

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

Members of Council:

SUBJECT: Accept and file Investment Reports for June 2009

RECOMMENDATION

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

FUNDING

Not applicable

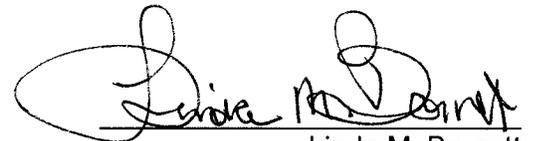
BACKGROUND

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 June 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 June 2009

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City of Torrance
Investment Portfolio Highlights
For June 2009

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	3.040	3.138
Average U.S. Treasury Constant Maturity	1.110	0.920
LAIF Average Monthly Return	1.377	1.530
Average City Portfolio YTM - 1 year prior	4.055	4.088

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	6,584,362	8,582,259
Current month	505,846	819,638

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	792	778
Average Maturity 1 Year Prior (days)	907	888
Weighted Average Maturity (years)	2.17	2.13

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	28,864,109	11
Maturities	25,530,730	10

Transactions include 2 deposits to and 1 withdrawals from LAIF, 3 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 June 30, 2009</u>
Federal Agency (coup)	117,807,309	-5,999,248	1,503,094	113,311,155
Treasury Securities	9,181,240	-5,000,000	-69,280	4,111,960
Medium Term Notes	25,558,720	-4,415,106	264,825	21,408,439
Municipal Bonds	1,309,154	-252,360	0	1,056,794
SUB-TOTAL PER GASB 31	153,856,423	-15,666,714	1,698,639	139,888,348
<u>Non-GASB securities</u>				
LAIF	48,200,000	2,100,000	0	50,300,000
Money Market	6,000,000	-6,000,000	0	0
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	200,000	0	200,000
Commercial paper	0	-16,110	16,110	0
TOTAL PORTFOLIO	208,056,423	-19,401,528	1,733,453	190,388,348

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

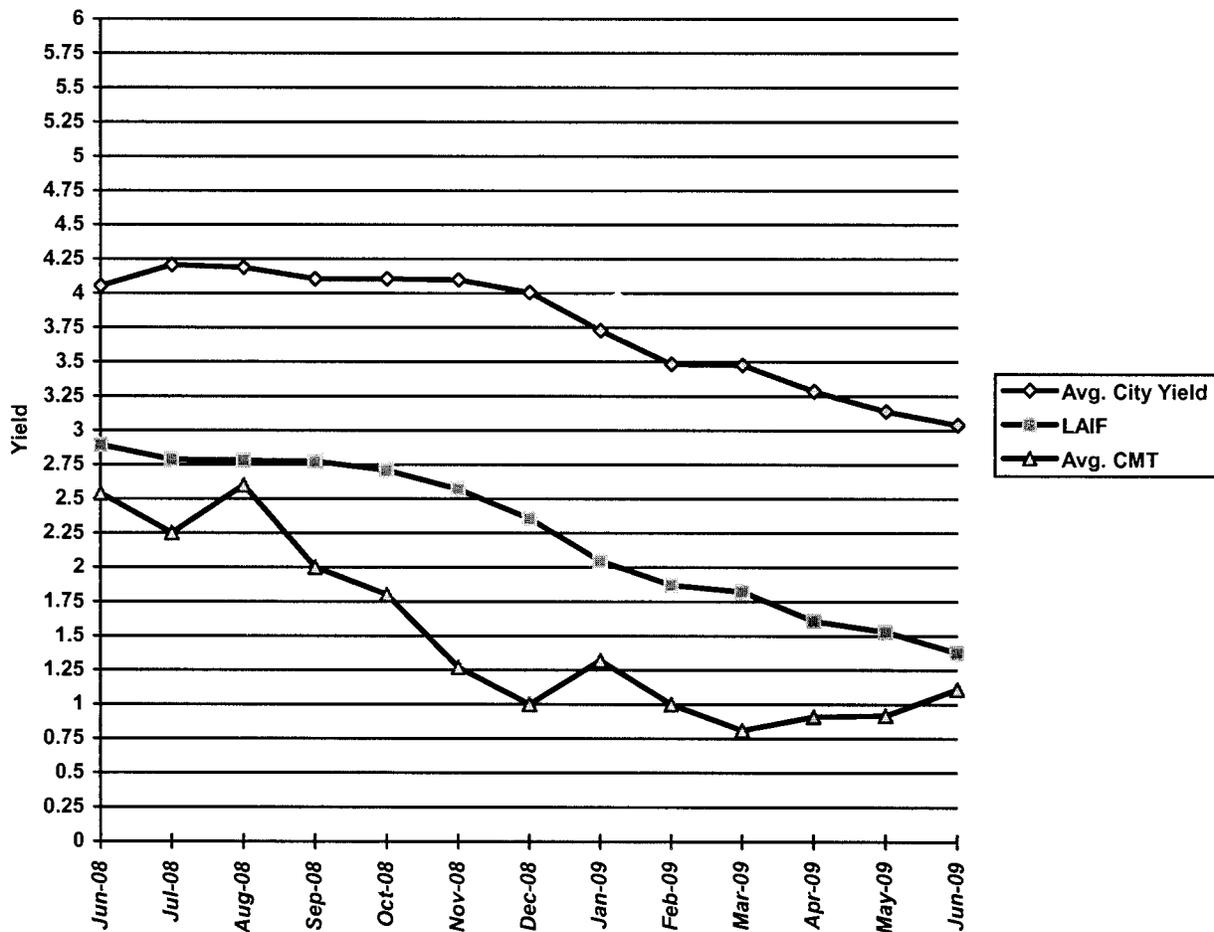
CITY OF TORRANCE

City Treasurer's Office

Monthly Investment Report Summary
For the month of June 2009

I. Return

30.58% of the portfolio is invested at one-year maturity or less as of June 30, 2009. The City Average yield on the portfolio was 3.040% compared to 1.11% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of June 30, 2009 by 193 basis points.



II. Volumes

The investment activity for May included 3 deposits and 4 redemption in the Union Bank of California money market account.

III. Diversification of Investments

In the month of June there were 6 purchases for a total of \$11.0 million with an average yield of 2.28%. There were 4 calls and 1 redemption for a total of \$5.9 million with an average yield of 4.39%. The activity in the LAIF Account consisted of 2 deposit for a total of \$1.0 million and 1 withdrawals for a total of \$300,000. The activity in the Money Market account consisted of withdrawals totaling \$2.5 million. The portfolio increased by \$3.3 million.

<u>Asset Category</u>	<u>June</u>	<u>May</u>
1. LAIF	26.64	26.74
2. Certificate of Deposits	.11	.11
3. Money Market Sweep	.00	1.34
4. Federal Agency Issues(coup)	59.31	58.16
5. Federal Agency Issues(disc)	0.00	0.00
6. Treasury Securities	2.11	2.15
7. Treasury Securities(disc)	0.00	0.00
8. Medium Term Notes	11.27	10.93
9. Municipal Bonds	.56	.57
10. Commercial Paper(disc)	<u>0.00</u>	<u>0.00</u>
	100.00%	100.00%

IV. Maturity

As of June 30, 2009, the current maturity allocation is 32.83% of the portfolio invested between the 6 month to 3-year maturity levels. 28.35% 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 \$53.5 million available for expenditures.

<u>As of Maturity</u>	<u>June</u>	<u>May</u>
0 to 6 months	28.33%	29.27%
6 months to 1 year	2.23%	2.70%
1 to 2 years	12.32%	10.90%
2 to 3 years	18.28%	18.20%
3 to 4 years	29.30%	28.68%
4 to 5 years	9.54%	10.25%
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 June 30, 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	50,300,000	26.64%	**	1	1	N/A	1.377%
Certificates of Deposit – Collateralized	200,000	.11%		179	79	5 years	1.600%
Money Market Sweep Account	0	.00%		1	1		.002%
Federal Agency Issues – Coupons	112,008,297	59.31%	75%	1,482	1,176	5 years	3.434%
Farmer Mac	0	0.00%	30%			5 years	
Federal Farm Credit Bank	46,511,889	24.75%	30%	326	345	5 years	2.116%
Federal Home Loan Bank	37,494,520	20.03%	30%	385	402	5 years	1.792%
Federal Home Loan Mortgage Corp.	10,001,888	5.30%	30%	460	472	5 years	1.870%
Federal National Mortgage Assoc.	18,000,000	9.52%	30%	472	492	5 years	2.294%
Treasury Securities – Coupons	3,990,476	2.11%	100%	1,187	266	5 years	4.818%
Medium Term Notes	21,291,689	11.27%	20%	1,259	727	5 years	4.336%
Municipal Bond Issues – Coupon	1,056,793	.56%		3,848	1,096		7.999%
Total Investments & Averages	188,847,348	100.00%		1,068	792		3.040%
Pending Redemptions	0						
Accrued Interest at Purchase	7,281						
Total Accrued Interest	7,281						
TOTAL CASH & INVESTMENTS	188,854,536						

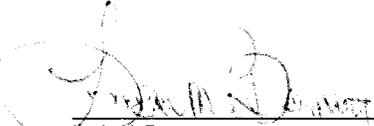
Portfolio Notes:

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

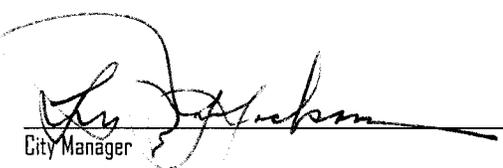
General LAIF account = \$ 40,000,000

ROA LAIF account = \$ 10,300,000

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.

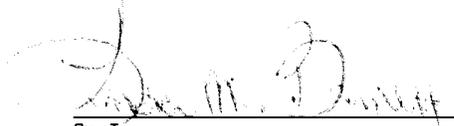

 Linda M. Barnett
 City Treasurer

Reviewed by the Investment Advisory Committee:


 City Manager


 Assistant City Attorney


 Director of Finance


 City Treasurer

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

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Days to Maturity
				360 Equivalent	365 Equivalent					
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	3.241	3.286	1.607	2	5	1,058	774
May	2009	102	188,346,744.47	3.095	3.138	1.530	8	9	1,053	778
June	2009	103	186,356,879.12	2.999	3.041	1.377	6	5	1,068	792
Average		112	183,116,728.17	3.709%	3.761%	2.240	4	7	1,193	925

June

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10807	Citigroup	06/01/2009	FNMA	AAA/Aaa	06/01/2020	1066	1.400%	1.400%	2,000,000	2,000,000	1,996,880
10808	Wellsbush	06/10/2009	FNMA	AAA/Aaa	12/10/2012	1258	2.000%	2.000%	2,000,000	2,000,000	1,990,000
10809	Citigroup	06/15/2009	FFCB	AAA/Aaa	06/15/2012	1080	2.035%	2.035%	2,000,000	1,998,029	1,998,029
10810	Dean Witter	06/25/2009	FHLMC	AAA/Aaa	06/25/2013	1455	3.000%	3.000%	2,000,000	2,000,000	2,024,700
10811	Citigroup	06/30/2009	FHLMC	AAA/Aaa	06/30/2014	1825	3.000%	3.000%	1,000,000	1,000,000	1,007,630
10812	Stone & Young	06/28/2009	GECC	AAA/Aaa	12/28/2012	1276	2.625%	2.320%	2,000,000	2,020,474	2,020,328

\$11,018,474 \$11,037,567

Weighted Average Yield 2.293%

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10702	Dean Witter	12/03/2007	FHLB	AAA/Aaa	12/03/2012	4.520%	4.516%	895,000	895,000	895,000
10759	Great Pacific Securities	06/12/2008	FHLB	AAA/Aaa	06/12/2012	4.000%	4.100%	2,000,000	2,000,000	2,000,000
10761	Wellsbush	06/11/2008	FHLB	AAA/Aaa	06/11/2012	4.250%	4.250%	1,000,000	1,000,000	1,000,000
10604	Citigroup	06/05/2006	World Saving	AAA/Aaa	06/15/2009	4.500%	5.353%	1,000,000	1,000,000	1,000,000
10763	Citigroup	06/30/2008	FHLMC	AAA/Aaa	12/30/2010	4.050%	4.050%	1,000,000	1,000,000	1,000,000

\$5,895,000 \$5,895,000

Weighted Average Yield 4.393%

* 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	26,900,000	1.377%	1.377%	300,000	12,950,000	14,250,000
	Tran Acct	12,800,000	1.377%	1.377%	700,000	300,000	25,750,000
	RDA	9,900,000	1.377%	1.377%			10,300,000
		\$49,600,000		\$13,950,000	\$13,250,000	\$	\$50,300,000

City of Torrance
Portfolio Management
Interest Earnings Summary
June 30, 2009

	June 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	371,340.33	6,404,126.71
Plus Accrued Interest at End of Period	1,347,510.72	1,347,510.72
Less Accrued Interest at Beginning of Period	(1,300,827.14)	(1,690,974.34)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	418,023.91	6,060,663.09
Adjusted by Premiums and Discounts	-34.43	71,974.48
Adjusted by Capital Gains or Losses	0.00	61,501.50
Earnings during Periods	417,989.48	6,194,139.07
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	887,358.86
Plus Accrued Interest at End of Period	818,341.29	818,341.29
Less Accrued Interest at Beginning of Period	(740,592.24)	(798,178.01)
Interest Earned during Period	77,749.05	907,522.14
Total Interest Earned during Period	495,772.96	6,968,185.23
Total Adjustments from Premiums and Discounts	-34.43	71,974.48
Total Capital Gains or Losses	0.00	61,501.50
Total Earnings during Period	495,738.53	7,101,661.21

II. RESTRICTED FUNDS

Reports Appear Quarterly

City of Torrance
Portfolio Management
Portfolio Details - Investments
June 30, 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			14,250,000.00	14,250,000.00	14,250,000.00	1.377		1.377	1	
SYS10001	10001	Local Agency Invest. Fund RDA			10,300,000.00	10,300,000.00	10,300,000.00	1.377		1.377	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			25,750,000.00	25,750,000.00	25,750,000.00	1.377		1.377	1	
		Subtotal and Average	49,606,666.67		50,300,000.00	50,300,000.00	50,300,000.00			1.377	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	79	09/18/2009
		Subtotal and Average	200,000.00		200,000.00	200,000.00	200,000.00			1.600	79	
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			0.00	0.00	0.00	0.003		0.003	1	
		Subtotal and Average	1,156,519.08		0.00	0.00	0.00			0.000	0	

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												
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,040,310.00	1,000,000.00	5.000	Aaa	5.002	329	05/26/2010
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,096,880.00	1,000,000.00	5.250	Aaa	5.250	1,127	08/01/2012
31331XZ24	10688	FEDERAL FARM CREDIT BANK		09/14/2007	1,000,000.00	1,009,380.00	1,000,000.00	5.250	Aaa	5.250	1,171	09/14/2012
31331YHR4	10706	FEDERAL FARM CREDIT BANK		12/14/2007	1,000,000.00	1,018,130.00	1,000,000.00	4.400	Aaa	4.400	1,262	12/14/2012
31331YKW9	10708	FEDERAL FARM CREDIT BANK		12/28/2007	1,000,000.00	1,017,190.00	1,000,000.00	4.250	Aaa	4.250	910	12/28/2011
31331YPL8	10710	FEDERAL FARM CREDIT BANK		01/24/2008	1,000,000.00	1,002,190.00	1,000,000.00	3.750	Aaa	3.750	572	01/24/2011
31331YQP8	10716	FEDERAL FARM CREDIT BANK		01/25/2008	2,500,000.00	2,547,650.00	2,516,250.00	3.800	Aaa	3.657	1,304	01/25/2013
31331YQP8	10721	FEDERAL FARM CREDIT BANK		02/04/2008	1,000,000.00	1,019,060.00	1,000,000.00	3.800	Aaa	3.800	1,304	01/25/2013
31331YSB7	10723	FEDERAL FARM CREDIT BANK		02/01/2008	1,000,000.00	1,018,130.00	1,000,000.00	3.790	Aaa	3.790	1,311	02/01/2013
31331YTS9	10726	FEDERAL FARM CREDIT BANK		02/11/2008	2,000,000.00	2,039,380.00	2,000,000.00	3.750	Aaa	3.750	1,321	02/11/2013
31331YT26	10757	FEDERAL FARM CREDIT BANK		06/02/2008	2,000,000.00	2,026,260.00	1,999,888.15	3.620	Aaa	3.627	701	06/02/2011
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	1,033,130.00	1,000,000.00	4.240	Aaa	4.240	1,433	06/03/2013
31331Y2G4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,042,500.00	1,000,000.00	4.850	Aaa	4.850	1,461	07/01/2013
31331Y4A5	10771	FEDERAL FARM CREDIT BANK		07/28/2008	1,000,000.00	1,002,500.00	1,000,000.00	3.875	Aaa	3.875	757	07/28/2011
31331Y6E5	10772	FEDERAL FARM CREDIT BANK		08/13/2008	1,000,000.00	1,005,310.00	1,000,000.00	4.750	Aaa	4.750	1,504	08/13/2013
31331Y3F5	10773	FEDERAL FARM CREDIT BANK		08/14/2008	5,000,000.00	5,009,400.00	5,000,338.37	4.750	Aaa	4.712	1,475	07/15/2013
31331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,036,250.00	1,000,261.07	3.125	Aaa	3.119	814	09/23/2011
31331GBS7	10777	FEDERAL FARM CREDIT BANK		09/30/2008	3,000,000.00	3,015,930.00	2,998,521.61	3.100	Aaa	3.213	443	09/17/2010
31331GBT5	10778	FEDERAL FARM CREDIT BANK		10/07/2008	2,000,000.00	2,013,760.00	1,999,776.47	3.990	Aaa	4.003	1,174	09/17/2012
31331GDF3	10779	FEDERAL FARM CREDIT BANK		10/15/2008	2,000,000.00	2,067,500.00	2,000,000.00	4.250	Aaa	4.250	1,567	10/15/2013
31331GLP2	10781	FEDERAL FARM CREDIT BANK		01/30/2009	2,000,000.00	1,997,500.00	2,000,000.00	3.100	Aaa	3.100	1,674	01/30/2014

Portfolio CITY
AP

City of Torrance
Portfolio Management
Portfolio Details - Investments
June 30, 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	1,321	02/11/2013
31331GPA1	10792	FEDERAL FARM CREDIT BANK		03/03/2009	1,000,000.00	1,005,000.00	998,823.61	3.250	Aaa	3.288	1,706	03/03/2014
31331GST7	10797	FEDERAL FARM CREDIT BANK		04/13/2009	3,000,000.00	3,001,890.00	3,000,000.00	2.080	Aaa	2.080	1,017	04/13/2012
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	995,310.00	1,000,000.00	2.200	Aaa	2.200	1,377	04/08/2013
31331GWL9	10803	FEDERAL FARM CREDIT BANK		05/20/2009	2,000,000.00	2,000,000.00	2,000,000.00	2.500	Aaa	2.500	1,419	05/20/2013
31331GWS4	10805	FEDERAL FARM CREDIT BANK		05/28/2009	1,000,000.00	998,750.00	1,000,000.00	1.590	Aaa	1.590	880	11/28/2011
31331GWQ8	10806	FEDERAL FARM CREDIT BANK		05/22/2009	2,000,000.00	1,993,120.00	2,000,000.00	1.800	Aaa	1.800	1,055	05/21/2012
31331GYA1	10809	FEDERAL FARM CREDIT BANK		06/15/2009	2,000,000.00	1,998,120.00	1,998,029.63	2.000	Aaa	2.035	1,080	06/15/2012
3133XKYE9	10682	FEDERAL HOME LOAN BANK		05/25/2007	1,000,000.00	1,039,380.00	1,000,000.00	5.200	Aaa	5.200	1,059	05/25/2012
3133XLVX8	10679	FEDERAL HOME LOAN BANK		08/06/2007	500,000.00	502,345.00	500,000.00	5.400	Aaa	5.400	1,132	08/06/2012
3133XLWB5	10680	FEDERAL HOME LOAN BANK		08/14/2007	500,000.00	502,970.00	500,000.00	5.460	Aaa	5.460	1,140	08/14/2012
3133XM3S8	10684	FEDERAL HOME LOAN BANK		08/27/2007	1,000,000.00	1,048,440.00	1,000,000.00	5.125	Aaa	5.125	1,153	08/27/2012
3133XMG39	10691	FEDERAL HOME LOAN BANK		10/09/2007	2,000,000.00	2,025,000.00	2,000,000.00	5.100	Aaa	5.100	1,196	10/09/2012
3133XMPZ8	10696	FEDERAL HOME LOAN BANK		10/22/2007	2,000,000.00	2,028,120.00	2,000,000.00	5.150	Aaa	5.150	1,209	10/22/2012
3133XNJAB	10701	FEDERAL HOME LOAN BANK		12/17/2007	1,000,000.00	1,017,190.00	1,000,000.00	4.550	Aaa	4.550	1,265	12/17/2012
3133XNVY5	10712	FEDERAL HOME LOAN BANK		01/22/2008	1,000,000.00	1,019,690.00	1,000,000.00	4.050	Aaa	4.050	1,301	01/22/2013
3133XPF90	10725	FEDERAL HOME LOAN BANK		02/05/2008	1,000,000.00	1,018,440.00	1,000,000.00	3.660	Aaa	3.660	1,315	02/05/2013
3133XPMS0	10727	FEDERAL HOME LOAN BANK		02/25/2008	1,000,000.00	1,005,000.00	1,000,000.00	3.750	Aaa	3.750	1,335	02/25/2013
3133XQCL4	10735	FEDERAL HOME LOAN BANK		03/26/2008	2,750,000.00	2,811,875.00	2,750,000.00	3.720	Aaa	3.720	1,364	03/26/2013
3133XQEH1	10736	FEDERAL HOME LOAN BANK		03/18/2008	1,000,000.00	1,007,810.00	999,984.35	4.000	Aaa	4.006	1,356	03/18/2013
3133XQJZ6	10742	FEDERAL HOME LOAN BANK		04/16/2008	2,000,000.00	2,035,620.00	1,999,841.67	3.750	Aaa	3.754	1,385	04/16/2013
3133XQJAJ1	10746	FEDERAL HOME LOAN BANK		04/15/2008	2,000,000.00	2,069,380.00	2,000,000.00	3.700	Aaa	3.700	1,384	04/15/2013
3133XQVY5	10748	FEDERAL HOME LOAN BANK		05/13/2008	2,000,000.00	2,058,120.00	1,999,783.33	4.125	Aaa	4.131	1,412	05/13/2013
3133XQWX6	10748	FEDERAL HOME LOAN BANK		05/07/2008	1,500,000.00	1,537,500.00	1,500,000.00	3.760	Aaa	3.760	1,041	05/07/2012
3133XQZ88	10751	FEDERAL HOME LOAN BANK		05/14/2008	1,000,000.00	1,024,380.00	1,000,000.00	3.625	Aaa	3.625	1,048	05/14/2012
3133XRFU9	10762	FEDERAL HOME LOAN BANK		06/17/2008	2,245,000.00	2,278,675.00	2,244,930.99	3.800	Aaa	3.804	716	06/17/2011
3133XRKU3	10764	FEDERAL HOME LOAN BANK		06/25/2008	1,000,000.00	1,034,060.00	1,000,000.00	4.350	Aaa	4.350	1,090	06/25/2012
3133XRNW6	10767	FEDERAL HOME LOAN BANK		07/14/2008	1,000,000.00	1,001,250.00	1,000,000.00	4.250	Aaa	4.250	743	07/14/2011
3133XRRS1	10770	FEDERAL HOME LOAN BANK		07/22/2008	2,000,000.00	2,004,380.00	2,000,000.00	4.020	Aaa	4.020	751	07/22/2011
3133XS9Y3	10784	FEDERAL HOME LOAN BANK		02/18/2009	1,000,000.00	998,130.00	1,000,000.00	3.250	Aaa	3.250	1,693	02/18/2014
3133XT2P0	10785	FEDERAL HOME LOAN BANK		02/24/2009	2,000,000.00	2,015,620.00	2,000,000.00	2.550	Aaa	2.550	968	02/24/2012
3133XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	1,995,000.00	2,000,000.00	2.625	Aaa	2.625	1,336	02/26/2013
3133XT6W1	10789	FEDERAL HOME LOAN BANK		02/27/2009	2,000,000.00	2,021,880.00	2,000,000.00	2.150	Aaa	2.150	971	02/27/2012
3133XTA97	10790	FEDERAL HOME LOAN BANK		03/06/2009	1,000,000.00	1,014,380.00	1,000,000.00	2.100	Aaa	2.100	797	09/06/2011
3128XTLX0	10745	FEDERAL HOME LOAN MORTGAGE CO		04/29/2008	2,000,000.00	2,051,100.00	1,997,516.67	3.920	Aaa	3.987	1,398	04/29/2013
3128X8QM7	10794	FEDERAL HOME LOAN MORTGAGE CO		03/24/2009	1,000,000.00	1,008,010.00	999,053.89	2.375	Aaa	2.396	1,727	03/24/2014

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City of Torrance
Portfolio Management
Portfolio Details - Investments
June 30, 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												
3128XBTZ5	10798	FEDERAL HOME LOAN MORTGAGE CO		04/20/2009	2,000,000.00	1,994,740.00	2,000,000.00	2.500	Aaa	2.500	1,377	04/08/2013
3128XBE73	10801	FEDERAL HOME LOAN MORTGAGE CO		05/19/2009	1,000,000.00	997,890.00	1,000,000.00	2.170	Aaa	2.170	1,237	11/19/2012
3128X8MS8	10802	FEDERAL HOME LOAN MORTGAGE CO		05/07/2009	1,000,000.00	1,005,350.00	1,005,317.89	2.350	Aaa	2.129	975	03/02/2012
3128X8R46	10810	FEDERAL HOME LOAN MORTGAGE CO		06/25/2009	2,000,000.00	2,024,700.00	2,000,000.00	3.000	Aaa	3.000	1,455	06/25/2013
3128X8S29	10811	FEDERAL HOME LOAN MORTGAGE CO		06/30/2009	1,000,000.00	1,007,630.00	1,000,000.00	3.000	Aaa	3.000	1,825	06/30/2014
3136F8N92	10720	FEDERAL NATIONAL MORT ASSOC		01/29/2008	2,000,000.00	2,035,000.00	2,000,000.00	3.625	Aaa	3.625	1,308	01/29/2013
3136F9MV2	10749	FEDERAL NATIONAL MORT ASSOC		05/05/2008	1,000,000.00	1,021,880.00	1,000,000.00	3.250	Aaa	3.250	673	05/05/2011
3136F9NE9	10752	FEDERAL NATIONAL MORT ASSOC		05/14/2008	1,000,000.00	1,021,560.00	1,000,000.00	4.000	Aaa	4.000	1,413	05/14/2013
3136F9WQ2	10765	FEDERAL NATIONAL MORT ASSOC		07/02/2008	1,000,000.00	1,000,000.00	1,000,000.00	4.000	Aaa	4.000	366	07/02/2010
3136F9WQ2	10766	FEDERAL NATIONAL MORT ASSOC		07/02/2008	1,000,000.00	1,000,000.00	1,000,000.00	4.000	Aaa	4.000	366	07/02/2010
3136FHAK1	10786	FEDERAL NATIONAL MORT ASSOC		02/27/2009	1,000,000.00	1,006,250.00	1,000,000.00	2.625	Aaa	2.625	1,153	08/27/2012
31398AVL3	10787	FEDERAL NATIONAL MORT ASSOC		03/02/2009	1,000,000.00	1,007,190.00	1,000,000.00	2.000	Aaa	2.000	609	03/02/2011
31398AVR0	10791	FEDERAL NATIONAL MORT ASSOC		03/10/2009	1,000,000.00	1,001,250.00	1,000,000.00	3.375	Aaa	3.375	1,713	03/10/2014
3136FHCF0	10793	FEDERAL NATIONAL MORT ASSOC		03/05/2009	1,000,000.00	1,008,750.00	1,000,000.00	2.250	Aaa	2.250	968	02/24/2012
3136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC		05/14/2009	2,000,000.00	1,970,620.00	2,000,000.00	2.125	Aaa	2.125	1,778	05/14/2014
3136FHVB7	10804	FEDERAL NATIONAL MORT ASSOC		05/21/2009	2,000,000.00	1,954,380.00	2,000,000.00	1.500	Aaa	1.500	873	11/21/2011
3136FHUY9	10807	FEDERAL NATIONAL MORT ASSOC		06/01/2009	2,000,000.00	1,996,880.00	2,000,000.00	1.400	Aaa	1.400	1,066	06/01/2012
3136FHXF7	10808	FEDERAL NATIONAL MORT ASSOC		06/10/2009	2,000,000.00	1,990,000.00	2,000,000.00	2.000	Aaa	2.000	1,258	12/10/2012
Subtotal and Average					111,995,000.00	113,311,155.00	112,008,297.70			3.434	1,176	

Treasury Securities - Coupon

912828DZ0	10579	U.S. TREASURY NOTE		07/25/2005	1,000,000.00	1,034,340.00	998,304.31	3.875	Aaa	4.057	379	07/15/2010
912828GR5	10669	U.S. TREASURY NOTE		06/08/2007	1,000,000.00	1,034,730.00	995,921.18	4.500	Aaa	5.008	318	05/15/2010
912828GG9	10671	U.S. TREASURY NOTE		06/15/2007	1,000,000.00	1,026,950.00	997,910.38	4.750	Aaa	5.109	229	02/15/2010
912828FX3	10672	U.S. TREASURY NOTE		06/15/2007	1,000,000.00	1,015,940.00	998,340.19	4.625	Aaa	5.100	137	11/15/2009
Subtotal and Average					4,000,000.00	4,111,960.00	3,990,476.06			4.818	266	

Medium Term Notes

060505AR5	10699	Bank of America		11/02/2007	990,000.00	979,100.10	990,078.21	4.875	Aa2	4.871	1,172	09/15/2012
084664AF8	10709	Berkshire Hathaway		01/15/2008	1,000,000.00	1,030,980.00	1,007,540.61	4.200	Aaa	3.648	532	12/15/2010
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,044,390.00	1,012,190.65	4.625	Aaa	4.300	1,567	10/15/2013
084664AF8	10795	Berkshire Hathaway		03/10/2009	1,000,000.00	1,030,980.00	1,014,440.94	4.200	Aaa	3.170	532	12/15/2010
36962GK78	10703	General Electric Capital Corp		12/03/2007	1,000,000.00	1,016,930.00	998,250.40	4.250	Aaa	4.404	439	09/13/2010
36966RV94	10729	General Electric Capital Corp		02/14/2008	2,000,000.00	1,992,200.00	2,000,000.00	4.000	Aaa	4.000	959	02/15/2012
36966RY59	10760	General Electric Capital Corp		05/30/2008	2,000,000.00	1,948,660.00	2,000,000.00	4.150	Aaa	4.150	1,049	05/15/2012
36967HAY3	10812	General Electric Capital Corp		06/22/2009	2,000,000.00	1,997,080.00	2,020,328.46	2.625	Aaa	2.320	1,276	12/28/2012

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City of Torrance
Portfolio Management
Portfolio Details - Investments
June 30, 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												
38143UBEO	10660	Goldman Sachs		05/14/2007	1,210,000.00	1,239,899.10	1,204,162.90	4.500	Aa3	5.050	349	06/15/2010
38141GBU7	10743	Goldman Sachs		04/18/2008	1,000,000.00	1,064,730.00	1,040,359.85	6.600	Aa3	4.840	928	01/15/2012
40429CCX8	10632	Household Finance Co		11/20/2006	1,000,000.00	1,006,750.00	1,001,066.02	5.250	A3	5.170	562	01/14/2011
40429XB39	10694	Household Finance Co		10/12/2007	1,000,000.00	996,900.00	1,000,000.00	5.000	A3	5.000	471	10/15/2010
40429XC95	10700	Household Finance Co		11/29/2007	1,000,000.00	998,580.00	1,000,000.00	5.050	A3	5.050	502	11/15/2010
59018YVV0	10630	MERRILL LYNCH		11/17/2006	1,000,000.00	1,005,280.00	997,419.19	4.790	A2	5.050	399	08/04/2010
64952WAE3	10697	New York Life Global		11/02/2007	1,000,000.00	1,020,930.00	999,919.32	4.625	Aaa	4.630	411	08/16/2010
90327QCQ0	10670	USAA Capital Corp		06/12/2007	2,000,000.00	2,005,480.00	1,993,432.74	4.640	Aa1	5.420	167	12/15/2009
949746NB3	10715	Wells Fargo Co		01/23/2008	1,000,000.00	1,029,570.00	1,012,499.30	4.875	Aa1	4.000	560	01/12/2011
		Subtotal and Average	20,344,809.94		21,200,000.00	21,408,439.20	21,291,688.59			4.336	727	
Municipal 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	1,096	07/01/2012
		Subtotal and Average	1,056,793.97		1,056,793.97	1,056,793.97	1,056,793.97			7.999	1,096	
		Total and Average	186,356,879.12		188,751,793.97	190,388,348.17	188,847,256.32			3.040	792	

**City of Torrance
Portfolio Management
Portfolio Details - Cash
June 30, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		7,280.56	7,280.56				0
				Subtotal		7,280.56	7,280.56				
		Total Cash and Investmentss	186,356,879.12		188,751,793.97	190,395,628.73	188,854,536.88			3.040	792

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF JUNE 30, 2009

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N General	59,055,478.01	60,048,040.75	31.27
R Parks & Recr Facility & Open Space	3,597,483.08	3,657,947.03	1.90
R State Gas Tax	5,900,477.69	5,999,648.75	3.12
R Federal Housing, Community Dev	277,191.65	281,850.49	0.15
R Street Lighting	145,074.71	147,513.02	0.08
R Traffic Congestion Relief Act 2000 - AB2928	979,922.48	996,392.32	0.52
R Proposition 1B	2,462,732.34	2,504,124.21	1.30
R Police Asset Forfeiture	3,158,445.53	3,211,530.45	1.67
N Government Cable	2,298,227.91	2,336,854.90	1.22
R Local Return - Proposition C	6,063,167.74	6,165,073.18	3.21
R Grants/Donations	(527,072.66)	(535,931.32) (B)	(0.28)
R Citizens Options for Public Safety (COPS) Grant Funds - AB3229	137,670.47	139,984.34	0.07
R Seismic Education Fund	51,837.05	52,708.29	0.03
R Rehabilitation Housing	602,409.85	612,534.73	0.32
R Police Inmate Welfare Fund	51,329.66	52,192.37	0.03
N Capital Improvements	23,309,177.72	23,700,941.91	12.34
R Vanpool/Rideshare Fund	334,764.37	340,390.85	0.18
R Torrance Improvement Fund	4,947,011.14	5,030,157.01	2.62
R Animal Control Fund	68,787.75	69,943.89	0.04
R Redevelopment-Capital Proj	10,235,335.85	10,407,364.14	5.42
R Redevelopment Debt Service	3,256,363.32	3,311,093.97	1.72
N DNA Sampling Fund	17,023.87	17,310.00	0.01
N Airport Fund	6,749,280.86	6,862,718.00	3.57
N Transit Operations	2,253,614.85	2,291,492.02	1.19
R Development Impact Fund	707,509.81	719,401.13	0.37
N Water Operations	4,769,312.22	4,849,471.45	2.53
N Emergency Medical Service Enterprise Fund	-	- (C)	0.00
N Sanitation Operations	2,940,179.81	2,989,596.27	1.56
N Cultural Arts Enterprise	399,650.23	406,367.27	0.21
N Sewer Enterprise Fund	11,103,130.93	11,289,744.51	5.88
N Parks & Recreation Enterprise Fund	-	- (D)	0.00
N Self Insurance Fund	8,648,702.18	8,794,063.45	4.58
N Fleet Services	13,483,584.30	13,710,206.86	7.14
R Postemployment/Compensated Absences Fund	8,191,243.05	8,328,915.67	4.34
R Trust & Agency	3,178,208.57	3,231,625.65	1.68
TOTAL	188,847,256.32	192,021,267.56	100.00

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$188,847,256.32 and the Pooled Cash and Investments total of \$192,021,267.56 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)
- (B) T43-T44 Torrance Blvd. Rehabilitation negative cash balance is <\$1,311,972>. Request for reimbursement of \$642,170 was mailed to the State on 7/23/09. Reimbursement is expected to be received during the first week of September.
- (C) A subsidy from the General Fund was transferred to the Emergency Medical Service Enterprise Fund to offset a negative cash balance of <\$1,377,519>.
- (D) A subsidy from the General Fund was transferred to the Parks & Recreation Enterprise Fund to offset a negative cash balance of <\$632,327>.

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF JUNE 30, 2009**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		188,847,256.32
CASH AND INVESTMENTS PER BOOKS		192,021,267.56
CASH IN BANKS:		
Cash in B of A General Account		(\$7,691,045.99)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	2,083,188.82	
Payroll Account	143,996.76	
Workers Compensation Account	<u>59,940.82</u>	2,287,126.40
Miscellaneous outstanding adjusting journal entries		7,495.83
Payroll for PE 6/30/09 posted on 6/30/09 and paid on 7/10/09		2,222,412.52
INVESTMENTS PER BOOKS		\$188,847,256.32