

Council Meeting of
August 5, 2008

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

Members of Council:

SUBJECT: Accept and file Investment Reports for June 2008

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment reports for the month of June 2008.

FUNDING

Not applicable

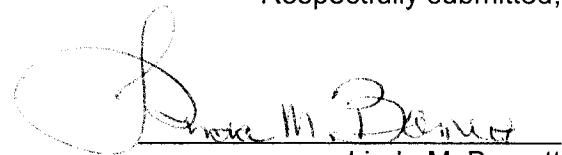
BACKGROUND

On December 04, 2007, Your Honorable Body, through passage of Resolution 2007-110, 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 months of June 2008.

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 June 2008

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**City of Torrance
Investment Portfolio Highlights
For June 2008**

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	4.055	4.093
Average U.S. Treasury Constant Maturity	2.540	2.620
LAIF Average Monthly Return	2.894	3.072
Average City Portfolio YTM - 1 year prior	4.690	4.700

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	8,582,067	6,112,618
Current month	819,446	640,169

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	907	889
Average Maturity 1 Year Prior (days)	610	560
Weighted Average Maturity (years)	2.49	2.44

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	51,448,847	10
Maturities	53,483,481	11

Transactions include 5 deposits to and 6 withdrawals from LAIF, 7 purchases and 5 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 June 30. 2008</u>
Federal Agency (coup)	81,334,705	36,035,636	437,268	117,807,609
Treasury Securities	18,771,260	-10,023,514	433,494	9,181,240
Medium Term Notes	27,303,734	-1,987,747	242,733	25,558,720
Municipal Bonds	1,778,745	-469,591	0	1,309,154
SUB-TOTAL PER GASB 31	129,188,444	23,554,784	1,113,495	153,856,723
<u>Non-GASB securities</u>				
LAIF	33,000,000	15,200,000	0	48,200,000
Money Market	0	6,000,000	0	6,000,000
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	0	0	0
Commercial paper	0	-27,234	27,234	0
TOTAL PORTFOLIO	162,188,444	44,708,846	1,159,433	208,056,723

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

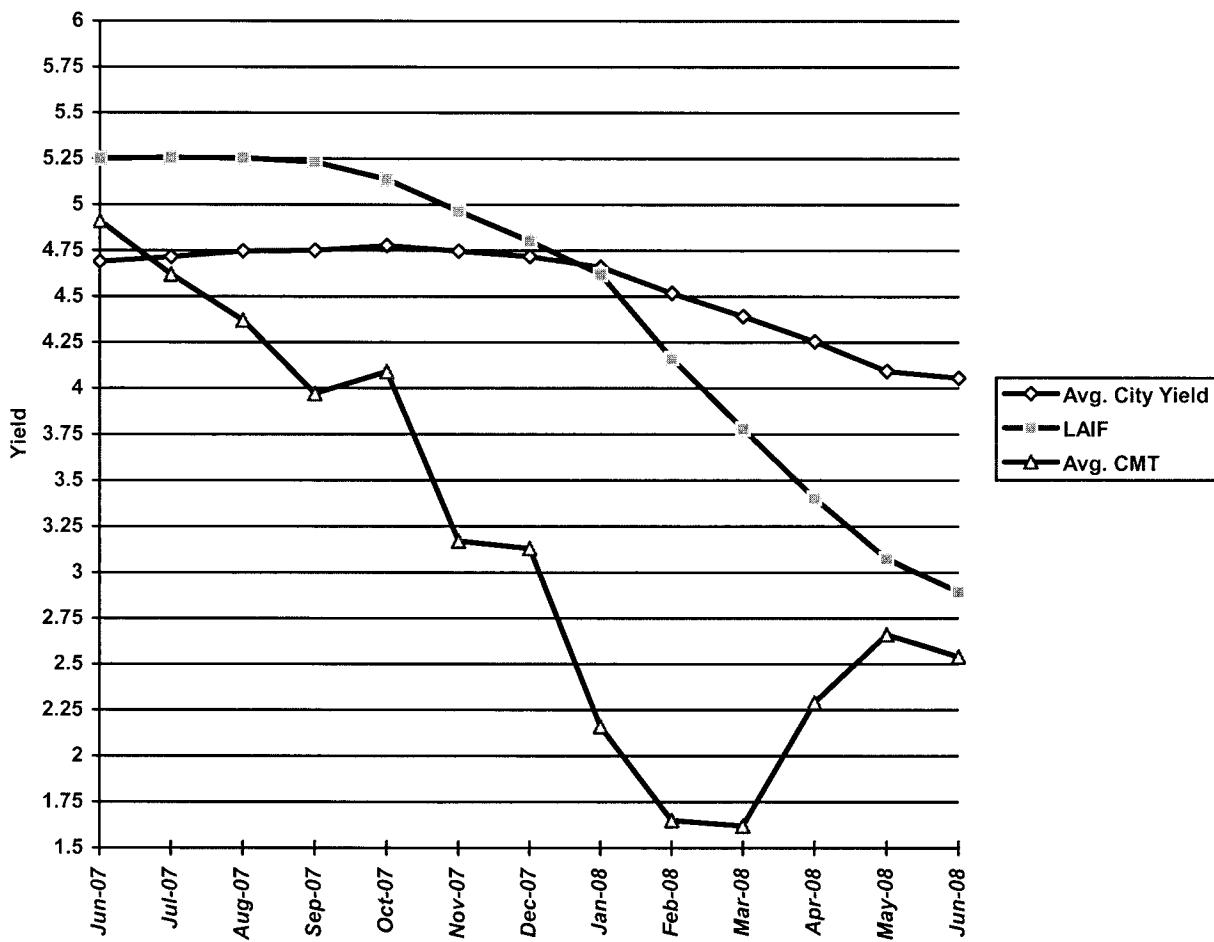
CITY OF TORRANCE

City Treasurer's Office

*Monthly Investment Report Summary
For the month of June 2008*

I. Return

34.76% of the portfolio is invested at one-year maturity or less as of June 30, 2008. The City Average yield on the portfolio was 4.055% compared to 2.54% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of June 30, 2008 by 152 basis points.



II. Volumes

The investment activity for June included 5 redemption and 7 deposits in the Union Bank of California money market account.

III. Diversification of Investments

The activity in the month of June consisted of 7 purchases totaling \$10.2 million with an average yield to maturity of 3.99% and 5 redemptions and 7 calls for a total of \$13.0 million with an average yield to maturity of 4.115%. The activity in the LAIF Account consisted of 4 deposit of \$4.7 million and 5 withdrawals of \$5 million. The activity in the sweep account consisted of 6 deposits of \$7.2 million and 4 withdrawals of \$6.2 million. The portfolio increased by \$2 million.

<u>Asset Category</u>	<u>June</u>	<u>May</u>
1. LAIF	23.16	23.08
2. Money Market Sweep	2.88	2.38
3. Federal Agency Issues(coup)	56.66	54.57
4. Federal Agency Issues(disc)	0.00	0.00
5. Treasury Securities	4.31	4.27
6. Treasury Securities(disc)	0.00	0.00
7. Medium Term Notes	12.36	15.08
8. Municipal Bonds	.63	.62
9. Commercial Paper(disc)	0.00	0.00
	100.00%	100.00%

IV. Maturity

As of June 30, 2008, the current maturity allocation is 21.94% of the portfolio invested between the 6 month to 3-year maturity levels. 30.96% 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 \$65.2 million available for expenditures.

<u>As of Maturity</u>	<u>June</u>	<u>May</u>
0 to 6 months	30.96%	32.35%
6 months to 1 year	3.80%	3.81%
1 to 2 years	5.32%	4.28%
2 to 3 years	12.82%	12.00%
3 to 4 years	14.12%	13.09%
4 to 5 years	32.51%	32.09%
5 years and after	.47%	2.38%

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 June 30, 2008**

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	48,200,000	23.16	**	1	1	N/A	2.894
Money Market Sweep Account	6,000,000	2.88		1	1		2.580
Federal Agency Issues – Coupon	117,897,276	56.66	75	1,605	1,378	5 years	4.350
Farmer Mac	00	.00	30	00	00	5 years	.000
Federal Farm Credit Bank	32,035,573	15.35	30	402	426	5 years	4.548
Federal Home Loan Bank	58,875,489	28.32	30	485	517	5 years	4.082
Federal Home Loan Mortgage Corp.	17,989,331	8.67	30	274	287	5 years	4.606
Federal National Mortgage Assoc.	8,996,883	4.31	30	535	582	5 years	4.386
Treasury Securities – Coupon	8,971,024	4.31	100	906	374	5 years	4.838
Medium Term Notes	25,719,150	12.36	20	1,198	814	5 years	4.745
Municipal Bond Issue	1,309,154	.63		3,848	1,491	N/A	7.999
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	208,096,604	100.00		1,121	907		4.055
Pending Redemptions							
Accrued Interest at Purchase	31,850						
Total Cash & Purchase Interest	31,850						
Total Cash & Investments	210,128,455						

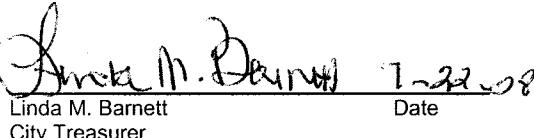
Portfolio Notes:

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

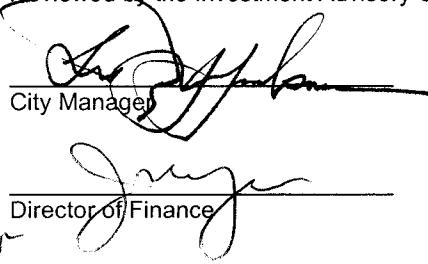
General LAIF account = \$40,000,000

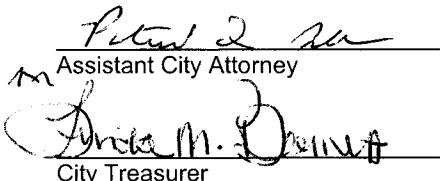
RDA LAIF account = \$ 8,200,000

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. 07-110 on December 4, 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


 City Manager
 Director of Finance


 Assistant City Attorney
 City Treasurer

**City of Torrance
Portfolio Management
Activity Summary**

June 2007 through June 2008

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					
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	165,210,959.42	4.686	4.751	5.231	4	4	1,090	604
October	2007	127	164,833,882.31	4.713	4.778	5.137	6	10	1,105	632
November	2007	126	163,514,491.25	4.684	4.749	4.962	4	5	1,124	639
December	2007	127	164,262,749.72	4.655	4.719	4.801	8	7	1,119	652
January	2008	126	176,545,132.75	4.598	4.661	4.620	10	12	1,025	665
February	2008	129	188,047,543.59	4.452	4.514	4.161	14	11	1,112	804
March	2008	125	187,972,492.91	4.331	4.391	3.777	4	8	1,125	837
April	2008	126	192,345,930.83	4.196	4.254	3,400	9	8	1,146	876
May	2008	133	203,045,113.25	4.037	4.093	3,072	12	5	1,151	889
June	2008	128	209,041,697.28	3,999	4.055	2,894	7	12	1,121	907
	Average	128	178,760,997.50	4.486%	4.447	8	7	1,101	714	7

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10757 Great Pacific Securities		06/02/2008 FFCB	AAA/Aaa	06/02/2011	519	3,620%	2,000,000	1,999,600	1,995,000		
10758 Citigroup		06/03/2008 FFCB	AAA/Aaa	06/03/2013	702	4,240%	1,000,000	1,000,000	997,190		
10759 Great Pacific Securities		06/12/2008 FHLB	AAA/Aaa	06/12/2012	1442	4,000%	2,000,000	1,998,000	1,996,880		
10761 Dean Witter		06/11/2008 FHLB	AAA/Aaa	06/11/2012	345	4,250%	1,000,000	1,000,000	1,005,940		
10762 Great Pacific Securities		06/17/2008 FHLB	AAA/Aaa	06/17/2011	534	3,800%	2,245,000	2,244,775	2,247,806		
10763 Citigroup		06/30/2008 FHLMC	AAA/Aaa	12/30/2010	364	4,050%	1,000,000	1,000,000	1,007,200		
10764 Wedbush		06/25/2008 FHLB	AAA/Aaa	06/25/2012	1455	4,350%	1,000,000	1,000,000	1,011,250		

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES*										
10472 Dean Witter		05/27/2003 Gillette Co	AA-/Aa3	06/01/2008	2,500%	2,550%	1,000,000	1,000,000	1,000,000	
10476 Finacorp		06/19/2003 GECC	AAA/Aaa	06/15/2008	2,450%	2,447%	2,000,000	2,000,000	2,000,000	
10477 Higgins Capital		06/19/2003 Met Life	AA/Aa2	06/19/2008	2,600%	2,551%	1,000,000	1,000,000	1,000,000	
10481 Higgins Capital		07/25/2003 Met Life	AA/Aa2	06/19/2008	2,600%	3,372%	1,000,000	1,000,000	1,000,000	
10576 Smith Barney		06/30/2005 FFCB	AAA/Aaa	06/30/2008	4,125%	4,121%	1,000,000	1,000,000	1,000,000	
10588 Smith Barney		01/30/2004 FHLMC	AAA/Aaa	06/30/2008	3,110%	3,665%	1,000,000	997,826	1,000,600	
10519 Dean Witter		04/15/2004 FFCB	AAA/Aaa	06/30/2008	3,080%	3,080%	1,000,000	1,000,000	1,000,100	
10637 Citigroup		12/27/2006 FHLMC	AAA/Aaa	06/27/2008	5,400%	5,395%	1,000,000	1,000,000	1,000,000	
10666 Citigroup		06/20/2007 FHLMC	AAA/Aaa	06/20/2008	5,625%	5,610%	1,000,000	1,000,000	1,000,000	
10667 Dean Witter		06/20/2007 FHLB	AAA/Aaa	06/20/2008	5,600%	5,585%	1,000,000	1,000,000	1,000,000	
10677 Citigroup		07/23/2007 Toyota Motor Credit	AAA/Aaa	06/01/2008	4,540%	7,588%	1,000,000	979,904	1,000,000	
10707 Citigroup		12/13/2007 FHLMC	AAA/Aaa	06/11/2008	5,000%	5,150%	1,000,000	999,279	1,000,000	

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(III) LIQUIDATION										
- State of California	DEALER	Local Agency Pool - City Tran Acct RDA	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
				10,743,500 29,256,500 8,500,000 \$48,500,000	2.894% 2.894% 2.894% 2.894%	2.894% 2.894% 2.894% 2.894%	31,256,000 2,700,000 \$33,956,000	2,000,000 29,256,000 3,000,000 \$34,256,000	\$ -	39,999,500 500 8,200,000 \$48,200,000

* 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) LIQUIDATION

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
- State of California	Local Agency Pool - City Tran Acct RDA	10,743,500 29,256,500 8,500,000 \$48,500,000	2.894% 2.894% 2.894% 2.894%	2.894% 2.894% 2.894% 2.894%	31,256,000 2,700,000 \$33,956,000	2,000,000 29,256,000 3,000,000 \$34,256,000	\$ -	39,999,500 500 8,200,000 \$48,200,000

**City of Torrance
Portfolio Management
Interest Earnings Summary
June 30, 2008**

	June 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	488,015.61	5,906,319.65
Plus Accrued Interest at End of Period	1,690,131.86	1,690,131.86
Less Accrued Interest at Beginning of Period	(1,600,872.31)	(1,410,319.55)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	577,275.16	6,186,131.96
Adjusted by Premiums and Discounts	9,871.68	161,410.14
Adjusted by Capital Gains or Losses	23,690.44	29,784.88
Earnings during Periods	610,837.28	6,377,326.98
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	7,696.03	1,875,063.61
Plus Accrued Interest at End of Period	797,986.22	797,986.22
Less Accrued Interest at Beginning of Period	(597,072.97)	(468,309.86)
Interest Earned during Period	208,609.28	2,204,739.97
Total Interest Earned during Period	785,884.44	8,390,871.93
Total Adjustments from Premiums and Discounts	9,871.68	161,410.14
Total Capital Gains or Losses	23,690.44	29,784.88
Total Earnings during Period	819,446.56	8,582,066.95

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

**City of Torrance
Portfolio Management
Portfolio Details - Investments**

June 30, 2008

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												
SYST00000	10000	Local Agency Invest Fund GEN'L			39,999,500.00	39,999,500.00	39,999,500.00	2.894		2.894	1	
SYST00001	10001	Local Agency Invest. Fund RDA			8,200,000.00	8,200,000.00	8,200,000.00	2.894		2.894	1	
SYST00002	1000A	LAIF - TRANS FUNDS		01/01/2008	500.00	500.00	500.00	2.894		2.894	1	
		Subtotal and Average	48,406,666.67		48,200,000.00	48,200,000.00	48,200,000.00			2.894	1	
Money Market Sweep Account												
SYST0131	10131	Bank of America			0.00	0.00	0.00	0.00		4.620	Aa2	4.620
SYST000	1000	Union Bank of California			6,000,000.00	6,000,000.00	6,000,000.00	2.580		2.580	1	
		Subtotal and Average	0.00		6,000,000.00	6,000,000.00	6,000,000.00			2.580	1	
Federal Agency Issues - Coupon												
31331VVF7	10600	FEDERAL FARM CREDIT BANK		05/04/2006	1,000,000.00	1,019,690.00	1,000,000.00	5.250		5.250	307	05/04/2009
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,033,440.00	1,000,000.00	5.000		5.002	694	05/26/2010
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,048,130.00	1,000,000.00	5.250		5.250	1,492	08/01/2012
31331X224	10688	FEDERAL FARM CREDIT BANK		09/14/2007	1,000,000.00	1,024,060.00	1,000,000.00	5.250		5.250	1,536	09/14/2012
31331YGL8	10704	FEDERAL FARM CREDIT BANK		12/05/2007	1,000,000.00	1,007,190.00	1,000,000.00	4.875		4.875	1,618	12/05/2012
31331YHR4	10706	FEDERAL FARM CREDIT BANK		12/14/2007	1,000,000.00	1,006,560.00	1,000,000.00	4.400		4.400	1,627	12/14/2012
31331YKW9	10708	FEDERAL FARM CREDIT BANK		12/28/2007	1,000,000.00	1,006,380.00	1,000,000.00	4.250		4.250	1,275	12/28/2011
31331YPL8	10710	FEDERAL FARM CREDIT BANK		01/24/2008	1,000,000.00	1,001,880.00	1,000,000.00	3.750		3.750	937	01/24/2011
31331YQP8	10716	FEDERAL FARM CREDIT BANK		01/25/2008	2,500,000.00	2,465,625.00	2,516,250.00	3.800		3.657	1,669	01/25/2013
31331YQQ6	10717	FEDERAL FARM CREDIT BANK		01/30/2008	3,500,000.00	3,485,750.00	3,522,750.00	3.850		3.674	1,308	01/30/2012
31331YRA0	10718	FEDERAL FARM CREDIT BANK		02/04/2008	1,000,000.00	991,380.00	1,000,000.00	3.200		3.200	948	02/04/2011
31331YRD4	10719	FEDERAL FARM CREDIT BANK		02/06/2008	1,000,000.00	990,000.00	1,000,000.00	3.625		3.625	1,315	02/06/2012
31331YQP8	10721	FEDERAL FARM CREDIT BANK		02/04/2008	1,000,000.00	986,250.00	1,000,000.00	3.800		3.800	1,669	01/25/2013
31331YSB7	10723	FEDERAL FARM CREDIT BANK		02/01/2008	1,000,000.00	979,590.00	1,000,000.00	3.790		3.790	1,676	02/01/2013
31331YTS9	10726	FEDERAL FARM CREDIT BANK		02/11/2008	2,000,000.00	1,967,500.00	2,000,000.00	3.750		3.750	1,686	02/11/2013
31331YXJ4	10734	FEDERAL FARM CREDIT BANK		03/11/2008	2,000,000.00	1,978,120.00	2,000,000.00	3.950		3.950	1,714	03/11/2013
31331YA83	10739	FEDERAL FARM CREDIT BANK		04/03/2008	1,000,000.00	989,380.00	1,000,000.00	3.980		3.980	1,737	04/03/2013
31331YA83	10741	FEDERAL FARM CREDIT BANK		04/03/2008	3,000,000.00	2,968,140.00	3,000,000.00	3.980		3.980	1,737	04/03/2013
31331YVJ6	10744	FEDERAL FARM CREDIT BANK		04/18/2008	2,000,000.00	1,982,500.00	1,986,951.98	4.000		4.045	1,700	02/25/2013
31331YN63	10756	FEDERAL FARM CREDIT BANK		05/15/2008	1,000,000.00	993,130.00	1,000,000.00	3.800		3.800	1,414	05/15/2012
31331YT26	10757	FEDERAL FARM CREDIT BANK		06/02/2008	2,000,000.00	1,995,000.00	1,999,621.48	3.620		3.627	1,066	06/02/2011
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	997,190.00	1,000,000.00	4.240		4.240	1,798	06/03/2013
3133XAQV2	10564	FEDERAL HOME LOAN BANK		03/08/2005	1,000,000.00	1,002,500.00	1,000,000.00	4.000		4.000	69	09/08/2008
3133XFHS8	10599	FEDERAL HOME LOAN BANK		05/19/2006	1,000,000.00	1,019,060.00	1,000,000.00	5.520		5.520	1,052	05/19/2011
3133XGD76	10608	FEDERAL HOME LOAN BANK		08/11/2006	1,000,000.00	1,003,130.00	1,000,000.00	5.700		5.700	771	08/11/2010

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City of Torrance
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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	Maturity Date
Federal Agency Issues - Coupon												
3133XGTS3	106116	FEDERAL HOME LOAN BANK	1,000,000.00	09/08/2006	1,004,690.00	1,000,000.00	5.375	Aaa	5.375	799	09/08/2010	
3133XGZP2	106119	FEDERAL HOME LOAN BANK	1,000,000.00	10/02/2006	1,006,250.00	1,000,000.00	5.150	Aaa	5.150	458	10/02/2009	
3133XHEX6	10624	FEDERAL HOME LOAN BANK	1,000,000.00	10/27/2006	1,006,880.00	1,000,000.00	5.200	Aaa	5.200	1,213	10/27/2011	
3133XEZP7	10625	FEDERAL HOME LOAN BANK	1,000,000.00	10/20/2006	1,004,690.00	999,874.03	5.000	Aaa	5.038	73	09/12/2008	
3133XPZ5	10639	FEDERAL HOME LOAN BANK	1,000,000.00	01/26/2007	1,013,130.00	1,000,000.00	5.200	Aaa	5.200	755	07/26/2010	
3133XJUD8	10646	FEDERAL HOME LOAN BANK	1,000,000.00	02/09/2007	1,014,690.00	1,000,000.00	5.500	Aaa	5.500	1,318	02/09/2012	
3133XKF75	10651	FEDERAL HOME LOAN BANK	1,000,000.00	04/20/2007	1,013,750.00	1,000,000.00	5.050	Aaa	5.050	1,023	04/20/2011	
3133XKPE9	10656	FEDERAL HOME LOAN BANK	1,000,000.00	05/04/2007	1,006,560.00	1,000,000.00	5.125	Aaa	5.125	1,037	05/04/2011	
3133XKQ65	10658	FEDERAL HOME LOAN BANK	1,000,000.00	05/15/2007	1,018,750.00	1,000,000.00	5.200	Aaa	5.200	1,414	05/15/2012	
3133XKYE9	10662	FEDERAL HOME LOAN BANK	1,000,000.00	05/25/2007	1,032,500.00	1,000,000.00	5.200	Aaa	5.200	1,424	05/25/2012	
3133XLVX8	10679	FEDERAL HOME LOAN BANK	500,000.00	08/06/2007	512,655.00	500,000.00	5.400	Aaa	5.400	1,497	08/06/2012	
3133XLWB5	10680	FEDERAL HOME LOAN BANK	500,000.00	08/14/2007	513,125.00	500,000.00	5.460	Aaa	5.460	1,505	08/14/2012	
3133XM3S8	10684	FEDERAL HOME LOAN BANK	1,000,000.00	08/27/2007	1,034,380.00	1,000,000.00	5.125	Aaa	5.125	1,518	08/27/2012	
3133XM3E9	10685	FEDERAL HOME LOAN BANK	1,000,000.00	09/10/2007	1,005,630.00	1,000,000.00	5.600	Aaa	5.600	1,532	09/10/2012	
3133XMG39	10691	FEDERAL HOME LOAN BANK	2,000,000.00	10/09/2007	2,045,620.00	2,000,000.00	5.100	Aaa	5.100	1,561	10/09/2012	
3133XMG70	10693	FEDERAL HOME LOAN BANK	1,000,000.00	10/16/2007	1,007,190.00	1,000,000.00	5.250	Aaa	5.250	1,568	10/16/2012	
3133XMPZ8	10696	FEDERAL HOME LOAN BANK	2,000,000.00	10/22/2007	2,048,120.00	2,000,000.00	5.150	Aaa	5.150	1,574	10/22/2012	
3133XNUA8	10701	FEDERAL HOME LOAN BANK	1,000,000.00	12/17/2007	1,002,500.00	1,000,000.00	4,550	Aaa	4,550	1,630	12/17/2012	
3133XNHS1	10702	FEDERAL HOME LOAN BANK	895,000.00	12/03/2007	896,960.05	895,000.00	4,520	Aaa	4,520	1,616	12/03/2012	
3133XNNC9	10705	FEDERAL HOME LOAN BANK	1,000,000.00	12/27/2007	1,005,000.00	1,000,000.00	4,875	Aaa	4,875	1,640	12/27/2012	
3133XNYV5	10712	FEDERAL HOME LOAN BANK	1,000,000.00	01/22/2008	995,630.00	1,000,000.00	4,050	Aaa	4,050	1,666	01/22/2013	
3133XPB29	10724	FEDERAL HOME LOAN BANK	1,000,000.00	02/13/2008	978,440.00	993,000.00	3,850	Aaa	4,006	1,688	02/13/2013	
3133XPFB0	10725	FEDERAL HOME LOAN BANK	1,000,000.00	02/05/2008	982,190.00	1,000,000.00	3,680	Aaa	3,680	1,680	02/05/2013	
3133XPMS0	10727	FEDERAL HOME LOAN BANK	1,000,000.00	02/25/2008	983,750.00	1,000,000.00	3,750	Aaa	3,750	1,700	02/25/2013	
3133XPMT8	10728	FEDERAL HOME LOAN BANK	2,750,000.00	02/27/2008	987,500.00	1,000,000.00	3,875	Aaa	3,875	1,702	02/27/2013	
3133XPXP4	10731	FEDERAL HOME LOAN BANK	2,000,000.00	02/27/2008	1,990,620.00	2,000,000.00	3,800	Aaa	3,800	1,336	02/27/2012	
3133XPY73	10732	FEDERAL HOME LOAN BANK	2,000,000.00	02/27/2008	1,974,380.00	1,998,688.89	4,250	Aaa	4,272	1,702	02/27/2013	
3133XPY24	10733	FEDERAL HOME LOAN BANK	1,000,000.00	03/13/2008	998,130.00	998,792.50	3,950	Aaa	3,997	1,351	03/13/2012	
3133XQCL4	10735	FEDERAL HOME LOAN BANK	2,750,000.00	03/26/2008	2,702,727.50	2,750,000.00	3,720	Aaa	3,720	1,729	03/26/2013	
3133XQEH1	10736	FEDERAL HOME LOAN BANK	1,000,000.00	03/18/2008	991,560.00	999,797.69	4,000	Aaa	4,006	1,721	03/18/2013	
3133XQIZ6	10738	FEDERAL HOME LOAN BANK	2,000,000.00	04/16/2008	1,938,120.00	1,999,641.67	3,750	Aaa	3,754	1,750	04/16/2013	
3133XQKA9	10740	FEDERAL HOME LOAN BANK	1,000,000.00	04/02/2008	995,310.00	1,000,000.00	4,150	Aaa	4,150	1,736	04/02/2013	
3133XQJA1	10742	FEDERAL HOME LOAN BANK	2,000,000.00	04/15/2008	1,946,380.00	2,000,000.00	3,700	Aaa	3,700	1,749	04/15/2013	
3133XQYY5	10746	FEDERAL HOME LOAN BANK	2,000,000.00	05/13/2008	1,989,380.00	1,999,533.33	4,125	Aaa	4,131	1,777	05/13/2013	
3133XQWD0	10747	FEDERAL HOME LOAN BANK	1,500,000.00	05/09/2008	1,493,445.00	1,498,273.13	3,700	Aaa	3,742	1,225	11/08/2011	
3133XQWX6	10748	FEDERAL HOME LOAN BANK	1,500,000.00	05/07/2008	1,489,695.00	1,500,000.00	3,760	Aaa	3,760	1,406	05/07/2012	

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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	Maturity Date
Federal Agency Issues - Coupon												
3133XQYLO	10750	FEDERAL HOME LOAN BANK	5/19/2008	1,000,000.00	993,440.00	1,000,000.00	3,720	Aaa	3.721	1,326	02/17/2012	
3133XQZB8	10751	FEDERAL HOME LOAN BANK	5/14/2008	1,000,000.00	988,750.00	1,000,000.00	3,625	Aaa	3.625	1,413	05/14/2012	
3133XR6T2	10753	FEDERAL HOME LOAN BANK	5/27/2008	2,000,000.00	1,992,500.00	2,000,000.00	3,500	Aaa	3.500	1,060	05/27/2011	
3133XRF4	10755	FEDERAL HOME LOAN BANK	5/28/2008	1,000,000.00	990,630.00	1,000,000.00	3,560	Aaa	3.560	1,061	05/28/2011	
3133XRCH1	10759	FEDERAL HOME LOAN BANK	6/12/2008	2,000,000.00	1,996,380.00	1,998,105.56	4,000	Aaa	4.027	1,442	06/12/2012	
3133XRFD7	10761	FEDERAL HOME LOAN BANK	6/11/2008	1,000,000.00	1,005,940.00	1,000,000.00	4,250	Aaa	4.250	1,441	06/11/2012	
3133XRFU9	10762	FEDERAL HOME LOAN BANK	6/17/2008	2,245,000.00	2,247,806.25	2,244,781.32	3,800	Aaa	3,804	1,081	06/17/2011	
3133XRKU3	10764	FEDERAL HOME LOAN BANK	6/25/2008	1,000,000.00	1,011,250.00	1,000,000.00	4,350	Aaa	4,350	1,455	06/25/2012	
3128X4YE5	10584	FEDERAL HOME LOAN MORTGAGE CO	01/30/2006	1,000,000.00	1,001,450.00	999,982.75	5,000	Aaa	5,030	22	07/23/2008	
3128X4N56	10605	FEDERAL HOME LOAN MORTGAGE CO	06/09/2006	1,000,000.00	1,012,430.00	997,908.97	5,250	Aaa	5,461	968	02/24/2011	
3128X5KL1	10620	FEDERAL HOME LOAN MORTGAGE CO	09/29/2006	1,000,000.00	1,005,870.00	1,000,000.00	5,500	Aaa	5,500	1,185	09/29/2011	
3128X5GN1	10629	FEDERAL HOME LOAN MORTGAGE CO	11/14/2006	1,000,000.00	1,006,830.00	1,000,000.00	5,350	Aaa	5,350	1,231	11/14/2011	
3128X5PV4	10631	FEDERAL HOME LOAN MORTGAGE CO	11/24/2006	1,000,000.00	1,008,280.00	1,000,000.00	5,125	Aaa	5,125	876	11/24/2010	
3128X52N7	10661	FEDERAL HOME LOAN MORTGAGE CO	05/16/2007	1,000,000.00	1,012,570.00	999,230.51	5,250	Aaa	5,272	1,372	04/03/2012	
3128X6CX2	10668	FEDERAL HOME LOAN MORTGAGE CO	06/15/2007	1,000,000.00	1,023,050.00	999,674.07	5,400	Aaa	5,418	714	06/15/2010	
3128X6HP4	10676	FEDERAL HOME LOAN MORTGAGE CO	07/30/2007	1,000,000.00	1,002,260.00	1,000,000.00	5,550	Aaa	5,550	759	07/30/2010	
3137EAAX7	10677	FEDERAL HOME LOAN MORTGAGE CO	07/23/2007	1,000,000.00	1,038,130.00	998,393.41	5,125	Aaa	5,205	783	08/23/2010	
3128X6LK0	10687	FEDERAL HOME LOAN MORTGAGE CO	09/18/2007	1,000,000.00	1,005,610.00	1,000,000.00	5,350	Aaa	5,350	1,540	09/18/2012	
3128X6NS1	10695	FEDERAL HOME LOAN MORTGAGE CO	10/15/2007	1,000,000.00	1,022,360.00	1,000,000.00	5,050	Aaa	5,050	1,567	10/15/2012	
3128X6P67	10722	FEDERAL HOME LOAN MORTGAGE CO	02/05/2008	2,000,000.00	1,956,120.00	2,000,000.00	4,000	Aaa	4,000	1,680	02/05/2013	
3128X7FV1	10737	FEDERAL HOME LOAN MORTGAGE CO	04/01/2008	1,000,000.00	969,950.00	999,625.00	3,900	Aaa	3,911	1,735	04/01/2013	
3128X7LX0	10745	FEDERAL HOME LOAN MORTGAGE CO	04/29/2008	2,000,000.00	1,975,400.00	1,994,516.67	3,920	Aaa	3,987	1,763	04/29/2013	
3128X7TSA3	10754	FEDERAL HOME LOAN MORTGAGE CO	05/28/2008	1,000,000.00	999,710.00	1,000,000.00	4,400	Aaa	4,400	1,792	05/28/2013	
3128X7G32	10763	FEDERAL HOME LOAN MORTGAGE CO	06/30/2008	1,000,000.00	1,007,200.00	1,000,000.00	4,050	Aaa	4,050	912	12/30/2010	
3136FF44	10606	FEDERAL NATIONAL MORT ASSOC	06/22/2006	1,000,000.00	1,020,310.00	1,000,000.00	5,500	Aaa	5,500	1,086	06/22/2011	
3136FPP4	10673	FEDERAL NATIONAL MORT ASSOC	07/02/2007	1,000,000.00	1,000,000.00	1,000,000.00	5,375	Aaa	5,375	366	07/02/2009	
3136FESU0	10690	FEDERAL NATIONAL MORT ASSOC	09/18/2007	1,000,000.00	1,004,690.00	1,000,000.00	5,200	Aaa	5,200	1,540	09/18/2012	
3136F8N92	10720	FEDERAL NATIONAL MORT ASSOC	01/29/2008	2,000,000.00	1,961,260.00	2,000,000.00	3,625	Aaa	3,625	1,673	01/29/2013	
3136F83X1	10730	FEDERAL NATIONAL MORT ASSOC	02/22/2008	2,000,000.00	1,991,260.00	1,996,883.33	4,125	Aaa	4,248	1,697	02/22/2013	
3136F9MV2	10749	FEDERAL NATIONAL MORT ASSOC	05/05/2008	1,000,000.00	990,630.00	1,000,000.00	3,250	Aaa	3,250	1,038	05/05/2011	
3136F9NE9	10752	FEDERAL NATIONAL MORT ASSOC	05/14/2008	1,000,000.00	991,500.00	1,000,000.00	4,000	Aaa	4,000	1,778	05/14/2013	
Subtotal and Average			1,947,563.36		117,890,000.00	117,807,608.80				4,350	1,378	
Treasury Securities - Coupon												
912828DZ0	10579	U.S.TREASURY NOTE	07/25/2005	1,000,000.00	1,025,160.00	996,671.26	3,875	Aaa	4,057	744	07/15/2010	
912828FT2	10626	U.S.TREASURY NOTE	10/23/2006	1,000,000.00	1,007,110.00	999,457.76	4,625	Aaa	4,854	91	09/30/2008	

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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	Maturity Date
Treasury Securities - Coupon												
912828FV7	10627	U.S. TREASURY NOTE	10/31/2006	1,000,000.00	1,009,450.00	1,000,052.15	4.875	Aaa	4.858	122	10/31/2008	
912828FM7	10638	U.S. TREASURY NOTE	01/22/2007	1,000,000.00	1,000,533.96	5,000	Aaa	4.930	30	07/31/2008		
912828GF9	10664	U.S. TREASURY NOTE	05/23/2007	2,000,000.00	2,035,460.00	1,995,051.64	4.500	Aaa	4.814	303	04/30/2009	
912828GR5	10669	U.S. TREASURY NOTE	06/08/2007	1,000,000.00	1,035,230.00	991,239.51	4.500	Aaa	5.008	683	05/15/2010	
912828GG9	10671	U.S. TREASURY NOTE	06/15/2007	1,000,000.00	1,035,700.00	994,579.75	4.750	Aaa	5.109	594	02/15/2010	
912828FX3	10672	U.S. TREASURY NOTE	06/15/2007	1,000,000.00	1,030,630.00	993,918.08	4.625	Aaa	5.100	502	11/15/2009	
		Subtotal and Average		1,988,189.84	9,000,000.00	9,181,240.00				8,971,024.11		4,838
Medium Term Notes												
066505BHB6	10596	Bank of America	04/13/2006	1,000,000.00	995,920.00	989,298.11	3.375	Aa2	5.230	231	02/17/2009	
066505AR5	10699	Bank of America	11/02/2007	990,000.00	972,269.10	990,102.60	4.875	Aa2	4.871	1,537	09/15/2012	
084664AF8	10709	Berkshire Hathaway	01/15/2008	1,000,000.00	1,012,840.00	1,012,721.18	4.200	Aaa	3.648	897	12/15/2010	
084664AD3	10714	Berkshire Hathaway	01/18/2008	1,000,000.00	1,003,350.00	1,015,033.03	4.625	Aaa	4.300	1,932	10/15/2013	
19416QCH1	10692	Colgate-Palmolive Co.	10/01/2007	500,000.00	503,580.00	501,162.97	5.580	Aa3	4.880	128	11/06/2008	
36662GK78	10703	General Electric Capital Corp	12/03/2007	1,000,000.00	1,008,460.00	996,792.40	4.250	Aaa	4.404	804	09/13/2010	
36666RV94	10729	General Electric Capital Corp	02/14/2008	2,000,000.00	1,928,500.00	2,000,000.00	4.000	Aaa	4.000	1,324	02/15/2012	
36666RY59	10760	General Electric Capital Corp	05/30/2008	2,000,000.00	1,956,840.00	2,000,000.00	4.150	Aaa	4.150	1,414	05/15/2012	
384143UBE0	10660	Goldman Sachs	05/14/2007	1,210,000.00	1,211,621.40	1,198,054.30	4.500	Aa3	5.050	714	06/15/2010	
38414GBU7	10743	Goldman Sachs	04/18/2008	1,000,000.00	1,028,280.00	1,056,256.51	6.600	Aa3	4.840	1,293	01/15/2012	
441812KG8	10613	Household Finance Co	08/22/2006	1,000,000.00	1,001,000.00	995,882.54	4.750	Aa3	5.260	318	05/15/2009	
40429CCX8	10632	Household Finance Co	11/20/2006	1,000,000.00	1,002,400.00	1,001,760.00	5.250	Aa3	5.170	927	01/14/2011	
441812KH6	10642	Household Finance Co	01/30/2007	1,000,000.00	993,370.00	986,075.05	4.125	Aa3	5.224	503	11/16/2009	
40429R39	10694	Household Finance Co	10/12/2007	1,000,000.00	977,880.00	1,000,000.00	5,000	Aa3	5.000	836	10/15/2010	
40429XC95	10700	Household Finance Co	11/29/2007	1,000,000.00	982,140.00	1,000,000.00	5,050	Aa3	5.050	867	11/15/2010	
59018YYV0	10630	MERRILL LYNCH	11/17/2006	1,000,000.00	972,230.00	995,055.09	4.790	A1	5.050	764	08/04/2010	
59018YSK8	10643	MERRILL LYNCH	01/30/2007	2,000,000.00	1,977,120.00	1,989,108.48	4.125	A1	5.200	198	01/15/2009	
64952WAE3	10697	New York Life Global	11/02/2007	1,000,000.00	1,010,350.00	999,847.61	4.625	Aaa	4.630	776	08/16/2010	
742718BX6	10538	Procter & Gamble	08/02/2004	1,000,000.00	1,001,450.00	1,000,504.50	4,300	Aa3	3.850	45	08/15/2008	
90327QCQ0	10670	USAA Capital Corp	06/12/2007	2,000,000.00	2,006,200.00	1,979,016.79	4,640	Aa1	5.420	532	12/15/2009	
949746NB3	10715	Wells Fargo Co	01/23/2008	1,000,000.00	1,013,790.00	1,020,665.81	4.875	Aa1	4.000	925	01/12/2011	
98153BAE4	10604	World Savings Bank	06/05/2006	1,000,000.00	998,920.00	991,813.43	4,500	Aa3	5.440	349	06/15/2009	
		Subtotal and Average		2,000,000.00	25,700,000.00	25,558,720.50				25,719,150.40		4,745
Municipal Bond Issues - Coupon												
SY510423	10423	Skpk-2001TxAllocRef Bd	12/18/2001	1,309,153.95	1,309,153.95	1,309,153.95	8,000			7,999	1,461	07/01/2012

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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
	Subtotal and Average		1,309,153.95		1,309,153.95	1,309,153.95	1,309,153.95			7.999	1,461
	Total and Average		55,651,573.82		208,099,153.95	208,056,723.25	208,096,604.75			4.055	907

II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF JUNE 30, 2008

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	75,433,705.37	74,098,620.17	36.25
R	Parks & Recr Facility & Open Space	3,490,404.64	3,428,628.71	1.68
R	State Gas Tax	6,531,605.27	6,416,003.77	3.14
R	Federal Housing, Community Dev	1,096,437.42	1,077,031.81	0.53
R	Street Lighting	202,052.50	198,476.42	0.10
R	Traffic Congestion Relief Act 2000 - AB2928	627,731.30	616,621.22	0.30
R	Proposition 1B	2,437,417.78	2,394,278.44	1.17
R	Police Asset Forfeiture	2,934,009.35	2,882,080.94	1.41
N	Government Cable	2,198,140.22	2,159,235.80	1.06
R	Local Return - Proposition C	6,155,530.99	6,046,585.55	2.96
R	Grants/Donations	254,701.62	250,193.71	0.12
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	429,661.76	422,057.27	0.21
R	Seismic Education Fund	57,277.30	56,263.56	0.03
R	Rehabilitation Housing	578,371.20	568,134.73	0.28
R	Police Inmate Welfare Fund	69,877.65	68,640.90	0.03
N	Capital Improvements	23,202,303.72	22,791,651.05	11.15
R	Vanpool/Rideshare Fund	309,582.10	304,102.87	0.15
R	Torrance Improvement Fund	5,812,761.00	5,709,882.17	2.79
R	Animal Control Fund	45,176.54	44,376.97	0.02
R	Redevelopment-Capital Proj	8,671,089.75	8,517,621.97	4.17
R	Redevelopment Debt Service	1,182,401.08	1,161,474.01	0.57
N	DNA Sampling Fund	10,658.65	10,470.00	0.01
N	Airport Fund	7,478,705.11	7,346,341.09	3.59
N	Transit Operations	3,675,431.03	3,610,380.35	1.77
R	Development Impact Fund	692,413.00	680,158.13	0.33
N	Water Operations	9,065,063.17	8,904,622.53	4.36
N	Emergency Medical Service Enterprise Fund	85,376.88	83,865.81	0.04
N	Sanitation Operations	3,331,160.01	3,272,202.51	1.60
N	Cultural Arts Enterprise	337,952.55	331,971.20	0.16
N	Sewer Enterprise Fund	10,610,767.31	10,422,969.58	5.10
N	Parks & Recr Enterprise Fund	162,084.24	159,215.55	0.08
N	Self Insurance Fund	8,366,794.31	8,218,712.19	4.02
N	Fleet Services	12,939,422.13	12,710,410.03	6.22
R	Postemployment/Compensated Absences Fund	6,654,603.09	6,536,824.68	3.20
R	Trust & Agency	2,965,934.71	2,913,441.26	1.43
TOTAL		208,096,604.75	204,413,546.95	100.00

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$208,096,604.75 and the Pooled Cash and Investments total of \$204,413,546.95 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF JUNE 30, 2008**

INVESTMENTS PER PORTFOLIO SUMMARY
(City Pool)

208,096,604.75

CASH AND INVESTMENTS PER BOOKS

204,413,546.95

CASH IN BANKS:

Cash in B of A General Account	(\$1,167,426.41)
Cash in B of A Payroll Account	0.00

OUTSTANDING WARRANTS:

General Account	1,650,512.96	
Payroll Account	181,321.79	
Workers Compensation Account	63,096.98	
Housing Account	382,979.67	2,277,911.40

Miscellaneous outstanding adjusting journal entries	699,514.84
Payroll for PE 7/5/08 posted on 6/30/08 and paid on 7/11/08	1,873,057.97
INVESTMENTS PER BOOKS	\$208,096,604.75