

Redevelopment Agency  
July 14, 2009  
Agency Agenda Item 4A

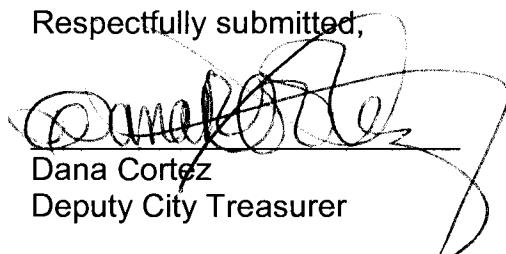
Honorable Chairman and Members  
of the Torrance Redevelopment Agency  
City Hall  
Torrance, California

Members of the Agency:

**SUBJECT: Supplemental Material to Agenda Item 4 A**

This supplement is to acknowledge that the Companion City Council Agenda Item was accepted and file as part of July 7<sup>th</sup> council meeting item 8L which is enclosed.

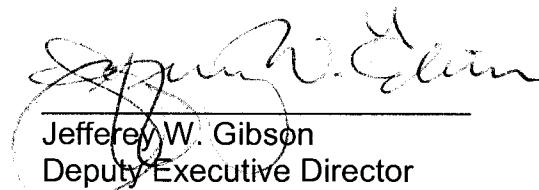
Respectfully submitted,

  
Dana Cortez  
Deputy City Treasurer

CONCUR:

  
Linda M. Barnett  
Agency Treasurer

  
LeRoy J. Jackson  
Executive Director

  
Jefferey W. Gibson  
Deputy Executive Director

Attachment:

A. Agenda Item 8L of July 7, 2009 meeting



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

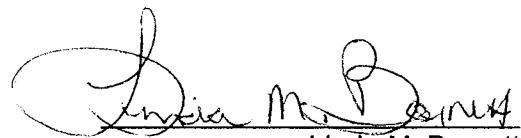
**BACKGROUND**

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**

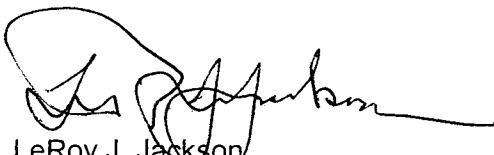
The Investment Committee, made up of the Finance Director, City Manager, Assistant City Attorney, and City Treasurer, as created by your Honorable Body, has reviewed the attached report and find that it is in concurrence with the City of Torrance Investment Policy.

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 2009Table of Contents

	<u>Page No.</u>
<b>I. CITY OF TORRANCE – POOLED FUNDS</b>	
<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	8-12
<b>II. RESTRICTED FUNDS</b>	
(Reports Appear Quarterly)	
<b>III. CASH &amp; INVESTMENT PORTFOLIO SHARE</b>	
Cash & Investment Share as of May 31, 2009	13
Cash & Investment Reconciliation	14



City of Torrance  
Investment Portfolio Highlights  
For May 2009

**RETURN**

	<u>Current Month</u>	<u>Previous Month</u>
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**

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

**MATURITY**

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

**VOLUMES**

	<u>Total \$ Volume</u>	<u># of Transactions</u>
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**

<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 May 31, 2009</u>
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
<b>SUB-TOTAL PER GASB 31</b>	<b>153,856,423</b>	<b>-20,790,189</b>	<b>1,853,538</b>	<b>134,919,772</b>
<u>Non-GASB securities</u>				
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
<b>TOTAL PORTFOLIO</b>	<b>208,056,423</b>	<b>-22,734,908</b>	<b>1,888,352</b>	<b>187,209,867</b>

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

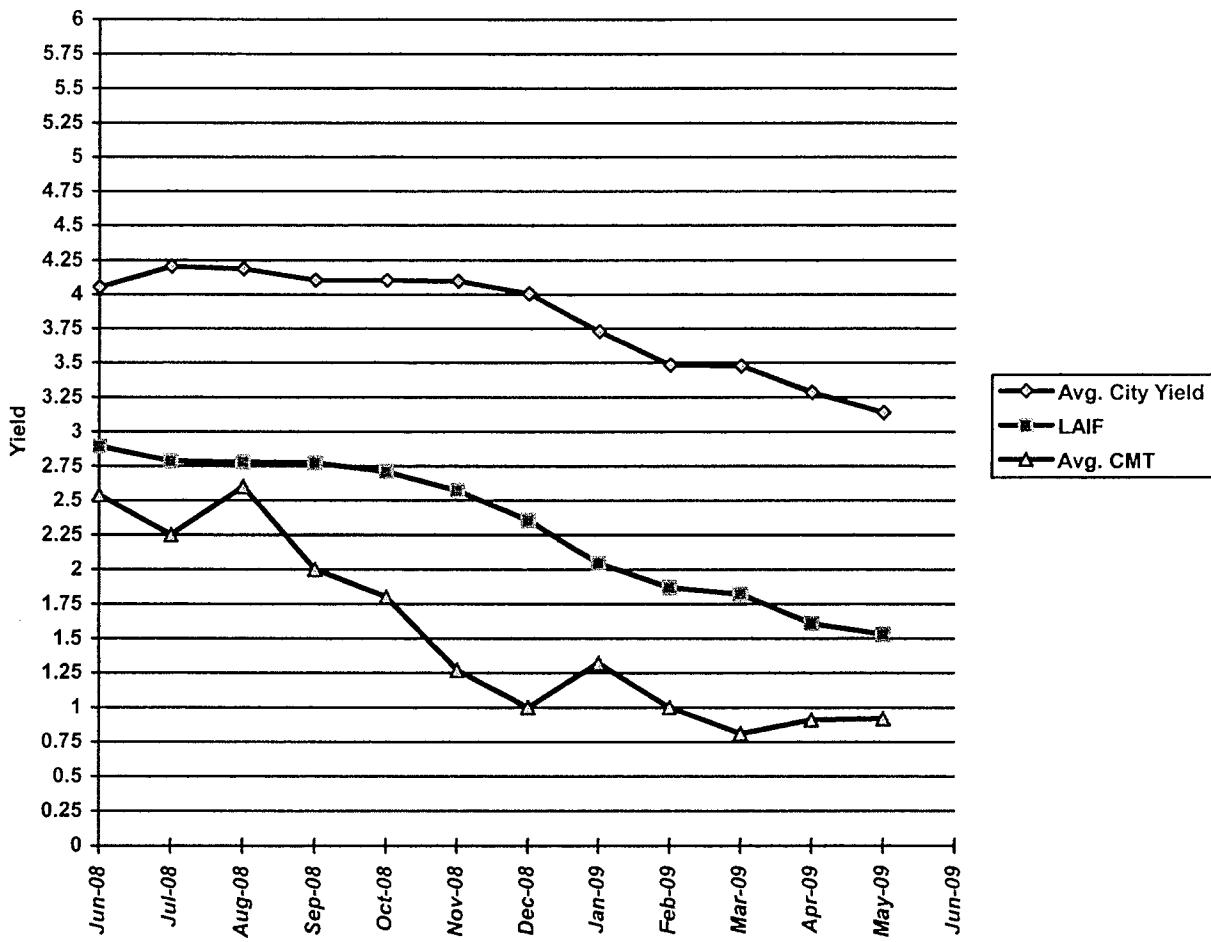
# CITY OF TORRANCE

## *City Treasurer's Office*

*Monthly Investment Report Summary  
For the month of 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.

<u>Asset Category</u>	<u>May</u>	<u>April</u>
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)	<u>0.00</u>	<u>0.00</u>
	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.

<u>As of Maturity</u>	<u>May</u>	<u>April</u>
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	<u>.00%</u>	<u>.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 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 Term 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						
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>185,530,525</b>						

**Portfolio Notes:**

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

General LAIF account = \$39,700,000

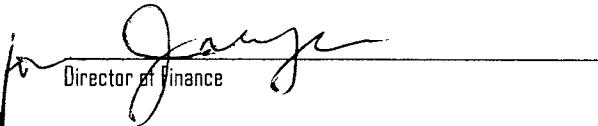
ROA LAIF account = \$ 9,900,000

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  
V

  
Director of Finance

  
Assistant City Attorney

  
Linda M. Barnett  
City Treasurer

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

Month End	Year	Number of Securities	Yield to Maturity			Managed Pool Rate	Number of Investments Purchased	Number of Investments Redemptions	Average Term	Days to Maturity
			360	Equivalent	365					
May	2008	133	203,045,113.25	4.037	4.093	3.072	12	5	1,151	869
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

9

invest	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
no.											
(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	1035	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	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
no.										
(II) MATURITIES**										
10600 BearStreet		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 HSHs 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%	2,000,000	2,000,000	2,000,000	2,000,000
10755 Citigroup		05/28/2008 FHLB		AAA/Aaa	05/28/2011	3.560%	1,000,000	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	27,200,000	1.530%	1.530%	-	300,000	26,900,000
	City Tran Acct	12,800,000	1.530%	1.530%	-	6,700,000	12,800,000
	RDA	10,600,000	1.530%	1.530%	6,000,000	\$7,000,000	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
<b>CD/Coupon/Discount Investments:</b>		
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	<u>433,604.44</u>	<u>5,642,639.18</u>
Adjusted by Premiums and Discounts	721.55	72,008.91
Adjusted by Capital Gains or Losses	0.00	61,501.50
Earnings during Periods	<u>434,325.99</u>	<u>5,776,149.59</u>
<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	<u>0.00</u>	<u>0.00</u>
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	<u>0.00</u>	<u>0.00</u>
<b>Cash/Checking Accounts:</b>		
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	<u>71,624.59</u>	<u>808,316.92</u>
Total Interest Earned during Period	<u>505,229.03</u>	<u>6,450,956.10</u>
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	<u>505,950.58</u>	<u>6,584,466.51</u>

**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
<b>Local Agency Investment Funds</b>												
SYS10000	10000	Local Agency Invest Fund GEN'L			26,900,000.00	26,900,000.00		1.607	Aaa	1.607	1	
SYS10001	10001	Local Agency Invest. Fund RDA			9,900,000.00	9,900,000.00		1.607	Aaa	1.607	1	
SYS1000a	1000A	LAF - TRANS FUNDS			12,800,000.00	12,800,000.00		1.607	Aaa	1.607	1	
		<b>Subtotal and Average</b>	<b>52,432,258.06</b>		<b>49,600,000.00</b>	<b>49,600,000.00</b>				<b>1.607</b>	<b>1</b>	
<b>Cert. of Deposit - Collateralized</b>												
SYS10796	10796	PREFERRED BANK		03/23/2009	200,000.00	200,000.00		1.600		1.600	109	
		<b>Subtotal and Average</b>	<b>200,000.00</b>		<b>200,000.00</b>	<b>200,000.00</b>				<b>1.600</b>	<b>109</b>	
<b>Money Market Sweep Account</b>												
SYS10131	10131	Bank of America			0.00	0.00		0.00		4.620	1	
SYS1000	1000	Union Bank of California			2,489,656.94	2,489,656.94		0.003	Aa2	4.620	1	
		<b>Subtotal and Average</b>	<b>0.00</b>		<b>2,489,656.94</b>	<b>2,489,656.94</b>				<b>0.003</b>	<b>1</b>	
<b>Federal Agency Issues - Coupon</b>												
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,042,810.00		5,000	Aaa	5,002	359	
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,102,190.00		5,250	Aaa	5,250	1,157	
31331XZ24	10688	FEDERAL FARM CREDIT BANK		09/14/2007	1,000,000.00	1,013,440.00		5,250	Aaa	5,250	1,201	
31331YHR4	10706	FEDERAL FARM CREDIT BANK		12/14/2007	1,000,000.00	1,020,940.00		4,400	Aaa	4,400	1,292	
31331YKW9	10708	FEDERAL FARM CREDIT BANK		12/28/2007	1,000,000.00	1,020,000.00		4,250	Aaa	4,250	940	
31331YPL8	10710	FEDERAL FARM CREDIT BANK		01/24/2008	1,000,000.00	1,005,000.00		1,000,000.00		3,750	602	
31331YQP8	10716	FEDERAL FARM CREDIT BANK		01/25/2008	2,500,000.00	2,551,575.00		2,516,250.00		3,657	1,334	
31331YQP8	10721	FEDERAL FARM CREDIT BANK		02/04/2008	1,000,000.00	1,020,630.00		1,000,000.00		3,800	1,334	
31331YSB7	10723	FEDERAL FARM CREDIT BANK		02/01/2008	1,000,000.00	1,019,690.00		1,000,000.00		3,790	1,341	
31331YTS9	10726	FEDERAL FARM CREDIT BANK		02/11/2008	2,000,000.00	2,043,120.00		2,000,000.00		3,750	1,351	
31331YT26	10757	FEDERAL FARM CREDIT BANK		06/02/2008	2,000,000.00	2,031,260.00		1,999,865.93		3,627	731	
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	1,033,440.00		1,000,000.00		4,240	1,463	
31331Y2G4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,043,130.00		1,000,000.00		4,850	1,491	
31331Y4A5	10771	FEDERAL FARM CREDIT BANK		07/28/2008	1,000,000.00	1,005,310.00		1,000,000.00		3,875	787	
31331Y6E5	10772	FEDERAL FARM CREDIT BANK		08/13/2008	1,000,000.00	1,008,440.00		1,000,000.00		4,750	1,534	
31331Y5F5	10773	FEDERAL FARM CREDIT BANK		08/14/2008	5,000,000.00	5,026,550.00		5,001,063.44		4,712	1,505	
31331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,040,000.00		1,000,270.83		3,125	844	
31331GBS7	10777	FEDERAL FARM CREDIT BANK		09/30/2008	3,000,000.00	3,021,570.00		2,997,938.04		3,100	3,219	
31331GBT5	10778	FEDERAL FARM CREDIT BANK		10/07/2008	2,000,000.00	2,018,760.00		1,999,685.24		4,003	1,204	
31331GDF3	10779	FEDERAL FARM CREDIT BANK		10/15/2008	2,000,000.00	2,065,000.00		2,000,000.00		4,250	1,597	
31331GLP2	10781	FEDERAL FARM CREDIT BANK		01/30/2009	2,000,000.00	1,993,760.00		2,000,000.00		3,100	1,704	

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8

**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
<b>Federal Agency Issues - Coupon</b>												
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	3,004,650.00	3,000,000.00	2,080	Aaa	2,080	1,047	04/13/2012	
31331GVDF8	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	1,998,750.00	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	
3133XM358	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	2,036,280.00	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	
3133XNTV5	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	
3133XPFF90	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	
3133XQC4	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	
3133XQLY5	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	
3133XQZB8	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	
3133XRFEU9	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	1,004,360.00	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	
3133XSV93	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	
3133XT610	10788	FEDERAL HOME LOAN BANK	02/26/2009	2,000,000.00	2,001,250.00	2,000,000.00	2,625	Aaa	2,625	1,366	02/26/2013	
3133XT8W1	10789	FEDERAL HOME LOAN BANK	02/27/2009	2,000,000.00	2,026,280.00	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	

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

14

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>												
3128X7LX0	10745	FEDERAL HOME LOAN MORTGAGE CO	04/29/2008	2,000,000.00	2,065,480.00	1,997,266.67	3,920	Aaa	3.987	1,428	04/29/2013	
3128X7LG32	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	12/31/2010	
3128X8QD7	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	
3128X8T25	10798	FEDERAL HOME LOAN MORTGAGE CO	04/20/2009	2,000,000.00	1,985,300.00	2,000,000.00	2,500	Aaa	2,500	1,407	04/08/2013	
3128X8T73	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	
3128X8U58	10802	FEDERAL HOME LOAN MORTGAGE CO	05/07/2009	1,000,000.00	1,007,440.00	1,005,698.84	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	
3136F9M72	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	
3136F9IE9	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	
3136F9NVQ2	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	
3136F9NVQ2	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	
		<b>Subtotal and Average</b>	<b>10,424,061.53</b>		<b>107,890,000.00</b>	<b>109,409,378.95</b>		<b>107,905,150.35</b>		<b>3,569</b>	<b>1,189</b>	
<b>Treasury Securities - Coupon</b>												
912828D20	10579	U.S.TREASURY NOTE	07/25/2005	1,000,000.00	1,037,380.00	998,170.99	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	
912828G39	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	
912828X3	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	
		<b>Subtotal and Average</b>	<b>1,995,294.75</b>		<b>4,000,000.00</b>	<b>4,125,310.00</b>		<b>3,989,319.83</b>		<b>4,818</b>	<b>286</b>	
<b>Medium Term Notes</b>												
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	
36966R794	10729	General Electric Capital Corp	02/14/2008	2,000,000.00	1,958,750.00	2,000,000.00	4,000	Aaa	4,000	989	02/15/2012	
36966R795	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	
38143UE0	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	

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

15

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>												
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	
59018YYV0	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	
		<b>Subtotal and Average</b>		<b>1,015,654.43</b>	<b>20,200,000.00</b>	<b>20,328,288.30</b>	<b>20,272,552.59</b>		<b>4.591</b>	<b>666</b>		
<b>Municipal Bond Issues - Coupon</b>												
SYS10423	10423	Skpk-2001TxAllocRefBd	12/18/2001	1,056,793.97	1,056,793.97	1,056,793.97	8.000		7.999	1,126	07/01/2012	
		<b>Subtotal and Average</b>		<b>1,056,793.97</b>	<b>1,056,793.97</b>	<b>1,056,793.97</b>		<b>7.999</b>	<b>1,126</b>			
		Total and Average	67,124,062.75	185,436,450.91	187,209,429.16	185,513,473.68	3.158		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			0	
	Total Cash and Investments		188,346,306.60		185,436,450.91	187,226,043.06	185,530,087.58			3.15%	778

**16**

**17**

## 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
<b>TOTAL</b>		<b>185,513,911.55</b>	<b>198,615,894.14</b>	<b>100.00</b>

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
<b>CASH IN BANKS:</b>	
Cash in B of A General Account	(\$16,687,860.85)
Cash in B of A Payroll Account	0.00
<b>OUTSTANDING WARRANTS:</b>	
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