

Council Meeting of
October 28, 2014

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

Members of Council:

SUBJECT: Accept and file Investment Reports for August and September 2014

RECOMMENDATION

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

FUNDING

Not applicable


BACKGROUND

On December 17, 2013, Your Honorable Body, through passage of Resolution 2013-86, 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

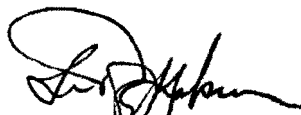
The Investment Committee, made up of the City Manager, City Attorney, Finance Director, City Treasurer, and Deputy City Treasurer as created by your Honorable Body, has reviewed the attached report and find that it is in concurrence with the City of Torrance Investment Policy.

Respectfully submitted,



Dana Cortez
City Treasurer

Noted:



LeRoy J. Jackson
Investment Committee Member

CC: City Manager
City Clerk

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**Investment Report Summary Notes for
 August 2014**

Investment Activity during the Period

The investment activity for August included 1 purchase and 1 redemption.

Purchases

| Issuer | PAR VALUE | TERM | RATE | YIELD | Structure |
|------------------|-----------|---------|--------|--------|-----------|
| American Express | 245,000 | 5 years | 2.100% | 2.101% | Bullet |

Redemptions

| Issuer | PAR VALUE | TERM | RATE | YIELD | Status |
|----------------|-----------|---------|--------|--------|---------|
| Sovereign Bank | 245,000 | 2 years | 0.850% | 0.850% | Matured |

The LAIF balance increased by \$1.3 million and the average monthly yield was .260%. During the month of August we had LAIF 5 deposit and 6 withdrawals (activity detail on page 3 of the investment report). The LAIF balance as of August 31, 2014 was \$14.3 million. The LAIF balance increased due to standard revenues received during the month. July 31, 2014 portfolio balance was \$161,336,826 and the balance as of August 31, 2014 was \$159,887,457. The total portfolio decreased by \$ 1.4 million.

Liquidity of the Portfolio

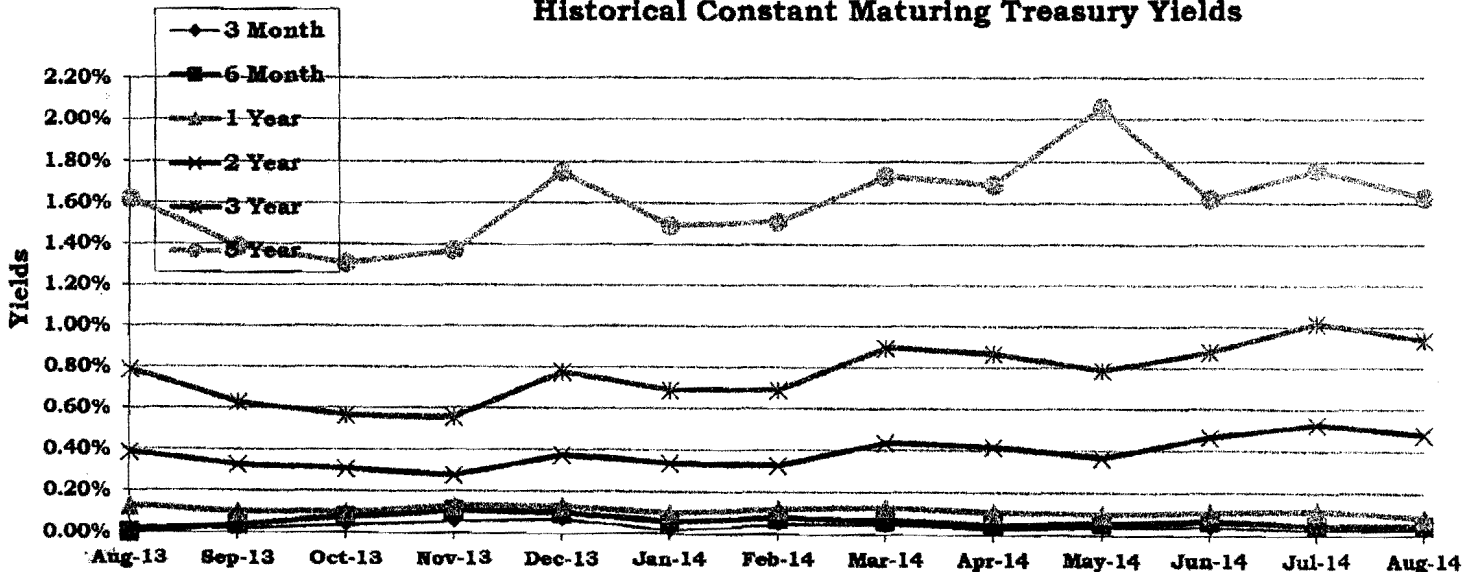
- The current goal is to keep the portfolio at an average maturity between 2 to 3 years based on current economic trends. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current state or conditions of the economy. The portfolio's current average maturity is 936 days or 2.56 years. This is a 33 day decrease from the previous month.
- 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.

Investment Comparison to Benchmark

For the month of August the City's yield to maturity on pooled investments was 1.065%. The yield decreased by 4 basis point or .04% from the previous month. The average effective rate of return for fiscal year-to-date is .98%. The average yield on the 2 year U.S. Constant Maturing Treasury (CMT) was .48% which reflects an increase of 5 basis points or .05% compared to the prior month. The portfolio performed above the benchmark (CMT) by 58 basis points or .58%. 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.

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

Historical Constant Maturing Treasury Yields



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.



CITY of TORRANCE
Monthly Investment Portfolio Report
August 31, 2014

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II. RESTRICTED FUNDS

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Additional Reference Schedules:

- a) City of Torrance Cash and Investments per Books for the twelve months ended August 31, 2014
- b) Yield Spread Worksheet



Investment Report

August 2014

Investment Portfolio Highlights

| RETURN | Current Month | Previous Month |
|--|-----------------|-------------------|
| Effective Rate of Return | 0.980% | 0.950% |
| Average City Portfolio YTM | 1.065% | 1.069% |
| Average U.S. Treasury Constant Maturity - 2 year | 0.480% | 0.530% |
| LAIF Average Monthly Return | 0.260% | 0.244% |
| Average City Portfolio YTM - 1 year prior | 1.027% | 1.094% |
| INTEREST INCOME | Current Period | Prior Year |
| Fiscal year to date | 271,584 | 330,606 |
| Current month | 133,992 | 126,337 |
| MATURITY | Current Month | Prior Month |
| Average Maturity (days) | 936 | 969 |
| Average Maturity 1 Year Prior (days) | 963 | 1059 |
| Weighted Average Maturity (years) | 2.56 | 2.65 |
| VOLUMES | Total \$ Volume | # of Transactions |
| Purchases | 11,328,979 | 1 |
| Maturities/Redemptions | 10,052,544 | 1 |

Portfolio Activity Summary

| Month End | Year | Number of Securities | Average Balance | Yield to Maturity | Yield to | Managed Pool Rate | Investments Purchased | Investments Redeemed | Average Term | Average Days to Mat |
|-----------|------|----------------------|-----------------|-------------------|--------------|-------------------|-----------------------|----------------------|--------------|---------------------|
| | | | | 360 | Maturity 365 | | | | | |
| 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 |
| June | 2014 | 108 | 190,885,952.50 | 0.896 | 0.909 | 0.228% | 4 | 3 | 1,117 | 803 |
| July | 2014 | 108 | 170,758,425.42 | 1.054 | 1.069 | 0.244% | 1 | 1 | 1,380 | 969 |
| August | 2014 | 108 | 154,702,981.90 | 1.051 | 1.066 | 0.260% | 1 | 1 | 1,370 | 936 |
| Average | | 102 | 158,143,004.86 | 0.986% | 1.000% | 0.248% | 3 | 3 | 1,304 | 926 |



Investment Report August 2014

Investment Portfolio Summary

| | Book Value | BV % of Portfolio | Market Value | MV % of Portfolio | % per Policy | Modified Duration (MV) | Days to Maturity (MV) | Maximum Term | YTM | (BV) |
|---|----------------------|-------------------|----------------------|-------------------|----------------|------------------------|-----------------------|------------------------|-----|---------------|
| Local Agency Investment Fund (State of California) | \$14,300,000 | 9.16% | \$14,300,000 | 9.17% | \$50Mll | 0.00% | 1 | N/A | | 0.260% |
| Union Bank Custodial - Money Market Account | \$0 | 0.00% | \$0 | 0.00% | 100% | 0.00% | 1 | N/A | | 0.001% |
| U.S. Treasury Securities | \$4,980,508 | 3.19% | \$4,988,660 | 3.20% | 100% | 3.83% | 1,447 | 5 Year | | 1.419% |
| Federal Agency Issues | \$106,557,252 | 68.29% | \$106,292,550 | 68.14% | 75% | 2.81% | 1,077 | 5 Year | | 0.989% |
| Farmer Mac | 14,499,752 | 9.29% | 14,473,330 | 9.35% | 30% | 2.79% | 1,213 | 5 Year | | 1.125% |
| Federal Farm Credit Bank | 20,089,124 | 12.87% | 20,162,340 | 13.05% | 30% | 2.68% | 1,001 | 5 Year | | 1.274% |
| Federal Home Loan Bank | 23,095,659 | 14.80% | 22,974,670 | 14.82% | 30% | 3.17% | 1,188 | 5 Year | | 0.994% |
| Federal Home Loan Mortgage Corporation | 32,955,858 | 21.12% | 32,818,380 | 20.68% | 30% | 2.46% | 921 | 5 Year | | 0.717% |
| Federal National Mortgage Association | 15,926,860 | 10.21% | 15,863,830 | 10.24% | 30% | 3.22% | 1,203 | 5 Year | | 1.061% |
| Negotiable Certificates of Deposit | \$7,595,000 | 4.87% | \$7,616,083 | 4.88% | 20% | 2.41% | 898 | 5 Years | | 1.006% |
| Medium Term Notes | \$22,612,831 | 14.49% | \$22,789,801 | 14.61% | 20% | 2.03% | 764 | 5 Year | | 1.876% |
| 3m | 2,086,273 | 1.34% | 2,076,901 | 1.33% | 5% | 2.77% | 1,029 | 5 Year | | 0.891% |
| Barclay | 3,000,000 | 1.92% | 3,030,060 | 1.94% | 5% | 2.09% | 788 | 5 Year | | 3.287% |
| Bank of Montreal | 1,000,787 | 0.64% | 1,002,100 | 0.64% | 5% | 2.94% | 1,106 | 5 Year | | 1.373% |
| Colgate Palmolive Co. | 1,996,050 | 1.28% | 1,978,180 | 1.27% | 5% | 4.00% | 1,522 | 5 Year | | 1.549% |
| General Electric | 994,914 | 0.64% | 1,019,960 | 0.65% | 5% | 1.17% | 434 | 5 Year | | 2.710% |
| General Electric Capital Corp | 5,995,710 | 3.84% | 6,096,100 | 3.91% | 5% | 1.20% | 449 | 5 Year | | 2.114% |
| IBM | 1,026,670 | 0.66% | 1,023,890 | 0.66% | 5% | 1.86% | 690 | 5 Year | | 0.530% |
| Royal Bank of Canada | 1,001,675 | 0.64% | 1,000,850 | 0.64% | 5% | 2.73% | 1,019 | 5 Year | | 1.189% |
| Toyota Motor Credit Corp | 4,510,454 | 2.89% | 4,544,920 | 2.91% | 5% | 2.04% | 773 | 5 Year | | 1.543% |
| Wal-Mart Stores | 1,000,297 | 0.64% | 1,016,840 | 0.65% | 5% | 0.85% | 310 | 5 Year | | 2.213% |
| Total Investments | \$156,055,591 | 100.00% | \$155,987,094 | 100.00% | | 2.45% | 936 | | | 1.065% |
| Cash in Bank - General | 1,985,301 | | | | | | | Earnings Credit | | 0.260% |
| Cash in Bank - Housing | 1,846,665 | | | | | | | | | |
| Total Funds | \$159,887,457 | | | | | | | | | |

Effective Rate of Return
Month Ending Fiscal YTD
1.02% 0.98%

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.



Investment Report August 2014

Portfolio Monthly Activity Detail

| Investment Number | BROKER | PURCHASE DATE | DESCRIPTION | QUALITY RATING | DAYS HELD | DAYS TO MATURITY | RATE | YIELD | PAR VALUE | BOOK VALUE | MARKET VALUE | |
|-------------------------------|-----------------|---------------|------------------|----------------|-----------|------------------|--------|--------|---------------|----------------|----------------|----------------|
| PURCHASES | | | | | | | | | | | | |
| 11152 | Higgins Capital | 8/21/2014 | American Express | FDIC | | 1,826 | 2.100% | 2.240% | 245,000 | 245,000 | 243,398 | |
| | | | | | | | | | 2.240% | 245,000 | 245,000 | 243,398 |
| MATURITIES/CALLS/SALES | | | | | | | | | | | | |
| 11046 | Vining Sparks | 8/1/2012 | Sovereign Bank | FDIC | | 8/1/2014 | 730 | 0.850% | 0.850% | 245,000 | 245,000 | 245,000 |
| | | | | | | | | | 0.850% | 245,000 | 245,000 | 245,000 |

| State of California Local Agency Pool | Beginning Balance | Rate | Yield | Deposits | Withdrawals | Interest Earned | Ending Balance |
|--|-------------------|--------|--------|-------------------|------------------|-----------------|-------------------|
| City | 13,023,565 | 0.260% | 0.260% | 10,800,000 | 9,523,565 | - | 14,300,000 |
| TRAN Repayment | 0 | 0.260% | 0.260% | | | | 0 |
| | 13,023,565 | | | 10,800,000 | 9,523,565 | - | 14,300,000 |

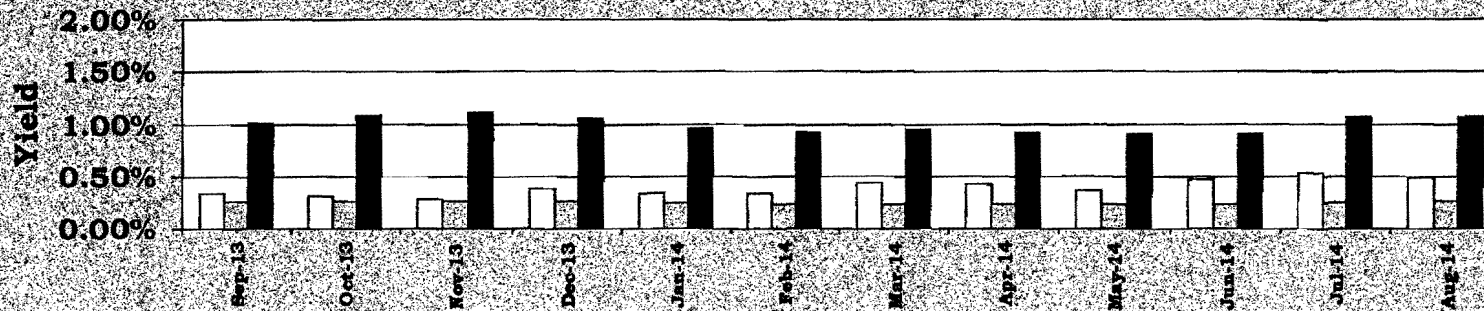


Investment Report

August 2014

Portfolio Performance

- Constant Maturing Treasury - 2 Year (Benchmark)
- Local Agency Investment Fund - State Pool
- Monthly City Yield



Portfolio Earnings Summary

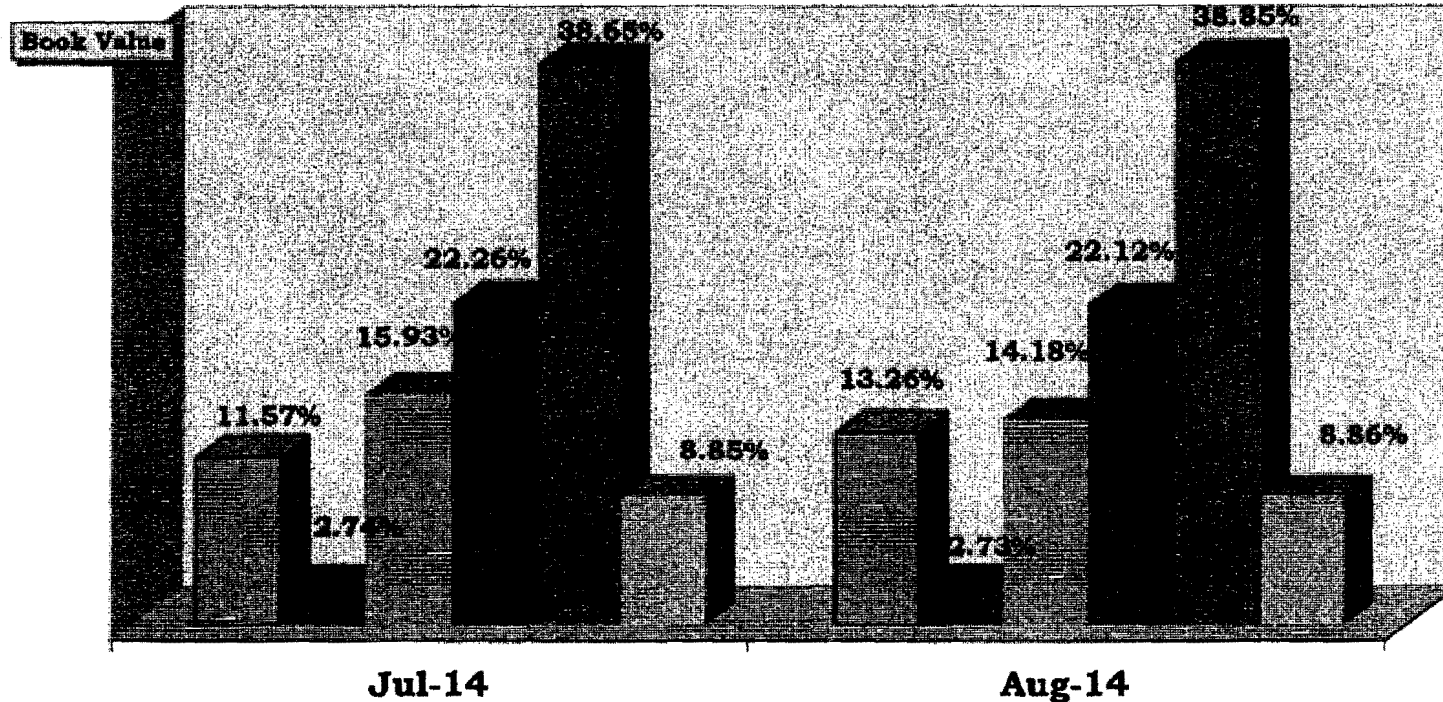
| | August 31, 2014 | Fiscal Year to Date |
|--|---------------------|---------------------|
| CD/Coupon/Discount Investments: | | |
| Interest Collected | 38,977.63 | 454,632.84 |
| Plus Interest at End of Period | 465,237.95 | 465,237.95 |
| Less Accrued Interest at Beginning of Period | (323,077.73) | (556,667.03) |
| Interest Earned Period | 181,137.85 | 363,203.76 |
| Adjusted By Premium | (49,815.90) | (99,699.67) |
| Adjusted by Capital | 0.00 | 0.00 |
| Earnings during Periods | 131,321.95 | 263,504.09 |
| Cash/Checking Accounts: | | |
| Interest Collected | 1.79 | 23,580.09 |
| Plus Accrued Interest at End of Period | 28,523.74 | 28,523.74 |
| Less Interest at Beginning of Period | (25,855.60) | (44,023.73) |
| Interest Earned Period | 2,669.93 | 8,080.10 |
| Total Interest Earned | 183,807.78 | 371,283.86 |
| Total Adjustments from Premium and Discounts | (49,815.90) | (99,699.67) |
| Total Capital Gains or Loss | 0.00 | 0.00 |
| Total Earnings Period | \$133,991.88 | \$271,584.19 |



Investment Report

August 2014

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 |

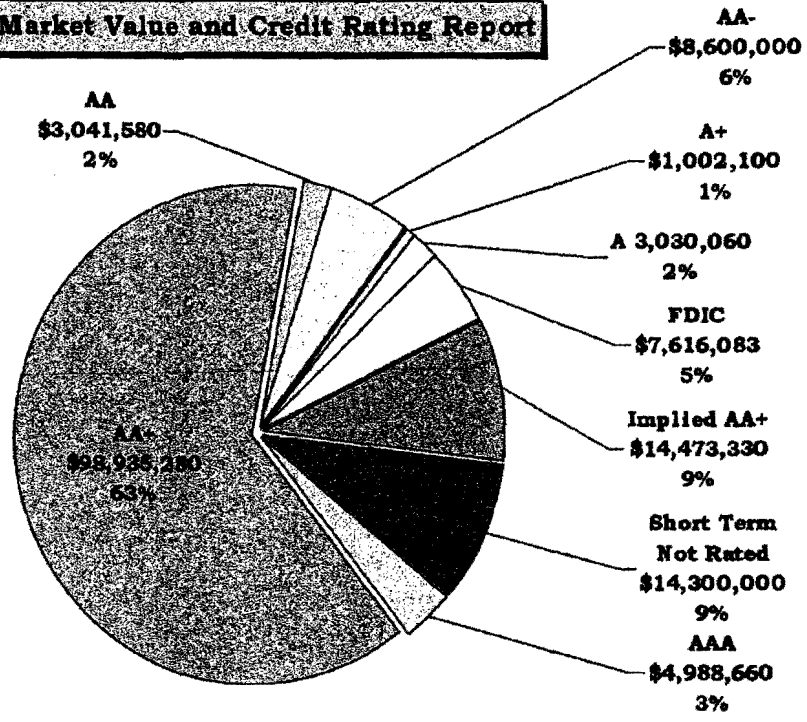
NOTE: *SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and monies of the local agency. It also requires a statement of compliance of the portfolio with the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

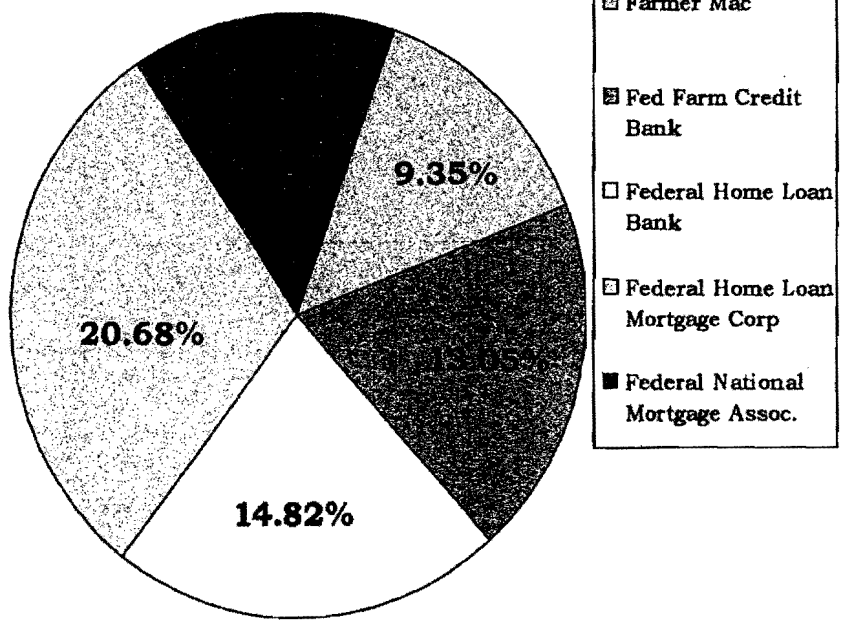
August 2014

Portfolio Distribution

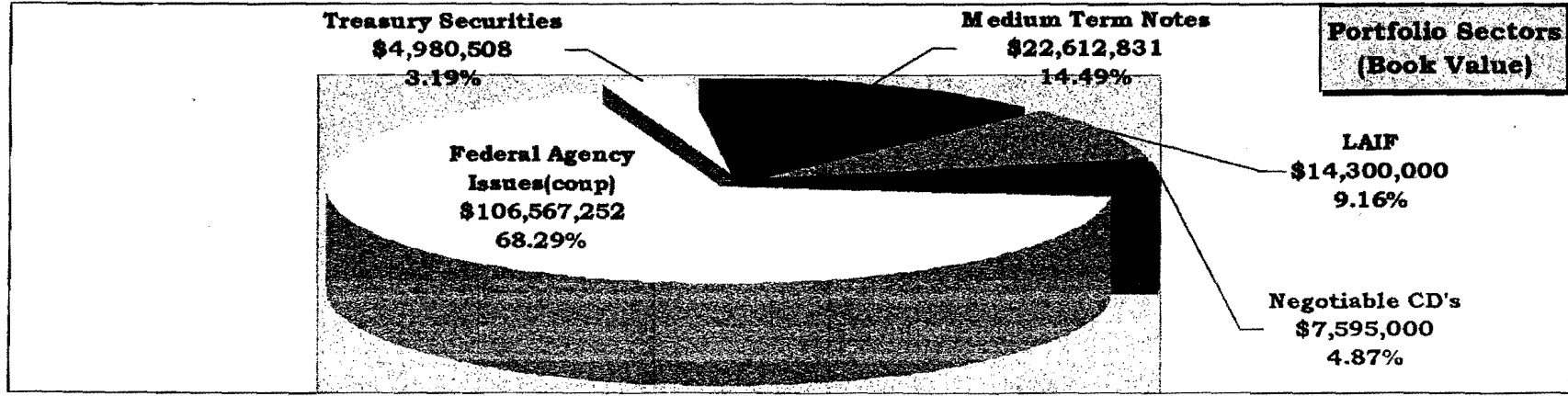
Market Value and Credit Rating Report



Federal Agencies Distribution
68.14% of Total Portfolio (MV)



- Farmer Mac
- Fed Farm Credit Bank
- Federal Home Loan Bank
- Federal Home Loan Mortgage Corp
- Federal National Mortgage Assoc.





Investment Report
August 2014


Value of Portfolio per GASB 31

| | Beginning Investment Value as of July 1, 2014 | Purchase/Redemption of Principal | Change in Market Value | Ending Investment Value as of August 31, 2014 |
|---------------------------------|--|----------------------------------|------------------------|--|
| U.S. Treasury Securities | 4,991,350 | - | (2,690) | 4,988,660 |
| Federal Agency (Coupon) | 107,469,350 | (1,000,000) | (176,800) | 106,292,550 |
| Negotiable Certificate Deposits | 7,367,216 | 245,000 | 3,867 | 7,616,083 |
| Medium Term Notes | 22,844,531 | - | (54,730) | 22,789,801 |
| Municipal Bonds | - | - | - | - |
| SUBTOTAL PER GASB 31 | \$142,672,447 | (\$755,000) | (\$230,353) | \$141,687,094 |
| Non-GASB | | | | |
| Local Agency Investment Funds | 49,500,000 | (35,200,000) | - | 14,300,000 |
| Money Market | - | - | - | - |
| Federal Agency - Disc. | - | - | - | - |
| Treasury Security - Disc. | - | - | - | - |
| Certificate of Deposits - Disc. | - | - | - | - |
| Commercial paper | - | - | - | - |
| TOTAL PORTFOLIO | \$192,172,447 | (\$35,955,000) | (\$230,353) | \$155,987,094 |

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

 for
City Manager - LeRoy Jackson


City Attorney - John Fellows III


Finance Director - Eric Tsao

**City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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 | | | 14,300,000.00 | 14,300,000.00 | 14,300,000.00 | 0.260 | | 0.260 | 1 | |
| SYS1000a | 1000A | LAIF - TRANS FUNDS | | | 0.00 | 0.00 | 0.00 | 0.260 | | 0.260 | 1 | |
| Subtotal and Average | | | 12,843,475.02 | | 14,300,000.00 | 14,300,000.00 | 14,300,000.00 | | | 0.260 | 1 | |
| Money Market Sweep Account | | | | | | | | | | | | |
| 316175108S | 1000 | Union Bank of California | | | 0.00 | 0.00 | 0.00 | | | 0.000 | 1 | |
| Subtotal and Average | | | 238,694.15 | | 0.00 | 0.00 | 0.00 | | | 0.000 | 0 | |
| Negotiable CD | | | | | | | | | | | | |
| 33764JHMO | 11052 | First Bank of P R #30387 | | 08/01/2012 | 245,000.00 | 247,903.25 | 245,000.00 | 1.250 | FDIC | 1.251 | 700 | 08/01/2016 |
| 330459AE8 | 11110 | 1st Nat'l Bank Kentucky #2759 | | 10/03/2013 | 245,000.00 | 246,597.40 | 245,000.00 | 0.900 | FDIC | 0.901 | 763 | 10/03/2016 |
| 33648FJN6 | 11127 | First State Bank West Virginia | | 03/11/2014 | 245,000.00 | 244,865.25 | 245,000.00 | 0.450 | FDIC | 0.451 | 557 | 03/11/2016 |
| 02587CAW0 | 11152 | American Express | | 08/21/2014 | 245,000.00 | 243,397.70 | 245,000.00 | 2.100 | FDIC | 2.101 | 1,815 | 08/21/2019 |
| 02005QN90 | 11044 | Ally Bank | | 08/01/2012 | 245,000.00 | 246,310.75 | 245,000.00 | 1.150 | FDIC | 1.157 | 336 | 08/03/2015 |
| 02587DLD8 | 11070 | American Express Cent #27471 | | 10/04/2012 | 245,000.00 | 247,589.65 | 245,000.00 | 1.550 | FDIC | 1.551 | 1,129 | 10/04/2017 |
| 06740AYC7 | 11090 | Barclays Bank | | 03/12/2013 | 245,000.00 | 244,738.10 | 245,000.00 | 1.250 | FDIC | 1.346 | 1,288 | 03/12/2018 |
| 06426NGR7 | 11068 | Bank of China #33653 | | 09/26/2012 | 245,000.00 | 245,073.50 | 245,000.00 | 0.650 | FDIC | 0.650 | 25 | 09/26/2014 |
| 05568PZ91 | 11073 | BMW Bank of No America #35141 | | 11/02/2012 | 245,000.00 | 246,345.05 | 245,000.00 | 0.950 | FDIC | 0.950 | 427 | 11/02/2015 |
| 060624XH1 | 11091 | Bank of Baroda #33681 | | 03/08/2013 | 245,000.00 | 244,083.70 | 245,000.00 | 1.250 | FDIC | 1.251 | 1,284 | 03/08/2018 |
| 149159HR9 | 11094 | Cathay Bank #18503 | | 04/12/2013 | 245,000.00 | 243,809.30 | 245,000.00 | 1.000 | FDIC | 1.001 | 1,319 | 04/12/2018 |
| 17284CBZ6 | 11093 | CIT Bank #35575 | | 04/17/2013 | 245,000.00 | 243,677.00 | 245,000.00 | 1.150 | FDIC | 1.151 | 1,324 | 04/17/2018 |
| 20033AAU0 | 11084 | Comenity Capital Bank | | 01/18/2013 | 245,000.00 | 246,163.75 | 245,000.00 | 0.750 | FDIC | 0.750 | 870 | 01/18/2017 |
| 225645CZ1 | 11126 | Crescent Bank & Trust | | 03/05/2014 | 245,000.00 | 245,673.75 | 245,000.00 | 1.500 | FDIC | 1.500 | 1,457 | 08/28/2018 |
| 23204HBD9 | 11146 | Customer Bank #34444 | | 05/28/2014 | 245,000.00 | 244,781.95 | 245,000.00 | 0.800 | FDIC | 0.802 | 819 | 11/28/2016 |
| 254671GK0 | 11058 | Discover Bank #5649 | | 09/19/2012 | 245,000.00 | 247,910.60 | 245,000.00 | 1.250 | FDIC | 1.251 | 749 | 09/19/2016 |
| 29976DNQ9 | 11059 | EverBank #34775 | | 09/14/2012 | 245,000.00 | 247,942.45 | 245,000.00 | 0.900 | FDIC | 0.901 | 744 | 09/14/2016 |
| 307660HE3 | 11113 | Farm Bureau Bank #35157 | | 10/15/2013 | 245,000.00 | 248,533.70 | 245,000.00 | 0.900 | FDIC | 0.000 | 774 | 10/14/2016 |
| 308862DD0 | 11134 | Farmers & Merchants Bk #16810 | | 04/25/2014 | 245,000.00 | 245,492.45 | 245,000.00 | 1.450 | FDIC | 1.452 | 1,485 | 09/25/2018 |
| 36160XN52 | 11051 | GE Capital Bank #33778 | | 08/03/2012 | 245,000.00 | 246,178.00 | 245,000.00 | 1.150 | FDIC | 1.150 | 336 | 08/03/2015 |
| 36157PSB6 | 11111 | GE Money Bank #27314 | | 10/04/2013 | 245,000.00 | 246,533.70 | 245,000.00 | 1.200 | FDIC | 1.201 | 764 | 10/04/2016 |
| 38143AXS9 | 11045 | Goldman Sachs Bank #33124 | | 08/01/2012 | 245,000.00 | 246,286.25 | 245,000.00 | 1.200 | FDIC | 1.200 | 336 | 08/03/2015 |
| 48124JRY6 | 11085 | JPMORGAN | | 01/28/2013 | 245,000.00 | 245,650.23 | 245,000.00 | 0.750 | FDIC | 0.750 | 1,245 | 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 | 1,669 | 03/28/2019 |
| 628825JK8 | 11151 | NCB FSB #32612 | | 07/16/2014 | 245,000.00 | 243,689.25 | 245,000.00 | 1.000 | FDIC | 1.001 | 1,050 | 07/17/2017 |
| 70153RHF8 | 11130 | Parkway Bank #19008 | | 04/10/2014 | 245,000.00 | 244,438.95 | 245,000.00 | 0.500 | FDIC | 0.502 | 588 | 04/11/2016 |
| 74267GTZ0 | 11112 | Private Bank & Trust Co #33306 | | 10/04/2013 | 245,000.00 | 246,435.70 | 245,000.00 | 1.000 | FDIC | 1.001 | 764 | 10/04/2016 |

Portfolio CITY
AP
PM (PRF_PM2) 7.2.5

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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 |
|---------------------------------------|--------------|----------------------------|---------------------|---------------|---------------------|---------------------|---------------------|-------------|------|--------------|------------------|---------------|
| Negotiable CD | | | | | | | | | | | | |
| 786580X96 | 11043 | Safra National Bank #26676 | | 07/31/2012 | 245,000.00 | 246,330.35 | 245,000.00 | 0.800 | FDIC | 0.800 | 333 | 07/31/2015 |
| 795450NT8 | 11053 | Sallie Mae Bank | | 08/08/2012 | 245,000.00 | 246,323.00 | 245,000.00 | 1.100 | FDIC | 1.106 | 343 | 08/10/2015 |
| 856283UK0 | 11098 | STATE BANK of INDIA | | 05/14/2013 | 245,000.00 | 243,476.10 | 245,000.00 | 1.150 | FDIC | 0.000 | 1,351 | 05/14/2018 |
| 94768NJD7 | 11081 | Webster Bank #18221 | | 12/12/2012 | 245,000.00 | 246,854.65 | 245,000.00 | 1.000 | FDIC | 1.001 | 1,198 | 12/12/2017 |
| Subtotal and Average | | | 7,436,935.48 | | 7,595,000.00 | 7,616,083.48 | 7,595,000.00 | | | 1.006 | 898 | |
| Federal Agency Issues - Coupon | | | | | | | | | | | | |
| 31315P XK0 | 11071 | FARMER MAC | | 10/25/2012 | 2,000,000.00 | 2,001,660.00 | 2,000,000.00 | 0.650 | | 1.053 | 1,150 | 10/25/2017 |
| 31315P WE5 | 11083 | FARMER MAC | | 01/08/2013 | 3,000,000.00 | 2,986,680.00 | 3,000,000.00 | 0.930 | | 0.935 | 1,225 | 01/08/2018 |
| 31315P NZ8 | 11086 | FARMER MAC | | 01/30/2013 | 2,000,000.00 | 1,997,820.00 | 2,000,819.33 | 1.050 | | 1.038 | 1,247 | 01/30/2018 |
| 31315P XM6 | 11097 | FARMER MAC | | 05/02/2013 | 2,000,000.00 | 1,981,520.00 | 1,999,266.11 | 0.850 | | 0.860 | 1,339 | 05/02/2018 |
| 31315P XF1 | 11099 | FARMER MAC | | 05/02/2013 | 2,000,000.00 | 2,000,260.00 | 1,999,668.11 | 0.400 | | 0.410 | 609 | 05/02/2016 |
| 31315P 6A2 | 11115 | FARMER MAC | | 10/04/2013 | 3,500,000.00 | 3,505,390.00 | 3,500,000.00 | 1.940 | | 1.940 | 1,493 | 10/03/2018 |
| 31331J Q55 | 10907 | FEDERAL FARM CREDIT BANK | | 10/06/2010 | 1,000,000.00 | 1,000,980.00 | 1,000,000.00 | 1.150 | AA+ | 1.150 | 35 | 10/06/2014 |
| 31331K CK4 | 10942 | FEDERAL FARM CREDIT BANK | | 02/17/2011 | 1,000,000.00 | 1,008,800.00 | 1,000,000.00 | 2.030 | AA+ | 2.030 | 169 | 02/17/2015 |
| 31331V PV2 | 10954 | FEDERAL FARM CREDIT BANK | | 04/01/2011 | 2,000,000.00 | 2,144,860.00 | 2,079,483.33 | 4.950 | AA+ | 2.280 | 578 | 04/01/2016 |
| 3133EAA81 | 11041 | FEDERAL FARM CREDIT BANK | | 07/30/2012 | 1,000,000.00 | 998,250.00 | 1,000,000.00 | 0.780 | AA+ | 0.780 | 882 | 01/30/2017 |
| 3133EAX29 | 11060 | FEDERAL FARM CREDIT BANK | | 09/18/2012 | 1,000,000.00 | 997,840.00 | 1,000,000.00 | 0.980 | AA+ | 0.980 | 1,113 | 09/18/2017 |
| 3133EC5A8 | 11075 | FEDERAL FARM CREDIT BANK | | 11/28/2012 | 2,000,000.00 | 1,873,700.00 | 2,000,000.00 | 0.870 | AA+ | 0.870 | 1,183 | 11/27/2017 |
| 3133ECE26 | 11087 | FEDERAL FARM CREDIT BANK | | 01/30/2013 | 1,000,000.00 | 996,420.00 | 1,000,000.00 | 0.940 | AA+ | 1.022 | 1,247 | 01/30/2018 |
| 3133ED3Z3 | 11109 | FEDERAL FARM CREDIT BANK | | 10/04/2013 | 3,000,000.00 | 3,024,690.00 | 3,000,000.00 | 1.230 | AA+ | 1.230 | 1,129 | 10/04/2017 |
| 3133ED4Q2 | 11114 | FEDERAL FARM CREDIT BANK | | 10/11/2013 | 1,000,000.00 | 1,006,110.00 | 1,000,000.00 | 1.480 | AA+ | 1.480 | 1,379 | 06/11/2018 |
| 3133EDDV1 | 11119 | FEDERAL FARM CREDIT BANK | | 01/23/2014 | 1,000,000.00 | 1,007,390.00 | 998,826.07 | 1.160 | AA+ | 1.198 | 1,148 | 10/23/2017 |
| 3133EDEB4 | 11121 | FEDERAL FARM CREDIT BANK | | 02/07/2014 | 3,000,000.00 | 3,018,060.00 | 3,014,068.08 | 1.100 | AA+ | 0.931 | 1,031 | 06/28/2017 |
| 3133EDGW6 | 11128 | FEDERAL FARM CREDIT BANK | | 03/11/2014 | 3,000,000.00 | 2,985,240.00 | 2,996,746.67 | 1.300 | AA+ | 1.330 | 1,379 | 06/11/2018 |
| 313370TW8 | 11040 | FEDERAL HOME LOAN BANK | | 07/25/2012 | 1,000,000.00 | 1,026,880.00 | 1,027,506.04 | 2.000 | AA+ | 0.620 | 739 | 09/09/2016 |
| 313380P92 | 11055 | FEDERAL HOME LOAN BANK | | 09/26/2012 | 1,000,000.00 | 994,040.00 | 1,000,000.00 | 1.000 | AA+ | 1.000 | 1,121 | 09/26/2017 |
| 313380MF1 | 11057 | FEDERAL HOME LOAN BANK | | 09/18/2012 | 1,000,000.00 | 998,430.00 | 1,000,000.00 | 1.000 | AA+ | 1.005 | 1,113 | 09/18/2017 |
| 3133824S9 | 11089 | FEDERAL HOME LOAN BANK | | 02/27/2013 | 1,000,000.00 | 992,290.00 | 1,000,000.00 | 1.100 | AA+ | 1.100 | 1,275 | 02/27/2018 |
| 313383AA9 | 11105 | FEDERAL HOME LOAN BANK | | 06/12/2013 | 4,000,000.00 | 3,944,040.00 | 4,000,000.00 | 1.000 | AA+ | 1.000 | 1,380 | 06/12/2018 |
| 3133837E5 | 11106 | FEDERAL HOME LOAN BANK | | 06/06/2013 | 4,000,000.00 | 3,951,760.00 | 4,000,000.00 | 0.875 | AA+ | 0.825 | 1,374 | 06/06/2018 |
| 3133834R9 | 11108 | FEDERAL HOME LOAN BANK | | 05/24/2013 | 1,000,000.00 | 997,350.00 | 998,382.21 | 0.375 | AA+ | 0.465 | 662 | 06/24/2016 |
| 313379VE6 | 11118 | FEDERAL HOME LOAN BANK | | 01/14/2014 | 1,000,000.00 | 1,004,470.00 | 998,351.29 | 1.010 | AA+ | 1.070 | 1,022 | 06/19/2017 |
| 313381GD1 | 11122 | FEDERAL HOME LOAN BANK | | 02/20/2014 | 2,000,000.00 | 1,990,120.00 | 1,992,189.68 | 1.250 | AA+ | 1.356 | 1,388 | 06/20/2018 |
| 313373SZ6 | 11123 | FEDERAL HOME LOAN BANK | | 02/26/2014 | 2,000,000.00 | 2,054,740.00 | 2,059,867.48 | 2.125 | AA+ | 0.428 | 648 | 06/10/2016 |
| 313375RN9 | 11124 | FEDERAL HOME LOAN BANK | | 02/27/2014 | 2,000,000.00 | 2,014,780.00 | 2,019,362.40 | 1.000 | AA+ | 0.363 | 557 | 03/11/2016 |

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City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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 |
|---------------------------------------|--------------|-------------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|-----|--------------|------------------|---------------|
| Federal Agency Issues - Coupon | | | | | | | | | | | | |
| 3130A27K6 | 11148 | FEDERAL HOME LOAN BANK | | 06/26/2014 | 2,000,000.00 | 2,004,760.00 | 2,000,000.00 | 1.250 | AA+ | 2.020 | 1,759 | 06/26/2019 |
| 3130A2DT0 | 11149 | FEDERAL HOME LOAN BANK | | 06/30/2014 | 1,000,000.00 | 1,001,010.00 | 1,000,000.00 | 1.700 | AA+ | 2.018 | 1,759 | 06/26/2019 |
| 3134G3GM6 | 11009 | FEDERAL HOME LOAN MORTGAGE CO | | 01/13/2012 | 1,000,000.00 | 1,002,420.00 | 1,000,000.00 | 1.300 | AA+ | 1.300 | 865 | 01/13/2017 |
| 3137EADC0 | 11017 | FEDERAL HOME LOAN MORTGAGE CO | | 01/30/2012 | 1,000,000.00 | 1,003,380.00 | 998,272.85 | 1.000 | AA+ | 1.071 | 919 | 03/08/2017 |
| 3137EACT4 | 11034 | FEDERAL HOME LOAN MORTGAGE CO | | 04/26/2012 | 1,000,000.00 | 1,034,530.00 | 1,028,844.51 | 2.500 | AA+ | 0.810 | 634 | 05/27/2016 |
| 3134G32L3 | 11079 | FEDERAL HOME LOAN MORTGAGE CO | | 12/26/2012 | 2,000,000.00 | 1,972,500.00 | 2,000,000.00 | 0.850 | AA+ | 0.850 | 1,212 | 12/26/2017 |
| 3134G33B4 | 11082 | FEDERAL HOME LOAN MORTGAGE CO | | 01/11/2013 | 1,000,000.00 | 991,540.00 | 1,000,000.00 | 1.000 | AA+ | 1.000 | 1,228 | 01/11/2018 |
| 3137EADJ5 | 11095 | FEDERAL HOME LOAN MORTGAGE CO | | 04/23/2013 | 3,000,000.00 | 2,998,380.00 | 3,029,200.05 | 1.000 | AA+ | 0.660 | 1,061 | 07/28/2017 |
| 3137EAAG4 | 11096 | FEDERAL HOME LOAN MORTGAGE CO | | 04/26/2013 | 5,000,000.00 | 5,463,450.00 | 5,473,929.13 | 5.500 | AA+ | 0.420 | 686 | 07/18/2016 |
| 3137EADH9 | 11101 | FEDERAL HOME LOAN MORTGAGE CO | | 05/13/2013 | 5,000,000.00 | 4,999,300.00 | 5,038,637.42 | 1.000 | AA+ | 0.722 | 1,032 | 06/29/2017 |
| 3134G44N5 | 11102 | FEDERAL HOME LOAN MORTGAGE CO | | 05/28/2013 | 2,000,000.00 | 1,968,720.00 | 2,000,000.00 | 0.750 | AA+ | 0.750 | 1,184 | 11/28/2017 |
| 3137EAAG4 | 11107 | FEDERAL HOME LOAN MORTGAGE CO | | 05/22/2013 | 4,000,000.00 | 4,370,760.00 | 4,376,593.17 | 5.500 | AA+ | 0.452 | 686 | 07/18/2016 |
| 3137EADL0 | 11132 | FEDERAL HOME LOAN MORTGAGE CO | | 04/23/2014 | 1,000,000.00 | 997,020.00 | 995,634.34 | 1.000 | AA+ | 1.145 | 1,124 | 09/29/2017 |
| 3137EADS5 | 11135 | FEDERAL HOME LOAN MORTGAGE CO | | 04/29/2014 | 2,000,000.00 | 2,010,440.00 | 2,010,242.31 | 0.875 | AA+ | 0.631 | 774 | 10/14/2016 |
| 3134G54K8 | 11138 | FEDERAL HOME LOAN MORTGAGE CO | | 05/28/2014 | 1,000,000.00 | 1,001,800.00 | 1,000,000.00 | 1.250 | AA+ | 1.250 | 1,184 | 11/28/2017 |
| 3137EADJ5 | 11139 | FEDERAL HOME LOAN MORTGAGE CO | | 04/30/2014 | 2,000,000.00 | 1,998,920.00 | 1,999,498.01 | 1.000 | AA+ | 1.009 | 1,061 | 07/28/2017 |
| 3137EADS5 | 11142 | FEDERAL HOME LOAN MORTGAGE CO | | 04/30/2014 | 1,000,000.00 | 1,005,220.00 | 1,005,006.11 | 0.875 | AA+ | 0.637 | 774 | 10/14/2016 |
| 3136G06R7 | 11076 | FEDERAL NATIONAL MORT ASSOC | | 11/28/2012 | 1,000,000.00 | 1,000,440.00 | 1,000,000.00 | 0.625 | AA+ | 1.068 | 1,183 | 11/27/2017 |
| 3135G0PQ0 | 11100 | FEDERAL NATIONAL MORT ASSOC | | 04/26/2013 | 3,000,000.00 | 2,975,700.00 | 3,014,397.69 | 0.875 | AA+ | 0.720 | 1,151 | 10/26/2017 |
| 3136G1LZ0 | 11103 | FEDERAL NATIONAL MORT ASSOC | | 05/28/2013 | 2,000,000.00 | 1,972,960.00 | 2,000,000.00 | 0.750 | AA+ | 0.750 | 1,184 | 11/28/2017 |
| 3135G0WJ8 | 11117 | FEDERAL NATIONAL MORT ASSOC | | 01/14/2014 | 1,000,000.00 | 981,120.00 | 974,687.94 | 0.875 | AA+ | 1.581 | 1,358 | 05/21/2018 |
| 3135G0WJ8 | 11120 | FEDERAL NATIONAL MORT ASSOC | | 01/31/2014 | 2,000,000.00 | 1,962,240.00 | 1,960,733.68 | 0.875 | AA+ | 1.421 | 1,358 | 05/21/2018 |
| 3135G0WJ8 | 11125 | FEDERAL NATIONAL MORT ASSOC | | 03/03/2014 | 2,000,000.00 | 1,962,240.00 | 1,967,868.25 | 0.875 | AA+ | 1.320 | 1,358 | 05/21/2018 |
| 3135G0YT4 | 11133 | FEDERAL NATIONAL MORT ASSOC | | 04/23/2014 | 1,000,000.00 | 1,001,780.00 | 997,149.13 | 1.625 | AA+ | 1.695 | 1,548 | 11/27/2018 |
| 3135G0CM3 | 11136 | FEDERAL NATIONAL MORT ASSOC | | 04/29/2014 | 1,000,000.00 | 1,012,900.00 | 1,013,152.01 | 1.250 | AA+ | 0.610 | 758 | 09/28/2016 |
| 3135G0PQ0 | 11140 | FEDERAL NATIONAL MORT ASSOC | | 04/30/2014 | 1,000,000.00 | 991,900.00 | 992,553.82 | 0.875 | AA+ | 1.116 | 1,151 | 10/26/2017 |
| 3135G0GY3 | 11141 | FEDERAL NATIONAL MORT ASSOC | | 04/30/2014 | 1,000,000.00 | 1,010,650.00 | 1,011,419.89 | 1.250 | AA+ | 0.771 | 882 | 01/30/2017 |
| 3135G0PQ0 | 11150 | FEDERAL NATIONAL MORT ASSOC | | 06/30/2014 | 1,000,000.00 | 991,900.00 | 994,897.31 | 0.875 | AA+ | 1.040 | 1,151 | 10/26/2017 |
| Subtotal and Average | | | 106,590,356.85 | | 105,500,000.00 | 106,292,550.00 | 106,567,252.42 | | | 0.989 | 1,077 | |
| Treasury Securities - Coupon | | | | | | | | | | | | |
| 912828WD8 | 11137 | U.S.TREASURY NOTE | | 04/29/2014 | 2,000,000.00 | 1,984,220.00 | 1,974,010.86 | 1.250 | AAA | 1.575 | 1,521 | 10/31/2018 |
| 912828VK3 | 11143 | U.S.TREASURY NOTE | | 05/09/2014 | 3,000,000.00 | 3,004,440.00 | 3,006,496.82 | 1.375 | AAA | 1.317 | 1,398 | 06/30/2018 |
| Subtotal and Average | | | 4,980,321.08 | | 5,000,000.00 | 4,988,660.00 | 4,980,507.68 | | | 1.419 | 1,447 | |

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**City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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 |
|-----------------------------|--------------|-------------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|-----|--------------|------------------|---------------|
| Medium Term Notes | | | | | | | | | | | | |
| 88579YAE1 | 11104 | 3M Company | | 05/23/2013 | 1,080,000.00 | 1,078,390.80 | 1,084,055.87 | 1.000 | AA- | 0.864 | 1,029 | 06/26/2017 |
| 88579YAE1 | 11145 | 3M Company | | 05/14/2014 | 1,000,000.00 | 998,510.00 | 1,002,216.54 | 1.000 | AA- | 0.920 | 1,029 | 06/26/2017 |
| 05738KXV8 | 10989 | Barclays Bank | | 10/28/2011 | 3,000,000.00 | 3,030,060.00 | 3,000,000.00 | 2.500 | A | 3.287 | 788 | 10/28/2016 |
| 06366RHA8 | 11056 | Bank of Montreal | | 09/11/2012 | 1,000,000.00 | 1,002,100.00 | 1,000,787.22 | 1.400 | A+ | 1.373 | 1,106 | 09/11/2017 |
| 19416QED8 | 11116 | Colgate Palmolive Co | | 11/01/2013 | 2,000,000.00 | 1,978,180.00 | 1,996,050.00 | 1.500 | AA- | 1.549 | 1,522 | 11/01/2018 |
| 36962G4T8 | 10925 | General Electric | | 11/19/2010 | 1,000,000.00 | 1,019,960.00 | 994,914.21 | 2.250 | AA+ | 2.710 | 434 | 11/09/2015 |
| 36962G5N0 | 11011 | General Electric Capital Corp | | 01/10/2012 | 2,000,000.00 | 2,082,760.00 | 2,001,414.12 | 2.900 | AA+ | 2.868 | 861 | 01/09/2017 |
| 36962G5M2 | 11012 | General Electric Capital Corp | | 01/10/2012 | 2,000,000.00 | 2,013,060.00 | 2,000,545.69 | 2.150 | AA+ | 2.070 | 130 | 01/09/2015 |
| 36962G4N1 | 11024 | General Electric Capital Corp | | 02/22/2012 | 2,000,000.00 | 2,000,280.00 | 1,993,750.39 | 0.978 | AA+ | 1.381 | 344 | 08/11/2015 |
| 459200GX3 | 11144 | IBM | | 05/13/2014 | 1,000,000.00 | 1,023,890.00 | 1,026,670.34 | 1.950 | AA | 0.530 | 690 | 07/22/2016 |
| 78010UD20 | 11147 | Royal Bank of Canada | | 06/16/2014 | 1,000,000.00 | 1,000,850.00 | 1,001,675.00 | 1.250 | AA | 1.189 | 1,019 | 06/16/2017 |
| 89233P5S1 | 11015 | Toyota Motor Credit Corp | | 01/13/2012 | 1,000,000.00 | 1,025,120.00 | 1,002,015.15 | 2.050 | AA- | 1.960 | 864 | 01/12/2017 |
| 89233P5Z5 | 11023 | Toyota Motor Credit Corp | | 02/17/2012 | 2,000,000.00 | 2,006,900.00 | 1,999,538.89 | 1.000 | AA- | 1.102 | 169 | 02/17/2015 |
| 89236TAY1 | 11131 | Toyota Motor Credit Corp | | 04/11/2014 | 1,500,000.00 | 1,512,900.00 | 1,508,900.40 | 2.000 | AA- | 1.850 | 1,514 | 10/24/2018 |
| 93114ZCT8 | 10928 | Wal-Mart Stores | | 12/15/2010 | 1,000,000.00 | 1,016,840.00 | 1,000,297.10 | 2.250 | AA | 2.213 | 310 | 07/08/2015 |
| Subtotal and Average | | | 22,613,199.32 | | 22,580,000.00 | 22,789,800.80 | 22,612,831.02 | | | 1.876 | 764 | |
| Total and Average | | | 154,702,981.90 | | 154,975,000.00 | 155,987,094.28 | 156,055,591.12 | | | 1.065 | 936 | |

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**City of Torrance
Portfolio Management
Portfolio Details - Cash
August 31, 2014**

| 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 | | | 4,702.79 | 4,702.79 | | | | 0 |
| | | | | | | 4,702.79 | 4,702.79 | | | | |
| | | Total Cash and Investments | 154,702,981.90 | | 154,975,000.00 | 155,991,797.07 | 156,060,293.91 | | | 1.065 | 936 |



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

| | Book Value |
|---|---------------------------|
| Bank of America City of Torrance Successor RDA Agency Account # xx-046 | 642.85 |
| Bank of America City of Torrance Successor RDA Agency - Low Mod Account # xx-140 | 0.00 |
| Local Agency Investment Fund (LAIF) City of Torrance Successor RDA Agency Account# -xx-072 | <u>4,871.84</u> |
| TOTAL | <u><u>\$ 5,514.69</u></u> |


 City of Torrance
 Investment Report
 August 2014

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

| FUND | CASH & INVESTMENTS PER BOOKS | PERCENT OF TOTAL |
|--|------------------------------------|---------------------|
| General | 17,952,691.26 | 11.31 |
| Parks & Recr Facility & Open Space | 3,507,427.45 | 2.21 |
| State Gas Tax | 14,976,042.33 | 9.44 |
| Federal Housing, Community Dev | 542,484.62 | 0.34 |
| Street Lighting | 27,060.00 | 0.02 |
| Proposition 1B | 249,019.05 | 0.16 |
| Police Asset Forfeiture | 3,727,450.35 | 2.35 |
| Drainage Improvement | 19,444.47 | 0.01 |
| Measure R Local Return | 5,526,021.76 | 3.48 |
| Government Cable | 4,993,921.01 | 3.15 |
| Local Return - Proposition C | 4,235,629.48 | 2.67 |
| TDA Article 3 Bicycle Fund | 14,911.11 | 0.01 |
| Grants/Donations | 476,774.88 | 0.3 |
| CDBG Fund | 0.25 | 0 |
| Citizens Options for Public Safety (COPS) Grant Funds - AB3229 | 220,906.32 | 0.14 |
| Seismic Education Fund | 117,281.36 | 0.07 |
| Rehabilitation Housing | 706,334.73 | 0.45 |
| Meadow Park Parking Lot | 60,859.66 | 0.04 |
| Police Inmate Welfare Fund | 45,543.39 | 0.03 |
| Capital Improvements | 17,202,740.96 | 10.85 |
| Geologic Hazard Abatement | 14,316.64 | 0.01 |
| El Camino Training Fund-Fire | 61,947.10 | 0.04 |
| El Camino Training Fund-Police | 8,000.00 | 0.01 |
| Vanpool/Rideshare Fund | 7,828.80 | 0 |
| Torrance Public Financing - 1998 COP Fire/Police | - | 0 |
| Animal Control Fund | - | 0 |
| Successor Agency - Low Mod Housing Capital Project | 16,592.91 (A) | 0.01 |
| Successor Agency - Downtown Debt Service | - | 0 |
| Successor Agency - Industrial Debt Service | - | 0 |
| DNA Sampling Fund | 14,827.85 | 0.01 |
| Airport Fund | 7,001,143.40 | 4.41 |
| Transit Operations | 14,699,179.27 | 9.27 |
| Development Impact Fund | 1,205,628.62 | 0.76 |
| Water Operations | 18,237,350.01 | 11.5 |
| Emergency Medical Service Enterprise Fund | - | 0 |
| Sanitation Operations | (74,710.50) (B) | -0.05 |
| Cultural Arts Enterprise | (83,837.39) (C) | -0.05 |
| Sewer Enterprise Fund | 7,421,091.67 | 4.68 |
| Parks & Recreation Enterprise Fund | 617,215.26 | 0.39 |
| Self Insurance Fund | 1,312,529.51 | 0.83 |
| Fleet Services | 19,075,449.43 | 12.03 |
| Postemployment/Compensated Absences Fund | 11,931,144.10 | 7.52 |
| Trust & Agency | 2,543,766.34 | 1.6 |
| TOTAL CASH AND INVESTMENTS PER BOOKS | 158,612,007.46 | 100 |
| Redev Obligation Retirement Fund | 642.85 (D) | |

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

(B) Negative cash of (\$75K) consists of operating cash deficit, approx. (\$812K) and positive cash \$737K; \$294K from Container Repl Fd, \$175K from Beverage Container & Oil Grants, and \$268K from Capital FEAP cash. Operating cash deficit is primarily due to green waste container purchases of \$500K in Sep 2012 and \$145K transfer to Fleet Veh Repl Fd for refuse truck in Nov 2013 and additional purchases of containers for \$65K & \$37K in Feb & July 2014.

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

(D) The cash balance of Redev Obligation Retirement Fund for \$642.85 is in a separate Bank of America account.



City of Torrance
Investment Report
August 2014

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

| | | |
|--|--------------------|--------------------------|
| INVESTMENTS PER PORTFOLIO SUMMARY | | \$ 156,055,591.12 |
| Cash in Bank of America General Account | \$ 1,985,200.66 | |
| Cash in Bank of America Housing Account | 1,846,664.93 | |
| | | <u>3,831,865.59</u> |
| TOTAL FUNDS PER INVESTMENT REPORT | | \$ 159,887,456.71 |
| OUTSTANDING WARRANTS: | | |
| General Account | \$ (1,380,747.30) | |
| Payroll Account | (147,796.93) | |
| Workers' Compensation Account | (208,455.06) | |
| Housing Account | <u>(13,849.80)</u> | |
| | | (1,750,849.09) |
| MISCELLANEOUS OUTSTANDING ADJUSTING JOURNAL ENTRIES: | | |
| 07/07/14 bank deposit adjustment - interfaced on 09/08/14 | (30.00) | |
| 07/18/14 bank deposit adjustment - correction deposit will be made in September 2014 | 12.00 | |
| 07/24/14 bank deposit adjustment - interfaced on 09/08/14 | 200.00 | |
| 08/21/14 bank deposit adjustment - correction deposit will be made in September 2014 | 615.00 | |
| 08/04/14 Epayable Payment interfaced on 09/08/14 | 528,017.14 | |
| 08/19/14 Receipts interfaced on 09/02/14 | (6,015.17) | |
| 08/22/14 Receipts interfaced on 09/02/14 | (12,199.00) | |
| 08/26/14 Receipts interfaced on 09/02/14 | (4,962.09) | |
| 08/28/14 Receipts interfaced on 09/02/14 | (16,899.53) | |
| 08/28/14 Receipts pending to be interfaced | (229.54) | |
| 08/29/14 Receipts interfaced on 09/02/14 | (10,861.00) | |
| IVR & Parking Web credit card receipts will be interfaced in September 2014 | (15,964.46) | |
| 08/2014 Deposit in transit | <u>13,716.49</u> | |
| | | 475,399.84 |
| TOTAL CASH AND INVESTMENTS PER BOOKS | | \$ 158,612,007.46 |

MIS

**CITY OF TORRANCE CASH AND INVESTMENTS PER BOOKS (IN THOUSANDS)
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2014 (PRE-CLOSE)**

| Fund | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General | 22,042 | 18,919 | 11,803 | 20,190 | 33,476 | 36,364 | 34,406 | 43,894 | 56,649 | 55,070 | 23,245 | 17,953 |
| Parks & Recr Facility & Open Space | 3,907 | 3,930 | 3,937 | 3,984 | 3,702 | 3,715 | 3,723 | 3,708 | 3,641 | 3,578 | 3,493 | 3,507 |
| State Gas Tax | 13,822 | 14,048 | 13,402 | 13,608 | 14,183 | 13,842 | 13,967 | 14,183 | 14,205 | 14,957 | 15,213 | 14,976 |
| Federal Housing, Community Dev | 704 | 657 | 668 | 618 | 612 | 661 | 691 | 694 | 712 | 514 | 529 | 542 |
| Street Lighting | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 249 | 72 | 27 |
| Proposition 1B | 1,735 | 1,708 | 1,691 | 1,679 | 1,672 | 1,669 | 1,664 | 1,661 | 1,362 | 958 | 526 | 249 |
| Police Asset Forfeiture | 4,099 | 4,045 | 3,784 | 3,508 | 3,810 | 3,838 | 3,883 | 3,865 | 3,903 | 3,779 | 3,744 | 3,727 |
| Drainage Improvement | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Measure R Local Return | 4,382 | 290 | 4,721 | 4,676 | 4,697 | 4,774 | 5,109 | 4,835 | 5,163 | 5,147 | 5,203 | 5,527 |
| Government Cable | 4,643 | 4,355 | 4,726 | 4,638 | 4,502 | 4,928 | 4,785 | 4,648 | 5,056 | 4,787 | 4,680 | 4,994 |
| Local Return - Proposition C | 3,499 | 3,727 | 3,760 | 3,650 | 3,871 | 3,950 | 4,032 | 4,062 | 4,088 | 4,101 | 4,128 | 4,236 |
| TDA Article 3 Bicycle Fund | - | 209 | 219 | 229 | 239 | 248 | 252 | 230 | 239 | 15 | 15 | 15 |
| Grants/Donations | (65) | (46) | (61) | (75) | (53) | (64) | 910 | 822 | 845 | 1,010 | 770 | 477 |
| CDBG Fund | (59) | (62) | (98) | (114) | (162) | (450) | (276) | (260) | (195) | (83) | (95) | - |
| Citizens Options for Public Safety (COPS) Grant Funds - AB3229 | 191 | 173 | 215 | 222 | 221 | 231 | 249 | 263 | 258 | 244 | 209 | 221 |
| Seismic Education Fund | 60 | 58 | 59 | 63 | 58 | 59 | 72 | 110 | 120 | 131 | 134 | 117 |
| Rehabilitation Housing | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 |
| Meadow Park Parking Lot | 41 | 41 | 38 | 47 | 66 | 65 | 64 | 61 | 60 | 64 | 60 | 61 |
| Police Inmate Welfare Fund | 57 | 54 | 55 | 55 | 57 | 57 | 57 | 59 | 60 | 44 | 45 | 46 |
| Capital Improvements | 18,229 | 17,805 | 18,023 | 17,194 | 17,125 | 18,601 | 17,055 | 16,366 | 15,596 | 15,342 | 17,210 | 17,203 |
| Geologic Hazard Abatement | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| El Camino Training Fund-Fire | 136 | 136 | 136 | 101 | 62 | 62 | 62 | 62 | 62 | 62 | 62 | 62 |
| El Camino Training Fund-Police | 10 | 10 | 10 | 10 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Vanpool/Rideshare Fund | 8 | 11 | 12 | 16 | 19 | 23 | 31 | 34 | 32 | 20 | 11 | 8 |
| Torrance Public Financing | - | (1) | - | (2) | (2) | (2) | - | - | - | - | - | 10 |
| Animal Control Fund | - | - | - | - | 3 | - | - | - | - | - | - | - |
| Successor Agency - Low Mod Housing Capital Project | 11 | 7 | 6 | 9 | 9 | 9 | 11 | 11 | 13 | 15 | 16 | 17 (A) |
| Successor Agency - Downtown Debt Service | 14 | 14 | 14 | 14 | 14 | - | - | - | - | - | - | - |
| Successor Agency - Industrial Debt Service | 145 | 145 | 145 | 145 | 145 | - | - | - | - | - | - | - |
| DNA Sampling Fund | 14 | 4 | 7 | 7 | 10 | 10 | 10 | 13 | 13 | 13 | 15 | 15 |
| Airport Fund | 6,491 | 6,540 | 6,334 | 6,511 | 6,713 | 6,811 | 6,793 | 6,937 | 6,800 | 6,848 | 6,894 | 7,001 |
| Transit Operations | 12,077 | 12,172 | 12,829 | 12,044 | 13,142 | 13,480 | 12,090 | 12,069 | 12,276 | 12,563 | 12,459 | 14,669 |
| Development Impact Fund | 1,103 | 1,110 | 1,110 | 1,371 | 1,360 | 1,389 | 1,385 | 1,384 | 1,375 | 1,376 | 1,379 | 1,206 |
| Water Operations | 9,082 | 9,238 | 9,017 | 8,359 | 8,632 | 8,804 | 8,896 | 15,963 | 16,850 | 17,129 | 17,738 | 18,237 |
| Emergency Medical Service Enterprise Fund | - | - | - | - | 84 | - | - | - | - | - | - | - |
| Sanitation Operations | (620) | (339) | (580) | (556) | (578) | (564) | (653) | (409) | (458) | (246) | (225) | (75) (B) |
| Cultural Arts Enterprise | 6 | (13) | (8) | (2) | (81) | (96) | (95) | (80) | (41) | (66) | (53) | (84) (C) |
| Sewer Enterprise Fund | 8,670 | 8,754 | 8,651 | 8,653 | 8,429 | 8,266 | 7,927 | 7,584 | 7,631 | 7,516 | 7,447 | 7,421 |
| Parks & Recreation Enterprise Fund | 235 | 81 | 242 | 286 | 242 | 139 | 289 | 281 | 489 | 631 | 548 | 617 |
| Self Insurance Fund | 5,730 | 5,701 | 5,744 | 5,641 | 3,896 | 4,004 | 4,064 | 4,167 | 4,231 | 4,647 | 1,611 | 1,313 |
| Fleet Services | 17,030 | 17,229 | 17,662 | 17,974 | 18,003 | 18,299 | 18,516 | 17,992 | 18,446 | 18,617 | 18,772 | 19,075 |
| Postemployment/Compensated Absences Fund | 8,860 | 9,462 | 8,150 | 8,376 | 10,253 | 10,333 | 11,014 | 11,477 | 11,479 | 11,993 | 10,331 | 11,931 |
| Trust & Agency | 2,517 | 2,567 | 2,437 | 2,641 | 2,767 | 2,668 | 2,741 | 2,648 | 2,578 | 2,652 | 2,760 | 2,544 |
| Grand Total | 149,572 | 141,483 | 139,626 | 146,830 | 162,224 | 164,895 | 164,808 | 180,195 | 184,313 | 184,420 | 189,703 | 168,812 |

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

(B) Negative cash of (\$75K) consists of operating cash deficit, approx. (\$812K) and positive cash \$737K; \$294K from Container Repl Fd, \$175K from Beverage Container & Oil Grants, and \$268K from Capital FEAP cash. Operating cash deficit is primarily due to green waste container purchases of \$500K in Sep 2012 and \$145K transfer to Fleet Veh Repl Fd for refuse truck in Nov 2013 and additional purchases of containers for \$65K & \$37K in Feb & July 2014.

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

Investment Report Summary Notes for September 2014

Investment Activity during the Period

The investment activity for September included 0 purchase and 1 redemption.

| <u>Purchases</u> | <u>Issuer</u> | <u>PAR VALUE</u> | <u>TERM</u> | <u>RATE</u> | <u>YIELD</u> | <u>Structure</u> |
|--------------------|---------------|------------------|-------------|-------------|--------------|------------------|
| | NONE | | | | | |
| <u>Redemptions</u> | <u>Issuer</u> | <u>PAR VALUE</u> | <u>TERM</u> | <u>RATE</u> | <u>YIELD</u> | <u>Status</u> |
| Bank of China | | 245,000 | 2 years | .650% | .650% | Matured |

The LAIF balance decreased by \$1.8 million and the average monthly yield was .246%. During the month of September we had LAIF 2 deposit and 3 withdrawals (activity detail on page 3 of the investment report). The LAIF balance as of September 30, 2014 was \$12.5 million. The LAIF balance decreased due to standard revenues received during the month. August 31, 2014 portfolio balance was \$159,887,457 and the balance as of September 30, 2014 was \$157,500,102. The total portfolio decreased by \$ 2.4 million.

Liquidity of the Portfolio

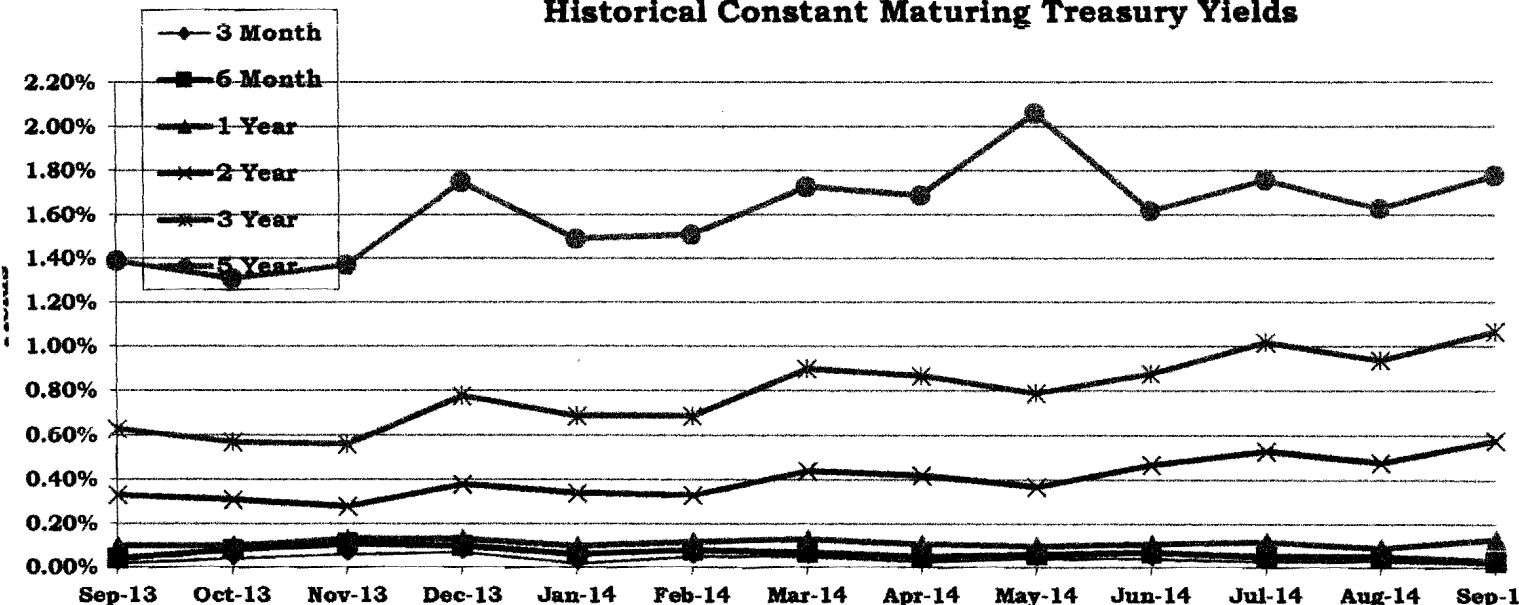
- The current goal is to keep the portfolio at an average maturity between 2 to 3 years based on current economic trends. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current state or conditions of the economy. The portfolio's current average maturity is 921 days or 2.53 years. This is a 15 day decrease from the previous month.
- 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.

Investment Comparison to Benchmark

For the month of September the City's yield to maturity on pooled investments was 1.074%. The yield has increased slightly by 1 basis point or .01 from the previous month. The average effective rate of return for fiscal year-to-date is 1.00%. The average yield on the 2 year U.S. Constant Maturing Treasury (CMT) was .58% which reflects an increase of 10 basis points or .10% compared to the prior month. The portfolio performed above the benchmark (CMT) by 49 basis points or .49%. 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.

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

Historical Constant Maturing Treasury Yields



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

8/31/2014

Provided by: US Treasury Daily Yield Curve Rates
and Wedbush Securities

Yield Spread Comparison Worksheet

| Type/Maturity | 30 | 60 | 90 | 180 | 1 YR | 2 YR | 3 YR | 5 YR | |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| US T-Note | 0.010 | 0.010 | 0.030 | 0.050 | 0.090 | 0.480 | 0.940 | 1.630 | |
| Agency | 0.040 | 0.030 | 0.020 | 0.060 | 0.070 | 0.130 | 0.620 | 1.090 | 1.780 |
| CD (negotiable) | 0.100 | 0.050 | 0.250 | 0.300 | 0.450 | 1.000 | 1.400 | 2.000 | |
| Commercial Paper A1-P1 discount | 0.150 | 0.150 | 0.160 | 0.250 | | | | | |
| Medium Term Corp. Notes | 0.130 | 0.180 | 0.200 | 0.280 | 0.440 | 0.850 | 1.210 | 1.980 | |
| CMT (24 months) | | | | | 0.48 | | | | |

Note: All yields are calculated on a 365 day basis.

Difference between US Treasury Notes and other instruments

Overnight Instruments

UBoC MM Acct 0.010%
LAIF 0.260%



CITY of TORRANCE
Monthly Investment Portfolio Report
September 30, 2014

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Additional Reference Schedules:

- a) City of Torrance Cash and Investments per Books for the twelve months ended September 30, 2014
- b) Yield Spread Worksheet



Investment Report

September 2014

Investment Portfolio Highlights

| RETURN | Current Month | Previous Month |
|--|-----------------|-------------------|
| Effective Rate of Return | 1.000% | 0.980% |
| Average City Portfolio YTM | 1.074% | 1.065% |
| Average U.S. Treasury Constant Maturity - 2 year | 0.580% | 0.480% |
| LAIF Average Monthly Return | 0.246% | 0.260% |
| Average City Portfolio YTM - 1 year prior | | 1.027% |
| INTEREST INCOME | Current Period | Prior Year |
| Fiscal year to date | \$405,392 | \$456,012 |
| Current month | 133,808 | 125,406 |
| MATURITY | Current Month | Prior Month |
| Average Maturity (days) | 921 | 936 |
| Average Maturity 1 Year Prior (days) | 930 | 963 |
| Weighted Average Maturity (years) | 2.52 | 2.56 |
| VOLUMES | Total \$ Volume | # of Transactions |
| Purchases | \$3,312,176 | 0 |
| Maturities/Redemptions | 5,357,176 | 1 |

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Portfolio Activity Summary

| Month End | Year | Number of Securities | Average Balance | Yield to Maturity | | Managed Pool Rate | Investments Purchased | Investments Redeemed | Average Term | Average Days to Mat |
|-----------|------|----------------------|-----------------|-------------------|--------------|-------------------|-----------------------|----------------------|--------------|---------------------|
| | | | | 360 | Maturity 365 | | | | | |
| 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 |
| June | 2014 | 108 | 190,885,952.50 | 0.896 | 0.909 | 0.228% | 4 | 3 | 1,117 | 803 |
| July | 2014 | 108 | 170,758,425.42 | 1.054 | 1.069 | 0.244% | 1 | 1 | 1,380 | 969 |
| August | 2014 | 108 | 154,702,981.90 | 1.051 | 1.066 | 0.260% | 1 | 1 | 1,370 | 936 |
| September | 2014 | 107 | 154,475,862.46 | 1.060 | 1.075 | 0.026% | 0 | 1 | 1,387 | 921 |
| Average | | 102 | 158,996,558.24 | 0.990% | 1.004% | 0.247% | 3 | 3 | 1,308 | 923 |



Investment Report September 2014

Investment Portfolio Summary

| | Book Value | BV % of Portfolio | Market Value | MV % of Portfolio | % per Policy | Modified Duration | Days to Maturity | Maximum Term | YTM |
|---|----------------------|-------------------|----------------------|-------------------|----------------|-------------------|------------------|------------------------|---------------|
| Local Agency Investment Fund (State of California) | \$12,500,000 | 8.12% | \$12,500,000 | 8.14% | \$50MII | 0.000 | 1 | N/A | 0.246% |
| Union Bank Custodial - Money Market Account | \$0 | 0.00% | \$0 | 0.00% | 100% | 0.000 | 1 | N/A | 0.001% |
| U.S. Treasury Securities | \$4,980,881 | 3.24% | \$4,966,330 | 3.23% | 100% | 3.750 | 1,417 | 5 Year | 1.419% |
| Federal Agency Issues | \$106,517,858 | 69.19% | \$105,979,240 | 69.01% | 75% | 2.731 | 1,047 | 5 Year | 0.989% |
| Farmer Mac | 14,499,765 | 9.42% | 14,437,960 | 9.35% | 30% | 2.707 | 1,183 | 5 Year | 1.125% |
| Federal Farm Credit Bank | 20,084,629 | 13.05% | 20,084,340 | 13.05% | 30% | 2.594 | 971 | 5 Year | 1.274% |
| Federal Home Loan Bank | 23,090,953 | 15.00% | 22,915,130 | 14.82% | 30% | 3.086 | 1,158 | 5 Year | 0.994% |
| Federal Home Loan Mortgage Corporation | 32,914,401 | 21.37% | 32,708,640 | 21.55% | 30% | 2.380 | 891 | 5 Year | 0.717% |
| Federal National Mortgage Association | 15,928,110 | 10.35% | 15,833,170 | 10.24% | 30% | 3.140 | 1,173 | 5 Year | 1.061% |
| Negotiable Certificates of Deposit | \$7,350,000 | 4.77% | \$7,359,126 | 4.79% | 20% | 2.410 | 897 | 5 Years | 1.018% |
| Medium Term Notes | \$22,612,006 | 14.69% | 22,760,317 | 14.83% | 20% | 1.943 | 734 | 5 Year | 1.876% |
| 3m | 2,086,087 | 1.35% | 2,071,077 | 1.35% | 5% | 2.682 | 999 | 5 Year | 0.891% |
| Barclay | 3,000,000 | 1.95% | 3,028,800 | 1.97% | 5% | 2.010 | 758 | 5 Year | 3.287% |
| Bank of Montreal | 1,000,766 | 0.65% | 1,001,610 | 0.65% | 5% | 2.873 | 1,076 | 5 Year | 1.373% |
| Colgate Palmolive Co. | 1,996,129 | 1.30% | 1,978,680 | 1.29% | 5% | 3.915 | 1,492 | 5 Year | 1.549% |
| General Electric | 995,271 | 0.65% | 1,017,600 | 0.66% | 5% | 1.085 | 404 | 5 Year | 2.710% |
| General Electric Capital Corp | 5,996,077 | 3.89% | 6,100,100 | 3.99% | 5% | 1.120 | 419 | 5 Year | 2.114% |
| IBM | 1,025,495 | 0.67% | 1,020,670 | 0.66% | 5% | 1.772 | 660 | 5 Year | 0.530% |
| Royal Bank of Canada | 1,001,625 | 0.65% | 997,510 | 0.65% | 5% | 2.644 | 989 | 5 Year | 1.189% |
| Toyota Motor Credit Corp | 4,510,288 | 2.93% | 4,529,560 | 2.95% | 5% | 1.946 | 741 | 5 Year | 1.543% |
| Wal-Mart Stores | 1,000,268 | 0.65% | 1,014,710 | 0.66% | 5% | 0.762 | 280 | 5 Year | 2.213% |
| Total Investments | \$153,960,745 | 100.00% | \$153,565,013 | 100.00% | | 2.41% | 921 | | 1.074% |
| Cash In Bank - General | 1,654,010.26 | | | | | | | Earnings Credit | 0.260% |
| Cash In Bank - Housing | 1,885,347.06 | | | | | | | | |
| Total Funds | \$157,500,102 | | | | | | | | |

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Effective Rate of Return
Month Ending **Fiscal YTD**
 1.05% 1.00%

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.



Investment Report

September 2014

Portfolio Monthly Activity Detail

| Investment Number | BROKER | PURCHASE DATE | DESCRIPTION | QUALITY RATING | DAYS HELD/ DATE TO MATURITY | RATE | YIELD | PAR VALUE | BOOK VALUE | MARKET VALUE |
|-------------------|--------|---------------|-------------|----------------|-----------------------------|------|-------|-----------|------------|--------------|
|-------------------|--------|---------------|-------------|----------------|-----------------------------|------|-------|-----------|------------|--------------|

PURCHASES

| | | | |
|--------|---|---|---|
| 0.000% | 0 | 0 | 0 |
|--------|---|---|---|

MATURITIES/CALLS/SALES

| | | | | | | | | | | |
|-------|-----------|---------------|------|-----------|-----|--------|--------|---------|---------|---------|
| 11068 | 9/26/2012 | Bank of China | FDIC | 9/26/2014 | 730 | 0.650% | 0.650% | 245,000 | 245,000 | 245,000 |
|-------|-----------|---------------|------|-----------|-----|--------|--------|---------|---------|---------|

| | | | |
|--------|------------|------------|------------|
| 0.650% | \$ 245,000 | \$ 245,000 | \$ 245,000 |
|--------|------------|------------|------------|

| State of California Local Agency Pool | Beginning Balance | Rate | Yield | Deposits | Withdrawals | Interest Earned | Ending Balance |
|--|----------------------|--------|--------|---------------------|---------------------|-----------------|----------------------|
| City | 14,300,000 | 0.246% | 0.246% | 3,000,000 | 4,800,000 | - | 12,500,000 |
| TRAN Repayment | 0 | 0.246% | 0.246% | | - | - | 0 |
| | \$ 14,300,000 | | | \$ 3,000,000 | \$ 4,800,000 | \$ - | \$ 12,500,000 |

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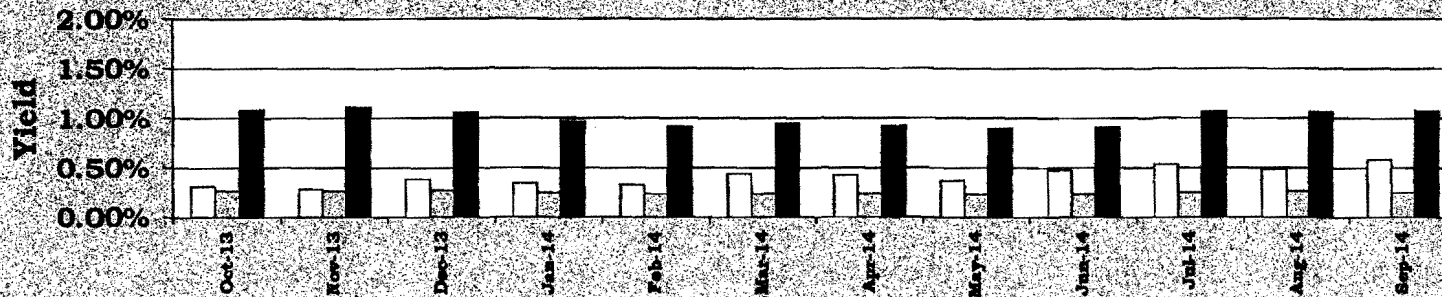


Investment Report

September 2014

Portfolio Performance

- Constant Maturing Treasury - 2 Year (Benchmark)
- ▨ Local Agency Investment Fund - State Pool
- Monthly City Yield



Portfolio Earnings Summary

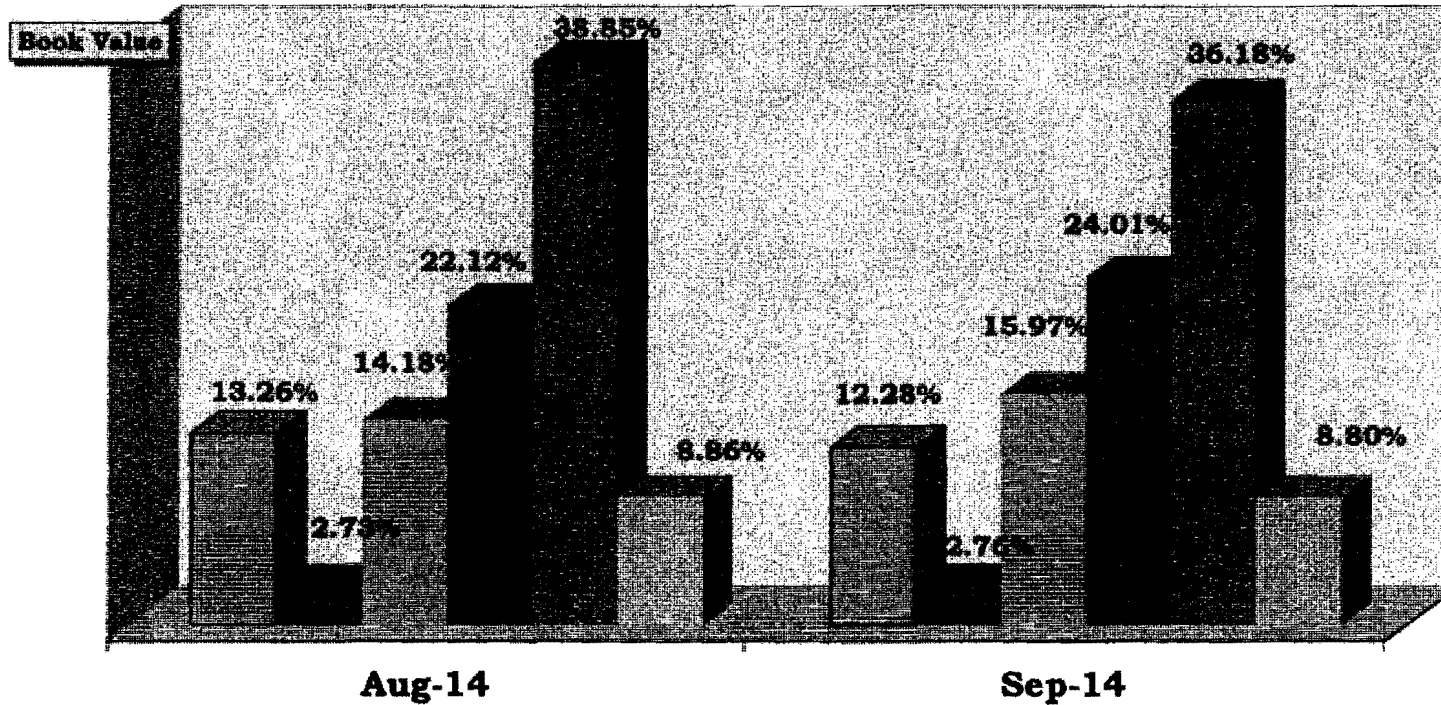
| | September 30, 2014 | Fiscal Year to Date |
|--|---------------------|---------------------|
| CD/Coupon/Discount Investments: | | |
| Interest Collected | 65,430.99 | 520,063.83 |
| Plus Interest at End of Period | 580,747.01 | 580,747.01 |
| Less Accrued Interest at Beginning of Period | (465,237.95) | (556,667.03) |
| Interest Earned during this Period | 180,940.05 | 544,143.81 |
| Adjusted By Premium | (49,846.50) | (149,546.17) |
| Adjusted by Capital | | 0.00 |
| Earnings during Periods | 131,093.55 | 394,597.64 |
| Cash/Checking Accounts: | | |
| Interest Collected | 2.07 | 23,582.16 |
| Plus Accrued Interest at End of Period | 31,236.40 | 31,236.40 |
| Less Interest at Beginning of Period | (28,523.74) | (44,023.73) |
| Interest Earned this Period | 2,714.73 | 10,794.83 |
| Total Interest Earned | 183,654.78 | 554,938.64 |
| Total Adjustments from Premium and Discounts | (49,846.50) | (149,546.17) |
| Total Capital Gains or Loss | 0.00 | 0.00 |
| Total Earnings this Period | \$133,808.28 | \$405,392.47 |



Investment Report

September 2014

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 |

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.

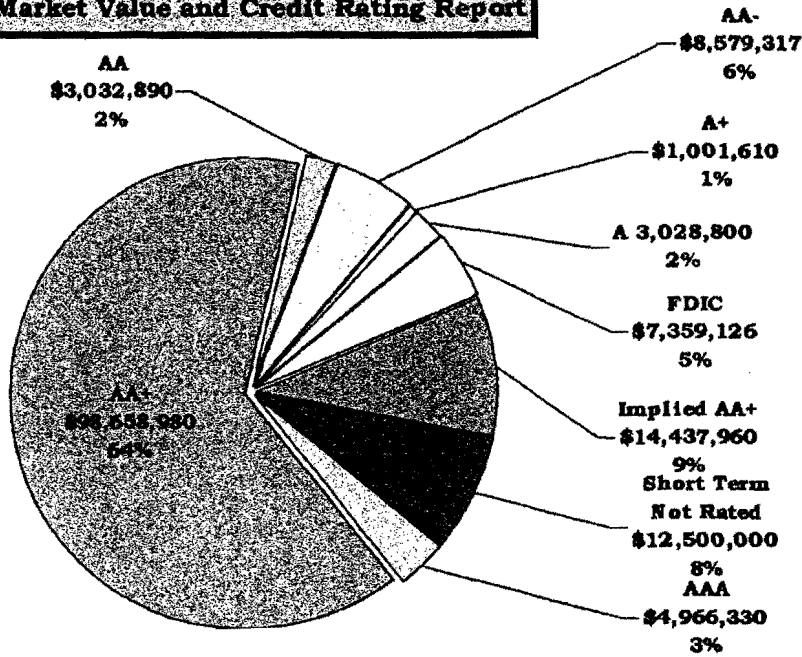


Investment Report

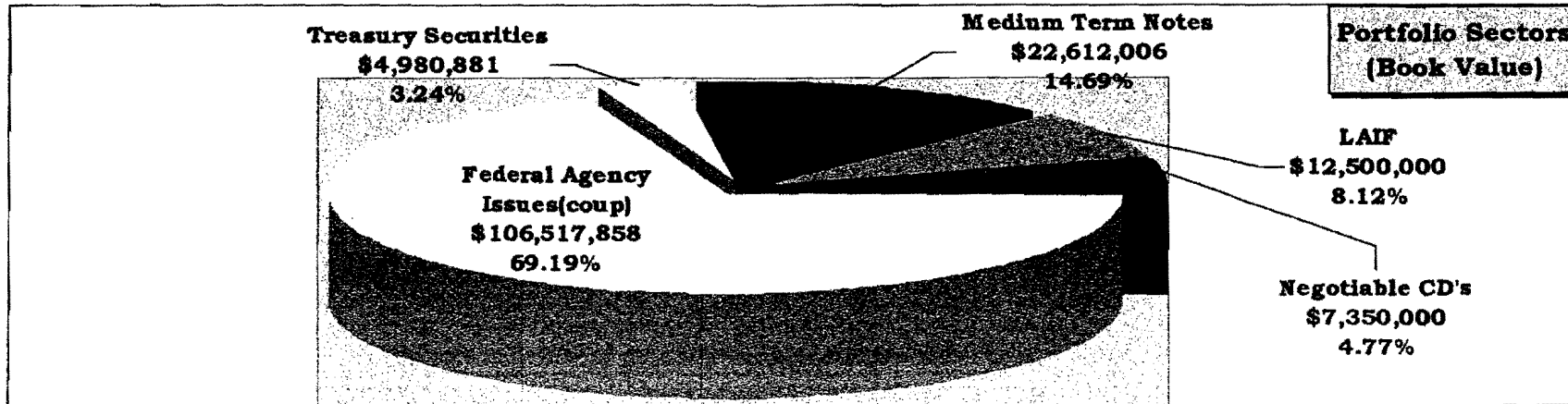
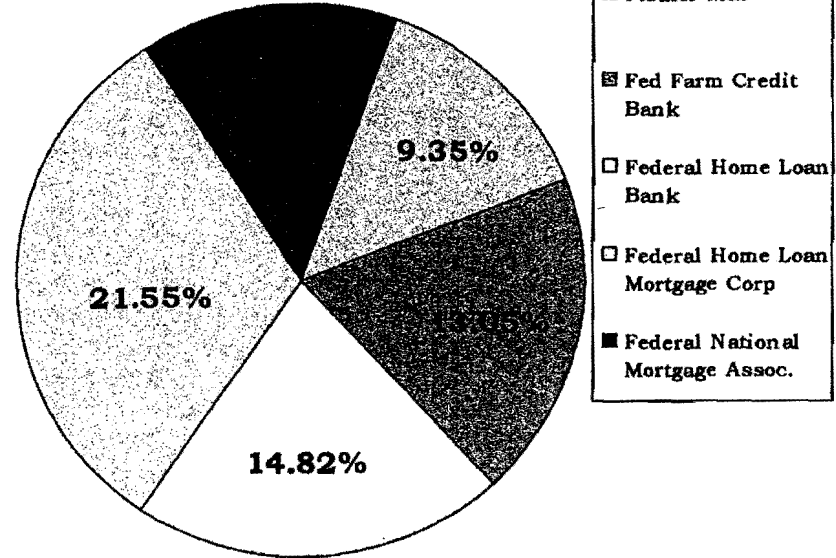
September 2014

Portfolio Distribution

Market Value and Credit Rating Report



Federal Agencies Distribution 69.01% of Total Portfolio (MV)





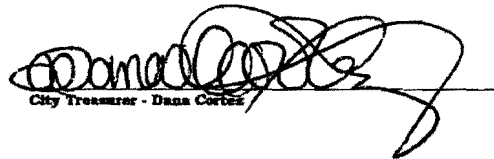
Investment Report
September 2014

| | Value of Portfolio per GASB 31 | | | Ending Investment Value as of |
|---------------------------------|----------------------------------|----------------------------------|------------------------|-------------------------------|
| | Beginning Investment Value as of | Purchase/Redemption of Principal | Change in Market Value | |
| | July 1, 2014 | | | September 30, 2014 |
| U.S. Treasury Securities | 4,991,350 | - | (25,020) | 4,966,330 |
| Federal Agency (Coupon) | 107,469,350 | (1,000,000) | (490,110) | 105,979,240 |
| Negotiable Certificate Deposits | 7,367,216 | - | (8,090) | 7,359,126 |
| Medium Term Notes | 22,844,531 | - | (84,214) | 22,760,317 |
| Municipal Bonds | - | - | - | - |
| SUBTOTAL PER GASB 31 | \$142,672,447 | (\$1,000,000) | (\$607,434) | \$141,065,013 |
| Non-GASB | | | | |
| Local Agency Investment Funds | 49,500,000 | (37,000,000) | - | 12,500,000 |
| Money Market | - | - | - | - |
| Federal Agency - Disc. | - | - | - | - |
| Treasury Security - Disc. | - | - | - | - |
| Certificate of Deposits - Disc. | - | - | - | - |
| Commercial paper | - | - | - | - |
| TOTAL PORTFOLIO | \$192,172,447 | (\$38,000,000) | (\$607,434) | \$153,565,013 |

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 Taseo

City of Torrance
Portfolio Management
Portfolio Details - Investments
September 30, 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 | | | 12,500,000.00 | 12,500,000.00 | 12,500,000.00 | 0.246 | | 0.246 | 1 | |
| SYS1000a | 1000A | LAIF - TRANS FUNDS | | | 0.00 | 0.00 | 0.00 | 0.246 | | 0.246 | 1 | |
| Subtotal and Average | | | 12,723,333.33 | | 12,500,000.00 | 12,500,000.00 | 12,500,000.00 | | | 0.246 | 1 | |
| Money Market Sweep Account | | | | | | | | | | | | |
| 316175108S | 1000 | Union Bank of California | | | 0.00 | 0.00 | 0.00 | | | 0.000 | 1 | |
| Subtotal and Average | | | 63,525.38 | | 0.00 | 0.00 | 0.00 | | | 0.000 | 0 | |
| Negotiable CD | | | | | | | | | | | | |
| 33764JHMO | 11052 | First Bank of P R #30387 | | 08/01/2012 | 245,000.00 | 247,114.35 | 245,000.00 | 1.250 | FDIC | 1.251 | 670 | 08/01/2016 |
| 330459AE8 | 11110 | 1st Nat'l Bank Kentucky #2759 | | 10/03/2013 | 245,000.00 | 245,813.40 | 245,000.00 | 0.900 | FDIC | 0.901 | 733 | 10/03/2016 |
| 33648FJN6 | 11127 | First State Bank West Virginia | | 03/11/2014 | 245,000.00 | 244,620.25 | 245,000.00 | 0.450 | FDIC | 0.451 | 527 | 03/11/2016 |
| 02587CAW0 | 11152 | American Express | | 08/21/2014 | 245,000.00 | 242,741.10 | 245,000.00 | 2.100 | FDIC | 2.101 | 1,785 | 08/21/2019 |
| 02005QN90 | 11044 | Ally Bank | | 08/01/2012 | 245,000.00 | 246,278.90 | 245,000.00 | 1.150 | FDIC | 1.157 | 306 | 08/03/2015 |
| 02587DLD8 | 11070 | American Express Cent #27471 | | 10/04/2012 | 245,000.00 | 247,053.10 | 245,000.00 | 1.550 | FDIC | 1.551 | 1,099 | 10/04/2017 |
| 06740AYC7 | 11090 | Barclays Bank | | 03/12/2013 | 245,000.00 | 245,052.18 | 245,000.00 | 1.250 | FDIC | 1.346 | 1,258 | 03/12/2018 |
| 05568PZ91 | 11073 | BMW Bank of No America #35141 | | 11/02/2012 | 245,000.00 | 246,251.95 | 245,000.00 | 0.950 | FDIC | 0.950 | 397 | 11/02/2015 |
| 060624XH1 | 11091 | Bank of Baroda #33681 | | 03/08/2013 | 245,000.00 | 243,574.10 | 245,000.00 | 1.250 | FDIC | 1.251 | 1,254 | 03/08/2018 |
| 149159HR9 | 11094 | Cathay Bank #18503 | | 04/12/2013 | 245,000.00 | 243,287.45 | 245,000.00 | 1.000 | FDIC | 1.001 | 1,289 | 04/12/2018 |
| 17284CBZ6 | 11093 | CIT Bank #35575 | | 04/17/2013 | 245,000.00 | 243,160.05 | 245,000.00 | 1.150 | FDIC | 1.151 | 1,294 | 04/17/2018 |
| 20033AAU0 | 11084 | Comenity Capital Bank | | 01/18/2013 | 245,000.00 | 245,720.30 | 245,000.00 | 0.750 | FDIC | 0.750 | 840 | 01/18/2017 |
| 225845CZ1 | 11126 | Crescent Bank & Trust | | 03/05/2014 | 245,000.00 | 245,056.35 | 245,000.00 | 1.500 | FDIC | 1.500 | 1,427 | 08/28/2018 |
| 23204HBD9 | 11146 | Customer Bank #34444 | | 05/28/2014 | 245,000.00 | 244,223.35 | 245,000.00 | 0.800 | FDIC | 0.802 | 789 | 11/28/2016 |
| 254671GK0 | 11058 | Discover Bank #5649 | | 09/19/2012 | 245,000.00 | 247,048.20 | 245,000.00 | 1.250 | FDIC | 1.251 | 719 | 09/19/2016 |
| 29976DNQ9 | 11059 | EverBank #34775 | | 09/14/2012 | 245,000.00 | 247,070.25 | 245,000.00 | 0.900 | FDIC | 0.901 | 714 | 09/14/2016 |
| 307660HE3 | 11113 | Farm Bureau Bank #35157 | | 10/15/2013 | 245,000.00 | 245,779.10 | 245,000.00 | 0.900 | FDIC | 0.900 | 744 | 10/14/2016 |
| 308862DD0 | 11134 | Farmers & Merchants Bk #16810 | | 04/25/2014 | 245,000.00 | 245,215.60 | 245,000.00 | 1.450 | FDIC | 1.452 | 1,455 | 09/25/2018 |
| 36160XN52 | 11051 | GE Capital Bank #33778 | | 08/03/2012 | 245,000.00 | 246,156.40 | 245,000.00 | 1.150 | FDIC | 1.150 | 306 | 08/03/2015 |
| 36157PSB6 | 11111 | GE Money Bank #27314 | | 10/04/2013 | 245,000.00 | 245,715.40 | 245,000.00 | 1.200 | FDIC | 1.201 | 734 | 10/04/2016 |
| 38143AXS9 | 11045 | Goldman Sachs Bank #33124 | | 08/01/2012 | 245,000.00 | 246,259.30 | 245,000.00 | 1.200 | FDIC | 1.200 | 306 | 08/03/2015 |
| 48124JRY6 | 11085 | JPMORGAN | | 01/28/2013 | 245,000.00 | 245,949.86 | 245,000.00 | 0.750 | FDIC | 0.750 | 1,215 | 01/28/2018 |
| 485836FB1 | 11129 | Kalahdin Trust Co CD | | 03/28/2014 | 245,000.00 | 245,000.00 | 245,000.00 | 1.250 | FDIC | 1.054 | 1,639 | 03/28/2019 |
| 628825JK8 | 11151 | NCB FSB #32612 | | 07/16/2014 | 245,000.00 | 243,336.45 | 245,000.00 | 1.000 | FDIC | 1.001 | 1,020 | 07/17/2017 |
| 70153RHF8 | 11130 | Parkway Bank #19008 | | 04/10/2014 | 245,000.00 | 244,140.05 | 245,000.00 | 0.500 | FDIC | 0.502 | 558 | 04/11/2016 |
| 74267GTZ0 | 11112 | Private Bank & Trust Co #33306 | | 10/04/2013 | 245,000.00 | 245,661.50 | 245,000.00 | 1.000 | FDIC | 1.001 | 734 | 10/04/2016 |
| 786580X96 | 11043 | Safra National Bank #26876 | | 07/31/2012 | 245,000.00 | 246,298.50 | 245,000.00 | 0.800 | FDIC | 0.800 | 303 | 07/31/2015 |

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City of Torrance
Portfolio Management
Portfolio Details - Investments
September 30, 2014

| 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 | | | | | | | | | | | | |
| 795450NT8 | 11053 | Sallie Mae Bank | | 08/08/2012 | 245,000.00 | 246,291.15 | 245,000.00 | 1.100 | FDIC | 1.106 | 313 | 08/10/2015 |
| 856283UK0 | 11098 | STATE BANK of INDIA | | 05/14/2013 | 245,000.00 | 242,951.80 | 245,000.00 | 1.150 | FDIC | 0.000 | 1,321 | 05/14/2018 |
| 94768NJD7 | 11081 | Webster Bank #18221 | | 12/12/2012 | 245,000.00 | 246,305.85 | 245,000.00 | 1.000 | FDIC | 1.001 | 1,168 | 12/12/2017 |
| Subtotal and Average | | | 7,554,166.67 | | 7,350,000.00 | 7,359,126.24 | 7,350,000.00 | | | 1.018 | 897 | |
| Federal Agency Issues - Coupon | | | | | | | | | | | | |
| 31315PXK0 | 11071 | FARMER MAC | | 10/25/2012 | 2,000,000.00 | 2,000,760.00 | 2,000,000.00 | 0.650 | | 1.053 | 1,120 | 10/25/2017 |
| 31315PWE5 | 11083 | FARMER MAC | | 01/08/2013 | 3,000,000.00 | 2,979,330.00 | 3,000,000.00 | 0.930 | | 0.935 | 1,195 | 01/08/2018 |
| 31315PNZ8 | 11086 | FARMER MAC | | 01/30/2013 | 2,000,000.00 | 1,991,800.00 | 2,000,799.33 | 1.050 | | 1.038 | 1,217 | 01/30/2018 |
| 31315PXM6 | 11097 | FARMER MAC | | 05/02/2013 | 2,000,000.00 | 1,974,540.00 | 1,999,282.78 | 0.850 | | 0.860 | 1,309 | 05/02/2018 |
| 31315PXF1 | 11099 | FARMER MAC | | 05/02/2013 | 2,000,000.00 | 1,991,180.00 | 1,999,682.78 | 0.400 | | 0.410 | 579 | 05/02/2016 |
| 31315P6A2 | 11115 | FARMER MAC | | 10/04/2013 | 3,500,000.00 | 3,500,350.00 | 3,500,000.00 | 1.940 | | 1.940 | 1,463 | 10/03/2018 |
| 31331JQ55 | 10907 | FEDERAL FARM CREDIT BANK | | 10/06/2010 | 1,000,000.00 | 1,000,140.00 | 1,000,000.00 | 1.150 | AA+ | 1.150 | 5 | 10/06/2014 |
| 31331KCK4 | 10942 | FEDERAL FARM CREDIT BANK | | 02/17/2011 | 1,000,000.00 | 1,007,250.00 | 1,000,000.00 | 2.030 | AA+ | 2.030 | 139 | 02/17/2015 |
| 31331VPV2 | 10954 | FEDERAL FARM CREDIT BANK | | 04/01/2011 | 2,000,000.00 | 2,127,100.00 | 2,075,300.00 | 4.950 | AA+ | 2.280 | 548 | 04/01/2016 |
| 3133EAA81 | 11041 | FEDERAL FARM CREDIT BANK | | 07/30/2012 | 1,000,000.00 | 997,190.00 | 1,000,000.00 | 0.780 | AA+ | 0.780 | 852 | 01/30/2017 |
| 3133EAX29 | 11060 | FEDERAL FARM CREDIT BANK | | 09/18/2012 | 1,000,000.00 | 995,660.00 | 1,000,000.00 | 0.980 | AA+ | 0.980 | 1,083 | 09/18/2017 |
| 3133EC5A8 | 11075 | FEDERAL FARM CREDIT BANK | | 11/28/2012 | 2,000,000.00 | 1,968,700.00 | 2,000,000.00 | 0.870 | AA+ | 0.870 | 1,153 | 11/27/2017 |
| 3133ECE26 | 11087 | FEDERAL FARM CREDIT BANK | | 01/30/2013 | 1,000,000.00 | 993,860.00 | 1,000,000.00 | 0.940 | AA+ | 1.022 | 1,217 | 01/30/2018 |
| 3133ED3Z3 | 11109 | FEDERAL FARM CREDIT BANK | | 10/04/2013 | 3,000,000.00 | 3,002,370.00 | 3,000,000.00 | 1.230 | AA+ | 1.230 | 1,099 | 10/04/2017 |
| 3133ED4Q2 | 11114 | FEDERAL FARM CREDIT BANK | | 10/11/2013 | 1,000,000.00 | 1,001,970.00 | 1,000,000.00 | 1.480 | AA+ | 1.480 | 1,349 | 06/11/2018 |
| 3133EDDV1 | 11119 | FEDERAL FARM CREDIT BANK | | 01/23/2014 | 1,000,000.00 | 1,004,380.00 | 998,857.19 | 1.160 | AA+ | 1.198 | 1,118 | 10/23/2017 |
| 3133EDEB4 | 11121 | FEDERAL FARM CREDIT BANK | | 02/07/2014 | 3,000,000.00 | 3,012,090.00 | 3,013,653.10 | 1.100 | AA+ | 0.931 | 1,001 | 06/28/2017 |
| 3133EDGW6 | 11128 | FEDERAL FARM CREDIT BANK | | 03/11/2014 | 3,000,000.00 | 2,973,630.00 | 2,996,818.43 | 1.300 | AA+ | 1.330 | 1,349 | 06/11/2018 |
| 313370TW8 | 11040 | FEDERAL HOME LOAN BANK | | 07/25/2012 | 1,000,000.00 | 1,026,120.00 | 1,026,372.55 | 2.000 | AA+ | 0.620 | 709 | 09/09/2016 |
| 313380P92 | 11055 | FEDERAL HOME LOAN BANK | | 09/26/2012 | 1,000,000.00 | 991,280.00 | 1,000,000.00 | 1.000 | AA+ | 1.000 | 1,091 | 09/26/2017 |
| 313380MF1 | 11057 | FEDERAL HOME LOAN BANK | | 09/18/2012 | 1,000,000.00 | 995,710.00 | 1,000,000.00 | 1.000 | AA+ | 1.005 | 1,083 | 09/18/2017 |
| 3133824S9 | 11089 | FEDERAL HOME LOAN BANK | | 02/27/2013 | 1,000,000.00 | 989,560.00 | 1,000,000.00 | 1.100 | AA+ | 1.100 | 1,245 | 02/27/2018 |
| 313383AA9 | 11105 | FEDERAL HOME LOAN BANK | | 06/12/2013 | 4,000,000.00 | 3,929,640.00 | 4,000,000.00 | 1.000 | AA+ | 1.000 | 1,350 | 06/12/2018 |
| 3133837E5 | 11106 | FEDERAL HOME LOAN BANK | | 06/06/2013 | 4,000,000.00 | 3,939,600.00 | 4,000,000.00 | 0.875 | AA+ | 0.825 | 1,344 | 06/06/2018 |
| 3133834R9 | 11108 | FEDERAL HOME LOAN BANK | | 05/24/2013 | 1,000,000.00 | 997,950.00 | 998,456.53 | 0.375 | AA+ | 0.465 | 632 | 06/24/2016 |
| 313379VE6 | 11118 | FEDERAL HOME LOAN BANK | | 01/14/2014 | 1,000,000.00 | 1,001,670.00 | 998,400.36 | 1.010 | AA+ | 1.070 | 992 | 06/19/2017 |
| 313381GD1 | 11122 | FEDERAL HOME LOAN BANK | | 02/20/2014 | 2,000,000.00 | 1,982,420.00 | 1,992,360.83 | 1.250 | AA+ | 1.356 | 1,358 | 06/20/2018 |
| 313373SZ6 | 11123 | FEDERAL HOME LOAN BANK | | 02/26/2014 | 2,000,000.00 | 2,053,080.00 | 2,057,056.80 | 2.125 | AA+ | 0.428 | 618 | 06/10/2016 |
| 313375RN9 | 11124 | FEDERAL HOME LOAN BANK | | 02/27/2014 | 2,000,000.00 | 2,016,820.00 | 2,018,306.27 | 1.000 | AA+ | 0.363 | 527 | 03/11/2016 |
| 3130A27K6 | 11148 | FEDERAL HOME LOAN BANK | | 06/26/2014 | 2,000,000.00 | 1,998,300.00 | 2,000,000.00 | 1.250 | AA+ | 2.020 | 1,729 | 06/26/2019 |

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**City of Torrance
Portfolio Management
Portfolio Details - Investments
September 30, 2014**

| 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 | | | | | | | | | | | | |
| 3130A2DT0 | 11149 | FEDERAL HOME LOAN BANK | | 06/30/2014 | 1,000,000.00 | 992,980.00 | 1,000,000.00 | 1.700 | AA+ | 2.018 | 1,729 | 06/26/2019 |
| 3134G3GM6 | 11009 | FEDERAL HOME LOAN MORTGAGE CO | | 01/13/2012 | 1,000,000.00 | 1,001,940.00 | 1,000,000.00 | 1.300 | AA+ | 1.300 | 835 | 01/13/2017 |
| 3137EADC0 | 11017 | FEDERAL HOME LOAN MORTGAGE CO | | 01/30/2012 | 1,000,000.00 | 1,002,830.00 | 998,329.98 | 1.000 | AA+ | 1.071 | 889 | 03/08/2017 |
| 3137EACT4 | 11034 | FEDERAL HOME LOAN MORTGAGE CO | | 04/26/2012 | 1,000,000.00 | 1,033,350.00 | 1,027,462.19 | 2.500 | AA+ | 0.810 | 604 | 05/27/2016 |
| 3134G32L3 | 11079 | FEDERAL HOME LOAN MORTGAGE CO | | 12/26/2012 | 2,000,000.00 | 1,966,740.00 | 2,000,000.00 | 0.850 | AA+ | 0.850 | 1,182 | 12/26/2017 |
| 3134G33B4 | 11082 | FEDERAL HOME LOAN MORTGAGE CO | | 01/11/2013 | 1,000,000.00 | 988,720.00 | 1,000,000.00 | 1.000 | AA+ | 1.000 | 1,198 | 01/11/2018 |
| 3137EADJ5 | 11095 | FEDERAL HOME LOAN MORTGAGE CO | | 04/23/2013 | 3,000,000.00 | 2,987,670.00 | 3,028,363.37 | 1.000 | AA+ | 0.660 | 1,031 | 07/28/2017 |
| 3137EAAG4 | 11096 | FEDERAL HOME LOAN MORTGAGE CO | | 04/28/2013 | 5,000,000.00 | 5,429,450.00 | 5,452,927.84 | 5.500 | AA+ | 0.420 | 656 | 07/18/2016 |
| 3137EADH9 | 11101 | FEDERAL HOME LOAN MORTGAGE CO | | 05/13/2013 | 5,000,000.00 | 4,992,400.00 | 5,037,498.79 | 1.000 | AA+ | 0.722 | 1,002 | 06/29/2017 |
| 3134G44N5 | 11102 | FEDERAL HOME LOAN MORTGAGE CO | | 05/28/2013 | 2,000,000.00 | 1,963,160.00 | 2,000,000.00 | 0.750 | AA+ | 0.750 | 1,154 | 11/28/2017 |
| 3137EAAG4 | 11107 | FEDERAL HOME LOAN MORTGAGE CO | | 05/22/2013 | 4,000,000.00 | 4,343,560.00 | 4,359,905.14 | 5.500 | AA+ | 0.452 | 656 | 07/18/2016 |
| 3137EADL0 | 11132 | FEDERAL HOME LOAN MORTGAGE CO | | 04/23/2014 | 1,000,000.00 | 995,490.00 | 995,752.54 | 1.000 | AA+ | 1.145 | 1,094 | 09/29/2017 |
| 3137EADS5 | 11135 | FEDERAL HOME LOAN MORTGAGE CO | | 04/29/2014 | 2,000,000.00 | 2,008,420.00 | 2,009,839.59 | 0.875 | AA+ | 0.631 | 744 | 10/14/2016 |
| 3134G54K8 | 11138 | FEDERAL HOME LOAN MORTGAGE CO | | 05/28/2014 | 1,000,000.00 | 998,920.00 | 1,000,000.00 | 1.250 | AA+ | 1.250 | 1,154 | 11/28/2017 |
| 3137EADJ5 | 11139 | FEDERAL HOME LOAN MORTGAGE CO | | 04/30/2014 | 2,000,000.00 | 1,991,780.00 | 1,999,512.40 | 1.000 | AA+ | 1.009 | 1,031 | 07/28/2017 |
| 3137EADS5 | 11142 | FEDERAL HOME LOAN MORTGAGE CO | | 04/30/2014 | 1,000,000.00 | 1,004,210.00 | 1,004,809.28 | 0.875 | AA+ | 0.637 | 744 | 10/14/2016 |
| 3138G06R7 | 11076 | FEDERAL NATIONAL MORT ASSOC | | 11/28/2012 | 1,000,000.00 | 999,730.00 | 1,000,000.00 | 0.625 | AA+ | 1.068 | 1,153 | 11/27/2017 |
| 3135G0PQ0 | 11100 | FEDERAL NATIONAL MORT ASSOC | | 04/26/2013 | 3,000,000.00 | 2,971,530.00 | 3,014,017.13 | 0.875 | AA+ | 0.720 | 1,121 | 10/26/2017 |
| 3136G1LZ0 | 11103 | FEDERAL NATIONAL MORT ASSOC | | 05/28/2013 | 2,000,000.00 | 1,965,080.00 | 2,000,000.00 | 0.750 | AA+ | 0.750 | 1,154 | 11/28/2017 |
| 3135G0WJ8 | 11117 | FEDERAL NATIONAL MORT ASSOC | | 01/14/2014 | 1,000,000.00 | 979,360.00 | 975,254.63 | 0.875 | AA+ | 1.581 | 1,328 | 05/21/2018 |
| 3135G0WJ8 | 11120 | FEDERAL NATIONAL MORT ASSOC | | 01/31/2014 | 2,000,000.00 | 1,958,720.00 | 1,961,612.77 | 0.875 | AA+ | 1.421 | 1,328 | 05/21/2018 |
| 3135G0WJ8 | 11125 | FEDERAL NATIONAL MORT ASSOC | | 03/03/2014 | 2,000,000.00 | 1,958,720.00 | 1,968,587.62 | 0.875 | AA+ | 1.320 | 1,328 | 05/21/2018 |
| 3135G0YT4 | 11133 | FEDERAL NATIONAL MORT ASSOC | | 04/23/2014 | 1,000,000.00 | 997,930.00 | 997,205.18 | 1.625 | AA+ | 1.695 | 1,518 | 11/27/2018 |
| 3135G0CM3 | 11138 | FEDERAL NATIONAL MORT ASSOC | | 04/29/2014 | 1,000,000.00 | 1,011,830.00 | 1,012,623.82 | 1.250 | AA+ | 0.610 | 728 | 09/28/2016 |
| 3135G0PQ0 | 11140 | FEDERAL NATIONAL MORT ASSOC | | 04/30/2014 | 1,000,000.00 | 990,510.00 | 992,750.64 | 0.875 | AA+ | 1.116 | 1,121 | 10/26/2017 |
| 3135G0GY3 | 11141 | FEDERAL NATIONAL MORT ASSOC | | 04/30/2014 | 1,000,000.00 | 1,009,250.00 | 1,011,025.65 | 1.250 | AA+ | 0.771 | 852 | 01/30/2017 |
| 3135G0PQ0 | 11150 | FEDERAL NATIONAL MORT ASSOC | | 06/30/2014 | 1,000,000.00 | 990,510.00 | 995,032.18 | 0.875 | AA+ | 1.040 | 1,121 | 10/26/2017 |
| Subtotal and Average | | | 106,541,731.78 | | 105,500,000.00 | 105,979,240.00 | 106,517,857.69 | | | 0.989 | 1,047 | |
| Treasury Securities - Coupon | | | | | | | | | | | | |
| 912828WD8 | 11137 | U.S.TREASURY NOTE | | 04/29/2014 | 2,000,000.00 | 1,975,000.00 | 1,974,523.47 | 1.250 | AAA | 1.575 | 1,491 | 10/31/2018 |
| 912828VK3 | 11143 | U.S.TREASURY NOTE | | 05/09/2014 | 3,000,000.00 | 2,991,330.00 | 3,006,357.40 | 1.375 | AAA | 1.317 | 1,368 | 06/30/2018 |
| Subtotal and Average | | | 4,980,700.49 | | 5,000,000.00 | 4,966,330.00 | 4,980,880.87 | | | 1.419 | 1,417 | |

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City of Torrance
 Portfolio Management
 Portfolio Details - Investments
 September 30, 2014

| 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 | 1,075,366.80 | 1,083,935.99 | 1.000 | AA- | 0.864 | 999 | 06/26/2017 |
| 88579YAE1 | 11145 | 3M Company | | 05/14/2014 | 1,000,000.00 | 995,710.00 | 1,002,151.13 | 1.000 | AA- | 0.920 | 999 | 06/26/2017 |
| 06738KXV8 | 10989 | Barclays Bank | | 10/28/2011 | 3,000,000.00 | 3,028,800.00 | 3,000,000.00 | 2.500 | A | 3.287 | 758 | 10/28/2016 |
| 06366RHA6 | 11056 | Bank of Montreal | | 09/11/2012 | 1,000,000.00 | 1,001,610.00 | 1,000,765.56 | 1.400 | A+ | 1.373 | 1,076 | 09/11/2017 |
| 19416QED8 | 11116 | Colgate Palmolive Co | | 11/01/2013 | 2,000,000.00 | 1,978,680.00 | 1,996,129.00 | 1.500 | AA- | 1.549 | 1,492 | 11/01/2018 |
| 36962G4T8 | 10925 | General Electric | | 11/19/2010 | 1,000,000.00 | 1,017,600.00 | 995,270.69 | 2.250 | AA+ | 2.710 | 404 | 11/09/2015 |
| 36962G5N0 | 11011 | General Electric Capital Corp | | 01/10/2012 | 2,000,000.00 | 2,077,200.00 | 2,001,364.09 | 2.900 | AA+ | 2.868 | 831 | 01/09/2017 |
| 36962G5M2 | 11012 | General Electric Capital Corp | | 01/10/2012 | 2,000,000.00 | 2,010,080.00 | 2,000,417.79 | 2.150 | AA+ | 2.070 | 100 | 01/09/2015 |
| 36962G4N1 | 11024 | General Electric Capital Corp | | 02/22/2012 | 2,000,000.00 | 2,012,820.00 | 1,994,295.42 | 0.978 | AA+ | 1.381 | 314 | 08/11/2015 |
| 459200GX3 | 11144 | IBM | | 05/13/2014 | 1,000,000.00 | 1,020,670.00 | 1,025,495.44 | 1.950 | AA | 0.530 | 660 | 07/22/2016 |
| 78010UD20 | 11147 | Royal Bank of Canada | | 06/16/2014 | 1,000,000.00 | 997,510.00 | 1,001,625.00 | 1.250 | AA | 1.189 | 989 | 06/16/2017 |
| 89233P5S1 | 11015 | Toyota Motor Credit Corp | | 01/13/2012 | 1,000,000.00 | 1,022,560.00 | 1,001,944.11 | 2.050 | AA- | 1.960 | 834 | 01/12/2017 |
| 89233P5Z5 | 11023 | Toyota Motor Credit Corp | | 02/17/2012 | 2,000,000.00 | 2,004,840.00 | 1,999,622.22 | 1.000 | AA- | 1.102 | 139 | 02/17/2015 |
| 89236TAY1 | 11131 | Toyota Motor Credit Corp | | 04/11/2014 | 1,500,000.00 | 1,502,160.00 | 1,508,721.56 | 2.000 | AA- | 1.850 | 1,484 | 10/24/2018 |
| 931142CT8 | 10928 | Wal-Mart Stores | | 12/15/2010 | 1,000,000.00 | 1,014,710.00 | 1,000,268.06 | 2.250 | AA | 2.213 | 280 | 07/08/2015 |
| Subtotal and Average | | | 22,612,404.80 | | 22,580,000.00 | 22,760,316.80 | 22,612,006.06 | | | 1.876 | 734 | |
| Total and Average | | | 154,475,862.46 | | 152,930,000.00 | 153,565,013.04 | 153,960,744.62 | | | 1.074 | 921 | |

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City of Torrance
 Portfolio Management
 Portfolio Details - Cash
 September 30, 2014


| 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 | | 2,959.73 | 2,959.73 | | | | 0 |
| | | | | Subtotal | | 2,959.73 | 2,959.73 | | | | |
| | | Total Cash and Investments | 154,475,862.46 | | 152,930,000.00 | 153,567,972.77 | 153,963,704.35 | | | 1.074 | 921 |

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CITY OF TORRANCE FISCAL AGENT FOR SUCCESSOR RDA
 RESTRICTED CASH BALANCE REPORT
 September 30, 2014

| | Book Value |
|---|--------------------|
| Bank of America City of Torrance Successor RDA Agency Account # xx-046 | 642.85 |
| Bank of America City of Torrance Successor RDA Agency - Low Mod Account # xx-140 | 0.00 |
| Local Agency Investment Fund (LAIF) City of Torrance Successor RDA Agency Account# -xx-072 | <u>4,871.84</u> |
| TOTAL | <u>\$ 5,514.69</u> |


 City of Torrance
 Investment Report
 September 2014

**CASH AND INVESTMENTS PER BOOKS
AS OF SEPTEMBER 30, 2014 (PRE-CLOSE)**

| FUND | CASH & INVESTMENTS PER BOOKS | PERCENT OF TOTAL |
|--|------------------------------------|---------------------|
| General | 14,423,435.67 | 9.33 |
| Parks & Recr Facility & Open Space | 3,387,797.61 | 2.19 |
| State Gas Tax | 14,878,231.25 | 9.63 |
| Federal Housing, Community Dev | 561,719.66 | 0.36 |
| Street Lighting | 72,179.00 | 0.05 |
| Proposition 1B | 89,450.35 | 0.06 |
| Police Asset Forfeiture | 3,796,745.28 | 2.46 |
| Drainage Improvement | 19,444.47 | 0.01 |
| Measure R Local Return | 5,357,524.39 | 3.46 |
| Government Cable | 4,846,482.73 | 3.14 |
| Local Return - Proposition C | 4,339,615.81 | 2.81 |
| TDA Article 3 Bicycle Fund | 14,912.91 | 0.01 |
| Grants/Donations | 23,536.37 | 0.02 |
| CDBG Fund | (277.25) (A) | 0 |
| Citizens Options for Public Safety (COPS) Grant Funds - AB3229 | 232,309.70 | 0.15 |
| Seismic Education Fund | 119,839.82 | 0.08 |
| Rehabilitation Housing | 706,334.73 | 0.46 |
| Meadow Park Parking Lot | 64,490.16 | 0.04 |
| Police Inmate Welfare Fund | 46,146.15 | 0.03 |
| Capital Improvements | 17,153,538.31 | 11.09 |
| Geologic Hazard Abatement | 14,316.64 | 0.01 |
| El Camino Training Fund-Fire | 61,947.10 | 0.04 |
| El Camino Training Fund-Police | 8,000.00 | 0.01 |
| Vanpool/Rideshare Fund | 12,784.56 | 0.01 |
| Torrance Public Financing - 1998 COP Fire/Police | - | 0 |
| Animal Control Fund | - | 0 |
| Successor Agency - Low Mod Housing Capital Project | 14,056.23 (B) | 0.01 |
| Successor Agency - Downtown Debt Service | - | 0 |
| Successor Agency - Industrial Debt Service | - | 0 |
| DNA Sampling Fund | 14,827.85 | 0.01 |
| Airport Fund | 7,199,161.73 | 4.66 |
| Transit Operations | 15,093,528.48 | 9.76 |
| Development Impact Fund | 1,205,771.12 | 0.78 |
| Water Operations | 17,991,213.40 | 11.64 |
| Emergency Medical Service Enterprise Fund | - | 0 |
| Sanitation Operations | (224,564.06) (C) | -0.15 |
| Cultural Arts Enterprise | (170,333.77) (D) | -0.11 |
| Sewer Enterprise Fund | 7,342,973.37 | 4.75 |
| Parks & Recreation Enterprise Fund | 540,469.64 | 0.35 |
| Self Insurance Fund | 1,489,253.42 | 0.96 |
| Fleet Services | 19,267,756.30 | 12.47 |
| Postemployment/Compensated Absences Fund | 11,772,664.12 | 7.62 |
| Trust & Agency | 2,785,380.65 | 1.8 |
| TOTAL CASH AND INVESTMENTS PER BOOKS | 154,552,663.90 | 100 |
| Redev Obligation Retirement Fund | 642.85 (E) | |

(A) CDBG Fund has a negative cash balance of <\$277.25> due to 1161 Torrance Park Improvements for Handicap Accessibility. Reimbursement request will be submitted when more expenses are accumulated.

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

(C) Negative cash of (\$225K) consists of operating cash deficit, approx. (\$965K) and positive cash \$740K; \$304K from Container Repl Fd, \$172K from Beverage Container & Oil Grants, and \$264K from Capital FEAP cash. Operating cash deficit is primarily due to green waste container purchases of \$500K Sep 2012 and \$145K transfer to Fleet Veh Repl Fd for refuse truck Nov 2013 and add'l purchases of containers for \$65K & \$37K Feb & July 2014.

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

(E) The cash balance of Redev Obligation Retirement Fund for \$642.85 is in a separate Bank of America account.



City of Torrance
Investment Report
September 2014

CASH AND INVESTMENTS RECONCILIATION
AS OF SEPTEMBER 30, 2014 (PRE-CLOSE)

| | | |
|---|---------------------|--------------------------|
| INVESTMENTS PER PORTFOLIO SUMMARY | | \$ 153,960,744.62 |
| Cash in Bank of America General Account | \$ 1,654,010.26 | |
| Cash in Bank of America Housing Account | <u>1,885,347.05</u> | |
| | | 3,539,357.31 |
| TOTAL FUNDS PER INVESTMENT REPORT | | \$ 157,500,101.93 |
| OUTSTANDING WARRANTS: | | |
| General Account | \$ (1,605,426.87) | |
| Payroll Account | (82,165.37) | |
| Workers' Compensation Account | (162,914.15) | |
| Housing Account | <u>(14,470.40)</u> | |
| | | (1,864,976.79) |
| MISCELLANEOUS OUTSTANDING ADJUSTING JOURNAL ENTRIES: | | |
| 07/18/14 bank deposit adjustment - correction deposit will be made in October 2014 | \$ 12.00 | |
| 09/19/14 bank deposit adjustment - waiting for more information from bank | 87.00 | |
| 09/23/14 Receipts discrepancy - waiting for more information from bank | 0.60 | |
| 09/02/14 Payable Payment interfaced on 10/02/14 | 310,512.46 | |
| 09/24/14 Receipts interfaced on 10/02/14 | (97.96) | |
| 09/29/14 Receipts interfaced on 10/01/14 | (6,792.51) | |
| 09/30/14 Receipts interfaced on 10/01/14 | (1,667,326.31) | |
| Sep 2014 Global Water cash collection interfaced on 09/30/14 received in bank on 10/01/14 | 235,007.36 | |
| 09/10/14 LAIF Interest Interface Discrepancy, correction interfaced on 10/07/14 | 0.20 | |
| JVR & Parking Web credit card receipts interfaced in Sep 2014, but not shown on Sep bank stmt | 12,911.99 | |
| 09/2014 Deposit in transit | <u>33,223.93</u> | |
| | | (1,082,461.24) |
| TOTAL CASH AND INVESTMENTS PER BOOKS | | \$ 154,552,663.90 |

**CITY OF TORRANCE CASH AND INVESTMENTS PER BOOKS (IN THOUSANDS)
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2014 (PRE-CLOSE)**

| Fund | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General | 16,919 | 11,803 | 20,190 | 33,476 | 36,364 | 34,406 | 43,894 | 56,649 | 55,070 | 23,245 | 17,742 | 14,423 |
| Parks & Recr Facility & Open Space | 3,930 | 3,937 | 3,984 | 3,702 | 3,715 | 3,723 | 3,706 | 3,841 | 3,576 | 3,493 | 3,507 | 3,388 |
| State Gas Tax | 14,048 | 13,402 | 13,606 | 14,183 | 13,842 | 13,967 | 14,183 | 14,205 | 14,957 | 15,213 | 14,976 | 14,878 |
| Federal Housing, Community Dev | 657 | 668 | 618 | 612 | 661 | 691 | 694 | 712 | 514 | 529 | 543 | 562 |
| Street Lighting | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 250 | 72 | 72 | 72 |
| Proposition 1B | 1,708 | 1,691 | 1,679 | 1,672 | 1,669 | 1,664 | 1,661 | 1,362 | 956 | 526 | 249 | 89 |
| Police Asset Forfeiture | 4,045 | 3,784 | 3,506 | 3,810 | 3,838 | 3,883 | 3,865 | 3,903 | 3,779 | 3,744 | 3,728 | 3,797 |
| Drainage Improvement | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Measure R Local Return | 290 | 4,721 | 4,676 | 4,697 | 4,774 | 5,109 | 4,835 | 5,163 | 5,147 | 5,203 | 5,526 | 5,358 |
| Government Cable | 4,355 | 4,726 | 4,636 | 4,502 | 4,928 | 4,785 | 4,648 | 5,056 | 4,787 | 4,680 | 4,970 | 4,846 |
| Local Return - Proposition C | 3,727 | 3,760 | 3,650 | 3,871 | 3,950 | 4,032 | 4,062 | 4,088 | 4,101 | 4,128 | 4,236 | 4,340 |
| TDA Article 3 Bicycle Fund | 209 | 219 | 229 | 239 | 248 | 252 | 230 | 239 | 15 | 15 | 15 | 15 |
| Grants/Donations | (46) | (61) | (75) | (53) | (64) | 910 | 822 | 845 | 1,010 | 770 | 484 | 24 |
| CDBG Fund | (82) | (96) | (114) | (162) | (450) | (276) | (260) | (195) | (83) | (95) | - | - |
| Citizens Options for Public Safety (COPS) Grant Funds - AB3229 | 173 | 215 | 222 | 221 | 231 | 249 | 263 | 258 | 243 | 209 | 221 | 232 |
| Seismic Education Fund | 58 | 59 | 63 | 58 | 59 | 72 | 110 | 120 | 131 | 134 | 117 | 120 |
| Rehabilitation Housing | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 | 706 |
| Meadow Park Parking Lot | 41 | 36 | 47 | 66 | 65 | 64 | 61 | 60 | 64 | 60 | 57 | 64 |
| Police Inmate Welfare Fund | 54 | 66 | 55 | 57 | 57 | 57 | 59 | 60 | 44 | 45 | 46 | 46 |
| Capital Improvements | 17,805 | 18,023 | 17,194 | 17,125 | 16,601 | 17,055 | 16,366 | 15,598 | 15,342 | 17,210 | 17,214 | 17,154 |
| Geologic Hazard Abatement | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| EI Camino Training Fund-Fire | 136 | 136 | 101 | 62 | 62 | 62 | 62 | 62 | 62 | 62 | 62 | 62 |
| EI Camino Training Fund-Police | 10 | 10 | 10 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Vanpool/Rideshare Fund | 11 | 12 | 16 | 19 | 23 | 31 | 34 | 32 | 20 | 11 | 8 | 13 |
| Torrance Public Financing | (1) | - | (2) | (2) | (2) | - | - | - | - | 10 | - | - |
| Animal Control Fund | - | - | - | 3 | - | - | - | - | - | - | - | - |
| Successor Agency - Low Mod Housing Capital Project | 7 | 6 | 9 | 9 | 9 | 11 | 11 | 13 | 15 | 16 | 13 | 14 |
| Successor Agency - Downtown Debt Service | 14 | 14 | 14 | 14 | - | - | - | - | - | - | - | - |
| Successor Agency - Industrial Debt Service | 145 | 145 | 145 | 145 | - | - | - | - | - | - | - | - |
| DNA Sampling Fund | 4 | 7 | 7 | 10 | 10 | 10 | 13 | 13 | 13 | 15 | 15 | 15 |
| Airport Fund | 6,540 | 6,334 | 6,511 | 6,713 | 6,811 | 6,793 | 6,937 | 6,800 | 6,848 | 6,894 | 6,945 | 7,199 |
| Transit Operations | 12,172 | 12,829 | 12,044 | 13,142 | 13,480 | 12,090 | 12,068 | 12,276 | 12,563 | 12,459 | 14,552 | 15,094 |
| Development Impact Fund | 1,110 | 1,110 | 1,371 | 1,390 | 1,389 | 1,385 | 1,384 | 1,375 | 1,376 | 1,379 | 1,206 | 1,206 |
| Water Operations | 9,236 | 9,017 | 8,359 | 8,832 | 8,804 | 8,898 | 15,963 | 16,850 | 17,129 | 17,738 | 18,446 | 17,991 |
| Emergency Medical Service Enterprise Fund | - | - | - | 84 | - | - | - | - | - | - | - | - |
| Sanitation Operations | (339) | (580) | (556) | (578) | (564) | (653) | (409) | (458) | (246) | (225) | (58) | (225) |
| Cultural Arts Enterprise | (13) | (8) | (2) | (81) | (96) | (95) | (80) | (41) | (66) | (53) | (108) | (170) |
| Sewer Enterprise Fund | 8,754 | 8,651 | 8,653 | 8,429 | 8,266 | 7,927 | 7,584 | 7,631 | 7,516 | 7,447 | 7,421 | 7,343 |
| Parks & Recreation Enterprise Fund | 81 | 242 | 286 | 242 | 139 | 289 | 281 | 489 | 631 | 548 | 467 | 541 |
| Self Insurance Fund | 5,701 | 5,744 | 5,641 | 3,898 | 4,004 | 4,064 | 4,167 | 4,231 | 4,647 | 1,611 | 1,678 | 1,489 |
| Fleet Services | 17,229 | 17,662 | 17,974 | 18,003 | 18,299 | 18,516 | 17,992 | 18,446 | 18,617 | 18,772 | 19,047 | 19,268 |
| Postemployment/Compensated Absences Fund | 9,462 | 8,150 | 8,376 | 10,253 | 10,333 | 11,014 | 11,477 | 11,479 | 11,993 | 10,331 | 11,931 | 11,773 |
| Trust & Agency | 2,567 | 2,437 | 2,641 | 2,787 | 2,668 | 2,741 | 2,648 | 2,578 | 2,652 | 2,760 | 2,538 | 2,785 |
| Grand Total | 141,483 | 138,626 | 146,630 | 162,224 | 164,895 | 164,500 | 180,105 | 194,313 | 194,420 | 169,703 | 168,612 | 184,563 |

(A) CDBG Fund has a negative cash balance of <\$277.25> due to 1 161 Torrance Park Improvements for Handicap Accessibility. Reimbursement request will be submitted when more expenses are accumulated.

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

(C) Negative cash of (\$225K) consists of operating cash deficit, approx. (\$965K) and positive cash \$740K; \$304K from Container Repl Fd, \$172K from Beverage Container & Oil Grants, and \$264K from Capital FEAP cash. Operating cash deficit is primarily due to green waste container purchases of \$500K Sep 2012 and \$145K transfer to Fleet Veh Repl Fd for refuse truck Nov 2013 and add'l purchases of containers for \$65K & \$37K Feb & July 2014.

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

9/30/2014

Provided by: US Treasury Daily Yield Curve Rates
and Wedbush Securities

Yield Spread Comparison Worksheet

| Type/Maturity | 30 | 60 | 90 | 180 | 1 YR | 2 YR | 3 YR | 5 YR |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| US T-Note | 0.020 | 0.020 | 0.020 | 0.030 | 0.130 | 0.580 | 1.070 | 1.780 |
| Agency | 0.030 | 0.030 | 0.040 | 0.060 | 0.150 | 0.640 | 1.170 | 1.900 |
| CD (negotiable) | 0.100 | 0.150 | 0.250 | 0.350 | 0.450 | 1.100 | 1.450 | 2.100 |
| Commercial Paper | 0.150 | 0.160 | 0.180 | 0.280 | | | | |
| A1-P1 discount | | | | | | | | |
| Medium Term Corp. Notes | 0.200 | 0.210 | 0.230 | 0.360 | 0.480 | 0.920 | 1.360 | 2.100 |
| CMT (24 months) | | | | | | 0.58 | | |

Note: All yields are calculated on a 365 day basis.

Difference between US Treasury Notes and other instruments

Overnight Instruments

UBaC MM Acct 0.010%
LAIF 0.246%