

Council Meeting of
July 28, 2020

SUPPLEMENTARY MATERIAL

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

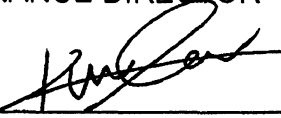
Subject: Supplementary Material to Item 8F – Finance – Accept and File Investment Report for June 2020. Expenditure: None

On Monday, July 27, 2020, the City Treasurer certified the June investment report and staff has included her signature on the following pages:

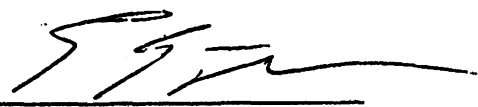
- *June 2020 Portfolio Summary*
- *June 2020 Value of Portfolio per GASB 31*

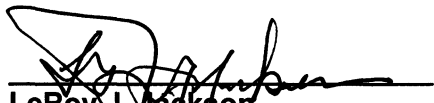
Respectfully submitted,

ERIC E. TSAO
FINANCE DIRECTOR

By 
 Kristopher Awshee
 Interim Deputy City Treasurer

CONCUR:


 Eric E. Tsao
 Finance Director


 LeRoy J. Jackson
 City Manager

Attachments:

- A) City Treasurer's signature to the June 2020 Portfolio Summary
- B) City Treasurer's signature to the June 2020 Value of Portfolio per GASB 31

**Investment Report
June 2020**

Portfolio Summary

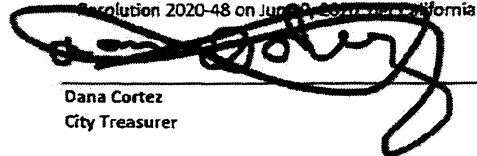
	Book Value (\$)	BV % of Portfolio *	Market Value (\$)	MV % of Portfolio *	S&P Rating	\$/% per Policy	Modified Duration	Days to Maturity	Maximum Term	YTM
Local Agency Investment Fund (LAIF)	\$ 51,725,044.71	44.54%	\$ 51,725,044.71	43.85%	LAIF	\$65Mll	0.000	1	N/A	1.217%
Union Bank Custodial - Money Market Account	\$ 297,225.28	0.26%	\$ 297,225.28	0.25%	A-1	100%	0.000	1	N/A	0.050%
U.S. Treasury Securities	\$ 5,955,195.99	5.13%	\$ 6,100,600.00	5.17%	AA+	100%	1.323	486	5-Year	1.964%
Federal Agency Issues	\$ 26,991,910.02	23.24%	\$ 27,560,850.00	23.36%		75%	1.913	719	5-Year	1.878%
Farmer Mac	\$ 3,000,000.00	2.58%	\$ 3,029,040.00	2.57%	NR/IMP	30%	0.532	198	5-Year	2.000%
Federal Farm Credit Bank	\$ 8,995,039.14	7.75%	\$ 9,219,510.00	7.81%	AA+	30%	3.521	1,341	5-Year	1.990%
Federal Home Loan Bank	\$ 10,471,870.88	9.02%	\$ 10,738,495.00	9.10%	AA+	30%	1.327	489	5-Year	1.998%
Federal National Mortgage Association	\$ 4,525,000.00	3.89%	\$ 4,573,805.00	3.88%	AA+	30%	0.964	354	5-Year	1.297%
Negotiable Certificates of Deposit	\$ 12,452,000.00	10.72%	\$ 12,966,221.50	10.99%	FDIC	20%	2.005	749	5-Year	2.269%
Municipal Bonds	\$ 530,000.00	0.46%	\$ 535,254.90	0.45%		10%	3.550	1,350	5-Year	1.716%
San Mateo Calif Un	\$ 530,000.00	0.46%	\$ 535,254.90	0.45%	N/A	10%	3.550	1,350	5-Year	1.716%
Medium-Term Notes	\$ 18,175,365.34	15.65%	\$ 18,787,190.00	15.93%		20%	2.723	1,030	5-Year	2.173%
Apple Bank Savings	\$ 3,228,544.61	2.78%	\$ 3,403,400.00	2.88%	AA+	5%	4.028	1,533	5-Year	1.965%
Apple Inc.	\$ 2,447,905.84	2.11%	\$ 2,642,675.00	2.24%	AA+	5%	2.749	1,036	5-Year	3.200%
AUST & NZ BANKING GRP NY	\$ 2,503,170.13	2.16%	\$ 2,592,325.00	2.20%	AA-	5%	2.333	873	5-Year	1.995%
MicroSoft Corporation	\$ 3,992,593.99	3.44%	\$ 4,035,520.00	3.42%	AAA	5%	0.717	263	5-Year	1.922%
Toronto Dominion Bank	\$ 1,000,000.00	0.86%	\$ 1,009,960.00	0.86%	AA-	5%	0.454	166	5-Year	2.473%
Toyota Motor Credit Crpr	\$ 5,003,150.77	4.31%	\$ 5,103,310.00	4.33%	AA-	5%	4.074	1,564	5-Year	2.034%
Total Investments:	\$ 116,126,741.34	100.00%	\$ 117,972,386.39	100.00%			1.186	440		1.671%
Cash In Bank (General):	\$ 9,742,188.42									
Cash In Bank (Housing):	\$ 914,877.46									
Total Funds:	\$ 126,783,807.22									


* Line items are calculated by formulas. There might be immaterial discrepancy between the summation of line items and the subtotal or grand total due to rounding issue.

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 2020-48 on June 29, 2020, pursuant to California Government Code §53601. A copy of this policy is available at the office of the City Clerk.

Fiscal YTD
1.950%

Effective Rate of Return


Dana Cortez
City Treasurer


Kristopher Awshee
Interim Deputy City Treasurer

7/16/2020
Date

ATTACHMENT A

**Investment Report
June 2020**

Value of Portfolio per GASB 31

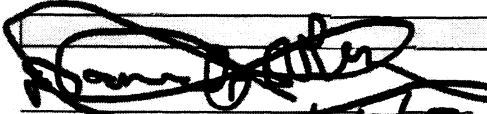
	Beginning Investment Value As of July 1, 2019	Purchase / Redemption of Principal	Change in Market Value	Ending Investment Value As of June 30, 2020
U.S. Treasury Securities	5,926,640.00	-	173,960.00	6,100,600.00
Federal Agency (Coupon)	67,986,825.55	(41,130,364.00)	704,388.45	27,560,850.00
Negotiable Certificate of Deposits	14,974,100.71	(2,611,000.00)	603,120.79	12,966,221.50
Medium-Term Notes	14,433,420.00	3,733,155.00	620,615.00	18,787,190.00
Municipal Bonds	-	530,000.00	5,254.90	535,254.90
Sub-total per GASB 31:	103,320,986.26	(39,478,209.00)	\$2,107,339.14	65,950,116.40
Non-GASB				
Local Agency Investment Funds	21,315,409.43	30,409,635.28	-	51,725,044.71
Money Market	8,082,374.18	(7,785,148.90)	-	297,225.28
Federal Agency - Disc.	-	-	-	-
Treasury Security - Disc.	-	-	-	-
Certificate of Deposits - Disc.	-	-	-	-
Commercial paper	-	-	-	-
Sub-total Non-GASB:	29,397,783.61	22,624,486.38	-	52,022,269.99
Total Portfolio:	132,718,769.87	(16,853,722.62)	2,107,339.14	117,972,386.39

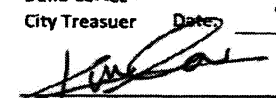
The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We report the unrealized gain/(loss) monthly and book realized gain/(loss) at year end as a GASB 31 requirement.

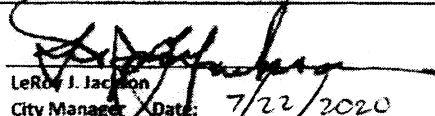
GASB 31 is a reporting requirement that reports the "Fair Value" of investments held in our portfolio. Fair value is the amount at which a financial instrument (investment) could be exchanged in a current transaction between willing parties at current market prices. It is important to understand the 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.

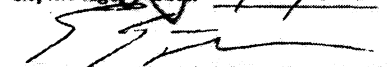
I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Resolution 2020-48 on June 9, 2020, per California Government Code §53601. A copy of this policy is available at the office of the City Clerk.


Reviewed by the Investment Advisory Committee


 Dana Cortez
 City Treasurer Date: 7/26/20


 Kristopher Awshee
 Interim Deputy City Treasurer Date: 7/22/2020


 LeRoy J. Jackson
 City Manager Date: 7/22/2020


 Eric E. Tsao
 Finance Director Date: 7/22/2020


 Patrick Q. Sullivan
 City Attorney Date: 7/22/2020

ATTACHMENT B

