

Council Meeting of  
August 3, 2010

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

Members of Council:

**SUBJECT: Accept and file Investment Reports for June 2010**

**RECOMMENDATION**

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

**FUNDING**

Not applicable

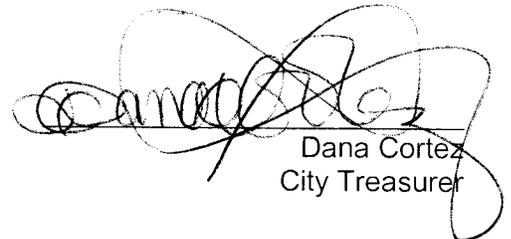
**BACKGROUND**

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 June 2010.

**Investment Committee Note**

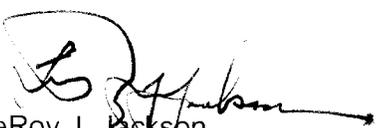
The Investment Committee, made up of the Finance Director, City Manager, Assistant City Attorney, and City Treasurer, as created by your Honorable Body, has reviewed the attached report and find that it is in concurrence with the City of Torrance Investment Policy. In addition the investment report was modified to include both the monthly as well as annualized effective rate of return which includes the gains/losses of the portfolio activity.

Respectfully submitted,



Dana Cortez  
City Treasurer

Noted:



LeRoy J. Jackson  
Investment Committee Member

## CITY OF TORRANCE

MONTHLY INVESTMENT PORTFOLIO REPORT  
For the Month of June 2010Table of Contents

	<u>Page No.</u>
<b>I. CITY OF TORRANCE – POOLED FUNDS</b>	
<b>A. <u>Summary Reports</u></b>	
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
<b>B. <u>Detailed Reports</u></b>	
Investment Portfolio Details and Quality Ratings	8-12
<b>II. RESTRICTED FUNDS</b>	
(Reports Appear Quarterly)	
<b>III. CASH &amp; INVESTMENT PORTFOLIO SHARE</b>	
Cash & Investment Share as of June 30, 2010	13
Cash & Investment Reconciliation	14

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

**RETURN**

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	2.134	1.948
Average U.S. Treasury Constant Maturity	.610	.760
LAIF Average Monthly Return	.5280	.560
Average City Portfolio YTM - 1 year prior	3.040	3.138

**INTEREST INCOME**

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	4,365,022	7,101,661
Current month	290,239	495,738

**MATURITY**

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	943	813
Average Maturity 1 Year Prior (days)	792	774
Weighted Average Maturity (years)	2.58	2.23

**VOLUMES**

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	52,350,705	14
Maturities	79,778,690	26

Transactions include 3 deposits to and 9 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</u> <u>Value as of July 1,</u> <u>2009</u>	<u>Purchase/Redempt.</u> <u>Of Principal</u>	<u>Change in Market</u> <u>Value</u>	<u>Ending Investment Value</u> <u>as of June 30, 2010</u>
Federal Agency (coup)	113,311,155	-9,958,592	-93,013	103,259,550
Treasury Securities	4,111,960	-4,000,000	-111,960	0
Medium Term Notes	21,408,439	-7,286,964	383,419	14,504,894
Municipal Bonds	1,056,794	-417,670	0	639,124
<b>SUB-TOTAL PER GASB 31</b>	<b>139,888,348</b>	<b>-21,663,226</b>	<b>178,446</b>	<b>118,403,568</b>
<u>Non-GASB securities</u>				
LAIF	50,300,000	-10,000,000	0	40,300,000
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	0	2,450,000	0	2,450,000
Commercial paper	0	0	0	0
<b>TOTAL PORTFOLIO</b>	<b>190,388,348</b>	<b>-29,431,930</b>	<b>197,150</b>	<b>161,153,568</b>

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

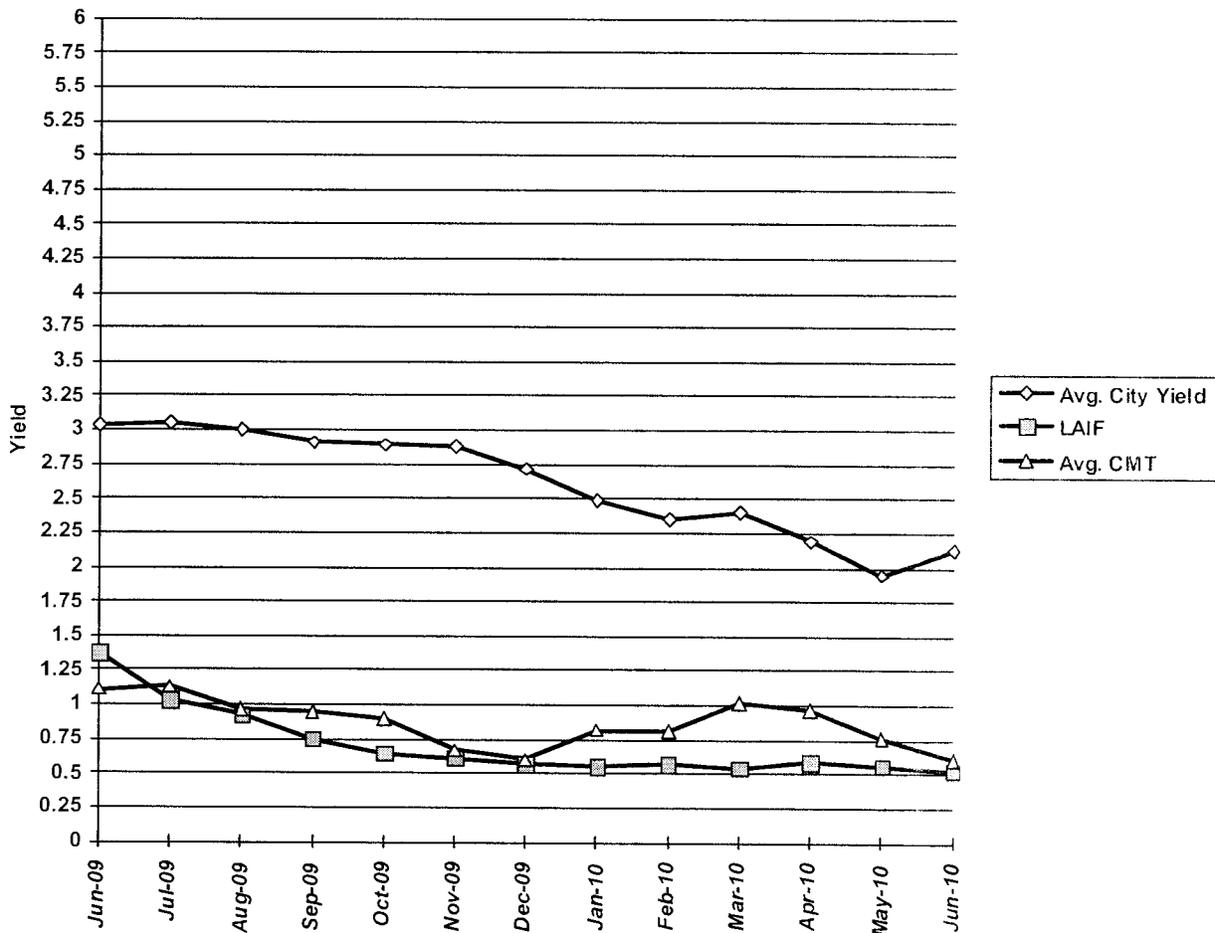
# CITY OF TORRANCE

City Treasurer's Office

Monthly Investment Report Summary  
For the month of June 2010

## I. Return

32.42% of the portfolio is invested at one-year maturity or less as of June 30, 2010. The City Average yield on the portfolio was 2.134% compared to .610% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of June 30, 2010 by 152 basis points.



## II. Volumes

The investment activity for May included 11 deposits and 6 redemption in the Union Bank of California money market account.

### III. Diversification of Investments

In the month of June there were 9 purchases for a total of \$22 million with an average yield of 1.50%. There were 11 calls for a total of \$15 million with an average yield of 2.569%. The activity in the LAIF Account consisted of 3 deposit for a total of \$3.8 million and 9 withdrawals for a total of \$31.2 million. The portfolio decreased by \$11.5 million. The investment report was modified to include the effective rate of return which includes gains/losses of instruments actively traded within the portfolio.

<u>Asset Category</u>	<u>June</u>	<u>May</u>
1. LAIF	19.30	31.83
2. Certificate of Deposits	.00	.00
3. Negotiable Cert. of Deposits	1.64	1.39
4. Money Market Sweep	.00	3.97
5. Federal Agency Issues(coup)	69.10	54.40
6. Federal Agency Issues(disc)	0.00	0.00
7. Treasury Securities	.67	.57
8. Treasury Securities(disc)	0.00	0.00
9. Medium Term Notes	8.76	7.40
10. Municipal Bonds	.53	.44
11. Commercial Paper(disc)	0.00	0.00
	100.00%	100.00%

### IV. Maturity

As of June 30, 2010, the current maturity allocation is 28.58% of the portfolio invested between the 6 month to 3-year maturity levels. 29.49% 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 \$50.28 million available for expenditures.

<u>As of Maturity</u>	<u>June</u>	<u>May</u>
0 to 6 months	29.48%	36.96%
6 months to 1 year	2.93%	1.70%
1 to 2 years	6.74%	4.81%
2 to 3 years	18.91%	15.72%
3 to 4 years	17.89%	17.57%
4 to 5 years	24.05%	23.24%
5 years and after	.00%	.00%
	100.00%	100.00%

### V. Value

The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We will note the unrealized gain/(loss) monthly although we will not physically apply it to earnings until year-end, as GASB 31 requires. The portfolio paper gain or loss is the difference between the book and market value of securities with a maturity term of one year or greater at purchase. The disclosure of paper losses reveals the worse case scenario of liquidity in our portfolio. The philosophy of the city is to buy and hold to maturity.

**NOTE:** \*SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and moneys of the local agency. It also requires a statement of compliance of the portfolio with the statement of investment policy and a statement of the local agency's ability to meet the expenditure requirements of the pool for the next six months.

**City of Torrance**  
**Investment Portfolio Summary**  
**As of June 30, 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	28,775,000	19.30%	**	1	1	N/A	.560%
Certificates of Deposit – Collateralized	00	.00		180	0	5 years	.00%
Negotiable CDs	2,450,000	1.64		1,023	752	5 years	2.145%
Money Market Sweep Account	00	.00%		0	0		.24%
Federal Agency Issues – Coupons	103,047,346	69.11%	75%	1,450	1,239	5 years	2.434%
Farmer Mac	0	0.00%	30%			5 years	
Federal Farm Credit Bank	22,548,246	15.20%	30%	1,257	1,404	5 years	2.477%
Federal Home Loan Bank	39,499,837	25.54%	30%	990	1,039	5 years	1.650%
Federal Home Loan Mortgage Corp.	13,999,263	9.40%	30%	1,326	1,426	5 years	2.463%
Federal National Mortgage Assoc.	27,000,000	18.08%	30%	1,220	1,293	5 years	1.930%
Treasury Securities – Coupons	999,937	.67%	100%	1,816	14	5 years	4.057%
Medium Term Notes	13,056,114	8.76%	20%	1,266	799	5 years	2.805%
Municipal Bond Issues – Coupon	783,841	.53%		3,848	731		7.999%
<b>Total Investments &amp; Averages</b>	<b>149,112,239</b>	<b>100.00</b>		<b>1,162</b>	<b>943</b>		<b>2.134%</b>
<b>Effective Rate of Return</b>	<b>Month Ending</b>	<b>Fiscal YTD</b>					
	2.05%	2.72%					
Pending Redemptions	0						
Accrued Interest at Purchase	4,478						
Total Accrued Interest	4,478						
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>149,116,718</b>						

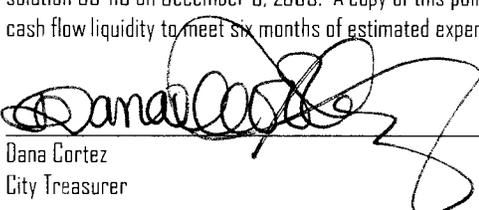
**Portfolio Notes:**

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

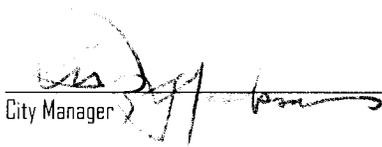
General LAIF account = \$ 22,175,000

RDA LAIF account = \$ 6,600,000

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.

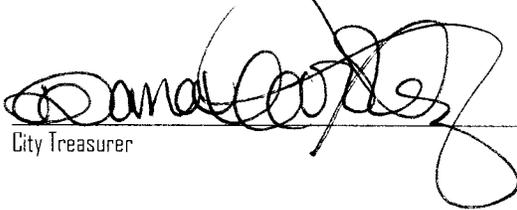
  
 Dana Cortez  
 City Treasurer

Reviewed by the Investment Advisory Committee:

  
 City Manager

  
 City Attorney

  
 Director of Finance

  
 City Treasurer

**City of Torrance**  
**Portfolio Management**  
**Activity Summary**  
**June 2009 through June 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	Days to Maturity
				360 Equivalent	365 Equivalent					
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	2.322	2.354	0.577	7	9	1,052	764
March	2010	105	161,231,038.66	2.372	2.405	0.547	7	4	1,116	815
April	2010	102	160,143,409.68	2.138	2.168	0.588	7	10	1,057	810
May	2010	99	169,888,452.49	1.922	1.948	0.560	11	14	987	794
June	2010	97	172,280,902.64	2.105	2.134	0.528	9	11	1,162	943
<b>Average</b>		<b>102</b>	<b>162,539,494.86</b>	<b>2.580%</b>	<b>2.616%</b>	<b>0.713</b>	<b>7</b>	<b>7</b>	<b>1,144</b>	<b>848</b>

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
<b>(I) PURCHASES*</b>											
10885	Clitgroup	6/2/2010	FNMA	AAA/Aaa	6/2/2014	1407	2.225%	2.250%	1,000,000	1,000,000	1,010,630
10886	Higgins Capital	6/3/2010	FFCB	AAA/Aaa	6/3/2013	1043	2.225%	2.250%	1,000,000	1,000,000	1,005,000
10888	Wedbush	6/2/2010	FNMA	AAA/Aaa	6/2/2014	1407	1.681%	1.680%	2,000,000	2,000,000	2,021,260
10889	Higgins Capital	6/10/2010	FHLB	AAA/Aaa	12/10/2010	868	0.580%	0.568%	5,000,000	5,000,000	5,007,800
10890	Higgins Capital	6/11/2010	FHLB	AAA/Aaa	3/11/2013	959	2.590%	2.590%	2,000,000	2,000,000	2,010,000
10891	Higgins Capital	6/3/2010	FHLB	AAA/Aaa	6/3/2011	312	1.500%	1.500%	4,000,480	4,000,480	4,005,000
10892	Higgins Capital	6/15/2010	FNMA	AAA/Aaa	6/15/2012	690	1.500%	1.500%	4,000,000	4,000,000	4,017,520
10893	Clitgroup	6/8/2010	FFCB	AAA/Aaa	6/8/2015	1778	1.125%	1.125%	1,000,000	1,000,000	1,010,310
10894	Clitgroup	6/28/2010	FNMAA	AAA/Aaa	9/29/2014	1526	2.000%	2.000%	2,000,000	2,000,000	1,996,880
									<b>\$22,000,000</b>	<b>\$22,000,480</b>	<b>\$22,084,400</b>

Weighted Average Yield 1.500%

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE	
<b>(II) MATURITIES**</b>											
10851	Wedbush	1/14/2010	FFCB	AAA/Aaa	5/22/2012	1.400%	1.400%	1,000,000	1,000,000	1,000,000	
10807	Clitgroup	6/1/2009	FNMA	AAA/Aaa	6/1/2012	1.400%	1.400%	2,000,000	2,000,000	2,000,000	
10809	Clitgroup	6/15/2009	FFCB	AAA/Aaa	6/15/2012	2.000%	2.000%	2,000,000	1,998,666	2,000,000	
10764	Wedbush	6/25/2008	FHLB	AAA/Aaa	6/25/2012	4.350%	4.350%	1,000,000	1,000,000	1,000,000	
10758	Clitgroup	6/3/2008	FFCB	AAA/Aaa	4.240%	4.240%	1,000,000	1,000,000	1,000,000	1,000,000	
10810	Dean Witter	6/25/2009	FHLMC	AAA/Aaa	6/1/2013	3.000%	3.000%	2,000,000	2,000,000	2,000,000	
10811	Clitgroup	6/30/2009	FHLMC	AAA/Aaa	6/30/2014	3.000%	3.000%	1,000,000	1,000,000	1,000,000	
10864	Higgins Capital	3/22/2010	FFCB	AAA/Aaa	9/15/2014	2.650%	2.650%	1,000,000	1,000,000	1,000,000	
10843	Wedbush	12/29/2009	FNMA	AAA/Aaa	12/29/2014	2.750%	2.750%	1,000,000	1,000,000	1,000,000	
10837	Higgins Capital	12/30/2009	FHLB	AAA/Aaa	12/30/2014	2.000%	2.000%	2,000,000	2,000,000	2,000,000	
10844	Great Pacific Securities	12/30/2009	FHLMC	AAA/Aaa	12/30/2014	3.000%	3.000%	1,000,000	1,000,000	1,000,000	
									<b>\$15,000,000</b>	<b>\$14,998,666</b>	<b>\$15,000,000</b>

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) LAMB TRANSACTIONS

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
State of California	Local Agency Pool	25,100,000	0.528%	0.528%	26,775,000	29,700,000	22,175,000	22,175,000
	City	23,575,000	0.528%	0.528%	23,575,000	0	0	0
	Treas Act	8,100,000	0.528%	0.528%	1,500,000	6,600,000	6,600,000	6,600,000
	RDA	536,775,000			\$26,775,000	\$54,775,000	\$	\$28,775,000

**City of Torrance**  
**Portfolio Management**  
**Interest Earnings Summary**  
**June 30, 2010**

	June 30 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	328,649.80	4,571,072.48
Plus Accrued Interest at End of Period	735,092.75	733,504.99
Less Accrued Interest at Beginning of Period	( 793,103.14)	( 1,346,737.81)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
<b>Interest Earned during Period</b>	<b>270,639.41</b>	<b>3,957,839.66</b>
Adjusted by Premiums and Discounts	-4,115.25	-19,734.40
Adjusted by Capital Gains or Losses	1,558.33	176,719.88
<b>Earnings during Periods</b>	<b>268,082.49</b>	<b>4,114,825.14</b>
<b>Pass Through Securities:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
<b>Interest Earned during Period</b>	<b>0.00</b>	<b>0.00</b>
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
<b>Earnings during Periods</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash/Checking Accounts:</b>		
Interest Collected	225.88	363,121.81
Plus Accrued Interest at End of Period	705,417.30	705,417.30
Less Accrued Interest at Beginning of Period	( 683,486.06)	( 818,341.29)
<b>Interest Earned during Period</b>	<b>225.12</b>	<b>250,197.82</b>
<b>Total Interest Earned during Period</b>	<b>292,796.53</b>	<b>4,208,037.48</b>
<b>Total Adjustments from Premiums and Discounts</b>	<b>-4,115.25</b>	<b>-19,734.40</b>
<b>Total Capital Gains or Losses</b>	<b>1,558.33</b>	<b>176,719.88</b>
<b>Total Earnings during Period</b>	<b>290,239.61</b>	<b>4,365,022.96</b>

**City of Torrance  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>Local Agency Investment Funds</b>												
SYS10000	10000	Local Agency Invest Fund GEN'L			22,175,000.00	22,175,000.00	22,175,000.00	0.528		0.528	1	
SYS10001	10001	Local Agency Invest. Fund RDA			6,600,000.00	6,600,000.00	6,600,000.00	0.528		0.528	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			0.00	0.00	0.00	0.528		0.528	1	
<b>Subtotal and Average</b>			<b>48,072,500.00</b>		<b>28,775,000.00</b>	<b>28,775,000.00</b>	<b>28,775,000.00</b>			<b>0.528</b>	<b>1</b>	
<b>Cert. of Deposit - Insured</b>												
319180DA0	10839	First Bank Lexington Tennessee		12/16/2009	245,000.00	245,000.00	245,000.00	2.050		2.050	900	12/17/2012
02586TG32	10829	American Express Centurian		09/23/2009	245,000.00	245,000.00	245,000.00	1.800		1.800	449	09/23/2011
05568PSJ7	10832	BMW Bank of North America		09/23/2009	245,000.00	245,000.00	245,000.00	2.300		2.300	816	09/24/2012
149159GX7	10830	Cathay Bank		10/05/2009	245,000.00	245,000.00	245,000.00	1.750		1.750	461	10/05/2011
254670QKW1	10831	Discover Bank		09/23/2009	245,000.00	247,430.40	245,000.00	2.050		2.050	816	09/24/2012
36159SJS1	10838	GE Money bank		12/11/2009	245,000.00	245,000.00	245,000.00	2.350		2.350	894	12/11/2012
46147ULM0	10824	Investors Community Bank		08/24/2009	245,000.00	245,000.00	245,000.00	2.250		2.250	785	08/24/2012
509685EA7	10823	Lake Forest B&T		08/26/2009	245,000.00	245,000.00	245,000.00	2.350		2.350	788	08/27/2012
59740JGR4	10833	MidFirst Bank		10/14/2009	245,000.00	245,000.00	245,000.00	2.350		2.350	837	10/15/2012
86789UBH1	10822	SunSouth Bank		08/18/2009	245,000.00	245,000.00	245,000.00	2.200		2.200	778	08/17/2012
<b>Subtotal and Average</b>			<b>2,450,000.00</b>		<b>2,452,430.40</b>	<b>2,450,000.00</b>	<b>2,450,000.00</b>			<b>2.145</b>	<b>752</b>	
<b>Money Market Sweep Account</b>												
SYS10131	10131	Bank of America			0.00	0.00	0.00	0.450	AA	0.450	1	
SYS1000	1000	Union Bank of California			0.00	0.00	0.00	0.240		0.240	1	
<b>Subtotal and Average</b>			<b>970,028.57</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			<b>0.000</b>	<b>0</b>	
<b>Federal Agency Issues - Coupon</b>												
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,091,880.00	1,000,000.00	5.250	AAA	5.250	762	08/01/2012
31331Y2G4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,000,000.00	1,000,000.00	4.850	AAA	4.850	1,096	07/01/2013
31331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,031,680.00	1,000,143.88	3.125	AAA	3.113	449	09/23/2011
31331GDF3	10779	FEDERAL FARM CREDIT BANK		10/15/2008	2,000,000.00	2,021,260.00	2,000,000.00	4.250	AAA	4.250	1,202	10/15/2013
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	1,028,440.00	1,000,000.00	2.200	AAA	2.200	1,012	04/08/2013
31331GH77	10818	FEDERAL FARM CREDIT BANK		08/11/2009	1,000,000.00	1,003,750.00	1,000,000.00	3.450	AAA	3.450	1,502	08/11/2014
31331GZJ7	10835	FEDERAL FARM CREDIT BANK		10/27/2009	1,000,000.00	1,030,310.00	1,000,000.00	2.875	AAA	2.875	1,579	10/27/2014
31331JAA1	10842	FEDERAL FARM CREDIT BANK		12/22/2009	1,000,000.00	1,012,500.00	1,000,000.00	3.000	AAA	3.000	1,635	12/22/2014
31331JCX9	10857	FEDERAL FARM CREDIT BANK		02/02/2010	1,000,000.00	1,015,310.00	999,413.89	2.950	AAA	2.972	1,677	02/02/2015
31331JDL4	10859	FEDERAL FARM CREDIT BANK		02/11/2010	1,000,000.00	1,008,440.00	1,000,000.00	2.420	AAA	2.420	1,321	02/11/2014
31331JLJ3	10866	FEDERAL FARM CREDIT BANK		03/30/2010	1,000,000.00	1,013,750.00	1,000,000.00	2.950	AAA	2.950	1,733	03/30/2015
31331JLJ3	10867	FEDERAL FARM CREDIT BANK		03/30/2010	1,000,000.00	1,013,750.00	998,161.11	2.950	AAA	2.993	1,735	03/30/2015

Portfolio City  
AP  
FBI-FBI-EM-11-11-11

**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
31331JKA0	10870	FEDERAL FARM CREDIT BANK		04/09/2010	1,000,000.00	1,028,440.00	1,000,000.00	2.900	AAA	2.900	1,743	04/09/2015
31331JUF1	10873	FEDERAL FARM CREDIT BANK		04/13/2010	3,000,000.00	3,029,070.00	2,999,537.24	2.390	AAA	2.395	1,362	03/24/2014
31331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	556,565.00	551,049.38	5.000	AAA	2.192	1,394	04/25/2014
31331JNR0	10883	FEDERAL FARM CREDIT BANK		05/18/2010	1,000,000.00	1,013,440.00	1,000,000.00	2.970	AAA	2.970	1,782	05/18/2015
31331JNN9	10886	FEDERAL FARM CREDIT BANK		06/03/2010	1,000,000.00	1,005,000.00	1,000,000.00	1.680	AAA	1.680	1,068	06/03/2013
31331JPH0	10887	FEDERAL FARM CREDIT BANK		05/26/2010	2,000,000.00	2,006,880.00	2,000,000.00	2.800	AAA	2.800	1,790	05/26/2015
31331JOD8	10893	FEDERAL FARM CREDIT BANK		06/08/2010	1,000,000.00	1,010,310.00	1,000,000.00	2.590	AAA	2.590	1,803	06/08/2015
3133XM3S8	10684	FEDERAL HOME LOAN BANK		08/27/2007	1,000,000.00	1,007,190.00	1,000,000.00	5.125	AAA	5.125	788	08/27/2012
3133XQJA1	10742	FEDERAL HOME LOAN BANK		04/15/2008	2,000,000.00	2,049,380.00	2,000,000.00	3.700	AAA	3.700	1,019	04/15/2013
3133XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,064,380.00	2,000,000.00	2.625	AAA	2.625	971	02/26/2013
3133XT6W1	10789	FEDERAL HOME LOAN BANK		02/27/2009	2,000,000.00	2,049,380.00	2,000,000.00	2.150	AAA	2.150	606	02/27/2012
3133XTA97	10790	FEDERAL HOME LOAN BANK		03/06/2009	1,000,000.00	1,018,750.00	1,000,000.00	2.100	AAA	2.100	432	09/06/2011
3133XUBA0	10817	FEDERAL HOME LOAN BANK		07/30/2009	1,000,000.00	1,032,810.00	1,000,000.00	2.150	AAA	2.150	1,490	07/30/2014
3133XUNK5	10825	FEDERAL HOME LOAN BANK		08/26/2009	1,000,000.00	1,003,440.00	1,000,000.00	2.850	AAA	2.850	1,152	08/26/2013
3133XUPC1	10826	FEDERAL HOME LOAN BANK		09/15/2009	1,000,000.00	1,003,750.00	1,000,000.00	2.350	AAA	2.350	988	03/15/2013
3133XUPB3	10827	FEDERAL HOME LOAN BANK		09/04/2009	1,000,000.00	1,031,560.00	1,000,000.00	2.125	AAA	2.125	1,526	09/04/2014
3133XWDX4	10845	FEDERAL HOME LOAN BANK		01/05/2010	2,000,000.00	2,015,620.00	2,000,000.00	2.250	AAA	2.250	1,100	07/05/2013
3133XWHJ1	10846	FEDERAL HOME LOAN BANK		12/28/2009	1,500,000.00	1,527,195.00	1,500,000.00	2.050	AAA	2.050	1,093	06/28/2013
3133XWNR6	10848	FEDERAL HOME LOAN BANK		01/27/2010	2,000,000.00	2,016,880.00	2,000,000.00	3.000	AAA	3.000	1,671	01/27/2015
3133XWP52	10850	FEDERAL HOME LOAN BANK		01/27/2010	1,000,000.00	1,005,000.00	1,000,000.00	1.250	AAA	1.250	666	04/27/2012
3133XWPN3	10852	FEDERAL HOME LOAN BANK		01/29/2010	1,000,000.00	1,003,750.00	1,000,000.00	1.600	AAA	1.595	851	10/29/2012
3133XWTG4	10855	FEDERAL HOME LOAN BANK		02/18/2010	1,000,000.00	1,011,560.00	1,000,000.00	2.170	AAA	2.170	1,236	11/18/2013
3133XX7H4	10861	FEDERAL HOME LOAN BANK		03/03/2010	2,000,000.00	2,022,500.00	2,000,000.00	2.100	AAA	2.100	1,160	09/03/2013
3133XXPD3	10865	FEDERAL HOME LOAN BANK		03/26/2010	2,000,000.00	2,033,760.00	2,000,000.00	1.500	AAA	1.500	1,364	03/26/2014
3133XXWQ6	10869	FEDERAL HOME LOAN BANK		04/20/2010	2,000,000.00	2,015,000.00	1,999,394.44	3.000	AAA	3.011	1,754	04/20/2015
3133XYC94	10875	FEDERAL HOME LOAN BANK		04/29/2010	1,000,000.00	1,007,190.00	1,000,000.00	2.450	AAA	2.450	1,398	04/29/2014
3133XYKF1	10884	FEDERAL HOME LOAN BANK		05/28/2010	1,000,000.00	1,013,440.00	1,000,000.00	2.000	AAA	2.000	1,792	05/28/2015
3133XYMH5	10889	FEDERAL HOME LOAN BANK		06/10/2010	5,000,000.00	5,007,800.00	5,000,000.00	1.500	AAA	1.500	893	12/10/2012
3133XYM69	10890	FEDERAL HOME LOAN BANK		06/11/2010	2,000,000.00	2,010,000.00	2,000,000.00	1.500	AAA	1.500	984	03/11/2013
3133XYPB5	10891	FEDERAL HOME LOAN BANK		06/03/2010	4,000,000.00	4,005,000.00	4,000,443.18	0.580	AAA	0.568	337	06/03/2011
3128XQM7	10794	FEDERAL HOME LOAN MORTGAGE CO		03/24/2009	1,000,000.00	1,016,060.00	999,253.89	2.375	AAA	2.396	1,362	03/24/2014
3128X8TZ5	10798	FEDERAL HOME LOAN MORTGAGE CO		04/20/2009	2,000,000.00	2,030,560.00	2,000,000.00	2.500	AAA	2.500	1,012	04/08/2013
3128X8E73	10801	FEDERAL HOME LOAN MORTGAGE CO		05/19/2009	1,000,000.00	1,013,760.00	1,000,000.00	2.170	AAA	2.170	872	11/19/2012
3128X8MS8	10802	FEDERAL HOME LOAN MORTGAGE CO		05/07/2009	1,000,000.00	1,002,800.00	1,000,770.53	2.350	AAA	2.129	610	03/02/2012
3128X82V3	10814	FEDERAL HOME LOAN MORTGAGE CO		07/14/2009	1,000,000.00	1,016,470.00	1,000,000.00	3.400	AAA	3.400	1,474	07/14/2014
3128X9XX3	10856	FEDERAL HOME LOAN MORTGAGE CO		02/17/2010	1,000,000.00	1,015,690.00	1,000,000.00	3.000	AAA	3.000	1,692	02/17/2015

Portfolio City  
AP  
PROBRIE PRS 3/3/2010

**City of Torrance  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3128X95K2	10872	FEDERAL HOME LOAN MORTGAGE CO		05/05/2010	1,000,000.00	1,001,910.00	1,000,000.00	2.500	AAA	2.500	1,223	11/05/2013
3134G1AS3	10876	FEDERAL HOME LOAN MORTGAGE CO		05/18/2010	2,000,000.00	2,018,040.00	1,999,238.89	3.000	AAA	3.011	1,782	05/18/2015
3134G1BX1	10877	FEDERAL HOME LOAN MORTGAGE CO		05/19/2010	2,000,000.00	2,018,560.00	2,000,000.00	3.050	AAA	3.050	1,783	05/19/2015
3134G1DS0	10881	FEDERAL HOME LOAN MORTGAGE CO		05/26/2010	2,000,000.00	2,017,660.00	2,000,000.00	3.000	AAA	3.000	1,790	05/26/2015
3136FHAK1	10786	FEDERAL NATIONAL MORT ASSOC		02/27/2009	1,000,000.00	1,002,810.00	1,000,000.00	2.625	AAA	2.625	788	08/27/2012
3136FHCF0	10793	FEDERAL NATIONAL MORT ASSOC		03/05/2009	1,000,000.00	1,010,940.00	1,000,000.00	2.250	AAA	2.250	603	02/24/2012
3136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC		05/14/2009	2,000,000.00	2,032,500.00	2,000,000.00	2.125	AAA	2.125	1,413	05/14/2014
3136FHXF7	10808	FEDERAL NATIONAL MORT ASSOC		06/10/2009	2,000,000.00	2,013,120.00	2,000,000.00	2.000	AAA	2.000	893	12/10/2012
31398AYN6	10815	FEDERAL NATIONAL MORT ASSOC		07/28/2009	2,000,000.00	2,038,120.00	2,000,000.00	3.000	AAA	3.000	1,488	07/28/2014
3136FKJ63	10847	FEDERAL NATIONAL MORT ASSOC		01/15/2010	1,000,000.00	1,000,940.00	1,000,000.00	3.300	AAA	3.300	1,659	01/15/2015
3136FJY70	10853	FEDERAL NATIONAL MORT ASSOC		02/09/2010	1,000,000.00	1,002,810.00	1,000,000.00	3.100	AAA	3.100	1,684	02/09/2015
3136FJ4C2	10856	FEDERAL NATIONAL MORT ASSOC		02/23/2010	1,000,000.00	1,015,310.00	1,000,000.00	2.000	AAA	2.000	1,149	08/23/2013
3136FMCJ1	10862	FEDERAL NATIONAL MORT ASSOC		03/10/2010	1,000,000.00	1,014,380.00	1,000,000.00	2.650	AAA	2.650	1,532	09/10/2014
3136FMCT9	10863	FEDERAL NATIONAL MORT ASSOC		03/17/2010	1,000,000.00	1,013,440.00	1,000,000.00	2.760	AAA	2.760	1,720	03/17/2015
3136FMJR6	10868	FEDERAL NATIONAL MORT ASSOC		04/15/2010	1,000,000.00	1,004,690.00	1,000,000.00	2.125	AAA	2.125	1,749	04/15/2015
31398AM74	10871	FEDERAL NATIONAL MORT ASSOC		04/21/2010	1,000,000.00	1,014,690.00	1,000,000.00	2.125	AAA	2.125	1,208	10/21/2013
3136FMRF3	10878	FEDERAL NATIONAL MORT ASSOC		05/19/2010	1,000,000.00	1,009,060.00	1,000,000.00	3.125	AAA	3.125	1,783	05/19/2015
3136FMSX3	10880	FEDERAL NATIONAL MORT ASSOC		05/14/2010	1,000,000.00	1,009,380.00	1,000,000.00	2.375	AAA	2.375	1,413	05/14/2014
3136FMSR6	10882	FEDERAL NATIONAL MORT ASSOC		05/27/2010	1,000,000.00	1,003,130.00	1,000,000.00	2.750	AAA	2.750	1,791	05/27/2015
3136FMUK8	10885	FEDERAL NATIONAL MORT ASSOC		06/02/2010	1,000,000.00	1,010,630.00	1,000,000.00	2.250	AAA	2.250	1,432	06/02/2014
3136FMUK8	10888	FEDERAL NATIONAL MORT ASSOC		06/02/2010	2,000,000.00	2,021,260.00	2,000,000.00	2.250	AAA	2.250	1,432	06/02/2014
3136FMWS9	10892	FEDERAL NATIONAL MORT ASSOC		06/15/2010	4,000,000.00	4,017,520.00	4,000,000.00	1.125	AAA	1.125	715	06/15/2012
3136FMQ23	10894	FEDERAL NATIONAL MORT ASSOC		06/28/2010	2,000,000.00	1,996,880.00	2,000,000.00	2.000	AAA	2.000	1,551	09/29/2014
		<b>Subtotal and Average</b>	<b>105,946,954.47</b>		<b>103,000,000.00</b>	<b>104,259,550.00</b>	<b>103,047,346.43</b>			<b>2.434</b>	<b>1,239</b>	
912828DZ0	10579	U S TREASURY NOTE		07/25/2005	1,000,000.00	1,001,410.00	999,937.36	3.875	AAA	4.057	14	07/15/2010
		<b>Subtotal and Average</b>	<b>999,872.49</b>		<b>1,000,000.00</b>	<b>1,001,410.00</b>	<b>999,937.36</b>			<b>4.057</b>	<b>14</b>	
<b>Medium Term Notes</b>												
084564AF8	10709	Berkshire Hathaway		01/15/2008	1,000,000.00	1,015,370.00	1,002,360.04	4.200	AA	3.648	167	12/15/2010
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,091,650.00	1,009,346.27	4.625	AA	4.300	1,202	10/15/2013
084664AF8	10795	Berkshire Hathaway		03/10/2009	1,000,000.00	1,015,370.00	1,004,519.69	4.200	AA	3.170	167	12/15/2010
17314JAT0	10874	Citibank		04/15/2010	3,000,000.00	3,063,490.00	3,014,519.78	1.750	AAA	1.112	911	12/28/2012
36967HAY3	10812	General Electric Capital Corp		06/22/2009	2,000,000.00	2,078,360.00	2,014,506.47	2.625	AAA	2.320	911	12/28/2012
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,046,370.00	1,000,000.00	2.950	AAA	2.949	1,431	06/01/2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>Treasury Securities - Coupon</b>												
912828DZ0	10579	U S TREASURY NOTE		07/25/2005	1,000,000.00	1,001,410.00	999,937.36	3.875	AAA	4.057	14	07/15/2010
		<b>Subtotal and Average</b>	<b>999,872.49</b>		<b>1,000,000.00</b>	<b>1,001,410.00</b>	<b>999,937.36</b>			<b>4.057</b>	<b>14</b>	
<b>Medium Term Notes</b>												
084564AF8	10709	Berkshire Hathaway		01/15/2008	1,000,000.00	1,015,370.00	1,002,360.04	4.200	AA	3.648	167	12/15/2010
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,091,650.00	1,009,346.27	4.625	AA	4.300	1,202	10/15/2013
084664AF8	10795	Berkshire Hathaway		03/10/2009	1,000,000.00	1,015,370.00	1,004,519.69	4.200	AA	3.170	167	12/15/2010
17314JAT0	10874	Citibank		04/15/2010	3,000,000.00	3,063,490.00	3,014,519.78	1.750	AAA	1.112	911	12/28/2012
36967HAY3	10812	General Electric Capital Corp		06/22/2009	2,000,000.00	2,078,360.00	2,014,506.47	2.625	AAA	2.320	911	12/28/2012
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,046,370.00	1,000,000.00	2.950	AAA	2.949	1,431	06/01/2014

**City of Torrance  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>Medium Term Notes</b>												
64952WAE3	10697	New York Life Global		11/02/2007	1,000,000.00	1,003,010.00	999,991.04	4.625	AAA	4.630	46	08/16/2010
931142CN1	10820	Wal-Mart Stores		08/14/2009	2,000,000.00	2,085,340.00	2,006,536.28	3.000	AA	2.902	1,313	02/03/2014
949746NB3	10715	Wells Fargo Co		01/23/2008	1,000,000.00	1,020,540.00	1,004,332.79	4.875	AA	4.000	195	01/12/2011
		<b>Subtotal and Average</b>	<b>13,057,705.71</b>		<b>13,000,000.00</b>	<b>13,409,500.00</b>	<b>13,056,114.36</b>			<b>2.805</b>	<b>799</b>	
<b>Municipal Bond Issues - Coupon</b>												
SYS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	783,841.40	783,841.40	783,841.40	8.000		7.999	731	07/01/2012
		<b>Subtotal and Average</b>	<b>783,841.40</b>		<b>783,841.40</b>	<b>783,841.40</b>	<b>783,841.40</b>			<b>7.999</b>	<b>731</b>	
		<b>Total and Average</b>	<b>172,280,902.64</b>		<b>149,008,841.40</b>	<b>150,681,731.80</b>	<b>149,112,239.55</b>			<b>2.134</b>	<b>943</b>	

**City of Torrance  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
		<b>Average Balance</b>	0.00	Accrued Interest at Purchase		4,478.61	4,478.61				0
				Subtotal		4,478.61	4,478.61				
		<b>Total Cash and Investments</b>	172,280,902.64		149,008,841.40	150,686,210.41	149,116,718.16			2.134	943

## II. RESTRICTED FUNDS

*Reports Appear Quarterly*

### III. CASH & INVESTMENT PORTFOLIO SHARE

**CITY OF TORRANCE**  
**CASH AND INVESTMENT PORTFOLIO SHARE (A)**  
**AS OF JUNE 30, 2010**

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
General	43,415,132.97	49,058,082.91	29.12
Parks & Recr Facility & Open Space	3,461,461.60	3,911,370.49	2.32
State Gas Tax	6,428,197.92	7,263,713.02	4.31
Federal Housing, Community Dev	363,354.23	410,581.77	0.24
Street Lighting	57,397.38	64,857.69	0.04
Traffic Congestion Relief Act 2000 - AB2928	865,816.85	978,352.75	0.58
Proposition 1B	2,553,096.53	2,884,939.25	1.71
Police Asset Forfeiture	3,059,631.06	3,457,311.40	2.05
Drainage Improvement	17,284.58	19,531.17	0.01
Measure R Local Return	843,777.36	953,448.65	0.57
Government Cable	2,458,821.99	2,778,411.23	1.65
Local Return - Proposition C	5,044,837.32	5,700,547.96	3.38
Grants/Donations	(1,656,039.61)	(1,871,285.95) (B)	(1.11)
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	122,093.34	137,962.61	0.08
Seismic Education Fund	51,066.01	57,703.40	0.03
Rehabilitation Housing	574,732.92	649,434.73	0.39
Meadow Park Parking Lot	33,781.25	38,172.02	0.02
Police Inmate Welfare Fund	45,519.24	51,435.67	0.03
Capital Improvements	19,986,251.23	22,583,995.55	13.40
Geologic Hazard Abatement	12,669.86	14,316.64	0.01
El Camino Training Fund-Fire	545,208.36	616,072.67	0.37
El Camino Training Fund-Police	43,447.66	49,094.84	0.03
Vanpool/Rideshare Fund	335,361.73	378,950.90	0.22
Torrance Improvement Fund	-	-	0.00
Animal Control Fund	53,697.28	60,676.67	0.04
Redevelopment-Capital Proj	5,795,247.99	6,548,494.43	3.89
Redevelopment Debt Service	2,437,020.19	2,753,775.71	1.63
Underground Storage Tank Fund	2,654.92	3,000.00	0.00
DNA Sampling Fund	37,434.40	42,300.00	0.03
Airport Fund	4,805,658.13	5,430,281.08	3.22
Transit Operations	1,113,857.14	1,258,632.47	0.75
Development Impact Fund	862,360.32	974,446.95	0.58
Water Operations	4,440,751.37	5,017,944.99	2.98
Emergency Medical Service Enterprise Fund	-	-	0.00
Sanitation Operations	1,977,332.98	2,234,339.93	1.33
Cultural Arts Enterprise	386,379.79	436,600.11	0.26
Sewer Enterprise Fund	9,580,043.26	10,825,224.39	6.42
Parks & Recreation Enterprise Fund	(132,371.61)	(149,576.82)	(0.09)
Self Insurance Fund	8,579,160.08	9,694,249.85	5.75
Fleet Services	11,325,745.93	12,797,827.51	7.60
Postemployment/Compensated Absences Fund	6,271,366.38	7,086,497.05	4.21
Trust & Agency	2,912,999.21	3,291,620.85	1.95
<b>TOTAL</b>	<b>149,112,239.55</b>	<b>168,493,336.54</b>	<b>100.00</b>

(A) The difference between the Share of Investments total of \$149,112,239.55 and the Pooled Cash and Investments total of \$168,493,336.54 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) 2008 UASI Grant for Fire-Breathing Apparatus has a negative cash balance of <\$301,733>. The reimbursement request will be submitted to the City of Los Angeles after the last invoice and been received and paid. The City of Los Angeles processes the reimbursement and sends it to the State.

T-051 Crenshaw Blvd. Rehabilitation has a negative cash balance of <\$1,130,257>.

A reimbursement request in the amount of \$315,293 was submitted in June 2010.

Another reimbursement request in the approximated amount of \$920,000 will be submitted by the end of July 2010.

T-30 Del Amo Blvd Extension has a negative cash balance of <\$956,077>

A reimbursement request in the amount of \$846,475 was submitted on 7/6/10.

**CITY OF TORRANCE  
CASH AND INVESTMENT RECONCILIATION  
AS OF JUNE 30, 2010**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		<b>149,112,239.55</b>
CASH AND INVESTMENTS PER BOOKS		<b>168,493,336.54</b>
CASH IN BANKS:		
Cash in B of A General Account		(\$23,286,952.39)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	1,837,981.35	
Payroll Account	109,545.06	
Workers Compensation Account	92,004.45	2,039,530.86
Miscellaneous outstanding adjusting journal entries		48,643.13
Payroll for PE 6/30/10 posted on 6/30/10 and paid on 7/9/10		1,817,681.41
INVESTMENTS PER BOOKS		<b>\$149,112,239.55</b>