Council Meeting of
August 7, 2012

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

Members of Council:

**SUBJECT: Accept and file Investment Reports for June 2012**

**RECOMMENDATION**

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of June 2012.

**FUNDING**

Not applicable

**BACKGROUND**

On December 20, 2011, Your Honorable Body, through passage of Resolution 2011-102, 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 2012.

**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

8B

# CITY of TORRANCE
# Monthly Investment Portfolio Report
# June 30, 2012

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# Investment Report
# June 2012

### Investment Portfolio Highlights

| RETURN | Current Month | Previous Month |
|---|---|---|
| Average City Portfolio YTM | 1.279% | 1.367% |
| Average U.S. Treasury Constant | 0.410% | 0.350% |
| LAIF Average Monthly Return | 0.358% | 0.363% |
| Average City Portfolio YTM - 1 year | 1.432% | 1.465% |

| INTEREST INCOME | Current Period | Prior Year |
|---|---|---|
| Fiscal year to date | $2,596,960 | $2,819,021 |
| Current month | $250,125 | $222,060 |

| MATURITY | Current Month | Prior Month |
|---|---|---|
| Average Maturity (days) | 900 | 948 |
| Average Maturity 1 Year Prior | 783 | 786 |
| Weighted Average Maturity (years) | 2.47 | 2.60 |

| VOLUMES | Total $ Volume | # of Transactions |
|---|---|---|
| Purchases | $19,379,140 | 11 |
| Maturities | $19,979,140 | 15 |

### 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| January | 2012 | 100 | 158,978,462.55 | 1.489 | 1.510 | 0.395% | 10 | 9 | 1,194 | 920 |
| February | 2012 | 104 | 172,417,574.90 | 1.418 | 1.438 | 0.389% | 10 | 7 | 1,227 | 982 |
| March | 2012 | 102 | 170,844,028.64 | 1.426 | 1.446 | 0.383% | 3 | 5 | 1,284 | 1020 |
| April | 2012 | 106 | 166,719,089.02 | 1.415 | 1.434 | 0.367% | 7 | 3 | 1,317 | 1048 |
| May | 2012 | 105 | 178,373,650.45 | 1.349 | 1.368 | 0.363% | 2 | 3 | 1,256 | 984 |
| June | 2012 | 100 | 183,392,700.59 | 1.262 | 1.28 | 0.358% | 1 | 6 | 1,181 | 900 |
| | **Average** | **103** | **163,641,127.63** | **1.531%** | **1.552%** | **0.388%** | **6** | **7** | **1,268** | **996** |

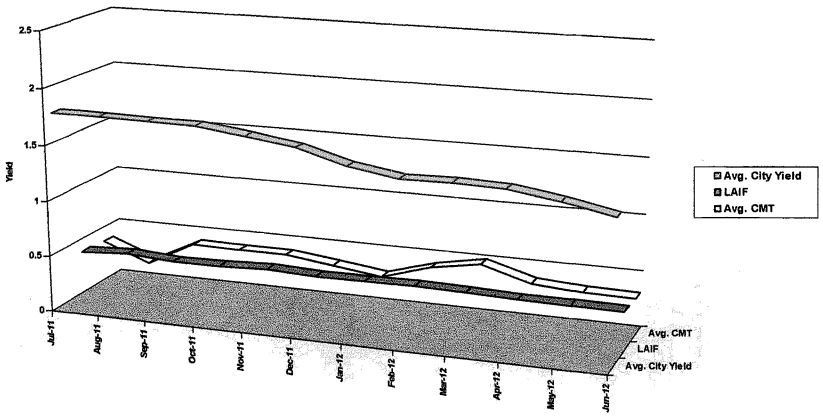
### Portfolio Activity Detail

| Investment Number. | BROKER | PURCHASE DATE | DESCRIPTION | QUALITY RATING | MATURITY DATE | DAYS HELD/ DAYS TO MATURITY | RATE | YIELD | PAR VALUE | COST | MARKET VALUE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **PURCHASES** | | | | | | | | | | | |
| | | | | | | | | **#DIV/0!** | **0** | **0** | **0** |
| **MATURITIES/CALLS** | | | | | | | | | | | |
| 10893 | | 6/8/2010 | FFCB | AA+/Aaa | 6/8/2015 | 731/1826 | 2.590% | 2.586% | 1,000,000 | 1,000,000 | 1,000,000 |
| 11014 | | 1/11/2012 | FFCB | AA+/Aaa | 1/10/2017 | 149/1826 | 1.330% | 1.330% | 1,000,000 | 1,000,000 | 1,000,000 |
| 10964 | | 6/20/2011 | FHLMC | AA+/Aaa | 6/20/2016 | 366/1827 | 2.050% | 2.044% | 2,000,000 | 2,000,000 | 2,000,000 |
| 11001 | | 12/20/2011 | FNMA | AA+/Aaa | 12/20/2016 | 183/1827 | 1.500% | 1.496% | 2,000,000 | 2,000,000 | 2,000,000 |
| 11005 | | 12/28/2011 | FNMA | AA+/Aaa | 12/28/2016 | 183/1827 | 2.000% | 0.499% | 2,000,000 | 2,000,000 | 2,000,000 |
| 10966 | | 6/29/2011 | FHLMC | AA+/Aaa | 6/29/2016 | 366/1827 | 2.000% | 2.044% | 2,000,000 | 2,000,000 | 2,000,000 |
| | | | | | | | | **1.608%** | **10,000,000** | **10,000,000** | **10,000,000** |

| State of California | Beginning Balance | Rate | Yield | Deposits | Withdrawals | Interest Accrued | Ending Balance |
|---|---|---|---|---|---|---|---|
| **Local Agency Pool** | | | | | | | |
| City | 4,026,398 | 0.358% | 0.358% | 7,200,000 | 7,800,000 | 27,969 | 3,426,398 |
| Redevelopment Agency | 0 | 0.358% | 0.358% | - | 0 | | 0 |
| TRANS Repayment | 33,000,000 | 0.358% | 0.358% | - | 0 | | 33,000,000 |
| | $ 37,026,398 | | | | | | $ 36,426,398 |

# Investment Report
June 2012

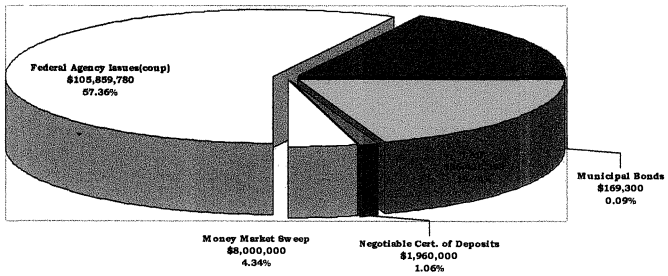
## Portfolio Performance

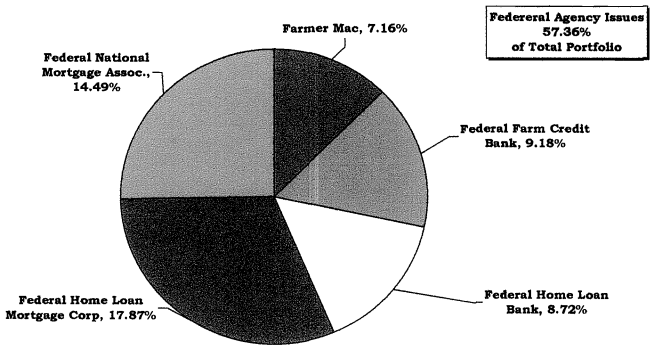



## Interest Earnings Summary

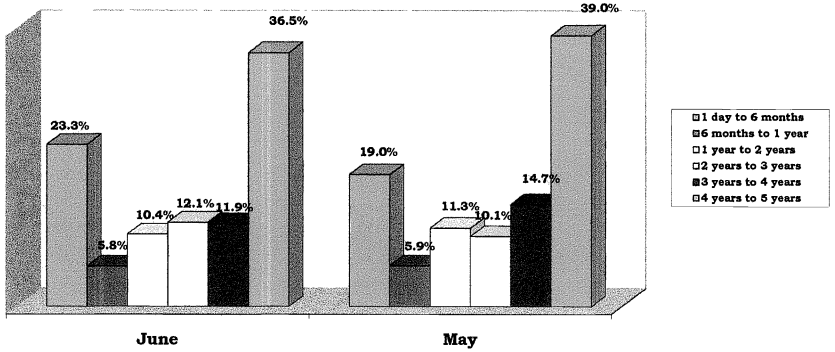
| CD/Coupon/Discount Investments: | Month Ending | June 30 | Fiscal Year End |
|---|---|---|---|
| Interest Collected | | 179,087 | 2,565,663 |
| Plus Accrued Interest at | | 730,123 | 730,123 |
| Less Accrued Interest at | | -695,704 | -630,614 |
| **Interest Earned** | **$** | **213,505** | **$ 2,665,171** |
| Adjusted by Premium | | -23,507 | -313,805 |
| Adjusted by Capital | | - | 36,031 |
| **Earnings during** | **$** | **189,998** | **$ 2,387,398** |
| Cash/Checking Accounts: | | | |
| Interest Collected | | 28,003 | 121,087 |
| Plus Accrued Interest at | | 93,432 | 93,432 |
| Less Accrued Interest at | | -110,915 | -87,371 |
| **Interest Earned** | **$** | **10,519** | **$ 127,148** |
| **Total Interest Earned** | | **224,025** | **2,792,319** |
| **Total Adjustments from Premiums and Discounts** | | **-23,507** | **-313,805** |
| **Total Capital Gains or** | | **-** | **36,031** |
| **Total Earnings this Period** | | **$200,518** | **$2,514,546** |

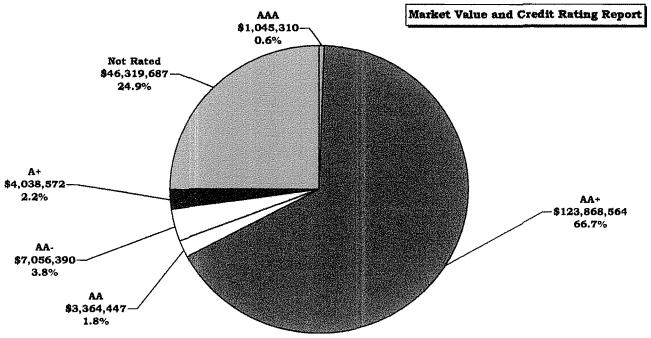
## Portfolio Diversification




## Portfolio Maturity Distribution



# Investment Report
## June 2012

### Portfolio Summary

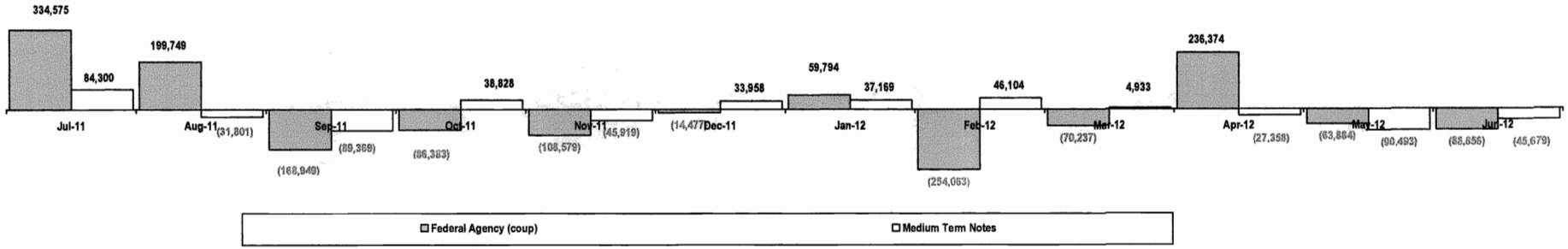
| | Book Value | % of Portfolio | % per Policy | Duration | Days to Maturity | | Current Yield |
|---|---|---|---|---|---|---|---|
| Local Agency Investment Fund | 36,426,398 | 19.74% | ** | 1 | 1 | N/A | 0.358% |
| Certificates of Deposit – Collateralized | 0 | 0 | | 180 | 0 | 5 years | 0.000% |
| Negotiable CDs | 1,960,000 | 1.06% | | 1,097 | 96 | 5 years | 2.238% |
| Money Market Sweep Account | 8,000,000 | 4.34% | | 1 | 1 | | 0.010% |
| Federal Agency Issues – Coupons | 105,859,780 | 57.36% | 75% | 1,634 | 1,319 | 5 years | 1.463% |
| Farmer Mac | 13,168,783 | 7.16% | 30% | 1,111 | 1,255 | 5 years | 0.988% |
| Federal Farm Credit Bank | 16,757,624 | 9.18% | 30% | 974 | 1,057 | 5 years | 1.038% |
| Federal Home Loan Bank | 16,021,806 | 8.72% | 30% | 1,017 | 1,096 | 5 years | 1.278% |
| Federal Home Loan Mortgage Corp. | 33,114,404 | 17.87% | 30% | 1,399 | 1,442 | 5 years | 0.924% |
| Federal National Mortgage Assoc. | 26,797,164 | 14.49% | 30% | 1,388 | 1,494 | 5 years | 1.331% |
| Treasury Securities – Coupons | 0 | 0.00% | 100% | 0 | 0 | 5 years | 0.000% |
| Medium Term Notes | 32,128,619 | 17.41% | 20% | 1,309 | 820 | 5 years | 1.940% |
| Municipal Bond Issues – Coupon | 169,300 | 0.09% | | 3,848 | 0 | | 7.999% |
| **Total Investments & Averages** | **184,544,098** | **100.00%** | | **1,181** | **900** | | **1.279%** |

| **Effective Rate of Return** | **Month Ending** | **Fiscal YTD** |
|---|---|---|
| | **1.33%** | **1.55%** |
| Pending Redemptions | 0 | |
| Accrued Interest at Purchase | 1,032 | |
| Total Accrued Interest | 1,032 | |
| **TOTAL CASH & INVESTMENTS** | **184,545,130** | |

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 June 30, 2012 |
|---|---|---|---|---|
| Federal Agency (coup) | 100,435,380 | 6,211,480 | -26,776 | 106,620,084 |
| Treasury Securities | 0 | 0 | 0 | 0 |
| Medium Term Notes | 20,648,028 | 11,944,880 | -85,326 | 32,507,582 |
| Municipal Bonds | 488,616 | -319,316 | 0 | 169,300 |
| **SUB-TOTAL PER GASB 31** | **$121,572,024** | **$17,837,044** | ($112,102) | **$139,296,967** |
| Non-GASB | | | | |
| LAIF | 50,000,000 | -13,573,602 | 0 | 36,426,398 |
| Money Market | 9,000,000 | -1,000,000 | 0 | 8,000,000 |
| 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** | **$2,773,443** | ($112,102) | **$185,683,365** |

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 = $ 4,000,000,000 TRANS payment = $33,000,000
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 2011-102 on December 20, 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 Cortez
City Treasurer

City Manager

City Attorney

Director of Finance

City Treasurer

# City of Torrance
# Portfolio Management
## Portfolio Details - Investments
## June 30, 2012

| 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 | | | 3,426,398.40 | 3,426,398.40 | 3,426,398.40 | 0.358 | | 0.358 | 1 | |
| SYS10001 | 10001 | Local Agency Invest. Fund RDA | | | 0.00 | 0.00 | 0.00 | 0.358 | | 0.358 | 1 | |
| SYS1000a | 1000A | LAIF - TRANS FUNDS | | | 33,000,000.00 | 33,000,000.00 | 33,000,000.00 | 0.358 | | 0.358 | 1 | |
| | | **Subtotal and Average** | **35,216,398.40** | | **36,426,398.40** | **36,426,398.40** | **36,426,398.40** | | | **0.358** | **1** | |
| **Cert. of Deposit - Insured** | | | | | | | | | | | | |
| 319180DA0 | 10839 | First Bank Lexington Tennessee | | 12/16/2009 | 245,000.00 | 247,280.95 | 245,000.00 | 2.050 | | 2.050 | 169 | 12/17/2012 |
| 05568PSJ7 | 10832 | BMW Bank of North America | | 09/23/2009 | 245,000.00 | 246,031.45 | 245,000.00 | 2.300 | | 2.300 | 85 | 09/24/2012 |
| 254670KW1 | 10831 | Discover Bank | | 09/23/2009 | 245,000.00 | 245,923.65 | 245,000.00 | 2.050 | | 2.050 | 85 | 09/24/2012 |
| 36159SJS1 | 10838 | GE Money bank | | 12/11/2009 | 245,000.00 | 247,040.85 | 245,000.00 | 2.350 | | 2.350 | 163 | 12/11/2012 |
| 46147ULM0 | 10824 | Investors Community Bank | | 08/24/2009 | 245,000.00 | 245,617.40 | 245,000.00 | 2.250 | AA | 2.250 | 54 | 08/24/2012 |
| 509685EA7 | 10823 | Lake Forest B&T | | 08/26/2009 | 245,000.00 | 245,796.25 | 245,000.00 | 2.350 | | 2.350 | 57 | 08/27/2012 |
| 59740JGR4 | 10833 | MidFirst Bank | | 10/14/2009 | 245,000.00 | 246,332.80 | 245,000.00 | 2.350 | | 2.350 | 106 | 10/15/2012 |
| 86789UBH1 | 10822 | SunSouth Bank | | 08/18/2009 | 245,000.00 | 245,583.10 | 245,000.00 | 2.200 | | 2.200 | 47 | 08/17/2012 |
| | | **Subtotal and Average** | **1,960,000.00** | | **1,960,000.00** | **1,969,606.45** | **1,960,000.00** | | | **2.238** | **96** | |
| **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 | | | 8,000,000.00 | 8,000,000.00 | 8,000,000.00 | 0.010 | | 0.010 | 1 | |
| | | **Subtotal and Average** | **2,113,904.97** | | **8,000,000.00** | **8,000,000.00** | **8,000,000.00** | | | **0.010** | **1** | |
| **Federal Agency Issues - Coupon** | | | | | | | | | | | | |
| 31315PQN2 | 10936 | Farmer Mac | | 02/03/2011 | 3,000,000.00 | 3,047,520.00 | 3,000,000.00 | 1.340 | AA+ | 1.340 | 582 | 02/03/2014 |
| 31315PZA0 | 10971 | Farmer Mac | | 07/06/2011 | 2,000,000.00 | 2,000,420.00 | 2,000,000.00 | 2.250 | AA+ | 2.250 | 1,466 | 07/06/2016 |
| 31315PA25 | 10984 | Farmer Mac | | 07/27/2011 | 1,000,000.00 | 1,043,450.00 | 999,592.78 | 2.000 | AA+ | 2.011 | 1,487 | 07/27/2016 |
| 31315PDZ9 | 10986 | Farmer Mac | | 08/23/2011 | 2,000,000.00 | 2,101,580.00 | 2,079,696.55 | 2.375 | AA+ | 1.042 | 1,116 | 07/22/2015 |
| 31315PZH5 | 11020 | Farmer Mac | | 02/03/2012 | 2,000,000.00 | 2,001,040.00 | 2,000,000.00 | 0.875 | AA+ | 0.875 | 1,312 | 02/03/2016 |
| 31315PVC0 | 11035 | Farmer Mac | | 04/26/2012 | 3,090,000.00 | 3,101,031.30 | 3,089,493.58 | 1.200 | AA+ | 1.204 | 1,760 | 04/26/2017 |
| 31331XT36 | 10678 | FEDERAL FARM CREDIT BANK | | 08/01/2007 | 1,000,000.00 | 1,004,090.00 | 1,000,000.00 | 5.250 | AA+ | 5.250 | 31 | 08/01/2012 |
| 31331GVD8 | 10800 | FEDERAL FARM CREDIT BANK | | 05/08/2009 | 1,000,000.00 | 1,014,590.00 | 1,000,000.00 | 2.200 | AA+ | 2.200 | 281 | 04/08/2013 |
| 31331XWW8 | 10879 | FEDERAL FARM CREDIT BANK | | 05/05/2010 | 500,000.00 | 541,755.00 | 524,298.62 | 5.000 | AA+ | 2.192 | 663 | 04/25/2014 |
| 31331JQ55 | 10907 | FEDERAL FARM CREDIT BANK | | 10/06/2010 | 1,000,000.00 | 1,016,320.00 | 1,000,000.00 | 1.150 | AA+ | 1.150 | 827 | 10/06/2014 |
| 31331KCK4 | 10942 | FEDERAL FARM CREDIT BANK | | 02/17/2011 | 1,000,000.00 | 1,039,990.00 | 1,000,000.00 | 2.030 | AA+ | 2.030 | 961 | 02/17/2015 |
| 31331X2Q4 | 10947 | FEDERAL FARM CREDIT BANK | | 03/01/2011 | 1,000,000.00 | 1,054,790.00 | 1,045,075.50 | 5.000 | AA+ | 1.100 | 430 | 09/04/2013 |
| 31331VPV2 | 10954 | FEDERAL FARM CREDIT BANK | | 04/01/2011 | 2,000,000.00 | 2,312,080.00 | 2,188,250.00 | 4.950 | AA+ | 2.280 | 1,370 | 04/01/2016 |

# City of Torrance
# Portfolio Management
## Portfolio Details - Investments
## June 30, 2012

| 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** | | | | | | | | | | | | |
| 31331KGN4 | 10955 | FEDERAL FARM CREDIT BANK | | 04/07/2011 | 1,000,000.00 | 1,018,420.00 | 1,000,000.00 | 1.400 | AA+ | 1.400 | 645 | 04/07/2014 |
| 31331KRV4 | 10976 | FEDERAL FARM CREDIT BANK | | 07/18/2011 | 2,000,000.00 | 2,000,520.00 | 2,000,000.00 | 1.050 | AA+ | 1.050 | 747 | 07/18/2014 |
| 31331KX47 | 10999 | FEDERAL FARM CREDIT BANK | | 11/28/2011 | 2,000,000.00 | 2,007,280.00 | 2,000,000.00 | 1.510 | AA+ | 1.510 | 1,611 | 11/28/2016 |
| 31331K5T3 | 11013 | FEDERAL FARM CREDIT BANK | | 01/11/2012 | 1,000,000.00 | 1,003,050.00 | 1,000,000.00 | 1.020 | AA+ | 1.020 | 1,289 | 01/11/2016 |
| 3133EAGH5 | 11028 | FEDERAL FARM CREDIT BANK | | 03/08/2012 | 2,000,000.00 | 2,009,660.00 | 2,000,000.00 | 1.250 | AA+ | 1.250 | 1,711 | 03/08/2017 |
| 3133EAKP2 | 11032 | FEDERAL FARM CREDIT BANK | | 04/04/2012 | 1,000,000.00 | 1,005,790.00 | 1,000,000.00 | 1.360 | AA+ | 1.360 | 1,738 | 04/04/2017 |
| 3133XT6J0 | 10788 | FEDERAL HOME LOAN BANK | | 02/26/2009 | 2,000,000.00 | 2,026,360.00 | 2,000,000.00 | 2.625 | AA+ | 2.625 | 240 | 02/26/2013 |
| 3133XUBA0 | 10817 | FEDERAL HOME LOAN BANK | | 07/30/2009 | 1,000,000.00 | 1,001,590.00 | 1,000,000.00 | 2.150 | AA+ | 2.150 | 759 | 07/30/2014 |
| 3133XUPB3 | 10827 | FEDERAL HOME LOAN BANK | | 09/04/2009 | 1,000,000.00 | 1,003,390.00 | 1,000,000.00 | 2.125 | AA+ | 2.125 | 795 | 09/04/2014 |
| 3133XYKF1 | 10884 | FEDERAL HOME LOAN BANK | | 05/28/2010 | 1,000,000.00 | 1,006,420.00 | 1,000,000.00 | 2.000 | AA+ | 2.000 | 1,061 | 05/28/2015 |
| 3133XY6S9 | 10899 | FEDERAL HOME LOAN BANK | | 08/26/2010 | 1,000,000.00 | 1,022,240.00 | 1,013,005.95 | 2.000 | AA+ | 1.002 | 485 | 10/29/2013 |
| 313370WA2 | 10902 | FEDERAL HOME LOAN BANK | | 09/17/2010 | 1,000,000.00 | 1,002,380.00 | 1,000,000.00 | 1.375 | AA+ | 1.375 | 808 | 09/17/2014 |
| 313372W26 | 10950 | FEDERAL HOME LOAN BANK | | 03/15/2011 | 1,000,000.00 | 1,015,920.00 | 1,000,000.00 | 2.500 | AA+ | 2.500 | 1,353 | 03/15/2016 |
| 313373RC8 | 10956 | FEDERAL HOME LOAN BANK | | 05/16/2011 | 1,000,000.00 | 1,017,290.00 | 1,001,752.43 | 1.250 | AA+ | 1.164 | 759 | 07/30/2014 |
| 313374DV9 | 10969 | FEDERAL HOME LOAN BANK | | 06/28/2011 | 1,000,000.00 | 1,011,280.00 | 1,007,047.22 | 2.500 | AA+ | 2.045 | 1,458 | 06/28/2016 |
| 3133766B6 | 10993 | FEDERAL HOME LOAN BANK | | 10/27/2011 | 1,000,000.00 | 1,002,310.00 | 1,000,000.00 | 1.000 | AA+ | 1.000 | 1,118 | 07/24/2015 |
| 313376M51 | 11004 | FEDERAL HOME LOAN BANK | | 12/21/2011 | 1,000,000.00 | 1,000,030.00 | 1,000,000.00 | 1.450 | AA+ | 1.450 | 1,634 | 12/21/2016 |
| 313376Q99 | 11007 | FEDERAL HOME LOAN BANK | | 01/13/2012 | 2,000,000.00 | 2,016,400.00 | 2,000,000.00 | 1.125 | AA+ | 1.125 | 1,657 | 01/13/2017 |
| 313378W56 | 11037 | FEDERAL HOME LOAN BANK | | 04/30/2012 | 2,000,000.00 | 2,048,880.00 | 2,000,000.00 | 2.000 | AA+ | 1.425 | 1,758 | 04/24/2017 |
| 3128X1CS4 | 10915 | FEDERAL HOME LOAN MORTGAGE CO | | 10/27/2010 | 1,000,000.00 | 1,060,110.00 | 1,052,570.18 | 4.580 | AA+ | 0.730 | 506 | 11/19/2013 |
| 3134G2SQ6 | 10977 | FEDERAL HOME LOAN MORTGAGE CO | | 07/26/2011 | 2,000,000.00 | 2,000,040.00 | 2,000,000.00 | 0.400 | AA+ | 0.699 | 390 | 07/26/2013 |
| 3134G23S9 | 10995 | FEDERAL HOME LOAN MORTGAGE CO | | 11/07/2011 | 1,000,000.00 | 1,001,910.00 | 1,000,000.00 | 1.050 | AA+ | 1.050 | 1,040 | 05/07/2015 |
| 3134G23F7 | 10996 | FEDERAL HOME LOAN MORTGAGE CO | | 11/16/2011 | 1,000,000.00 | 1,002,370.00 | 1,000,000.00 | 1.250 | AA+ | 1.250 | 1,233 | 11/16/2015 |
| 3134G25C2 | 10997 | FEDERAL HOME LOAN MORTGAGE CO | | 11/29/2011 | 1,000,000.00 | 1,003,200.00 | 1,000,000.00 | 1.500 | AA+ | 1.500 | 1,612 | 11/29/2016 |
| 3134G3BQ2 | 10998 | FEDERAL HOME LOAN MORTGAGE CO | | 11/28/2011 | 2,000,000.00 | 2,008,260.00 | 2,000,000.00 | 1.375 | AA+ | 1.713 | 1,611 | 11/28/2016 |
| 3134G3EN6 | 11003 | FEDERAL HOME LOAN MORTGAGE CO | | 12/30/2011 | 1,000,000.00 | 1,004,620.00 | 1,000,000.00 | 1.000 | AA+ | 1.000 | 1,094 | 06/30/2015 |
| 3134G3GG9 | 11008 | FEDERAL HOME LOAN MORTGAGE CO | | 01/09/2012 | 1,000,000.00 | 1,001,850.00 | 1,000,261.11 | 0.850 | AA+ | 0.833 | 922 | 01/09/2015 |
| 3134G3GM6 | 11009 | FEDERAL HOME LOAN MORTGAGE CO | | 01/13/2012 | 1,000,000.00 | 1,002,590.00 | 1,000,000.00 | 1.300 | AA+ | 1.300 | 1,657 | 01/13/2017 |
| 3134G3GX2 | 11010 | FEDERAL HOME LOAN MORTGAGE CO | | 01/13/2012 | 2,000,000.00 | 2,010,660.00 | 2,000,000.00 | 1.400 | AA+ | 1.400 | 1,657 | 01/13/2017 |
| 3137EADC0 | 11017 | FEDERAL HOME LOAN MORTGAGE CO | | 01/30/2012 | 1,000,000.00 | 1,005,410.00 | 996,787.54 | 1.000 | AA+ | 1.071 | 1,711 | 03/08/2017 |
| 3134G3MR8 | 11018 | FEDERAL HOME LOAN MORTGAGE CO | | 02/13/2012 | 1,000,000.00 | 1,001,070.00 | 1,000,000.00 | 0.550 | AA+ | 0.550 | 957 | 02/13/2015 |
| 3134G3NA4 | 11019 | FEDERAL HOME LOAN MORTGAGE CO | | 02/28/2012 | 3,000,000.00 | 3,014,790.00 | 3,000,000.00 | 0.750 | AA+ | 0.750 | 1,703 | 02/28/2017 |
| 3134G3MX5 | 11021 | FEDERAL HOME LOAN MORTGAGE CO | | 02/24/2012 | 1,000,000.00 | 1,002,560.00 | 1,000,000.00 | 0.800 | AA+ | 0.800 | 1,333 | 02/24/2016 |
| 3134G3NA4 | 11022 | FEDERAL HOME LOAN MORTGAGE CO | | 02/28/2012 | 2,000,000.00 | 2,009,860.00 | 2,000,000.00 | 0.750 | AA+ | 1.313 | 1,703 | 02/28/2017 |
| 3134G3MT4 | 11026 | FEDERAL HOME LOAN MORTGAGE CO | | 02/24/2012 | 2,000,000.00 | 2,013,140.00 | 2,000,000.00 | 1.125 | AA+ | 1.125 | 1,699 | 02/24/2017 |

# City of Torrance
# Portfolio Management
## Portfolio Details - Investments
## June 30, 2012

| 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** | | | | | | | | | | | | |
| 3134G3SD3 | 11027 | FEDERAL HOME LOAN MORTGAGE CO | | 03/28/2012 | 2,000,000.00 | 2,010,440.00 | 2,000,000.00 | 0.750 | AA+ | 0.750 | 1,184 | 09/28/2015 |
| 3137EACT4 | 11034 | FEDERAL HOME LOAN MORTGAGE CO | | 04/26/2012 | 1,000,000.00 | 1,066,850.00 | 1,064,784.96 | 2.500 | AA+ | 0.810 | 1,426 | 05/27/2016 |
| 3134G3VH0 | 11038 | FEDERAL HOME LOAN MORTGAGE CO | | 05/24/2012 | 5,000,000.00 | 4,994,950.00 | 5,000,000.00 | 1.200 | AA+ | 1.200 | 1,788 | 05/24/2017 |
| 3134G3WD8 | 11039 | FEDERAL HOME LOAN MORTGAGE CO | | 06/12/2012 | 2,000,000.00 | 1,993,400.00 | 2,000,000.00 | 1.250 | AA+ | 1.250 | 1,807 | 06/12/2017 |
| 3136FPEE3 | 10905 | FEDERAL NATIONAL MORT ASSOC | | 09/14/2010 | 2,000,000.00 | 2,004,680.00 | 1,999,797.22 | 1.725 | AA+ | 1.746 | 1,170 | 09/14/2015 |
| 3136FPGA9 | 10906 | FEDERAL NATIONAL MORT ASSOC | | 09/20/2010 | 1,000,000.00 | 1,000,460.00 | 1,000,000.00 | 1.000 | AA+ | 1.000 | 446 | 09/20/2013 |
| 3136FRUE1 | 10965 | FEDERAL NATIONAL MORT ASSOC | | 07/06/2011 | 2,000,000.00 | 2,000,140.00 | 2,000,000.00 | 2.075 | AA+ | 2.075 | 1,466 | 07/06/2016 |
| 3136FRUP6 | 10967 | FEDERAL NATIONAL MORT ASSOC | | 07/15/2011 | 3,000,000.00 | 3,051,300.00 | 3,000,000.00 | 2.000 | AA+ | 2.000 | 1,475 | 07/15/2016 |
| 3136FRQW6 | 10968 | FEDERAL NATIONAL MORT ASSOC | | 06/27/2011 | 2,000,000.00 | 2,004,920.00 | 2,000,000.00 | 2.000 | AA+ | 2.000 | 1,457 | 06/27/2016 |
| 3136FRE58 | 10978 | FEDERAL NATIONAL MORT ASSOC | | 07/27/2011 | 2,000,000.00 | 2,002,120.00 | 2,000,000.00 | 2.000 | AA+ | 2.000 | 1,487 | 07/27/2016 |
| 3136FRV59 | 10987 | FEDERAL NATIONAL MORT ASSOC | | 09/14/2011 | 1,000,000.00 | 1,001,790.00 | 1,000,000.00 | 1.050 | AA+ | 1.516 | 1,536 | 09/14/2016 |
| 3136FTFU8 | 10990 | FEDERAL NATIONAL MORT ASSOC | | 10/26/2011 | 2,000,000.00 | 2,005,340.00 | 2,000,000.00 | 1.250 | AA+ | 1.839 | 1,578 | 10/26/2016 |
| 3136FTEP0 | 10991 | FEDERAL NATIONAL MORT ASSOC | | 10/26/2011 | 1,800,000.00 | 1,807,578.00 | 1,800,000.00 | 1.375 | AA+ | 1.689 | 1,578 | 10/26/2016 |
| 3136FTSH3 | 11000 | FEDERAL NATIONAL MORT ASSOC | | 12/20/2011 | 1,000,000.00 | 1,003,850.00 | 1,000,000.00 | 1.250 | AA+ | 1.810 | 1,633 | 12/20/2016 |
| 3136FTTT6 | 11002 | FEDERAL NATIONAL MORT ASSOC | | 12/28/2011 | 1,000,000.00 | 1,004,240.00 | 1,000,000.00 | 1.375 | AA+ | 1.815 | 1,641 | 12/28/2016 |
| 3136FTH44 | 11016 | FEDERAL NATIONAL MORT ASSOC | | 02/08/2012 | 2,000,000.00 | 2,009,620.00 | 2,000,000.00 | 1.000 | AA+ | 1.343 | 1,683 | 02/08/2017 |
| 3136FTV89 | 11025 | FEDERAL NATIONAL MORT ASSOC | | 02/28/2012 | 2,000,000.00 | 2,005,420.00 | 1,997,366.67 | 0.500 | AA+ | 1.331 | 1,703 | 02/28/2017 |
| 3136FT3W7 | 11031 | FEDERAL NATIONAL MORT ASSOC | | 03/28/2012 | 2,000,000.00 | 2,009,940.00 | 2,000,000.00 | 1.125 | AA+ | 1.332 | 1,731 | 03/28/2017 |
| 3136G0DQ1 | 11033 | FEDERAL NATIONAL MORT ASSOC | | 04/26/2012 | 2,000,000.00 | 2,002,740.00 | 2,000,000.00 | 1.000 | AA+ | 1.000 | 1,486 | 07/26/2016 |
| | | **Subtotal and Average** | **111,801,200.83** | | **105,390,000.00** | **106,620,084.30** | **105,859,780.31** | | | **1.463** | **1,319** | |
| **Medium Term Notes** | | | | | | | | | | | | |
| 88579EAE5 | 10895 | 3M Company | | 07/20/2010 | 1,000,000.00 | 1,044,640.00 | 1,034,876.72 | 4.375 | AA- | 1.200 | 410 | 08/15/2013 |
| 06738KXV8 | 10989 | Barclays Bank | | 10/28/2011 | 3,000,000.00 | 2,949,840.00 | 3,000,000.00 | 4.375 | A+ | 3.287 | 1,580 | 10/28/2016 |
| 084664AD3 | 10714 | Berkshire Hathaway | | 01/18/2008 | 1,000,000.00 | 1,050,280.00 | 1,003,663.51 | 4.625 | AA+ | 4.300 | 471 | 10/15/2013 |
| 084670AU2 | 10938 | Berkshire Hathaway | | 02/08/2011 | 3,000,000.00 | 3,030,630.00 | 3,021,178.42 | 2.125 | AA+ | 0.956 | 225 | 02/11/2013 |
| 17314JAT0 | 10874 | Citibank | | 04/15/2010 | 3,000,000.00 | 3,022,320.00 | 3,002,865.11 | 1.750 | AA+ | 1.112 | 180 | 12/28/2012 |
| 191216AN0 | 10924 | COCA-COLA | | 11/22/2010 | 1,085,000.00 | 1,088,732.40 | 1,081,338.48 | 0.750 | A+ | 1.000 | 502 | 11/15/2013 |
| 36962G4H4 | 10913 | General Electric | | 10/19/2010 | 1,000,000.00 | 1,011,660.00 | 1,008,565.96 | 2.800 | AA+ | 1.125 | 191 | 01/08/2013 |
| 36962G4T8 | 10925 | General Electric | | 11/19/2010 | 1,000,000.00 | 1,020,290.00 | 985,645.72 | 2.250 | AA+ | 2.710 | 1,226 | 11/09/2015 |
| 36962G4X9 | 10935 | General Electric Capital Corp | | 01/10/2011 | 2,000,000.00 | 2,031,100.00 | 1,998,428.41 | 2.100 | AA+ | 2.154 | 555 | 01/07/2014 |
| 36962G5N0 | 11011 | General Electric Capital Corp | | 01/10/2012 | 2,000,000.00 | 2,065,820.00 | 2,002,714.84 | 2.900 | AA+ | 2.868 | 1,653 | 01/09/2017 |
| 36962G5M2 | 11012 | General Electric Capital Corp | | 01/10/2012 | 2,000,000.00 | 2,033,700.00 | 2,003,870.99 | 2.150 | AA+ | 2.070 | 922 | 01/09/2015 |
| 36962G4N1 | 11024 | General Electric Capital Corp | | 02/22/2012 | 2,000,000.00 | 1,982,680.00 | 1,979,361.77 | 1.260 | AA+ | 1.597 | 1,136 | 08/11/2015 |
| 594918AB0 | 10821 | MicroSoft Corp | | 08/17/2009 | 1,000,000.00 | 1,045,310.00 | 1,000,000.00 | 2.950 | AAA | 2.949 | 700 | 06/01/2014 |

# City of Torrance
# Portfolio Management
## Portfolio Details - Investments
## June 30, 2012

| 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** | | | | | | | | | | | | |
| 89233P4H6 | 10945 | Toyota Motor Credit Corp | | 02/23/2011 | 1,000,000.00 | 1,008,330.00 | 1,000,929.20 | 1.375 | AA- | 1.290 | 407 | 08/12/2013 |
| 89233P5S1 | 11015 | Toyota Motor Credit Corp | | 01/13/2012 | 1,000,000.00 | 1,022,140.00 | 1,003,862.18 | 2.050 | AA- | 1.960 | 1,656 | 01/12/2017 |
| 89233P5Z5 | 11023 | Toyota Motor Credit Corp | | 02/17/2012 | 2,000,000.00 | 2,002,360.00 | 1,997,372.22 | 1.051 | AA- | 1.102 | 961 | 02/17/2015 |
| 89233P6C5 | 11036 | Toyota Motor Credit Corp | | 05/01/2012 | 2,000,000.00 | 1,978,920.00 | 2,000,000.00 | 0.500 | AA- | 0.997 | 1,033 | 04/30/2015 |
| 931142CN1 | 10820 | Wal-Mart Stores | | 08/14/2009 | 2,000,000.00 | 2,074,420.00 | 2,002,893.77 | 3.000 | AA | 2.902 | 582 | 02/03/2014 |
| 931142CT8 | 10928 | Wal-Mart Stores | | 12/15/2010 | 1,000,000.00 | 1,044,410.00 | 1,001,051.94 | 2.250 | AA | 2.213 | 1,102 | 07/08/2015 |
| | | **Subtotal and Average** | **32,131,896.37** | | **32,085,000.00** | **32,507,582.40** | **32,128,619.24** | | | **1.940** | **820** | |
| **Muncipal Bond Issues - Coupon** | | | | | | | | | | | | |
| SYS10423 | 10423 | Skpk-2001TxAllocRef Bd | | 12/18/2001 | 169,300.03 | 169,300.03 | 169,300.03 | 8.000 | | 7.999 | 0 | 07/01/2012 |
| | | **Subtotal and Average** | **169,300.03** | | **169,300.03** | **169,300.03** | **169,300.03** | | | **7.999** | **0** | |
| | | **Total and Average** | **183,392,700.59** | | **184,030,698.43** | **185,692,971.58** | **184,544,097.98** | | | **1.279** | **900** | |

# City of Torrance
# Portfolio Management
## Portfolio Details - Cash
## June 30, 2012

| 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 | | 1,031.94 | 1,031.94 | | | | **0** |
| | | | | Subtotal | | 1,031.94 | 1,031.94 | | | | |
| | | **Total Cash and Investments** | **183,392,700.59** | | **184,030,698.43** | **185,694,003.52** | **184,545,129.92** | | | **1.279** | **900** |

City of Torrance
Investment Report
June 2012

## CASH AND INVESTMENT PORTFOLIO SHARE (A)
## AS OF JUNE 30, 2012

| FUND | SHARE OF INVESTMENTS | POOLED CASH & INVESTMENTS BALANCE | | CASH PERCENT |
|---|---|---|---|---|
| General | 61,572,050.85 | 60,988,354.47 | | 33.37 |
| Parks & Recr Facility & Open Space | 4,215,329.27 | 4,175,368.40 | | 2.28 |
| State Gas Tax | 11,480,237.78 | 11,371,406.37 | | 6.22 |
| Federal Housing, Community Dev | 1,068,791.00 | 1,058,658.98 | | 0.58 |
| Street Lighting | 27,318.98 | 27,060.00 | | 0.01 |
| Traffic Congestion Relief Act 2000 - AB2928 | 343,519.81 | 340,263.28 | | 0.19 |
| Proposition 1B | 1,944,159.31 | 1,925.728.89 | | 1.05 |
| Police Asset Forfeiture | 4,143,974.73 | 4,104,690.30 | | 2.25 |
| Drainage Improvement | 19,630.57 | 19,444.47 | | 0.01 |
| Measure R Local Return | 3,032,546.26 | 3,003,798.05 | | 1.64 |
| Government Cable | 3,997,450.59 | 3,959,555.19 | | 2.17 |
| Local Return - Proposition C | 4,331,748.99 | 4,290,684.48 | | 2.35 |
| TDA Article 3 Bicycle Fund | 22,369.90 | 22,157.84 | | 0.01 |
| Grants/Donations | (900,257.32) | (891,722.98) | (B) | (0.49) |
| CDBG Fund | (26,249.06) | (26,000.22) | (C) | (0.01) |
| Citizens Options for Public Safety (COPS) Grant Funds - AB3229 | 150,653.27 | 149,225.09 | | 0.08 |
| Seismic Education Fund | 62,601.65 | 62,008.19 | | 0.03 |
| Rehabilitation Housing | 692,903.38 | 686,334.73 | | 0.38 |
| Meadow Park Parking Lot | 33,114.74 | 32,800.82 | | 0.02 |
| Police Inmate Welfare Fund | 51,806.90 | 51,315.78 | | 0.03 |
| Capital Improvements | 20,482,890.41 | 20,288,714.83 | | 11.10 |
| Geologic Hazard Abatement | 14,453.66 | 14,316.64 | | 0.01 |
| El Camino Training Fund-Fire | 161,694.46 | 160,161.61 | | 0.09 |
| El Camino Training Fund-Police | 10,095.71 | 10,000.00 | | 0.01 |
| Vanpool/Rideshare Fund | 8,483.20 | 8,402.78 | | 0.00 |
| Torrance Public Financing - 1998 COP Fire/Police | (10,065.08) | (9,969.66) | (D) | (0.01) |
| Animal Control Fund | - | - | | 0.00 |
| Successor Agency - Skypark Capital Project | 6,674.41 | 6,611.14 | | 0.00 |
| Successor Agency - Downtown Capital Project | 162,912.23 | 161,367.84 | | 0.09 |
| Successor Agency - Industrial Capital Project | 78,956.43 | 78,207.93 | | 0.04 |
| Successor Agency - Low Mod Housing Capital Project | - | - | | 0.00 |
| Successor Agency - Downtown Debt Service | 745,327.07 | 738,261.45 | | 0.40 |
| Successor Agency - Skypark Debt Service | (278,555.00) | (275,914.33) | (E) | (0.15) |
| Successor Agency - Industrial Debt Service | (2,277,277.74) | (2,255,689.39) | | (1.23) |
| Underground Storage Tank Fund | 3,028.71 | 3,000.00 | | 0.00 |
| DNA Sampling Fund | 73,355.40 | 72,660.00 | | 0.04 |
| Airport Fund | 5,930,105.65 | 5,873,888.89 | | 3.21 |
| Transit Operations | 9,732,198.52 | 9,639,938.33 | | 5.27 |
| Development Impact Fund | 1,338,909.15 | 1,326,216.44 | | 0.73 |
| Water Operations | 7,386,158.40 | 7,316,138.42 | | 4.00 |
| Emergency Medical Service Enterprise Fund | - | - | | 0.00 |
| Sanitation Operations | (216,739.90) | (214,685.23) | (F) | (0.12) |
| Cultural Arts Enterprise | 241,783.56 | 239,491.48 | | 0.13 |
| Sewer Enterprise Fund | 9,785,297.75 | 9,692,534.19 | | 5.30 |
| Parks & Recreation Enterprise Fund | (196,373.48) | (194,511.88) | (G) | (0.11) |
| Self Insurance Fund | 7,709,940.91 | 7,636,851.50 | | 4.18 |
| Fleet Services | 16,343,411.69 | 16,188,477.92 | | 8.86 |
| Postemployment/Compensated Absences Fund | 7,614,282.13 | 7,542,099.56 | | 4.13 |
| Trust & Agency | 3,429,448.13 | 3,396,937.31 | | 1.86 |
| **TOTAL** | **184,544,097.98** | **182,794,639.90** | | **100.00** |

(A) The difference between the Share of Investments total of $184,544,097.98 and the Pooled Cash and Investments total of $182,794,639.90 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) T-030 Del Amo Blvd. extension project - Federal Grant MTA pass thru has a negative cash balance of <$1,144,052.72>. Reimbursement request has been submitted for the amount of $1,193,763.68 on July 10, 2012.

T-030 Del Amo Blvd. extension project - ARRA-Federal Grant has a negative cash balance of <$312,417.80>. The balance of $312,147.80 represents the 10% retention. Department will request reimbursement when releasing the retention.

FEAP702 Fluoridation County Grants project - County Grant has a negative cash balance of <$165,230.97>. Reimbursement request will be submitted in July 2012.

FEAP764 Torrance Transit Terminal project - Measure R HW-MTA Grant has a negative cash balance of <$202,454.68>. Quarterly reimbursement request will be submitted in July 2012.

EECBG Energy project - Fed Grant has a negative cash balance of <$144,286.44>. Department will submit the reimbursement request after corrections are made on final invoices from the contractors.

2008 UASI Grant-Fire - UASI Grant-P25 Radios has a negative cash balance of <$495,121.99>, Reimbursement request has been submitted in Jan 2012.

(C) CDBG Fund has a negative cash balance for <$26,000.22>. Reimbursement check in the amount of $19,373 was received on 7/17/2012. Balance will be received in July 2012.

(D) A written requisition for disbursement from the Construction Fund for the Certificates of Participation Series 2004 A&B will be requested when the total amount exceeds $10,000.

(E) According to AB1X26, property tax payment of $1,691,524.71 received on 6/1/12 is in a separate bank account.

(F) Waste Water cash balance of $786,414 was transferred from Sanitation to Sewer fund 02/29/12 per Council Item 01/24/12, 13A.

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

City of Torrance
Investment Report
June 2012

## CASH AND INVESTMENTS RECONCILIATION
## AS OF JUNE 30, 2012

| | | |
|---|---|---|
| INVESTMENTS PER PORTFOLIO SUMMARY (City Pool) | | **184,544,097.98** |
| CASH AND INVESTMENTS PER BOOKS | | **182,794,639.90** |
| CASH IN BANKS: | | |
| Cash in B of A General Account | | (710,494.27) |
| OUTSTANDING WARRANTS: | | |
| General Account | 690,305.84 | |
| Payroll Account | 75,556.20 | |
| Workers Compensation Account | 160,959.09 | |
| | | 926,821.13 |
| Miscellaneous outstanding adjusting journal entries | | 29,171.39 |
| Housing Fund restricted cash | | (1,296,416.19) |
| Payroll for PE 06/30/12 posted on 06/30/12 and paid on 07/06/12 | | 2,800,376.02 |
| INVESTMENTS PER BOOKS | | **184,544,097.98** |