



Treasurer – Tax Collector

Peggy Moak, Treasurer-Tax Collector

Treasury Division

25 County Center Drive, Suite 125
Oroville, California 95965-3384

T: 530.552.3730

F: 530.538.7648

buttecounty.net/ttc

July 16, 2018

Butte County Board of Supervisors
Butte County Chief Administrative Officer
Investment Pool Oversight Committee

The attached investment report for June 30, 2018 is submitted in accordance with the Butte County Statement of Investment Policy dated July 1, 2017. All investments are in compliance with this policy.

The 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 comparison against Butte's portfolio performance. A look at the 5-year moving average for the Butte County Treasury apportioned yields vs. LAIF apportioned 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 15/16 and FY 16/17 performance compared to LAIF shows margins of 0.865% and 0.697%, respectively. Using \$375,000,000 as a baseline portfolio (actively invested balance), this translates to enhanced earnings averaging \$2,613,750 per year for the past five years.

NOTE: Fair values are trending lower than cost carried due to an increasing yield environment.

Investments are marked to market monthly based on a current market price determined by U.S. Bancorp Investments. Copies of statements reflecting investment and cash management transactions are provided to the Board of Supervisors monthly and are available upon request. **The fair value of the pooled Treasury portfolio is 98.88% of the cost-carried balance as of 6-30-18.**

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

Respectfully,

Peggy Moak
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
Jessee, Meegan – Butte County Deputy Administrative Officer
Beene, Dana – Internal Auditor



BUTTE COUNTY TREASURER'S INVESTMENT REPORT

Butte County Pooled Treasury Fair Value as of 6/30/18*

Investment	Cost Carried (CC)	Fair Value (FV)	Percentage (FV/CC)
LAIF	\$ 56,867,083.10	\$ 56,727,076.40	99.7538001%
CalTrust	\$ 4,645.46	\$ 4,652.92	100.1605869%
CAMP	\$ 50,086,441.88	\$ 50,086,441.88	100.0000000%
Five Star Bank	\$ 5,066,889.41	\$ 5,066,889.41	100.0000000%
Negotiable CDs	\$ 10,496,818.41	\$ 10,500,000.00	100.0303100%
Municipal Bonds	\$ 43,966,049.72	\$ 43,179,941.40	98.2120106%
Corporate Notes	\$ 38,316,087.81	\$ 37,822,682.96	98.7122776%
Federal Agency / Supranational Notes	\$ 193,051,286.36	\$ 189,558,743.59	98.1908731%
Treasury Notes	\$ 78,376,020.17	\$ 77,181,141.00	98.4754531%
School Bonds			
LAIF	\$ 65,869,613.24	\$ 65,707,442.32	99.7538001%
Investments under Mgmt of Trustees			
LAIF	\$ 1,667.59	\$ 1,663.48	99.7538001%
Money Market Funds	\$ 320,401.83	\$ 320,401.83	100.0000000%
Cash	\$ 19,048.35	\$ 19,048.35	100.0000000%
Discovery Benefits**	\$ 30,000.00	\$ 43,300.67	144.3355667%
Umpqua Bank-Workers' Comp Admin	\$ 174,282.72	\$ 174,282.72	100.0000000%
Cash on Hand			
US Bank Checking Accounts	\$ 13,225,826.19	\$ 13,225,826.19	100.0000000%
Operating Cash	\$ 63,322.30	\$ 63,322.30	100.0000000%
TOTAL	\$ 555,935,484.54	\$ 549,682,857.42	98.8752963%

98.88%

* The fair value of the pooled Treasury portfolio, including cash on hand, is 98.88% of the cost-carried balance as of 6-30-18

** Represents the most current available data as of 12/31/2017 (source: Auditor-Controller)

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



BUTTE COUNTY TREASURER'S INVESTMENT REPORT

June 30, 2018

ACTIVELY MANAGED PORTFOLIO:	YIELD TO MATURITY	WEIGHTED AVERAGE MATURITY (DAYS)*	PAR VALUE	FAIR VALUE	COST CARRIED
LOCAL AGENCY INVESTMENT FUND (LAIF)	1.854%	1	56,867,083.10	56,727,076.40	56,867,083.10
CALTRUST SHORT TERM	1.954%	1	4,652.92	4,652.92	4,645.46
CAMP SHORT TERM	2.050%	1	50,086,441.88	50,086,441.88	50,086,441.88
BANK MONEY MARKET (COLLATERALIZED)	1.750%	1	5,066,889.41	5,066,889.41	5,066,889.41
U.S. TREASURY NOTES**	1.860%	898	79,000,000.00	77,181,141.00	78,376,020.17
MUNICIPAL BONDS**	1.877%	759	43,760,000.00	43,179,941.40	43,966,049.72
CORPORATE NOTES**	1.962%	708	38,359,000.00	37,822,682.96	38,316,087.81
NEGOTIABLE CDS**	2.032%	1,062	10,500,000.00	10,500,000.00	10,496,818.41
FEDERAL AGENCY / SUPRANATIONAL NOTES**	1.916%	1,011	193,485,000.00	189,558,743.59	193,051,286.36

TOTAL ACTIVELY MANAGED PORTFOLIO:	1.914%	708	477,129,067.31	470,127,569.56	476,231,322.32
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INVESTMENT OF NOTE/BOND PROCEEDS AND OPERATING CASH

<u>SCHOOL BOND PROCEEDS</u> (see page 2 for details)	65,869,613.24	65,707,442.32	65,869,613.24
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OPERATING ACCOUNTS

U.S. BANK CHECKING ACCOUNT DEPOSITS	13,225,826.19	13,225,826.19	13,225,826.19
OPERATING CASH	63,322.30	63,322.30	63,322.30
OTHER	0.00	0.00	0.00

TOTAL TREASURER'S FUND LEDGER BALANCE:	556,287,829.04	549,124,160.37	555,390,084.05
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<u>INVESTMENTS UNDER MANAGEMENT OF TRUSTEES</u> (see page 3 for details)	558,701.16	558,697.05	545,400.49
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	PAR VALUE	FAIR VALUE	COST CARRIED
TOTAL CASH AND INVESTMENTS:	556,846,530.20	549,682,857.42	555,935,484.54

SIX MONTH LIQUIDITY PROJECTIONS

Estimated Cash Receipts for Next Six Months	540,342,599
Estimated Disbursements for Next Six Months	-479,708,574
Estimated Net Cash Flow for Next Six Months***	60,634,025 (A1)
Prudent Reserve	-30,000,000 (A2)
Securities Maturing	38,500,000 (B)
Local Agency Investment Fund / Cal Trust / MMF /CAMP	112,025,060 (C)
Total Liquidity for Next Six Months	181,159,085 (A1+A2+B+C)
Estimated Cash Available for Long Term Investment	-30,000,000
Remaining Available Liquidity	151,159,085

Total Par Value of actively managed investments maturing in less than 12 months:	180,722,067
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Total Par Value of actively managed investments maturing in more than 12 months:	296,407,000
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* 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

June 30, 2018

BOND/NOTE DESCRIPTION	INVESTMENT TYPE	MATURITY DATE	DESCRIPTION	ANNUAL YIELD*	PAR VALUE	FAIR VALUE	COST CARRIED
BONDS - LOCAL AGENCY INVESTMENT FUND (LAIF)							
Butte-Glenn CCD 2016 GO Bond Series A	LAIF			1.854%	36,906,373.00	36,815,509.55	36,906,373.00
Chico Unified 2012 GO Bond Measure E Series A	LAIF			1.854%	1,578,201.64	1,574,316.11	1,578,201.64
Chico Unified 2016 GO Bond Series A	LAIF			1.854%	27,385,038.60	27,317,616.66	27,385,038.60
					PAR VALUE	FAIR VALUE	COST CARRIED
GRAND TOTAL					65,869,613.24	65,707,442.32	65,869,613.24

* 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
DEPOSITS AND INVESTMENTS UNDER MANAGEMENT OF TRUSTEES/FISCAL AGENTS
June 30, 2018

FINANCING PROGRAM	INVESTMENT TYPE	MATURITY DATE	DESCRIPTION	ANNUAL YIELD	PAR VALUE	FAIR VALUE	COST CARRIED
2004 PENSION OBLIGATION BONDS							
WELLS FARGO BANK, TRUSTEE							
Series A Bond Fund #XXXX1106	Money Market		WF GOVT MMF #1751	1.910%	0.00	0.00	0.00
Int. Rate Stabilization Fund #XXXX1109	Money Market		WF GOVT MMF #1751	1.910%	1,021.89	1,021.89	1,021.89
	Pooled Agency Funds		Local Agency Investment Fund	1.854%	1,667.59	1,663.48	1,667.59
Principal Account Fund #XXXX1140	Cash		Cash	0.000%	11.69	11.69	11.69
Interest Account Fund #XXXX1141	Cash		Cash	0.000%	194.70	194.70	194.70
Surplus Account Fund #XXXX1142	Cash		Cash	0.000%	18,841.96	18,841.96	18,841.96
Sinking Account Fund #XXXX1143	Cash		Cash	0.000%	0.00	0.00	0.00
Series B Interest Fund #XXXX1301	Money Market		WF GOVT MMF #1751	1.910%	39,068.50	39,068.50	39,068.50
Series B Bond Fund #XXXX1305	Money Market		WF GOVT MMF #1751	1.910%	280,243.89	280,243.89	280,243.89
Series B Interest Fund #XXXX1307	Money Market		WF GOVT MMF #1751	1.910%	67.55	67.55	67.55
SUBTOTAL					341,117.77	341,113.66	341,117.77
DEPOSITS WITH FISCAL AGENTS							
Discovery Benefits							
Plan Year Cash Balance 1/01/17 - 12/31/17*				NA	43,300.67	43,300.67	**30,000.00
York Risk Services Group - Claim Administrators							
Umpqua Bank #XXXXX2601	Commercial Bank		Business Checking	NA	174,282.72	174,282.72	174,282.72
SUBTOTAL					217,583.39	217,583.39	204,282.72
					PAR	FAIR	COST
					VALUE	VALUE	CARRIED
GRAND TOTAL					558,701.16	558,697.05	545,400.49

* Represents the most current data available (source: Auditor-Controller)

** Benefits can be paid in advance of receipt of offsetting payroll deductions

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
ACTIVELY MANAGED PORTFOLIO "AT-A-GLANCE"
June 30, 2018

INVESTMENTS BY TYPE*

Local Agency Investment Fund/CalTrust/MMF/CAMP	LAIF/CT/MMF/CAMP	\$	112,025,067
Federal Home Loan Bank	FHLB	\$	45,200,000
Federal Home Loan Mortgage Corp	FHLMC	\$	13,075,000
Federal National Mortgage Assn	FNMA	\$	15,000,000
Federal Farm Credit Bank	FFCB	\$	34,560,000
Federal Agricultural Mortgage Corp	FAMCA	\$	15,000,000
Corporate Notes	CORP	\$	38,359,000
U.S. Treasury Notes	UST	\$	79,000,000
Tennessee Valley Authority	TVA	\$	5,000,000
Supranational	SUPRA	\$	65,650,000
Certificates of Deposit (Collateralized/Negotiable)	CDs	\$	10,500,000
Municipal Bonds	MUNI	\$	43,760,000
		\$	477,129,067

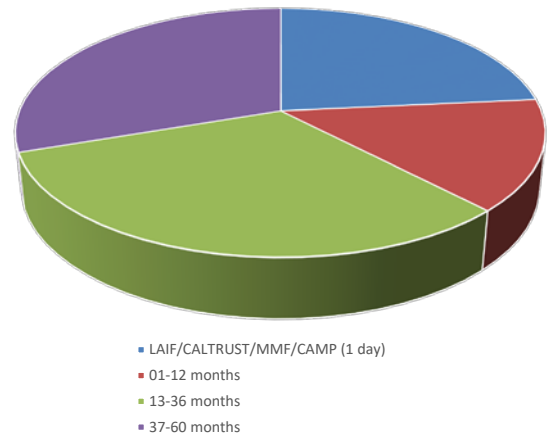
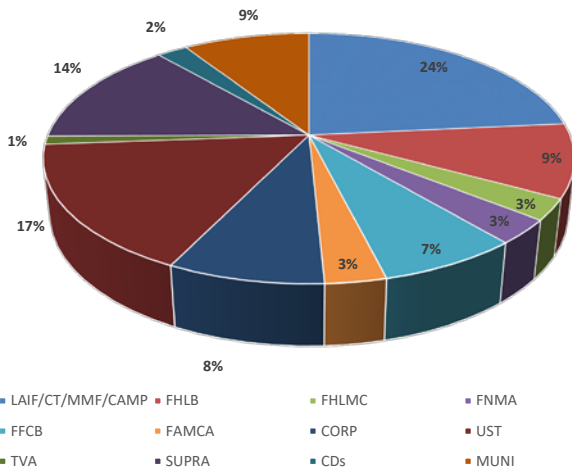
INVESTMENTS BY MATURITY & YIELD*

LAIF/CALTRUST/MMF/CAMP (1 day)	1.937%	\$	112,025,067
01-12 months	1.765%	\$	68,697,000
13-36 months	1.697%	\$	151,932,000
37-60 months	2.183%	\$	144,475,000
TOTAL PAR VALUE		\$	477,129,067

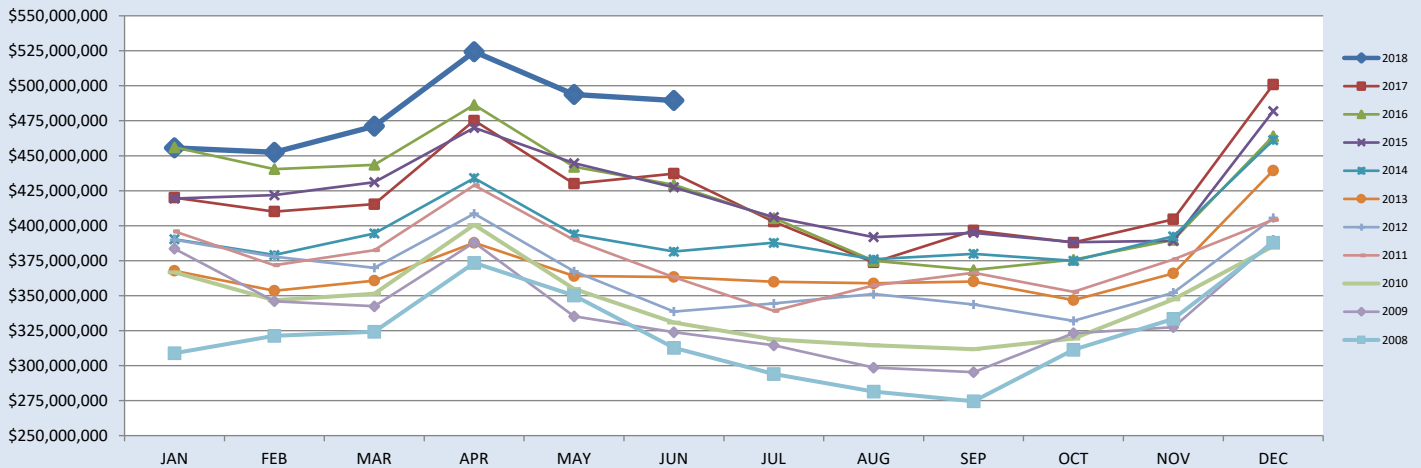
* Investments managed by Trustees & School Bond Proceeds not included.

Final maturity dates are used; probable call dates are not considered.

Amounts quoted at Par Value.



Butte County Pooled Treasury Portfolio Balance**
Net of Tax and Revenue Anticipation 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, 2018

Page 2 of 2

Security	Description	Credit Rating			Purchase	Maturity	Yield to	Par Value	Fair Value	Cost Carried*
		S&P	Moody's	Fitch	Date	Date	Maturity (%)			
3133EGKA2	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	7/6/2016	7/6/2021	1.500	5,000,000.00	4,811,145.00	5,000,000.00
3130AQS5	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	7/14/2016	7/14/2021	1.201	5,000,000.00	4,785,765.00	4,988,827.11
58403B4S2	MEDALLION BANK UTAH	NR	NR	NR	7/28/2016	7/26/2021	1.400	250,000.00	250,000.00	250,000.00
88413QBN7	THIRD FED SAV&LN CLEVLND	NR	NR	NR	7/28/2017	7/28/2021	2.000	250,000.00	250,000.00	250,000.00
95960JN8	WESTERN STATE BANK	NR	NR	NR	7/29/2016	7/29/2021	1.400	250,000.00	250,000.00	250,000.00
594918BP8	MICROSOFT CORP	AAA	Aaa	AA+	8/19/2016	8/8/2021	1.541	5,000,000.00	4,796,135.00	5,001,328.62
74267GVM6	PRIVATEBANK & TRUST CO	NR	NR	NR	8/30/2016	8/30/2021	1.500	250,000.00	250,000.00	250,000.00
08173QBR6	BENEFICIAL BANK	NR	NR	NR	9/16/2016	9/13/2021	1.500	250,000.00	250,000.00	250,000.00
459058FP3	INTL BK RECON & DEVELOP	AAA	Aaa	AAA	5/19/2017	9/20/2021	1.899	5,150,000.00	4,926,747.50	5,066,948.48
87165FNC4	SYCHRONY BANK	NR	NR	NR	10/21/2016	10/21/2021	1.700	250,000.00	250,000.00	250,000.00
912828T67	U S TREASURY NOTE	AA+	Aaa	AAA	11/27/2017	10/31/2021	1.955	5,000,000.00	4,777,150.00	4,887,373.22
3130AA2F4	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	11/23/2016	11/23/2021	1.700	5,000,000.00	4,827,540.00	5,000,000.00
45905UC28	INTL BK RECON & DEVELOP	NR	NR	NR	12/28/2016	12/28/2021	2.050	5,000,000.00	4,815,500.00	5,000,000.00
084601GS6	BERKSHIRE BK/PITTSFIELD	NR	NR	NR	12/30/2016	12/30/2021	2.200	250,000.00	250,000.00	250,000.00
459058FY4	INTL BK RECON & DEVELOP	NR	Aaa	AAA	3/10/2017	1/26/2022	2.165	5,000,000.00	4,862,240.00	4,972,155.89
3133EFZL4	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	6/28/2018	2/16/2022	2.831	4,560,000.00	4,429,702.56	4,430,292.58
3133EHA9	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	2/23/2017	2/23/2022	2.000	5,000,000.00	4,872,485.00	5,000,000.00
940727AH3	WASHINGTONFIRST BANKSHAR	NR	NR	NR	2/23/2017	2/23/2022	2.050	250,000.00	250,000.00	250,000.00
25665QAV7	DOLLAR BANK FSB PA	NR	NR	NR	3/8/2017	3/8/2022	2.050	250,000.00	250,000.00	250,000.00
574193NC8	MARYLAND ST GO UNLTD	AAA	Aaa	AAA	3/22/2017	3/15/2022	2.250	5,190,000.00	5,092,116.60	5,190,000.00
98878BQS0	ZB NA	NR	NR	NR	4/3/2017	4/1/2022	2.102	250,000.00	250,000.00	249,098.68
3132X0SK8	FARMER MAC	NR	NR	NR	5/5/2017	5/5/2022	1.975	5,000,000.00	4,853,790.00	5,000,000.00
58740XZB9	MERCANTILE BANK OF MI	NR	NR	NR	5/10/2017	5/10/2022	2.100	250,000.00	250,000.00	250,000.00
92834CCD2	VISIONBANK OF IOWA	NR	NR	NR	11/28/2017	5/31/2022	2.150	250,000.00	250,000.00	250,000.00
912828XW5	U S TREASURY NOTE	AA+	Aaa	AAA	7/21/2017	6/30/2022	1.810	5,000,000.00	4,821,485.00	4,988,625.35
06740KKD8	BARCLAYS BANK/DELAWARE	NR	NR	NR	7/12/2017	7/12/2022	2.200	250,000.00	250,000.00	250,000.00
912828XQ8	U S TREASURY NOTE	AA+	Aaa	AAA	7/31/2017	7/31/2022	1.823	5,000,000.00	4,864,845.00	5,034,447.73
010878AN6	ALAMEDA CNTY CA GO UNLTD TXBL	AAA	Aaa	AAA	3/29/2018	8/1/2022	2.830	2,000,000.00	2,075,440.00	2,089,254.03
319141HG5	FIRST BANK OF HIGHLAND	NR	NR	NR	8/16/2017	8/16/2022	2.200	250,000.00	250,000.00	250,000.00
87270LAJ2	TIAA FSB	NR	NR	NR	8/16/2017	8/16/2022	2.200	250,000.00	250,000.00	250,000.00
912828L24	U S TREASURY NOTE	AA+	Aaa	AAA	10/10/2017	8/31/2022	1.935	5,000,000.00	4,836,525.00	4,988,016.17
4581X0CZ9	INTER-AMERICAN DEV BK	NR	Aaa	AAA	9/14/2017	9/14/2022	1.803	5,000,000.00	4,788,640.00	4,989,493.06
33610RRF2	FIRST PREMIER BANK	NR	NR	NR	9/15/2017	9/15/2022	2.000	250,000.00	250,000.00	250,000.00
912828W9	U S TREASURY NOTE	AA+	Aaa	AAA	10/6/2017	9/30/2022	1.930	5,000,000.00	4,834,180.00	4,988,871.65
66612ABX5	NORTHFIELD BANK	NR	NR	NR	10/25/2017	10/25/2022	2.203	250,000.00	250,000.00	249,460.23
33708UCK3	FIRST STATE COMMUNITY BK	NR	NR	NR	10/27/2017	10/27/2022	2.150	250,000.00	250,000.00	250,000.00
912828M49	U S TREASURY NOTE	AA+	Aaa	AAA	10/31/2017	10/31/2022	2.037	5,000,000.00	4,830,665.00	4,966,813.13
3134GB6A5	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	12/28/2017	12/28/2022	2.400	5,000,000.00	4,896,700.00	5,000,000.00
58733AET2	MERCANTIL BANK NA	NR	NR	NR	12/29/2017	12/29/2022	2.650	250,000.00	250,000.00	250,000.00
61747MF63	MORGAN STANLEY BANK NA	NR	NR	NR	1/11/2018	1/11/2023	2.650	250,000.00	250,000.00	250,000.00
4581X0DA3	INTER-AMERICAN DEVEL BK	AAA	Aaa	NR	4/6/2018	1/18/2023	2.749	5,000,000.00	4,923,575.00	4,947,192.01
3133EJBY4	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	2/7/2018	2/7/2023	2.780	5,000,000.00	4,962,780.00	5,000,000.00
3130ADLH3	FHLB STEP-UP	AA+	Aaa	NR	2/28/2018	2/28/2023	2.000	5,000,000.00	4,996,870.00	5,000,000.00
080515CM9	BELMONT SAVINGS BANK	NR	NR	NR	3/14/2018	3/14/2023	2.854	250,000.00	250,000.00	249,412.31
3134GSEW1	FHLMC STEP-UP	AA+	Aaa	AAA	4/23/2018	3/14/2023	2.300	5,075,000.00	5,064,438.93	5,060,362.90
084670BR8	BERKSHIRE HATHAWAY INC	AA	Aa2	A+	3/20/2018	3/15/2023	3.101	1,000,000.00	978,002.00	984,796.47
084670BR8	BERKSHIRE HATHAWAY INC	AA	Aa2	A+	4/19/2018	3/15/2023	3.123	1,000,000.00	978,002.00	983,808.20
3130ADT51	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	3/29/2018	3/29/2023	3.000	5,000,000.00	4,968,660.00	5,000,000.00
3133EJKK4	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	4/18/2018	4/10/2023	3.000	5,000,000.00	4,976,815.00	4,993,333.12
17312QJ26	CITIBANK NA	NR	NR	NR	4/11/2018	4/11/2023	2.900	250,000.00	250,000.00	250,000.00
037833AK6	APPLE INC	AA+	Aa1	NR	5/7/2018	5/3/2023	3.180	5,000,000.00	4,813,405.00	4,826,721.44
912828R69	U S TREASURY NOTE	AA+	Aaa	AAA	6/27/2018	5/31/2023	2.732	5,000,000.00	4,746,875.00	4,747,063.65

**Effective Duration: 2.224

1.907 365,104,000.00 358,242,508.95 364,166,527.00

Source: U.S. Bank Safekeeping

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

** BondEdge Portfolio-Analysis

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.