

Council Meeting of
April 6, 2010

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

Members of Council:

SUBJECT: Accept and file Investment Reports for February 2010

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of February 2010.

FUNDING

Not applicable

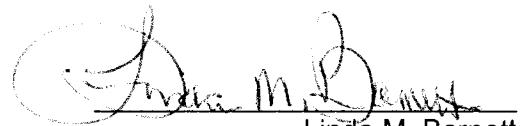
BACKGROUND

On December 08, 2009, Your Honorable Body, through passage of Resolution 2009-118, 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 February 2010.

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 February 2010

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**City of Torrance
Investment Portfolio Highlights
For February 2010**

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	2.350	2.488
Average U.S. Treasury Constant Maturity	.810	.820
LAIF Average Monthly Return	.577	.558
Average City Portfolio YTM - 1 year prior	3.456	3.727

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	2,970,791	4,988,330
Current month	323,780	585,199

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	764	806
Average Maturity 1 Year Prior (days)	794	876
Weighted Average Maturity (years)	2.18	2.40

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	24,499,884	21
Maturities	23,299,077	21

Transactions include 8 deposits to and 4 withdrawals from LAIF, 6 purchases and 8 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 February 28, 2010</u>
Federal Agency (coup)	113,311,155	-18,257,402	-315,956	94,737,797
Treasury Securities	4,111,960	-2,000,000	-88,960	2,023,000
Medium Term Notes	21,408,439	-4,006,360	348,515	17,750,593
Municipal Bonds	1,056,794	-272,952	0	783,842
SUB-TOTAL PER GASB 31	139,888,348	-24,536,714	-56,401	115,295,233
Non-GASB securities				
LAIF	50,300,000	-1,400,000	0	48,900,000
Money Market	0	0	0	0
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits - Disc.	200,000	-200,000	0	0
Negotiable Certificate Deposits		2,450,000	18,671	2,468,671
Commercial paper	0	0	0	0
TOTAL PORTFOLIO	190,388,348	-23,705,418	-19,026	166,663,904

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

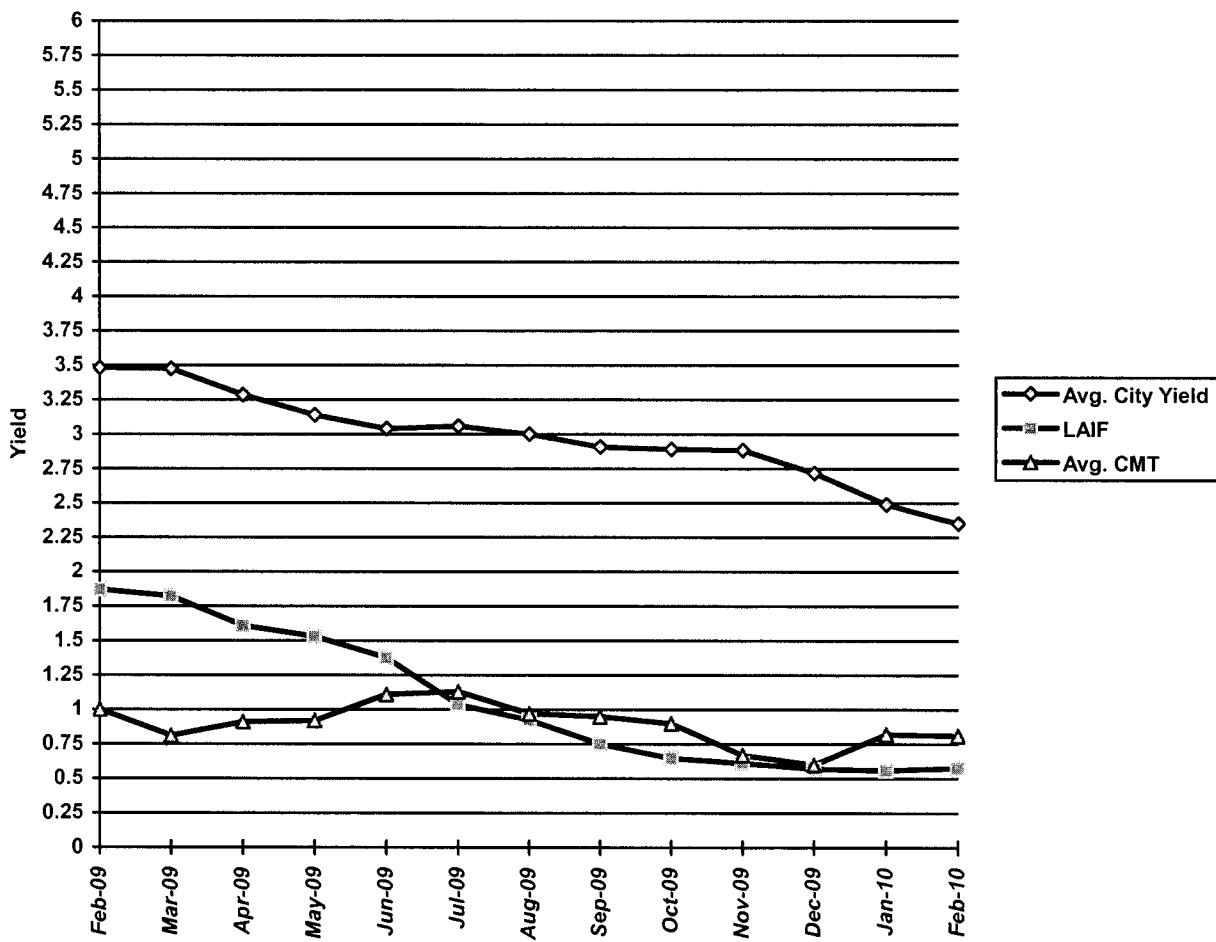
CITY OF TORRANCE

City Treasurer's Office

*Monthly Investment Report Summary
For the month of February 2010*

I. Return

37.01% of the portfolio is invested at one-year maturity or less as of February 28, 2010. The City Average yield on the portfolio was 2.350% compared to .81% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of February 28, 2010 by 1.55 basis points.



II. Volumes

The investment activity for February included 6 deposits and 8 redemption in the Union Bank of California money market account.

III. Diversification of Investments

In the month of February there were 7 purchases for a total of \$7.0 million. There were 8 calls and 1 redemption for a total of \$12.0 million with an average yield of 3.482%. The activity in the LAIF Account consisted of 8 deposit for a total of \$11.5 million and 4 withdrawals for a total of \$5.3 million. The portfolio increased by \$1.2 million.

<u>Asset Category</u>	<u>February</u>	<u>January</u>
1. LAIF	29.61	26.04
2. Certificate of Deposits	.00	.00
3. Negotiable Cert. of Deposits	1.48	1.49
4. Money Market Sweep	.00	.00
5. Federal Agency Issues(coup)	56.77	59.62
6. Federal Agency Issues(disc)	0.00	0.00
7. Treasury Securities	1.21	1.83
8. Treasury Securities(disc)	0.00	0.00
9. Medium Term Notes	10.46	10.54
10. Municipal Bonds	.47	.48
11. Commercial Paper(disc)	<u>0.00</u>	<u>0.00</u>
	100.00%	100.00%

IV. Maturity

As of February 28, 2010, the current maturity allocation is 27.08% of the portfolio invested between the 6 month to 3-year maturity levels. 33.38% 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 \$55.10 million available for expenditures.

<u>As of Maturity</u>	<u>February</u>	<u>January</u>
0 to 6 months	33.40%	29.23%
6 months to 1 year	3.63%	4.88%
1 to 2 years	6.35%	4.57%
2 to 3 years	17.10%	19.06%
3 to 4 years	22.56%	23.34%
4 to 5 years	16.96%	18.92%
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 February 28, 2010

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	48,90,000	29.61%	**	1	1	N/A	.577%
Certificates of Deposit - Collateralized	00	.00		180	0	5 years	.00%
Negotiable CDs	2,450,000	1.48		1,023	874	5 years	2.193%
Money Market Sweep Account	0	.00%		0	0		.005%
Federal Agency Issues - Coupons	93,742,445	56.76%	75%	1,517	1,189	5 years	2.886%
Farmer Mac	0	0.00%	30%			5 years	
Federal Farm Credit Bank	24,991,771	15.20%	30%	1,084	1,185	5 years	2.449%
Federal Home Loan Bank	34,749,925	21.10%	30%	1,087	1,155	5 years	2.530%
Federal Home Loan Mortgage Corp.	13,000,749	7.89%	30%	1,216	1,305	5 years	2.611%
Federal National Mortgage Assoc.	21,000,000	12.67%	30%	1,065	1,172	5 years	2.192%
Treasury Securities - Coupons	1,998,429	1.21%	100%	1,444	106	5 years	4.533%
Medium Term Notes	17,280,479	10.46%	20%	1,340	673	5 years	4.021%
Municipal Bond Issues - Coupon	783,841	.47%		3,848	853		7.999%
Total Investments & Averages	165,155,195	100.00%		1,052	764		2.355%
Pending Redemptions	0						
Accrued Interest at Purchase	4,522						
Total Accrued Interest	4,522						
TOTAL CASH & INVESTMENTS	165,159,718						

Portfolio Notes:

**Maximum allowed by Investment Policy is \$50 million per agency.

General LAIF account = \$ 42,600,000

ROA LAIF account = \$ 6,300,000

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 09-118 on December 8, 2009. 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

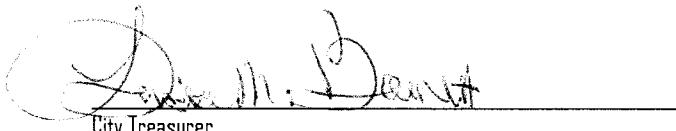
Reviewed by the Investment Advisory Committee:



City Manager
Director of Finance



John F. Pelloway
City Attorney



Linda M. Barnett
City Treasurer

**City of Torrance
Portfolio Management
Activity Summary**
February 2009 through February 2010

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360	365 Equivalent					
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
September	2009	108	158,250,967.29	2.868	2.908	0.750	6	6	1,210	884
October	2009	106	153,201,872.01	2.851	2.890	0.646	4	3	1,232	885
November	2009	100	149,620,161.47	2.858	2.898	0.611	0	3	1,242	869
December	2009	102	148,276,586.11	2.681	2.718	0.569	8	6	1,225	883
January	2010	103	154,340,502.72	2.454	2.488	0.560	7	6	1,111	806
February	2010	102	164,020,836.85	2.323	2.355	0.577	7	9	1,052	764
	Average	103	168,902,249.52	2.937%	2.978%	1.068	6	6	1,140	832

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*										
10853 Higgins Capital		02/09/2010 FNMA	AAA/Aaa	02/09/2015	1806	3.100%	3.100%	1,000,000	1,000,000	1,005,630
10854 Stone & Young		02/26/2010 FHLB	AAA/Aaa	08/26/2013	1274	2.000%	2.000%	1,000,000	1,000,000	1,001,880
10855 Webush		02/18/2010 FHLB	AAA/Aaa	11/18/2013	1358	2.170%	2.170%	1,000,000	1,000,000	1,004,690
10856 Webush		02/23/2010 FNMA	AAA/Aaa	08/23/2013	1271	2.000%	2.000%	1,000,000	1,000,000	1,003,130
10857 Great Pacific Securities		02/02/2010 FFCB	AAA/Aaa	02/02/2015	1799	2.950%	2.972%	1,000,000	999,000	1,007,500
10858 Higgins Capital		02/17/2010 FHLMC	AAA/Aaa	02/17/2015	1814	3.000%	3.000%	1,000,000	1,000,000	1,007,540
10859 Stone & Young		02/11/2010 FFCB	AAA/Aaa	02/11/2014	1443	2.422%	2.422%	1,000,000	1,000,000	1,004,060

\$7,000,000	\$6,999,000	\$7,034,430
Weighted Average Yield		

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10785 Higgins Capital		02/24/2009 FHLB	AAA/Aaa	02/24/2012	2.550%	2.550%	2,000,000	2,000,000	2,000,000	2,000,000
10723 Cligrup		02/01/2008 FFCB	AAA/Aaa	02/01/2013	3.790%	3.795%	1,000,000	1,000,000	1,000,000	1,000,000
10725 Higgins Capital		02/05/2008 FHLB	AAA/Aaa	02/05/2013	3.660%	3.655%	1,000,000	1,000,000	1,000,000	1,000,000
10726 Cligrup		02/11/2008 FFCB	AAA/Aaa	02/11/2013	3.750%	3.745%	2,000,000	2,000,000	2,000,000	2,000,000
10783 Cligrup		02/11/2009 FFCB	AAA/Aaa	02/11/2013	2.850%	2.850%	1,000,000	1,000,000	1,000,000	1,000,000
10816 Great Pacific Securities		08/05/2009 FHLB	AAA/Aaa	08/05/2014	3.460%	3.460%	1,000,000	1,000,000	1,000,000	1,000,000
10819 Dean Witter		08/25/2009 FHLMC	AAA/Aaa	08/25/2014	3.625%	3.595%	1,000,000	1,000,000	1,000,000	1,000,000
10828 Great Pacific Securities		09/29/2009 FHLB	AAA/Aaa	09/29/2014	3.125%	3.147%	2,000,000	1,998,137	2,000,000	2,000,000
10671 Dean Witter		06/15/2007 USTN	AAA/Aaa	02/15/2010	4.750%	5.073%	1,000,000	1,000,000	1,000,000	1,000,000

\$12,000,000	\$11,998,137	\$12,000,000
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) LAIF TRANSACTIONS

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS WITHDRAWALS	INTEREST	END BAL.
- State of California	- Local Agency Pool City Tran Acct RDA	36,400,000 0 6,300,000 \$42,700,000	0.577% 0.577% 0.577%	0.577% 0.577% 0.577%	11,500,000 - \$11,500,000	5,300,000 \$ - \$35,300,000	42,600,000 0 \$48,900,000

**City of Torrance
Portfolio Management
Interest Earnings Summary
February 28, 2010**

	February 28 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	439,983.88	3,370,561.06
Plus Accrued Interest at End of Period	800,184.66	798,596.91
Less Accrued Interest at Beginning of Period	(935,374.34)	(1,346,621.82)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	<hr/> 304,794.20	<hr/> 2,822,536.15
Adjusted by Premiums and Discounts	-2,286.01	-7,035.37
Adjusted by Capital Gains or Losses	1,863.33	1,688.78
Earnings during Periods	<hr/> 304,371.52	<hr/> 2,817,189.56
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	<hr/> 0.00	<hr/> 0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	<hr/> 0.00	<hr/> 0.00
Cash/Checking Accounts:		
Interest Collected	0.00	306,802.43
Plus Accrued Interest at End of Period	665,140.26	665,140.26
Less Accrued Interest at Beginning of Period	(645,731.53)	(818,341.29)
Interest Earned during Period	<hr/> 19,408.73	<hr/> 153,601.40
Total Interest Earned during Period	324,202.93	2,976,137.55
Total Adjustments from Premiums and Discounts	-2,286.01	-7,035.37
Total Capital Gains or Losses	1,863.33	1,688.78
Total Earnings during Period	<hr/> 323,780.25	<hr/> 2,970,790.96
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**City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 2010**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Local Agency Investment Funds												
SYS10000	10000	Local Agency Invest Fund GEN'L			42,600,000.00	42,600,000.00	0.577	0.577			1	
SYS10001	10001	Local Agency Invest. Fund RDA			6,300,000.00	6,300,000.00	0.577	0.577			1	
SYS1000a	1000A	LAIF - TRANS FUNDS			0.00	0.00	0.577	0.577			1	
		Subtotal and Average	45,264,285.71		48,900,000.00	48,900,000.00						0.577
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	0.450	AA	0.450		
SYS1000	1000	Union Bank of California			0.00	0.00	0.00	0.000	0.000	0.000	1	
		Subtotal and Average	1,428,705.50		0.00	0.00						0.000
Negotiable CD's												
319180DA0	10839	First Bank Lexington Tennessee		12/16/2009	245,000.00	245,232.75	245,000.00	2.050	2.475	1,022	12/17/2012	
025586TG32	10829	American Express Centurian		09/23/2009	245,000.00	247,192.75	245,000.00	1.800	1,800	571	09/23/2011	
05568PSJ7	10832	BMW Bank of North America		09/23/2009	245,000.00	246,803.20	245,000.00	2.300	2,300	938	09/24/2012	
149159GX7	10830	Cathay Bank		10/05/2009	245,000.00	246,923.25	245,000.00	1.750	1,750	583	10/05/2011	
254670KW1	10831	Discover Bank		09/23/2009	245,000.00	245,588.00	245,000.00	2.050	2,050	938	09/24/2012	
36159SJS1	10838	GE Money bank		12/11/2009	245,000.00	246,291.15	245,000.00	2.350	2,350	1,016	12/11/2012	
46147JULM0	10824	Investors Community Bank		08/24/2009	245,000.00	246,810.55	245,000.00	2.250	2,279	907	08/24/2012	
509685EA7	10823	Lake Forest B&T		08/26/2009	245,000.00	249,047.40	245,000.00	2.350	2,350	910	08/27/2012	
597740JGR4	10833	MidFirst Bank		10/14/2009	245,000.00	246,901.20	245,000.00	2.350	2,350	959	10/15/2012	
86789UBH1	10822	SunSouth Bank		08/18/2009	245,000.00	247,881.20	245,000.00	2.200	2,228	900	08/17/2012	
		Subtotal and Average	2,450,000.00		2,450,000.00	2,468,671.45						2,193
Federal Agency Issues - Coupon												
31331XMQ2	10840	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,011,560.00	1,000,000.00	5,000	AAA	5,002	86	05/26/2010
31331XT36	10878	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,095,310.00	1,000,000.00	5,250	AAA	5,250	884	08/01/2012
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	1,010,310.00	1,000,000.00	4,240	AAA	4,240	1,190	06/03/2013
31331Y2G4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,015,310.00	1,000,000.00	4,850	AAA	4,850	1,218	07/01/2013
31331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,036,250.00	1,000,182.94	3,125	AAA	3,113	571	09/23/2011
31331GDF3	10779	FEDERAL FARM CREDIT BANK		10/15/2008	2,000,000.00	2,048,120.00	2,000,000.00	4,250	AAA	4,250	1,324	10/15/2013
31331GPA1	10792	FEDERAL FARM CREDIT BANK		03/03/2009	1,000,000.00	1,000,310.00	999,990.28	3,250	AAA	3,288	1,463	03/03/2014
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	1,019,380.00	1,000,000.00	2,200	AAA	2,200	1,134	04/08/2013
31331GWL9	10803	FEDERAL FARM CREDIT BANK		05/20/2009	2,000,000.00	2,010,000.00	2,000,000.00	2,500	AAA	2,500	1,176	05/20/2013
31331GWQ8	10806	FEDERAL FARM CREDIT BANK		05/22/2009	2,000,000.00	2,006,260.00	2,000,000.00	1,800	AAA	1,800	812	05/21/2012
31331GYA1	10809	FEDERAL FARM CREDIT BANK		06/15/2009	2,000,000.00	2,008,760.00	1,998,474.07	2,000	AAA	2,035	837	06/15/2012

Portfolio CITY
AP

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City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 2010

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Maturity Date
Federal Agency Issues - Coupon											
31331GH77	10818	FEDERAL FARM CREDIT BANK	08/11/2009	1,000,000.00		1,013,750.00	1,000,000.00	3.450	AAA	3.450	08/11/2014
31331G2J7	10835	FEDERAL FARM CREDIT BANK	10/27/2009	1,000,000.00	1,012,50.00	1,000,000.00	2.875	AAA	2.875	1,701	10/27/2014
31331G4L0	10836	FEDERAL FARM CREDIT BANK	12/01/2009	2,000,000.00	2,000,620.00	2,000,000.00	2.970	AAA	2.975	1,736	12/01/2014
31331JAA1	10842	FEDERAL FARM CREDIT BANK	12/22/2009	1,000,000.00	1,006,560.00	1,000,000.00	3.000	AAA	3.000	1,757	12/22/2014
31331G7H6	10849	FEDERAL FARM CREDIT BANK	01/25/2010	2,000,000.00	2,001,880.00	1,994,043.48	2.000	AAA	2.101	1,117	03/22/2013
31331G7G8	10851	FEDERAL FARM CREDIT BANK	01/14/2010	1,000,000.00	999,950.00	1,000,000.00	1.400	AAA	1.400	813	05/22/2012
31331JJCX9	10857	FEDERAL FARM CREDIT BANK	02/02/2010	1,000,000.00	1,007,50.00	999,080.56	2.950	AAA	2.972	1,799	02/02/2015
31331JDL4	10859	FEDERAL FARM CREDIT BANK	02/11/2010	1,000,000.00	1,004,060.00	1,000,000.00	2.420	AAA	2.420	1,443	02/11/2014
31333KKYE9	10662	FEDERAL HOME LOAN BANK	05/25/2007	1,000,000.00	1,011,250.00	1,000,000.00	5.200	AAA	5.200	816	05/25/2012
31333XN3S8	10684	FEDERAL HOME LOAN BANK	08/27/2007	1,000,000.00	1,022,50.00	1,000,000.00	5.125	AAA	5.125	910	08/27/2012
31333QCL4	10735	FEDERAL HOME LOAN BANK	03/26/2008	2,750,000.00	2,756,022.50	2,750,000.00	3.720	AAA	3.720	1,121	03/26/2013
31333QZJ26	10738	FEDERAL HOME LOAN BANK	04/16/2008	2,000,000.00	2,007,50.00	1,999,975.00	3.750	AAA	3.754	1,142	04/16/2013
31333QJA1	10742	FEDERAL HOME LOAN BANK	04/15/2008	2,000,000.00	2,070,00.00	2,000,000.00	3.700	AAA	3.700	1,141	04/15/2013
31333QVY5	10746	FEDERAL HOME LOAN BANK	05/13/2008	2,000,000.00	2,015,00.00	1,999,950.00	4.125	AAA	4.131	1,169	05/13/2013
31333QWV6	10748	FEDERAL HOME LOAN BANK	05/07/2008	1,500,000.00	1,509,37.50	1,500,000.00	3.760	AAA	3.760	798	05/07/2012
31333QZB8	10751	FEDERAL HOME LOAN BANK	05/14/2008	1,000,000.00	1,006,56.07	1,000,000.00	3.625	AAA	3.625	805	05/14/2012
31333RKU3	10764	FEDERAL HOME LOAN BANK	06/25/2008	1,000,000.00	1,012,50.00	1,000,000.00	4.350	AAA	4.350	847	06/25/2012
31333XT6J0	10788	FEDERAL HOME LOAN BANK	02/26/2009	2,000,000.00	2,042,50.00	2,000,000.00	2.625	AAA	2.625	1,093	02/26/2013
31333XT6W1	10789	FEDERAL HOME LOAN BANK	02/27/2009	2,000,000.00	2,048,120.00	2,000,000.00	2.150	AAA	2.150	728	02/27/2012
31333XTA97	10790	FEDERAL HOME LOAN BANK	03/06/2009	1,000,000.00	1,020,940.00	1,000,000.00	2.100	AAA	2.100	554	09/06/2011
31333XUBA0	10817	FEDERAL HOME LOAN BANK	07/30/2009	1,000,000.00	1,023,130.00	1,000,000.00	2.150	AAA	2.150	1,612	07/30/2014
31333XLINK5	10825	FEDERAL HOME LOAN BANK	08/26/2009	1,000,000.00	1,011,880.00	1,000,000.00	2.850	AAA	2.850	1,274	08/26/2013
31333XUPC1	10826	FEDERAL HOME LOAN BANK	09/15/2009	1,000,000.00	1,010,310.00	1,000,000.00	2.350	AAA	2.350	1,110	03/15/2013
31333XUPB3	10827	FEDERAL HOME LOAN BANK	09/04/2009	1,000,000.00	1,020,000.00	1,000,000.00	2.125	AAA	2.125	1,648	09/04/2014
31333XVZW4	10837	FEDERAL HOME LOAN BANK	12/30/2009	2,000,000.00	2,010,620.00	2,000,000.00	2.000	AAA	2.045	1,765	12/30/2014
31333XWDX4	10845	FEDERAL HOME LOAN BANK	01/05/2010	2,000,000.00	2,011,880.00	2,000,000.00	2.250	AAA	2.250	1,222	07/05/2013
31333XWHJ1	10846	FEDERAL HOME LOAN BANK	12/28/2009	1,500,000.00	1,511,250.00	1,500,000.00	2.050	AAA	2.050	1,215	06/28/2013
31333XWNR6	10848	FEDERAL HOME LOAN MORTGAGE CO	01/27/2010	2,000,000.00	2,016,260.00	2,000,000.00	3.000	AAA	3.000	1,793	01/27/2015
31333XWP32	10850	FEDERAL HOME LOAN BANK	01/27/2010	1,000,000.00	1,004,060.00	1,000,000.00	1.250	AAA	1.250	788	04/27/2012
31333XWP33	10852	FEDERAL HOME LOAN BANK	01/29/2010	1,000,000.00	1,004,690.00	1,000,000.00	1.600	AAA	1.600	973	10/29/2012
31333XWV63	10854	FEDERAL HOME LOAN BANK	02/26/2010	1,000,000.00	1,001,880.00	1,000,000.00	2.000	AAA	2.000	1,274	08/26/2013
31333XWTG4	10855	FEDERAL HOME LOAN BANK	02/18/2010	1,000,000.00	1,004,690.00	1,000,000.00	2.170	AAA	2.170	1,358	11/18/2013
3128X7LX0	10745	FEDERAL HOME LOAN MORTGAGE CO	04/29/2008	2,000,000.00	2,011,380.00	2,000,000.00	3.920	AAA	3.987	1,155	04/29/2013
3128X8QM7	10794	FEDERAL HOME LOAN MORTGAGE CO	03/24/2009	1,000,000.00	1,021,970.00	999,187.22	2.375	AAA	2.396	1,484	03/24/2014
3128X8T25	10798	FEDERAL HOME LOAN MORTGAGE CO	04/20/2009	2,000,000.00	2,019,040.00	2,000,000.00	2.500	AAA	2.500	1,134	04/08/2013
3128X8E73	10801	FEDERAL HOME LOAN MORTGAGE CO	05/19/2009	1,000,000.00	1,015,770.00	1,000,000.00	2.170	AAA	2.170	994	11/19/2012

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**City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 2010**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3128XBMS8	10802	FEDERAL HOME LOAN MORTGAGE CO	05/07/2009	1,000,000.00	1,008,710.00	1,002,286.32	2,350	AAA	2.129	732	03/02/2012	
3128XBKR46	10810	FEDERAL HOME LOAN MORTGAGE CO	06/25/2009	2,000,000.00	2,017,820.00	2,000,000.00	3,000	AAA	3.000	1,212	06/25/2013	
3128XBS29	10811	FEDERAL HOME LOAN MORTGAGE CO	06/30/2009	1,000,000.00	1,008,440.00	1,000,000.00	3,000	AAA	3.763	1,582	06/30/2014	
3128XBV23	10814	FEDERAL HOME LOAN MORTGAGE CO	07/14/2009	1,000,000.00	1,021,920.00	1,000,000.00	3,400	AAA	3.400	1,596	07/14/2014	
3128XBRQ5	10844	FEDERAL HOME LOAN MORTGAGE CO	12/30/2009	1,000,000.00	1,001,930.00	999,758.47	3,000	AAA	3.005	1,765	12/30/2014	
3128X9XX3	10858	FEDERAL HOME LOAN MORTGAGE CO	02/17/2010	1,000,000.00	1,007,540.00	1,000,000.00	3,000	AAA	3.000	1,814	02/17/2015	
3136F9MV2	10749	FEDERAL NATIONAL MORT ASSOC	05/05/2008	1,000,000.00	1,005,000.00	1,000,000.00	3,250	AAA	3.250	430	05/05/2011	
3136F9NE9	10752	FEDERAL NATIONAL MORT ASSOC	05/14/2008	1,000,000.00	1,006,560.00	1,000,000.00	4,000	AAA	4,000	1,170	05/14/2013	
3136FHAK1	10786	FEDERAL NATIONAL MORT ASSOC	02/27/2009	1,000,000.00	1,008,750.00	1,000,000.00	2,625	AAA	2,625	910	08/27/2012	
31398AVL3	10787	FEDERAL NATIONAL MORT ASSOC	03/02/2009	1,000,000.00	1,000,000.00	1,000,000.00	2,000	AAA	2,000	366	03/02/2011	
31398AVR0	10791	FEDERAL NATIONAL MORT ASSOC	03/10/2009	1,000,000.00	1,000,940.00	1,000,000.00	3,375	AAA	3,375	1,470	03/10/2014	
3136FHCF0	10793	FEDERAL NATIONAL MORT ASSOC	03/05/2009	1,000,000.00	1,016,560.00	1,000,000.00	2,250	AAA	2,250	725	02/24/2012	
3136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC	05/14/2009	2,000,000.00	2,028,120.00	2,000,000.00	2,125	AAA	2,125	1,535	05/14/2014	
3136FHVBT	10804	FEDERAL NATIONAL MORT ASSOC	05/21/2009	2,000,000.00	2,005,000.00	2,000,000.00	1,500	AAA	1,500	630	11/21/2011	
3136FHUY9	10807	FEDERAL NATIONAL MORT ASSOC	06/01/2009	2,000,000.00	2,003,760.00	2,000,000.00	1,400	AAA	1,400	823	06/01/2012	
3136FHXF7	10808	FEDER. I. NATIONAL MORT ASSOC	06/10/2009	2,000,000.00	2,021,260.00	2,000,000.00	2,000	AAA	2,000	1,015	12/10/2012	
31398AYN6	10815	FEDERAL NATIONAL MORT ASSOC	07/28/2009	2,000,000.00	2,028,760.00	2,000,000.00	3,000	AAA	3,000	1,610	07/28/2014	
3136FJL6	10834	FEDERAL NATIONAL MORT ASSOC	10/29/2009	1,000,000.00	1,003,440.00	1,000,000.00	2,250	AAA	2,250	1,703	10/29/2014	
3136FJA68	10843	FEDERAL NATIONAL MORT ASSOC	12/29/2009	1,000,000.00	1,004,060.00	1,000,000.00	2,750	AAA	2,950	1,764	12/29/2014	
3136FKJ83	10847	FEDERAL NATIONAL MORT ASSOC	01/15/2010	1,000,000.00	1,000,000.00	1,000,000.00	3,300	AAA	3,300	1,781	01/15/2015	
3136FYJ70	10853	FEDERAL NATIONAL MORT ASSOC	02/09/2010	1,000,000.00	1,005,630.00	1,000,000.00	3,100	AAA	3,100	1,806	02/09/2015	
3136FJ4C2	10856	FEDERAL NATIONAL MORT ASSOC	02/23/2010	1,000,000.00	1,003,130.00	1,000,000.00	2,000	AAA	2,000	1,271	08/23/2013	
Subtotal and Average				94,313,585.49	93,750,000.00	94,737,797.50	93,742,445.01			2,886	1,189	
Treasury Securities - Coupon												
912828DZ0	10579	U.S.TREASURY NOTE	07/25/2005	1,000,000.00	1,014,020.00	999,391.52	3,875	AAA	4,057	136	07/15/2010	
912828GR5	10669	U.S.TREASURY NOTE	06/08/2007	1,000,000.00	1,008,980.00	999,038.01	4,500	AAA	5,008	75	05/15/2010	
Subtotal and Average				2,498,166.32	2,000,000.00	2,023,000.00	1,998,429.53			4,533	106	
Medium Term Notes												
060505AR5	10699	Bank of America	11/02/2007	990,000.00	1,042,192.80	990,061.94	4,875	AA	4,871	929	09/15/2012	
084664AF8	10709	Berkshire Hathaway	01/15/2008	1,000,000.00	1,028,300.00	1,004,086.90	4,200	AAA	3,648	289	12/15/2010	
084664AD3	10714	Berkshire Hathaway	01/18/2008	1,000,000.00	1,077,300.00	1,010,295.73	4,625	AAA	4,300	1,324	10/15/2013	
084664AF8	10795	Berkshire Hathaway	03/10/2009	1,000,000.00	1,028,300.00	1,007,826.77	4,200	AAA	3,170	289	12/15/2010	
36967HAY3	10812	General Electric Capital Corp	06/22/2009	2,000,000.00	2,050,080.00	2,016,447.13	2,625	2,320	1,033	12/28/2012		
381439UBE0	10660	Goldman Sachs	05/14/2007	1,210,000.00	1,223,201.10	1,208,235.30	4,500	5,050	106	106	06/15/2010	

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**City of Torrance
Portfolio Management
Portfolio Details - Investments**

February 28, 2010

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Date
Medium Term Notes												
38141GBU7	10743	Goldman Sachs	04/18/2008	1,000,000.00	1,085,270.00	1,029,762.08	6,600	4.840	685	0/15/2012		
40429CCX8	10632	Household Finance Co	11/20/2006	1,000,000.00	1,032,260.00	1,000,603.37	5,250	A	5.170	319	0/14/2011	
40429XB39	10694	Household Finance Co	10/12/2007	1,000,000.00	1,015,470.00	1,000,000.00	5,000	A	5.000	228	10/15/2010	
40429XC95	10700	Household Finance Co	11/29/2007	1,000,000.00	1,017,290.00	1,000,000.00	5,050	A	5.050	259	11/15/2010	
59018YVV0	10630	MERRILL LYNCH	11/17/2006	1,000,000.00	1,016,400.00	998,995.26	4,790	A	5.050	156	08/04/2010	
594918AB0	10821	MicroSoft Corp	08/17/2009	1,000,000.00	1,024,490.00	1,000,000.00	2,950		2,949	1,553	06/01/2014	
64952WAE3	10697	New York Life Global	11/02/2007	1,000,000.00	1,014,530.00	999,967.13	4,625	AAA	4,630	168	08/16/2010	
S31142CN1	10820	Wal-Mart Stores	08/14/2009	2,000,000.00	2,045,760.00	2,007,143.37	3,000	AA	2,902	1,435	02/03/2014	
949746NB3	10715	Wells Fargo Co	01/23/2008	1,000,000.00	1,039,750.00	1,007,054.96	4,875		4,000	317	01/12/2011	
Subtotal and Average			17,282,272.42		17,200,000.00	17,750,593.90	17,280,479.94		4,021	673		
Municipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001 TxAllocRef Bd	12/18/2001		783,841.40	783,841.40	783,841.40	8,000		7,999	853	07/01/2012
Subtotal and Average			783,841.40		783,841.40	783,841.40	783,841.40		7,999	853		
Total and Average			164,020,836.85		165,083,841.40	166,663,904.25	165,155,195.88		2,355	764		

**City of Torrance
Portfolio Management
Portfolio Details - Cash
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
			0.00	Accrued Interest at Purchase		4,522.23	4,522.23				0
				Subtotal		4,522.23	4,522.23				
			164,020,836.85		165,083,841.40	166,668,426.48	165,159,718.11			2.355	764
			Total Cash and Investments								

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF FEBRUARY 28, 2010

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
General	44,857,547.40	43,527,747.56	27.16
Parks & Recr Facility & Open Space	3,926,975.20	3,810,560.21	2.38
State Gas Tax	6,337,984.42	6,150,095.18	3.84
Federal Housing, Community Dev	6,170.00	5,987.09	0.00
Street Lighting	140,664.21	136,494.23	0.09
Traffic Congestion Relief Act 2000 - AB2928	-	- (B)	0.00
Proposition 1B	1,615,746.32	1,567,847.60	0.98
Police Asset Forfeiture	2,935,632.61	2,848,605.92	1.78
Drainage Improvement	20,127.86	19,531.17	0.01
Government Cable	2,921,389.91	2,834,785.45	1.77
Local Return - Proposition C	6,395,562.20	6,205,966.07	3.87
Grants/Donations	(573,053.74)	(556,065.59) (C)	(0.35)
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	133,596.40	129,635.94	0.08
Seismic Education Fund	55,091.31	53,458.13	0.03
Rehabilitation Housing	656,574.24	637,110.13	0.40
Meadow Park Parking Lot	47,757.80	46,342.02	0.03
Police Inmate Welfare Fund	54,767.17	53,143.60	0.03
Capital Improvements	24,829,391.06	24,093,324.95	15.03
Geologic Hazard Abatement	14,754.02	14,316.64	0.01
El Camino Training Fund-Fire	612,039.55	593,895.67	0.37
El Camino Training Fund-Police	48,670.16	47,227.34	0.03
Vanpool/Rideshare Fund	375,109.38	363,989.28	0.23
Torrance Improvement Fund	(28,128.38)	(27,294.52) (D)	(0.02)
Animal Control Fund	1,476.92	1,433.14	0.00
Redevelopment-Capital Proj	7,936,264.26	7,700,994.09	4.81
Redevelopment Debt Service	2,504,611.43	2,430,362.34	1.52
Underground Storage Tank Fund	3,091.65	3,000.00	0.00
DNA Sampling Fund	37,532.65	36,420.00	0.02
Airport Fund	5,825,641.11	5,652,940.26	3.53
Transit Operations	705,428.21	684,515.82	0.43
Development Impact Fund	838,723.82	813,859.89	0.51
Water Operations	3,591,494.58	3,485,024.90	2.17
Emergency Medical Service Enterprise Fund	-	-	0.00
Sanitation Operations	2,527,364.40	2,452,440.80	1.53
Cultural Arts Enterprise	392,331.81	380,701.15	0.24
Sewer Enterprise Fund	11,903,803.93	11,550,916.23	7.21
Parks & Recreation Enterprise Fund	(430,748.53)	(417,979.01)	(0.26)
Self Insurance Fund	9,654,634.79	9,368,423.61	5.85
Fleet Services	14,181,421.99	13,761,014.42	8.59
Postemployment/Compensated Absences Fund	6,319,718.75	6,132,370.99	3.83
Trust & Agency	3,778,035.00	3,666,035.33	2.29
TOTAL	165,155,195.88	160,259,178.03	100.00

- (A) The difference between the Share of Investments total of \$165,155,195.88 and the Pooled Cash and Investments total of \$160,259,178.03 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 has a negative cash balance <423,534.78>. Reimbursement of \$376,848.95 was received on March 15, 2010.
2007 UASI Grant for Fire-Breathing Apparatus has a negative cash balance of <\$303,960>. The expenditures occurred during November and December. Reimbursement is expected within two (2) months.
- (D) Amount represents expenditures for T-51 Crenshaw Boulevard between Maricopa Street and Sepulveda Boulevard rehabilitation project. Drawdown will be requested by the end of March 2010.

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF FEBRUARY 28, 2010**

INVESTMENTS PER PORTFOLIO SUMMARY
(City Pool)

165,155,195.88

CASH AND INVESTMENTS PER BOOKS

160,259,178.03

CASH IN BANKS:

Cash in B of A General Account	(\$1,134,453.71)
Cash in B of A Payroll Account	0.00

OUTSTANDING WARRANTS:

General Account	910,401.00
Payroll Account	80,323.43
Workers Compensation Account	<u>61,096.56</u>
	1,051,820.99

Miscellaneous outstanding adjusting journal entries	2,128,261.28
Payroll for PE 2/27/10 posted on 2/27/10 and paid on 3/5/10	2,850,389.29

INVESTMENTS PER BOOKS

\$165,155,195.88