

Council Meeting of
May 09, 2006

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

Members of the Council:

SUBJECT: Investment Report for March 2006

RECOMMENDATION

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

FUNDING

Not applicable

BACKGROUND

On January 10, 2006, Your Honorable Body, through passage of Resolution 01-06, adopted an official "Statement of Investment Policy" as recommended by the City Treasurer. The City's Statement of Investment Policy requires the City Treasurer to report a monthly statement of investment activity. This requirement was providing the attached report, which demonstrates the City of Torrance investment activity during the month of March 2006.

Investment Committee Note

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

Respectfully submitted,



Linda M. Barnett
City Treasurer

Noted:



LeRoy J. Jackson
Investment Committee Member

Cc: City Manager
City Clerk

CITY OF TORRANCE

MONTHLY INVESTMENT PORTFOLIO REPORT
For the Month of March 2006Table of Contents

	<u>Page No.</u>
I. CITY OF TORRANCE – POOLED FUNDS	
<i>A. Summary Reports</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. Detailed Reports</i>	
Investment Portfolio Details and Quality Ratings	8-11
II. RESTRICTED FUNDS	
(Reports Appear Quarterly)	
III. CASH & INVESTMENT PORTFOLIO SHARE	
Cash & Investment Share as of March 31, 2006	12
Cash & Investment Reconciliation	13

City of Torrance
Investment Portfolio Highlights
For March 2006

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	3.592	3.504
Average U.S. Treasury Constant Maturity	4.820	4.730
LAIF Average Monthly Return	4.142	4.043
Average City Portfolio YTM - 1 year prior	2.952	2.368

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	2,823,078	2,288,109
Current month	354,346	277,209

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	480	465
Average Maturity 1 Year Prior (days)	676	651
Weighted Average Maturity (years)	1.32	1.28

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	11,550,000	10
Maturities	16,550,000	11

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

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

<u>GASB required securities</u>	<u>Beginning Investment Value as of July 1,2005</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of March 31, 2006</u>
Federal Agency (coup)	55,135,036	3,999,300	-419,666	58,714,670
Treasury Securities	14,761,851	-11,250	-182,340	14,568,261
Medium Term Notes	23,732,376	-4,506,125	-284,461	18,941,790
Municipal Bonds	2,257,501	-229,994	0	2,027,507
SUB-TOTAL PER GASB 31	95,886,764	-748,069	-886,467	94,252,228
Non-GASB securities				
LAIF	26,700,000	-8,900,000	0	17,800,000
Money Market	0	3,882,993	19,207	3,902,200
Federal Agency – Disc.	0	0	0	0
Treasury Security - Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	0	0	0
Commercial paper	1,092,486	-1,100,000	7,514	0
TOTAL PORTFOLIO	123,679,250	-6,865,076	-859,746	115,954,428

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

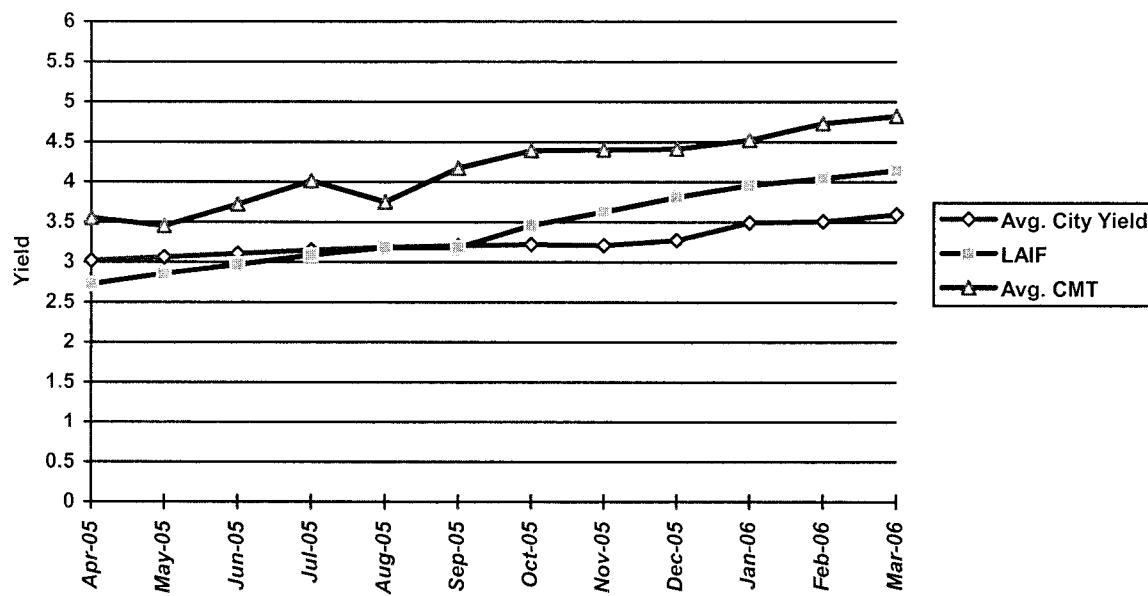
CITY OF TORRANCE

City Treasurer's Office

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

I. Return

44.74% of the portfolio is invested at one-year maturity or less as of March 31, 2006. The City Average yield on the portfolio was 3.592% compared to 4.82% for the U.S. Treasury at Constant Maturity (CMT) of 12 months. The portfolio performed below the benchmark as of March 31, 2006 by 123 basis points.



II. Volumes

The investment activity in January included 0 redemption. We currently do not utilize our sweep account investment.

III. Diversification of Investments

The activity in the month of March consisted of 1 redemption of \$2 million, with an average rate of return of 1.523%. There were 5 purchases of \$6.0 million with an average rate of return of 5.035%. The activity in the LAIF Account consisted of 6 deposits of \$5.5 million and 10 withdrawals of \$14.55 million. The portfolio was down by \$5 million for total assets of \$118.2 million.

<u>Asset Category</u>	<u>March</u>	<u>February</u>
1. LAIF	15.07%	21.76%
2. Money Market Sweep	.00%	.00%
3. Federal Agency Issues(coup)	50.61%	43.70%
4. Federal Agency Issues(disc)	.00%	.00%
5. Treasury Securities	12.72%	13.83%
6. Treasury Securities(Disc)	.00%	.00%
7. Medium Term Notes	16.57%	15.90%
8. Municipal Bonds	1.72%	1.65%
9. Federal Agency (Disc)	3.31%	3.16%
10. Commercial Paper(disc)	.00%	.00%
	100.00%	100.00%

IV. Maturity

As of March 31, 2006, the current maturity allocation is 67.70% of the portfolio invested between the 6 month to 3-year maturity levels. 28.11% 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 \$33.77 million available for expenditures.

<u>As of Maturity</u>	<u>March 31, 2006</u>	<u>February 28, 2006</u>
0 to 6 months	28.11%	31.49%
6 months to 1 year	16.63%	14.60%
1 to 2 years	29.46%	27.12%
2 to 3 years	21.62%	22.72%
3 to 4 years	1.66%	1.62%
4 to 5 years	.83%	.80%
5 years and after	1.69%	1.65%

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 March 31, 2006**

Investment Type	Book Value (\$)	Percent of Portfolio	Percent Permitted by Policy	Average Term	Average Days to Maturity	Maturity Allowed by Policy	365 Equiv.
Local Agency Investment Fund	17,800,000	15.07	**	1	1	N/A	4.142
Money Market Sweep Account	0	.00		1	1		.0000
Federal Agency Issues – Coupon	59,806,034	50.62	75	1,094	480	5 years	3.481
Federal Farm Credit Bank	17,989,379	15.20	30	389	408	5 years	5.180
Federal Home Loan Bank	29,830,516	25.25	30	406	429	5 years	5.203
Federal Home Loan Mortgage Corp.	6,986,252	5.94	30	243	358	5 years	5.940
Federal National Mortgage Assoc.	8,907,124	7.63	30	187	193	5 years	4.890
Treasury Securities – Coupon	15,030,891	12.72	100	1,368	692	5 years	2.985
Medium Term Notes	19,580,288	16.57	20	1,381	624	5 years	3.188
Municipal Bond Issue	2,027,507	1.72		3,848	2,283	N/A	8.000
Federal Agency Disc	3,907,237	3.31		226	179	5 years	4.794
Commercial Paper Disc-Amort	0	.00					.000
Treasury Discount-Amort	0	.00					.000
Certificate of Deposits-Disc	0	.00					.000
Total Investments & Averages	118,151,968	100.00		1,030	480		3.592
Pending Redemptions							
Accrued Interest at Purchase	1,121						
Total Cash & Purchase Interest	1,121						
Total Cash & Investments	118,153,089						

Portfolio Notes:

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

General LAIF account = \$12,700,000

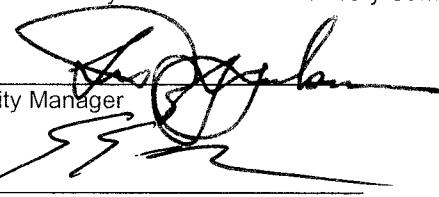
RDA LAIF account = \$5,100,000

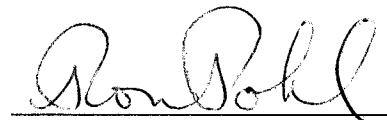
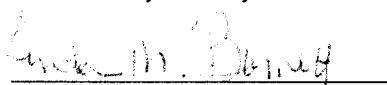
I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Res. 06-01 on January 10, 2006. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet six month's estimated expenditures.

Linda M. Barnett
City Treasurer

Date

Reviewed by the Investment Advisory Committee


City Manager
Director of Finance


Assistant City Attorney

Linda M. Barnett
City Treasurer

**City of Torrance
Portfolio Management
Activity Summary**
March 2005 through March 2006

Month End	Year	Number of Securities	Yield to Maturity			Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
			360	Equivalent	365					
March	2005	96	114,007,658.46	2.912	2.952	2.542	6	1	1,052	676
April	2005	99	115,487,819.34	2.976	3.018	2.724	4	1	1,018	642
May	2005	101	121,942,819.32	3.018	3.059	2.856	3	1	982	603
June	2005	91	124,477,786.96	3.061	3.104	2.967	1	11	1,013	603
July	2005	94	121,202,985.54	3.114	3.158	3.083	4	1	1,067	622
August	2005	94	121,100,251.99	3.140	3.184	3.179	1	1	1,092	618
September	2005	93	116,632,121.75	3.167	3.211	3.324	0	1	1,124	611
October	2005	93	113,012,768.63	3.175	3.219	3.458	0	0	1,176	611
November	2005	89	108,295,138.67	3.164	3.208	3.636	0	4	1,157	593
December	2005	86	105,560,634.01	3.224	3.269	3.808	0	3	1,122	556
January	2006	86	111,949,316.79	3.350	3.397	3.955	2	3	1,019	494
February	2006	89	121,772,906.01	3.458	3.506	4.043	5	2	980	465
March	2006	93	120,797,411.52	3.543	3.592	4.142	5	1	1,030	480
Average	93	116,599,031.83	3.177%	3.221%	3.363	2	2	1,064	583	

March 2006

9

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYSTO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10585 J.P. Morgan		03/07/2006 FHLMC	AAA/Aaa	03/07/2006	706	5,250%	5,259%	1,000,000	1,000,000	996,270	
10589 Brookstreet		03/13/2006 FHLB	AAA/Aaa	03/13/2006	165	4,875%	4,875%	1,000,000	1,000,000	998,330	
10590 Brookstreet		03/15/2006 FHLB	AAA/Aaa	03/15/2006	167	4,900%	4,900%	1,000,000	1,000,000	999,060	
10591 Brookstreet		03/21/2006 FHTB	AAA/Aaa	03/21/2006	538	5,040%	5,040%	1,000,000	1,000,000	997,810	
10592 Brookstreet		03/22/2006 FFCB	AAA/Aaa	03/22/2006	447	5,090%	5,097%	2,000,000	2,000,000	1,995,620	
Weighted Average Yield											
5.034%											
6,000,000 6,000,000 5,986,890											

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10517 Dean Witter		03/31/2004 USTN		AAA/Aaa	03/31/2006	1.500%	1.523%	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000

Weighted Average Yield	1.523%
	2,000,000 2,000,000 2,000,000

* 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) LAII TRANSACTIONS

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
State of California -	Local Agency Pool	21,600,000	4.142%	4.142%	5,300,000	14,200,000		12,700,000
	City	5,200,000	4.142%	4.142%	250,000	350,000		51,000
	RDA	\$ 26,800,000			\$ 5,550,000	\$ 14,550,000	\$ -	\$ 17,800,000

**City of Torrance
Portfolio Management
Interest Earnings Summary
March 31, 2006**

	March 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	169,458.33	2,306,333.17
Plus Accrued Interest at End of Period	729,487.40	729,487.40
Less Accrued Interest at Beginning of Period	(634,780.93)	(731,906.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	264,164.80	2,303,914.57
Adjusted by Premiums and Discounts	16,134.85	23,085.20
Adjusted by Capital Gains or Losses	0.00	8,118.13
Earnings during Periods	280,299.65	2,335,117.90
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	0.00	430,350.76
Plus Accrued Interest at End of Period	221,277.72	221,277.72
Less Accrued Interest at Beginning of Period	(147,231.46)	(163,667.70)
Interest Earned during Period	74,046.26	487,960.78
Total Interest Earned during Period	338,211.06	2,791,875.35
Total Adjustments from Premiums and Discounts	16,134.85	23,085.20
Total Capital Gains or Losses	0.00	8,118.13
Total Earnings during Period	354,345.91	2,823,078.68

City of Torrance
Portfolio Management
Portfolio Details - Investments
March 31, 2006

11

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	12,700,000.00		12,700,000.00		12,700,000.00	4.142		4.142		1	
SYS10001	10001	Local Agency Invest Fund RDA	5,100,000.00		5,100,000.00		5,100,000.00	4.142		4.142		1	
		Subtotal and Average	21,550,000.00		17,800,000.00		17,800,000.00			4.142		1	
Money Market Sweep Account													
SYS1031	10131	Bank of America	0.00		0.00		0.00	0.450		0.450		1	
SYS1000	1000	Union Bank of California	0.00		0.00		0.00	0.750		0.750		1	
		Subtotal and Average	0.00		0.00		0.00			0.00		0	
Federal Agency Issues - Coupon													
31331QP27	10474	FEDERAL FARM CREDIT BANK	1,000,000.00	06/12/2003	994,380.00	1,000,000.00	2,050	Aaa	2.050	72	06/12/2006		
31331Q7E1	10483	FEDERAL FARM CREDIT BANK	1,000,000.00	08/06/2003	974,060.00	1,000,000.00	3,100	Aaa	3.100	492	08/06/2007		
31331TGG0	10491	FEDERAL FARM CREDIT BANK	1,000,000.00	10/15/2003	975,940.00	1,000,000.00	3,450	Aaa	3.450	562	10/15/2007		
31331TQP9	10507	FEDERAL FARM CREDIT BANK	1,000,000.00	02/09/2004	968,130.00	1,000,000.00	3,000	Aaa	3,001	587	11/09/2007		
31331TUH2	10512	FEDERAL FARM CREDIT BANK	1,000,000.00	03/18/2004	987,810.00	1,000,000.00	2,350	Aaa	2,350	170	09/18/2006		
31331TVG3	10513	FEDERAL FARM CREDIT BANK	1,000,000.00	03/24/2004	965,630.00	1,000,000.00	3,000	Aaa	3,001	632	12/24/2007		
31331TYR6	10516	FEDERAL FARM CREDIT BANK	1,000,000.00	04/22/2004	963,130.00	1,000,000.00	2,610	Aaa	2,610	569	10/22/2007		
31331TYD7	10519	FEDERAL FARM CREDIT BANK	1,000,000.00	04/15/2004	953,750.00	1,000,000.00	3,080	Aaa	3,080	928	10/15/2008		
31331TZG9	10520	FEDERAL FARM CREDIT BANK	1,000,000.00	04/12/2004	975,940.00	1,000,000.00	2,690	Aaa	2,690	376	04/12/2007		
31331TB91	10526	FEDERAL FARM CREDIT BANK	1,000,000.00	04/29/2004	970,000.00	1,000,000.00	3,100	Aaa	3,100	576	10/29/2007		
31331TL90	10531	FEDERAL FARM CREDIT BANK	1,000,000.00	05/17/2004	981,880.00	1,000,000.00	3,450	Aaa	3,450	411	05/17/2007		
31331TDE8	10534	FEDERAL FARM CREDIT BANK	1,000,000.00	05/13/2004	991,250.00	999,502.99	2,900	Aaa	3,020	157	09/05/2006		
31331SMB6	10559	FEDERAL FARM CREDIT BANK	1,000,000.00	02/02/2005	979,060.00	999,823.77	3,700	Aaa	3,711	580	11/02/2007		
31331SNB5	10567	FEDERAL FARM CREDIT BANK	1,000,000.00	03/10/2005	973,750.00	992,290.69	3,550	Aaa	4,000	667	01/28/2008		
31331SRL9	10570	FEDERAL FARM CREDIT BANK	1,000,000.00	04/04/2005	988,440.00	997,762.28	3,750	Aaa	4,021	319	02/14/2007		
31331SD42	10576	FEDERAL FARM CREDIT BANK	1,000,000.00	06/30/2005	980,310.00	1,000,000.00	4,125	Aaa	4,125	821	06/30/2008		
31331VTK2	10592	FEDERAL FARM CREDIT BANK	2,000,000.00	03/22/2006	1,995,620.00	2,000,000.00	5,090	Aaa	5,097	447	06/22/2007		
31331MNP4	10445	FEDERAL HOME LOAN BANK	1,000,000.00	02/06/2003	833,333.33	813,800.00	833,237.12	3,750	Aaa	3,757	676	02/06/2008	
31331MYU5	10489	FEDERAL HOME LOAN BANK	1,000,000.00	06/05/2003	963,130.00	1,000,000.00	3,250	Aaa	3,250	796	06/05/2008		
31339XBY9	10471	FEDERAL HOME LOAN BANK	2,000,000.00	05/28/2003	1,955,000.00	2,000,000.00	2,550	Aaa	2,550	333	02/28/2007		
31339YAG7	10478	FEDERAL HOME LOAN BANK	1,000,000.00	07/16/2003	978,750.00	1,000,000.00	2,350	Aaa	2,350	290	01/16/2007		
31339YF23	10479	FEDERAL HOME LOAN BANK	1,000,000.00	07/23/2003	978,750.00	999,746.53	2,430	Aaa	2,463	297	01/23/2007		
31339YKX9	10480	FEDERAL HOME LOAN BANK	1,000,000.00	07/30/2003	955,310.00	1,000,000.00	3,000	Aaa	3,000	851	07/30/2008		
31339YOF3	10482	FEDERAL HOME LOAN BANK	1,000,000.00	08/13/2003	976,250.00	1,000,000.00	4,000	Aaa	4,000	865	08/13/2008		
31339X1RC3	10493	FEDERAL HOME LOAN BANK	1,000,000.00	10/30/2003	976,250.00	1,000,000.00	3,250	Aaa	3,251	485	07/30/2007		
31339X2AZ8	10495	FEDERAL HOME LOAN BANK	1,000,000.00	11/26/2003	980,310.00	1,000,000.00	3,350	Aaa	3,350	419	05/25/2007		

Portfolio CITY

AP

PM (PRF_PM2) SymRept 6.41.2026

Report Ver. 5.00

City of Torrance
Portfolio Management
Portfolio Details - Investments
March 31, 2006

12

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Date
Federal Agency Issues - Coupon												
31339YYV1	10503	FEDERAL HOME LOAN BANK	1,000,000.00	01/21/2004	964,380.00	998,760.12	3,375	Aaa	3.433	842	07/21/2008	
3133X3JRS5	10505	FEDERAL HOME LOAN BANK	1,000,000.00	02/13/2004	973,130.00	999,511.90	3,070	Aaa	3.108	499	08/13/2007	
3133X1JJ7	10509	FEDERAL HOME LOAN BANK	2,000,000.00	01/30/2004	1,974,380.00	1,999,260.86	2,750	Aaa	2.819	202	10/20/2006	
3133X5DY1	10518	FEDERAL HOME LOAN BANK	1,000,000.00	04/13/2004	985,000.00	1,000,000.00	2,250	Aaa	2.250	195	10/13/2006	
3133X5X45	10524	FEDERAL HOME LOAN BANK	1,000,000.00	04/21/2004	952,190.00	1,000,000.00	3,420	Aaa	3.420	1,116	04/21/2009	
3133X6CF1	10525	FEDERAL HOME LOAN BANK	1,000,000.00	04/21/2004	982,190.00	1,000,000.00	3,500	Aaa	3.500	1,116	04/21/2009	
3133X75B6	10533	FEDERAL HOME LOAN BANK	1,000,000.00	05/28/2004	983,750.00	1,000,000.00	3,280	Aaa	3.281	333	02/28/2007	
3133XAL47	10560	FEDERAL HOME LOAN BANK	1,000,000.00	02/24/2005	980,940.00	1,000,000.00	3,685	Aaa	3.685	510	08/24/2007	
3133XAMZ7	10562	FEDERAL HOME LOAN BANK	1,000,000.00	03/03/2005	980,000.00	1,000,000.00	4,000	Aaa	4.000	702	03/03/2008	
3133XAQ4	10563	FEDERAL HOME LOAN BANK	1,000,000.00	03/07/2005	979,690.00	1,000,000.00	3,825	Aaa	3.827	615	12/07/2007	
3133XAQV2	10564	FEDERAL HOME LOAN BANK	1,000,000.00	03/08/2005	976,250.00	1,000,000.00	4,000	Aaa	4.000	891	09/08/2008	
3133AXE2	10566	FEDERAL HOME LOAN BANK	1,000,000.00	03/22/2005	990,000.00	1,000,000.00	3,700	Aaa	3.702	265	12/22/2006	
3133XBHH1	10571	FEDERAL HOME LOAN BANK	1,000,000.00	04/27/2005	993,750.00	1,000,000.00	4,010	Aaa	4.010	209	10/27/2006	
3133XEFR5	10581	FEDERAL HOME LOAN BANK	1,000,000.00	01/30/2006	995,630.00	1,000,000.00	5,000	Aaa	5,000	667	01/28/2008	
3133XEK40	10582	FEDERAL HOME LOAN BANK	1,000,000.00	02/07/2006	998,440.00	1,000,000.00	4,560	Aaa	4,560	128	08/07/2006	
3133XEKC2	10583	FEDERAL HOME LOAN BANK	1,000,000.00	02/24/2006	998,440.00	1,000,000.00	4,600	Aaa	4,600	145	08/24/2006	
3133XERS0	10589	FEDERAL HOME LOAN BANK	1,000,000.00	03/13/2006	998,130.00	1,000,000.00	4,875	Aaa	4,875	165	09/13/2006	
3133XETN9	10590	FEDERAL HOME LOAN BANK	1,000,000.00	03/15/2006	999,060.00	1,000,000.00	4,900	Aaa	4,900	167	09/15/2006	
3133XEV30	10591	FEDERAL HOME LOAN BANK	1,000,000.00	03/21/2006	997,810.00	1,000,000.00	5,040	Aaa	5,040	538	09/21/2007	
3128X1GF8	10473	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	06/04/2003	981,190.00	1,000,000.00	2,250	Aaa	2,250	247	12/04/2006	
3128X17E1	10494	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	11/17/2003	987,020.00	1,000,000.00	3,000	Aaa	3,000	230	11/17/2006	
3128X1GD3	10508	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	01/30/2004	951,170.00	986,904.17	3,110	Aaa	3,644	985	12/11/2008	
3128X25Y7	10521	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	04/19/2004	967,890.00	1,000,000.00	2,920	Aaa	2,920	566	10/19/2007	
3128X3CB7	10527	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	05/05/2004	998,180.00	1,000,000.00	3,000	Aaa	3,000	34	05/05/2006	
3128X4YE5	10584	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	01/30/2006	995,970.00	999,347.82	5,000	Aaa	5,030	844	07/23/2008	
3128X4K67	10585	FEDERAL HOME LOAN MORTGAGE CO	1,000,000.00	03/07/2006	996,270.00	1,000,000.00	5,250	Aaa	5,250	706	03/07/2008	
31339MRY7	10467	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	05/27/2003	995,940.00	1,000,000.00	2,250	Aaa	2,250	55	05/26/2006	
3136F4TX2	10496	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	11/25/2003	996,560.00	1,000,000.00	2,720	Aaa	2,720	54	05/25/2006	
3136F5PC9	10522	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	04/19/2004	973,440.00	1,000,000.00	2,500	Aaa	2,500	383	04/19/2007	
31359MVC4	10536	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	05/17/2004	985,000.00	999,837.22	3,750	Aaa	3,761	411	05/17/2007	
3136F7FE2	10578	FEDERAL NATIONAL MORT ASSOC	1,000,000.00	07/28/2005	986,250.00	1,000,000.00	4,300	Aaa	4,300	667	01/28/2008	
Subtotal and Average			2,161,290.32		59,833,333.33	58,714,670.00				3,481	480	
Treasury Securities - Coupon												
912828AZ3	10475	U.S.TREASURY NOTE	5,000,000.00	06/16/2003	4,780,450.00	5,051,594.71	2,625	Aaa	2,110	775	05/15/2008	
912828BG4	10484	U.S.TREASURY NOTE	1,000,000.00	08/15/2003	965,000.00	997,831.31	3,250	Aaa	3,350	867	08/15/2008	

Portfolio CITY
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**City of Torrance
Portfolio Management
Portfolio Details - Investments**
March 31, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Date
Treasury Securities - Coupon												
912828BP4	10468	U.S.TREASURY NOTE	1,000,000.00	11/17/2003	986,330.00	1,001,046.22	2,625	Aaa	2.450	228	11/15/2006	
912828CG3	10535	U.S.TREASURY NOTE	1,000,000.00	05/17/2004	981,020.00	999,561.44	3,125	Aaa	3.166	409	05/15/2007	
912828CQ1	10539	U.S.TREASURY NOTE	1,000,000.00	08/02/2004	993,630.00	999,872.02	2,750	Aaa	2.790	121	07/31/2006	
912828DJ6	10561	U.S.TREASURY NOTE	1,000,000.00	01/31/2005	985,900.00	998,956.50	3,125	Aaa	3.255	305	01/31/2007	
912828DK3	10565	U.S.TREASURY NOTE	1,000,000.00	02/15/2005	973,980.00	998,498.63	3,375	Aaa	3.460	685	02/15/2008	
912828DK3	10574	U.S.TREASURY NOTE	1,000,000.00	05/09/2005	973,980.00	992,913.94	3,375	Aaa	3.775	685	02/15/2008	
912828DT4	10577	U.S.TREASURY NOTE	1,000,000.00	07/13/2005	978,520.00	998,364.73	3,750	Aaa	3.831	775	05/15/2008	
912828DZ0	10579	U.S.TREASURY NOTE	1,000,000.00	07/25/2005	963,750.00	992,993.53	3,875	Aaa	4.057	1,566	07/15/2010	
912828EC0	10580	U.S.TREASURY NOTE	1,000,000.00	08/15/2005	985,700.00	999,258.38	4,125	Aaa	4.159	867	08/15/2008	
Subtotal and Average			1,992,171.97		15,000,000.00	14,568,266.00			2.985	692		
Medium Term Notes												
02003MAG9	10573	ALLSTATE LIFE GLOBAL TRUST	1,000,000.00	05/09/2005	974,510.00	996,046.52	3,850	Aa	4.080	664	01/25/2008	
06423EPM1	10556	Bank One NA Illinois	1,000,000.00	01/18/2005	973,720.00	1,000,334.86	3,700	Aaa	3.680	654	01/15/2008	
0727G0AV2	10515	Bayer Landes Bank	2,000,000.00	03/08/2004	1,972,640.00	2,002,053.05	2,600	Aaa	2.400	198	10/16/2006	
172967BS9	10466	Citigroup	1,000,000.00	05/12/2003	969,950.00	1,007,798.61	3,500	Aa1	3.040	671	02/01/2008	
172967BS9	10572	Citigroup	1,585,000.00	04/28/2005	1,537,370.75	1,567,817.83	3,500	Aa1	4.130	671	02/01/2008	
166760AA6	10455	ChevronTexaco	1,000,000.00	02/25/2003	977,000.00	1,006,458.08	3,500	Aa2	3.025	534	09/17/2007	
36962GB78	10465	General Electric Capital Corp	1,000,000.00	05/12/2003	966,200.00	1,006,695.08	3,500	Aaa	3.150	761	05/01/2008	
36966RFV3	10476	General Electric Capital Corp	2,000,000.00	06/19/2003	1,876,800.00	2,000,000.00	2,450	Aaa	2.450	806	06/15/2008	
375766AM4	10472	Gillette Company	1,000,000.00	05/27/2003	944,810.00	998,828.27	2,500	Aa3	2.558	792	06/01/2008	
59217EAD6	10477	Met Life	1,000,000.00	06/19/2003	941,110.00	1,001,032.97	2,600	Aa2	2.550	810	06/19/2008	
59217EAD6	10481	Met Life	1,000,000.00	07/25/2003	941,110.00	982,791.43	2,600	Aa2	3.450	810	06/19/2008	
742718BX6	10538	Procter & Gamble	1,000,000.00	08/02/2004	981,500.00	1,009,791.91	4,300	Aa3	3.850	867	08/15/2008	
717081AK9	10511	Pfizer Inc	1,000,000.00	02/03/2004	975,020.00	1,000,131.84	2,500	Aaa	2.486	348	03/15/2007	
89233PSC1	10558	Toyota Motor Credit	1,000,000.00	01/24/2005	996,480.00	999,501.33	3,000	Aa1	3.270	69	06/09/2006	
949746EX5	10464	Wells Fargo Co	1,000,000.00	05/12/2003	967,730.00	1,008,694.88	3,500	Aa1	3.031	734	04/04/2008	
949746EX5	10557	Wells Fargo Co	1,000,000.00	01/24/2005	967,730.00	995,655.71	3,500	Aa1	3.730	734	04/04/2008	
949746JQ5	10569	Wells Fargo Co	1,000,000.00	04/04/2005	979,110.00	996,637.39	4,125	Aa1	4.310	709	03/10/2008	
Subtotal and Average			2,563,414.21		19,585,000.00	18,941,790.75			3.188	624		
Municipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd	2,027,506.72	12/18/2001	2,027,506.72	2,027,506.72	8,000		8,000	2,283	07/01/2012	

Portfolio CITY

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**City of Torrance
Portfolio Management
Portfolio Details - Investments
March 31, 2006**

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 Disc. -Amortizing												
313589B36	10586	FEDERAL NATIONAL MORT ASSOC	02/13/2006	2,000,000.00	1,965,400.00	1,966,525.00	4,635	Aaa	4.743	130	08/09/2006	
313589M91	10587	FEDERAL NATIONAL MORT ASSOC	02/13/2006	1,000,000.00	970,300.00	972,100.00	4,650	Aaa	4.839	216	11/03/2006	
313589R47	10588	FEDERAL NATIONAL MORT ASSOC	02/13/2006	1,000,000.00	966,500.00	968,612.50	4,650	Aaa	4.853	243	11/30/2006	
		Subtotal and Average	3,899,500.01		4,000,000.00	3,902,200.00	3,907,237.50			4.794	179	
		Total and Average	34,193,883.23	118,245,840.05	115,954,427.47	118,151,967.96	3,590	480				

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF MARCH 31, 2006

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N General	26,561,450.24	26,769,614.16	22.48
R Parks & Recr Facility & Open Space	2,257,127.43	2,274,816.69	1.91
R State Gas Tax	4,552,028.60	4,587,703.16	3.85
R Federal Housing, Community Dev	657,614.04	662,767.81	0.56
R Work Investment Network - WIN	(1,290,842.60)	(1,300,959.02) (B)	(1.09)
R Street Lighting	605,668.64	610,415.31	0.51
R Traffic Congestion Relief Act 2000 - AB2928	299,850.53	302,200.48	0.25
R Police Asset Forfeiture	3,138,845.52	3,163,444.87	2.66
R Drainage Improvement	1,110.70	1,119.40	0.00
N Government Cable	1,520,649.80	1,532,567.24	1.29
R Local Return - Proposition C	2,699,025.67	2,720,178.12	2.28
R LACMTA Grants - Proposition C	20,044.08	20,201.17	0.02
R Discretionary - Proposition C	9,422.92	9,496.77	0.01
R Bicycle Transportation	8.38	8.45	0.00
R Grants/Donations	(652,023.36)	(657,133.31) (C)	(0.55)
R Benstead Plunge 1996, Madrona Marsh Nature Reserve, Wilson Pk, Tennis Court, Landscape - Proposition A	577.74	582.27	0.00
R Citizens Options for Public Safety (COPS) Grant Funds - AB3229	322,824.27	325,354.27	0.27
R Seismic Education Fund	45,229.93	45,584.40	0.04
R Rehabilitation Housing	469,298.80	472,976.73	0.40
R Police Inmate Welfare Fund	73,119.39	73,692.43	0.06
N Capital Improvements	15,609,557.64	15,731,890.82	13.21
R Vanpool/Rideshare Fund	241,839.81	243,735.13	0.20
R Torrance Improvement Fund	5,750,660.96	5,795,729.29	4.87
R Animal Control Fund	164,355.35	165,643.41	0.14
R Redevelopment-Capital Proj	6,154,069.37	6,202,299.24	5.21
R Redevelopment Debt Service	334,596.10	337,218.35	0.28
N Airport Fund	5,000,018.23	5,039,203.72	4.23
N Transit Operations	(384,880.34)	(387,896.67) (D)	(0.33)
N Water Operations	11,557,242.25	11,647,817.16	9.78
N Emergency Medical Service Enterprise Fund	365,882.87	368,750.32	0.31
N Sanitation Operations	2,495,613.35	2,515,171.64	2.11
N Cultural Arts Enterprise	440,251.69	443,701.97	0.37
N Sewer Enterprise Fund	10,118,840.46	10,198,142.51	8.56
N Parks & Recr Enterprise Fund	(4,598.21)	(4,634.25) (E)	(0.00)
N Self Insurance Fund	6,839,688.19	6,893,291.30	5.79
N Fleet Services	8,821,812.86	8,890,950.02	7.47
R Trust & Agency	3,355,986.63	3,382,287.73	2.84
TOTAL	118,151,967.96	119,077,933.09	100.00

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$118,151,967.96 and the Pooled Cash and Investments total of \$119,077,933.09 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)
- (B) Reimbursement for FY 04-05 in the amount of \$339,039 is pending review and approval by the City of Los Angeles.
 Reimbursement for FY 05-06 in the amount of \$634,827 is pending review and approval by the City of Los Angeles.
 Reimbursement for FY 05-06 in the amount of \$15,002 is pending from the County of Los Angeles.
 Reimbursement for FY 05-06 in the amount of \$305,936 is pending from the State of California.
 Reimbursement for FY 05-06 in the amount of \$6,155 is pending from the City of Carson.
- (C) FEAP 331-Lago Seco Park Development - Primary Elements has a negative cash balance of <\$1,051,708>. Community Services informed Finance that a partial reimbursement request for \$850,924 was submitted on 4/12/06.
 The balance will be submitted for reimbursement after project inspections are done and upon project completion.
- (D) Transit expects approval of its federal capital assistance grant application in May 2006 which includes \$2.1 million in FY 2004-05 capital preventative maintenance reimbursement.
- (E) Revenue in the amount of \$9,612 collected on 3/30/06 was posted on 4/3/06.

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF MARCH 31, 2006**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)	118,151,967.96
CASH AND INVESTMENTS PER BOOKS	119,077,933.09
CASH IN BANKS:	
Cash in B of A General Account	(\$409,861.30)
Cash in B of A Payroll Account	0.00
OUTSTANDING WARRANTS:	
General Account	816,241.10
Payroll Account	88,357.50
Workers Compensation Account	169,935.10
Housing Account	220,258.09
	1,294,791.79
Miscellaneous outstanding adjusting journal entries	(1,810,895.62)
INVESTMENTS PER BOOKS	\$118,151,967.96