Council Meeting of
October 09, 2007

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

Members of the Council:

SUBJECT: Investment Report for August 2007

RECOMMENDATION

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

Table of Contents

	Page No.
I. CITY OF TORRANCE – POOLED FUNDS	
A. Summary Reports	
Investment Portfolio Highlights	1
Monthly Investment Summary Notes	2-3
Investment Portfolio Summary	4
Investment Activity Summary	5
Investment Portfolio Activity	6
Interest Earnings Summary	7
B. Detailed Reports	
Investment Portfolio Details and Quality Ratings	8-12
II. RESTRICTED FUNDS	
(Reports Appear Quarterly)	
III. CASH & INVESTMENT PORTFOLIO SHARE	
Cash & Investment Share as of August 31, 2007	13
Cash & Investment Reconciliation	14

City of Torrance
Investment Portfolio Highlights
For August 2007

RETURN

	Current Month	Previous Month
Average City Portfolio YTM	4.748	4.716
Average U.S. Treasury Constant Maturity	4.370	4.620
LAIF Average Monthly Return	5.253	5.255
Average City Portfolio YTM - 1 year prior	4.060	3.998

INTEREST INCOME

	Current Period	Prior Year
Fiscal year to date	1,368,734	904,705
Current month	674,022	455,509

MATURITY

	Current Month	Prior Month
Average Maturity (days)	585	577
Average Maturity 1 Year Prior (days)	502	492
Weighted Average Maturity (years)	1.61	1.58

VOLUMES

	Total $ Volume	# of Transactions
Purchases	20,098,187	19
Maturities	20,390,000	17

Transactions include 8 deposits to and 9 withdrawals from LAIF, 3 purchases and 3 maturities of the Union of Bank Money Market Sweep Account.

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

GASB required securities	Beginning Investment Value as of July 1,2007	Purchase/Redempt. Of Principal	Change in Market Value	Ending Investment Value as of August 31, 2007
Federal Agency (coup)	81,334,705	-1,004,007	528,758	80,859,456
Treasury Securities	18,771,260	0	187,030	18,958,290
Medium Term Notes	27,303,734	974,880	132,830	28,411,444
Municipal Bonds	1,778,745	-350,643	0	1,428,102
SUB-TOTAL PER GASB 31	**129,188,444**	**-379,770**	**848,618**	**129,657,292**
Non-GASB securities				
LAIF	33,000,000	2,790,000	0	35,790,000
Money Market	0	0	0	0
Federal Agency – Disc.	0	1,556,296	9,376	1,565,672
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	0	0	0
Commercial paper	0	1,529,766	3,739	1,533,505
TOTAL PORTFOLIO	**162,188,444**	**5,496,292**	**861,733**	**168,546,469**

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

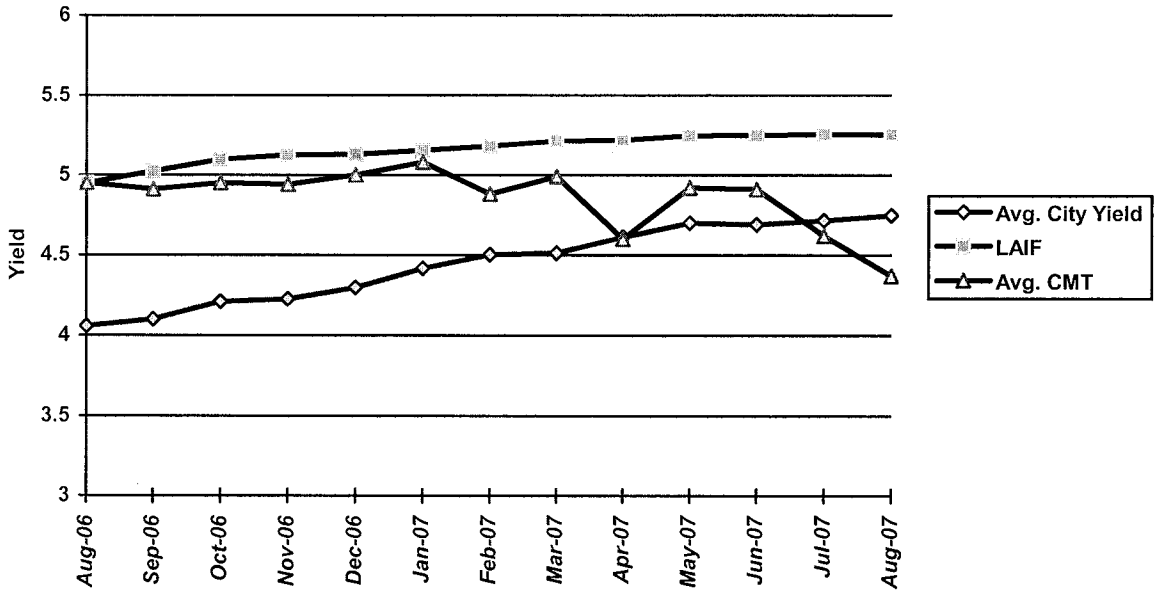
CITY OF TORRANCE

City Treasurer's Office

Monthly Investment Report Summary
For the month of August 2007

I. Return

51.93% of the portfolio is invested at one-year maturity or less as of August 31, 2007. The City Average yield on the portfolio was 4.748% compared to 4.370% for the U.S. Treasury at Constant Maturity (CMT) of 12 months. The portfolio performed above the benchmark as of August 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 August consisted of 8 purchases totaling $6.3 million with an average yield to maturity of 5.41% and 3 redemptions and 2 calls for a total of $5.0 million with an average yield to maturity of 4.279%. The activity in the LAIF Account consisted of 11 deposits of $13.8 million and 12 withdrawals of $15.4 million. The portfolio decreased by $625,000.

Asset Category	August	July
1. LAIF	21.21	22.12
2. Money Market Sweep	0.00	0.00
3. Federal Agency Issues(coup)	47.90	48.41
4. Federal Agency Issues(disc)	0.93	0.47
5. Treasury Securities	11.24	11.22
6. Treasury Securities(disc)	0.00	0.00
7. Medium Term Notes	16.96	16.93
8. Municipal Bonds	.85	.85
9. Commercial Paper(disc)	0.91	0.00
	100.00%	100.00%

IV. Maturity

As of August 31, 2007, the current maturity allocation is 42.52% of the portfolio invested between the 6 month to 3-year maturity levels. 36.03% 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 $61.1 million available for expenditures.

As of Maturity	August	July
0 to 6 months	36.03%	32.20%
6 months to 1 year	15.90%	17.34%
1 to 2 years	13.54%	17.09%
2 to 3 years	13.08%	11.32%
3 to 4 years	7.65%	10.01%
4 to 5 years	12.62%	12.04%
5 years and after	1.18%	0.00%

V. Value

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

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

City of Torrance
Investment Portfolio Summary
As of August 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	35,790,000	21.21	**	1	1	N/A	5.253
Money Market Sweep Account	00	.00		1	1		5.124
Federal Agency Issues – Coupon	80,812,791	47.90	75	1,381	902	5 years	4.854
Farmer Mac	1,000,000	.59	30	254	268	5 years	6.107
Federal Farm Credit Bank	17,998,232	10.67	30	342	374	5 years	5.109
Federal Home Loan Bank	36,628,328	21.72	30	439	478	5 years	5.480
Federal Home Loan Mortgage Corp.	17,984,788	10.69	30	326	356	5 years	5.458
Federal National Mortgage Assoc.	8,766,009	5.21	30	317	256	5 years	5.630
Treasury Securities – Coupon	18,966,509	11.24	100	1,222	456	5 years	3.821
Medium Term Notes	28,618,362	16.96	20	1,315	500	5years	4.202
Municipal Bond Issue	1,428,102	.85		3,848	1,765	N/A	7.999
Federal Agency Disc	1,564,567	.93		84	47	5 years	5.156
Commercial Paper Disc-Amort	1,532,009	.91		115	105		5.593
Treasury Discount-Amort	00	.00					.000
Certificate of Deposits-Disc	00	.00					.000
Total Investments & Averages	168,712,340	100.00		1,056	585		4.748
Pending Redemptions							
Accrued Interest at Purchase	71,128						
Total Cash & Purchase Interest	71,128						
Total Cash & Investments	168,783,467						

Portfolio Notes:

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

General LAIF account = $28,290,000

RDA LAIF account = $7,500,000

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 9-25-07

Linda M. Barnett — Date

City Treasurer

Reviewed by the Investment Advisory Committee

City Manager

Assistant City Attorney

Director of Finance

City Treasurer

City of Torrance
Portfolio Management
Activity Summary
August 2006 through August 2007

Month End	Year	Number of Securities	Average Balance	Yield to Maturity 360 Equivalent	Yield to Maturity 365 Equivalent	Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
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
May	2007	120	161,418,165.47	4.636	4.700	5.248	10	5	1,011	560
June	2007	125	164,612,410.59	4.626	4.690	5.250	7	2	1,092	610
July	2007	127	175,269,777.75	4.652	4.717	5.255	5	4	1,050	577
August	2007	130	169,819,611.53	4.684	4.749	5.253	8	5	1,056	585
	Average	**114**	**146,270,500.14**	**4.385%**	**4.445%**	**5.161**	**6**	**4**	**1,080**	**558**

8

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10678	Citigroup	08/01/2007	FFCB	AAA/Aaa	08/01/2012	1796	5.250%	5.250%	1,000,000	1,000,000	1,019,060
10679	Dean Witter	08/06/2007	FHLB	AAA/Aaa	08/06/2012	1801	5.400%	5.400%	500,000	500,000	504,065
10680	Dean Witter	08/14/2007	FHLB	AAA/Aaa	08/14/2012	1809	5.460%	5.460%	500,000	500,000	504,845
10681	Dean Witter	08/02/2007	FNMA	AAA/Aaa	10/31/2007	60	5.100%	5.238%	775,000	768,412	769,032
10682	Morgan Stanley	08/15/2007	Morgan Stanley		11/26/2007	86	5.490%	5.655%	773,000	762,862	763,468
10683	Higgins Capital	08/16/2007	FNMA	AAA/Aaa	04/02/2012	1675	5.400%	5.440%	1,000,000	998,318	1,003,130
10684	Higgins Capital	08/27/2007	FHLB	AAA/Aaa	08/27/2012	467	5.125%	5.125%	1,000,000	1,000,000	978,160
10686	Citigroup	08/30/2007	Morgan Stanley		01/03/2008	124	5.500%	5.686%	784,000	769,148	770,036
									6,332,000	6,298,740	6,311,796
					Weighted Average Yield			5.407%			

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10483	UBoC	08/06/2003	FFCB	AAA/Aaa	08/06/2007	3.100%	3.100%	1,000,000	1,000,000	1,000,000
10505	FTN	02/13/2004	FHLB	AAA/Aaa	08/13/2007	3.070%	3.070%	1,000,000	1,000,000	1,000,000
10560	Smith Barney	02/24/2005	FHLB	AAA/Aaa	08/24/2007	3.69%	3.69%	1,000,000	1,000,000	1,000,000
10609	Dean Witter	08/03/2006	FNMA	AAA/Aaa	08/03/2009	5.75%	5.75%	1,000,000	1,000,000	1,000,000
10610	Higgins Capital	08/01/2006	FFCB	AAA/Aaa	08/01/2011	5.75%	5.75%	1,000,000	1,000,000	1,000,000
								5,000,000	5,000,000	5,000,000
					Weighted Average Yield		4.271%			

* 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	29,875,000	5.253%	5.253%	9,555,000	11,140,000		28,290,000
			RDA	7,500,000	5.253%	5.253%	1,900,000	1,900,000		7,500,000
				$37,375,000			11,455,000	13,040,000	$-	$35,790,000

City of Torrance
Portfolio Management
Interest Earnings Summary
August 31, 2007

	August 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	501,924.97	991,970.62
Plus Accrued Interest at End of Period	1,389,004.03	1,389,004.03
Less Accrued Interest at Beginning of Period	(1,405,246.64)	(1,410,319.55)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	485,682.36	970,655.10
Adjusted by Premiums and Discounts	17,637.32	27,985.67
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	503,319.68	998,640.77
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	0.00	468,367.37
Plus Accrued Interest at End of Period	370,035.85	370,035.85
Less Accrued Interest at Beginning of Period	(199,333.35)	(468,309.86)
Interest Earned during Period	170,702.50	370,093.36
Total Interest Earned during Period	**656,384.86**	**1,340,748.46**
Total Adjustments from Premiums and Discounts	**17,637.32**	**27,985.67**
Total Capital Gains or Losses	**0.00**	**0.00**
Total Earnings during Period	**674,022.18**	**1,368,734.13**

Portfolio CITY
AP
PM (PRF_PM6) SymRept 6.41.202b
Report Ver. 5.00

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City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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
Local Agency Investment Funds												
SYS10000	10000	Local Agency Invest Fund GEN'L			28,290,000.00	28,290,000.00	28,290,000.00	5.253		5.253	1	
SYS10001	10001	Local Agency Invest. Fund RDA			7,500,000.00	7,500,000.00	7,500,000.00	5.253		5.253	1	
		Subtotal and Average	**38,110,806.45**		**35,790,000.00**	**35,790,000.00**	**35,790,000.00**			**5.253**	**1**	
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	3.250	AA2	3.250	1	
SYS1000	1000	Union Bank of California			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		04/25/2007	1,000,000.00	1,003,330.00	1,000,000.00	5.550		5.550	1,698	04/25/2012
31331TGG0	10491	FEDERAL FARM CREDIT BANK		10/15/2003	1,000,000.00	997,810.00	1,000,000.00	3.450	Aaa	3.450	44	10/15/2007
31331TQP9	10507	FEDERAL FARM CREDIT BANK		02/09/2004	1,000,000.00	995,940.00	1,000,000.00	3.000	Aaa	3.001	69	11/09/2007
31331TVG3	10513	FEDERAL FARM CREDIT BANK		03/24/2004	1,000,000.00	993,440.00	1,000,000.00	3.000	Aaa	3.001	114	12/24/2007
31331TYR6	10516	FEDERAL FARM CREDIT BANK		04/22/2004	1,000,000.00	996,560.00	1,000,000.00	2.610	Aaa	2.610	51	10/22/2007
31331TYD7	10519	FEDERAL FARM CREDIT BANK		04/15/2004	1,000,000.00	980,000.00	1,000,000.00	3.080	Aaa	3.080	410	10/15/2008
31331TB91	10526	FEDERAL FARM CREDIT BANK		04/29/2004	1,000,000.00	996,560.00	1,000,000.00	3.100	Aaa	3.100	58	10/29/2007
31331SMB6	10559	FEDERAL FARM CREDIT BANK		02/02/2005	1,000,000.00	997,500.00	999,981.17	3.700	Aaa	3.711	62	11/02/2007
31331SNB5	10567	FEDERAL FARM CREDIT BANK		03/10/2005	1,000,000.00	993,130.00	998,275.09	3.550	Aaa	4.000	149	01/28/2008
31331SD42	10576	FEDERAL FARM CREDIT BANK		06/30/2005	1,000,000.00	992,810.00	1,000,000.00	4.125	Aaa	4.125	303	06/30/2008
31331VYF7	10600	FEDERAL FARM CREDIT BANK		05/04/2006	1,000,000.00	1,006,250.00	1,000,000.00	5.250	Aaa	5.250	611	05/04/2009
31331VA48	10618	FEDERAL FARM CREDIT BANK		09/13/2006	1,000,000.00	999,690.00	1,000,225.65	5.250	Aaa	5.151	94	12/04/2007
31331XAK8	10622	FEDERAL FARM CREDIT BANK		10/16/2006	1,000,000.00	1,000,630.00	1,000,000.00	5.250	Aaa	5.250	958	04/16/2010
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,006,880.00	1,000,000.00	5.000	Aaa	5.002	998	05/26/2010
31331XNU2	10645	FEDERAL FARM CREDIT BANK		02/12/2007	1,000,000.00	1,002,190.00	1,000,000.00	5.350	Aaa	5.350	895	02/12/2010
31331XUM2	10649	FEDERAL FARM CREDIT BANK		04/05/2007	1,000,000.00	1,000,000.00	1,000,000.00	5.400	Aaa	5.400	1,312	04/05/2011
31331XVL3	10653	FEDERAL FARM CREDIT BANK		04/16/2007	1,000,000.00	1,000,940.00	1,000,000.00	5.200	Aaa	5.200	958	04/16/2010
31331XWQ1	10654	FEDERAL FARM CREDIT BANK		04/25/2007	1,000,000.00	1,000,630.00	999,750.00	5.390	Aaa	5.396	1,698	04/25/2012
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,019,060.00	1,000,000.00	5.250	Aaa	5.250	1,796	08/01/2012
3133MVNP4	10445	FEDERAL HOME LOAN BANK		02/06/2003	833,333.33	828,125.00	833,310.90	3.750	Aaa	3.757	158	02/06/2008
3133MYYU5	10469	FEDERAL HOME LOAN BANK		06/05/2003	1,000,000.00	986,250.00	1,000,000.00	3.250	Aaa	3.250	278	06/05/2008
31339YKX9	10480	FEDERAL HOME LOAN BANK		07/30/2003	1,000,000.00	982,500.00	1,000,000.00	3.000	Aaa	3.000	333	07/30/2008
3133X0FJ3	10482	FEDERAL HOME LOAN BANK		08/13/2003	1,000,000.00	990,940.00	1,000,000.00	4.000	Aaa	4.000	347	08/13/2008
31339YVV1	10503	FEDERAL HOME LOAN BANK		01/21/2004	1,000,000.00	985,940.00	999,521.98	3.375	Aaa	3.433	324	07/21/2008
3133X5X45	10524	FEDERAL HOME LOAN BANK		04/21/2004	1,000,000.00	977,500.00	1,000,000.00	3.420	Aaa	3.420	598	04/21/2009
3133XAMZ7	10562	FEDERAL HOME LOAN BANK		03/03/2005	1,000,000.00	993,440.00	1,000,000.00	4.000	Aaa	4.000	184	03/03/2008

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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
Federal Agency Issues - Coupon												
3133XAQU4	10563	FEDERAL HOME LOAN BANK		03/07/2005	1,000,000.00	996,250.00	1,000,000.00	3.825	Aaa	3.827	97	12/07/2007
3133XAQV2	10564	FEDERAL HOME LOAN BANK		03/08/2005	1,000,000.00	990,940.00	1,000,000.00	4.000	Aaa	4.000	373	09/08/2008
3133XEFR5	10581	FEDERAL HOME LOAN BANK		01/30/2006	1,000,000.00	998,750.00	1,000,000.00	5.000	Aaa	5.000	149	01/28/2008
3133XEV30	10591	FEDERAL HOME LOAN BANK		03/21/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.040	Aaa	5.040	20	09/21/2007
3133XFCM6	10594	FEDERAL HOME LOAN BANK		04/28/2006	1,000,000.00	1,003,130.00	1,000,000.00	5.400	Aaa	5.400	970	04/28/2010
3133XFHS8	10599	FEDERAL HOME LOAN BANK		05/19/2006	1,000,000.00	1,011,560.00	1,000,000.00	5.520	Aaa	5.520	1,356	05/19/2011
3133XGD76	10608	FEDERAL HOME LOAN BANK		08/11/2006	1,000,000.00	1,008,130.00	1,000,000.00	5.700	Aaa	5.700	1,075	08/11/2010
3133XGNW0	10612	FEDERAL HOME LOAN BANK		09/11/2006	1,000,000.00	1,000,000.00	1,000,000.00	5.500	Aaa	5.500	741	09/11/2009
3133XGTS3	10616	FEDERAL HOME LOAN BANK		09/08/2006	1,000,000.00	1,005,000.00	1,000,000.00	5.375	Aaa	5.375	1,103	09/08/2010
3133XGTX2	10617	FEDERAL HOME LOAN BANK		09/19/2006	1,000,000.00	1,000,310.00	1,000,000.00	5.500	Aaa	5.500	930	03/19/2010
3133XGZP2	10619	FEDERAL HOME LOAN BANK		10/02/2006	1,000,000.00	1,002,810.00	1,000,000.00	5.150	Aaa	5.150	762	10/02/2009
3133XHEX6	10624	FEDERAL HOME LOAN BANK		10/27/2006	1,000,000.00	1,002,190.00	1,000,000.00	5.200	Aaa	5.200	1,517	10/27/2011
3133XEZP7	10625	FEDERAL HOME LOAN BANK		10/20/2006	1,000,000.00	1,000,630.00	999,341.77	5.000	Aaa	5.038	377	09/12/2008
3133XJ2S6	10634	FEDERAL HOME LOAN BANK		12/13/2006	1,000,000.00	1,000,310.00	1,000,000.00	5.500	Aaa	5.500	1,564	12/13/2011
3133XJF60	10635	FEDERAL HOME LOAN BANK		01/17/2007	1,000,000.00	1,000,000.00	1,000,000.00	5.500	Aaa	5.500	1,599	01/17/2012
3133XJPZ5	10639	FEDERAL HOME LOAN BANK		01/26/2007	1,000,000.00	1,004,380.00	1,000,000.00	5.200	Aaa	5.200	1,059	07/26/2010
3133XJT99	10644	FEDERAL HOME LOAN BANK		02/05/2007	1,000,000.00	1,001,560.00	1,000,000.00	5.350	Aaa	5.350	523	02/05/2009
3133XJUD8	10646	FEDERAL HOME LOAN BANK		02/09/2007	1,000,000.00	1,008,130.00	1,000,000.00	5.500	Aaa	5.500	1,622	02/09/2012
3133XKAK1	10647	FEDERAL HOME LOAN BANK		03/20/2007	1,000,000.00	999,380.00	1,000,000.00	5.000	Aaa	5.000	566	03/20/2009
3133XKDC6	10648	FEDERAL HOME LOAN BANK		03/30/2007	1,000,000.00	999,690.00	1,000,000.00	5.030	Aaa	5.030	573	03/27/2009
3133XKF75	10651	FEDERAL HOME LOAN BANK		04/20/2007	1,000,000.00	1,001,880.00	1,000,000.00	5.050	Aaa	5.050	1,327	04/20/2011
3133XKFU4	10652	FEDERAL HOME LOAN BANK		04/23/2007	1,000,000.00	1,000,630.00	1,000,000.00	5.700	Aaa	5.700	1,696	04/23/2012
3133XKPE9	10656	FEDERAL HOME LOAN BANK		05/04/2007	1,000,000.00	1,001,880.00	1,000,000.00	5.125	Aaa	5.125	1,341	05/04/2011
3133XKQ65	10658	FEDERAL HOME LOAN BANK		05/15/2007	1,000,000.00	1,002,500.00	1,000,000.00	5.200	Aaa	5.200	1,718	05/15/2012
3133XKYE9	10662	FEDERAL HOME LOAN BANK		05/25/2007	1,000,000.00	1,007,190.00	1,000,000.00	5.200	Aaa	5.200	1,728	05/25/2012
3133XL2U6	10665	FEDERAL HOME LOAN BANK		05/29/2007	1,000,000.00	1,002,190.00	1,000,000.00	5.250	Aaa	5.250	636	05/29/2009
3133XLAF0	10667	FEDERAL HOME LOAN BANK		06/20/2007	1,000,000.00	1,005,310.00	1,000,000.00	5.600	Aaa	5.600	1,754	06/20/2012
3133XLVX8	10679	FEDERAL HOME LOAN BANK		08/06/2007	500,000.00	504,065.00	500,000.00	5.400	Aaa	5.400	1,801	08/06/2012
3133XLWB5	10680	FEDERAL HOME LOAN BANK		08/14/2007	500,000.00	504,845.00	500,000.00	5.460	Aaa	5.460	1,809	08/14/2012
3133XM3S8	10684	FEDERAL HOME LOAN BANK		08/27/2007	1,000,000.00	1,004,690.00	1,000,000.00	5.125	Aaa	5.125	1,822	08/27/2012
3128X1GD3	10508	FEDERAL HOME LOAN MORTGAGE CO		01/30/2004	1,000,000.00	978,160.00	993,789.61	3.110	Aaa	3.644	467	12/11/2008
3128X25Y7	10521	FEDERAL HOME LOAN MORTGAGE CO		04/19/2004	1,000,000.00	997,040.00	1,000,000.00	2.920	Aaa	2.920	48	10/19/2007
3128X4YE5	10584	FEDERAL HOME LOAN MORTGAGE CO		01/30/2006	1,000,000.00	999,810.00	999,747.59	5.000	Aaa	5.030	326	07/23/2008
3128X4K67	10585	FEDERAL HOME LOAN MORTGAGE CO		03/07/2006	1,000,000.00	999,640.00	1,000,000.00	5.250	Aaa	5.250	188	03/07/2008
3128X4N56	10605	FEDERAL HOME LOAN MORTGAGE CO		06/09/2006	1,000,000.00	1,005,900.00	995,216.67	5.250	Aaa	5.461	1,272	02/24/2011
3128X5KL1	10620	FEDERAL HOME LOAN MORTGAGE CO		09/29/2006	1,000,000.00	1,006,940.00	1,000,000.00	5.500	Aaa	5.500	1,489	09/29/2011

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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
Federal Agency Issues - Coupon												
3128X5MP0	10628	FEDERAL HOME LOAN MORTGAGE CO		11/07/2006	1,000,000.00	1,000,370.00	1,000,000.00	5.250	Aaa	5.250	433	11/07/2008
3128X5NT1	10629	FEDERAL HOME LOAN MORTGAGE CO		11/14/2006	1,000,000.00	1,005,630.00	1,000,000.00	5.350	Aaa	5.350	1,535	11/14/2011
3128X5PV4	10631	FEDERAL HOME LOAN MORTGAGE CO		11/24/2006	1,000,000.00	1,002,620.00	1,000,000.00	5.125	Aaa	5.125	1,180	11/24/2010
3128X5QW1	10633	FEDERAL HOME LOAN MORTGAGE CO		12/05/2006	1,000,000.00	1,001,330.00	1,000,000.00	5.250	Aaa	5.250	1,556	12/05/2011
3128X5TD0	10636	FEDERAL HOME LOAN MORTGAGE CO		12/26/2006	1,000,000.00	999,910.00	999,670.14	5.100	Aaa	5.127	482	12/26/2008
3128X5VF2	10637	FEDERAL HOME LOAN MORTGAGE CO		12/27/2006	1,000,000.00	1,002,930.00	1,000,000.00	5.400	Aaa	5.400	1,578	12/27/2011
3128X52A5	10650	FEDERAL HOME LOAN MORTGAGE CO		04/17/2007	1,000,000.00	1,000,960.00	1,000,000.00	5.550	Aaa	5.550	1,690	04/17/2012
3128X52N7	10661	FEDERAL HOME LOAN MORTGAGE CO		05/16/2007	1,000,000.00	1,004,890.00	999,059.76	5.250	Aaa	5.272	1,676	04/03/2012
3128X6CS3	10666	FEDERAL HOME LOAN MORTGAGE CO		06/20/2007	1,000,000.00	1,006,230.00	1,000,000.00	5.625	Aaa	5.625	1,388	06/20/2011
3128X6CX2	10668	FEDERAL HOME LOAN MORTGAGE CO		06/15/2007	1,000,000.00	1,009,900.00	999,535.19	5.400	Aaa	5.418	1,018	06/15/2010
3128X6HP4	10676	FEDERAL HOME LOAN MORTGAGE CO		07/30/2007	1,000,000.00	1,006,120.00	1,000,000.00	5.550	Aaa	5.550	1,063	07/30/2010
3137EAAX7	10677	FEDERAL HOME LOAN MORTGAGE CO		07/23/2007	1,000,000.00	1,010,940.00	997,769.08	5.125	Aaa	5.205	1,087	08/23/2010
3136F7FE2	10578	FEDERAL NATIONAL MORT ASSOC		07/28/2005	1,000,000.00	996,250.00	1,000,000.00	4.300	Aaa	4.300	149	01/28/2008
3136F7F44	10606	FEDERAL NATIONAL MORT ASSOC		06/22/2006	1,000,000.00	1,011,250.00	1,000,000.00	5.500	Aaa	5.500	1,390	06/22/2011
3136F8FJ9	10641	FEDERAL NATIONAL MORT ASSOC		01/30/2007	1,000,000.00	1,001,560.00	1,000,000.00	5.300	Aaa	5.300	517	01/30/2009
3136F8LU7	10657	FEDERAL NATIONAL MORT ASSOC		05/09/2007	1,000,000.00	1,002,190.00	1,000,000.00	5.250	Aaa	5.250	1,346	05/09/2011
31359M6J7	10659	FEDERAL NATIONAL MORT ASSOC		05/10/2007	1,000,000.00	1,003,130.00	999,278.67	5.400	Aaa	5.417	1,668	03/26/2012
3136F8MV4	10663	FEDERAL NATIONAL MORT ASSOC		05/23/2007	1,000,000.00	1,002,810.00	1,000,000.00	5.750	Aaa	5.750	1,726	05/23/2012
3136F8PP4	10673	FEDERAL NATIONAL MORT ASSOC		07/02/2007	1,000,000.00	1,003,440.00	1,000,000.00	5.375	Aaa	5.375	670	07/02/2009
31359M6V0	10683	FEDERAL NATIONAL MORT ASSOC		08/16/2007	1,000,000.00	1,003,130.00	998,317.78	5.400	Aaa	5.440	1,675	04/02/2012
		Subtotal and Average	**676,547.66**		**80,833,333.33**	**80,859,455.00**	**80,812,791.05**			**4.854**	**902**	
Treasury Securities - Coupon												
912828AZ3	10475	U.S.TREASURY NOTE		06/16/2003	5,000,000.00	4,936,350.00	5,017,109.47	2.625	Aaa	2.110	257	05/15/2008
912828BG4	10484	U.S.TREASURY NOTE		08/15/2003	1,000,000.00	989,840.00	999,127.02	3.250	Aaa	3.350	349	08/15/2008
912828DK3	10565	U.S.TREASURY NOTE		02/15/2005	1,000,000.00	996,020.00	999,633.97	3.375	Aaa	3.460	167	02/15/2008
912828DK3	10574	U.S.TREASURY NOTE		05/09/2005	1,000,000.00	996,020.00	998,272.45	3.375	Aaa	3.775	167	02/15/2008
912828DT4	10577	U.S.TREASURY NOTE		07/13/2005	1,000,000.00	994,920.00	999,456.34	3.750	Aaa	3.831	257	05/15/2008
912828DZ0	10579	U.S.TREASURY NOTE		07/25/2005	1,000,000.00	992,730.00	995,311.12	3.875	Aaa	4.057	1,048	07/15/2010
912828EC0	10580	U.S.TREASURY NOTE		08/15/2005	1,000,000.00	997,970.00	999,701.47	4.125	Aaa	4.159	349	08/15/2008
912828FT2	10626	U.S.TREASURY NOTE		10/23/2006	1,000,000.00	1,003,590.00	997,646.32	4.625	Aaa	4.854	395	09/30/2008
912828FV7	10627	U.S.TREASURY NOTE		10/31/2006	1,000,000.00	1,006,480.00	1,000,182.11	4.875	Aaa	4.858	426	10/31/2008
912828FM7	10638	U.S.TREASURY NOTE		01/22/2007	1,000,000.00	1,004,840.00	1,000,600.72	5.000	Aaa	4.930	334	07/31/2008
912828GP9	10664	U.S.TREASURY NOTE		05/23/2007	2,000,000.00	2,009,060.00	1,990,086.95	4.500	Aaa	4.814	607	04/30/2009
912828GR5	10669	U.S.TREASURY NOTE		06/08/2007	1,000,000.00	1,008,590.00	987,340.25	4.500	Aaa	5.008	987	05/15/2010
912828GG9	10671	U.S.TREASURY NOTE		06/15/2007	1,000,000.00	1,012,970.00	991,805.75	4.750	Aaa	5.109	898	02/15/2010

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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
Treasury Securities - Coupon												
912828FX3	10672	U.S.TREASURY NOTE		06/15/2007	1,000,000.00	1,008,910.00	990,235.00	4.625	Aaa	5.100	806	11/15/2009
		Subtotal and Average	**1,981,722.15**		**19,000,000.00**	**18,958,290.00**	**18,966,508.94**			**3.821**	**456**	
Medium Term Notes												
02003MAG9	10573	ALLSTATE LIFE GLOBAL TRUST		05/09/2005	1,000,000.00	992,830.00	999,129.51	3.850	Aa2	4.080	146	01/25/2008
060505BH6	10596	Bank of America		04/13/2006	1,000,000.00	979,660.00	975,092.05	3.375	AA2	5.230	535	02/17/2009
06423EPM1	10556	Bank One NA Illinois		01/18/2005	1,000,000.00	992,500.00	1,000,069.68	3.700		3.680	136	01/15/2008
172967BS9	10466	Citigroup		05/12/2003	1,000,000.00	991,660.00	1,001,781.07	3.500	Aa1	3.040	153	02/01/2008
172967BS9	10572	Citigroup		04/28/2005	1,585,000.00	1,571,781.10	1,581,094.96	3.500	Aa1	4.130	153	02/01/2008
166760AA6	10455	ChevronTexaco		02/25/2003	1,000,000.00	999,340.00	1,000,196.44	3.500	Aa2	3.025	16	09/17/2007
36962GB78	10465	General Electric Capital Corp		05/12/2003	1,000,000.00	987,680.00	1,002,142.43	3.500	Aaa	3.150	243	05/01/2008
36966RFV3	10476	General Electric Capital Corp		06/19/2003	2,000,000.00	1,948,220.00	2,000,000.00	2.450	Aaa	2.450	288	06/15/2008
375766AM4	10472	Gillettee Company		05/27/2003	1,000,000.00	978,400.00	999,594.40	2.500	Aa3	2.558	274	06/01/2008
38143UBE0	10660	Goldman Sachs		05/14/2007	1,210,000.00	1,189,042.80	1,192,963.81	4.500		5.050	1,018	06/15/2010
437076AN2	10623	Home Depot		10/11/2006	1,000,000.00	987,800.00	1,003,987.34	5.200	Aa3	5.059	1,277	03/01/2011
441812KG8	10613	Household Finance Co		08/22/2006	1,000,000.00	990,430.00	991,948.67	4.750	Aa3	5.260	622	05/15/2009
40429CCX8	10632	Household Finance Co		11/20/2006	1,000,000.00	990,020.00	1,002,338.31	5.250	Aa3	5.170	1,231	01/14/2011
441812KH6	10642	Household Finance Co		01/30/2007	1,000,000.00	975,370.00	977,635.69	4.125	Aa3	5.224	807	11/16/2009
59018YVV0	10630	MERRILL LYNCH		11/17/2006	1,000,000.00	979,070.00	993,085.01	4.790	Aa3	5.050	1,068	08/04/2010
59018YSK8	10643	MERRILL LYNCH		01/30/2007	2,000,000.00	1,958,620.00	1,972,265.93	4.125	Aa3	5.200	502	01/15/2009
59217EAD6	10477	Met Life		06/19/2003	1,000,000.00	976,690.00	1,000,372.80	2.600	Aa2	2.550	292	06/19/2008
59217EAD6	10481	Met Life		07/25/2003	1,000,000.00	976,690.00	993,789.39	2.600	Aa2	3.450	292	06/19/2008
742718BX6	10538	Procter & Gamble		08/02/2004	1,000,000.00	988,830.00	1,003,944.28	4.300	Aa3	3.850	349	08/15/2008
89233PUA2	10675	Toyota Motor Credit		07/23/2007	1,000,000.00	997,900.00	974,880.00	4.540	Aa1	5.500	1,004	06/01/2010
90327QCQ0	10670	USAA Capital Corp		06/12/2007	2,000,000.00	1,999,100.00	1,967,003.50	4.640		5.420	836	12/15/2009
949746EX5	10464	Wells Fargo Co		05/12/2003	1,000,000.00	986,830.00	1,002,561.56	3.500	Aa1	3.031	216	04/04/2008
949746EX5	10557	Wells Fargo Co		01/24/2005	1,000,000.00	986,830.00	998,720.15	3.500	Aa1	3.730	216	04/04/2008
949746JQ5	10569	Wells Fargo Co		04/04/2005	1,000,000.00	990,820.00	999,090.80	4.125	Aa1	4.310	191	03/10/2008
98153BAE4	10604	World Savings Bank		06/05/2006	1,000,000.00	995,330.00	984,673.98	4.500	Aa3	5.440	653	06/15/2009
		Subtotal and Average	**974,880.00**		**28,795,000.00**	**28,411,443.90**	**28,618,361.76**			**4.202**	**500**	
Muncipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	1,428,101.91	1,428,101.91	1,428,101.91	8.000		7.999	1,765	07/01/2012
		Subtotal and Average	**1,428,101.91**		**1,428,101.91**	**1,428,101.91**	**1,428,101.91**			**7.999**	**1,765**	

14

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 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
Commercial Paper Disc. -Amortizing												
61745BYS0	10682	Morgan Stanley & Co. Inc.		08/15/2007	773,000.00	763,468.91	762,862.10	5.490		5.578	86	11/26/2007
61745AA33	10686	Morgan Stanley & Co. Inc.		08/30/2007	784,000.00	770,036.96	769,147.56	5.500		5.608	124	01/03/2008
		Subtotal and Average	**49,618.56**		**1,557,000.00**	**1,533,505.87**	**1,532,009.66**			**5.593**	**105**	
Federal Agency Disc. -Amortizing												
313384MP1	10674	FEDERAL HOME LOAN BANK		07/19/2007	800,000.00	796,640.00	796,154.22	5.090	Aaa	5.147	34	10/05/2007
313588NR2	10681	FEDERAL NATIONAL MORT ASSOC		08/02/2007	775,000.00	769,032.50	768,412.50	5.100	Aaa	5.166	60	10/31/2007
		Subtotal and Average	**742,084.38**		**1,575,000.00**	**1,565,672.50**	**1,564,566.72**			**5.156**	**47**	
		Total and Average	**43,963,761.11**		**168,978,435.24**	**168,546,469.18**	**168,712,340.04**			**4.748**	**585**	

15

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

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

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	47,516,492.53	46,754,913.63	28.16
R	Parks & Recr Facility & Open Space	3,304,005.73	3,251,050.20	1.96
R	State Gas Tax	6,536,822.23	6,432,052.17	3.87
R	Federal Housing, Community Dev	1,120,076.04	1,102,123.83	0.66
R	Work Investment Network - WIN	53,717.28	52,856.32	0.03
R	Street Lighting	282,876.20	278,342.35	0.17
R	Traffic Congestion Relief Act 2000 - AB2928	717,092.26	705,598.94	0.43
R	Police Asset Forfeiture	3,219,810.47	3,168,204.39	1.91
R	Drainage Improvement	-	-	0.00
N	Government Cable	2,275,972.78	2,239,494.23	1.35
R	Local Return - Proposition C	4,817,793.08	4,740,575.06	2.86
R	Grants/Donations	(256,211.65)	(252,105.17) (B)	(0.15)
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	233,405.35	229,664.40	0.14
R	Seismic Education Fund	47,177.28	46,421.14	0.03
R	Rehabilitation Housing	546,264.07	537,508.73	0.32
R	Meadowpark Parking Assessment	-	-	0.00
R	Police Inmate Welfare Fund	78,299.39	77,044.43	0.05
N	Capital Improvements	19,279,661.26	18,970,653.11	11.43
R	Vanpool/Rideshare Fund	288,000.47	283,384.49	0.17
R	Torrance Improvement Fund	5,512,906.14	5,424,547.07	3.27
R	Animal Control Fund	76,952.29	75,718.92	0.05
R	Redevelopment-Capital Proj	7,225,658.09	7,109,847.59	4.28
R	Torr Impr Debt Service	-	-	0.00
R	Redevelopment Debt Service	(35,451.57)	(34,883.36) (C)	(0.02)
N	DNA Sampling Fund	7,500.21	7,380.00	0.00
N	Airport Fund	6,747,443.63	6,639,297.80	4.00
N	Transit Operations	4,991,973.18	4,911,963.46	2.96
R	Development Impact Fund	411,212.41	404,621.63	0.24
N	Water Operations	11,590,342.17	11,404,575.93	6.87
N	Emergency Medical Service Enterprise Fund	(5,849.06)	(5,755.31)	(0.00)
N	Sanitation Operations	3,413,021.05	3,358,318.26	2.02
N	Cultural Arts Enterprise	390,122.99	383,870.23	0.23
N	Sewer Enterprise Fund	10,933,607.49	10,758,367.18	6.48
N	Parks & Recr Enterprise Fund	206,275.67	202,969.55	0.12
N	Self Insurance Fund	5,482,640.18	5,394,766.20	3.25
N	Fleet Services	12,363,257.00	12,165,102.73	7.33
R	Postemployment/Compensated Absences Fund	6,359,351.67	6,257,426.05	3.77
R	Trust & Agency	2,980,121.71	2,932,357.29	1.77
	TOTAL	**168,712,340.04**	**166,008,273.47**	**100.00**

R = Restricted Funds
N = Non-Restricted Funds

(A) The difference between the Share of Investments total of $168,712,340.04 and the Pooled Cash and Investments total of $166,008,273.47 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) A-15 Artesia Median Landscaping -Torrance share has a negative cash balance of <$75,000>.
Reimbursement was received on 9/24/07.

T-43/T-44 Torrance Blvd. Rehab has a negative cash balance of <$35,905>.
Progress billing was submitted on 8/22/07.

FEAP 331-Lago Seco Park Development - Primary Elements has a negative cash balance of <$261,252>.
Final payment request submitted in June 2007 is being reviewed by the State.

Ocean/226th Vest Pocket Park has a negative cash balance of <$80,000>.
Reimbursement of $80,000 was received on 9/18/07.

(C) $1,897,201 debt service payment for Downtown and Industrial was disbursed in August. However, tax increments for these project areas will be received in November.

CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF AUGUST 31, 2007

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		**168,712,340.04**
CASH AND INVESTMENTS PER BOOKS		**166,008,273.47**
CASH IN BANKS:		
Cash in B of A General Account		($148,285.96)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	1,686,818.91	
Payroll Account	451,108.12	
Workers Compensation Account	121,041.11	
Housing Account	245,010.00	2,503,978.14
Miscellaneous outstanding adjusting journal entries		348,374.39
INVESTMENTS PER BOOKS		**$168,712,340.04**