Council Meeting of
March 07, 2006

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

Members of the Council:

SUBJECT: Investment Report for January 2006

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of January 2006.

FUNDING

Not applicable

BACKGROUND

On January 10, 2006, Your Honorable Body, through passage of Resolution 01-06, 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, which demonstrates the City of Torrance investment activity during the month of January 2006.

Investment Committee Note

The Investment Committee, made up of the Finance Director, City Manager, Assistant City Attorney, and 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,

Linda M. Barnett
City Treasurer

Noted:

LeRoy J. Jackson
Investment Committee Member

Cc: City Manager
City Clerk

CITY OF TORRANCE

MONTHLY INVESTMENT PORTFOLIO REPORT
For the Month of January 2006

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City of Torrance
Investment Portfolio Highlights
For January 2006

RETURN

	Current Month	Previous Month
Average City Portfolio YTM	3.397	3.269
Average U.S. Treasury Constant Maturity	4.52	4.410
LAIF Average Monthly Return	3.955	3.808
Average City Portfolio YTM - 1 year prior	2.842	2.806

INTEREST INCOME

	Current Period	Prior Year
Fiscal year to date	2,469,177	1,745,222
Current month	337,791	252,232

MATURITY

	Current Month	Prior Month
Average Maturity (days)	460	556
Average Maturity 1 Year Prior (days)	651	729
Weighted Average Maturity (years)	1.26	1.53

VOLUMES

	Total $ Volume	# of Transactions
Purchases	19,982,993	12
Maturities	14,200,000	8

Transactions include deposits to and withdrawals from LAIF, 0 purchases and maturities of the Bank of America Overnight Sweep Account.

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

GASB required securities	Beginning Investment Value as of July 1,2005	Purchase/Redempt. Of Principal	Change in Market Value	Ending Investment Value as of January 31 ,2006
Federal Agency (coup)	55,135,036	-2,000,700	-348,971	52,785,365
Treasury Securities	14,761,851	1,988,750	-141,321	16,609,280
Medium Term Notes	23,732,376	-4,506,125	-244,578	18,981,673
Municipal Bonds	2,257,501	-229,994	0	2,027,507
SUB-TOTAL PER GASB 31	**95,886,764**	**-4,748,069**	**-734,870**	**90,403,825**
Non-GASB securities				
LAIF	26,700,000	-500,000	0	26,200,000
Money Market	0	0	0	0
Federal Agency – Disc.	0	0	0	0
Treasury Security - Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	0	0	0
Commercial paper	1,092,486	-1,100,000	7,514	0
TOTAL PORTFOLIO	**123,679,250**	**-6,348,069**	**-727,356**	**116,603,825**

The market values contained on this report are received from Union Bank of California and are believed to be reliable.

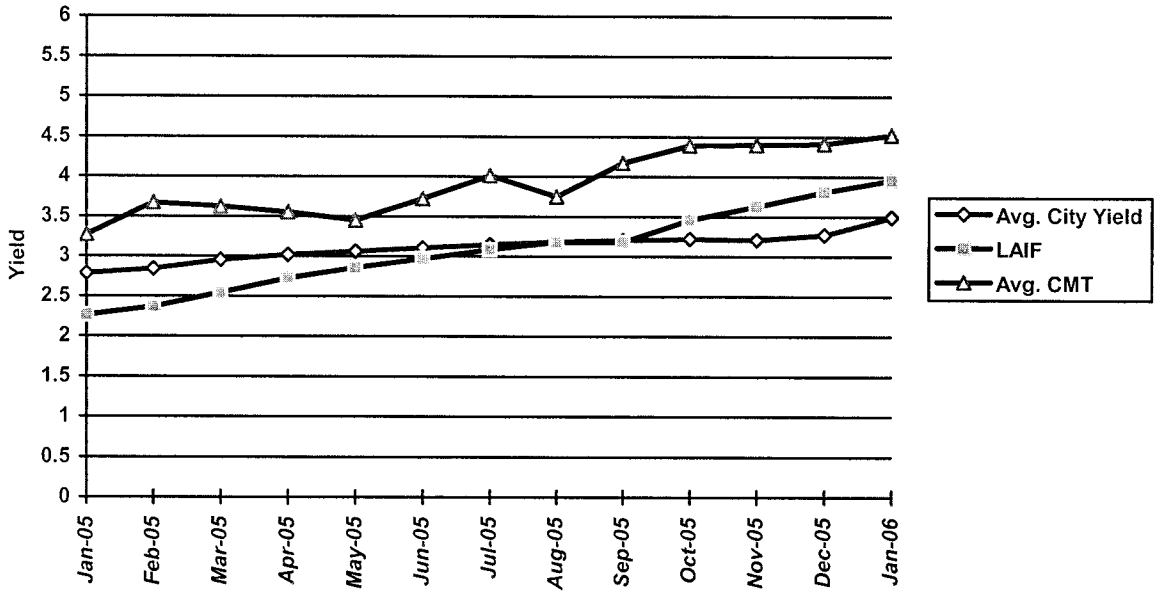
CITY OF TORRANCE

City Treasurer's Office

Monthly Investment Report Summary
For the month of January 2006

I. Return

42.31% of the portfolio is invested at one-year maturity or less as of January 31, 2006. The City Average yield on the portfolio was 3.397% compared to 4.52% for the U.S. Treasury at Constant Maturity (CMT) of 18 months. The portfolio performed below the benchmark as of January 31, 2006 by 112 basis points.



II. Volumes

The investment activity in January included 0 redemption. We currently do not utilize our sweep account investment.

III. Diversification of Investments

The activity in the month of January consisted of two redemptions of $2 million and both were reinvested back into the market at a rate of 5% at purchase. The activity in LAIF account consisted of 7 deposits of $19.5 million and 6 withdrawals of $8.5 million. The portfolio was up by $10.5 million for total assets of $118.6 million.

Asset Category	January	December
1. LAIF	22.08%	14.42%
2. Money Market Sweep	.00%	.00%
3. Federal Agency Issues(coup)	45.35%	47.89%
4. Federal Agency Issues(disc)	.00%	.00%
5. Treasury Securities	14.36%	15.75%
6. Treasury Securities(Disc)	.00%	.00%
7. Medium Term Notes	16.50%	19.95%
8. Municipal Bonds	1.71%	1.99%
9. Certificate of Deposits(Disc)	.00%	.00%
10. Commercial Paper(disc)	.00%	.00%
	100.00%	100.00%

IV. Maturity

As of January 31, 2006, the current maturity allocation is 66.09% of the portfolio invested between the 6 month to 3-year maturity levels. 29.67% of our portfolio is under the 0-6 month maturity level, we are adequately meeting the 6-month liquidity requirement of SB 564* with approximately $35.2 million available for expenditures.

As of Maturity	January 31, 2006	December 31, 2005
0 to 6 months	29.67%	24.59%
6 months to 1 year	12.64%	12.02%
1 to 2 years	21.91%	24.04%
2 to 3 years	31.54%	34.59%
3 to 4 years	1.69%	1.85%
4 to 5 years	.84%	.92%
5 years and after	1.71%	1.98%

V. Value

The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We will note the unrealized gain/(loss) monthly although we will not physically apply it to earnings until year-end, as GASB 31 requires. The portfolio paper gain or loss is the difference between the book and market value of securities with a maturity term of one year or greater at purchase. The disclosure of paper losses reveals the worse case scenario of liquidity in our portfolio. The philosophy of the city is to buy and hold to maturity.

NOTE: *SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and moneys 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.

City of Torrance
Investment Portfolio Summary
As of January 31, 2006

Investment Type	Book Value ($)	Percent of Portfolio	Percent Permitted by Policy	Average Term	Average Days to Maturity	Maturity Allowed by Policy	365 Equiv.
Local Agency Investment Fund	26,200,000	22.08	**	1	1	N/A	3.955
Money Market Sweep Account	0	.00		1	1		.0000
Federal Agency Issues – Coupon	53,803,382	45.35	75	1,189	540	5 years	3.212
Federal Farm Credit Bank	15,988,033	13.46	30	483	508	5 years	4.892
Federal Home Loan Bank	24,830,084	20.88	30	432	459	5 years	5.184
Federal Home Loan Mortgage Corp.	7,985,395	6.78	30	260	272	5 years	4.643
Federal National Mortgage Assoc.	4,999,870	4.23	30	254	263	5 years	4.741
Treasury Securities – Coupon	17,033,357	14.36	100	1,294	670	5 years	2.813
Medium Term Notes	19,580,062	16.50	20	1,381	683	5years	3.187
Municipal Bond Issue	2,027,507	1.71		3,848	2,342	N/A	8.000
Commercial Paper Disc-Amort	0	.00					.000
Treasury Discount-Amort	0	.00					.000
Certificate of Deposits-Disc	0	.00					.000
Total Investments & Averages	118,644,309	100.00		1,019	494		3.397
Pending Redemptions							
Accrued Interest at Purchase	1,121						
Total Cash & Purchase Interest	1,121						
Total Cash & Investments	118,645,430						

Portfolio Notes:

*These purchases were made while being within policy.

**Maximum allowed by Investment Policy is $40 million per Agency.

General LAIF account = $21,700,000

RDA LAIF account = $4,500,000

I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Res. 06-01 on January 10, 2006. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet six month's estimated expenditures.

Linda M. Barnett — Date

City Treasurer

Reviewed by the Investment Advisory Committee

for City Manager

Assistant City Attorney

Director of Finance

City Treasurer

City of Torrance
Portfolio Management
Activity Summary
January 2005 through January 2006

Month End	Year	Number of Securities	Average Balance	Yield to Maturity 360 Equivalent	Yield to Maturity 365 Equivalent	Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
January	2005	89	106,469,023.57	2.748	2.786	2.264	4	3	985	653
February	2005	91	115,713,120.44	2.803	2.842	2.368	3	1	1,000	651
March	2005	96	114,007,658.46	2.912	2.952	2.542	6	1	1,052	676
April	2005	99	115,487,819.34	2.976	3.018	2.724	4	1	1,018	642
May	2005	101	121,942,819.32	3.018	3.059	2.856	3	1	982	603
June	2005	91	124,477,786.96	3.061	3.104	2.967	1	11	1,013	603
July	2005	94	121,202,985.54	3.114	3.158	3.083	4	1	1,067	622
August	2005	94	121,100,251.99	3.140	3.184	3.179	1	1	1,092	618
September	2005	93	116,632,121.75	3.167	3.211	3.324	0	1	1,124	611
October	2005	93	113,012,768.63	3.175	3.219	3.458	0	0	1,176	611
November	2005	89	108,295,138.67	3.164	3.208	3.636	0	4	1,157	593
December	2005	86	105,560,634.01	3.224	3.269	3.808	0	3	1,122	556
January	2006	86	111,949,316.79	3.350	3.397	3.955	2	3	1,019	494
	Average	**92**	**115,048,895.41**	**3.066%**	**3.108%**	**3.090**	**2**	**2**	**1,062**	**610**

Janaury 2006

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10581	Higgins Capital	01/30/2006	FHLB	AAA/Aaa	01/28/2008	726	5.000%	5.000%	1,000,000	1,000,000	998,750
10584	Great Pacific Securities	01/30/2006	FHLMC	AAA/Aaa	07/23/2008	903	5.000%	5.030%	1,000,000	999,300	999,390
									2,000,000	1,999,300	1,998,140
					Weighted Average Yield			5.015%			

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10423	City of Torrance	12/18/2001	Skpk Bond		01/01/2006	8.000%	7.990%	$ 117,252	$ 117,252	$ 117,252
10514	Union Bank of Ca	03/08/2004	Toyota Motor CC	AAA/Aaa	01/18/2006	2.800%	1.886%	$ 1,000,000	$ 1,000,000	$ 1,000,000
10470	Union Bank of Ca	05/23/2003	GECC	AAA/Aaa	01/30/2006	2.850%	2.032%	$ 1,000,000	$ 1,000,000	$ 1,000,000
								2,117,252	2,117,252	2,117,252
					Weighted Average Yield		2.293%			

* At purchase date these investments met or exceeded the quality rating requirements set forth by the Investment Policy.

** At maturity date these investments met or exceeded the quality rating requirements set forth by the Investment Policy

(III) LAII TRANSACTIONS

	DEALER		DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
-	State of California	-	Local Agency Pool							
			City	12,100,000	3.955%	3.955%	18,400,000	8,800,000	65,078	21,700,000
			RDA	3,500,000	3.955%	3.955%	1,000,000	-	47,265	4,500,000
				$ 15,600,000			$19,400,000	$ 8,800,000	$ 112,343	**$26,200,000**

City of Torrance
Portfolio Management
Interest Earnings Summary
January 31, 2006

	January 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	314,845.68	1,837,929.01
Plus Accrued Interest at End of Period	687,759.94	687,759.94
Less Accrued Interest at Beginning of Period	(759,398.78)	(731,906.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	243,206.84	1,793,782.95
Adjusted by Premiums and Discounts	-961.73	-1,580.13
Adjusted by Capital Gains or Losses	0.00	8,118.13
Earnings during Periods	242,245.11	1,800,320.95
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	112,343.52	430,350.76
Plus Accrued Interest at End of Period	64,382.74	64,382.74
Less Accrued Interest at Beginning of Period	(112,289.18)	(163,667.70)
Interest Earned during Period	64,437.08	331,065.80
Total Interest Earned during Period	**307,643.92**	**2,124,848.75**
Total Adjustments from Premiums and Discounts	**-961.73**	**-1,580.13**
Total Capital Gains or Losses	**0.00**	**8,118.13**
Total Earnings during Period	**306,682.19**	**2,131,386.75**

City of Torrance
Portfolio Management
Portfolio Details - Investments
January 31, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Local Agency Investment Funds												
SYS10000	10000	Local Agency Invest Fund GEN'L			21,700,000.00	21,700,000.00	21,700,000.00	3.955		3.955	1	
SYS10001	10001	Local Agency Invest. Fund RDA			4,500,000.00	4,500,000.00	4,500,000.00	3.955		3.955	1	
		Subtotal and Average	**19,891,078.55**		**26,200,000.00**	**26,200,000.00**	**26,200,000.00**			**3.955**	**1**	
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	0.450		0.450	1	
SYS1000	1000	Union Bank of California		07/01/2005	0.00	0.00	0.00	0.750		0.750	1	
		Subtotal and Average	**0.00**		**0.00**	**0.00**	**0.00**			**0.000**	**0**	
Federal Agency Issues - Coupon												
31331QP27	10474	FEDERAL FARM CREDIT BANK		06/12/2003	1,000,000.00	990,630.00	1,000,000.00	2.050	Aaa	2.050	131	06/12/2006
31331Q7E1	10483	FEDERAL FARM CREDIT BANK		08/06/2003	1,000,000.00	975,310.00	1,000,000.00	3.100	Aaa	3.100	551	08/06/2007
31331TGG0	10491	FEDERAL FARM CREDIT BANK		10/15/2003	1,000,000.00	978,130.00	1,000,000.00	3.450	Aaa	3.450	621	10/15/2007
31331TQP9	10507	FEDERAL FARM CREDIT BANK		02/09/2004	1,000,000.00	970,000.00	1,000,000.00	3.000	Aaa	3.001	646	11/09/2007
31331TUH2	10512	FEDERAL FARM CREDIT BANK		03/18/2004	1,000,000.00	985,310.00	1,000,000.00	2.350	Aaa	2.350	229	09/18/2006
31331TVG3	10513	FEDERAL FARM CREDIT BANK		03/24/2004	1,000,000.00	968,130.00	1,000,000.00	3.000	Aaa	3.001	691	12/24/2007
31331TYR6	10516	FEDERAL FARM CREDIT BANK		04/22/2004	1,000,000.00	964,060.00	1,000,000.00	2.610	Aaa	2.610	628	10/22/2007
31331TYD7	10519	FEDERAL FARM CREDIT BANK		04/15/2004	1,000,000.00	957,190.00	1,000,000.00	3.080	Aaa	3.080	987	10/15/2008
31331TZG9	10520	FEDERAL FARM CREDIT BANK		04/12/2004	1,000,000.00	975,310.00	1,000,000.00	2.690	Aaa	2.690	435	04/12/2007
31331TB91	10526	FEDERAL FARM CREDIT BANK		04/29/2004	1,000,000.00	971,880.00	1,000,000.00	3.100	Aaa	3.100	635	10/29/2007
31331TL90	10531	FEDERAL FARM CREDIT BANK		05/17/2004	1,000,000.00	982,810.00	1,000,000.00	3.450	Aaa	3.450	470	05/17/2007
31331TDE8	10534	FEDERAL FARM CREDIT BANK		05/13/2004	1,000,000.00	989,380.00	999,308.10	2.900	Aaa	3.020	216	09/05/2006
31331SMB6	10559	FEDERAL FARM CREDIT BANK		02/02/2005	1,000,000.00	981,880.00	999,805.25	3.700	Aaa	3.711	639	11/02/2007
31331SNB5	10567	FEDERAL FARM CREDIT BANK		03/10/2005	1,000,000.00	977,190.00	991,586.65	3.550	Aaa	4.000	726	01/28/2008
31331SRL9	10570	FEDERAL FARM CREDIT BANK		04/04/2005	1,000,000.00	989,060.00	997,333.33	3.750	Aaa	4.021	378	02/14/2007
31331SD42	10576	FEDERAL FARM CREDIT BANK		06/30/2005	1,000,000.00	985,310.00	1,000,000.00	4.125	Aaa	4.125	880	06/30/2008
3133MVNP4	10445	FEDERAL HOME LOAN BANK		02/06/2003	833,333.33	816,925.00	833,228.44	3.750	Aaa	3.757	735	02/06/2008
3133MYYU5	10469	FEDERAL HOME LOAN BANK		06/05/2003	1,000,000.00	966,250.00	1,000,000.00	3.250	Aaa	3.250	855	06/05/2008
31339XBY9	10471	FEDERAL HOME LOAN BANK		05/28/2003	2,000,000.00	1,951,880.00	2,000,000.00	2.550	Aaa	2.550	392	02/28/2007
31339YAG7	10478	FEDERAL HOME LOAN BANK		07/16/2003	1,000,000.00	976,880.00	1,000,000.00	2.350	Aaa	2.350	349	01/16/2007
31339YF23	10479	FEDERAL HOME LOAN BANK		07/23/2003	1,000,000.00	976,880.00	999,694.44	2.430	Aaa	2.463	356	01/23/2007
31339YKX9	10480	FEDERAL HOME LOAN BANK		07/30/2003	1,000,000.00	958,440.00	1,000,000.00	3.000	Aaa	3.000	910	07/30/2008
3133X0FJ3	10482	FEDERAL HOME LOAN BANK		08/13/2003	1,000,000.00	980,310.00	1,000,000.00	4.000	Aaa	4.000	924	08/13/2008
3133X1RC3	10493	FEDERAL HOME LOAN BANK		10/30/2003	1,000,000.00	977,500.00	1,000,000.00	3.250	Aaa	3.251	544	07/30/2007
3133X2AZ8	10495	FEDERAL HOME LOAN BANK		11/26/2003	1,000,000.00	981,250.00	1,000,000.00	3.350	Aaa	3.350	478	05/25/2007
31339YVV1	10503	FEDERAL HOME LOAN BANK		01/21/2004	1,000,000.00	968,130.00	998,670.49	3.375	Aaa	3.433	901	07/21/2008

City of Torrance
Portfolio Management
Portfolio Details - Investments
January 31, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3133X3JR5	10505	FEDERAL HOME LOAN BANK		02/13/2004	1,000,000.00	974,380.00	999,452.38	3.070	Aaa	3.108	558	08/13/2007
3133X1JJ7	10509	FEDERAL HOME LOAN BANK		01/30/2004	2,000,000.00	1,971,880.00	1,999,038.00	2.750	Aaa	2.819	261	10/20/2006
3133X5DY1	10518	FEDERAL HOME LOAN BANK		04/13/2004	1,000,000.00	982,810.00	1,000,000.00	2.250	Aaa	2.250	254	10/13/2006
3133X5X45	10524	FEDERAL HOME LOAN BANK		04/21/2004	1,000,000.00	959,060.00	1,000,000.00	3.420	Aaa	3.420	1,175	04/21/2009
3133X6CF1	10525	FEDERAL HOME LOAN BANK		04/21/2004	1,000,000.00	983,130.00	1,000,000.00	3.500	Aaa	3.500	1,175	04/21/2009
3133X75B6	10533	FEDERAL HOME LOAN BANK		05/28/2004	1,000,000.00	983,750.00	1,000,000.00	3.280	Aaa	3.281	392	02/28/2007
3133XAL47	10560	FEDERAL HOME LOAN BANK		02/24/2005	1,000,000.00	983,130.00	1,000,000.00	3.685	Aaa	3.685	569	08/24/2007
3133XAMZ7	10562	FEDERAL HOME LOAN BANK		03/03/2005	1,000,000.00	984,060.00	1,000,000.00	4.000	Aaa	4.000	761	03/03/2008
3133XAQU4	10563	FEDERAL HOME LOAN BANK		03/07/2005	1,000,000.00	983,130.00	1,000,000.00	3.825	Aaa	3.827	674	12/07/2007
3133XAQV2	10564	FEDERAL HOME LOAN BANK		03/08/2005	1,000,000.00	980,940.00	1,000,000.00	4.000	Aaa	4.000	950	09/08/2008
3133XAXE2	10566	FEDERAL HOME LOAN BANK		03/22/2005	1,000,000.00	990,310.00	1,000,000.00	3.700	Aaa	3.702	324	12/22/2006
3133XBHH1	10571	FEDERAL HOME LOAN BANK		04/27/2005	1,000,000.00	994,380.00	1,000,000.00	4.010	Aaa	4.010	268	10/27/2006
3133XEFR5	10581	FEDERAL HOME LOAN BANK		01/30/2006	1,000,000.00	998,750.00	1,000,000.00	5.000	Aaa	5.000	726	01/28/2008
3128X1GF8	10473	FEDERAL HOME LOAN MORTGAGE CO		06/04/2003	1,000,000.00	979,090.00	1,000,000.00	2.250	Aaa	2.250	306	12/04/2006
3128X17E1	10494	FEDERAL HOME LOAN MORTGAGE CO		11/17/2003	1,000,000.00	986,120.00	1,000,000.00	3.000	Aaa	3.000	289	11/17/2006
3128X2QJ7	10504	FEDERAL HOME LOAN MORTGAGE CO		02/09/2004	1,000,000.00	999,410.00	1,000,000.00	2.030	Aaa	2.030	8	02/09/2006
3128X2TP0	10506	FEDERAL HOME LOAN MORTGAGE CO		02/17/2004	1,000,000.00	998,830.00	1,000,000.00	2.040	Aaa	2.040	16	02/17/2006
3128X1GD3	10508	FEDERAL HOME LOAN MORTGAGE CO		01/30/2004	1,000,000.00	955,980.00	986,094.12	3.110	Aaa	3.644	1,044	12/11/2008
3128X25Y7	10521	FEDERAL HOME LOAN MORTGAGE CO		04/19/2004	1,000,000.00	969,170.00	1,000,000.00	2.920	Aaa	2.920	625	10/19/2007
3128X3CB7	10527	FEDERAL HOME LOAN MORTGAGE CO		05/05/2004	1,000,000.00	995,710.00	1,000,000.00	3.000	Aaa	3.000	93	05/05/2006
3128X4YE5	10584	FEDERAL HOME LOAN MORTGAGE CO		01/30/2006	1,000,000.00	999,390.00	999,300.78	5.000	Aaa	5.030	903	07/23/2008
31359MRV7	10467	FEDERAL NATIONAL MORT ASSOC		05/27/2003	1,000,000.00	992,500.00	1,000,000.00	2.250	Aaa	2.250	114	05/26/2006
3136F4TX2	10496	FEDERAL NATIONAL MORT ASSOC		11/25/2003	1,000,000.00	994,060.00	1,000,000.00	2.720	Aaa	2.720	113	05/25/2006
3136F5PC9	10522	FEDERAL NATIONAL MORT ASSOC		04/19/2004	1,000,000.00	972,500.00	1,000,000.00	2.500	Aaa	2.500	442	04/19/2007
31359MVC4	10536	FEDERAL NATIONAL MORT ASSOC		05/17/2004	1,000,000.00	986,560.00	999,870.56	3.750	Aaa	3.761	470	05/17/2007
3136F7FE2	10578	FEDERAL NATIONAL MORT ASSOC		07/28/2005	1,000,000.00	990,310.00	1,000,000.00	4.300	Aaa	4.300	726	01/28/2008
		Subtotal and Average	**128,987.15**		**53,833,333.33**	**52,785,365.00**	**53,803,382.54**			**3.212**	**540**	
Treasury Securities - Coupon												
912828AZ3	10475	U.S.TREASURY NOTE		06/16/2003	5,000,000.00	4,797,450.00	5,055,522.56	2.625	Aaa	2.110	834	05/15/2008
912828BG4	10484	U.S.TREASURY NOTE		08/15/2003	1,000,000.00	970,350.00	997,683.73	3.250	Aaa	3.350	926	08/15/2008
912828BP4	10498	U.S.TREASURY NOTE		11/17/2003	1,000,000.00	985,000.00	1,001,316.95	2.625	Aaa	2.450	287	11/15/2006
912828CD0	10517	U.S.TREASURY NOTE		03/31/2004	2,000,000.00	1,990,620.00	1,999,925.51	1.500	Aaa	1.524	58	03/31/2006
912828CG3	10535	U.S.TREASURY NOTE		05/17/2004	1,000,000.00	982,030.00	999,498.17	3.125	Aaa	3.166	468	05/15/2007
912828CQ1	10539	U.S.TREASURY NOTE		08/02/2004	1,000,000.00	991,170.00	999,809.62	2.750	Aaa	2.790	180	07/31/2006
912828DJ6	10561	U.S.TREASURY NOTE		01/31/2005	1,000,000.00	985,660.00	998,754.64	3.125	Aaa	3.255	364	01/31/2007

City of Torrance
Portfolio Management
Portfolio Details - Investments
January 31, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Treasury Securities - Coupon												
912828DK3	10565	U.S.TREASURY NOTE		02/15/2005	1,000,000.00	977,890.00	998,369.32	3.375	Aaa	3.460	744	02/15/2008
912828DK3	10574	U.S.TREASURY NOTE		05/09/2005	1,000,000.00	977,890.00	992,303.61	3.375	Aaa	3.775	744	02/15/2008
912828DT4	10577	U.S.TREASURY NOTE		07/13/2005	1,000,000.00	983,950.00	998,236.30	3.750	Aaa	3.831	834	05/15/2008
912828DZ0	10579	U.S.TREASURY NOTE		07/25/2005	1,000,000.00	975,040.00	992,729.56	3.875	Aaa	4.057	1,625	07/15/2010
912828EC0	10580	U.S.TREASURY NOTE		08/15/2005	1,000,000.00	992,230.00	999,207.92	4.125	Aaa	4.159	926	08/15/2008
		Subtotal and Average	**1,991,857.53**		**17,000,000.00**	**16,609,280.00**	**17,033,357.89**			**2.813**	**670**	
Medium Term Notes												
02003MAG9	10573	ALLSTATE LIFE GLOBAL TRUST		05/09/2005	1,000,000.00	979,490.00	995,683.81	3.850	Aa	4.080	723	01/25/2008
06423EPM1	10556	Bank One NA Illinois		01/18/2005	1,000,000.00	977,470.00	1,000,366.05	3.700		3.680	713	01/15/2008
0727G0AV2	10515	Bayer Landes Bank		03/08/2004	2,000,000.00	1,967,660.00	2,002,723.99	2.600	Aaa	2.400	257	10/16/2006
172967BS9	10466	Citigroup		05/12/2003	1,000,000.00	973,150.00	1,008,504.32	3.500	Aa1	3.040	730	02/01/2008
172967BS9	10572	Citigroup		04/28/2005	1,585,000.00	1,542,442.75	1,566,255.82	3.500	Aa1	4.130	730	02/01/2008
166760AA6	10455	ChevronTexaco		02/25/2003	1,000,000.00	978,310.00	1,007,194.74	3.500	Aa2	3.025	593	09/17/2007
36962GB78	10465	General Electric Capital Corp		05/12/2003	1,000,000.00	969,910.00	1,007,230.69	3.500	Aaa	3.150	820	05/01/2008
36966RFV3	10476	General Electric Capital Corp		06/19/2003	2,000,000.00	1,880,980.00	2,000,000.00	2.450	Aaa	2.450	865	06/15/2008
375766AM4	10472	Gillettee Company		05/27/2003	1,000,000.00	947,280.00	998,738.14	2.500	Aa3	2.558	851	06/01/2008
59217EAD6	10477	Met Life		06/19/2003	1,000,000.00	942,790.00	1,001,110.63	2.600	Aa2	2.550	869	06/19/2008
59217EAD6	10481	Met Life		07/25/2003	1,000,000.00	942,790.00	981,497.55	2.600	Aa2	3.450	869	06/19/2008
742718BX6	10538	Procter & Gamble		08/02/2004	1,000,000.00	985,900.00	1,010,479.86	4.300	Aa3	3.850	926	08/15/2008
717081AK9	10511	Pfizer Inc.		02/03/2004	1,000,000.00	974,140.00	1,000,154.83	2.500	Aaa	2.486	407	03/15/2007
89233PSC1	10558	Toyota Motor Credit		01/24/2005	1,000,000.00	993,940.00	999,061.33	3.000	Aa1	3.270	128	06/09/2006
949746EX5	10464	Wells Fargo Co		05/12/2003	1,000,000.00	970,830.00	1,009,416.44	3.500	Aa1	3.031	793	04/04/2008
949746EX5	10557	Wells Fargo Co		01/24/2005	1,000,000.00	970,830.00	995,295.19	3.500	Aa1	3.730	793	04/04/2008
949746JQ5	10569	Wells Fargo Co		04/04/2005	1,000,000.00	983,760.00	996,348.75	4.125	Aa1	4.310	768	03/10/2008
		Subtotal and Average	**2,561,489.49**		**19,585,000.00**	**18,981,672.75**	**19,580,062.14**			**3.187**	**683**	
Muncipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	2,027,506.72	2,027,506.72	2,027,506.72	8.000		8.000	2,342	07/01/2012
		Subtotal and Average	**2,027,506.72**		**2,027,506.72**	**2,027,506.72**	**2,027,506.72**			**8.000**	**2,342**	

City of Torrance
Portfolio Management
Portfolio Details - Investments
January 31, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity
		Total and Average	26,600,919.45		118,645,840.05	116,603,824.47	118,644,309.29			3.397	494

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II. RESTRICTED FUNDS

CASH AND INVESTMENTS HELD BY FISCAL AGENT

FOR PERIOD ENDING

December 31, 2005

TORRANCE IMPROVEMENTS

Bank of New York Western Trust Co.	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
City of Torrance 2004A&B COP Refunding - #3060645 (Maturity - June 1, 2024 & June 1, 2034)						
Construction Fund Acct #360646	12,601,762.15			12,601,762.15	2.47	MBIA INVEST. AGREEMENT**
	1,252.69			1,252.69	3.90	Hamilton Trsy Money Fd Premier
Required Reserve Acct #360649	2,777,212.50	2,777,212.50		2,777,212.50	4.95	MBIA Invest Agreement**
Required Reserve Acct #360649						Hamilton Trsy Money Fd Premier
Lease Paymt Fund Acct # 360648	1,486.38			1,486.38	3.91	Hamilton Trsy Money Fd Premier

Bank of New York Western Trust Co.	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
Torrance PFA 98COP						
Lease payment Fund Acct #428584	487.18			487.18	3.77	Fidelity US Trsy Port III
Acq & Constr Fund Acct # 428587	117.91			117.91	3.77	Fidelity US Trsy Port III
Reserve Acct # 428590						Fidelity US Trsy Port III
Reserve Acct # 428590	553,085.00	553,085.00		553,085.00	5.61	AIG Investment Agrmt 5.61% due 11/28/28 **

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WATER ENTERPRISE REVENUE BONDS

Bank of New York Western Trust Co.	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
2004 Torrance Water Refunding Bond #360700-(Maturity March 1, 2014)						
Debt Service Fund #360759	180.84			180.84	3.87	JP Morgan Prime MM Premier
Cost of Issuance acct #360758						JP Morgan Prime MM Premier
Reserve Cash Acct #360760	8,226.18			8,226.18		
Reserve Acct. #360760	33.35			33.35	3.86	JP Morgan Prime MM Premier
Required Rerserve Act # 360760	505,000.00	505,000.00	8,259.51	505,000.00	4.34	FSA Capital Management Invest Agmt.

REDEVELOPMENT AGENCY

Bank of New York Western Trust Co.	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
Torrance RDA (Downtown) 98A (matures Sept. 1, 2028)						
Interest / Debt Service Acct # 428478	113.03			113.03	3.76	Fidelity Treas Money Market
Reserve Acct # 428469	607,004.34	586,890.00	28,373.85	607,004.34	3.910	AIM Prime Money Market

CASH AND INVESTMENTS HELD BY FISCAL AGENT

FOR PERIOD ENDING

December 31, 2005

Bank of New York Western Trust Co.	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
Torrance RDA (Industrial) 98B (matures Sept. 1, 2028)						
Costs of Issuance / Interest Acct # 428529	170.19			170.19	3.77	Fidelity US Trsy Port III
Reserve Acct # 428517	17,824.93			17,824.93	3.92	AIM Prime Money Market
Reserve Acct # 428517	1,056,180.55	1,037,985.00	36,020.48	1,056,180.55	1.70	BNY Cash Reserve

Bank of New York Western Trust Co.	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
Torrance RDA (Industrial) 99C (matures Sept. 1, 2028)						
Interest Acct # 428877	228.72			228.72	3.76	Fidelity US Trsy Port III
Reserve acct # 428882	1,300,480.00	1,300,480.00	0.00	1,300,480.00	5.980	AMBAC Investment Agmnt **

TOTAL: ALL CASH & INVESTMENTS	**19,430,845.94**			**19,430,845.94**

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

(1) Reserve requirements may be overfunded due to an accumulation of funds which are adjusted at every scheduled payout. These funds will be transferred to the lease payment/principal/interest account when interest/principal payouts are made by the City.

(2) Over/under funded reserve requirements is for memorandum purposes only. Reserve requirements as outlined in the bond indenture require that at time (day of) of semi-annual payments to bondholders that the market value of the investments held in reserve is equal to the reserve requirement. Due to market fluctuations throughout the year it is normal to see both over and under funded situations.

CITY OF TORRANCE DEFERRED COMPENSATION

Period Ending
December 31,2005

457PLAN A

PERMANENT EMPLOYEES

participant Account Summary

Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Hardship	Payouts	Acct. Transfers Out	Outstanding Loans	Ending Balance
94,165,381.44	1,945,724.77	8,861,778.80	1,503,176.28	585,341.70	(1,248.77)		(1,096,814.69)	(8,861,778.80)	**(1) 1,074,052.57**	97,101,560.73

Investment Type	Book Value	Market Value
Fixed Funds (GCF)	1,590,583.59	1,590,583.59
Variable Funds	57,244,431.13	57,244,431.13
Stable Value Fund	38,266,546.01	38,266,546.01
(1) Outstanding Loan:	1,074,052.57	1,074,052.57
Totals	98,175,613.30	98,175,613.30

(1) Participant Loan Outstanding Balance included in Total Assets

457PLAN B

RECURRENT/PART-TIME/TEMPORARY EMPLOYEES

Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Hardship	Payouts	Acct. Transfers Out	Ending Balance
1,729,810.84	75,461.54	5,234.01	7,715.28	820.20	0.00	0.00	(53,917.89)	(5,234.01)	1,759,889.97

Investment Type	Book Value	Market Value
Variable Funds	57,247.60	57,247.60
Fixed Funds	1,688,380.25	1,688,380.25
Gov't Guaranteed	14,262.12	14,030.22
Totals	1,759,889.97	1,759,658.07

401(A)

MANAGEMENT, POLICE, FIRE, ENGINEERS

Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Hardship	Payouts	Acct. Transfers Out	Outstanding Loans	Ending Balance
2,776,969.12	200,913.48	180,798.84	52,286.11	2,103.67	(75.72)	0	(30,704.52)	(180,798.84)	**(1) 6,491.74**	3,001,492.14

Investment Type	Book Value	Market Value
Fixed Funds	975.14	975.14
Variable Funds	1,769,455.52	1,769,455.52
Stable Value Fund	1,231,061.48	1,231,061.48
Outstanding Loans	6,491.74	6,491.74
Totals	3,007,983.88	3,007,983.88

(1) Outstanding Loan Balance included in Total Assets

RETIREMENT HEALTH SAVINGS PLAN (RHSP)

MANAGEMENT, POLICE, FIRE, MISC.

Beginning Balance	Contributions	Distributions	Fees	Gain/Loss	Ending Balance
1,313,529.23	1,160,076.92	(296,143.26)	(8,687.75)	64,563.99	2,233,339.13

Investment Type	Book Value	Market Value
Variable Funds	895,932.29	895,932.29
Stable Value Funds	1,337,406.84	1,337,406.84
Totals	2,233,339.13	2,233,339.13

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF JANUARY 31, 2006

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	24,478,213.95	24,128,748.06	20.63
R	Parks & Recr Facility & Open Space	2,215,707.35	2,184,074.56	1.87
R	State Gas Tax	4,932,043.57	4,861,630.71	4.16
R	Federal Housing, Community Dev	599,150.92	590,597.08	0.50
R	Work Investment Network - WIN	(1,240,244.62)	(1,222,538.13) (B)	(1.05)
R	Street Lighting	896,810.63	884,007.22	0.76
R	Traffic Congestion Relief Act 2000 - AB2928	305,081.58	300,726.05	0.26
R	Police Asset Forfeiture	3,077,329.19	3,033,395.36	2.59
R	Drainage Improvement	248.95	245.40	0.00
N	Government Cable	1,685,865.74	1,661,797.29	1.42
R	Local Return - Proposition C	2,911,907.17	2,870,335.01	2.45
R	LACMTA Grants - Proposition C	20,493.75	20,201.17	0.02
R	Discretionary - Proposition C	9,634.32	9,496.77	0.01
R	Bicycle Transportation	8.53	8.41	0.00
R	Grants/Donations	(466,610.97)	(459,949.35) (C)	(0.39)
R	Benstead Plunge 1996, Madrona Marsh Nature Reserve, Wilson Pk, Tennis Court, Landscape - Proposition A	590.70	582.27	0.00
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	337,693.19	332,872.08	0.28
R	Seismic Education Fund	40,961.31	40,376.52	0.03
R	Rehabilitation Housing	474,068.83	467,300.73	0.40
R	Police Inmate Welfare Fund	74,182.27	73,123.20	0.06
N	Capital Improvements	16,015,392.13	15,786,746.64	13.50
R	Vanpool/Rideshare Fund	239,879.17	236,454.51	0.20
R	Torrance Improvement Fund	5,195,553.50	5,121,378.61	4.38
R	Animal Control Fund	188,416.59	185,726.64	0.16
R	Redevelopment-Capital Proj	5,975,238.22	5,889,932.08	5.04
R	Redevelopment Debt Service	583,025.46	574,701.83	0.49
N	Airport Fund	4,728,052.85	4,660,552.29	3.99
N	Transit Operations	317,248.50	312,719.27	0.27
N	Water Operations	12,184,415.43	12,010,463.30	10.27
N	Emergency Medical Service Enterprise Fund	293,237.38	289,050.94	0.25
N	Sanitation Operations	2,935,657.73	2,893,746.49	2.47
N	Cultural Arts Enterprise	435,106.49	428,894.64	0.37
N	Sewer Enterprise Fund	10,302,186.07	10,155,105.79	8.68
N	Parks & Recr Enterprise Fund	(88,943.90)	(87,674.08) (D)	(0.07)
N	Self Insurance Fund	6,971,348.93	6,871,821.71	5.88
N	Fleet Services	8,561,732.32	8,439,499.82	7.22
R	Trust & Agency	3,453,626.06	3,404,319.99	2.91
	TOTAL	**118,644,309.29**	**116,950,470.88**	**100.00**

R = Restricted Funds
N = Non-Restricted Funds

(A) The difference between the Share of Investments total of $118,644,309.29 and the Pooled Cash and Investments total of $116,950,470.88 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) Reimbursement for FY 04-05 in the amount of $339,039 is pending review and approval by the City of Los Angeles.
Reimbursement for FY 05-06 in the amount of $489,089 is pending review and approval by the City of Los Angeles.
Reimbursement for FY 05-06 in the amount of $394,500 is pending from the State of California.

(C) FEAP 331-Lago Seco Park Development - Primary Elements has a negative cash balance of <$689,291>. Community Services will submit a partial reimbursement request in March 2006.

(D) Revenue for the beverage contract of $100,000 is expected to be received in early March 2006.

CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF JANUARY 31, 2006

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		**118,644,309.29**
CASH AND INVESTMENTS PER BOOKS		**116,950,470.88**
CASH IN BANKS:		
Cash in B of A General Account		($2,937,807.21)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	4,082,711.76	
Payroll Account	152,851.16	
Workers Compensation Account	103,957.93	
Housing Account	290,553.00	4,630,073.85
Miscellaneous outstanding adjusting journal entries		1,571.77
INVESTMENTS PER BOOKS		**$118,644,309.29**