Council Meeting of
July 15, 2014

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

Members of Council:

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

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of May 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:

LeRoy J. Jackson
City Manager

CC: City Manager
City Clerk

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CITY of TORRANCE
Monthly Investment Portfolio Report
May 31, 2014

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Investment Report Summary Notes for May 2014

Investment Activity during the Period

The investment activity for May included 5 purchases and 2 redemptions.

Purchases

Issuer	PAR VALUE	TERM	RATE	YIELD	Structure
Federal Home Loan Mortgage Corp	1,000,000	3.5 years	1.250%	1.250%	Bullet
United States Treasury Notes	3,000,000	4 years	1.375%	1.317%	Bullet
IBM	1,000,000	2 years	1.950%	0.530%	Bullet
3M	1,000,000	3 years	1.000%	0.920%	Bullet
Customer Bank	1,000,000	2.5 years	0.800%	0.802%	Bullet

Redemptions

Issuer	PAR VALUE	TERM	RATE	YIELD	STATUS
Federal National Mortgage Assoc.	1,000,000	5 years	0.750%	0.679%	Called
Federal Farm Credit Bank	1,000,000	3 years	0.450%	0.451%	Called

The LAIF balance decreased by $4.9 million and the average monthly yield was .228%. During the month of May we had 1 LAIF deposit and 4 withdrawals (activity detail on page 3 of the investment report). The LAIF (less TRAN set aside) balance as of May 31, 2014 was $19.5 million. April 30, 2014 portfolio balance was $182,008,279 and the balance as of May 31, 2014 was $196,414,830. The total portfolio increased by $ 14.4 million due to Triple Flip funds received.

Liquidity of the Portfolio

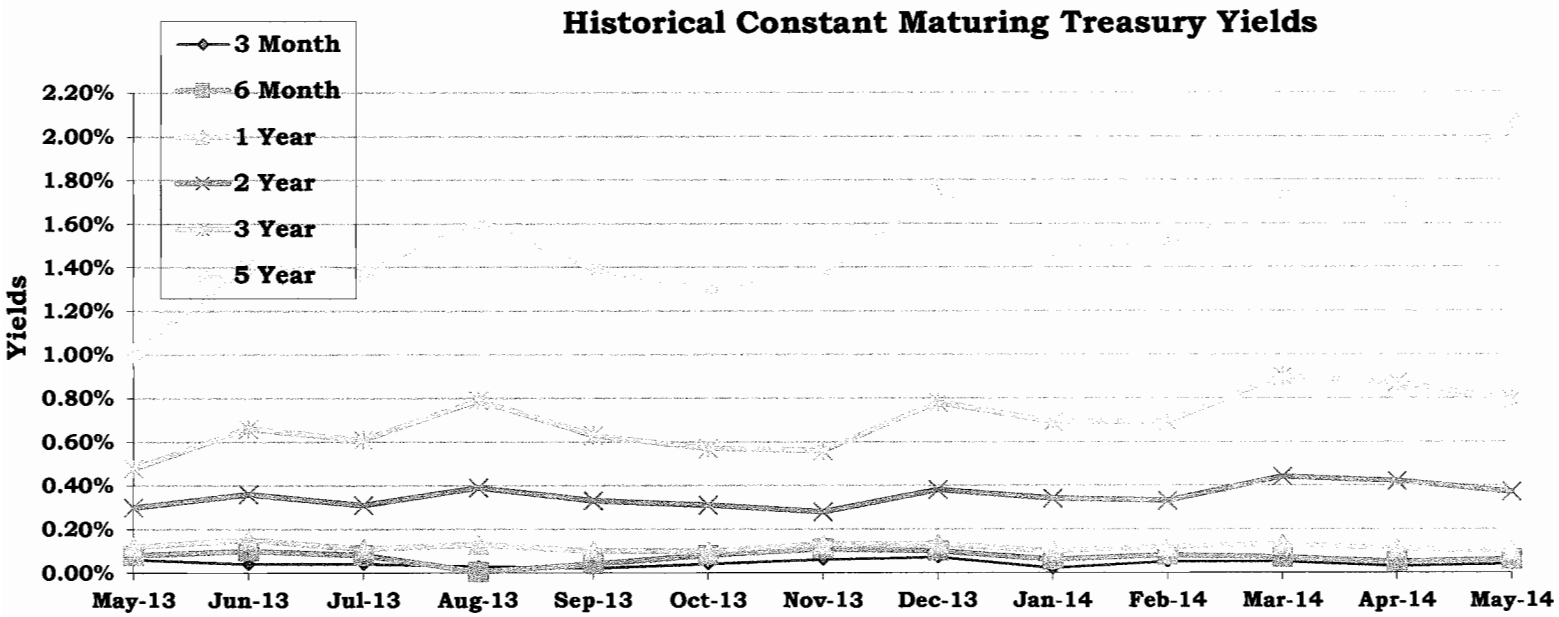
- The current goal is to keep the portfolio at an average maturity between 2 to 3 years based on current economic trends. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current state or conditions of the economy. The portfolio's current average maturity is 804 days or 2.2 years. This is a 73 day 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 $5 million excluding LAIF that has a projected average balance of $9.7 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. The upcoming TRAN payment is $30.6 million inclusive of interest due.

Investment Comparison to Benchmark

For the month of May the City's yield to maturity on pooled investments was .898%. The yield dropped by 5 basis points or .05% from the previous month. The average effective rate of return for fiscal year-to-date is 1.05%. The average yield on the 2 year U.S. Constant Maturing Treasury (CMT) was .37% which reflects a decrease of 5 basis points or .05% compared to the prior month. The portfolio performed above the benchmark (CMT) by 52 basis points or .52%. As the economy improves and interest rates continue to slowly move upward we will see the spread between the portfolio performance and our benchmark tighten. When the short end of the yield curve begins to rise we can expect LAIF rates to trail also.

Investment Report Summary Notes for May 2014

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



The Torrance portfolio will stay the course based on the current economic trends. Covering cash flow needs rank as the top priority.

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

I. POOLED FUNDS

Investment Report
May 2014

Investment Portfolio Highlights

RETURN	Current Month	Previous Month
Effective Rate of Retun	1.050%	1.070%
Average City Portfolio YTM	0.898%	0.949%
Average U.S. Treasury Constant Maturity - 2 year	0.370%	0.420%
LAIF Average Monthly Return	0.228%	0.233%
Average City Portfolio YTM - 1 year prior	0.916%	0.982%
INTEREST INCOME	Current Period	Prior Year
Fiscal year to date	$1,480,271	$1,728,065
Current month	$136,988	$140,099
MATURITY	Current Month	Prior Month
Average Maturity (days)	804	887
Average Maturity 1 Year Prior (days)	800	895
Weighted Average Maturity (years)	2.21	2.43
VOLUMES	Total $ Volume	# of Transactions
Purchases	$44,199,906	6
Maturities/Redemptions	$26,007,174	6

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
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
March	2014	96	161,451,944.68	0.933	0.946	0.236%	5	3	1,242	887
April	2014	104	166,715,136.76	0.936	0.949	0.233%	12	4	1,205	877
May	2014	107	181,964,818.45	0.886	0.898	0.228%	5	2	1,117	804
	Average	**101**	**157,009,069.56**	**0.980%**	**0.994%**	**0.250%**	**4**	**3**	**1,293**	**929**

Investment Report
May 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)	**$50,000,000**	**26.09%**	**$50,000,000**	**26.06%**	**$50Mil**	**0.00%**	**1**	**N/A**	**0.228%**
Union Bank Custodial - Money Market Account (For Pending Purchases/Interest)	**$0**	**0.00%**	**$0**	**0.00%**	**100%**	**0.00%**	**1**	**N/A**	**0.001%**
U.S. Treasury Securities	**$4,979,363**	**2.60%**	**$5,007,430**	**2.61%**	**100%**	**4.07%**	**1,539**	**5 Year**	**1.419%**
Federal Agency Issues	**$106,721,082**	**55.68%**	**$106,609,605**	**55.57%**	**75%**	**3.03%**	**1,137**	**5 Year**	**0.959%**
Farmer Mac	$14,499,712	7.57%	$14,478,375	7.55%	30%	3.47%	1,305	5 Year	1.125%
Federal Farm Credit Bank	$20,102,611	10.49%	$20,237,390	10.55%	30%	2.92%	1,095	5 Year	1.275%
Federal Home Loan Bank	$21,109,914	11.01%	$20,997,820	10.94%	30%	3.04%	1,142	5 Year	0.818%
Federal Home Loan Mortgage Corporation	$35,080,228	18.30%	$34,974,220	18.23%	30%	2.70%	1,018	5 Year	0.747%
Federal National Mortgage Association	$15,928,617	8.31%	$15,921,800	8.30%	30%	3.47%	1,293	5 Year	1.064%
Negotiable Certificates of Deposit	**$7,350,000**	**3.83%**	**$7,361,616**	**3.84%**	**20%**	**2.47%**	**924**	**5 Years**	**0.964%**
Medium Term Notes	**$22,613,445**	**11.80%**	**22,878,574**	**11.92%**	**20%**	**2.14%**	**807**	**5 Year**	**1.956%**
3m	$2,086,829	1.09%	$2,084,534	1.09%	5%	3.00%	1,121	5 Year	0.891%
Barclay	$3,000,000	1.57%	$3,033,840	1.58%	5%	2.33%	880	5 Year	3.287%
Bank of Montreal	$1,000,853	0.52%	$1,001,660	0.52%	5%	3.18%	1,198	5 Year	1.373%
Colgate Palmolive Co.	$1,995,813	1.04%	$1,987,520	1.04%	5%	4.25%	1,614	5 Year	1.549%
General Electric	$993,845	0.52%	$1,025,810	0.53%	5%	1.42%	526	5 Year	2.710%
General Electric Capital Corp	$5,994,572	3.13%	$6,133,840	3.19%	5%	1.44%	537	5 Year	2.121%
IBM	$1,030,195	0.54%	$1,028,180	0.54%	5%	2.09%	782	5 Year	0.530%
MicroSoft Corp	$1,000,000	0.52%	$1,000,000	0.52%	5%	0.00%	1	5 Year	2.949%
Toyota Motor Credit Corp	$4,510,954	2.35%	$4,561,990	2.38%	5%	2.28%	865	5 Year	1.543%
Wal-Mart Stores	$1,000,384	0.52%	$1,021,200	0.53%	5%	1.08%	402	5 Year	2.213%
Total Investments	**$191,663,890**	**100.00%**	**$191,857,225**	**100.00%**		**2.14%**	**1,117**		**0.898%**
Cash In Bank - General	**$2,870,189**							**Earnings Credit**	**0.250%**
Cash In Bank - Housing	**$1,880,751**								
Total Funds	**$196,414,831**								

Effective Rate of Return	
Month Ending	**Fiscal YTD**
0.89%	**1.05%**

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

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Investment Report
May 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											
11138	Morgan Stanley	05/28/2014	FHLMC	AA+/Aaa	11/28/2017	1,276	1.250%	1.250%	1,000,000	1,000,000	1,001,070
11143	Wedbush	05/09/2014	U.S Treasury Note	AAA/Aaa	06/30/2018	1,490	1.375%	1.317%	3,000,000	3,006,924	3,016,650
11144	Morgan Stanley	05/13/2014	IBM	AA-/Aa3	07/22/2016	782	1.950%	0.530%	1,000,000	1,030,195	1,028,180
11145	Vining Sparks	05/14/2014	3M	AA-/Aa2	06/26/2017	1,121	1.000%	0.920%	1,000,000	1,002,413	1,002,180
11146	Wedbush	05/28/2014	Customer Bank	FDIC	11/28/2016	911	0.800%	0.802%	245,000	245,000	243,922
								1.096%	**6,245,000**	**6,284,532**	**6,292,002**
MATURITIES/CALLS/SALES											
11050	Citigroup	08/14/2012	FNMA	AA+/Aaa	08/14/2017	638/1826	0.750%	0.679%	1,000,000	1,000,000	1,000,000
11066	Citigroup	09/28/2012	FFCB	AA+/Aaa	09/28/2015	580/1095	0.450%	0.451%	1,000,000	1,000,000	1,000,000
								0.565%	**2,000,000**	**2,000,000**	**2,000,000**

State of California Local Agency Pool	Beginning Balance	Rate	Yield	Deposits	Withdrawals	Interest Earned	Ending Balance
City	24,400,000	0.228%	0.228%	15,000,000	19,900,000	-	19,500,000
TRAN Repayment	15,000,000	0.228%	0.228%	15,500,000			30,500,000
	$39,400,000			**$30,500,000**	**$19,900,000**	**$ -**	**50,000,000**

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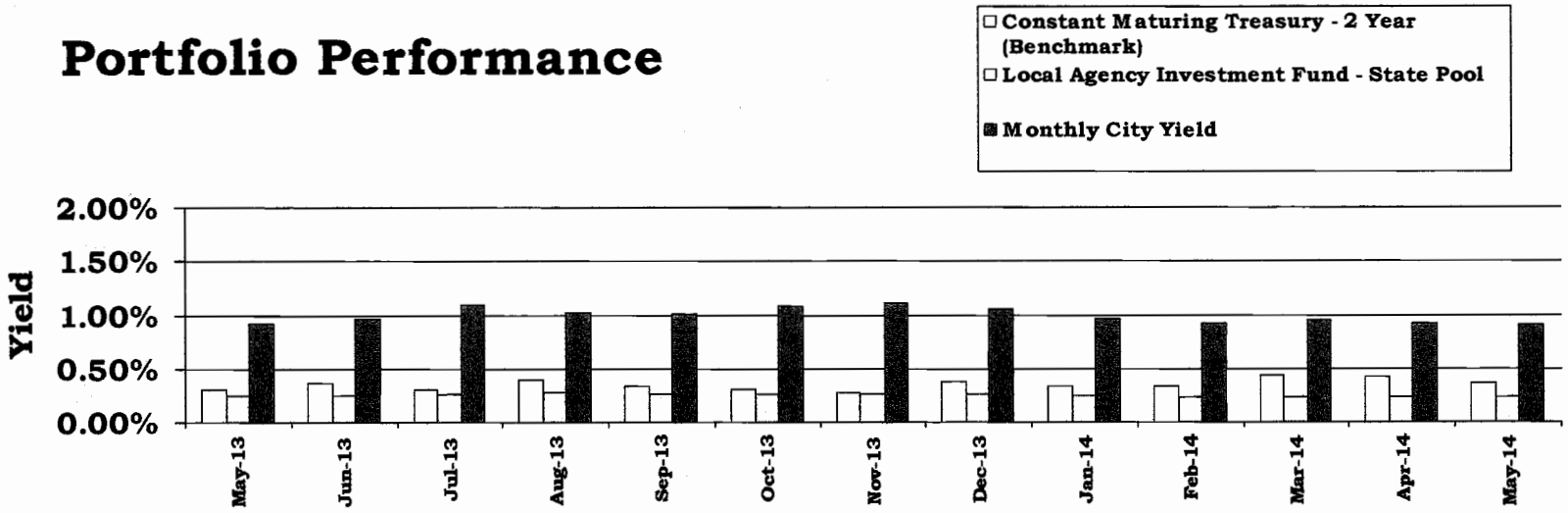
Investment Report
May 2014

Portfolio Performance

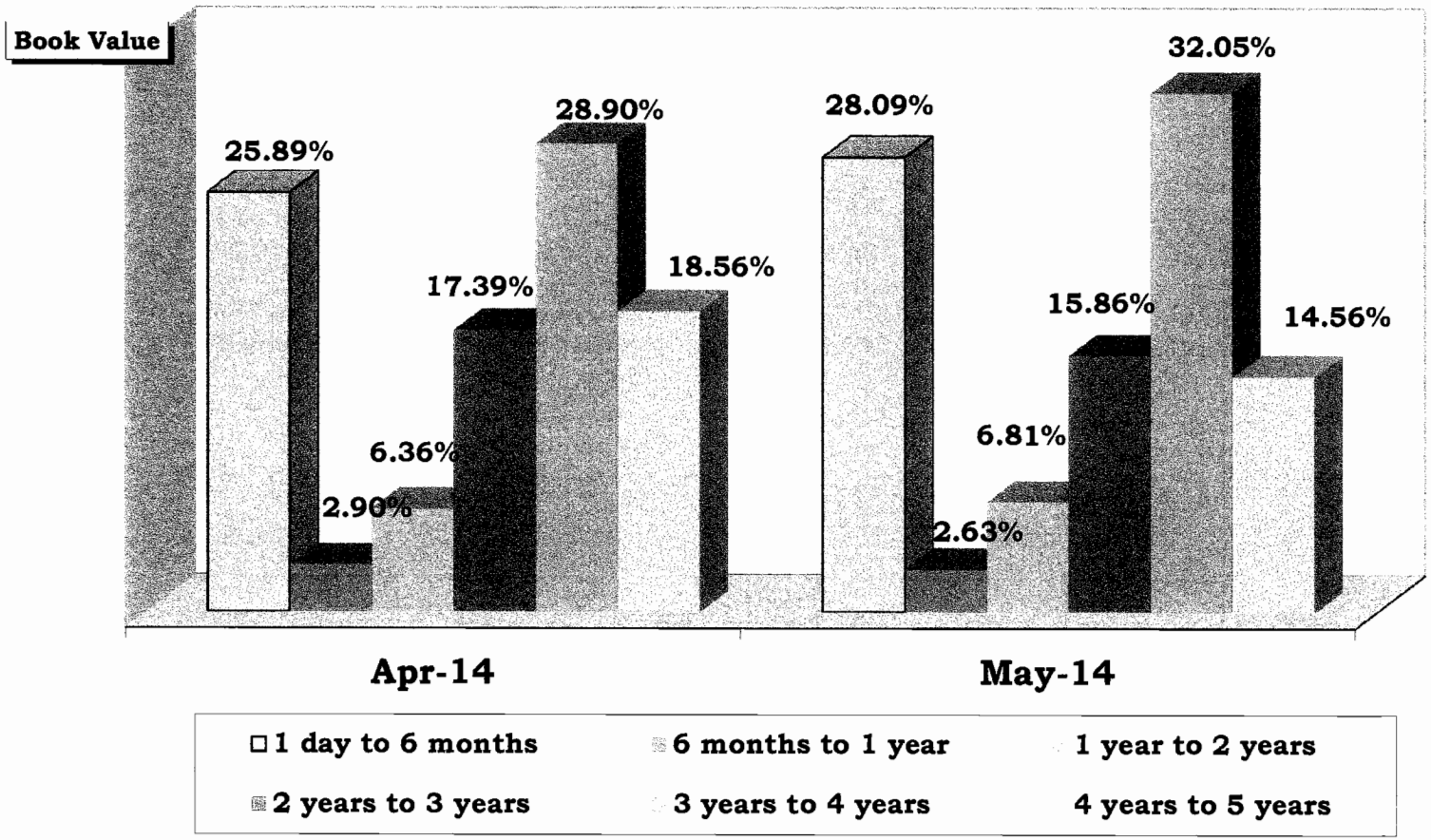


Portfolio Earnings Summary

	May 31, 2014	Fiscal Year to Date
CD/Coupon/Discount Investments:		
Interest Collected	$109,575.50	$1,960,372.91
Plus Interest at End of Period	$546,450.60	$546,450.61
Less Accrued Interest at Beginning of Period	($477,774.73)	($598,102.52)
Interest Earned	**$178,251.37**	**$1,908,721.00**
Adjusted By Premium	($49,435.48)	($553,715.24)
Adjusted by Capital		$70,290.08
Earnings during	**$128,815.89**	**$1,425,295.84**
Cash/Checking Accounts:		
Interest Collected	$11.69	$57,760.29
Plus Accrued Interest at End of Period	$23,311.16	$23,311.16
Less Interest at Beginning of Period	($15,150.55)	($26,096.69)
Interest Earned	**$8,172.30**	**$54,974.76**
Total Interest Earned	**$186,423.67**	**$1,963,695.76**
Total Adjustments from Premium and Discounts	($49,435.48)	($553,715.24)
Total Capital Gains or Loss	$0.00	$70,290.08
Total Earnings this Period	**$136,988.19**	**$1,480,270.60**

Investment Report
May 2014

Maturity Distribution

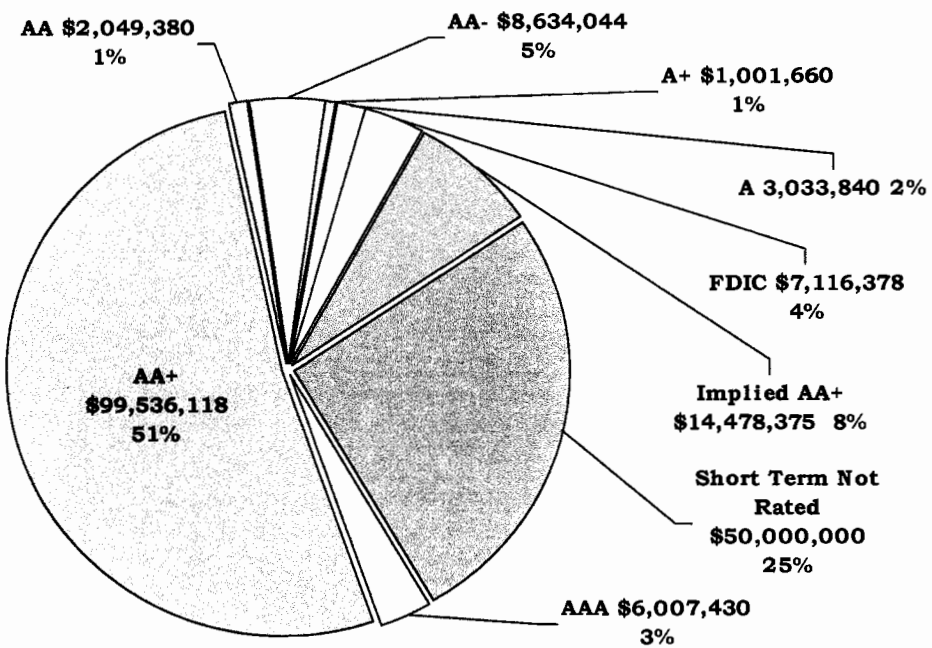


NOTE:*SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and monies of the local agency. It also requires a statement of compliance of the portfolio with the 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.

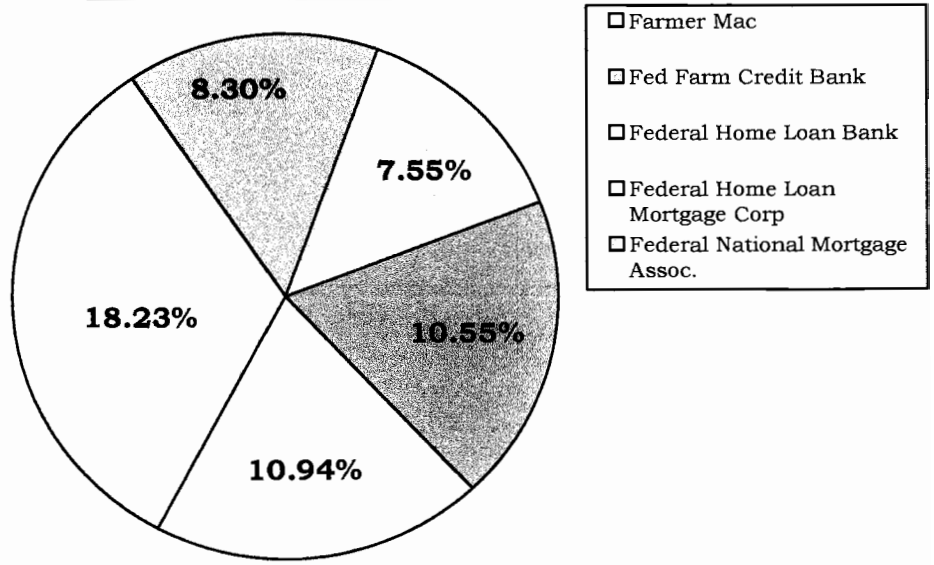
Investment Report
May 2014

Portfolio Distribution

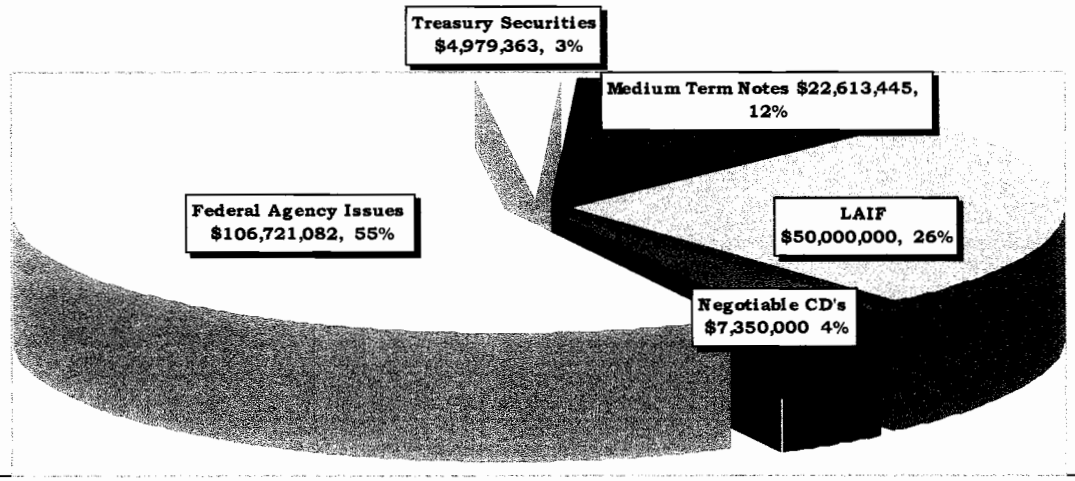
Market Value and Credit Rating Report



Federal Agencies Distribution (MV)



Portfolio Sectors (Book Value)



Investment Report

May 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 May 31, 2014
U.S. Treasury Securities	$0	$4,978,906	$28,524	$5,007,430
Federal Agency (Coupon)	$105,287,920	$899,870	$421,815	$106,609,605
Negotiable Certificate Deposits	$6,843,933	$490,000	$27,683	$7,361,616
Medium Term Notes	$25,441,688	($2,546,655)	($16,459)	$22,878,574
Municipal Bonds	$0	$0	$0	$0
SUBTOTAL PER GASB 31	**$137,573,541**	**$3,822,122**	**$461,562**	**$141,857,225**
Non-GASB				
Local Agency Investment Funds	$40,100,000	$9,900,000	$0	$50,000,000
Money Market	$0	$58,399,303	($58,399,303)	$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**	**$72,121,425**	**($57,937,741)**	**$191,857,225**

The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We report the unrealized gain/(loss) monthly and book realized gain/(loss) at year end as a GASB 31 requirement.

GASB 31 is a reporting requirement that reports the "Fair Value" of investments held in our portfolio. Fair value is the amount at which a financial instrument (investment) could be exchanged in a current transaction between willing parties at current market prices. It is important to understand the relationship between prevailing interest rates and fixed coupon investments. As market interest rates fall, the "Fair Value" of held securities will rise (unrealized Gains). The opposite occurs as market interest rates rise (market prices of held investments will fall). It should be noted that investments held in the city pool are to be held until maturity so both gains and losses (unrealized) will not be taken.

Reviewed by the Investment Advisory Committee:

City Treasurer - Dana Cortez

City Manager - LeRoy Jackson

City Attorney - John Fellows III

Finance Director - Eric Tsao

Deputy City Treasurer - Shiela Abdayan

Monthly Investment Reports
Portfolio Management
Portfolio Details - Investments
May 31, 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			19,500,000.00	19,500,000.00	19,500,000.00	0.228		0.228	1	
SYS1000a	1000A	LAIF - TRANS FUNDS		07/01/2013	30,500,000.00	30,500,000.00	30,500,000.00	0.228		0.228	1	
		Subtotal and Average	**41,361,290.32**		**50,000,000.00**	**50,000,000.00**	**50,000,000.00**			**0.228**	**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	**1,176,821.23**		**0.00**	**0.00**	**0.00**			**0.000**	**0**	
Negotiable CD												
33764JHM0	11052	First Bank of P R #30387		08/01/2012	245,000.00	247,687.65	245,000.00	1.250	FDIC	1.251	792	08/01/2016
330459AE8	11110	1st Nat'l Bank Kentucky #2759		10/03/2013	245,000.00	245,994.70	245,000.00	0.900	FDIC	0.901	855	10/03/2016
33648FJN6	11127	First State Bank West Virginia		03/11/2014	245,000.00	244,627.60	245,000.00	0.450	FDIC	0.451	649	03/11/2016
02005QN90	11044	Ally Bank		08/01/2012	245,000.00	246,487.15	245,000.00	1.150	FDIC	1.157	428	08/03/2015
02587DLD8	11070	American Express Cent #27471		10/04/2012	245,000.00	247,119.25	245,000.00	1.550	FDIC	1.551	1,221	10/04/2017
06740AYC7	11090	Barclays Bank		03/12/2013	245,000.00	243,673.08	245,000.00	1.250	FDIC	1.346	1,380	03/12/2018
06426NGR7	11068	Bank of China #33653		09/26/2012	245,000.00	245,382.20	245,000.00	0.650	FDIC	0.650	117	09/26/2014
05568PZ91	11073	BMW Bank of No America #35141		11/02/2012	245,000.00	246,462.65	245,000.00	0.950	FDIC	0.950	519	11/02/2015
060624XH1	11091	Bank of Baroda #33681		03/08/2013	245,000.00	243,128.20	245,000.00	1.250	FDIC	1.251	1,376	03/08/2018
149159HR9	11094	Cathay Bank #18503		04/12/2013	245,000.00	242,812.15	245,000.00	1.000	FDIC	1.001	1,411	04/12/2018
17284CBZ6	11093	CIT Bank #35575		04/17/2013	245,000.00	242,672.50	245,000.00	1.150	FDIC	1.151	1,416	04/17/2018
20033AAU0	11084	Comenity Capital Bank		01/18/2013	245,000.00	245,678.65	245,000.00	0.750	FDIC	0.750	962	01/18/2017
225645CZ1	11126	Crescent Bank & Trust		03/05/2014	245,000.00	244,590.85	245,000.00	1.500	FDIC	1.500	1,549	08/28/2018
23204HBD9	11146	Customer Bank #34444		05/28/2014	245,000.00	243,922.00	245,000.00	0.800	FDIC	0.802	911	11/28/2016
254671GK0	11058	Discover Bank #5649		09/19/2012	245,000.00	247,484.30	245,000.00	1.250	FDIC	1.251	841	09/19/2016
29976DNQ9	11059	EverBank #34775		09/14/2012	245,000.00	247,525.95	245,000.00	0.900	FDIC	0.901	836	09/14/2016
307660HE3	11113	Farm Bureau Bank #35157		10/15/2013	245,000.00	245,911.40	245,000.00	0.900	FDIC	0.000	866	10/14/2016
308862DD0	11134	Farmers & Merchants Bk #16810		04/25/2014	245,000.00	245,237.65	245,000.00	1.450	AA+	1.452	1,577	09/25/2018
36160XN52	11051	GE Capital Bank #33778		08/03/2012	245,000.00	246,318.10	245,000.00	1.150	FDIC	1.150	428	08/03/2015
36157PSB6	11111	GE Money Bank #27314		10/04/2013	245,000.00	246,068.20	245,000.00	1.200	FDIC	1.201	856	10/04/2016
38143AXS9	11045	Goldman Sachs Bank #33124		08/01/2012	245,000.00	246,460.20	245,000.00	1.200	FDIC	1.200	428	08/03/2015
48124JRY6	11085	JPMORGAN		01/28/2013	245,000.00	244,621.97	245,000.00	0.750	FDIC	0.750	1,337	01/28/2018
485836FB1	11129	Katahdin Trust Co CD		03/28/2014	245,000.00	245,000.00	245,000.00	1.250	FDIC	1.054	1,761	03/28/2019
70153RHF8	11130	Parkway Bank #19008		04/10/2014	245,000.00	244,127.80	245,000.00	0.500	FDIC	0.502	680	04/11/2016
74267GTZ0	11112	Private Bank & Trust Co #33306		10/04/2013	245,000.00	245,815.85	245,000.00	1.000	FDIC	1.001	856	10/04/2016
786580X96	11043	Safra National Bank #26876		07/31/2012	245,000.00	246,514.10	245,000.00	0.800	FDIC	0.800	425	07/31/2015
795450NT8	11053	Sallie Mae Bank		08/08/2012	245,000.00	246,501.85	245,000.00	1.100	FDIC	1.106	435	08/10/2015

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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
Negotiable CD												
84603M2H8	11046	Sovereign Bank #29950		08/01/2012	245,000.00	245,198.45	245,000.00	0.850	FDIC	0.850	61	08/01/2014
856283UK0	11098	STATE BANK of INDIA		05/14/2013	245,000.00	242,447.10	245,000.00	1.150	FDIC	0.000	1,443	05/14/2018
94768NJD7	11081	Webster Bank #18221		12/12/2012	245,000.00	246,144.15	245,000.00	1.000	FDIC	1.001	1,290	12/12/2017
		Subtotal and Average	**7,136,612.90**		**7,350,000.00**	**7,361,615.70**	**7,350,000.00**			**0.964**	**924**	
Federal Agency Issues - Coupon												
31315PXK0	11071	FARMER MAC		10/25/2012	2,000,000.00	2,001,380.00	2,000,000.00	0.650		1.053	1,242	10/25/2017
31315PWE5	11083	FARMER MAC		01/08/2013	3,000,000.00	2,985,870.00	3,000,000.00	0.930		0.935	1,317	01/08/2018
31315PNZ8	11086	FARMER MAC		01/30/2013	2,000,000.00	1,997,380.00	2,000,879.33	1.050		1.038	1,339	01/30/2018
31315PXM6	11097	FARMER MAC		05/02/2013	2,000,000.00	1,978,520.00	1,999,216.11	0.850		0.860	1,431	05/02/2018
31315PXF1	11099	FARMER MAC		05/02/2013	2,000,000.00	2,001,260.00	1,999,616.11	0.400		0.410	701	05/02/2016
31315P6A2	11115	FARMER MAC		10/04/2013	3,500,000.00	3,513,965.00	3,500,000.00	1.940		1.940	1,585	10/03/2018
31331JQ55	10907	FEDERAL FARM CREDIT BANK		10/06/2010	1,000,000.00	1,003,560.00	1,000,000.00	1.150	AA+	1.150	127	10/06/2014
31331KCK4	10942	FEDERAL FARM CREDIT BANK		02/17/2011	1,000,000.00	1,013,690.00	1,000,000.00	2.030	AA+	2.030	261	02/17/2015
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,168,200.00	2,092,033.33	4.950	AA+	2.280	670	04/01/2016
3133EAA81	11041	FEDERAL FARM CREDIT BANK		07/30/2012	1,000,000.00	997,910.00	1,000,000.00	0.780	AA+	0.780	974	01/30/2017
3133EAX29	11060	FEDERAL FARM CREDIT BANK		09/18/2012	1,000,000.00	997,680.00	1,000,000.00	0.980	AA+	0.980	1,205	09/18/2017
3133EC5A8	11075	FEDERAL FARM CREDIT BANK		11/28/2012	2,000,000.00	1,988,400.00	2,000,000.00	0.870	AA+	0.870	1,275	11/27/2017
3133ECE26	11087	FEDERAL FARM CREDIT BANK		01/30/2013	1,000,000.00	996,040.00	1,000,000.00	0.940	AA+	1.022	1,339	01/30/2018
3133ED3Z3	11109	FEDERAL FARM CREDIT BANK		10/04/2013	3,000,000.00	3,026,670.00	3,000,000.00	1.230	AA+	1.230	1,221	10/04/2017
3133ED4Q2	11114	FEDERAL FARM CREDIT BANK		10/11/2013	1,000,000.00	1,005,460.00	1,000,000.00	1.480	AA+	1.480	1,471	06/11/2018
3133EDDV1	11119	FEDERAL FARM CREDIT BANK		01/23/2014	1,000,000.00	1,007,950.00	998,732.74	1.160	AA+	1.198	1,240	10/23/2017
3133EDEB4	11121	FEDERAL FARM CREDIT BANK		02/07/2014	3,000,000.00	3,018,570.00	3,015,313.05	1.100	AA+	0.931	1,123	06/28/2017
3133EDGW6	11128	FEDERAL FARM CREDIT BANK		03/11/2014	3,000,000.00	3,013,260.00	2,996,531.37	1.300	AA+	1.330	1,471	06/11/2018
313373RC8	10956	FEDERAL HOME LOAN BANK		05/16/2011	1,000,000.00	1,001,870.00	1,000,138.04	1.250	AA+	1.164	59	07/30/2014
313370TW8	11040	FEDERAL HOME LOAN BANK		07/25/2012	1,000,000.00	1,031,770.00	1,030,906.51	2.000	AA+	0.620	831	09/09/2016
313380P92	11055	FEDERAL HOME LOAN BANK		09/26/2012	1,000,000.00	994,950.00	1,000,000.00	1.000	AA+	1.000	1,213	09/26/2017
313380MF1	11057	FEDERAL HOME LOAN BANK		09/18/2012	1,000,000.00	999,570.00	1,000,000.00	1.000	AA+	1.005	1,205	09/18/2017
3133824S9	11089	FEDERAL HOME LOAN BANK		02/27/2013	1,000,000.00	993,570.00	1,000,000.00	1.100	AA+	1.100	1,367	02/27/2018
313383AA9	11105	FEDERAL HOME LOAN BANK		06/12/2013	4,000,000.00	3,945,160.00	4,000,000.00	1.000	AA+	1.000	1,472	06/12/2018
3133837E5	11106	FEDERAL HOME LOAN BANK		06/06/2013	4,000,000.00	3,949,720.00	4,000,000.00	0.625	AA+	0.625	1,466	06/06/2018
3133834R9	11108	FEDERAL HOME LOAN BANK		05/24/2013	1,000,000.00	998,390.00	998,159.23	0.375	AA+	0.465	754	06/24/2016
313379VE6	11118	FEDERAL HOME LOAN BANK		01/14/2014	1,000,000.00	1,004,000.00	998,204.08	1.010	AA+	1.070	1,114	06/19/2017
313381GD1	11122	FEDERAL HOME LOAN BANK		02/20/2014	2,000,000.00	1,991,860.00	1,991,676.22	1.250	AA+	1.356	1,480	06/20/2018
313373SZ6	11123	FEDERAL HOME LOAN BANK		02/26/2014	2,000,000.00	2,067,140.00	2,068,299.51	2.125	AA+	0.428	740	06/10/2016
313375RN9	11124	FEDERAL HOME LOAN BANK		02/27/2014	2,000,000.00	2,019,820.00	2,022,530.79	1.000	AA+	0.363	649	03/11/2016

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Federal Agency Issues - Coupon												
3134G3GM6	11009	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	1,000,000.00	1,003,370.00	1,000,000.00	1.300	AA+	1.300	957	01/13/2017
3137EADC0	11017	FEDERAL HOME LOAN MORTGAGE CO		01/30/2012	1,000,000.00	1,006,840.00	998,101.47	1.000	AA+	1.071	1,011	03/08/2017
3137EACT4	11034	FEDERAL HOME LOAN MORTGAGE CO		04/26/2012	1,000,000.00	1,041,450.00	1,032,991.49	2.500	AA+	0.810	726	05/27/2016
3134G3WD8	11039	FEDERAL HOME LOAN MORTGAGE CO		06/12/2012	2,000,000.00	2,000,520.00	2,000,000.00	1.250	AA+	1.250	1,107	06/12/2017
3134G32L3	11079	FEDERAL HOME LOAN MORTGAGE CO		12/26/2012	2,000,000.00	1,968,480.00	2,000,000.00	0.850	AA+	0.850	1,304	12/26/2017
3134G33B4	11082	FEDERAL HOME LOAN MORTGAGE CO		01/11/2013	1,000,000.00	990,090.00	1,000,000.00	1.000	AA+	1.000	1,320	01/11/2018
3137EADJ5	11095	FEDERAL HOME LOAN MORTGAGE CO		04/23/2013	3,000,000.00	3,002,670.00	3,031,710.08	1.000	AA+	0.660	1,153	07/28/2017
3137EAAG4	11096	FEDERAL HOME LOAN MORTGAGE CO		04/26/2013	5,000,000.00	5,539,300.00	5,536,933.00	5.500	AA+	0.420	778	07/18/2016
3137EADH9	11101	FEDERAL HOME LOAN MORTGAGE CO		05/13/2013	5,000,000.00	4,999,850.00	5,042,053.30	1.000	AA+	0.722	1,124	06/29/2017
3134G44N5	11102	FEDERAL HOME LOAN MORTGAGE CO		05/28/2013	2,000,000.00	1,964,400.00	2,000,000.00	0.750	AA+	0.750	1,276	11/28/2017
3137EAAG4	11107	FEDERAL HOME LOAN MORTGAGE CO		05/22/2013	4,000,000.00	4,431,440.00	4,426,657.25	5.500	AA+	0.452	778	07/18/2016
3137EADL0	11132	FEDERAL HOME LOAN MORTGAGE CO		04/23/2014	1,000,000.00	1,000,850.00	995,279.72	1.000	AA+	1.145	1,216	09/29/2017
3137EADS5	11135	FEDERAL HOME LOAN MORTGAGE CO		04/29/2014	2,000,000.00	2,014,740.00	2,011,450.44	0.875	AA+	0.631	866	10/14/2016
3134G54K8	11138	FEDERAL HOME LOAN MORTGAGE CO		05/28/2014	1,000,000.00	1,001,070.00	1,000,000.00	1.250	AA+	1.250	1,276	11/28/2017
3137EADJ5	11139	FEDERAL HOME LOAN MORTGAGE CO		04/30/2014	2,000,000.00	2,001,780.00	1,999,454.86	1.000	AA+	1.009	1,153	07/28/2017
3137EADS5	11142	FEDERAL HOME LOAN MORTGAGE CO		04/30/2014	1,000,000.00	1,007,370.00	1,005,596.61	0.875	AA+	0.637	866	10/14/2016
3136G0D24	11061	FEDERAL NATIONAL MORT ASSOC		09/25/2012	1,000,000.00	1,000,120.00	1,000,000.00	0.500	AA+	1.093	1,212	09/25/2017
3136G06R7	11076	FEDERAL NATIONAL MORT ASSOC		11/28/2012	1,000,000.00	1,000,450.00	1,000,000.00	0.625	AA+	1.068	1,275	11/27/2017
3135G0PQ0	11100	FEDERAL NATIONAL MORT ASSOC		04/26/2013	3,000,000.00	2,985,360.00	3,015,539.35	0.875	AA+	0.720	1,243	10/26/2017
3136G1LZ0	11103	FEDERAL NATIONAL MORT ASSOC		05/28/2013	2,000,000.00	1,970,980.00	2,000,000.00	0.750	AA+	0.750	1,276	11/28/2017
3135G0WJ8	11117	FEDERAL NATIONAL MORT ASSOC		01/14/2014	1,000,000.00	986,060.00	972,987.87	0.875	AA+	1.581	1,450	05/21/2018
3135G0WJ8	11120	FEDERAL NATIONAL MORT ASSOC		01/31/2014	2,000,000.00	1,972,120.00	1,958,096.39	0.875	AA+	1.421	1,450	05/21/2018
3135G0WJ8	11125	FEDERAL NATIONAL MORT ASSOC		03/03/2014	2,000,000.00	1,972,120.00	1,965,710.14	0.875	AA+	1.320	1,450	05/21/2018
3135G0YT4	11133	FEDERAL NATIONAL MORT ASSOC		04/23/2014	1,000,000.00	1,007,250.00	996,980.99	1.625	AA+	1.695	1,640	11/27/2018
3135G0CM3	11136	FEDERAL NATIONAL MORT ASSOC		04/29/2014	1,000,000.00	1,017,180.00	1,014,736.59	1.250	AA+	0.610	850	09/28/2016
3135G0PQ0	11140	FEDERAL NATIONAL MORT ASSOC		04/30/2014	1,000,000.00	995,120.00	991,963.38	0.875	AA+	1.116	1,243	10/26/2017
3135G0GY3	11141	FEDERAL NATIONAL MORT ASSOC		04/30/2014	1,000,000.00	1,015,040.00	1,012,602.62	1.250	AA+	0.771	974	01/30/2017
		Subtotal and Average	**106,292,669.45**		**105,500,000.00**	**106,609,605.00**	**106,721,081.97**			**0.959**	**1,137**	
Treasury Securities - Coupon												
912828WD8	11137	U.S.TREASURY NOTE		04/29/2014	2,000,000.00	1,990,780.00	1,972,438.87	1.250	AAA	1.575	1,613	10/31/2018
912828VK3	11143	U.S.TREASURY NOTE		05/09/2014	3,000,000.00	3,016,650.00	3,006,924.36	1.375	AAA	1.317	1,490	06/30/2018
		Subtotal and Average	**4,203,164.37**		**5,000,000.00**	**5,007,430.00**	**4,979,363.23**			**1.419**	**1,539**	

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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												
88579YAE1	11104	3M Company		05/23/2013	1,080,000.00	1,082,354.40	1,084,415.50	1.000	AA-	0.864	1,121	06/26/2017
88579YAE1	11145	3M Company		05/14/2014	1,000,000.00	1,002,180.00	1,002,413.19	1.000	AA-	0.920	1,121	06/26/2017
06738KXV8	10989	Barclays Bank		10/28/2011	3,000,000.00	3,033,840.00	3,000,000.00	2.500	A	3.287	880	10/28/2016
06366RHA6	11056	Bank of Montreal		09/11/2012	1,000,000.00	1,001,660.00	1,000,852.22	1.400	A+	1.373	1,198	09/11/2017
19416QED8	11116	Colgate Palmolive Co		11/01/2013	2,000,000.00	1,987,520.00	1,995,813.00	1.500	AA-	1.549	1,614	11/01/2018
36962G4T8	10925	General Electric		11/19/2010	1,000,000.00	1,025,810.00	993,844.77	2.250	AA+	2.710	526	11/09/2015
36962G5N0	11011	General Electric Capital Corp		01/10/2012	2,000,000.00	2,097,300.00	2,001,564.20	2.900	AA+	2.868	953	01/09/2017
36962G5M2	11012	General Electric Capital Corp		01/10/2012	2,000,000.00	2,022,600.00	2,000,929.38	2.150	AA+	2.070	222	01/09/2015
36962G4N1	11024	General Electric Capital Corp		02/22/2012	2,000,000.00	2,013,940.00	1,992,078.99	1.025	AA+	1.403	436	08/11/2015
459200GX3	11144	IBM		05/13/2014	1,000,000.00	1,028,180.00	1,030,195.06	1.950	AA	0.530	782	07/22/2016
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,000,000.00	1,000,000.00	2.950	AAA	2.949	0	06/01/2014
89233P5S1	11015	Toyota Motor Credit Corp		01/13/2012	1,000,000.00	1,029,610.00	1,002,228.27	2.050	AA-	1.960	956	01/12/2017
89233P5Z5	11023	Toyota Motor Credit Corp		02/17/2012	2,000,000.00	2,010,720.00	1,999,288.89	1.000	AA-	1.102	261	02/17/2015
89236TAY1	11131	Toyota Motor Credit Corp		04/11/2014	1,500,000.00	1,521,660.00	1,509,436.93	2.000	AA-	1.850	1,606	10/24/2018
931142CT8	10928	Wal-Mart Stores		12/15/2010	1,000,000.00	1,021,200.00	1,000,384.19	2.250	AA	2.213	402	07/08/2015
		Subtotal and Average	**21,794,260.17**		**22,580,000.00**	**22,878,574.40**	**22,613,444.59**			**1.956**	**807**	
		Total and Average	**181,964,818.45**		**190,430,000.00**	**191,857,225.10**	**191,663,889.79**			**0.898**	**804**	

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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		50,405.15	50,405.15				0
				Subtotal		50,405.15	50,405.15				
	Total Cash and Investments		181,964,818.45		190,430,000.00	191,907,630.25	191,714,294.94			0.898	804

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II. RESTRICTED FUNDS

CITY OF TORRANCE FISCAL AGENT FOR SUCCESSOR RDA
RESTRICTED CASH BALANCE REPORT
May 31, 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
May 2014

CASH AND INVESTMENTS PER BOOKS
AS OF MAY 31, 2014 (PRE-CLOSE)

FUND	CASH & INVESTMENTS PER BOOKS		PERCENT OF TOTAL
General	56,542,700.36		29.1
Parks & Recr Facility & Open Space	3,640,837.73		1.87
State Gas Tax	14,204,874.39		7.31
Federal Housing, Community Dev	711,951.55		0.37
Street Lighting	27,060.00		0.01
Proposition 1B	1,362,175.07		0.7
Police Asset Forfeiture	3,902,823.57		2.01
Drainage Improvement	19,444.47		0.01
Measure R Local Return	5,162,978.11		2.66
Government Cable	5,055,586.64		2.6
Local Return - Proposition C	4,088,431.15		2.1
TDA Article 3 Bicycle Fund	239,503.70		0.12
Grants/Donations	845,413.73	(A)	0.43
CDBG Fund	(196,227.63)	(B)	-0.1
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	258,187.31		0.13
Seismic Education Fund	119,833.51		0.06
Rehabilitation Housing	706,334.73		0.36
Meadow Park Parking Lot	59,826.93		0.03
Police Inmate Welfare Fund	59,966.25		0.03
Capital Improvements	15,598,318.35		8.03
Geologic Hazard Abatement	14,316.64		0.01
El Camino Training Fund-Fire	61,947.10		0.03
El Camino Training Fund-Police	8,000.00		0
Vanpool/Rideshare Fund	31,805.73		0.02
Torrance Public Financing - 1998 COP Fire/Police	-		0
Animal Control Fund	-		0
Successor Agency - Low Mod Housing Capital Project	13,299.00	(C)	0.01
Successor Agency - Downtown Debt Service	-		0
Successor Agency - Industrial Debt Service	-		0
DNA Sampling Fund	13,167.39		0.01
Airport Fund	6,800,351.10		3.5
Transit Operations	12,276,007.19		6.32
Development Impact Fund	1,374,876.28		0.71
Water Operations	16,944,723.30		8.72
Emergency Medical Service Enterprise Fund	-		0
Sanitation Operations	(455,045.58)	(D)	-0.23
Cultural Arts Enterprise	(41,109.76)	(E)	-0.02
Sewer Enterprise Fund	7,637,992.59		3.93
Parks & Recreation Enterprise Fund	489,310.14		0.25
Self Insurance Fund	4,230,685.04		2.18
Fleet Services	18,446,231.25		9.49
Postemployment/Compensated Absences Fund	11,479,223.01		5.91
Trust & Agency	2,577,624.59		1.33
TOTAL CASH AND INVESTMENTS PER BOOKS	194,313,424.93		100
Redev Obligation Retirement Fund	877.10	(F)	

(A) T-131 Intersection Improvements - Measure R HW - MTA Grant has a negative cash balance of <$189,435.87>. Quarterly reimbursement request will be submitted in July 2014.

FEAP764 Torrance Transit Terminal project - Measure R HW-MTA Grant has a negative cash balance of <$348,158.09>. Quarterly reimbursement request will be submitted in July 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.

2011 Urban Areas Security Initiative Grant - Video Security Equipment - Police has a negative cash balance of <$104,261>. Reimbursement request for $101,511 was received in June 2014. Remaining request for $2,750 has been submitted in June 2014.

2012 Urban Areas Security Initiative Grant - Personal Protective Equipment - Police has a negative cash balance of <$49,785.50>. Full reimbursement request has been submitted in April 2014.

(B) CDBG Fund has a negative cash balance of <$196,227.63> due to I 135 Sidewalk Repair for Handicap Accessibility and Home Improvement Program charges. Monthly reimbursement request will be submitted in June 2014 for both projects.

(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, a $145,095.72 transfer to Fleet Veh Repl Fd for a refuse truck in November 2013 and additional purchases of automated containers for $64,774.80 in February 2014.

(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
May 2014

CASH AND INVESTMENTS RECONCILIATION
AS OF MAY 31, 2014 (PRE-CLOSE)

INVESTMENTS PER PORTFOLIO SUMMARY		$ 191,663,889.79
Cash in Bank of America General Account	$ 2,870,189.28	
Cash in Bank of America Housing Account	1,880,751.35	
		4,750,940.63
TOTAL FUNDS PER INVESTMENT REPORT		**$ 196,414,830.42**
OUTSTANDING WARRANTS:		
General Account	$ (1,165,888.34)	
Payroll Account	(64,092.76)	
Workers' Compensation Account	(245,382.43)	
Housing Account	(7,686.00)	
		(1,483,049.53)
MISCELLANEOUS OUTSTANDING ADJUSTING JOURNAL ENTRIES:		
05/16/14 Receipts interfaced on 06/02/14	(56.00)	
05/19/14 Receipts interfaced on 06/02/14	(173.77)	
05/27/14 Receipts interfaced on 06/02/14	(6,068.25)	
05/27/14 Receipts interfaced on 06/04/14	(1,307.31)	
05/28/14 Receipts interfaced on 06/02/14	(9,636.00)	
05/29/14 Receipts interfaced on 06/02/14	(165,915.47)	
05/29/14 Receipts interfaced on 06/04/14	(6,792.51)	
05/29/14 Receipts interfaced on 06/05/14	(2,629.54)	
05/30/14 Receipts interfaced on 06/02/14	(100,598.99)	
05/30/14 Receipts interfaced on 06/04/14	(3,239.00)	
05/30/14 Receipts interfaced on 06/05/14	(403,396.66)	
05/14/14 Receipts interface error, corrected on 06/05/14	6,012.50	
05/30/2014 Union Bank transaction interfaced on 06/02/14	85,245.99	
IVR & Parking Web credit card receipts will be interfaced in June 2014	(23,216.00)	
05/2014 Deposit in transit	13,415.05	
		(618,355.96)
TOTAL CASH AND INVESTMENTS PER BOOKS		**$ 194,313,424.93**