



**CITY OF COSTA MESA
FINANCE DEPARTMENT
INTEROFFICE MEMORANDUM**

TO: HONORABLE CITY COUNCIL

FROM: STEPHEN DUNIVENT, INTERIM FINANCE DIRECTOR

DATE: FEBRUARY 24, 2014

SUBJECT: *TREASURER'S REPORT FOR THE MONTH OF JANUARY, 2014*

Attached is the Treasurer's Report for the month of January 2014. This performance report lists the various types of securities, institutions from which the securities were purchased, maturity dates and interest rates for all securities held in the City's investment portfolio as of the end of the reporting period. All of the City's investments as of January 31, 2014 are in compliance with the Investment Policy and the California Government Code except as otherwise noted or disclosed herein. All market values provided in this report were obtained from The Bank of New York Mellon, except for the Local Agency Investment Fund (LAIF). Market values for LAIF were provided by the State Treasurer's Office. The market value shown for the City's LAIF investment represents the City's contractual rights to its LAIF account and does not represent the value of the underlying portfolio securities. As of January 31, 2014, the City has adequate cash reserves necessary to meet its obligations for the next six months.

There were no securities purchased during the month of January, 2014.

There were no securities called during the month of January, 2014.

There were no securities sold during the month of January, 2014.

There were no securities that matured during the month of January, 2014.

COMPLIANCE REPORTING

The City held two Lehman Brothers Medium-Term Corporate Notes in its investment portfolio. The total amount invested in these two securities stated at cost was \$5,049,700. Lehman Brothers filed for bankruptcy protection status on September 15, 2008 and the debt rating fell from A2 to B3- on that date. The market value loss of \$4,107,075 for the securities was recorded on the City's general ledger in September 2008, and is updated annually. The current estimates for recoveries through the bankruptcy proceedings are unknown.

In April 2011, the City joined the Ad Hoc Group of Lehman Brothers Creditors to help maximize the recovery through bankruptcy proceedings and to protect the City's interest in the Lehman Brother's bankruptcy. The Ad Hoc Group filed a "Creditor's Plan" with the U.S. Bankruptcy Court in Manhattan which would provide a better recovery to creditors of the original Lehman parent company while offering a smaller payout to some creditors of Lehman subsidiaries. On December 6, 2011, the Bankruptcy Court entered an order confirming the Debtors' Chapter 11 Plan. The following table summarizes the distributions received:

Distributions:	
April 14, 2012	\$ 301,889.87
October 1, 2012	192,024.40
April 4, 2013	250,360.80
August 30, 2013	59,207.00
October 3, 2013	289,015.00
Total	<u>\$1,092,497.07</u>

The Debtors will make distributions of cash available in accordance with the plan semi-annually on March 30 and September 30 of each year.

The amount of Lehman Brothers investment claim held in escrow for the City with Lehman Brothers Holdings, Inc. is currently estimated to be \$223,128.

The investment portfolio is in compliance with the City's adopted investment policy and applicable state laws in all other respects during, and as of, the end of the reporting period.

If you have any questions or need additional information, feel free to contact me directly.



STEPHEN DUNIVENT
Interim Finance Director

Attachment: Treasurer's Report for the month of January, 2014

Monthly Account Statement

City of Costa Mesa Consolidated

January 1, 2014 through January 31, 2014

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Bank of New York Mellon Trust
Company
Justin Bui
+1(213)630-6420

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

Average Duration	1.32
Average Coupon	0.51 %
Average Purchase YTM	1.27 %
Average Market YTM	2.01 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	1.66 yrs
Average Life	1.58 yrs

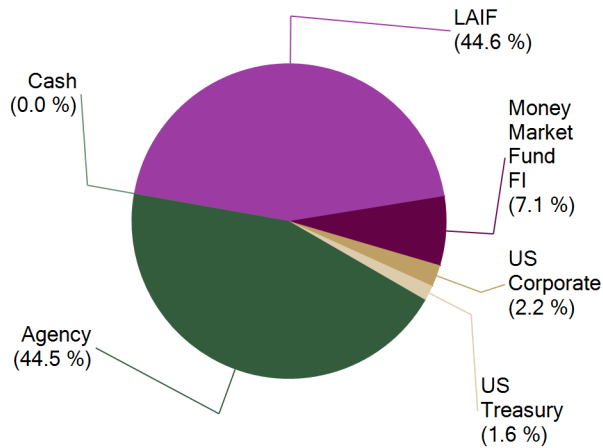
ACCOUNT SUMMARY

	Beg. Values as of 12/31/13	End Values as of 1/31/14
Market Value	83,565,078	91,653,947
Accrued Interest	113,642	90,792
Total Market Value	83,678,720	91,744,739
Income Earned	37,799	41,487
Cont/WD		
Par	88,102,485	95,918,845
Book Value	83,405,535	91,221,895
Cost Value	83,405,535	91,221,895

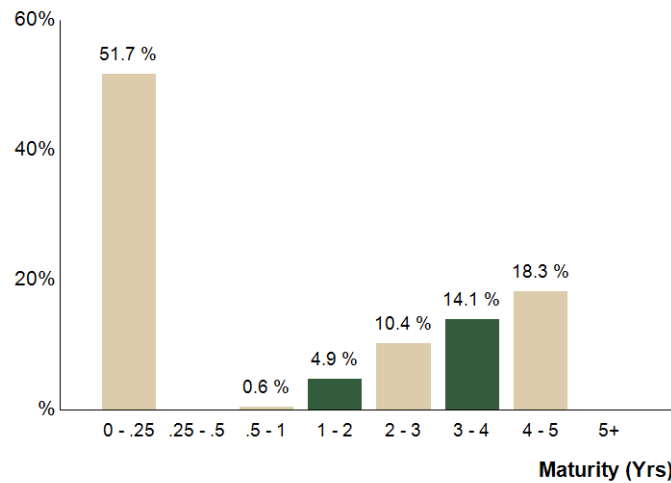
TOP ISSUERS

Issuer	% Portfolio
Local Agency Investment Fund	44.6 %
Federal National Mortgage Assoc	17.4 %
Federal Home Loan Bank	11.9 %
Federal Farm Credit Bank	9.8 %
Bank Cash Account	6.6 %
Federal Home Loan Mortgage Corp	5.4 %
Government of United States	1.6 %
Lehman Brothers Holdings	1.1 %
	98.4 %

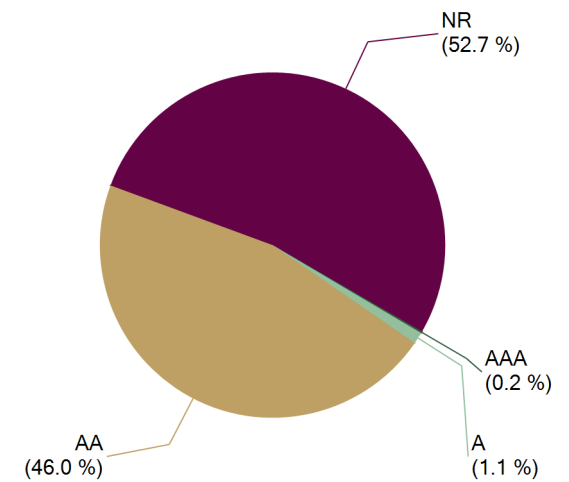
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





City of Costa Mesa

January 31, 2014

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Federal Agencies	60% per issuer	Complies
Banker's Acceptances	40% maximum; 10% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1/F-1; 25% maximum; 10% per issuer; 270 days maximum maturity	Complies
Medium Term Notes	"A" rated; 30% maximum; 5% per issuer	Complied at time of purchase*
Negotiable Certificates of Deposit	30% maximum; Liquidity requirements	Complies
Bank and Time Deposits	FDIC Insurance and/or Collateralization 360 day maximum maturity	Complies
Repurchase Agreements	>102% collateralization; 1 year max maturity	Complies
Money Market Mutual Funds	"AAA" rated; 20% maximum; 10% per fund	Complies
Asset-Backed and Mortgage-Backed Securities	"AA" rated; 20% maximum	Complies
LAIF	\$50 million limit	Complies
County Pool	Not used by investment adviser	Complies
Maximum Maturity	5 years	Complies

*Lehman Brothers (LEH) filed for bankruptcy on September 15, 2008. The city owns \$5M par of LEH.



Holdings Report

As of 1/31/14

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
3133ECL85	FFCB Callable Note Cont 7/15/13 0.29% Due 7/15/2015	2,000,000.00	04/29/2013 0.03 %	1,998,500.00 1,998,500.00	99.88 0.08 %	1,997,640.00 0.00	2.18 % (860.00)	Aaa AA+	1.45 1.46
3133ECL93	FFCB Callable Note Cont 7/15/13 0.32% Due 10/15/2015	2,000,000.00	08/08/2013 0.32 %	2,000,000.00 2,000,000.00	99.97 0.34 %	1,999,420.00 1,884.44	2.18 % (580.00)	Aaa AA+	1.70 1.07
3133ECR55	FFCB Callable Note Cont 6/6/14 0.54% Due 6/6/2016	2,000,000.00	05/31/2013 0.58 %	1,997,500.00 1,997,500.00	99.89 0.59 %	1,997,720.00 1,650.00	2.18 % 220.00	Aaa AA+	2.35 1.70
3133ECLB8	FFCB Callable Note Cont 7/12/13 0.45% Due 7/12/2016	2,000,000.00	04/29/2013 0.46 %	1,999,500.00 1,999,500.00	99.56 0.63 %	1,991,220.00 475.00	2.17 % (8,280.00)	Aaa AA+	2.45 1.92
3135G0CM3	FNMA Note 1.25% Due 9/28/2016	2,000,000.00	05/17/2013 0.49 %	2,050,520.00 2,050,520.00	101.58 0.65 %	2,031,662.00 8,541.67	2.22 % (18,858.00)	Aaa AA+	2.66 2.60
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	2,000,000.00	05/17/2013 0.52 %	2,058,980.00 2,058,980.00	102.01 0.65 %	2,040,240.00 5,805.56	2.23 % (18,740.00)	Aaa AA+	2.79 2.73
313380A80	FHLB Callable Note Cont 11/16/12 1% Due 8/16/2017	2,000,000.00	07/19/2012 1.00 %	2,000,000.00 2,000,000.00	99.53 1.14 %	1,990,540.00 9,166.67	2.18 % (9,460.00)	Aaa AA+	3.54 1.89
3135G0NR0	FNMA Callable Note Qtrly 8/28/13 1.1% Due 8/28/2017	2,000,000.00	08/09/2012 1.10 %	2,000,000.00 2,000,000.00	99.94 1.12 %	1,998,700.00 9,350.00	2.19 % (1,300.00)	Aaa AA+	3.58 2.22
313381SP1	FHLB Callable Note Qtrly 7/30/13 1.05% Due 1/30/2018	2,000,000.00	01/04/2013 1.05 %	2,000,000.00 2,000,000.00	98.85 1.35 %	1,977,080.00 58.33	2.16 % (22,920.00)	Aaa AA+	4.00 2.74
3136G1AZ2	FNMA Callable Note Qtrly 1/30/14 1% Due 1/30/2018	2,000,000.00	01/04/2013 1.00 %	2,000,000.00 2,000,000.00	98.79 1.31 %	1,975,740.00 55.56	2.15 % (24,260.00)	Aaa AA+	4.00 3.30
313381RE7	FHLB Callable Note Qtrly 7/30/13 1% Due 1/30/2018	2,000,000.00	01/14/2013 1.00 %	2,000,000.00 2,000,000.00	98.69 1.34 %	1,973,780.00 55.56	2.15 % (26,220.00)	Aaa AA+	4.00 2.99
3135G0TK9	FNMA Callable Note Qtrly 7/30/13 1.05% Due 1/30/2018	2,000,000.00	01/14/2013 1.05 %	2,000,000.00 2,000,000.00	98.85 1.35 %	1,977,080.00 58.33	2.16 % (22,920.00)	Aaa AA+	4.00 2.91
3134G34Y3	FHLMC Callable Note Qtrly 5/14/13 1% Due 2/14/2018	3,000,000.00	01/24/2013 1.01 %	2,998,500.00 2,998,500.00	97.81 1.56 %	2,934,360.00 13,916.67	3.21 % (64,140.00)	Aaa AA+	4.04 3.27
3135G0UD3	FNMA Callable Note Qtrly 2/14/14 1.01% Due 2/14/2018	2,000,000.00	01/24/2013 1.01 %	2,000,000.00 2,000,000.00	98.81 1.31 %	1,976,140.00 9,370.56	2.16 % (23,860.00)	Aaa AA+	4.04 3.14
3136G1CJ6	FNMA Callable Note Qtrly 2/21/14 0.75% Due 2/21/2018	2,000,000.00	01/24/2013 1.09 %	2,000,000.00 2,000,000.00	97.91 1.71 %	1,958,200.00 6,666.67	2.14 % (41,800.00)	Aaa AA+	4.06 2.72
3133ECPB4	FFCB Note 0.875% Due 5/14/2018	1,000,000.00	05/17/2013 0.92 %	997,810.00 997,810.00	98.09 1.33 %	980,916.00 1,871.53	1.07 % (16,894.00)	Aaa AA+	4.28 4.18
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	2,000,000.00	05/17/2013 0.94 %	1,993,660.00 1,993,660.00	97.72 1.42 %	1,954,316.00 3,402.78	2.13 % (39,344.00)	Aaa AA+	4.30 4.20
313383J44	FHLB Callable Note 1X 6/26/15 0.75% Due 6/26/2018	2,000,000.00	05/30/2013 1.34 %	2,000,000.00 2,000,000.00	99.46 1.14 %	1,989,140.00 1,458.33	2.17 % (10,860.00)	Aaa AA+	4.40 3.63
313383HQ7	FHLB Callable Note 1X 6/24/14 1.2% Due 6/27/2018	3,000,000.00	05/30/2013 1.20 %	3,000,000.00 3,000,000.00	99.39 1.34 %	2,981,820.00 3,400.00	3.25 % (18,180.00)	Aaa AA+	4.41 3.65



Holdings Report

As of 1/31/14

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
3134G4A57	FHLMC Callable Note 1X 6/24/14 1.25% Due 6/27/2018	2,000,000.00	05/31/2013 1.25 %	2,000,000.00 2,000,000.00	98.88 1.52 %	1,977,520.00 2,361.11	2.16 % (22,480.00)	Aaa AA+	4.41 3.73
Total Agency		41,000,000.00	0.88 %	41,094,970.00	1.10 %	40,703,234.00 79,548.77	44.45 % (391,736.00)	Aaa AA+	3.53 2.80
CASH									
90IMPR\$00	City of Costa Mesa Imprest Account Balance	20,010.00	08/31/2013 0.00 %	20,010.00 20,010.00	1.00 0.00 %	20,010.00 0.00	0.02 % 0.00	NR NR	0.00 0.00
Total Cash		20,010.00	N/A	20,010.00	0.00 %	20,010.00 0.00	0.02 % 0.00	NR NR	0.00 0.00
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	40,956,380.43	Various 0.23 %	40,956,380.43 40,956,380.43	1.00 0.23 %	40,956,380.43 6,929.03	44.65 % 0.00	NR NR	0.00 0.00
Total LAIF		40,956,380.43	0.23 %	40,956,380.43	0.23 %	40,956,380.43 6,929.03	44.65 % 0.00	NR NR	0.00 0.00
MONEY MARKET FUND FI									
90BASIS\$00	Bank of America Money Market Fund	341,335.48	10/31/2013 0.00 %	341,335.48 341,335.48	1.00 0.00 %	341,335.48 0.00	0.37 % 0.00	NR NR	0.00 0.00
90COCM\$00	Summary of Cash Held in Trust *See Details (Attached)	5,993,936.83	Various 0.00 %	5,993,936.83 5,993,936.83	1.00 0.00 %	5,993,936.83 0.00	6.53 % 0.00	NR NR	0.00 0.00
94975H312	Wells Fargo Advantage Treasury Plus MMF	157,181.77	Various 0.01 %	157,181.77 157,181.77	1.00 0.01 %	157,181.77 0.00	0.17 % 0.00	Aaa AAA	0.00 0.00
Total Money Market Fund FI		6,492,454.08	0.00 %	6,492,454.08	0.00 %	6,492,454.08 0.00	7.08 % 0.00	Aaa AAA	0.00 0.00
US CORPORATE									
525ESCIB7	Lehman Brothers Note-Defaulted Due 1/24/2015	2,500,000.00	04/17/2012 0.00 %	115,631.00 115,631.00	21.69 236.02 %	542,200.00 0.00	0.59 % 426,569.00	NR NR	0.98 0.45
525ESC2W8	Lehman Brothers ESCROW CUSIP - Defaulted Due 2/6/2015	2,500,000.00	04/17/2012 638.98 %	107,497.66 107,497.66	20.00 0.00 %	500,000.00 0.00	0.54 % 392,502.34	NR NR	1.02 0.00
68389XAN5	Oracle Corp Note 1.2% Due 10/15/2017	1,000,000.00	10/30/2013 1.40 %	992,140.00 992,140.00	99.57 1.32 %	995,673.00 3,533.33	1.09 % 3,533.00	A1 A+	3.71 3.60
Total US Corporate		6,000,000.00	57.67 %	1,215,268.66 1,215,268.66	63.33 %	2,037,873.00 3,533.33	2.23 % 822,604.34	A1 A+	2.32 1.88



Holdings Report

As of 1/31/14

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US TREASURY									
912828VC1	US Treasury Note 0.25% Due 5/15/2016	1,450,000.00	10/29/2013 0.45 %	1,442,811.50 1,442,811.50	99.59 0.43 %	1,443,995.55 781.08	1.57 % 1,184.05	Aaa AA+	2.29 2.28
Total US Treasury		1,450,000.00	0.45 %	1,442,811.50	0.43 %	1,443,995.55 781.08	1.57 % 1,184.05	Aaa AA+	2.29 2.28
TOTAL PORTFOLIO		95,918,844.51	1.27 %	91,221,894.67	2.01 %	91,653,947.06 90,792.21	100.00 % 432,052.39	Aaa AA+	1.66 1.32
TOTAL MARKET VALUE PLUS ACCRUED						91,744,739.27			



Transaction Ledger

12/31/13 Thru 1/31/14

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	01/03/2014	94975H312	11.57	Wells Fargo Advantage Treasury Plus MMF	1.000	0.01 %	11.57	0.00	11.57	0.00
Purchase	01/12/2014	94975H312	4,500.00	Wells Fargo Advantage Treasury Plus MMF	1.000	0.01 %	4,500.00	0.00	4,500.00	0.00
Purchase	01/15/2014	90LAIF\$00	15,925.64	Local Agency Investment Fund State Pool	1.000	0.26 %	15,925.64	0.00	15,925.64	0.00
Purchase	01/15/2014	94975H312	2,900.00	Wells Fargo Advantage Treasury Plus MMF	1.000	0.01 %	2,900.00	0.00	2,900.00	0.00
Purchase	01/30/2014	94975H312	41,000.00	Wells Fargo Advantage Treasury Plus MMF	1.000	0.01 %	41,000.00	0.00	41,000.00	0.00
	Subtotal		64,337.21				64,337.21	0.00	64,337.21	0.00
Security Contribution	01/31/2014	90LAIF\$00	8,000,000.00	Local Agency Investment Fund State Pool	1.000		8,000,000.00	0.00	8,000,000.00	0.00
	Subtotal		8,000,000.00				8,000,000.00	0.00	8,000,000.00	0.00
TOTAL ACQUISITIONS			8,064,337.21				8,064,337.21	0.00	8,064,337.21	0.00
DISPOSITIONS										
Security Withdrawal	01/31/2014	90BASIS\$00	129,311.38	Bank of America Money Market Fund	1.000		129,311.38	0.00	129,311.38	0.00
Security Withdrawal	01/31/2014	90COCM\$00	118,666.26	Summary of Cash Held in Trust *See Details (Attached)	1.000		118,666.26	0.00	118,666.26	0.00
	Subtotal		247,977.64				247,977.64	0.00	247,977.64	0.00
TOTAL DISPOSITIONS			247,977.64				247,977.64	0.00	247,977.64	0.00
OTHER TRANSACTIONS										
Interest	01/12/2014	3133ECLB8	2,000,000.00	FFCB Callable Note Cont 7/12/13 0.45% Due 7/12/2016	0.000		4,500.00	0.00	4,500.00	0.00
Interest	01/15/2014	3133ECL85	2,000,000.00	FFCB Callable Note Cont 7/15/13 0.29% Due 7/15/2015	0.000		2,900.00	0.00	2,900.00	0.00
Interest	01/30/2014	313381RE7	2,000,000.00	FHLB Callable Note Qtrly 7/30/13 1% Due 1/30/2018	0.000		10,000.00	0.00	10,000.00	0.00
Interest	01/30/2014	313381SP1	2,000,000.00	FHLB Callable Note Qtrly 7/30/13 1.05% Due 1/30/2018	0.000		10,500.00	0.00	10,500.00	0.00
Interest	01/30/2014	3135G0TK9	2,000,000.00	FNMA Callable Note Qtrly 7/30/13 1.05% Due 1/30/2018	0.000		10,500.00	0.00	10,500.00	0.00



Transaction Ledger

12/31/13 Thru 1/31/14

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	01/30/2014	3136G1AZ2	2,000,000.00	FNMA Callable Note Qtrly 1/30/14 1% Due 1/30/2018	0.000		10,000.00	0.00	10,000.00	0.00
	Subtotal		12,000,000.00				48,400.00	0.00	48,400.00	0.00
Dividend	01/03/2014	94975H312	108,770.20	Wells Fargo Advantage Treasury Plus MMF	0.000		11.57	0.00	11.57	0.00
Dividend	01/15/2014	90LAIF\$00	2,215,106,762.70	Local Agency Investment Fund State Pool	0.000		15,925.64	0.00	15,925.64	0.00
	Subtotal		2,215,215,532.90				15,937.21	0.00	15,937.21	0.00
TOTAL OTHER TRANSACTIONS			2,227,215,532.90				64,337.21	0.00	64,337.21	0.00



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
Fixed Income						
313380A80	FHLB Callable Note Cont 11/16/12 1% Due 08/16/2017	07/19/2012 08/16/2012 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	7,500.00 0.00 9,166.67 1,666.67	0.00 0.00 0.00 1,666.67	0.00 0.00 0.00 1,666.67
313381RE7	FHLB Callable Note Qtrly 7/30/13 1% Due 01/30/2018	01/14/2013 01/30/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	8,388.89 10,000.00 55.56 1,666.67	0.00 0.00 0.00 1,666.67	0.00 0.00 0.00 1,666.67
313381SP1	FHLB Callable Note Qtrly 7/30/13 1.05% Due 01/30/2018	01/04/2013 01/30/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	8,808.33 10,500.00 58.33 1,750.00	0.00 0.00 0.00 1,750.00	0.00 0.00 0.00 1,750.00
313383HQ7	FHLB Callable Note 1X 6/24/14 1.2% Due 06/27/2018	05/30/2013 06/27/2013 3,000,000.00	3,000,000.00 0.00 0.00 3,000,000.00	400.00 0.00 3,400.00 3,000.00	0.00 0.00 0.00 3,000.00	0.00 0.00 0.00 3,000.00
313383J44	FHLB Callable Note 1X 6/26/15 0.75% Due 06/26/2018	05/30/2013 06/26/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	208.33 0.00 1,458.33 1,250.00	0.00 0.00 0.00 1,250.00	0.00 0.00 0.00 1,250.00
3133ECL85	FFCB Callable Note Cont 7/15/13 0.29% Due 07/15/2015	04/29/2013 04/30/2013 2,000,000.00	1,998,500.00 0.00 0.00 1,998,500.00	0.00 2,900.00 0.00 2,900.00	0.00 0.00 0.00 2,900.00	0.00 0.00 0.00 2,900.00
3133ECL93	FFCB Callable Note Cont 7/15/13 0.32% Due 10/15/2015	08/08/2013 08/08/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	1,351.11 0.00 1,884.44 533.33	0.00 0.00 0.00 533.33	0.00 0.00 0.00 533.33
3133ECLB8	FFCB Callable Note Cont 7/12/13 0.45% Due 07/12/2016	04/29/2013 04/30/2013 2,000,000.00	1,999,500.00 0.00 0.00 1,999,500.00	4,225.00 4,500.00 475.00 750.00	0.00 0.00 0.00 750.00	0.00 0.00 0.00 750.00
3133ECPB4	FFCB Note 0.875% Due 05/14/2018	05/17/2013 05/21/2013 1,000,000.00	997,810.00 0.00 0.00 997,810.00	1,142.36 0.00 1,871.53 729.17	0.00 0.00 0.00 729.17	0.00 0.00 0.00 729.17
3133ECR55	FFCB Callable Note Cont 6/6/14 0.54% Due 06/06/2016	05/31/2013 06/06/2013 2,000,000.00	1,997,500.00 0.00 0.00 1,997,500.00	750.00 0.00 1,650.00 900.00	0.00 0.00 0.00 900.00	0.00 0.00 0.00 900.00



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
3134G34Y3	FHLMC Callable Note Qtrly 5/14/13 1% Due 02/14/2018	01/24/2013 02/14/2013 3,000,000.00	2,998,500.00 0.00 0.00 2,998,500.00	11,416.67 0.00 13,916.67 2,500.00	0.00 0.00 0.00 2,500.00	0.00 0.00 0.00 2,500.00
3134G4A57	FHLMC Callable Note 1X 6/24/14 1.25% Due 06/27/2018	05/31/2013 06/27/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	277.78 0.00 2,361.11 2,083.33	0.00 0.00 0.00 2,083.33	0.00 0.00 0.00 2,083.33
3135G0CM3	FNMA Note 1.25% Due 09/28/2016	05/17/2013 05/20/2013 2,000,000.00	2,050,520.00 0.00 0.00 2,050,520.00	6,458.33 0.00 8,541.67 2,083.34	0.00 0.00 0.00 2,083.34	0.00 0.00 0.00 2,083.34
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	05/17/2013 05/20/2013 2,000,000.00	2,058,980.00 0.00 0.00 2,058,980.00	3,513.89 0.00 5,805.56 2,291.67	0.00 0.00 0.00 2,291.67	0.00 0.00 0.00 2,291.67
3135G0NR0	FNMA Callable Note Qtrly 8/28/13 1.1% Due 08/28/2017	08/09/2012 08/28/2012 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	7,516.67 0.00 9,350.00 1,833.33	0.00 0.00 0.00 1,833.33	0.00 0.00 0.00 1,833.33
3135G0TK9	FNMA Callable Note Qtrly 7/30/13 1.05% Due 01/30/2018	01/14/2013 01/30/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	8,808.33 10,500.00 58.33 1,750.00	0.00 0.00 0.00 1,750.00	0.00 0.00 0.00 1,750.00
3135G0UD3	FNMA Callable Note Qtrly 2/14/14 1.01% Due 02/14/2018	01/24/2013 02/14/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	7,687.22 0.00 9,370.56 1,683.34	0.00 0.00 0.00 1,683.34	0.00 0.00 0.00 1,683.34
3135G0WJ8	FNMA Note 0.875% Due 05/21/2018	05/17/2013 05/21/2013 2,000,000.00	1,993,660.00 0.00 0.00 1,993,660.00	1,944.44 0.00 3,402.78 1,458.34	0.00 0.00 0.00 1,458.34	0.00 0.00 0.00 1,458.34
3136G1AZ2	FNMA Callable Note Qtrly 1/30/14 1% Due 01/30/2018	01/04/2013 01/30/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	8,388.89 10,000.00 55.56 1,666.67	0.00 0.00 0.00 1,666.67	0.00 0.00 0.00 1,666.67
3136G1CJ6	FNMA Callable Note Qtrly 2/21/14 0.75% Due 02/21/2018	01/24/2013 02/21/2013 2,000,000.00	2,000,000.00 0.00 0.00 2,000,000.00	5,416.67 0.00 6,666.67 1,250.00	0.00 0.00 0.00 1,250.00	0.00 0.00 0.00 1,250.00
525ESC2W8	Lehman Brothers ESCROW CUSIP - Defaulted Due 02/06/2015	04/17/2012 04/18/2012 2,500,000.00	107,497.66 0.00 0.00 107,497.66	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
525ESCIB7	Lehman Brothers Note-Defaulted Due 01/24/2015	04/17/2012 04/18/2012 2,500,000.00	115,631.00 0.00 0.00 115,631.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
68389XAN5	Oracle Corp Note 1.2% Due 10/15/2017	10/30/2013 10/31/2013 1,000,000.00	992,140.00 0.00 0.00 992,140.00	2,533.33 0.00 3,533.33 1,000.00	0.00 0.00 0.00 1,000.00	0.00 0.00 0.00 1,000.00
912828VC1	US Treasury Note 0.25% Due 05/15/2016	10/29/2013 10/30/2013 1,450,000.00	1,442,811.50 0.00 0.00 1,442,811.50	470.65 0.00 781.08 310.43	0.00 0.00 0.00 310.43	0.00 0.00 0.00 310.43
			43,753,050.16	97,206.89	0.00	
			0.00	48,400.00	0.00	
			0.00	83,863.18	0.00	0.00
TOTAL Fixed Income		48,450,000.00	43,753,050.16	35,056.29	35,056.29	35,056.29

Cash & Equivalent

90BASIS\$00	Bank of America Money Market Fund Due 01/01/1900	10/31/2013 10/31/2013 341,335.48	470,646.86 0.00 129,311.38 341,335.48	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
90COCM\$00	Summary of Cash Held in Trust *See Details (Attached) Due 01/01/1900	Various Various 5,993,936.83	6,112,603.09 0.00 118,666.26 5,993,936.83	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
90IMPR\$00	City of Costa Mesa Imprest Account Balance Due 01/01/1900	08/31/2013 08/31/2013 20,010.00	20,010.00 0.00 0.00 20,010.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
94975H312	Wells Fargo Advantage Treasury Plus MMF Due 01/01/1900	Various Various 157,181.77	108,770.20 48,411.57 0.00 157,181.77	0.00 11.57 0.00 11.57	0.00 0.00 0.00 11.57	0.00 0.00 0.00 11.57
			6,712,030.15	0.00	0.00	
			48,411.57	11.57	0.00	
			247,977.64	0.00	0.00	0.00
TOTAL Cash & Equivalent		6,512,464.08	6,512,464.08	11.57	11.57	11.57



Income Earned

12/31/13 Thru 1/31/14

CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Unreal G/L Total Income
Local Agency Investment Fund						
90LAIF\$00	Local Agency Investment Fund State Pool 0.002% Due 01/01/1900		32,940,454.79	16,435.60	0.00	
		Various	8,015,925.64	15,925.64	0.00	
		Various	0.00	6,929.03	0.00	0.00
		40,956,380.43	40,956,380.43	6,419.07	6,419.07	6,419.07
			32,940,454.79	16,435.60	0.00	
			8,015,925.64	15,925.64	0.00	
			0.00	6,929.03	0.00	0.00
TOTAL Local Agency Investment Fund		40,956,380.43	40,956,380.43	6,419.07	6,419.07	6,419.07
			83,405,535.10	113,642.49	0.00	
			8,064,337.21	64,337.21	0.00	
			247,977.64	90,792.21	0.00	0.00
TOTAL PORTFOLIO		95,918,844.51	91,221,894.67	41,486.93	41,486.93	41,486.93



Cash Flow Report

From 01/31/2014

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
02/14/2014	Interest	3135G0UD3	2,000,000.00	FNMA Callable Note Qtrly 2/14/14 1.01% Due 2/14/2018	0.00	10,100.00	10,100.00
02/14/2014	Interest	3134G34Y3	3,000,000.00	FHLMC Callable Note Qtrly 5/14/13 1% Due 2/14/2018	0.00	15,000.00	15,000.00
02/16/2014	Interest	313380A80	2,000,000.00	FHLB Callable Note Cont 11/16/12 1% Due 8/16/2017	0.00	10,000.00	10,000.00
02/21/2014	Interest	3136G1CJ6	2,000,000.00	FNMA Callable Note Qtrly 2/21/14 0.75% Due 2/21/2018	0.00	7,500.00	7,500.00
02/28/2014	Interest	3135G0NR0	2,000,000.00	FNMA Callable Note Qtrly 8/28/13 1.1% Due 8/28/2017	0.00	11,000.00	11,000.00
Feb 2014					0.00	53,600.00	53,600.00
03/28/2014	Interest	3135G0CM3	2,000,000.00	FNMA Note 1.25% Due 9/28/2016	0.00	12,500.00	12,500.00
Mar 2014					0.00	12,500.00	12,500.00
04/15/2014	Dividend	90LAIF\$00	32,956,380.43	Local Agency Investment Fund State Pool	0.00	6,878.62	6,878.62
04/15/2014	Interest	68389XAN5	1,000,000.00	Oracle Corp Note 1.2% Due 10/15/2017	0.00	6,000.00	6,000.00
04/15/2014	Interest	3133ECL93	2,000,000.00	FFCB Callable Note Cont 7/15/13 0.32% Due 10/15/2015	0.00	3,200.00	3,200.00
Apr 2014					0.00	16,078.62	16,078.62
05/14/2014	Interest	3133ECPB4	1,000,000.00	FFCB Note 0.875% Due 5/14/2018	0.00	4,375.00	4,375.00
05/15/2014	Interest	912828VC1	1,450,000.00	US Treasury Note 0.25% Due 5/15/2016	0.00	1,812.50	1,812.50
05/15/2014	Interest	3135G0ES8	2,000,000.00	FNMA Note 1.375% Due 11/15/2016	0.00	13,750.00	13,750.00
05/21/2014	Interest	3135G0WJ8	2,000,000.00	FNMA Note 0.875% Due 5/21/2018	0.00	8,750.00	8,750.00
May 2014					0.00	28,687.50	28,687.50
06/06/2014	Interest	3133ECR55	2,000,000.00	FFCB Callable Note Cont 6/6/14 0.54% Due 6/6/2016	0.00	5,400.00	5,400.00
06/26/2014	Interest	313383J44	2,000,000.00	FHLB Callable Note 1X 6/26/15 0.75% Due 6/26/2018	0.00	7,500.00	7,500.00
06/27/2014	Interest	313383HQ7	3,000,000.00	FHLB Callable Note 1X 6/24/14 1.2% Due 6/27/2018	0.00	18,000.00	18,000.00
06/27/2014	Interest	3134G4A57	2,000,000.00	FHLMC Callable Note 1X 6/24/14 1.25% Due 6/27/2018	0.00	12,500.00	12,500.00
Jun 2014					0.00	43,400.00	43,400.00



Cash Flow Report

From 01/31/2014

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/12/2014	Interest	3133ECLB8	2,000,000.00	FFCB Callable Note Cont 7/12/13 0.45% Due 7/12/2016	0.00	4,500.00	4,500.00
07/30/2014	Interest	3136G1AZ2	2,000,000.00	FNMA Callable Note Qtrly 1/30/14 1% Due 1/30/2018	0.00	10,000.00	10,000.00
07/30/2014	Interest	3135G0TK9	2,000,000.00	FNMA Callable Note Qtrly 7/30/13 1.05% Due 1/30/2018	0.00	10,500.00	10,500.00
07/30/2014	Interest	313381RE7	2,000,000.00	FHLB Callable Note Qtrly 7/30/13 1% Due 1/30/2018	0.00	10,000.00	10,000.00
07/30/2014	Interest	313381SP1	2,000,000.00	FHLB Callable Note Qtrly 7/30/13 1.05% Due 1/30/2018	0.00	10,500.00	10,500.00
Jul 2014					0.00	45,500.00	45,500.00
08/14/2014	Interest	3134G34Y3	3,000,000.00	FHLMC Callable Note Qtrly 5/14/13 1% Due 2/14/2018	0.00	15,000.00	15,000.00
08/14/2014	Interest	3135G0UD3	2,000,000.00	FNMA Callable Note Qtrly 2/14/14 1.01% Due 2/14/2018	0.00	10,100.00	10,100.00
08/16/2014	Interest	313380A80	2,000,000.00	FHLB Callable Note Cont 11/16/12 1% Due 8/16/2017	0.00	10,000.00	10,000.00
08/21/2014	Interest	3136G1CJ6	2,000,000.00	FNMA Callable Note Qtrly 2/21/14 0.75% Due 2/21/2018	0.00	7,500.00	7,500.00
08/28/2014	Interest	3135G0NR0	2,000,000.00	FNMA Callable Note Qtrly 8/28/13 1.1% Due 8/28/2017	0.00	11,000.00	11,000.00
Aug 2014					0.00	53,600.00	53,600.00
09/28/2014	Interest	3135G0CM3	2,000,000.00	FNMA Note 1.25% Due 9/28/2016	0.00	12,500.00	12,500.00
Sep 2014					0.00	12,500.00	12,500.00
10/15/2014	Interest	3133ECL93	2,000,000.00	FFCB Callable Note Cont 7/15/13 0.32% Due 10/15/2015	0.00	3,200.00	3,200.00
10/15/2014	Interest	68389XAN5	1,000,000.00	Oracle Corp Note 1.2% Due 10/15/2017	0.00	6,000.00	6,000.00
Oct 2014					0.00	9,200.00	9,200.00
11/14/2014	Interest	3133ECPB4	1,000,000.00	FFCB Note 0.875% Due 5/14/2018	0.00	4,375.00	4,375.00
11/15/2014	Interest	912828VC1	1,450,000.00	US Treasury Note 0.25% Due 5/15/2016	0.00	1,812.50	1,812.50
11/15/2014	Interest	3135G0ES8	2,000,000.00	FNMA Note 1.375% Due 11/15/2016	0.00	13,750.00	13,750.00
11/21/2014	Interest	3135G0WJ8	2,000,000.00	FNMA Note 0.875% Due 5/21/2018	0.00	8,750.00	8,750.00
Nov 2014					0.00	28,687.50	28,687.50



Cash Flow Report

From 01/31/2014

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
12/06/2014	Interest	3133ECR55	2,000,000.00	FFCB Callable Note Cont 6/6/14 0.54% Due 6/6/2016	0.00	5,400.00	5,400.00
12/26/2014	Interest	313383J44	2,000,000.00	FHLB Callable Note 1X 6/26/15 0.75% Due 6/26/2018	0.00	7,500.00	7,500.00
12/27/2014	Interest	3134G4A57	2,000,000.00	FHLMC Callable Note 1X 6/24/14 1.25% Due 6/27/2018	0.00	12,500.00	12,500.00
12/27/2014	Interest	313383HQ7	3,000,000.00	FHLB Callable Note 1X 6/24/14 1.2% Due 6/27/2018	0.00	18,000.00	18,000.00
Dec 2014					0.00	43,400.00	43,400.00
01/12/2015	Interest	3133ECLB8	2,000,000.00	FFCB Callable Note Cont 7/12/13 0.45% Due 7/12/2016	0.00	4,500.00	4,500.00
01/30/2015	Interest	3135G0TK9	2,000,000.00	FNMA Callable Note Qtrly 7/30/13 1.05% Due 1/30/2018	0.00	10,500.00	10,500.00
01/30/2015	Interest	313381SP1	2,000,000.00	FHLB Callable Note Qtrly 7/30/13 1.05% Due 1/30/2018	0.00	10,500.00	10,500.00
01/30/2015	Interest	3136G1AZ2	2,000,000.00	FNMA Callable Note Qtrly 1/30/14 1% Due 1/30/2018	0.00	10,000.00	10,000.00
01/30/2015	Interest	313381RE7	2,000,000.00	FHLB Callable Note Qtrly 7/30/13 1% Due 1/30/2018	0.00	10,000.00	10,000.00
Jan 2015					0.00	45,500.00	45,500.00
Total					0.00	392,653.62	392,653.62

CITY OF COSTA MESA
SUMMARY OF CASH HELD IN TRUST
AS OF JANUARY 31, 2014

Costa Mesa PFA Refunding Certificates of Participation, 2003 (Public Facilities Project)

Trustee: The Bank of New York Trust Company, N.A.

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Lease Payment Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	\$ -	-	-	-
Reserve Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	1,273,263.43	1,273,263.43	1,273,263.43	0.010
	Ending Balances			<u>\$ 1,273,263.43</u>	<u>1,273,263.43</u>	<u>1,273,263.43</u>	

Costa Mesa PFA Revenue Refunding Bonds Series 2006A

Trustee: U. S. Bank Corporate Trust Services

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Acct/Capital Improvement	Treasury Obligations Fund	First American Funds	Open	\$ -	-	-	-
Capital Improvement Fund	Treasury Obligations Fund	First American Funds	Open	159,857.29	159,857.29	159,857.29	-
Local Obligation	Note Secured by Real Estate	City of Costa Mesa	08/01/2021	1,385,000.00	1,385,000.00	1,385,000.00	8.30
Revenue Fund	Treasury Obligations Fund	First American Funds	Open	-	-	-	-
Reserve Fund	Treasury Obligations Fund	First American Funds	Open	224,755.00	224,755.00	224,755.00	-
Expense Fund	Treasury Obligations Fund	First American Funds	Open	4,987.34	4,987.34	4,987.34	-
Surplus Fund	Treasury Obligations Fund	First American Funds	Open	138,116.81	138,116.81	138,116.81	-
	Ending Balances			<u>\$ 1,912,716.44</u>	<u>1,912,716.44</u>	<u>1,912,716.44</u>	

Costa Mesa PFA Certificates of Participation, 2007 (Police Facility Expansion & Renovation Project)

Trustee: The Bank of New York Mellon Trust Company, N.A.

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Lease Payment Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	\$ -	-	-	-
Reserve Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	2,297,227.99	2,297,227.99	2,297,227.99	-
Project Fund	U.S. Govt. Obligation Fund	Wells Fargo Treasury Plus Money Market	Open	-	-	-	-
	Ending Balances			<u>\$ 2,297,227.99</u>	<u>2,297,227.99</u>	<u>2,297,227.99</u>	

City of Costa Mesa Workers Compensation Account

Trustee: Admisure

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Workers Compensation	Checking Account	Bank of America	Open	\$ 32,000.00	32,000.00	32,000.00	-
	Ending Balances			<u>\$ 32,000.00</u>	<u>32,000.00</u>	<u>32,000.00</u>	

800 MHz Quarterly Reserve Fund

Trustee: Orange County Investment Pool

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Reserve Fund	Money Market Fund	Orange County Investment Pool	Open	\$ 8,050.70	8,050.70	8,050.70	(1)
Cost Sharing							
Infrastructure/Sustainability	Money Market Fund	Orange County Investment Pool	Open	190,829.57	190,829.57	190,829.57	
	Ending Balances			<u>\$ 198,880.27</u>	<u>198,880.27</u>	<u>198,880.27</u>	

All American Asphalt

Trustee: Community Bank

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Account	Savings Account	Community Bank	Open	126,347.85	126,347.85	126,347.85	(1)
	Ending Balances			<u>\$ 126,347.85</u>	<u>126,347.85</u>	<u>126,347.85</u>	

All American Asphalt

Trustee: Bank of Sacramento

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Account	Savings Account	Bank of Sacramento	Open	95,436.44	95,436.44	95,436.44	(1)
	Ending Balances			<u>\$ 95,436.44</u>	<u>95,436.44</u>	<u>95,436.44</u>	

R J Noble/Street Rehabilitation Project

Trustee: Bank of Sacramento

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Account	Savings Account	Bank of Sacramento	Open	48,954.54	48,954.54	48,954.54	(1)
	Ending Balances			<u>\$ 48,954.54</u>	<u>48,954.54</u>	<u>48,954.54</u>	

R J Noble Co/Rehabilitation of Arterial Streets

Trustee: Bank of Sacramento

Fund	Investment Type	Issuer	Maturity Date	Cost	Par	Market Value	Rate
Escrow Account	Savings Account	Bank of Sacramento	Open	9,109.87	9,109.87	9,109.87	(1)
	Ending Balances			<u>\$ 9,109.87</u>	<u>9,109.87</u>	<u>9,109.87</u>	

GRAND TOTALS

\$ 5,993,936.83 \$ 5,993,936.83 \$ 5,993,936.83

Market Values provided by U.S. Bank Corporate Trust Services, The Bank of New York Mellon Trust Company, N.A., Premier Commercial Bank, Community Bank, Bank of Sacramento, Orange County Investment Pool

(1) Monthly rates/balances are not available. Balances are as of January 31, 2014