

Council Meeting of
November 6, 2007

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

Members of the Council:

SUBJECT: Investment Report for September 2007

RECOMMENDATION

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

FUNDING

Not applicable

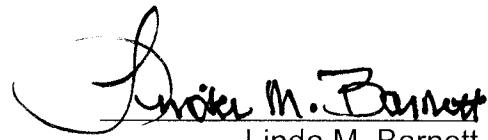
BACKGROUND

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 September 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 September 2007

Table of Contents

	<u>Page No.</u>
I. CITY OF TORRANCE – POOLED FUNDS	
<i>A. <u>Summary Reports</u></i>	
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
<i>B. <u>Detailed Reports</u></i>	
Investment Portfolio Details and Quality Ratings	8-12
II. RESTRICTED FUNDS	
(Reports Appear Quarterly)	
III. CASH & INVESTMENT PORTFOLIO SHARE	
Cash & Investment Share as of September 30, 2007	13
Cash & Investment Reconciliation	14

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

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	4.750	4.748
Average U.S. Treasury Constant Maturity	3.970	4.370
LAIF Average Monthly Return	5.231	5.253
Average City Portfolio YTM - 1 year prior	4.100	4.060

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	2,015,603	1,349,319
Current month	648,880	444,613

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	604	585
Average Maturity 1 Year Prior (days)	534	502
Weighted Average Maturity (years)	1.66	1.61

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	14,600,000	10
Maturities	17,290,000	13

Transactions include 5 deposits to and 8 withdrawals from LAIF, 1 purchases and 1 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 1,2007</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of September 30, 2007</u>
Federal Agency (coup)	81,334,705	-4,007	785,743	82,116,441
Treasury Securities	18,771,260	0	244,000	19,015,260
Medium Term Notes	27,303,734	-25,120	199,852	27,478,466
Municipal Bonds	1,778,745	-350,643	0	1,428,102
SUB-TOTAL PER GASB 31	129,188,444	-379,770	1,229,595	130,038,269
<u>Non-GASB securities</u>				
LAIF	33,000,000	100,000	0	33,100,000
Money Market	0	0	0	0
Federal Agency – Disc.	0	1,556,296	15,359	1,571,655
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	0	0	0
Commercial paper	0	1,529,766	10,778	1,540,544
TOTAL PORTFOLIO	162,188,444	2,806,292	1,255,732	166,250,468

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

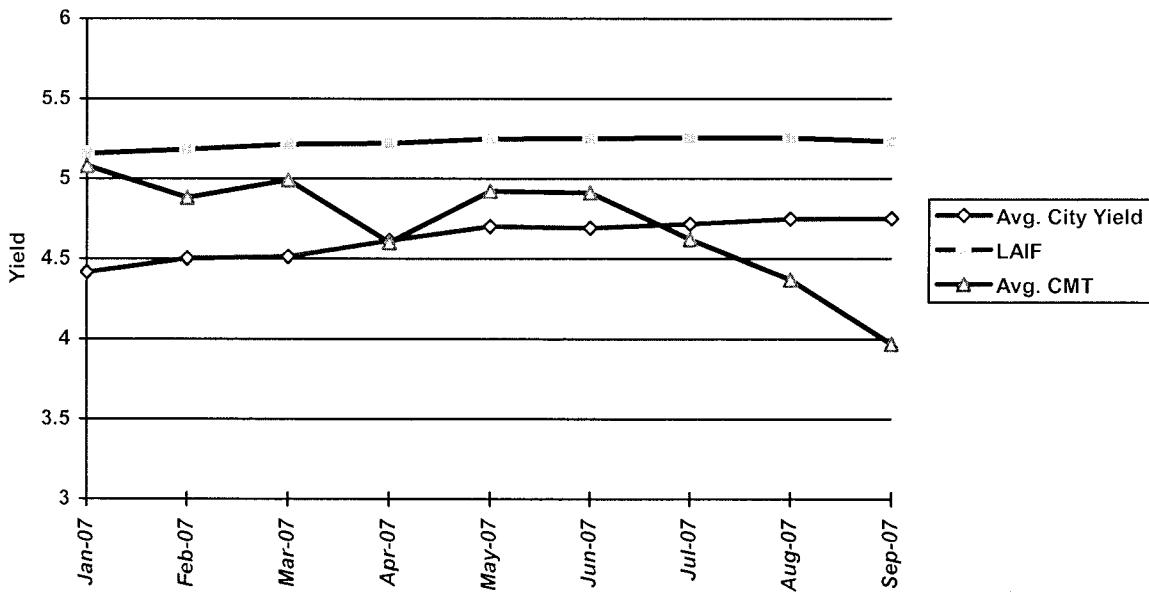
CITY OF TORRANCE

City Treasurer's Office

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

I. Return

50.92% of the portfolio is invested at one-year maturity or less as of September 30, 2007. The City Average yield on the portfolio was 4.750% compared to 3.970% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of September 30, 2007 by 78 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 September consisted of 4 purchases totaling \$4.0 million with an average yield to maturity of 5.35% and 2 redemptions and 2 calls for a total of \$4.0 million with an average yield to maturity of 4.771%. The activity in the LAIF Account consisted of 5 deposits of \$9.6 million and 8 withdrawals of \$12.3 million. The portfolio decreased by \$2.7 million.

<u>Asset Category</u>	<u>September</u>	<u>August</u>
1. LAIF	19.93	21.21
2. Money Market Sweep	0.00	0.00
3. Federal Agency Issues(coup)	49.27	47.90
4. Federal Agency Issues(disc)	0.95	0.93
5. Treasury Securities	11.42	11.24
6. Treasury Securities(disc)	0.00	0.00
7. Medium Term Notes	16.64	16.96
8. Municipal Bonds	.86	.85
9. Commercial Paper(disc)	0.93	0.91
	100.00%	100.00%

IV. Maturity

As of September 30, 2007, the current maturity allocation is 41.63% 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 \$58.6 million available for expenditures.

<u>As of Maturity</u>	<u>September</u>	<u>August</u>
0 to 6 months	35.25%	36.03%
6 months to 1 year	15.64%	15.90%
1 to 2 years	12.63%	13.54%
2 to 3 years	13.36%	13.08%
3 to 4 years	6.62%	7.65%
4 to 5 years	14.09%	12.62%
5 years and after	2.41%	1.18%

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
Portfolio Management
Activity Summary**

September 2006 through September 2007

Month End	Year	Number of Securities	Yield to Maturity			Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
			360	365	Equivalent					
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
September	2007	130	154,141,323.54	4.690	4.755	5.253	4	4	1,090	606
	Average	116	148,560,578.48	4.437%	4.499%	5.185	6	4	1,082	566

September 2007

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10685 CitiGroup		09/10/2007 FHLB	AAA/Aaa	09/10/2012	180d	5,600%	5,600%	1,000,000	1,000,000	1,008,440	
10687 Higgins Capital		09/18/2007 FHLMC	AAA/Aaa	09/18/2012	181d	5,350%	5,350%	1,000,000	1,000,000	1,006,330	
10688 CitiGroup		09/14/2007 FFCB	AAA/Aaa	09/14/2012	181d	5,250%	5,250%	1,000,000	1,000,000	1,010,000	
10690 CitiGroup		09/18/2007 FNMA	AAA/Aaa	09/18/2012	181d	5,200%	5,200%	1,000,000	1,000,000	1,000,310	
4,000,000											4,025,080

Weighted Average Yield

5.350%

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10455 Dean Witter		02/25/2003 Chevron Texaco	AAA/Aaa	9/17/2007	3,500%	3,058%	\$1,000,000	\$1,000,000	\$1,000,000	
10612 Higgins Capital		09/11/2006 FHLB	AAA/Aaa	9/19/2007	5,500%	5,502%	\$1,000,000	\$1,000,000	\$1,000,000	
10617 Higgins Capital		09/19/2006 FHLB	AAA/Aaa	9/19/2007	5,500%	5,500%	\$1,000,000	\$1,000,000	\$1,000,000	
10591 Brookstreet		03/21/2006 FHLB	AAA/Aaa	9/21/2007	5,040%	5,026%	\$1,000,000	\$1,000,000	\$1,000,000	
4,000,000										

Weighted Average Yield

4,772%

* 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	28,290,000	5.231%	5.231%	9,600,000	12,290,000		25,600,000
- City		7,500,000	5.231%	5.231%				7,500,000
RDA		\$35,790,000			9,600,000	12,290,000	\$-	\$33,100,000

**City of Torrance
Portfolio Management
Interest Earnings Summary
September 28, 2007**

	September 28 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	352,886.38	1,344,857.00
Plus Accrued Interest at End of Period	1,493,568.74	1,493,568.74
Less Accrued Interest at Beginning of Period	(1,389,004.03)	(1,410,319.55)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	457,451.09	1,428,106.19
Adjusted by Premiums and Discounts	21,059.52	49,045.19
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	478,510.61	1,477,151.38
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	494,839.05	494,839.05
Less Accrued Interest at Beginning of Period	(368,024.79)	(468,309.86)
Interest Earned during Period	126,814.26	494,896.56
Total Interest Earned during Period	584,265.35	1,923,002.75
Total Adjustments from Premiums and Discounts	21,059.52	49,045.19
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	605,324.87	1,972,047.94

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

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			25,600,000.00	25,600,000.00	25,600,000.00	5.231		5.231	1	
SYS10001	10001	Local Agency Invest Fund RDA			7,500,000.00	7,500,000.00	7,500,000.00	5.231		5.231	1	
		Subtotal and Average	31,710,333.33		33,100,000.00	33,100,000.00	33,100,000.00			5.231	1	
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00			3.250	AA2	3.250
SYS1000	1000	Union Bank of California			0.00	0.00	0.00			5.120		5.120
		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	1,005,760.00	1,000,000.00	5.550		5.550	04/25/2012	
31331TGG0	10491	FEDERAL FARM CREDIT BANK		10/15/2003	1,000,000.00	999,380.00	1,000,000.00	3.450	Aaa	3.450	10/15/2007	
31331TQP9	10507	FEDERAL FARM CREDIT BANK		02/09/2004	1,000,000.00	997,810.00	1,000,000.00	3.000	Aaa	3.001	11/09/2007	
31331TVG3	10513	FEDERAL FARM CREDIT BANK		03/24/2004	1,000,000.00	995,630.00	1,000,000.00	3.000	Aaa	3.001	12/24/2007	
31331TYR6	10516	FEDERAL FARM CREDIT BANK		04/22/2004	1,000,000.00	998,750.00	1,000,000.00	2.610	Aaa	2.610	10/22/2007	
31331TYD7	10519	FEDERAL FARM CREDIT BANK		04/15/2004	1,000,000.00	985,000.00	1,000,000.00	3.080	Aaa	3.080	10/15/2008	
31331TB91	10526	FEDERAL FARM CREDIT BANK		04/29/2004	1,000,000.00	998,440.00	1,000,000.00	3.100	Aaa	3.100	10/29/2007	
31331SMB6	10559	FEDERAL FARM CREDIT BANK		02/02/2005	1,000,000.00	999,990.43	3,700	Aaa	3.711	32	11/02/2007	
31331SNB5	10567	FEDERAL FARM CREDIT BANK		03/1/2005	1,000,000.00	995,630.00	1,000,000.00	3.550	Aaa	4,000	11/9	01/28/2008
31331SD42	10576	FEDERAL FARM CREDIT BANK		06/30/2005	1,000,000.00	995,630.00	1,000,000.00	4.125	Aaa	4,125	273	06/30/2008
31331VYF7	10600	FEDERAL FARM CREDIT BANK		05/04/2006	1,000,000.00	1,012,190.00	1,000,000.00	5.250	Aaa	5,250	581	05/04/2009
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	64	12/04/2007
31331XAK8	10622	FEDERAL FARM CREDIT BANK		10/16/2006	1,000,000.00	1,000,310.00	1,000,000.00	5.250	Aaa	5,250	928	04/16/2010
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,013,750.00	1,000,000.00	5.000	Aaa	5,002	968	05/26/2010
31331XNU2	10645	FEDERAL FARM CREDIT BANK		02/12/2007	1,000,000.00	1,002,810.00	1,000,000.00	5.350	Aaa	5,350	865	02/12/2010
31331XUM2	10649	FEDERAL FARM CREDIT BANK		04/05/2007	1,000,000.00	1,000,310.00	1,000,000.00	5.400	Aaa	5,400	1,288	04/05/2011
31331XVL3	10653	FEDERAL FARM CREDIT BANK		04/16/2007	1,000,000.00	1,003,130.00	1,000,000.00	5.200	Aaa	5,200	928	04/16/2010
31331XWQ1	10654	FEDERAL FARM CREDIT BANK		04/25/2007	1,000,000.00	1,003,440.00	999,750.00	5.390	Aaa	5,396	1,668	04/25/2012
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,027,500.00	1,000,000.00	5.250	Aaa	5,250	1,766	08/01/2012
31331XZ24	10688	FEDERAL FARM CREDIT BANK		09/14/2007	1,010,000.00	1,010,000.00	1,000,000.00	5.250	Aaa	5,250	1,810	09/14/2012
3133MNP4	10445	FEDERAL HOME LOAN BANK		02/06/2003	833,333.33	829,950.00	833,315.25	3.750	Aaa	3,757	128	02/06/2008
3133YYU5	10469	FEDERAL HOME LOAN BANK		06/05/2003	1,000,000.00	990,000.00	1,000,000.00	3.250	Aaa	3,250	248	06/05/2008
31339YKX9	10480	FEDERAL HOME LOAN BANK		07/30/2003	1,000,000.00	986,250.00	1,000,000.00	3,000	Aaa	3,000	303	07/30/2008
3133XOF3	10482	FEDERAL HOME LOAN BANK		08/13/2003	1,000,000.00	994,060.00	1,000,000.00	4,000	Aaa	4,000	317	08/13/2008
31339YVV1	10503	FEDERAL HOME LOAN BANK		01/21/2004	1,000,000.00	989,690.00	999,566.79	3,375	Aaa	3,433	294	07/21/2008
3133X5X45	10524	FEDERAL HOME LOAN BANK		04/21/2004	1,000,000.00	984,690.00	1,000,000.00	3,420	Aaa	3,420	568	04/21/2009

Portfolio CITY

AP
PM (PRF_PM2) SymRept 6.41.2020

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

11

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Moody's	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon											
3133XAMZ7	10562	FEDERAL HOME LOAN BANK	03/03/2005	1,000,000.00	995,940.00	1,000,000.00	4,000	Aaa	4.000	154	03/03/2008
3133XAQU4	10563	FEDERAL HOME LOAN BANK	03/07/2005	1,000,000.00	997,810.00	1,000,000.00	3,825	Aaa	3.827	67	12/07/2007
3133XAQV2	10564	FEDERAL HOME LOAN BANK	03/08/2005	1,000,000.00	994,380.00	1,000,000.00	4,000	Aaa	4.000	343	09/08/2008
3133XFRR5	10581	FEDERAL HOME LOAN BANK	01/30/2006	1,000,000.00	1,000,000.00	1,000,000.00	5,000	Aaa	5.000	119	01/28/2008
3133XFOM6	10594	FEDERAL HOME LOAN BANK	04/28/2006	1,000,000.00	1,004,690.00	1,000,000.00	5,400	Aaa	5.400	940	04/28/2010
3133XFHS8	10599	FEDERAL HOME LOAN BANK	05/19/2006	1,000,000.00	1,016,880.00	1,000,000.00	5,520	Aaa	5.520	1,326	05/19/2011
3133XGDT6	10608	FEDERAL HOME LOAN BANK	08/11/2006	1,000,000.00	1,009,380.00	1,000,000.00	5,700	Aaa	5.700	1,045	08/11/2010
3133XGTS3	10616	FEDERAL HOME LOAN BANK	09/08/2006	1,000,000.00	1,007,190.00	1,000,000.00	5,375	Aaa	5.375	1,073	09/08/2010
3133XGPZ2	10619	FEDERAL HOME LOAN BANK	10/02/2006	1,000,000.00	1,006,250.00	1,000,000.00	5,150	Aaa	5.150	732	10/02/2009
3133XHEX6	10624	FEDERAL HOME LOAN BANK	10/27/2006	1,000,000.00	1,005,940.00	1,000,000.00	5,200	Aaa	5,200	1,487	10/27/2011
3133XEZP7	10625	FEDERAL HOME LOAN BANK	10/20/2006	1,000,000.00	1,003,440.00	999,395.00	5,000	Aaa	5,038	347	09/12/2008
3133XJ2S6	10634	FEDERAL HOME LOAN BANK	12/13/2006	1,000,000.00	1,001,880.00	1,000,000.00	5,500	Aaa	5,500	1,534	12/13/2011
3133XJF60	10635	FEDERAL HOME LOAN BANK	01/17/2007	1,000,000.00	1,000,000.00	1,000,000.00	5,600	Aaa	5,600	1,569	01/17/2012
3133XJPZ5	10639	FEDERAL HOME LOAN BANK	01/26/2007	1,000,000.00	1,007,810.00	1,000,000.00	5,200	Aaa	5,200	1,029	07/26/2010
3133XJT99	10644	FEDERAL HOME LOAN BANK	02/05/2007	1,000,000.00	1,002,810.00	1,000,000.00	5,350	Aaa	5,350	493	02/05/2009
3133XJUD8	10646	FEDERAL HOME LOAN BANK	02/09/2007	1,000,000.00	1,012,500.00	1,000,000.00	5,500	Aaa	5,500	1,592	02/09/2012
3133XXAK1	10647	FEDERAL HOME LOAN BANK	03/20/2007	1,000,000.00	1,001,880.00	1,000,000.00	5,000	Aaa	5,000	536	03/20/2009
3133XXKDC6	10648	FEDERAL HOME LOAN BANK	03/30/2007	1,000,000.00	1,002,190.00	1,000,000.00	5,030	Aaa	5,030	543	03/27/2009
3133XXKF75	10651	FEDERAL HOME LOAN BANK	04/20/2007	1,000,000.00	1,007,810.00	1,000,000.00	5,050	Aaa	5,050	1,297	04/20/2011
3133XXFU4	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	1,666	04/23/2012
3133XXKE9	10656	FEDERAL HOME LOAN BANK	05/04/2007	1,000,000.00	1,005,940.00	1,000,000.00	5,125	Aaa	5,125	1,311	05/04/2011
3133XXQ65	10658	FEDERAL HOME LOAN BANK	05/15/2007	1,000,000.00	1,009,060.00	1,000,000.00	5,200	Aaa	5,200	1,688	05/15/2012
3133XXYE9	10662	FEDERAL HOME LOAN BANK	05/25/2007	1,000,000.00	1,015,630.00	1,000,000.00	5,200	Aaa	5,200	1,698	05/25/2012
3133XL2U6	10665	FEDERAL HOME LOAN BANK	05/29/2007	1,000,000.00	1,004,690.00	1,000,000.00	5,250	Aaa	5,250	606	05/29/2009
3133XLAF0	10667	FEDERAL HOME LOAN BANK	06/20/2007	1,000,000.00	1,007,500.00	1,000,000.00	5,600	Aaa	5,600	1,724	06/20/2012
3133XLVX8	10679	FEDERAL HOME LOAN BANK	08/06/2007	500,000.00	507,190.00	500,000.00	5,400	Aaa	5,400	1,771	08/06/2012
3133XLWBS5	10680	FEDERAL HOME LOAN BANK	08/14/2007	500,000.00	507,970.00	500,000.00	5,460	Aaa	5,460	1,779	08/14/2012
3133XMS8	10684	FEDERAL HOME LOAN BANK	08/27/2007	1,000,000.00	1,013,440.00	1,000,000.00	5,125	Aaa	5,125	1,792	08/27/2012
3133XME9	10685	FEDERAL HOME LOAN BANK	09/10/2007	1,000,000.00	1,008,440.00	1,000,000.00	5,600	Aaa	5,600	1,806	09/10/2012
3128X1GD3	10508	FEDERAL HOME LOAN MORTGAGE CO	01/30/2004	1,000,000.00	983,660.00	994,194.63	3,110	Aaa	3,644	437	12/11/2008
3128X25Y7	10521	FEDERAL HOME LOAN MORTGAGE CO	04/19/2004	1,000,000.00	988,960.00	1,000,000.00	2,920	Aaa	2,920	18	10/19/2007
3128X4YE5	10584	FEDERAL HOME LOAN MORTGAGE CO	01/30/2006	1,002,300.00	999,771.11	5,000	Aaa	5,030	296	07/23/2008	
3128X4K67	10585	FEDERAL HOME LOAN MORTGAGE CO	03/07/2006	1,000,000.00	1,000,560.00	1,000,000.00	5,250	Aaa	5,250	158	03/07/2008
3128X4N56	10605	FEDERAL HOME LOAN MORTGAGE CO	06/09/2006	1,010,350.00	995,485.90	5,250	Aaa	5,461	1,242	02/24/2011	
3128X5KL1	10620	FEDERAL HOME LOAN MORTGAGE CO	09/29/2006	1,009,730.00	1,000,000.00	1,000,000.00	5,500	Aaa	5,500	1,459	09/29/2011
3128X5MP0	10628	FEDERAL HOME LOAN MORTGAGE CO	11/07/2006	1,000,700.00	1,000,000.00	1,000,000.00	5,250	Aaa	5,250	403	11/07/2008

Portfolio CITY

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

12

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													
3128X5NT1	10629	FEDERAL HOME LOAN MORTGAGE CO	11/14/2006		1,000,000.00	1,008,780.00				5.350	1,505	11/14/2011	
3128X5PV4	10631	FEDERAL HOME LOAN MORTGAGE CO	11/24/2006		1,000,000.00	1,006,460.00				5.125	1,150	11/24/2010	
3128X5QW1	10633	FEDERAL HOME LOAN MORTGAGE CO	12/05/2006		1,000,000.00	1,001,490.00				5.250	1,526	12/05/2011	
3128X5TDO	10636	FEDERAL HOME LOAN MORTGAGE CO	12/26/2006		1,000,000.00	999,690.97				5.100	1,127	452	12/26/2008
3128X5VF2	10637	FEDERAL HOME LOAN MORTGAGE CO	12/27/2006		1,000,000.00	1,005,900.00				5.400	1,548	12/27/2011	
3128X5Z45	10650	FEDERAL HOME LOAN MORTGAGE CO	04/17/2007		1,000,000.00	1,000,490.00				5.550	1,660	04/17/2012	
3128X5Z47	10661	FEDERAL HOME LOAN MORTGAGE CO	05/16/2007		1,000,000.00	1,009,380.00				5.250	1,646	04/03/2012	
3128X6CS3	10666	FEDERAL HOME LOAN MORTGAGE CO	06/20/2007		1,000,000.00	1,008,150.00				5.625	1,358	6/20/2011	
3128X6CX2	10688	FEDERAL HOME LOAN MORTGAGE CO	06/15/2007		1,000,000.00	1,014,790.00				5.400	988	6/15/2010	
3128X6HP4	10676	FEDERAL HOME LOAN MORTGAGE CO	07/30/2007		1,000,000.00	1,008,020.00				5.550	1,033	07/30/2010	
3137EAAX7	10677	FEDERAL HOME LOAN MORTGAGE CO	07/23/2007		1,000,000.00	1,018,750.00				5.125	5,205	1,057	08/23/2010
3128X6LK0	10687	FEDERAL HOME LOAN MORTGAGE CO	09/18/2007		1,000,000.00	1,006,330.00				5.350	1,814	09/18/2012	
3136F7FE2	10578	FEDERAL NATIONAL MORT ASSOC	07/28/2005		1,000,000.00	997,810.00				4.300	119	01/28/2008	
3136F7F44	10606	FEDERAL NATIONAL MORT ASSOC	06/22/2006		1,000,000.00	1,017,500.00				5.500	1,360	06/22/2011	
3136F8FJ9	10641	FEDERAL NATIONAL MORT ASSOC	01/30/2007		1,000,000.00	1,002,500.00				5.300	487	01/30/2009	
3136F8LU7	10657	FEDERAL NATIONAL MORT ASSOC	05/09/2007		1,000,000.00	1,004,380.00				5.250	1,316	05/09/2011	
3135BM6J7	10659	FEDERAL NATIONAL MORT ASSOC	05/10/2007		1,000,000.00	1,004,060.00				5.400	5,417	1,638	03/26/2012
3136F8MV4	10663	FEDERAL NATIONAL MORT ASSOC	05/23/2007		1,000,000.00	1,005,310.00				5.750	5,750	1,696	05/23/2012
3136F8PP4	10673	FEDERAL NATIONAL MORT ASSOC	07/02/2007		1,000,000.00	1,005,630.00				5.375	5,375	640	07/02/2009
3135BM6V0	10683	FEDERAL NATIONAL MORT ASSOC	08/16/2007		1,000,000.00	1,004,380.00				5.400	5,440	1,645	04/02/2012
3136F8SU0	10690	FEDERAL NATIONAL MORT ASSOC	09/18/2007		1,000,000.00	1,000,310.00				5.200	5,200	1,814	09/18/2012
Subtotal and Average					1,433,333.33	81,833,333.33	82,116,440.00			81,814,037.65		4,380	
Treasury Securities - Coupon													
912828AZ3	10475	U.S.TREASURY NOTE	06/16/2003		5,000,000.00	4,953,150.00				5,015,112.26	2,625	Aaa	
912828BG4	10484	U.S.TREASURY NOTE	08/15/2003		1,000,000.00	992,730.00				999,202.96	3,250	Aaa	
912828DK3	10565	U.S.TREASURY NOTE	02/15/2005		1,000,000.00	997,190.00				999,699.73	3,375	Aaa	
912828DK3	10574	U.S.TREASURY NOTE	05/09/2005		1,000,000.00	997,190.00				998,582.79	3,375	Aaa	
912828DT4	10577	U.S.TREASURY NOTE	07/13/2005		1,000,000.00	997,420.00				999,520.55	3,750	Aaa	
912828DZ0	10579	U.S.TREASURY NOTE	07/25/2005		1,000,000.00	997,110.00				995,445.35	3,875	Aaa	
912828EC0	10580	U.S.TREASURY NOTE	08/15/2005		1,000,000.00	999,920.00				999,727.13	4,125	Aaa	
912828FT2	10626	U.S.TREASURY NOTE	10/23/2006		1,000,000.00	1,005,390.00				997,825.08	4,625	Aaa	
912828FV7	10627	U.S.TREASURY NOTE	10/31/2006		1,000,000.00	1,008,750.00				1,000,169.29	4,875	Aaa	
912828FM7	10638	U.S.TREASURY NOTE	01/22/2007		1,000,000.00	1,006,950.00				1,000,546.76	5,000	Aaa	
912828GP9	10664	U.S.TREASURY NOTE	05/23/2007		2,000,000.00	2,016,880.00				1,990,576.89	4,500	Aaa	
912828GR5	10669	U.S.TREASURY NOTE	06/08/2007		1,000,000.00	1,012,580.00				987,725.05	4,500	Aaa	
Subtotal and Average					81,833,333.33	82,116,440.00	81,814,037.65			4,380		930	

Portfolio CITY

AP
PM (PRF_PM2) SymRept 6.4.1.2020

City of Torrance
Portfolio Management
Portfolio Details - Investments
September 30, 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												
912828GG9	10671	U.S.TREASURY NOTE	1,000,000.00	06/15/2007	1,017,030.00	992,079.50	4.750	Aaa	5.109	868	02/15/2010	
912828FX3	10672	U.S.TREASURY NOTE	1,000,000.00	06/15/2007	1,012,970.00	990,598.46	4.825	Aaa	5.100	776	11/15/2009	
	Subtotal and Average	1,982,369.98	19,000,000.00		19,015,260.00	18,966,810.90				3.821	426	
Medium Term Notes												
02003MAG9	10573	ALLSTATE LIFE GLOBAL TRUST	1,000,000.00	05/09/2005	995,620.00	999,310.96	3.850	Aa2	4.080	116	01/25/2008	
060505BH6	10596	Bank of America	1,000,000.00	04/13/2006	977,840.00	976,512.86	3.375	AA2	5.230	505	02/17/2009	
06423EPM1	10556	Bank One NA Illinois	1,000,000.00	01/18/2005	995,920.00	1,000,054.08	3.700			106	01/15/2008	
172967BS9	10466	Citigroup	1,000,000.00	05/12/2003	994,300.00	1,001,427.22	3.500	Aa1	3.040	123	02/01/2008	
172967BS9	10572	Citigroup	1,585,000.00	04/28/2005	1,575,965.50	1,581,875.97	3.500	Aa1	4.130	123	02/01/2008	
36962GB78	10465	General Electric Capital Corp	1,000,000.00	05/12/2003	990,770.00	1,001,874.62	3.500	Aaa	3.150	213	05/01/2008	
36966RFV3	10476	General Electric Capital Corp	2,000,000.00	06/19/2003	1,957,360.00	2,000,000.00	2.450	Aaa	2.450	256	06/15/2008	
375766AM4	10472	Gillette Company	1,000,000.00	05/27/2003	982,790.00	999,639.47	2.500	Aa3	2.558	244	06/01/2008	
38143JUBE0	10660	Goldman Sachs	1,210,000.00	05/14/2007	1,192,600.20	1,193,472.86	4.500		5.050	988	06/15/2010	
4337076AN2	10623	Home Depot	1,000,000.00	10/11/2006	989,770.00	1,003,892.41	5.200	Aa3	5.059	1,247	03/01/2011	
441812KG8	10613	Household Finance Co	1,000,000.00	08/22/2006	993,650.00	992,342.05	4.750	Aa3	5.260	592	05/15/2009	
40429CCX8	10632	Household Finance Co	1,000,000.00	11/20/2006	996,390.00	1,002,280.48	5.250	Aa3	5.170	1,201	01/14/2011	
441812KH6	10642	Household Finance Co	1,000,000.00	01/30/2007	974,660.00	978,478.82	4.125	Aa3	5.224	777	11/16/2009	
59018YYV0	10630	MERRILL LYNCH	1,000,000.00	11/17/2006	983,620.00	993,282.02	4.790	Aa3	5.050	1,038	08/04/2010	
59018YSK8	10643	MERRILL LYNCH	2,000,000.00	01/30/2007	1,963,300.00	1,973,950.18	4.125	Aa3	5.200	472	01/15/2009	
59217EAD6	10477	Met Life	1,000,000.00	06/19/2003	981,180.00	1,000,333.97	2.600	Aa2	2.550	262	06/19/2008	
59217EAD6	10481	Met Life	1,000,000.00	07/25/2003	981,180.00	994,436.33	2.600	Aa2	3.450	262	06/19/2008	
742718BX6	10538	Procter & Gamble	1,000,000.00	08/02/2004	992,460.00	1,003,600.30	4.300	Aa3	3.850	319	08/15/2008	
89233PUA2	10675	Toyota Motor Credit	1,000,000.00	07/23/2007	989,680.00	974,880.00	4.540	Aa1	5.560	974	06/01/2010	
90327QCQ0	10670	USAA Capital Corp	2,000,000.00	06/12/2007	1,985,460.00	1,968,204.83	4.640		5.420	806	12/15/2009	
949746EX5	10464	Wells Fargo Co	1,000,000.00	05/12/2003	989,910.00	1,002,200.78	3.500	Aa1	3.031	186	04/04/2008	
949746EX5	10557	Wells Fargo Co	1,000,000.00	01/24/2005	989,910.00	998,900.41	3.500	Aa1	3.730	186	04/04/2008	
949746JQ5	10569	Wells Fargo Co	1,000,000.00	04/04/2005	993,350.00	999,235.11	4.125	Aa1	4.310	161	03/10/2008	
98155BAA4	10604	World Savings Bank	1,000,000.00	06/05/2006	998,780.00	985,387.93	4.500	Aa3	5.440	623	06/15/2009	
	Subtotal and Average	974,880.00			27,795,000.00	27,478,465.70	27,625,574.16			4.245	488	
Municipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd	1,428,101.91	12/18/2001	1,428,101.91	1,428,101.91	8.000			7,999	1,735	
		Subtotal and Average	1,428,101.91									

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Date
Commercial Paper Disc. -Amortizing												
61745BYSO	10682	Morgan Stanley & Co. Inc.	08/15/2007	773,000.00	766,901.03	766,398.58	5,490	5.578	Aaa	56	11/26/2007	
61745AA33	10686	Morgan Stanley & Co. Inc.	08/30/2007	784,000.00	773,643.36	772,740.89	5,500	5.608	Aaa	94	01/03/2008	
	Subtotal and Average	771,004.11		1,557,000.00	1,540,544.39	1,539,139.47			5.563	75		
Federal Agency Disc. -Amortizing												
313384MP1	10674	FEDERAL HOME LOAN BANK	07/19/2007	800,000.00	799,600.00	799,547.56	5,080	Aaa	5.147	4	10/05/2007	
313588NR2	10681	FEDERAL NATIONAL MORT ASSOC	08/02/2007	775,000.00	772,055.00	771,706.25	5,100	Aaa	5.166	30	10/31/2007	
	Subtotal and Average	770,114.27		1,575,000.00	1,571,655.00	1,571,253.81			5.156	17		
	Total and Average	39,070,136.94		166,288,435.24	166,250,467.00	166,044,917.90			4.750	604		

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

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

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	45,794,789.40	44,711,049.63	27.58
R	Parks & Recr Facility & Open Space	3,244,093.41	3,167,321.51	1.95
R	State Gas Tax	6,481,584.24	6,328,196.69	3.90
R	Federal Housing, Community Dev	1,528,317.87	1,492,150.02	0.92
R	Work Investment Network - WIN	80,198.46	78,300.55	0.05
R	Street Lighting	451,586.50	440,899.65	0.27
R	Traffic Congestion Relief Act 2000 - AB2928	731,063.76	713,763.04	0.44
R	Police Asset Forfeiture	3,295,343.34	3,217,358.60	1.98
N	Government Cable	2,144,198.99	2,093,456.24	1.29
R	Local Return - Proposition C	4,882,198.30	4,766,660.43	2.94
R	Grants/Donations	(338,134.47)	(330,132.47) (B)	(0.20)
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	217,975.48	212,817.06	0.13
R	Seismic Education Fund	48,541.09	47,392.36	0.03
R	Rehabilitation Housing	553,636.61	540,534.73	0.33
R	Police Inmate Welfare Fund	80,802.36	78,890.16	0.05
N	Capital Improvements	19,193,033.21	18,738,827.53	11.56
R	Vanpool/Rideshare Fund	282,258.34	275,578.66	0.17
R	Torrance Improvement Fund	5,530,225.89	5,399,352.36	3.33
R	Animal Control Fund	56,903.32	55,556.70	0.03
R	Redevelopment-Capital Proj	7,386,545.11	7,211,741.54	4.45
R	Redevelopment Debt Service	(332,291.14)	(324,427.43) (C)	(0.20)
N	DNA Sampling Fund	7,558.88	7,380.00	0.00
N	Airport Fund	6,638,139.68	6,481,047.22	4.00
N	Transit Operations	4,424,320.03	4,319,617.91	2.66
R	Development Impact Fund	414,429.15	404,621.63	0.25
N	Water Operations	10,375,462.12	10,129,925.43	6.25
N	Emergency Medical Service Enterprise Fund	(6,397.77)	(6,246.37)	(0.00)
N	Sanitation Operations	2,965,960.16	2,895,770.32	1.79
N	Cultural Arts Enterprise	437,739.89	427,380.72	0.26
N	Sewer Enterprise Fund	11,045,323.97	10,783,934.91	6.65
N	Parks & Recr Enterprise Fund	34,027.43	33,222.17	0.02
N	Self Insurance Fund	6,009,553.67	5,867,336.78	3.62
N	Fleet Services	12,905,173.24	12,599,770.60	7.77
R	Postemployment/Compensated Absences Fund	6,418,567.61	6,266,671.36	3.87
R	Trust & Agency	3,062,189.77	2,989,722.64	1.84
TOTAL		166,044,917.90	162,115,442.88	100.00

R = Restricted Funds

N = Non-Restricted Funds

(A) The difference between the Share of Investments total of \$166,044,917.90 and the Pooled Cash and Investments total of \$162,115,442.88 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) T-43/T-44 Torrance Blvd. Rehab has a negative cash balance of <\$35,905>. Reimbursement was received on 10/1/07.

FEAP 336 Joslyn Arts Gallery has a negative cash balance of <\$129,898>. Reimbursement was received on 10/5/07.

FEAP 331-Lago Seco Park Development - Primary Elements has a negative cash balance of <\$261,252>. Reimbursement in the amount of \$85,836 was received on 10/5/07. The balance of \$175,416 is expected in November.

(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 SEPTEMBER 30, 2007**

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

166,044,917.90

CASH AND INVESTMENTS PER BOOKS

162,115,442.88

CASH IN BANKS:

Cash in B of A General Account	(\$611,186.57)
Cash in B of A Payroll Account	0.00

OUTSTANDING WARRANTS:

General Account	962,500.64
Payroll Account	434,296.27
Workers Compensation Account	147,639.25
Housing Account	<u>339,816.00</u>
	1,884,252.16

Miscellaneous outstanding adjusting journal entries	(21,291.70)
PE 9/29/07 Payroll checks posted on 9/29/07 and paid on 10/5/07	2,677,701.13

INVESTMENTS PER BOOKS

\$166,044,917.90

**City of Torrance
Investment Portfolio Summary
As of September 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	33,100,000	19.93	**	1	1	N/A	5.231
Money Market Sweep Account	00	.00		1	1		4.14
Federal Agency Issues -- Coupon	81,814,037	49.27	75	1,417	930	5 years	4.860
Farmer Mac	1,000,000	.61	30	198	207	5 years	4.515
Federal Farm Credit Bank	18,998,520	11.44	30	332	364	5 years	4.368
Federal Home Loan Bank	34,631,824	20.92	30	447	485	5 years	4.702
Federal Home Loan Mortgage Corp.	18,985,600	11.50	30	299	328	5 years	4.617
Federal National Mortgage Assoc.	9,769,346	5.89	30	229	239	5 years	4.687
Treasury Securities – Coupon	18,966,811	11.42	100	1,222	426	5 years	3.821
Medium Term Notes	27,625,574	16.64	20	1,302	488	5 years	4.245
Municipal Bond Issue	1,428,102	.86		3,848	1,735	N/A	7.999
Federal Agency Disc	1,571,254	.95		84	17	5 years	5.156
Commercial Paper Disc-Amort	1,539,139	.93		115	75		5.593
Treasury Discount-Amort	00	.00					.000
Certificate of Deposits-Disc	00	.00					.000
Total Investments & Averages	166,044,918	100.00		1,090	604		4.750
Pending Redemptions							
Accrued Interest at Purchase	45,968						
Total Cash & Purchase Interest	45,968						
Total Cash & Investments	166,090,886						

Portfolio Notes:

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

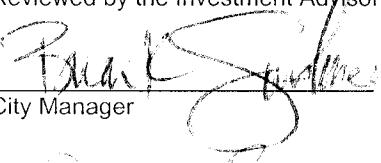
General LAIF account = \$25,600,000

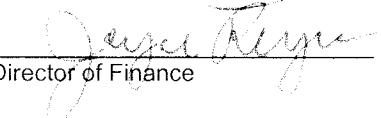
RDA LAIF account = \$7,500,000

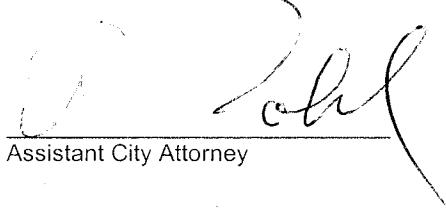
I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Res. 07-23 on March 6, 2007. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient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

Linda M. Barnett Date
City Treasurer

Reviewed by the Investment Advisory Committee


Frank S. Barnes
City Manager


Daniel Reyne
Director of Finance


John C. Johnson
Assistant City Attorney


Linda M. Barnett
City Treasurer