Butte County

LAND OF NATURAL WEALTH AND BEAUTY

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October 20, 2008

Butte County Board of Supervisors
Butte County Chief Administrative Officer

The attached investment report for September 30, 2008 is submitted in accordance with the Butte County Statement of Investment Policy dated July 1, 2008. 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. In the current market, the portfolio's yield may drop below LAIF's yield from time to time, as is the case for the last year or so. 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 Treasury yields for Fiscal Years 06/07and 07/08 compared to those of LAIF shows margins of 1.178% and .67%, respectively. Using $275,000,000 as a baseline portfolio (actively invested balance), this translates to enhanced earnings averaging $1,842,500 per year for the past five years.

Investments are marked to market monthly based on a current market price determined by US Bancorp Investments.

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

Yours truly,

C. Linda Barnes
Butte County Treasurer-Tax Collector

cc: Butte County Board of Supervisors
Butte County District Attorney
Butte County Schools-JPA
Butte-Glenn Community College
Ken Wiley – Auditor's Office
Butte County Auditor-Controller
Butte County Superintendent of Schools
Butte County Sheriff
Treasury Oversight Committee
Greg Iturria - CFO

Quarterly:
Butte County Special Districts
CDIAC

BUTTE COUNTY TREASURER'S INVESTMENT REPORT

September 30, 2008

ACTIVELY MANAGED PORTFOLIO:	YIELD TO MATURITY	WEIGHTED AVERAGE MATURITY (DAYS)	PAR VALUE	FAIR VALUE	COST CARRIED
LOCAL AGENCY INVESTMENT FUND (LAIF)	2.774%	1	54,300,823.60	54,300,823.60	54,300,823.60
CALTRUST	2.930%	1	128,998.27	128,998.27	128,998.27
CERTIFICATES OF DEPOSIT	4.850%	1,302	500,000.00	500,000.00	500,000.00
FEDERAL AGENCY NOTES*	4.383%	916	246,055,000.00	250,664,723.04	246,911,346.31
COMMERCIAL PAPER*	-	-	0.00	0.00	0.00
CORPORATE NOTES*	-	-	0.00	0.00	0.00
MONEY MARKET FUNDS	-	-	0.00	0.00	0.00
NEGOTIABLE CDs	-	-	0.00	0.00	0.00
TOTAL ACTIVELY MANAGED PORTFOLIO:	**4.094%**	**752**	**300,984,821.87**	**305,594,544.91**	**301,841,168.18**

*See page 4 for detailed list of investments

PASSIVELY INVESTED PORTFOLIO (Note and Bond Proceeds)	PAR VALUE	FAIR VALUE	COST CARRIED
BONDS - LOCAL AGENCY INVESTMENT FUND (LAIF)			
- Chico Unified School District "A"	10,094,175.75	10,094,175.75	10,094,175.75
- Chico Unified School District "B"	11,965,601.14	11,965,601.14	11,965,601.14
- Chico Unified School District "B" (LAIF Bond Account)	18,900,061.39	18,900,061.39	18,900,061.39
- Paradise Unified School District "M"	2,945,885.65	2,945,885.65	2,945,885.65
- Oroville Union High School District "A"	415,693.80	415,693.80	415,693.80
- Butte/Glenn Community College District "A"	83,976.15	83,976.15	83,976.15
- Butte/Glenn Community College District "B"	27,267,628.69	27,267,628.69	27,267,628.69
- Thermalito Union School District "M"	151,245.61	151,245.61	151,245.61
SUBTOTAL NOTE AND BOND PROCEEDS	71,824,268.18	71,824,268.18	71,824,268.18
INVESTMENTS WITH TRUSTEES (See "Investments Under Management of Trustees," for detail)	8,424,726.90	8,427,856.90	8,424,726.90
TOTAL PASSIVELY INVESTED PORTFOLIO:	**80,248,995.08**	**80,252,125.08**	**80,248,995.08**

	PAR VALUE	FAIR VALUE	COST CARRIED
TOTAL INVESTMENT PORTFOLIO:	**381,233,816.95**	**385,846,669.99**	**382,090,163.26**

SIX MONTH LIQUIDITY PROJECTIONS

Estimated Cash Receipts For Next Six Months	475,807,649	
Estimated Disbursements For Next Six Months	(440,661,809)	
Estimated Net Cash Flow For Next Six Months**	35,145,840	(A1)
Contingency Cashflow Needs (based on potential State budget shortfall)	(30,000,000)	(A2)
Securities Maturing	41,980,000	(B)
Local Agency Investment Fund / Cal Trust (includes TRAN)	54,429,822	(C)
Total Liquidity For Next Six Months	101,555,662	(A+B+C)
Estimated Cash Available For Long Term Investment	(30,000,000)	
Remaining Available Liquidity	71,555,662	
Total Par Value of actively managed investments maturing in less than 12 months:	**116,659,822**	
Total Par Value of actively managed investments maturing in more than 12 months:	**184,325,000**	

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

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
INVESTMENTS UNDER MANAGEMENT OF TRUSTEES
September 30, 2008

LOAN PROGRAM	INVESTMENT TYPE	MATURITY DATE	DESCRIPTION	ANNUAL YIELD	PAR VALUE	FAIR VALUE	COST CARRIED
2003 REFUNDING COP							
U.S. BANK, TRUSTEE							
Expense Fund #[redacted] 6106	Money Market		First Amer Treas Oblig Fund D	0.960%	17,902.30	17,902.30	17,902.30
Reserve Fund #[redacted] 6101	Money Market		First Amer Treas Oblig Fund D	0.960%	430,240.27	430,240.27	430,240.27
Lease Payment #[redacted] 6100	Money Market		First Amer Treas Oblig Fund D	0.960%	103,162.73	103,162.73	103,162.73
SUBTOTAL					551,305.30	551,305.30	551,305.30
2004 PENSION OBLIGATION BONDS							
WELLS FARGO BANK, TRUSTEE							
Series A Bond Fund #[redacted] 1106	Money Market		Gov MMF Service Fund #743	1.853%	1,693,776.47	1,693,776.47	1,693,776.47
Int. Rate Stabilization Fund #[redacted] 1109	Money Market		Gov MMF Service Fund #743	1.853%	1,709,574.90	1,709,574.90	1,709,574.90
	Pooled Agency Funds		Local Agency Investment Fund	2.774%	1,762,470.99	1,762,470.99	1,762,470.99
Series B Interest Fund #[redacted] 1301	Money Market		Gov MMF Service Fund #743	1.853%	1,392,716.27	1,392,716.27	1,392,716.27
SUBTOTAL					6,558,538.63	6,558,538.63	6,558,538.63
2004 WORKERS' COMPENSATION							
G B BRAGG & ASSOC							
- Claims Administrators							
Umpqua Bank #[redacted] 5374	Commercial Bank		Business Interest Checking	0.250%	56,281.39	56,281.39	56,281.39
SUBTOTAL					56,281.39	56,281.39	56,281.39
2006 COP - NEAL ROAD LANDFILL							
WELLS FARGO BANK, TRUSTEE							
Certificate Reserve Fund #[redacted] 0800	Money Market		Gov MMF Service Fund #743	1.853%	248,147.18	248,147.18	248,147.18
	US Treas/Agency	12/17/12	FHLB #3133XNMB2	4.250%	1,000,000.00	1,003,130.00	1,000,000.00
Base Rental Payment Fund #[redacted] 0801	Money Market		Gov MMF Service Fund #743	1.853%	223.18	223.18	223.18
Expense Fund #[redacted] 0802	Money Market		Gov MMF Service Fund #743	1.853%	10,231.22	10,231.22	10,231.22
SUBTOTAL					1,258,601.58	1,261,731.58	1,258,601.58
					PAR VALUE	**FAIR VALUE**	**COST CARRIED**
GRAND TOTAL					**8,424,726.90**	**8,427,856.90**	**8,424,726.90**

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
ACTIVELY MANAGED PORTFOLIO "AT-A-GLANCE'
September 30, 2008

Investments by Type*

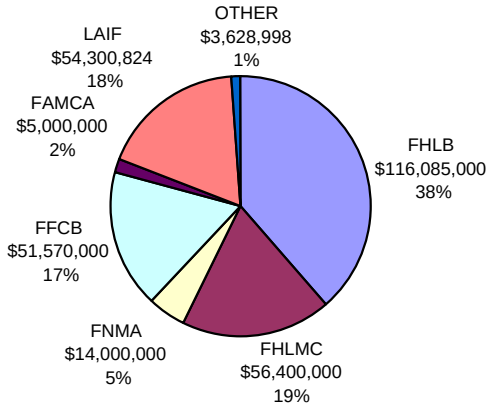
Federal Home Loan Bank	FHLB	$	116,085,000
Fed Home Loan Mortgage Corp	FHLMC	$	56,400,000
Fed National Mortgage Assn	FNMA	$	14,000,000
Federal Farm Credit Bank	FFCB	$	51,570,000
Fed Agriculture Mortgage Corp	FAMCA	$	5,000,000
Local Agency Investment Fund	LAIF	$	54,300,824
CD, TVA, Cal Trust	OTHER	$	3,628,998
TOTAL PAR VALUE		$	300,984,822

Investments by Maturity & Yield*

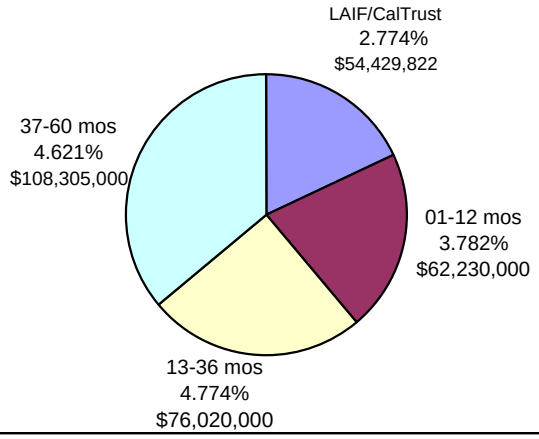
LAIF/CalTrust	2.774%	$	54,429,822
01-12 months	3.782%	$	62,230,000
13-36 months	4.774%	$	76,020,000
37-60 months	4.621%	$	108,305,000
TOTAL PAR VALUE		$	300,984,822

* Investments managed by Trustees, School Bond Proceeds and TRAN Proceeds are not included

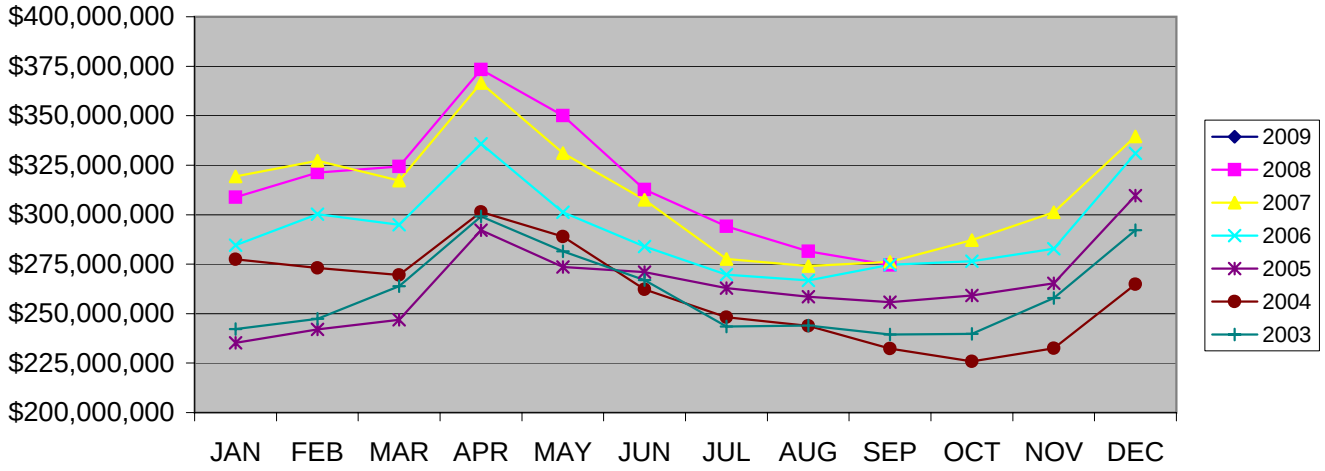
INVESTMENTS BY TYPE



INVESTMENTS BY MATURITY & YIELD



BUTTE COUNTY POOLED TREASURY GENERAL LEDGER FUND BALANCE
Net of Tax and Revenue Anticipation Notes (TRAN) and Bond Proceeds



9/30/2008

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
MANAGED PORTFOLIO - DETAILS OF SECURITIES HELD

September 30, 2008

Security	Description	Credit Rating	Purchase Date	Maturity Date	Yield to Maturity (%)	Par Value	Fair Value	Cost Carried *
3133X2BZ7	FEDERAL HOME LOAN BANK	AAA	12/2/2003	11/14/2008	3.851	5,000,000.00	5,003,125.00	4,998,607.50
3133X2BZ7	FEDERAL HOME LOAN BANK	AAA	12/10/2003	11/14/2008	3.691	5,000,000.00	5,003,125.00	4,999,592.46
3128X2ME2	FEDERAL HOME LOAN MTG CORP	AAA	3/29/2004	1/12/2009	3.468	5,000,000.00	5,007,812.50	5,005,655.65
3133XSDJ4	FEDERAL HOME LOAN BANK	AAA	9/26/2008	1/14/2009	3.250	10,000,000.00	10,006,250.00	10,000,000.00
31359MEK5	FEDERAL NATL MORT ASSN	AAA	1/15/2004	1/15/2009	3.765	5,000,000.00	5,029,687.50	5,021,214.62
3133M7N77	FEDERAL HOME LOAN BANK	AAA	3/5/2004	2/17/2009	3.510	3,980,000.00	4,017,312.50	4,010,203.77
3133X56B9	FEDERAL HOME LOAN BANK	AAA	3/30/2004	3/30/2009	3.320	5,000,000.00	5,006,250.00	5,000,000.00
31331TD40	FEDERAL FARM CREDIT BANK	AAA	4/15/2004	4/15/2009	3.655	5,000,000.00	5,010,937.50	4,995,643.66
3134A4UQ5	FEDERAL HOME LOAN MTG CORP	AAA	4/15/2004	4/15/2009	3.496	5,000,000.00	5,001,562.50	4,996,570.86
31331VBR6	FEDERAL FARM CREDIT BANK	AAA	11/20/2006	6/11/2009	4.901	3,000,000.00	3,027,187.50	2,991,278.50
3128X1PN1	FEDERAL HOME LOAN MTG CORP	AAA	12/13/2004	7/9/2009	3.740	2,000,000.00	1,998,808.00	1,992,619.51
3128X3SL8	FEDERAL HOME LOAN MTG CORP	AAA	12/13/2004	7/30/2009	4.211	2,750,000.00	2,773,203.13	2,753,627.33
3128X3VA8	FEDERAL HOME LOAN MTG CORP	AAA	12/15/2004	9/1/2009	4.125	2,000,000.00	2,014,248.00	2,000,000.00
3128X3WY5	FEDERAL HOME LOAN MTG CORP	AAA	12/10/2004	9/22/2009	4.041	3,500,000.00	3,525,833.50	3,498,719.28
31331HE29	FEDERAL FARM CREDIT BANK	AAA	10/28/2005	2/9/2010	4.778	2,500,000.00	2,633,593.75	2,582,662.44
3128X34V2	FEDERAL HOME LOAN MTG CORP	AAA	6/17/2005	2/22/2010	4.347	3,000,000.00	3,033,501.00	2,995,877.76
3128X35R0	FEDERAL HOME LOAN MTG CORP	AAA	3/11/2005	3/1/2010	4.552	3,000,000.00	3,044,208.00	2,993,190.72
3134A33L8	FHLMC DEBENTURES	AAA	3/15/2005	3/15/2010	4.519	3,000,000.00	3,162,187.50	3,101,646.36
31331STD5	FEDERAL FARM CREDIT BANK	AAA	4/5/2005	4/5/2010	4.626	3,000,000.00	3,053,437.50	3,001,016.93
31331SZQ9	FEDERAL FARM CREDIT BANK	AAA	6/21/2005	6/10/2010	4.230	3,370,000.00	3,408,965.63	3,357,412.97
3133XBTH8	FEDERAL HOME LOAN BANK	AAA	6/21/2005	6/11/2010	4.232	3,000,000.00	3,054,375.00	3,000,872.69
3133XCEQ2	FEDERAL HOME LOAN BANK	AAA	7/27/2005	7/13/2010	4.582	3,000,000.00	3,065,625.00	2,989,700.21
3128X4GL9	FEDERAL HOME LOAN MTG CORP	AAA	9/19/2005	8/4/2010	4.790	3,000,000.00	3,085,815.00	3,000,000.00
31331TBZ3	FEDERAL FARM CREDIT BANK	AAA	9/21/2005	8/27/2010	4.406	3,000,000.00	3,073,125.00	3,002,304.57
3133XCTV5	FEDERAL HOME LOAN BANK	AAA	10/11/2005	9/1/2010	5.000	3,000,000.00	3,106,875.00	3,000,000.00
3133XCUR2	FEDERAL HOME LOAN BANK	AAA	9/15/2005	9/10/2010	4.296	3,000,000.00	3,077,812.50	3,010,958.42
31315PAP4	FEDERAL AGRIC MTG CORP	AAA	10/13/2005	10/12/2010	4.680	3,000,000.00	3,090,741.00	2,996,736.57
31331VDJ2	FEDERAL FARM CREDIT BANK	AAA	10/21/2005	10/20/2010	4.673	3,000,000.00	3,095,625.00	3,001,542.03
31331VLW4	FEDERAL FARM CREDIT BANK	AAA	1/6/2006	12/23/2010	4.770	3,000,000.00	3,104,062.50	3,001,828.23
307692AA1	FARMER MAC GTD NOTES TR		6/2/2006	1/14/2011	5.470	2,000,000.00	1,976,231.05	1,976,231.05
3133MDBT9	FEDERAL HOME LOAN BANK	AAA	2/15/2006	2/15/2011	4.895	3,000,000.00	3,175,312.50	3,062,516.31
3128X2ZQ1	FEDERAL HOME LOAN MTG CORP	AAA	3/2/2006	2/24/2011	4.997	3,000,000.00	3,054,375.00	2,944,974.57
3133XENX3	FEDERAL HOME LOAN BANK	AAA	3/13/2006	3/11/2011	4.988	3,000,000.00	3,115,312.50	2,992,747.42
3133X7C69	FEDERAL HOME LOAN BANK	AAA	5/15/2006	5/13/2011	5.320	3,000,000.00	3,123,750.00	2,978,196.81
3136F7B48	FEDERAL NATL MORTGAGE ASSN	AAA	10/2/2006	5/19/2011	5.146	3,000,000.00	3,047,812.50	3,008,811.83
3136F67B9	FEDERAL NATL MORTGAGE ASSN	AAA	12/18/2006	6/14/2011	4.830	3,000,000.00	3,100,312.50	2,986,272.03
3128X1MB0	FHLMC STRUCTURED NOTE	AAA	10/26/2006	6/20/2011	5.102	1,150,000.00	1,195,561.85	1,147,202.19
31339YPU0	FHLB STEP-UP	AAA	12/14/2006	7/29/2011	4.830	1,000,000.00	1,043,437.50	1,004,224.85
3133MGYH3	FHLB CONSOL BOND	AAA	10/26/2006	8/15/2011	5.067	3,000,000.00	3,192,187.50	3,051,354.49
3133XF5T9	FEDERAL HOME LOAN BANK	AAA	10/2/2006	9/9/2011	4.930	3,000,000.00	3,137,812.50	3,005,358.47
3133XF5T9	FEDERAL HOME LOAN BANK	AAA	12/18/2006	9/9/2011	4.836	3,000,000.00	3,137,812.50	3,012,651.22
31331V5Y8	FEDERAL FARM CREDIT BANK	AAA	11/27/2006	10/3/2011	4.877	3,000,000.00	3,132,187.50	3,009,653.87
3133XHAD4	FEDERAL HOME LOAN BANK	AAA	11/20/2006	10/6/2011	5.250	3,000,000.00	3,000,937.50	3,000,000.00
3134A1CV0	FEDERAL HOME LOAN MTG CORP	AAA	12/11/2006	10/24/2011	4.757	1,000,000.00	1,096,875.00	1,058,642.10
3133XHRB0	FEDERAL HOME LOAN BANK	AAA	11/7/2006	11/7/2011	5.125	2,000,000.00	2,025,000.00	2,000,000.00
3133XHRK0	FEDERAL HOME LOAN BANK	AAA	1/25/2007	12/9/2011	5.084	3,000,000.00	3,105,937.50	2,972,039.59
3133XJ6K9	FEDERAL HOME LOAN BANK	AAA	12/12/2006	12/12/2011	5.034	2,550,000.00	2,561,953.13	2,547,554.13
3133XJAW8	FEDERAL HOME LOAN BANK	AAA	12/15/2006	12/15/2011	5.000	3,000,000.00	3,041,250.00	3,000,000.00
31331XSF0	FEDERAL FARM CREDIT BANK	AAA	3/12/2007	3/12/2012	4.872	3,000,000.00	3,105,000.00	2,998,002.16
3133XKAL9	FEDERAL HOME LOAN BANK	AAA	3/21/2007	3/21/2012	5.007	2,555,000.00	2,599,712.50	2,554,445.53
31331XVH2	FEDERAL FARM CREDIT BANK	AAA	4/16/2007	4/12/2012	5.005	3,000,000.00	3,105,937.50	2,987,932.58
3133XKQS7	FEDERAL HOME LOAN BANK	AAA	5/7/2007	5/7/2012	5.050	3,000,000.00	3,079,687.50	3,000,000.00
3133XKT70	FHLB 5.2 5/14/12	AAA	5/14/2007	5/14/2012	5.200	3,000,000.00	3,044,062.50	3,000,000.00
880591DT6	TENN VALLEY AUTHORITY BD	AAA	5/23/2007	5/23/2012	4.793	3,000,000.00	3,287,538.00	3,185,854.25
3133XLEA7	FEDERAL HOME LOAN BANK	AAA	6/14/2007	6/8/2012	5.526	5,000,000.00	5,268,750.00	4,975,960.14
3133XLMJ9	FEDERAL HOME LOAN BANK	AAA	11/16/2007	7/23/2012	4.231	2,500,000.00	2,600,000.00	2,555,457.08
31331S2T9	FEDERAL FARM CREDIT BANK	AAA	11/16/2007	8/10/2012	4.373	2,700,000.00	2,766,656.25	2,715,802.32
3128X4HF1	FEDERAL HOME LOAN MTG CORP	AAA	12/28/2007	8/15/2012	4.134	2,000,000.00	2,081,746.00	2,057,817.13
3133XLX73	FEDERAL HOME LOAN BANK	AAA	11/16/2007	9/14/2012	4.330	2,500,000.00	2,602,343.75	2,556,555.65
3133XML66	FEDERAL HOME LOAN BANK	AAA	12/28/2007	10/10/2012	4.108	3,000,000.00	3,070,312.50	3,053,567.56
31331YEB2	FEDERAL FARM CREDIT BANK	AAA	11/16/2007	11/16/2012	4.840	3,000,000.00	3,050,625.00	3,000,000.00
3128X6RX6	FEDERAL HOME LOAN MTG CORP	AAA	12/11/2007	12/11/2012	4.800	5,000,000.00	5,023,070.00	5,000,000.00
31331YVJ6	FEDERAL FARM CREDIT BANK	AAA	4/21/2008	2/25/2013	4.092	3,000,000.00	2,981,250.00	2,989,100.92
31331YWX4	FEDERAL FARM CREDIT BANK	AAA	3/26/2008	3/6/2013	4.000	5,000,000.00	4,968,750.00	5,000,000.00
3133XQXQ0	FEDERAL HOME LOAN BANK	AAA	4/23/2008	4/23/2013	4.350	3,000,000.00	3,004,687.50	3,000,000.00
31398AQL9	FEDERAL NATL MORTGAGE ASSN	AAA	4/29/2008	4/29/2013	4.074	3,000,000.00	2,986,875.00	2,990,936.00
3128X7RY2	FEDERAL HOME LOAN MTG CORP	AAA	5/21/2008	5/20/2013	4.170	3,000,000.00	3,005,379.00	3,000,000.00
3128X7VS0	FHLMC 4.15 13-09	AAA	5/29/2008	5/29/2013	4.150	3,000,000.00	3,004,149.00	3,000,000.00
3128X7VQ4	FEDERAL HOME LOAN MTG CORP	AAA	6/10/2008	6/10/2013	4.420	3,000,000.00	3,005,502.00	3,000,000.00
3128X7VK7	FEDERAL HOME LOAN MTG CORP	AAA	6/12/2008	6/12/2013	4.250	3,000,000.00	3,005,526.00	3,000,000.00
3133XRFL9	FEDERAL HOME LOAN BANK	AAA	6/16/2008	6/14/2013	4.235	5,000,000.00	5,053,125.00	5,002,999.00
3133XRFL9	FEDERAL HOME LOAN BANK	AAA	7/17/2008	6/14/2013	4.102	5,000,000.00	5,053,125.00	5,029,271.94
31331Y2Q2	FEDERAL FARM CREDIT BANK	AAA	7/17/2008	7/8/2013	4.049	3,000,000.00	3,030,937.50	3,024,158.79
3133XRSC5	FEDERAL HOME LOAN BANK	AAA	7/23/2008	7/23/2013	4.754	3,000,000.00	3,027,187.50	2,999,548.96
3133XD6A4	FEDERAL HOME LOAN BANK	AAA	9/26/2008	9/13/2013	4.105	5,000,000.00	5,073,437.50	5,055,584.04
TOTAL					**4.383%**	**246,055,000.00**	**250,664,723.04**	**246,790,908.02 ***

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