Council Meeting of
July 13, 2010

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

Members of Council:

SUBJECT: Accept and file Investment Reports for May 2010

RECOMMENDATION

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

Investment Committee Note

The Investment Committee, made up of the Finance Director, City Manager, Assistant City Attorney, and City Treasurer, as created by your Honorable Body, has reviewed the attached report and find that it is in concurrence with the City of Torrance Investment Policy.

Respectfully submitted,

for Linda M. Barnett
City Treasurer

Noted:

LeRoy J. Jackson
Investment Committee Member
City Manager

CC: City Manager
City Clerk

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CITY OF TORRANCE

MONTHLY INVESTMENT PORTFOLIO REPORT
For the Month of May 2010

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City of Torrance
Investment Portfolio Highlights
For May 2010

RETURN

	Current Month	Previous Month
Average City Portfolio YTM	1.948	2.189
Average U.S. Treasury Constant Maturity	.760	.970
LAIF Average Monthly Return	.560	.588
Average City Portfolio YTM - 1 year prior	3.138	3.285

INTEREST INCOME

	Current Period	Prior Year
Fiscal year to date	4,074,783	6,605,922
Current month	298,141	519,603

MATURITY

	Current Month	Prior Month
Average Maturity (days)	813	815
Average Maturity 1 Year Prior (days)	774	813
Weighted Average Maturity (years)	2.23	2.23

VOLUMES

	Total $ Volume	# of Transactions
Purchases	50,120,149	28
Maturities	50,308,494	28

Transactions include 6 deposits to and 8 withdrawals from LAIF, 11 purchases and 6 maturities of the Union of Bank Money Market Sweep Account.

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

GASB required securities	Beginning Investment Value as of July 1, 2009	Purchase/Redempt. Of Principal	Change in Market Value	Ending Investment Value as of May 31, 2010
Federal Agency (coup)	113,311,155	-15,959,122	-320,289	97,031,744
Treasury Securities	4,111,960	-3,000,000	-107,470	1,004,490
Medium Term Notes	21,408,439	-8,382,358	306,019	13,332,100
Municipal Bonds	1,056,794	-272,952	0	783,842
SUB-TOTAL PER GASB 31	**139,888,348**	**-27,614,432**	**-121,740**	**112,152,176**
Non-GASB securities				
LAIF	50,300,000	5,900,000	0	56,200,000
Money Market	0	7,005,022	0	7,005,022
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	200,000	-200,000	0	0
Negotiable Certificate Deposits		2,450,000	0	2,450,000
Commercial paper	0	0	0	0
TOTAL PORTFOLIO	**190,388,348**	**-12,478,114**	**-103,036**	**177,807,198**

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

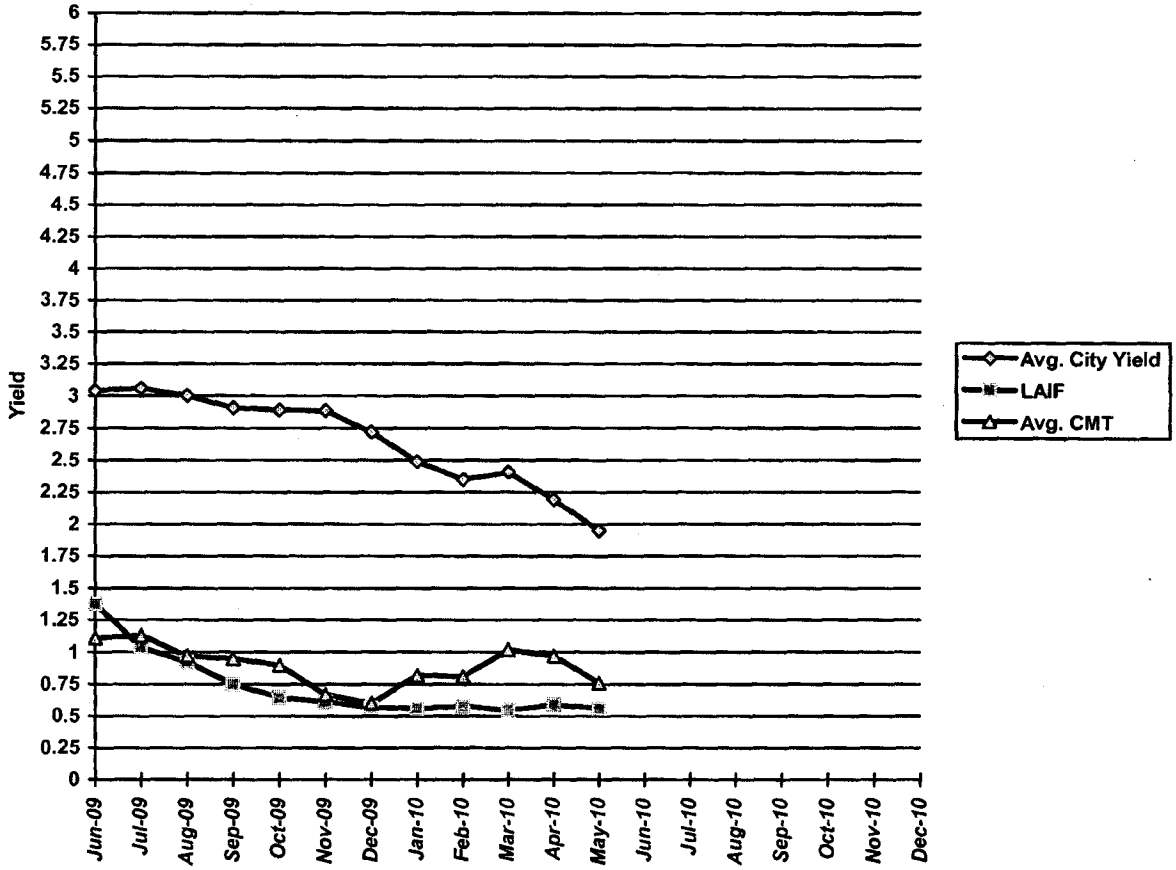
CITY OF TORRANCE

City Treasurer's Office

Monthly Investment Report Summary
For the month of May 2010

I. Return

38.66% of the portfolio is invested at one-year maturity or less as of May 31, 2010. The City Average yield on the portfolio was 1.948% compared to .760% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of May 31, 2010 by 119 basis points.



II. Volumes

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

III. Diversification of Investments

In the month of May there were 11 purchases for a total of $14.5 million with an average yield of 2.80%. There were 2 redemptions and 12 calls for a total of $20.5 million with an average yield of 3.202%. The activity in the LAIF Account consisted of 5 deposit for a total of $17.0 million and 7 withdrawals for a total of $9.2 million. $7 million remained in Union Bank Money Market account for future purchases. The portfolio increased by $8.8 million.

Asset Category	May	April
1. LAIF	31.83	28.54
2. Certificate of Deposits	.00	.00
3. Negotiable Cert. of Deposits	1.39	1.44
4. Money Market Sweep	3.97	.00
5. Federal Agency Issues(coup)	54.40	60.68
6. Federal Agency Issues(disc)	0.00	0.00
7. Treasury Securities	.57	1.18
8. Treasury Securities(disc)	0.00	0.00
9. Medium Term Notes	7.40	7.70
10. Municipal Bonds	.44	.46
11. Commercial Paper(disc)	0.00	0.00
	100.00%	100.00%

IV. Maturity

As of May 31, 2010, the current maturity allocation is 22.23% of the portfolio invested between the 6 month to 3-year maturity levels. 36.96% 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 $65.20 million available for expenditures.

As of Maturity	May	April
0 to 6 months	36.96%	31.00%
6 months to 1 year	1.70%	1.77%
1 to 2 years	4.81%	6.17%
2 to 3 years	15.72%	22.50%
3 to 4 years	17.57%	19.13%
4 to 5 years	23.24%	19.43%
5 years and after	.00%	.00%
	100.00%	100.00%

V. Value

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

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

City of Torrance
Investment Portfolio Summary
As of May 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	56,200,000	31.83%	**	1	1	N/A	.560%
Certificates of Deposit – Collateralized	00	.00		180	0	5 years	.00%
Negotiable CDs	2,450,000	1.39		1,023	782	5 years	2.145%
Money Market Sweep Account	7,005,023	3.97%		0	0		.07%
Federal Agency Issues – Coupons	96,046,265	54.40%	75%	1,565	1,319	5 years	2.705%
Farmer Mac	0	0.00%	30%			5 years	
Federal Farm Credit Bank	25,547,807	14.54%	30%	1,163	1,342	5 years	2.575%
Federal Home Loan Bank	31,499,228	17.97%	30%	1,145	1,212	5 years	2.018%
Federal Home Loan Mortgage Corp.	17,999,229	10.19%	30%	1,332	1,432	5 years	2.576%
Federal National Mortgage Assoc.	21,000,000	11.91%	30%	1,098	1,349	5 years	2.253%
Treasury Securities – Coupons	999,803	.57%	100%	1,816	44	5 years	4.057%
Medium Tern Notes	13,059,407	7.40%	20%	1,266	829	5 years	2.805%
Municipal Bond Issues – Coupon	783,841	.44%		3,848	761		7.999%
Total Investments & Averages	176,544,339	100.00		987	794		1.948%
	Month Ending	Fiscal YTD					
Effective Rate of Return	2.07%	2.78%					
Pending Redemptions	0						
Accrued Interest at Purchase	29,494						
Total Accrued Interest	29,494						
TOTAL CASH & INVESTMENTS	176,573,833						

Portfolio Notes:
**Maximum allowed by Investment Policy is $50 million per agency.
General LAIF account = $ 48,100,000
ROA LAIF account = $ 8,100,000

I certify that this report accurately reflects all pooled investments and is in conformity with the city of Torrance Investment Policy Statement adopted by resolution 09-118 on December 8, 2009. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet six months of estimated expenditures.

Linda M. Barnett
City Treasurer

Reviewed by the Investment Advisory Committee:

City Manager

City Attorney

for Director of Finance

City Treasurer

City of Torrance
Portfolio Management
Activity Summary
May 2009 through May 2010

Month End	Year	Number of Securities	Average Balance	Yield to Maturity 360 Equivalent	Yield to Maturity 365 Equivalent	Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
May	2009	102	188,346,744.47	3.095	3.138	1.530	8	9	1,053	778
June	2009	103	186,356,879.12	2.999	3.041	1.377	6	5	1,068	792
July	2009	100	172,896,716.22	3.016	3.058	1.035	4	8	1,192	879
August	2009	102	163,098,619.91	2.958	2.999	0.925	9	7	1,212	895
September	2009	108	158,250,967.29	2.868	2.908	0.750	6	6	1,210	884
October	2009	106	153,201,872.01	2.851	2.890	0.646	4	3	1,232	885
November	2009	100	149,620,161.47	2.858	2.898	0.611	0	3	1,242	869
December	2009	102	148,276,586.11	2.681	2.718	0.569	8	6	1,225	883
January	2010	103	154,340,502.72	2.454	2.488	0.560	7	6	1,111	806
February	2010	102	164,020,836.85	2.322	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
	Average	**103**	**163,821,773.91**	**2.656%**	**2.693%**	**0.790**	**6**	**7**	**1,135**	**835**

City of Torrance
Portfolio Management
Interest Earnings Summary
May 31, 2010

	May 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	334,008.86	4,238,422.68
Plus Accrued Interest at End of Period	797,103.14	795,515.39
Less Accrued Interest at Beginning of Period	(860,057.21)	(1,346,737.81)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	271,054.79	3,687,200.26
Adjusted by Premiums and Discounts	-3,633.73	-15,619.15
Adjusted by Capital Gains or Losses	5,502.07	175,161.55
Earnings during Periods	272,923.13	3,846,742.66
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	22.97	362,895.93
Plus Accrued Interest at End of Period	683,486.06	683,486.06
Less Accrued Interest at Beginning of Period	(658,290.66)	(818,341.29)
Interest Earned during Period	25,218.37	228,040.70
Total Interest Earned during Period	**296,273.16**	**3,915,240.96**
Total Adjustments from Premiums and Discounts	**-3,633.73**	**-15,619.15**
Total Capital Gains or Losses	**5,502.07**	**175,161.55**
Total Earnings during Period	**298,141.50**	**4,074,783.36**

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 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			25,100,000.00	25,100,000.00	25,100,000.00	0.560		0.560	1	
SYS10001	10001	Local Agency Invest. Fund RDA			8,100,000.00	8,100,000.00	8,100,000.00	0.560		0.560	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			23,000,000.00	23,000,000.00	23,000,000.00	0.560		0.560	1	
		Subtotal and Average	**50,131,677.42**		**56,200,000.00**	**56,200,000.00**	**56,200,000.00**			**0.560**	**1**	
Cert. of Deposit - Insured												
319180DA0	10839	First Bank Lexington Tennessee		12/16/2009	245,000.00	245,000.00	245,000.00	2.050		2.050	930	12/17/2012
02586TG32	10829	American Express Centurian		09/23/2009	245,000.00	245,000.00	245,000.00	1.800		1.800	479	09/23/2011
05568PSJ7	10832	BMW Bank of North America		09/23/2009	245,000.00	245,000.00	245,000.00	2.300		2.300	846	09/24/2012
149159GX7	10830	Cathay Bank		10/05/2009	245,000.00	245,000.00	245,000.00	1.750		1.750	491	10/05/2011
254670QKW1	10831	Discover Bank		09/23/2009	245,000.00	245,000.00	245,000.00	2.050		2.050	846	09/24/2012
36159SJS1	10838	GE Money bank		12/11/2009	245,000.00	245,000.00	245,000.00	2.350		2.350	924	12/11/2012
46147ULM0	10824	Investors Community Bank		08/24/2009	245,000.00	245,000.00	245,000.00	2.250		2.250	815	08/24/2012
509685EA7	10823	Lake Forest B&T		08/26/2009	245,000.00	245,000.00	245,000.00	2.350		2.350	818	08/27/2012
59740JGR4	10833	MidFirst Bank		10/14/2009	245,000.00	245,000.00	245,000.00	2.350		2.350	867	10/15/2012
86789UBH1	10822	SunSouth Bank		08/18/2009	245,000.00	245,000.00	245,000.00	2.200		2.200	808	08/17/2012
		Subtotal and Average	**2,450,000.00**		**2,450,000.00**	**2,450,000.00**	**2,450,000.00**			**2.145**	**782**	
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	0.450	AA	0.450	1	
SYS1000	1000	Union Bank of California			7,005,022.97	7,005,022.97	7,005,022.97	0.070		0.070	1	
		Subtotal and Average	**3,587,514.48**		**7,005,022.97**	**7,005,022.97**	**7,005,022.97**			**0.070**	**1**	
Federal Agency Issues - Coupon												
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,088,440.00	1,000,000.00	5.250	AAA	5.250	792	08/01/2012
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	1,000,310.00	1,000,000.00	4.240	AAA	4.240	1,098	06/03/2013
31331Y2G4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,003,750.00	1,000,000.00	4.850	AAA	4.850	1,126	07/01/2013
31331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,031,250.00	1,000,153.64	3.125	AAA	3.113	479	09/23/2011
31331GDF3	10779	FEDERAL FARM CREDIT BANK		10/15/2008	2,000,000.00	2,027,500.00	2,000,000.00	4.250	AAA	4.250	1,232	10/15/2013
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	1,020,940.00	1,000,000.00	2.200	AAA	2.200	1,042	04/08/2013
31331GYA1	10809	FEDERAL FARM CREDIT BANK		06/15/2009	2,000,000.00	2,001,260.00	1,998,640.74	2.000	AAA	2.035	745	06/15/2012
31331GH77	10818	FEDERAL FARM CREDIT BANK		08/11/2009	1,000,000.00	1,006,560.00	1,000,000.00	3.450	AAA	3.450	1,532	08/11/2014
31331G2J7	10835	FEDERAL FARM CREDIT BANK		10/27/2009	1,000,000.00	1,023,750.00	1,000,000.00	2.875	AAA	2.875	1,609	10/27/2014
31331JAA1	10842	FEDERAL FARM CREDIT BANK		12/22/2009	1,000,000.00	1,012,810.00	1,000,000.00	3.000	AAA	3.000	1,665	12/22/2014
31331G7G8	10851	FEDERAL FARM CREDIT BANK		01/14/2010	1,000,000.00	999,950.00	1,000,000.00	1.400	AAA	1.400	721	05/22/2012

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 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												
31331JCX9	10857	FEDERAL FARM CREDIT BANK		02/02/2010	1,000,000.00	1,014,690.00	999,330.56	2.950	AAA	2.972	1,707	02/02/2015
31331JDL4	10859	FEDERAL FARM CREDIT BANK		02/11/2010	1,000,000.00	1,001,880.00	1,000,000.00	2.420	AAA	2.420	1,351	02/11/2014
31331JGW7	10864	FEDERAL FARM CREDIT BANK		03/22/2010	1,000,000.00	1,000,940.00	999,966.27	2.650	AAA	2.655	1,567	09/15/2014
31331JJJ3	10866	FEDERAL FARM CREDIT BANK		03/30/2010	1,000,000.00	1,007,500.00	1,000,000.00	2.950	AAA	2.950	1,763	03/30/2015
31331JJJ3	10867	FEDERAL FARM CREDIT BANK		03/30/2010	1,000,000.00	1,007,500.00	998,067.78	2.950	AAA	2.993	1,763	03/30/2015
31331JKA0	10870	FEDERAL FARM CREDIT BANK		04/09/2010	1,000,000.00	1,009,690.00	1,000,000.00	2.900	AAA	2.900	1,773	04/09/2015
31331JJF1	10873	FEDERAL FARM CREDIT BANK		04/13/2010	3,000,000.00	3,004,680.00	2,999,484.46	2.390	AAA	2.395	1,392	03/24/2014
31331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	551,095.00	552,164.00	5.000	AAA	2.192	1,424	04/25/2014
31331JNR0	10883	FEDERAL FARM CREDIT BANK		05/18/2010	1,000,000.00	1,004,690.00	1,000,000.00	2.970	AAA	2.970	1,812	05/18/2015
31331JPH0	10887	FEDERAL FARM CREDIT BANK		05/26/2010	2,000,000.00	2,006,880.00	2,000,000.00	2.800	AAA	2.800	1,820	05/26/2015
3133XM3S8	10684	FEDERAL HOME LOAN BANK		08/27/2007	1,000,000.00	1,010,940.00	1,000,000.00	5.125	AAA	5.125	818	08/27/2012
3133XQJA1	10742	FEDERAL HOME LOAN BANK		04/15/2008	2,000,000.00	2,053,760.00	2,000,000.00	3.700	AAA	3.700	1,049	04/15/2013
3133XRKU3	10764	FEDERAL HOME LOAN BANK		06/25/2008	1,000,000.00	1,002,500.00	1,000,000.00	4.350	AAA	4.350	755	06/25/2012
3133XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,048,120.00	2,000,000.00	2.625	AAA	2.625	1,001	02/26/2013
3133XT6W1	10789	FEDERAL HOME LOAN BANK		02/27/2009	2,000,000.00	2,043,120.00	2,000,000.00	2.150	AAA	2.150	636	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	462	09/06/2011
3133XUBA0	10817	FEDERAL HOME LOAN BANK		07/30/2009	1,000,000.00	1,029,380.00	1,000,000.00	2.150	AAA	2.150	1,520	07/30/2014
3133XUNK5	10825	FEDERAL HOME LOAN BANK		08/26/2009	1,000,000.00	1,005,630.00	1,000,000.00	2.850	AAA	2.850	1,182	08/26/2013
3133XUPC1	10826	FEDERAL HOME LOAN BANK		09/15/2009	1,000,000.00	1,005,310.00	1,000,000.00	2.350	AAA	2.350	1,018	03/15/2013
3133XUPB3	10827	FEDERAL HOME LOAN BANK		09/04/2009	1,000,000.00	1,027,190.00	1,000,000.00	2.125	AAA	2.125	1,556	09/04/2014
3133XVZW4	10837	FEDERAL HOME LOAN BANK		12/30/2009	2,000,000.00	2,003,120.00	2,000,000.00	2.000	AAA	3.045	1,673	12/30/2014
3133XWDX4	10845	FEDERAL HOME LOAN BANK		01/05/2010	2,000,000.00	2,016,260.00	2,000,000.00	2.250	AAA	2.250	1,130	07/05/2013
3133XWHJ1	10846	FEDERAL HOME LOAN BANK		12/28/2009	1,500,000.00	1,518,750.00	1,500,000.00	2.050	AAA	2.050	1,123	06/28/2013
3133XWNR6	10848	FEDERAL HOME LOAN BANK		01/27/2010	2,000,000.00	2,020,620.00	2,000,000.00	3.000	AAA	3.000	1,701	01/27/2015
3133XWP52	10850	FEDERAL HOME LOAN BANK		01/27/2010	1,000,000.00	1,004,380.00	1,000,000.00	1.250	AAA	1.250	696	04/27/2012
3133XWPN3	10852	FEDERAL HOME LOAN BANK		01/29/2010	1,000,000.00	1,004,380.00	1,000,000.00	1.600	AAA	1.595	881	10/29/2012
3133XWTG4	10855	FEDERAL HOME LOAN BANK		02/18/2010	1,000,000.00	1,010,940.00	1,000,000.00	2.170	AAA	2.170	1,266	11/18/2013
3133XX7H4	10861	FEDERAL HOME LOAN BANK		03/03/2010	2,000,000.00	2,021,260.00	2,000,000.00	2.100	AAA	2.100	1,190	09/03/2013
3133XXPD3	10865	FEDERAL HOME LOAN BANK		03/26/2010	2,000,000.00	2,026,260.00	2,000,000.00	1.500	AAA	1.500	1,394	03/26/2014
3133XXWQ6	10869	FEDERAL HOME LOAN BANK		04/20/2010	2,000,000.00	2,018,120.00	1,999,227.78	3.000	AAA	3.011	1,784	04/20/2015
3133XYC94	10875	FEDERAL HOME LOAN BANK		04/29/2010	1,000,000.00	1,007,810.00	1,000,000.00	2.450	AAA	2.450	1,428	04/29/2014
3133XYKF1	10884	FEDERAL HOME LOAN BANK		05/28/2010	1,000,000.00	1,003,130.00	1,000,000.00	2.000	AAA	2.000	1,822	05/28/2015
3128X8QM7	10794	FEDERAL HOME LOAN MORTGAGE CO		03/24/2009	1,000,000.00	1,018,100.00	999,237.22	2.375	AAA	2.396	1,392	03/24/2014
3128X8TZ5	10798	FEDERAL HOME LOAN MORTGAGE CO		04/20/2009	2,000,000.00	2,032,360.00	2,000,000.00	2.500	AAA	2.500	1,042	04/08/2013
3128X8E73	10801	FEDERAL HOME LOAN MORTGAGE CO		05/19/2009	1,000,000.00	1,013,550.00	1,000,000.00	2.170	AAA	2.170	902	11/19/2012
3128X8MS8	10802	FEDERAL HOME LOAN MORTGAGE CO		05/07/2009	1,000,000.00	1,003,890.00	1,001,149.47	2.350	AAA	2.129	640	03/02/2012

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 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												
3128X8R46	10810	FEDERAL HOME LOAN MORTGAGE CO		06/25/2009	2,000,000.00	2,003,420.00	2,000,000.00	3.000	AAA	3.000	1,120	06/25/2013
3128X8S29	10811	FEDERAL HOME LOAN MORTGAGE CO		06/30/2009	1,000,000.00	1,002,350.00	1,000,000.00	3.000	AAA	3.763	1,490	06/30/2014
3128X82V3	10814	FEDERAL HOME LOAN MORTGAGE CO		07/14/2009	1,000,000.00	1,018,930.00	1,000,000.00	3.400	AAA	3.400	1,504	07/14/2014
3128X9RQ5	10844	FEDERAL HOME LOAN MORTGAGE CO		12/30/2009	1,000,000.00	1,001,960.00	999,770.97	3.000	AAA	3.005	1,673	12/30/2014
3128X9XX3	10858	FEDERAL HOME LOAN MORTGAGE CO		02/17/2010	1,000,000.00	1,014,110.00	1,000,000.00	3.000	AAA	3.000	1,722	02/17/2015
3128X95K2	10872	FEDERAL HOME LOAN MORTGAGE CO		05/05/2010	1,000,000.00	1,003,650.00	1,000,000.00	2.500	AAA	2.500	1,253	11/05/2013
3134G1AS3	10876	FEDERAL HOME LOAN MORTGAGE CO		05/18/2010	2,000,000.00	2,015,160.00	1,999,072.22	3.000	AAA	3.011	1,812	05/18/2015
3134G1BX1	10877	FEDERAL HOME LOAN MORTGAGE CO		05/19/2010	2,000,000.00	2,016,480.00	2,000,000.00	3.050	AAA	3.050	1,813	05/19/2015
3134G1DS0	10881	FEDERAL HOME LOAN MORTGAGE CO		05/26/2010	2,000,000.00	2,009,800.00	2,000,000.00	3.000	AAA	3.000	1,820	05/26/2015
3136FHAK1	10786	FEDERAL NATIONAL MORT ASSOC		02/27/2009	1,000,000.00	1,004,060.00	1,000,000.00	2.625	AAA	2.625	818	08/27/2012
3136FHCF0	10793	FEDERAL NATIONAL MORT ASSOC		03/05/2009	1,000,000.00	1,011,560.00	1,000,000.00	2.250		2.250	633	02/24/2012
3136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC		05/14/2009	2,000,000.00	2,028,760.00	2,000,000.00	2.125	AAA	2.125	1,443	05/14/2014
3136FHUY9	10807	FEDERAL NATIONAL MORT ASSOC		06/01/2009	2,000,000.00	2,000,000.00	2,000,000.00	1.400	AAA	1.400	731	06/01/2012
3136FHXF7	10808	FEDERAL NATIONAL MORT ASSOC		06/10/2009	2,000,000.00	2,015,000.00	2,000,000.00	2.000	AAA	2.000	923	12/10/2012
31398AYN6	10815	FEDERAL NATIONAL MORT ASSOC		07/28/2009	2,000,000.00	2,025,620.00	2,000,000.00	3.000	AAA	3.000	1,518	07/28/2014
3136FJA68	10843	FEDERAL NATIONAL MORT ASSOC		12/29/2009	1,000,000.00	1,001,880.00	1,000,000.00	2.750	AAA	2.950	1,672	12/29/2014
3136FKJ83	10847	FEDERAL NATIONAL MORT ASSOC		01/15/2010	1,000,000.00	1,000,000.00	1,000,000.00	3.300	AAA	3.300	1,689	01/15/2015
3136FJY70	10853	FEDERAL NATIONAL MORT ASSOC		02/09/2010	1,000,000.00	1,005,000.00	1,000,000.00	3.100	AAA	3.100	1,714	02/09/2015
3136FJ4C2	10856	FEDERAL NATIONAL MORT ASSOC		02/23/2010	1,000,000.00	1,007,500.00	1,000,000.00	2.000	AAA	2.000	1,179	08/23/2013
3136FMCJ1	10862	FEDERAL NATIONAL MORT ASSOC		03/10/2010	1,000,000.00	1,011,250.00	1,000,000.00	2.650	AAA	2.650	1,562	09/10/2014
3136FMCT9	10863	FEDERAL NATIONAL MORT ASSOC		03/17/2010	1,000,000.00	1,008,750.00	1,000,000.00	2.760	AAA	2.760	1,750	03/17/2015
3136FMJR6	10868	FEDERAL NATIONAL MORT ASSOC		04/15/2010	1,000,000.00	1,006,250.00	1,000,000.00	2.125	AAA	2.125	1,779	04/15/2015
31398AM74	10871	FEDERAL NATIONAL MORT ASSOC		04/21/2010	1,000,000.00	1,012,810.00	1,000,000.00	2.125	AAA	2.125	1,238	10/21/2013
3136FMRF3	10878	FEDERAL NATIONAL MORT ASSOC		05/19/2010	1,000,000.00	1,008,750.00	1,000,000.00	3.125	AAA	3.125	1,813	05/19/2015
3136FMSX3	10880	FEDERAL NATIONAL MORT ASSOC		05/14/2010	1,000,000.00	1,002,500.00	1,000,000.00	2.375	AAA	2.375	1,443	05/14/2014
3136FMSR6	10882	FEDERAL NATIONAL MORT ASSOC		05/27/2010	1,000,000.00	1,003,440.00	1,000,000.00	2.750	AAA	2.750	1,821	05/27/2015
		Subtotal and Average	**98,423,161.07**		**96,000,000.00**	**97,031,745.00**	**96,046,265.11**			**2.705**	**1,319**	
Treasury Securities - Coupon												
912828DZ0	10579	U.S.TREASURY NOTE		07/25/2005	1,000,000.00	1,004,490.00	999,803.14	3.875	AAA	4.057	44	07/15/2010
		Subtotal and Average	**1,451,311.28**		**1,000,000.00**	**1,004,490.00**	**999,803.14**			**4.057**	**44**	
Medium Term Notes												
084664AF8	10709	Berkshire Hathaway		01/15/2008	1,000,000.00	1,018,250.00	1,002,791.75	4.200	AA	3.648	197	12/15/2010
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,081,800.00	1,009,585.14	4.625	AA	4.300	1,232	10/15/2013
084664AF8	10795	Berkshire Hathaway		03/10/2009	1,000,000.00	1,018,250.00	1,005,346.46	4.200	AA	3.170	197	12/15/2010

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 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
Medium Term Notes												
17314JAT0	10874	Citibank		04/15/2010	3,000,000.00	3,029,130.00	3,015,005.40	1.750	AAA	1.112	941	12/28/2012
36967HAY3	10812	General Electric Capital Corp		06/22/2009	2,000,000.00	2,063,460.00	2,014,991.63	2.625	AAA	2.320	941	12/28/2012
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,037,470.00	1,000,000.00	2.950	AAA	2.949	1,461	06/01/2014
64952WAE3	10697	New York Life Global		11/02/2007	1,000,000.00	1,005,390.00	999,985.06	4.625	AAA	4.630	76	08/16/2010
931142CN1	10820	Wal-Mart Stores		08/14/2009	2,000,000.00	2,053,780.00	2,006,688.05	3.000	AA	2.902	1,343	02/03/2014
949746NB3	10715	Wells Fargo Co		01/23/2008	1,000,000.00	1,024,570.00	1,005,013.33	4.875	AA	4.000	225	01/12/2011
		Subtotal and Average	**13,060,946.84**		**13,000,000.00**	**13,332,100.00**	**13,059,406.82**			**2.805**	**829**	
Muncipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	783,841.40	783,841.40	783,841.40	8.000		7.999	761	07/01/2012
		Subtotal and Average	**783,841.40**		**783,841.40**	**783,841.40**	**783,841.40**			**7.999**	**761**	
		Total and Average	**169,888,452.49**		**176,438,864.37**	**177,807,199.37**	**176,544,339.44**			**1.948**	**794**	

City of Torrance
Portfolio Management
Portfolio Details - Cash
May 31, 2010

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		29,493.89	29,493.89				0
				Subtotal		29,493.89	29,493.89				
		Total Cash and Investments	169,888,452.49		176,438,864.37	177,836,693.26	176,573,833.33			1.948	794

Run Date: 06/17/2010 - 14:42

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

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE		CASH PERCENT
General	56,686,759.44	56,145,937.88		32.11
Parks & Recr Facility & Open Space	3,904,477.61	3,867,226.84		2.21
State Gas Tax	7,069,133.96	7,001,690.70		4.00
Federal Housing, Community Dev	413,992.30	410,042.60		0.23
Street Lighting	205,808.01	203,844.49		0.12
Traffic Congestion Relief Act 2000 - AB2928	371,664.65	368,118.77		0.21
Proposition 1B	2,943,076.01	2,914,997.51		1.67
Police Asset Forfeiture	2,932,177.78	2,904,203.26		1.66
Drainage Improvement	19,719.30	19,531.17		0.01
Measure R Local Return	742,624.31	735,539.28		0.42
Government Cable	2,933,581.95	2,905,594.03		1.66
Local Return - Proposition C	5,622,348.50	5,568,708.33		3.18
Grants/Donations	(1,388,792.59)	(1,375,542.78)	(B)	(0.79)
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	146,089.50	144,695.73		0.08
Seismic Education Fund	57,138.82	56,593.69		0.03
Rehabilitation Housing	652,635.42	646,408.93		0.37
Meadow Park Parking Lot	47,293.22	46,842.02		0.03
Police Inmate Welfare Fund	51,823.29	51,328.87		0.03
Capital Improvements	23,045,324.84	22,825,460.30		13.05
Geologic Hazard Abatement	14,454.54	14,316.64		0.01
El Camino Training Fund-Fire	598,240.20	592,532.67		0.34
El Camino Training Fund-Police	49,567.74	49,094.84		0.03
Vanpool/Rideshare Fund	371,922.27	368,373.94		0.21
Torrance Improvement Fund	-	-		0.00
Animal Control Fund	(28,737.05)	(28,462.88)	(C)	(0.02)
Redevelopment-Capital Proj	6,602,171.99	6,539,183.79		3.74
Redevelopment Debt Service	2,917,875.10	2,890,037.03		1.65
Underground Storage Tank Fund	3,028.90	3,000.00		0.00
DNA Sampling Fund	42,707.45	42,300.00		0.02
Airport Fund	5,397,081.39	5,345,590.39		3.06
Transit Operations	494,478.15	489,760.57		0.28
Development Impact Fund	981,434.47	972,071.07		0.56
Water Operations	5,142,335.93	5,093,275.34		2.91
Emergency Medical Service Enterprise Fund	-	-		0.00
Sanitation Operations	2,439,846.94	2,416,569.51		1.38
Cultural Arts Enterprise	454,040.96	449,709.17		0.26
Sewer Enterprise Fund	11,174,229.15	11,067,621.12		6.33
Parks & Recreation Enterprise Fund	(323,546.58)	(320,459.78)		(0.18)
Self Insurance Fund	9,861,185.58	9,767,104.67		5.59
Fleet Services	12,880,263.43	12,757,378.93		7.30
Postemployment/Compensated Absences Fund	7,681,971.47	7,608,681.41		4.35
Trust & Agency	3,328,888.12	3,297,128.77		1.89
TOTAL	**176,540,316.47**	**174,856,028.82**		**100.00**

(A) The difference between the Share of Investments total of $176,540,316.47 and the Pooled Cash and Investments total of $174,856,028.82 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) 2007 UASI Grant for Fire-Breathing Apparatus has a negative cash balance of <$303,960>.
The reimbursement request was submitted to the City of Los Angeles in January 2010.
The City of Los Angeles processes the reimbursement and sends it to the State. The City of LA has not given us a status on the reimbursement.

T-051 Crenshaw Blvd. Rehabilitation has a negative balance of <$360,869>.
A reimbursement request in the amount of $315,293 was submitted in June 2010.

T-030 Del Amo Blvd Extension has a negative cash balance of <657,002>.
Reimbursement in the amount of $150,928.20 was received on May 13, 2010. Additional reimbursement will be requested in July for the 2nd quarter.

(C) The animal license renewal period began in April. FY 2009-10 receipts are lower that FY 2008-09 by $37,950 as of 5/31/10.

CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF MAY 31, 2010

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		**176,540,316.47**
CASH AND INVESTMENTS PER BOOKS		**174,856,028.82**
CASH IN BANKS:		
Cash in B of A General Account		($856,354.00)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	1,018,457.88	
Payroll Account	241,703.82	
Workers Compensation Account	111,015.49	1,371,177.19
Miscellaneous outstanding adjusting journal entries		(736,691.76)
Payroll for PE 5/31/10 posted on 5/31/10 and paid on 6/11/10		1,906,156.22
INVESTMENTS PER BOOKS		**$176,540,316.47**