

Council Meeting of
October 5, 2010

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

Members of Council:

SUBJECT: Accept and file Investment Reports for August 2010

RECOMMENDATION

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

FUNDING

Not applicable

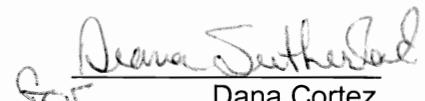
BACKGROUND

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 August 2010.

Investment Committee Note

The Investment Committee, made up of the Finance Director, City Manager, 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,


For Dana Sutherland
Dana Cortez
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 2010

Table of Contents

	<u>Page No.</u>
I. CITY OF TORRANCE – POOLED FUNDS	
<i>A. <u>Summary Reports</u></i>	
Investment Portfolio Highlights	1
Monthly Investment Summary Notes	2-3
Investment Portfolio Summary	4
Investment Activity Summary	5
Investment Portfolio Activity	6
Interest Earnings Summary	7
<i>B. <u>Detailed Reports</u></i>	
Investment Portfolio Details and Quality Ratings	8-12
II. RESTRICTED FUNDS	
(Reports Appear Quarterly)	
III. CASH & INVESTMENT PORTFOLIO SHARE	
Cash & Investment Share as of August 30, 2010	13
Cash & Investment Reconciliation	14

**CITY OF TORRANCE
INVESTMENT PORTFOLIO HIGHLIGHTS
FOR AUGUST 2010**

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	1.828	1.990
Average U.S. Treasury Constant Maturity	.470	.550
LAIF Average Monthly Return	.513	.531
Average City Portfolio YTM - 1 year prior	3.000	3.062

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	499,329	859,102
Current month	253,523	425,544

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	803	873
Average Maturity 1 Year Prior (days)	895	879
Weighted Average Maturity (years)	2.20	2.40

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	17,810,631	22
Maturities	18,744,324	20

Transactions include 7 deposits to and 6 withdrawals from LAIF, 12 purchases and 5 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, 2010</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of August 31, 2010</u>
Federal Agency (coup)	104,259,550	-6,968,900	-70,300	97,220,350
Treasury Securities	1,001,410	-1,000,000	-1,410	0
Medium Term Notes	13,409,500	95,393	71,047	13,575,940
Municipal Bonds	783,841	-144,718	0	639,123
SUB-TOTAL PER GASB 31	119,454,301	-8,018,225	-663	111,435,413
Non-GASB securities				
LAIF	28,775,000	12,525,000	0	41,300,000
Money Market	0	2,598,976	0	2,598,976
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	0	0	0
Negotiable Certificate Deposits	2,450,000	0	0	2,450,000
Commercial paper	0	0	0	0
TOTAL PORTFOLIO	150,679,301	7,087,047	18,041	157,784,389

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

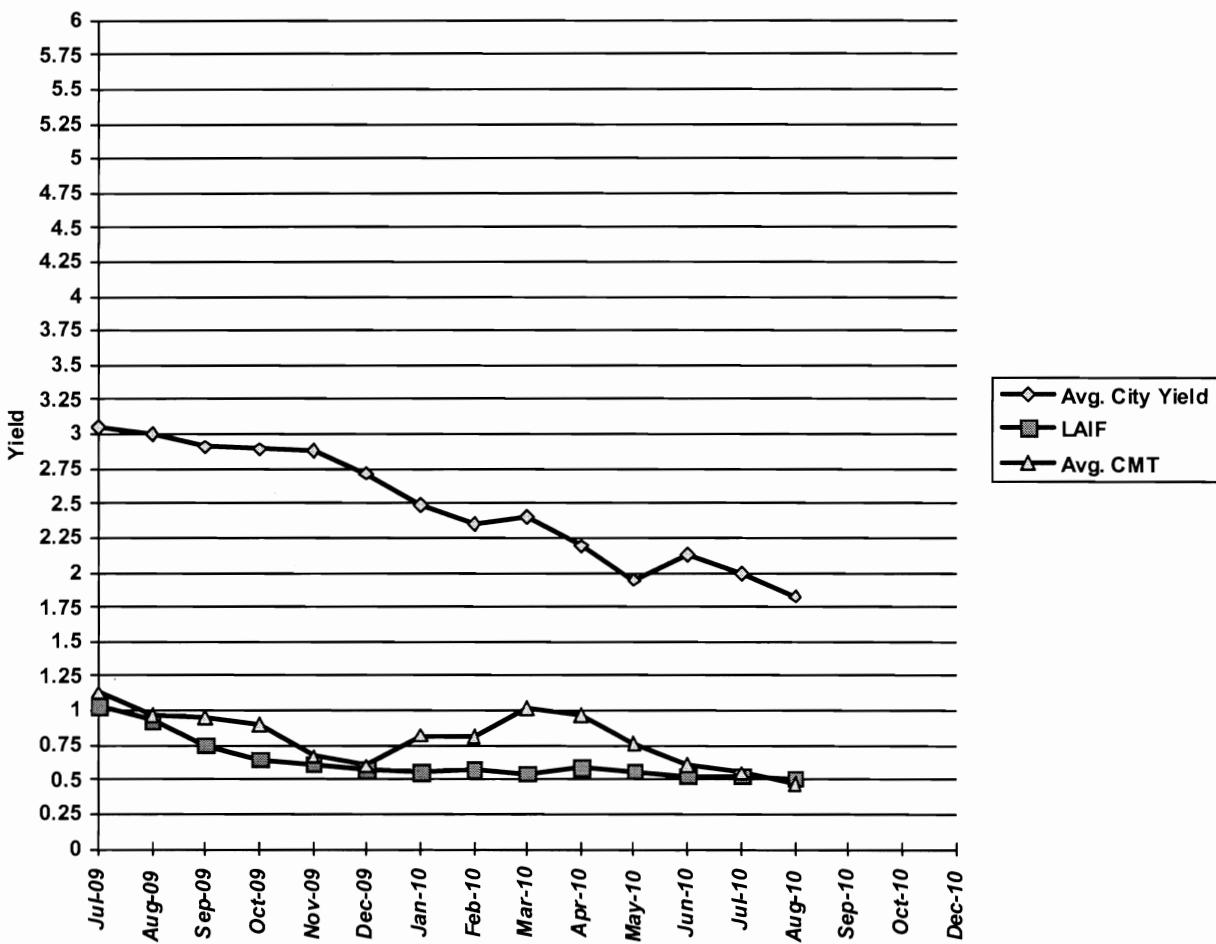
CITY OF TORRANCE

City Treasurer's Office

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

I. Return

32.65% of the portfolio is invested at one-year maturity or less as of August 31, 2010. The City Average yield on the portfolio was 1.828% compared to .470% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of July 31, 2010 by 135 basis points.



II. Volumes

The investment activity for August included 0 deposits and 0 redemption in the Union Bank of California money market account.

III. Diversification of Investments

In the month of August there were 3 purchases for a total of \$3 million with an average yield of 1.398%. There were 8 calls and 1 redemption for a total of \$10.1 million with an average yield of 3.495%. The activity in the LAIF Account consisted of 7 deposit for a total of \$9.1 million and 7 withdrawals for a total of \$5.6 million. The portfolio increased by \$3.7 million.

<u>Asset Category</u>	<u>August</u>	<u>July</u>
1. LAIF	26.44	24.06
2. Certificate of Deposits	.00	.00
3. Negotiable Cert. of Deposits	1.57	1.56
4. Money Market Sweep	1.66	.00
5. Federal Agency Issues(coup)	61.51	64.96
6. Federal Agency Issues(disc)	0.00	0.00
7. Treasury Securities	.00	.00
8. Treasury Securities(disc)	0.00	0.00
9. Medium Term Notes	8.41	9.01
10. Municipal Bonds	.41	.41
11. Commercial Paper(disc)	<u>0.00</u>	<u>0.00</u>
	100.00%	100.00%

IV. Maturity

As of August 31, 2010, the current maturity allocation is 31.77% of the portfolio invested between the 6 month to 3-year maturity levels. 30.09% 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 \$46.90 million available for expenditures.

<u>As of Maturity</u>	<u>August</u>	<u>July</u>
0 to 6 months	30.09%	26.64%
6 months to 1 year	2.56%	2.55%
1 to 2 years	8.88%	7.73%
2 to 3 years	20.34%	21.33%
3 to 4 years	20.19%	20.72%
4 to 5 years	17.94%	21.03%
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.

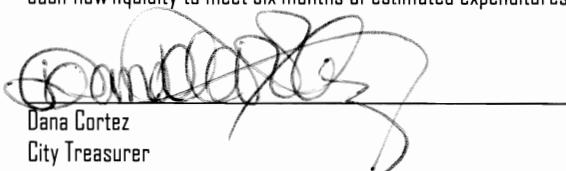
City of Torrance
Investment Portfolio Summary
As of August 31, 2010

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	41,300,000	26.44%	**	1	1	N/A	.513%
Certificates of Deposit - Collateralized	00	.00		180	0	5 years	.00%
Negotiable CDs	2,450,000	1.57		1,023	690	5 years	2.145%
Money Market Sweep Account	2,598,976	1.66%		1	1		.08%
Federal Agency Issues - Coupons	96,076,281	61.51%	75%	1,422	1,170	5 years	2.301%
Farmer Mac	0	0.00%	30%			5 years	
Federal Farm Credit Bank	18,546,335	11.99%	30%	1,226	1,313	5 years	2.165%
Federal Home Loan Bank	38,531,053	24.69%	30%	890	985	5 years	1.513%
Federal Home Loan Mortgage Corp.	13,998,872	8.93%	30%	1,260	1,371	5 years	2.468%
Federal National Mortgage Assoc.	25,000,000	16.01%	30%	1,171	1,233	5 years	1.742%
Treasury Securities - Coupons	00	.00%	100%	0	0	5 years	.00%
Medium Term Notes	13,141,379	8.41%	20%	1,273	823	5 years	2.484%
Municipal Bond Issues - Coupon	639,123	.41%		3,848	669		7.999%
Total Investments & Averages	156,205,740	100.00		1,014	803		1.828%
Effective Rate of Return		Month Ending 1.91%	Fiscal YTD 1.86%				
Pending Redemptions	0						
Accrued Interest at Purchase	29,815						
Total Accrued Interest	29,815						
TOTAL CASH & INVESTMENTS	156,235,555						

Portfolio Notes:

**Maximum allowed by Investment Policy is \$50 million per agency. General LAIF account = \$ 34,700,000
 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:


 Bruce S. Johnson
 City Manager


 Tom Fennell
 Director of Finance


 Sue L. Fellows
 City Attorney


 Dana Cortez
 City Treasurer

**City of Torrance
Portfolio Management
Activity Summary
August 2009 through August 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					
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
July	2010	95	159,722,146.67	1.963	1.990	0.531	2	4	1,085	873
August	2010	90	156,005,742.83	1.803	1.828	0.513	3	9	1,014	803
	Average	101	159,192,324.41	2.407%	2.441%	0.608	6	7	1,131	848

August 2010

INVEST NO.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10897 Citigroup		8/25/2010	FNMA	AAA/Aaa	8/25/2014	1,454	1.000%	1.743%	1,000,000	1,000,000	1,000,000
10898 Citigroup		8/24/2010	FHLMC	AAA/Aaa	2/24/2014	1,272	1.450%	1.450%	1,000,000	1,000,000	1,002,710
10899 Wedbush		8/26/2010	FHLB	AAA/Aaa	10/29/2013	1,154	2.000%	1.002%	1,000,000	1,030,964	1,032,190

Weighted Average Yield	3,000,000	3,030,964	3,034,900
	<u>1.398%</u>		

INVEST NO.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10872 Citigroup		05/05/10	FHLMC	AAA/Aaa	11/5/2013	2.500%	2.480%	1,000,000	1,000,000	1,000,000
10853 Higgins Capital		02/09/10	FNMA	AAA/Aaa	2/9/2015	3.100%	3.126%	1,000,000	1,000,000	1,000,000
10818 Dean Witter		08/11/09	FFCB	AAA/Aaa	8/11/2014	3.450%	3.450%	1,000,000	1,000,000	1,000,000
10887 Wedbush		05/26/10	FFCB	AAA/Aaa	5/26/2015	2.800%	2.777%	2,000,000	2,000,000	2,000,000
10825 Stone & Youngberg		08/26/09	FHLB	AAA/Aaa	8/26/2013	2.850%	2.850%	1,000,000	1,000,000	1,000,000
10684 Higgins Capital		08/27/07	FHLB	AAA/Aaa	8/27/2012	5.125%	5.120%	1,000,000	1,000,000	1,000,000
10786 Wedbush		02/27/09	FNMA	AAA/Aaa	8/27/2012	2.625%	2.632%	1,000,000	1,000,000	1,000,000
10882 GreatPacificSecuri		05/27/10	FNMA	AAA/Aaa	5/27/2015	2.750%	2.728%	1,000,000	1,000,000	1,000,000
10697 Wedbush		11/02/07	NewYorkLife Glob	AAA/Aaa	8/16/2010	4.625%	4.632%	1,000,000	1,000,000	1,000,000
10423 City of Torrance		12/18/01	SkyPark Bond		7/1/2012	8.000%	7.997%	144,718	144,718	144,718

Weighted Average Yield	10,144,718	10,144,718	10,144,718
	<u>3.495%</u>		

* 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 / THDRAWAL	INTEREST	END BAL.
- State of California	Local Agency Pool						
	City	31,200,000	0.513%	0.513%	9,100,000	5,653,720	53,720
	RDA	6,600,000	0.513%	0.513%		10,049	10,049
		37,800,000			9,100,000	5,663,769	63,769.40
							41,300,000

**City of Torrance
Portfolio Management
Interest Earnings Summary
August 31, 2010**

	August 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	168,955.09	402,204.84
Plus Accrued Interest at End of Period	808,328.20	808,328.20
Less Accrued Interest at Beginning of Period	(734,381.47)	(735,060.64)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	242,901.82	475,472.40
Adjusted by Premiums and Discounts	-7,046.01	-12,250.10
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	235,855.81	463,222.30
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	0.01	63,769.41
Plus Accrued Interest at End of Period	25,563.51	25,563.51
Less Accrued Interest at Beginning of Period	(7,896.15)	(53,225.86)
Interest Earned during Period	17,667.37	36,107.06
Total Interest Earned during Period	260,569.19	511,579.46
Total Adjustments from Premiums and Discounts	-7,046.01	-12,250.10
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	253,523.18	499,329.36

**City of Torrance
Portfolio Management
Portfolio Details - Investments**
August 31, 2010

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			34,700,000.00	34,700,000.00		0.513	1	0.513	1		
SYS10001	10001	Local Agency Invest. Fund RDA			6,600,000.00	6,600,000.00		0.513	1	0.513	1		
		Subtotal and Average	38,523,002.65		41,300,000.00	41,300,000.00	41,300,000.00			0.513	1		
Cert. of Deposit - Insured													
319180DA0	10839	First Bank Lexington Tennessee	12/16/2009		245,000.00	245,000.00		2.050	2.050	838	12/17/2012		
02586TG32	10829	American Express Centurian	09/23/2009		245,000.00	245,000.00		1.800	1.800	387	09/23/2011		
05568PSJ7	10832	BMW Bank of North America	09/23/2009		245,000.00	245,000.00		2.300	2.300	754	09/24/2012		
149159GX7	10830	Cathay Bank	10/05/2009		245,000.00	245,000.00		1.750	1.750	399	10/05/2011		
254670KW1	10831	Discover Bank	09/23/2009		245,000.00	245,000.00		2.050	2.050	754	09/24/2012		
36159SJS1	10838	GE Money bank	12/11/2009		245,000.00	245,000.00		2.350	2.350	832	12/11/2012		
46147ULM0	10824	Investors Community Bank	08/24/2009		245,000.00	245,000.00		2.250	2.250	723	08/24/2012		
509685EA7	10823	Lake Forest B&T	08/26/2009		245,000.00	245,000.00		2.350	2.350	726	08/27/2012		
59740JGR4	10833	MidFirst Bank	10/14/2009		245,000.00	245,000.00		2.350	2.350	775	10/15/2012		
86789UBH1	10822	SunSouth Bank	08/18/2009		245,000.00	245,000.00		2.200	2.200	716	08/17/2012		
		Subtotal and Average	2,450,000.00		2,450,000.00	2,450,000.00	2,450,000.00			2.145	690		
Money Market Sweep Account													
SYS10131	10131	Bank of America			0.00	0.00		0.450	AA	0.450	1		
SYS1000	1000	Union Bank of California			2,598,976.35	2,598,976.35		0.080	0.080	0.080	1		
		Subtotal and Average	1,391,253.21		2,598,976.35	2,598,976.35	2,598,976.35			0.080	1		
Federal Agency Issues - Coupon													
31331XT36	10678	FEDERAL FARM CREDIT BANK	08/01/2007		1,000,000.00	1,087,810.00		1,000,000.00	5.250	AAA	5.250	700	08/01/2012
31331GCF4	10776	FEDERAL FARM CREDIT BANK	09/23/2008		1,000,000.00	1,029,380.00		1,000,124.35	3.125	AAA	3.113	387	09/23/2011
31331GDF3	10779	FEDERAL FARM CREDIT BANK	10/15/2008		2,000,000.00	2,008,760.00		2,000,000.00	4.250	AAA	4.250	1,140	10/15/2013
31331GVDB8	10800	FEDERAL FARM CREDIT BANK	05/08/2009		1,000,000.00	1,035,000.00		1,000,000.00	2.200	AAA	2.200	950	04/08/2013
31331G217	10835	FEDERAL FARM CREDIT BANK	10/27/2009		1,000,000.00	1,030,000.00		1,000,000.00	2.875	AAA	2.875	1,517	10/27/2014
31331JAA1	10842	FEDERAL FARM CREDIT BANK	12/22/2009		1,000,000.00	1,008,130.00		1,000,000.00	3.000	AAA	3.000	1,573	12/22/2014
31331JCX9	10857	FEDERAL FARM CREDIT BANK	02/02/2010		1,000,000.00	1,011,250.00		999,580.56	2.950	AAA	2.972	1,615	02/02/2015
31331JDL4	10859	FEDERAL FARM CREDIT BANK	02/11/2010		1,000,000.00	1,007,190.00		1,000,000.00	2.420	AAA	2.420	1,259	02/11/2014
31331JJ3	10866	FEDERAL FARM CREDIT BANK	03/30/2010		1,000,000.00	1,012,810.00		1,000,000.00	2.950	AAA	2.950	1,671	03/30/2015
31331JJ3	10867	FEDERAL FARM CREDIT BANK	03/30/2010		1,000,000.00	1,012,810.00		998,167.78	2.950	AAA	2.993	1,671	03/30/2015
31331KA0	10870	FEDERAL FARM CREDIT BANK	04/09/2010		1,000,000.00	1,036,250.00		1,000,000.00	2.900	AAA	2.900	1,681	04/09/2015
31331JJF1	10873	FEDERAL FARM CREDIT BANK	04/13/2010		3,000,000.00	3,029,070.00		2,999,642.82	2.390	AAA	2.395	1,300	03/24/2014
31331XWW8	10879	FEDERAL FARM CREDIT BANK	05/05/2010		500,000.00	561,720.00		548,820.15	5.000	AAA	2.192	1,332	04/25/2014

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 31, 2010

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												
31331JNRO	10883	FEDERAL FARM CREDIT BANK	05/18/2010	1,000,000.00	1,015,630.00	1,000,000.00	2.970	AAA	2.970	1,720	05/18/2015	
31331JNN9	10886	FEDERAL FARM CREDIT BANK	06/03/2010	1,000,000.00	1,007,190.00	1,000,000.00	1.680	AAA	1.680	1,006	06/03/2013	
31331JQD8	10883	FEDERAL FARM CREDIT BANK	06/08/2010	1,000,000.00	1,026,560.00	1,000,000.00	2.590	AAA	2.590	1,741	06/08/2015	
3133XQJA1	10742	FEDERAL HOME LOAN BANK	04/15/2008	2,000,000.00	2,040,000.00	2,000,000.00	3.700	AAA	3.700	957	04/15/2013	
3133XT6J0	10788	FEDERAL HOME LOAN BANK	02/26/2009	2,000,000.00	2,073,120.00	2,000,000.00	2.625	AAA	2.625	909	02/26/2013	
3133XT6W1	10789	FEDERAL HOME LOAN BANK	02/27/2009	2,000,000.00	2,048,760.00	2,000,000.00	2.150	AAA	2.150	544	02/27/2012	
3133XTA97	10790	FEDERAL HOME LOAN BANK	03/06/2009	1,000,000.00	1,017,810.00	1,000,000.00	2.100	AAA	2.100	370	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	1,428	07/30/2014	
3133XUPC1	10826	FEDERAL HOME LOAN BANK	09/15/2009	1,000,000.00	1,000,630.00	1,000,000.00	2.350	AAA	2.350	926	03/15/2013	
3133XUPB3	10827	FEDERAL HOME LOAN BANK	09/04/2009	1,000,000.00	1,032,810.00	1,000,000.00	2.125	AAA	2.125	1,464	09/04/2014	
3133XWDX4	10845	FEDERAL HOME LOAN BANK	01/05/2010	2,000,000.00	2,010,620.00	2,000,000.00	2.250	AAA	2.250	1,038	07/05/2013	
3133XWFU1	10846	FEDERAL HOME LOAN BANK	12/28/2009	1,500,000.00	1,527,660.00	1,500,000.00	2.050	AAA	2.050	1,031	06/28/2013	
3133XWNR6	10848	FEDERAL HOME LOAN BANK	01/27/2010	2,000,000.00	2,008,760.00	2,000,000.00	3.000	AAA	3.000	1,609	01/27/2015	
3133XWP52	10850	FEDERAL HOME LOAN BANK	01/27/2010	1,000,000.00	1,003,750.00	1,000,000.00	1.250	AAA	1.250	604	04/27/2012	
3133XWPN3	10852	FEDERAL HOME LOAN BANK	01/29/2010	1,000,000.00	1,001,880.00	1,000,000.00	1.600	AAA	1.595	789	10/29/2012	
3133XWTG4	10855	FEDERAL HOME LOAN BANK	02/18/2010	1,000,000.00	1,008,440.00	1,000,000.00	2.170	AAA	2.170	1,174	11/18/2013	
3133XX7H4	10861	FEDERAL HOME LOAN BANK	03/03/2010	2,000,000.00	2,017,500.00	2,000,000.00	2.100	AAA	2,100	1,098	09/03/2013	
3133XXPD3	10865	FEDERAL HOME LOAN BANK	03/26/2010	2,000,000.00	2,034,380.00	2,000,000.00	1.500	AAA	1,500	1,302	03/26/2014	
3133XXW06	10869	FEDERAL HOME LOAN BANK	04/20/2010	2,000,000.00	2,007,500.00	2,000,000.00	1,999,727.78	AAA	3,011	1,692	04/20/2015	
3133XYC94	10875	FEDERAL HOME LOAN BANK	04/29/2010	1,000,000.00	1,003,440.00	1,000,000.00	2,450	AAA	2,450	1,336	04/29/2014	
3133XYKF1	10884	FEDERAL HOME LOAN BANK	05/28/2010	1,000,000.00	1,025,310.00	1,000,000.00	2,000	AAA	2,000	1,730	05/28/2015	
3133XYMH5	10889	FEDERAL HOME LOAN BANK	06/10/2010	5,000,000.00	5,001,550.00	5,000,000.00	1,500	AAA	1,500	831	12/10/2012	
3133XYM69	10890	FEDERAL HOME LOAN BANK	06/11/2010	2,000,000.00	2,009,380.00	2,000,000.00	1,500	AAA	1,500	922	03/11/2013	
3133XYPB5	10891	FEDERAL HOME LOAN BANK	06/03/2010	4,000,000.00	4,007,520.00	4,000,361,64	0.580	AAA	0.568	275	06/03/2011	
3133XY6S9	10899	FEDERAL HOME LOAN BANK	08/26/2010	1,000,000.00	1,032,190.00	1,000,000.00	1,030,963.95	2,000	AAA	1,002	1,154	10/29/2013
3128X8QM7	10794	FEDERAL HOME LOAN MORTGAGE CO	03/24/2009	1,000,000.00	1,012,200.00	1,000,000.00	2,375	AAA	2,396	1,300	03/24/2014	
3128X8TZ5	10798	FEDERAL HOME LOAN MORTGAGE CO	04/20/2009	2,000,000.00	2,024,320.00	2,000,000.00	2,500	AAA	2,500	950	04/08/2013	
3128X8E73	10801	FEDERAL HOME LOAN MORTGAGE CO	05/19/2009	1,000,000.00	1,011,750.00	1,000,000.00	2,170	AAA	2,170	810	11/19/2012	
3128X8MS8	10802	FEDERAL HOME LOAN MORTGAGE CO	05/07/2009	1,000,000.00	1,000,050.00	1,000,000.00	2,350	AAA	2,129	548	03/02/2012	
3128X82V3	10814	FEDERAL HOME LOAN MORTGAGE CO	07/14/2009	1,000,000.00	1,011,360.00	1,000,000.00	3,400	AAA	3,400	1,412	07/14/2014	
3128X9XX3	10858	FEDERAL HOME LOAN MORTGAGE CO	02/17/2010	1,000,000.00	1,012,170.00	1,000,000.00	3,000	AAA	3,000	1,630	02/17/2015	
3134G1AS3	10876	FEDERAL HOME LOAN MORTGAGE CO	05/18/2010	2,000,000.00	2,010,620.00	1,999,572.22	3,000	AAA	3,011	1,720	05/18/2015	
3134G1BX1	10877	FEDERAL HOME LOAN MORTGAGE CO	05/19/2010	2,000,000.00	2,010,960.00	2,000,000.00	3,050	AAA	3,050	1,721	05/19/2015	
3134G1DS0	10881	FEDERAL HOME LOAN MORTGAGE CO	05/26/2010	2,000,000.00	2,011,000.00	2,000,000.00	3,000	AAA	3,000	1,728	05/26/2015	
3134G1QY3	10898	FEDERAL HOME LOAN MORTGAGE CO	08/24/2010	1,000,000.00	1,002,710.00	1,000,000.00	1,450	AAA	1,450	1,272	02/24/2014	
3136FFHCF0	10793	FEDERAL NATIONAL MORT ASSOC	03/05/2009	1,000,000.00	1,008,440.00	1,000,000.00	2,250	AAA	2,250	541	02/24/2012	

Portfolio CITY
AP
PM (PRF_PM2) 7.2.5
Run Date: 09/24/2010 - 14:01

**City of Torrance
Portfolio Management
Portfolio Details - Investments
August 31, 2010**

14

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													
3136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC	05/14/2009		2,000,000.00	2,031,260.00	2,000,000.00	2.125	AAA	2.125	1,351	05/14/2014	
3136FHFXF7	10808	FEDERAL NATIONAL MORT ASSOC	06/10/2009		2,000,000.00	2,008,760.00	2,000,000.00	2.000	AAA	2.000	831	12/10/2012	
31398AYN6	10815	FEDERAL NATIONAL MORT ASSOC	07/28/2009		2,000,000.00	2,040,620.00	2,000,000.00	3.000	AAA	3.000	1,426	07/28/2014	
3136FJ4C2	10856	FEDERAL NATIONAL MORT ASSOC	02/23/2010		1,000,000.00	1,017,190.00	1,000,000.00	2.000	AAA	2.000	1,087	08/23/2013	
3136FMJC1	10862	FEDERAL NATIONAL MORT ASSOC	03/10/2010		1,000,000.00	1,012,190.00	1,000,000.00	2.650	AAA	2.650	1,470	09/10/2014	
3136FMC79	10863	FEDERAL NATIONAL MORT ASSOC	03/17/2010		1,000,000.00	1,012,190.00	1,000,000.00	2.760	AAA	2.760	1,658	03/17/2015	
3136FMJ6	10868	FEDERAL NATIONAL MORT ASSOC	04/15/2010		1,000,000.00	1,002,190.00	1,000,000.00	2.125	AAA	2.125	1,687	04/15/2015	
31398AM74	10871	FEDERAL NATIONAL MORT ASSOC	04/21/2010		1,000,000.00	1,011,560.00	1,000,000.00	2.125	AAA	2.125	1,146	10/21/2013	
3136FMRF3	10878	FEDERAL NATIONAL MORT ASSOC	05/19/2010		1,000,000.00	1,005,310.00	1,000,000.00	3.125	AAA	3.125	1,721	05/19/2015	
3136FMWS3	10880	FEDERAL NATIONAL MORT ASSOC	05/14/2010		1,000,000.00	1,008,440.00	1,000,000.00	2.375	AAA	2.375	1,351	05/14/2014	
3136FMUK8	10885	FEDERAL NATIONAL MORT ASSOC	06/02/2010		1,000,000.00	1,013,750.00	1,000,000.00	2.250	AAA	2.250	1,370	06/02/2014	
3136FMUJK8	10888	FEDERAL NATIONAL MORT ASSOC	06/02/2010		2,000,000.00	2,027,500.00	2,000,000.00	2.250	AAA	2.250	1,370	06/02/2014	
3136FMWS9	10892	FEDERAL NATIONAL MORT ASSOC	06/15/2010		4,000,000.00	4,020,000.00	4,000,000.00	1.125	AAA	1.125	653	06/15/2012	
3136FMQ23	10894	FEDERAL NATIONAL MORT ASSOC	06/28/2010		2,000,000.00	2,023,120.00	2,000,000.00	2.000	AAA	2,000	1,489	09/29/2014	
3136FM3D4	10896	FEDERAL NATIONAL MORT ASSOC	07/28/2010		1,000,000.00	1,005,310.00	1,000,000.00	1.500	AAA	2,229	1,791	07/28/2015	
3136FPAM9	10897	FEDERAL NATIONAL MORT ASSOC	08/25/2010		1,000,000.00	1,000,000.00	1,000,000.00	1.000	AAA	1.743	1,454	08/25/2014	
Subtotal and Average					99,374,359.48					96,076,261.10		2,301	1,170
Medium Term Notes													
88579EAE5	10895	3M Company	07/20/2010		1,000,000.00	1,101,830.00	1,000,000.00	1,091,853.53	AA	0.613	1,079	08/15/2013	
084664AF8	10709	Berkshire Hathaway	01/15/2008		1,000,000.00	1,011,430.00	1,000,000.00	1,001,496.61	AA	3.648	105	12/15/2010	
084664AD3	10714	Berkshire Hathaway	01/18/2008		1,000,000.00	1,098,820.00	1,000,000.00	1,008,874.54	AA	4.625	AA	4,300	10/15/2013
084664AF8	10795	Berkshire Hathaway	03/10/2009		1,000,000.00	1,011,430.00	1,000,000.00	1,002,866.14	AA	3,170	105	12/15/2010	
17314JAT0	10874	Citibank	04/15/2010		3,000,000.00	3,070,950.00	3,000,000.00	3,013,548.56	1,750	AAA	1,112	849	12/28/2012
36967HAY3	10812	General Electric Capital Corp	06/22/2009		2,000,000.00	2,083,240.00	2,000,000.00	2,013,536.13	2,625	AAA	2,320	849	12/28/2012
594918AB0	10821	MicroSoft Corp	08/17/2009		1,000,000.00	1,065,930.00	1,000,000.00	1,000,000.00	2,950	AAA	2,949	1,369	06/01/2014
931142CN1	10820	Wal-Mart Stores	08/14/2009		2,000,000.00	2,116,520.00	2,000,000.00	2,006,232.74	3,000	AA	2,902	1,251	02/03/2014
949746NB3	10715	Wells Fargo Co	01/23/2008		1,000,000.00	1,015,790.00	1,000,000.00	1,002,971.70	4,875	AA	4,000	133	01/12/2011
Subtotal and Average					13,628,044.46					13,575,940.00		13,141,379.95	
Municipal Bond Issues - Coupon													
SYS10423	10423	Skpk-2001 TxAllocRef Bd	12/18/2001		639,123.03	639,123.03	639,123.03	639,123.03	8,000		7,999	669	07/01/2012
		Subtotal and Average			639,123.03		639,123.03				7,999	669	

Portfolio CITY
AP
PM (PRF_FM2) 7.2.5

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

August 31, 2010

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
Total and Average											
			156,005,742.83		155,988,099.38	157,784,389.38	156,205,740.43			1.828	803

**City of Torrance
Portfolio Management
Portfolio Details - Cash
August 31, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
Local Agency Investment Funds											
SY/S1000a	1000A	LAI F - TRANS FUNDS	07/01/2010	0.00	0.00	0.00	0.00	0.528		0.528	1
		Average Balance	0.00	Accrued Interest at Purchase		29,815.42	29,815.42				0
		Subtotal				29,815.42	29,815.42				
		Total Cash and Investments	156,005,742.83		155,988,099.38	157,814,204.80	156,235,555.85			1.828	803

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF August 31, 2010

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
General	36,491,565.06	35,789,524.63	23.36
Parks & Recr Facility & Open Space	4,017,884.62	3,940,586.83	2.57
State Gas Tax	7,312,004.58	7,171,333.09	4.68
Federal Housing, Community Dev	368,478.90	361,389.94	0.24
Street Lighting	27,590.80	27,060.00	0.02
Traffic Congestion Relief Act 2000 - AB2928	1,384,869.27	1,358,226.56	0.89
Proposition 1B	2,793,559.33	2,739,815.63	1.79
Police Asset Forfeiture	3,973,527.51	3,897,083.08	2.54
Drainage Improvement	19,825.89	19,444.47	0.01
Measure R Local Return	1,057,101.15	1,036,764.18	0.68
Government Cable	3,051,680.51	2,992,970.97	1.95
Local Return - Proposition C	6,096,874.38	5,979,580.09	3.90
Grants/Donations	(660,624.42)	(647,915.04) (B)	(0.42)
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	165,429.14	162,246.54	0.11
Seismic Education Fund	55,507.64	54,439.76	0.04
Rehabilitation Housing	668,569.97	655,707.73	0.43
Meadow Park Parking Lot	48,521.29	47,587.82	0.03
Police Inmate Welfare Fund	52,647.23	51,634.38	0.03
Capital Improvements	23,505,095.58	23,052,894.44	15.05
Geologic Hazard Abatement	14,597.47	14,316.64	0.01
El Camino Training Fund-Fire	627,776.10	615,698.67	0.40
El Camino Training Fund-Police	50,057.87	49,094.84	0.03
Vanpool/Rideshare Fund	19,482.20	19,107.39	0.01
Torrance Improvement Fund	(3,951.31)	(3,875.29) (C)	(0.00)
Animal Control Fund	34,694.45	34,026.98	0.02
Redevelopment-Capital Proj	6,303,162.38	6,181,899.43	4.04
Redevelopment Debt Service	155,271.78	152,284.59	0.10
Underground Storage Tank Fund	3,058.85	3,000.00	0.00
DNA Sampling Fund	49,369.80	48,420.00	0.03
Airport Fund	5,494,292.55	5,388,590.99	3.52
Transit Operations	2,962,777.09	2,905,777.91	1.90
Development Impact Fund	997,831.75	978,635.03	0.64
Water Operations	5,395,120.19	5,291,326.55	3.45
Emergency Medical Service Enterprise Fund	-	28,995.53	0.02
Sanitation Operations	2,064,515.98	2,024,797.93	1.32
Cultural Arts Enterprise	331,529.52	325,151.41	0.21
Sewer Enterprise Fund	11,001,717.05	10,790,061.28	7.04
Parks & Recreation Enterprise Fund	(633,948.74)	(621,752.56)	(0.41)
Self Insurance Fund	8,495,743.08	8,332,298.32	5.44
Fleet Services	12,552,510.52	12,311,019.92	8.04
Postemployment/Compensated Absences Fund	6,193,143.61	6,073,997.25	3.96
Trust & Agency	3,637,315.50	3,567,339.26	2.33
TOTAL	156,205,740.43	153,200,587.17	100.00

- (A) The difference between the Share of Investments total of \$156,205,740.43 and the Pooled Cash and Investments total of \$153,200,587.14 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 was submitted to the City of Los Angeles in mid September. 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 <\$110,308>. A reimbursement request will be submitted after the quarter ended 9/30/10.
- T-30 Del Amo Blvd Extension ISTEA-MTA Grant has a negative cash balance of <\$186,910>. A reimbursement request will be submitted by October 2010.
- (C) Amount represents expenditures for T-51 Crenshaw Boulevard between Maricopa Street and Sepulveda Boulevard rehabilitation project. Reimbursement will be requested after the expenditures total reaches \$10,000.

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF AUGUST 31, 2010**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)	156,205,740.43
CASH AND INVESTMENTS PER BOOKS	153,200,587.17
CASH IN BANKS:	
Cash in B of A General Account	(\$1,391,977.55)
Cash in B of A Payroll Account	0.00
OUTSTANDING WARRANTS:	
General Account	1,381,241.02
Payroll Account	77,694.20
Workers Compensation Account	<u>54,690.26</u> 1,513,625.48
Miscellaneous outstanding adjusting journal entries	(46,358.58)
Housing Fund restricted cash	(587,842.01)
Payroll for PE 8/28/10 posted on 8/31/10 and paid on 9/3/10	2,917,515.11
Payroll for PE 8/31/10 posted on 8/31/10 and paid on 9/11/10	600,190.81
INVESTMENTS PER BOOKS	\$156,205,740.43