

Council Meeting of  
March 3, 2009

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

Members of Council:

**SUBJECT: Accept and file Investment Reports for January 2009**

**RECOMMENDATION**

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of January 2009.

**FUNDING**

Not applicable

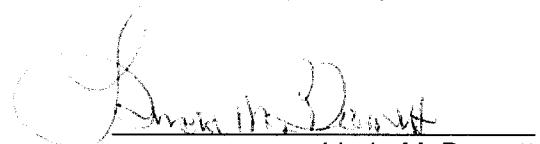
**BACKGROUND**

On December 09, 2008, Your Honorable Body, through passage of Resolution 2008-123, 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 months of January 2009.

**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 2009

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**City of Torrance  
Investment Portfolio Highlights  
For January 2009**

**RETURN**

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	3.727	4.006
Average U.S. Treasury Constant Maturity	1.320	1.000
LAIF Average Monthly Return	2.046	2.353
Average City Portfolio YTM - 1 year prior	4.656	4.719

**INTEREST INCOME**

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	4,397,963	4,691,776
Current month	565,737	752,044

**MATURITY**

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	876	989
Average Maturity 1 Year Prior (days)	665	652
Weighted Average Maturity (years)	2.40	2.71

**VOLUMES**

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	31,323,511	13
Maturities	17,451,404	11

Transactions include 12 deposits to and 5 withdrawals from LAIF, 0 purchases and 0 maturities of the Union of Bank Money Market Sweep Account.

**VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31**

<u>GASB required securities</u>	<u>Beginning Investment Value as of July 1,2008</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of January 31, 2009</u>
Federal Agency (coup)	117,807,309	-2,605,499	2,075,374	117,277,184
Treasury Securities	9,181,240	-3,000,000	10,720	6,191,960
Medium Term Notes	25,558,720	-5,453,080	-241,455	19,864,185
Municipal Bonds	1,309,154	-252,360	0	1,056,794
<b>SUB-TOTAL PER GASB 31</b>	<b>153,856,423</b>	<b>-11,310,939</b>	<b>1,844,639</b>	<b>144,390,123</b>
<u>Non-GASB securities</u>				
LAIF	48,200,000	-3,326,489	0	44,873,511
Money Market	6,000,000	-6,000,000	0	0
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	200,000	0	200,000
Commercial paper	0	983,890	15,490	999,380
<b>TOTAL PORTFOLIO</b>	<b>208,056,423</b>	<b>-19,472,242</b>	<b>1,878,833</b>	<b>190,463,014</b>

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

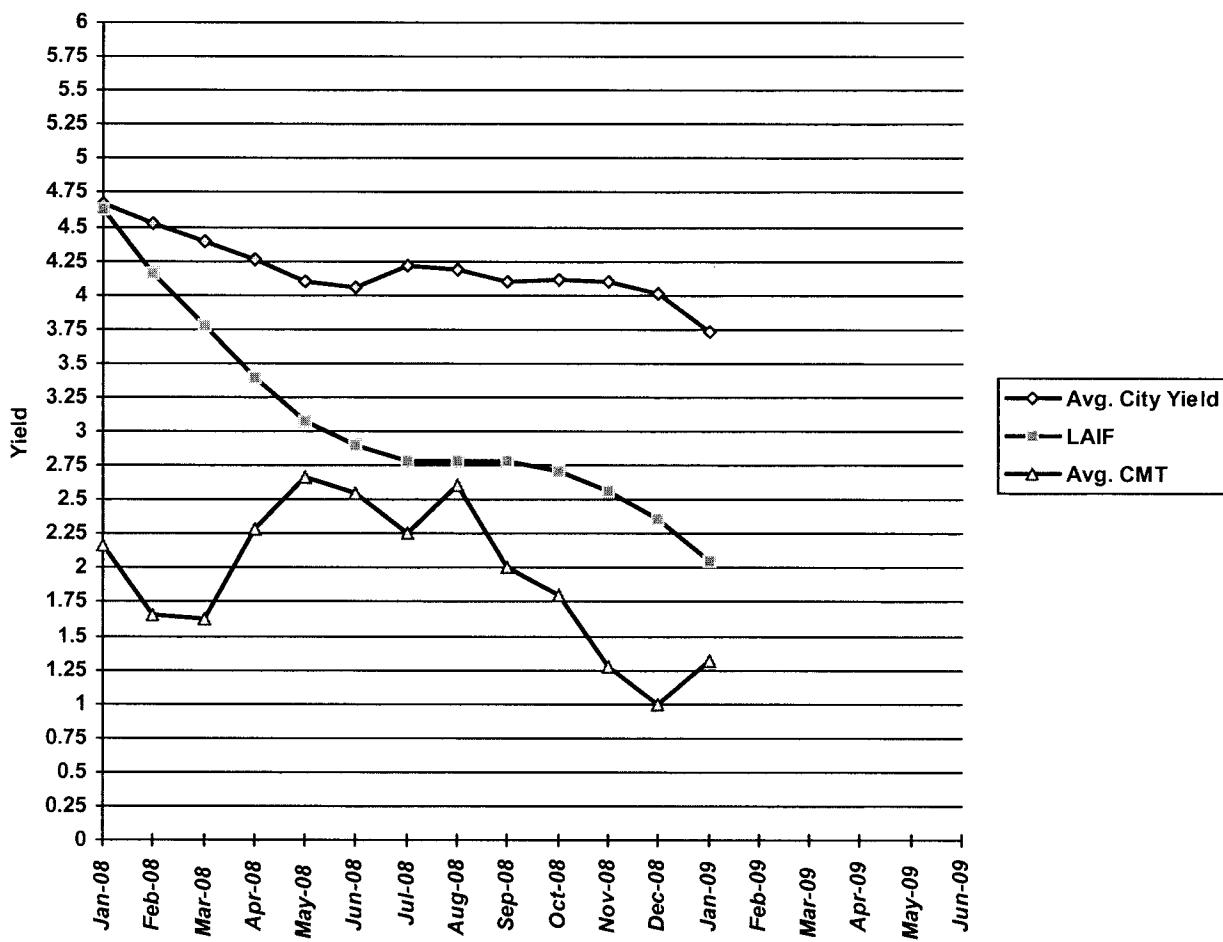
# CITY OF TORRANCE

## *City Treasurer's Office*

*Monthly Investment Report Summary  
For the month of January 2009*

### I. Return

28.66% of the portfolio is invested at one-year maturity or less as of January 31, 2009. The City Average yield on the portfolio was 3.727% compared to 1.32% for the U.S. Treasury at Constant Maturity (CMT) of 36 months. The portfolio performed above the benchmark as of January 31, 2009 by 240 basis points.



### II. Volumes

The investment activity for August included 0 deposits and 0 redemption in the Union Bank of California money market account.

### **III. Diversification of Investments**

In the month of January there was one purchase for a total of \$2 million with an average yield of 3.10%. There were 4 calls and one maturity for a total of \$8.6 million with an average yield of 4.28%. The activity in the LAIF Account consisted of 12 deposits for a total of \$29.1 million and 5 withdrawals for a total of \$8.8 million. The portfolio increased by \$8.4 million.

<u>Asset Category</u>	<u>January</u>	<u>December</u>
1. LAIF	23.77	13.92
2. Certificate of Deposits	.11	.11
3. Money Market Sweep	0.00	0.00
4. Federal Agency Issues(coup)	61.13	68.57
5. Federal Agency Issues(disc)	0.00	0.00
6. Treasury Securities	3.17	3.42
7. Treasury Securities(disc)	0.00	0.00
8. Medium Term Notes	10.73	12.73
9. Municipal Bonds	.56	.68
10. Commercial Paper(disc)	<u>0.53</u>	<u>0.57</u>
	100.00%	100.00%

### **IV. Maturity**

As of January 31, 2009, the current maturity allocation is 22.76% of the portfolio invested between the 6 month to 3-year maturity levels. 27.07% 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 \$51.1 million available for expenditures.

<u>As of Maturity</u>	<u>January</u>	<u>December</u>
0 to 6 months	27.06%	18.62%
6 months to 1 year	1.59%	1.72%
1 to 2 years	10.18%	9.84%
2 to 3 years	10.99%	13.01%
3 to 4 years	20.90%	24.64%
4 to 5 years	28.22%	32.17%
5 years and after	<u>1.06%</u>	<u>0.00%</u>
	100.00%	100.00%

### **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, 2009**

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	44,873,511	23.77	**	1	1	N/A	2.046
Money Market Sweep Account	00	0.00		1	1		.009
Federal Agency Issues – Coupon	115,392,418	61.13	75	1,584	1,272	5 years	4.120
Farmer Mac	00	.00	30	00	00	5 years	.000
Federal Farm Credit Bank	50,514,927	26.96	30	383	410	5 years	2.350
Federal Home Loan Bank	49,881,308	26.71	30	348	363	5 years	2.174
Federal Home Loan Mortgage Corp.	6,996,183	3.72	30	348	385	5 years	2.954
Federal National Mortgage Assoc.	8,000,000	4.26	30	820	888	5 years	2.636
Treasury Securities – Coupon	5,983,257	3.17	100	1,027	306	5 years	4.817
Medium Term Notes	20,256,466	10.73	20	1,269	754	5 years	4.693
Municipal Bond Issue	1,056,794	.56		3,848	1,246	N/A	7.999
Federal Agency Disc	00	.00				5 years	.000
Commercial Paper Disc-Amort	996,760	.53		179	36	5 years	3.293
Treasury Discount-Amort	00	.00					.000
Certificate of Deposits-Disc	200,000	.11		152	50		3.300
Total Investments & Averages	188,759,908	100.00		1,160	876		3.727
Pending Redemptions							
Accrued Interest at Purchase	7,791						
Total Cash & Purchase Interest	7,791						
Total Cash & Investments	188,766,999						

**Portfolio Notes:**

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

General LAIF account = \$35,533,408

RDA LAIF account = \$ 9,340,103

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. 08-123 on December 9, 2008. 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.



Date

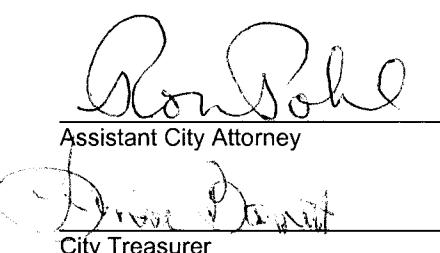
Linda M. Barnett  
City Treasurer

Reviewed by the Investment Advisory Committee



City Manager

Director of Finance



Assistant City Attorney

City Treasurer

**City of Torrance  
Portfolio Management  
Activity Summary**

**January 2008 through January 2009**

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360	Equivalent					
January	2008	126	176,545,132.75	4.598	4.661	4.620	10	12	1,025	665
February	2008	129	188,047,543.59	4.452	4.514	4.161	14	11	1,112	804
March	2008	125	187,972,492.91	4.331	4.391	3.777	4	8	1,125	837
April	2008	126	192,345,930.83	4.196	4.254	3.400	9	8	1,146	876
May	2008	133	203,045,113.25	4.037	4.093	3.072	12	5	1,151	889
June	2008	128	209,041,697.28	3.999	4.055	2.894	7	12	1,121	907
July	2008	131	191,237,074.56	4.150	4.208	2.787	7	5	1,299	1,043
August	2008	121	179,060,067.82	4.132	4.189	2.779	3	13	1,326	1,079
September	2008	116	174,777,539.06	4.048	4.104	2.774	3	8	1,295	1,051
October	2008	115	173,786,048.44	4.050	4.106	2.709	3	4	1,331	1,069
November	2008	113	170,422,160.66	4.043	4.100	2.568	0	2	1,349	1,059
December	2008	112	170,568,129.23	3.952	4.007	2.353	0	1	1,294	989
January	2009	108	178,904,878.54	3.677	3.728	2.046	1	6	1,160	876
	Average	122	184,246,059.60	4.128%	4.185%	3.072	6	7	1,210	934

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January 2009

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	MARKET VALUE
(I) PURCHASES*										
10781 Morgan Stanley		01/30/2009 FFCB	AAA/Aaa	01/30/2014	1824	3.100%	3.100%	2,000,000	2,000,000	1,990,000

\$2,000,000 \$2,000,000 \$1,990,000

Weighted Average Yield

3.100%

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 Skypark	AAA/Aaa	07/01/2012	8.000%	7.991%	128,654	128,654	128,654	128,654
10740 Higgins Capital		04/02/2008 FHLCB	AAA/Aaa	04/02/2013	4.150%	4.131%	1,000,000	1,000,000	1,000,000	1,000,000
10759 Citigroup		07/14/2008 FNMA	AAA/Aaa	01/14/2011	4.050%	4.010%	1,000,000	1,000,000	1,000,000	1,000,000
10643 Higgins Capital		01/30/2007 Merrill Lynch	A2	01/15/2009	4.125%	5.127%	2,000,000	2,000,000	2,000,000	2,000,000
10639 Brookstreet		01/26/2007 FHLCB	AAA/Aaa	07/26/2010	5.200%	5.193%	1,000,000	1,000,000	1,000,000	1,000,000
10717 Stone & Young		01/30/2008 FFCB	AAA/Aaa	01/30/2009	3.850%	3.171%	3,500,000	3,500,000	3,500,000	3,500,000

\$8,628,654 \$8,628,654 \$8,628,654

Weighted Average Yield

4.137%

\* 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) LAF TRANSACTIONS

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
- State of California	Local Agency Pool							
City		9,000,000	2.046%	2.046%	22,533,408	8,800,000	83,408	22,733,408
Tran Acct		12,800,000	2.046%	2.046%	-	-	-	12,800,000
RDA		5,650,000	2.046%	2.046%	3,690,103	-	40,103	9,340,103
		\$27,450,000			\$26,223,511	\$8,800,000	\$ 123,511.00	\$44,873,511

**City of Torrance  
Portfolio Management  
Interest Earnings Summary  
January 31, 2009**

	January 31 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	714,610.98	3,953,360.12
Plus Accrued Interest at End of Period	1,556,616.76	1,556,616.76
Less Accrued Interest at Beginning of Period	( 1,753,381.45)	( 1,690,974.34)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	517,846.29	3,819,002.54
Adjusted by Premiums and Discounts	8,193.70	60,861.23
Adjusted by Capital Gains or Losses	-22,750.00	55,279.28
Earnings during Periods	503,289.99	3,935,143.05
<b>Pass Through Securities:</b>		
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
<b>Cash/Checking Accounts:</b>		
Interest Collected	123,511.11	685,067.17
Plus Accrued Interest at End of Period	575,931.52	575,931.52
Less Accrued Interest at Beginning of Period	( 636,994.98)	( 798,178.01)
Interest Earned during Period	62,447.65	462,820.68
<b>Total Interest Earned during Period</b>	<b>580,293.94</b>	<b>4,281,823.22</b>
<b>Total Adjustments from Premiums and Discounts</b>	<b>8,193.70</b>	<b>60,861.23</b>
<b>Total Capital Gains or Losses</b>	<b>-22,750.00</b>	<b>55,279.28</b>
<b>Total Earnings during Period</b>	<b>565,737.64</b>	<b>4,397,963.73</b>

**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**January 31, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
<b>Local Agency Investment Funds</b>												
SYS10000	10000	Local Agency Invest Fund GEN'IL	22,733,408.21		22,733,408.21	22,733,408.21	22,733,408.21	2.046	Aaa	2.046	1	
SYS10001	10001	Local Agency Invest. Fund RDA	9,340,102.90		9,340,102.90	9,340,102.90	9,340,102.90	2.046	Aaa	2.046	1	
SYS10004	10004	LAIF - TRANS FUNDS	12,800,000.00		12,800,000.00	12,800,000.00	12,800,000.00	2.046	Aaa	2.046	1	
		<b>Subtotal and Average</b>	<b>31,437,086.74</b>		<b>44,873,511.11</b>	<b>44,873,511.11</b>	<b>44,873,511.11</b>			<b>2.046</b>	<b>1</b>	
<b>Cert. of Deposit - Collateralized</b>												
SYS10780	10780	PREFERRED BANK	10/22/2008		200,000.00	200,000.00	200,000.00	3.300		3.300	50	03/23/2009
		<b>Subtotal and Average</b>	<b>200,000.00</b>		<b>200,000.00</b>	<b>200,000.00</b>	<b>200,000.00</b>			<b>3.300</b>	<b>50</b>	
<b>Money Market Sweep Account</b>												
SYS10131	10131	Bank of America			0.00	0.00	0.00			4.620	Aa2	4.620
SYS1000	1000	Union Bank of California			0.00	0.00	0.00			0.137		0.137
		<b>Subtotal and Average</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			<b>0.000</b>	<b>0</b>	
<b>Federal Agency Issues - Coupon</b>												
31331VYF7	10600	FEDERAL FARM CREDIT BANK	05/04/2006		1,000,000.00	1,012,190.00	1,000,000.00	5.250	Aaa	5.250	92	05/04/2009
31331XMQ2	10640	FEDERAL FARM CREDIT BANK	01/26/2007		1,000,000.00	1,048,750.00	1,000,000.00	5.000	Aaa	5.002	479	05/26/2010
31331XT36	10678	FEDERAL FARM CREDIT BANK	08/01/2007		1,000,000.00	1,102,190.00	1,000,000.00	5.250	Aaa	5.250	1,277	08/01/2012
31331XZ24	10688	FEDERAL FARM CREDIT BANK	09/14/2007		1,000,000.00	1,025,940.00	1,000,000.00	5.250	Aaa	5.250	1,321	09/14/2012
31331YHR4	10706	FEDERAL FARM CREDIT BANK	12/14/2007		1,000,000.00	1,026,880.00	1,000,000.00	4.400	Aaa	4.400	1,412	12/14/2012
31331YKW9	10708	FEDERAL FARM CREDIT BANK	12/28/2007		1,000,000.00	1,026,560.00	1,000,000.00	4.250	Aaa	4.250	1,060	12/28/2011
31331YPL8	10710	FEDERAL FARM CREDIT BANK	01/24/2008		1,000,000.00	1,012,810.00	1,000,000.00	3.750	Aaa	3.750	722	01/24/2011
31331YQP8	10716	FEDERAL FARM CREDIT BANK	01/25/2008		2,500,000.00	2,551,575.00	2,516,250.00	3.800	Aaa	3.657	1,454	01/25/2013
31331YRA0	10718	FEDERAL FARM CREDIT BANK	02/04/2008		1,000,000.00	1,000,000.00	1,000,000.00	3.200	Aaa	3.200	733	02/04/2011
31331YRD4	10719	FEDERAL FARM CREDIT BANK	02/06/2008		1,000,000.00	1,000,310.00	1,000,000.00	3.625	Aaa	3.625	1,100	02/06/2012
31331YQP8	10721	FEDERAL FARM CREDIT BANK	02/04/2008		1,000,000.00	1,020,630.00	1,000,000.00	3.800	Aaa	3.800	1,454	01/25/2013
31331YSB7	10723	FEDERAL FARM CREDIT BANK	02/01/2008		1,000,000.00	1,018,130.00	1,000,000.00	3.750	Aaa	3.790	1,461	02/01/2013
31331YTS9	10726	FEDERAL FARM CREDIT BANK	02/11/2008		2,000,000.00	2,041,260.00	2,000,000.00	3.750	Aaa	3.750	1,471	02/11/2013
31331YXJ4	10734	FEDERAL FARM CREDIT BANK	03/11/2008		2,000,000.00	2,006,260.00	2,000,000.00	3.950	Aaa	3.950	1,499	03/11/2013
31331YA83	10739	FEDERAL FARM CREDIT BANK	04/03/2008		1,000,000.00	1,002,810.00	1,000,000.00	3.980	Aaa	3.980	1,522	04/03/2013
31331YA83	10741	FEDERAL FARM CREDIT BANK	04/03/2008		3,000,000.00	3,008,430.00	3,000,000.00	3.980	Aaa	3.980	1,522	04/03/2013
31331VJ6	10744	FEDERAL FARM CREDIT BANK	04/18/2008		2,000,000.00	2,003,760.00	1,999,687.38	4,000	Aaa	4,045	1,485	02/25/2013
31331YN63	10756	FEDERAL FARM CREDIT BANK	05/15/2008		1,000,000.00	1,007,810.00	1,000,000.00	3,800	Aaa	3,800	1,199	05/15/2012
31331YT26	10757	FEDERAL FARM CREDIT BANK	06/02/2008		2,000,000.00	2,040,000.00	1,999,777.04	3,620	Aaa	3,627	851	06/02/2011
31331YT42	10758	FEDERAL FARM CREDIT BANK	06/03/2008		1,000,000.00	1,032,190.00	1,000,000.00	4,240	Aaa	4,240	1,583	06/03/2013
31331Y2G4	10766	FEDERAL FARM CREDIT BANK	07/01/2008		1,000,000.00	1,043,750.00	1,000,000.00	4,850	Aaa	4,850	1,611	07/01/2013

Portfolio CITY

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**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**January 31, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Date
<b>Federal Agency Issues - Coupon</b>												
31331Y4A5	10771	FEDERAL FARM CREDIT BANK	1,000,000.00	07/28/2008	1,013,440.00	1,000,000.00	3.875	Aaa	3.875	907	07/28/2011	
31331Y6E5	10772	FEDERAL FARM CREDIT BANK	1,000,000.00	08/13/2008	1,018,750.00	1,000,000.00	4.750	Aaa	4.750	1,654	08/13/2013	
31331YF5	10773	FEDERAL FARM CREDIT BANK	5,000,000.00	08/14/2008	5,081,250.00	5,003,963.75	4.750	Aaa	4.712	1,625	07/15/2013	
31331Y6T2	10774	FEDERAL FARM CREDIT BANK	5,000,000.00	08/20/2008	5,007,800.00	5,000,000.00	4.500	Aaa	4.500	1,296	08/20/2012	
31331GCf4	10776	FEDERAL FARM CREDIT BANK	1,000,000.00	09/23/2008	1,030,000.00	1,000,309.89	3.125	Aaa	3.113	964	09/23/2011	
31331GBS7	10777	FEDERAL FARM CREDIT BANK	3,000,000.00	09/30/2008	3,033,750.00	2,995,603.75	3.100	Aaa	3.219	593	09/17/2010	
31331GBT5	10778	FEDERAL FARM CREDIT BANK	2,000,000.00	10/07/2008	2,031,260.00	1,998,335.29	3.990	Aaa	4.003	1,324	09/17/2012	
31331GDF3	10779	FEDERAL FARM CREDIT BANK	2,000,000.00	10/15/2008	2,058,760.00	2,000,000.00	4.250	Aaa	4.250	1,717	10/15/2013	
31331GLP2	10781	FEDERAL FARM CREDIT BANK	2,000,000.00	01/30/2009	1,990,000.00	2,000,000.00	3.100	Aaa	3.100	1,824	01/30/2014	
31331XFHS8	10599	FEDERAL HOME LOAN BANK	1,000,000.00	05/19/2006	1,013,130.00	1,000,000.00	5.520	Aaa	5.520	837	05/19/2011	
31331XJUD8	10646	FEDERAL HOME LOAN BANK	1,000,000.00	02/09/2007	1,000,940.00	1,000,000.00	5.500	Aaa	5.500	1,103	02/09/2012	
31331XKF75	10651	FEDERAL HOME LOAN BANK	1,000,000.00	04/20/2007	1,008,750.00	1,000,000.00	5.050	Aaa	5.050	808	04/20/2011	
31331XKQ65	10658	FEDERAL HOME LOAN BANK	1,000,000.00	05/15/2007	1,011,880.00	1,000,000.00	5.200	Aaa	5.200	1,199	05/15/2012	
31331XXYE9	10662	FEDERAL HOME LOAN BANK	1,000,000.00	05/25/2007	1,049,690.00	1,000,000.00	5.200	Aaa	5.200	1,209	05/25/2012	
31331XLVX8	10679	FEDERAL HOME LOAN BANK	500,000.00	08/06/2007	511,250.00	500,000.00	5.400	Aaa	5.400	1,282	08/06/2012	
31331XLWB5	10680	FEDERAL HOME LOAN BANK	500,000.00	08/14/2007	511,875.00	500,000.00	5.460	Aaa	5.460	1,290	08/14/2012	
31331XM3S8	10684	FEDERAL HOME LOAN BANK	1,000,000.00	08/27/2007	1,006,560.00	1,000,000.00	5.125	Aaa	5.125	1,303	08/27/2012	
31331XMG39	10691	FEDERAL HOME LOAN BANK	2,000,000.00	10/09/2007	2,055,620.00	2,000,000.00	5.100	Aaa	5.100	1,346	10/09/2012	
31331XMP28	10696	FEDERAL HOME LOAN BANK	2,000,000.00	10/22/2007	2,056,380.00	2,000,000.00	5.150	Aaa	5.150	1,359	10/22/2012	
31331XNUA8	10701	FEDERAL HOME LOAN BANK	1,000,000.00	12/17/2007	1,025,940.00	1,000,000.00	4,550	Aaa	4,550	1,415	12/17/2012	
31331XNH\$1	10702	FEDERAL HOME LOAN BANK	895,000.00	12/03/2007	905,068.75	895,000.00	4,520	Aaa	4,520	1,401	12/03/2012	
31331XNYV5	10712	FEDERAL HOME LOAN BANK	1,000,000.00	01/22/2008	1,025,940.00	1,000,000.00	4,050	Aaa	4,050	1,451	01/22/2013	
31331XPB29	10724	FEDERAL HOME LOAN BANK	1,000,000.00	02/13/2008	1,000,000.00	993,725.93	3,850	Aaa	4,006	1,473	02/13/2013	
31331XPf90	10725	FEDERAL HOME LOAN BANK	2,000,000.00	02/05/2008	2,022,500.00	2,000,000.00	3,660	Aaa	3,660	1,465	02/05/2013	
31331XPM\$0	10727	FEDERAL HOME LOAN BANK	2,025,000.00	02/25/2008	1,014,060.00	1,000,000.00	3,750	Aaa	3,750	1,485	02/25/2013	
31331XPMT8	10728	FEDERAL HOME LOAN BANK	2,750,000.00	02/27/2008	1,002,190.00	1,000,000.00	3,875	Aaa	3,875	1,487	02/27/2013	
31331XPXP4	10731	FEDERAL HOME LOAN BANK	2,000,000.00	03/18/2008	2,003,760.00	2,000,000.00	3,800	Aaa	3,800	1,121	02/27/2012	
31331XPV73	10732	FEDERAL HOME LOAN BANK	2,000,000.00	02/27/2008	2,004,380.00	1,989,855.56	4,280	Aaa	4,272	1,487	02/27/2013	
31331XPV24	10733	FEDERAL HOME LOAN BANK	1,000,000.00	03/13/2008	1,003,130.00	1,000,000.00	3,950	Aaa	3,950	1,136	03/13/2012	
31331XQCL4	10735	FEDERAL HOME LOAN BANK	2,750,000.00	03/26/2008	2,817,897.50	2,750,000.00	3,720	Aaa	3,720	1,514	03/26/2013	
31331XQEH1	10736	FEDERAL HOME LOAN BANK	1,000,000.00	03/18/2008	1,017,500.00	989,894.91	4,000	Aaa	4,006	1,506	03/18/2013	
31331XQIZ6	10738	FEDERAL HOME LOAN BANK	2,000,000.00	04/16/2008	2,034,380.00	1,989,758.33	3,750	Aaa	3,754	1,535	04/16/2013	
31331XQJA1	10742	FEDERAL HOME LOAN BANK	2,000,000.00	04/15/2008	2,086,880.00	2,000,000.00	3,700	Aaa	3,700	1,534	04/15/2013	
31331XQYY5	10746	FEDERAL HOME LOAN BANK	2,000,000.00	05/13/2008	2,061,880.00	1,989,679.17	4,125	Aaa	4,131	1,562	05/13/2013	
31331XQWD0	10747	FEDERAL HOME LOAN BANK	1,500,000.00	05/08/2008	1,510,320.00	1,499,454.38	3,700	Aaa	3,742	1,010	11/08/2011	
31331XQWX6	10748	FEDERAL HOME LOAN BANK	1,500,000.00	05/07/2008	1,541,715.00	1,500,000.00	3,760	Aaa	3,760	1,191	05/07/2012	

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PM (PRF\_PM2) SymRept 6.41.202b

**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**January 31, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3133XQYL0	10750	FEDERAL HOME LOAN BANK	5/19/2008	1,000,000.00	1,000,940.00	1,000,000.00	3,720	Aaa	3.721	1,111	02/17/2012	
3133XQZB8	10751	FEDERAL HOME LOAN BANK	5/14/2008	1,000,000.00	1,026,250.00	1,000,000.00	3,625	Aaa	3.625	1,198	05/14/2012	
3133XR6T2	10753	FEDERAL HOME LOAN BANK	5/27/2008	2,000,000.00	2,015,620.00	2,000,000.00	3,500	Aaa	3.500	845	05/27/2011	
3133XR7E4	10755	FEDERAL HOME LOAN BANK	5/28/2008	1,000,000.00	1,007,810.00	1,000,000.00	3,560	Aaa	3.560	846	05/28/2011	
3133XRCH1	10756	FEDERAL HOME LOAN BANK	6/12/2008	2,000,000.00	2,021,260.00	1,999,272.22	4,000	Aaa	4.027	1,227	06/12/2012	
3133XRFD7	10761	FEDERAL HOME LOAN BANK	6/11/2008	1,000,000.00	1,011,560.00	1,000,000.00	4,250	Aaa	4.250	1,226	06/11/2012	
3133XRFU9	10762	FEDERAL HOME LOAN BANK	6/17/2008	2,245,000.00	2,244,868.63	2,295,512.50	3,800	Aaa	3.804	866	06/17/2011	
3133XRKU3	10764	FEDERAL HOME LOAN BANK	6/25/2008	1,000,000.00	1,039,890.00	1,000,000.00	4,350	Aaa	4.350	1,240	06/25/2012	
3133XRNW6	10767	FEDERAL HOME LOAN BANK	7/14/2008	1,000,000.00	1,014,060.00	1,000,000.00	4,250	Aaa	4.250	893	07/14/2011	
3133XRSS1	10770	FEDERAL HOME LOAN BANK	7/22/2008	2,000,000.00	2,027,500.00	2,000,000.00	4,020	Aaa	4.020	901	07/22/2011	
3128XGF67	10772	FEDERAL HOME LOAN MORTGAGE CO	2/05/2008	2,000,000.00	2,000,520.00	2,000,000.00	4,000	Aaa	4.000	1,465	02/05/2013	
3128XTFV1	10737	FEDERAL HOME LOAN MORTGAGE CO	4/01/2008	1,000,000.00	1,003,920.00	999,916.67	3,900	Aaa	3.911	1,520	04/01/2013	
3128XTLX0	10745	FEDERAL HOME LOAN MORTGAGE CO	4/29/2008	2,000,000.00	2,050,340.00	1,996,266.67	3,920	Aaa	3.987	1,548	04/29/2013	
3128X7SA3	10754	FEDERAL HOME LOAN MORTGAGE CO	5/28/2008	1,000,000.00	1,002,440.00	1,000,000.00	4,400	Aaa	4.400	1,577	05/28/2013	
3128X7G32	10763	FEDERAL HOME LOAN MORTGAGE CO	6/30/2008	1,000,000.00	1,012,120.00	1,000,000.00	4,050	Aaa	4.050	697	12/30/2010	
3136FBN92	10720	FEDERAL NATIONAL MORT ASSOC	1/29/2008	2,000,000.00	2,041,260.00	2,000,000.00	3,625	Aaa	3.625	1,458	01/29/2013	
3136FB3X1	10730	FEDERAL NATIONAL MORT ASSOC	2/22/2008	2,000,000.00	2,003,760.00	2,000,000.00	4,125	Aaa	4.248	1,482	02/22/2013	
3136F5MV2	10749	FEDERAL NATIONAL MORT ASSOC	5/05/2008	1,000,000.00	1,022,500.00	1,000,000.00	3,250	Aaa	3.250	823	05/05/2011	
3136F5NE9	10752	FEDERAL NATIONAL MORT ASSOC	5/14/2008	1,000,000.00	1,021,880.00	1,000,000.00	4,000	Aaa	4.000	1,563	05/14/2013	
3136F5FWQ2	10765	FEDERAL NATIONAL MORT ASSOC	7/02/2008	1,000,000.00	1,012,190.00	1,000,000.00	4,000	Aaa	4.000	516	07/02/2010	
3136F5WQ2	10766	FEDERAL NATIONAL MORT ASSOC	7/02/2008	1,000,000.00	1,012,190.00	1,000,000.00	4,000	Aaa	4.000	516	07/02/2010	
<b>Subtotal and Average</b>				<b>129,032.26</b>	<b>115,390,000.00</b>	<b>117,277,183.75</b>	<b>115,392,418.32</b>			<b>4,120</b>	<b>1,272</b>	
<b>Treasury Securities - Coupon</b>												
912828DZ0	10579	U.S.TREASURY NOTE	7/25/2005	1,000,000.00	1,047,380.00	997,633.19	3,875	Aaa	4.057	529	07/15/2010	
912828GP9	10664	U.S.TREASURY NOTE	5/23/2007	2,000,000.00	2,020,240.00	1,998,562.85	4,500	Aaa	4.814	88	04/30/2009	
912828GR5	10669	U.S.TREASURY NOTE	6/08/2007	1,000,000.00	1,049,610.00	993,997.20	4,500	Aaa	5.008	468	05/15/2010	
912828GG9	10671	U.S.TREASURY NOTE	6/15/2007	1,000,000.00	1,042,660.00	996,541.63	4,750	Aaa	5.109	379	02/15/2010	
912828FX3	10672	U.S.TREASURY NOTE	6/15/2007	1,000,000.00	1,032,070.00	996,522.88	4,625	Aaa	5.100	287	11/15/2009	
<b>Subtotal and Average</b>				<b>1,992,745.91</b>	<b>6,000,000.00</b>	<b>6,191,960.00</b>	<b>5,983,257.75</b>			<b>4,817</b>	<b>306</b>	
<b>Medium Term Notes</b>												
060505BH6	10596	Bank of America	4/13/2006	1,000,000.00	999,680.00	999,242.34	3,375	Aa2	5.230	16	02/17/2009	
060505AR5	10699	Bank of America	11/02/2007	990,000.00	951,053.40	990,088.37	4,875	Aa2	4.871	1,322	09/15/2012	
084664AF8	10709	Berkshire Hathaway	01/15/2008	1,000,000.00	1,028,320.00	1,009,699.18	4,200	Aaa	3.648	682	12/15/2010	
084664AD3	10714	Berkshire Hathaway	01/18/2008	1,000,000.00	1,013,500.00	1,013,374.98	4,625	Aaa	4.300	1,717	10/15/2013	

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**City of Torrance  
Portfolio Management  
Portfolio Details - Investments**

**January 31, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
<b>Medium Term Notes</b>												
36962GK78	10703	General Electric Capital Corp	12/03/2007	1,000,000.00	1,001,770.00	997,642.90	4.250	Aaa	4.404	589	09/13/2010	
36966RV94	10729	General Electric Capital Corp	02/14/2008	2,000,000.00	1,902,900.00	2,000,000.00	4.000	Aaa	4.000	1,109	02/15/2012	
36966RV59	10760	General Electric Capital Corp	05/30/2008	2,000,000.00	1,890,140.00	2,000,000.00	4.150	Aaa	4.150	1,199	05/15/2012	
38143UBE0	10660	Goldman Sachs	05/14/2007	1,210,000.00	1,199,581.90	1,201,617.65	4.500	Aa3	5.050	499	06/15/2010	
38141GBU7	10743	Goldman Sachs	04/18/2008	1,000,000.00	1,000,810.00	1,046,983.46	6.600	Aa3	4.840	1,078	01/15/2012	
40429CCX8	10632	Household Finance Co	11/20/2006	1,000,000.00	964,930.00	1,001,355.18	5.250	Aa3	5.170	712	01/14/2011	
40429RB38	10694	Household Finance Co	10/12/2007	1,000,000.00	963,280.00	1,000,000.00	5.000	Aa3	5.000	621	10/15/2010	
40429XC95	10700	Household Finance Co	11/29/2007	1,000,000.00	964,220.00	1,000,000.00	5.050	Aa3	5.050	652	11/15/2010	
59018VVV0	10630	MERRILL LYNCH	11/17/2006	1,000,000.00	978,220.00	996,434.15	4.790	A2	5.050	549	08/04/2010	
64952WAE3	10697	New York Life Global	11/02/2007	1,000,000.00	994,880.00	999,889.44	4.625	Aaa	4.630	561	08/16/2010	
90327QCCQ	10670	USAA Capital Corp	06/12/2007	2,000,000.00	2,013,080.00	1,987,426.09	4.640	Aa1	5.420	317	12/15/2009	
949746NB3	10715	Wells Fargo Co	01/23/2008	1,000,000.00	1,001,480.00	1,015,902.01	4.875	Aa1	4.000	710	01/12/2011	
98153BAE4	10604	World Savings Bank	06/05/2006	1,000,000.00	996,330.00	996,811.05	4.500	Aa3	5.440	134	06/15/2009	
		Subtotal and Average		2,000,000.00		19,864,185.30	20,256,466.80			4.693	754	
<b>Municipal Bond Issues - Coupon</b>												
SYS10423	10423	Skpk-2001TxAllocRef Bd	12/18/2001	1,056,793.97	1,056,793.97	1,056,793.97	8.000			7.999	1,246	07/01/2012
		Subtotal and Average		1,056,793.97		1,056,793.97				7.999	1,246	
<b>Commercial Paper Disc. -Amortizing</b>												
61745AQ93	10775	Morgan Stanley & Co. Inc.	09/11/2008	1,000,000.00	999,380.00	996,760.00	3.240			3.293	36	03/09/2009
		Subtotal and Average		995,410.00		1,000,000.00				3.293	36	
		Total and Average		37,811,068.87		188,720,305.08				183,759,207.95		
						190,463,014.13				3.727	876	

**City of Torrance  
Portfolio Management  
Portfolio Details - Cash**

**January 31, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity
	Average Balance		0.00	Accrued Interest at Purchase		7,791.66	7,791.66			0	
		Subtotal				7,791.66	7,791.66				
	Total Cash and Investments		178,904,878.54	188,720,305.08	190,470,805.79	188,766,999.61		3.727	876		

## II. RESTRICTED FUNDS

*Reports Appear Quarterly*

### III. CASH & INVESTMENT PORTFOLIO SHARE

**CITY OF TORRANCE**  
**CASH AND INVESTMENT PORTFOLIO SHARE (A)**  
**AS OF JANUARY 31, 2009**

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	58,044,638.26	56,663,757.98	30.75
R	Parks & Recr Facility & Open Space	3,646,189.61	3,559,446.86	1.93
R	State Gas Tax	6,323,582.60	6,173,144.75	3.35
R	Federal Housing, Community Dev	505,760.17	493,728.15	0.27
R	Street Lighting	301,512.89	294,339.91	0.16
R	Traffic Congestion Relief Act 2000 - AB2928	681,648.67	665,432.27	0.36
R	Proposition 1B	2,526,118.52	2,466,022.23	1.34
R	Police Asset Forfeiture	3,150,029.17	3,075,090.07	1.67
N	Government Cable	2,327,070.55	2,271,709.61	1.23
R	Local Return - Proposition C	6,364,359.82	6,212,951.88	3.37
R	Grants/Donations	1,252,612.39	1,222,812.78	0.66
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	350,517.21	342,178.42	0.19
R	Seismic Education Fund	51,416.27	50,193.08	0.03
R	Rehabilitation Housing	611,929.52	597,371.73	0.32
R	Police Inmate Welfare Fund	54,629.26	53,329.63	0.03
N	Capital Improvements	23,348,977.96	22,793,506.44	12.37
R	Vanpool/Rideshare Fund	329,319.24	321,484.74	0.17
R	Torrance Improvement Fund	4,667,382.53	4,556,345.63	2.47
R	Animal Control Fund	-	-	0.00
R	Redevelopment-Capital Proj	9,634,958.92	9,405,743.52	5.10
R	Redevelopment Debt Service	2,021,930.80	1,973,829.12	1.07
N	DNA Sampling Fund	11,063.19	10,800.00	0.01
N	Airport Fund	6,789,263.45	6,627,747.07	3.60
N	Transit Operations	2,239,749.55	2,186,465.97	1.19
R	Development Impact Fund	736,932.74	719,401.13	0.39
N	Water Operations	6,058,731.37	5,914,594.32	3.21
N	Emergency Medical Service Enterprise Fund	-	-	0.00
N	Sanitation Operations	3,440,961.51	3,359,101.13	1.82
N	Cultural Arts Enterprise	344,020.15	335,835.92	0.18
N	Sewer Enterprise Fund	11,346,889.23	11,076,947.06	6.01
N	Parks & Recr Enterprise Fund	(320,192.41)	(312,575.04) (B)	(0.17)
N	Self Insurance Fund	8,466,824.21	8,265,398.70	4.49
N	Fleet Services	14,149,229.76	13,812,619.99	7.50
R	Postemployment/Compensated Absences Fund	6,252,050.69	6,103,314.58	3.31
R	Trust & Agency	3,049,100.17	2,976,562.16	1.62
<b>TOTAL</b>		<b>188,759,207.95</b>	<b>184,268,631.79</b>	<b>100.00</b>

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$188,759,207.95 and the Pooled Cash and Investments total of \$184,268,631.79 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)
- (B) Salary reimbursements from Prop A for \$209,000 will be billed in June 2009.  
In addition, registration for Spring classes begins February 24, 2009, generating revenues.

**CITY OF TORRANCE  
CASH AND INVESTMENT RECONCILIATION  
AS OF JANUARY 31, 2009**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)	<b>188,759,207.95</b>
CASH AND INVESTMENTS PER BOOKS	<b>184,268,631.79</b>
<b>CASH IN BANKS:</b>	
Cash in B of A General Account	(\$560,503.12)
Cash in B of A Payroll Account	0.00
<b>OUTSTANDING WARRANTS:</b>	
General Account	1,442,429.39
Payroll Account	111,834.12
Workers Compensation Account	78,388.61
Housing Account	<u>7,144.00</u>
	1,639,796.12
Miscellaneous outstanding adjusting journal entries	576,968.68
Payroll for PE 1/31/09 posted on 1/31/09 and paid on 2/6/09	2,834,314.48
INVESTMENTS PER BOOKS	<b>\$188,759,207.95</b>