Council Meeting of
July 7, 2009

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

Members of Council:

SUBJECT: Accept and file Investment Reports for May 2009

RECOMMENDATION

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

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City of Torrance
Investment Portfolio Highlights
For May 2009

RETURN

	Current Month	Previous Month
Average City Portfolio YTM	3.138	3.285
Average U.S. Treasury Constant Maturity	0.920	0.910
LAIF Average Monthly Return	1.530	1.607
Average City Portfolio YTM - 1 year prior	4.088	4.249

INTEREST INCOME

	Current Period	Prior Year
Fiscal year to date	6,584,362	7,762,620
Current month	505,846	766,679

MATURITY

	Current Month	Prior Month
Average Maturity (days)	778	774
Average Maturity 1 Year Prior (days)	888	876
Weighted Average Maturity (years)	2.13	2.12

VOLUMES

	Total $ Volume	# of Transactions
Purchases	23,506,000	14
Maturities	24,510,343	18

Transactions include 1 deposits to and 5 withdrawals from LAIF, 5 purchases and 4 maturities of the Union of Bank Money Market Sweep Account.

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

GASB required securities	Beginning Investment Value as of July 1,2008	Purchase/Redempt. Of Principal	Change in Market Value	Ending Investment Value as of May 31, 2009
Federal Agency (coup)	117,807,309	-10,102,249	1,704,320	109,409,380
Treasury Securities	9,181,240	-5,000,000	-55,930	4,125,310
Medium Term Notes	25,558,720	-5,435,580	205,148	20,328,288
Municipal Bonds	1,309,154	-252,360	0	1,056,794
SUB-TOTAL PER GASB 31	**153,856,423**	**-20,790,189**	**1,853,538**	**134,919,772**
Non-GASB securities				
LAIF	48,200,000	1,400,000	0	49,600,000
Money Market	6,000,000	-3,509,905	0	2,490,095
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	-16,110	16,110	0
TOTAL PORTFOLIO	**208,056,423**	**-22,734,908**	**1,888,352**	**187,209,867`**

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

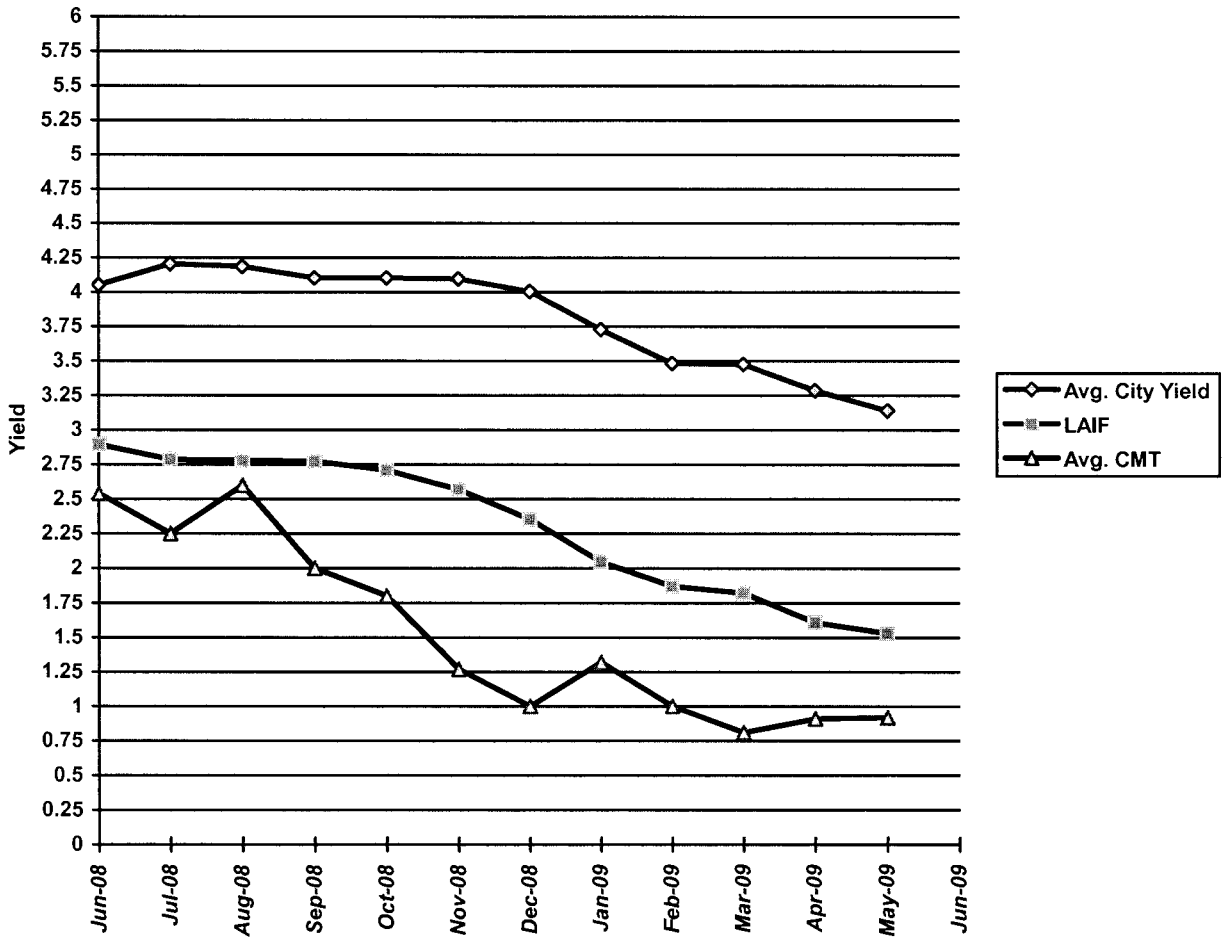
CITY OF TORRANCE

City Treasurer's Office

Monthly Investment Report Summary
For the month of May 2009

I. Return

31.98% of the portfolio is invested at one-year maturity or less as of May 31, 2009. The City Average yield on the portfolio was 3.138% compared to .92% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of May 31, 2009 by 222 basis points.



II. Volumes

The investment activity for May included 5 deposits and 4 redemption in the Union Bank of California money market account.

III. Diversification of Investments

In the month of May there were eight purchases for a total of $12 million with an average yield of 2.00%. There were 8 calls and 1 redemption for a total of $12.5 million with an average yield of 4.00%. The activity in the LAIF Account consisted of 1 deposit for a total of $6.0 million and 5 withdrawals for a total of $7.0 million. The portfolio decreased by $1 million.

Asset Category	May	April
1. LAIF	26.74	27.13
2. Certificate of Deposits	.11	.11
3. Money Market Sweep	1.34	1.07
4. Federal Agency Issues(coup)	58.16	58.11
5. Federal Agency Issues(disc)	0.00	0.00
6. Treasury Securities	2.15	2.14
7. Treasury Securities(disc)	0.00	0.00
8. Medium Term Notes	10.93	10.87
9. Municipal Bonds	.57	.57
10. Commercial Paper(disc)	0.00	0.00
	100.00%	100.00%

IV. Maturity

As of May 31, 2009, the current maturity allocation is 31.80% of the portfolio invested between the 6 month to 3-year maturity levels. 29.28% 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 $54.3 million available for expenditures.

As of Maturity	May	April
0 to 6 months	29.27%	29.40%
6 months to 1 year	2.70%	2.15%
1 to 2 years	10.90%	11.38%
2 to 3 years	18.20%	16.49%
3 to 4 years	28.68%	29.86%
4 to 5 years	10.25%	10.72%
5 years and after	.00%	.00%
	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 May 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	49,600,000	26.74%	**	1	1	N/A	1.530%
Certificates of Deposit – Collateralized	200,000	.11%		179	109	5 years	1.600%
Money Market Sweep Account	2,490,094	1.34%		1	1		.003%
Federal Agency Issues – Coupons	107,905,150	58.17%	75%	1,494	1,189	5 years	3.569%
Farmer Mac	0	0.00%	30%			5 years	
Federal Farm Credit Bank	44,513,754	24.16%	30%	352	375	5 years	1.969%
Federal Home Loan Bank	41,389,395	22.52%	30%	376	445	5 years	1.812%
Federal Home Loan Mortgage Corp.	8,002,001	4.32%	30%	472	485	5 years	2.053%
Federal National Mortgage Assoc.	14,000,000	7.56%	30%	514	540	5 years	2.192%
Treasury Securities – Coupons	3,989,320	2.15%	100%	1,187	296	5 years	4.818%
Medium Tern Notes	20,272,552	10.93%	20%	1,249	666	5 years	4.591%
Municipal Bond Issues – Coupon	1,056,793	.57%		3,848	1,126		7.999%
Total Investments & Averages	185,513,912	100.00%		1,053	778		3.138%
Pending Redemptions	0						
Accrued Interest at Purchase	16,914						
Total Accrued Interest	16,914						
TOTAL CASH & INVESTMENTS	185,530,525						

Portfolio Notes:
**Maximum allowed by Investment Policy is $40 million per agency.
General LAIF account = $39,700,000
ROA LAIF account = $ 9,900,000

I certify that this report accurately reflects all pooled investments and is in conformity with the city of Torrance Investment Policy Statement adopted by resolution 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 months of estimated expenditures.

Linda M. Barnett
City Treasurer

Reviewed by the Investment Advisory Committee:

City Manager

Assistant City Attorney

for Director of Finance

City Treasurer

City of Torrance
Portfolio Management
Activity Summary
May 2008 through May 2009

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
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
February	2009	103	188,346,804.95	3.409	3.457	1.869	7	12	1,059	794
March	2009	106	186,171,306.63	3.427	3.475	1.822	8	5	1,100	813
April	2009	103	184,304,902.18	3.240	3.285	1.607	2	5	1,058	774
May	2009	102	188,346,306.60	3.116	3.159	1.607	8	9	1,053	778
	Average	**115**	**184,431,278.26**	**3.791%**	**3.843%**	**2.376**	**5**	**7**	**1,200**	**932**

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invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10799	Citigroup	05/14/2009	FNMA	AAA/Aaa	05/14/2014	1808	2.128%	2.125%	2,000,000	2,000,000	1,976,880
10800	Citigroup	05/08/2009	FFCB	AAA/Aaa	04/08/2013	1407	2.200%	2.200%	1,000,000	1,000,000	993,440
10801		05/19/2009	FHLMC	AAA/Aaa	11/19/2012	1267	2.170%	2.170%	1,000,000	1,000,000	999,060
10802	Stone & Youngberg	05/07/2009	FHLMC	AAA/Aaa	03/02/2012	1005	2.350%	2.129%	1,000,000	1,006,000	1,007,440
10803	Great Pacific Securities	05/20/2009	FFCB	AAA/Aaa	05/20/2013	1449	2.500%	2.500%	2,000,000	2,000,000	1,995,620
10804	Wedbush	05/21/2009	FNMA	AAA/Aaa	11/21/2011	903	1.500%	1.500%	2,000,000	2,000,000	1,999,380
10805	Wedbush	05/28/2009	FFCB	AAA/Aaa	11/28/2011	910	1.590%	1.590%	1,000,000	1,000,000	1,000,310
10806	Citigroup	05/22/2009	FFCB	AAA/Aaa	05/21/2012	1085	1.800%	1.800%	2,000,000	2,000,000	1,998,760
									$12,000,000	$12,006,000	$11,970,890
							Weighted Average Yield	1.822%			

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10600	BrookStreet	05/04/2006	FFCB	AAA/Aaa	05/04/2009	5.250%	5.226%	1,000,000	1,000,000	1,000,000
10747	Morgan Stanley	05/08/2008	FHLB	AAA/Aaa	11/08/2011	3.700%	3.835%	1,500,000	1,500,000	1,500,000
10756	Citigroup	05/15/2008	FFCB	AAA/Aaa	05/15/2012	3.800%	3.800%	1,000,000	1,000,000	1,000,000
10658	Citigroup	05/15/2007	FHLB	AAA/Aaa	05/15/2012	5.200%	5.193%	1,000,000	1,000,000	1,000,000
10599	Higgins Capital	05/19/2006	FHLB	AAA/Aaa	05/19/2011	5.520%	5.515%	1,000,000	1,000,000	1,000,000
10782	Citigroup	02/06/2009	FFCB	AAA/Aaa	02/06/2012	2.350%	2.406%	2,000,000	2,000,000	2,000,000
10730	Citigroup	02/22/2008	FNMA	AAA/Aaa	02/22/2013	4.125%	4.578%	2,000,000	2,000,000	2,000,000
10753	Stone & Youngberg	05/27/2008	FHLB	AAA/Aaa	05/27/2011	3.500%	3.500%	2,000,000	2,000,000	2,000,000
10755	Citigroup	05/28/2008	FHLB	AAA/Aaa	05/28/2011	3.560%	3.560%	1,000,000	1,000,000	1,000,000
								$12,500,000	$12,500,000	$12,500,000
						Weighted Average Yield	4.001%			

* 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) LAIF TRANSACTIONS

	DEALER		DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
-	State of California	-	Local Agency Pool							
			City	27,200,000	1.530%	1.530%	-	300,000		26,900,000
			Tran Acct	12,800,000	1.530%	1.530%				12,800,000
			RDA	10,600,000	1.530%	1.530%	6,000,000	6,700,000		9,900,000
				$50,600,000			$6,000,000	$7,000,000	$ -	$49,600,000

City of Torrance
Portfolio Management
Interest Earnings Summary
May 31, 2009

	May 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	76,833.33	5,621,311.38
Plus Accrued Interest at End of Period	1,712,302.14	1,712,302.14
Less Accrued Interest at Beginning of Period	(1,355,531.03)	(1,690,974.34)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	433,604.44	5,642,639.18
Adjusted by Premiums and Discounts	721.55	72,008.91
Adjusted by Capital Gains or Losses	0.00	61,501.50
Earnings during Periods	434,325.99	5,776,149.59
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	886,285.53
Plus Accrued Interest at End of Period	720,209.40	720,209.40
Less Accrued Interest at Beginning of Period	(648,584.81)	(798,178.01)
Interest Earned during Period	71,624.59	808,316.92
Total Interest Earned during Period	**505,229.03**	**6,450,956.10**
Total Adjustments from Premiums and Discounts	**721.55**	**72,008.91**
Total Capital Gains or Losses	**0.00**	**61,501.50**
Total Earnings during Period	**505,950.58**	**6,584,466.51**

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City of Torrance
Portfolio Management
Portfolio Details - Investments
May 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
Local Agency Investment Funds												
SYS10000	10000	Local Agency Invest Fund GEN'L			26,900,000.00	26,900,000.00	26,900,000.00	1.607		1.607	1	
SYS10001	10001	Local Agency Invest. Fund RDA			9,900,000.00	9,900,000.00	9,900,000.00	1.607		1.607	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			12,800,000.00	12,800,000.00	12,800,000.00	1.607		1.607	1	
		Subtotal and Average	**52,432,258.06**		**49,600,000.00**	**49,600,000.00**	**49,600,000.00**			**1.607**	**1**	
Cert. of Deposit - Collateralized												
SYS10796	10796	PREFERRED BANK		03/23/2009	200,000.00	200,000.00	200,000.00	1.600		1.600	109	09/18/2009
		Subtotal and Average	**200,000.00**		**200,000.00**	**200,000.00**	**200,000.00**			**1.600**	**109**	
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	4.620	Aa2	4.620	1	
SYS1000	1000	Union Bank of California			2,489,656.94	2,489,656.94	2,489,656.94	0.003		0.003	1	
		Subtotal and Average	**0.00**		**2,489,656.94**	**2,489,656.94**	**2,489,656.94**			**0.003**	**1**	
Federal Agency Issues - Coupon												
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,042,810.00	1,000,000.00	5.000	Aaa	5.002	359	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	1,157	08/01/2012
31331X2Z4	10688	FEDERAL FARM CREDIT BANK		09/14/2007	1,000,000.00	1,013,440.00	1,000,000.00	5.250	Aaa	5.250	1,201	09/14/2012
31331YHR4	10706	FEDERAL FARM CREDIT BANK		12/14/2007	1,000,000.00	1,020,940.00	1,000,000.00	4.400	Aaa	4.400	1,292	12/14/2012
31331YKW9	10708	FEDERAL FARM CREDIT BANK		12/28/2007	1,000,000.00	1,020,000.00	1,000,000.00	4.250	Aaa	4.250	940	12/28/2011
31331YPL8	10710	FEDERAL FARM CREDIT BANK		01/24/2008	1,000,000.00	1,005,000.00	1,000,000.00	3.750	Aaa	3.750	602	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	1,334	01/25/2013
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	1,334	01/25/2013
31331YSB7	10723	FEDERAL FARM CREDIT BANK		02/01/2008	1,000,000.00	1,019,690.00	1,000,000.00	3.790	Aaa	3.790	1,341	02/01/2013
31331YTS9	10726	FEDERAL FARM CREDIT BANK		02/11/2008	2,000,000.00	2,043,120.00	2,000,000.00	3.750	Aaa	3.750	1,351	02/11/2013
31331YT26	10757	FEDERAL FARM CREDIT BANK		06/02/2008	2,000,000.00	2,031,260.00	1,999,865.93	3.620	Aaa	3.627	731	06/02/2011
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	1,033,440.00	1,000,000.00	4.240	Aaa	4.240	1,463	06/03/2013
31331Y2G4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,043,130.00	1,000,000.00	4.850	Aaa	4.850	1,491	07/01/2013
31331Y4A5	10771	FEDERAL FARM CREDIT BANK		07/28/2008	1,000,000.00	1,005,310.00	1,000,000.00	3.875	Aaa	3.875	787	07/28/2011
31331Y6E5	10772	FEDERAL FARM CREDIT BANK		08/13/2008	1,000,000.00	1,008,440.00	1,000,000.00	4.750	Aaa	4.750	1,534	08/13/2013
31331Y3F5	10773	FEDERAL FARM CREDIT BANK		08/14/2008	5,000,000.00	5,026,550.00	5,001,063.44	4.750	Aaa	4.712	1,505	07/15/2013
31331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,040,000.00	1,000,270.83	3.125	Aaa	3.113	844	09/23/2011
31331GBS7	10777	FEDERAL FARM CREDIT BANK		09/30/2008	3,000,000.00	3,021,570.00	2,997,938.04	3.100	Aaa	3.219	473	09/17/2010
31331GBT5	10778	FEDERAL FARM CREDIT BANK		10/07/2008	2,000,000.00	2,018,760.00	1,999,688.24	3.990	Aaa	4.003	1,204	09/17/2012
31331GDF3	10779	FEDERAL FARM CREDIT BANK		10/15/2008	2,000,000.00	2,065,000.00	2,000,000.00	4.250	Aaa	4.250	1,597	10/15/2013
31331GLP2	10781	FEDERAL FARM CREDIT BANK		01/30/2009	2,000,000.00	1,993,760.00	2,000,000.00	3.100	Aaa	3.100	1,704	01/30/2014

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Portfolio CITY
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City of Torrance
Portfolio Management
Portfolio Details - Investments
May 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
Federal Agency Issues - Coupon												
31331GLY3	10783	FEDERAL FARM CREDIT BANK		02/11/2009	1,000,000.00	1,002,810.00	1,000,000.00	2.850	Aaa	2.850	1,351	02/11/2013
31331GPA1	10792	FEDERAL FARM CREDIT BANK		03/03/2009	1,000,000.00	1,002,810.00	998,677.78	3.250	Aaa	3.288	1,736	03/03/2014
31331GST7	10797	FEDERAL FARM CREDIT BANK		04/13/2009	3,000,000.00	3,004,680.00	3,000,000.00	2.080	Aaa	2.080	1,047	04/13/2012
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	993,440.00	1,000,000.00	2.200	Aaa	2.200	1,407	04/08/2013
31331GWL9	10803	FEDERAL FARM CREDIT BANK		05/20/2009	2,000,000.00	1,995,620.00	2,000,000.00	2.500	Aaa	2.500	1,449	05/20/2013
31331GWS4	10805	FEDERAL FARM CREDIT BANK		05/28/2009	1,000,000.00	1,000,310.00	1,000,000.00	1.590	Aaa	1.590	910	11/28/2011
31331GWQ8	10806	FEDERAL FARM CREDIT BANK		05/22/2009	2,000,000.00	1,998,760.00	2,000,000.00	1.800	Aaa	1.800	1,085	05/21/2012
3133XKYE9	10662	FEDERAL HOME LOAN BANK		05/25/2007	1,000,000.00	1,042,190.00	1,000,000.00	5.200	Aaa	5.200	1,089	05/25/2012
3133XLVX8	10679	FEDERAL HOME LOAN BANK		08/06/2007	500,000.00	504,375.00	500,000.00	5.400	Aaa	5.400	1,162	08/06/2012
3133XLWB5	10680	FEDERAL HOME LOAN BANK		08/14/2007	500,000.00	505,000.00	500,000.00	5.460	Aaa	5.460	1,170	08/14/2012
3133XM3S8	10684	FEDERAL HOME LOAN BANK		08/27/2007	1,000,000.00	1,051,880.00	1,000,000.00	5.125	Aaa	5.125	1,183	08/27/2012
3133XMG39	10691	FEDERAL HOME LOAN BANK		10/09/2007	2,000,000.00	2,032,500.00	2,000,000.00	5.100	Aaa	5.100	1,226	10/09/2012
3133XMPZ8	10696	FEDERAL HOME LOAN BANK		10/22/2007	2,000,000.00	2,036,260.00	2,000,000.00	5.150	Aaa	5.150	1,239	10/22/2012
3133XNJA8	10701	FEDERAL HOME LOAN BANK		12/17/2007	1,000,000.00	1,020,310.00	1,000,000.00	4.550	Aaa	4.550	1,295	12/17/2012
3133XNHS1	10702	FEDERAL HOME LOAN BANK		12/03/2007	895,000.00	895,277.45	895,000.00	4.520	Aaa	4.520	1,281	12/03/2012
3133XNYV5	10712	FEDERAL HOME LOAN BANK		01/22/2008	1,000,000.00	1,022,810.00	1,000,000.00	4.050	Aaa	4.050	1,331	01/22/2013
3133XPF90	10725	FEDERAL HOME LOAN BANK		02/05/2008	1,000,000.00	1,020,940.00	1,000,000.00	3.660	Aaa	3.660	1,345	02/05/2013
3133XPMS0	10727	FEDERAL HOME LOAN BANK		02/25/2008	1,000,000.00	1,007,810.00	1,000,000.00	3.750	Aaa	3.750	1,365	02/25/2013
3133XQCL4	10735	FEDERAL HOME LOAN BANK		03/26/2008	2,750,000.00	2,817,045.00	2,750,000.00	3.720	Aaa	3.720	1,394	03/26/2013
3133XQEH1	10736	FEDERAL HOME LOAN BANK		03/18/2008	1,000,000.00	1,010,940.00	999,950.46	4.000	Aaa	4.006	1,386	03/18/2013
3133XQJZ6	10738	FEDERAL HOME LOAN BANK		04/16/2008	2,000,000.00	2,040,620.00	1,999,825.00	3.750	Aaa	3.754	1,415	04/16/2013
3133XQJA1	10742	FEDERAL HOME LOAN BANK		04/15/2008	2,000,000.00	2,078,120.00	2,000,000.00	3.700	Aaa	3.700	1,414	04/15/2013
3133XQVY5	10746	FEDERAL HOME LOAN BANK		05/13/2008	2,000,000.00	2,063,120.00	1,999,762.50	4.125	Aaa	4.131	1,442	05/13/2013
3133XQWX6	10748	FEDERAL HOME LOAN BANK		05/07/2008	1,500,000.00	1,540,320.00	1,500,000.00	3.760	Aaa	3.760	1,071	05/07/2012
3133XQZ88	10751	FEDERAL HOME LOAN BANK		05/14/2008	1,000,000.00	1,025,940.00	1,000,000.00	3.625	Aaa	3.625	1,078	05/14/2012
3133XRCH1	10759	FEDERAL HOME LOAN BANK		06/12/2008	2,000,000.00	2,001,880.00	1,999,938.89	4.000	Aaa	4.027	1,107	06/12/2012
3133XRFD7	10761	FEDERAL HOME LOAN BANK		06/11/2008	1,000,000.00	1,000,940.00	1,000,000.00	4.250	Aaa	4.250	1,106	06/11/2012
3133XRFU9	10762	FEDERAL HOME LOAN BANK		06/17/2008	2,245,000.00	2,284,287.50	2,244,918.51	3.800	Aaa	3.804	746	06/17/2011
3133XRKU3	10764	FEDERAL HOME LOAN BANK		06/25/2008	1,000,000.00	1,036,560.00	1,000,000.00	4.350	Aaa	4.350	1,120	06/25/2012
3133XRNW6	10767	FEDERAL HOME LOAN BANK		07/14/2008	1,000,000.00	1,004,380.00	1,000,000.00	4.250	Aaa	4.250	773	07/14/2011
3133XRRS1	10770	FEDERAL HOME LOAN BANK		07/22/2008	2,000,000.00	2,010,000.00	2,000,000.00	4.020	Aaa	4.020	781	07/22/2011
3133XSY93	10784	FEDERAL HOME LOAN BANK		02/18/2009	1,000,000.00	999,060.00	1,000,000.00	3.250	Aaa	3.250	1,723	02/18/2014
3133XT2P0	10785	FEDERAL HOME LOAN BANK		02/24/2009	2,000,000.00	2,018,120.00	2,000,000.00	2.550	Aaa	2.550	998	02/24/2012
3133XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,001,260.00	2,000,000.00	2.625	Aaa	2.625	1,366	02/26/2013
3133XT6W1	10789	FEDERAL HOME LOAN BANK		02/27/2009	2,000,000.00	2,026,260.00	2,000,000.00	2.150	Aaa	2.150	1,001	02/27/2012
3133XTA97	10790	FEDERAL HOME LOAN BANK		03/06/2009	1,000,000.00	1,016,880.00	1,000,000.00	2.100	Aaa	2.100	827	09/06/2011

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 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
Federal Agency Issues - Coupon												
3128X7LX0	10745	FEDERAL HOME LOAN MORTGAGE CO		04/29/2008	2,000,000.00	2,053,480.00	1,997,266.67	3.920	Aaa	3.987	1,428	04/29/2013
3128X7G32	10763	FEDERAL HOME LOAN MORTGAGE CO		06/30/2008	1,000,000.00	1,002,850.00	1,000,000.00	4.050	Aaa	4.050	577	12/30/2010
3128X8QM7	10794	FEDERAL HOME LOAN MORTGAGE CO		03/24/2009	1,000,000.00	1,010,460.00	999,037.22	2.375	Aaa	2.396	1,757	03/24/2014
3128X8TZ5	10798	FEDERAL HOME LOAN MORTGAGE CO		04/20/2009	2,000,000.00	1,995,300.00	2,000,000.00	2.500	Aaa	2.500	1,407	04/08/2013
3128X8E73	10801	FEDERAL HOME LOAN MORTGAGE CO		05/19/2009	1,000,000.00	999,060.00	1,000,000.00	2.170	Aaa	2.170	1,267	11/19/2012
3128X8MS8	10802	FEDERAL HOME LOAN MORTGAGE CO		05/07/2009	1,000,000.00	1,007,440.00	1,005,696.84	2.350	Aaa	2.129	1,005	03/02/2012
3136F8N92	10720	FEDERAL NATIONAL MORT ASSOC		01/29/2008	2,000,000.00	2,039,380.00	2,000,000.00	3.625	Aaa	3.625	1,338	01/29/2013
3136F9MV2	10749	FEDERAL NATIONAL MORT ASSOC		05/05/2008	1,000,000.00	1,023,440.00	1,000,000.00	3.250	Aaa	3.250	703	05/05/2011
3136F9NE9	10752	FEDERAL NATIONAL MORT ASSOC		05/14/2008	1,000,000.00	1,023,130.00	1,000,000.00	4.000	Aaa	4.000	1,443	05/14/2013
3136F9WQ2	10765	FEDERAL NATIONAL MORT ASSOC		07/02/2008	1,000,000.00	1,003,130.00	1,000,000.00	4.000	Aaa	4.000	396	07/02/2010
3136F9WQ2	10766	FEDERAL NATIONAL MORT ASSOC		07/02/2008	1,000,000.00	1,003,130.00	1,000,000.00	4.000	Aaa	4.000	396	07/02/2010
3136FHAK1	10786	FEDERAL NATIONAL MORT ASSOC		02/27/2009	1,000,000.00	1,008,750.00	1,000,000.00	2.625	Aaa	2.625	1,183	08/27/2012
31398AVL3	10787	FEDERAL NATIONAL MORT ASSOC		03/02/2009	1,000,000.00	1,007,810.00	1,000,000.00	2.000	Aaa	2.000	639	03/02/2011
31398AVR0	10791	FEDERAL NATIONAL MORT ASSOC		03/10/2009	1,000,000.00	1,003,750.00	1,000,000.00	3.375	Aaa	3.375	1,743	03/10/2014
3136FHCF0	10793	FEDERAL NATIONAL MORT ASSOC		03/05/2009	1,000,000.00	1,011,880.00	1,000,000.00	2.250	Aaa	2.250	998	02/24/2012
3136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC		05/14/2009	2,000,000.00	1,976,880.00	2,000,000.00	2.125	Aaa	2.125	1,808	05/14/2014
3136FHWB7	10804	FEDERAL NATIONAL MORT ASSOC		05/21/2009	2,000,000.00	1,999,380.00	2,000,000.00	1.500	Aaa	1.500	903	11/21/2011
		Subtotal and Average	**10,424,061.53**		**107,890,000.00**	**109,409,379.95**	**107,905,150.35**			**3.569**	**1,189**	
Treasury Securities - Coupon												
912828DZ0	10579	U.S.TREASURY NOTE		07/25/2005	1,000,000.00	1,037,380.00	998,170.09	3.875	Aaa	4.057	409	07/15/2010
912828GR5	10669	U.S.TREASURY NOTE		06/08/2007	1,000,000.00	1,037,930.00	995,536.38	4.500	Aaa	5.008	348	05/15/2010
912828GG9	10671	U.S.TREASURY NOTE		06/15/2007	1,000,000.00	1,030,590.00	997,636.63	4.750	Aaa	5.109	259	02/15/2010
912828FX3	10672	U.S.TREASURY NOTE		06/15/2007	1,000,000.00	1,019,410.00	997,976.73	4.625	Aaa	5.100	167	11/15/2009
		Subtotal and Average	**1,995,294.75**		**4,000,000.00**	**4,125,310.00**	**3,989,319.83**			**4.818**	**296**	
Medium Term Notes												
060505AR5	10699	Bank of America		11/02/2007	990,000.00	953,132.40	990,080.24	4.875	Aa2	4.871	1,202	09/15/2012
084664AF8	10709	Berkshire Hathaway		01/15/2008	1,000,000.00	1,034,480.00	1,007,972.32	4.200	Aaa	3.648	562	12/15/2010
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,043,050.00	1,012,427.52	4.625	Aaa	4.300	1,597	10/15/2013
084664AF8	10795	Berkshire Hathaway		03/10/2009	1,000,000.00	1,034,480.00	1,015,267.72	4.200	Aaa	3.170	562	12/15/2010
36962GK78	10703	General Electric Capital Corp		12/03/2007	1,000,000.00	1,014,860.00	998,128.90	4.250	Aaa	4.404	469	09/13/2010
36966RV94	10729	General Electric Capital Corp		02/14/2008	2,000,000.00	1,958,760.00	2,000,000.00	4.000	Aaa	4.000	989	02/15/2012
36966RY59	10760	General Electric Capital Corp		05/30/2008	2,000,000.00	1,952,340.00	2,000,000.00	4.150	Aaa	4.150	1,079	05/15/2012
38143UBE0	10660	Goldman Sachs		05/14/2007	1,210,000.00	1,230,315.90	1,203,653.85	4.500	Aa3	5.050	379	06/15/2010
38141GBU7	10743	Goldman Sachs		04/18/2008	1,000,000.00	1,056,530.00	1,041,684.57	6.600	Aa3	4.840	958	01/15/2012

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 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
Medium Term Notes												
40429CCX8	10632	Household Finance Co		11/20/2006	1,000,000.00	1,001,270.00	1,001,123.86	5.250	A3	5.170	592	01/14/2011
40429XB39	10694	Household Finance Co		10/12/2007	1,000,000.00	999,080.00	1,000,000.00	5.000	A3	5.000	501	10/15/2010
40429XC95	10700	Household Finance Co		11/29/2007	1,000,000.00	1,001,190.00	1,000,000.00	5.050	A3	5.050	532	11/15/2010
59018YVV0	10630	MERRILL LYNCH		11/17/2006	1,000,000.00	998,330.00	997,222.18	4.790	A2	5.050	429	08/04/2010
64952WAE3	10697	New York Life Global		11/02/2007	1,000,000.00	1,013,850.00	999,913.35	4.625	Aaa	4.630	441	08/16/2010
90327QCQ0	10670	USAA Capital Corp		06/12/2007	2,000,000.00	2,004,140.00	1,992,231.41	4.640	Aa1	5.420	197	12/15/2009
949746NB3	10715	Wells Fargo Co		01/23/2008	1,000,000.00	1,032,470.00	1,013,179.84	4.875	Aa1	4.000	590	01/12/2011
98153BAE4	10604	World Savings Bank		06/05/2006	1,000,000.00	1,000,010.00	999,666.83	4.500	Aa3	5.440	14	06/15/2009
		Subtotal and Average	**1,015,654.43**		**20,200,000.00**	**20,328,288.30**	**20,272,552.59**			**4.591**	**666**	
Muncipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	1,056,793.97	1,056,793.97	1,056,793.97	8.000		7.999	1,126	07/01/2012
		Subtotal and Average	**1,056,793.97**		**1,056,793.97**	**1,056,793.97**	**1,056,793.97**			**7.999**	**1,126**	
		Total and Average	**67,124,062.75**		**185,436,450.91**	**187,209,429.16**	**185,513,473.68**			**3.158**	**778**	

City of Torrance
Portfolio Management
Portfolio Details - Cash
May 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		16,613.90	16,613.90				**0**
				Subtotal		16,613.90	16,613.90				
	Total Cash and Investmentss		**188,346,306.60**		**185,436,450.91**	**187,226,043.06**	**185,530,087.58**			**3.158**	**778**

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II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

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

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE		CASH PERCENT
N	General	62,703,861.51	67,132,342.88		33.80
R	Parks & Recr Facility & Open Space	3,396,351.62	3,636,220.10		1.83
R	State Gas Tax	4,765,113.97	5,101,651.75		2.57
R	Federal Housing, Community Dev	312,026.19	334,063.15		0.17
R	Street Lighting	265,552.17	284,306.88		0.14
R	Traffic Congestion Relief Act 2000 - AB2928	928,795.15	994,391.62		0.50
R	Proposition 1B	2,334,239.46	2,499,095.91		1.26
R	Police Asset Forfeiture	2,917,320.61	3,123,357.36		1.57
N	Government Cable	2,460,499.60	2,634,273.21		1.33
R	Local Return - Proposition C	5,829,710.48	6,241,435.75		3.14
R	Grants/Donations	(1,211,615.64)	(1,297,186.40)	(B)	(0.65)
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	212,718.41	227,741.72		0.11
R	Seismic Education Fund	47,969.99	51,357.89		0.03
R	Rehabilitation Housing	569,301.61	609,508.73		0.31
R	Police Inmate Welfare Fund	48,651.63	52,087.67		0.03
N	Capital Improvements	21,617,196.44	23,143,918.23		11.65
R	Vanpool/Rideshare Fund	313,230.09	335,352.07		0.17
R	Torrance Improvement Fund	4,704,625.96	5,036,891.76		2.54
R	Animal Control Fund	29,017.11	31,066.45		0.02
R	Redevelopment-Capital Proj	9,720,298.41	10,406,797.76		5.24
R	Redevelopment Debt Service	3,263,135.32	3,493,595.35		1.76
N	DNA Sampling Fund	16,168.12	17,310.00		0.01
N	Airport Fund	6,193,574.39	6,630,997.67		3.34
N	Transit Operations	2,400,382.08	2,569,909.87		1.29
R	Development Impact Fund	671,944.80	719,401.13		0.36
N	Water Operations	4,242,359.89	4,541,977.99		2.29
N	Emergency Medical Service Enterprise Fund	-	-	(C)	0.00
N	Sanitation Operations	3,384,760.75	3,623,810.62		1.82
N	Cultural Arts Enterprise	424,756.91	454,755.51		0.23
N	Sewer Enterprise Fund	10,545,093.81	11,289,844.62		5.68
N	Parks & Recreation Enterprise Fund	377,953.78	404,646.89		0.20
N	Self Insurance Fund	8,349,708.98	8,939,409.99		4.50
N	Fleet Services	13,347,050.94	14,289,690.92		7.19
R	Postemployment/Compensated Absences Fund	7,358,734.66	7,878,447.78		3.97
R	Trust & Agency	2,973,422.35	3,183,421.31		1.60
	TOTAL	**185,513,911.55**	**198,615,894.14**		**100.00**

R = Restricted Funds
N = Non-Restricted Funds

(A) The difference between the Share of Investments total of $185,513,911.55 and the Pooled Cash and Investments total of $198,615,894.14 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) T43-T44 Torrance Blvd. Rehabilitation negative cash balance is <$1,712,293>. Request for reimbursement was mailed to the State on 5/18/09. Reimbursement is expected to be received by the end of June.

(C) A subsidy from the General Fund was transferred to the Emergency Medical Service Enterprise Fund to offset a negative cash balance of <$692,352.06>.

CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF MAY 31, 2009

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		**185,513,911.55**
CASH AND INVESTMENTS PER BOOKS		**198,615,894.14**
CASH IN BANKS:		
Cash in B of A General Account		($16,687,860.85)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	1,208,169.22	
Payroll Account	288,433.27	
Workers Compensation Account	84,067.73	1,580,670.22
Miscellaneous outstanding adjusting journal entries		319,518.94
Payroll for PE 5/31/09 posted on 5/31/09 and paid on 6/12/09		1,685,689.10
INVESTMENTS PER BOOKS		**$185,513,911.55**