

Council Meeting of  
July 10, 2012

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

Members of Council:

**SUBJECT: Accept and file the May 2012 monthly investment report.**

**RECOMMENDATION**

Recommendation of the City Treasurer that City Council accept and file the monthly investment report for May 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 May 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,



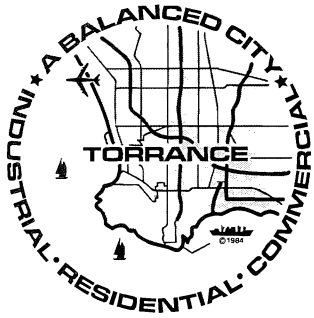
Dana Cortez  
City Treasurer

Noted:



LeRoy J. Jackson  
Investment Committee Member

CC: City Manager  
City Clerk



**CITY of TORRANCE**  
**Monthly Investment Portfolio Report**  
**May 31, 2012**

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# Investment Report May 2012

## Investment Portfolio Highlights

**RETURN**  
 Average City Portfolio YTM 1.437%  
 Average U.S. Treasury Constant 0.380%  
 LAIF Average Monthly Return 0.367%  
 Average City Portfolio YTM - 1 year 1.551%

**INTEREST INCOME**  
 Fiscal year to date Prior Year  
 Current month \$2,073,173  
 \$138,926

**MATURITY**  
 Average Maturity (days) 1048  
 Average Maturity 1 Year Prior 830  
 Weighted Average Maturity (years) 2.87

**VOLUMES**  
 Purchases \$40,931,191  
 Maturities \$27,631,191

## Portfolio Activity Summary

Month End	Year	Number of Securities	Average Balance	Yield to Maturity	Rate	Inv Purchased	Inv Redeemed	Average Term	Average Days to Mat
May	2011	106	177,136,223.90	1.445	1.465	6	5	1,013	786
June	2011	102	182,987,408.39	1.413	1.432	6	10	1,000	783
July	2011	113	159,086,446.05	1.734	1.758	16	5	1,362	1105
August	2011	111	156,107,063.51	1.732	1.756	2	5	1,363	1085
September	2011	104	151,370,240.25	1.723	1.747	2	9	1,363	1071
October	2011	100	150,533,371.55	1.721	1.744	5	10	1,355	1052
November	2011	97	149,056,539.20	1.668	1.691	6	9	1,309	1011
December	2011	99	148,528,510.95	1.606	1.628	6	4	1,278	986
January	2012	100	158,978,462.55	1.489	1.510	10	9	1,194	920
February	2012	104	172,417,574.90	1.418	1.438	10	7	1,227	982
March	2012	102	170,844,028.64	1.426	1.446	3	5	1,284	1020
April	2012	106	166,719,089.02	1.415	1.434	7	3	1,317	1048
May	2012	105	178,373,650.45	1.349	1.368	2	3	1,256	984
<b>Average</b>		<b>104</b>	<b>163,202,338.70</b>	<b>1.546%</b>	<b>1.567%</b>	<b>6</b>	<b>6</b>	<b>1,255</b>	<b>987</b>

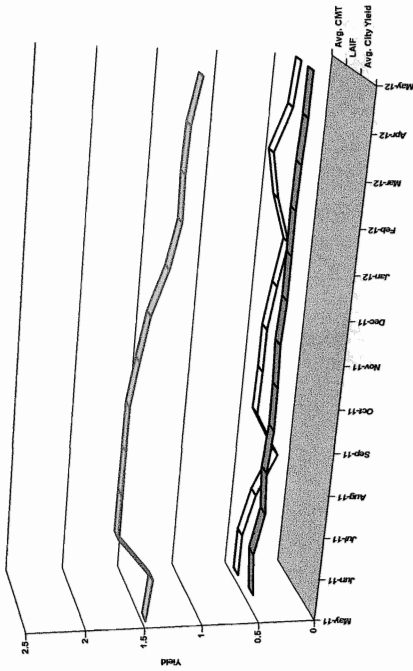
## Portfolio Activity Detail

Investment Number	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS HELD/ MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
11036	Wedbush	5/1/2012	Toyota	AA+/Aa2	4/30/2015	1799	0.500%	0.997%	2,000,000	2,000,000	1,979,500
11038	Higgins Capital	5/24/2012	FHLMC	AA+/Aaa	5/24/2017	1799	1.200%	1.200%	5,000,000	5,000,000	4,998,750
<b>MATURITIES/CALLS</b>											
10994	Clitgroup	11/4/2011	FNMA	AA+/Aaa	11/4/2015	182/1461	1.300%	1.304%	1,000,000	1,000,000	1,000,000
11029	Great Pacific	4/4/2012	FHLB	AA+/Aaa	4/4/2017	30/1826	1.600%	1.926%	1,000,000	1,000,000	1,000,000
11030	Great Pacific	4/4/2012	FHLB	AA+/Aaa	4/4/2017	30/1826	1.300%	2.231%	1,000,000	1,000,000	1,000,000
<b>State of California</b>										<b>Beginning Balance</b>	<b>3,000,000</b>
<b>Local Agency Pool</b>										<b>Ending Balance</b>	<b>3,000,000</b>
City										8,700,000	
Redevelopment Agency										0	
TRANS Repayment										19,000,000	
										0	
										0	
										0	
										33,000,000	
											\$ 37,000,000



# Investment Report May 2012

## Portfolio Performance



■ Avg. City Yield  
 ■ LAIF  
 ■ Avg. CMT

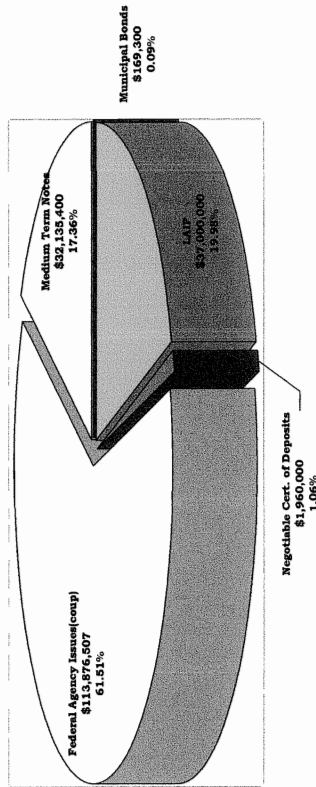
## Interest Earnings Summary

CD/Coupon/Discount Investments:	Month Ending	May	Fiscal Year End
		31	
Interest Collected		71,562	2,324,790
Plus Accrued Interest at		757,490	757,490
Less Accrued Interest at		-615,154	-630,614
<b>Interest Earned</b>	<b>\$</b>	<b>213,897</b>	<b>2,451,666</b>
Adjusted by Premium		-23,408	-290,298
Adjusted by Capital		36,031	36,031
<b>Earnings during</b>	<b>\$</b>	<b>190,489</b>	<b>2,197,399</b>

Cash/Checking Accounts:			
Interest Collected		10	66,685
Plus Accrued Interest at		96,816	96,816
Less Accrued Interest at		-56,945	-57,371
<b>Interest Earned</b>	<b>\$</b>	<b>9,881</b>	<b>76,130</b>
Adjusted by Premium		223,778	2,527,796
Adjusted by Capital		-23,408	-290,298
<b>Total Capital Gains or</b>	<b>\$</b>	<b>\$200,369</b>	<b>\$2,273,530</b>

## Portfolio Diversification



Federal Agency Issues  
61.51%  
of Total Portfolio

Farmers Mac, 7.15%

Federal National  
Mortgage Assoc.,  
16.63%

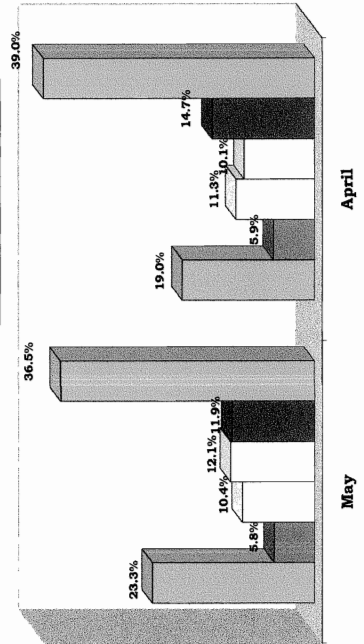
Municipal Bonds  
\$1,960,000  
0.09%

Federal Farm Credit  
Bank, 10.25%

Federal Home Loan  
Bank  
10.53%

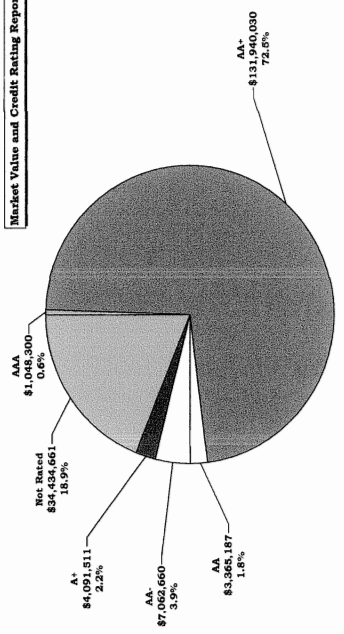
Federal Home Loan  
Mortgage Corp.  
18.81%

## Portfolio Maturity Distribution



01 day to 6 months  
 06 months to 1 year  
 01 year to 2 years  
 02 years to 3 years  
 03 years to 4 years  
 04 years to 5 years

## Market Value and Credit Rating Report





# Investment Report May 2012

### Portfolio Summary

	Book Value	% of Portfolio	% per Policy	Duration	Days to Maturity	Current Yield
Local Agency Investment Fund	37,000,000	19.98%	**	1	1	N/A
Certificates of Deposit - Collateralized	0	0	0	180	0	0.000%
Negotiable CDs	1,960,000	1.06%	0	1,097	126	2.238%
Money Market Sweep Account	0	0.00%	0	1	1	0.010%
Federal Agency Issues - Coupons	113,876,507	61.51%	75%	1,647	1,357	1.508%
Farmer Mac	13,170,895	7.15%	30%	1,239	1,285	1.003%
Federal Farm Credit Bank	18,766,119	10.23%	30%	1,024	1,119	1.093%
Federal Home Loan Bank	16,023,887	8.70%	30%	1,081	1,126	1.247%
Federal Home Loan Mortgage Corp.	35,118,860	18.81%	30%	1,369	1,452	1.021%
Federal National Mortgage Assoc.	30,795,747	16.63%	30%	1,385	1,542	1.270%
Treasury Securities - Coupons	32,135,400	0.00%	100%	0	0	0.000%
Medium Term Notes	169,300	0.09%	20%	1,309	850	1.940%
Municipal Bond Issues - Coupon				3,848	30	7.999%

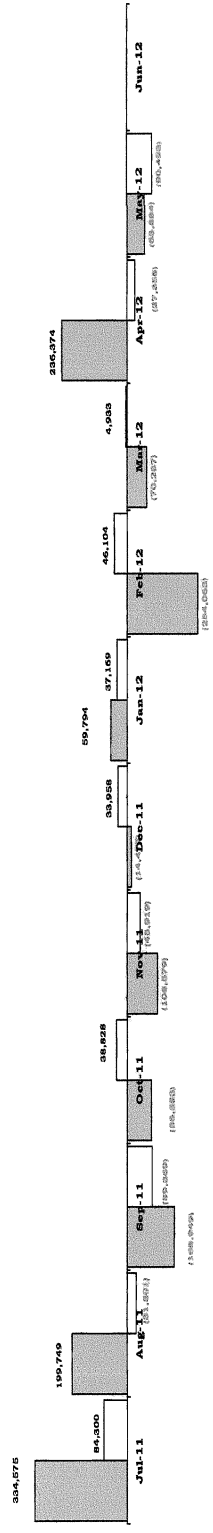
<b>Total Investments &amp; Averages</b>	<b>185,141,207</b>	<b>100.00%</b>	<b>1,256</b>	<b>984</b>	<b>1.367%</b>
<b>Effective Rate of Return</b>	<b>Month Ending</b>	<b>Fiscal YTD</b>			
	1.32%	1.54%			

Pending Redemptions	0
Accrued Interest at Purchase	11,416
Total Accrued Interest	11,416
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>185,152,623</b>

	VALUE OF PORTFOLIO PER GASB NO.31			Change in Market Value	Ending Investment Value as of May 31, 2012
	Beginning Investment Value as July 1, 2011	Purchase/Redemption of Principal	14,211,480		
GASB required securities	100,435,380	0	62,080	114,708,940	
Federal Agency (coup)	20,648,028	11,944,880	-39,647	32,553,261	
Treasury Securities	488,616	-319,316	0	169,300	
Medium Term Notes					
Municipal Bonds					
<b>SUB-TOTAL PER GASB 31</b>	<b>\$121,572,024</b>	<b>\$25,837,044</b>	<b>\$22,433</b>	<b>\$147,431,501</b>	
<b>Non-GASB</b>					
LAIF	50,000,000	-13,000,000	0	37,000,000	
Money Market	9,000,000	-9,000,000	0	0	
Federal Agency - Certificate of	0	0	0	0	
Treasury Security - Certificate of	0	0	0	0	
Deposits - Disc.	2,450,000	-490,000	0	1,960,000	
Negotiable Certificate Deposits					
Commercial paper	0	0	0	0	
<b>TOTAL PORTFOLIO</b>	<b>\$183,022,024</b>	<b>\$3,347,044</b>	<b>\$22,433</b>	<b>\$186,391,501</b>	

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.

By the City Clerk, I certify that this report is true and correct, and that it is a true and correct statement of the investments of the City of Phoenix as of the date hereof. It also certifies that the investments of the City of Phoenix are in compliance with the expenditure requirements of the pool for the next six months.



Federal Agency (coup)       Medium Term Notes

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 Phoenix 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:

Dan Cortez  
 City Treasurer

John P. Kelly  
 City Attorney

[Name]  
 City Manager

[Name]  
 Director of Finance

**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2012**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>Local Agency Investment Funds</b>												
SYS10000	10000	Local Agency Invest Fund GEN'L			4,000,000.00	4,000,000.00	4,000,000.00	0.363		0.363	1	
SYS10001	10001	Local Agency Invest. Fund RDA			0.00	0.00	0.00	0.367		0.367	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			33,000,000.00	33,000,000.00	33,000,000.00	0.363		0.363	1	
<b>Subtotal and Average</b>			<b>31,658,064.52</b>		<b>37,000,000.00</b>	<b>37,000,000.00</b>	<b>37,000,000.00</b>			<b>0.363</b>	<b>1</b>	
<b>Cert. of Deposit - Insured</b>												
319180DA0	10839	First Bank Lexington Tennessee		12/16/2009	245,000.00	247,280.95	245,000.00	2.050		2.050	199	12/17/2012
05568PSJ7	10832	BMW Bank of North America		09/23/2009	245,000.00	246,413.65	245,000.00	2.300		2.300	115	09/24/2012
254670KW1	10831	Discover Bank		09/23/2009	245,000.00	246,264.20	245,000.00	2.050		2.050	115	09/24/2012
36159SJS1	10838	GE Money bank		12/11/2009	245,000.00	247,398.55	245,000.00	2.350		2.350	193	12/11/2012
46147ULM0	10824	Investors Community Bank		08/24/2009	245,000.00	245,997.15	245,000.00	2.250	AA	2.250	84	08/24/2012
509685EA7	10823	Lake Forest B&T		08/26/2009	245,000.00	246,247.05	245,000.00	2.350		2.350	87	08/27/2012
59740JGR4	10833	MidFirst Bank		10/14/2009	245,000.00	246,715.00	245,000.00	2.350		2.350	136	10/15/2012
86789UBH1	10822	SunSouth Bank		08/18/2009	245,000.00	245,994.70	245,000.00	2.200		2.200	77	08/17/2012
<b>Subtotal and Average</b>			<b>1,960,000.00</b>		<b>1,960,000.00</b>	<b>1,972,311.25</b>	<b>1,960,000.00</b>			<b>2.238</b>	<b>126</b>	
<b>Money Market Sweep Account</b>												
SYS10131	10131	Bank of America			0.00	0.00	0.00	0.450		0.450	1	
SYS1000	1000	Union Bank of California			0.00	0.00	0.00	0.010		0.010	1	
<b>Subtotal and Average</b>			<b>1,982,761.59</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			<b>0.000</b>	<b>0</b>	
<b>Federal Agency Issues - Coupon</b>												
31315PQN2	10936	Farmer Mac		02/03/2011	3,000,000.00	3,047,340.00	3,000,000.00	1.340	AA+	1.340	612	02/03/2014
31315PZA0	10971	Farmer Mac		07/06/2011	2,000,000.00	2,003,660.00	2,000,000.00	2.250	AA+	2.250	1,496	07/06/2016
31315PA25	10984	Farmer Mac		07/27/2011	1,000,000.00	1,044,930.00	999,584.44	2.000	AA+	2.011	1,517	07/27/2016
31315PDZ9	10986	Farmer Mac		08/23/2011	2,000,000.00	2,099,280.00	2,081,868.12	2.375	AA+	1.042	1,146	07/22/2015
31315PZH5	11020	Farmer Mac		02/03/2012	2,000,000.00	2,001,100.00	2,000,000.00	0.875	AA+	0.875	1,342	02/03/2016
31315PVC0	11035	Farmer Mac		04/26/2012	3,090,000.00	3,102,699.90	3,089,442.08	1.200	AA+	1.204	1,790	04/26/2017
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,008,490.00	1,000,000.00	5.250	AA+	5.250	61	08/01/2012
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	1,016,770.00	1,000,000.00	2.200	AA+	2.200	311	04/08/2013
31331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	542,970.00	525,413.23	5.000	AA+	2.192	693	04/25/2014
31331JQD8	10893	FEDERAL FARM CREDIT BANK		06/08/2010	1,000,000.00	1,000,390.00	1,000,000.00	2.590	AA+	2.590	1,102	06/08/2015
31331JQ55	10907	FEDERAL FARM CREDIT BANK		10/06/2010	1,000,000.00	1,014,520.00	1,000,000.00	1.150	AA+	1.150	857	10/06/2014
31331KCK4	10942	FEDERAL FARM CREDIT BANK		02/17/2011	1,000,000.00	1,038,660.00	1,000,000.00	2.030	AA+	2.030	991	02/17/2015
31331X2Q4	10947	FEDERAL FARM CREDIT BANK		03/01/2011	1,000,000.00	1,059,070.00	1,048,272.34	5.000	AA+	1.100	460	09/04/2013

Portfolio CITY  
AP  
PM (PRF\_PM2) 7.2.5

**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2012**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,317,900.00	2,192,433.33	4.950	AA+	2.280	1,400	04/01/2016
31331KGN4	10955	FEDERAL FARM CREDIT BANK		04/07/2011	1,000,000.00	1,017,980.00	1,000,000.00	1.400	AA+	1.400	675	04/07/2014
31331KRVA	10976	FEDERAL FARM CREDIT BANK		07/18/2011	2,000,000.00	2,001,240.00	2,000,000.00	1.050	AA+	1.050	777	07/18/2014
31331KX47	10999	FEDERAL FARM CREDIT BANK		11/28/2011	2,000,000.00	2,008,780.00	2,000,000.00	1.510	AA+	1.510	1,641	11/28/2016
31331K5T3	11013	FEDERAL FARM CREDIT BANK		01/11/2012	1,000,000.00	1,003,250.00	1,000,000.00	1.020	AA+	1.020	1,319	01/11/2016
31331K5N6	11014	FEDERAL FARM CREDIT BANK		01/11/2012	1,000,000.00	1,000,120.00	1,000,000.00	1.330	AA+	1.330	1,684	01/10/2017
3133EAGH5	11028	FEDERAL FARM CREDIT BANK		03/08/2012	2,000,000.00	2,011,820.00	2,000,000.00	1.250	AA+	1.250	1,741	03/08/2017
3133EAKP2	11032	FEDERAL FARM CREDIT BANK		04/04/2012	1,000,000.00	1,006,650.00	1,000,000.00	1.360	AA+	1.360	1,768	04/04/2017
3133XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,030,440.00	2,000,000.00	2.625	AA+	2.625	270	02/26/2013
3133XUBA0	10817	FEDERAL HOME LOAN BANK		07/30/2009	1,000,000.00	1,003,350.00	1,000,000.00	2.150	AA+	2.150	789	07/30/2014
3133XUPB3	10827	FEDERAL HOME LOAN BANK		09/04/2009	1,000,000.00	1,005,040.00	1,000,000.00	2.125	AA+	2.125	825	09/04/2014
3133XYKF1	10884	FEDERAL HOME LOAN BANK		05/28/2010	1,000,000.00	1,007,600.00	1,000,000.00	2.000	AA+	2.000	1,091	05/28/2014
3133XY6S9	10899	FEDERAL HOME LOAN BANK		08/26/2010	1,000,000.00	1,024,070.00	1,013,822.22	2.000	AA+	1.002	515	10/29/2013
313370WA2	10902	FEDERAL HOME LOAN BANK		09/17/2010	1,000,000.00	1,003,320.00	1,000,000.00	1.375	AA+	1.375	838	09/17/2014
313372W26	10950	FEDERAL HOME LOAN BANK		03/15/2011	1,000,000.00	1,017,790.00	1,000,000.00	2.500	AA+	2.500	1,383	03/15/2016
313373RC8	10956	FEDERAL HOME LOAN BANK		05/16/2011	1,000,000.00	1,018,320.00	1,001,822.62	1.250	AA+	1.164	789	07/30/2014
313374DV9	10969	FEDERAL HOME LOAN BANK		06/28/2011	1,000,000.00	1,013,090.00	1,008,241.67	2.500	AA+	2.045	1,488	06/28/2016
3133766B6	10993	FEDERAL HOME LOAN BANK		10/27/2011	1,000,000.00	1,002,720.00	1,000,000.00	1.000	AA+	1.000	1,148	07/24/2015
313376M51	11004	FEDERAL HOME LOAN BANK		12/21/2011	1,000,000.00	1,000,120.00	1,000,000.00	1.450	AA+	1.450	1,664	12/21/2016
313376Q99	11007	FEDERAL HOME LOAN BANK		01/13/2012	2,000,000.00	2,017,240.00	2,000,000.00	1.125	AA+	1.125	1,687	01/13/2017
313378W56	11037	FEDERAL HOME LOAN BANK		04/30/2012	2,000,000.00	2,050,580.00	2,000,000.00	2.000	AA+	1.425	1,788	04/24/2017
3128X1CS4	10915	FEDERAL HOME LOAN MORTGAGE CO		10/27/2010	1,000,000.00	1,064,020.00	1,055,737.06	4.580	AA+	0.730	536	11/19/2013
3134G2LB6	10964	FEDERAL HOME LOAN MORTGAGE CO		06/20/2011	2,000,000.00	2,001,720.00	2,000,000.00	2.050	AA+	2.050	1,480	06/20/2016
3134G2LW0	10966	FEDERAL HOME LOAN MORTGAGE CO		06/29/2011	2,000,000.00	2,002,200.00	1,999,922.22	2.000	AA+	2.011	1,489	06/29/2016
3134G2SQ6	10977	FEDERAL HOME LOAN MORTGAGE CO		07/26/2011	2,000,000.00	2,000,100.00	2,000,000.00	0.400	AA+	0.699	420	07/26/2013
3134G23S9	10995	FEDERAL HOME LOAN MORTGAGE CO		11/07/2011	1,000,000.00	1,002,160.00	1,000,000.00	1.050	AA+	1.050	1,070	05/07/2015
3134G23F7	10996	FEDERAL HOME LOAN MORTGAGE CO		11/16/2011	1,000,000.00	1,002,640.00	1,000,000.00	1.250	AA+	1.250	1,263	11/16/2015
3134G25C2	10997	FEDERAL HOME LOAN MORTGAGE CO		11/29/2011	1,000,000.00	1,003,780.00	1,000,000.00	1.500	AA+	1.500	1,642	11/29/2016
3134G3BQ2	10998	FEDERAL HOME LOAN MORTGAGE CO		11/28/2011	2,000,000.00	2,009,660.00	2,000,000.00	1.375	AA+	1.713	1,641	11/28/2016
3134G3EN6	11003	FEDERAL HOME LOAN MORTGAGE CO		12/30/2011	1,000,000.00	1,004,550.00	1,000,000.00	1.000	AA+	1.000	1,124	06/30/2015
3134G3GG9	11008	FEDERAL HOME LOAN MORTGAGE CO		01/09/2012	1,000,000.00	1,002,090.00	1,000,302.78	0.850	AA+	0.833	952	01/09/2015
3134G3GM6	11009	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	1,000,000.00	1,003,050.00	1,000,000.00	1.300	AA+	1.300	1,687	01/13/2017
3134G3GX2	11010	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	2,000,000.00	2,011,380.00	2,000,000.00	1.400	AA+	1.400	1,687	01/13/2017
3137EADC0	11017	FEDERAL HOME LOAN MORTGAGE CO		01/30/2012	1,000,000.00	1,004,440.00	996,730.41	1.000	AA+	1.071	1,741	03/08/2017
3134G3MR8	11018	FEDERAL HOME LOAN MORTGAGE CO		02/13/2012	1,000,000.00	1,000,850.00	1,000,000.00	0.550	AA+	0.550	987	02/13/2015

Portfolio CITY  
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PM (PRF\_PM2) 7.2.5

**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2012**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3134G3NA4	11019	FEDERAL HOME LOAN MORTGAGE CO		02/28/2012	3,000,000.00	3,014,760.00	3,000,000.00	0.750	AA+	0.750	1,733	02/28/2017
3134G3MX5	11021	FEDERAL HOME LOAN MORTGAGE CO		02/24/2012	1,000,000.00	1,001,960.00	1,000,000.00	0.800	AA+	0.800	1,363	02/24/2016
3134G3NA4	11022	FEDERAL HOME LOAN MORTGAGE CO		02/28/2012	2,000,000.00	2,009,840.00	2,000,000.00	0.750	AA+	1.313	1,733	02/28/2017
3134G3MT4	11026	FEDERAL HOME LOAN MORTGAGE CO		02/24/2012	2,000,000.00	2,013,680.00	2,000,000.00	1.125	AA+	1.125	1,729	02/24/2017
3134G3SD3	11027	FEDERAL HOME LOAN MORTGAGE CO		03/28/2012	2,000,000.00	2,010,180.00	2,000,000.00	0.750	AA+	0.750	1,214	09/28/2015
3137EACT4	11034	FEDERAL HOME LOAN MORTGAGE CO		04/26/2012	1,000,000.00	1,067,900.00	1,066,167.29	2.500	AA+	0.810	1,456	05/27/2016
3134G3VH0	11038	FEDERAL HOME LOAN MORTGAGE CO		05/24/2012	5,000,000.00	4,998,750.00	5,000,000.00	1.200	AA+	1.200	1,818	05/24/2017
3136FPFEE3	10905	FEDERAL NATIONAL MORT ASSOC		09/14/2010	2,000,000.00	2,006,420.00	1,999,713.89	1.725	AA+	1.746	1,200	09/14/2015
3136FPGA9	10906	FEDERAL NATIONAL MORT ASSOC		09/20/2010	1,000,000.00	1,000,680.00	1,000,000.00	1.000	AA+	1.000	476	09/20/2013
3136FRUE1	10965	FEDERAL NATIONAL MORT ASSOC		07/06/2011	2,000,000.00	2,003,220.00	2,000,000.00	2.075	AA+	2.075	1,496	07/06/2016
3136FRUP6	10967	FEDERAL NATIONAL MORT ASSOC		07/15/2011	3,000,000.00	3,055,710.00	3,000,000.00	2.000	AA+	2.000	1,505	07/15/2016
3136FRQW6	10968	FEDERAL NATIONAL MORT ASSOC		06/27/2011	2,000,000.00	2,007,620.00	2,000,000.00	2.000	AA+	2.000	1,487	06/27/2016
3136FRE58	10978	FEDERAL NATIONAL MORT ASSOC		07/27/2011	2,000,000.00	2,004,700.00	2,000,000.00	2.000	AA+	2.000	1,517	07/27/2016
3136FRV59	10987	FEDERAL NATIONAL MORT ASSOC		09/14/2011	1,000,000.00	1,002,460.00	1,000,000.00	1.050	AA+	1.516	1,566	09/14/2016
3136FTF08	10990	FEDERAL NATIONAL MORT ASSOC		10/26/2011	2,000,000.00	2,006,340.00	2,000,000.00	1.250	AA+	1.839	1,608	10/26/2016
3136FTEP0	10991	FEDERAL NATIONAL MORT ASSOC		10/26/2011	1,800,000.00	1,809,180.00	1,800,000.00	1.375	AA+	1.689	1,608	10/26/2016
3136FTSH3	11000	FEDERAL NATIONAL MORT ASSOC		12/20/2011	1,000,000.00	1,004,310.00	1,000,000.00	1.250	AA+	1.810	1,663	12/20/2016
3136FTSJ9	11001	FEDERAL NATIONAL MORT ASSOC		12/20/2011	2,000,000.00	2,001,160.00	2,000,000.00	1.500	AA+	1.754	1,663	12/20/2016
3136FTT6	11002	FEDERAL NATIONAL MORT ASSOC		12/28/2011	1,000,000.00	1,004,750.00	1,000,000.00	1.375	AA+	1.815	1,671	12/28/2016
3136FTUX5	11005	FEDERAL NATIONAL MORT ASSOC		12/28/2011	2,000,000.00	2,000,380.00	2,000,000.00	0.500	AA+	1.844	1,671	12/28/2016
3136FTH44	11016	FEDERAL NATIONAL MORT ASSOC		02/08/2012	2,000,000.00	2,010,620.00	2,000,000.00	1.000	AA+	1.343	1,713	02/08/2017
3136FTV89	11025	FEDERAL NATIONAL MORT ASSOC		02/28/2012	2,000,000.00	2,005,740.00	1,997,033.33	0.500	AA+	1.331	1,733	02/28/2017
3136FT3W7	11031	FEDERAL NATIONAL MORT ASSOC		03/28/2012	2,000,000.00	2,010,880.00	2,000,000.00	1.125	AA+	1.332	1,761	03/28/2017
3136G0DQ1	11033	FEDERAL NATIONAL MORT ASSOC		04/26/2012	2,000,000.00	2,003,760.00	2,000,000.00	1.000	AA+	1.000	1,516	07/26/2016
<b>Subtotal and Average</b>					<b>113,390,000.00</b>	<b>114,708,939.90</b>	<b>113,876,507.03</b>			<b>1.508</b>	<b>1,357</b>	
<b>Medium Term Notes</b>												
88579EAE5	10895	3M Company		07/20/2010	1,000,000.00	1,048,600.00	1,037,466.57	4.375	AA-	1.200	440	08/15/2013
06738KXV8	10899	Barclays Bank		10/28/2011	3,000,000.00	3,001,770.00	3,000,000.00	4.375	A+	3.287	1,610	10/28/2016
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,052,140.00	1,003,900.38	4.625	AA+	4.300	501	10/15/2013
084670AU2	10938	Berkshire Hathaway		02/08/2011	3,000,000.00	3,029,910.00	3,024,066.39	2.125	AA+	0.956	255	02/11/2013
17314JAT0	10874	Citibank		04/15/2010	3,000,000.00	3,026,400.00	3,003,350.72	1.750	AA+	1.112	210	12/28/2012
191216AN0	10924	COCA-COLA		11/22/2010	1,085,000.00	1,089,741.45	1,081,116.12	0.750	A+	1.000	532	11/15/2013
36962G4H4	10913	General Electric		10/19/2010	1,000,000.00	1,012,820.00	1,009,940.18	2.800	AA+	1.125	221	01/08/2013
36962G4T8	10925	General Electric		11/19/2010	1,000,000.00	1,013,190.00	985,289.24	2.250	AA+	2.710	1,256	11/09/2015

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**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2012**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>Medium Term Notes</b>												
36962G4X9	10935	General Electric Capital Corp		01/10/2011	2,000,000.00	2,027,420.00	1,998,342.06	2.100	AA+	2.154	585	01/07/2014
36962G5N0	11011	General Electric Capital Corp		01/10/2012	2,000,000.00	2,055,540.00	2,002,764.87	2.900	AA+	2.868	1,683	01/09/2017
36962G5M2	11012	General Electric Capital Corp		01/10/2012	2,000,000.00	2,026,260.00	2,003,998.89	2.150	AA+	2.070	952	01/09/2015
36962G4N1	11024	General Electric Capital Corp		02/22/2012	2,000,000.00	1,987,920.00	1,978,816.75	1.260	AA+	1.597	1,166	08/11/2015
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,048,300.00	1,000,000.00	2.950	AAA	2.949	730	06/01/2014
89233P4H6	10945	Toyota Motor Credit Corp		02/23/2011	1,000,000.00	1,009,550.00	1,000,998.72	1.375	AA-	1.290	437	08/12/2013
89233P5S1	11015	Toyota Motor Credit Corp		01/13/2012	1,000,000.00	1,023,470.00	1,003,933.22	2.050	AA-	1.960	1,686	01/12/2017
89233P5Z5	11023	Toyota Motor Credit Corp		02/17/2012	2,000,000.00	2,001,540.00	1,997,288.89	1.051	AA-	1.102	991	02/17/2015
89233P6C5	11036	Toyota Motor Credit Corp		05/01/2012	2,000,000.00	1,979,500.00	2,000,000.00	0.500	AA-	0.997	1,063	04/30/2015
93114ZCN1	10820	Wal-Mart Stores		08/14/2009	2,000,000.00	2,080,020.00	2,003,045.54	3.000	AA	2.902	612	02/03/2014
93114ZCT8	10928	Wal-Mart Stores		12/15/2010	1,000,000.00	1,039,170.00	1,001,080.97	2.250	AA	2.213	1,132	07/08/2015
		<b>Subtotal and Average</b>	<b>32,138,553.33</b>		<b>32,085,000.00</b>	<b>32,553,261.45</b>	<b>32,135,399.51</b>			<b>1.940</b>	<b>850</b>	
<b>Municipal Bond Issues - Coupon</b>												
SYS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	169,300.03	169,300.03	169,300.03	8.000		7.999	30	07/01/2012
		<b>Subtotal and Average</b>	<b>169,300.03</b>		<b>169,300.03</b>	<b>169,300.03</b>	<b>169,300.03</b>			<b>7.999</b>	<b>30</b>	
		<b>Total and Average</b>	<b>178,373,650.45</b>		<b>184,604,300.03</b>	<b>186,403,812.63</b>	<b>185,141,206.57</b>			<b>1.367</b>	<b>984</b>	

**City of Torrance  
Portfolio Management  
Portfolio Details - Cash  
May 31, 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		11,416.10	11,416.10				0
		Subtotal				11,416.10	11,416.10				
		Total Cash and Investments	178,373,650.45		184,604,300.03	186,415,228.73	185,152,622.67			1.367	984

## **II. RESTRICTED FUNDS**

*Reports Appear Quarterly*

**III. CASH & INVESTMENT PORTFOLIO  
SHARE**

  
 City of Torrance  
 Investment Report  
 May 2012

**CASH AND INVESTMENT PORTFOLIO SHARE (A)  
AS OF MAY 31, 2012**

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
General	63,531,813.89	62,950,288.17	34.32
Parks & Recr Facility & Open Space	4,208,706.88	4,170,183.33	2.27
State Gas Tax	11,726,416.28	11,619,080.88	6.33
Federal Housing, Community Dev	1,111,041.03	1,100,871.34	0.60
Street Lighting	27,309.98	27,060.00	0.01
Traffic Congestion Relief Act 2000 - AB2928	398,862.45	395,211.54	0.22
Proposition 1B	1,975,886.17	1,957,800.29	1.07
Police Asset Forfeiture	4,139,195.44	4,101,308.15	2.24
Drainage Improvement	19,624.10	19,444.47	0.01
Measure R Local Return	2,905,140.98	2,878,549.36	1.57
Government Cable	4,102,388.80	4,064,838.41	2.22
Local Return - Proposition C	4,278,638.34	4,239,474.68	2.31
TDA Article 3 Bicycle Fund	22,362.53	22,157.84	0.01
Grants/Donations	(906,748.37)	(898,448.63) (B)	(0.49)
CDBG Fund	(22,758.23)	(22,549.92) (C)	(0.01)
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	164,089.44	162,587.48	0.09
Seismic Education Fund	59,864.72	59,316.76	0.03
Rehabilitation Housing	692,674.99	686,334.73	0.37
Meadow Park Parking Lot	20,301.85	20,116.02	0.01
Police Inmate Welfare Fund	51,789.83	51,315.78	0.03
Capital Improvements	20,051,397.33	19,867,860.89	10.83
Geologic Hazard Abatement	14,448.90	14,316.64	0.01
El Camino Training Fund-Fire	161,641.16	160,161.61	0.09
El Camino Training Fund-Police	10,092.38	10,000.00	0.01
Vanpool/Rideshare Fund	6,625.23	6,564.59	0.00
Torrance Public Financing - 1998 COP Fire/Police	(10,061.76)	(9,969.66) (D)	(0.01)
Animal Control Fund	-	-	0.00
Successor Agency - Skypark Capital Project	6,672.21	6,611.14	0.00
Successor Agency - Downtown Capital Project	164,845.78	163,336.90	0.09
Successor Agency - Industrial Capital Project	78,930.40	78,207.93	0.04
Successor Agency - Low Mod Housing Capital Project	-	-	0.00
Successor Agency - Downtown Debt Service	745,081.40	738,261.45	0.40
Successor Agency - Skypark Debt Service	(278,463.19)	(275,914.33) (E)	(0.15)
Successor Agency - Industrial Debt Service	(1,208,672.03)	(1,197,608.69) (F)	(0.65)
Underground Storage Tank Fund	3,027.71	3,000.00	0.00
DNA Sampling Fund	73,331.22	72,660.00	0.04
Airport Fund	5,987,631.53	5,932,824.95	3.23
Transit Operations	6,593,162.84	6,532,813.65	3.56
Development Impact Fund	1,261,926.56	1,250,375.77	0.68
Water Operations	7,596,862.85	7,527,326.49	4.10
Emergency Medical Service Enterprise Fund	-	-	0.00
Sanitation Operations	(316,273.89)	(313,378.94) (G)	(0.17)
Cultural Arts Enterprise	222,172.54	220,138.93	0.12
Sewer Enterprise Fund	9,785,353.13	9,695,784.86	5.29
Parks & Recreation Enterprise Fund	(186,788.38)	(185,078.65) (H)	(0.10)
Self Insurance Fund	7,525,375.02	7,456,493.01	4.06
Fleet Services	16,100,051.57	15,952,682.98	8.70
Postemployment/Compensated Absences Fund	8,844,252.88	8,763,298.79	4.78
Trust & Agency	3,401,982.08	3,370,842.70	1.84
<b>TOTAL</b>	<b>185,141,206.57</b>	<b>183,446,553.69</b>	<b>100.00</b>

- (A) The difference between the Share of Investments total of \$185,141,206.57 and the Pooled Cash and Investments total of \$183,446,553.69 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 <\$861,850.45>. Reimbursement request will be submitted in July 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.
- I-077 Madrona Marsh Restoration project - State Grant has a negative cash balance of <\$405,103.07>. The final reimbursement check in the amount of \$419,878.07 was received on June 22, 2012.
- FEAP764 Torrance Transit Terminal project - Measure R HW-MTA Grant has a negative cash balance of <\$127,975.96>. Quarterly reimbursement request will be submitted in July 2012.
- EECBG Energy project - Fed Grant has a negative cash balance of <\$142,071.44>. 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 <\$22,549.92>. Reimbursement request will be submitted by June 30, 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) Skypark bond principal and interest payments made on 7-1-2011 and 1-1-2012 which is anticipated to be offset by future property taxes.
- (F) Industrial bond semi-annual payment made on September 2011 and February 23, 2012 which is anticipated to be offset by future property taxes.
- (G) There was a payment made to Toter Inc. for \$613,481 for the purchase of recycling containers in May 2012.
- (H) Negative cash balance represents net losses from prior years and decrease in subsidy from the General Fund.



City of Torrance  
Investment Report  
May 2012

**CASH AND INVESTMENTS RECONCILIATION  
AS OF MAY 31, 2012**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		<b>185,141,206.57</b>
CASH AND INVESTMENTS PER BOOKS		<b>183,446,553.69</b>
CASH IN BANKS:		
Cash in B of A General Account		(1,624,291.61)
OUTSTANDING WARRANTS:		
General Account	757,745.97	
Payroll Account	89,346.98	
Workers Compensation Account	<u>169,050.14</u>	
		1,016,143.09
Miscellaneous outstanding adjusting journal entries		879,560.08
Housing Fund restricted cash		(1,321,595.55)
Payroll for PE 05/31/12 posted on 05/31/12 and paid on 06/08/12		2,744,836.87
INVESTMENTS PER BOOKS		<b>185,141,206.57</b>