



## Butte County

LAND OF NATURAL WEALTH AND BEAUTY

**C. LINDA BARNES**  
**TREASURER - TAX COLLECTOR**

COUNTY ADMINISTRATIVE BUILDING  
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October 24, 2013

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

The attached investment report for September 30, 2013 is submitted in accordance with the Butte County Statement of Investment Policy dated July 1, 2013. 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 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 11/12 and FY 12/13 performance compared to LAIF shows margins of 1.341% and 1.541%, respectively. Using \$300,000,000 as a baseline portfolio (actively invested balance), this translates to enhanced earnings averaging \$4,623,000 per year for the past five years.

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.

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  
Mathes, Kathryn – Butte County Manager, Gov't. Accounting  
Liu, Annie – Butte County Internal Auditor



## BUTTE COUNTY TREASURER'S INVESTMENT REPORT

September 30, 2013

ACTIVELY MANAGED PORTFOLIO:	YIELD TO MATURITY	WEIGHTED AVERAGE MATURITY (DAYS)*	PAR VALUE	FAIR VALUE	COST CARRIED
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.257%	1	80,938,521.32	80,938,521.32	80,938,521.32
CALTRUST SHORT TERM	0.347%	1	4,486.98	4,486.98	4,485.69
BANK MONEY MARKET (COLLATERALIZED)	0.270%	1	2,802,658.52	2,802,658.52	2,802,658.52
COMMERCIAL PAPER**	-	-	0.00	0.00	0.00
MUNICIPAL BONDS	0.657%	975	3,000,000.00	2,974,710.00	3,021,076.39
CORPORATE NOTES**	0.829%	664	14,750,000.00	15,274,586.25	15,312,303.10
NEGOTIABLE CDS**	1.398%	602	3,000,000.00	3,005,802.22	3,000,000.00
CERTIFICATES OF DEPOSIT (COLLATERALIZED)	0.810%	535	10,500,000.00	10,500,000.00	10,500,000.00
FEDERAL AGENCY NOTES**	1.158%	1,314	234,875,000.00	234,212,626.09	235,721,605.31
<b>TOTAL ACTIVELY MANAGED PORTFOLIO:</b>	<b>0.916%</b>	<b>940</b>	<b>349,870,666.82</b>	<b>349,713,391.38</b>	<b>351,300,650.33</b>

### INVESTMENT OF NOTE/BOND PROCEEDS AND OPERATING CASH

<u>SCHOOL BOND PROCEEDS</u> (see page 2 for details)	16,743,325.79	16,743,325.79	16,743,325.79
<u>OPERATING ACCOUNTS</u>			
U.S. BANK CHECKING ACCOUNT DEPOSITS	11,041,625.13	11,041,625.13	11,041,625.13
OPERATING CASH	41,483.35	41,483.35	41,483.35
OTHER	453.00	453.00	453.00
<b>TOTAL TREASURER'S FUND LEDGER BALANCE:</b>	<b>377,697,554.09</b>	<b>377,540,278.65</b>	<b>379,127,537.60</b>
<u>INVESTMENTS UNDER MANAGEMENT OF TRUSTEES</u> (see page 3 for details)	4,381,385.62	4,366,472.72	4,395,347.66

	PAR VALUE	FAIR VALUE	COST CARRIED
<b>TOTAL CASH AND INVESTMENTS:</b>	<b>382,078,939.71</b>	<b>381,906,751.37</b>	<b>383,522,885.26</b>

### SIX MONTH LIQUIDITY PROJECTIONS

Estimated Cash Receipts for Next Six Months	486,127,292
Estimated Disbursements for Next Six Months	-449,297,572
Estimated Net Cash Flow for Next Six Months***	36,829,720 (A1)
Cash Reserve for Possible Deferred Revenues	-30,000,000 (A2)
Securities Maturing	5,500,000 (B)
Local Agency Investment Fund / Cal Trust / MMF	83,745,666 (C)
Total Liquidity for Next Six Months	96,075,386 (A1+A2+B+C)
Estimated Cash Available for Long Term Investment	-30,000,000
Remaining Available Liquidity	66,075,386
<b>Total Par Value of actively managed investments maturing in less than 12 months:</b>	<b>99,495,667</b>
<b>Total Par Value of actively managed investments maturing in more than 12 months:</b>	<b>250,375,000</b>

\* 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**  
**September 30, 2013**

BOND/NOTE DESCRIPTION	INVESTMENT TYPE	MATURITY DATE	DESCRIPTION	ANNUAL YIELD*	PAR VALUE	FAIR VALUE	COST CARRIED
<b>BONDS - LOCAL AGENCY INVESTMENT FUND (LAIF)</b>							
Chico Unified School District Series B	LAIF			0.257%	3,797.83	3,797.83	3,797.83
Chico Unified Measure E Series A	LAIF			0.257%	14,602,735.03	14,602,735.03	14,602,735.03
Gridley Unified School District GO 2012	LAIF			0.257%	2,136,792.93	2,136,792.93	2,136,792.93
SUBTOTAL					<b>16,743,325.79</b>	<b>16,743,325.79</b>	<b>16,743,325.79</b>
					<b>PAR VALUE</b>	<b>FAIR VALUE</b>	<b>COST CARRIED</b>
<b>GRAND TOTAL</b>					<b>16,743,325.79</b>	<b>16,743,325.79</b>	<b>16,743,325.79</b>

\* 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.

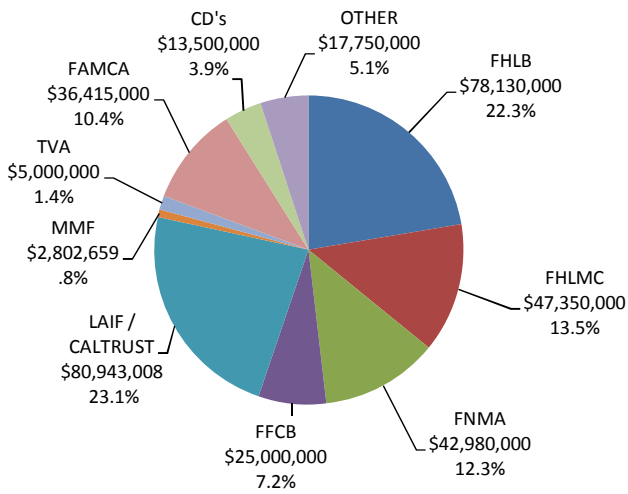
**BUTTE COUNTY TREASURER'S INVESTMENT REPORT**  
**INVESTMENTS UNDER MANAGEMENT OF TRUSTEES**  
**September 30, 2013**

LOAN PROGRAM	INVESTMENT TYPE	MATURITY DATE	DESCRIPTION	ANNUAL YIELD	PAR VALUE	FAIR VALUE	COST CARRIED
<b>2003 REFUNDING COP</b>							
<b>U.S. BANK, TRUSTEE</b>							
Expense Fund #XXXX6106	Money Market		U.S. Bank MMF 5	0.040%	6,993.78	6,993.78	6,993.78
Reserve Fund #XXXX6101	Money Market		U.S. Bank MMF 5	0.040%	44,114.79	44,114.79	44,114.79
	US Treas/Agency	10/18/13	FHLB #3133XSAE8	2.820%	385,000.00	385,639.10	398,962.04
Lease Payment #XXXX6100	Money Market		U.S. Bank MMF 5	0.040%	6,992.29	6,992.29	6,992.29
<b>SUBTOTAL</b>					<b>443,100.86</b>	<b>443,739.96</b>	<b>457,062.90</b>
<b>2004 PENSION OBLIGATION BONDS</b>							
<b>WELLS FARGO BANK, TRUSTEE</b>							
Series A Bond Fund #XXXX1106	Money Market		HERITAGE MM #3106	0.010%	1,746,006.82	1,746,006.82	1,746,006.82
Int. Rate Stabilization Fund #XXXX1109	Money Market		HERITAGE MM #3106	0.010%	1,004.77	1,004.77	1,004.77
	Pooled Agency Funds		Local Agency Investment Fund	0.257%	1,624.58	1,624.58	1,624.58
Series B Interest Fund #XXXX1301	Money Market		HERITAGE MM #3106	0.010%	880,115.66	880,115.66	880,115.66
<b>SUBTOTAL</b>					<b>2,628,751.83</b>	<b>2,628,751.83</b>	<b>2,628,751.83</b>
<b>2004 WORKERS' COMPENSATION</b>							
<b>York Risk Services Group</b>							
<b>- Claim Administrators</b>							
Umpqua Bank #XXXXX2601	Commercial Bank		Business Checking	NA	93,796.38	93,796.38	93,796.38
<b>SUBTOTAL</b>					<b>93,796.38</b>	<b>93,796.38</b>	<b>93,796.38</b>
<b>2006 COP - NEAL ROAD RECYCLING &amp; WASTE FACILITY</b>							
<b>WELLS FARGO BANK, TRUSTEE</b>							
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	1,184,448.00	1,200,000.00
Base Rental Payment Fund #XXXX0801	Money Market		Gov MMF Service Fund #743	0.010%	5.01	5.01	5.01
Expense Fund #XXXX0802	Money Market		Gov MMF Service Fund #743	0.010%	7,231.32	7,231.32	7,231.32
<b>SUBTOTAL</b>					<b>1,215,736.55</b>	<b>1,200,184.55</b>	<b>1,215,736.55</b>
					<b>PAR</b>	<b>FAIR</b>	<b>COST</b>
					<b>VALUE</b>	<b>VALUE</b>	<b>CARRIED</b>
<b>GRAND TOTAL</b>					<b>4,381,385.62</b>	<b>4,366,472.72</b>	<b>4,395,347.66</b>

**BUTTE COUNTY TREASURER'S INVESTMENT REPORT**  
**ACTIVELY MANAGED PORTFOLIO "AT-A-GLANCE"**  
**September 30, 2013**

**INVESTMENTS BY TYPE\***

Federal Home Loan Bank	FHLB	\$	78,130,000
Fed Home Loan Mortgage Corp	FHLMC	\$	47,350,000
Fed National Mortgage Assn	FNMA	\$	42,980,000
Federal Farm Credit Bank	FFCB	\$	25,000,000
Local Agency Investment Fund / CalTrust	LAIF / CT	\$	80,943,008
Rabobank MMF	MMF	\$	2,802,659
Tennessee Valley Authority	TVA	\$	5,000,000
Fed Ag Mortgage Corp	FAMCA	\$	36,415,000
Certificates of Deposit (Collateralized/Negotiable)	CD's	\$	13,500,000
Corporate Notes and Municipal Bonds	OTHER	\$	17,750,000
<b>TOTAL PAR VALUE</b>		<b>\$</b>	<b>349,870,667</b>

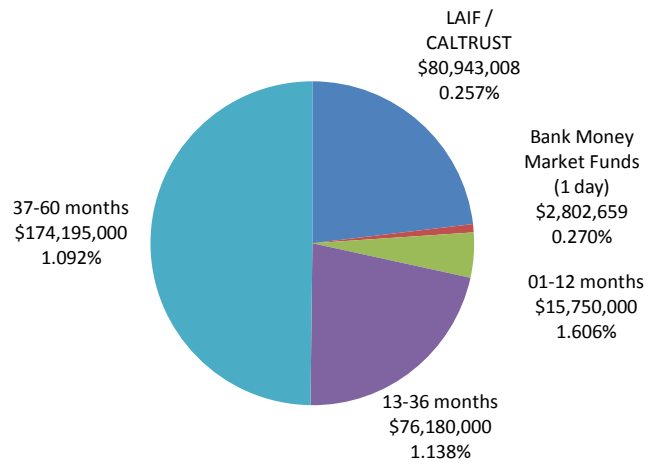


**INVESTMENTS BY MATURITY & YIELD\***

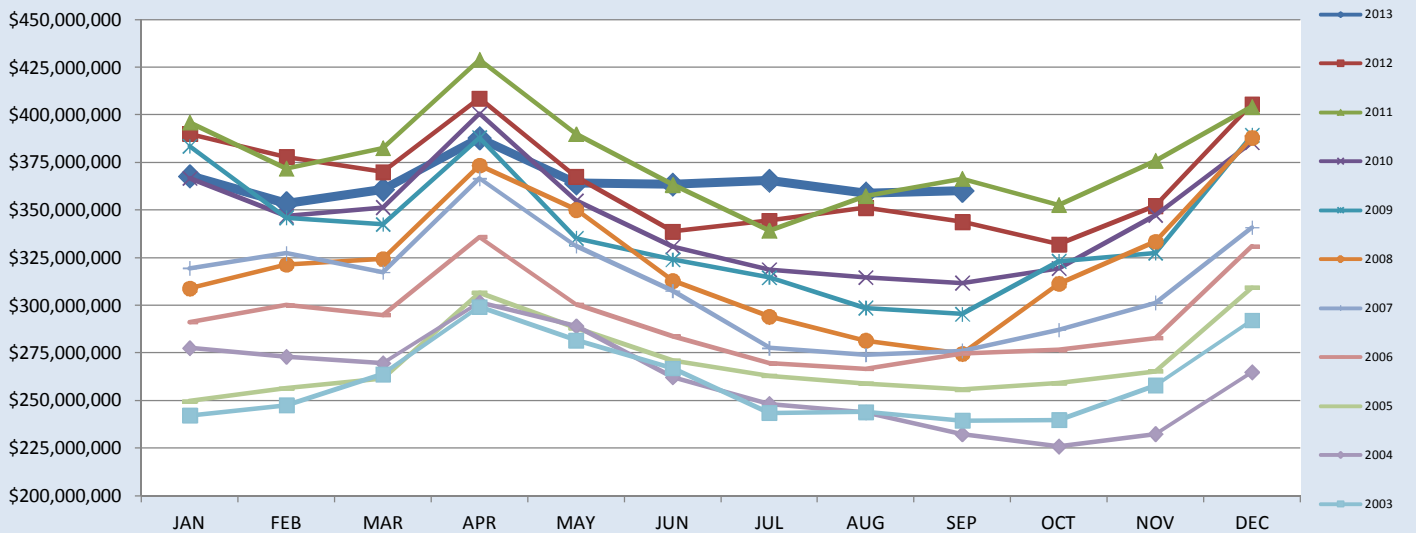
LAIF / CALTRUST (1 -30 day)	0.257%	\$	80,943,008
Bank Money Market Funds (1 day)	0.270%	\$	2,802,659
01-12 months	1.606%	\$	15,750,000
13-36 months	1.138%	\$	76,180,000
37-60 months	1.092%	\$	174,195,000
<b>TOTAL PAR VALUE</b>		<b>\$</b>	<b>349,870,667</b>

\* 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 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**  
**September 30, 2013**

Security	Description	Credit Rating			Purchase	Maturity	Yield to	Par Value	Fair Value	Cost Carried*
		S&P	Moody's	Fitch	Date	Date	Maturity (%)			
36159CUT1	GE MONEY BANK	NR	NR	NR	10/8/2010	10/8/2013	1.300	250,000.00	250,187.79	250,000.00
795450MZ5	SALLIE MAE BANK/MURRAY	NR	NR	NR	11/23/2011	11/25/2013	1.000	250,000.00	250,455.36	250,000.00
3133XSP93	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	1/23/2009	12/13/2013	2.840	5,000,000.00	5,030,859.40	5,002,637.91
02587DCK2	AMERICAN EXPR CENTURION	NR	NR	NR	8/25/2011	8/25/2014	1.150	250,000.00	252,583.30	250,000.00
3814264D4	GOLDMAN SACHS BANK USA	NR	NR	NR	8/24/2011	8/25/2014	1.150	250,000.00	252,575.77	250,000.00
31315PND7	FARMER MAC	NR	NR	NR	9/3/2009	9/3/2014	3.200	4,750,000.00	4,883,679.25	4,750,000.00
13034ABK5	CALIF INFRASTRUCTURE&ECON DEV	AAA	Aaa	NR	8/13/2012	10/1/2014	0.410	1,000,000.00	1,001,930.00	1,002,325.00
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
05568PYZ4	BMW BK OF NA	NR	NR	NR	10/22/2010	10/22/2014	1.550	250,000.00	250,000.00	250,000.00
31315PE54	FARMER MAC	NR	NR	NR	12/31/2009	12/30/2014	3.100	5,000,000.00	5,148,060.00	4,983,935.78
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	5,005,110.00	5,000,000.00
313376ZQ1	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	3/16/2012	3/13/2015	0.659	5,000,000.00	5,005,590.00	4,979,641.03
64952WAW3	NEW YORK LIFE GLOBAL FDG	AA+	Aaa	AAA	3/8/2013	5/4/2015	0.500	1,500,000.00	1,557,573.00	1,559,278.92
36962G5F7	GENERAL ELEC CAP CORP	AA+	A1	NR	12/3/2012	6/30/2015	1.000	5,000,000.00	5,129,985.00	5,118,268.29
31315PD29	FARMER MAC	NR	NR	NR	6/13/2012	7/22/2015	0.616	2,000,000.00	2,067,816.00	2,062,900.91
64952WBH5	NEW YORK LIFE GLOBAL FDG	AA+	Aaa	AAA	3/8/2013	7/24/2015	0.500	3,250,000.00	3,254,683.25	3,264,627.66
313370NE4	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	8/20/2010	8/20/2015	1.609	5,000,000.00	5,118,625.00	5,001,867.25
254670R87	DISCOVER BANK	NR	NR	NR	8/24/2011	8/24/2015	1.500	250,000.00	250,000.00	250,000.00
36962G4F8	GENERAL ELEC CORP	AA+	A1	NR	9/4/2013	9/21/2015	0.970	5,000,000.00	5,332,345.00	5,331,638.40
3135G0R54	FANNIE MAE	AA+	Aaa	AAA	11/6/2012	11/6/2015	0.462	10,000,000.00	9,995,410.00	10,004,114.58
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	1,404,778.20	1,400,000.00
3135G0YD9	FEDERAL NATL MORTGAGE ASSN	AA+	Aaa	AAA	9/3/2013	6/13/2016	0.928	3,780,000.00	3,771,589.50	3,757,036.50
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
313370TV8	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	9/14/2011	9/9/2016	1.210	10,000,000.00	10,367,320.00	10,224,626.07
3134G4FK9	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	9/19/2013	9/19/2016	1.000	6,500,000.00	6,519,331.00	6,500,000.00
3134G4DR6	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	7/25/2013	10/25/2016	1.000	5,000,000.00	5,017,245.00	5,000,000.00
313371PV2	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	12/9/2011	12/9/2016	1.260	3,130,000.00	3,192,249.44	3,165,213.75
880591DS8	TENNESSEE VALLEY AUTHORITY	AA+	Aaa	AAA	1/27/2012	12/15/2016	0.970	5,000,000.00	5,613,845.00	5,609,788.57
313376NC5	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	12/28/2011	12/28/2016	1.190	5,000,000.00	5,050,020.00	5,004,700.42
31315PYB9	FARMER MAC	NR	NR	NR	1/30/2012	1/6/2017	1.150	3,000,000.00	3,024,537.00	3,021,814.91
3137EADC0	FREDDIE MAC	AA+	Aaa	AAA	2/14/2013	3/8/2017	0.753	5,000,000.00	5,013,145.00	5,041,698.05
57582PM80	MASSACHUSETTS ST GO LTD TXBL	AA+	Aa1	AA+	4/8/2013	4/1/2017	0.780	2,000,000.00	1,972,780.00	2,015,123.52
3134G3WH9	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	6/12/2012	6/12/2017	1.150	5,000,000.00	4,981,485.00	5,000,000.00
3133EA4H8	FEDERAL FARM CREDIT BANK	AA+	Aaa	NR	10/15/2012	7/11/2017	0.842	5,000,000.00	4,918,725.00	4,996,014.07
3136G0QM6	FEDERAL NATL MORTGAGE ASSN	AA+	Aaa	AAA	7/11/2012	7/11/2017	1.100	5,000,000.00	4,950,205.00	5,000,000.00
313381B20	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	12/19/2012	12/8/2017	0.857	5,000,000.00	4,877,225.00	4,978,098.38
3133CEB45	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	12/26/2012	12/26/2017	0.910	10,000,000.00	9,811,730.00	9,995,763.89
31315PTS8	FARMER MAC	NR	NR	NR	1/11/2013	12/27/2017	0.903	4,265,000.00	4,184,434.15	4,264,453.38
3137EADN6	FHLMC .75 01/18	AA+	Aaa	AAA	1/14/2013	1/12/2018	0.920	5,000,000.00	4,869,485.00	4,964,517.57
31315PB40	FARMER MAC	NR	NR	NR	2/26/2013	1/24/2018	1.022	1,000,000.00	982,054.00	997,804.02
3136G1C56	FNMA STEP-UP	AA+	Aaa	AAA	1/29/2013	1/29/2018	0.800	9,200,000.00	9,116,804.40	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	4,877,495.00	5,000,000.00
3133826Y4	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	2/13/2013	2/13/2018	1.000	10,000,000.00	9,818,150.00	10,000,000.00
3135G0UE1	FEDERAL NATL MORTGAGE ASSN	AA+	Aaa	AAA	2/14/2013	2/14/2018	1.000	10,000,000.00	9,780,620.00	10,000,000.00
48124JSZ2	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	4,924,200.00	5,000,000.00
3133CEGC2	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	3/13/2013	2/26/2018	1.080	5,000,000.00	4,927,820.00	5,000,000.00
31315PQM4	FARMER MAC	NR	NR	NR	3/7/2013	3/6/2018	0.940	10,000,000.00	9,807,080.00	9,999,911.34
31315PZ25	FARMER MAC	NR	NR	NR	5/15/2013	3/9/2018	0.976	5,000,000.00	4,836,825.00	4,955,432.94
3134G36D7	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	3/20/2013	3/20/2018	1.200	850,000.00	833,488.75	850,000.00
313382PW7	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	4/24/2013	4/24/2018	1.000	5,000,000.00	4,889,405.00	5,000,000.00
3134G42B3	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	4/25/2013	4/25/2018	1.100	5,000,000.00	4,868,870.00	5,000,000.00
3133ECNY6	FEDERAL FARM CREDIT BANK	AA+	Aaa	AAA	5/8/2013	5/8/2018	0.986	5,000,000.00	4,866,250.00	4,991,945.14
3134G45W4	FEDERAL HOME LOAN MTG CORP	AA+	Aaa	AAA	5/29/2013	5/29/2018	1.000	5,000,000.00	4,884,890.00	5,000,000.00
313379DT3	FHLB 1.25 06/18	AA+	Aaa	NR	6/13/2013	6/8/2018	1.344	5,000,000.00	4,933,670.00	4,978,853.76
313383QM6	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	7/24/2013	7/24/2018	1.950	5,000,000.00	5,049,090.00	5,000,000.00
313383QS3	FHLB STEP-UP	AA+	Aaa	NR	7/30/2013	7/30/2018	0.998	5,000,000.00	4,990,695.00	5,000,000.00
313383S44	FEDERAL HOME LOAN BANK	AA+	Aaa	NR	7/30/2013	7/30/2018	1.850	5,000,000.00	4,999,315.00	5,000,000.00
3136G1T66	FNMA STEP-UP	AA+	Aaa	NR	9/12/2013	9/12/2018	1.807	5,000,000.00	5,003,405.00	4,980,211.11
							1.136	255,625,000.00	255,467,724.56	256,954,243.12

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.