



CITY OF SANTA CLARA

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PUBLIC FACILITIES FINANCING CORPORATION

AGENDA

A complete agenda packet with back-up reports is available at either City Library beginning Saturday before the Tuesday meeting or at the City Clerk's Office on weekdays. A complete agenda packet is also available at the PFFC meeting and on the City's website.

February 14, 2012

SPECIAL MEETING

7:00 PM in the City Hall Council Chambers

APPEAL OF HEARING DECISIONS OF THE PFFC MUST BE MADE TO THE SUPERIOR COURT WITHIN 90 CALENDAR DAYS OF FINAL ACTION. BECAUSE OF THE AGENDA PROVISION FOR RECONSIDERATION, FINAL ACTION IS DEEMED TO OCCUR AT THE END OF THE NEXT REGULAR MEETING PURSUANT TO PFFC POLICY (P&P 042). (CODE OF CIVIL PROCEDURE SECTION 1094.6)

1. ROLL CALL:

2. APPROVAL OF MINUTES:

A. September 27, 2011.

3. NEW BUSINESS:

A. Acceptance of the 2010 Internal Revenue Service Form 990 (Return of Organization Exempt from Income Tax) to comply with Internal Revenue Code 501(c).

4. PUBLIC PRESENTATIONS:

The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The PFFC or its staff, may briefly respond to statements made or questions posed and may request the Executive Director to report back at a subsequent meeting. Please submit to the Secretary your name and subject matter on forms available by the door in the Council Chambers.

5. ADJOURNMENT:

A. To a date to be determined (as needed) in the City Hall Council Chambers.

2/14/12

2A
PFFC

**MINUTES OF THE BOARD OF DIRECTORS
OF THE CITY OF SANTA CLARA
PUBLIC FACILITIES FINANCING CORPORATION
FOR THE MEETING HELD ON TUESDAY EVENING, SEPTEMBER 27, 2011**

The Board of Directors of the Public Facilities Financing Corporation (PFFC) of the City of Santa Clara met at 8:08 pm, on the above-mentioned date, for the regular scheduled meeting in the City Hall Council Chambers.

Present: Directors Lisa M. Gillmor, Will Kennedy, Patrick Kolstad, Patricia M. Mahan, Jamie McLeod and Kevin Moore and President Jamie L. Matthews.

MOTION was made by Kennedy, seconded and unanimously carried, that the **Minutes** for the meeting of **February 8, 2011** be adopted as written.

MOTION was made by Kennedy, seconded and unanimously carried, that per the Director of Finance's (PFFC) memo (09/20/11), the Corporation **approve** Fiscal Year 2010-11 budget amendments as follows: additional appropriations of \$10,148,500 (\$10,040,000 in account 431-3393-88510 and \$108,500 in account 431-3394-88530) (Director of Finance (PFFC) - 09/20/11).

MOTION was made by Kennedy, seconded and unanimously carried that there being no further business, the meeting was adjourned at 8:09 pm to a date to be determined (as needed) in the City Hall Council Chambers.

ATTEST: _____
Secretary

APPROVE: _____
President

Meeting Date: 2/14/12

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 3A

Santa Clara PFFC



Date: February 7, 2012

To: Executive Director for Public Facilities Financing Corporation Board Action

From: Director of Finance for Public Facilities Financing Corporation

Subject: Acceptance of the 2010 Internal Revenue Service (IRS) Form 990 (Return of Organization Exempt From Income Tax)

EXECUTIVE SUMMARY:

The City Council established the City of Santa Clara Public Facilities Financing Corporation (PFFC) in 1997 mainly to render financial assistance to the City of Santa Clara by financing, refinancing, acquiring, constructing, improving, leasing and selling of buildings, for the benefit of residents of the City of Santa Clara. The PFFC was the issuing agency for the 1997 Police Administration Building Project Certificates of Participation (COPS) which was refunded July 13, 2010 by the 2010 Lease Agreement between the City of Santa Clara and the City of Santa Clara Public Facilities Corporation for the use of the Police Administration Building; and the 2002 Certificates of Participation, Series A Bonds for the purpose of constructing the City's Central Park Library. Debt Service on the Lease and COPS is secured by lease payments to be made by the City to the PFFC in exchange for the use of the Police Administration Building and Library.

As an organization exempt from income tax, the Public Facilities Financing Corporation (PFFC) is required to file Form 990 under section 501(c) of the Internal Revenue Code. In 2008, Form 990 was expanded and a new provision required the Form 990 to be accepted by the organization's governing body prior to its filing.

A draft copy of the 2010 Form 990 for the period commencing July 1, 2010, and ending June 30, 2011, prepared by Vavrinek, Trine, Day & Co., LLP based on information provided by the City of Santa Clara, has been placed in Council Offices for review. Once approved by the Board, the final version will be delivered to the City, signed, and mailed to the Internal Revenue Service.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

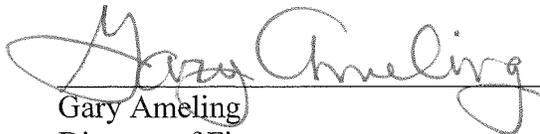
The advantage of filing Form 990 is compliance with Internal Revenue Service code 501(c). No disadvantages have been identified.

ECONOMIC/FISCAL IMPACT:

There is no cost to the PFFC other than administrative time and expense.

RECOMMENDATION:

That the Board accept the 2010 Internal Revenue Service Form 990 (Return of Organization Exempt from Income Tax) to comply with Internal Revenue Code 501(c).



Gary Ameling
Director of Finance
Public Facilities Financing Corporation

APPROVED:



Jennifer Sparacino
Executive Director
Public Facilities Financing Corporation

Documents Related to this Report:
1) Form 990

2010 TAX RETURN

CLIENT COPY

Client: SC

Prepared for: CITY OF SANTA CLARA PUBLIC FACILITIES
FINANCING CORPORATION
1500 WARBURTON AVENUE
SANTA CLARA, CA 95050-3713
408-615-2368

DRAFT

Prepared by: AJ MAJOR
VAVRINEK, TRINE, DAY & CO., LLP
5000 HOPYARD ROAD, SUITE 335
PLEASANTON, CA 94588-3351
(925) 734-6600

Date: JANUARY 12, 2012

Comments:

Route to: _____

VAVRINEK, TRINE, DAY & CO., LLP
5000 HOPYARD ROAD, SUITE 335
PLEASANTON, CA 94588-3351
(925) 734-6600

January 12, 2012

CITY OF SANTA CLARA PUBLIC FACILITIES
FINANCING CORPORATION
1500 WARBURTON AVENUE
SANTA CLARA, CA 95050-3713

Dear Client:

Enclosed is your 2010 Federal Return of Organization Exempt from Income Tax. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail your Federal return on or before February 15, 2012 to:

DEPARTMENT OF TREASURY
INTERNAL REVENUE SERVICE
OGDEN, UT 84201-0027

Enclosed is your 2010 California Exempt Organization Annual Information Return. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the California return on or before June 15, 2012 to:

FRANCHISE TAX BOARD
P.O. BOX 942857
SACRAMENTO, CA 94257-0700

Please be sure to call us if you have any questions.

Sincerely,

AJ Major

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2010 calendar year, or tax year beginning 7/01, 2010, and ending 6/30, 2011

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION
 1500 WARBURTON AVENUE
 SANTA CLARA, CA 95050-3713

D Employer Identification Number: 31-1611044

E Telephone number: 408-615-2368

G Gross receipts \$ 12,657,706.

F Name and address of principal officer:
SAME AS C ABOVE

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 if 'No,' attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) (4) ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ N/A

H(c) Group exemption number ▶

K Form of organization: Corporation Trust Association Other ▶

L Year of Formation: 1997 **M** State of legal domicile: CA

Part I Summary

| | |
|--|---------------------------------------|
| 1 Briefly describe the organization's mission or most significant activities: <u>TO RENDER FINANCIAL ASSISTANCE TO THE CITY OF SANTA CLARA BY FINANCING, REFINANCING, LEASING AND CONSTRUCTING VARIOUS FACILITIES FOR THE BENEFIT OF THE CITY'S RESIDENTS</u> | |
| 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | |
| 3 Number of voting members of the governing body (Part VI, line 1a) | <u>3</u> <u>10</u> |
| 4 Number of independent voting members of the governing body (Part VI, line 1b) | <u>4</u> <u>0</u> |
| 5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) | <u>5</u> <u>0</u> |
| 6 Total number of volunteers (estimate if necessary) | <u>6</u> <u>0</u> |
| 7a Total unrelated business revenue from Part VIII, column (C), line 12 | <u>7a</u> <u>0.</u> |
| 7b Net unrelated business taxable income from Form 990-T, line 34 | <u>7b</u> <u>0.</u> |
| Revenue | |
| 8 Contributions and grants (Part VIII, line 1h) | Prior Year Current Year |
| 9 Program service revenue (Part VIII, line 2g) | <u>2,841,667.</u> <u>12,499,159.</u> |
| 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | <u>1.</u> |
| 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | <u>41.</u> <u>158,547.</u> |
| 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | <u>2,841,709.</u> <u>12,657,706.</u> |
| Expenses | |
| 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | |
| 14 Benefits paid to or for members (Part IX, column (A), line 4) | |
| 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | |
| 16a Professional fundraising fees (Part IX, column (A), line 11e) | |
| b Total fundraising expenses (Part IX, column (D), line 25) ▶ | |
| 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) | <u>2,841,564.</u> <u>13,891,200.</u> |
| 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | <u>2,841,564.</u> <u>13,891,200.</u> |
| 19 Revenue less expenses. Subtract line 18 from line 12 | <u>145.</u> <u>-1,233,494.</u> |
| Net Assets or Fund Balances | |
| 20 Total assets (Part X, line 16) | Beginning of Current Year End of Year |
| 21 Total liabilities (Part X, line 26) | <u>36,536,601.</u> <u>33,320,107.</u> |
| 22 Net assets or fund balances. Subtract line 21 from line 20 | <u>32,935,000.</u> <u>30,952,000.</u> |
| | <u>3,601,601.</u> <u>2,368,107.</u> |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: _____ Date: _____

Type or print name and title: _____

Paid Preparer Use Only

Print/Type preparer's name: AJ MAJOR Preparer's signature: _____

Check if self-employed PTIN: P01029592

Firm's name: ▶ VAVRINEK, TRINE, DAY & CO., LLP Firm's EIN: ▶ 95-2648289

Firm's address: ▶ 5000 HOPYARD ROAD, SUITE 335 PLEASANTON, CA 94588-3351 Phone no.: (925) 734-6600

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 13,891,200. including grants of \$) (Revenue \$)

DEBT SERVICE EXPENDITURES RELATED TO POLICE ADMINISTRATION BUILDING, LIBRARY BUILDING CONSTRUCTION, AND LEASE OBLIGATIONS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► 13,891,200.

Part IV Checklist of Required Schedules

| | Yes | No |
|---|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If 'Yes,' complete Schedule A.</i> | | X |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions). | | X |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If 'Yes,' complete Schedule C, Part I.</i> | | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If 'Yes,' complete Schedule C, Part II.</i> | | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If 'Yes,' complete Schedule C, Part III.</i> | | X |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If 'Yes,' complete Schedule D, Part I.</i> | | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If 'Yes,' complete Schedule D, Part II.</i> | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If 'Yes,' complete Schedule D, Part III.</i> | | X |
| 9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If 'Yes,' complete Schedule D, Part IV.</i> | | X |
| 10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If 'Yes,' complete Schedule D, Part V.</i> | | X |
| 11 If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a Did the organization report an amount for land, buildings and equipment in Part X, line 10? <i>If 'Yes,' complete Schedule D, Part VI.</i> | | X |
| b Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VII.</i> | | X |
| c Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VIII.</i> | | X |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part IX.</i> | X | |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If 'Yes,' complete Schedule D, Part X.</i> | X | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If 'Yes,' complete Schedule D, Part X.</i> | | X |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If 'Yes,' complete Schedule D, Parts XI, XII, and XIII.</i> | | X |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> | X | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E.</i> | | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If 'Yes,' complete Schedule F, Parts I and IV.</i> | | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If 'Yes,' complete Schedule F, Parts II and IV.</i> | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If 'Yes,' complete Schedule F, Parts III and IV.</i> | | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If 'Yes,' complete Schedule G, Part I (see instructions).</i> | | X |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If 'Yes,' complete Schedule G, Part II.</i> | | X |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If 'Yes,' complete Schedule G, Part III.</i> | | X |
| 20 a Did the organization operate one or more hospitals? <i>If 'Yes,' complete Schedule H.</i> | | X |
| b If 'Yes' to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions). | | |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|---|-----|----|
| 21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i> | | X |
| 22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i> | | X |
| 23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i> | | X |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.</i> | X | |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | X |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | X |
| d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year? | | X |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i> | | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i> | | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II.</i> | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If 'Yes,' complete Schedule L, Part III.</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i> | | X |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i> | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i> | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i> | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.</i> | | X |
| 35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? | | X |
| a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i> | | |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O. | X | |

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V.

| | | Yes | No |
|--|--|-----|----|
| 1 a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | | |
| 1 b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | | |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | |
| 2 a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | | |
| 2 b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions) | | |
| 3 a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | | X |
| 3 b | If 'Yes,' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O. | | |
| 4 a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | | X |
| 4 b | If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | | |
| 5 a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | X |
| 5 b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | X |
| 5 c | If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T? | | |
| 6 a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? | | X |
| 6 b | If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | |
| 7 a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | |
| 7 b | If 'Yes,' did the organization notify the donor of the value of the goods or services provided? | | |
| 7 c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | |
| 7 d | If 'Yes,' indicate the number of Forms 8282 filed during the year | | |
| 7 e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | |
| 7 f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | |
| 7 g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | | |
| 7 h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | | |
| 8 | Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | |
| 9 | Sponsoring organizations maintaining donor advised funds. | | |
| 9 a | Did the organization make any taxable distributions under section 4966? | | |
| 9 b | Did the organization make a distribution to a donor, donor advisor, or related person? | | |
| 10 | Section 501(c)(7) organizations. Enter: | | |
| 10 a | Initiation fees and capital contributions included on Part VIII, line 12 | | |
| 10 b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | | |
| 11 | Section 501(c)(12) organizations. Enter: | | |
| 11 a | Gross income from members or shareholders | | |
| 11 b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | | |
| 12 a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | |
| 12 b | If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year | | |
| 13 | Section 501(c)(29) qualified nonprofit health insurance issuers. | | |
| 13 a | Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O. | | |
| 13 b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | | |
| 13 c | Enter the amount of reserves on hand | | |
| 14 a | Did the organization receive any payments for indoor tanning services during the tax year? | | X |
| 14 b | If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O. | | |

Part VI Governance, Management and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

| | | Yes | No |
|-----|---|-----|----|
| 1 a | Enter the number of voting members of the governing body at the end of the tax year. | | |
| | 1 a | | 10 |
| b | Enter the number of voting members included in line 1a, above, who are independent. | | |
| | 1 b | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? | | X |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | | X |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | X |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | | X |
| 6 | Does the organization have members or stockholders? | | X |
| 7 a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? | | X |
| b | Are any decisions of the governing body subject to approval by members, stockholders, or other persons? | | X |
| 7 a | | | X |
| 7 b | | | X |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | X | |
| 8 a | | X | |
| b | Each committee with authority to act on behalf of the governing body? | X | |
| 8 b | | X | |
| 9 | Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O | | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

| | Yes | No |
|--|--|----|
| 10 a | | X |
| 10 a | | X |
| b | | |
| 10 b | | |
| 11 a | X | |
| 11 a | X | |
| b | Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O | |
| 12 a | | X |
| 12 a | | X |
| b | | |
| 12 b | | |
| c | | |
| 12 c | | |
| 13 | | X |
| 13 | | X |
| 14 | | X |
| 14 | | X |
| 15 | | |
| 15 | | |
| a | | X |
| 15 a | | X |
| b | | X |
| 15 b | | X |
| If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.) | | |
| 16 a | | X |
| 16 a | | X |
| b | | |
| 16 b | | |

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. SEE SCHEDULE O
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
 ▶ SUZANNE D'ANGELO 1500 WARBURTON SANTA CLARA CA 95050-3713 408-615-2368

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII.

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A) Name and title | (B) Average hours per week (describe hours for related organizations in Schedule O) | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) DOMINIC J CASERTA BOARD MEMBER | 0.5 | | | | | | 0. | 0. | 0. | |
| (2) WILL KENNEDY BOARD MEMBER | 0.5 | | | | | | 0. | 0. | 0. | |
| (3) PATRICIA M. MAHAN PRESIDENT | 0.5 | | | | | | 0. | 0. | 0. | |
| (4) JOE KORNDER BOARD MEMBER | 0.5 | | | | | | 0. | 0. | 0. | |
| (5) JAMIE MCLEOD BOARD MEMBER | 0.5 | | | | | | 0. | 0. | 0. | |
| (6) KEVIN MOORE BOARD MEMBER | 0.5 | | | | | | 0. | 0. | 0. | |
| (7) JAMIE MATTHEWS BOARD MEMBER | 0.5 | | | | | | 0. | 0. | 0. | |
| (8) JENNIFER SPARACINO EXECUTIVE DIREC | 0.1 | | | | | | 0. | 0. | 0. | |
| (9) GARY AMELING TREASURER | 0.1 | | | | | | 0. | 0. | 0. | |
| (10) ROD DIRIDON JR. SECRETARY | 0.1 | | | | | | 0. | 0. | 0. | |
| (11) ----- | | | | | | | | | | |
| (12) ----- | | | | | | | | | | |
| (13) ----- | | | | | | | | | | |
| (14) ----- | | | | | | | | | | |
| (15) ----- | | | | | | | | | | |
| (16) ----- | | | | | | | | | | |
| (17) ----- | | | | | | | | | | |

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)

| (A) Name and title | (B) Average hours per week (describe hours for related organizations in Sch O) | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) ----- | | | | | | | | | | |
| (19) ----- | | | | | | | | | | |
| (20) ----- | | | | | | | | | | |
| (21) ----- | | | | | | | | | | |
| (22) ----- | | | | | | | | | | |
| (23) ----- | | | | | | | | | | |
| (24) ----- | | | | | | | | | | |
| (25) ----- | | | | | | | | | | |
| (26) ----- | | | | | | | | | | |
| (27) ----- | | | | | | | | | | |
| (28) ----- | | | | | | | | | | |
| (29) ----- | | | | | | | | | | |
| 1 b Sub-total | | | | | | | 0. | 0. | 0. | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | 0. | 0. | 0. | |
| d Total (add lines 1b and 1c) | | | | | | | 0. | 0. | 0. | |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ▶ 0

| | Yes | No |
|---|-----|----|
| 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual.</i> | | X |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes' complete Schedule J for such individual.</i> | | X |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i> | | X |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

| | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 | |
|---|--|---|--|---|---|--|
| CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS | 1 a Federated campaigns | 1 a | | | | |
| | b Membership dues | 1 b | | | | |
| | c Fundraising events | 1 c | | | | |
| | d Related organizations | 1 d | | | | |
| | e Government grants (contributions) | 1 e | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above. | 1 f | | | | |
| | g Noncash contributions included in lns 1a-1f: \$ | | | | | |
| | h Total. Add lines 1a-1f. | | | | | |
| PROGRAM SERVICE REVENUE | 2 a LEASE REVENUE | Business Code | 12,499,159. | 12,499,159. | | |
| | b | | | | | |
| | c | | | | | |
| | d | | | | | |
| | e | | | | | |
| | f All other program service revenue. | | | | | |
| | g Total. Add lines 2a-2f. | | 12,499,159. | | | |
| | OTHER REVENUE | 3 Investment income (including dividends, interest and other similar amounts). | | | | |
| 4 Income from investment of tax-exempt bond proceeds. | | | | | | |
| 5 Royalties | | | | | | |
| 6 a Gross Rents | | (i) Real | | | | |
| | | (ii) Personal | | | | |
| | | b Less: rental expenses | | | | |
| | | c Rental income or (loss). | | | | |
| d Net rental income or (loss). | | | 158,547. | 158,547. | | |
| 7 a Gross amount from sales of assets other than inventory. | | (i) Securities | | | | |
| | | (ii) Other | | | | |
| | | b Less: cost or other basis and sales expenses. | | | | |
| | | c Gain or (loss). | | | | |
| d Net gain or (loss). | | | | | | |
| 8 a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 | | a | | | | |
| | | b Less: direct expenses | b | | | |
| | | c Net income or (loss) from fundraising events. | | | | |
| 9 a Gross income from gaming activities. See Part IV, line 19 | | a | | | | |
| | | b Less: direct expenses | b | | | |
| | | c Net income or (loss) from gaming activities. | | | | |
| 10 a Gross sales of inventory, less returns and allowances | | a | | | | |
| | b Less: cost of goods sold | b | | | | |
| | c Net income or (loss) from sales of inventory | | | | | |
| Miscellaneous Revenue | | Business Code | | | | |
| 11 a OTHER MISC. INCOME | 900099 | | | | | |
| b | | | | | | |
| c | | | | | | |
| d All other revenue. | | | | | | |
| e Total. Add lines 11a-11d. | | | | | | |
| 12 Total revenue. See instructions | | 12,657,706. | 12,657,706. | 0. | 0. | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

| <i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i> | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21. | | | | |
| 2 Grants and other assistance to individuals in the U.S. See Part IV, line 22. | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16. | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 0. | 0. | 0. | 0. |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | 0. | 0. | 0. | 0. |
| 7 Other salaries and wages | | | | |
| 8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) | | | | |
| 9 Other employee benefits | | | | |
| 10 Payroll taxes | | | | |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | | | | |
| c Accounting | | | | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other | | | | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | | | | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | | | | |
| 17 Travel | | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | 1,701,200. | 1,701,200. | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | | | | |
| 23 Insurance | | | | |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.) | | | | |
| a PRINCIPAL DEBT PAYMENTS | 12,190,000. | 12,190,000. | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| f All other expenses | | | | |
| 25 Total functional expenses. Add lines 1 through 24f. | 13,891,200. | 13,891,200. | 0. | 0. |
| 26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation | | | | |

Part X Balance Sheet

| | | (A) Beginning of year | | (B) End of year |
|-----------------------------|---|---|-------------|--------------------|
| ASSETS | 1 | Cash – non-interest-bearing | 1 | |
| | 2 | Savings and temporary cash investments | 3,601,247. | 2,209,206. |
| | 3 | Pledges and grants receivable, net | | |
| | 4 | Accounts receivable, net | 354. | 158,901. |
| | 5 | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | |
| | 6 | Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) | | |
| | 7 | Notes and loans receivable, net | | |
| | 8 | Inventories for sale or use | | |
| | 9 | Prepaid expenses and deferred charges | | |
| | 10a | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a | |
| | b Less: accumulated depreciation | 10b | 10c | |
| 11 | Investments – publicly traded securities | | | |
| 12 | Investments – other securities. See Part IV, line 11 | | | |
| 13 | Investments – program-related. See Part IV, line 11 | | | |
| 14 | Intangible assets | | | |
| 15 | Other assets. See Part IV, line 11 | 32,935,000. | 30,952,000. | |
| 16 | Total assets. Add lines 1 through 15 (must equal line 34) | 36,536,601. | 33,320,107. | |
| LIABILITIES | 17 | Accounts payable and accrued expenses | 17 | |
| | 18 | Grants payable | | |
| | 19 | Deferred revenue | | |
| | 20 | Tax-exempt bond liabilities | 32,935,000. | 21,095,000. |
| | 21 | Escrow or custodial account liability. Complete Part IV of Schedule D | | |
| | 22 | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | |
| | 25 | Other liabilities. Complete Part X of Schedule D | | 9,857,000. |
| | 26 | Total liabilities. Add lines 17 through 25 | 32,935,000. | 30,952,000. |
| NET ASSETS OR FUND BALANCES | Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34. | | | |
| | 27 | Unrestricted net assets | 27 | |
| | 28 | Temporarily restricted net assets | 28 | |
| | 29 | Permanently restricted net assets | 29 | |
| | Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 | Capital stock or trust principal, or current funds | 3,601,601. | 2,368,107. |
| | 31 | Paid-in or capital surplus, or land, building, or equipment fund | | |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | |
| | 33 | Total net assets or fund balances. | 3,601,601. | 2,368,107. |
| | 34 | Total liabilities and net assets/fund balances. | 36,536,601. | 33,320,107. |

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Form 990 (2010)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

| | | |
|---|---|-------------|
| 1 Total revenue (must equal Part VIII, column (A), line 12) | 1 | 12,657,706. |
| 2 Total expenses (must equal Part IX, column (A), line 25) | 2 | 13,891,200. |
| 3 Revenue less expenses. Subtract line 2 from line 1. | 3 | -1,233,494. |
| 4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)). | 4 | 3,601,601. |
| 5 Other changes in net assets or fund balances (explain in Schedule O). | 5 | 0. |
| 6 Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)). | 6 | 2,368,107. |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

| | Yes | No |
|---|-----|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O. | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? | | X |
| b Were the organization's financial statements audited by an independent accountant? | X | |
| c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. | | X |
| d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | | X |
| b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits. | | |

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SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

Employer identification number

CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION

31-1611044

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for total number, aggregate contributions, aggregate grants, and aggregate value.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

Table with 2 columns: Line number, Held at the End of the Tax Year. Rows 2a-2d for total number, acreage, and structure counts.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If 'Yes,' explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If 'Yes,' explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Term endowment _____ %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|--------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

| Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | | | |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | | | |
| e Other | | | | |

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) 0.

Part VII Investments—Other Securities. See Form 990, Part X, line 12. N/A

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|--|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other | | |
| (A) ----- | | |
| (B) ----- | | |
| (C) ----- | | |
| (D) ----- | | |
| (E) ----- | | |
| (F) ----- | | |
| (G) ----- | | |
| (H) ----- | | |
| (I) ----- | | |
| Total. (Column (b) must equal Form 990 Part X, column (B) line 12.) | | |

Part VIII Investments—Program Related. (See Form 990, Part X, line 13) N/A

| (a) Description of investment type | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|--|----------------|--|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| Total. (Column (b) must equal Form 990, Part X, column (B) line 13.) | | |

Part IX Other Assets. (See Form 990, Part X, line 15)

| (a) Description | (b) Book value |
|---|----------------|
| (1) NET INVESTMENT IN LEASE | 30,952,000. |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| Total. (Column (b) must equal Form 990, Part X, column (B), line 15.) | 30,952,000. |

Part X Other Liabilities. (See Form 990, Part X, line 25)

| (a) Description of liability | (b) Amount |
|--|------------|
| (1) Federal income taxes | |
| (2) LEASE AGREEMENT WITH CITY OF SANTA | 9,857,000. |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| (11) | |
| Total. (Column (b) must equal Form 990, Part X, column (B) line 25.) | 9,857,000. |

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

| Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements | | N/A |
|---|--|-----|
| 1 | Total revenue (Form 990, Part VIII, column (A), line 12) | |
| 2 | Total expenses (Form 990, Part IX, column (A), line 25) | |
| 3 | Excess or (deficit) for the year. Subtract line 2 from line 1 | |
| 4 | Net unrealized gains (losses) on investments | |
| 5 | Donated services and use of facilities | |
| 6 | Investment expenses | |
| 7 | Prior period adjustments | |
| 8 | Other (Describe in Part XIV) | |
| 9 | Total adjustments (net). Add lines 4 through 8 | |
| 10 | Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9 | |

| Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return | | N/A |
|--|---|-----|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | |
| a | Net unrealized gains on investments | 2a |
| b | Donated services and use of facilities | 2b |
| c | Recoveries of prior year grants | 2c |
| d | Other (Describe in Part XIV) | 2d |
| e | Add lines 2a through 2d | 2e |
| 3 | Subtract line 2e from line 1 | 3 |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | |
| a | Investments expenses not included on Form 990, Part VIII, line 7b | 4a |
| b | Other (Describe in Part XIV) | 4b |
| c | Add lines 4a and 4b | 4c |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5 |

| Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return | | N/A |
|---|--|-----|
| 1 | Total expenses and losses per audited financial statements | 1 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | |
| a | Donated services and use of facilities | 2a |
| b | Prior year adjustments | 2b |
| c | Other losses | 2c |
| d | Other (Describe in Part XIV) | 2d |
| e | Add lines 2a through 2d | 2e |
| 3 | Subtract line 2e from line 1 | 3 |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | |
| a | Investments expenses not included on Form 990, Part VIII, line 7b | 4a |
| b | Other (Describe in Part XIV) | 4b |
| c | Add lines 4a and 4b | 4c |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5 |

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

CITY OF SANTA CLARA PUBLIC FACILITIES

Part I Bond Issues

| (a) Issuer Name | (b) Issuer EIN | (c) CUSIP # | (d) Date issued | (e) Issue price | (f) Description of purpose | (g) Defeased | | (h) On behalf of issuer | | (i) Pooled financing | |
|---|----------------|-------------|-----------------|--------------------------------|----------------------------|--------------|----|-------------------------|----|----------------------|----|
| | | | | | | Yes | No | Yes | No | Yes | No |
| A CITY OF SANTA CLARA PUBLIC 31-1611044 | 804453 | 10/22/2002 | 25,025,000. | FINANCE PARK LIBRARY PROJECT | | | X | | X | | |
| B CITY OF SANTA CLARA PUBLIC 31-1611044 | 801400 | 6/17/1997 | 16,050,000. | POLICE ADMINISTRATION BUILDING | | | X | | X | | |
| C | | | | | | | | | | | |
| D | | | | | | | | | | | |

Employer identification number
31-1611044

Supplemental Information on Tax Exempt Bonds
 ▶ Complete if the organization answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part V.
 ▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Part II Proceeds

| | A | | B | | C | | D | |
|--|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Amount of bonds retired..... | | | | | | | | |
| 2 Amount of bonds legally defeased..... | | | | | | | | |
| 3 Total proceeds of issue..... | | | | | | | | |
| 4 Gross proceeds in reserve funds..... | | | | | | | | |
| 5 Capitalized interest from proceeds..... | | | | | | | | |
| 6 Proceeds in refunding escrows..... | | | | | | | | |
| 7 Issuance costs from proceeds..... | | | | | | | | |
| 8 Credit enhancement from proceeds..... | | | | | | | | |
| 9 Working capital expenditures from proceeds..... | | | | | | | | |
| 10 Capital expenditures from proceeds..... | | | | | | | | |
| 11 Other spent proceeds..... | | | | | | | | |
| 12 Other unspent proceeds..... | | | | | | | | |
| 13 Year of substantial completion..... | | | | | | | | |
| 14 Were the bonds issued as part of a current refunding issue?..... | | | | | | | | |
| 15 Were the bonds issued as part of an advance refunding issue?..... | | | | | | | | |
| 16 Has the final allocation of proceeds been made?..... | | | | | | | | |
| 17 Does the organization maintain adequate books and records to support the final allocation of proceeds?..... | | | | | | | | |

Part III Private Business Use

| | A | | B | | C | | D | |
|---|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?..... | | | | | | | | |
| 2 Are there any lease arrangements that may result in private business use of bond-financed property?..... | | | | | | | | |

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2010

| | A | | B | | C | | D | |
|---|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 3a Are there any management or service contracts that may result in private business use of bond-financed property? | | | | | | | | |
| b Are there any research agreements that may result in private business use of bond-financed property? | | | | | | | | |
| c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property? | | | | | | | | |
| 4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government. | | % | | % | | % | | % |
| 5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government. | | % | | % | | % | | % |
| 6 Total of lines 4 and 5. | | % | | % | | % | | % |
| 7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities? | | | | | | | | |

Part IV Arbitrage

| | A | | B | | C | | D | |
|--|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue? | | | | | | | | |
| 2 Is the bond issue a variable rate issue? | | | | | | | | |
| 3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? | | | | | | | | |
| b Name of provider. | | | | | | | | |
| c Term of hedge. | | | | | | | | |
| d Was the hedge superintegrated? | | | | | | | | |
| e Was the hedge terminated? | | | | | | | | |
| 4a Were gross proceeds invested in a GIC? | | | | | | | | |
| b Name of provider. | | | | | | | | |
| c Term of GIC. | | | | | | | | |
| d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? | | | | | | | | |
| 5 Were any gross proceeds invested beyond an available temporary period? | | | | | | | | |
| 6 Did the bond issue qualify for an exception to rebate? | | | | | | | | |

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

| |
|--|
| |
| |
| |
| |
| |

Supplemental Information to Form 990 or 990-EZ

2010

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

Open to Public
Inspection

Name of the organization CITY OF SANTA CLARA PUBLIC FACILITIES
FINANCING CORPORATION

Employer identification number
31-1611044

FORM 990, PART III, LINE 1 - ORGANIZATION MISSION

TO RENDER FINANCIAL ASSISTANCE TO THE CITY OF SANTA CLARA BY FINANCING, REFINANCING,
ACQUIRING, CONSTRUCTING, IMPROVING, LEASING AND SELLING OF BUILDINGS, BUILDING
IMPROVEMENTS, EQUIPMENT, AND OTHER PUBLIC IMPROVEMENTS, LANDS, AND ANY OTHER REAL OR
PERSONAL PROPERTY FOR THE BENEFIT OF RESIDENTS OF THE CITY OF SANTA CLARA
CALIFORNIA.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

THE CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION HAS ITS FORM 990
PREPARED BY AN OUTSIDE TAX PREPARER BASED ON INFORMATION PROVIDED BY THE CITY. THE
FOLLOWING PROCESS OCCURS PRIOR TO THE FORM 990 FILING:

WHEN THE FORM 990 IS PREPARED, IT IS REVIEWED BY MANAGEMENT AND IS PRESENTED TO
MEMBERS OF THE GOVERNING BODY PRIOR TO ITS SUBMISSION. THE GOVERNING BODY IS
PROVIDED WITH AT LEAST 3 DAYS TO REVIEW THE PREPARED FORM 990 AND PROVIDE THEIR
COMMENTS TO MANAGEMENT. THE FORM 990 IS THEN PRESENTED FOR ACCEPTANCE AT A SPECIAL
CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION BOARD MEETING.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

ALL FORMAL DOCUMENTS ARE MADE AVAILABLE TO THE PUBLIC ON REQUEST

TAXABLE YEAR
2010

**California Exempt Organization
Annual Information Return**

FORM
199

Calendar year 2010 or fiscal year beginning month 07 day 01 year 2010, and ending month 06 day 30 year 2011

A First Return Filed? Yes No
 B Type of organization Exempt under Section 23701... **F** (insert letter)
 IRC Section 4947(a)(1) trust...

Corporation/Organization Name **CITY OF SANTA CLARA PUBLIC FACILITIES
FINANCING CORPORATION**
 CORPORATION # **C2011023**
 FEIN **31-1611044**

Address
1500 WARBURTON AVENUE

City **SANTA CLARA, CA 95050-3713** State ZIP Code

C Amended Return? Yes No
 D Are you a subordinate/affiliate in a group exemption? Yes No
 a Is this a group filing for affiliates? See General Instruction L. Yes No
 b If 'Yes,' enter the number of affiliates.
 c Are all affiliates included? Yes No
 (If 'No,' attach a list. See instructions.)
 d Is this a separate return filed by an organization covered by a group ruling? Yes No
 e Federal Group Exemption Number.
 f Is a roster of subordinates attached? Yes No
 E Final return?
 Dissolved Surrendered (Withdrawn)
 Merged/Reorganized (attach explanation)
 If a box is checked, enter date.
 F Check the box if the organization filed the following federal forms or schedule:
 1 990T 2 990PF 3 (Schedule H) 990
 G If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. See General Instruction F.
 No filing fee is required.
 H Accounting method used. 1 Cash 2 Accrual 3 Other
 I If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If 'Yes,' complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations. **N/A** Yes No
 J Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If 'Yes,' complete an explanation and attach copies of revised documents. Yes No
 K Is the organization exempt under R&TC Section 23701g? Yes No
 If 'Yes,' enter amount of gross receipts from nonmember sources. \$
 L Is the organization under audit by the IRS or has the IRS audited in a prior year? Yes No
 M Is the organization a Limited Liability Company? Yes No
 N Did the organization file Form 100 or Form 109 to report taxable income? Yes No

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

| | | | | |
|----------------------|----|--|----|-------------|
| Receits and Revenues | 1 | Gross sales or receipts from other sources. From Side 2, Part II, line 8. | 1 | 12,657,706. |
| | 2 | Gross dues and assessments from members and affiliates. | 2 | |
| | 3 | Gross contributions, gifts, grants, and similar amounts received. | 3 | |
| | 4 | Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$25,000, see General Instruction B. | 4 | 12,657,706. |
| | 5 | Cost of goods sold. | 5 | |
| | 6 | Cost or other basis, and sales expenses of assets sold. | 6 | |
| | 7 | Total costs. Add line 5 and line 6. | 7 | |
| | 8 | Total gross income. Subtract line 7 from line 4. | 8 | 12,657,706. |
| Expenses | 9 | Total expenses and disbursements. From Side 2, Part II, line 18. | 9 | 13,891,200. |
| | 10 | Excess of receipts over expenses and disbursements. Subtract line 9 from line 8. | 10 | -1,233,494. |
| Filing Fee | 11 | Filing fee \$10 or \$25. See General Instruction F. | 11 | 10. |
| | 12 | Total payments. | 12 | 10. |
| | 13 | Penalties and interest. See General Instruction J. | 13 | |
| | 14 | Use tax. See General Instruction K. | 14 | |
| | 15 | Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result. | 15 | |

Sign Here
 Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
 Signature of officer _____ Title _____ Date _____
 Telephone **408-615-2368**

Paid Preparer's Use Only
 Preparer's signature _____ Date _____ Check if self-employed
 Firm's name (or yours, if self-employed) and address **VAVRINEK, TRINE, DAY & CO., LLP
5000 HOPYARD ROAD, SUITE 335
PLEASANTON, CA 94588-3351**
 Preparer's PTIN/SSN **P0102952**
 FEIN **95-2648289**
 Telephone **(925) 734-6600**

May the FTB discuss this return with the preparer shown above? See instructions. Yes No

Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts – complete Part II or furnish substitute information. See Specific Line Instructions.

| | | | | | |
|-----------------------------|----|--|---|----|-------------|
| Receipts from Other Sources | 1 | Gross sales or receipts from all business activities. See instructions. | ● | 1 | |
| | 2 | Interest | ● | 2 | |
| | 3 | Dividends | ● | 3 | |
| | 4 | Gross rents | ● | 4 | 158,547. |
| | 5 | Gross royalties | ● | 5 | |
| | 6 | Gross amount received from sale of assets (See Instructions) | ● | 6 | |
| | 7 | Other income. Attach schedule. SEE STATEMENT. 1 | ● | 7 | 12,499,159. |
| | 8 | Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1. | | 8 | 12,657,706. |
| Expenses and Disbursements | 9 | Contributions, gifts, grants, and similar amounts paid. Attach schedule. | ● | 9 | |
| | 10 | Disbursements to or for members | ● | 10 | |
| | 11 | Compensation of officers, directors, and trustees. Attach schedule. SEE STATEMENT. 2 | ● | 11 | 0. |
| | 12 | Other salaries and wages | ● | 12 | |
| | 13 | Interest | ● | 13 | 1,701,200. |
| | 14 | Taxes | ● | 14 | |
| | 15 | Rents | ● | 15 | |
| | 16 | Depreciation and depletion (See Instructions) | ● | 16 | |
| | 17 | Other. Attach schedule. SEE STATEMENT. 3 | ● | 17 | 12,190,000. |
| | 18 | Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9. | | 18 | 13,891,200. |

| Schedule L Balance Sheets | | Beginning of taxable year | | End of taxable year | |
|----------------------------------|---|---------------------------|-------------|---------------------|-------------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 3,601,247. | | 2,209,206. |
| 2 | Net accounts receivable | | 354. | | 158,901. |
| 3 | Net notes receivable. Attach schedule | | | | |
| 4 | Inventories | | | | |
| 5 | Federal and state government obligations | | | | |
| 6 | Investments in other bonds. Attach sch. | | | | |
| 7 | Investments in stock. Attach schedule. | | | | |
| 8 | Mortgage loans (number of loans _____) | | | | |
| 9 | Other investments. Attach schedule. | | | | |
| 10a | Depreciable assets | | | | |
| | b Less accumulated depreciation | | | | |
| 11 | Land | | | | |
| 12 | Other assets. Attach schedule. STM. 4 | | 32,935,000. | | 30,952,000. |
| 13 | Total assets | | 36,536,601. | | 33,320,107. |
| Liabilities and net worth | | | | | |
| 14 | Accounts payable | | | | |
| 15 | Contributions, gifts, or grants payable | | | | |
| 16 | Bonds and notes payable. Attach schedule. | | 32,935,000. | | 21,095,000. |
| 17 | Mortgages payable | | | | |
| 18 | Other liabilities. Attach schedule. STM. 5 | | | | 9,857,000. |
| 19 | Capital stock or principle fund | | 3,601,601. | | 2,368,107. |
| 20 | Paid-in or capital surplus. Attach reconciliation | | | | |
| 21 | Retained earnings or income fund | | | | |
| 22 | Total liabilities and net worth | | 36,536,601. | | 33,320,107. |

| Schedule M-1 Reconciliation of income per books with income per return | | | |
|---|--|---|-------------|
| Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000 | | | |
| 1 | Net income per books | ● | -1,233,494. |
| 2 | Federal income tax | ● | |
| 3 | Excess of capital losses over capital gains | ● | |
| 4 | Income not recorded on books this year. Attach schedule | ● | |
| 5 | Expenses recorded on books this year not deducted in this return. Attach schedule | ● | |
| 6 | Total. Add line 1 through line 5 | | -1,233,494. |
| 7 | Income recorded on books this year not included in this return. Attach schedule | ● | |
| 8 | Deductions in this return not charged against book income this year. Attach schedule | ● | |
| 9 | Total. Add line 7 and line 8 | | |
| 10 | Net income per return. Subtract line 9 from line 6 | | -1,233,494. |

STATEMENT 1
 FORM 199, PART II, LINE 7
 OTHER INCOME

PROGRAM SERVICE REVENUE \$ 12,499,159.
 TOTAL \$ 12,499,159.

STATEMENT 2
 FORM 199, PART II, LINE 11
 COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES

CURRENT OFFICERS:

| NAME AND ADDRESS | TITLE AND AVERAGE HOURS PER WEEK DEVOTED | COMPEN- SATION | CONTRI- BUTION TO EBP & DC | EXPENSE ACCOUNT/ OTHER |
|--|--|-------------------|----------------------------------|------------------------------|
| DOMINIC J CASERTA 1500 WARBURTON AVENUE SANTA CLARA, CA 95055-3713 | BOARD MEMBER 0.50 | \$ 0. | \$ 0. | \$ 0. |
| WILL KENNEDY 1500 WARBURTON AVENUE SANTA CLARA, CA 95050-3713 | BOARD MEMBER 0.50 | 0. | 0. | 0. |
| PATRICIA M. MAHAN 1500 WARBURTON AVENUE SANTA CLARA, CA 95050-3713 | PRESIDENT 0.50 | 0. | 0. | 0. |
| JOE KORNDER 1500 WARBURTON AVENUE SANTA CLARA, CA 95050-3713 | BOARD MEMBER 0.50 | 0. | 0. | 0. |
| JAMIE MCLEOD 1500 WARBURTON AVENUE SANTA CLARA, CA 95050-3713 | BOARD MEMBER 0.50 | 0. | 0. | 0. |
| KEVIN MOORE 1500 WARBURTON AVENUE SANTA CLARA, CA 95050-3713 | BOARD MEMBER 0.50 | 0. | 0. | 0. |
| JAMIE MATTHEWS 1500 WARBURTON AVENUE SANTA CLARA, CA 95050-3713 | BOARD MEMBER 0.50 | 0. | 0. | 0. |
| JENNIFER SPARACINO 1500 WARBURTON SANTA CLARA, CA 95050-3713 | EXECUTIVE DIREC 0.10 | 0. | 0. | 0. |
| GARY AMELING 1500 WARBURTON SANTA CLARA, CA 95050-3713 | TREASURER 0.10 | 0. | 0. | 0. |
| ROD DIRIDON JR. 1500 WARBURTON SANTA CLARA, CA 95050-3713 | SECRETARY 0.10 | 0. | 0. | 0. |
| TOTAL | | \$ 0. | \$ 0. | \$ 0. |

STATEMENT 3
FORM 199, PART II, LINE 17
OTHER EXPENSES

PRINCIPAL DEBT PAYMENTS \$12,190,000.
TOTAL \$12,190,000.

STATEMENT 4
FORM 199, SCHEDULE L, LINE 12
OTHER ASSETS

NET INVESTMENT IN LEASE 30,952,000.
TOTAL \$ 30,952,000.

STATEMENT 5
FORM 199, SCHEDULE L, LINE 18
OTHER LIABILITIES

LEASE AGREEMENT WITH CITY OF SANTA CLARA 9,857,000.
TOTAL \$ 9,857,000.