Council Meeting of
April 1, 2014

Honorable Mayor and Members
Of City Council
City Hall
Torrance, California

Members of Council:

SUBJECT: City Treasurer - Accept and file Investment Report for February 2014

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of February 2014.

FUNDING

Not applicable

BACKGROUND

On December 17, 2013, Your Honorable Body, through passage of Resolution 2012-94, adopted an official "Statement of Investment Policy" as recommended by the City Treasurer. The City's Statement of Investment Policy requires the City Treasurer to report a monthly statement of investment activity. This requirement is provided in the attached report.

Investment Committee Note

The Investment Committee, made up of the Finance Director, City Manager, City Attorney, City Treasurer and Deputy City Treasurer, as created by your Honorable Body, has reviewed the attached report.

Respectfully submitted,

Dana Cortez
City Treasurer

Noted:

Nancy Giordano
for LeRoy J. Jackson
City Manager

CC: City Manager
City Clerk

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CITY of TORRANCE
Monthly Investment Portfolio Report
February 28, 2014

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Investment Report Summary Notes for February 2014

Investment Activity during the Period

The investment activity for February included 4 purchases and 8 redemptions.

Purchases

Issuer	PAR VALUE	TERM	RATE	YIELD	Structure
Federal Farm Credit Bank	3,000,000	3.3 years	1.100%	.931%	Bullet
Federal Home Loan Bank	2,000,000	4.3 years	1.250%	1.356%	Bullet
Federal Home Loan Bank	2,000,000	2.3 years	2.125%	.428%	Bullet
Federal Home Loan Bank	2,000,000	2.0 years	1.000%	.363%	Bullet

Redemptions

Issuer	PAR VALUE	TERM	RATE	YIELD	STATUS
Federal Home Loan Mortgage Corp	1,000,000	3 years	.550%	.549%	Called
Federal Home Loan Mortgage Corp	3,000,000	5 years	.750%	.749%	Called
Federal Home Loan Mortgage Corp	1,000,000	4 years	.800%	.799%	Called
Federal Home Loan Mortgage Corp	2,000,000	5 years	.750%	.749%	Called
Federal Home Loan Mortgage Corp	2,000,000	5 years	1.125%	1.123%	Called
Federal Farm Credit Bank	1,000,000	3 years	.440%	.439%	Called
Apple Bank	245,000	1.5 years	.500%	.500%	Matured
Walmart	2,000,000	4.5 years	3.000%	2.904%	Matured

The LAIF balance increased by $4.9 million and the average monthly yield was .236%. During the month of January we had 4 LAIF deposits and 4 withdrawals (activity detail on page 3 of the investment report). The LAIF (less TRAN set aside) balance as of February 28, 2014 was $21.7 million. January 31, 2014 portfolio balance was $164,421,126 and the balance as of February 28, 2014 was $166,247,276. The total portfolio increased by $1.8 million.

Liquidity of the Portfolio

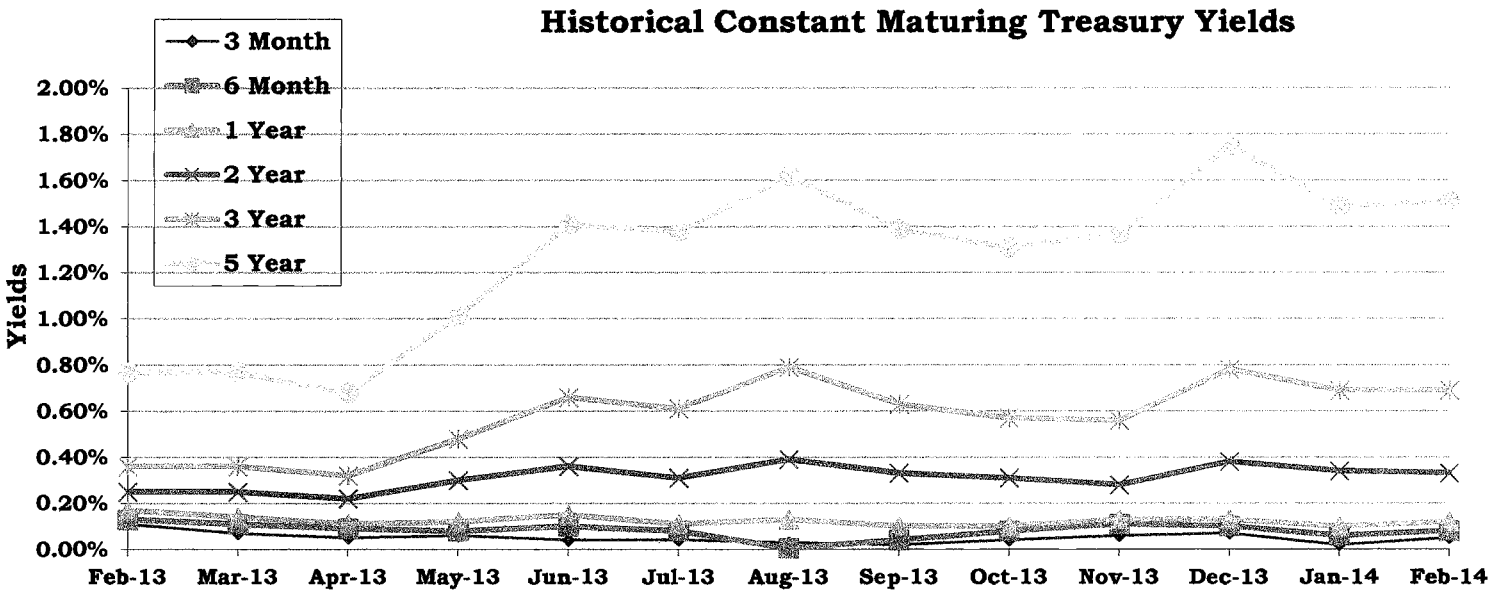
- The current goal is to keep the portfolio at an average maturity between 2 to 3 years based on current economic trends. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current state or conditions of the economy. The portfolio's current average maturity is 861 days or 2.4 years. This is a slight decrease from the previous month.
- The City is in compliance with California Government Code Section 53646 which requires local agency to report its ability to meet pooled expenditure requirements for the next six (6) months. Currently, our projected cash flows for the next six months show that anticipated inflows exceed outflows in the amount of $14.2 million excluding LAIF that has a projected average balance of $13.2 million for the same period.
- The goal is to keep an average $10-$20 million in liquid assets in order to meet operational needs and for any unexpected expenditures that may arise. During the second half of the fiscal year, per TRAN requirements, we set aside 50% of the TRAN payments in January and the remaining balance in May which increases our liquidity by the amount of these payments. For this fiscal year the TRAN payment is $30 million plus interest.

Investment Comparison to Benchmark

For the month of January the City's yield to maturity on pooled investments was .915%. The yield decreased 5 basis points or .05% from the previous month. The average effective rate of return for fiscal year-to-date is 1.11%. The average yield on the 2 year U.S. Constant Maturing Treasury (CMT) was .33% which reflects a slight decrease of 1 basis points or .01% compared to the prior month. The portfolio performed above the benchmark (CMT) by 59 basis points or .59%. As the economy improves and interest rates continue to slowly move upward we will see the spread between the portfolio performance and our benchmark contract. Our portfolio is a buy and hold portfolio, and in an interest rising environment, we can expect that there will be periods where the portfolio will appear to underperform in relation to our benchmark. Although this behavior is still not present it is important to understand that this will happen. This expected behavior for a buy and hold portfolio, as this type of portfolio, tends to lag in catching-up to rising interest rates especially if rates rise quickly. We will see the same happen with LAIF rates. Although the LAIF portfolio does not exceed 18 months, in general, we can expect that LAIF yields will also lag as rates rise.

Investment Report Summary Notes for February 2014

The graph below tracks the US Constant Maturing Treasury yields for the past twelve month period for a variety of terms.



Prepared by the City Treasurer's Dept. for Investment Advisory Committee reference.

I. POOLED FUNDS

Investment Report
February 2014

Investment Portfolio Highlights

RETURN	Current Month	Previous Month
Effective Rate of Retun	1.110%	1.130%
Average City Portfolio YTM	0.915%	0.967%
Average U.S. Treasury Constant Maturity - 2 year	0.330%	0.340%
LAIF Average Monthly Return	0.236%	0.244%
Average City Portfolio YTM - 1 year prior	1.087%	1.158%
INTEREST INCOME	Current Period	Prior Year
Fiscal year to date	$1,085,045	$1,281,406
Current month	$122,713	$151,852
MATURITY	Current Month	Prior Month
Average Maturity (days)	861	888
Average Maturity 1 Year Prior (days)	897	946
Weighted Average Maturity (years)	2.36	2.43
VOLUMES	Total $ Volume	# of Transactions
Purchases	$35,363,996	8
Maturities/Redemptions	$33,597,966	12

Portfolio Activity Summary

Month End	Year	Number of Securities	Average Balance	Yield to Maturity 360	Yield to Maturity 365	Managed Pool Rate	Investments Purchased	Investments Redeemed	Average Term	Average Days to Mat
February	2013	103	163,915,502.52	1.071	1.086	0.286%	2	4	1,199	897
March	2013	103	162,544,755.27	1.088	1.103	0.285%	3	3	1,228	895
April	2013	101	163,304,432.84	0.968	0.981	0.264%	6	8	1,120	822
May	2013	106	176,251,178.31	0.903	0.916	0.245%	9	4	1,081	800
June	2013	107	179,938,768.77	0.956	0.969	0.244%	2	0	1,199	885
July	2013	103	145,319,168.79	1.068	1.083	0.267%	1	4	1,441	1,059
August	2013	101	143,718,235.33	1.003	1.017	0.271%	0	2	1,333	963
September	2013	97	147,018,331.76	0.988	1.002	0.257%	0	4	1,314	930
October	2013	102	148,793,736.36	1.073	1.088	0.266%	7	2	1,475	1,059
November	2013	101	139,220,177.47	1.098	1.113	0.263%	1	2	1,513	1,077
December	2013	97	139,854,277.57	1.043	1.058	0.264%	0	4	1,414	983
January	2014	98	150,440,914.52	0.954	0.967	0.244%	4	3	1,274	888
February	2014	94	160,971,307.46	0.902	0.915	0.236%	4	8	1,200	861
	Average	**101**	**155,358,453.58**	**1.009%**	**1.023%**	**0.261%**	**3**	**4**	**1,292**	**932**

Investment Report
February 2014

Investment Portfolio Summary

	Book Value	% of Portfolio	Market Value	% of Portfolio	% per Policy	Modified Duration (MV)	Days to Maturity (BV)	Maximum Term	YTM (BV)
Local Agency Investment Fund (State of California)	**$36,700,000**	**22.62%**	**$36,700,000**	**22.62%**	**$50Mil**	**0.00%**	**1**	**N/A**	**0.236%**
Union Bank Custodial - Money Market Account (For Pending Purchases/Interest)	**$0**	**0.00%**	**$0**	**0.00%**	**100%**	**0.00%**	**1**	**N/A**	**0.001%**
Negotiable Certificates of Deposit	**$6,125,000**	**3.77%**	**$6,126,205**	**3.78%**	**20%**	**2.44%**	**913**	**5 Years**	**0.566%**
Federal Agency Issues	**$100,380,545**	**61.86%**	**$100,073,820**	**61.67%**	**75%**	**3.14%**	**1180**	**5 Year**	**0.959%**
Farmer Mac	$14,499,672	8.94%	$14,442,710	8.90%	30%	3.71%	1397	5 Year	1.125%
Federal Farm Credit Bank	$19,621,787	12.09%	$19,727,010	12.16%	30%	2.69%	1011	5 Year	1.255%
Federal Home Loan Bank	$23,124,242	14.25%	$22,964,730	14.15%	30%	3.26%	1226	5 Year	0.870%
Federal Home Loan Mortgage Corporation	$30,191,416	18.61%	$30,063,940	18.53%	30%	2.82%	1065	5 Year	0.710%
Federal National Mortgage Association	$12,943,428	7.98%	$12,875,430	7.93%	30%	3.68%	1376	5 Year	1.066%
U.S. Treasury Securities	**$0**				**100%**			**5 Year**	
Medium Term Notes	**$19,069,430**	**11.75%**	**$19,370,829**	**11.93%**	**20%**	**2.17%**	**821**	**5 Year**	**2.099%**
3m	$1,084,775	0.67%	$1,077,689	0.66%	5%	3.25%	1213	5 Year	0.864%
Barclay	$3,000,000	1.85%	$3,046,650	1.88%	5%	2.56%	972	5 Year	3.287%
Bank of Montreal	$1,000,917	0.62%	$998,440	0.62%	5%	3.41%	1290	5 Year	1.373%
Colgate Palmolive Co.	$1,995,576	1.23%	$1,987,340	1.22%	5%	4.46%	1706	5 Year	1.599%
General Electric	$992,775	0.61%	$1,028,940	0.63%	5%	1.65%	618	5 Year	2.710%
General Electric Capital Corp	$5,993,435	3.68%	$6,153,780	3.79%	5%	1.69%	629	5 Year	2.117%
MicroSoft Corp	$1,000,000	0.62%	$1,006,430	0.62%	5%	0.25%	92	5 Year	2.949%
Toyota Motor Center Corp	$3,001,480	1.85%	$3,046,770	1.88%	5%	1.57%	585	5 Year	1.389%
Wal-Mart Stores	$1,000,471	0.62%	$1,024,790	0.63%	5%	1.33%	494	5 Year	2.213%
Total Investments	**$162,274,975**	**100.00%**	**$162,270,854**	**99.99%**		**2.28%**	**861**		**0.915%**
Cash In Bank - General	**$2,228,585**						**Earnings Credit**		**0.250%**
Cash In Bank - Housing	**$1,743,717**						**Earnings Credit**		**0.250%**
Total Funds	**$166,247,277**								

Effective Rate of Return	
Month Ending	**Fiscal YTD**
0.99%	**1.11%**

I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Resolution 2013-86 on December 17, 2013, per California Government Code §53601. A copy of this policy is available at the office of the City Clerk.

Dana Cortez - City Treasurer

Shiela Abalayan - Deputy City Treasurer

Investment Report
February 2014

Portfolio Monthly Activity Detail

Investment Number.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS HELD/ DAYS TO MATURITY	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
PURCHASES											
11121	Great Pacific	02/07/2014	FFCB	AA+/Aaa	06/28/2017	1215	1.100%	0.931%	3,000,000	3,016,558	3,014,460
11122	Great Pacific	02/20/2014	FHLB	AA+/Aaa	06/20/2018	1572	1.250%	1.356%	2,000,000	1,991,163	1,985,260
11123	Great Pacific	02/26/2014	FHLB	AA+/Aaa	06/10/2016	832	2.125%	0.428%	2,000,000	2,076,732	2,073,140
11124	Higgins Capital	02/27/2014	FHLB	AA+/Aaa	03/11/2016	741	1.000%	0.363%	2,000,000	2,025,699	2,025,660
								0.787%	**9,000,000**	**9,110,152**	**9,098,520**
MATURITIES/CALLS/SALES											
11018	Vining Sparks	02/13/2012	FHLMC	AA+/Aaa	02/13/2015	731/1096	0.550%	0.549%	1,000,000	1,000,000	1,000,000
11019	Great Pacific	02/28/2012	FHLMC	AA+/Aaa	02/28/2017	731/1827	0.750%	0.749%	3,000,000	3,000,000	3,000,000
11021	Vining Sparks	02/24/2012	FHLMC	AA+/Aaa	02/24/2016	731/1461	0.800%	0.799%	1,000,000	1,000,000	1,000,000
11022	Higgins Capital	02/28/2012	FHLMC	AA+/Aaa	02/28/2017	731/1827	0.750%	0.749%	2,000,000	2,000,000	2,000,000
11026	Vining Sparks	02/24/2012	FHLMC	AA+/Aaa	02/24/2017	731/1827	1.125%	1.123%	2,000,000	2,000,000	2,000,000
11067	Vining Sparks	10/01/2012	FFCB	AA+/Aaa	10/01/2015	513/1095	0.440%	0.439%	1,000,000	1,000,000	1,000,000
11047	Wedbush	08/01/2012	Apple	FDIC	02/03/2014	551/551	0.500%	0.500%	245,000	245,000	245,000
10820	Stone & Youngberg	08/14/2009	Walmart	AA/Aa2	02/03/2014	1634/1634	3.000%	2.904%	2,000,000	2,000,000	2,000,000
								1.120%	**12,245,000**	**12,245,000**	**12,245,000**

State of California Local Agency Pool	Beginning Balance	Rate	Yield	Deposits	Withdrawals	Interest Earned	Ending Balance
City	16,800,000	0.236%	0.236%	12,100,000	7,200,000	-	21,700,000
TRAN Repayment	15,000,000	0.236%	0.236%				15,000,000
	$31,800,000			**$12,100,000**	**$7,200,000**	**$ -**	**36,700,000**

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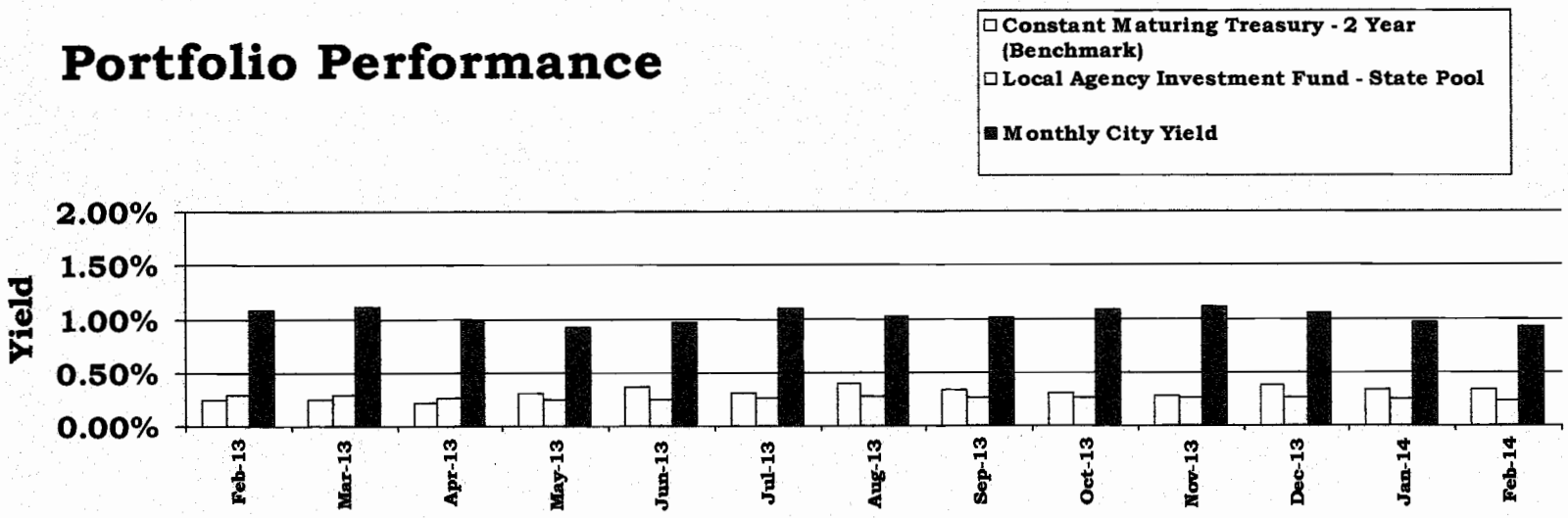
Investment Report
February 2014

Portfolio Performance

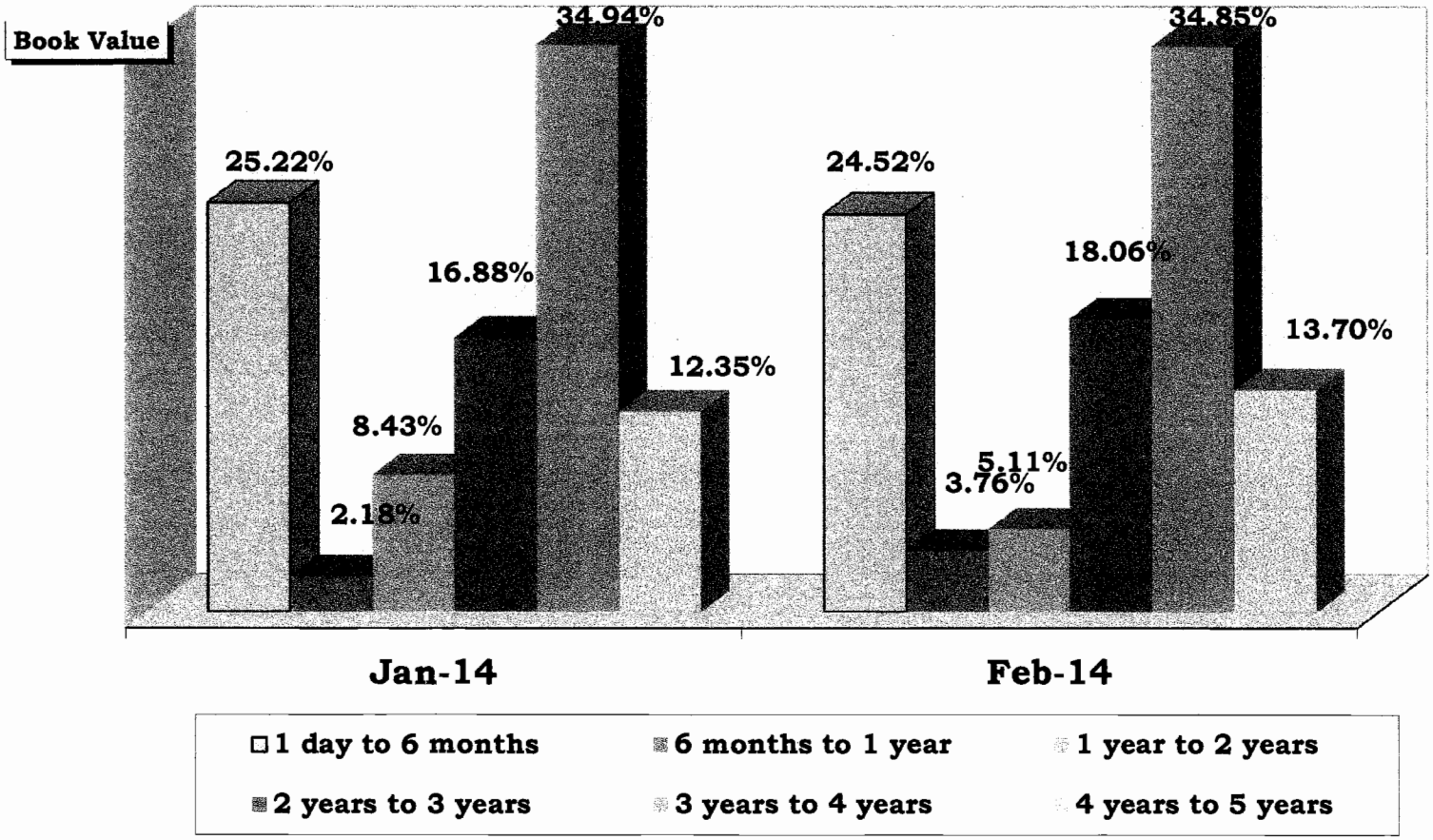


Portfolio Earnings Summary

	February 28, 2014	Fiscal Year to Date
CD/Coupon/Discount Investments:		
Interest Collected	$111,683.20	$1,588,644.21
Plus Interest at End of Period	$403,922.27	$403,922.27
Less Accrued Interest at Beginning of Period	($352,236.84)	($598,102.52)
Interest Earned	**$163,368.63**	**$1,394,463.96**
Adjusted By Premium	($46,539.04)	($406,468.46)
Adjusted by Capital	$0.00	$70,290.08
Earnings during	**$116,829.59**	**$1,058,285.58**
Cash/Checking Accounts:		
Interest Collected	$23.01	$41,964.45
Plus Accrued Interest at End of Period	$10,891.36	$10,891.36
Less Interest at Beginning of Period	($5,030.98)	($26,096.69)
Interest Earned	**$5,883.39**	**$26,759.12**
Total Interest Earned	**$169,252.02**	**$1,421,223.08**
Total Adjustments from Premium and Discounts	($46,539.04)	($406,468.46)
Total Capital Gains or Loss	$0.00	$70,290.08
Total Earnings this Period	**$122,712.98**	**$1,085,044.70**

Investment Report
February 2014

Maturity Distribution

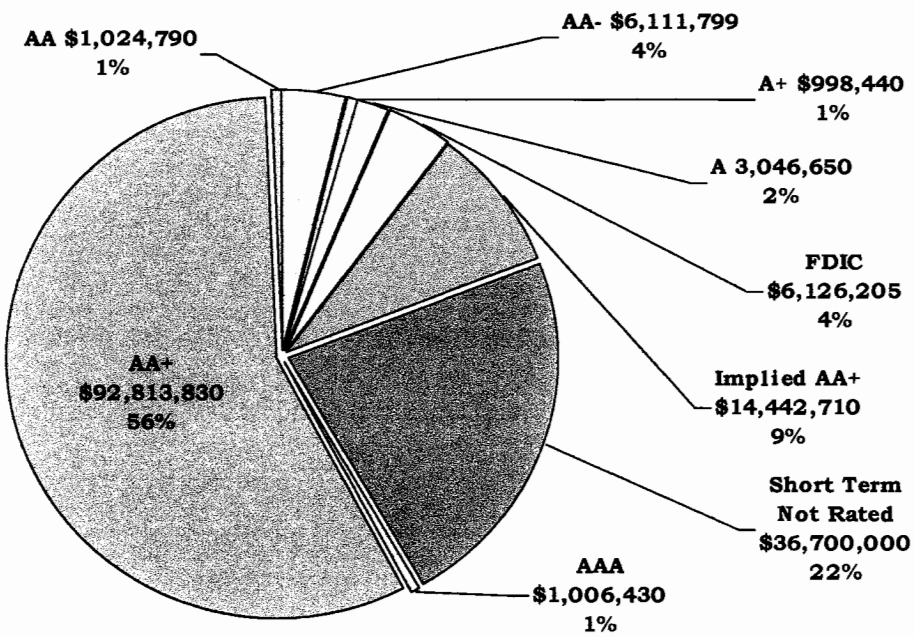


NOTE:*SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and monies of the local agency. It also requires a statement of compliance of the portfolio with the statement of investment policy and a statement of the local agency's ability to meet the expenditure requirements of the pool for the next six months.

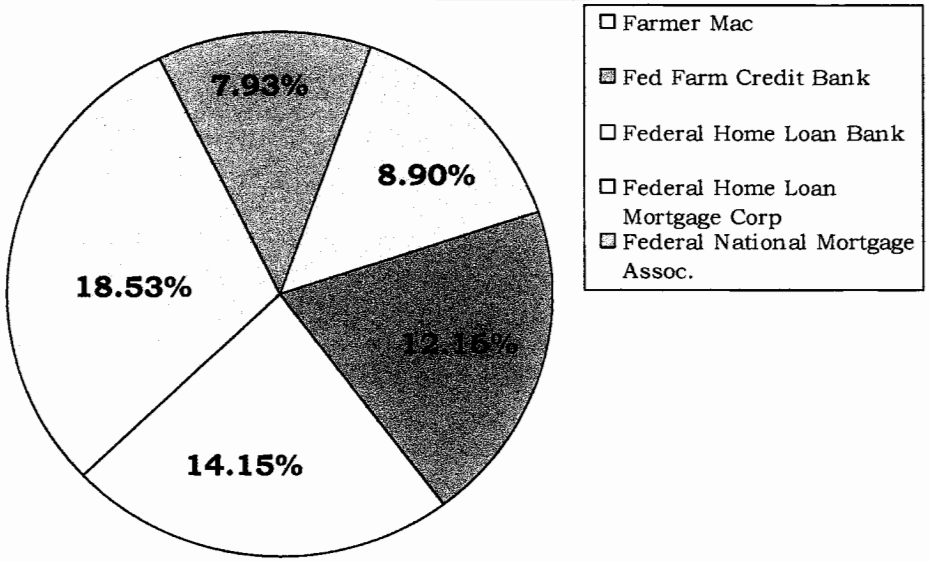
Investment Report
February 2014

Portfolio Distribution

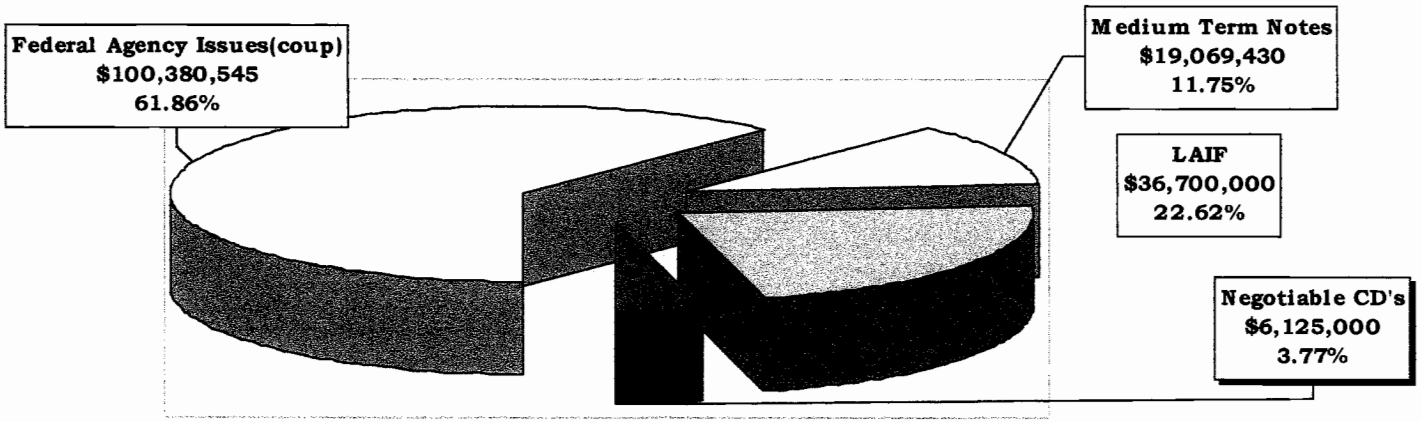
Market Value and Credit Rating Report



Federal Agencies Distribution (MV)



Portfolio Sectors (Book Value)



Investment Report

February 2014

Value of Portfolio per GASB 31

	Beginning Investment Value as of July 1, 2013	Purchase/Redemption of Principal	Change in Market Value	Ending Investment Value as of February 28, 2014
Federal Agency (Coupon)	$105,287,920	($5,589,300)	$375,200	$100,073,820
U.S. Treasury Securities	$0	$0	$0	$0
Negotiable Certificate Deposits	$6,843,933	($735,000)	$17,272	$6,126,205
Medium Term Notes	$25,441,688	($6,089,740)	$18,881	$19,370,829
Municipal Bonds	$0	$0	$0	$0
SUBTOTAL PER GASB 31	**$137,573,541**	**($12,414,040)**	**$411,353**	**$125,570,854**
Non-GASB				
Local Agency Investment Funds	$40,100,000	($3,400,000)	$0	$36,700,000
Money Market	$0	$0	$0	$0
Federal Agency – Disc.	$0	$0	$0	$0
Treasury Security – Disc.	$0	$0	$0	$0
Certificate of Deposits -Disc.	$0	$0	$0	$0
Commercial paper	$0	$0	$0	$0
TOTAL PORTFOLIO	**$177,673,541**	**($15,814,040)**	**$411,353**	**$162,270,854**

The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We will note the unrealized gain/(loss) monthly although we will not physically apply it to earnings until year-end, as GASB 31 requires. The portfolio paper gain or loss is the difference between the book and market value of securities with a maturity term of one year or longer at purchase. The disclosure of paper losses reveals the worse case scenario of liquidity in our portfolio. The philosophy of the city is to buy and hold to maturity.

GASB31 requires Governmental entities, including governmental external investment pools, should report investments at fair value in the balance sheet (or other statement of financial position). Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Reviewed by the Investment Advisory Committee:

City Treasurer - Dana Cotter

City Manager - LeRoy Jackson

City Attorney - John Fellows III

Finance Director - Eric Tsao

Deputy City Treasurer - Shiela Abalayan

Monthly Investment Reports
Portfolio Management
Portfolio Details - Investments
February 28, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Local Agency Investment Funds												
SYS10000	10000	Local Agency Invest Fund GEN'L			21,700,000.00	21,700,000.00	21,700,000.00	0.236		0.236	1	
SYS1000a	1000A	LAIF - TRANS FUNDS		07/01/2013	15,000,000.00	15,000,000.00	15,000,000.00	0.236		0.236	1	
		Subtotal and Average	**31,471,428.57**		**36,700,000.00**	**36,700,000.00**	**36,700,000.00**			**0.236**	**1**	
Money Market Sweep Account												
316175108S	1000	Union Bank of California			0.00	0.00	0.00	0.001		0.001	1	
		Subtotal and Average	**866,540.95**		**0.00**	**0.00**	**0.00**			**0.000**	**0**	
Negotiable CD's												
33764JHM0	11052	First Bank of Puerto Rico		08/01/2012	245,000.00	247,033.50	245,000.00	1.250	FDIC	1.251	884	08/01/2016
330459AE8	11110	1st National Bank Kentucky		10/03/2013	245,000.00	245,257.25	245,000.00	0.900	FDIC	0.000	947	10/03/2016
332135FA5	11069	First National Bank of Omaha		10/10/2012	245,000.00	245,026.95	245,000.00	0.550	FDIC	0.550	40	04/10/2014
02005QN90	11044	Ally Bank		08/01/2012	245,000.00	246,634.15	245,000.00	1.150	FDIC	1.150	520	08/03/2015
02587DLD8	11070	American Express Cent		10/04/2012	245,000.00	246,286.25	245,000.00	1.550	FDIC	1.550	1,313	10/04/2017
06740AYC7	11090	Barclays Bank		03/12/2013	245,000.00	242,431.18	245,000.00	1.000	FDIC	0.000	1,472	03/12/2018
06426NGR7	11068	Bank of China		09/26/2012	245,000.00	245,614.95	245,000.00	0.650	FDIC	0.650	209	09/26/2014
05568PZ91	11073	BMW Bank of North America		11/02/2012	245,000.00	246,443.05	245,000.00	0.950	FDIC	0.000	611	11/02/2015
060624XH1	11091	Bank of Baroda		03/08/2013	245,000.00	242,062.45	245,000.00	1.250	FDIC	0.000	1,468	03/08/2018
149159HR9	11094	Cathay Bank		04/12/2013	245,000.00	241,648.40	245,000.00	1.000	FDIC	1.001	1,503	04/12/2018
17284CBZ6	11093	CIT BANK		04/17/2013	245,000.00	241,498.95	245,000.00	1.150	FDIC	0.000	1,508	04/17/2018
20033AAU0	11084	Comenity Capital Bank		01/18/2013	245,000.00	245,024.50	245,000.00	0.750	FDIC	0.750	1,054	01/18/2017
254671GK0	11058	Discover Bank		09/19/2012	245,000.00	246,857.10	245,000.00	1.250	FDIC	1.250	933	09/19/2016
29976DNQ9	11059	EverBank		09/14/2012	245,000.00	246,881.60	245,000.00	0.900	FDIC	0.900	928	09/14/2016
307660HE3	11113	Farm Bureau Bank		10/15/2013	245,000.00	245,203.35	245,000.00	0.900	FDIC	0.000	958	10/14/2016
36160XN52	11051	GE Capital Bank		08/03/2012	245,000.00	246,421.00	245,000.00	1.150	FDIC	1.150	520	08/03/2015
36157PSB6	11111	GE Money bank		10/04/2013	245,000.00	245,377.30	245,000.00	1.200	FDIC	0.000	948	10/04/2016
38143AXS9	11045	Goldman Sachs Bank		08/01/2012	245,000.00	246,597.40	245,000.00	1.200	FDIC	1.200	520	08/03/2015
48124JRY6	11085	JPMORGAN		01/28/2013	245,000.00	243,506.48	245,000.00	0.750	FDIC	0.000	1,429	01/28/2018
74267GTZ0	11112	Private Bank & Trust Co		10/04/2013	245,000.00	245,066.15	245,000.00	1.000	FDIC	0.000	948	10/04/2016
786580X96	11043	Safra National Bank		07/31/2012	245,000.00	246,670.90	245,000.00	0.800	FDIC	0.800	517	07/31/2015
795450NT8	11053	Sallie Mae Bank		08/08/2012	245,000.00	246,643.95	245,000.00	1.100	FDIC	1.100	527	08/10/2015
84603M2H8	11046	Sovereign Bank		08/01/2012	245,000.00	245,487.55	245,000.00	0.850	FDIC	0.850	153	08/01/2014
856283UK0	11098	STATE BANK of INDIA		05/14/2013	245,000.00	241,209.85	245,000.00	1.150	FDIC	0.000	1,535	05/14/2018
94768NJD7	11081	Webster Bank		12/12/2012	245,000.00	245,320.95	245,000.00	1.000	FDIC	0.000	1,382	12/12/2017
		Subtotal and Average	**6,142,500.00**		**6,125,000.00**	**6,126,205.16**	**6,125,000.00**			**0.566**	**913**	

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Federal Agency Issues - Coupon												
31315PXK0	11071	FARMER MAC		10/25/2012	2,000,000.00	1,997,060.00	2,000,000.00	0.650		1.053	1,334	10/25/2017
31315PWE5	11083	FARMER MAC		01/08/2013	3,000,000.00	2,973,690.00	3,000,000.00	0.930		0.935	1,409	01/08/2018
31315PNZ8	11086	FARMER MAC		01/30/2013	2,000,000.00	1,989,100.00	2,000,939.33	1.050		1.038	1,431	01/30/2018
31315PXM6	11097	FARMER MAC		05/02/2013	2,000,000.00	1,966,300.00	1,999,166.11	0.850		0.860	1,523	05/02/2018
31315PXF1	11099	FARMER MAC		05/02/2013	2,000,000.00	1,996,820.00	1,999,566.11	0.400		0.410	793	05/02/2016
31315P6A2	11115	FARMER MAC		10/04/2013	3,500,000.00	3,519,740.00	3,500,000.00	1.940		1.940	1,677	10/03/2018
31331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	503,520.00	502,006.31	5.000	AA+	2.192	55	04/25/2014
31331JQ55	10907	FEDERAL FARM CREDIT BANK		10/06/2010	1,000,000.00	1,006,020.00	1,000,000.00	1.150	AA+	1.150	219	10/06/2014
31331KCK4	10942	FEDERAL FARM CREDIT BANK		02/17/2011	1,000,000.00	1,017,690.00	1,000,000.00	2.030	AA+	2.030	353	02/17/2015
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,186,880.00	2,104,583.33	4.950	AA+	2.280	762	04/01/2016
31331KGN4	10955	FEDERAL FARM CREDIT BANK		04/07/2011	1,000,000.00	1,001,230.00	1,000,000.00	1.400	AA+	1.400	37	04/07/2014
3133EAA81	11041	FEDERAL FARM CREDIT BANK		07/30/2012	1,000,000.00	995,470.00	1,000,000.00	0.780	AA+	0.780	1,066	01/30/2017
3133EAX29	11060	FEDERAL FARM CREDIT BANK		09/18/2012	1,000,000.00	995,290.00	1,000,000.00	0.980	AA+	0.980	1,297	09/18/2017
3133EA2K3	11066	FEDERAL FARM CREDIT BANK		09/28/2012	1,000,000.00	1,000,020.00	1,000,000.00	0.450	AA+	0.450	576	09/28/2015
3133EC5A8	11075	FEDERAL FARM CREDIT BANK		11/28/2012	2,000,000.00	1,981,600.00	2,000,000.00	0.870	AA+	0.870	1,367	11/27/2017
3133ECE26	11087	FEDERAL FARM CREDIT BANK		01/30/2013	1,000,000.00	992,140.00	1,000,000.00	0.940	AA+	1.022	1,431	01/30/2018
3133ED3Z3	11109	FEDERAL FARM CREDIT BANK		10/04/2013	3,000,000.00	3,020,730.00	3,000,000.00	1.230	AA+	1.230	1,313	10/04/2017
3133ED4Q2	11114	FEDERAL FARM CREDIT BANK		10/11/2013	1,000,000.00	1,006,290.00	1,000,000.00	1.480	AA+	1.480	1,563	06/11/2018
3133EDDV1	11119	FEDERAL FARM CREDIT BANK		01/23/2014	1,000,000.00	1,005,670.00	998,639.41	1.160	AA+	1.198	1,332	10/23/2017
3133EDEB4	11121	FEDERAL FARM CREDIT BANK		02/07/2014	3,000,000.00	3,014,460.00	3,016,558.01	1.100	AA+	0.931	1,215	06/28/2017
313373RC8	10956	FEDERAL HOME LOAN BANK		05/16/2011	1,000,000.00	1,004,690.00	1,000,348.61	1.250	AA+	1.164	151	07/30/2014
313378W56	11037	FEDERAL HOME LOAN BANK		04/30/2012	2,000,000.00	2,004,740.00	2,000,000.00	2.000	AA+	1.425	1,150	04/24/2017
313370TW8	11040	FEDERAL HOME LOAN BANK		07/25/2012	1,000,000.00	1,034,360.00	1,034,306.98	2.000	AA+	0.620	923	09/09/2016
313380P92	11055	FEDERAL HOME LOAN BANK		09/26/2012	1,000,000.00	991,520.00	1,000,000.00	1.000	AA+	1.000	1,305	09/26/2017
313380MF1	11057	FEDERAL HOME LOAN BANK		09/18/2012	1,000,000.00	991,630.00	1,000,000.00	1.000	AA+	1.005	1,297	09/18/2017
3133824S9	11089	FEDERAL HOME LOAN BANK		02/27/2013	1,000,000.00	989,810.00	1,000,000.00	1.100	AA+	1.100	1,459	02/27/2018
313383AA9	11105	FEDERAL HOME LOAN BANK		06/12/2013	4,000,000.00	3,929,520.00	4,000,000.00	1.000	AA+	1.000	1,564	06/12/2018
3133837E5	11106	FEDERAL HOME LOAN BANK		06/06/2013	4,000,000.00	3,929,480.00	4,000,000.00	0.625	AA+	0.625	1,558	06/06/2018
3133834R9	11108	FEDERAL HOME LOAN BANK		05/24/2013	1,000,000.00	998,330.00	997,936.26	0.375	AA+	0.465	846	06/24/2016
313379VE6	11118	FEDERAL HOME LOAN BANK		01/14/2014	1,000,000.00	1,006,590.00	998,056.87	1.010	AA+	1.070	1,206	06/19/2017
313381GD1	11122	FEDERAL HOME LOAN BANK		02/20/2014	2,000,000.00	1,985,260.00	1,991,162.76	1.250	AA+	1.356	1,572	06/20/2018
313373SZ6	11123	FEDERAL HOME LOAN BANK		02/26/2014	2,000,000.00	2,073,140.00	2,076,731.55	2.125	AA+	0.428	832	06/10/2016
313375RN9	11124	FEDERAL HOME LOAN BANK		02/27/2014	2,000,000.00	2,025,660.00	2,025,699.18	1.000	AA+	0.363	741	03/11/2016
3134G3GM6	11009	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	1,000,000.00	1,004,710.00	1,000,000.00	1.300	AA+	1.300	1,049	01/13/2017
3137EADC0	11017	FEDERAL HOME LOAN MORTGAGE CO		01/30/2012	1,000,000.00	1,008,250.00	997,930.09	1.000	AA+	1.071	1,103	03/08/2017
3134G3SD3	11027	FEDERAL HOME LOAN MORTGAGE CO		03/28/2012	2,000,000.00	2,000,860.00	2,000,000.00	0.750	AA+	0.750	576	09/28/2015

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Federal Agency Issues - Coupon												
3137EACT4	11034	FEDERAL HOME LOAN MORTGAGE CO		04/26/2012	1,000,000.00	1,046,940.00	1,037,138.46	2.500	AA+	0.810	818	05/27/2016
3134G3WD8	11039	FEDERAL HOME LOAN MORTGAGE CO		06/12/2012	2,000,000.00	2,004,500.00	2,000,000.00	1.250	AA+	1.250	1,199	06/12/2017
3134G32L3	11079	FEDERAL HOME LOAN MORTGAGE CO		12/26/2012	2,000,000.00	1,965,320.00	2,000,000.00	0.850	AA+	0.850	1,396	12/26/2017
3134G33B4	11082	FEDERAL HOME LOAN MORTGAGE CO		01/11/2013	1,000,000.00	988,480.00	1,000,000.00	1.000	AA+	1.000	1,412	01/11/2018
3137EADJ5	11095	FEDERAL HOME LOAN MORTGAGE CO		04/23/2013	3,000,000.00	3,004,980.00	3,034,220.11	1.000	AA+	0.660	1,245	07/28/2017
3137EAAG4	11096	FEDERAL HOME LOAN MORTGAGE CO		04/26/2013	5,000,000.00	5,589,000.00	5,599,936.88	5.500	AA+	0.420	870	07/18/2016
3137EADH9	11101	FEDERAL HOME LOAN MORTGAGE CO		05/13/2013	5,000,000.00	5,013,700.00	5,045,469.18	1.000	AA+	0.722	1,216	06/29/2017
3134G44N5	11102	FEDERAL HOME LOAN MORTGAGE CO		05/28/2013	2,000,000.00	1,966,000.00	2,000,000.00	0.750	AA+	0.750	1,368	11/28/2017
3137EAAG4	11107	FEDERAL HOME LOAN MORTGAGE CO		05/22/2013	4,000,000.00	4,471,200.00	4,476,721.34	5.500	AA+	0.452	870	07/18/2016
3136G0VA6	11050	FEDERAL NATIONAL MORT ASSOC		08/14/2012	1,000,000.00	996,880.00	1,000,000.00	0.750	AA+	1.226	1,262	08/14/2017
3136G0D57	11054	FEDERAL NATIONAL MORT ASSOC		09/27/2012	1,000,000.00	999,940.00	1,000,000.00	0.750	AA+	1.240	1,306	09/27/2017
3136G0D24	11061	FEDERAL NATIONAL MORT ASSOC		09/25/2012	1,000,000.00	997,950.00	1,000,000.00	0.500	AA+	1.093	1,304	09/25/2017
3136G0F97	11065	FEDERAL NATIONAL MORT ASSOC		09/27/2012	1,000,000.00	1,000,120.00	1,000,000.00	0.750	AA+	1.179	1,306	09/27/2017
3136G06R7	11076	FEDERAL NATIONAL MORT ASSOC		11/28/2012	1,000,000.00	999,050.00	1,000,000.00	0.625	AA+	1.068	1,367	11/27/2017
3135G0PQ0	11100	FEDERAL NATIONAL MORT ASSOC		04/26/2013	3,000,000.00	2,972,520.00	3,016,681.02	0.875	AA+	0.720	1,335	10/26/2017
3136G1LZ0	11103	FEDERAL NATIONAL MORT ASSOC		05/28/2013	2,000,000.00	1,968,520.00	2,000,000.00	0.750	AA+	0.750	1,368	11/28/2017
3135G0WJ8	11117	FEDERAL NATIONAL MORT ASSOC		01/14/2014	1,000,000.00	980,150.00	971,287.81	0.875	AA+	1.581	1,542	05/21/2018
3135G0WJ8	11120	FEDERAL NATIONAL MORT ASSOC		01/31/2014	2,000,000.00	1,960,300.00	1,955,459.10	0.875	AA+	1.421	1,542	05/21/2018
		Subtotal and Average	**103,278,846.74**		**99,000,000.00**	**100,073,820.00**	**100,380,544.81**			**0.959**	**1,180**	
Medium Term Notes												
88579YAE1	11104	3M Company		05/23/2013	1,080,000.00	1,077,688.80	1,084,775.13	1.000	AA-	0.864	1,213	06/26/2017
06738KXV8	10989	Barclays Bank		10/28/2011	3,000,000.00	3,046,650.00	3,000,000.00	2.500	A	3.287	972	10/28/2016
06366RHA6	11056	Bank of Montreal		09/11/2012	1,000,000.00	998,440.00	1,000,917.22	1.400	A+	1.373	1,290	09/11/2017
19416QED8	11116	Colgate Palmolive Co		11/01/2013	2,000,000.00	1,987,340.00	1,995,576.00	1.549	AA-	1.599	1,706	11/01/2018
36962G4T8	10925	General Electric		11/19/2010	1,000,000.00	1,028,940.00	992,775.33	2.250	AA+	2.710	618	11/09/2015
36962G5N0	11011	General Electric Capital Corp		01/10/2012	2,000,000.00	2,104,800.00	2,001,714.29	2.900	AA+	2.868	1,045	01/09/2017
36962G5M2	11012	General Electric Capital Corp		01/10/2012	2,000,000.00	2,031,280.00	2,001,313.07	2.150	AA+	2.070	314	01/09/2015
36962G4N1	11024	General Electric Capital Corp		02/22/2012	2,000,000.00	2,017,700.00	1,990,407.58	0.993	AA+	1.389	528	08/11/2015
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,006,430.00	1,000,000.00	2.950	AAA	2.949	92	06/01/2014
89233P5S1	11015	Toyota Motor Credit Corp		01/13/2012	1,000,000.00	1,033,010.00	1,002,441.39	2.050	AA-	1.960	1,048	01/12/2017
89233P5Z5	11023	Toyota Motor Credit Corp		02/17/2012	2,000,000.00	2,013,760.00	1,999,038.89	1.000	AA-	1.102	353	02/17/2015
931142CT8	10928	Wal-Mart Stores		12/15/2010	1,000,000.00	1,024,790.00	1,000,471.29	2.250	AA	2.213	494	07/08/2015
		Subtotal and Average	**19,211,991.20**		**19,080,000.00**	**19,370,828.80**	**19,069,430.19**			**2.099**	**821**	

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
		Total and Average	160,971,307.46		160,905,000.00	162,270,853.96	162,274,975.00			0.915	861

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		28,767.08	28,767.08				0
				Subtotal		28,767.08	28,767.08				
		Total Cash and Investments	160,971,307.46		160,905,000.00	162,299,621.04	162,303,742.08			0.915	861

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II. RESTRICTED FUNDS

CITY OF TORRANCE FISCAL AGENT FOR SUCCESSOR RDA
RESTRICTED CASH BALANCE REPORT
February 28, 2014

		Book Value
Bank of America City of Torrance Successor RDA Agency Account # xx-046		877.10
Bank of America City of Torrance Successor RDA Agency - Low Mod Account # xx-140		-
Local Agency Investment Fund (LAIF) City of Torrance Successor RDA Agency Account# -xx-3001		79,777.67
TOTAL	**$**	**80,654.77**

III. CASH & INVESTMENT PORTFOLIO SHARE

City of Torrance
Investment Report
February 2014

CASH AND INVESTMENTS PER BOOKS
AS OF FEBRUARY 28, 2014 (PRE-CLOSE)

FUND	CASH & INVESTMENTS PER BOOKS	PERCENT OF TOTAL
General	36,169,929.89	21.93
Parks & Recr Facility & Open Space	3,714,697.32	2.25
State Gas Tax	13,845,064.19	8.4
Federal Housing, Community Dev	673,477.53	0.41
Street Lighting	27,060.00	0.02
Proposition 1B	1,669,481.34	1.01
Police Asset Forfeiture	3,840,294.21	2.33
Drainage Improvement	19,444.47	0.01
Measure R Local Return	4,777,527.17	2.9
Government Cable	4,936,292.34	2.99
Local Return - Proposition C	3,952,070.97	2.4
TDA Article 3 Bicycle Fund	247,525.29	0.15
Grants/Donations	(61,768.13) (A)	-0.04
CDBG Fund	(448,506.82) (B)	-0.27
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	231,172.34	0.14
Seismic Education Fund	58,853.85	0.04
Rehabilitation Housing	706,334.73	0.43
Meadow Park Parking Lot	65,357.76	0.04
Police Inmate Welfare Fund	57,358.22	0.03
Capital Improvements	16,585,466.25	10.06
Geologic Hazard Abatement	14,316.64	0.01
El Camino Training Fund-Fire	62,372.10	0.04
El Camino Training Fund-Police	8,000.00	0
Vanpool/Rideshare Fund	24,137.59	0.01
Torrance Public Financing - 1998 COP Fire/Police	(2,334.00)	0
Animal Control Fund	-	0
Successor Agency - Low Mod Housing Capital Project	9,274.46 (C)	0.01
Successor Agency - Downtown Debt Service	-	0
Successor Agency - Industrial Debt Service	-	0
DNA Sampling Fund	9,537.39	0.01
Airport Fund	6,849,002.76	4.15
Transit Operations	13,571,095.65	8.23
Development Impact Fund	1,388,891.13	0.84
Water Operations	8,937,332.67	5.42
Emergency Medical Service Enterprise Fund	-	0
Sanitation Operations	(500,952.65) (D)	-0.3
Cultural Arts Enterprise	(101,581.46) (E)	-0.06
Sewer Enterprise Fund	8,328,995.86	5.05
Parks & Recreation Enterprise Fund	185,109.29	0.11
Self Insurance Fund	4,018,787.00	2.44
Fleet Services	18,321,390.37	11.11
Postemployment/Compensated Absences Fund	10,035,202.36	6.08
Trust & Agency	2,669,724.04	1.62
TOTAL CASH AND INVESTMENTS PER BOOKS	164,895,434.12	100
Redev Obligation Retirement Fund	877.10 (F)	

(A) T-030 Del Amo Blvd. extension project - MTA Grant has a negative cash balance of <$506,675.19>. METRO is holding approximately $698,703 of reimbursement and the final review was completed. $633,461.15 was received on 3/7/14 and the balance will be issued by check from MTA in March 2014.

T-131 Intersection Improvements - Measure R HW - MTA Grant has a negative cash balance of <$301,030.01>. Quarterly reimbursement request for $80,090.61 was submitted on 2/11/14 and we will receive payment in March 2014. Another quarterly reimbursement request will be submitted in April 2014.

FEAP764 Torrance Transit Terminal project - Measure R HW-MTA Grant has a negative cash balance of <$470,868.91>. Quarterly reimbursement request for $159,568.11 was submitted on 2/11/14 and we will receive payment in March 2014. Another quarterly reimbursement request will be submitted in April 2014.

FEAP810 Pueblo Park Renovation - County Grant has a negative cash balance of <$82,736.90>. Per Department, this grant requires additional documents before the reimbursement request can be submitted. Department is working on it and will submit the request as soon as they can.

I-102 Stormwater Basin Enhancement Program - State Grant has a negative cash balance of <$25.42>. Department will request the reimbursement when more expenses are accumulated.

(B) CDBG Fund has a negative cash balance of <$448,506.82> due to I 135 Sidewalk Repair for Handicap Accessibility and Home Improvement Program charges. Reimbursement request for $347,864 was submitted on 2/28/14 and payment was issued from CDBG on 3/7/14 for I 135. Reimbursement request for $88,659 was submitted on 3/3/14 and approved by CDBG for HIP Program.

(C) Funds will be used to pay Coleman Court and Ocean Terrace Senior rental subsidy.

(D) Sanitation Operations Fund has a negative cash balance due to the purchase of green waste containers from Toter, Inc. for $613, 481 in May 2012 & $500,176.05 in September 2012 and a $145,095.72 transfer to Fleet Veh Repl Fd for a refuse truck in November 2013.

(E) Finance Department is monitoring and working with General Services.

(F) The cash balance of Redev Obligation Retirement Fund for $877.10 is in a separate Bank of America account.

City of Torrance
Investment Report
February 2014

CASH AND INVESTMENTS RECONCILIATION
AS OF FEBRUARY 28, 2014 (PRE-CLOSE)

INVESTMENTS PER PORTFOLIO SUMMARY		$ 162,274,975.00
Cash in Bank of America General Account	$ 2,228,584.55	
Cash in Bank of America Housing Account	1,743,717.00	
		3,972,301.55
TOTAL FUNDS PER INVESTMENT REPORT		**$ 166,247,276.55**
OUTSTANDING WARRANTS:		
General Account	$ (1,065,045.12)	
Payroll Account	(117,898.72)	
Workers' Compensation Account	(160,318.91)	
Housing Account	(4,852.39)	
		(1,348,115.14)
MISCELLANEOUS OUTSTANDING ADJUSTING JOURNAL ENTRIES:		
02/03/14 Receipts interfaced discrepancy, correction interfaced on 03/06/14	$ 47.00	
02/28/14 Receipts interfaced on 03/03/14	(210.00)	
02/28/14 Receipts interfaced on 03/04/14	(13,003.00)	
02/11/14 Union Bank transaction interface discrepancy, correction Interfaced on 03/06/14	73.49	
IVR & Parking Web credit card receipts will be interfaced in March 2014	56.00	
02/2014 Deposit in transit	9,309.22	
		(3,727.29)
TOTAL CASH AND INVESTMENTS PER BOOKS		**$ 164,895,434.12**