Butte County

LAND OF NATURAL WEALTH AND BEAUTY

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October 16, 2007

Butte County Board of Supervisors
Butte County Chief Administrative Officer

The attached investment report for September is submitted in accordance with the Butte County Statement of Investment Policy dated July 1, 2007. 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 05/06 and 06/07 compared to those of LAIF shows margins of 1.692% and 1.178%, respectively. Using $275,000,000 as a baseline portfolio (actively invested balance), this translates to enhanced earnings averaging $3,239,500 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
Butte County Special Districts
Butte County Auditor-Controller
Butte County Superintendent of Schools
Butte County Sheriff
Treasury Oversight Committee
CDIAC

BUTTE COUNTY TREASURER'S INVESTMENT REPORT

September 30, 2007

ACTIVELY MANAGED PORTFOLIO:	Yield to Maturity	Weighted Average Maturity (days)	PAR VALUE	FAIR VALUE	COST CARRIED
LOCAL AGENCY INVESTMENT FUND (LAIF)	5.231%	1	33,971,256.34	33,971,256.34	33,971,256.34
CALTRUST	4.167%	1	134,468.28	134,468.28	134,468.28
CERTIFICATES OF DEPOSIT	4.850%	1,668	500,000.00	500,000.00	500,000.00
FEDERAL AGENCY NOTES	4.267%	840	252,375,000.00	252,939,435.12	253,163,495.56
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
COLLATERALIZED CDs	-	-	0.00	0.00	0.00
TOTAL ACTIVELY MANAGED PORTFOLIO:	**4.382%**	**742**	**286,980,724.62**	**287,545,159.74**	**287,769,220.18**

(See page 4 for detailed list of investments)

PASSIVELY INVESTED PORTFOLIO (Note and Bond Proceeds):	PAR VALUE	FAIR VALUE	COST CARRIED
TRAN NOTES - LOCAL AGENCY INVESTMNT FUND (LAIF	13,506,831.58	13,506,831.58	13,506,831.58
BONDS - LOCAL AGENCY INVESTMENT FUND (LAIF			
- Chico Unified School District "A"	10,488,316.44	10,488,316.44	10,488,316.44
- Paradise Unified School District "M"	2,127,967.50	2,127,967.50	2,127,967.50
- Oroville Union High School District "A"	926,315.99	926,315.99	926,315.99
- Butte/Glenn Community College District "A"	115,910.46	115,910.46	115,910.46
- Butte/Glenn Community College District "B"	30,426,174.30	30,426,174.30	30,426,174.30
- Thermalito Union School District "M"	518,979.95	518,979.95	518,979.95
SUBTOTAL NOTE AND BOND PROCEEDS	58,110,496.22	58,110,496.22	58,110,496.22
INVESTMENTS WITH TRUSTEES (See "Investments Under Management of Trustees," for detail)	19,043,142.97	19,040,054.17	19,036,403.77
TOTAL PASSIVELY INVESTED PORTFOLIO:	**77,153,639.19**	**77,150,550.39**	**77,146,899.99**

	PAR VALUE	FAIR VALUE	COST CARRIED
TOTAL INVESTMENT PORTFOLIO:	**364,134,363.81**	**364,695,710.13**	**364,916,120.17**

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	(A)
Securities Maturing	22,020,000	(B)
Local Agency Investment Fund / Cal Trust (includes TRAN)	47,478,088	(C)
Total Liquidity For Next Six Months	104,643,928	(A+B+C)
Estimated Cash Available For Long Term Investment	(30,000,000)	
Remaining Available Liquidity	74,643,928	
Total actively managed investments maturing in less than 12 months:	**101,125,725**	
Total actively managed investments maturing in more than 12 months:	**185,855,000**	

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

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
INVESTMENTS UNDER MANAGEMENT OF TRUSTEES
September 30, 2007

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	4.280%	17,474.71	17,474.71	17,474.71
Reserve Fund #[redacted]6101	Money Market		First Amer Treas Oblig Fund D	4.280%	8,855.19	8,855.19	8,855.19
	US Treas/Agency	02/15/08	FHLB #3133MVZA4	3.400%	520,000.00	516,911.20	513,260.80
Lease Payment #[redacted]6100	Money Market		First Amer Treas Oblig Fund D	4.280%	24,009.36	24,009.36	24,009.36
SUBTOTAL					570,339.26	567,250.46	563,600.06
2004 PENSION OBLIGATION BONDS							
WELLS FARGO BANK, TRUSTEE							
Series A Bond Fund #[redacted]1106	Money Market		Gov MMF Service Fund #743	4.692%	1,697,891.62	1,697,891.62	1,697,891.62
Int. Rate Stabilization Fund #[redacted]1109	Money Market		Gov MMF Service Fund #743	4.692%	1,815,956.24	1,815,956.24	1,815,956.24
Series B Interest Fund #[redacted]1301	Money Market		Gov MMF Service Fund #743	4.692%	1,588,137.91	1,588,137.91	1,588,137.91
Series C Interest Fund #[redacted]1501	Money Market		Gov MMF Service Fund #743	4.692%	519.28	519.28	519.28
SUBTOTAL					5,102,505.05	5,102,505.05	5,102,505.05
2004 WORKERS' COMPENSATION FUNDING							
WELLS FARGO BANK, TRUSTEE							
Trust Fund #[redacted]0600	Money Market		Gov MMF Service Fund #743	4.692%	489,070.00	489,070.00	489,070.00
	Cash		Cash		0.00	0.00	0.00
	Annuity Contract	5/1/08	Transamerica Life Ins & Annuit	3.050%	11,413,273.01	11,413,273.01	11,413,273.01
Custodial Account #[redacted]1600	Money Market		Gov MMF Service Fund #743	4.692%	192,046.54	192,046.54	192,046.54
G B BRAGG & ASSOC - Claims Administrators			Business Interest Checking	0.230%	15,181.77	15,181.77	15,181.77
Umpqua Bank #[redacted]5374							
SUBTOTAL					12,109,571.32	12,109,571.32	12,109,571.32
2006 COP - NEAL ROAD LANDFILL							
WELLS FARGO BANK, TRUSTEE							
Certificate Reserve Fund #[redacted]0800	Money Market		Gov MMF Service Fund #743	4.692%	1,207,399.78	1,207,399.78	1,207,399.78
Base Rental Payment Fund #[redacted]0801	Money Market		Gov MMF Service Fund #743	4.692%	43,096.34	43,096.34	43,096.34
Expense Fund #[redacted]0802	Money Market		Gov MMF Service Fund #743	4.692%	10,231.22	10,231.22	10,231.22
SUBTOTAL					1,260,727.34	1,260,727.34	1,260,727.34
					PAR VALUE	**FAIR VALUE**	**COST CARRIED**
GRAND TOTAL					**19,043,142.97**	**19,040,054.17**	**19,036,403.77**

9/30/2007

BUTTE COUNTY TREASURER'S INVESTMENT REPORT
ACTIVELY MANAGED PORTFOLIO "AT-A-GLANCE"
September 30, 2007

Investments by Type*

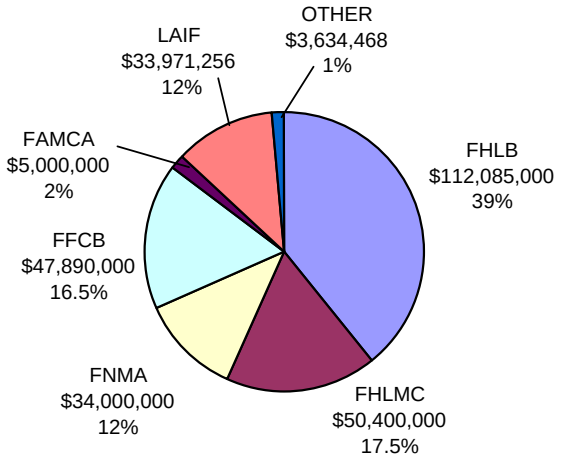
Federal Home Loan Bank	FHLB	$	112,085,000
Fed Home Loan Mortgage Corp	FHLMC	$	50,400,000
Fed National Mortgage Assn	FNMA	$	34,000,000
Federal Farm Credit Bank	FFCB	$	47,890,000
Fed Agriculture Mortgage Corp	FAMCA	$	5,000,000
Local Agency Investment Fund	LAIF	$	33,971,256
CD, TVA, Cal Trust	OTHER	$	3,634,468
TOTAL PAR VALUE		$	286,980,725

Investments by Maturity & Yield*

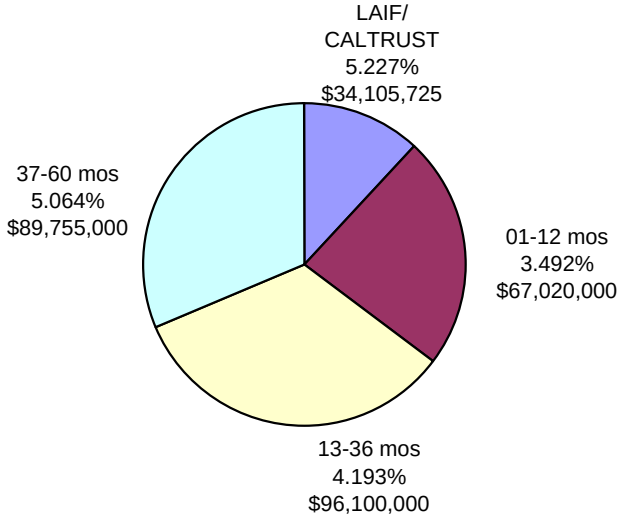
LAIF/CALTRUST 5.227%	$	34,105,725
01-12 mos 3.492%	$	67,020,000
13-36 mos 4.193%	$	96,100,000
37-60 mos 5.064%	$	89,755,000
TOTAL PAR VALUE	$	286,980,725

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

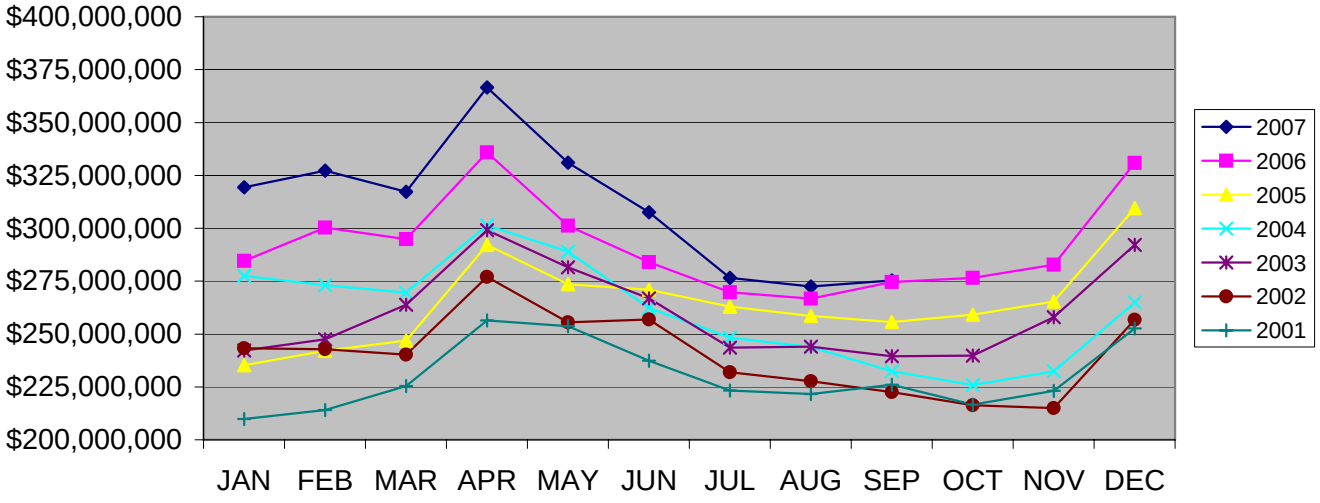
INVESTMENTS BY TYPE



INVESTMENTS BY MATURITY & YIELD



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



BUTTE COUNTY TREASURER'S INVESTMENT REPORT

MANAGED PORTFOLIO - DETAILS OF SECURITIES HELD

September 30, 2007

Security	Description	S&P	Purchase Date	Maturity Date	Par/Curr Face	Fair Value	Book Value*	Yield to Maturity (%)
3136F5JW2	FEDERAL NATL MORTGAGE ASSN	AAA	04/01/04	10/1/2007	3,000,000.00	2,999,062.50	3,000,000.00	2.657
3133XCE25	FEDERAL HOME LOAN BANK	AAA	10/26/05	10/26/2007	3,000,000.00	2,998,125.00	2,998,957.03	4.627
3133X5HP6	FEDERAL HOME LOAN BANK	AAA	03/29/04	12/28/2007	5,000,000.00	4,975,000.00	5,000,000.00	2.750
31331RMX0	FFCB MEDIUM TERM NOTE	AAA	01/14/03	1/14/2008	3,020,000.00	3,029,241.20	3,040,295.34	3.458
31359MQM8	FEDERAL NATL MORTGAGE ASSN	AAA	01/15/03	1/15/2008	5,000,000.00	4,975,000.00	4,996,178.00	3.517
3128X4K67	FEDERAL HOME LOAN MTG CORP	AAA	03/07/06	3/7/2008	3,000,000.00	3,002,649.00	3,000,000.00	5.250
31331QZP5	FEDERAL FARM CREDIT BANK	AAA	04/16/03	4/16/2008	5,000,000.00	4,968,750.00	4,997,812.42	3.682
31359MRW5	FEDERAL NATL MORTGAGE ASSN	AAA	03/29/04	5/19/2008	5,000,000.00	4,939,062.50	4,998,119.79	2.935
3128X1CD7	FEDERAL HOME LOAN MTG CORP	AAA	05/21/03	5/21/2008	5,000,000.00	4,960,050.00	5,000,000.00	3.500
3133MYZX8	FEDERAL HOME LOAN BANK	AAA	06/02/03	6/2/2008	5,000,000.00	4,942,187.50	5,000,000.00	3.000
3128X1EB9	FEDERAL HOME LOAN MTG CORP	AAA	06/04/03	6/4/2008	5,000,000.00	4,950,000.00	4,999,878.84	3.254
3133MYYU5	FEDERAL HOME LOAN BANK	AAA	06/05/03	6/5/2008	5,000,000.00	4,950,000.00	4,999,513.98	3.265
31331TRH6	FEDERAL FARM CREDIT BANK	AAA	01/28/04	7/28/2008	5,000,000.00	4,957,812.50	4,999,692.23	3.633
3133X0LJ6	FEDERAL HOME LOAN BANK	AAA	12/10/03	8/15/2008	5,000,000.00	4,962,500.00	5,005,392.66	3.622
31359MTF0	FEDERAL NATL MORTGAGE ASSN	AAA	03/26/04	9/15/2008	5,000,000.00	4,960,937.50	5,023,833.81	3.236
3133X2BZ7	FEDERAL HOME LOAN BANK	AAA	12/02/03	11/14/2008	5,000,000.00	4,953,125.00	4,986,949.40	3.868
3133X2BZ7	FEDERAL HOME LOAN BANK	AAA	12/10/03	11/14/2008	5,000,000.00	4,953,125.00	4,996,180.45	3.696
3128X2ME2	FEDERAL HOME LOAN MTG CORP	AAA	03/29/04	1/12/2009	5,000,000.00	4,960,937.50	5,025,814.41	3.454
31359MEK5	FEDERAL NATL MORT ASSN	AAA	01/15/04	1/15/2009	5,000,000.00	5,046,875.00	5,094,649.83	3.711
3136F45D2	FEDERAL NATL MORTGAGE ASSN	AAA	01/30/04	1/30/2009	5,000,000.00	4,965,625.00	4,999,295.01	4.011
3133M7N77	FEDERAL HOME LOAN BANK	AAA	03/05/04	2/17/2009	3,980,000.00	4,038,456.25	4,090,154.92	3.441
3133X56B9	FEDERAL HOME LOAN BANK	AAA	03/30/04	3/30/2009	5,000,000.00	4,917,187.50	5,000,000.00	3.320
31331TD40	FEDERAL FARM CREDIT BANK	AAA	04/15/04	4/15/2009	5,000,000.00	4,928,125.00	4,987,559.74	3.671
3134A4UQ5	FEDERAL HOME LOAN MTG CORP	AAA	04/15/04	4/15/2009	5,000,000.00	4,918,750.00	4,990,207.52	3.509
31331VBR6	FEDERAL FARM CREDIT BANK	AAA	11/20/06	6/11/2009	3,000,000.00	2,999,062.50	2,978,719.54	4.903
3128X1PN1	FEDERAL HOME LOAN MTG CORP	AAA	12/13/04	7/9/2009	2,000,000.00	1,958,722.00	1,983,062.03	3.760
3128X3SL8	FEDERAL HOME LOAN MTG CORP	AAA	12/13/04	7/30/2009	2,750,000.00	2,745,703.13	2,757,994.68	4.204
3128X3VA8	FEDERAL HOME LOAN MTG CORP	AAA	12/15/04	9/1/2009	2,000,000.00	1,987,648.00	2,000,000.00	4.125
3128X3WY5	FEDERAL HOME LOAN MTG CORP	AAA	12/10/04	9/22/2009	3,500,000.00	3,469,686.50	3,497,405.71	4.041
3133XHS94	FEDERAL HOME LOAN BANK	AAA	01/25/07	11/13/2009	3,000,000.00	3,002,812.50	2,996,102.12	5.318
31331HE29	FEDERAL FARM CREDIT BANK	AAA	10/28/05	2/9/2010	2,500,000.00	2,662,500.00	2,643,642.92	4.668
3128X34V2	FEDERAL HOME LOAN MTG CORP	AAA	06/17/05	2/22/2010	3,000,000.00	2,982,249.00	2,992,915.67	4.349
3128X35R0	FEDERAL HOME LOAN MTG CORP	AAA	03/11/05	3/1/2010	3,000,000.00	2,989,137.00	2,988,384.17	4.553
3134A33L8	FHLMC DEBENTURES	AAA	03/15/05	3/15/2010	3,000,000.00	3,172,500.00	3,171,479.74	4.420
31331STD5	FEDERAL FARM CREDIT BANK	AAA	04/05/05	4/5/2010	3,000,000.00	3,009,375.00	3,001,689.89	4.625
31331SZQ9	FEDERAL FARM CREDIT BANK	AAA	06/21/05	6/10/2010	3,370,000.00	3,325,768.75	3,349,972.35	4.246
3133XBTH8	FEDERAL HOME LOAN BANK	AAA	06/21/05	6/11/2010	3,000,000.00	2,979,375.00	3,001,387.72	4.231
3133XCEQ2	FEDERAL HOME LOAN BANK	AAA	07/27/05	7/13/2010	3,000,000.00	2,988,750.00	2,983,924.63	4.592
3128X4GL9	FEDERAL HOME LOAN MTG CORP	AAA	09/19/05	8/4/2010	3,000,000.00	3,023,223.00	3,000,000.00	4.790
31331TBZ3	FEDERAL FARM CREDIT BANK	AAA	09/21/05	8/27/2010	3,000,000.00	2,994,375.00	3,003,513.97	4.405
3133XCTV5	FEDERAL HOME LOAN BANK	AAA	10/11/05	9/1/2010	3,000,000.00	3,039,375.00	3,000,000.00	5.000
3133XCUR2	FEDERAL HOME LOAN BANK	AAA	09/15/05	9/10/2010	3,000,000.00	2,994,375.00	3,016,602.24	4.288
31315PAP4	FEDERAL AGRIC MTG CORP	AAA	10/13/05	10/12/2010	3,000,000.00	3,008,499.00	2,995,129.41	4.686
31331VDJ2	FEDERAL FARM CREDIT BANK	AAA	10/21/05	10/20/2010	3,000,000.00	3,015,000.00	3,002,293.22	4.671
31331VLW4	FEDERAL FARM CREDIT BANK	AAA	01/06/06	12/23/2010	3,000,000.00	3,023,437.50	3,002,648.89	4.768
307692AA1	FARMER MAC GTD NOTES TR		06/02/06	1/14/2011	2,000,000.00	1,965,833.94	1,965,833.94	5.489
3133MDBT9	FEDERAL HOME LOAN BANK	AAA	02/15/06	2/15/2011	3,000,000.00	3,114,375.00	3,088,869.78	4.853
3128X2ZQ1	FEDERAL HOME LOAN MTG CORP	AAA	03/02/06	2/24/2011	3,000,000.00	2,960,625.00	2,922,020.74	5.021
3133XENX3	FEDERAL HOME LOAN BANK	AAA	03/13/06	3/11/2011	3,000,000.00	3,030,000.00	2,989,780.45	4.991
3133X7C69	FEDERAL HOME LOAN BANK	AAA	05/15/06	5/13/2011	3,000,000.00	3,037,500.00	2,969,864.38	5.331
3136F7B48	FEDERAL NATL MORTGAGE ASSN	AAA	10/02/06	5/19/2011	3,000,000.00	3,053,437.50	3,022,725.24	5.122
3136F67B9	FEDERAL NATL MORTGAGE ASSN	AAA	12/18/06	6/14/2011	3,000,000.00	3,004,687.50	2,981,192.82	4.840
3128X1MB0	FHLMC STRUCTURED NOTE	AAA	10/26/06	6/20/2011	1,150,000.00	1,165,667.60	1,146,173.37	5.106
31339YPU0	FHLB STEP-UP	AAA	12/14/06	7/29/2011	1,000,000.00	1,013,125.00	1,005,718.91	4.823
3133MGYH3	FHLB CONSOL BOND	AAA	10/26/06	8/15/2011	3,000,000.00	3,116,250.00	3,069,234.20	5.038
3133XF5T9	FEDERAL HOME LOAN BANK	AAA	10/02/06	9/9/2011	3,000,000.00	3,038,437.50	3,007,181.77	4.927
3133XF5T9	FEDERAL HOME LOAN BANK	AAA	12/18/06	9/9/2011	3,000,000.00	3,038,437.50	3,016,955.98	4.829
31331V5Y8	FEDERAL FARM CREDIT BANK	AAA	11/27/06	10/3/2011	3,000,000.00	3,037,500.00	3,012,865.88	4.872
3133XHAD4	FEDERAL HOME LOAN BANK	AAA	11/20/06	10/6/2011	3,000,000.00	3,017,812.50	3,000,000.00	5.250
3134A1CV0	FEDERAL HOME LOAN MTG CORP	AAA	12/11/06	10/24/2011	1,000,000.00	1,083,125.00	1,077,781.86	4.673
3133XHRB0	FEDERAL HOME LOAN BANK	AAA	11/07/06	11/7/2011	2,000,000.00	2,012,500.00	2,000,000.00	5.125
3133XHRK0	FEDERAL HOME LOAN BANK	AAA	01/25/07	12/9/2011	3,000,000.00	3,010,312.50	2,963,271.52	5.105
3133XJ6K9	FEDERAL HOME LOAN BANK	AAA	12/12/06	12/12/2011	2,550,000.00	2,553,187.50	2,546,789.13	5.036
3133XJAW8	FEDERAL HOME LOAN BANK	AAA	12/15/06	12/15/2011	3,000,000.00	3,010,312.50	3,000,000.00	5.000
3133XJKT4	FEDERAL HOME LOAN BANK	AAA	02/01/07	2/1/2012	3,000,000.00	3,000,000.00	2,994,800.00	5.675
3133XJQ84	FEDERAL HOME LOAN BANK	AAA	03/09/07	2/15/2012	3,000,000.00	3,000,000.00	2,999,069.43	5.609
3133XJX86	FEDERAL HOME LOAN BANK	AAA	03/09/07	3/5/2012	3,000,000.00	3,000,000.00	3,000,000.00	5.625
31331XSF0	FEDERAL FARM CREDIT BANK	AAA	03/12/07	3/12/2012	3,000,000.00	3,020,625.00	2,997,422.60	4.874
3133XKAL9	FEDERAL HOME LOAN BANK	AAA	03/21/07	3/21/2012	2,555,000.00	2,564,581.25	2,554,285.84	5.008
31331XVH2	FEDERAL FARM CREDIT BANK		04/16/07	4/12/2012	3,000,000.00	3,024,375.00	2,984,514.58	5.015
3133XKQS7	FEDERAL HOME LOAN BANK	AAA	05/07/07	5/7/2012	3,000,000.00	3,024,375.00	3,000,000.00	5.050
3133XKT70	FHLB 5.2 5/14/12	AAA	05/14/07	5/14/2012	3,000,000.00	3,019,687.50	3,000,000.00	5.200
880591DT6	TENN VALLEY AUTHORITY BD	AAA	05/23/07	5/23/2012	3,000,000.00	3,254,757.00	3,236,850.84	4.718
3133XLEA7	FEDERAL HOME LOAN BANK	AAA	06/14/07	6/8/2012	5,000,000.00	5,143,750.00	4,969,438.41	5.539
TOTAL					**252,375,000.00**	**252,939,435.12**	**253,119,995.95**	**4.267%**

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