

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

Members of Council:

SUBJECT: City Treasurer - Accept and file Investment Report for January 2013

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of January 2013.

FUNDING

Not applicable

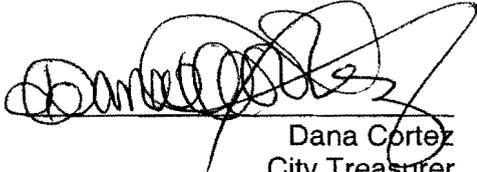
BACKGROUND

On December 18, 2012, 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 was providing 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:

LeRoy J. Jackson
Investment Committee Member

CC: City Manager
City Clerk



CITY OF TORRANCE
Monthly Investment Portfolio Report
January 31, 2013

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Investment Report January 2013

Investment Portfolio Highlights

RETURN	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	1.158%	1.267%
Average U.S. Treasury Constant	0.420%	0.360%
LAIF Average Monthly Return	0.300%	0.326%
Average City Portfolio YTM - 1 year	1.510%	1.628%
INTEREST INCOME	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	\$1,129,549	\$1,493,683
Current month	\$150,102	\$208,388
MATURITY	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	946	1034
Average Maturity 1 Year Prior	920	986
Weighted Average Maturity (years)	2.59	2.83
VOLUMES	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	\$43,158,577	15
Maturities	\$21,565,975	7

Portfolio Activity Summary

Month End	Year	Number of Securities	Average Balance	Yield to Maturity 360	Yield to Maturity 365	Managed Pool Rate	Inv Purchased	Inv Redeemed	Average Term	Average Days to Mat
January	2012	100	158,978,462.55	1.477	1.498	0.395%	10	9	1,194	920
February	2012	104	172,417,574.90	1.418	1.438	0.389%	10	7	1,227	982
March	2012	102	170,844,028.64	1.426	1.446	0.383%	3	5	1,284	1,020
April	2012	106	166,719,089.02	1.415	1.434	0.367%	7	3	1,317	1,048
May	2012	105	178,400,048.85	1.349	1.368	0.363%	2	3	1,256	983
June	2012	100	183,392,700.59	1.262	1.280	0.358%	1	6	1,181	900
July	2012	96	162,037,232.18	1.391	1.410	0.363%	4	8	1,386	1,045
August	2012	100	145,326,329.75	1.336	1.355	0.377%	10	6	1,377	1,039
September	2012	107	147,274,617.22	1.341	1.360	0.348%	14	7	1,418	1,084
October	2012	106	146,172,452.79	1.307	1.325	0.340%	4	5	1,393	1,040
November	2012	103	141,033,420.88	1.314	1.333	0.324%	5	6	1,455	1,084
December	2012	102	140,618,535.57	1.250	1.267	0.326%	5	6	1,392	1,034
January	2013	105	152,968,245.09	1.142	1.158	0.300%	6	3	1,272	946
Average		102	158,862,493.46	1.340%	1.359%	0.356%	6	6	1,319	1,010

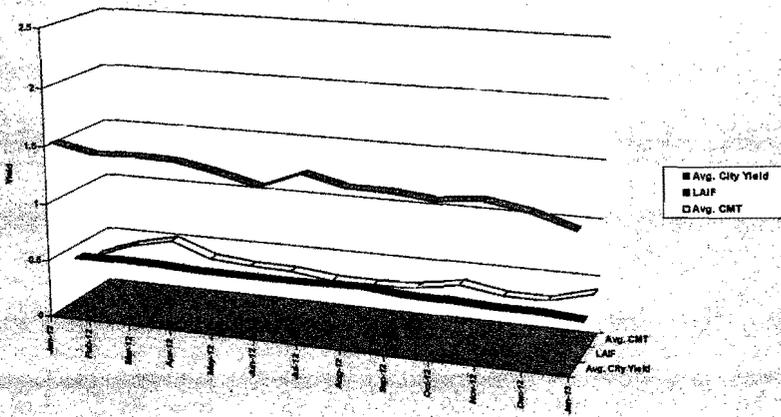
Portfolio Activity Detail

Investment Number	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS HELD/ DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
PURCHASES											
11082	Wedbush Securities	1/11/2013	FHLMC	AA+/Aaa	1/11/2018	1805	1.000%	1.000%	1,000,000	1,000,000	994,260
11083	Great Pacific Securities	1/8/2013	Farmer Mac	AA+/Aaa	1/8/2018	1802	0.930%	0.935%	3,000,000	2,999,250	2,981,490
11084	Vining Sparks	1/18/2013	Comenity Capital Bank	Not rated	1/18/2017	1447	0.750%	0.750%	245,000	245,000	244,307
11085	Vining Sparks	1/28/2013	JP Morgan	Not rated	1/28/2018	1822	0.750%	0.750%	245,000	245,000	244,836
11086	Vining Sparks	1/30/2013	Farmer Mac	AA+/Aaa	1/30/2018	1824	1.038%	1.025%	2,000,000	2,001,200	2,000,080
11087	Great Pacific Securities	1/30/2013	FPCB	AA+/Aaa	1/30/2018	1824	0.940%	1.022%	1,000,000	996,000	994,760
								0.967%	7,490,000	7,486,450	7,459,733
MATURITIES/CALLS											
10913	Morgan Stanley	10/19/2010	GE Money Bank	AA+/Aaa	1/8/2013	812/812	2.800%	2.800%	1,000,000	1,000,000	1,000,000
11008	Great Pacific Securities	1/9/2012	FHLMC	AA+/Aaa	1/9/2015	366/1096	0.850%	0.798%	1,000,000	1,000,000	1,000,000
11013	Higgins Capital	1/11/2012	FPCB	AA+/Aaa	12/28/2012	988/988	0.102%	1.017%	1,000,000	1,000,000	1,000,000
								0.988%	3,000,000	3,000,000	3,000,000
State of California											
	Beginning Balance	Rate	Yield	Deposits	Withdrawals	Interest Accrued	Ending Balance				
Local Agency Pool											
City	4,200,000	0.300%	0.300%	26,400,000	14,300,000	6,152	16,306,152				
TRANS Repayment	10,000,000	0.300%	0.300%	6,000,000	0		16,000,000				
	<u>\$ 14,200,000</u>						<u>\$ 32,306,152</u>				



Investment Report January 2013

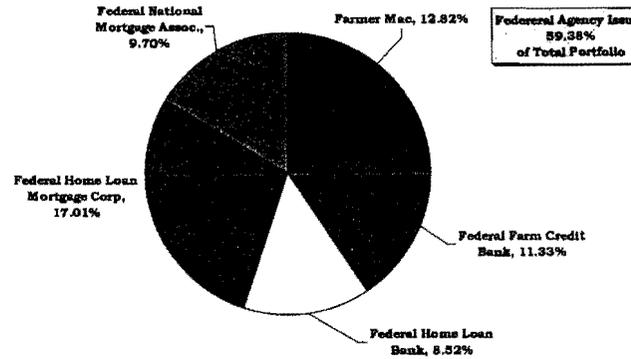
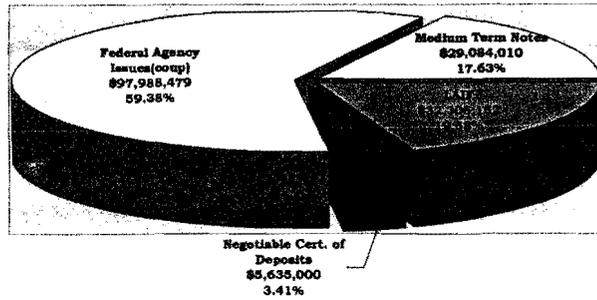
Portfolio Performance



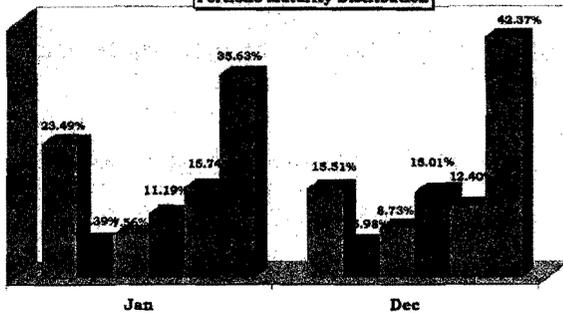
Interest Earnings Summary

CD/Coupon/Discount Investments:	Month Ending Jan 31	Fiscal Year End
Interest Collected	265,961	1,485,577
Plus Accrued Interest at	490,242	490,213
Less Accrued Interest at	-590,005	-706,442
Interest Earned	\$ 166,197	\$ 1,269,348
Adjusted by Premium	-21,955	-169,245
Adjusted by Capital	-	-
Earnings during	\$ 144,242	\$ 1,100,103
Cash/Checking Accounts:		
Interest Collected	6,167	19,995
Plus Accrued Interest at	92,308	92,308
Less Accrued Interest at	-92,616	-82,557
Interest Earned	\$ 6,859	\$ 29,446
Total Interest Earned	172,066	1,298,794
Total Adjustments from Premiums and Discounts	-21,955	-169,245
Total Capital Gains or	-	-
Total Earnings this Period	\$150,102	\$1,129,549

Portfolio Diversification

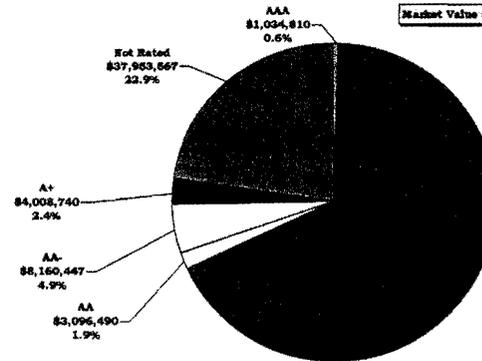


Portfolio Maturity Distribution



■ 1 day to 6 months
 ■ 6 months to 1 year
 ■ 1 year to 2 years
 ■ 2 years to 3 years
 ■ 3 years to 4 years
 ■ 4 years to 5 years

Market Value and Credit Rating Report





Investment Report January 2013

Portfolio Summary

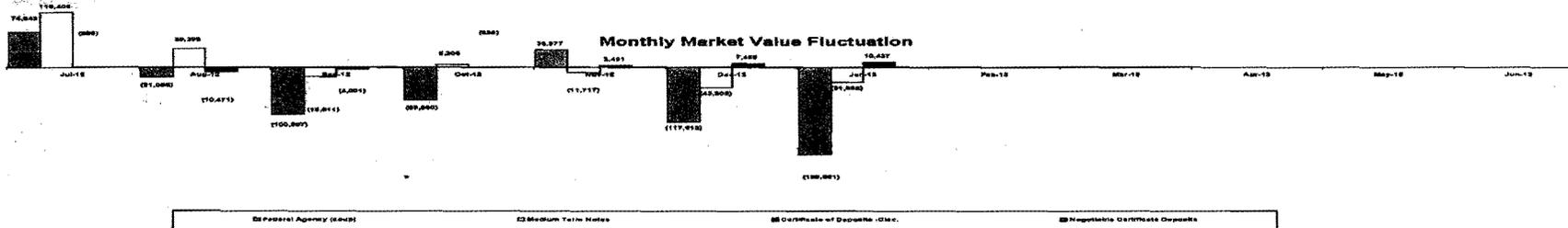
	Book Value	% of Portfolio	% per Policy	Duration	Days to Maturity	Current Yield
Local Agency Investment Fund	32,306,152	19.58%	**	1	1	N/A 0.3000%
Negotiable CDs	5,635,000	3.41%		984	862	5 years 0.837%
Money Market Sweep Account	0	0.00%		1	1	0.0000%
Federal Agency Issues - Coupons	97,988,479	59.38%	75%	1,676	1,326	5 years 1.202%
Farmer Mac	21,154,498	12.82%	30%	1,388	1,424	5 years 1.103%
Federal Farm Credit Bank	18,593,987	11.33%	30%	1,088	1,120	5 years 1.282%
Federal Home Loan Bank	14,057,595	8.52%	30%	1,108	1,143	5 years 1.404%
Federal Home Loan Mortgage Corp.	28,082,698	17.01%	30%	1,349	1,385	5 years 1.031%
Federal National Mortgage Assoc.	15,999,700	9.70%	30%	1,361	1,485	5 years 1.363%
Treasur Securities - Coupons	0	0.00%	100%	0	0	5 years 0.0000%
Medium Term Notes	29,084,010	17.63%	20%	1,378	731	5 years 2.024%
Total Investments & Averages	165,013,641	100.00%		1,272	946	1.158%
Effective Rate of Return	Month Ending	Fiscal YTD				

Pending Redemptions	1.16%	1.30%
Accrued Interest at Purchase	0	
Total Accrued Interest	62	
TOTAL CASH & INVESTMENTS	165,013,703	

VALUE OF PORTFOLIO PER GASB NO.31

GASB required securities	Beginning Investment Value as July 1, 2012	Purchase/Redemption of Principal	Change in Market Value	Ending Investment Value as of December 31, 2012
Federal Agency (coup)	106,620,084	-7,747,980	-386,237	98,485,867
Treasury Securities	0	0	0	0
Medium Term Notes	32,510,722	-2,998,700	54,385	29,566,407
Municipal Bonds	169,300	-169,300	0	0
SUB-TOTAL PER GASB 31	\$139,300,107	(\$10,915,980)	(\$331,853)	\$128,052,274
Non-GASB				
LAIF	36,426,398	-4,120,246	0	32,306,152
Money Market	8,000,000	-8,000,000	0	0
Federal Agency - Treasury Security - Certificate of Deposits - Disc. Negotiable Certificate Deposits	0	0	0	0
Commercial paper	1,967,326	3,675,000	5088.65	5,647,414
	0	0	0	0
TOTAL PORTFOLIO	\$185,693,831	(\$19,361,226)	(\$326,764)	\$166,005,841

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 greater 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.
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.



Portfolio Notes:
**Maximum allowed by Investment Policy is \$50 million per agency. Federal DUE amount = \$ 32,306,152. TRANS payment amount = \$50.
I certify that this report accurately reflects all pooled investments in accordance with the City of Torrance Investment Policy Statement adopted by resolution 2012-94 on December 18, 2012 except for Medium Term Notes category. Per California Government Code § 53601 investments only need to be in compliance at the time of purchase which this category was in compliance. The policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet six months of estimated expenditures.

Dana Cortez - City Treasurer

Shirley Abalayan - Deputy City Treasurer

Reviewed by the Investment Advisory Committee:

Dana Cortez
City Treasurer

City Manager

City Attorney

Director of Finance

Deputy City Treasurer

Monthly Investment Reports
Portfolio Management
Portfolio Details - Investments
January 31, 2013

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			16,306,152.38	16,306,152.38	16,306,152.38	0.300		0.300	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			16,000,000.00	16,000,000.00	16,000,000.00	0.300		0.300	1	
Subtotal and Average			21,171,314.29		32,306,152.38	32,306,152.38	32,306,152.38			0.300	1	
Money Market Sweep Account												
316175108S	1000	Union Bank of California			0.00	0.00	0.00			0.000	1	
Subtotal and Average			2,424,276.50		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	246,761.55	245,000.00	1.250		1.251	1,277	08/01/2016
332135FA5	11069	First National Bank of Omaha		10/10/2012	245,000.00	244,669.25	245,000.00	0.550		0.550	433	04/10/2014
02005QN90	11044	Ally Bank		08/01/2012	245,000.00	245,957.95	245,000.00	1.150		1.150	913	08/03/2015
02587DLD8	11070	American Express Cent		10/04/2012	245,000.00	247,182.95	245,000.00	1.550		1.550	1,706	10/04/2017
037830NA0	11047	Apple Bank Savings		08/01/2012	245,000.00	244,943.65	245,000.00	0.500		0.500	367	02/03/2014
07370VLN6	11064	Beal Bank USA		09/26/2012	245,000.00	244,897.10	245,000.00	0.400		0.400	236	09/25/2013
07370TUT8	11063	Beal Bank SSB Plano Texas		09/26/2012	245,000.00	244,897.10	245,000.00	0.400		0.400	236	09/25/2013
06426NGR7	11068	Bank of China		09/26/2012	245,000.00	245,477.75	245,000.00	0.650		0.650	602	09/26/2014
06251AYM6	11062	Bank Hapoalim BM NY		09/26/2012	245,000.00	245,051.45	245,000.00	0.500		0.500	237	09/26/2013
05568PZ91	11073	BMW Bank of North America		11/02/2012	245,000.00	245,394.45	245,000.00	0.950		0.950	1,004	11/02/2015
20033AAU0	11084	Comenity Capital Bank		01/18/2013	245,000.00	244,306.65	245,000.00	0.750		0.750	1,447	01/18/2017
254671GK0	11058	Discover Bank		09/19/2012	245,000.00	246,675.80	245,000.00	1.250		1.250	1,326	09/19/2016
25811L2K4	11077	DORAL BANK		12/07/2012	245,000.00	245,026.95	245,000.00	0.550		0.550	308	12/06/2013
29976DNQ9	11059	EverBank		09/14/2012	245,000.00	246,705.20	245,000.00	0.900		0.900	1,321	09/14/2016
36160XN52	11051	GE Capital Bank		08/03/2012	245,000.00	245,597.80	245,000.00	1.150		1.150	913	08/03/2015
38143AXS9	11045	Goldman Sachs Bank		08/01/2012	245,000.00	245,899.15	245,000.00	1.200		1.200	913	08/03/2015
062782W52	11080	BANK OF INDIA		12/05/2012	245,000.00	244,931.40	245,000.00	0.500		0.500	306	12/04/2013
48124JRY6	11085	JPMORGAN		01/28/2013	245,000.00	245,000.00	245,000.00	0.750		0.750	1,822	01/28/2018
60688TGZ6	11078	Mizuho Corp USA		12/12/2012	245,000.00	245,000.00	245,000.00	0.550		0.550	314	12/12/2013
786580X96	11043	Safra National Bank		07/31/2012	245,000.00	246,033.90	245,000.00	0.800		0.800	910	07/31/2015
795450NT8	11053	Sallie Mae Bank		08/08/2012	245,000.00	245,945.70	245,000.00	1.100		1.100	920	08/10/2015
84603M2H8	11046	Sovereign Bank		08/01/2012	245,000.00	245,580.65	245,000.00	0.850		0.850	546	08/01/2014
94768NJD7	11081	Webster Bank		12/12/2012	245,000.00	245,477.75	245,000.00	1.000		1.000	1,775	12/12/2017
Subtotal and Average			5,287,258.06		5,635,000.00	5,647,414.15	5,635,000.00			0.837	862	

Data Updated: SET_TR: 02/21/2013 14:04

Run Date: 02/21/2013 - 14:05

Monthly Investment Reports
Portfolio Management
Portfolio Details - Investments
January 31, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
31315PQN2	10936	Farmer Mac		02/03/2011	3,000,000.00	3,034,920.00	3,000,000.00	1.340	AA+	1.340	367	02/03/2014
31315PA25	10984	Farmer Mac		07/27/2011	1,000,000.00	1,045,870.00	999,651.11	2.000	AA+	2.011	1,272	07/27/2016
31315PDZ9	10986	Farmer Mac		08/23/2011	2,000,000.00	2,092,340.00	2,064,495.58	2.375	AA+	1.042	901	07/22/2015
31315PVC0	11035	Farmer Mac		04/26/2012	3,090,000.00	3,097,446.90	3,089,854.08	1.200	AA+	1.204	1,545	04/26/2017
31315PXK0	11071	Farmer Mac		10/25/2012	2,000,000.00	2,001,620.00	2,000,000.00	0.650	AA+	1.053	1,727	10/25/2017
31315PXR5	11072	Farmer Mac		11/02/2012	2,000,000.00	2,002,700.00	2,000,000.00	0.700	AA+	0.700	1,736	11/03/2017
31315PYR4	11074	Farmer Mac		11/07/2012	3,000,000.00	2,997,180.00	3,000,000.00	1.020	AA+	1.020	1,740	11/07/2017
31315PWE5	11083	Farmer Mac		01/08/2013	3,000,000.00	2,981,490.00	2,999,297.92	0.930	AA+	0.935	1,802	01/08/2018
31315PNZ8	11086	Farmer Mac		01/30/2013	2,000,000.00	2,000,080.00	2,001,199.33	1.038	AA+	1.025	1,824	01/30/2018
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	1,003,830.00	1,000,000.00	2.200	AA+	2.200	66	04/08/2013
31331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	529,310.00	516,496.31	5.000	AA+	2.192	448	04/25/2014
31331JQ55	10907	FEDERAL FARM CREDIT BANK		10/06/2010	1,000,000.00	1,014,610.00	1,000,000.00	1.150	AA+	1.150	612	10/06/2014
31331KCK4	10942	FEDERAL FARM CREDIT BANK		02/17/2011	1,000,000.00	1,034,890.00	1,000,000.00	2.030	AA+	2.030	746	02/17/2015
31331X2Q4	10947	FEDERAL FARM CREDIT BANK		03/01/2011	1,000,000.00	1,028,550.00	1,022,697.59	5.000	AA+	1.100	215	09/04/2013
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,278,820.00	2,158,966.67	4.950	AA+	2.280	1,155	04/01/2016
31331KGN4	10955	FEDERAL FARM CREDIT BANK		04/07/2011	1,000,000.00	1,014,070.00	1,000,000.00	1.400	AA+	1.400	430	04/07/2014
3133EAGH5	11028	FEDERAL FARM CREDIT BANK		03/08/2012	2,000,000.00	2,002,500.00	2,000,000.00	1.250	AA+	1.250	1,496	03/08/2017
3133EAKP2	11032	FEDERAL FARM CREDIT BANK		04/04/2012	1,000,000.00	994,900.00	1,000,000.00	1.360	AA+	1.360	1,523	04/04/2017
3133EAA81	11041	FEDERAL FARM CREDIT BANK		07/30/2012	1,000,000.00	995,320.00	1,000,000.00	0.780	AA+	0.780	1,459	01/30/2017
3133EAA24	11048	FEDERAL FARM CREDIT BANK		07/26/2012	1,000,000.00	1,000,070.00	999,782.12	0.730	AA+	0.736	1,271	07/26/2016
3133EAX29	11060	FEDERAL FARM CREDIT BANK		09/18/2012	1,000,000.00	997,190.00	1,000,000.00	0.980	AA+	0.980	1,690	09/18/2017
3133EA2K3	11066	FEDERAL FARM CREDIT BANK		09/28/2012	1,000,000.00	1,000,040.00	1,000,000.00	0.450	AA+	0.450	969	09/28/2015
3133EA2H0	11067	FEDERAL FARM CREDIT BANK		10/01/2012	1,000,000.00	1,000,190.00	1,000,000.00	0.440	AA+	0.440	972	10/01/2015
3133EC5A8	11075	FEDERAL FARM CREDIT BANK		11/28/2012	2,000,000.00	1,985,560.00	2,000,000.00	0.870	AA+	0.870	1,760	11/27/2017
3133ECE26	11087	FEDERAL FARM CREDIT BANK		01/30/2013	1,000,000.00	994,760.00	996,044.44	0.940	AA+	1.022	1,824	01/30/2018
3133XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,003,440.00	2,000,000.00	2.625	AA+	2.625	25	02/26/2013
3133XY6S9	10899	FEDERAL HOME LOAN BANK		08/26/2010	1,000,000.00	1,013,530.00	1,007,292.04	2.000	AA+	1.002	270	10/29/2013
313372W26	10950	FEDERAL HOME LOAN BANK		03/15/2011	1,000,000.00	1,002,970.00	1,000,000.00	2.500	AA+	2.500	1,138	03/15/2016
313373RC8	10956	FEDERAL HOME LOAN BANK		05/16/2011	1,000,000.00	1,014,800.00	1,001,261.09	1.250	AA+	1.164	544	07/30/2014
313376Q99	11007	FEDERAL HOME LOAN BANK		01/13/2012	2,000,000.00	2,016,140.00	2,000,000.00	1.125	AA+	1.125	1,442	01/13/2017
313378W56	11037	FEDERAL HOME LOAN BANK		04/30/2012	2,000,000.00	2,042,480.00	2,000,000.00	2.000	AA+	1.425	1,543	04/24/2017
313370TW8	11040	FEDERAL HOME LOAN BANK		07/25/2012	1,000,000.00	1,053,580.00	1,049,042.36	2.000	AA+	0.620	1,316	09/09/2016
313380C62	11049	FEDERAL HOME LOAN BANK		08/23/2012	2,000,000.00	2,000,300.00	2,000,000.00	0.500	AA+	1.031	1,664	08/23/2017
313380P92	11055	FEDERAL HOME LOAN BANK		09/26/2012	1,000,000.00	995,890.00	1,000,000.00	1.000	AA+	1.000	1,698	09/26/2017
313380MF1	11057	FEDERAL HOME LOAN BANK		09/18/2012	1,000,000.00	995,770.00	1,000,000.00	1.000	AA+	1.005	1,690	09/18/2017
3128X1CS4	10915	FEDERAL HOME LOAN MORTGAGE CO		10/27/2010	1,000,000.00	1,035,980.00	1,030,402.03	4.580	AA+	0.730	291	11/19/2013

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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	Maturity Date
Federal Agency Issues - Coupon												
3134G3EN6	11003	FEDERAL HOME LOAN MORTGAGE CO		12/30/2011	1,000,000.00	1,006,610.00	1,000,000.00	1.000	AA+	1.000	879	06/30/2015
3134G3GM6	11009	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	1,000,000.00	1,005,670.00	1,000,000.00	1.300	AA+	1.300	1,442	01/13/2017
3134G3GX2	11010	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	2,000,000.00	2,013,280.00	2,000,000.00	1.400	AA+	1.400	1,442	01/13/2017
3137EADC0	11017	FEDERAL HOME LOAN MORTGAGE CO		01/30/2012	1,000,000.00	1,007,580.00	997,187.43	1.000	AA+	1.071	1,496	03/08/2017
3134G3MR8	11018	FEDERAL HOME LOAN MORTGAGE CO		02/13/2012	1,000,000.00	1,003,350.00	1,000,000.00	0.550	AA+	0.550	742	02/13/2015
3134G3NA4	11019	FEDERAL HOME LOAN MORTGAGE CO		02/28/2012	3,000,000.00	3,021,960.00	3,000,000.00	0.750	AA+	0.750	1,488	02/28/2017
3134G3MX5	11021	FEDERAL HOME LOAN MORTGAGE CO		02/24/2012	1,000,000.00	1,005,310.00	1,000,000.00	0.800	AA+	0.800	1,118	02/24/2016
3134G3NA4	11022	FEDERAL HOME LOAN MORTGAGE CO		02/28/2012	2,000,000.00	2,014,640.00	2,000,000.00	0.750	AA+	1.313	1,488	02/28/2017
3134G3MT4	11026	FEDERAL HOME LOAN MORTGAGE CO		02/24/2012	2,000,000.00	2,003,320.00	2,000,000.00	1.125	AA+	1.125	1,484	02/24/2017
3134G3SD3	11027	FEDERAL HOME LOAN MORTGAGE CO		03/28/2012	2,000,000.00	2,011,900.00	2,000,000.00	0.750	AA+	0.750	969	09/28/2015
3137EACT4	11034	FEDERAL HOME LOAN MORTGAGE CO		04/26/2012	1,000,000.00	1,064,200.00	1,055,108.69	2.500	AA+	0.810	1,211	05/27/2016
3134G3VH0	11038	FEDERAL HOME LOAN MORTGAGE CO		05/24/2012	5,000,000.00	5,012,350.00	5,000,000.00	1.200	AA+	1.200	1,573	05/24/2017
3134G3WD8	11039	FEDERAL HOME LOAN MORTGAGE CO		06/12/2012	2,000,000.00	2,017,460.00	2,000,000.00	1.250	AA+	1.250	1,592	06/12/2017
3134G32L3	11079	FEDERAL HOME LOAN MORTGAGE CO		12/26/2012	2,000,000.00	1,981,640.00	2,000,000.00	0.850	AA+	0.850	1,789	12/26/2017
3134G33B4	11082	FEDERAL HOME LOAN MORTGAGE CO		01/11/2013	1,000,000.00	994,260.00	1,000,000.00	1.000	AA+	1.000	1,805	01/11/2018
3136FRUP6	10967	FEDERAL NATIONAL MORT ASSOC		07/15/2011	3,000,000.00	3,025,350.00	3,000,000.00	2.000	AA+	2.000	1,260	07/15/2016
3136FTH44	11016	FEDERAL NATIONAL MORT ASSOC		02/08/2012	2,000,000.00	2,000,260.00	2,000,000.00	1.000	AA+	1.343	1,468	02/08/2017
3136FTV89	11025	FEDERAL NATIONAL MORT ASSOC		02/28/2012	2,000,000.00	2,000,460.00	1,999,700.00	0.500	AA+	1.331	1,488	02/28/2017
3136FT3W7	11031	FEDERAL NATIONAL MORT ASSOC		03/28/2012	2,000,000.00	1,989,360.00	2,000,000.00	1.125	AA+	1.332	1,516	03/28/2017
3136G0DQ1	11033	FEDERAL NATIONAL MORT ASSOC		04/26/2012	2,000,000.00	2,003,540.00	2,000,000.00	1.000	AA+	0.998	1,271	07/26/2016
3136G0VA6	11050	FEDERAL NATIONAL MORT ASSOC		08/14/2012	1,000,000.00	1,001,470.00	1,000,000.00	0.625	AA+	1.226	1,655	08/14/2017
3136G0D57	11054	FEDERAL NATIONAL MORT ASSOC		09/27/2012	1,000,000.00	1,000,230.00	1,000,000.00	0.500	AA+	1.240	1,699	09/27/2017
3136G0D24	11061	FEDERAL NATIONAL MORT ASSOC		09/25/2012	1,000,000.00	999,740.00	1,000,000.00	0.500	AA+	1.093	1,697	09/25/2017
3136G0F97	11065	FEDERAL NATIONAL MORT ASSOC		09/27/2012	1,000,000.00	1,001,010.00	1,000,000.00	0.500	AA+	1.179	1,699	09/27/2017
3136G06R7	11076	FEDERAL NATIONAL MORT ASSOC		11/28/2012	1,000,000.00	997,780.00	1,000,000.00	0.500	AA+	1.068	1,760	11/27/2017
Subtotal and Average			94,773,240.83		97,590,000.00	98,485,866.90	97,988,478.79			1.202	1,326	

Medium Term Notes

88579EAE5	10895	3M Company		07/20/2010	1,000,000.00	1,021,930.00	1,016,747.73	4.375	AA-	1.200	195	08/15/2013
06738KXV8	10989	Barclays Bank		10/28/2011	3,000,000.00	3,011,490.00	3,000,000.00	4.375	A+	3.287	1,365	10/28/2016
06366RHA6	11056	Bank of Montreal		09/11/2012	1,000,000.00	997,250.00	1,001,198.89	1.400	A+	1.373	1,683	09/11/2017
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,029,670.00	1,002,005.46	4.625	AA+	4.300	256	10/15/2013
084670AU2	10938	Berkshire Hathaway		02/08/2011	3,000,000.00	3,000,900.00	3,000,962.66	2.125	AA+	0.956	10	02/11/2013
191216AN0	10924	COCA-COLA		11/22/2010	1,085,000.00	1,088,537.10	1,082,895.00	0.750	AA-	1.000	287	11/15/2013
36962G4T8	10925	General Electric		11/19/2010	1,000,000.00	1,033,950.00	988,141.08	2.250	AA+	2.710	1,011	11/09/2015
36962G4X9	10935	General Electric Capital Corp		01/10/2011	2,000,000.00	2,033,380.00	1,999,032.87	2.100	AA+	2.154	340	01/07/2014

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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	Maturity Date
Medium Term Notes												
36962G5N0	11011	General Electric Capital Corp		01/10/2012	2,000,000.00	2,106,240.00	2,002,364.65	2.900	AA+	2.868	1,438	01/09/2017
36962G5M2	11012	General Electric Capital Corp		01/10/2012	2,000,000.00	2,055,820.00	2,002,975.72	2.150	AA+	2.070	707	01/09/2015
36962G4N1	11024	General Electric Capital Corp		02/22/2012	2,000,000.00	2,005,960.00	1,983,242.59	1.060	AA+	1.433	921	08/11/2015
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,034,810.00	1,000,000.00	2.950	AAA	2.949	485	06/01/2014
89233P4H6	10945	Toyota Motor Credit Corp		02/23/2011	1,000,000.00	1,005,640.00	1,000,442.59	1.375	AA-	1.290	192	08/12/2013
89233P5S1	11015	Toyota Motor Credit Corp		01/13/2012	1,000,000.00	1,030,160.00	1,003,364.90	2.050	AA-	1.960	1,441	01/12/2017
89233P5Z5	11023	Toyota Motor Credit Corp		02/17/2012	2,000,000.00	2,015,740.00	1,997,955.56	1.000	AA-	1.102	746	02/17/2015
89233P6C5	11036	Toyota Motor Credit Corp		05/01/2012	2,000,000.00	1,998,440.00	2,000,000.00	0.500	AA-	0.997	818	04/30/2015
931142CN1	10820	Wal-Mart Stores		08/14/2009	2,000,000.00	2,053,380.00	2,001,831.37	3.000	AA	2.902	367	02/03/2014
931142CT8	10928	Wal-Mart Stores		12/15/2010	1,000,000.00	1,043,110.00	1,000,848.71	2.250	AA	2.213	887	07/08/2015
Subtotal and Average			29,312,155.41		29,085,000.00	29,566,407.10	29,084,009.78			2.024	731	
Total and Average			152,968,245.09		164,616,152.38	166,005,840.53	165,013,640.95			1.158	946	

II. RESTRICTED FUNDS

TORRANCE IMPROVEMENTS

Bank of New York Merllon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
<i>City of Torrance 2004A&B COP Refunding - #3060645 (Maturity - June 1, 2024 & June 1, 2034)</i>						
Construction Fund Acct #360646	1,440,827.78			1,440,827.78		Dreyfus Inst'l Res Treasury #6541
Lease Payment Acct #360648	0.00			0.00		CUSIP#S99994190 FHLB/cusip 3133XXPV3
Required Reserve Acct #360649	2,754,195.00	1,326,915.08	1,427,279.92	2,754,195.00	1.11	Dreyfus Inst'l Res Treasury #6541 CUSIP#S99994190
Bank of New York Mellon						
Lease Payment Fund Acct # 360693	0.00	0.00		0.00		
Reserve Fund Acct #360695	1,258,018.76	1,953,212.50	(695,193.74)	1,258,018.76	1.11	Dreyfus Inst'l Res Treasury #6541 FHLB CUSIP#3133XXPV3
Bank of New York Mellon						
<i>Torrance PFA 98COP</i>						
Reserve Acct # 428590	553,085.00	553,085.00	0.00	553,085.00	5.61	ment Agrmt 5.61% due 11/28/28 **

WATER ENTERPRISE REVENUE BONDS

Bank of New York Mellon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
<i>2004 Torrance Water Refunding Bond #360700-(Maturity March 1, 2014)</i>						
Debit Service #360759	0.00			0.01	0.01	gan Prime M Mkt Premier #350
Required Rerserve Act # 360760	538,179.90	505,000.00	33,179.90	538,179.90	4.34	pital Management Invest Agrmt.

REDEVELOPMENT AGENCY

Bank of New York Mellon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
<i>Torrance RDA (Downtown) 98A (matures Sept. 1, 2028)</i>						
Interest / Debt Service Acct # 428478	3,262.50			3,262.50		CUSIP S99992760
Reserve Acct # 428469	586,579.71	586,890.00	(310.29)	586,579.71	1.13	HLB CUSIP#3133XXPV3 INVESCO Prime Private CUSIP#S99990340
Bank of New York Mellon						
<i>Torrance RDA (Industrial) 98B (matures Sept. 1, 2028)</i>						

**CASH INVESTMENT HELD BY FISCAL AGENT
FOR THE QUARTER ENDING 12/31/12**

Reserve Acct # 428517	1,037,984.75	1,037,984.75	0.00	1,037,984.75	1.13	HLB CUSIP#3133XXPV3 INVESCO Prime Private CUSIP#S99990340
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Bank of New York Mellon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
<i>Torrance RDA (Industrial) 99C (matures Sept. 1, 2028)</i>						
Interest Acct # 428877	0.00			0.00		
Reserve acct # 428882	1,295,089.55	1,300,480.00	(5,391.45)	1,295,088.55	1.13	HLB CUSIP#3133XXPV3 CUSIP S99992760
TOTAL: ALL CASH & INVESTMENTS HELD BY FISCAL AGENT	9,467,222.95			9,467,221.96		

**** Investment Agreements were authorized by Council through their approval of the bond documents**

- (1) Reserve requirements may be overfunded due to an accumulation of funds which are adjusted at every scheduled payout. These funds will be transferred to the lease payment/principal/interest account when interest/principal payouts are made by the City.
- (2) Over/under funded reserve requirements is for memorandum purposes only. Reserve requirements as outlined in the bond indenture require that at time (day of) of semi-annual payments to bondholders that the market value of the investments held in reserve is equal to the reserve requirement. Due to market fluctuations throughout the year it is normal to see both over and under funded situations.

**DEFERRED COMPENSATION REPORT
QUARTER ENDING 12/31/12**



<u>457PLAN A</u> <small>PERMANENT EMPLOYEES</small>										
Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Revenue Sharing Net Change	Withdrawals	Acct. Transfers Out	Outstanding Loans	Ending Balance
135,012,099.84 *	1,934,000.85	5,021,781.56	1,162,530.43	781,222.51	(5,313.21)	(24,316.05)	(2,337,031.92)	(5,022,781.56)	3,919,970.78	(1) 140,442,163.23
<u>Investment Type</u>				<u>Book Value</u>	<u>Market Value</u>					
Fixed Funds (GCF)				0.00	0.00					
Variable Funds				65,075,261.29	65,075,261.29					
Stable Value Fund				67,843,567.12	67,843,567.12					
Self-Direct				3,603,364.04	3,603,364.04					
(1) Outstanding Loans				3,919,970.78	3,919,970.78		(1) Participant Loan Outstanding Balance included in Total Assets			
<u>Totals</u>				<u>140,442,163.23</u>	<u>140,442,163.23</u>					

* Incl. Revenue Sharing shown below

<u>457 Plan Revenue Sharing</u>										
605,413.24 *	16,389.81		3,680.02		(17,500.00)		(13,727.96)	(13,157.89)		581,097.22

<u>457PLAN B</u> <small>RECURRENT/PART-TIME/TEMPORARY EMPLOYEES</small>										
Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Forfeiture	Withdrawals	Acct. Transfers Out	Ending Balance	
2,616,442.31	70,080.76	188,754.67	17,683.92	1,161.70	0.00	0.02	(62,423.40)	(188,754.67)	2,642,945.31	
<u>Investment Type</u>				<u>Book Value</u>	<u>Market Value</u>					
Variable Funds				128,597.90	128,597.90					
Fixed Funds (B4)				521,629.89	521,629.89					
Stable Value Fund				1,992,717.50	1,992,717.50					
Forfeiture/Asset				0.02	0.02					
<u>Totals</u>				<u>2,642,945.31</u>	<u>2,642,945.31</u>					

<u>401(A)</u> <small>MANAGEMENT, POLICE, FIRE, ENGINEERS</small>										
Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Forfeiture	Withdrawals	Acct. Transfers Out	Outstanding Loans	Ending Balance
8,084,229.38	321,557.90	236,636.96	63,299.63	69,998.62	(582.19)	4.61	(137,572.45)	(236,636.96)	118,819.57	(1) 8,519,555.07
<u>Investment Type</u>				<u>Book Value</u>	<u>Market Value</u>					
Fixed Funds				0.00	0.00					
Variable Funds				4,663,083.26	4,663,083.26					
Stable Value Fund				3,598,337.71	3,598,337.71					
Self-direct fund				139,514.53	139,514.53					
Outstanding Loans				118,619.57	118,619.57		(1) Outstanding Loan Balance included in Total Assets			
<u>Totals</u>				<u>8,519,555.07</u>	<u>8,519,555.07</u>					

**DEFERRED COMPENSATION REPORT
QUARTER ENDING 12/31/12**



RETIREMENT HEALTH SAVINGS PLAN (RHSP)

MANAGEMENT, POLICE, FIRE, MISC.

Beginning Balance	Contributions	Distributions	Fees	Gain/Loss	Ending Balance
3,287,006.49		(75,866.02)	(3,937.00)	29,026.02	3,236,229.49

Investment Type	Book Value	Market Value
Stable Value/Cash Mgmt Fund	89,993.29	89,993.29
Bond Funds	233,716.12	233,716.12
Balanced/Assest Alloc Funds	2,058,302.27	2,058,302.27
U.S. Stock Funds	807,120.07	807,120.07
Intern'l/Global Stock Funds	47,097.74	47,097.74
Totals	3,236,229.49	3,236,229.49

Public Agency Retirement Services (PARS)

Beginning Balance	Contributions	Transfer In	Distributions	Fees	Gain/Loss	Transfer Out	Ending Balance
7,491,025.52	284,258.59	143,424.48	(135,957.34)	(5,778.69)	98,660.17	(143,424.48)	7,732,208.25

Public Agency Retirement Services (PARS)

Excess Benefit Plan							
Beginning Balance	Contributions	Transfer In	Distributions	Fees	Gain/Loss	Transfer Out	Ending Balance
1,554.12	750.00		(533.64)	(0.97)			1,769.51

III. CASH & INVESTMENT PORTFOLIO SHARE

**CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF JANUARY 31, 2013**

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
General	42,177,486.66	42,186,569.78	25.56
Parks & Recr Facility & Open Space	4,257,351.94	4,260,910.31	2.58
State Gas Tax	12,293,516.25	12,293,256.21	7.45
Federal Housing, Community Dev	858,070.93	858,617.33	0.52
Street Lighting	33,002.73	28,394.64	0.02
Traffic Congestion Relief Act 2000 - AB2928	-	-	0.00
Proposition 1B	1,864,654.14	1,859,219.31	1.13
Police Asset Forfeiture	4,273,853.30	4,266,717.99	2.59
Drainage Improvement	16,501.36	19,444.47	0.01
Measure R Local Return	3,415,782.37	3,411,739.92	2.07
Government Cable	4,108,839.66	4,101,027.33	2.49
Local Return - Proposition C	4,125,341.02	4,126,664.54	2.50
TDA Article 3 Bicycle Fund	-	108.68	0.00
Grants/Donations	(66,005.46)	(58,526.08) (B)	(0.04)
CDBG Fund	-	1.00	0.00
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	297,024.55	289,987.68	0.18
Seismic Education Fund	66,005.46	60,374.87	0.04
Rehabilitation Housing	693,057.29	686,334.73	0.42
Meadow Park Parking Lot	49,504.09	51,777.22	0.03
Police Inmate Welfare Fund	49,504.09	51,857.89	0.03
Capital Improvements	19,801,636.91	19,801,515.62	12.00
Geologic Hazard Abatement	16,501.36	14,316.64	0.01
El Camino Training Fund-Fire	132,010.91	136,718.70	0.08
El Camino Training Fund-Police	16,501.36	10,000.00	0.01
Vanpool/Rideshare Fund	16,501.36	17,202.75	0.01
Torrance Public Financing - 1998 COP Fire/Police	-	-	0.00
Animal Control Fund	-	-	0.00
Successor Agency - Skypark Capital Project	-	-	0.00
Successor Agency - Downtown Capital Project	-	-	0.00
Successor Agency - Industrial Capital Project	-	-	0.00
Successor Agency - Low Mod Housing Capital Project	-	5,376.94	0.00
Successor Agency - Downtown Debt Service	181,515.01	182,870.60	0.11
Successor Agency - Skypark Debt Service	-	-	0.00
Successor Agency - Industrial Debt Service	726,060.02	728,129.20	0.44
Underground Storage Tank Fund	-	-	0.00
DNA Sampling Fund	82,506.82	83,460.00	0.05
Airport Fund	6,105,504.72	6,110,046.89	3.70
Transit Operations	8,877,733.88	8,876,969.95	5.38
Development Impact Fund	1,056,087.30	1,055,170.33	0.64
Water Operations	8,102,169.77	8,107,810.52	4.91
Emergency Medical Service Enterprise Fund	-	-	0.00
Sanitation Operations	(1,056,087.30)	(1,062,902.34) (C)	(0.64)
Cultural Arts Enterprise	49,504.09	43,799.95	0.03
Sewer Enterprise Fund	9,323,270.71	9,320,652.60	5.65
Parks & Recreation Enterprise Fund	(313,525.92)	(306,017.83) (D)	(0.19)
Self Insurance Fund	6,600,545.64	6,591,245.45	4.00
Fleet Services	16,303,347.73	16,297,699.10	9.88
Postemployment/Compensated Absences Fund	7,310,104.29	7,303,016.65	4.43
Trust & Agency	3,168,261.91	3,161,234.79	1.92
TOTAL	165,013,640.95	164,972,794.33	100.00

Account in Trust - RDA Successor Agency-Low Mod Housing
Redev Obligation Retirement Fund

10,392.60 (E)
1,718,849.43 (F)

- (A) The difference between the Share of Investments total of \$165,013,640.95 and the Pooled Cash and Investments total of \$164,972,794.33 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)
- (B) T-030 Del Amo Blvd. extension project - Federal Grant MTA pass thru has a negative cash balance of <\$740,848.72>. Department will submit a reimbursement request in February 2013.
T-030 Del Amo Blvd. extension project - MTA Grant has a negative cash balance of <\$157,011.94>. Reimbursement check in the amount of \$188,400.72 was received on February 11, 2013.
- T-131 Intersection Improvements - Measure R HW - MTA Grant has a negative cash balance of <\$122,094.11>. Reimbursement check in the amount of \$45,034.36 was received on February 11, 2013. Department has expensed approximately \$75,000 in January and February 2013. Quarterly reimbursement request will be filed by April 2013.
- FEAP764 Torrance Transit Terminal project - Measure R HW-MTA Grant has a negative cash balance of <\$388,753.50>. Reimbursement check in the amount of \$303,667.60 was received on February 11, 2013. The city is currently holding approximately \$80,000 of retention.
- (C) Sanitation Operations Fund has a negative fund due to the purchase of green waste and refuse containers from Toter, Inc. for \$613,481 in May 2012 & \$500,176.05 in Sep 2012. We anticipate future revenues to cover this deficit.
- (D) Negative cash balance represents net losses from prior years.
- (E) The cash balance of RDA Successor Agency (SA) Low Mod Fund is in a separate bank account. On 8/14/12, Council approved a loan to SA Debt Services in the amount of \$3,192,500 for the payment of bond debt services due in September 2012 and March 2013. The loan will be paid off by future property tax increment distributions. On 12/7/12, there was a payment to County of Los Angeles Auditor-Controller in the amount of \$3,867,774 per DOF review letter on Low Mod Fund dated 12/3/2012.
- (F) The cash balance of Redev Obligation Retirement Fund is in a separate bank account.



City of Torrance
Investment Report
January 2013

**CASH AND INVESTMENTS RECONCILIATION
AS OF JANUARY 31, 2013**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		165,013,640.95
CASH AND INVESTMENTS PER BOOKS		164,972,794.33
CASH IN BANKS:		
Cash in B of A General Account		(787,651.50)
OUTSTANDING WARRANTS:		
General Account	1,384,949.51	
Payroll Account	54,711.20	
Workers Compensation Account	<u>171,729.07</u>	
		1,611,389.78
Miscellaneous outstanding adjusting journal entries		644,505.77
Housing Fund restricted cash		(1,427,397.43)
INVESTMENTS PER BOOKS		165,013,640.95

