

Council Meeting of  
May 1, 2007

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

Members of the Council:

**SUBJECT: Investment Report for March 2007**

**RECOMMENDATION**

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of March 2007.

**FUNDING**

Not applicable

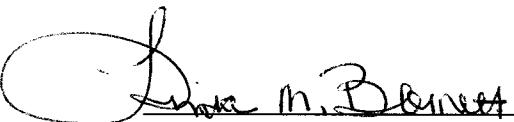
**BACKGROUND**

On March 06, 2007, Your Honorable Body, through passage of Resolution 23-07, 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 March 2007.

**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,



Linda M. Barnett  
City Treasurer

Noted:



LeRoy J. Jackson  
Investment Committee Member

Cc:    City Manager  
      City Clerk

CITY OF TORRANCE  
MONTHLY INVESTMENT PORTFOLIO REPORT  
For the Month of March 2007

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**City of Torrance  
Investment Portfolio Highlights  
For March 2007**

**RETURN**

|   | <u>Current Month</u> | <u>Previous Month</u> |
|---|----------------------|-----------------------|
| Average City Portfolio YTM                | 4.512                | 4.501                 |
| Average U.S. Treasury Constant Maturity   | 4.990                | 4.880                 |
| LAIF Average Monthly Return               | 5.214                | 5.181                 |
| Average City Portfolio YTM - 1 year prior | 4.142                | 3.500                 |

**INTEREST INCOME**

|                     | <u>Current Period</u> | <u>Prior Year</u> |
|---------------------|-----------------------|-------------------|
| Fiscal year to date | 4,278,419             | 2,850,690         |
| Current month       | 550,852               | 356,640           |

**MATURITY**

|                                      | <u>Current Month</u> | <u>Prior Month</u> |
|--------------------------------------|----------------------|--------------------|
| Average Maturity (days)              | 539                  | 544                |
| Average Maturity 1 Year Prior (days) | 480                  | 465                |
| Weighted Average Maturity (years)    | 1.48                 | 1.49               |

**VOLUMES**

|            | <u>Total \$ Volume</u> | <u># of Transactions</u> |
|------------|------------------------|--------------------------|
| Purchases  | 9,800,000              | 9                        |
| Maturities | 12,300,000             | 12                       |

Transactions include 7 deposits to and 11 withdrawals from LAIF, 0 purchases and 0 maturities of the Union of Bank Money Market Sweep Account.

**VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31**

| <u>GASB required securities</u> | <u>Beginning Investment Value as of July 1, 2006</u> | <u>Purchase/Redempt. Of Principal</u> | <u>Change in Market Value</u> | <u>Ending Investment Value as of March 31, 2007</u> |
|---------------------------------|--|---------------------------------------|-------------------------------|---|
| Federal Agency (coup)           | 66,642,798   | 5,992,810                             | 878,000                       | 73,513,608  |
| Treasury Securities             | 14,549,640   | 984,047                               | 257,123                       | 15,790,810  |
| Medium Term Notes               | 19,848,918   | 3,918,330                             | 392,829                       | 24,160,077  |
| Municipal Bonds                 | 2,027,507  | -248,761                              | 0                             | 1,778,746   |
| <b>SUB-TOTAL PER GASB 31</b>    | <b>103,068,863</b>                                   | <b>10,646,426</b>                     | <b>1,527,952</b>              | <b>115,243,241</b>                                  |
| <br><u>Non-GASB securities</u>  |  |                                       |                               |   |
| LAIF                            | 25,700,000   | 4,000,000                             | 0                             | 29,700,000  |
| Money Market                    | 700,000  | -700,000                              | 0                             | 0   |
| Federal Agency – Disc.          | 3,949,700  | -4,007,095                            | 57,395                        | 0   |
| Treasury Security – Disc.       | 0  | 0                                     | 0                             | 0   |
| Certificate of Deposits -Disc.  | 0  | 0                                     | 0                             | 0   |
| Commercial paper                | 0  | 0                                     | 0                             | 0   |
| <b>TOTAL PORTFOLIO</b>          | <b>133,418,563</b>                                   | <b>9,939,331</b>                      | <b>1,585,347</b>              | <b>144,943,241</b>                                  |

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

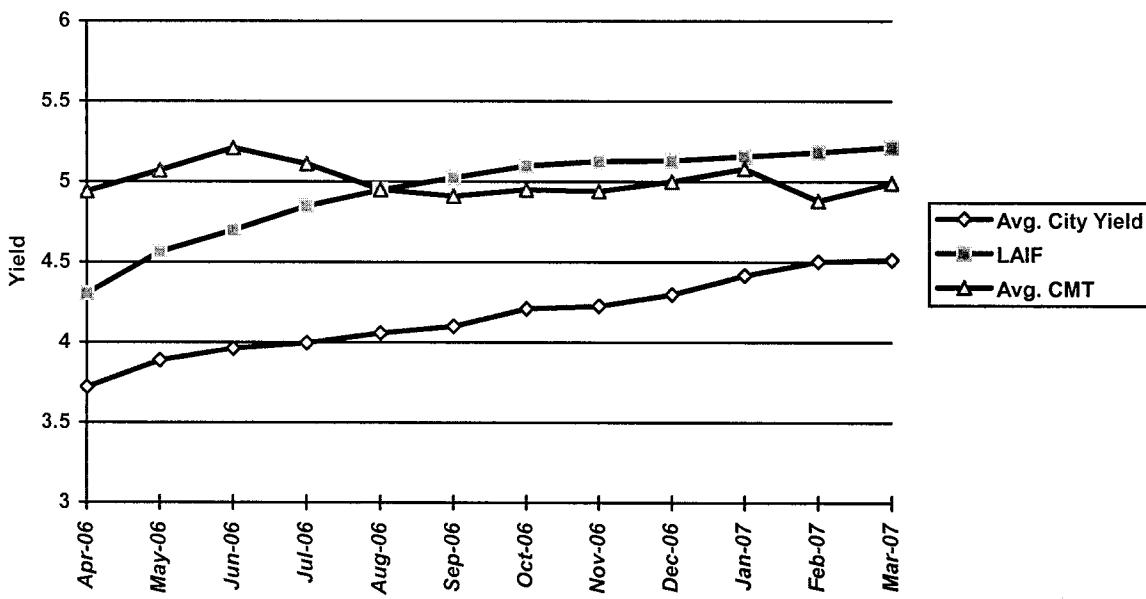
# CITY OF TORRANCE

## City Treasurer's Office

*Monthly Investment Report Summary  
For the month of March 2007*

### I. Return

46.70% of the portfolio is invested at one-year maturity or less as of March 31, 2007. The City Average yield on the portfolio was 4.512% compared to 4.990% for the U.S. Treasury at Constant Maturity (CMT) of 12 months. The portfolio performed below the benchmark as of March 31, 2007 by 38 basis points.



### II. Volumes

The investment activity in March included 0 redemption in the Union Bank of California money market account.

### III. Diversification of Investments

The activity in the month of March consisted of 2 purchases totaling \$2 million with an average rate of return of 5.0% and 1 redemption totaling \$1.0 million with an average rate of return of 2.49%. The activity in the LAIF Account consisted of 7 deposits of \$7.8 million and 11 withdrawals of \$11.3 million. The portfolio decreased by \$2.9 million.

| <u>Asset Category</u>          | <u>March</u> | <u>February</u> |
|--------------------------------|--------------|-----------------|
| 1. LAIF                        | 20.38        | 22.39           |
| 2. Money Market Sweep          | 0.00         | 0.00            |
| 3. Federal Agency Issues(coup) | 50.64        | 48.44           |
| 4. Federal Agency Issues(disc) | 0.00         | 0.00            |
| 5. Treasury Securities         | 10.98        | 10.80           |
| 6. Treasury Securities(disc)   | 0.00         | 0.00            |
| 7. Medium Term Notes           | 16.78        | 17.17           |
| 8. Municipal Bonds             | 1.22         | 1.20            |
| 9. Commercial Paper(disc)      | <u>0.00</u>  | <u>0.00</u>     |
|                                | 100.00%      | 100.00%         |

### IV. Maturity

As of March 31, 2007, the current maturity allocation is 48.96% of the portfolio invested between the 6 month to 3-year maturity levels. 31.33% 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 \$45.70 million available for expenditures.

| <u>As of Maturity</u> | <u>March</u> | <u>February</u> |
|-----------------------|--------------|-----------------|
| 0 to 6 months         | 31.33%       | 32.67%          |
| 6 months to 1 year    | 15.37%       | 14.39%          |
| 1 to 2 years          | 26.04%       | 26.88%          |
| 2 to 3 years          | 7.54%        | 6.72%           |
| 3 to 4 years          | 8.91%        | 7.39%           |
| 4 to 5 years          | 9.59%        | 10.08%          |
| 5 years and after     | 1.22%        | 1.87%           |

### 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 March 31, 2007**

| 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     | 29,700,000      | 20.38                | **                          | 1            | 1                        | N/A                        | 5.214      |
| Money Market Sweep Account       | 00              | .00                  |                             | 1            | 1                        |                            | 5.125      |
| Federal Agency Issues – Coupon   | 73,810,705      | 50.64                | 75                          | 1,289        | 729                      | 5 years                    | 4.531      |
| Federal Farm Credit Bank         | 19,997,039      | 13.71                | 30                          | 273          | 289                      | 5 years                    | 4.976      |
| Federal Home Loan Bank           | 32,831,532      | 22.56                | 30                          | 341          | 359                      | 5 years                    | 5.104      |
| Federal Home Loan Mortgage Corp. | 13,984,580      | 9.63                 | 30                          | 344          | 366                      | 5 years                    | 5.335      |
| Federal National Mortgage Assoc. | 6,997,554       | 4.84                 | 30                          | 231          | 244                      | 5 years                    | 4.668      |
| Treasury Securities – Coupon     | 16,009,655      | 10.98                | 100                         | 1,269        | 441                      | 5 years                    | 3.502      |
| Medium Term Notes                | 24,456,864      | 16.78                | 20                          | 1,367        | 581                      | 5 years                    | 4.009      |
| Municipal Bond Issue             | 1,778,746       | 1.22                 |                             | 3,848        | 1,918                    | N/A                        | 8.000      |
| Federal Agency Disc              | 00              | .00                  |                             |              |                          | 5 years                    | .000       |
| Commercial Paper Disc-Amort      | 00              | .00                  |                             |              |                          |                            | .000       |
| Treasury Discount-Amort          | 00              | .00                  |                             |              |                          |                            | .000       |
| Certificate of Deposits-Disc     | 00              | .00                  |                             |              |                          |                            | .000       |
| Total Investments & Averages     | 145,755,970     | 100.00               |                             | 1,069        | 539                      |                            | 4.512      |
| Pending Redemptions              |                 |                      |                             |              |                          |                            |            |
| Accrued Interest at Purchase     | -3,708          |                      |                             |              |                          |                            |            |
| Total Cash & Purchase Interest   | -3,708          |                      |                             |              |                          |                            |            |
| Total Cash & Investments         | 145,752,262     |                      |                             |              |                          |                            |            |

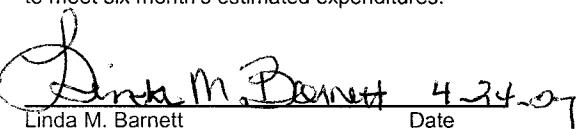
**Portfolio Notes:**

\*\*Maximum allowed by Investment Policy is \$40 million per Agency.

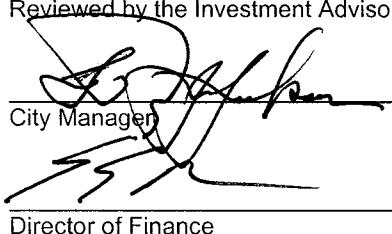
General LAIF account = \$23,700,000

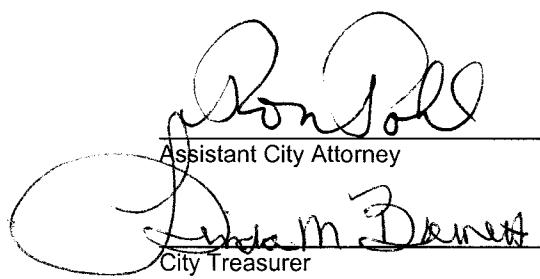
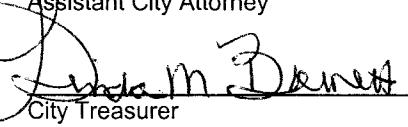
RDA LAIF account = \$6,000,000

I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Res. 07-23 on March 6, 2007. 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 month's estimated expenditures.

  
Linda M. Barnett 4-24-07  
Date  
City Treasurer

Reviewed by the Investment Advisory Committee

  
City Manager  
Director of Finance

  
Ron Gold  
Assistant City Attorney  
  
Linda M. Barnett  
City Treasurer

**City of Torrance  
Portfolio Management  
Activity Summary  
March 2006 through March 2007**

| Month End | Year | Number of Securities | Average Balance | Yield to Maturity |            | Managed Pool Rate | Number of Investments Purchased | Number of Investments Redeemed | Average Term | Average Days to Maturity |
|-----------|------|----------------------|-----------------|-------------------|------------|-------------------|---------------------------------|--------------------------------|--------------|--------------------------|
|           |      |                      |                 | 360               | Equivalent |                   |                                 |                                |              |                          |
| March     | 2006 | 93                   | 120,797,411.52  | 3.543             | 3.592      | 4.142             | 5                               | 1                              | 1,030        | 480                      |
| April     | 2006 | 98                   | 122,958,455.81  | 3.668             | 3.719      | 4.304             | 5                               | 0                              | 983          | 460                      |
| May       | 2006 | 100                  | 131,682,219.57  | 3.836             | 3.890      | 4.563             | 5                               | 3                              | 971          | 468                      |
| June      | 2006 | 102                  | 135,161,830.21  | 3.914             | 3.969      | 4.700             | 4                               | 2                              | 1,009        | 491                      |
| July      | 2006 | 102                  | 133,831,718.22  | 3.943             | 3.998      | 4.849             | 2                               | 3                              | 1,042        | 492                      |
| August    | 2006 | 105                  | 134,291,949.08  | 4.004             | 4.060      | 4.946             | 6                               | 3                              | 1,066        | 502                      |
| September | 2006 | 104                  | 131,736,926.88  | 4.043             | 4.100      | 5.023             | 5                               | 6                              | 1,118        | 534                      |
| October   | 2006 | 107                  | 130,413,578.00  | 4.152             | 4.210      | 5.098             | 8                               | 5                              | 1,124        | 557                      |
| November  | 2006 | 106                  | 129,007,328.20  | 4.167             | 4.225      | 5.125             | 5                               | 6                              | 1,163        | 580                      |
| December  | 2006 | 107                  | 127,296,010.21  | 4.238             | 4.297      | 5.129             | 4                               | 3                              | 1,136        | 568                      |
| January   | 2007 | 111                  | 136,375,095.76  | 4.357             | 4.417      | 5.156             | 7                               | 4                              | 1,079        | 554                      |
| February  | 2007 | 111                  | 145,787,945.58  | 4.439             | 4.501      | 5.181             | 3                               | 3                              | 1,048        | 544                      |
| March     | 2007 | 112                  | 145,915,518.74  | 4.450             | 4.512      | 5.214             | 2                               | 1                              | 1,069        | 539                      |
| Average   | 104  | 132,643,200.11       | 4.058%          | 4.115%            | 4.879      | 5                 | 3                               | 1,064                          | 521          |                          |

March 2007

| invest no.            | BROKER | PURCHASE DATE   | DESCRIPTION | QUALITY RATING | MATURITY DATE | DAYS TO MATURITY | RATE   | YIELD     | PAR VALUE | COST      | MARKET VALUE |
|-----------------------|--------|-----------------|-------------|----------------|---------------|------------------|--------|-----------|-----------|-----------|--------------|
| <b>(I) PURCHASES*</b> |        |                 |             |                |               |                  |        |           |           |           |              |
| 10647                 |        | 03/20/2007 FHLB |             | AAA/Aaa        | 03/20/2009    | 5.000%           | 5.000% | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000    |
| 16048                 |        | 03/30/2007 FHLB |             | AAA/Aaa        | 03/30/2009    | 5.030%           | 5.030% | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000    |

**Weighted Average Yield**  
5.015%

| invest no.               | BROKER | PURCHASE DATE     | DESCRIPTION | QUALITY RATING | MATURITY DATE | RATE   | YIELD  | PAR VALUE    | BOOK VALUE   | MARKET VALUE |
|--------------------------|--------|-------------------|-------------|----------------|---------------|--------|--------|--------------|--------------|--------------|
| <b>(II) MATURITIES**</b> |        |                   |             |                |               |        |        |              |              |              |
| 10511                    |        | 02/03/2004 Pfizer |             |                | 03/15/2007    | 2.500% | 2.490% | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |

**Weighted Average Yield**  
2.899%

\* At purchase date these investments met or exceeded the quality rating requirements set forth by the Investment Policy.

\*\* At maturity date these investments met or exceeded the quality rating requirements set forth by the Investment Policy

### (III) LAIF TRANSACTIONS

| DEALER                | DESCRIPTION          | BEGIN BAL. | RATE   | YIELD               | DEPOSITS             | WITHDRAWALS | INTEREST | END BAL.              |
|-----------------------|----------------------|------------|--------|---------------------|----------------------|-------------|----------|-----------------------|
| - State of California | - Local Agency Pool  |            |        |                     |                      |             |          |                       |
| - City                | 27,200,000           | 5.214%     | 5.214% | 6,650,000           | 10,150,000           |             |          | 23,700,000            |
| RDA                   | 6,000,000            | 5.214%     | 5.214% | 1,150,000           | 1,150,000            |             |          | 6,000,000             |
|                       | <u>\$ 33,200,000</u> |            |        | <u>\$ 7,800,000</u> | <u>\$ 11,300,000</u> |             |          | <u>-\$ 29,700,000</u> |

**City of Torrance  
Portfolio Management  
Interest Earnings Summary  
March 31, 2007**

|   | March 31 Month Ending | Fiscal Year To Date |
|---|-----------------------|---------------------|
| <b>CD/Coupon/Discount Investments:</b>          |                       |                     |
| Interest Collected                              | 330,426.26            | 3,098,521.61        |
| Plus Accrued Interest at End of Period          | 1,176,304.01          | 1,176,304.01        |
| Less Accrued Interest at Beginning of Period    | ( 1,099,122.05)       | ( 978,674.44)       |
| Less Accrued Interest at Purchase During Period | ( 0.00)               | ( 0.00)             |
| Interest Earned during Period                   | <u>407,608.22</u>     | <u>3,296,151.18</u> |
| Adjusted by Premiums and Discounts              | 7,171.03              | 97,498.45           |
| Adjusted by Capital Gains or Losses             | 0.00                  | 0.00                |
| Earnings during Periods                         | <u>414,779.25</u>     | <u>3,393,649.63</u> |
| <b>Pass Through Securities:</b>                 |                       |                     |
| 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                   | <u>0.00</u>           | <u>0.00</u>         |
| Adjusted by Premiums and Discounts              | 0.00                  | 0.00                |
| Adjusted by Capital Gains or Losses             | 0.00                  | 0.00                |
| Earnings during Periods                         | <u>0.00</u>           | <u>0.00</u>         |
| <b>Cash/Checking Accounts:</b>                  |                       |                     |
| Interest Collected                              | 0.00                  | 799,298.68          |
| Plus Accrued Interest at End of Period          | 356,365.53            | 356,365.53          |
| Less Accrued Interest at Beginning of Period    | ( 220,292.10)         | ( 270,893.92)       |
| Interest Earned during Period                   | <u>136,073.43</u>     | <u>884,770.29</u>   |
| Total Interest Earned during Period             | <b>543,681.65</b>     | <b>4,180,921.47</b> |
| Total Adjustments from Premiums and Discounts   | <b>7,171.03</b>       | <b>97,498.45</b>    |
| Total Capital Gains or Losses                   | <b>0.00</b>           | <b>0.00</b>         |
| Total Earnings during Period                    | <b>550,852.68</b>     | <b>4,278,419.92</b> |

**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**March 31, 2007**

| CUSIP                                 | Investment # | Issuer                         | Average Balance      | Purchase Date | Par Value            | Market Value         | Book Value           | Stated Rate | Moody's      | YTM          | Days to Maturity | Maturity Date |
|---------------------------------------|--------------|--------------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|--------------|--------------|------------------|---------------|
| <b>Local Agency Investment Funds</b>  |              |                                |                      |               |                      |                      |                      |             |              |              |                  |               |
| SYS10000                              | 10000        | Local Agency Invest Fund GEN'L | 23,700,000.00        |               | 23,700,000.00        | 23,700,000.00        | 23,700,000.00        | 5.214       | Aaa          | 5.214        | 1                |               |
| SYS10001                              | 10001        | Local Agency Invest Fund RDA   | 6,000,000.00         |               | 6,000,000.00         | 6,000,000.00         | 6,000,000.00         | 5.214       | Aaa          | 5.214        | 1                |               |
|                                       |              | <b>Subtotal and Average</b>    | <b>30,959,677.42</b> |               | <b>29,700,000.00</b> | <b>29,700,000.00</b> | <b>29,700,000.00</b> |             |              | <b>5.214</b> | <b>1</b>         |               |
| <b>Money Market Sweep Account</b>     |              |                                |                      |               |                      |                      |                      |             |              |              |                  |               |
| SYS10131                              | 10131        | Bank of America                | 0.00                 |               | 0.00                 | 0.00                 | 0.00                 | 3.250       | AA2          | 3.250        | 1                |               |
| SYS1000                               | 1000         | Union Bank of California       | 0.00                 |               | 0.00                 | 0.00                 | 0.00                 | 5.120       |              | 5.120        | 1                |               |
|                                       |              | <b>Subtotal and Average</b>    | <b>0.00</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> |              |                                |                      |               |                      |                      |                      |             |              |              |                  |               |
| 31331Q7E1                             | 10483        | FEDERAL FARM CREDIT BANK       | 08/06/2003           |               | 1,000,000.00         | 992,500.00           | 1,000,000.00         | 3.100       | Aaa          | 3.100        | 127              | 08/06/2007    |
| 31331TGG0                             | 10491        | FEDERAL FARM CREDIT BANK       | 10/15/2003           |               | 1,000,000.00         | 990,630.00           | 1,000,000.00         | 3.450       | Aaa          | 3.450        | 197              | 10/15/2007    |
| 31331TQP9                             | 10507        | FEDERAL FARM CREDIT BANK       | 02/09/2004           |               | 1,000,000.00         | 986,880.00           | 1,000,000.00         | 3.000       | Aaa          | 3.001        | 222              | 11/09/2007    |
| 31331TVG3                             | 10513        | FEDERAL FARM CREDIT BANK       | 03/24/2004           |               | 1,000,000.00         | 984,690.00           | 1,000,000.00         | 3.000       | Aaa          | 3.001        | 267              | 12/24/2007    |
| 31331TYR6                             | 10516        | FEDERAL FARM CREDIT BANK       | 04/22/2004           |               | 1,000,000.00         | 985,630.00           | 1,000,000.00         | 2.610       | Aaa          | 2.610        | 204              | 10/22/2007    |
| 31331TYD7                             | 10519        | FEDERAL FARM CREDIT BANK       | 04/15/2004           |               | 1,000,000.00         | 973,130.00           | 1,000,000.00         | 3.080       | Aaa          | 3.080        | 563              | 10/15/2008    |
| 31331TZG9                             | 10520        | FEDERAL FARM CREDIT BANK       | 04/12/2004           |               | 1,000,000.00         | 999,380.00           | 1,000,000.00         | 2.690       | Aaa          | 2.690        | 11               | 04/12/2007    |
| 31331TB91                             | 10526        | FEDERAL FARM CREDIT BANK       | 04/29/2004           |               | 1,000,000.00         | 988,130.00           | 1,000,000.00         | 3.100       | Aaa          | 3.100        | 211              | 10/29/2007    |
| 31331TL90                             | 10531        | FEDERAL FARM CREDIT BANK       | 05/17/2004           |               | 1,000,000.00         | 997,500.00           | 1,000,000.00         | 3.450       | Aaa          | 3.450        | 46               | 05/17/2007    |
| 31331SMB6                             | 10559        | FEDERAL FARM CREDIT BANK       | 02/02/2005           |               | 1,000,000.00         | 991,250.00           | 999,934.88           | 3.700       | Aaa          | 3.711        | 215              | 11/02/2007    |
| 31331SNB5                             | 10567        | FEDERAL FARM CREDIT BANK       | 03/10/2005           |               | 1,000,000.00         | 987,190.00           | 996,514.97           | 3.550       | Aaa          | 4.000        | 302              | 01/28/2008    |
| 31331SD42                             | 10576        | FEDERAL FARM CREDIT BANK       | 06/30/2005           |               | 1,000,000.00         | 989,690.00           | 1,000,000.00         | 4.125       | Aaa          | 4.125        | 456              | 06/30/2008    |
| 31331VTK2                             | 10592        | FEDERAL FARM CREDIT BANK       | 03/22/2006           |               | 2,000,000.00         | 1,998,760.00         | 2,000,000.00         | 5.090       | Aaa          | 5.097        | 82               | 06/22/2007    |
| 31331VVF7                             | 10600        | FEDERAL FARM CREDIT BANK       | 05/04/2006           |               | 1,000,000.00         | 1,007,500.00         | 1,000,000.00         | 5.250       | Aaa          | 5.250        | 764              | 05/04/2009    |
| 31331VV45                             | 10610        | FEDERAL FARM CREDIT BANK       | 08/01/2006           |               | 1,000,000.00         | 1,001,250.00         | 1,000,000.00         | 5.750       | Aaa          | 5.750        | 1,583            | 08/01/2011    |
| 31331VA48                             | 10618        | FEDERAL FARM CREDIT BANK       | 09/13/2006           |               | 1,000,000.00         | 1,000,310.00         | 1,000,000.00         | 5.250       | Aaa          | 5.151        | 247              | 12/04/2007    |
| 31331XAK8                             | 10622        | FEDERAL FARM CREDIT BANK       | 10/16/2006           |               | 1,000,000.00         | 999,060.00           | 1,000,000.00         | 5.250       | Aaa          | 5.250        | 1,111            | 04/16/2010    |
| 31331XMQ2                             | 10640        | FEDERAL FARM CREDIT BANK       | 01/26/2007           |               | 1,000,000.00         | 1,005,630.00         | 1,000,000.00         | 5.000       | Aaa          | 5.002        | 1,151            | 05/26/2010    |
| 31331XNU2                             | 10645        | FEDERAL FARM CREDIT BANK       | 02/12/2007           |               | 1,000,000.00         | 999,380.00           | 1,000,000.00         | 5.350       | Aaa          | 5.350        | 1,048            | 02/12/2010    |
| 31331WNP4                             | 10645        | FEDERAL HOME LOAN BANK         | 02/06/2003           |               | 833,333.33           | 823,958.33           | 833,289.20           | 3.750       | Aaa          | 3.757        | 311              | 02/06/2008    |
| 31331YYU5                             | 10649        | FEDERAL HOME LOAN BANK         | 06/05/2003           |               | 1,000,000.00         | 980,310.00           | 1,000,000.00         | 3.250       | Aaa          | 3.250        | 431              | 06/05/2008    |
| 31339YKX9                             | 10480        | FEDERAL HOME LOAN BANK         | 07/30/2003           |               | 1,000,000.00         | 975,000.00           | 1,000,000.00         | 3.000       | Aaa          | 3.000        | 486              | 07/30/2008    |
| 3133XOFJ3                             | 10482        | FEDERAL HOME LOAN BANK         | 08/13/2003           |               | 1,000,000.00         | 987,190.00           | 1,000,000.00         | 4.000       | Aaa          | 4.000        | 500              | 08/13/2008    |
| 3133X1RC3                             | 10493        | FEDERAL HOME LOAN BANK         | 10/30/2003           |               | 1,000,000.00         | 993,440.00           | 1,000,000.00         | 3.250       | Aaa          | 3.251        | 120              | 07/30/2007    |
| 3133X2AZ8                             | 10495        | FEDERAL HOME LOAN BANK         | 11/26/2003           |               | 1,000,000.00         | 997,190.00           | 1,000,000.00         | 3.350       | Aaa          | 3.350        | 54               | 05/25/2007    |
| 31339YVV1                             | 10503        | FEDERAL HOME LOAN BANK         | 01/21/2004           |               | 1,000,000.00         | 980,000.00           | 999,297.90           | 3.375       | Aaa          | 3.433        | 477              | 07/21/2008    |

**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**March 31, 2007**

| CUSIP                                 | Investment # | Issuer                        | Average Balance | Purchase Date | Par Value    | Market Value | Book Value   | Stated Rate | Moody's | YTM   | Days to Maturity | Maturity Date |
|---------------------------------------|--------------|-------------------------------|-----------------|---------------|--------------|--------------|--------------|-------------|---------|-------|------------------|---------------|
| <b>Federal Agency Issues - Coupon</b> |              |                               |                 |               |              |              |              |             |         |       |                  |               |
| 3133X3JR5                             | 10505        | FEDERAL HOME LOAN BANK        | 992,190.00      | 02/13/2004    | 1,000,000.00 | 999,869.05   | 3,070        | Aaa         | 3.108   | 134   | 08/13/2007       |               |
| 3133X5X45                             | 10524        | FEDERAL HOME LOAN BANK        | 971,880.00      | 04/21/2004    | 1,000,000.00 | 1,000,000.00 | 3,420        | Aaa         | 3.420   | 751   | 04/21/2009       |               |
| 3133X6CF1                             | 10525        | FEDERAL HOME LOAN BANK        | 999,060.00      | 04/21/2004    | 1,000,000.00 | 999,060.00   | 3,500        | Aaa         | 3.500   | 751   | 04/21/2009       |               |
| 3133XAL47                             | 10560        | FEDERAL HOME LOAN BANK        | 984,060.00      | 02/24/2005    | 1,000,000.00 | 984,060.00   | 3,685        | Aaa         | 3.685   | 145   | 08/24/2007       |               |
| 3133XAMZ7                             | 10562        | FEDERAL HOME LOAN BANK        | 990,310.00      | 03/03/2005    | 1,000,000.00 | 990,310.00   | 4,000        | Aaa         | 4,000   | 337   | 03/03/2008       |               |
| 3133XAQU4                             | 10563        | FEDERAL HOME LOAN BANK        | 980,940.00      | 03/07/2005    | 1,000,000.00 | 980,940.00   | 3,825        | Aaa         | 3.827   | 250   | 12/07/2007       |               |
| 3133AQV2                              | 10564        | FEDERAL HOME LOAN BANK        | 987,190.00      | 03/08/2005    | 1,000,000.00 | 987,190.00   | 4,000        | Aaa         | 4,000   | 526   | 09/08/2008       |               |
| 3133XFRR5                             | 10581        | FEDERAL HOME LOAN BANK        | 998,440.00      | 01/30/2006    | 1,000,000.00 | 998,440.00   | 5,000        | Aaa         | 5,000   | 302   | 01/28/2008       |               |
| 3133XEV30                             | 10591        | FEDERAL HOME LOAN BANK        | 989,060.00      | 03/21/2006    | 1,000,000.00 | 989,060.00   | 5,040        | Aaa         | 5,040   | 173   | 09/21/2007       |               |
| 3133XFMC6                             | 10594        | FEDERAL HOME LOAN BANK        | 1,000,630.00    | 04/28/2006    | 1,000,000.00 | 1,000,000.00 | 5,400        | Aaa         | 5,400   | 1,123 | 04/28/2010       |               |
| 3133XFHS8                             | 10599        | FEDERAL HOME LOAN BANK        | 1,010,310.00    | 05/19/2006    | 1,000,000.00 | 1,000,000.00 | 5,520        | Aaa         | 5,520   | 1,509 | 05/19/2011       |               |
| 3133XFHX4                             | 10607        | FEDERAL HOME LOAN BANK        | 1,001,560.00    | 07/13/2006    | 1,000,000.00 | 1,001,560.00 | 6,000        | Aaa         | 6,000   | 1,564 | 07/13/2011       |               |
| 3133XGD76                             | 10608        | FEDERAL HOME LOAN BANK        | 1,006,250.00    | 08/11/2006    | 1,000,000.00 | 1,006,250.00 | 5,700        | Aaa         | 5,700   | 1,228 | 08/11/2010       |               |
| 3133XGNW0                             | 10612        | FEDERAL HOME LOAN BANK        | 999,690.00      | 09/11/2006    | 1,000,000.00 | 999,690.00   | 5,500        | Aaa         | 5,500   | 894   | 09/11/2009       |               |
| 3133XGTS3                             | 10616        | FEDERAL HOME LOAN BANK        | 1,002,190.00    | 09/08/2006    | 1,000,000.00 | 1,002,190.00 | 5,375        | Aaa         | 5,375   | 1,256 | 09/08/2010       |               |
| 3133XGTX2                             | 10617        | FEDERAL HOME LOAN BANK        | 1,000,630.00    | 09/19/2006    | 1,000,000.00 | 1,000,630.00 | 5,500        | Aaa         | 5,500   | 1,083 | 03/19/2010       |               |
| 3133XGZP2                             | 10619        | FEDERAL HOME LOAN BANK        | 1,000,000.00    | 10/02/2006    | 1,000,000.00 | 1,000,000.00 | 5,150        | Aaa         | 5,150   | 915   | 10/02/2009       |               |
| 3133XHEX6                             | 10624        | FEDERAL HOME LOAN BANK        | 988,440.00      | 10/27/2006    | 1,000,000.00 | 988,440.00   | 5,200        | Aaa         | 5,200   | 1,670 | 10/27/2011       |               |
| 3133XEZP7                             | 10625        | FEDERAL HOME LOAN BANK        | 1,000,940.00    | 10/20/2006    | 1,000,000.00 | 1,000,940.00 | 5,000        | Aaa         | 5,038   | 530   | 09/12/2008       |               |
| 3133XJ2S6                             | 10634        | FEDERAL HOME LOAN BANK        | 997,810.00      | 12/13/2006    | 1,000,000.00 | 997,810.00   | 5,500        | Aaa         | 5,500   | 1,711 | 12/13/2011       |               |
| 3133XJF60                             | 10635        | FEDERAL HOME LOAN BANK        | 997,500.00      | 01/11/2007    | 1,000,000.00 | 997,500.00   | 5,500        | Aaa         | 5,500   | 1,752 | 01/17/2012       |               |
| 3133XJPZ5                             | 10639        | FEDERAL HOME LOAN BANK        | 1,002,190.00    | 01/26/2007    | 1,000,000.00 | 1,002,190.00 | 5,200        | Aaa         | 5,200   | 1,212 | 07/26/2010       |               |
| 3133XJT99                             | 10644        | FEDERAL HOME LOAN BANK        | 1,000,000.00    | 02/05/2007    | 1,000,000.00 | 1,000,000.00 | 5,350        | Aaa         | 5,350   | 676   | 02/05/2009       |               |
| 3133XJUD8                             | 10646        | FEDERAL HOME LOAN BANK        | 1,006,560.00    | 02/09/2007    | 1,000,000.00 | 1,006,560.00 | 5,500        | Aaa         | 5,500   | 1,775 | 02/09/2012       |               |
| 3133XKA1                              | 10647        | FEDERAL HOME LOAN BANK        | 996,560.00      | 03/20/2007    | 1,000,000.00 | 996,560.00   | 5,000        | Aaa         | 5,000   | 719   | 03/20/2009       |               |
| 3133XKDC6                             | 10648        | FEDERAL HOME LOAN BANK        | 996,880.00      | 03/30/2007    | 1,000,000.00 | 996,880.00   | 5,030        | Aaa         | 5,030   | 726   | 03/27/2009       |               |
| 3128X4KD3                             | 10508        | FEDERAL HOME LOAN MORTGAGE CO | 971,360.00      | 01/30/2004    | 1,000,000.00 | 971,360.00   | 3,110        | Aaa         | 3,644   | 620   | 12/11/2008       |               |
| 3128X25Y7                             | 10521        | FEDERAL HOME LOAN MORTGAGE CO | 987,610.00      | 04/19/2004    | 1,000,000.00 | 987,610.00   | 5,700        | Aaa         | 5,700   | 2,920 | 201              | 10/19/2007    |
| 3128X4YE5                             | 10584        | FEDERAL HOME LOAN MORTGAGE CO | 1,000,540.00    | 01/30/2006    | 1,000,000.00 | 1,000,540.00 | 999,630.01   | 5,000       | Aaa     | 5,030 | 479              | 07/23/2008    |
| 3128X4K67                             | 10585        | FEDERAL HOME LOAN MORTGAGE CO | 999,960.00      | 03/07/2006    | 1,000,000.00 | 999,960.00   | 1,000,000.00 | 5,250       | Aaa     | 5,250 | 341              | 03/07/2008    |
| 3128X42C4                             | 10593        | FEDERAL HOME LOAN MORTGAGE CO | 1,000,010.00    | 04/11/2006    | 1,000,000.00 | 1,000,010.00 | 999,748.50   | 5,600       | Aaa     | 5,607 | 1,464            | 04/04/2011    |
| 3128X45A5                             | 10598        | FEDERAL HOME LOAN MORTGAGE CO | 1,000,230.00    | 05/10/2006    | 1,000,000.00 | 1,000,230.00 | 1,000,000.00 | 5,700       | Aaa     | 5,700 | 1,500            | 05/10/2011    |
| 3128X4N56                             | 10605        | FEDERAL HOME LOAN MORTGAGE CO | 1,002,260.00    | 06/09/2006    | 1,000,000.00 | 1,002,260.00 | 993,870.51   | 5,250       | Aaa     | 5,461 | 1,425            | 02/24/2011    |
| 3128X5KL1                             | 10620        | FEDERAL HOME LOAN MORTGAGE CO | 1,003,050.00    | 09/29/2006    | 1,000,000.00 | 1,003,050.00 | 1,000,000.00 | 5,500       | Aaa     | 5,500 | 1,642            | 09/29/2011    |
| 3128X5MP0                             | 10628        | FEDERAL HOME LOAN MORTGAGE CO | 999,810.00      | 11/07/2006    | 1,000,000.00 | 999,810.00   | 1,000,000.00 | 5,250       | Aaa     | 5,250 | 586              | 11/07/2008    |
| 3128X5NT1                             | 10629        | FEDERAL HOME LOAN MORTGAGE CO | 1,000,970.00    | 11/14/2006    | 1,000,000.00 | 1,000,970.00 | 1,000,000.00 | 5,350       | Aaa     | 5,350 | 1,688            | 11/14/2011    |

Portfolio CITY  
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**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**March 31, 2007**

| CUSIP                                 | Investment # | Issuer                        | Average Balance     | Purchase Date | Par / Value          | Market / Value       | Book / Value | Stated Rate | Moody's | YTM          | Days to Maturity | Date |
|---------------------------------------|--------------|-------------------------------|---------------------|---------------|----------------------|----------------------|--------------|-------------|---------|--------------|------------------|------|
| <b>Federal Agency Issues - Coupon</b> |              |                               |                     |               |                      |                      |              |             |         |              |                  |      |
| 3128X5PV4                             | 10631        | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00        | 998,760.00    |                      | 1,000,000.00         | 5.125        | Aaa         | 5.125   | 1,333        | 11/24/2010       |      |
| 3128X5QW1                             | 10633        | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00        | 997,200.00    |                      | 1,000,000.00         | 5.250        | Aaa         | 5.250   | 1,709        | 12/05/2011       |      |
| 3128X5TDO                             | 10636        | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00        | 998,260.00    |                      | 999,565.97           | 5.100        | Aaa         | 5.127   | 635          | 12/26/2008       |      |
| 3128X5VF2                             | 10637        | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00        | 997,660.00    |                      | 1,000,000.00         | 5.400        | Aaa         | 5.400   | 1,731        | 12/27/2011       |      |
| 3136F5PC9                             | 10522        | FEDERAL NATIONAL MORT ASSOC   | 1,000,000.00        | 998,750.00    |                      | 1,000,000.00         | 2.500        | Aaa         | 2.500   | 18           | 04/19/2007       |      |
| 31359MVC4                             | 10536        | FEDERAL NATIONAL MORT ASSOC   | 1,000,000.00        | 998,130.00    |                      | 999,987.22           | 3.750        | Aaa         | 3.761   | 46           | 05/17/2007       |      |
| 3136F7FE2                             | 10578        | FEDERAL NATIONAL MORT ASSOC   | 1,000,000.00        | 993,440.00    |                      | 1,000,000.00         | 4.300        | Aaa         | 4.300   | 302          | 01/28/2008       |      |
| 3136F7F44                             | 10606        | FEDERAL NATIONAL MORT ASSOC   | 1,000,000.00        | 1,010,630.00  |                      | 1,000,000.00         | 5.500        | Aaa         | 5.500   | 1,543        | 06/22/2011       |      |
| 3136F7Q75                             | 10609        | FEDERAL NATIONAL MORT ASSOC   | 1,000,000.00        | 1,001,250.00  |                      | 1,000,000.00         | 5.750        | Aaa         | 5.750   | 855          | 08/03/2009       |      |
| 31359MNPA4                            | 10621        | FEDERAL NATIONAL MORT ASSOC   | 1,000,000.00        | 997,190.00    |                      | 997,567.14           | 4.250        | Aaa         | 5.111   | 105          | 07/15/2007       |      |
| 3136F8FJ9                             | 10641        | FEDERAL NATIONAL MORT ASSOC   | 1,000,000.00        | 999,690.00    |                      | 1,000,000.00         | 5.300        | Aaa         | 5.300   | 670          | 01/30/2009       |      |
| <b>Subtotal and Average</b>           |              |                               | <b>3,451,612.90</b> |               | <b>73,833,333.33</b> | <b>73,513,606.33</b> |              |             |         | <b>4,531</b> | <b>729</b>       |      |
| <b>Treasury Securities - Coupon</b>   |              |                               |                     |               |                      |                      |              |             |         |              |                  |      |
| 912828A23                             | 10475        | U.S.TREASURY NOTE             | 5,000,000.00        | 4,879,900.00  |                      | 5,027,295.26         | 2.625        | Aaa         | 2.110   | 410          | 05/15/2008       |      |
| 912828BG4                             | 10484        | U.S.TREASURY NOTE             | 1,000,000.00        | 979,840.00    |                      | 998,744.31           | 3.250        | Aaa         | 3.350   | 502          | 08/15/2008       |      |
| 912828CG3                             | 10535        | U.S.TREASURY NOTE             | 1,000,000.00        | 997,660.00    |                      | 999,952.82           | 3.125        | Aaa         | 3.166   | 44           | 05/15/2007       |      |
| 912828DK3                             | 10565        | U.S.TREASURY NOTE             | 1,000,000.00        | 986,680.00    |                      | 999,298.63           | 3.375        | Aaa         | 3.460   | 320          | 02/15/2008       |      |
| 912828DK3                             | 10574        | U.S.TREASURY NOTE             | 1,000,000.00        | 986,680.00    |                      | 996,639.72           | 3.375        | Aaa         | 3.775   | 320          | 02/15/2008       |      |
| 912828DT4                             | 10577        | U.S.TREASURY NOTE             | 1,000,000.00        | 988,090.00    |                      | 999,135.27           | 3.750        | Aaa         | 3.831   | 410          | 05/15/2008       |      |
| 912828DZ0                             | 10579        | U.S.TREASURY NOTE             | 1,000,000.00        | 980,820.00    |                      | 994,626.58           | 3.875        | Aaa         | 4.057   | 1,201        | 07/15/2010       |      |
| 912828ECD                             | 10580        | U.S.TREASURY NOTE             | 1,000,000.00        | 991,560.00    |                      | 999,570.60           | 4.125        | Aaa         | 4.159   | 502          | 08/15/2008       |      |
| 912828DY3                             | 10611        | U.S.TREASURY NOTE             | 1,000,000.00        | 996,450.00    |                      | 996,494.38           | 3.625        | Aaa         | 5.098   | 90           | 06/30/2007       |      |
| 912828FT2                             | 10626        | U.S.TREASURY NOTE             | 1,000,000.00        | 998,360.00    |                      | 996,734.64           | 4.625        | Aaa         | 4.854   | 548          | 09/30/2008       |      |
| 912828FV7                             | 10627        | U.S.TREASURY NOTE             | 1,000,000.00        | 1,002,110.00  |                      | 1,000,247.52         | 4.875        | Aaa         | 4.858   | 579          | 10/31/2008       |      |
| 912828FM7                             | 10638        | U.S.TREASURY NOTE             | 1,000,000.00        | 1,002,660.00  |                      | 1,000,875.90         | 5.000        | Aaa         | 4.930   | 487          | 07/31/2008       |      |
| <b>Subtotal and Average</b>           |              |                               | <b>1,000,902.88</b> |               | <b>16,000,000.00</b> | <b>15,790,810.00</b> |              |             |         | <b>3,502</b> | <b>441</b>       |      |
| <b>Medium Term Notes</b>              |              |                               |                     |               |                      |                      |              |             |         |              |                  |      |
| 02003MAG9                             | 10573        | ALLSTATE LIFE GLOBAL TRUST    | 1,000,000.00        | 988,080.00    |                      | 998,222.75           | 3.850        | Aa2         | 4,080   | 299          | 01/25/2008       |      |
| 060505BH6                             | 10596        | Bank of America               | 1,000,000.00        | 970,660.00    |                      | 967,989.02           | 3.375        | AA2         | 5,230   | 688          | 02/17/2009       |      |
| 06423EPM1                             | 10556        | Bank One NA Illinois          | 1,000,000.00        | 988,800.00    |                      | 1,000,147.67         | 3.700        |             |         | 289          | 01/15/2008       |      |
| 172967BS9                             | 10466        | Citigroup                     | 1,000,000.00        | 986,320.00    |                      | 1,003,550.35         | 3.500        | Aa1         | 3,040   | 306          | 02/01/2008       |      |
| 172967BS9                             | 10572        | Citigroup                     | 1,585,000.00        | 1,563,317.20  |                      | 1,577,189.92         | 3.500        | Aa1         | 4,130   | 306          | 02/01/2008       |      |
| 168760AA6                             | 10455        | ChevronTexaco                 | 1,000,000.00        | 992,570.00    |                      | 1,002,038.10         | 3.500        | Aa2         | 3,025   | 169          | 09/17/2007       |      |
| 36962GB78                             | 10465        | General Electric Capital Corp | 1,000,000.00        | 982,730.00    |                      | 1,003,481.44         | 3.500        | Aaa         | 3,150   | 396          | 05/01/2008       |      |

Portfolio CITY

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**City of Torrance**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**March 31, 2007**

| CUSIP                                 | Investment # | Issuer                        | Average Balance      | Purchase Date       | Par Value             | Market Value          | Book Value           | Stated Rate           | Moody's      | YTM          | Days to Maturity | Maturity Date |
|---------------------------------------|--------------|-------------------------------|----------------------|---------------------|-----------------------|-----------------------|----------------------|-----------------------|--------------|--------------|------------------|---------------|
| <b>Medium Term Notes</b>              |              |                               |                      |                     |                       |                       |                      |                       |              |              |                  |               |
| 36966RFV3                             | 10476        | General Electric Capital Corp | 06/19/2003           | 2,000,000.00        | 1,927,260.00          | 2,000,000.00          | 2,450                | Aaa                   | 2.450        | 441          | 06/15/2008       |               |
| 37576AM4                              | 10472        | Gillette Company              | 05/27/2003           | 1,000,000.00        | 970,140.00            | 999,369.07            | 2,500                | Aa3                   | 2.558        | 427          | 06/01/2008       |               |
| 437076AN2                             | 10623        | Home Depot                    | 10/11/2006           | 1,000,000.00        | 998,960.00            | 1,004,462.03          | 5,200                | Aa3                   | 5.059        | 1,430        | 03/01/2011       |               |
| 441812KG8                             | 10613        | Household Finance Co          | 08/22/2006           | 1,000,000.00        | 991,400.00            | 989,981.73            | 4,750                | Aa3                   | 5.260        | 775          | 05/15/2009       |               |
| 40429CCX8                             | 10632        | Household Finance Co          | 11/20/2006           | 1,000,000.00        | 999,640.00            | 1,002,627.47          | 5,250                | Aa3                   | 5.170        | 1,384        | 01/14/2011       |               |
| 441812KH6                             | 10642        | Household Finance Co          | 01/30/2007           | 1,000,000.00        | 976,270.00            | 973,416.00            | 4,125                | Aa3                   | 5.224        | 960          | 11/16/2009       |               |
| 59018YYV0                             | 10630        | MERRILL LYNCH                 | 11/17/2006           | 1,000,000.00        | 989,940.00            | 992,099.97            | 4,790                | Aa3                   | 5.050        | 1,221        | 08/04/2010       |               |
| 59018YSK8                             | 10643        | MERRILL LYNCH                 | 01/30/2007           | 2,000,000.00        | 1,965,000.00          | 1,963,844.65          | 4,125                | Aa3                   | 5.200        | 655          | 01/15/2009       |               |
| 59217EAD6                             | 10477        | Met Life                      | 06/19/2003           | 1,000,000.00        | 969,290.00            | 1,000,566.97          | 2,600                | Aa2                   | 2.550        | 445          | 06/19/2008       |               |
| 59217EAD6                             | 10481        | Met Life                      | 07/25/2003           | 1,000,000.00        | 969,290.00            | 990,554.69            | 2,600                | Aa2                   | 3.450        | 445          | 06/19/2008       |               |
| 742718BX6                             | 10538        | Procter & Gamble              | 08/02/2004           | 1,000,000.00        | 989,340.00            | 1,005,664.17          | 4,300                | Aa3                   | 3.850        | 502          | 08/15/2008       |               |
| 949746EX5                             | 10464        | Wells Fargo Co                | 05/12/2003           | 1,000,000.00        | 983,010.00            | 1,004,365.48          | 3,500                | Aa1                   | 3.031        | 369          | 04/04/2008       |               |
| 949746EX5                             | 10557        | Wells Fargo Co                | 01/24/2005           | 1,000,000.00        | 983,010.00            | 997,818.84            | 3,500                | Aa1                   | 3.730        | 369          | 04/04/2008       |               |
| 949746IQ5                             | 10569        | Wells Fargo Co                | 04/04/2005           | 1,000,000.00        | 988,670.00            | 998,369.20            | 4,125                | Aa1                   | 4.310        | 344          | 03/10/2008       |               |
| 98155BAE4                             | 10604        | World Savings Bank            | 06/05/2006           | 1,000,000.00        | 986,380.00            | 981,104.26            | 4,500                | Aa3                   | 5.440        | 806          | 06/15/2009       |               |
|                                       |              | <b>Subtotal and Average</b>   |                      | <b>2,936,078.11</b> | <b>24,585,000.00</b>  | <b>24,160,077.20</b>  | <b>24,456,863.78</b> |                       | <b>4.009</b> | <b>581</b>   |                  |               |
| <b>Municipal Bond Issues - Coupon</b> |              |                               |                      |                     |                       |                       |                      |                       |              |              |                  |               |
| SYS10423                              | 10423        | Skpk-2001 TxAllocRef Bd       | 12/18/2001           | 1,778,745.43        | 1,778,745.43          | 1,778,745.43          | 8,000                |                       | 8,000        | 1,918        | 07/01/2012       |               |
|                                       |              | <b>Subtotal and Average</b>   |                      | <b>1,778,745.43</b> | <b>1,778,745.43</b>   | <b>1,778,745.43</b>   |                      |                       | <b>8,000</b> | <b>1,918</b> |                  |               |
|                                       |              | <b>Total and Average</b>      | <b>40,127,016.74</b> |                     | <b>145,897,078.76</b> | <b>144,943,240.96</b> |                      | <b>145,755,969.91</b> |              | <b>4.512</b> | <b>539</b>       |               |

## II. RESTRICTED FUNDS

*Reports Appear Quarterly*

### III. CASH & INVESTMENT PORTFOLIO SHARE

**CITY OF TORRANCE**  
**CASH AND INVESTMENT PORTFOLIO SHARE (A)**  
**AS OF MARCH 31, 2007**

|              | FUND   | SHARE OF<br>INVESTMENTS | POOLED CASH &<br>INVESTMENTS<br>BALANCE | CASH<br>PERCENT |
|--------------|--|-------------------------|---|-----------------|
| N            | General  | 32,398,859.08           | 31,834,946.44                           | 22.23           |
| R            | Parks & Recr Facility & Open Space                             | 2,916,352.76            | 2,865,592.70                            | 2.00            |
| R            | State Gas Tax  | 5,145,431.61            | 5,055,873.71                            | 3.53            |
| R            | Federal Housing, Community Dev                                 | 601,859.04              | 591,383.49                              | 0.41            |
| R            | Work Investment Network - WIN                                  | (65,798.63)             | (64,653.38) (B)                         | (0.05)          |
| R            | Street Lighting  | 372,054.23              | 365,578.51                              | 0.26            |
| R            | Traffic Congestion Relief Act 2000 - AB2928                    | 1,793,328.71            | 1,762,115.24                            | 1.23            |
| R            | Police Asset Forfeiture  | 3,283,607.59            | 3,226,455.34                            | 2.25            |
| N            | Government Cable   | 1,931,753.79            | 1,898,130.99                            | 1.33            |
| R            | Local Return - Proposition C                                   | 4,258,801.97            | 4,184,676.14                            | 2.92            |
| R            | Grants/Donations   | (756,249.24)            | (743,086.48) (C)                        | (0.52)          |
| R            | Citizens Options for Public Safety (COPS) Grant Funds - AB3229 | 303,072.28              | 297,797.21                              | 0.21            |
| R            | Seismic Education Fund   | 51,142.43               | 50,252.28                               | 0.04            |
| R            | Rehabilitation Housing   | 531,293.97              | 522,046.63                              | 0.36            |
| R            | Police Inmate Welfare Fund                                     | 85,083.55               | 83,602.64                               | 0.06            |
| N            | Capital Improvements   | 18,486,844.38           | 18,165,074.86                           | 12.68           |
| R            | Vanpool/Rideshare Fund   | 312,084.08              | 306,652.16                              | 0.21            |
| R            | Torrance Improvement Fund                                      | 5,458,699.23            | 5,363,688.80                            | 3.75            |
| R            | Animal Control Fund  | 25,864.62               | 25,414.44 (D)                           | 0.02            |
| R            | Redevelopment-Capital Proj                                     | 7,227,465.93            | 7,101,669.54                            | 4.96            |
| R            | Redevelopment Debt Service                                     | 1,807,686.94            | 1,776,223.56                            | 1.24            |
| N            | DNA Sampling Fund  | 5,404.06                | 5,310.00                                | 0.00            |
| N            | Airport Fund   | 7,092,341.94            | 6,968,897.43                            | 4.87            |
| N            | Transit Operations   | 2,542,108.07            | 2,497,861.86                            | 1.74            |
| R            | Development Impact Fund  | 181,061.45              | 177,910.02                              | 0.12            |
| N            | Water Operations   | 10,235,348.31           | 10,057,198.76                           | 7.02            |
| N            | Emergency Medical Service Enterprise Fund                      | (25,900.62)             | (25,449.81) (E)                         | (0.02)          |
| N            | Sanitation Operations  | 2,793,156.11            | 2,744,540.32                            | 1.92            |
| N            | Cultural Arts Enterprise                                       | 538,618.27              | 529,243.44                              | 0.37            |
| N            | Sewer Enterprise Fund  | 9,646,474.69            | 9,478,574.67                            | 6.62            |
| N            | Parks & Recr Enterprise Fund                                   | (305,520.06)            | (300,202.38) (F)                        | (0.21)          |
| N            | Self Insurance Fund  | 6,352,189.33            | 6,241,627.42                            | 4.36            |
| N            | Fleet Services   | 12,680,616.83           | 12,459,906.59                           | 8.70            |
| R            | Postemployment/Compensated Absences Fund                       | 4,836,015.30            | 4,751,842.89                            | 3.32            |
| R            | Trust & Agency   | 3,014,817.88            | 2,962,344.00                            | 2.07            |
| <b>TOTAL</b> |  | <b>145,755,969.91</b>   | <b>143,219,040.03</b>                   | <b>100.00</b>   |

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$145,755,969.91 and the Pooled Cash and Investments total of \$143,219,040.03 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)
- (B) Reimbursement in the amount of \$152,437 for the period ended 3/31/07 has been requested from the City of Los Angeles.
- (C) S-33 Torrance Safe Route to Schools has a negative cash balance of <\$227,700>. Reimbursement request was submitted 4/6/07 in the amount of \$204,930. The next billing is scheduled for May 2007.
- T-30 Del Amo Blvd. Extension has a negative cash balance of <\$163,962>. A request for reimbursement in the amount \$201,027 was submitted to MTA on 4/6/07.
- Joslyn Arts Gallery has a negative cash balance of <\$129,898>. Final report and payment request is to be submitted by 4/26/07.
- FEAP 627 Zoll Monitor Defibrillators has a negative cash balance of <\$168,406>. The equipment has been purchased and an invoice was sent to LA County for the reimbursement.
- Ocean/226th Vest Pocket Park has a negative cash balance of <\$80,000>. Final report and payment request is to be submitted by 4/26/07.
- FEAP 331-Lago Seco Park Development - Primary Elements has a negative cash balance of <\$60,467>. Final report and payment request is to be submitted by 4/26/07.
- (D) Animal Control Fund - Even though the Animal Control Fund has a positive cash balance as of March 31, 2007 of \$253k, this is due to the fund's beginning cash balance of \$171k. For 2006-07, expenses are projected to exceed revenues at fiscal year end, but will end the year with a positive cash balance. The budget shortfall will be addressed in the 2007-09 budget process.
- (E) Labor charges for Qualified Relief need to be reclassified to the General Fund. Reclassification amount has not been identified.
- (F) Beverage contract Revenue of \$145,000 is expected to be collected in May 2007. Registration for classes in the summer program which generates approximately \$600,000 in revenues will start on 5/16/07.

**CITY OF TORRANCE  
CASH AND INVESTMENT RECONCILIATION  
AS OF MARCH 31, 2007**

**INVESTMENTS PER PORTFOLIO SUMMARY**  
(City Pool)

145,755,969.91

**CASH AND INVESTMENTS PER BOOKS**

143,219,040.03

**CASH IN BANKS:**

|                                |               |
|--------------------------------|---------------|
| Cash in B of A General Account | (\$81,259.07) |
| Cash in B of A Payroll Account | 0.00          |

**OUTSTANDING WARRANTS:**

|                              |              |
|------------------------------|--------------|
| General Account              | 656,737.28   |
| Payroll Account              | 92,646.04    |
| Workers Compensation Account | 71,502.57    |
| Housing Account              | 278,806.04   |
|                              | 1,099,691.93 |

|  |                |
|--|----------------|
| Miscellaneous outstanding adjusting journal entries      | (1,051,569.62) |
| PE 3/31/07 Payroll checks posted 3/31/07 and paid 4/6/07 | 2,570,066.64   |

**INVESTMENTS PER BOOKS**

\$145,755,969.91