

Council Meeting of
April 04, 2006

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

Members of the Council:

SUBJECT: Investment Report for February 2006

RECOMMENDATION

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

Table of Contents

	<u>Page No.</u>
I. CITY OF TORRANCE – POOLED FUNDS	
<i>A. <u>Summary Reports</u></i>	
Investment Portfolio Highlights	1
Monthly Investment Summary Notes	2-3
Investment Portfolio Summary	4
Investment Activity Summary	5
Investment Portfolio Activity	6
Interest Earnings Summary	7
<i>B. <u>Detailed Reports</u></i>	
Investment Portfolio Details and Quality Ratings	8-11
II. RESTRICTED FUNDS	
(Reports Appear Quarterly)	
III. CASH & INVESTMENT PORTFOLIO SHARE	
Cash & Investment Share as of February 28, 2006	12
Cash & Investment Reconciliation	13

City of Torrance
Investment Portfolio Highlights
For February 2006

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	3.504	3.397
Average U.S. Treasury Constant Maturity	4.730	4.52
LAIF Average Monthly Return	4.043	3.955
Average City Portfolio YTM - 1 year prior	2.368	2.842

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	2,468,733	2,010,900
Current month	337,346	265,678

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	465	460
Average Maturity 1 Year Prior (days)	651	651
Weighted Average Maturity (years)	1.28	1.26

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	19,982,993	13
Maturities	15,500,000	10

Transactions include 8 deposits to and 8 withdrawals from LAIF, 0 purchases and maturities of the Bank of America Overnight Sweep Account.

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

<u>GASB required securities</u>	<u>Beginning Investment Value as of July 1,2005</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of</u>
Federal Agency (coup)	55,135,036	-2,000,700	-370,441	52,763,895
Treasury Securities	14,761,851	1,988,750	-164,990	16,585,611
Medium Term Notes	23,732,376	-4,506,125	-265,744	18,960,507
Municipal Bonds	2,257,501	-229,994	0	2,027,507
SUB-TOTAL PER GASB 31	95,886,764	-4,748,069	-801,175	90,337,520
<u>Non-GASB securities</u>				
LAIF	26,700,000	100,000	0	26,800,000
Money Market	0	3,882,993	3,907	3,886,900
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	-1,865,076	-789,754	121,024,420

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

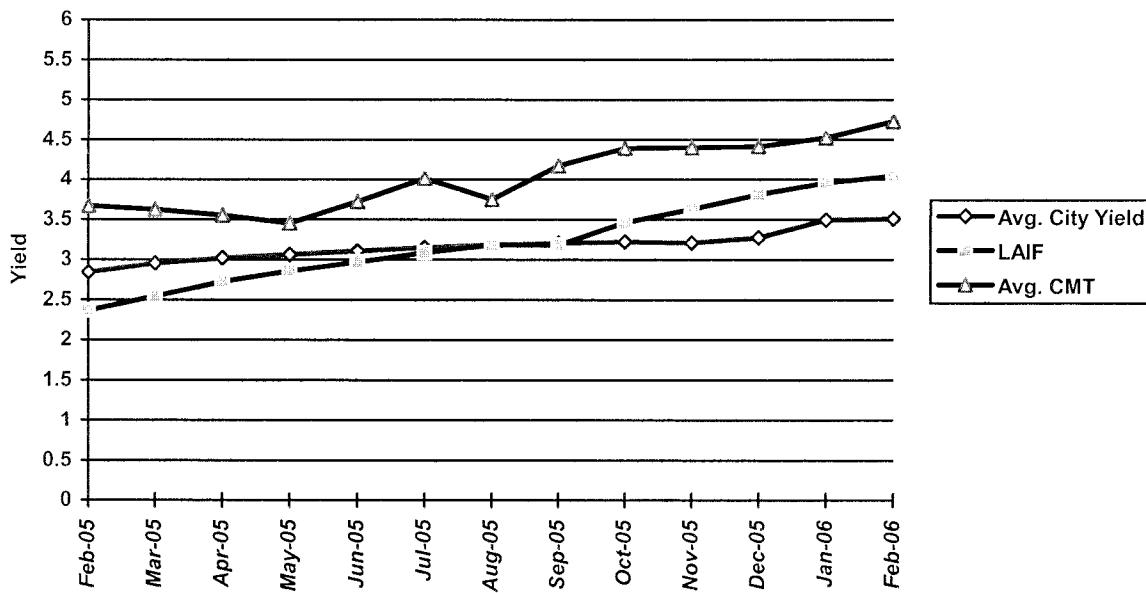
CITY OF TORRANCE

City Treasurer's Office

*Monthly Investment Report Summary
For the month of February 2006*

I. Return

46.09% of the portfolio is invested at one-year maturity or less as of February 28, 2006. The City Average yield on the portfolio was 3.504% compared to 4.73% for the U.S. Treasury at Constant Maturity (CMT) of 12 months. The portfolio performed below the benchmark as of February 28, 2006 by 123 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 February consisted of 2 redemption's of \$2 million, with an average rate of return of 2.032%. There were 5 purchases of \$5.9 million with an average rate of return of 4.76%. The activity in the LAIF Account consisted of 8 deposits of \$14.1 million and 8 withdrawals of \$13.5 million. The portfolio was up by \$4.6 million for total assets of \$23.1 million.

<u>Asset Category</u>	<u>February</u>	<u>January</u>
1. LAIF	21.76%	22.08%
2. Money Market Sweep	.00%	.00%
3. Federal Agency Issues(coup)	43.70%	45.35%
4. Federal Agency Issues(disc)	.00%	.00%
5. Treasury Securities	13.83%	14.36%
6. Treasury Securities(Disc)	.00%	.00%
7. Medium Term Notes	15.90%	16.50%
8. Municipal Bonds	1.65%	1.71%
9. Federal Agency (Disc)	3.16%	.00%
10. Commercial Paper(disc)	.00%	.00%
	100.00%	100.00%

IV. Maturity

As of February 28, 2006, the current maturity allocation is 64.44% of the portfolio invested between the 6 month to 3-year maturity levels. 31.49% 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 \$38.7 million available for expenditures.

<u>As of Maturity</u>	<u>February 28, 2006</u>	<u>January 31, 2006</u>
0 to 6 months	31.49%	29.67%
6 months to 1 year	14.60%	12.64%
1 to 2 years	27.12%	21.91%
2 to 3 years	22.72%	31.54%
3 to 4 years	1.62%	1.69%
4 to 5 years	.80%	.84%
5 years and after	1.65%	1.71%

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 February 28, 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	26,800,000	21.76	**	1	1	N/A	4.043
Money Market Sweep Account	0	.00		1	1		.0000
Federal Agency Issues – Coupon	53,804,709	43.70	75	1,169	540	5 years	3.307
Federal Farm Credit Bank	15,988,703	12.94	30	480	455	5 years	5.017
Federal Home Loan Bank	26,830,300	21.74	30	411	388	5 years	5.293
Federal Home Loan Mortgage Corp.	5,985,823	4.86	30	331	314	5 years	5.528
Federal National Mortgage Assoc.	8,891,126	4.851	30	224	218	5 years	4.851
Treasury Securities – Coupon	17,032,191	13.83	100	1,293	642	5 years	2.814
Medium Term Notes	19,580,180	15.90	20	1,381	655	5 years	3.187
Municipal Bond Issue	2,027,507	1.65		3,848	2,314	N/A	8.000
Federal Agency Disc	3,891,246	3.16		226	210	5 years	4.794
Commercial Paper Disc-Amort	0	.00					.000
Treasury Discount-Amort	0	.00					.000
Certificate of Deposits-Disc	0	.00					.000
Total Investments & Averages	123,135,833	100.00		980	465		3.504
Pending Redemptions							
Accrued Interest at Purchase	1,121						
Total Cash & Purchase Interest	1,121						
Total Cash & Investments	123,136,954						

Portfolio Notes:

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

General LAIF account = \$21,600,000

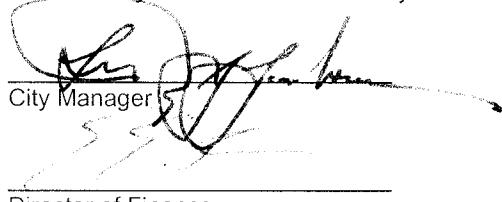
RDA LAIF account = \$5,200,000

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
City Treasurer

Date

Reviewed by the Investment Advisory Committee


City Manager
Director of Finance


Assistant City Attorney


City Treasurer

**City of Torrance
Portfolio Management
Activity Summary**

February 2005 through February 2006

Month End	Year	Number of Securities	Yield to Maturity			Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
			360	365	Equivalent					
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
February	2006	89	121,772,906.01	3.458	3.506	4.043	5	2	980	465
Average	92	116,204,743.56	3.120%	3.164%	3.226	2	2	1,062	596	

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYSTO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10582	Dean Witter	02/07/2006	FH1B	AAA/Aaa	08/07/2006	159	4.560%	4.560%	1,000,000	1,000,000	998,440
10586	Dean Witter	02/13/2006	FNMA	AAA/Aaa	08/09/2006	161	4.635%	4.809%	2,000,000	1,954,423	1,957,400
10587	Dean Witter	02/13/2006	FNMA	AAA/Aaa	11/03/2006	247	4.650%	4.906%	1,000,000	966,029	966,600
10588	Dean Witter	02/13/2006	FNMA	AAA/Aaa	11/30/2006	274	4.650%	4.920%	1,000,000	962,542	962,900
10583	Dean Witter	02/24/2006	FH1B	AAA/Aaa	08/24/2006	176	4.600%	4.600%	1,000,000	1,000,000	998,750

Weighted Average Yield
4.759%

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10504	Dean Witter	02/09/2004	FH1MC	AAA/Aaa	02/09/2006	2.030%	2.027%	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
10506	Higgins Capital	02/17/2004	FH1MC	AAA/Aaa	02/17/2006	2.040%	2.037%	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

Weighted Average Yield
2.032%

* 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) LAI TRANSACTIONS

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL
State of California	Local Agency Pool	21,700,000	4.04%	4.04%	12,100,000	12,200,000	-	21,600,000
City		4,500,000	4.04%	4.04%	2,000,000	1,300,000	-	5,200,000
RDA		\$ 26,200,000			\$ 14,100,000	\$ 13,500,000	-	\$ 26,800,000

**City of Torrance
Portfolio Management
Interest Earnings Summary
February 28, 2006**

	February 28 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	298,945.83	2,136,874.84
Plus Accrued Interest at End of Period	634,780.93	634,780.93
Less Accrued Interest at Beginning of Period	(687,759.94)	(731,906.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	245,966.82	2,039,749.77
Adjusted by Premiums and Discounts	8,530.48	6,950.35
Adjusted by Capital Gains or Losses	0.00	8,118.13
Earnings during Periods	254,497.30	2,054,818.25
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	0.00	430,350.76
Plus Accrued Interest at End of Period	147,231.46	147,231.46
Less Accrued Interest at Beginning of Period	(64,382.74)	(163,667.70)
Interest Earned during Period	82,848.72	413,914.52
Total Interest Earned during Period	328,815.54	2,453,664.29
Total Adjustments from Premiums and Discounts	8,530.48	6,950.35
Total Capital Gains or Losses	0.00	8,118.13
Total Earnings during Period	337,346.02	2,463,732.77

City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 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			21,600,000.00	21,600,000.00		4.043		4.043		1
SYS10001	10001	Local Agency Invest Fund RDA			5,200,000.00	5,200,000.00		4.043		4.043		1
		Subtotal and Average	27,285,714.29			26,800,000.00	26,800,000.00			4.043		1
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00		0.00		0.450		1
SYS1000	1000	Union Bank of California		07/01/2005	0.00	0.00		0.00		0.750		1
		Subtotal and Average	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	992,190.00		1,000,000.00	2.050		103	06/12/2006
31331Q7E1	10483	FEDERAL FARM CREDIT BANK	08/06/2003		1,000,000.00	975,000.00		1,000,000.00	3.100		523	08/06/2007
31331TGG0	10491	FEDERAL FARM CREDIT BANK	10/15/2003		1,000,000.00	977,190.00		1,000,000.00	3.450		593	10/15/2007
31331TQP9	10507	FEDERAL FARM CREDIT BANK	02/09/2004		1,000,000.00	969,380.00		1,000,000.00	3.000		618	11/09/2007
31331TUH2	10512	FEDERAL FARM CREDIT BANK	03/18/2004		1,000,000.00	986,560.00		1,000,000.00	2.350		201	09/18/2006
31331TVG3	10513	FEDERAL FARM CREDIT BANK	03/24/2004		1,000,000.00	967,190.00		1,000,000.00	3.000		663	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		600	10/22/2007
31331TYD7	10519	FEDERAL FARM CREDIT BANK	04/15/2004		1,000,000.00	955,310.00		1,000,000.00	3.080		959	10/15/2008
31331TZG9	10520	FEDERAL FARM CREDIT BANK	04/12/2004		1,000,000.00	975,630.00		1,000,000.00	2.690		407	04/12/2007
31331TB91	10528	FEDERAL FARM CREDIT BANK	04/29/2004		1,000,000.00	971,250.00		1,000,000.00	3.100		607	10/29/2007
31331TL90	10531	FEDERAL FARM CREDIT BANK	05/17/2004		1,000,000.00	982,500.00		1,000,000.00	3.450		442	05/17/2007
31331TDE8	10534	FEDERAL FARM CREDIT BANK	05/13/2004		1,000,000.00	990,000.00		999,405.10	2.900		3,020	183 09/05/2006
31331SMB6	10559	FEDERAL FARM CREDIT BANK	02/02/2005		1,000,000.00	980,630.00		999,814.51	3.700		3,711	611 11/02/2007
31331SNB5	10567	FEDERAL FARM CREDIT BANK	03/10/2005		1,000,000.00	975,630.00		991,938.67	3.550		4,000	698 01/28/2008
31331SRL9	10570	FEDERAL FARM CREDIT BANK	04/04/2005		1,000,000.00	989,060.00		997,547.81	3.750		3,500	350 02/14/2007
31331SD42	10576	FEDERAL FARM CREDIT BANK	06/30/2005		1,000,000.00	982,810.00		1,000,000.00	4.125		852	06/30/2008
31331MVNP4	10445	FEDERAL HOME LOAN BANK	02/06/2003		833,333.33	815,625.00		833,232.78	3.750		3,757	707 02/06/2008
31331MYYU5	10469	FEDERAL HOME LOAN BANK	06/05/2003		1,000,000.00	964,690.00		1,000,000.00	3.250		3,250	827 06/05/2008
31339XBV9	10471	FEDERAL HOME LOAN BANK	05/28/2003		2,000,000.00	1,953,760.00		2,000,000.00	2.550		3,644	02/28/2007
31339YAG7	10478	FEDERAL HOME LOAN BANK	07/16/2003		1,000,000.00	978,130.00		1,000,000.00	2.350		321	01/16/2007
31339YF23	10479	FEDERAL HOME LOAN BANK	07/23/2003		1,000,000.00	978,130.00		999,720.49	2.430		2,463	328 01/23/2007
31339YKX9	10480	FEDERAL HOME LOAN BANK	07/30/2003		1,000,000.00	956,880.00		1,000,000.00	3.000		3,000	882 07/30/2008
31339XOFJ3	10482	FEDERAL HOME LOAN BANK	08/13/2003		1,000,000.00	978,130.00		1,000,000.00	4.000		4,000	896 08/13/2008
31339XRC3	10493	FEDERAL HOME LOAN BANK	10/30/2003		1,000,000.00	977,190.00		1,000,000.00	3.250		516	07/30/2007
31339ZAZ8	10495	FEDERAL HOME LOAN BANK	11/26/2003		1,000,000.00	980,940.00		1,000,000.00	3.350		3,350	450 05/25/2007
31339YVV1	10503	FEDERAL HOME LOAN BANK	01/11/2004		1,000,000.00	965,940.00		998,715.31	3.375		3,433	873 07/21/2008

Portfolio CITY

AP

**City of Torrance
Portfolio Management
Portfolio Details - Investments**
February 28, 2006

12

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Date
Federal Agency Issues - Coupon												
3133X3JRG5	10505	FEDERAL HOME LOAN BANK	1,000,000.00	02/13/2004	974,060.00	999,482.14	3,070	Aaa	3.108	530	08/13/2007	
3133X1JJ7	10509	FEDERAL HOME LOAN BANK	2,000,000.00	01/31/2004	1,973,120.00	1,999,149.43	2,750	Aaa	2.819	233	10/20/2006	
3133X5DY1	10518	FEDERAL HOME LOAN BANK	1,000,000.00	04/13/2004	984,060.00	1,000,000.00	2,250	Aaa	2.250	226	10/13/2006	
3133X5X45	10524	FEDERAL HOME LOAN BANK	1,000,000.00	04/21/2004	956,250.00	1,000,000.00	3,420	Aaa	3.420	1,147	04/21/2009	
3133X6CF1	10525	FEDERAL HOME LOAN BANK	1,000,000.00	04/21/2004	982,810.00	1,000,000.00	3,500	Aaa	3.500	1,147	04/21/2009	
3133X75B6	10533	FEDERAL HOME LOAN BANK	1,000,000.00	05/28/2004	984,060.00	1,000,000.00	3,280	Aaa	3,281	364	02/28/2007	
3133XAAL47	10560	FEDERAL HOME LOAN BANK	1,000,000.00	02/24/2005	982,500.00	1,000,000.00	3,685	Aaa	3,685	541	08/24/2007	
3133XAMZ7	10562	FEDERAL HOME LOAN BANK	1,000,000.00	03/03/2005	982,500.00	1,000,000.00	4,000	Aaa	4,000	733	03/03/2008	
3133XAQU4	10563	FEDERAL HOME LOAN BANK	1,000,000.00	03/07/2005	981,880.00	1,000,000.00	3,825	Aaa	3,827	646	12/07/2007	
3133XAQV2	10564	FEDERAL HOME LOAN BANK	1,000,000.00	03/08/2005	978,440.00	1,000,000.00	4,000	Aaa	4,000	922	09/08/2008	
3133XAxE2	10566	FEDERAL HOME LOAN BANK	1,000,000.00	03/22/2005	990,310.00	1,000,000.00	3,700	Aaa	3,702	296	12/22/2006	
3133XBHH1	10571	FEDERAL HOME LOAN BANK	1,000,000.00	04/27/2005	994,380.00	1,000,000.00	4,010	Aaa	4,010	240	10/27/2006	
3133XEFR5	10581	FEDERAL HOME LOAN BANK	1,000,000.00	01/30/2006	997,500.00	1,000,000.00	5,000	Aaa	5,000	688	01/28/2008	
3133XEK40	10582	FEDERAL HOME LOAN BANK	1,000,000.00	02/07/2006	998,440.00	1,000,000.00	4,560	Aaa	4,560	159	08/07/2006	
3133XEKC2	10583	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	02/24/2006	998,750.00	1,000,000.00	4,600	Aaa	4,600	176	08/24/2006	
3129X1GF8	10473	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	06/04/2003	980,310.00	1,000,000.00	2,250	Aaa	2,250	278	12/04/2006	
3129X17E1	10494	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	11/17/2003	986,750.00	1,000,000.00	3,000	Aaa	3,000	261	11/17/2006	
3129X1GD3	10508	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	01/30/2004	953,490.00	986,499.14	3,110	Aaa	3,644	1,016	12/11/2008	
3129X25Y7	10521	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	04/19/2004	968,860.00	1,000,000.00	2,920	Aaa	2,920	597	10/19/2007	
3129X3CB7	10527	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	05/05/2004	996,750.00	1,000,000.00	3,000	Aaa	3,000	65	05/05/2006	
3129X4YE5	10584	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	01/30/2006	997,680.00	999,324.30	5,000	Aaa	5,030	875	07/23/2008	
31359MVR7	10467	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	05/27/2003	994,060.00	1,000,000.00	2,250	Aaa	2,250	86	05/26/2006	
3136F4TX2	10496	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	11/25/2003	995,000.00	1,000,000.00	2,720	Aaa	2,720	85	05/25/2006	
3136F5PC9	10522	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	04/19/2004	973,440.00	1,000,000.00	2,500	Aaa	2,500	414	04/19/2007	
31359MVC4	10336	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	05/11/2004	985,940.00	999,878.89	3,750	Aaa	3,761	442	05/17/2007	
3136F7FE2	10578	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	07/28/2005	988,750.00	1,000,000.00	4,300	Aaa	4,300	698	01/28/2008	
Subtotal and Average												2,983,597.92
Treasury Securities - Coupon												53,833,333.33
912828AZ3	10475	U.S. TREASURY NOTE	5,000,000.00	06/16/2003	4,786,700.00	5,053,658.50	2,625	Aaa	2,110	806	05/15/2008	
912828BG4	10484	U.S. TREASURY NOTE	1,000,000.00	08/15/2003	967,460.00	997,753.77	3,250	Aaa	3,350	898	08/15/2008	
912828BP4	10498	U.S. TREASURY NOTE	1,000,000.00	11/17/2003	985,430.00	1,001,188.46	2,625	Aaa	2,450	259	11/15/2006	
912828CDO	10517	U.S. TREASURY NOTE	2,000,000.00	03/31/2004	1,995,080.00	1,999,981.47	1,500	Aaa	1,524	30	03/31/2006	
912828CG3	10335	U.S. TREASURY NOTE	1,000,000.00	05/17/2004	981,450.00	999,528.20	3,125	Aaa	3,166	440	05/15/2007	
912828CQ1	10339	U.S. TREASURY NOTE	1,000,000.00	08/02/2004	991,990.00	999,839.23	2,750	Aaa	2,790	152	07/31/2006	
912828DJ6	10361	U.S. TREASURY NOTE	1,000,000.00	01/31/2005	985,700.00	998,850.44	3,125	Aaa	3,255	336	01/31/2007	
Subtotal and Average												53,804,708.57
Subtotal and Average												3,307
Total Portfolio												57,110,595.49

Portfolio CITY

AP

PM (PRF...PM2) SymRept 6.4.1 2008

**City of Torrance
Portfolio Management
Portfolio Details - Investments**
February 28, 2006

13

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	975,860.00	998,430.68	3.375	Aaa	3.460	716	02/15/2008
912828DK3	10574	U.S. TREASURY NOTE		05/09/2005	1,000,000.00	975,860.00	992,593.26	3.375	Aaa	3.775	716	02/15/2008
912828DT4	10577	U.S. TREASURY NOTE		07/13/2005	1,000,000.00	980,940.00	998,300.51	3.750	Aaa	3.831	806	05/15/2008
912828DZ0	10579	U.S. TREASURY NOTE		07/25/2005	1,000,000.00	970,590.00	992,854.83	3.875	Aaa	4.057	1,597	07/15/2010
912828EC0	10580	U.S. TREASURY NOTE		08/15/2005	1,000,000.00	988,550.00	999,231.87	4.125	Aaa	4.159	898	08/15/2008
		Subtotal and Average	1,992,014.75		17,000,000.00	16,585,610.00	17,032,194.22			2.814	642	
Medium Term Notes												
02003MAG9	10573	ALLSTATE LIFE GLOBAL TRUST		05/09/2005	1,000,000.00	977,380.00	995,865.16	3.850	Aa	4.080	695	01/25/2008
06423EPM1	10556	Bank One NA Illinois		01/18/2005	1,000,000.00	975,630.00	1,000,350.45	3.700		3.680	685	01/15/2008
072760AV2	10515	Bayer Landes Bank		03/08/2004	2,000,000.00	1,969,460.00	2,002,403.52	2.600	Aaa	2.400	229	10/16/2006
172967BS9	10496	Citigroup		05/12/2003	1,000,000.00	971,790.00	1,008,150.46	3.500	Aa1	3.040	702	02/01/2008
172967BS9	10572	Citigroup		04/28/2005	1,585,000.00	1,540,287.15	1,567,036.83	3.500	Aa1	4.130	702	02/01/2008
166760AA6	10455	Chevron Texaco		02/25/2003	1,000,000.00	977,360.00	1,006,826.41	3.500	Aa2	3.025	565	09/17/2007
36982GB78	10465	General Electric Capital Corp		05/11/2003	1,000,000.00	968,660.00	1,006,962.88	3.500	Aaa	3.150	792	05/01/2008
369866RFV3	10476	General Electric Capital Corp		06/19/2003	2,000,000.00	1,877,920.00	2,000,000.00	2.450	Aaa	2.450	837	06/15/2008
375766AM4	10472	Gillette Company		05/27/2003	1,000,000.00	945,680.00	998,783.20	2.500	Aa3	2.558	823	06/01/2008
59217EAD6	10477	Met Life		06/19/2003	1,000,000.00	941,690.00	1,001,071.80	2.600	Aa2	2.550	841	06/19/2008
59217EAD6	10481	Met Life		07/25/2003	1,000,000.00	941,690.00	982,144.49	2.600	Aa2	3.450	841	06/19/2008
742718BX6	10538	Procter & Gamble		08/02/2004	1,000,000.00	983,590.00	1,010,135.88	4.300	Aa3	3.850	898	08/15/2008
7117081AK9	10511	Pfizer Inc.		02/03/2004	1,000,000.00	973,490.00	1,000,143.33	2.500	Aaa	2.486	379	03/15/2007
892233PSC1	10558	Toyota Motor Credit		01/24/2005	1,000,000.00	995,070.00	999,281.33	3.000	Aa1	3.270	100	06/09/2006
949746EX5	10464	Wells Fargo Co		05/12/2003	1,000,000.00	969,350.00	1,009,055.66	3.500	Aa1	3.031	765	04/04/2008
949746EX5	10557	Wells Fargo Co		01/24/2005	1,000,000.00	969,350.00	995,475.45	3.500	Aa1	3.730	765	04/04/2008
949746JQ5	10569	Wells Fargo Co		04/04/2005	1,000,000.00	982,110.00	996,493.07	4.125	Aa1	4.310	740	03/10/2008
		Subtotal and Average	2,562,407.06		19,585,000.00	18,960,507.15	19,580,179.92			3.187	655	
Municipal 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	2,314	07/01/2012
		Subtotal and Average	2,027,506.72		2,027,506.72	2,027,506.72	2,027,506.72			8.000	2,314	
Federal Agency Disc. -Amortizing												
313569B36	10586	FEDERAL NATIONAL MORT ASSOC		02/13/2006	2,000,000.00	1,957,400.00	1,958,542.50	4.635	Aaa	4.743	161	08/09/2006
313569W91	10587	FEDERAL NATIONAL MORT ASSOC		02/13/2006	1,000,000.00	966,600.00	968,005.84	4.650	Aaa	4.839	247	11/03/2006
313569R47	10588	FEDERAL NATIONAL MORT ASSOC		02/13/2006	1,000,000.00	962,900.00	964,608.34	4.650	Aaa	4.853	274	11/30/2006

Portfolio CITY

AP
PM (PRF_PMF2) SyntRept 6.41 2010

**City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 2006**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity
	Subtotal and Average	2,221,338.81	2,221,338.81		4,000,000.00	3,896,900.00	3,891,246.68			4.794	210
	Total and Average	39,052,539.55	123,245,840.05		121,024,418.87	123,135,833.11				3.504	465

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF FEBRUARY 28, 2006

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	28,060,369.63	27,009,315.25	22.79
R	Parks & Recr Facility & Open Space	2,338,070.65	2,250,493.78	1.90
R	State Gas Tax	4,857,749.06	4,675,792.85	3.95
R	Federal Housing, Community Dev	645,610.35	621,427.79	0.52
R	Work Investment Network - WIN	(1,545,724.11)	(1,487,826.08) (B)	(1.26)
R	Street Lighting	1,024,375.29	986,005.37	0.83
R	Traffic Congestion Relief Act 2000 - AB2928	313,279.12	301,544.66	0.25
R	Police Asset Forfeiture	3,163,111.78	3,044,631.43	2.57
R	Drainage Improvement	783.76	754.40	0.00
N	Government Cable	1,636,963.70	1,575,648.12	1.33
R	Local Return - Proposition C	2,853,548.00	2,746,662.95	2.32
R	LACMTA Grants - Proposition C	20,987.29	20,201.17	0.02
R	Discretionary - Proposition C	9,866.33	9,496.77	0.01
R	Bicycle Transportation	8.77	8.44	0.00
R	Grants/Donations	(813,500.60)	(783,029.39) (C)	(0.66)
R	Benstead Plunge 1996, Madrona Marsh Nature Reserve, Wilson Pk, Tennis Court, Landscape - Proposition A	604.93	582.27	0.00
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	340,568.91	327,812.26	0.28
R	Seismic Education Fund	46,036.15	44,311.78	0.04
R	Rehabilitation Housing	488,433.95	470,138.73	0.40
R	Police Inmate Welfare Fund	76,426.31	73,563.62	0.06
N	Capital Improvements	16,482,332.76	15,864,955.72	13.39
R	Vanpool/Rideshare Fund	245,075.50	235,895.73	0.20
R	Torrance Improvement Fund	5,991,868.58	5,767,431.78	4.87
R	Animal Control Fund	185,764.75	178,806.58	0.15
R	Redevelopment-Capital Proj	6,447,061.08	6,205,574.18	5.24
R	Redevelopment Debt Service	399,260.43	384,305.37	0.32
N	Airport Fund	5,021,294.83	4,833,212.71	4.08
N	Transit Operations	(253,479.30)	(243,984.75) (D)	(0.21)
N	Water Operations	11,685,718.75	11,248,007.99	9.49
N	Emergency Medical Service Enterprise Fund	274,967.29	264,667.87	0.22
N	Sanitation Operations	2,642,456.58	2,543,478.36	2.15
N	Cultural Arts Enterprise	452,475.46	435,527.13	0.37
N	Sewer Enterprise Fund	10,534,201.80	10,139,623.29	8.55
N	Parks & Recr Enterprise Fund	(315,872.66)	(304,041.05) (E)	(0.26)
N	Self Insurance Fund	7,171,553.76	6,902,929.61	5.82
N	Fleet Services	9,170,306.50	8,826,815.27	7.45
R	Trust & Agency	3,483,277.70	3,352,804.93	2.83
TOTAL		123,135,833.11	118,523,546.89	100.00

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$123,135,833.11 and the Pooled Cash and Investments total of \$118,523,546.89 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 \$549,453 is pending review and approval by the City of Los Angeles.
 Reimbursement for FY 05-06 in the amount of \$181,095 is pending from the State of California.
 Reimbursement for FY 05-06 in the amount of \$103,673 is pending from the County of Los Angeles.
 Reimbursement for FY 05-06 in the amount of \$2,105 is pending from the City of Carson.
 Reimbursement in the amount of \$312,454 was received from the State of California on 3/1/06.
- (C) FEAP 331-Lago Seco Park Development - Primary Elements has a negative cash balance of <\$1,051,708>. Community Services informed Finance on 3/27/06 that a partial reimbursement request for approximately \$850,000 was expected to be submitted later on that day. The balance will be submitted for reimbursement after project inspections are done and upon project completion.
- (D) MTA remittance for the month of February in the amount of \$620,318 was received and posted on 3/7/06.
 Transit expects approval of its federal capital assistance grant application in May 2006 which includes \$2.1 million in FY 2004-05 capital preventative maintenance reimbursement.
- (E) Revenue of approximately \$173,600 was received on 2/28/06 for spring classes and posted on 3/1/06.
 The beverage contract revenue of \$140,000 was received on 3/8/06.

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF FEBRUARY 28, 2006**

INVESTMENTS PER PORTFOLIO SUMMARY
(City Pool)

123,135,833.11

CASH AND INVESTMENTS PER BOOKS

118,523,546.89

CASH IN BANKS:

Cash in B of A General Account	(\$853,828.24)
Cash in B of A Payroll Account	0.00

OUTSTANDING WARRANTS:

General Account	2,828,728.97
Payroll Account	130,143.96
Workers Compensation Account	86,648.96
Housing Account	<u>324,835.25</u> 3,370,357.14
Miscellaneous outstanding adjusting journal entries	2,095,757.32

INVESTMENTS PER BOOKS

\$123,135,833.11