Council Meeting of
February 7, 2012

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

Members of Council:

SUBJECT: Accept and file December 2011 monthly investment report.

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the monthly investment report for December 2011.

FUNDING

Not applicable

BACKGROUND

On January 4, 2011, Your Honorable Body, through passage of Resolution 2011-04, 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 December 2011.

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,

Dana Cortez
City Treasurer

Noted:

LeRoy J. Jackson
Investment Committee Member

CC: City Manager
City Clerk

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CITY of TORRANCE
Monthly Investment Portfolio Report
December 31, 2011

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Investment Report
December 2011

Investment Portfolio Highlights

Average City Portfolio YTM	1.628%	1.691%
Average U.S. Treasury Constant	0.360%	0.410%
LAIF Average Monthly Return	0.382%	0.401%
Average City Portfolio YTM - 1 year	1.735%	1.756%

Fiscal year to date	$1,285,603	$1,404,318
Current month	$199,249	$214,270

Average Maturity (days)	986	1011
Average Maturity 1 Year Prior (days)	909	883
Weighted Average Maturity (years)	2.70	2.88

Purchases	$30,995,022	11
Maturities	$24,069,231	7

Portfolio Activity Summary

Month End	Year	Number of Securities	Average Balance	Yield to Maturity	Yield to Maturity 365	Managed Pool Rate	Inv Purchased	Inv Redeemed	Average Term	Average Days to Mat
December	2010	105	147,425,111.17	1.726	1.750	0.462%	6	4	1,159	909
January	2011	104	153,975,753.83	1.616	1.638	0.538%	4	5	1,070	834
February	2011	110	165,317,959.66	1.708	1.732	0.512%	11	6	1,172	934
March	2011	107	165,733,809.87	1.652	1.675	0.508%	7	10	1,150	909
April	2011	105	167,986,247.29	1.542	1.564	0.588%	2	4	1,055	830
May	2011	106	177,136,223.90	1.445	1.465	0.413%	6	5	1,013	786
June	2011	102	182,987,408.39	1.413	1.432	0.448%	6	10	1,000	783
July	2011	113	159,086,446.05	1.734	1.758	0.381%	16	5	1,362	1105
August	2011	111	156,107,063.51	1.732	1.756	0.408%	2	5	1,363	1085
September	2011	104	151,370,240.25	1.723	1.747	0.378%	2	9	1,363	1071
October	2011	100	150,533,371.55	1.721	1.744	0.385%	5	10	1,355	1052
November	2011	97	149,056,539.20	1.668	1.691	0.401%	6	9	1,309	1011
December	2011	99	148,528,510.95	1,606	1,628	0.382%	6	4	1,278	986
	Average	105	159,558,663.99	1.637%	1.660%	0.446%	6	7	1,204	946

Portfolio Activity Detail

Investment Number	Broker	Purchase Date	Description	Quality Rating	Maturity Date	Days Held/ Days to Maturity	Rate	Yield	Par Value	Cost	Market Value
PURCHASES											
11000	WedBush	12/20/2011	FNMA	AA+	12/20/2016	1815	1.250%	1.810%	1,000,000	1,000,000	1,001,560
11001	WedBush	12/20/2011	FNMA	AA+	12/20/2016	1815	1.500%	1.754%	2,000,000	2,000,000	2,003,420
11002	Higgins Capital	12/28/2011	FNMA	AA+	12/28/2016	1823	1.375%	1.815%	1,000,000	1,000,000	1,002,700
11003	CitiGroup	12/30/2011	FHLMC	AA+	6/30/2015	1276	1.000%	1.000%	1,000,000	1,000,000	999,420
11004	Morgan Stanley	12/21/2011	FHLB	AA+	12/21/2016	1816	1.450%	1.450%	1,000,000	1,000,000	1,000,380
11005	Great Pacific Sec.	12/28/2011	FNMA	AA+	12/28/2016	1823	0.500%	1.844%	2,000,000	2,000,000	1,999,060
								1.659%	8,000,000	8,000,000	8,006,540
MATURITIES/CALLS											
10846	CitiGroup	12/28/2009	FHLB	AA+/Aaa	6/28/2013	730/1278	2.050%	2.050%	1,500,000	1,500,000	1,500,000
10901	Stone & Youngberg	9/23/2010	FHLB	AA+/Aaa	9/23/2015	456/1826	1.000%	1.081%	269,231	269,231	269,231
10931	Stone & Youngberg	12/28/2010	FFCB	AA+/Aaa	12/28/2015	365/1826	2.450%	2.450%	2,000,000	2,000,000	2,000,000
10930	Vining Sparks	12/30/2010	FAMCA	AA+/Aaa	12/30/2015	365/1826	2.570%	2.570%	2,000,000	2,000,000	2,000,000
								2.324%	5,769,231	5,769,231	5,769,231

State of California	Beginning Balance	Rate	Yield	Deposits	Withdrawals	Interest	Ending Balance
Local Agency Pool							
City	9,500,000	0.382%	0.382%	17,000,000	10,300,000		16,200,000
Redevelopment Agency	7,000,000	0.382%	0.382%	0	0		7,000,000
TRANS Repayment	0	0.382%	0.382%	0	0		0
	$ 16,500,000						$ 23,200,000

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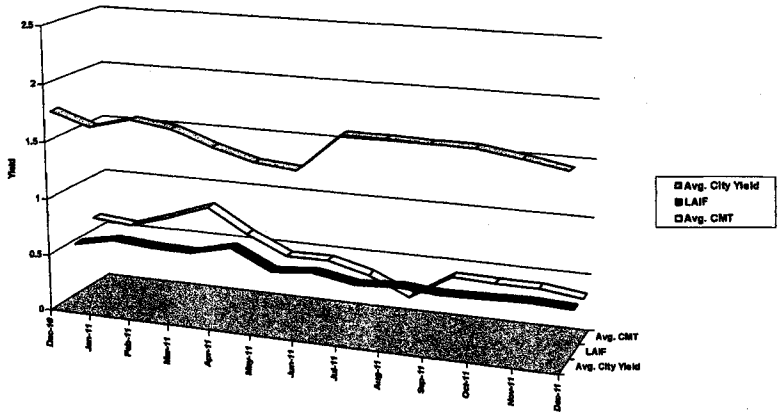
Investment Report
December 2011

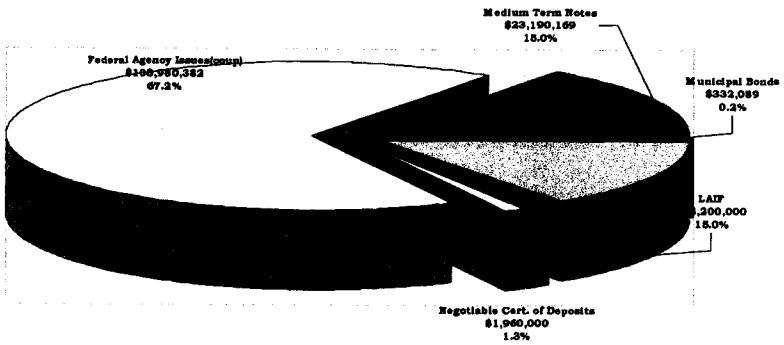
Portfolio Performance

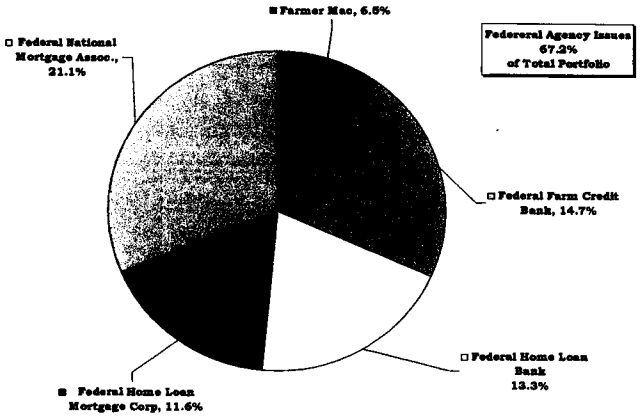


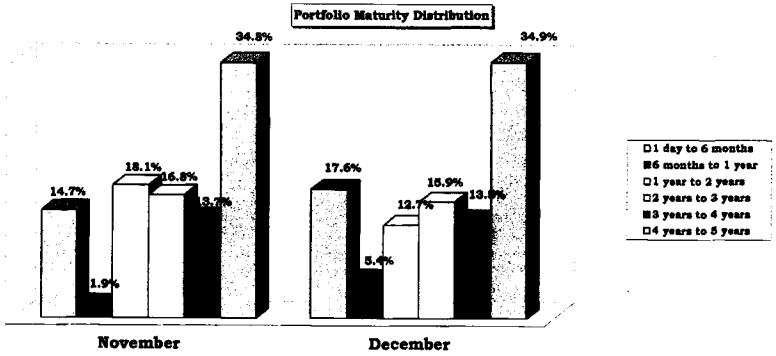
Interest Earnings Summary

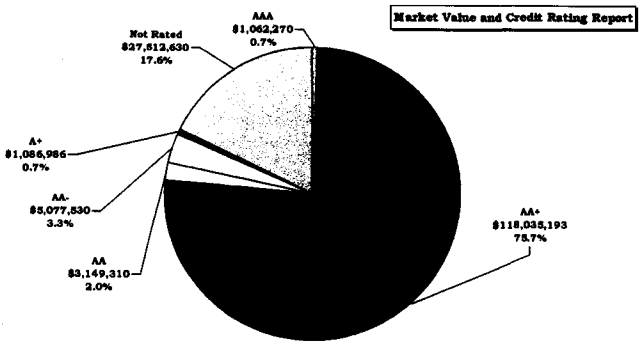
CD/Coupon/Discount Investments:	Month Ending December 31	Fiscal Year End
Interest Collected	225,749	1,293,726
Plus Accrued Interest at	714,951	714,951
Less Accrued Interest at	-724,406	-630,614
Interest Earned	**$ 216,294**	**$ 1,378,062**
Adjusted by Premium	-22,924	-121,209
Adjusted by Capital	-	-
Earnings during	**$ 193,370**	**$ 1,256,853**
Cash/Checking Accounts:		
Interest Collected	42	52,681
Plus Accrued Interest at	63,440	63,440
Less Accrued Interest at	-57,603	-87,371
Interest Earned	**$ 5,879**	**$ 28,750**
Total Interest Earned	**222,173**	**1,406,813**
Total Adjustments from Premiums and Discounts	**-22,924**	**-121,209**
Total Capital Gains or	-	-
Total Earnings this Period	**$199,249**	**$1,285,603**

Portfolio Diversification









Investment Report
December 2011

Portfolio Summary

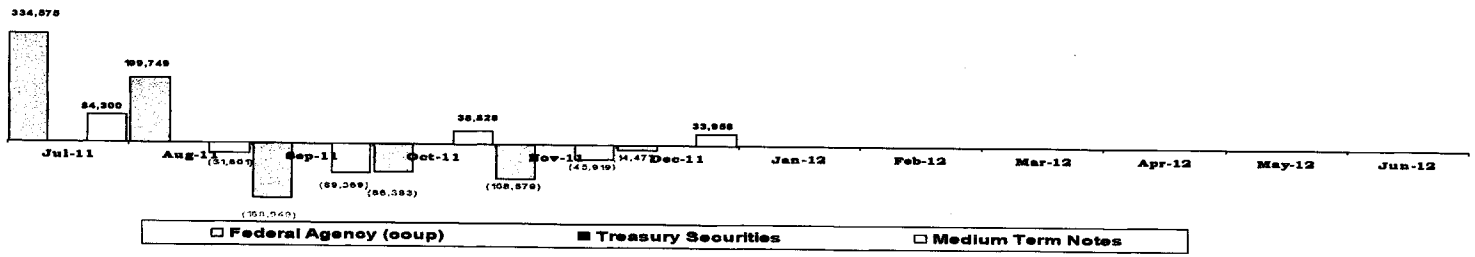
	Book Value	% of Portfolio	% per Policy	Duration	Days to Maturity		Current Yield
Local Agency Investment Fund	23,200,000	15.00%	**	1	1	N/A	0.382%
Certificates of Deposit – Collateralized	0	0		180	0	5 years	0.000%
Negotiable CDs	1,960,000	1.27%		1,097	278	5 years	2.238%
Money Market Sweep Account	1,995,022	1.29%		1	1		0.010%
Federal Agency Issues – Coupons	103,980,382	67.23%	75%	1,579	1,288	5 years	1.809%
Farmer Mac	10,092,269	6.56%	30%	1,096	1229	5 years	1.183%
Federal Farm Credit Bank	22,583,048	14.71%	30%	1,025	1,165	5 years	1.320%
Federal Home Loan Bank	20,435,100	13.23%	30%	975	978	5 years	1.205%
Federal Home Loan Mortgage Corp.	18,071,077	11.61%	30%	1,366	1,459	5 years	1.293%
Federal National Mortgage Assoc.	32,798,887	21.12%	30%	1,485	1,526	5 years	1.453%
Treasury Securities – Coupons	0	0.00%	100%	0	0	5 years	0.000%
Medium Term Notes	23,190,169	14.99%	20%	1,298	771	5 years	2.062%
Municipal Bond Issues – Coupon	332,089	0.22%		3,848	182		7.999%
Total Investments & Averages	**154,657,661**	**100.00%**		**1,278**	**986**		**1.628%**

Effective Rate of Return	**Month Ending**	**Fiscal YTD**
	1.58%	1.67%
Pending Redemptions	0	
Accrued Interest at Purchase	4,090	
Total Accrued Interest	4,090	
TOTAL CASH & INVESTMENTS	**154,661,751**	

VALUE OF PORTFOLIO
PER GASB NO.31

GASB required securities	Beginning Investment Value as July 1, 2011	Purchase/Redemption of Principal	Change in Market Value	Ending Investment Value as of December 31, 2011
Federal Agency (coup)	100,435,380	4,181,947	155,936	104,773,263
Treasury Securities	0	0	0	0
Medium Term Notes	20,648,028	3,000,000	-10,003	23,638,026
Municipal Bonds	488,616	-156,527	0	332,089
SUB-TOTAL PER GASB 31	**$121,572,024**	**$7,025,420**	**$145,933**	**$128,743,377**
Non-GASB				
LAIF	50,000,000	-26,800,000	0	23,200,000
Money Market	9,000,000	-7,004,978	0	1,995,022
Federal Agency –	0	0	0	0
Treasury Security –	0	0	0	0
Certificate of Deposits -Disc.	0	0	0	0
Negotiable Certificate Deposits	2,450,000	-490,000	0	1,960,000
Commercial paper	0	0	0	0
TOTAL PORTFOLIO	**$183,022,024**	**($27,269,558)**	**$145,933**	**$155,898,399**

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.



Portfolio Notes:
**Maximum allowed by Investment Policy is $50 million per agency. General LAIF account = $ 16,200,000,000 RDA LAIF account = $ 7,000,000 TRANS payment = $0
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 2011-04 on Janaury 4, 2011. 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.
Reviewed by the Investment Advisory Committee:

Dana Cortes
City Treasurer

City Manager

City Attorney

Director of Finance

City Treasurer

City of Torrance
Portfolio Management
Portfolio Details - Investments
December 31, 2011

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			16,200,000.00	16,200,000.00	16,200,000.00	0.382		0.382	1	
SYS10001	10001	Local Agency Invest. Fund RDA			7,000,000.00	7,000,000.00	7,000,000.00	0.382		0.382	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			0.00	0.00	0.00	0.401		0.401	1	
		Subtotal and Average	**17,229,032.26**		**23,200,000.00**	**23,200,000.00**	**23,200,000.00**			**0.382**	**1**	
Cert. of Deposit - Insured												
86789UBH1	10822	SunSouth Bank		08/18/2009	245,000.00	247,903.25	245,000.00	2.200		2.200	229	08/17/2012
46147ULM0	10824	Investors Community Bank		08/24/2009	245,000.00	247,734.20	245,000.00	2.250		2.250	236	08/24/2012
509685EA7	10823	Lake Forest B&T		08/26/2009	245,000.00	248,378.55	245,000.00	2.350		2.350	239	08/27/2012
05568PSJ7	10832	BMW Bank of North America		09/23/2009	245,000.00	248,074.75	245,000.00	2.300		2.300	267	09/24/2012
254670KW1	10831	Discover Bank		09/23/2009	245,000.00	247,726.85	245,000.00	2.050		2.050	267	09/24/2012
59740JGR4	10833	MidFirst Bank		10/14/2009	245,000.00	248,361.40	245,000.00	2.350		2.350	288	10/15/2012
36159SJS1	10838	GE Money bank		12/11/2009	245,000.00	248,819.55	245,000.00	2.350		2.350	345	12/11/2012
319180DA0	10839	First Bank Lexington Tennessee		12/16/2009	245,000.00	248,520.65	245,000.00	2.050		2.050	351	12/17/2012
		Subtotal and Average	**1,960,000.00**		**1,960,000.00**	**1,985,519.20**	**1,960,000.00**			**2.238**	**278**	
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	0.450		0.450	1	
SYS1000	1000	Union Bank of California			1,995,021.80	1,995,021.80	1,995,021.80	0.010		0.010	1	
		Subtotal and Average	**2,747,953.88**		**1,995,021.80**	**1,995,021.80**	**1,995,021.80**			**0.010**	**1**	
Federal Agency Issues - Coupon												
3133XT6W1	10789	FEDERAL HOME LOAN BANK		02/27/2009	2,000,000.00	2,006,080.00	2,000,000.00	2.150	AA+	2.150	57	02/27/2012
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,028,960.00	1,000,000.00	5.250	AA+	5.250	213	08/01/2012
31331J7E7	10933	FEDERAL FARM CREDIT BANK		01/11/2011	1,000,000.00	1,000,100.00	1,000,000.00	0.750	AA+	0.750	376	01/11/2013
3133XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,045,560.00	2,000,000.00	2.625	AA+	2.625	422	02/26/2013
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	1,023,770.00	1,000,000.00	2.200	AA+	2.200	463	04/08/2013
3134G2SQ6	10977	FEDERAL HOME LOAN MORTGAGE CO		07/26/2011	2,000,000.00	1,998,980.00	2,000,000.00	0.400	AA+	0.699	572	07/26/2013
3136FJ4C2	10856	FEDERAL NATIONAL MORT ASSOC		02/23/2010	1,000,000.00	1,002,130.00	1,000,000.00	2.000	AA+	2.000	600	08/23/2013
31331X2Q4	10947	FEDERAL FARM CREDIT BANK		03/01/2011	1,000,000.00	1,077,000.00	1,064,256.56	5.000	AA+	1.100	612	09/04/2013
3136FPGA9	10906	FEDERAL NATIONAL MORT ASSOC		09/20/2010	1,000,000.00	1,000,340.00	1,000,000.00	1.000	AA+	1.000	628	09/20/2013
313373E99	10973	FEDERAL HOME LOAN BANK		07/15/2011	400,000.00	401,156.00	400,809.40	1.150	AA+	0.929	663	10/25/2013
3133XY6S9	10899	FEDERAL HOME LOAN BANK		08/26/2010	1,000,000.00	1,028,650.00	1,017,903.59	2.000	AA+	1.002	667	10/29/2013
3128X1CS4	10915	FEDERAL HOME LOAN MORTGAGE CO		10/27/2010	1,000,000.00	1,078,990.00	1,071,571.45	4.580	AA+	0.730	688	11/19/2013
31315PQN2	10936	Farmer Mac		02/03/2011	3,000,000.00	3,054,720.00	3,000,000.00	1.340	AA+	1.340	764	02/03/2014
31331KDA5	10943	FEDERAL FARM CREDIT BANK		02/24/2011	2,000,000.00	2,003,660.00	2,000,000.00	1.700	AA+	1.700	785	02/24/2014

City of Torrance
Portfolio Management
Portfolio Details - Investments
December 31, 2011

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												
31315PSU4	10951	Farmer Mac		03/14/2011	2,000,000.00	2,004,100.00	2,000,000.00	1.630	AA+	1.630	803	03/14/2014
3133XXPD3	10865	FEDERAL HOME LOAN BANK		03/26/2010	2,000,000.00	2,005,740.00	2,000,000.00	1.500	AA+	1.500	815	03/26/2014
31331KGN4	10955	FEDERAL FARM CREDIT BANK		04/07/2011	1,000,000.00	1,019,960.00	1,000,000.00	1.400	AA+	1.400	827	04/07/2014
31331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	551,075.00	530,986.31	5.000	AA+	2.192	845	04/25/2014
31331KRV4	10976	FEDERAL FARM CREDIT BANK		07/18/2011	2,000,000.00	2,003,560.00	2,000,000.00	1.050	AA+	1.050	929	07/18/2014
3133XUBA0	10817	FEDERAL HOME LOAN BANK		07/30/2009	1,000,000.00	1,010,850.00	1,000,000.00	2.150	AA+	2.150	941	07/30/2014
313373RC8	10956	FEDERAL HOME LOAN BANK		05/16/2011	1,000,000.00	1,017,020.00	1,002,173.57	1.250	AA+	1.164	941	07/30/2014
3133XUPB3	10827	FEDERAL HOME LOAN BANK		09/04/2009	1,000,000.00	1,012,070.00	1,000,000.00	2.125	AA+	2.125	977	09/04/2014
313370WA2	10902	FEDERAL HOME LOAN BANK		09/17/2010	1,000,000.00	1,006,910.00	1,000,000.00	1.375	AA+	1.375	990	09/17/2014
3134G17A6	10949	FEDERAL HOME LOAN MORTGAGE CO		03/23/2011	1,000,000.00	1,002,980.00	1,000,000.00	1.750	AA+	1.750	996	09/23/2014
31331JQ55	10907	FEDERAL FARM CREDIT BANK		10/06/2010	1,000,000.00	1,013,950.00	1,000,000.00	1.150	AA+	1.150	1,009	10/06/2014
313372NX8	10944	FEDERAL HOME LOAN BANK		02/28/2011	1,000,000.00	1,002,470.00	1,000,000.00	2.000	AA+	2.000	1,062	11/28/2014
31331J6X6	10952	FEDERAL FARM CREDIT BANK		03/29/2011	775,000.00	775,069.75	775,000.00	2.100	AA+	2.100	1,100	01/05/2015
31331KCK4	10942	FEDERAL FARM CREDIT BANK		02/17/2011	1,000,000.00	1,040,290.00	1,000,000.00	2.030	AA+	2.030	1,143	02/17/2015
31331JKA0	10870	FEDERAL FARM CREDIT BANK		04/09/2010	1,000,000.00	1,004,780.00	1,000,000.00	2.900	AA+	2.900	1,194	04/09/2015
3134G23S9	10995	FEDERAL HOME LOAN MORTGAGE CO		11/07/2011	1,000,000.00	1,001,690.00	1,000,000.00	1.050	AA+	1.050	1,222	05/07/2015
3136FRD26	10972	FEDERAL NATIONAL MORT ASSOC		08/08/2011	2,000,000.00	2,001,740.00	2,000,000.00	1.500	AA+	1.500	1,223	05/08/2015
3133XYKF1	10884	FEDERAL HOME LOAN BANK		05/28/2010	1,000,000.00	1,013,470.00	1,000,000.00	2.000	AA+	2.000	1,243	05/28/2015
31331JQD8	10893	FEDERAL FARM CREDIT BANK		06/08/2010	1,000,000.00	1,008,740.00	1,000,000.00	2.590	AA+	2.590	1,254	06/08/2015
3134G3EN6	11003	FEDERAL HOME LOAN MORTGAGE CO		12/30/2011	1,000,000.00	999,420.00	1,000,000.00	1.000	AA+	1.000	1,276	06/30/2015
31315PDZ9	10986	Farmer Mac		08/23/2011	2,000,000.00	2,099,820.00	2,092,725.96	2.375	AA+	1.042	1,298	07/22/2015
3133766B6	10993	FEDERAL HOME LOAN BANK		10/27/2011	1,000,000.00	1,004,000.00	1,000,000.00	1.000	AA+	1.000	1,300	07/24/2015
3136FRE41	10979	FEDERAL NATIONAL MORT ASSOC		07/27/2011	1,000,000.00	1,000,800.00	1,000,000.00	1.550	AA+	1.550	1,303	07/27/2015
3136FPEE3	10905	FEDERAL NATIONAL MORT ASSOC		09/14/2010	2,000,000.00	2,015,180.00	1,999,297.22	1.725	AA+	1.746	1,352	09/14/2015
3136FPRB5	10914	FEDERAL NATIONAL MORT ASSOC		10/20/2010	1,000,000.00	1,001,820.00	1,000,000.00	1.000	AA+	1.897	1,388	10/20/2015
313371CQ7	10912	FEDERAL HOME LOAN BANK		10/28/2010	1,000,000.00	1,000,380.00	1,000,000.00	1.000	AA+	1.010	1,396	10/28/2015
3136FTJT7	10994	FEDERAL NATIONAL MORT ASSOC		11/04/2011	1,000,000.00	1,002,190.00	1,000,000.00	1.300	AA+	1.300	1,403	11/04/2015
3134G23F7	10996	FEDERAL HOME LOAN MORTGAGE CO		11/16/2011	1,000,000.00	1,001,240.00	1,000,000.00	1.250	AA+	1.250	1,415	11/16/2015
3136FP4R5	10948	FEDERAL NATIONAL MORT ASSOC		03/10/2011	2,000,000.00	2,002,740.00	1,999,589.91	2.375	AA+	2.429	1,487	01/27/2016
31331KCF5	10941	FEDERAL FARM CREDIT BANK		02/16/2011	2,000,000.00	2,005,780.00	1,999,950.00	2.800	AA+	2.804	1,507	02/16/2016
313372W26	10950	FEDERAL HOME LOAN BANK		03/15/2011	1,000,000.00	1,027,540.00	1,000,000.00	2.500	AA+	2.500	1,535	03/15/2016
31331KGH7	10953	FEDERAL FARM CREDIT BANK		03/30/2011	2,000,000.00	2,011,680.00	1,999,505.56	2.540	AA+	2.561	1,550	03/30/2016
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,328,260.00	2,213,350.00	4.950	AA+	2.280	1,552	04/01/2016
3134G2LB6	10964	FEDERAL HOME LOAN MORTGAGE CO		06/20/2011	2,000,000.00	2,014,320.00	2,000,000.00	2.050	AA+	2.050	1,632	06/20/2016
3136FRQW6	10968	FEDERAL NATIONAL MORT ASSOC		06/27/2011	2,000,000.00	2,017,980.00	2,000,000.00	2.000	AA+	2.000	1,639	06/27/2016
313374DV9	10969	FEDERAL HOME LOAN BANK		06/28/2011	1,000,000.00	1,021,710.00	1,014,213.89	2.500	AA+	2.045	1,640	06/28/2016
3134G2LW0	10966	FEDERAL HOME LOAN MORTGAGE CO		06/29/2011	2,000,000.00	2,011,920.00	1,999,505.56	2.000	AA+	2.011	1,641	06/29/2016

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City of Torrance
Portfolio Management
Portfolio Details - Investments
December 31, 2011

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												
31315PZA0	10971	Farmer Mac		07/06/2011	2,000,000.00	2,018,080.00	2,000,000.00	2.250	AA+	2.250	1,648	07/06/2016
3136FRUE1	10965	FEDERAL NATIONAL MORT ASSOC		07/06/2011	2,000,000.00	2,015,020.00	2,000,000.00	2.075	AA+	2.075	1,648	07/06/2016
3136FRUP6	10967	FEDERAL NATIONAL MORT ASSOC		07/15/2011	3,000,000.00	3,045,000.00	3,000,000.00	2.000	AA+	2.000	1,657	07/15/2016
31315PA25	10984	Farmer Mac		07/27/2011	1,000,000.00	1,027,300.00	999,542.78	2.000	AA+	2.011	1,669	07/27/2016
313374V72	10983	FEDERAL HOME LOAN BANK		07/27/2011	2,000,000.00	2,001,320.00	2,000,000.00	1.250	AA+	2.406	1,669	07/27/2016
3136FRE58	10978	FEDERAL NATIONAL MORT ASSOC		07/27/2011	2,000,000.00	2,013,620.00	2,000,000.00	2.000	AA+	2.000	1,669	07/27/2016
3136FRJ46	10982	FEDERAL NATIONAL MORT ASSOC		07/29/2011	2,000,000.00	2,000,920.00	2,000,000.00	1.250	AA+	2.422	1,669	07/27/2016
3134G2ZG0	10985	FEDERAL HOME LOAN MORTGAGE CO		09/08/2011	2,000,000.00	2,001,800.00	2,000,000.00	1.125	AA+	1.686	1,712	09/08/2016
3136FRV59	10987	FEDERAL NATIONAL MORT ASSOC		09/14/2011	1,000,000.00	1,002,520.00	1,000,000.00	1.050	AA+	1.516	1,718	09/14/2016
3136FTFU8	10990	FEDERAL NATIONAL MORT ASSOC		10/26/2011	2,000,000.00	2,006,380.00	2,000,000.00	1.250	AA+	1.839	1,760	10/26/2016
3136FTEP0	10991	FEDERAL NATIONAL MORT ASSOC		10/26/2011	1,800,000.00	1,811,772.00	1,800,000.00	1.375	AA+	1.689	1,760	10/26/2016
3134G2Y22	10992	FEDERAL HOME LOAN MORTGAGE CO		10/27/2011	2,000,000.00	2,001,740.00	2,000,000.00	1.600	AA+	1.600	1,761	10/27/2016
31331KX47	10999	FEDERAL FARM CREDIT BANK		11/28/2011	2,000,000.00	2,001,560.00	2,000,000.00	1.510	AA+	1.510	1,793	11/28/2016
3134G3BQ2	10998	FEDERAL HOME LOAN MORTGAGE CO		11/28/2011	2,000,000.00	2,005,580.00	2,000,000.00	1.375	AA+	1.713	1,793	11/28/2016
3134G25C2	10997	FEDERAL HOME LOAN MORTGAGE CO		11/29/2011	1,000,000.00	1,000,190.00	1,000,000.00	1.500	AA+	1.500	1,794	11/29/2016
3136FTSH3	11000	FEDERAL NATIONAL MORT ASSOC		12/20/2011	1,000,000.00	1,001,560.00	1,000,000.00	1.250	AA+	1.810	1,815	12/20/2016
3136FTSJ9	11001	FEDERAL NATIONAL MORT ASSOC		12/20/2011	2,000,000.00	2,003,420.00	2,000,000.00	1.500	AA+	1.754	1,815	12/20/2016
313376M51	11004	FEDERAL HOME LOAN BANK		12/21/2011	1,000,000.00	1,000,380.00	1,000,000.00	1.450	AA+	1.450	1,816	12/21/2016
3136FTTT6	11002	FEDERAL NATIONAL MORT ASSOC		12/28/2011	1,000,000.00	1,002,700.00	1,000,000.00	1.375	AA+	1.815	1,823	12/28/2016
3136FTUX5	11005	FEDERAL NATIONAL MORT ASSOC		12/28/2011	2,000,000.00	1,999,060.00	2,000,000.00	0.500	AA+	1.844	1,823	12/28/2016
		Subtotal and Average	**103,065,691.90**		**103,475,000.00**	**104,773,262.75**	**103,980,381.76**			**1.809**	**1,288**	
Medium Term Notes												
17314JAT0	10874	Citibank		04/15/2010	3,000,000.00	3,045,840.00	3,005,778.78	1.750	AA+	1.112	362	12/28/2012
36967HAY3	10812	General Electric Capital Corp		06/22/2009	2,000,000.00	2,047,860.00	2,005,773.48	2.625	AA+	2.320	362	12/28/2012
36962G4H4	10913	General Electric		10/19/2010	1,000,000.00	1,019,000.00	1,016,811.26	2.800	AA+	1.125	373	01/08/2013
084670AU2	10938	Berkshire Hathaway		02/08/2011	3,000,000.00	3,050,850.00	3,038,506.22	2.125	AA+	0.956	407	02/11/2013
89233P4H6	10945	Toyota Motor Credit Corp		02/23/2011	1,000,000.00	1,009,300.00	1,001,346.30	1.375	AA-	1.290	589	08/12/2013
88579EAE5	10895	3M Company		07/20/2010	1,000,000.00	1,062,980.00	1,050,415.85	4.375	AA-	1.200	592	08/15/2013
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,063,970.00	1,005,084.70	4.625	AA+	4.300	653	10/15/2013
191216AN0	10924	COCA-COLA		11/22/2010	1,085,000.00	1,086,985.55	1,080,004.33	0.750	A+	1.000	684	11/15/2013
36962G4X9	10935	General Electric Capital Corp		01/10/2011	2,000,000.00	2,029,940.00	1,997,910.31	2.100	AA+	2.154	737	01/07/2014
931142CN1	10820	Wal-Mart Stores		08/14/2009	2,000,000.00	2,106,220.00	2,003,804.40	3.000	AA	2.902	764	02/03/2014
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,062,270.00	1,000,000.00	2.950	AAA	2.949	882	06/01/2014
931142CT8	10928	Wal-Mart Stores		12/15/2010	1,000,000.00	1,043,090.00	1,001,226.13	2.250	AA	2.213	1,284	07/08/2015
36962G4T8	10925	General Electric		11/19/2010	1,000,000.00	1,004,470.00	983,506.84	2.250	AA+	2.710	1,408	11/09/2015

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City of Torrance
Portfolio Management
Portfolio Details - Investments
December 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Medium Term Notes												
06738KXV8	10989	Barclays Bank		10/28/2011	3,000,000.00	3,005,250.00	3,000,000.00	4.375	AA-	3.287	1,762	10/28/2016
		Subtotal and Average	**23,193,744.39**		**23,085,000.00**	**23,638,025.55**	**23,190,168.60**			**2.062**	**771**	
Muncipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	332,088.52	332,088.52	332,088.52	8.000		7.999	182	07/01/2012
		Subtotal and Average	**332,088.52**		**332,088.52**	**332,088.52**	**332,088.52**			**7.999**	**182**	
		Total and Average	**148,528,510.95**		**154,047,110.32**	**155,923,917.82**	**154,657,660.68**			**1.628**	**986**	

City of Torrance
Portfolio Management
Portfolio Details - Cash
December 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		4,090.28	4,090.28				0
				Subtotal		4,090.28	4,090.28				
		Total Cash and Investments	148,528,510.95		154,047,110.32	155,928,008.10	154,661,750.96			1.628	986

Run Date: 01/18/2012 - 15:00

Portfolio CITY
AP
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II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

City of Torrance
Investment Report
December 2011

CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF DECEMBER 31, 2011

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE		CASH PERCENT
General	30,736,089.08	29,008,863.99		19.87
Parks & Recr Facility & Open Space	4,357,647.37	4,112,767.88		2.82
State Gas Tax	10,602,706.84	10,006,884.08		6.86
Federal Housing, Community Dev	533,945.50	503,940.25		0.35
Street Lighting	28,671.19	27,060.00		0.02
Traffic Congestion Relief Act 2000 - AB2928	537,997.22	507,764.28		0.35
Proposition 1B	664,343.10	627,010.11		0.43
Police Asset Forfeiture	4,309,752.61	4,067,564.58		2.79
Drainage Improvement	20,602.22	19,444.47		0.01
Measure R Local Return	2,777,185.07	2,621,120.20		1.80
Government Cable	3,792,168.08	3,579,065.89		2.45
Local Return - Proposition C	5,277,247.30	4,980,690.57		3.41
TDA Article 3 Bicycle Fund	222,532.53	210,027.24		0.14
Grants/Donations	(2,707,516.61)	(2,555,366.78)	(B)	(1.75)
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	225,286.62	212,626.56		0.15
Seismic Education Fund	60,498.86	57,099.11		0.04
Rehabilitation Housing	746,748.52	704,784.73		0.48
Meadow Park Parking Lot	23,307.60	21,997.82		0.02
Police Inmate Welfare Fund	54,051.69	51,014.24		0.03
Capital Improvements	22,076,578.19	20,835,977.29		14.27
Geologic Hazard Abatement	15,169.07	14,316.64		0.01
El Camino Training Fund-Fire	744,344.89	702,516.17		0.48
El Camino Training Fund-Police	10,595.41	10,000.00		0.01
Vanpool/Rideshare Fund	10,640.93	10,042.96		0.01
Torrance Public Financing	(132,431.95)	(124,989.89)	(C)	(0.09)
Animal Control Fund	38,146.76	36,003.09		0.02
Redevelopment-Capital Proj	8,612,403.45	8,128,426.48		5.57
Redevelopment Debt Service	(1,434,898.35)	(1,354,263.74)	(D)	(0.93)
Underground Storage Tank Fund	3,178.62	3,000.00		0.00
DNA Sampling Fund	71,614.40	67,590.00		0.05
Airport Fund	5,420,552.06	5,115,942.27		3.50
Transit Operations	3,728,422.91	3,518,902.90		2.41
Development Impact Fund	856,932.50	808,776.88		0.55
Water Operations	6,893,426.21	6,506,047.75		4.46
Emergency Medical Service Enterprise Fund	-	-		-
Sanitation Operations	819,519.31	773,466.14		0.53
Cultural Arts Enterprise	86,618.56	81,751.00		0.06
Sewer Enterprise Fund	10,990,762.78	10,373,133.09		7.11
Parks & Recreation Enterprise Fund	(269,061.26)	(253,941.27)	(E)	(0.17)
Self Insurance Fund	8,109,158.81	7,653,461.84		5.24
Fleet Services	15,147,030.00	14,295,837.44		9.79
Postemployment/Compensated Absences Fund	6,873,040.11	6,486,807.26		4.44
Trust & Agency	3,722,652.48	3,513,456.74		2.41
TOTAL	**154,657,660.68**	**145,966,620.26**		**100.00**

(A) The difference between the Share of Investments total of $154,657,660.68 and the Pooled Cash and Investments total of $145,966,620.26 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) T-030 Del Amo Blvd. extension project ARRA-Federal Grant MTA pass thru as a negative cash balance of <$2,250,762.81>, reimbursement request in the amount of $2,077,568.20 was submitted on January 18, 2012.

T-030 Del Amo Blvd. extension project - Federal Grant has a negative cash balance of <$386,454.05>, reimbursement request in the amount of $74,036.25 was submitted on January 18, 2012.

I-077 Madrona marsh restoration project - State Grant has a negative cash balance of <$262,895,78>, department will process the final payment and final reimbursement request will be submitted by the end of January 2012.

T-051 Crenshaw Blvd. rehabilitation project - Federal Grant - SAFETEA-LU has a negative cash balance of <$145,055.29>, department will submitt reimbursement request in January 2012.

(C) A written requisition for disbursement from the Construction Fund for the Certificates of Participation Series 2004 A&B will be requested on January 23, 2012.

(D) Semi-annual payment of Downtown and Industrial Bond was made on 8-25-2011 and this will be covered by future tax increment.

(E) Negative cash balance represents net losses from prior years and decrease in subsidy from the General Fund.

City of Torrance
Investment Report
December 2011

CASH AND INVESTMENTS RECONCILIATION
AS OF DECEMBER 31, 2011

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		**$ 154,657,660.68**
CASH AND INVESTMENTS PER BOOKS		**145,966,620.26**
CASH IN BANKS:		
Cash in B of A General Account		(726,515.47)
OUTSTANDING WARRANTS:		
General Account	$ 724,697.66	
Payroll Account	86,410.03	
Workers Compensation Account	154,553.28	
		965,660.97
Miscellaneous outstanding adjusting journal entries		6,325,083.53
Housing Fund restricted cash		(641,857.44)
Payroll for PE 12/31/11 posted on 12/31/11 and paid on 01/06/12		2,768,668.83
INVESTMENTS PER BOOKS		**$ 154,657,660.68**