



Butte County

LAND OF NATURAL WEALTH AND BEAUTY

C. LINDA BARNES
TREASURER - TAX COLLECTOR

COUNTY ADMINISTRATIVE BUILDING
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July 27, 2010

Butte County Board of Supervisors
Butte County Chief Administrative Officer

The attached investment report for June 30, 2010 is submitted in accordance with the Butte County Statement of Investment Policy dated July 1, 2009. All investments are in compliance with this policy.

The attached Investment Report demonstrates that sufficient liquidity is available to meet anticipated expenditures during the next six months.

The Local Agency Investment Fund (LAIF) is used as a benchmark for portfolio performance. A look at the 5 year moving average for the Butte County Treasury yields vs. LAIF yields demonstrates that, over time, a medium term, laddered portfolio will generally outperform a shorter term investment strategy, which LAIF usually mirrors. The 5 year moving average for Butte County's FY 08/09 and FY 09/10 performance compared to LAIF shows margins of .484% and .592%, respectively. Using \$300,000,000 as a baseline portfolio (actively invested balance), this translates to enhanced earnings averaging \$1,776,000 per year for the past five years.

Investments are marked to market monthly based on a current market price determined by US Bancorp Investments. **The fair value of the pooled Treasury portfolio is 102.16% of the cost-carried balance as of 6-30-10.**

Quarterly Investment Reports are made available on the Treasurer-Tax Collector website at <http://www.buttecounty.net/ttc>.

Yours truly,

Handwritten signature of C. Linda Barnes in blue ink.

C. Linda Barnes
Butte County Treasurer-Tax Collector

cc: Butte County Auditor-Controller
Butte County Board of Supervisors
Butte County District Attorney
Butte County Schools-JPA
Butte County Sheriff
Butte County Superintendent of Schools
Butte-Glenn Community College
Iturria, Greg – Chief Financial Officer
Limper, Tom – Deputy Chief Financial Officer
Liu, Annie – Internal Auditor
Ricci, David – Manager, Gov't. Accounting
Treasury Oversight Committee

Quarterly:
Butte County Special Districts

CDIAC



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Treasurer's Investment Report - Introduction

The Butte County Treasurer's office manages investments on behalf of the County, various Trust and Agency Funds, School Districts and Special Districts within the County. "Pooling" deposits from local agencies and other participants is in the public interest because banking and investment activities are consolidated, thereby reducing duplication, achieving economies of scale and carrying out coherent investment strategies. Butte County's portfolio management is an active management strategy in that a broad range of market analysis techniques, investment options, and cash management tools are employed in making investment decisions. The medium term, laddered maturity portfolio allows participants to benefit from higher earnings than might otherwise be possible. The objective of this strategy is to obtain the highest return feasible, consistent with a high degree of safety of principal and the level of liquidity necessary to meet the needs of the County and agencies participating in the Treasury. Earnings on the pooled investments are paid quarterly on a pro-rata basis to pool participants.

The Treasurer's Investment Report is designed to provide specific and general investment information to pool participants and to interested members of the public. The cover letter indicates our compliance with the Butte County Treasurer's Statement of Investment Policy, identifies U.S. Bank as the source of the market value of investments held in the investment pool, and states our ability to meet estimated liquidity needs for the next six months.

The cover letter also compares the portfolio yield and that of the State Treasurer on a five-year rolling average basis, which serves to effectively demonstrate the bottom line in terms of enhanced earnings to pool participants. The Butte County Pooled Treasury Portfolio's medium term, laddered investment strategy outperformed the State of California's Local Agency Investment Fund (LAIF) in Fiscal Year (FY) 08/09 by a margin of 1.475% and by 2.202% in FY 09/10.* Market conditions (lowering interest rates) allowed the portfolio to outperform LAIF significantly in four of the past five years. In a rising market, the portfolio's yield will more closely approximate that of LAIF and may drop below LAIF's yield, from time to time. A look at the 5 year moving average for the Butte County Treasury yields vs. LAIF yields demonstrates that, over time, a medium term, laddered portfolio will generally outperform a shorter term investment strategy, which LAIF usually mirrors. The 5 year moving average for Butte County's FY 08/09 and FY 09/10 performance compared to LAIF shows margins of .484% and .592%, respectively.* Looking at a ten year average, the portfolio exceeded LAIF's yields by a healthy 1.144%.

Page 1 of the Investment Report shows the portfolio balance (separately identifying the actively managed portfolio), the average number of days to maturity and the yield to maturity for the investments held by the pool. The balances invested are shown in three different ways: Par Value (the value at maturity of the instrument), Fair Value (the value if sold on the date of the report) and Cost Carried (the amount paid for the investment, amortized to reach Par Value by maturity). The difference between the fair value of the investments and the cost carried is considered to be “unrealized” gain or loss. A gain or loss is only realized if a security is sold prior to maturity (T-Bills, Agency Notes and Commercial Paper are redeemed at a pre-established Par Value at maturity). It is important to note that the Butte County Pooled Treasury typically uses a “buy and hold” investment strategy. Cash flow and liquidity needs are carefully analyzed prior to making investments to ensure liquidity needs are met. The bottom portion of page 1 indicates the ability of the pool to meet projected cash flow requirements for the next six months. Please note, however, that the projected and actual results will vary, sometimes materially, because events and circumstances do not always occur as predicted.

School Bond Proceeds and, if appropriate, Tax and Revenue Anticipation Notes (TRAN) proceeds are separately accounted for in the report, and are invested in the State Treasurer’s Local Agency Investment Fund (LAIF) or other securities as deemed appropriate. Note that the annual portfolio yields quoted (the yield method used is “weighted yield to maturity”) exclude separately invested Bond and TRAN proceeds, as well as investments managed by Trustees, as they are not part of the actively managed portfolio. Investments of School Bond Proceeds are detailed on page 2 of the report, and investments managed by outside Trustees as part of financing agreements are detailed on page 3.

Page 4 of the Report contains chart information that is very helpful in providing a quick overview of the diversification of the portfolio by type of instrument and maturity ranges. Included is a chart showing the Treasury Portfolio balance fluctuations from 2003 through the current month (Investments Managed by Trustees, TRAN and Bond proceeds are not included in the charted information). An analysis of this chart clearly demonstrates that the Treasury maintains a stable average balance of approximately \$275,000,000, which supports the philosophy of medium term investment of funds not anticipated to be drawn upon to meet ongoing liquidity needs. Page 5 provides a listing of specific investment instruments (listed in order of maturity date), credit ratings, purchase and maturity dates, balances invested and yields obtained.

The Treasury Oversight Committee and the Board of Supervisors receive the Treasurer’s Investment Report on a monthly basis. The Treasury Oversight Committee was established in April of 2000 in accordance with California Government Codes 27131 through 27137 and serves to ensure that representatives of pool participants are involved in the oversight of the Butte County Treasury pooled investment portfolio.

Questions regarding the Investment Report may be directed to Peggy Moak, Assistant Treasurer-Tax Collector (Treasury), at 530-538-7443, or pmoak@buttecounty.net.

* The margins quoted represent the difference between the annual yields of the Butte County Pooled Treasury Investment Portfolio and the Local Agency Investment Fund.



BUTTE COUNTY TREASURER'S INVESTMENT REPORT

Butte County Pooled Treasury Fair Value as of 6/30/10*

| Investment | Cost Carried (CC) | Fair Value (FV) | Percentage (FV/CC) |
|------------------------------------|--------------------------|--------------------------|---------------------|
| LAIF | \$ 108,856,658.58 | \$ 109,035,594.54 | 100.1643776% |
| CalTrust | \$ 20,283,687.94 | \$ 20,283,687.94 | 100.0000000% |
| CDs | \$ 500,000.00 | \$ 500,000.00 | 100.0000000% |
| Federal Agency Notes | 207,691,078.60 | 215,695,928.43 | 103.8542098% |
| FDIC Corp Notes | \$ 15,046,648.54 | \$ 15,609,695.00 | 103.7420058% |
| School Bonds | | | |
| LAIF | \$ 33,961,912.05 | \$ 34,017,737.83 | 100.1643776% |
| Federal Agency Notes | \$ 7,810,843.61 | \$ 7,875,608.50 | 100.8291664% |
| Money Market Funds | \$ 59,048.97 | \$ 59,048.97 | 100.0000000% |
| Investments under Mgmt of Trustees | | | |
| LAIF | \$ 4,317,640.48 | \$ 4,324,737.71 | 100.1643776% |
| Federal Agency Notes | \$ 1,398,962.04 | \$ 1,418,371.25 | 101.3874008% |
| Money Market Funds | \$ 2,831,344.36 | \$ 2,831,344.36 | 100.0000000% |
| Umpqua Bank-Workers Comp Admin | \$ 126,371.24 | \$ 126,371.24 | 100.0000000% |
| Cash on Hand | | | |
| US Bank Checking Accounts | \$ 8,013,464.35 | \$ 8,013,464.35 | 100.0000000% |
| Cash | \$ 42,609.41 | \$ 42,609.41 | 100.0000000% |
| TOTAL | \$ 410,940,270.17 | \$ 419,834,199.53 | 102.1642876% |

102.16%

* The fair value of the pooled Treasury portfolio, including cash on hand, is 102.16% of the cost-carried balance as of 6-30-10.

(Please refer to attached "Treasurer's Investment Report - Introduction" for additional perspective)



BUTTE COUNTY TREASURER'S INVESTMENT REPORT

June 30, 2010

| ACTIVELY MANAGED PORTFOLIO: | YIELD TO MATURITY | WEIGHTED AVERAGE MATURITY (DAYS)* | PAR VALUE | FAIR VALUE | COST CARRIED |
|--|----------------------|--------------------------------------|-----------------------|-----------------------|-----------------------|
| LOCAL AGENCY INVESTMENT FUND (LAIF) | 0.528% | 1 | 108,856,658.58 | 109,035,594.54 | 108,856,658.58 |
| CALTRUST | 0.641% | 1 | 20,283,687.94 | 20,283,687.94 | 20,283,687.94 |
| MONEY MARKET FUNDS | - | - | 0.00 | 0.00 | 0.00 |
| COMMERCIAL PAPER** | - | - | 0.00 | 0.00 | 0.00 |
| FDIC CORPORATE NOTES** | 2.887% | 657 | 15,000,000.00 | 15,609,695.00 | 15,046,648.54 |
| NEGOTIABLE CDs | - | - | 0.00 | 0.00 | 0.00 |
| CERTIFICATES OF DEPOSIT | 4.850% | 664 | 500,000.00 | 500,000.00 | 500,000.00 |
| FEDERAL AGENCY NOTES** | 3.879% | 989 | 206,875,000.00 | 215,695,928.43 | 207,691,078.60 |
| TOTAL ACTIVELY MANAGED PORTFOLIO: | 2.616% | 612 | 351,515,346.52 | 361,124,905.91 | 352,378,073.66 |

INVESTMENT OF NOTE/BOND PROCEEDS AND OPERATING CASH

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| SCHOOL BOND PROCEEDS (see page 2 for details) | 41,720,961.02 | 41,952,395.30 | 41,831,804.63 |
| OPERATING ACCOUNTS | | | |
| US BANK CHECKING ACCOUNT DEPOSITS | 8,013,464.35 | 8,013,464.35 | 8,013,464.35 |
| OPERATING CASH | 42,609.41 | 42,609.41 | 42,609.41 |
| OTHER | 0.00 | 0.00 | 0.00 |
| TOTAL TREASURER'S FUND LEDGER BALANCE: | 401,292,381.30 | 411,133,374.97 | 402,265,952.05 |

| | | | |
|--|--------------|--------------|--------------|
| INVESTMENTS UNDER MANAGEMENT OF TRUSTEES (see page 3 for details) | 8,660,356.08 | 8,700,824.56 | 8,674,318.12 |
|--|--------------|--------------|--------------|

| | PAR VALUE | FAIR VALUE | COST CARRIED |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| TOTAL CASH AND INVESTMENTS: | 409,952,737.38 | 419,834,199.53 | 410,940,270.17 |

SIX MONTH LIQUIDITY PROJECTIONS

| | |
|---|---------------------|
| Estimated Cash Receipts for Next Six Months | 531,158,308 |
| Estimated Disbursements for Next Six Months | (482,437,069) |
| Estimated Net Cash Flow for Next Six Months*** | 48,721,239 (A1) |
| Contingency Cashflow Needs (based on potential State budget shortfall) | (30,000,000) (A2) |
| Securities Maturing | 41,500,000 (B) |
| Local Agency Investment Fund / Cal Trust (includes TRAN) | 105,469,623 (C) |
| Total Liquidity for Next Six Months | 165,690,862 (A+B+C) |
| Estimated Cash Available for Long Term Investment | (30,000,000) |
| Remaining Available Liquidity | 135,690,862 |
| Total Par Value of actively managed investments maturing in less than 12 months: | 171,290,347 |
| Total Par Value of actively managed investments maturing in more than 12 months: | 180,225,000 |

* Actual Weighted Average Maturity will be shorter, and actual dollar amount of investments maturing in less than 12 months will be higher than stated, due to call features on investments.

** See page 5 for detailed list of investments.

*** Includes TRAN (Tax and Revenue Anticipation Notes) receipts and disbursements.

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
INVESTMENT OF SCHOOL BOND PROCEEDS
June 30, 2010

| BOND/NOTE DESCRIPTION | INVESTMENT TYPE | MATURITY DATE | DESCRIPTION | ANNUAL YIELD* | PAR VALUE | FAIR VALUE | COST CARRIED |
|--|-----------------|---------------|--------------------|---------------|----------------------|----------------------|----------------------|
| BONDS - LOCAL AGENCY INVESTMENT FUND (LAIF) | | | | | | | |
| Chico Unified School District "A" | | | | 0.528% | 64,621.69 | 64,727.91 | 64,621.69 |
| Chico Unified School District "B" | | | | 0.528% | 8,655,572.50 | 8,669,800.32 | 8,655,572.50 |
| Chico Unified School District "B" | LAIF BOND FUND | | | 0.528% | 9,415,763.28 | 9,431,240.69 | 9,415,763.28 |
| Paradise Unified School District "M" | | | | 0.528% | 3,068,430.54 | 3,073,474.35 | 3,068,430.54 |
| Oroville Union High School District GO 2008 | | | | 0.528% | 5,347,264.92 | 5,356,054.63 | 5,347,264.92 |
| Butte/Glenn Comm College District "C" | | | | 0.528% | 3,941,461.12 | 3,947,940.00 | 3,941,461.12 |
| Butte/Glenn Comm College District "C" | LAIF BOND FUND | | | 0.528% | 3,468,798.00 | 3,474,499.93 | 3,468,798.00 |
| SUBTOTAL | | | | | 33,961,912.05 | 34,017,737.83 | 33,961,912.05 |
| BONDS - WELLS FARGO BANK | | | | | | | |
| WELLS FARGO BANK, TRUSTEE | | | | | | | |
| Chico Unified School District "B" | | | | | | | |
| Account # XXX1791 | Money Market | | Gov MM Mutual Fund | 0.042% | 59,048.97 | 59,048.97 | 59,048.97 |
| | US Treas/Agency | 02/15/11 | FHLMC # 3128X6W85 | 1.710% | 1,250,000.00 | 1,271,550.00 | 1,269,463.16 |
| | US Treas/Agency | 03/11/11 | FHLB # 3133XPWW0 | 3.061% | 2,000,000.00 | 2,039,380.00 | 2,003,557.84 |
| | US Treas/Agency | 12/14/12 | FHLB # 3133XVNT4 | 1.530% | 2,700,000.00 | 2,752,326.00 | 2,733,984.75 |
| | US Treas/Agency | 04/25/11 | FFCB # 31331XWU2 | 1.655% | 1,750,000.00 | 1,812,352.50 | 1,803,837.86 |
| SUBTOTAL | | | | | 7,759,048.97 | 7,934,657.47 | 7,869,892.58 |
| | | | | | PAR VALUE | FAIR VALUE | COST CARRIED |
| GRAND TOTAL | | | | | 41,720,961.02 | 41,952,395.30 | 41,831,804.63 |

* Yields quoted above are a snapshot per investment type. Actual yields earned on school bonds are calculated by the Treasurer's office and are a composite of investment earnings less Treasury costs.

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
INVESTMENTS UNDER MANAGEMENT OF TRUSTEES
June 30, 2010

| LOAN PROGRAM | INVESTMENT TYPE | MATURITY DATE | DESCRIPTION | ANNUAL YIELD | PAR VALUE | FAIR VALUE | COST CARRIED |
|---|---------------------|---------------|------------------------------|--------------|---------------------|---------------------|---------------------|
| 2003 REFUNDING COP | | | | | | | |
| U.S. BANK, TRUSTEE | | | | | | | |
| Expense Fund #XXXX6106 | Money Market | | US Bank MMF 4 - Ct 991071010 | 0.200% | 15,203.15 | 15,203.15 | 15,203.15 |
| Reserve Fund #XXXX6101 | Money Market | | US Bank MMF 4 - Ct 991071010 | 0.200% | 50,666.31 | 50,666.31 | 50,666.31 |
| | US Treas/Agency | 10/18/13 | FHLB #3133XSAE8 | 2.820% | 385,000.00 | 412,431.25 | 398,962.04 |
| Lease Payment #XXXX6100 | Money Market | | US Bank MMF 5 - Ct 9AMMF05B3 | 0.200% | 394,948.75 | 394,948.75 | 394,948.75 |
| SUBTOTAL | | | | | 845,818.21 | 873,249.46 | 859,780.25 |
| 2004 PENSION OBLIGATION BONDS | | | | | | | |
| WELLS FARGO BANK, TRUSTEE | | | | | | | |
| Series A Bond Fund # XXXX1106 | Money Market | | Advantage Prime MM #1752 | 0.140% | 855.85 | 855.85 | 855.85 |
| Int. Rate Stabilization Fund # XXXX1109 | Money Market | | Advantage Prime MM #1752 | 0.140% | 196,215.90 | 196,215.90 | 196,215.90 |
| | Pooled Agency Funds | | Local Agency Investment Fund | 0.528% | 4,317,640.48 | 4,324,737.71 | 4,317,640.48 |
| Series B Interest Fund #XXXX1301 | Money Market | | Advantage Prime MM #1752 | 0.140% | 979,472.99 | 979,472.99 | 979,472.99 |
| SUBTOTAL | | | | | 5,494,185.22 | 5,501,282.45 | 5,494,185.22 |
| 2004 WORKERS' COMPENSATION | | | | | | | |
| G B BRAGG & ASSOC | | | | | | | |
| - Claims Administrators | | | | | | | |
| Umpqua Bank #XXXX5374 | Commercial Bank | | Business Interest Checking | 0.200% | 126,371.24 | 126,371.24 | 126,371.24 |
| SUBTOTAL | | | | | 126,371.24 | 126,371.24 | 126,371.24 |
| 2006 COP - NEAL ROAD LANDFILL | | | | | | | |
| WELLS FARGO BANK, TRUSTEE | | | | | | | |
| Certificate Reserve Fund #XXXXX0800 | Money Market | | Gov MMF Service Fund #743 | 0.140% | 202,500.00 | 202,500.00 | 202,500.00 |
| | US Treas/Agency | 01/05/15 | FNMA #3136FJE23 | 3.000% | 1,000,000.00 | 1,005,940.00 | 1,000,000.00 |
| Base Rental Payment Fund #XXXX0801 | Money Market | | Gov MMF Service Fund #743 | 0.140% | 981,250.09 | 981,250.09 | 981,250.09 |
| Expense Fund #XXXX0802 | Money Market | | Gov MMF Service Fund #743 | 0.140% | 10,231.32 | 10,231.32 | 10,231.32 |
| SUBTOTAL | | | | | 2,193,981.41 | 2,199,921.41 | 2,193,981.41 |
| | | | | | PAR | FAIR | COST |
| | | | | | VALUE | VALUE | CARRIED |
| GRAND TOTAL | | | | | 8,660,356.08 | 8,700,824.56 | 8,674,318.12 |

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
ACTIVELY MANAGED PORTFOLIO "AT-A-GLANCE"
June 30, 2010

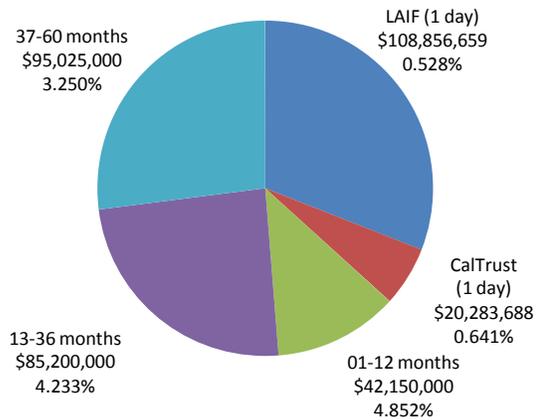
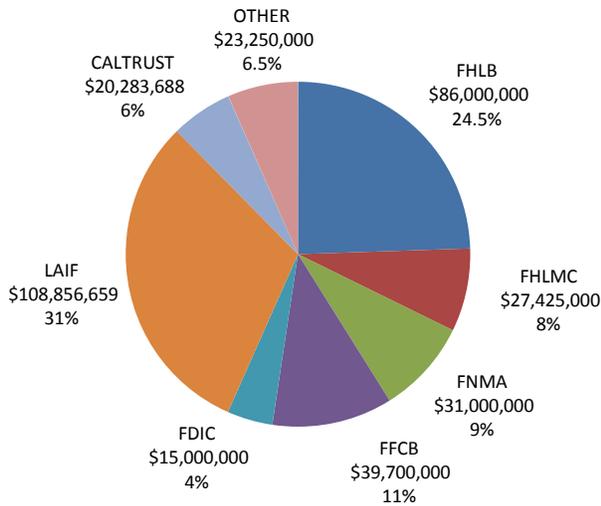
INVESTMENTS BY TYPE*

| | | |
|------------------------------|----------|-----------------------|
| Federal Home Loan Bank | FHLB | \$ 86,000,000 |
| Fed Home Loan Mortgage Corp | FHLMC | \$ 27,425,000 |
| Fed National Mortgage Assn | FNMA | \$ 31,000,000 |
| Federal Farm Credit Bank | FFCB | \$ 39,700,000 |
| FDIC Corporate Notes | FDIC | \$ 15,000,000 |
| Local Agency Investment Fund | LAIF | \$ 108,856,659 |
| CalTrust | CALTRUST | \$ 20,283,688 |
| CD, TVA, FAMCA | OTHER | \$ 23,250,000 |
| TOTAL PAR VALUE | | \$ 351,515,347 |

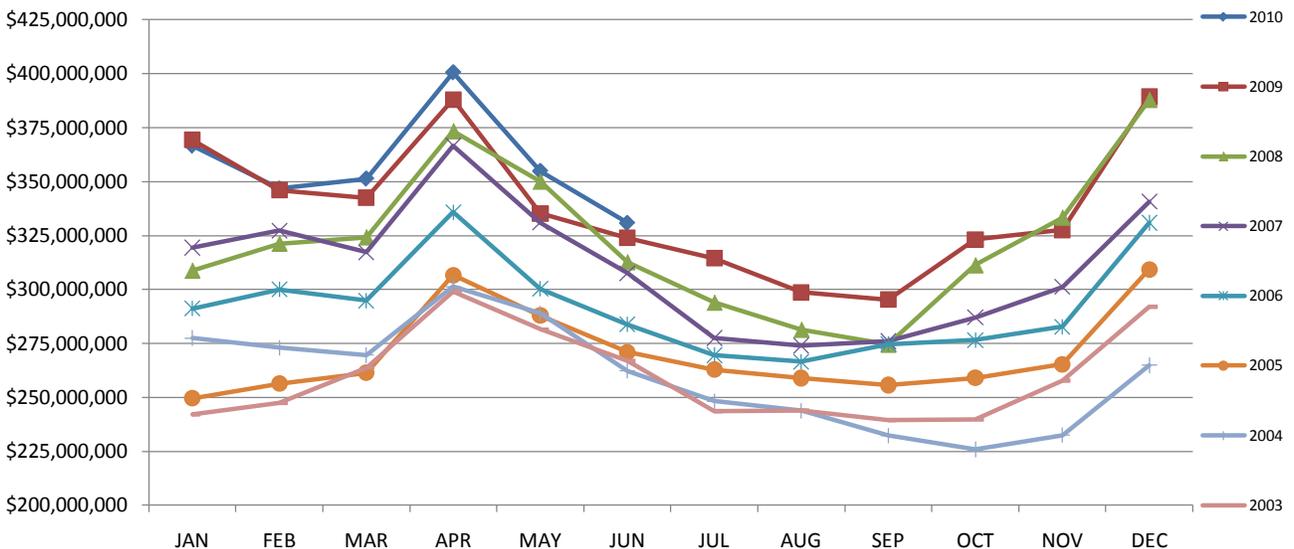
INVESTMENTS BY MATURITY & YIELD*

| | | |
|------------------------|--------|-----------------------|
| LAIF (1 day) | 0.528% | \$ 108,856,659 |
| CALTRUST (1 day) | 0.641% | \$ 20,283,688 |
| 01-12 months | 4.852% | \$ 42,150,000 |
| 13-36 months | 4.233% | \$ 85,200,000 |
| 37-60 months | 3.250% | \$ 95,025,000 |
| TOTAL PAR VALUE | | \$ 351,515,347 |

* Investments managed by Trustees & School Bond Proceeds not included.
 Final maturity dates are used; probable call dates are not considered.



Butte County Pooled Treasury Portfolio Balance**
Net of Tax and Revenue Notes (TRAN) and Bond Proceeds



** This chart does not include deposits from TRAN, Bond Proceeds, or Investments under Management of Trustees.
 It is intended to demonstrate cash flow trends and establish a baseline for the portfolio, enabling medium term investments.

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
MANAGED PORTFOLIO - DETAILS OF SECURITIES HELD
June 30, 2010

| <u>Security</u> | <u>Description</u> | <u>Credit Rating</u> | <u>Purchase Date</u> | <u>Maturity Date</u> | <u>Yield to Maturity (%)</u> | <u>Par Value</u> | <u>Fair Value</u> | <u>Cost Carried *</u> |
|-----------------|------------------------------|----------------------|----------------------|----------------------|------------------------------|------------------|-------------------|-----------------------|
| 3133XCEQ2 | FEDERAL HOME LOAN BANK | AAA | 7/27/2005 | 7/13/2010 | 4.582 | 3,000,000.00 | 3,004,687.50 | 2,999,807.48 |
| 3128X4GL9 | FEDERAL HOME LOAN MTG CORP | AAA | 9/19/2005 | 8/4/2010 | 4.790 | 3,000,000.00 | 3,013,374.00 | 3,000,000.00 |
| 31331TBZ3 | FEDERAL FARM CREDIT BANK | AAA | 9/21/2005 | 8/27/2010 | 4.409 | 3,000,000.00 | 3,020,625.00 | 3,000,188.13 |
| 3133XCTV5 | FEDERAL HOME LOAN BANK | AAA | 10/11/2005 | 9/1/2010 | 5.000 | 3,000,000.00 | 3,024,375.00 | 3,000,000.00 |
| 3133XCUR2 | FEDERAL HOME LOAN BANK | AAA | 9/15/2005 | 9/10/2010 | 4.310 | 3,000,000.00 | 3,025,312.50 | 3,001,081.73 |
| 31315PAP4 | FEDERAL AGRIC MTG CORP | AAA | 10/13/2005 | 10/12/2010 | 4.680 | 3,000,000.00 | 3,037,944.00 | 2,999,549.10 |
| 31331VDJ2 | FEDERAL FARM CREDIT BANK | AAA | 10/21/2005 | 10/20/2010 | 4.675 | 3,000,000.00 | 3,041,250.00 | 3,000,227.44 |
| 31331VLW4 | FEDERAL FARM CREDIT BANK | AAA | 1/6/2006 | 12/23/2010 | 4.772 | 3,000,000.00 | 3,065,625.00 | 3,000,392.09 |
| 307692AA1 | FARMER MAC GTD NOTES TR | NR | 6/2/2006 | 1/14/2011 | 5.470 | 2,000,000.00 | 2,049,375.00 | 1,994,425.99 |
| 3133MDBT9 | FEDERAL HOME LOAN BANK | AAA | 2/15/2006 | 2/15/2011 | 4.969 | 3,000,000.00 | 3,101,250.00 | 3,016,397.72 |
| 3128X2ZQ1 | FEDERAL HOME LOAN MTG CORP | AAA | 3/2/2006 | 2/24/2011 | 4.984 | 3,000,000.00 | 3,071,250.00 | 2,985,143.77 |
| 3133XENX3 | FEDERAL HOME LOAN BANK | AAA | 3/13/2006 | 3/11/2011 | 4.987 | 3,000,000.00 | 3,093,750.00 | 2,997,939.61 |
| 3133X7C69 | FEDERAL HOME LOAN BANK | AAA | 5/15/2006 | 5/13/2011 | 5.320 | 3,000,000.00 | 3,118,125.00 | 2,992,778.56 |
| 3136F7B9 | FEDERAL NATL MORTGAGE ASSN | AAA | 12/18/2006 | 6/14/2011 | 4.830 | 3,000,000.00 | 3,117,187.50 | 2,995,160.64 |
| 3128X1MB0 | FHLMC STRUCTURED NOTE | AAA | 10/26/2006 | 6/20/2011 | 5.102 | 1,150,000.00 | 1,199,093.50 | 1,149,002.62 |
| 31339YPU0 | FHLB STEP-UP | AAA | 12/14/2006 | 7/29/2011 | 4.843 | 1,000,000.00 | 1,048,437.50 | 1,001,610.26 |
| 3133MGYH3 | FHLB CONSOL BOND | AAA | 10/26/2006 | 8/15/2011 | 5.120 | 3,000,000.00 | 3,171,562.50 | 3,020,065.00 |
| 3133XF5T9 | FEDERAL HOME LOAN BANK | AAA | 10/2/2006 | 9/9/2011 | 4.936 | 3,000,000.00 | 3,154,687.50 | 3,002,167.70 |
| 3133XF5T9 | FEDERAL HOME LOAN BANK | AAA | 12/18/2006 | 9/9/2011 | 4.848 | 3,000,000.00 | 3,154,687.50 | 3,005,117.88 |
| 31331V5Y8 | FEDERAL FARM CREDIT BANK | AAA | 11/27/2006 | 10/3/2011 | 4.886 | 3,000,000.00 | 3,167,812.50 | 3,004,032.85 |
| 3134A1CV0 | FEDERAL HOME LOAN MTG CORP | AAA | 12/11/2006 | 10/24/2011 | 4.912 | 1,000,000.00 | 1,082,500.00 | 1,025,147.52 |
| 3133XHRK0 | FEDERAL HOME LOAN BANK | AAA | 1/25/2007 | 12/9/2011 | 5.084 | 3,000,000.00 | 3,174,375.00 | 2,987,383.72 |
| 64944QAA5 | NEW YORK COMMUNITY BANK CORP | AAA | 12/18/2008 | 12/16/2011 | 2.617 | 5,000,000.00 | 5,165,405.00 | 5,026,883.12 |
| 3133XSWM6 | FEDERAL HOME LOAN BANK | AAA | 1/23/2009 | 1/23/2012 | 2.100 | 5,000,000.00 | 5,112,500.00 | 5,000,000.00 |
| 31331XSFO | FEDERAL FARM CREDIT BANK | AAA | 3/12/2007 | 3/12/2012 | 4.872 | 3,000,000.00 | 3,211,875.00 | 2,999,016.37 |
| 31331XVH2 | FEDERAL FARM CREDIT BANK | AAA | 4/16/2007 | 4/12/2012 | 5.005 | 3,000,000.00 | 3,222,187.50 | 2,993,914.07 |
| 880591DT6 | TENN VALLEY AUTHORITY BD | AAA | 5/23/2007 | 5/23/2012 | 4.931 | 3,000,000.00 | 3,333,966.00 | 3,096,610.21 |
| 3133XLEA7 | FEDERAL HOME LOAN BANK | AAA | 6/14/2007 | 6/8/2012 | 5.526 | 5,000,000.00 | 5,443,750.00 | 4,987,373.19 |
| 06050BAA9 | BANK OF AMERICA CORP | AAA | 12/8/2008 | 6/15/2012 | 3.024 | 10,000,000.00 | 10,444,290.00 | 10,018,558.49 |
| 3133XLMJ9 | FEDERAL HOME LOAN BANK | AAA | 11/16/2007 | 7/23/2012 | 4.322 | 2,500,000.00 | 2,508,593.75 | 2,501,871.25 |
| 31331S2T9 | FEDERAL FARM CREDIT BANK | AAA | 11/16/2007 | 8/10/2012 | 4.384 | 2,700,000.00 | 2,908,406.25 | 2,708,634.96 |
| 3128X4HF1 | FEDERAL HOME LOAN MTG CORP | AAA | 12/28/2007 | 8/15/2012 | 4.187 | 2,000,000.00 | 2,169,914.00 | 2,031,687.44 |
| 3133XLX73 | FEDERAL HOME LOAN BANK | AAA | 11/16/2007 | 9/14/2012 | 4.373 | 2,500,000.00 | 2,718,750.00 | 2,531,516.96 |
| 3133XML66 | FEDERAL HOME LOAN BANK | AAA | 12/28/2007 | 10/10/2012 | 4.140 | 3,000,000.00 | 3,254,062.50 | 3,030,277.32 |
| 31331VPS9 | FEDERAL FARM CREDIT BANK | AAA | 12/4/2008 | 11/6/2012 | 2.961 | 5,000,000.00 | 5,434,375.00 | 5,196,329.19 |
| 3133XXKY2 | FEDERAL HOME LOAN BANK | AAA | 3/19/2010 | 5/30/2013 | 1.730 | 3,000,000.00 | 3,050,625.00 | 3,001,695.17 |
| 3133XRFL9 | FEDERAL HOME LOAN BANK | AAA | 6/16/2008 | 6/14/2013 | 4.236 | 5,000,000.00 | 5,446,875.00 | 5,001,883.01 |
| 3133XRFL9 | FEDERAL HOME LOAN BANK | AAA | 7/17/2008 | 6/14/2013 | 4.110 | 5,000,000.00 | 5,446,875.00 | 5,018,379.25 |
| 3133XFLF1 | FEDERAL HOME LOAN BANK | AAA | 11/21/2008 | 6/14/2013 | 3.732 | 3,000,000.00 | 3,365,625.00 | 3,131,131.37 |
| 31331Y2Q2 | FEDERAL FARM CREDIT BANK | AAA | 7/17/2008 | 7/8/2013 | 4.060 | 3,000,000.00 | 3,259,687.50 | 3,015,294.47 |
| 880591DW9 | TENNESSEE VALLEY AUTHORITY | AAA | 10/23/2008 | 8/1/2013 | 4.022 | 5,000,000.00 | 5,496,205.00 | 5,099,877.72 |
| 3133XPFV1 | FHLB 4.02 08/13 | AAA | 11/21/2008 | 8/14/2013 | 3.879 | 2,000,000.00 | 2,170,000.00 | 2,007,847.15 |
| 3133XD6A4 | FEDERAL HOME LOAN BANK | AAA | 9/26/2008 | 9/13/2013 | 4.121 | 5,000,000.00 | 5,485,937.50 | 5,035,933.12 |
| 3133XD6A4 | FEDERAL HOME LOAN BANK | AAA | 10/23/2008 | 9/13/2013 | 4.122 | 3,000,000.00 | 3,291,562.50 | 3,021,442.91 |
| 3133XSP93 | FEDERAL HOME LOAN BANK | AAA | 1/23/2009 | 12/13/2013 | 2.835 | 5,000,000.00 | 5,295,312.50 | 5,045,503.90 |
| 3133XUNF6 | FEDERAL HOME LOAN BANK | AAA | 8/28/2009 | 8/26/2014 | 3.079 | 3,000,000.00 | 3,100,312.50 | 3,005,722.14 |
| 31315PND7 | FARMER MAC | AAA | 9/3/2009 | 9/3/2014 | 3.200 | 4,750,000.00 | 5,019,144.50 | 4,750,000.00 |
| 31331GR50 | FEDERAL FARM CREDIT BANK | AAA | 9/21/2009 | 9/15/2014 | 3.107 | 3,000,000.00 | 3,018,750.00 | 2,996,835.28 |
| 3136FJCD1 | FEDERAL NATL MORTGAGE ASSN | AAA | 9/23/2009 | 9/23/2014 | 3.250 | 3,000,000.00 | 3,021,562.50 | 3,000,000.00 |
| 31398AZS4 | FEDERAL NATL MORTGAGE ASSN | AAA | 10/29/2009 | 10/29/2014 | 3.015 | 5,000,000.00 | 5,043,750.00 | 4,996,970.56 |
| 31315PES4 | FARMER MAC | AAA | 12/31/2009 | 12/30/2014 | 3.100 | 5,000,000.00 | 5,197,100.00 | 4,942,075.78 |
| 3136FJG88 | FEDERAL NATL MORTGAGE ASSN | AAA | 1/14/2010 | 1/14/2015 | 3.100 | 5,000,000.00 | 5,004,687.50 | 5,000,000.00 |
| 3136FJK83 | FEDERAL NATL MORTGAGE ASSN | AAA | 1/15/2010 | 1/15/2015 | 3.300 | 5,000,000.00 | 5,006,250.00 | 5,000,000.00 |
| 3133XWHU6 | FEDERAL HOME LOAN BANK | AAA | 1/20/2010 | 1/20/2015 | 3.000 | 3,000,000.00 | 3,087,187.50 | 3,000,000.00 |
| 3136FJS36 | FNMA STEP-UP | AAA | 1/29/2010 | 1/29/2015 | 3.000 | 5,000,000.00 | 5,009,375.00 | 5,000,000.00 |
| 3128X9WU0 | FEDERAL HOME LOAN MTG CORP | AAA | 2/3/2010 | 2/3/2015 | 3.000 | 3,000,000.00 | 3,007,470.00 | 3,000,266.67 |
| 3128X9YE4 | FREDDIE MAC | AAA | 2/9/2010 | 2/9/2015 | 3.000 | 5,000,000.00 | 5,078,805.00 | 5,000,000.00 |
| 3136FJ2Y6 | FEDERAL NATL MORTGAGE ASSN | AAA | 2/18/2010 | 2/18/2015 | 3.050 | 5,000,000.00 | 5,018,750.00 | 5,000,000.00 |
| 31331JFM0 | FEDERAL FARM CREDIT BANK MTN | AAA | 3/2/2010 | 3/2/2015 | 3.023 | 5,000,000.00 | 5,087,500.00 | 4,992,995.83 |
| 3128X9C24 | FEDERAL HOME LOAN MTG CORP | AAA | 3/10/2010 | 3/10/2015 | 3.022 | 5,000,000.00 | 5,072,745.00 | 4,995,308.33 |
| 31331JHA4 | FEDERAL FARM CREDIT BANK | AAA | 3/16/2010 | 3/16/2015 | 2.850 | 3,000,000.00 | 3,070,312.50 | 3,000,000.00 |
| 3134G1FT6 | FEDERAL HOME LOAN MTG CORP | AAA | 6/22/2010 | 6/22/2015 | 2.412 | 4,275,000.00 | 4,287,854.93 | 4,267,556.16 |

3.812% 221,875,000.00 231,305,623.43 222,627,011.20

*Source: US Bank Safekeeping (Values may differ from Treasurer's Cost Carried due to accretion method variation.)