

Council Meeting of
October 6, 2009

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

Members of Council:

SUBJECT: Accept and file Investment Reports for August 2009

RECOMMENDATION

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

FUNDING

Not applicable

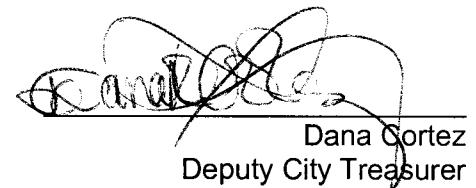
BACKGROUND

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 August 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,



Dana Cortez
Deputy 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 August 2009

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**City of Torrance
Investment Portfolio Highlights
For August 2009**

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	2.999	3.057
Average U.S. Treasury Constant Maturity	.970	1.130
LAIF Average Monthly Return	.925	1.035
Average City Portfolio YTM - 1 year prior	4.189	4.208

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	430,347	755,407
Current month	878,575	1,442,224

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	895	879
Average Maturity 1 Year Prior (days)	1,079	1,043
Weighted Average Maturity (years)	2.45	2.41

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	16,745,109	14
Maturities	19,102,894	19

Transactions include 3 deposits to and 6 withdrawals from LAIF, 2 purchases and 6 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, 2009</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of August 31, 2009</u>
Federal Agency (coup)	113,311,155	-5,002,500	-74,289	108,234,366
Treasury Securities	4,111,960	0	-23,370	4,088,590
Medium Term Notes	21,408,439	-2,006,360	281,639	19,683,718
Municipal Bonds	1,056,794	-133,800	0	922,994
SUB-TOTAL PER GASB 31	139,888,348	-7,142,660	183,980	132,929,668
<u>Non-GASB securities</u>				
LAIF	50,300,000	-20,200,000	0	30,100,000
Money Market	0	00	0	0
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	200,000	0	0	200,000
Negotiable Certificate Deposits		735,000	-6,402	728,598
Commercial paper	0	0	0	0
TOTAL PORTFOLIO	190,388,348	-26,626,364	196,282	163,958,266

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

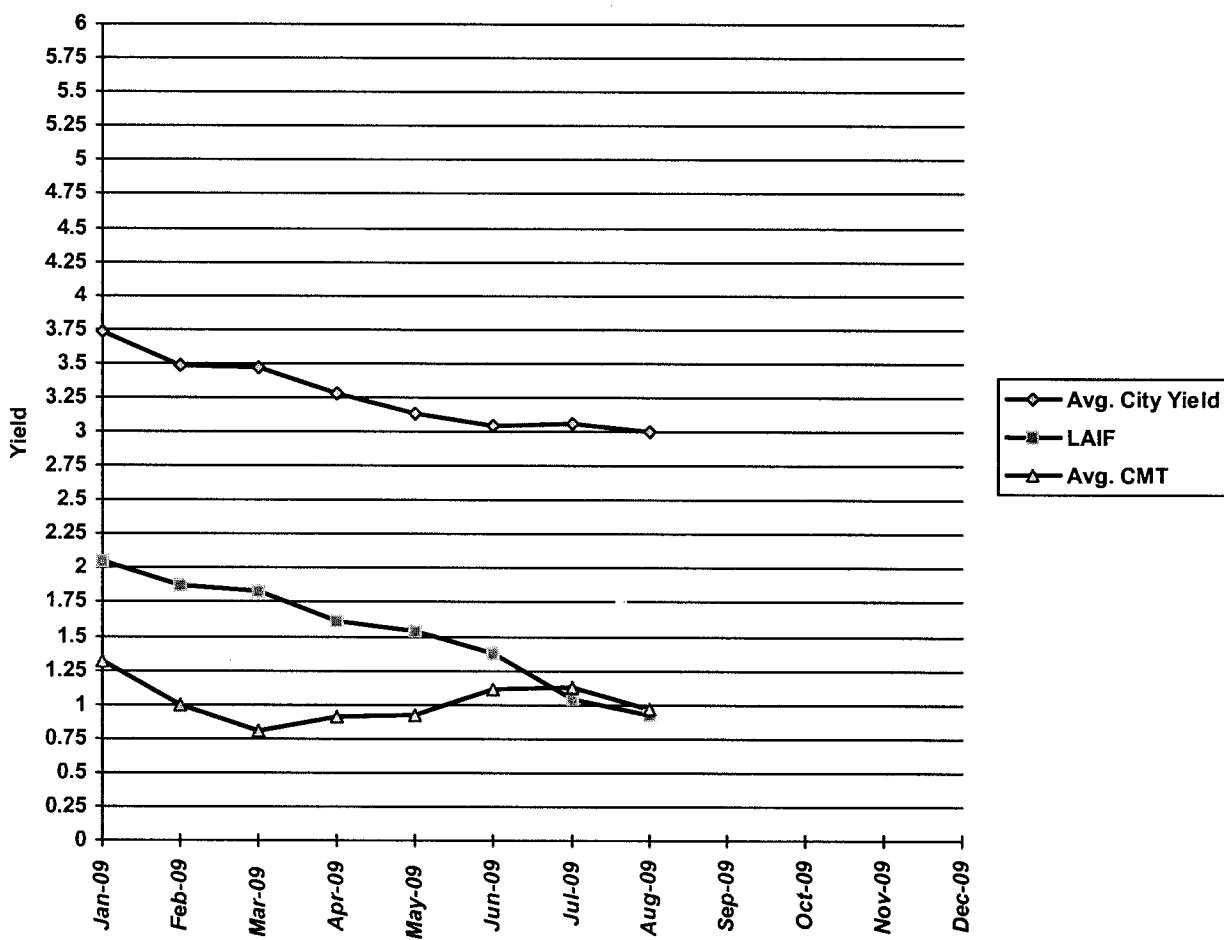
CITY OF TORRANCE

City Treasurer's Office

*Monthly Investment Report Summary
For the month of August 2009*

I. Return

24.98% of the portfolio is invested at one-year maturity or less as of August 31, 2009. The City Average yield on the portfolio was 2.999% compared to .970% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of August 31, 2009 by 2.03 basis points.



II. Volumes

The investment activity for August included 2 deposits and 6 redemption in the Union Bank of California money market account.

III. Diversification of Investments

In the month of August there were 9 purchases for a total of \$7.7 million with an average yield of 2.12%. There were 7 calls for a total of \$8.0 million with an average yield of 4.43%. The activity in the LAIF Account consisted of 3 deposit for a total of \$6.0 million and 6 withdrawals for a total of \$7.0. The portfolio decreased by \$2.4 million.

<u>Asset Category</u>	<u>August</u>	<u>July</u>
1. LAIF	18.55	19.57
2. Certificate of Deposits	.12	.12
3. Negotiable Cert. of Deposits	.45	.00
4. Money Market Sweep	.00	.00
5. Federal Agency Issues(coup)	65.96	64.40
6. Federal Agency Issues(disc)	0.00	0.00
7. Treasury Securities	2.46	2.42
8. Treasury Securities(disc)	0.00	0.00
9. Medium Term Notes	11.89	12.93
10. Municipal Bonds	.57	.56
11. Commercial Paper(disc)	<u>0.00</u>	<u>0.00</u>
	100.00%	100.00%

IV. Maturity

As of August 31, 2009, the current maturity allocation is 32.45% of the portfolio invested between the 6 month to 3-year maturity levels. 21.15% 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 \$34.28 million available for expenditures.

<u>As of Maturity</u>	<u>August</u>	<u>July</u>
0 to 6 months	21.15%	21.51%
6 months to 1 year	3.83%	3.17%
1 to 2 years	9.40%	11.09%
2 to 3 years	19.22%	19.10%
3 to 4 years	31.60%	33.58%
4 to 5 years	14.80%	11.55%
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 August 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	30,100,000	18.55%	**	1	1	N/A	.925%
Certificates of Deposit - Collateralized	200,000	.12		180	17	5 years	1.600%
Negotiable CDs	735,000	.45		1,096	1,087	5 years	2.286%
Money Market Sweep Account	0	.00%		1	1		.002%
Federal Agency Issues - Coupons	107,007,495	65.95%	75%	1,518	1,193	5 years	3.268%
Farmer Mac	0	0.00%	30%			5 years	
Federal Farm Credit Bank	39,513,322	24.37%	30%	306	447	5 years	2.065%
Federal Home Loan Bank	35,492,509	21.99%	30%	394	408	5 years	1.776%
Federal Home Loan Mortgage Corp.	12,001,664	7.43%	30%	512	535	5 years	1.688%
Federal National Mortgage Assoc.	20,000,000	12.27%	30%	477	494	5 years	1.845%
Treasury Securities - Coupons	3,992,866	2.42%	100%	1,187	204	5 years	4.818%
Medium Term Notes	19,297,227	11.89%	20%	1,296	777	5 years	4.166%
Municipal Bond Issues - Coupon	922,993	.57%		3,848	1,034		7.999%
Total Investments & Averages	162,255,581	100.00%		1,212	895		2.999%
Pending Redemptions	0						
Accrued Interest at Purchase	16,053						
Total Accrued Interest	16,053						
TOTAL CASH & INVESTMENTS	162,271,634						

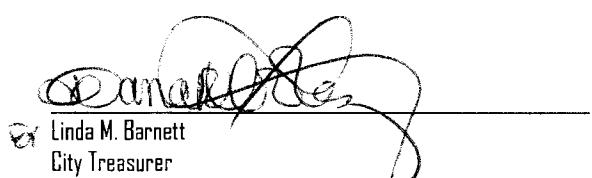
Portfolio Notes:

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

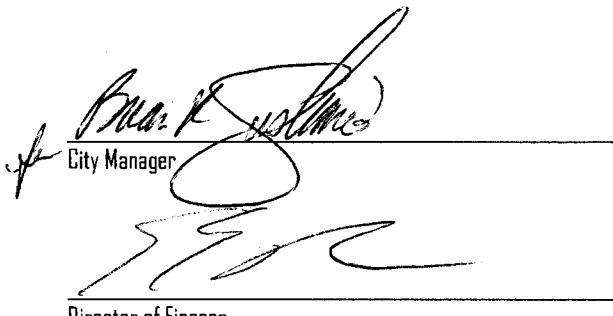
General LAIF account = \$ 19,800,000

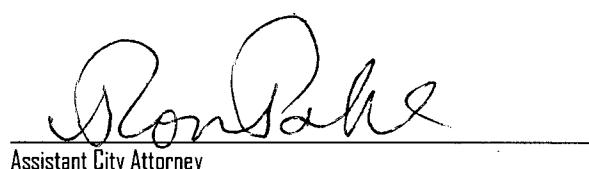
RDA LAIF account = \$ 10,300,000

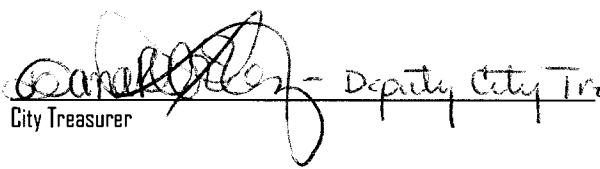
I certify that this report accurately reflects all pooled investments and is in conformity with the city of Torrance Investment Policy Statement adopted by resolution 08-123 on December 9, 2008. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet six months of estimated expenditures.


 Linda M. Barnett
 City Treasurer

Reviewed by the Investment Advisory Committee:


 Brian R. Johnson
 City Manager
 Director of Finance


 Ron Baker
 Assistant City Attorney


 Linda M. Barnett - Deputy City Treasurer
 City Treasurer

**City of Torrance
Portfolio Management
Activity Summary**

August 2008 through August 2009

Month End	Year	Number of Securities	Yield to Maturity			Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Days to Maturity
			360	365	Equivalent					
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
July	2009	100	172,896,716.22	3.016	3.058	1.035	4	8	1,192	879
August	2009	102	163,098,619.91	2.958	2.999	0.925	9	7	1,212	895
	Average	108	178,149,906.11	3.542%	3.591%	1.953	4	7	1,192	911

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INVEST NO.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10816	Great Pacific Securities	08/05/2009	FHLB	AAA	08/05/2014	1799	3.000%	3.054%	1,000,000	997,500	995,310
10818	Dean Witter	08/11/2009	FFCB	AAA	08/11/2014	1805	3.450%	3.450%	1,000,000	1,000,000	1,006,580
10819	Dean Witter	08/25/2009	FHLMC	AAA	08/25/2014	1819	3.625%	3.625%	1,000,000	1,000,000	1,008,600
10820	Stone & Young	08/14/2009	Walmart	Aa2	02/03/2014	1616	3.000%	2.902%	2,000,000	2,008,140	2,029,900
10821	Stone & Young	08/17/2009	Microsoft		06/01/2014	1734	2.950%	2.949%	1,000,000	1,000,000	1,006,150
10822	Stone & Young	08/18/2009	SS Bank		08/17/2012	1881	2.200%	2.259%	245,000	245,000	242,832
10823	Stone & Young	08/26/2009	Lake Bank & Trust		08/27/2012	1991	2.350%	2.350%	245,000	245,000	244,196
10824	Stone & Young	08/24/2009	I.C. Bank		08/24/2012	1088	2.250%	2.311%	245,000	245,000	241,570
10825	Stone & Young	08/26/2009	FHLB	AAA	08/26/2013	1455	2.850%	2.850%	1,000,000	1,000,000	1,005,630

INVEST NO.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(III) MATURITIES*										
10679 Dean Witter		08/06/2007	FHIB	AAA	08/06/2012	5.400%	5.393%	500,000	500,000	500,000
10772 Citigroup		08/13/2008	FRCB	AAA	08/13/2013	4.750%	4.750%	1,000,000	1,000,000	1,000,000
10680 Dean Witter		08/14/2007	F1LB	AAA	08/14/2012	5.460%	5.453%	500,000	500,000	500,000
10727 Wedbush		02/25/2008	FHLB	AAA	02/25/2013	3.750%	3.753%	1,000,000	1,000,000	1,000,000
10703 Citigroup		12/03/2007	GECC	A	09/13/2010	4.250%	5.937%	1,000,000	998,424	1,000,000
10729 Citigroup		02/14/2008	GECC	A	02/15/2012	4.000%	3.803%	2,000,000	2,000,000	2,000,000
10760 Citigroup		05/30/2008	GECC	A	05/15/2012	4.150%	3.975%	2,000,000	2,000,000	2,000,000
								\$7,735,000	\$7,740,640	\$7,781,068
										2.861%
										Weighted Average Yield

* 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) LAIT TRANSACTIONS

DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS WITHDRAWALS	INTEREST	END BAL.
Local Agency Pool						
City	21,900,000	0.925%	0.925%	6,000,000	8,100,000	19,800,000
Tran Acct	0	0.925%	0.925%		0	0
RDA	10,300,000	0.925%	0.925%			10,300,000
	<u>\$32,200,000</u>			<u>\$6,000,000</u>	<u>\$8,100,000</u>	<u>\$30,300,000</u>

**City of Torrance
Portfolio Management
Interest Earnings Summary
August 31, 2009**

	August 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	485,286.11	1,079,632.87
Plus Accrued Interest at End of Period	1,059,991.58	1,059,991.58
Less Accrued Interest at Beginning of Period	(1,157,969.62)	(1,347,507.31)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	<hr/>	<hr/>
Interest Earned during Period	387,308.07	792,117.14
Adjusted by Premiums and Discounts	227.45	-89.68
Adjusted by Capital Gains or Losses	16,075.45	16,075.45
	<hr/>	<hr/>
Earnings during Periods	403,610.97	808,102.91
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)
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	276.13	189,919.15
Plus Accrued Interest at End of Period	698,893.91	698,893.91
Less Accrued Interest at Beginning of Period	(672,434.49)	(818,341.29)
	<hr/>	<hr/>
Interest Earned during Period	26,735.55	70,471.77
	<hr/>	<hr/>
Total Interest Earned during Period	414,043.62	862,588.91
Total Adjustments from Premiums and Discounts	227.45	-89.68
Total Capital Gains or Losses	16,075.45	16,075.45
	<hr/>	<hr/>
Total Earnings during Period	430,346.52	878,574.68

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 31, 2009

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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			19,800,000.00	19,800,000.00	19,800,000.00	0.925	0.925	1		
SYS10001	10001	Local Agency Invest Fund RDA			10,300,000.00	10,300,000.00	10,300,000.00	0.925	0.925	1		
SYS1000a	1000A	LAIF - TRANS FUNDS			0.00	0.00	0.00	0.925	0.925	1		
	Subtotal and Average		30,516,129.03		30,100,000.00	30,100,000.00	30,100,000.00		0.925	1		
Cert. of Deposit - Collateralized												
SYS10796	10796	PREFERRED BANK		03/22/2009	200,000.00	200,000.00	200,000.00	1.600	1.600	17	09/18/2009	
	Subtotal and Average		200,000.00		200,000.00	200,000.00	200,000.00		1.600	17		
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	0.450	Aa2	0.450	1	
SYS1000	1000	Union Bank of California			0.00	0.00	0.00	0.002		0.002	1	
	Subtotal and Average		0.00		0.00	0.00	0.00		0.000	0		
Negotiable CD's												
46147ULM0	10824	Investors Community Bank		08/24/2009	245,000.00	241,570.00	245,000.00	2.250	2.279	1,088	08/24/2012	
509685EA7	10823	Lake Forest B&T		08/26/2009	245,000.00	244,196.40	245,000.00	2.350	2.350	1,091	08/27/2012	
86789UBH1	10822	SunSouth Bank		08/18/2009	245,000.00	242,831.75	245,000.00	2.200	2.228	1,081	08/17/2012	
	Subtotal and Average		221,290.32		735,000.00	728,598.15	735,000.00		2.286	1.087		
Federal Agency Issues - Coupon												
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,033,440.00	1,000,000.00	5.000	Aaa	5.002	267	
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,094,590.00	1,000,000.00	5.250	Aaa	5.250	1,065	
31331XZ24	10688	FEDERAL FARM CREDIT BANK		09/14/2007	1,000,000.00	1,001,880.00	1,000,000.00	5.250	Aaa	5.250	1,109	
31331YHR4	10706	FEDERAL FARM CREDIT BANK		12/14/2007	1,000,000.00	1,010,940.00	1,000,000.00	4.400	Aaa	4.400	1,200	
31331YKW9	10708	FEDERAL FARM CREDIT BANK		12/28/2007	1,000,000.00	1,011,560.00	1,000,000.00	4.250	Aaa	4.250	848	
31331YQP8	10716	FEDERAL FARM CREDIT BANK		01/25/2008	2,500,000.00	2,532,325.00	2,516,250.00	3.800	Aaa	3,657	1,242	
31331YQP8	10721	FEDERAL FARM CREDIT BANK		02/04/2008	1,000,000.00	1,013,130.00	1,000,000.00	3.800	Aaa	3,800	1,242	
31331YSB7	10723	FEDERAL FARM CREDIT BANK		02/01/2008	1,000,000.00	1,012,810.00	1,000,000.00	3.790	Aaa	3,790	1,249	
31331YTS9	10726	FEDERAL FARM CREDIT BANK		02/11/2008	2,000,000.00	2,028,120.00	2,000,000.00	3.750	Aaa	3,750	1,259	
31331YT26	10757	FEDERAL FARM CREDIT BANK		06/02/2008	2,000,000.00	2,016,260.00	1,989,932.59	3,620	Aaa	3,627	639	
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	1,026,360.00	1,000,000.00	4.240	Aaa	4,240	1,371	
31331YQG4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,034,890.00	1,000,000.00	4,850	Aaa	4,850	1,399	
31331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,036,260.00	1,000,241.53	3,125	Aaa	3,113	752	
31331GBS7	10777	FEDERAL FARM CREDIT BANK		09/30/2008	3,000,000.00	2,999,688.76	3,003,750.00	3,100	Aaa	3,219	381	
31331GBT5	10778	FEDERAL FARM CREDIT BANK		10/07/2008	2,000,000.00	1,999,952.94	2,002,500.00	3,980	Aaa	4,003	1,112	

Portfolio CITY

AP

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Report Ver. 5.00

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's Rating	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
31331GDF3	10779	FEDERAL FARM CREDIT BANK	10/15/2008	2,000,000.00	2,057,500.00	2,000,000.00	4.250	Aaa	4.250	1.505	10/15/2013	
31331GLP2	10781	FEDERAL FARM CREDIT BANK	01/30/2009	2,000,000.00	1,996,880.00	2,000,000.00	3.100	Aaa	3.100	1.612	01/30/2014	
31331GLY3	10783	FEDERAL FARM CREDIT BANK	02/11/2009	1,000,000.00	1,002,190.00	1,000,000.00	2.850	Aaa	2.850	1.259	02/11/2013	
31331GPA1	10792	FEDERAL FARM CREDIT BANK	03/03/2009	1,000,000.00	1,003,440.00	999,115.28	3.250	Aaa	3.288	1.644	03/03/2014	
31331GST7	10797	FEDERAL FARM CREDIT BANK	04/13/2009	3,000,000.00	3,000,930.00	3,000,000.00	2.080	Aaa	2.080	.955	04/13/2012	
31331GVDB8	10800	FEDERAL FARM CREDIT BANK	05/08/2009	1,000,000.00	996,880.00	1,000,000.00	2.200	Aaa	2.200	1.315	04/08/2013	
31331GWL9	10803	FEDERAL FARM CREDIT BANK	05/20/2009	2,000,000.00	1,998,760.00	2,000,000.00	2.500	Aaa	2.500	1.357	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	818	11/28/2011	
31331GWQ8	10806	FEDERAL FARM CREDIT BANK	05/22/2009	2,000,000.00	1,998,120.00	2,000,000.00	1.800	Aaa	1.800	.993	05/21/2012	
31331GYA1	10809	FEDERAL FARM CREDIT BANK	06/15/2009	2,000,000.00	2,002,500.00	1,998,140.74	2.000	Aaa	2.035	1.018	06/15/2012	
31331GH77	10818	FEDERAL FARM CREDIT BANK	08/11/2009	1,000,000.00	1,006,880.00	1,000,000.00	3.450	Aaa	3.450	1.805	08/11/2014	
31333XKYE9	10662	FEDERAL HOME LOAN BANK	05/25/2007	1,000,000.00	1,032,810.00	1,000,000.00	5.200	Aaa	5.200	.997	05/25/2012	
31333XM3S8	10684	FEDERAL HOME LOAN BANK	08/27/2007	1,000,000.00	1,042,190.00	1,000,000.00	5.125	Aaa	5.125	1.091	08/27/2012	
31333XMG39	10691	FEDERAL HOME LOAN BANK	10/09/2007	2,000,000.00	2,009,380.00	2,000,000.00	5.100	Aaa	5.100	1.134	10/09/2012	
31333XMPZ8	10696	FEDERAL HOME LOAN BANK	10/22/2007	2,000,000.00	2,013,120.00	2,000,000.00	5.150	Aaa	5.150	1.147	10/22/2012	
31333XNJAS8	10701	FEDERAL HOME LOAN BANK	12/17/2007	1,000,000.00	1,011,250.00	1,000,000.00	4.550	Aaa	4.550	1.203	12/17/2012	
31333XNY55	10712	FEDERAL HOME LOAN BANK	01/22/2008	1,000,000.00	1,014,380.00	1,000,000.00	4.050	Aaa	4.050	1.239	01/22/2013	
31333XPFS0	10725	FEDERAL HOME LOAN BANK	02/05/2008	1,000,000.00	1,014,060.00	1,000,000.00	3.660	Aaa	3.660	1.253	02/05/2013	
31333XQCL4	10735	FEDERAL HOME LOAN BANK	03/26/2008	2,750,000.00	2,802,415.00	2,750,000.00	3.720	Aaa	3.720	1.302	03/26/2013	
31333XQEHI	10736	FEDERAL HOME LOAN BANK	03/18/2008	1,000,000.00	1,001,880.00	999,982.13	4.000	Aaa	4.006	1.294	03/18/2013	
31333XQIZ6	10738	FEDERAL HOME LOAN BANK	04/16/2008	2,000,000.00	2,035,000.00	1,999,875.00	3.750	Aaa	3.754	1.323	04/16/2013	
31333XQLJA1	10742	FEDERAL HOME LOAN BANK	04/15/2008	2,000,000.00	2,076,260.00	2,000,000.00	3.700	Aaa	3.700	1.322	04/15/2013	
31333XQVY5	10746	FEDERAL HOME LOAN BANK	05/13/2008	2,000,000.00	2,051,880.00	1,999,825.00	4.125	Aaa	4.131	1.350	05/13/2013	
31333XQWX6	10748	FEDERAL HOME LOAN BANK	05/07/2008	1,500,000.00	1,531,410.00	1,500,000.00	3.760	Aaa	3.760	.979	05/07/2012	
31333XQZB8	10751	FEDERAL HOME LOAN BANK	05/14/2008	1,000,000.00	1,020,630.00	1,000,000.00	3.625	Aaa	3.625	.986	05/14/2012	
31333XRFU9	10762	FEDERAL HOME LOAN BANK	06/17/2008	2,245,000.00	2,268,145.95	2,244,955.93	3.800	Aaa	3.804	.654	06/17/2011	
31333XRKJ3	10764	FEDERAL HOME LOAN BANK	06/25/2008	1,000,000.00	1,029,380.00	1,000,000.00	4.350	Aaa	4.350	1.028	06/25/2012	
31333XS193	10784	FEDERAL HOME LOAN BANK	02/18/2009	1,000,000.00	1,003,130.00	1,000,000.00	3.250	Aaa	3.250	1.631	02/18/2014	
31333XT2P0	10785	FEDERAL HOME LOAN BANK	02/24/2009	2,000,000.00	2,015,000.00	2,000,000.00	2.550	Aaa	2.550	.906	02/24/2012	
31333XT6J0	10788	FEDERAL HOME LOAN BANK	02/26/2009	2,000,000.00	2,014,380.00	2,000,000.00	2.625	Aaa	2.625	1.274	02/26/2013	
31333XT6W1	10789	FEDERAL HOME LOAN BANK	02/27/2009	2,000,000.00	2,031,880.00	2,000,000.00	2.150	Aaa	2.150	.909	02/27/2012	
31333XTA97	10790	FEDERAL HOME LOAN BANK	03/06/2009	1,000,000.00	1,019,690.00	1,000,000.00	2.100	Aaa	2.100	.735	09/06/2011	
31333XU6N8	10816	FEDERAL HOME LOAN BANK	08/05/2009	1,000,000.00	995,310.00	997,861.11	3.000	Aaa	3.054	1.799	08/05/2014	
31333XUBAO	10817	FEDERAL HOME LOAN BANK	07/30/2009	1,000,000.00	1,001,250.00	1,000,000.00	2.150	Aaa	2.150	1.793	07/30/2014	
31333XUNK5	10825	FEDERAL HOME LOAN BANK	08/26/2009	1,000,000.00	1,005,690.00	1,000,000.00	2.850	Aaa	2.850	1.455	08/26/2013	
31283XTLX0	10745	FEDERAL HOME LOAN MORTGAGE CO	04/29/2008	2,000,000.00	2,044,120.00	1,998,016.67	3.920	Aaa	3.987	1.336	04/29/2013	

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City of Torrance
Portfolio Management
Portfolio Details - Investments
August 31, 2009

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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												
3128X8QM7	10794	FEDERAL HOME LOAN MORTGAGE CO	03/24/2009	1,000,000.00	1,013,720.00	999,087.22	2,375	Aaa	2.396	1,665	03/24/2014	
3128X8T25	10798	FEDERAL HOME LOAN MORTGAGE CO	04/20/2009	2,000,000.00	2,009,240.00	2,000,000.00	2,500	Aaa	2.500	1,315	04/08/2013	
3128X8E73	10801	FEDERAL HOME LOAN MORTGAGE CO	05/19/2009	1,000,000.00	1,003,720.00	1,000,000.00	2,170	Aaa	2.170	1,175	11/19/2012	
3128X8MS8	10802	FEDERAL HOME LOAN MORTGAGE CO	05/07/2009	1,000,000.00	1,009,060.00	1,004,560.00	2,350	Aaa	2.129	913	03/02/2012	
3128X8R46	10810	FEDERAL HOME LOAN MORTGAGE CO	06/25/2009	2,000,000.00	2,029,780.00	2,000,000.00	3,000	Aaa	3.000	1,333	06/25/2013	
3128X8S29	10811	FEDERAL HOME LOAN MORTGAGE CO	06/30/2009	1,000,000.00	1,011,680.00	1,000,000.00	3,000	Aaa	3.000	1,763	06/30/2014	
3128X82V3	10814	FEDERAL HOME LOAN MORTGAGE CO	07/14/2009	1,000,000.00	1,012,370.00	1,000,000.00	3,400	Aaa	3.400	1,777	07/14/2014	
3128X9BA7	10819	FEDERAL HOME LOAN MORTGAGE CO	08/25/2009	1,000,000.00	1,008,600.00	1,000,000.00	3,625	Aaa	3.625	1,819	08/25/2014	
3136F8N92	10720	FEDERAL NATIONAL MORT ASSOC	01/29/2008	2,000,000.00	2,026,880.00	2,000,000.00	3,625	Aaa	3.625	1,246	01/29/2013	
3136F9MV2	10749	FEDERAL NATIONAL MORT ASSOC	05/05/2008	1,000,000.00	1,019,060.00	1,000,000.00	3,250	Aaa	3.250	611	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	1,351	05/14/2013	
3136FHAK1	10786	FEDERAL NATIONAL MORT ASSOC	02/27/2009	1,000,000.00	1,009,060.00	1,000,000.00	2,625	Aaa	2,625	1,091	08/27/2012	
3136FAVL3	10787	FEDERAL NATIONAL MORT ASSOC	03/02/2009	1,000,000.00	1,004,380.00	1,000,000.00	2,000	Aaa	2,000	547	03/02/2011	
3136FAVR0	10791	FEDERAL NATIONAL MORT ASSOC	03/10/2009	1,000,000.00	1,007,500.00	1,000,000.00	3,375	Aaa	3,375	1,651	03/10/2014	
3136FHC0	10793	FEDERAL NATIONAL MORT ASSOC	03/05/2009	1,000,000.00	1,012,500.00	1,000,000.00	2,250	Aaa	2,250	906	02/24/2012	
3136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC	05/14/2009	2,000,000.00	1,990,000.00	2,000,000.00	2,125	Aaa	2,125	1,716	05/14/2014	
3136FHWB7	10804	FEDERAL NATIONAL MORT ASSOC	05/21/2009	2,000,000.00	2,006,260.00	2,000,000.00	1,500	Aaa	1,500	811	11/21/2011	
3136FHUY9	10807	FEDERAL NATIONAL MORT ASSOC	06/01/2009	2,000,000.00	2,003,120.00	2,000,000.00	1,400	Aaa	1,400	1,004	06/01/2012	
3136FHXF7	10808	FEDERAL NATIONAL MORT ASSOC	06/10/2009	2,000,000.00	2,004,380.00	2,000,000.00	2,000	Aaa	2,000	1,186	12/10/2012	
3136FHQ73	10813	FEDERAL NATIONAL MORT ASSOC	07/08/2009	2,000,000.00	2,010,000.00	2,000,000.00	3,000	Aaa	3,000	1,771	07/08/2014	
3138AYN6	10815	FEDERAL NATIONAL MORT ASSOC	07/28/2009	2,000,000.00	2,013,120.00	2,000,000.00	3,000	Aaa	3,000	1,781	07/28/2014	
Subtotal and Average				193,548.39	106,995,000.00	108,234,365.95	107,007,494.90			3,268	1,193	
Treasury Securities - Coupon												
912828DZ0	10579	U.S. TREASURY NOTE	07/25/2005	1,000,000.00	1,030,200.00	998,581.70	3,875	Aaa	4,057	317	07/15/2010	
912828GR5	10669	U.S. TREASURY NOTE	06/08/2007	1,000,000.00	1,029,180.00	996,716.42	4,500	Aaa	5,008	256	05/15/2010	
912828GG9	10671	U.S. TREASURY NOTE	06/15/2007	1,000,000.00	1,020,230.00	998,476.13	4,750	Aaa	5,109	167	02/15/2013	
912828FX3	10672	U.S. TREASURY NOTE	06/15/2007	1,000,000.00	1,008,980.00	999,091.35	4,625	Aaa	5,100	75	11/15/2009	
Subtotal and Average				1,997,248.87	4,000,000.00	4,088,590.00	3,992,885.80			4,818	204	
Medium Term Notes												
060505AR5	10699	Bank of America	11/02/2007	990,000.00	1,014,453.00	990,074.14	4,875	Aa2	4,871	1,110	09/15/2012	
084664AF8	10709	Berkshire Hathaway	01/15/2008	1,000,000.00	1,036,070.00	1,006,677.18	4,200	Aaa	3,648	470	12/15/2010	
084664AD3	10714	Berkshire Hathaway	01/18/2008	1,000,000.00	1,054,930.00	1,011,716.92	4,625	Aaa	4,300	1,505	10/15/2013	
084664AF8	10795	Berkshire Hathaway	03/10/2009	1,000,000.00	1,036,070.00	1,012,787.40	4,200	Aaa	3,170	470	12/15/2010	
36967HAY3	10812	General Electric Capital Corp	06/22/2009	2,000,000.00	2,045,630.00	2,019,358.13	2,625	Aaa	2,320	1,214	12/28/2012	

Portfolio CITY

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PM(PRF_PM2) SymRept 6.41.202b

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Medium Term Notes												
38143UBE0	10660	Goldman Sachs	05/14/2007	1,210,000.00	1,241,835.10	1,205,181.00	4,500	Aa3	5.050	287	06/15/2010	
38141GBU7	10743	Goldman Sachs	04/18/2008	1,000,000.00	1,082,630.00	1,037,710.41	6,600	Aa3	4.840	886	01/15/2012	
40429CCX8	10532	Household Finance Co	11/20/2006	1,000,000.00	1,025,050.00	1,000,950.36	5,250	A3	5.170	500	01/14/2011	
40429XB39	10694	Household Finance Co	10/12/2007	1,000,000.00	1,010,290.00	1,000,000.00	5,000	A3	5.000	409	10/15/2010	
40429XC95	10700	Household Finance Co	11/29/2007	1,000,000.00	1,012,340.00	1,000,000.00	5,050	A3	5.050	440	11/15/2010	
59018YYV0	10630	MERRILL LYNCH	11/17/2006	1,000,000.00	1,025,550.00	997,813.21	4,790	A2	5.050	337	08/04/2010	
594918AB0	10821	MicroSoft Corp	08/17/2009	1,000,000.00	1,006,150.00	1,000,000.00	2,950	2.949	1.734	06/01/2014		
64952WAE3	10697	New York Life Global	11/02/2007	1,000,000.00	1,018,310.00	999,931.27	4,625	Aa3	4.630	349	08/16/2010	
90327QCQ0	10670	USAA Capital Corp	06/12/2007	2,000,000.00	2,006,960.00	1,995,855.39	4,640	Aa1	5.420	105	12/15/2009	
931142CN1	10820	Wal-Mart Stores	08/14/2009	2,000,000.00	2,029,900.00	2,008,054.00	3,000	Aa2	2.902	1,616	02/03/2014	
949746NB3	10715	Wells Fargo Co	01/23/2008	1,000,000.00	1,037,500.00	1,011,138.21	4,875	Aa1	4.000	498	01/12/2011	
		Subtotal and Average		1,649,860.00	19,200,000.00	19,683,718.10	19,297,227.62		4.166	777		
Municipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd	1/2/18/2001	922,993.69	922,993.69	922,993.69	8,000		7,999	1,034	07/01/2012	
		Subtotal and Average		922,993.69	922,993.69	922,993.69			7,999	1,034		
		Total and Average		35,701,070.30	162,152,993.69	163,958,265.89	162,255,581.81		2.999	895		

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**City of Torrance
Portfolio Management
Portfolio Details - Cash
August 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		16,052.79		16,052.79		0	
		Subtotal			16,052.79		16,052.79				
		Total Cash and Investments	163,098,619.91	162,152,993.69	163,974,318.68	162,271,634.60		2.999	895		

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

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

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	35,974,555.34	35,185,182.72	22.17
R	Parks & Recr Facility & Open Space	3,795,938.68	3,712,646.20	2.34
R	State Gas Tax	6,600,258.75	6,455,432.40	4.07
R	Federal Housing, Community Dev	212,682.50	208,015.71	0.13
R	Street Lighting	123,365.64	120,658.69	0.08
R	Traffic Congestion Relief Act 2000 - AB2928	-	-	(B) 0.00
R	Proposition 1B	1,716,795.05	1,679,124.23	1.06
R	Police Asset Forfeiture	3,310,246.67	3,237,611.50	2.04
N	Government Cable	2,631,976.53	2,574,224.32	1.62
R	Local Return - Proposition C	5,702,993.50	5,577,855.42	3.51
R	Grants/Donations	(2,946,588.64)	(2,881,933.04) (C)	(1.82)
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3228	124,677.41	121,941.67	0.08
R	Seismic Education Fund	53,197.29	52,030.01	0.03
R	Rehabilitation Housing	632,690.56	618,807.73	0.39
R	Police Inmate Welfare Fund	53,705.76	52,527.32	0.03
N	Capital Improvements	22,399,787.59	21,908,279.67	13.81
R	Vanpool/Rideshare Fund	360,425.40	352,516.76	0.22
R	Torrance Improvement Fund	4,315,867.86	4,221,166.82	2.66
R	Animal Control Fund	39,656.54	38,786.38	0.02
R	Redevelopment-Capital Proj	10,509,430.83	10,278,827.37	6.48
R	Redevelopment Debt Service	896,597.81	876,924.19	0.55
N	DNA Sampling Fund	23,986.32	23,460.00	0.01
N	Airport Fund	8,041,707.50	7,865,252.12	4.96
N	Transit Operations	5,206,604.27	5,092,358.22	3.21
R	Development Impact Fund	735,540.75	719,401.13	0.45
N	Water Operations	4,578,337.63	4,477,877.34	2.82
N	Emergency Medical Service Enterprise Fund	-	-	0.00
N	Sanitation Operations	2,736,576.78	2,676,529.37	1.69
N	Cultural Arts Enterprise	295,926.00	289,432.64	0.18
N	Sewer Enterprise Fund	11,745,191.33	11,487,472.16	7.24
N	Parks & Recreation Enterprise Fund	(2,422.71)	(2,369.55) (D)	(0.00)
N	Self Insurance Fund	8,995,755.36	8,798,365.76	5.54
N	Fleet Services	14,543,645.77	14,224,521.44	8.96
R	Postemployment/Compensated Absences Fund	5,708,756.74	5,583,492.20	3.52
R	Trust & Agency	3,137,714.97	3,068,865.58	1.93
TOTAL		162,255,581.81	158,695,284.48	100.00

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$162,255,581.81 and the Pooled Cash and Investments total of \$158,695,284.48 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)
- (B) All fiscal year 2008-09 Traffic Congestion Relief Act 2000 - AB2928 funds in the amount of \$1,276,609 were spent on the T43/44 for the Torrance Boulevard Rehabilitation project.
- (C) T43-T44 Torrance Blvd. Rehabilitation STPL Federal Grant negative cash balance is <\$827,561>. Reimbursement of \$642,170 was received from the State on 9/14/09. Reimbursement in the amount of \$185,391 will be submitted by the end of September.
- T 030 Del Amo Blvd. Extension has a negative cash balance of <\$3,719,821> for the easement escrow on TMT South Bay. Reimbursement will be requested by Public Works by the end of October.
- (D) Receipts total for registration from non-residents, which started September 1, 2009, is approximately \$25,000.

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF AUGUST 31, 2009**

INVESTMENTS PER PORTFOLIO SUMMARY
(City Pool)

162,255,581.81

CASH AND INVESTMENTS PER BOOKS

158,695,284.48

CASH IN BANKS:

Cash in B of A General Account	(\$221,083.01)
Cash in B of A Payroll Account	0.00

OUTSTANDING WARRANTS:

General Account	684,937.06
Payroll Account	114,824.93
Workers Compensation Account	49,084.62
	848,846.61

Miscellaneous outstanding adjusting journal entries:

Deposits in Transit	55,872.82
Payroll for PE 8/29/09 posted on 8/29/09 and paid on 9/4/09	2,876,660.91
INVESTMENTS PER BOOKS	\$162,255,581.81