Council Meeting of
October 7, 2008

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

Members of Council:

SUBJECT: Accept and file Investment Reports for August 2008

RECOMMENDATION

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

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CITY OF TORRANCE

MONTHLY INVESTMENT PORTFOLIO REPORT
For the Month of August 2008

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City of Torrance
Investment Portfolio Highlights
For August 2008

RETURN

	Current Month	Previous Month
Average City Portfolio YTM	4.189	4.208
Average U.S. Treasury Constant Maturity	2.600	2.520
LAIF Average Monthly Return	2.779	2.787
Average City Portfolio YTM - 1 year prior	4.749	4.717

INTEREST INCOME

	Current Period	Prior Year
Fiscal year to date	1,409,370	1,366,723
Current month	739,262	673,013

MATURITY

	Current Month	Prior Month
Average Maturity (days)	1,079	1,043
Average Maturity 1 Year Prior (days)	585	577
Weighted Average Maturity (years)	2.96	2.86

VOLUMES

	Total $ Volume	# of Transactions
Purchases	26,479,711	8
Maturities	32,367,438	22

Transactions include 3 deposits to and 9 withdrawals from LAIF, 0 purchases and 0 maturities of the Union of Bank Money Market Sweep Account.

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

GASB required securities	Beginning Investment Value as of July 1,2008	Purchase/Redempt. Of Principal	Change in Market Value	Ending Investment Value as of August 31. 2008
Federal Agency (coup)	117,807,309	3,895,800	125,166	121,828,275
Treasury Securities	9,181,240	-1,000,000	-6,940	8,174,300
Medium Term Notes	25,558,720	-1,000,000	50,691	24,609,411
Municipal Bonds	1,309,154	-123,706	0	1,185,448
SUB-TOTAL PER GASB 31	**153,856,423**	**1,772,094**	**168,917**	**155,797,434**
Non-GASB securities				
LAIF	48,200,000	-26,650,000	0	21,550,000
Money Market	6,000,000	-6,000,000	0	0
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	**208,056,423**	**-30,923,844**	**214,855**	**177,347,434**

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

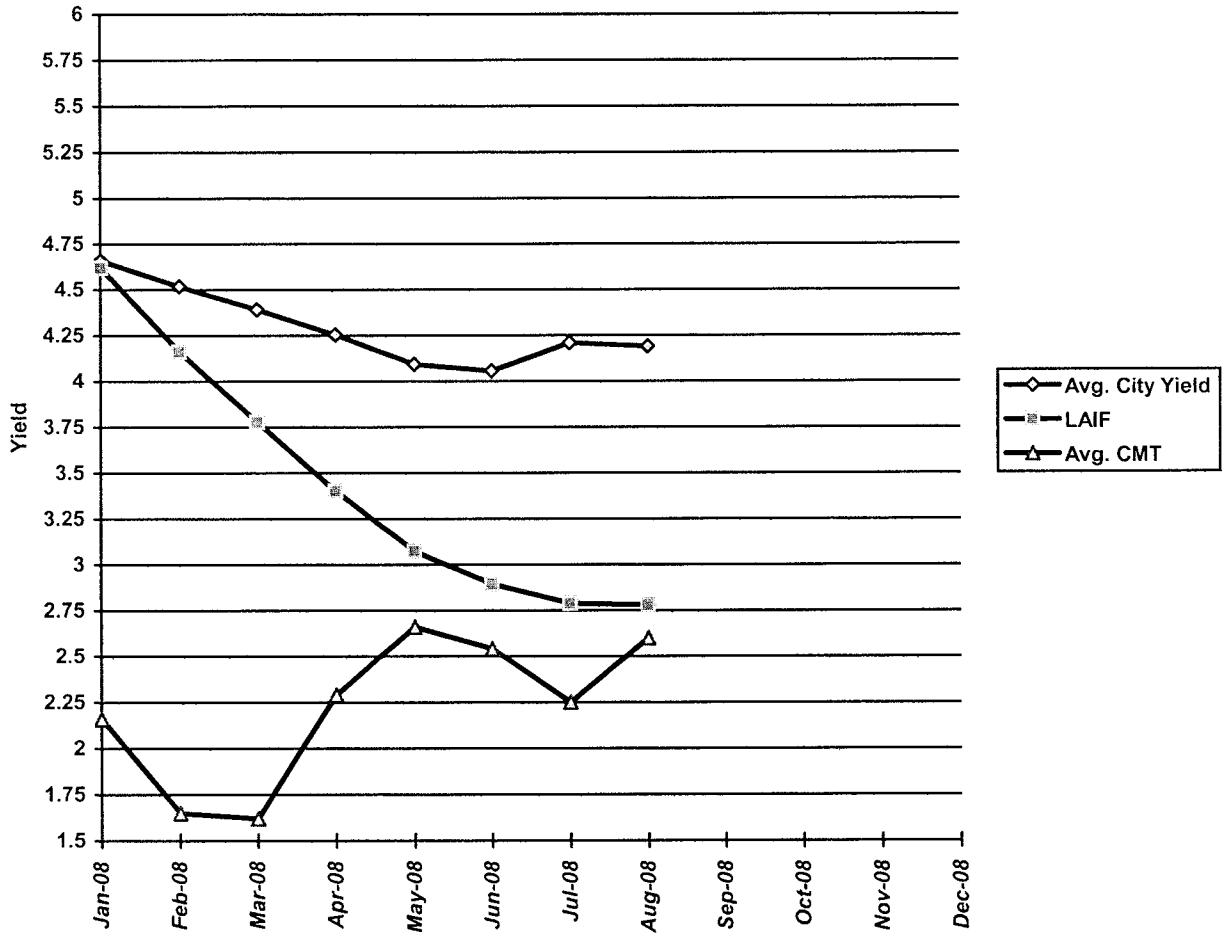
CITY OF TORRANCE

City Treasurer's Office

Monthly Investment Report Summary
For the month of August 2008

I. Return

19.20% of the portfolio is invested at one-year maturity or less as of August 31, 2008. The City Average yield on the portfolio was 4.189% compared to 2.600% for the U.S. Treasury at Constant Maturity (CMT) of 36 months. The portfolio performed above the benchmark as of August 31, 2008 by 159 basis points.



II. Volumes

The investment activity for August included 0 deposits and 0 redemption in the Union Bank of California money market account.

III. Diversification of Investments

The activity in the month of August consisted of 3 purchases totaling $11 million with an average yield to maturity of 4.62% and 1 redemption, 1 call and 11 sales for a total of $13.1 million with an average yield to maturity of 5.892%. The activity in the LAIF Account consisted of 5 deposits for a total of $8.7 million and 9 withdrawals for a total of $12.6 million. The activity in the sweep account consisted of 2 deposits of $6.0 million and 2 withdrawals of $6.0 million. The portfolio decreased by $5.9 million.

Asset Category	August	July
1. LAIF	12.15	13.89
2. Money Market Sweep	0.00	0.00
3. Federal Agency Issues(coup)	68.74	67.07
4. Federal Agency Issues(disc)	0.00	0.00
5. Treasury Securities	4.50	4.35
6. Treasury Securities(disc)	0.00	0.00
7. Medium Term Notes	13.94	14.04
8. Municipal Bonds	.67	.65
9. Commercial Paper(disc)	0.00	0.00
	100.00%	100.00%

IV. Maturity

As of August 31, 2008, the current maturity allocation is 26.20% of the portfolio invested between the 6 month to 3-year maturity levels. 16.38% 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 $29.05 million available for expenditures.

As of Maturity	August	July
0 to 6 months	16.38%	17.76%
6 months to 1 year	2.82%	3.28%
1 to 2 years	8.58%	7.23%
2 to 3 years	14.80%	17.10%
3 to 4 years	17.02%	18.98%
4 to 5 years	39.27%	35.10%
5 years and after	1.13%	.55%
	100.00%	100.00%

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, 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	21,550,000	12.15	**	1	1	N/A	2.779
Money Market Sweep Account	00	0.00		1	1		2.220
Federal Agency Issues – Coupon	121,915,805	68.74	75	1,588	1,373	5 years	4.238
Farmer Mac	00	.00	30	00	00	5 years	.000
Federal Farm Credit Bank	45,043,989	25.42	30	455	485	5 years	4.393
Federal Home Loan Bank	60,877,092	34.38	30	453	483	5 years	4.190
Federal Home Loan Mortgage Corp.	6,994,725	3.90	30	291	303	5 years	6.092
Federal National Mortgage Assoc.	9,000,000	5.06	30	864	940	5 years	3.849
Treasury Securities – Coupon	7,974,715	4.50	100	950	355	5 years	4.827
Medium Term Notes	24,726,802	13.94	20	1,187	783	5 years	4.781
Municipal Bond Issue	1,185,448	.67		3,848	1,399	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	177,352,770	100.00		1,326	1,079		4.189
Pending Redemptions							
Accrued Interest at Purchase	19,132						
Total Cash & Purchase Interest	19,132						
Total Cash & Investments	177,371,902						

Portfolio Notes:

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

General LAIF account = $15,350,000

RDA LAIF account = $ 6,200,000

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.

9/30/08

For Linda M. Barnett
City Treasurer

Date

Reviewed by the Investment Advisory Committee

City Manager

Director of Finance

Assistant City Attorney

For City Treasurer

City of Torrance
Portfolio Management
Activity Summary
August 2007 through August 2008

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	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
July	2008	131	191,237,074.56	4.150	4.208	2.787	7	5	1,299	1,043
August	2008	121	179,060,067.82	4.132	4.189	2.779	3	13	1,326	1,079
	Average	**128**	**181,100,329.97**	**4.409%**	**4.470%**	**4.067**	**7**	**8**	**1,138**	**786**

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August 2008

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10772	Citigroup	08/13/2008	FFCB	AAA/Aaa	08/13/2013	1807	4.750%	4.750%	1,000,000	1,000,000	1,007,190
10773	Stone & Young	08/14/2008	FFCB	AAA/Aaa	07/15/2013	1778	4.750%	4.712%	5,000,000	5,008,000	5,035,950
10774	Stone & Young	08/20/2008	FFCB	AAA/Aaa	08/20/2012	1449	4.500%	4.500%	5,000,000	5,000,000	4,998,450
									$11,000,000	$11,008,000	$11,041,590
					Weighted Average Yield			4.654%			

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**										
10608	Citigroup	08/11/2006	FHLB	AAA/Aaa	08/11/2010	5.700%	5.692%	1,000,000	1,000,000	1,000,000
10605	Citigroup	06/09/2006	FHLMC	AAA/Aaa	02/24/2011	5.250%	6.066%	1,000,000	998,295	1,009,000
10620	Great Pacific Securities	09/29/2006	FHLMC	AAA/Aaa	08/14/2008	5.500%	5.602%	1,000,000	1,000,000	1,002,000
10629	Brookstreet	11/14/2006	FHLMC	AAA/Aaa	11/14/2006	5.350%	5.622%	1,000,000	1,000,000	1,004,800
10631	Citilgroup	11/24/2006	FHLMC	AAA/Aaa	08/14/2008	5.125%	5.412%	1,000,000	1,000,000	1,005,000
10661	Citilgroup	05/16/2007	FHLMC	AAA/Aaa	08/14/2008	5.250%	6.075%	1,000,000	999,255	1,009,500
10668	Citigroup	06/15/2007	FHLMC	AAA/Aaa	08/14/2008	5.400%	6.809%	1,000,000	999,694	1,016,100
10677	Great Pacific Securities	07/23/2007	FHLMC	AAA/Aaa	08/14/2008	5.125%	8.409%	1,000,000	998,483	1,032,700
10687	Higgins Capital	09/18/2007	FHLMC	AAA/Aaa	08/14/2008	5.350%	5.453%	1,000,000	1,000,000	1,001,000
10695	Citigroup	10/15/2007	FHLMC	AAA/Aaa	08/14/2008	5.050%	5.996%	1,000,000	1,000,000	1,008,000
10606	Citigroup	06/22/2006	FNMA	AAA/Aaa	08/14/2008	5.500%	6.282%	1,000,000	1,000,000	1,017,000
10690	Citilgroup	09/18/2007	FNMA	AAA/Aaa	08/14/2008	5.200%	5.303%	1,000,000	1,000,000	1,001,000
10538	Union Bank of California	08/02/2004	Protocter & Gamble		08/15/2008	4.300%	3.885%	1,000,000	1,000,000	1,000,000
								$13,000,000	$12,995,727	$13,106,100
					Weighted Average Yield		5.892%			

* 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	15,749,500	2.779%	2.779%	8,700,000	9,100,000		15,349,500
			Tran Acct	500	2.779%	2.779%				500
			RDA	9,700,000	2.779%	2.779%		3,500,000		6,200,000
				$25,450,000			$8,700,000	$12,600,000	$ -	$21,550,000

City of Torrance
Portfolio Management
Interest Earnings Summary
August 31, 2008

	August 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	852,289.86	1,381,666.44
Plus Accrued Interest at End of Period	1,453,542.87	1,453,542.87
Less Accrued Interest at Beginning of Period	(1,740,261.37)	(1,690,974.34)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	565,571.36	1,144,234.97
Adjusted by Premiums and Discounts	8,365.07	17,598.63
Adjusted by Capital Gains or Losses	110,373.28	110,373.28
Earnings during Periods	684,309.71	1,272,206.88
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	3,534.92	382,827.21
Plus Accrued Interest at End of Period	552,514.80	552,514.80
Less Accrued Interest at Beginning of Period	(501,097.56)	(798,178.01)
Interest Earned during Period	54,952.16	137,164.00
Total Interest Earned during Period	**620,523.52**	**1,281,398.97**
Total Adjustments from Premiums and Discounts	**8,365.07**	**17,598.63**
Total Capital Gains or Losses	**110,373.28**	**110,373.28**
Total Earnings during Period	**739,261.87**	**1,409,370.88**

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City of Torrance
Portfolio Management
Portfolio Details - Investments
August 31, 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												
SYS10000	10000	Local Agency Invest Fund GEN'L			11,083,611.16	11,083,611.16	11,083,611.16	2.779		2.779	1	
SYS10001	10001	Local Agency Invest. Fund RDA			6,200,000.00	6,200,000.00	6,200,000.00	2.779		2.779	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			4,266,388.84	4,266,388.84	4,266,388.84	2.779		2.779	1	
		Subtotal and Average	**22,395,161.29**		**21,550,000.00**	**21,550,000.00**	**21,550,000.00**			**2.779**	**1**	
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	4.620	Aa2	4.620	1	
SYS1000	1000	Union Bank of California			0.00	0.00	0.00	2.200		2.200	1	
		Subtotal and Average	**0.00**		**0.00**	**0.00**	**0.00**			**0.000**	**0**	
Federal Agency Issues - Coupon												
31331VYF7	10600	FEDERAL FARM CREDIT BANK		05/04/2006	1,000,000.00	1,015,630.00	1,000,000.00	5.250	Aaa	5.250	245	05/04/2009
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,032,810.00	1,000,000.00	5.000	Aaa	5.002	632	05/26/2010
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,051,880.00	1,000,000.00	5.250	Aaa	5.250	1,430	08/01/2012
31331X2Z4	10688	FEDERAL FARM CREDIT BANK		09/14/2007	1,000,000.00	1,020,630.00	1,000,000.00	5.250	Aaa	5.250	1,474	09/14/2012
31331YGL8	10704	FEDERAL FARM CREDIT BANK		12/05/2007	1,000,000.00	1,004,060.00	1,000,000.00	4.875	Aaa	4.875	1,556	12/05/2012
31331YHR4	10706	FEDERAL FARM CREDIT BANK		12/14/2007	1,000,000.00	1,007,190.00	1,000,000.00	4.400	Aaa	4.400	1,565	12/14/2012
31331YKW9	10708	FEDERAL FARM CREDIT BANK		12/28/2007	1,000,000.00	1,006,560.00	1,000,000.00	4.250	Aaa	4.250	1,213	12/28/2011
31331YPL8	10710	FEDERAL FARM CREDIT BANK		01/24/2008	1,000,000.00	1,001,560.00	1,000,000.00	3.750	Aaa	3.750	875	01/24/2011
31331YQP8	10716	FEDERAL FARM CREDIT BANK		01/25/2008	2,500,000.00	2,475,000.00	2,516,250.00	3.800	Aaa	3.657	1,607	01/25/2013
31331YQQ6	10717	FEDERAL FARM CREDIT BANK		01/30/2008	3,500,000.00	3,487,960.00	3,522,750.00	3.850	Aaa	3.674	1,246	01/30/2012
31331YRA0	10718	FEDERAL FARM CREDIT BANK		02/04/2008	1,000,000.00	992,810.00	1,000,000.00	3.200	Aaa	3.200	886	02/04/2011
31331YRD4	10719	FEDERAL FARM CREDIT BANK		02/06/2008	1,000,000.00	992,190.00	1,000,000.00	3.625	Aaa	3.625	1,253	02/06/2012
31331YQP8	10721	FEDERAL FARM CREDIT BANK		02/04/2008	1,000,000.00	990,000.00	1,000,000.00	3.800	Aaa	3.800	1,607	01/25/2013
31331YSB7	10723	FEDERAL FARM CREDIT BANK		02/01/2008	1,000,000.00	984,380.00	1,000,000.00	3.790	Aaa	3.790	1,614	02/01/2013
31331YTS9	10726	FEDERAL FARM CREDIT BANK		02/11/2008	2,000,000.00	1,975,620.00	2,000,000.00	3.750	Aaa	3.750	1,624	02/11/2013
31331YXJ4	10734	FEDERAL FARM CREDIT BANK		03/11/2008	2,000,000.00	1,983,760.00	2,000,000.00	3.950	Aaa	3.950	1,652	03/11/2013
31331YA83	10739	FEDERAL FARM CREDIT BANK		04/03/2008	1,000,000.00	991,880.00	1,000,000.00	3.980	Aaa	3.980	1,675	04/03/2013
31331YA83	10741	FEDERAL FARM CREDIT BANK		04/03/2008	3,000,000.00	2,975,640.00	3,000,000.00	3.980	Aaa	3.980	1,675	04/03/2013
31331YVJ6	10744	FEDERAL FARM CREDIT BANK		04/18/2008	2,000,000.00	1,986,260.00	1,997,733.52	4.000	Aaa	4.045	1,638	02/25/2013
31331YN63	10756	FEDERAL FARM CREDIT BANK		05/15/2008	1,000,000.00	994,380.00	1,000,000.00	3.800	Aaa	3.800	1,352	05/15/2012
31331YT26	10757	FEDERAL FARM CREDIT BANK		06/02/2008	2,000,000.00	1,995,620.00	1,999,665.93	3.620	Aaa	3.627	1,004	06/02/2011
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	1,000,310.00	1,000,000.00	4.240	Aaa	4.240	1,736	06/03/2013
31331Y2G4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,017,810.00	1,000,000.00	4.850	Aaa	4.850	1,764	07/01/2013
31331Y4A5	10771	FEDERAL FARM CREDIT BANK		07/28/2008	1,000,000.00	1,001,560.00	1,000,000.00	3.875	Aaa	3.875	1,060	07/28/2011
31331Y6E5	10772	FEDERAL FARM CREDIT BANK		08/13/2008	1,000,000.00	1,007,190.00	1,000,000.00	4.750	Aaa	4.750	1,807	08/13/2013

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 31, 2008

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												
31331Y3F5	10773	FEDERAL FARM CREDIT BANK		08/14/2008	5,000,000.00	5,035,950.00	5,007,589.12	4.750	Aaa	4.712	1,778	07/15/2013
31331Y6T2	10774	FEDERAL FARM CREDIT BANK		08/20/2008	5,000,000.00	4,998,450.00	5,000,000.00	4.500	Aaa	4.500	1,449	08/20/2012
3133XAQV2	10564	FEDERAL HOME LOAN BANK		03/08/2005	1,000,000.00	1,000,310.00	1,000,000.00	4.000	Aaa	4.000	7	09/08/2008
3133XFHS8	10599	FEDERAL HOME LOAN BANK		05/19/2006	1,000,000.00	1,015,000.00	1,000,000.00	5.520	Aaa	5.520	990	05/19/2011
3133XGTS3	10616	FEDERAL HOME LOAN BANK		09/08/2006	1,000,000.00	1,000,310.00	1,000,000.00	5.375	Aaa	5.375	737	09/08/2010
3133XGZP2	10619	FEDERAL HOME LOAN BANK		10/02/2006	1,000,000.00	1,001,880.00	1,000,000.00	5.150	Aaa	5.150	396	10/02/2009
3133XHEX6	10624	FEDERAL HOME LOAN BANK		10/27/2006	1,000,000.00	1,003,130.00	1,000,000.00	5.200	Aaa	5.200	1,151	10/27/2011
3133XEZP7	10625	FEDERAL HOME LOAN BANK		10/20/2006	1,000,000.00	1,000,630.00	999,980.48	5.000	Aaa	5.038	11	09/12/2008
3133XJPZ5	10639	FEDERAL HOME LOAN BANK		01/26/2007	1,000,000.00	1,009,380.00	1,000,000.00	5.200	Aaa	5.200	693	07/26/2010
3133XJUD8	10646	FEDERAL HOME LOAN BANK		02/09/2007	1,000,000.00	1,009,690.00	1,000,000.00	5.500	Aaa	5.500	1,256	02/09/2012
3133XKF75	10651	FEDERAL HOME LOAN BANK		04/20/2007	1,000,000.00	1,010,940.00	1,000,000.00	5.050	Aaa	5.050	961	04/20/2011
3133XKPE9	10656	FEDERAL HOME LOAN BANK		05/04/2007	1,000,000.00	1,003,440.00	1,000,000.00	5.125	Aaa	5.125	975	05/04/2011
3133XKQ65	10658	FEDERAL HOME LOAN BANK		05/15/2007	1,000,000.00	1,014,690.00	1,000,000.00	5.200	Aaa	5.200	1,352	05/15/2012
3133XKYE9	10662	FEDERAL HOME LOAN BANK		05/25/2007	1,000,000.00	1,030,000.00	1,000,000.00	5.200	Aaa	5.200	1,362	05/25/2012
3133XLVX8	10679	FEDERAL HOME LOAN BANK		08/06/2007	500,000.00	510,625.00	500,000.00	5.400	Aaa	5.400	1,435	08/06/2012
3133XLWB5	10680	FEDERAL HOME LOAN BANK		08/14/2007	500,000.00	511,095.00	500,000.00	5.460	Aaa	5.460	1,443	08/14/2012
3133XM3S8	10684	FEDERAL HOME LOAN BANK		08/27/2007	1,000,000.00	1,033,130.00	1,000,000.00	5.125	Aaa	5.125	1,456	08/27/2012
3133XM3E9	10685	FEDERAL HOME LOAN BANK		09/10/2007	1,000,000.00	1,000,630.00	1,000,000.00	5.600	Aaa	5.600	1,470	09/10/2012
3133XMG39	10691	FEDERAL HOME LOAN BANK		10/09/2007	2,000,000.00	2,040,000.00	2,000,000.00	5.100	Aaa	5.100	1,499	10/09/2012
3133XMG70	10693	FEDERAL HOME LOAN BANK		10/16/2007	1,000,000.00	1,003,130.00	1,000,000.00	5.250	Aaa	5.250	1,506	10/16/2012
3133XMPZ8	10696	FEDERAL HOME LOAN BANK		10/22/2007	2,000,000.00	2,042,500.00	2,000,000.00	5.150	Aaa	5.150	1,512	10/22/2012
3133XNJA8	10701	FEDERAL HOME LOAN BANK		12/17/2007	1,000,000.00	1,003,440.00	1,000,000.00	4.550	Aaa	4.550	1,568	12/17/2012
3133XNHS1	10702	FEDERAL HOME LOAN BANK		12/03/2007	895,000.00	897,514.95	895,000.00	4.520	Aaa	4.520	1,554	12/03/2012
3133XNNC9	10705	FEDERAL HOME LOAN BANK		12/27/2007	1,000,000.00	1,001,560.00	1,000,000.00	4.875	Aaa	4.875	1,578	12/27/2012
3133XNYV5	10712	FEDERAL HOME LOAN BANK		01/22/2008	1,000,000.00	998,130.00	1,000,000.00	4.050	Aaa	4.050	1,604	01/22/2013
3133XPB29	10724	FEDERAL HOME LOAN BANK		02/13/2008	1,000,000.00	982,500.00	993,077.78	3.850	Aaa	4.006	1,626	02/13/2013
3133XPF90	10725	FEDERAL HOME LOAN BANK		02/05/2008	1,000,000.00	987,190.00	1,000,000.00	3.660	Aaa	3.660	1,618	02/05/2013
3133XPMS0	10727	FEDERAL HOME LOAN BANK		02/25/2008	1,000,000.00	987,500.00	1,000,000.00	3.750	Aaa	3.750	1,638	02/25/2013
3133XPMT8	10728	FEDERAL HOME LOAN BANK		02/27/2008	1,000,000.00	990,310.00	1,000,000.00	3.875	Aaa	3.875	1,640	02/27/2013
3133XPXP4	10731	FEDERAL HOME LOAN BANK		02/27/2008	2,000,000.00	1,994,380.00	2,000,000.00	3.800	Aaa	3.800	1,274	02/27/2012
3133XPY73	10732	FEDERAL HOME LOAN BANK		02/27/2008	2,000,000.00	1,980,620.00	1,999,022.22	4.250	Aaa	4.272	1,640	02/27/2013
3133XPY24	10733	FEDERAL HOME LOAN BANK		03/13/2008	1,000,000.00	997,810.00	999,080.00	3.950	Aaa	3.997	1,289	03/13/2012
3133XQCL4	10735	FEDERAL HOME LOAN BANK		03/26/2008	2,750,000.00	2,716,477.50	2,750,000.00	3.720	Aaa	3.720	1,667	03/26/2013
3133XQEH1	10736	FEDERAL HOME LOAN BANK		03/18/2008	1,000,000.00	994,690.00	999,825.46	4.000	Aaa	4.006	1,659	03/18/2013
3133XQJZ6	10738	FEDERAL HOME LOAN BANK		04/16/2008	2,000,000.00	1,951,260.00	1,999,675.00	3.750	Aaa	3.754	1,688	04/16/2013
3133XQKA9	10740	FEDERAL HOME LOAN BANK		04/02/2008	1,000,000.00	996,250.00	1,000,000.00	4.150	Aaa	4.150	1,674	04/02/2013

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 31, 2008

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												
3133XQJA1	10742	FEDERAL HOME LOAN BANK		04/15/2008	2,000,000.00	1,974,380.00	2,000,000.00	3.700	Aaa	3.700	1,687	04/15/2013
3133XQVY5	10746	FEDERAL HOME LOAN BANK		05/13/2008	2,000,000.00	1,996,260.00	1,999,575.00	4.125	Aaa	4.131	1,715	05/13/2013
3133XQWD0	10747	FEDERAL HOME LOAN BANK		05/08/2008	1,500,000.00	1,497,660.00	1,498,610.63	3.700	Aaa	3.742	1,163	11/08/2011
3133XQWX6	10748	FEDERAL HOME LOAN BANK		05/07/2008	1,500,000.00	1,493,910.00	1,500,000.00	3.760	Aaa	3.760	1,344	05/07/2012
3133XQYL0	10750	FEDERAL HOME LOAN BANK		05/19/2008	1,000,000.00	995,630.00	1,000,000.00	3.720	Aaa	3.721	1,264	02/17/2012
3133XQZ88	10751	FEDERAL HOME LOAN BANK		05/14/2008	1,000,000.00	992,190.00	1,000,000.00	3.625	Aaa	3.625	1,351	05/14/2012
3133XR6T2	10753	FEDERAL HOME LOAN BANK		05/27/2008	2,000,000.00	1,996,260.00	2,000,000.00	3.500	Aaa	3.500	998	05/27/2011
3133XR7E4	10755	FEDERAL HOME LOAN BANK		05/28/2008	1,000,000.00	994,380.00	1,000,000.00	3.560	Aaa	3.560	999	05/28/2011
3133XRCH1	10759	FEDERAL HOME LOAN BANK		06/12/2008	2,000,000.00	1,996,880.00	1,998,438.89	4.000	Aaa	4.027	1,380	06/12/2012
3133XRFD7	10761	FEDERAL HOME LOAN BANK		06/11/2008	1,000,000.00	1,004,690.00	1,000,000.00	4.250	Aaa	4.250	1,379	06/11/2012
3133XRFU9	10762	FEDERAL HOME LOAN BANK		06/17/2008	2,245,000.00	2,248,502.20	2,244,806.26	3.800	Aaa	3.804	1,019	06/17/2011
3133XRKU3	10764	FEDERAL HOME LOAN BANK		06/25/2008	1,000,000.00	1,011,880.00	1,000,000.00	4.350	Aaa	4.350	1,393	06/25/2012
3133XRNW6	10767	FEDERAL HOME LOAN BANK		07/14/2008	1,000,000.00	1,006,250.00	1,000,000.00	4.250	Aaa	4.250	1,046	07/14/2011
3133XRRS1	10770	FEDERAL HOME LOAN BANK		07/22/2008	2,000,000.00	2,008,120.00	2,000,000.00	4.020	Aaa	4.020	1,054	07/22/2011
3128X6P67	10722	FEDERAL HOME LOAN MORTGAGE CO		02/05/2008	2,000,000.00	1,960,480.00	2,000,000.00	4.000	Aaa	4.000	1,618	02/05/2013
3128X7FV1	10737	FEDERAL HOME LOAN MORTGAGE CO		04/01/2008	1,000,000.00	972,920.00	999,708.33	3.900	Aaa	3.911	1,673	04/01/2013
3128X7LX0	10745	FEDERAL HOME LOAN MORTGAGE CO		04/29/2008	2,000,000.00	1,976,480.00	1,995,016.67	3.920	Aaa	3.987	1,701	04/29/2013
3128X7SA3	10754	FEDERAL HOME LOAN MORTGAGE CO		05/28/2008	1,000,000.00	997,700.00	1,000,000.00	4.400	Aaa	4.400	1,730	05/28/2013
3128X7G32	10763	FEDERAL HOME LOAN MORTGAGE CO		06/30/2008	1,000,000.00	1,005,050.00	1,000,000.00	4.050	Aaa	4.050	850	12/30/2010
3136F8N92	10720	FEDERAL NATIONAL MORT ASSOC		01/29/2008	2,000,000.00	1,963,120.00	2,000,000.00	3.625	Aaa	3.625	1,611	01/29/2013
3136F83X1	10730	FEDERAL NATIONAL MORT ASSOC		02/22/2008	2,000,000.00	1,986,260.00	2,000,000.00	4.125	Aaa	4.248	1,635	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	976	05/05/2011
3136F9NE9	10752	FEDERAL NATIONAL MORT ASSOC		05/14/2008	1,000,000.00	993,900.00	1,000,000.00	4.000	Aaa	4.000	1,716	05/14/2013
3136F9WQ2	10765	FEDERAL NATIONAL MORT ASSOC		07/02/2008	1,000,000.00	1,007,190.00	1,000,000.00	4.000	Aaa	4.000	669	07/02/2010
3136F9WQ2	10766	FEDERAL NATIONAL MORT ASSOC		07/02/2008	1,000,000.00	1,007,190.00	1,000,000.00	4.000	Aaa	4.000	669	07/02/2010
3136F9XY4	10769	FEDERAL NATIONAL MORT ASSOC		07/14/2008	1,000,000.00	1,003,130.00	1,000,000.00	4.050	Aaa	4.050	865	01/14/2011
		Subtotal and Average	**18,700,925.95**		**121,890,000.00**	**121,828,274.65**	**121,915,805.29**			**4.239**	**1,373**	
Treasury Securities - Coupon												
912828DZ0	10579	U.S.TREASURY NOTE		07/25/2005	1,000,000.00	1,030,230.00	996,948.65	3.875	Aaa	4.057	682	07/15/2010
912828FT2	10626	U.S.TREASURY NOTE		10/23/2006	1,000,000.00	1,002,270.00	999,827.20	4.625	Aaa	4.854	29	09/30/2008
912828FV7	10627	U.S.TREASURY NOTE		10/31/2006	1,000,000.00	1,005,080.00	1,000,025.65	4.875	Aaa	4.858	60	10/31/2008
912828GP9	10664	U.S.TREASURY NOTE		05/23/2007	2,000,000.00	2,031,560.00	1,996,064.18	4.500	Aaa	4.814	241	04/30/2009
912828GR5	10669	U.S.TREASURY NOTE		06/08/2007	1,000,000.00	1,038,520.00	992,034.75	4.500	Aaa	5.008	621	05/15/2010
912828GG9	10671	U.S.TREASURY NOTE		06/15/2007	1,000,000.00	1,037,030.00	995,145.50	4.750	Aaa	5.109	532	02/15/2010
912828FX3	10672	U.S.TREASURY NOTE		06/15/2007	1,000,000.00	1,029,610.00	994,669.23	4.625	Aaa	5.100	440	11/15/2009

City of Torrance
Portfolio Management
Portfolio Details - Investments
August 31, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
		Subtotal and Average	**1,989,496.13**		**8,000,000.00**	**8,174,300.00**	**7,974,715.16**			**4.827**	**355**	
Medium Term Notes												
060505BH6	10596	Bank of America		04/13/2006	1,000,000.00	996,830.00	992,139.32	3.375	Aa2	5.230	169	02/17/2009
060505AR5	10699	Bank of America		11/02/2007	990,000.00	969,903.00	990,098.54	4.875	Aa2	4.871	1,475	09/15/2012
084664AF8	10709	Berkshire Hathaway		01/15/2008	1,000,000.00	1,017,010.00	1,011,857.75	4.200	Aaa	3.648	835	12/15/2010
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	997,690.00	1,014,559.30	4.625	Aaa	4.300	1,870	10/15/2013
19416QCH1	10692	Colgate-Palmolive Co.		10/01/2007	500,000.00	501,985.00	500,604.75	5.580	Aa3	4.880	66	11/06/2008
36962GK78	10703	General Electric Capital Corp		12/03/2007	1,000,000.00	1,011,990.00	997,035.40	4.250	Aaa	4.404	742	09/13/2010
36966RV94	10729	General Electric Capital Corp		02/14/2008	2,000,000.00	1,941,840.00	2,000,000.00	4.000	Aaa	4.000	1,262	02/15/2012
36966RY59	10760	General Electric Capital Corp		05/30/2008	2,000,000.00	1,968,160.00	2,000,000.00	4.150	Aaa	4.150	1,352	05/15/2012
38143UBE0	10660	Goldman Sachs		05/14/2007	1,210,000.00	1,214,283.40	1,199,072.40	4.500	Aa3	5.050	652	06/15/2010
38141GBU7	10743	Goldman Sachs		04/18/2008	1,000,000.00	1,034,830.00	1,053,607.07	6.600	Aa3	4.840	1,231	01/15/2012
441812KG8	10613	Household Finance Co		08/22/2006	1,000,000.00	1,006,760.00	996,669.32	4.750	Aa3	5.260	256	05/15/2009
40429CCX8	10632	Household Finance Co		11/20/2006	1,000,000.00	1,001,030.00	1,001,644.34	5.250	Aa3	5.170	865	01/14/2011
441812KH6	10642	Household Finance Co		01/30/2007	1,000,000.00	997,080.00	987,762.92	4.125	Aa3	5.224	441	11/16/2009
40429XB39	10694	Household Finance Co		10/12/2007	1,000,000.00	983,980.00	1,000,000.00	5.000	Aa3	5.000	774	10/15/2010
40429XC95	10700	Household Finance Co		11/29/2007	1,000,000.00	988,220.00	1,000,000.00	5.050	Aa3	5.050	805	11/15/2010
59018YVV0	10630	MERRILL LYNCH		11/17/2006	1,000,000.00	974,150.00	995,449.11	4.790	A1	5.050	702	08/04/2010
59018YSK8	10643	MERRILL LYNCH		01/30/2007	2,000,000.00	1,982,540.00	1,992,476.99	4.125	A1	5.200	136	01/15/2009
64952WAE3	10697	New York Life Global		11/02/2007	1,000,000.00	1,014,410.00	999,859.56	4.625	Aaa	4.630	714	08/16/2010
90327QCQ0	10670	USAA Capital Corp		06/12/2007	2,000,000.00	2,001,580.00	1,981,419.45	4.640	Aa1	5.420	470	12/15/2009
949746NB3	10715	Wells Fargo Co		01/23/2008	1,000,000.00	1,016,420.00	1,019,304.72	4.875	Aa1	4.000	863	01/12/2011
98153BAE4	10604	World Savings Bank		06/05/2006	1,000,000.00	988,720.00	993,241.32	4.500	Aa3	5.440	287	06/15/2009
		Subtotal and Average	**2,000,000.00**		**24,700,000.00**	**24,609,411.40**	**24,726,802.26**			**4.781**	**783**	
Muncipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	1,185,448.08	1,185,448.08	1,185,448.08	8.000		7.999	1,399	07/01/2012
		Subtotal and Average	**1,185,448.08**		**1,185,448.08**	**1,185,448.08**	**1,185,448.08**			**7.999**	**1,399**	
		Total and Average	**46,271,031.45**		**177,325,448.08**	**177,347,434.13**	**177,352,770.79**			**4.189**	**1,079**	

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City of Torrance
Portfolio Management
Portfolio Details - Cash
August 31, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		19,131.94	19,131.94				0
				Subtotal		19,131.94	19,131.94				
	Total Cash and Investmentss		179,060,067.82		177,325,448.08	177,366,566.07	177,371,902.73			4.189	1,079

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II. RESTRICTED FUNDS

Reports Appear Quarterly

III. CASH & INVESTMENT PORTFOLIO SHARE

CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF AUGUST 31, 2008

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	49,311,603.21	48,139,636.67	27.80
R	Parks & Recr Facility & Open Space	3,572,633.93	3,487,724.76	2.01
R	State Gas Tax	6,754,994.97	6,594,452.06	3.81
R	Federal Housing, Community Dev	1,082,492.30	1,056,765.20	0.61
R	Street Lighting	257,979.40	251,848.12	0.15
R	Traffic Congestion Relief Act 2000 - AB2928	19,188.60	18,732.55	0.01
R	Proposition 1B	2,485,779.44	2,426,701.05	1.40
R	Police Asset Forfeiture	3,036,485.86	2,964,319.08	1.71
N	Government Cable	2,437,083.80	2,379,162.73	1.37
R	Local Return - Proposition C	6,164,378.91	6,017,872.91	3.48
R	Grants/Donations	(153,096.80)	(149,458.22) (B)	(0.09)
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	283,607.26	276,866.89	0.16
R	Seismic Education Fund	52,377.30	51,132.47	0.03
R	Rehabilitation Housing	596,075.38	581,908.73	0.34
R	Police Inmate Welfare Fund	49,830.83	48,646.52	0.03
N	Capital Improvements	24,628,700.59	24,043,361.42	13.89
R	Vanpool/Rideshare Fund	319,392.97	311,802.10	0.18
R	Torrance Improvement Fund	5,641,304.00	5,507,229.68	3.18
R	Animal Control Fund	37,336.60	36,449.24	0.02
R	Redevelopment-Capital Proj	8,674,024.89	8,467,873.27	4.89
R	Redevelopment Debt Service	624,481.74	609,639.97	0.35
N	DNA Sampling Fund	11,062.93	10,800.00	0.01
N	Airport Fund	6,692,690.55	6,533,628.40	3.77
N	Transit Operations	1,453,839.54	1,419,286.79	0.82
R	Development Impact Fund	727,468.30	710,178.89	0.41
N	Water Operations	6,982,977.39	6,817,016.13	3.94
N	Emergency Medical Service Enterprise Fund	7,610.44	7,429.57	0.00
N	Sanitation Operations	3,250,661.53	3,173,404.53	1.83
N	Cultural Arts Enterprise	265,864.69	259,546.00	0.15
N	Sewer Enterprise Fund	10,881,913.40	10,623,287.89	6.14
N	Parks & Recr Enterprise Fund	342,320.96	334,185.17	0.19
N	Self Insurance Fund	8,169,583.26	7,975,420.47	4.61
N	Fleet Services	13,514,270.67	13,193,083.12	7.62
R	Postemployment/Compensated Absences Fund	6,122,773.13	5,977,255.95	3.45
R	Trust & Agency	3,053,078.83	2,980,517.69	1.72
	TOTAL	**177,352,770.79**	**173,137,707.80**	**100.00**

R = Restricted Funds
N = Non-Restricted Funds

(A) The difference between the Share of Investments total of $177,352,770.79 and the Pooled Cash and Investments total of $173,137,707.80 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) A-020 Median Landscaping-Hawthorne (Del Amo) has a negative cash balance of $475,322.
Reimbursement in the amount of $208,097 was received on 8/25/08. An additional reimbursement request is in process.

CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF AUGUST 31, 2008

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		**177,352,770.79**
CASH AND INVESTMENTS PER BOOKS		**173,137,707.80**
CASH IN BANKS:		
Cash in B of A General Account		($311,596.04)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	789,453.57	
Payroll Account	111,323.69	
Workers Compensation Account	123,724.76	
Housing Account	397,431.98	1,421,934.00
Miscellaneous outstanding adjusting journal entries		229,206.78
Payroll for PE 8/30/08 posted on 8/30/08 and paid on 9/5/08		2,791,779.90
Payroll for PE 9/13/08 posted on 8/31/08 and paid on 9/19/08		83,738.35
INVESTMENTS PER BOOKS		**$177,352,770.79**