DISCOUNT	49,996,736.11			-49,996,736.11
39093	COMM	3137FBUV6	FHLMCM 2.52688%	12/20/2018	BOK FINANCIAL	FHLMC Multi-Family	20,057,691.12			-20,057,691.12
39097	COMM	63873KMM6	NATXNY DISC NOTE	12/20/2018	MERRILL LYNCH	Natixis NY Branch	49,996,722.22			-49,996,722.22
39098	COMM	SYS39098	USTN 2.38% MAT	12/20/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39088	COMM	SYS39088	USTN 2.3% MAT	12/20/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
39089	COMM	313385T89	FHDN DISC NOTE	12/20/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39090	COMM	313385T89	FHDN DISC NOTE	12/20/2018	MIZUHO	FHLB DISCOUNT		100,000,000.00		100,000,000.00
39091	COMM	63873KML8	NATXNY DISC NOTE	12/20/2018	MERRILL LYNCH	Natixis NY Branch		100,000,000.00		100,000,000.00
37893	COMM	3134GBRZ7	FEDERAL HOME LN	12/20/2018	INCAPITAL LLC	FHLMC NOTES			112,500.00	112,500.00
39088	COMM	SYS39088	USTN 2.3% MAT	12/20/2018	BARCLAYS CAPITAL	U.S. TREASURY			12,777.78	12,777.78
37036	COMM	05582XAD4	BMWLT 1.43% MAT	12/20/2018	MIZUHO	BMW VEHICLE			3,313.74	3,313.74
37036	COMM	05582XAD4	BMWLT 1.43% MAT	12/20/2018	MIZUHO	BMW VEHICLE		764,006.03		764,006.03

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Totals for 12/20/2018							620,031,565.89	600,764,006.03	128,591.52	-19,138,968.34
39100	COMM	313385U46	FHDN DISC NOTE	12/21/2018	MIZUHO	FHLB DISCOUNT	99,980,417.00			-99,980,417.00
39101	COMM	313385U46	FHDN DISC NOTE	12/21/2018	UBS FINANCE	FHLB DISCOUNT	199,960,833.32			-199,960,833.32
39099	COMM	63873KNX1	NATXNY DISC NOTE	12/21/2018	MERRILL LYNCH	Natixis NY Branch	49,851,944.44			-49,851,944.44
39102	COMM	912828Y46	UNITED STATES	12/21/2018	MERRILL LYNCH	U.S. TREASURY	15,137,185.80			-15,137,185.80
39103	COMM	912828S43	UNITED STATES	12/21/2018	DEUTSCHE BANK	U.S. TREASURY	34,757,948.37			-34,757,948.37
39104	COMM	SYS39104	USTN 2.39% MAT	12/21/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39094	COMM	313385T97	FHDN DISC NOTE	12/21/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39095	COMM	313385T97	FHDN DISC NOTE	12/21/2018	MIZUHO	FHLB DISCOUNT		100,000,000.00		100,000,000.00
39096	COMM	313385T97	FHDN DISC NOTE	12/21/2018	MERRILL LYNCH	FHLB DISCOUNT		50,000,000.00		50,000,000.00
39097	COMM	63873KMM6	NATXNY DISC NOTE	12/21/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00
39098	COMM	SYS39098	USTN 2.38% MAT	12/21/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
38718	COMM	3133EJXP1	FEDERAL FARM CR	12/21/2018	INCAPITAL LLC	FFCB NOTES			71,875.00	71,875.00
39098	COMM	SYS39098	USTN 2.38% MAT	12/21/2018	BARCLAYS CAPITAL	U.S. TREASURY			13,222.23	13,222.23
37615	COMM	43814TAC6	HAROT 1.72% MAT	12/21/2018	BANK OF AMERICA	HONDA AUTO			20,788.15	20,788.15
37615	COMM	43814TAC6	HAROT 1.72% MAT	12/21/2018	BANK OF AMERICA	HONDA AUTO		947,466.73		947,466.73
Totals for 12/21/2018							599,688,328.93	600,947,466.73	105,885.38	1,365,023.18
39105	COMM	3133EJY60	FEDERAL FARM CR	12/24/2018	INCAPITAL LLC	FFCB NOTES	12,628,395.83			-12,628,395.83
39107	COMM	3133EFX44	FEDERAL FARM CR	12/24/2018	BREAN CAPITAL LLC	FFCB NOTES	5,357,628.48			-5,357,628.48
39108	COMM	3133EJ3B3	FEDERAL FARM CR	12/24/2018	INCAPITAL LLC	FFCB NOTES	4,310,554.11			-4,310,554.11
39109	COMM	313385U61	FHDN DISC NOTE	12/24/2018	MIZUHO	FHLB DISCOUNT	99,986,889.00			-99,986,889.00
39110	COMM	313385U61	FHDN DISC NOTE	12/24/2018	UBS FINANCE	FHLB DISCOUNT	199,973,777.76			-199,973,777.76
39106	COMM	3130A0F70	FEDERAL HOME	12/24/2018	KEYBANC CAPITAL	FHLB NOTES	3,594,955.00			-3,594,955.00
39111	COMM	SYS39111	USTN 2.4% MAT	12/24/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39100	COMM	313385U46	FHDN DISC NOTE	12/24/2018	MIZUHO	FHLB DISCOUNT		100,000,000.00		100,000,000.00
39101	COMM	313385U46	FHDN DISC NOTE	12/24/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39104	COMM	SYS39104	USTN 2.39% MAT	12/24/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
37861	COMM	3134GBRU8	FEDERAL HOME LN	12/24/2018	INCAPITAL LLC	FHLMC NOTES			243,750.00	243,750.00
37880	COMM	3134GBSM5	FEDERAL HOME LN	12/24/2018	INCAPITAL LLC	FHLMC NOTES			46,325.00	46,325.00
37894	COMM	3134GBSW3	FEDERAL HOME LN	12/24/2018	INCAPITAL LLC	FHLMC NOTES			43,750.00	43,750.00
38826	COMM	931142EG4	WALMART INC, SR	12/24/2018	CITIGROUP GLOBAL	WALMART			557,333.32	557,333.32
39104	COMM	SYS39104	USTN 2.39% MAT	12/24/2018	BARCLAYS CAPITAL	U.S. TREASURY			39,833.34	39,833.34
Totals for 12/24/2018							525,852,200.18	500,000,000.00	930,991.66	-24,921,208.52
39026	COMM	3137B5KW2	FHLMC SERIES	12/25/2018	INCAPITAL LLC	FHLMC Multi-Family			-1,921.11	-1,921.11
39026	COMM	3137B5KW2	FHLMC SERIES	12/25/2018	INCAPITAL LLC	FHLMC Multi-Family				0.00
Totals for 12/25/2018									-1,921.11	-1,921.11
39116	COMM	313385U79	FHDN DISC NOTE	12/26/2018	UBS FINANCE	FHLB DISCOUNT	199,986,888.88			-199,986,888.88
39117	COMM	313385U79	FHDN DISC NOTE	12/26/2018	MIZUHO	FHLB DISCOUNT	99,993,527.78			-99,993,527.78

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39118	COMM	3134G94B0	FEDERAL HOME LN	12/26/2018	BREAN CAPITAL	LLCFHLMC NOTES	1,985,250.00			-1,985,250.00
39115	COMM	SYS39115	USTN 2.43% MAT	12/26/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39109	COMM	313385U61	FHDN DISC NOTE	12/26/2018	MIZUHO	FHLB DISCOUNT		100,000,000.00		100,000,000.00
39110	COMM	313385U61	FHDN DISC NOTE	12/26/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39111	COMM	SYS39111	USTN 2.4% MAT	12/26/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
38831	COMM	3133EJSU4	FEDERAL FARM CR	12/26/2018	KEYBANC CAPITAL	FFCB NOTES			126,500.00	126,500.00
38831	COMM	3133EJSU4	FEDERAL FARM CR	12/26/2018	KEYBANC CAPITAL	FFCB NOTES		2,108.33	-2,108.33	0.00
39111	COMM	SYS39111	USTN 2.4% MAT	12/26/2018	BARCLAYS CAPITAL	U.S. TREASURY			26,666.67	26,666.67
36893	COMM	05582QAD9	BMWOT 1.16% MAT	12/26/2018	JPMorganChase	BMW VEHICLE			4,904.90	4,904.90
36893	COMM	05582QAD9	BMWOT 1.16% MAT	12/26/2018	JPMorganChase	BMW VEHICLE		541,185.22		541,185.22
38387	COMM	3137AYCE9	FHLMCM 2.682%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			44,700.00	44,700.00
38387	COMM	3137AYCE9	FHLMCM 2.682%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		499,902.72		499,902.72
38391	COMM	3137AYCE9	FHLMCM 2.682%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			16,762.50	16,762.50
38391	COMM	3137AYCE9	FHLMCM 2.682%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		187,369.35		187,369.35
38412	COMM	09659QAD9	BMWOT 2.35% MAT	12/26/2018	JPMorganChase	BMW VEHICLE			62,666.66	62,666.66
38412	COMM	09659QAD9	BMWOT 2.35% MAT	12/26/2018	JPMorganChase	BMW VEHICLE		808,206.20		808,206.20
38465	COMM	3137AWQH1	FHLMCM 2.307%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			10,727.55	10,727.55
38465	COMM	3137AWQH1	FHLMCM 2.307%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		141,149.26		141,149.26
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	12/26/2018	BOK FINANCIAL	FNMA Multi-Family			7,541.20	7,541.20
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	12/26/2018	BOK FINANCIAL	FNMA Multi-Family		5,863.88		5,863.88
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	12/26/2018	BARCLAYS CAPITAL	FHLMC Multi-Family			55,333.34	55,333.34
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	12/26/2018	BARCLAYS CAPITAL	FHLMC Multi-Family		467,088.79		467,088.79
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	12/26/2018	VINING SPARKS	IBG FNMA Multi-Family			11,517.44	11,517.44
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	12/26/2018	VINING SPARKS	IBG FNMA Multi-Family		82,576.22		82,576.22
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	12/26/2018	JPMorganChase	FNMA Multi-Family			11,517.44	11,517.44
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	12/26/2018	JPMorganChase	FNMA Multi-Family		82,576.22		82,576.22
38666	COMM	3137AYCE9	FHLMCM 2.682%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			26,250.08	26,250.08
38666	COMM	3137AYCE9	FHLMCM 2.682%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		288,095.42		288,095.42
38744	COMM	3137AYCE9	FHLMCM 2.682%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			44,700.00	44,700.00
38744	COMM	3137AYCE9	FHLMCM 2.682%	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		490,758.33		490,758.33
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family			12,176.25	12,176.25
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	12/26/2018	BREAN CAPITAL	LLCFHLMC Multi-Family		101,951.30		101,951.30
38864	COMM	3137B5JM6	FHLMCM 3.531%	12/26/2018	INCAPITAL LLC	FHLMC Multi-Family			29,425.00	29,425.00
38864	COMM	3137B5JM6	FHLMCM 3.531%	12/26/2018	INCAPITAL LLC	FHLMC Multi-Family		214,876.43		214,876.43
38884	COMM	31381N7G2	FNMAM 3.27% MAT	12/26/2018	BOK FINANCIAL	FNMA Multi-Family			16,410.24	16,410.24
38884	COMM	31381N7G2	FNMAM 3.27% MAT	12/26/2018	BOK FINANCIAL	FNMA Multi-Family		2,553,485.53		2,553,485.53
38945	COMM	3137B3NA2	FHLMC REMIC	12/26/2018	INCAPITAL LLC	FHLMC Multi-Family			28,723.99	28,723.99
38945	COMM	3137B3NA2	FHLMC REMIC	12/26/2018	INCAPITAL LLC	FHLMC Multi-Family		236,262.96		236,262.96
38945	COMM	3137B3NA2	FHLMC REMIC	12/26/2018	INCAPITAL LLC	FHLMC Multi-Family			-957.47	-957.47
38945	COMM	3137B3NA2	FHLMC REMIC	12/26/2018	INCAPITAL LLC	FHLMC Multi-Family				0.00

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39093	COMM	3137FBUV6	FHLMCM 2.52688%	12/26/2018	BOK FINANCIAL	FHLMC Multi-Family			42,114.66	42,114.66
39093	COMM	3137FBUV6	FHLMCM 2.52688%	12/26/2018	BOK FINANCIAL	FHLMC Multi-Family		1,021,213.24		1,021,213.24
39093	COMM	3137FBUV6	FHLMCM 2.52688%	12/26/2018	BOK FINANCIAL	FHLMC Multi-Family			-35,095.56	-35,095.56
39093	COMM	3137FBUV6	FHLMCM 2.52688%	12/26/2018	BOK FINANCIAL	FHLMC Multi-Family				0.00
Totals for 12/26/2018							501,965,666.66	507,724,669.40	540,476.56	6,299,479.30
39120	COMM	313385U87	FHDN DISC NOTE	12/27/2018	UBS FINANCE	FHLB DISCOUNT	199,986,944.44			-199,986,944.44
39121	COMM	313385U87	FHDN DISC NOTE	12/27/2018	MIZUHO	FHLB DISCOUNT	99,993,472.22			-99,993,472.22
39122	COMM	3134GSL60	FHLMC 3. % MAT	12/27/2018	INCAPITAL LLC	FHLMC NOTES	25,000,000.00			-25,000,000.00
39123	COMM	3134GSJ48	FEDERAL HOME LN	12/27/2018	INCAPITAL LLC	FHLMC NOTES	30,000,000.00			-30,000,000.00
39119	COMM	SYS39119	USTN 2.43% MAT	12/27/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
39115	COMM	SYS39115	USTN 2.43% MAT	12/27/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
39116	COMM	313385U79	FHDN DISC NOTE	12/27/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39117	COMM	313385U79	FHDN DISC NOTE	12/27/2018	MIZUHO	FHLB DISCOUNT		100,000,000.00		100,000,000.00
38544	COMM	3133EJHS1	FEDERAL FARM CR	12/27/2018	INCAPITAL LLC	FFCB NOTES			275,625.00	275,625.00
39115	COMM	SYS39115	USTN 2.43% MAT	12/27/2018	BARCLAYS CAPITAL	U.S. TREASURY			13,499.98	13,499.98
Totals for 12/27/2018							554,980,416.66	500,000,000.00	289,124.98	-54,691,291.68
39126	COMM	313385V37	FHDN DISC NOTE	12/28/2018	UBS FINANCE	FHLB DISCOUNT	174,967,333.34			-174,967,333.34
39128	COMM	313384CL1	FHDN DISC NOTE	12/28/2018	UBS FINANCE	FHLB DISCOUNT	24,897,097.22			-24,897,097.22
39127	COMM	63873KMX2	NATXNY DISC NOTE	12/28/2018	MERRILL LYNCH	Natixis NY Branch	49,990,166.67			-49,990,166.67
39125	COMM	21687BMX6	RABO DISC NOTE	12/28/2018	MERRILL LYNCH	RABOBANK	24,995,104.17			-24,995,104.17
39124	COMM	SYS39124	USTN 2.4% MAT	12/28/2018	BARCLAYS CAPITAL	U.S. TREASURY	200,000,000.00			-200,000,000.00
36848	COMM	3134G9ZR1	FEDERAL HOME LN	12/28/2018	INCAPITAL LLC	FHLMC NOTES		10,625,000.00		10,625,000.00
39119	COMM	SYS39119	USTN 2.43% MAT	12/28/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
39120	COMM	313385U87	FHDN DISC NOTE	12/28/2018	UBS FINANCE	FHLB DISCOUNT		200,000,000.00		200,000,000.00
39121	COMM	313385U87	FHDN DISC NOTE	12/28/2018	MIZUHO	FHLB DISCOUNT		100,000,000.00		100,000,000.00
36845	COMM	3136G3TD7	FEDERAL NATL MTG	12/28/2018	BREAN CAPITAL	LLCFNMA NOTES			77,880.00	77,880.00
36846	COMM	3136G3TB1	FEDERAL NATL MTG	12/28/2018	INCAPITAL LLC	FNMA NOTES			66,275.00	66,275.00
36848	COMM	3134G9ZR1	FEDERAL HOME LN	12/28/2018	INCAPITAL LLC	FHLMC NOTES			53,125.00	53,125.00
36849	COMM	3136G3SQ9	FEDERAL NATL MTG	12/28/2018	INCAPITAL LLC	FNMA NOTES			143,750.00	143,750.00
37289	COMM	3130AADN5	FEDERAL HOME	12/28/2018	INCAPITAL LLC	FHLB NOTES			275,000.00	275,000.00
38334	COMM	3134GSAC9	FEDERAL HOME LN	12/28/2018	INCAPITAL LLC	FHLMC NOTES			102,500.00	102,500.00
38827	COMM	3134GSPR0	FHLMC 3. % MAT	12/28/2018	INCAPITAL LLC	FHLMC NOTES			330,000.00	330,000.00
39119	COMM	SYS39119	USTN 2.43% MAT	12/28/2018	BARCLAYS CAPITAL	U.S. TREASURY			13,499.99	13,499.99
Totals for 12/28/2018							474,849,701.40	510,625,000.00	1,062,029.99	36,837,328.59
39129	COMM	313384AB5	FHDN DISC NOTE	12/31/2018	UBS FINANCE	FHLB DISCOUNT	174,979,097.23			-174,979,097.23
39124	COMM	SYS39124	USTN 2.4% MAT	12/31/2018	BARCLAYS CAPITAL	U.S. TREASURY		200,000,000.00		200,000,000.00
39125	COMM	21687BMX6	RABO DISC NOTE	12/31/2018	MERRILL LYNCH	RABOBANK		25,000,000.00		25,000,000.00
39126	COMM	313385V37	FHDN DISC NOTE	12/31/2018	UBS FINANCE	FHLB DISCOUNT		175,000,000.00		175,000,000.00
39127	COMM	63873KMX2	NATXNY DISC NOTE	12/31/2018	MERRILL LYNCH	Natixis NY Branch		50,000,000.00		50,000,000.00

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37300	COMM	3133EG2P9	FEDERAL FARM CR	12/31/2018	INCAPITAL LLC	FFCB NOTES			116,000.00	116,000.00
37301	COMM	3133EG2P9	FEDERAL FARM CR	12/31/2018	Daiwa Capital Market	FFCB NOTES			174,000.00	174,000.00
39124	COMM	SYS39124	USTN 2.4% MAT	12/31/2018	BARCLAYS CAPITAL	U.S. TREASURY			39,999.99	39,999.99
Totals for 12/31/2018							174,979,097.23	450,000,000.00	329,999.99	275,350,902.76
Grand Total							23,641,112,376.	21,496,512,491.	21,444,731.74	-2,123,155,153.



Santa Clara County

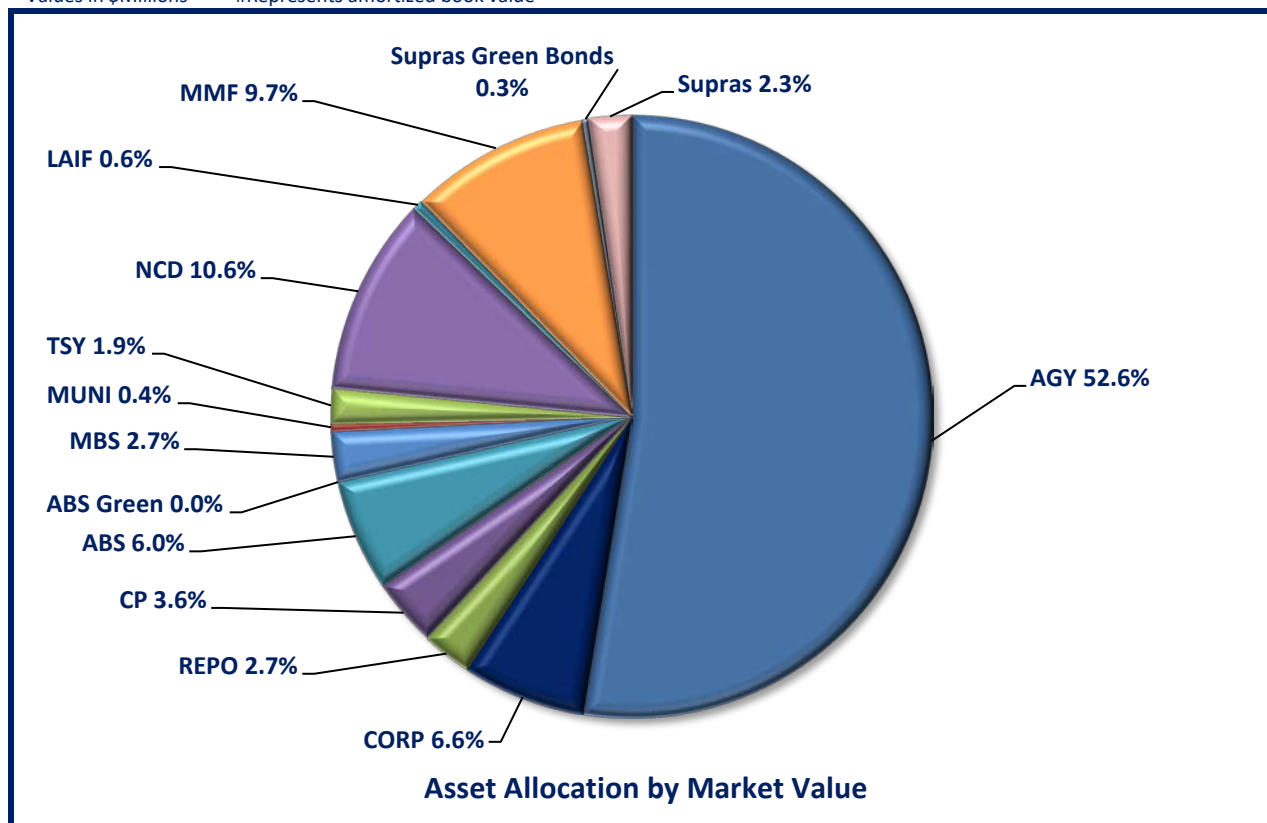
Commingled Pool Statistics

For the Month Ended January 31, 2019

Average Daily Balance	\$7,826,109,443
Book Yield	2.148%
Weighted Average Maturity	445 Days

Investment Type	Par Value*	Book Value* #	Market Value*
Federal Agencies	\$ 3,917.34	\$ 3,914.44	\$ 3,890.13
Corporate Bonds	491.63	490.76	489.36
Repurchase Agreements	200.00	200.00	200.00
Commercial Paper	265.00	264.19	264.21
Asset-Backed Securities	446.73	446.67	445.30
Asset-Backed Sec Green Bds	0.86	0.86	0.86
Mortgage Backed Securities	199.08	199.78	200.12
Municipal Securities	31.97	32.00	31.52
U.S. Treasuries	140.00	139.35	139.17
Negotiable CDs	785.00	785.00	785.53
LAIF	41.52	41.52	41.52
Money Market Funds	715.10	715.10	715.10
Supranationals Green Bonds	25.00	25.00	25.01
Supranationals	170.00	170.13	169.10
Total	\$ 7,429.24	\$ 7,424.79	\$ 7,396.93

*Values in \$Millions #Represents amortized book value



Note: Figures may not total due to rounding.

Santa Clara County
Summary of County Investments
For the Month Ended January 31, 2019



Portfolio	Book Value* #	Market Value*	Gain (Loss)*
Commingled Pool	\$ 7,424.79	\$ 7,396.93	\$ (27.86)
Worker's Compensation	28.56	28.56	(0.01)
Park Charter Fund	4.21	4.20	(0.01)
Total	\$ 7,457.56	\$ 7,429.69	\$ (27.87)

*Values in \$Millions #Represents amortized book value

Note: Figures may not total due to rounding.