

Council Meeting of
June 5, 2007

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

Members of the Council:

SUBJECT: Investment Report for April 2007

RECOMMENDATION

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

FUNDING

Not applicable

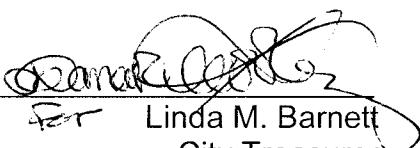
BACKGROUND

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 April 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 April 2007

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

RETURN

| | <u>Current Month</u> | <u>Previous Month</u> |
|-------------------------------------------|----------------------|-----------------------|
| Average City Portfolio YTM | 4.612 | 4.512 |
| Average U.S. Treasury Constant Maturity | 4.580 | 4.990 |
| LAIF Average Monthly Return | 5.220 | 5.214 |
| Average City Portfolio YTM - 1 year prior | 3.717 | 4.142 |

INTEREST INCOME

| | <u>Current Period</u> | <u>Prior Year</u> |
|---------------------|-----------------------|-------------------|
| Fiscal year to date | 4,842,511 | 3,227,958 |
| Current month | 563,646 | 377,269 |

MATURITY

| | <u>Current Month</u> | <u>Prior Month</u> |
|--------------------------------------|----------------------|--------------------|
| Average Maturity (days) | 538 | 539 |
| Average Maturity 1 Year Prior (days) | 460 | 480 |
| Weighted Average Maturity (years) | 1.50 | 1.48 |

VOLUMES

| | <u>Total \$ Volume</u> | <u># of Transactions</u> |
|------------|------------------------|--------------------------|
| Purchases | 24,704,532 | 15 |
| Maturities | 14,004,531 | 11 |

Transactions include 8 deposits to and 7 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 April 30, 2007</u> |
|---------------------------------|------------------------------------------------------|---------------------------------------|-------------------------------|-----------------------------------------------------|
| Federal Agency (coup) | 66,642,798 | 10,991,942 | 912,013 | 78,546,753 |
| Treasury Securities | 14,549,640 | 984,047 | 268,363 | 15,802,050 |
| Medium Term Notes | 19,848,918 | 3,918,330 | 412,211 | 24,179,459 |
| Municipal Bonds | 2,027,507 | -248,761 | 0 | 1,778,746 |
| SUB-TOTAL PER GASB 31 | 103,068,863 | 15,645,558 | 1,592,587 | 120,307,008 |
| <u>Non-GASB securities</u> | | | | |
| LAIF | 25,700,000 | 11,700,000 | 0 | 37,400,000 |
| 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 |
| TOTAL PORTFOLIO | 133,418,563 | 22,638,463 | 1,649,982 | 157,707,008 |

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

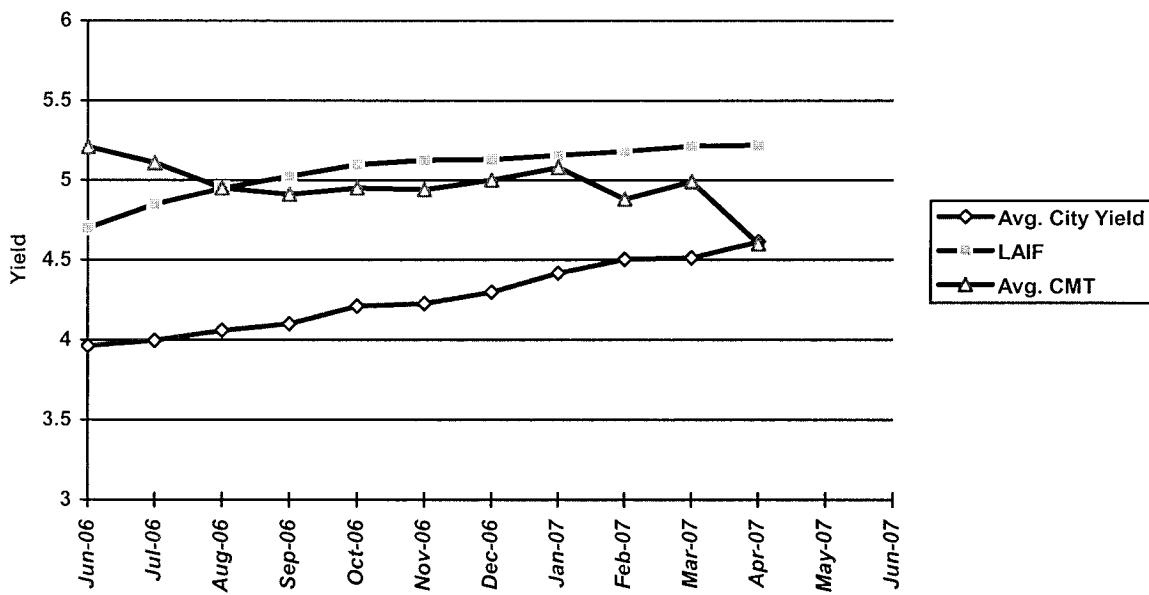
CITY OF TORRANCE

City Treasurer's Office

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

I. Return

48.56% of the portfolio is invested at one-year maturity or less as of April 30, 2007. The City Average yield on the portfolio was 4.612% compared to 4.60% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed below the benchmark as of April 30, 2007 by 1 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 April consisted of 6 purchases totaling \$7 million with an average rate of return of 5.41% and 4 redemptions totaling \$4.0 million with an average rate of return of 3.58%. The activity in the LAIF Account consisted of 11 deposits of \$17.7 million and 9 withdrawals of \$10.0 million. The portfolio increased by \$10.8 million.

| <u>Asset Category</u> | <u>April</u> | <u>March</u> |
|--------------------------------|--------------|--------------|
| 1. LAIF | 23.90 | 20.38 |
| 2. Money Market Sweep | 0.00 | 0.00 |
| 3. Federal Agency Issues(coup) | 49.10 | 50.64 |
| 4. Federal Agency Issues(disc) | 0.00 | 0.00 |
| 5. Treasury Securities | 10.23 | 10.98 |
| 6. Treasury Securities(disc) | 0.00 | 0.00 |
| 7. Medium Term Notes | 15.63 | 16.78 |
| 8. Municipal Bonds | 1.14 | 1.22 |
| 9. Commercial Paper(disc) | <u>0.00</u> | <u>0.00</u> |
| | 100.00% | 100.00% |

IV. Maturity

As of April 30, 2007, the current maturity allocation is 43.57% of the portfolio invested between the 6 month to 3-year maturity levels. 34.92% 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 \$54.80 million available for expenditures.

| <u>As of Maturity</u> | <u>April</u> | <u>March</u> |
|-----------------------|--------------|--------------|
| 0 to 6 months | 34.92% | 31.33% |
| 6 months to 1 year | 13.64% | 15.37% |
| 1 to 2 years | 23.56% | 26.04% |
| 2 to 3 years | 6.37% | 7.54% |
| 3 to 4 years | 8.91% | 8.91% |
| 4 to 5 years | 8.91% | 9.59% |
| 5 years and after | 3.68% | 1.22% |

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 April 30, 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 | 37,400,000 | 23.90 | ** | 1 | 1 | N/A | 5.220 |
| Money Market Sweep Account | 00 | .00 | | 1 | 1 | | 5.125 |
| Federal Agency Issues – Coupon | 76,812,556 | 49.09 | 75 | 1,310 | 790 | 5 years | 4.661 |
| Farmer Mac | 1,000,000 | .63 | 30 | 344 | 360 | 5 years | 5.602 |
| Federal Farm Credit Bank | 21,997,078 | 13.89 | 30 | 254 | 271 | 5 years | 5.130 |
| Federal Home Loan Bank | 34,831,664 | 21.98 | 30 | 334 | 352 | 5 years | 5.135 |
| Federal Home Loan Mortgage Corp. | 14,985,303 | 9.47 | 30 | 403 | 434 | 5 years | 5.347 |
| Federal National Mortgage Assoc. | 5,998,564 | 3.80 | 30 | 236 | 252 | 5 years | 4.916 |
| Treasury Securities – Coupon | 16,009,650 | 10.23 | 100 | 1,268 | 411 | 5 years | 3.503 |
| Medium Term Notes | 24,462,194 | 15.63 | 20 | 1,367 | 551 | 5years | 4.010 |
| Municipal Bond Issue | 1,778,746 | 1.14 | | 3,848 | 1,888 | 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 | 156,463,145 | 100.00 | | 1,031 | 538 | | 4.612 |
| Pending Redemptions | | | | | | | |
| Accrued Interest at Purchase | -3,708 | | | | | | |
| Total Cash & Purchase Interest | -3,708 | | | | | | |
| Total Cash & Investments | 156,459,437 | | | | | | |

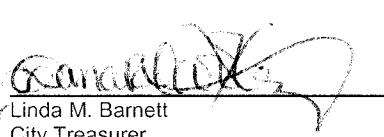
Portfolio Notes:

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

General LAIF account = \$29,700,000

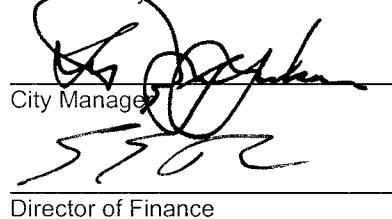
RDA LAIF account = \$7,700,000

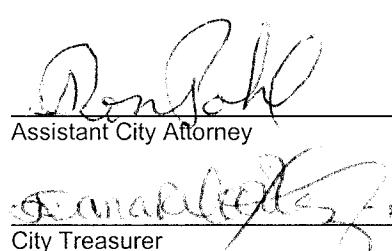
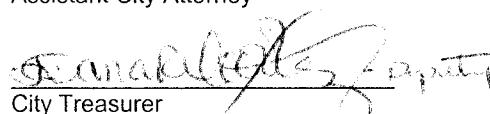
I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Res. 07-23 on March 6, 2007. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet six month's estimated expenditures.


Linda M. Barnett
City Treasurer

5/22/07
Date

Reviewed by the Investment Advisory Committee


City Manager
SSOC
Director of Finance


Assistant City Attorney

City Treasurer

**City of Torrance
Portfolio Management
Activity Summary
April 2006 through April 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 | 365 Equivalent | | | | | |
| 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 |
| April | 2007 | 115 | 149,185,490.26 | 4.549 | 4.612 | 5.220 | 7 | 4 | 1,031 | 538 |
| Average | Average | 106 | 134,829,246.06 | 4.136% | 4.962 | 5 | 3 | 1,065 | 525 | |

| invest no. | BROKER | PURCHASE DATE | DESCRIPTION | QUALITY RATING | MATURITY DATE | DAY'S TO MATURITY | RATE | YIELD | PAR VALUE | COST | MARKET VALUE |
|-----------------------|--------------------------|------------------|-------------|----------------|---------------|-------------------|--------|-----------|-----------|-----------|--------------|
| (I) PURCHASES* | | | | | | | | | | | |
| 10649 | Great Pacific Securities | 04/05/2007 FFCB | AAA/Aaa | 04/05/2011 | 65 | 5.400% | 5.851% | 1,000,000 | 1,000,000 | 997,810 | |
| 10650 | Citigroup | 04/17/2007 FHLMC | AAA/Aaa | 04/17/2012 | 169 | 5.550% | 5.964% | 1,000,000 | 1,000,000 | 997,990 | |
| 10651 | Dean Witter | 04/20/2007 FHLB | AAA/Aaa | 04/20/2011 | 720 | 5.050% | 5.084% | 1,000,000 | 1,000,000 | 999,380 | |
| 10652 | Citigroup | 04/23/2007 FHLB | AAA/Aaa | 04/23/2012 | 22 | 5.700% | 5.700% | 1,000,000 | 1,000,000 | 1,000,000 | |
| 10653 | Dean Witter | 04/16/2007 FHLB | AAA/Aaa | 04/16/2010 | 351 | 5.200% | 5.372% | 1,000,000 | 1,000,000 | 998,440 | |
| 10654 | Great Pacific Securities | 04/25/2007 FFCB | AAA/Aaa | 04/25/2012 | 360 | 5.390% | 5.656% | 1,000,000 | 999,750 | 997,500 | |
| 10655 | Dean Witter | 04/25/2007 FAMCA | AAA/Aaa | 04/25/2012 | 360 | 5.550% | 5.602% | 1,000,000 | 1,000,000 | 999,520 | |
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**City of Torrance
Portfolio Management
Interest Earnings Summary
April 30, 2007**

| | April 30 Month Ending | Fiscal Year To Date |
|-------------------------------------------------|-----------------------|---------------------|
| CD/Coupon/Discount Investments: | | |
| Interest Collected | 332,808.33 | 3,431,329.94 |
| Plus Accrued Interest at End of Period | 1,260,786.98 | 1,260,786.98 |
| Less Accrued Interest at Beginning of Period | (1,176,304.01) | (978,674.44) |
| Less Accrued Interest at Purchase During Period | (0.00) | (0.00) |
| Interest Earned during Period | 417,291.30 | 3,713,442.48 |
| Adjusted by Premiums and Discounts | 7,174.07 | 104,672.52 |
| Adjusted by Capital Gains or Losses | 250.98 | 250.98 |
| Earnings during Periods | 424,716.35 | 3,818,365.98 |
| Pass Through Securities: | | |
| Interest Collected | 0.00 | 0.00 |
| Plus Accrued Interest at End of Period | 0.00 | 0.00 |
| Less Accrued Interest at Beginning of Period | (0.00) | (0.00) |
| Less Accrued Interest at Purchase During Period | (0.00) | (0.00) |
| Interest Earned during Period | 0.00 | 0.00 |
| Adjusted by Premiums and Discounts | 0.00 | 0.00 |
| Adjusted by Capital Gains or Losses | 0.00 | 0.00 |
| Earnings during Periods | 0.00 | 0.00 |
| Cash/Checking Accounts: | | |
| Interest Collected | 354,783.02 | 1,156,163.26 |
| Plus Accrued Interest at End of Period | 138,875.66 | 138,875.66 |
| Less Accrued Interest at Beginning of Period | (354,728.78) | (270,893.92) |
| Interest Earned during Period | 138,929.90 | 1,024,145.00 |
| Total Interest Earned during Period | 556,221.20 | 4,737,587.48 |
| Total Adjustments from Premiums and Discounts | 7,174.07 | 104,672.52 |
| Total Capital Gains or Losses | 250.98 | 250.98 |
| Total Earnings during Period | 563,646.25 | 4,842,510.98 |

City of Torrance
Portfolio Management
Portfolio Details - Investments
April 30, 2007

11

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | YTM | Days to Maturity | Date |
|---------------------------------------|--------------|--------------------------------|----------------------|---------------|---------------|----------------------|----------------------|--------------|----------|--------------|------------------|------------|
| Local Agency Investment Funds | | | | | | | | | | | | |
| SYS10000 | 10000 | Local Agency Invest Fund GEN'L | 29,700,000.00 | 04/25/2007 | 29,700,000.00 | 29,700,000.00 | 29,700,000.00 | 5.220 | Aaa | 5.550 | 1,821 | 04/25/2012 |
| SYS10001 | 10001 | Local Agency Invest Fund RDA | 7,700,000.00 | 08/06/2003 | 1,000,000.00 | 994,690.00 | 1,000,000.00 | 3.100 | Aaa | 3.100 | 97 | 08/06/2007 |
| | | Subtotal and Average | 32,492,304.28 | | | 37,400,000.00 | 37,400,000.00 | 5.220 | | 5.220 | 5.220 | 1 |
| Money Market Sweep Account | | | | | | | | | | | | |
| 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 | |
| | | Subtotal and Average | 0.00 | | 0.00 | 0.00 | 0.00 | 0.000 | 0 | | | |
| Federal Agency Issues - Coupon | | | | | | | | | | | | |
| 31315PLV9 | 10655 | Farmer Mac | 1,000,000.00 | 04/25/2007 | 999,520.00 | 1,000,000.00 | 999,520.00 | 5.550 | | 5.550 | | |
| 31331Q7E1 | 10483 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 08/06/2003 | 991,880.00 | 1,000,000.00 | 994,690.00 | 3.100 | Aaa | 3.100 | 97 | 08/06/2007 |
| 31331TGG0 | 10491 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 10/15/2003 | 991,880.00 | 1,000,000.00 | 991,880.00 | 3.450 | Aaa | 3.450 | 167 | 10/15/2007 |
| 31331TQP9 | 10507 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 02/09/2004 | 988,440.00 | 1,000,000.00 | 988,440.00 | 3.000 | Aaa | 3.001 | 192 | 11/09/2007 |
| 31331TVG3 | 10513 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 03/24/2004 | 985,940.00 | 1,000,000.00 | 985,940.00 | 3.000 | Aaa | 3.001 | 237 | 12/24/2007 |
| 31331TYR6 | 10516 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 04/22/2004 | 987,500.00 | 1,000,000.00 | 987,500.00 | 2.610 | Aaa | 2.610 | 174 | 10/22/2007 |
| 31331TYD7 | 10519 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 04/15/2004 | 974,060.00 | 1,000,000.00 | 974,060.00 | 3.080 | Aaa | 3.080 | 533 | 10/15/2008 |
| 31331TB91 | 10526 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 04/29/2004 | 989,380.00 | 1,000,000.00 | 989,380.00 | 3.100 | Aaa | 3.100 | 181 | 10/29/2007 |
| 31331TL90 | 10531 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 05/17/2004 | 999,060.00 | 1,000,000.00 | 999,060.00 | 3.450 | Aaa | 3.450 | 16 | 05/17/2007 |
| 31331SMB6 | 10559 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 02/02/2005 | 992,190.00 | 1,000,000.00 | 992,190.00 | 3.700 | Aaa | 3.711 | 185 | 11/02/2007 |
| 31331SNB5 | 10567 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 03/10/2005 | 988,130.00 | 1,000,000.00 | 988,130.00 | 3.550 | Aaa | 4.000 | 272 | 01/28/2008 |
| 31331SD42 | 10576 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 06/30/2005 | 989,690.00 | 1,000,000.00 | 989,690.00 | 4.125 | Aaa | 4.125 | 426 | 06/30/2008 |
| 31331VTK2 | 10592 | FEDERAL FARM CREDIT BANK | 2,000,000.00 | 03/22/2006 | 1,999,380.00 | 2,000,000.00 | 1,999,380.00 | 5.090 | Aaa | 5.097 | 52 | 06/22/2007 |
| 31331VVF7 | 10600 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 05/04/2006 | 1,007,500.00 | 1,000,000.00 | 1,007,500.00 | 5.250 | Aaa | 5.250 | 734 | 05/04/2009 |
| 31331VV45 | 10610 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 08/01/2006 | 1,000,940.00 | 1,000,000.00 | 1,000,940.00 | 5.750 | Aaa | 5.750 | 1,553 | 08/01/2011 |
| 31331VA48 | 10618 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 09/13/2006 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 5.250 | Aaa | 5.151 | 217 | 12/04/2007 |
| 31331XAK8 | 10622 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 10/16/2006 | 999,380.00 | 1,000,000.00 | 999,380.00 | 5.250 | Aaa | 5.250 | 1,081 | 04/16/2010 |
| 31331XMQ2 | 10640 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 01/26/2007 | 1,005,630.00 | 1,000,000.00 | 1,005,630.00 | 5.000 | Aaa | 5.002 | 1,121 | 05/26/2010 |
| 31331XNU2 | 10645 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 02/12/2007 | 999,690.00 | 1,000,000.00 | 999,690.00 | 5.350 | Aaa | 5.350 | 1,018 | 02/12/2010 |
| 31331XJM2 | 10649 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 04/05/2007 | 997,810.00 | 1,000,000.00 | 997,810.00 | 5.400 | Aaa | 5.400 | 1,435 | 04/05/2011 |
| 31331XXL3 | 10653 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 04/16/2007 | 998,440.00 | 1,000,000.00 | 998,440.00 | 5.200 | Aaa | 5.200 | 1,081 | 04/16/2010 |
| 31331XWQ1 | 10654 | FEDERAL FARM CREDIT BANK | 1,000,000.00 | 04/25/2007 | 997,500.00 | 1,000,000.00 | 997,500.00 | 5.390 | Aaa | 5.396 | 1,821 | 04/25/2012 |
| 31331WNP4 | 10445 | FEDERAL HOME LOAN BANK | 833,333.33 | 02/06/2003 | 833,293.54 | 824,483.33 | 833,293.54 | 3.750 | Aaa | 3.757 | 281 | 02/06/2008 |
| 31331WYYU5 | 10459 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 06/05/2003 | 981,250.00 | 1,000,000.00 | 981,250.00 | 3.250 | Aaa | 3.250 | 401 | 06/05/2008 |
| 31339YKX9 | 10480 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 07/30/2003 | 976,250.00 | 1,000,000.00 | 976,250.00 | 3.000 | Aaa | 3.000 | 456 | 07/30/2008 |
| 31333XFJ3 | 10482 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 08/13/2003 | 987,810.00 | 1,000,000.00 | 987,810.00 | 4.000 | Aaa | 4.000 | 470 | 08/13/2008 |

Portfolio CITY

PM (PRF_PM2) SymRept 6.4.1/2020

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City of Torrance
Portfolio Management
Portfolio Details - Investments
April 30, 2007

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | YTM | Days to Maturity | Date |
|---------------------------------------|--------------|-------------------------------|-----------------|---------------|--------------|--------------|------------|-------------|---------|-------|------------------|------|
| Federal Agency Issues - Coupon | | | | | | | | | | | | |
| 3133X1RC3 | 10493 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 10/30/2003 | 995,310.00 | 1,000,000.00 | 3,250 | Aaa | 3.251 | 90 | 07/30/2007 | |
| 3133X2A28 | 10495 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 11/26/2003 | 998,750.00 | 1,000,000.00 | 3,350 | Aaa | 3.350 | 24 | 05/25/2007 | |
| 31339YVYV1 | 10503 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 01/21/2004 | 980,940.00 | 999,342.72 | 3,375 | Aaa | 3.433 | 447 | 07/21/2008 | |
| 3133X3JR5 | 10505 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 02/13/2004 | 984,060.00 | 999,898.81 | 3,070 | Aaa | 3.108 | 104 | 08/13/2007 | |
| 3133X5X45 | 10524 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 04/21/2004 | 973,440.00 | 1,000,000.00 | 3,420 | Aaa | 3.420 | 721 | 04/21/2009 | |
| 3133XAL47 | 10560 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 02/24/2005 | 995,310.00 | 1,000,000.00 | 3,685 | Aaa | 3.685 | 115 | 08/24/2007 | |
| 3133XAM27 | 10562 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 03/03/2005 | 980,630.00 | 1,000,000.00 | 4,000 | Aaa | 4.000 | 307 | 03/03/2008 | |
| 3133XAQU4 | 10563 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 03/07/2005 | 991,560.00 | 1,000,000.00 | 3,825 | Aaa | 3.827 | 220 | 12/07/2007 | |
| 3133XAQV2 | 10564 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 03/08/2005 | 987,500.00 | 1,000,000.00 | 4,000 | Aaa | 4.000 | 496 | 09/08/2008 | |
| 3133XFRR5 | 10581 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 01/30/2006 | 998,440.00 | 1,000,000.00 | 5,000 | Aaa | 5.000 | 272 | 01/28/2008 | |
| 3133XEV30 | 10591 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 03/21/2006 | 999,380.00 | 1,000,000.00 | 5,040 | Aaa | 5.040 | 143 | 09/21/2007 | |
| 3133XFCM6 | 10594 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 04/28/2006 | 1,000,940.00 | 1,000,000.00 | 5,400 | Aaa | 5.400 | 1,093 | 04/28/2010 | |
| 3133XFHS8 | 10599 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 05/19/2006 | 1,010,630.00 | 1,000,000.00 | 5,520 | Aaa | 5.520 | 1,479 | 05/19/2011 | |
| 3133XFHX4 | 10607 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 07/13/2006 | 1,001,250.00 | 1,000,000.00 | 6,000 | Aaa | 6.000 | 1,534 | 07/13/2011 | |
| 3133XGD76 | 10608 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 08/11/2006 | 1,006,560.00 | 1,000,000.00 | 5,700 | Aaa | 5.700 | 1,198 | 08/11/2010 | |
| 3133XGNW0 | 10612 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 09/11/2006 | 1,000,000.00 | 1,000,000.00 | 5,500 | Aaa | 5.500 | 864 | 09/11/2009 | |
| 3133XGTS3 | 10616 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 09/08/2006 | 1,002,810.00 | 1,000,000.00 | 5,375 | Aaa | 5.375 | 1,226 | 09/08/2010 | |
| 3133XGTX2 | 10617 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 09/19/2006 | 1,000,940.00 | 1,000,000.00 | 5,500 | Aaa | 5.500 | 1,053 | 03/19/2010 | |
| 3133XGP2 | 10619 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 10/02/2006 | 1,000,310.00 | 1,000,000.00 | 5,150 | Aaa | 5.150 | 885 | 10/02/2009 | |
| 3133XHEX6 | 10624 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 10/27/2006 | 999,060.00 | 1,000,000.00 | 5,200 | Aaa | 5.200 | 1,640 | 10/27/2011 | |
| 3133XEZP7 | 10625 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 10/20/2006 | 1,000,310.00 | 1,000,000.00 | 5,000 | Aaa | 5.038 | 500 | 09/12/2008 | |
| 3133XJ2S6 | 10634 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 12/13/2006 | 998,750.00 | 1,000,000.00 | 5,500 | Aaa | 5,500 | 1,687 | 12/13/2011 | |
| 3133XJF60 | 10635 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 01/17/2007 | 998,130.00 | 1,000,000.00 | 5,500 | Aaa | 5,500 | 1,722 | 01/17/2012 | |
| 3133XJPZ5 | 10639 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 01/26/2007 | 1,003,130.00 | 1,000,000.00 | 5,200 | Aaa | 5,200 | 1,182 | 07/26/2010 | |
| 3133XJT99 | 10644 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 02/05/2007 | 1,000,310.00 | 1,000,000.00 | 5,350 | Aaa | 5,350 | 646 | 02/05/2009 | |
| 3133XJUD8 | 10646 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 02/09/2007 | 1,006,560.00 | 1,000,000.00 | 5,500 | Aaa | 5,500 | 1,745 | 02/09/2012 | |
| 3133XKAK1 | 10647 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 03/20/2007 | 997,190.00 | 1,000,000.00 | 5,000 | Aaa | 5,000 | 689 | 03/20/2009 | |
| 3133XKD6 | 10648 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 03/30/2007 | 997,500.00 | 1,000,000.00 | 5,030 | Aaa | 5,030 | 696 | 03/27/2009 | |
| 3133XKF75 | 10651 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 04/20/2007 | 999,380.00 | 1,000,000.00 | 5,050 | Aaa | 5,050 | 1,450 | 04/20/2011 | |
| 3133XKFU4 | 10652 | FEDERAL HOME LOAN BANK | 1,000,000.00 | 04/23/2007 | 1,000,000.00 | 1,000,000.00 | 5,700 | Aaa | 5,700 | 1,819 | 04/23/2012 | |
| 3128X1GD3 | 10508 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 01/30/2004 | 972,280.00 | 992,169.50 | 3,110 | Aaa | 3,644 | 590 | 12/11/2008 | |
| 3128X25Y7 | 10521 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 04/19/2004 | 989,360.00 | 1,000,000.00 | 2,920 | Aaa | 2,920 | 171 | 10/19/2007 | |
| 3128X4YE5 | 10584 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 01/30/2006 | 999,680.00 | 999,653.53 | 5,000 | Aaa | 5,030 | 449 | 07/23/2008 | |
| 3128X4K67 | 10585 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 03/07/2006 | 999,640.00 | 1,000,000.00 | 5,250 | Aaa | 5,250 | 311 | 03/07/2008 | |
| 3128X45A5 | 10598 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 05/10/2006 | 1,000,070.00 | 1,000,000.00 | 5,700 | Aaa | 5,700 | 1,470 | 05/10/2011 | |
| 3128X4N56 | 10605 | FEDERAL HOME LOAN MORTGAGE CO | 1,000,000.00 | 06/09/2006 | 994,139.00 | 1,002,390.00 | 5,250 | Aaa | 5,461 | 1,395 | 02/24/2011 | |

Portfolio CITY

PM (PRF_PM2) SymRept 6.4.1.202b
AP

City of Torrance
Portfolio Management
Portfolio Details - Investments
April 30, 2007

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| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | YTM | Days to Maturity | Date |
|---------------------------------------|--------------|-------------------------------|-----------------|---------------|---------------|---------------|------------|---------------|---------|------------|------------------|------|
| Federal Agency Issues - Coupon | | | | | | | | | | | | |
| 3128X5KL1 | 10620 | FEDERAL HOME LOAN MORTGAGE CO | 09/29/2006 | 1,000,000.00 | 1,002,900.00 | 1,000,000.00 | 5.500 | Aaa | 5.500 | 1,6112 | 09/29/2011 | |
| 3128X5MP0 | 10628 | FEDERAL HOME LOAN MORTGAGE CO | 11/07/2006 | 1,000,000.00 | 999,910.00 | 1,000,000.00 | 5.250 | Aaa | 5.250 | 556 | 11/07/2008 | |
| 3128X5NT1 | 10629 | FEDERAL HOME LOAN MORTGAGE CO | 11/14/2006 | 1,000,000.00 | 1,000,990.00 | 1,000,000.00 | 5.350 | Aaa | 5.350 | 1,658 | 11/14/2011 | |
| 3128X5PV4 | 10631 | FEDERAL HOME LOAN MORTGAGE CO | 11/24/2006 | 1,000,000.00 | 999,290.00 | 1,000,000.00 | 5.125 | Aaa | 5.125 | 1,303 | 11/24/2010 | |
| 3128X5QW1 | 10633 | FEDERAL HOME LOAN MORTGAGE CO | 12/05/2006 | 1,000,000.00 | 998,400.00 | 1,000,000.00 | 5.250 | Aaa | 5.250 | 1,679 | 12/05/2011 | |
| 3128X5TDO | 10636 | FEDERAL HOME LOAN MORTGAGE CO | 12/26/2006 | 1,000,000.00 | 998,450.00 | 998,586.81 | 5.100 | Aaa | 5.127 | 605 | 12/26/2008 | |
| 3128X5VF2 | 10637 | FEDERAL HOME LOAN MORTGAGE CO | 12/27/2006 | 1,000,000.00 | 998,200.00 | 1,000,000.00 | 5.400 | Aaa | 5.400 | 1,701 | 12/27/2011 | |
| 3128X5Z2A5 | 10650 | FEDERAL HOME LOAN MORTGAGE CO | 04/17/2007 | 1,000,000.00 | 997,990.00 | 1,000,000.00 | 5.550 | Aaa | 5.550 | 1,813 | 04/17/2012 | |
| 31359MVC4 | 10536 | FEDERAL NATIONAL MORT ASSOC | 05/17/2004 | 1,000,000.00 | 999,380.00 | 999,995.56 | 3.750 | Aaa | 3.761 | 16 | 05/17/2007 | |
| 3136F7FE2 | 10578 | FEDERAL NATIONAL MORT ASSOC | 07/28/2005 | 1,000,000.00 | 993,440.00 | 1,000,000.00 | 4.300 | Aaa | 4.300 | 272 | 01/28/2008 | |
| 3136F7F44 | 10606 | FEDERAL NATIONAL MORT ASSOC | 06/22/2006 | 1,000,000.00 | 1,010,000.00 | 1,000,000.00 | 5.500 | Aaa | 5.500 | 1,513 | 06/22/2011 | |
| 3136F7Q75 | 10609 | FEDERAL NATIONAL MORT ASSOC | 08/03/2006 | 1,000,000.00 | 1,001,250.00 | 1,000,000.00 | 5.750 | Aaa | 5.750 | 825 | 08/03/2009 | |
| 31359MNPA4 | 10621 | FEDERAL NATIONAL MORT ASSOC | 10/05/2006 | 1,000,000.00 | 998,130.00 | 998,268.93 | 4.250 | Aaa | 5.111 | 75 | 07/15/2007 | |
| 3136F8F19 | 10641 | FEDERAL NATIONAL MORT ASSOC | 01/30/2007 | 1,000,000.00 | 1,000,310.00 | 1,000,000.00 | 5.300 | Aaa | 5.300 | 640 | 01/30/2009 | |
| Subtotal and Average | | | 7,866,616.67 | | 76,833,333.33 | 76,547,683.33 | | 76,812,555.94 | | 4,561 | 790 | |
| Treasury Securities - Coupon | | | | | | | | | | | | |
| 912828AZ3 | 10475 | U.S.TREASURY NOTE | 06/16/2003 | 5,000,000.00 | 4,886,350.00 | 5,025,298.05 | 2.625 | Aaa | 2.110 | 380 | 05/15/2008 | |
| 912828BG4 | 10484 | U.S.TREASURY NOTE | 08/15/2003 | 1,000,000.00 | 980,630.00 | 998,819.35 | 3.250 | Aaa | 3.350 | 472 | 08/15/2008 | |
| 912828CG3 | 10535 | U.S.TREASURY NOTE | 05/17/2004 | 1,000,000.00 | 999,220.00 | 999,984.99 | 3.125 | Aaa | 3.166 | 14 | 05/15/2007 | |
| 912828DK3 | 10565 | U.S.TREASURY NOTE | 02/15/2005 | 1,000,000.00 | 987,460.00 | 999,364.38 | 3.375 | Aaa | 3.460 | 290 | 02/15/2008 | |
| 912828DK3 | 10574 | U.S.TREASURY NOTE | 05/09/2005 | 1,000,000.00 | 987,460.00 | 997,000.06 | 3.375 | Aaa | 3.775 | 290 | 02/15/2008 | |
| 912828DT4 | 10577 | U.S.TREASURY NOTE | 07/13/2005 | 1,000,000.00 | 988,320.00 | 999,199.49 | 3.750 | Aaa | 3.831 | 380 | 05/15/2008 | |
| 912828DZ0 | 10579 | U.S.TREASURY NOTE | 07/25/2005 | 1,000,000.00 | 981,760.00 | 994,760.81 | 3.875 | Aaa | 4.057 | 1,171 | 07/15/2010 | |
| 912828EC0 | 10580 | U.S.TREASURY NOTE | 08/15/2005 | 1,000,000.00 | 991,520.00 | 999,596.26 | 4.125 | Aaa | 4.159 | 472 | 08/15/2008 | |
| 912828DY3 | 10611 | U.S.TREASURY NOTE | 07/31/2006 | 1,000,000.00 | 997,810.00 | 997,656.25 | 3.625 | Aaa | 5.998 | 60 | 06/30/2007 | |
| 912828FT2 | 10626 | U.S.TREASURY NOTE | 10/23/2006 | 1,000,000.00 | 997,930.00 | 996,913.40 | 4.625 | Aaa | 4.854 | 518 | 09/30/2008 | |
| 912828FV7 | 10627 | U.S.TREASURY NOTE | 10/31/2006 | 1,000,000.00 | 1,001,560.00 | 1,000,234.70 | 4.875 | Aaa | 4.858 | 549 | 10/31/2008 | |
| 912828FM7 | 10638 | U.S.TREASURY NOTE | 01/22/2007 | 1,000,000.00 | 1,002,030.00 | 1,000,821.94 | 5.000 | Aaa | 4.930 | 457 | 07/31/2008 | |
| Subtotal and Average | | | 1,000,348.02 | | 16,000,000.00 | 15,802,050.00 | | 16,009,649.88 | | 3,503 | 411 | |
| Medium Term Notes | | | | | | | | | | | | |
| O2003MAG9 | 10573 | ALLSTATE LIFE GLOBAL TRUST | 05/09/2005 | 1,000,000.00 | 988,810.00 | 998,404.10 | 3.850 | Aa2 | 4.080 | 269 | 01/25/2008 | |
| O60505BH6 | 10596 | Bank of America | 04/13/2006 | 1,000,000.00 | 972,210.00 | 969,409.83 | 3.375 | AA2 | 5.230 | 658 | 02/17/2009 | |
| O6423EPM1 | 10556 | Bank One NA Illinois | 01/18/2005 | 1,000,000.00 | 989,390.00 | 1,000,132.07 | 3.700 | 3,880 | 258 | 01/15/2008 | | |
| 172967BS9 | 10466 | Citigroup | 05/12/2003 | 1,000,000.00 | 987,110.00 | 1,003,196.49 | 3.500 | Aa1 | 3,040 | 276 | 02/01/2008 | |

Portfolio CITY
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**City of Torrance
Portfolio Management
Portfolio Details - Investments**
April 30, 2007

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| CUSIP | Medium Term Notes | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | YTM | Days to Maturity | Maturity Date |
|---------------------------------------|-------------------|-------------------------------|--------|----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|--------------|--------------|------------------|---------------|
| 172967BS9 | 10572 | Citigroup | | 04/28/2005 | 1,585,000.00 | 1,564,569.35 | 1,577,970.93 | 3,500 | Aa1 | 4.130 | 276 | 02/01/2008 | |
| 166760AA6 | 10455 | Chevron Texaco | | 02/25/2003 | 1,000,000.00 | 993,740.00 | 1,001,669.77 | 3,500 | Aa2 | 3.025 | 139 | 09/17/2007 | |
| 36962GB78 | 10465 | General Electric Capital Corp | | 05/11/2003 | 1,000,000.00 | 982,990.00 | 1,003,213.64 | 3,500 | Aaa | 3.150 | 366 | 05/01/2008 | |
| 36966RFV3 | 10476 | General Electric Capital Corp | | 06/19/2003 | 2,000,000.00 | 1,930,180.00 | 2,000,000.00 | 2,450 | Aaa | 2.450 | 411 | 06/15/2008 | |
| 375766AM4 | 10472 | Gillette Company | | 05/27/2003 | 1,000,000.00 | 970,770.00 | 999,414.14 | 2,500 | Aa3 | 2.558 | 397 | 06/01/2008 | |
| 437076AN2 | 10623 | Home Depot | | 10/11/2006 | 1,000,000.00 | 1,001,640.00 | 1,004,367.09 | 5,200 | Aa3 | 5.059 | 1,400 | 03/01/2011 | |
| 441812KG8 | 10613 | Household Finance Co | | 08/22/2006 | 1,000,000.00 | 992,850.00 | 990,375.12 | 4,750 | Aa3 | 5.280 | 745 | 05/15/2009 | |
| 40429CCX8 | 10632 | Household Finance Co | | 11/20/2006 | 1,000,000.00 | 1,000,580.00 | 1,002,569.64 | 5,250 | Aa3 | 5.170 | 1,354 | 01/14/2011 | |
| 441812KH6 | 10642 | Household Finance Co | | 01/30/2007 | 1,000,000.00 | 976,790.00 | 974,259.94 | 4,125 | Aa3 | 5.224 | 930 | 11/16/2009 | |
| 59018YVV0 | 10630 | MERRILL LYNNCH | | 11/17/2006 | 1,000,000.00 | 991,070.00 | 992,296.98 | 4,790 | Aa3 | 5.050 | 1,191 | 08/04/2010 | |
| 59018YSK8 | 10643 | MERRILL LYNNCH | | 01/30/2007 | 2,000,000.00 | 1,966,280.00 | 1,965,528.91 | 4,125 | Aa3 | 5.200 | 625 | 01/15/2009 | |
| 59217EAD6 | 10477 | Met Life | | 06/19/2003 | 1,000,000.00 | 969,230.00 | 1,000,528.13 | 2,600 | Aa2 | 2.550 | 415 | 06/19/2008 | |
| 59217EAD6 | 10481 | Met Life | | 07/25/2003 | 1,000,000.00 | 969,230.00 | 991,201.63 | 2,600 | Aa2 | 3.450 | 415 | 06/19/2008 | |
| 742718BX6 | 10538 | Procter & Gamble | | 08/02/2004 | 1,000,000.00 | 989,290.00 | 1,005,320.19 | 4,300 | Aa3 | 3.850 | 472 | 08/15/2008 | |
| 949746EX5 | 10464 | Wells Fargo Co | | 05/12/2003 | 1,000,000.00 | 983,420.00 | 1,004,004.69 | 3,500 | Aa1 | 3.031 | 339 | 04/04/2008 | |
| 949746EX5 | 10557 | Wells Fargo Co | | 01/24/2005 | 1,000,000.00 | 983,420.00 | 997,999.10 | 3,500 | Aa1 | 3.730 | 339 | 04/04/2008 | |
| 949746JQ5 | 10569 | Wells Fargo Co | | 04/04/2005 | 1,000,000.00 | 988,860.00 | 998,513.52 | 4,125 | Aa1 | 3.310 | 314 | 03/10/2008 | |
| 98153BAE4 | 10604 | World Savings Bank | | 06/05/2006 | 1,000,000.00 | 987,030.00 | 981,818.20 | 4,500 | Aa3 | 5.440 | 776 | 06/15/2009 | |
| Subtotal and Average | | | | 2,938,566.89 | | 24,585,000.00 | 24,179,459.35 | 24,462,193.91 | | 4.010 | 551 | | |
| Municipal Bond Issues - Coupon | | | | | | | | | | | | | |
| SYS10423 | 10423 | Skpk-2001TxAllocRef Bd | | 12/18/2001 | 1,778,745.43 | 1,778,745.43 | 1,778,745.43 | 8,000 | | 7,999 | 1,888 | 07/01/2012 | |
| Subtotal and Average | | | | 1,778,745.43 | | 1,778,745.43 | 1,778,745.43 | | | 7,999 | 1,888 | | |
| Total and Average | | | | 46,077,081.29 | | 156,597,078.76 | 155,707,938.11 | 156,463,144.96 | | 4,612 | 538 | | |

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II. RESTRICTED FUNDS

CASH AND INVESTMENTS HELD BY FISCAL AGENT
 FOR PERIOD ENDING
 March 31, 2007

TORRANCE IMPROVEMENTS

| Bank of New York Western Trust Co. | Book Value | Reserve Requirement | Over/Under Funded Reserve(1)(2) (market value) | Market Value | Yield | Investment Description |
|-----------------------------------------------------------------------------------------|--------------|---------------------|------------------------------------------------------|--------------|-------|--------------------------------|
| <i>City of Torrance 2004 A&B COP Refunding - #3060645 (Maturity - June 1, 2034)</i> | | | | | | |
| Construction Fund Acct #360646 | 7,304,291.26 | | | 7,304,291.26 | 2.47 | MBIA INVEST. AGREEMENT** |
| | 8.58 | | | 8.58 | 4.79 | Hamilton Trsy Money Fd Premier |
| Required Reserve Acct #360649 | 2,777,212.50 | 2,777,213.00 | 2,777,213.00 | 2,777,213.00 | 4.95 | MBIA Invest Agreement** |
| Required Reserve Acct #360649 | | | | | | Hamilton Trsy Money Fd Premier |
| Lease Paymt Fund Acct # 360648 | 2,179.88 | | | 2,179.88 | 4.84 | Hamilton Trsy Money Fd Premier |

| Bank of New York Western Trust Co. | Book Value | Reserve Requirement | Over/Under Funded Reserve(1)(2) (market value) | Market Value | Yield | Investment Description |
|------------------------------------|------------|---------------------|------------------------------------------------------|--------------|-------|---------------------------------------------|
| <i>Torrance PIA 98COP</i> | | | | | | |
| Lease payment Fund Acct #428584 | 722.63 | | | 722.63 | 4.86 | Fidelity US Trsy Port III |
| Acq & Constr Fund Acct # 428587 | | | | | | Fidelity US Trsy Port III |
| Reserve Acct # 428590 | 553,085.00 | 553,085.00 | | | | Fidelity US Trsy Port III |
| Reserve Acct # 428590 | | | | | | AlG Investment Agrmnt 5.61% due 11/28/28 ** |

WATER ENTERPRISE REVENUE BONDS

| Bank of New York Western Trust Co. | Book Value | Reserve Requirement | Over/Under Funded Reserve(1)(2) (market value) | Market Value | Yield | Investment Description |
|----------------------------------------------------------------------------|------------|---------------------|------------------------------------------------------|--------------|-------|-------------------------------------|
| <i>2004 Torrance Water Refunding Bond #360700-(Maturity March 1, 2014)</i> | | | | | | |
| Debt Service Fund #360759 | 1,477.04 | | | 1,477.04 | 4.94 | JP Morgan Prime MM Premier |
| Cost of Issuance acct #360758 | | | | | | JP Morgan Prime MM Premier |
| Reserve Cash Acct #360760 | 22,154.88 | | | 22,154.88 | 4.91 | JP Morgan Prime MM Premier |
| Reserve Acct. #360760 | 505,000.00 | 505,000.00 | 8,299.51 | 505,000.00 | 4.34 | FSA Capital Management Invest Agmt. |
| Required Reserve Acct # 360760 | | | | | | |

REDEVELOPMENT AGENCY

| Bank of New York Western Trust Co. | Book Value | Reserve Requirement | Over/Under Funded Reserve(1)(2) (market value) | Market Value | Yield | Investment Description |
|------------------------------------------------------------|------------|---------------------|------------------------------------------------------|--------------|-------|-----------------------------|
| <i>Torrance RDA (Downtown) 98A (matures Sept. 1, 2028)</i> | | | | | | |
| Interest / Debt Service Acct # 428478 | 4,612.27 | | | 4,612.27 | 4.86 | Fidelity Treas Money Market |
| Reserve Acct # 428469 | 586,890.00 | 586,890.00 | | | | AllM Prime Money Market |

CASH AND INVESTMENTS HELD BY FISCAL AGENT
 FOR PERIOD ENDING
 March 31, 2007

17

| Bank of New York Western Trust Co. | Book Value | Reserve Requirement | Over/Under Funded Reserve(1)(2) (market value) | Market Value | Yield | Investment Description |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------|---------------------------------------------------|--------------------------|--------------|-------------------------------------------------------------------------|
| Torrance RDA (Industrial) 98B (matures Sept. 1, 2028) Costs of Issuance / Interest Acct # 428529 Reserve Acct # 428517 Reserve Acct # 428517 | 8,105.05 1,037,984.75 | 1,037,985.00 | | 8,105.05 1,037,984.75 | 4.86 4.95 | Fidelity US Trsy Port III AIM Prime Money Market BNY Cash Reserve |

| Bank of New York Western Trust Co. | Book Value | Reserve Requirement | Over/Under Funded Reserve(1)(2) (market value) | Market Value | Yield | Investment Description |
|----------------------------------------------------------------------------------------------------------|------------------------|---------------------|---------------------------------------------------|------------------------|---------------|--------------------------------------------------------|
| Torrance RDA (Industrial) 99C (matures Sept. 1, 2028) Interest Acct # 428877 Reserve acct # 428882 | 368.54 1,300,480.00 | 1,300,480.00 | | 368.54 1,300,480.00 | 4.85 5.980 | Fidelity US Trsy Port III AMBAC Investment Agmnt ** |

| | | | | |
|------------------------------------------|----------------------|--|--|----------------------|
| TOTAL: ALL CASH & INVESTMENTS | 14,104,572.38 | | | 14,104,572.88 |
|------------------------------------------|----------------------|--|--|----------------------|

** Investment Agreements were authorized by Council through their approval of the bond documents

- (1) Reserve requirements may be overfunded due to an accumulation of funds which are adjusted at every scheduled payout.
These funds will be transferred to the lease payment/principal/interest account when interest/principal payouts are made by the City.
- (2) Over/under funded reserve requirements is for memorandum purposes only. Reserve requirements as outlined in the bond indenture require that at time (day of) of semi-annual payments to bondholders that the market value of the investments held in reserve is equal to the reserve requirement. Due to market fluctuations throughout the year it is normal to see both over and under funded situations.

CITY OF TORRANCE DEFERRED COMPENSATION ACCOUNTS

Quarter Ending

March 31, 2007

457PLAN A

PERMANENT EMPLOYEES

Participant Account Summary

| Beginning Balance | Contributions | Acct. Transfers In | Interest | Change in Value | Fees | Hardship | Payouts | Acct. Transfers Out | Outstanding Loans | Ending Balance |
|---------------------|----------------|--------------------|------------|-----------------|------------|----------|----------------|---------------------|-------------------|----------------|
| 108,528,637.64 | 1,915,570.05 | 20,076,145.43 | 631,762.28 | 1,253,733.25 | (2,619.19) | | (3,482,558.45) | (20,101,145.43) | (1)1,277,936.44 | 108,819,525.58 |
| <hr/> | | | | | | | | | | |
| Investment Type | Book Value | Market Value | | | | | | | | |
| Fixed Funds (GCF) | 1,237,308.38 | 1,237,308.38 | | | | | | | | |
| Variable Funds | 64,621,593.34 | 64,621,593.34 | | | | | | | | |
| Stable Value Fund | 42,835,154.63 | 42,835,154.63 | | | | | | | | |
| Set-Direct | 105,469.23 | 105,469.23 | | | | | | | | |
| 1) Outstanding Loan | 1,277,936.44 | 1,277,936.44 | | | | | | | | |
| Totals | 110,097,462.02 | 110,097,462.02 | | | | | | | | |

(1) Participant Loan Outstanding Balance included in Total Assets

457PLAN B

RECURRENT/PART-TIME/TEMPORARY EMPLOYEES

| Beginning Balance | Contributions | Acct. Transfers In | Interest | Change in Value | Fees | Hardship | Payouts | Acct. Transfers Out | Outstanding Loans | Ending Balance |
|-------------------|---------------|--------------------|----------|-----------------|------|----------|-------------|---------------------|-------------------|----------------|
| 1,849,673.18 | 64,516.37 | 30,581.98 | 8,046.53 | 912.55 | 0.00 | 0.00 | (53,593.43) | (30,581.98) | 1,869,211.20 | |
| <hr/> | | | | | | | | | | |
| Investment Type | Book Value | Market Value | | | | | | | | |
| Fixed Funds | 81,248.80 | 81,248.80 | | | | | | | | |
| Variable Funds | 1,772,187.87 | 1,772,187.87 | | | | | | | | |
| Gov't Guaranteed | 15,774.53 | 15,610.88 | | | | | | | | |
| Totals | 1,869,211.20 | 1,869,047.15 | | | | | | | | |

401(A)

MANAGEMENT, POLICE, FIRE, ENGINES

| Beginning Balance | Contributions | Acct. Transfers In | Interest | Change in Value | Fees | Hardship | Payouts | Acct. Transfers Out | Outstanding Loans | Ending Balance |
|-------------------|---------------|--------------------|-----------|-----------------|---------|----------|-------------|---------------------|-------------------|----------------|
| 3,875,849.72 | 178,694.21 | 694,763.95 | 20,370.18 | 56,186.91 | (73.80) | 0 | (13,787.86) | (694,763.95) | (1) | 18,339.23 |
| <hr/> | | | | | | | | | | |
| Investment Type | Book Value | Market Value | | | | | | | | |
| Fixed Funds | 765.37 | 765.37 | | | | | | | | |
| Variable Funds | 2,627,601.40 | 2,627,601.40 | | | | | | | | |
| Stable Value Fund | 1,487,072.59 | 1,487,072.59 | | | | | | | | |
| Outstanding Loans | 18,339.23 | 18,339.23 | | | | | | | | |
| Totals | 4,133,778.59 | 4,133,778.59 | | | | | | | | |

(1) Outstanding Loan Balance included in Total Assets

RETIREMENT HEALTH SAVINGS PLAN (RHSP)

MANAGEMENT, POLICE, FIRE, MSC

| Beginning Balance | Contributions | Distributions | Fees | Gain/Loss | Ending Balance |
|--------------------|---------------|---------------|------------|------------|----------------|
| 3,314,900.87 | 78,065.95 | (94,605.04) | (3,892.37) | -46,351.46 | 3,340,825.87 |
| <hr/> | | | | | |
| Investment Type | Book Value | Market Value | | | |
| Variable Funds | 1,413,301.69 | 1,413,301.69 | | | |
| Stable Value Funds | 1,927,524.18 | 1,927,524.18 | | | |
| Totals | 3,340,825.87 | 3,340,825.87 | | | |

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF APRIL 30, 2007

| | FUND | SHARE OF INVESTMENTS | POOLED CASH & INVESTMENTS BALANCE | CASH PERCENT |
|--------------|----------------------------------------------------------------|-------------------------|-----------------------------------------|-----------------|
| N | General | 42,048,678.79 | 41,756,735.19 | 26.87 |
| R | Parks & Recr Facility & Open Space | 2,950,516.52 | 2,930,031.11 | 1.89 |
| R | State Gas Tax | 5,075,228.28 | 5,039,991.02 | 3.24 |
| R | Federal Housing, Community Dev | 633,778.66 | 629,378.34 | 0.41 |
| R | Work Investment Network - WIN | (83,809.86) | (83,227.97) (B) | (0.05) |
| R | Street Lighting | 638,603.09 | 634,169.27 | 0.41 |
| R | Traffic Congestion Relief Act 2000 - AB2928 | 1,777,294.95 | 1,764,955.21 | 1.14 |
| R | Police Asset Forfeiture | 3,231,999.41 | 3,209,559.67 | 2.07 |
| N | Government Cable | 2,185,505.72 | 2,170,331.77 | 1.40 |
| R | Local Return - Proposition C | 4,360,511.05 | 4,330,236.06 | 2.79 |
| R | Grants/Donations | (548,189.24) | (544,383.17) (C) | (0.35) |
| R | Citizens Options for Public Safety (COPS) Grant Funds - AB3229 | 286,162.23 | 284,175.41 | 0.18 |
| - R | Seismic Education Fund | 46,551.10 | 46,227.90 | 0.03 |
| R | Rehabilitation Housing | 528,557.70 | 524,887.93 | 0.34 |
| R | Police Inmate Welfare Fund | 86,406.77 | 85,806.85 | 0.06 |
| N | Capital Improvements | 18,196,488.19 | 18,070,150.14 | 11.63 |
| R | Vanpool/Rideshare Fund | 302,355.50 | 300,256.25 | 0.19 |
| R | Torrance Improvement Fund | 6,017,662.72 | 5,975,882.14 | 3.85 |
| R | Animal Control Fund | 5,673.64 | 5,634.25 (D) | 0.00 |
| R | Redevelopment-Capital Proj | 7,314,925.24 | 7,264,137.78 | 4.68 |
| R | Redevelopment Debt Service | 2,010,460.88 | 1,996,502.27 | 1.28 |
| N | DNA Sampling Fund | 6,615.93 | 6,570.00 | 0.00 |
| N | Airport Fund | 7,147,110.50 | 7,097,488.18 | 4.57 |
| N | Transit Operations | 2,261,458.57 | 2,245,757.28 | 1.45 |
| R | Development Impact Fund | 207,566.45 | 206,125.32 | 0.13 |
| N | Water Operations | 10,184,246.18 | 10,113,537.05 | 6.51 |
| N | Emergency Medical Service Enterprise Fund | (17,737.70) | (17,614.55) (E) | (0.01) |
| N | Sanitation Operations | 3,144,113.11 | 3,122,283.56 | 2.01 |
| N | Cultural Arts Enterprise | 580,170.39 | 576,142.27 | 0.37 |
| N | Sewer Enterprise Fund | 9,638,390.05 | 9,571,470.80 | 6.16 |
| N | Parks & Recr Enterprise Fund | (155,026.27) | (153,949.92) (F) | (0.10) |
| N | Self Insurance Fund | 6,330,372.77 | 6,286,421.05 | 4.05 |
| N | Fleet Services | 12,178,572.16 | 12,094,016.44 | 7.78 |
| R | Postemployment/Compensated Absences Fund | 4,904,955.82 | 4,870,900.76 | 3.13 |
| R | Trust & Agency | 2,986,975.64 | 2,966,237.10 | 1.91 |
| TOTAL | | 156,463,144.96 | 155,376,822.76 | 100.00 |

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$156,463,144.96 and the Pooled Cash and Investments total of \$155,376,822.76 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)
- (B) Reimbursement in the amount of \$203,854 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 in the amount of \$204,930 was received on 5/9/07.
- 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 in May 2007.
- Ocean/226th Vest Pocket Park has a negative cash balance of <\$80,000>. Final report and payment request is to be submitted in May 2007.
- 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 in May 2007.
- (D) Animal Control Fund - Even though the Animal Control Fund has a positive cash balance as of April 30, 2007 of \$5.6K, 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 should end the year with a positive cash balance. The budget shortfall was addressed in the 2007-09 budget.
- (E) Labor charges for Qualified Relief need to be reclassified to the General Fund, but the reclassification amount can not be identified. In addition, the EMS Fund has only 42 budgeted positions, while 44 actual positions are being charged to the Fund.
- (F) Registration for classes in the summer program which generates approximately \$600,000 in revenues started on 5/16/07.

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF APRIL 30, 2007**

INVESTMENTS PER PORTFOLIO SUMMARY
(City Pool)

156,463,144.96

CASH AND INVESTMENTS PER BOOKS

155,376,822.76

CASH IN BANKS:

| | |
|--------------------------------|--------------|
| Cash in B of A General Account | \$129,813.07 |
| Cash in B of A Payroll Account | 0.00 |

OUTSTANDING WARRANTS:

| | |
|-----------------------------------------------------|-------------------|
| General Account | 728,714.80 |
| Payroll Account | 79,930.78 |
| Workers Compensation Account | 96,373.16 |
| Housing Account | <u>346,495.14</u> |
| | 1,251,513.88 |
| Miscellaneous outstanding adjusting journal entries | (295,004.75) |

INVESTMENTS PER BOOKS

\$156,463,144.96