

Butte County

LAND OF NATURAL WEALTH AND BEAUTY

C. LINDA BARNES
TREASURER - TAX COLLECTOR

COUNTY ADMINISTRATIVE BUILDING
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April 26, 2013

Butte County Board of Supervisors
Butte County Chief Administrative Officer
Treasury Oversight Committee

The Treasurer's Investment Report for March 31, 2013 is submitted in accordance with the Butte County Statement of Investment Policy dated July 1, 2012. 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 10/11 and FY 11/12 performance compared to LAIF shows margins of .917% and 1.341%, respectively. Using \$300,000,000 as a baseline portfolio (actively invested balance), this translates to enhanced earnings averaging \$4,023,000 per year for the past five years.

Investments are marked to market monthly based on a current market price determined by US Bancorp Investments. Copies of statements reflecting investment and cash management transactions are provided to the Board of Supervisors monthly and are available upon request.

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

Respectfully,

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 County Special Districts (Quarterly)

Butte-Glenn Community College
Chico Unified and Gridley Unified School Districts
Iturria, Greg – Butte County Chief Financial Officer
Limper, Tom – Butte County Deputy Chief Financial Officer
Jessee, Meegan – Butte County Deputy Chief Financial Officer
Ricci, David – Butte County Manager, Gov't. Accounting
Liu, Annie – Butte County Internal Auditor



BUTTE COUNTY TREASURER'S INVESTMENT REPORT

March 31, 2013

ACTIVELY MANAGED PORTFOLIO:	YIELD TO MATURITY	WEIGHTED AVERAGE MATURITY (DAYS)*	PAR VALUE	FAIR VALUE	COST CARRIED
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.285%	1	67,307,633.67	67,307,633.67	67,307,633.67
CALTRUST	0.305%	1	4,477.27	4,477.27	4,479.84
CALTRUST	0.675%	30	5,003,628.67	5,003,628.67	5,007,131.89
BANK MONEY MARKET (COLLATERALIZED)	0.290%	1	27,737,079.55	27,737,079.55	27,737,079.55
COMMERCIAL PAPER**	-	-	0.00	0.00	0.00
MUNICIPAL BONDS	0.410%	548	1,000,000.00	1,004,230.00	1,004,650.00
CORPORATE NOTES**	0.812%	551	14,750,000.00	15,029,145.50	15,132,611.56
NEGOTIABLE CDS**	1.344%	737	3,250,000.00	3,253,949.66	3,250,000.00
CERTIFICATES OF DEPOSIT (COLLATERALIZED)	0.810%	718	10,500,000.00	10,500,000.00	10,500,000.00
FEDERAL AGENCY NOTES**	1.564%	1,168	213,595,000.00	216,679,764.90	214,905,190.76
TOTAL ACTIVELY MANAGED PORTFOLIO:	1.128%	783	343,147,819.16	346,519,909.22	344,848,777.27

INVESTMENT OF NOTE/BOND PROCEEDS AND OPERATING CASH

<u>SCHOOL BOND PROCEEDS</u> (see page 2 for details)		10,753,761.70	10,753,761.70	10,753,761.70
<u>OPERATING ACCOUNTS</u>				
US BANK CHECKING ACCOUNT DEPOSITS		20,373,443.58	20,373,443.58	20,373,443.58
OPERATING CASH		56,322.81	56,322.81	56,322.81
OTHER		702.97	702.97	702.97
TOTAL TREASURER'S FUND LEDGER BALANCE:		374,332,050.22	377,704,140.28	376,033,008.33
<u>INVESTMENTS UNDER MANAGEMENT OF TRUSTEES</u> (see page 3 for details)		3,315,688.93	3,317,603.03	3,329,650.97

	PAR VALUE	FAIR VALUE	COST CARRIED
TOTAL CASH AND INVESTMENTS:	377,647,739.15	381,021,743.31	379,362,659.30

SIX MONTH LIQUIDITY PROJECTIONS

Estimated Cash Receipts for Next Six Months	466,424,731
Estimated Disbursements for Next Six Months	-510,169,597
Estimated Net Cash Flow for Next Six Months***	-43,744,866 (A1)
Contingency Cashflow Needs (based on potential State budget shortfall)	-30,000,000 (A2)
Securities Maturing	41,250,000 (B)
Local Agency Investment Fund / Cal Trust / MMF	100,056,325 (C)
Total Liquidity for Next Six Months	67,561,459 (A1+A2+B+C)
Estimated Cash Available for Long Term Investment	-30,000,000
Remaining Available Liquidity	37,561,459
Total Par Value of actively managed investments maturing in less than 12 months:	144,802,819
Total Par Value of actively managed investments maturing in more than 12 months:	198,345,000

* 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, if applicable.

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
INVESTMENT OF SCHOOL BOND PROCEEDS
March 31, 2013

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 "B"	LAIF			0.285%	8,619,048.75	8,619,048.75	8,619,048.75
Gridley Unified School District GO 2012	LAIF			0.285%	2,134,712.95	2,134,712.95	2,134,712.95
SUBTOTAL					10,753,761.70	10,753,761.70	10,753,761.70
					PAR VALUE	FAIR VALUE	COST CARRIED
GRAND TOTAL					10,753,761.70	10,753,761.70	10,753,761.70

* 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
March 31, 2013

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	0.036%	9,740.52	9,740.52	9,740.52
Reserve Fund #XXXX6101	Money Market		US Bank MMF 4	0.036%	44,112.96	44,112.96	44,112.96
	US Treas/Agency	10/18/13	FHLB #3133XSAE8	2.820%	385,000.00	392,338.10	398,962.04
Lease Payment #XXXX6100	Money Market		US Bank MMF 4	0.036%	6,989.89	6,989.89	6,989.89
SUBTOTAL					445,843.37	453,181.47	459,805.41
2004 PENSION OBLIGATION BONDS							
WELLS FARGO BANK, TRUSTEE							
Series A Bond Fund #XXXX1106	Money Market		Gov MMF Service Fund #1752	0.053%	846,084.65	846,084.65	846,084.65
Int. Rate Stabilization Fund #XXXX1109	Money Market		Advantage Prime MM #1752	0.053%	1,004.64	1,004.64	1,004.64
	Pooled Agency Funds		Local Agency Investment Fund	0.285%	1,622.46	1,622.46	1,622.46
Series B Interest Fund #XXXX1301	Money Market		Advantage Prime MM #1752	0.053%	648,249.89	648,249.89	648,249.89
SUBTOTAL					1,496,961.64	1,496,961.64	1,496,961.64
2004 WORKERS' COMPENSATION							
York Risk Services Group							
- Claim Administrators							
Umpqua Bank #XXXXX2601	Commercial Bank		Business Checking	NA	157,151.36	157,151.36	157,151.36
SUBTOTAL					157,151.36	157,151.36	157,151.36
2006 COP - NEAL ROAD RECYCLING & WASTE FACILITY							
WELLS FARGO BANK, TRUSTEE							
Certificate Reserve Fund #XXXX0800	Money Market		Gov MMF Service Fund #743	0.010%	8,500.22	8,500.22	8,500.22
	US Treas/Agency	8/07/2017	FHLMC #3134G3ZR4	1.000%	1,200,000.00	1,194,576.00	1,200,000.00
Base Rental Payment Fund #XXXX0801	Money Market		Gov MMF Service Fund #743	0.010%	1.02	1.02	1.02
Expense Fund #XXXX0802	Money Market		Gov MMF Service Fund #743	0.010%	7,231.32	7,231.32	7,231.32
SUBTOTAL					1,215,732.56	1,210,308.56	1,215,732.56
					PAR	FAIR	COST
					VALUE	VALUE	CARRIED
GRAND TOTAL					3,315,688.93	3,317,603.03	3,329,650.97

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
ACTIVELY MANAGED PORTFOLIO "AT-A-GLANCE"
March 31, 2013

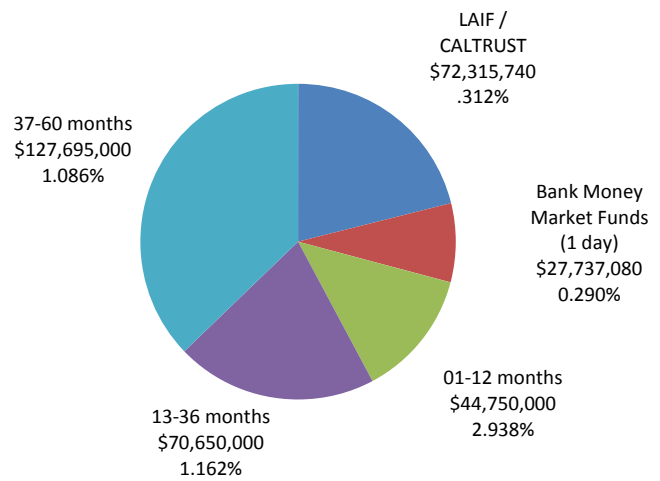
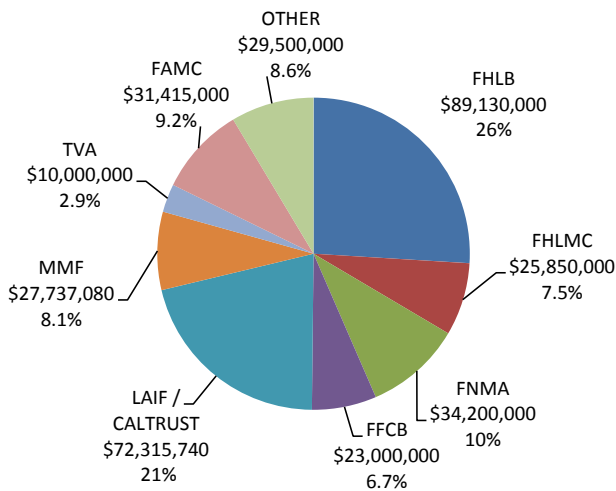
INVESTMENTS BY TYPE*

Federal Home Loan Bank	FHLB	\$ 89,130,000
Fed Home Loan Mortgage Corp	FHLMC	\$ 25,850,000
Fed National Mortgage Assn	FNMA	\$ 34,200,000
Federal Farm Credit Bank	FFCB	\$ 23,000,000
Local Agency Investment Fund / CalTrust	LAIF / CT	\$ 72,315,740
Rabobank MMF	MMF	\$ 27,737,080
Tennessee Valley Authority	TVA	\$ 10,000,000
Fed Ag Mortgage Corp	FAMC	\$ 31,415,000
CDs, Corp Notes, Muni Bonds	OTHER	\$ 29,500,000
TOTAL PAR VALUE		\$343,147,819

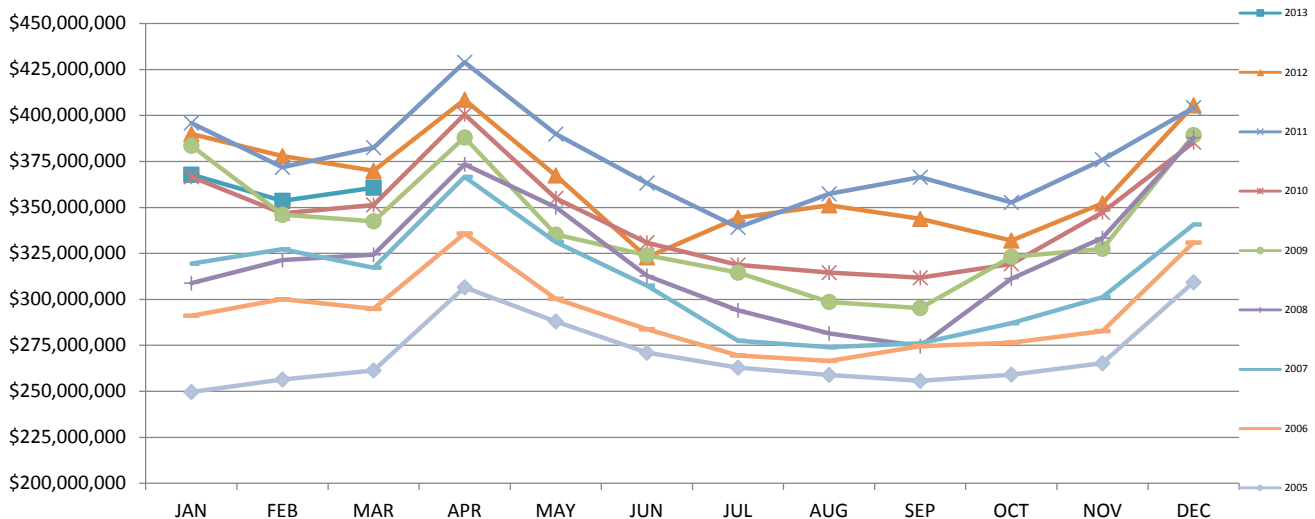
INVESTMENTS BY MATURITY & YIELD*

LAIF / CALTRUST / (1 -30 day)	0.312%	\$ 72,315,740
Bank Money Market Funds (1 day)	0.290%	\$ 27,737,080
01-12 months	2.938%	\$ 44,750,000
13-36 months	1.162%	\$ 70,650,000
37-60 months	1.086%	\$ 127,695,000
TOTAL PAR VALUE		\$ 343,147,819

* 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
 March 31, 2013

Security	Description	Credit Rating			Purchase	Maturity	Yield to	Par Value	Fair Value	Cost Carried*
		S&P	Moody's	Fitch	Date	Date	Maturity (%)			
36962G3T9	GENERAL ELEC CAP CORP NOTES	AA+	A1	NR	1/23/2012	5/1/2013	0.950	5,000,000.00	5,018,355.00	5,016,028.38
3133XXKY2	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	3/19/2010	5/30/2013	1.731	3,000,000.00	3,008,232.00	3,000,095.34
3133XFLF1	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	11/21/2008	6/14/2013	3.883	3,000,000.00	3,032,760.00	3,009,005.26
3133XRFL9	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	6/16/2008	6/14/2013	4.237	5,000,000.00	5,042,890.00	5,000,129.31
3133XRFL9	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	7/17/2008	6/14/2013	4.124	5,000,000.00	5,042,890.00	5,001,262.17
31331Y2Q2	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	7/17/2008	7/8/2013	4.079	3,000,000.00	3,033,969.00	3,001,364.82
880591DW9	TENNESSEE VALLEY AUTHORITY	AA+	Aaa	AAA	10/23/2008	8/1/2013	4.093	5,000,000.00	5,075,515.00	5,010,797.59
3133XPV1	FHLB 4.02 08/13	AA+	Aaa	NR	11/21/2008	8/14/2013	3.892	2,000,000.00	2,029,156.00	2,000,929.36
59012YL47	MERRICK BANK	NR	NR	NR	9/9/2011	9/9/2013	0.700	250,000.00	250,730.04	250,000.00
3133XD6A4	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	9/26/2008	9/13/2013	4.146	5,000,000.00	5,096,500.00	5,005,053.09
3133XD6A4	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	10/23/2008	9/13/2013	4.147	3,000,000.00	3,057,900.00	3,003,015.41
36159CUT1	GE MONEY BANK	NR	NR	NR	10/8/2010	10/8/2013	1.300	250,000.00	251,651.96	250,000.00
795450M25	SALLIE MAE BANK/MURRAY	NR	NR	NR	11/23/2011	11/25/2013	1.000	250,000.00	251,567.66	250,000.00
3133XSP93	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	1/23/2009	12/13/2013	2.856	5,000,000.00	5,104,130.00	5,009,232.67
02587DCK2	AMERICAN EXPR CENTURION	NR	NR	NR	8/25/2011	8/25/2014	1.150	250,000.00	250,000.00	250,000.00
313378P54	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	3/23/2012	8/25/2014	0.500	5,000,000.00	5,017,710.00	5,000,000.00
3814264D4	GOLDMAN SACHS BANK USA	NR	NR	NR	8/24/2011	8/25/2014	1.150	250,000.00	250,000.00	250,000.00
31315PND7	FARMER MAC	NR	NR	NR	9/3/2009	9/3/2014	3.200	4,750,000.00	4,950,127.00	4,750,000.00
13034ABK5	CALIF INFRASTRUCTURE&ECON DEV	AAA	Aaa	NR	8/13/2012	10/1/2014	0.410	1,000,000.00	1,004,230.00	1,003,487.50
02004MW82	ALLY BANK UT CD	NR	NR	NR	10/15/2010	10/15/2014	1.750	250,000.00	250,000.00	250,000.00
05568PY24	BMW BK OF NA	NR	NR	NR	10/22/2010	10/22/2014	1.550	250,000.00	250,000.00	250,000.00
31315PES4	FARMER MAC	NR	NR	NR	12/31/2009	12/30/2014	3.092	5,000,000.00	5,202,510.00	4,977,495.78
373128DH7	GEORGIA BANK & TRUST	NR	NR	NR	1/25/2012	1/26/2015	1.000	250,000.00	250,000.00	250,000.00
3134G3NL0	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	NR	5/9/2012	2/24/2015	0.500	5,000,000.00	5,007,310.00	5,000,000.00
313376ZQ1	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	3/16/2012	3/13/2015	0.659	5,000,000.00	5,004,960.00	4,972,620.70
64952WAW3	NEW YORK LIFE GLOBAL FDG	AA+	Aaa	AAA	3/8/2013	5/4/2015	0.492	1,500,000.00	1,576,567.50	1,577,900.57
36962G5F7	GENERAL ELEC CAP CORP	AA+	A1	NR	12/3/2012	6/30/2015	0.991	5,000,000.00	5,172,770.00	5,152,112.95
31315PD29	FARMER MAC	NR	NR	NR	6/13/2012	7/22/2015	0.611	2,000,000.00	2,086,900.00	2,080,292.87
64952WBH5	NEW YORK LIFE GLOBAL FDG	AA+	Aaa	AAA	3/8/2013	7/24/2015	0.499	3,250,000.00	3,261,453.00	3,268,659.78
313370NE4	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	8/20/2010	8/20/2015	1.609	5,000,000.00	5,155,275.00	5,002,362.25
254670R87	DISCOVER BANK	NR	NR	NR	8/24/2011	8/24/2015	1.500	250,000.00	250,000.00	250,000.00
3135G0R54	FANNIE MAE	AA+	Aaa	AAA	11/6/2012	11/6/2015	0.462	10,000,000.00	10,006,290.00	10,005,989.58
06740KFG7	BARCLAYS BANK DELAWARE	NR	NR	NR	12/21/2011	12/21/2015	1.600	250,000.00	250,000.00	250,000.00
31315PWQ8	FARMER MAC	NR	NR	NR	5/9/2012	1/19/2016	0.675	1,400,000.00	1,410,388.00	1,400,000.00
3133735L2	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	3/30/2011	3/28/2016	1.719	5,000,000.00	5,150,635.00	5,074,645.45
36160XU81	GE CAPITAL FINANCIAL INC CD	NR	NR	NR	8/19/2011	8/19/2016	1.850	250,000.00	250,000.00	250,000.00
17284AXX1	CIT BANK	NR	NR	NR	9/8/2011	9/8/2016	1.800	250,000.00	250,000.00	250,000.00
313370TW8	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	9/14/2011	9/9/2016	1.204	10,000,000.00	10,539,900.00	10,262,842.23
313371PV2	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	12/9/2011	12/9/2016	1.256	3,130,000.00	3,253,522.32	3,170,735.07
880591DS8	TENNESSEE VALLEY AUTHORITY	AA+	Aaa	AAA	1/27/2012	12/15/2016	0.938	5,000,000.00	5,770,220.00	5,704,902.90
313376NC5	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	12/28/2011	12/28/2016	1.190	5,000,000.00	5,108,850.00	5,005,425.42
31315PYB9	FARMER MAC	NR	NR	NR	1/30/2012	1/6/2017	1.148	3,000,000.00	3,059,085.00	3,025,156.77
3137EADC0	FREDDIE MAC	AA+	Aaa	AAA	2/14/2013	3/8/2017	0.750	5,000,000.00	5,060,995.00	5,047,765.68
3134G3WH9	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	6/12/2012	6/12/2017	1.150	5,000,000.00	5,039,190.00	5,000,000.00
3133EA4H8	FEDERAL FARM CREDIT BANK	AA+	Aaa	NR	10/15/2012	7/11/2017	0.842	5,000,000.00	4,988,490.00	4,995,486.52
3136G0QM6	FEDERAL NATL MORTGAGE ASSN	AA+	Aaa	AAA	7/11/2012	7/11/2017	1.100	5,000,000.00	5,022,780.00	5,000,000.00
313381B20	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	12/19/2012	12/8/2017	0.859	5,000,000.00	4,969,135.00	4,975,482.39
3133ECB45	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	12/26/2012	12/26/2017	0.910	10,000,000.00	9,979,710.00	9,995,263.89
31315PTS8	FARMER MAC	NR	NR	NR	1/11/2013	12/27/2017	0.903	4,265,000.00	4,269,926.08	4,264,388.91
3137EADN6	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	1/14/2013	1/12/2018	0.923	5,000,000.00	4,969,460.00	4,960,372.97
31315PB40	FARMER MAC	NR	NR	NR	2/26/2013	1/24/2018	1.023	1,000,000.00	999,152.00	997,549.49
3136G1C56	FNMA STEP-UP	AA+	Aaa	AAA	1/29/2013	1/29/2018	0.800	9,200,000.00	9,233,938.80	9,200,000.00
3134G34K3	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	1/30/2013	1/30/2018	1.000	5,000,000.00	4,999,515.00	5,000,000.00
3133826V4	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	2/13/2013	2/13/2018	1.000	10,000,000.00	10,014,140.00	10,000,000.00
3135G0UE1	FEDERAL NATL MORTGAGE ASSN	AA+	Aaa	AAA	2/14/2013	2/14/2018	1.000	10,000,000.00	9,992,500.00	10,000,000.00
48124JS22	JP MORGAN CHASE BANK NA	NR	NR	NR	2/20/2013	2/20/2018	1.125	250,000.00	250,000.00	250,000.00
3133823A9	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	2/22/2013	2/22/2018	1.150	5,000,000.00	5,008,960.00	5,000,000.00
3133ECGC2	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	3/13/2013	2/26/2018	1.080	5,000,000.00	5,013,775.00	5,000,000.00
31315PQM4	FARMER MAC	NR	NR	NR	3/7/2013	3/6/2018	0.940	10,000,000.00	10,022,070.00	9,999,901.33
3134G36D7	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	03/20/13	03/20/18	1.200	850,000.00	848,403.70	850,000.00

1.508 232,595,000.00 235,967,090.06 234,027,754.40

Source: US Bank Safekeeping

* Values may differ from Treasurer's Cost Carried due to accretion method variation.

Notes: Federal Agricultural Mortgage Corporation securities are issued by a U.S. Government agency and are not rated. Negotiable CDs are not rated, but are FDIC insured.