

Council Meeting of
November 4, 2008

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

Members of Council:

SUBJECT: Accept and file Investment Reports for September 2008

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of September 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 September 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 September 2008

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

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	4.104	4.189
Average U.S. Treasury Constant Maturity	2.000	2.600
LAIF Average Monthly Return	2.774	2.779
Average City Portfolio YTM - 1 year prior	4.750	4.749

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	2,032,440	2,015,603
Current month	590,396	648,880

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	1,051	1,079
Average Maturity 1 Year Prior (days)	604	585
Weighted Average Maturity (years)	2.88	2.96

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	14,579,751	11
Maturities	15,237,683	13

Transactions include 6 deposits to and 4 withdrawals from LAIF, 2 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, 2008</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of September</u>
Federal Agency (coup)	117,807,309	2,895,500	-49,556	120,653,253
Treasury Securities	9,181,240	-2,000,000	1,570	7,182,810
Medium Term Notes	25,558,720	-2,953,080	-665,477	21,940,163
Municipal Bonds	1,309,154	-123,706	0	1,185,448
SUB-TOTAL PER GASB 31	153,856,423	-2,181,286	-713,463	150,961,674
<u>Non-GASB securities</u>				
LAIF	48,200,000	-24,300,000	0	23,900,000
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	983,890	-1,730	982,160
TOTAL PORTFOLIO	208,056,423	-31,516,100	-696,489	175,843,834

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

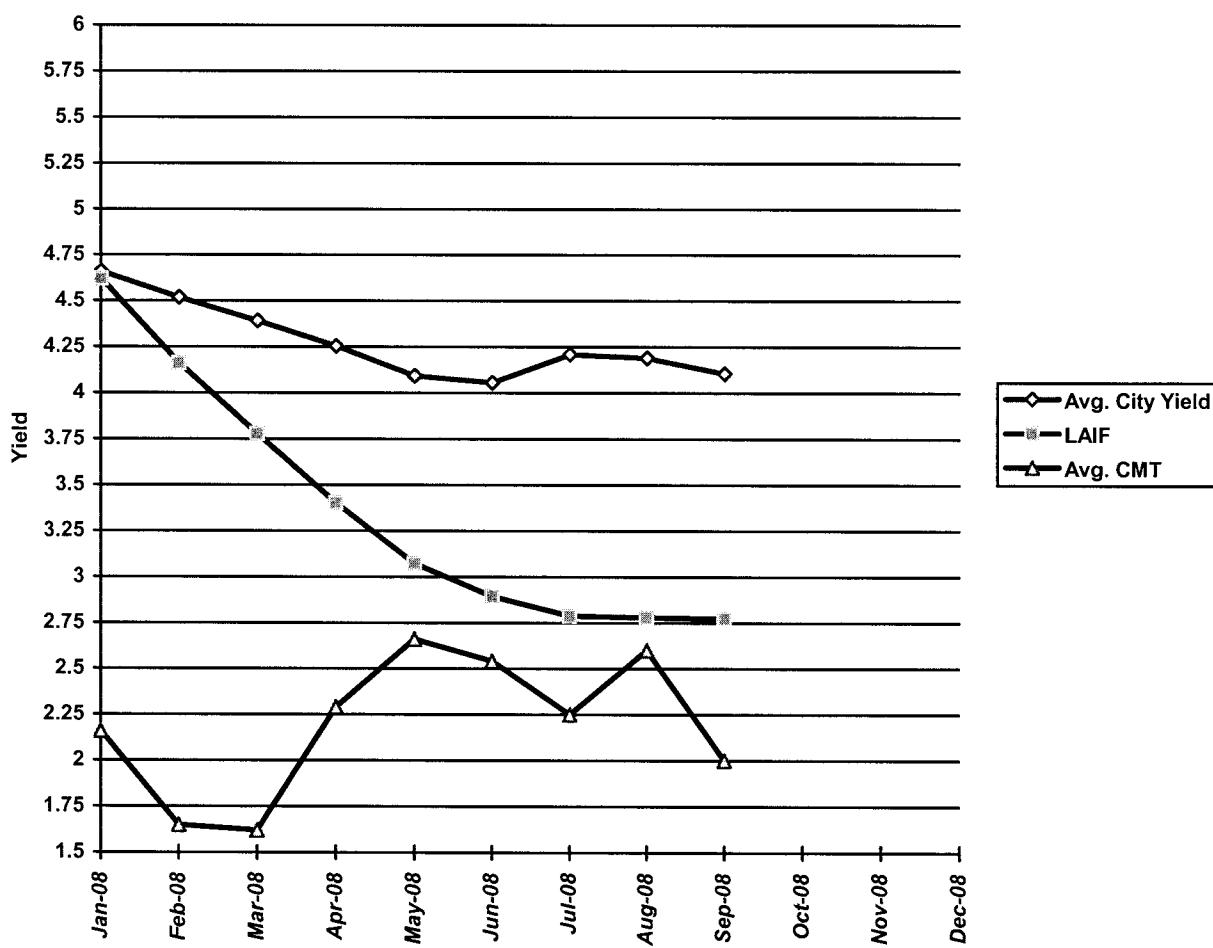
CITY OF TORRANCE

City Treasurer's Office

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

I. Return

20.40% of the portfolio is invested at one-year maturity or less as of September 30, 2008. The City Average yield on the portfolio was 4.104% compared to 2.000% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of September 30, 2008 by 210 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 September consisted of 3 purchases totaling \$5 million with an average yield to maturity of 3.14% and 1 redemption, 3 calls and 2 sales for a total of \$4.9 million with an average yield to maturity of 4.792%. The activity in the LAIF Account consisted of 6 deposits for a total of \$7.5 million and 4 withdrawals for a total of \$5.2 million. The activity in the sweep account consisted of 2 deposits of \$2.0 million and 1 withdrawal of \$2.0 million. The portfolio decreased by \$600,000.

<u>Asset Category</u>	<u>September</u>	<u>August</u>
1. LAIF	13.53	12.15
2. Money Market Sweep	0.00	0.00
3. Federal Agency Issues(coup)	68.42	68.74
4. Federal Agency Issues(disc)	0.00	0.00
5. Treasury Securities	3.95	4.50
6. Treasury Securities(disc)	0.00	0.00
7. Medium Term Notes	12.87	13.94
8. Municipal Bonds	.67	.67
9. Commercial Paper(disc)	<u>0.56</u>	<u>0.00</u>
	100.00%	100.00%

IV. Maturity

As of September 30, 2008, the current maturity allocation is 24.66% of the portfolio invested between the 6 month to 3-year maturity levels. 18.13% 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 \$31.90 million available for expenditures.

<u>As of Maturity</u>	<u>September</u>	<u>August</u>
0 to 6 months	18.13%	16.38%
6 months to 1 year	2.27%	2.82%
1 to 2 years	8.63%	8.58%
2 to 3 years	13.76%	14.80%
3 to 4 years	21.38%	17.02%
4 to 5 years	35.26%	39.27%
5 years and after	<u>.57%</u>	<u>1.13%</u>
	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 September 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	23,900,000	13.53	**	1	1	N/A	2.774
Money Market Sweep Account	00	0.00		1	1		2.220
Federal Agency Issues – Coupon	120,910,252	68.43	75	1,570	1,351	5 years	4.174
Farmer Mac	00	.00	30	00	00	5 years	.000
Federal Farm Credit Bank	49,037,285	27.81	30	433	461	5 years	4.535
Federal Home Loan Bank	55,877,950	31.78	30	438	467	5 years	4.281
Federal Home Loan Mortgage Corp.	6,995,017	3.94	30	262	273	5 years	4.312
Federal National Mortgage Assoc.	9,000,000	5.10	30	864	910	5 years	3.780
Treasury Securities – Coupon	6,976,522	3.95	100	985	372	5 years	4.823
Medium Term Notes	21,940,163	12.87	20	1,202	791	5 years	4.741
Municipal Bond Issue	1,185,448	.67		3,848	1,369	N/A	7.999
Federal Agency Disc	00	.00				5 years	.000
Commercial Paper Disc-Amort	985,690	.56					3.293
Treasury Discount-Amort	00	.00					.000
Certificate of Deposits-Disc	00	.00					.000
Total Investments & Averages	176,703,122	100.00		1,295	1,051		4.104
Pending Redemptions							
Accrued Interest at Purchase	22,490						
Total Cash & Purchase Interest	22,490						
Total Cash & Investments	176,725,612						

Portfolio Notes:

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

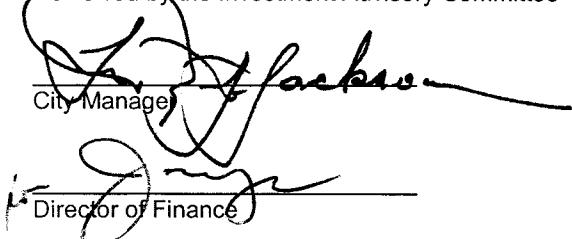
General LAIF account = \$16,950,000

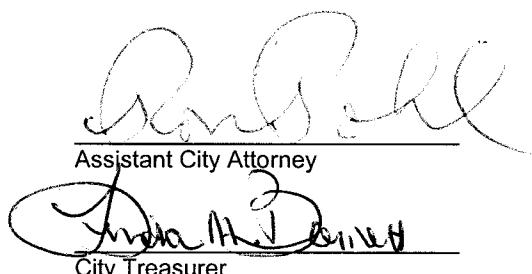
RDA LAIF account = \$ 6,950,000

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 10/28/08
Date
Linda M. Barnett
City Treasurer

Reviewed by the Investment Advisory Committee


City Manager
Director of Finance


Assistant City Attorney
Linda M. Barnett
City Treasurer

**City of Torrance
Portfolio Management
Activity Summary
September 2007 through September 2008**

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
			Average Balance	360 Equivalent					
September	2007	130	165,210,959.42	4.686	4.751	5,231	4	4	1,090
October	2007	127	164,833,882.31	4.713	4.778	5,137	6	10	1,105
November	2007	126	163,514,491.25	4.684	4.749	4,962	4	5	1,124
December	2007	127	164,262,749.72	4.655	4.719	4,801	8	7	1,119
January	2008	126	176,545,132.75	4.598	4.661	4,620	10	12	1,025
February	2008	129	188,047,543.59	4.452	4.514	4,161	14	11	1,112
March	2008	125	187,972,492.91	4.331	4.391	3,777	4	8	1,125
April	2008	126	192,345,930.83	4.196	4.254	3,400	9	8	1,146
May	2008	133	203,045,113.25	4.037	4.093	3,072	12	5	1,151
June	2008	128	209,041,697.28	3.999	4.055	2,894	7	12	1,121
July	2008	131	191,237,074.56	4.150	4,208	2,787	7	5	1,299
August	2008	121	179,060,067.82	4.132	4,189	2,779	3	13	1,326
September	2008	116	174,777,538.73	4.048	4,104	2,774	3	8	1,295
	Average	127	181,504,417.18	4.360%	4.421%	3,877	7	8	1,157
									821

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*											
10775 Morgan Stanley	09/11/2008 Morgan Stanley	03/09/2009	159	3.240%			3.339%	1,000,000	983,890	982,160	
10776 Dean Witter	09/23/2008 FFCB	AAA/Aaa	09/23/2011	1087	3.125%		3.113%	1,000,000	1,000,351	985,940	
10777 Stone & Youngberg	09/30/2008 FFCB	AAA/Aaa	09/17/2010	716	3.100%		3.219%	3,000,000	2,993,250	2,970,000	
									\$5,000,000	\$4,977,491	\$4,938,100

Weighted Average Yield

3.224%

invest no.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE	
(II) MATURITIES**											
10613 Higgins Capital	08/22/2006 Household	Aa-/Aa3	05/15/2009	4.750%		5.259%	1,000,000	996,958	981,000		
10616 Citigroup	09/08/2006 FHLB	AAA/Aaa	09/08/2010	5.375%		5.375%	1,000,000	1,000,000	1,000,000		
10642 Higgins Capital	01/30/2007 Household	Aa-/Aa3	11/16/2009	4.125%		5.224%	1,000,000	988,466	972,080		
10685 Citigroup	09/10/2007 FHLB	AAA/Aaa	09/10/2012	5.600%		5.600%	1,000,000	1,000,000	1,000,000		
10705 Citigroup	12/27/2007 FHLB	AAA/Aaa	12/27/2012	4.875%		4.875%	1,000,000	1,000,000	1,000,000		
10564 Dean Witter	03/08/2005 FHLB	AAA/Aaa	09/08/2008	4.000%		4.000%	1,000,000	1,000,000	1,000,000		
10625 Citigroup	10/20/2006 FHLB	AAA/Aaa	09/12/2008	5.000%		5.037%	1,000,000	1,000,000	1,000,000		
10626 Dean Witter	10/23/2006 USTN	AAA/Aaa	09/30/2008	4.625%		4.854%	1,000,000	1,000,000	1,000,000		
									\$8,000,000	\$7,985,424	\$7,953,080

Weighted Average Yield

4.792%

* 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) LAIT TRANSACTIONS

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
- State of California	Local Agency Pool	11,083,611	2.774%	2.774%	6,800,000	5,200,000	-	12,683,611
City Tran Acct		4,266,389	2.774%	2.774%	-	-	-	4,266,389
RDA		6,200,000	2.774%	2.774%	750,000	-	-	6,950,000
		\$21,550,000			\$7,550,000	\$5,200,000	\$ -	\$23,900,000

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

	September 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	415,559.03	1,797,225.47
Plus Accrued Interest at End of Period	1,587,129.04	1,587,129.04
Less Accrued Interest at Beginning of Period	(1,453,542.87)	(1,690,974.34)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	549,145.20	1,693,380.17
Adjusted by Premiums and Discounts	8,284.14	25,882.77
Adjusted by Capital Gains or Losses	-32,344.00	78,029.28
Earnings during Periods	525,085.34	1,797,292.22
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	2,235.79	385,063.00
Plus Accrued Interest at End of Period	648,262.91	648,262.91
Less Accrued Interest at Beginning of Period	(585,188.14)	(798,178.01)
Interest Earned during Period	65,310.56	235,147.90
Total Interest Earned during Period	614,455.76	1,928,528.07
Total Adjustments from Premiums and Discounts	8,284.14	25,882.77
Total Capital Gains or Losses	-32,344.00	78,029.28
Total Earnings during Period	590,395.90	2,032,440.12

City of Torrance
Portfolio Management
Portfolio Details - Investments
September 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												
SYS10000	10000	Local Agency Invest Fund GENL			12,683,611.16	12,683,611.16				2.774		1
SYS10001	10001	Local Agency Invest Fund RDA			6,950,000.00	6,950,000.00				2.774		1
SYS1000a	1000A	LAIF - TRANS FUNDS			4,266,388.84	4,266,388.84				2.774		1
		Subtotal and Average	21,206,666.67		23,900,000.00	23,900,000.00				2.774		1
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00				4.620	Aa2	1
SYS1000	1000	Union Bank of California			0.00	0.00				2.290		1
		Subtotal and Average	172,156.36		0.00	0.00				0.000		0
Federal Agency Issues - Coupon												
31331VVF7	10600	FEDERAL FARM CREDIT BANK	05/04/2006		1,000,000.00	1,011,880.00				5.250		215
31331XMQ2	10640	FEDERAL FARM CREDIT BANK	01/26/2007		1,000,000.00	1,027,190.00				5.000	Aaa	5/04/2009
31331XT36	10678	FEDERAL FARM CREDIT BANK	08/01/2007		1,000,000.00	1,047,500.00				5.250	Aaa	6/26/2010
31331X2Z4	10688	FEDERAL FARM CREDIT BANK	09/14/2007		1,000,000.00	1,020,630.00				5.250	Aaa	8/01/2012
31331YGL8	10704	FEDERAL FARM CREDIT BANK	12/05/2007		1,000,000.00	1,002,190.00				4.875	Aaa	9/14/2012
31331YHR4	10706	FEDERAL FARM CREDIT BANK	12/14/2007		1,000,000.00	1,005,940.00				4.400	Aaa	12/14/2012
31331YK9	10708	FEDERAL FARM CREDIT BANK	12/28/2007		1,000,000.00	1,006,560.00				4.250	Aaa	1/28/2011
31331YPL8	10710	FEDERAL FARM CREDIT BANK	01/24/2008		1,000,000.00	1,001,250.00				3.750	Aaa	1/24/2011
31331YQP8	10716	FEDERAL FARM CREDIT BANK	01/25/2008		2,500,000.00	2,468,750.00				2.516,250.00	Aaa	1/25/2013
31331YQG6	10717	FEDERAL FARM CREDIT BANK	01/30/2008		3,500,000.00	3,487,360.00				3,522,750.00	Aaa	1/30/2012
31331YRA0	10718	FEDERAL FARM CREDIT BANK	02/04/2008		1,000,000.00	992,190.00				3,200	Aaa	3/20/2011
31331YRD4	10719	FEDERAL FARM CREDIT BANK	02/06/2008		1,000,000.00	991,880.00				3,625	Aaa	3/22/2012
31331YQP8	10721	FEDERAL FARM CREDIT BANK	02/04/2008		1,000,000.00	987,500.00				3,800	Aaa	3/657
31331YQSB7	10723	FEDERAL FARM CREDIT BANK	02/01/2008		1,000,000.00	981,880.00				3,790	Aaa	1,577
31331YTS9	10726	FEDERAL FARM CREDIT BANK	02/11/2008		2,000,000.00	1,970,620.00				3,750	Aaa	1/21/2013
31331YJ4	10734	FEDERAL FARM CREDIT BANK	03/11/2008		2,000,000.00	1,978,760.00				3,950	Aaa	3/625
31331YA83	10739	FEDERAL FARM CREDIT BANK	04/03/2008		1,000,000.00	990,000.00				3,980	Aaa	1/223
31331YA83	10741	FEDERAL FARM CREDIT BANK	04/03/2008		3,000,000.00	2,970,000.00				3,000,000.00	Aaa	3/800
31331YVJ6	10744	FEDERAL FARM CREDIT BANK	04/18/2008		2,000,000.00	1,982,500.00				3,988,124.29	Aaa	4/045
31331YN63	10756	FEDERAL FARM CREDIT BANK	05/15/2008		1,000,000.00	994,060.00				3,800	Aaa	3/950
31331YT26	10757	FEDERAL FARM CREDIT BANK	06/02/2008		2,000,000.00	1,994,380.00				3,989,688.15	Aaa	3/627
31331YT42	10758	FEDERAL FARM CREDIT BANK	06/03/2008		1,000,000.00	997,500.00				3,620	Aaa	3/627
31331Y2G4	10768	FEDERAL FARM CREDIT BANK	07/01/2008		1,000,000.00	1,015,000.00				4,240	Aaa	7/06/2013
31331Y4A5	10771	FEDERAL FARM CREDIT BANK	07/28/2008		1,000,000.00	1,001,880.00				4,850	Aaa	1,734
31331Y6E5	10772	FEDERAL FARM CREDIT BANK	08/13/2008		1,000,000.00	1,005,310.00				4,750	Aaa	1,030

City of Torrance
Portfolio Management
Portfolio Details - Investments
September 30, 2008

13

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	5,000,000.00	08/14/2008	5,029,700.00	5,006,864.05	4.750	Aaa	4.712	1,748	07/15/2013	
31331Y6T2	10774	FEDERAL FARM CREDIT BANK	5,000,000.00	08/20/2008	4,995,300.00	4,500	Aaa	4.500	1,419	08/20/2012		
31331GCF4	10776	FEDERAL FARM CREDIT BANK	1,000,000.00	09/23/2008	985,940.00	3,125	Aaa	3.113	1,087	09/23/2011		
31331GBS7	10777	FEDERAL FARM CREDIT BANK	3,000,000.00	09/30/2008	2,970,000.00	3,100	Aaa	3.219	716	09/17/2010		
3133XFB8	10599	FEDERAL HOME LOAN BANK	1,000,000.00	05/19/2006	1,013,440.00	1,000,000.00	5,520	Aaa	5.520	960	05/19/2011	
3133XGZP2	10619	FEDERAL HOME LOAN BANK	1,000,000.00	10/02/2006	1,000,000.00	1,000,000.00	5,150	Aaa	5.150	366	10/02/2009	
3133XHE6	10624	FEDERAL HOME LOAN BANK	1,000,000.00	10/27/2006	1,001,560.00	1,000,000.00	5,200	Aaa	5.200	1,121	10/27/2011	
3133XPZ5	10639	FEDERAL HOME LOAN BANK	1,000,000.00	01/26/2007	1,007,190.00	1,000,000.00	5,200	Aaa	5.200	663	07/26/2010	
3133XJUD8	10646	FEDERAL HOME LOAN BANK	1,000,000.00	02/09/2007	1,007,810.00	1,000,000.00	5,500	Aaa	5.500	1,226	02/09/2012	
3133XKF75	10651	FEDERAL HOME LOAN BANK	1,000,000.00	04/20/2007	1,009,380.00	1,000,000.00	5,050	Aaa	5.050	931	04/20/2011	
3133XKPE9	10656	FEDERAL HOME LOAN BANK	1,000,000.00	05/04/2007	1,001,880.00	1,000,000.00	5,125	Aaa	5.125	945	05/04/2011	
3133XKQ65	10658	FEDERAL HOME LOAN BANK	1,000,000.00	05/15/2007	1,013,750.00	1,000,000.00	5,200	Aaa	5.200	1,322	05/15/2012	
3133XKYE9	10662	FEDERAL HOME LOAN BANK	1,000,000.00	05/25/2007	1,028,750.00	1,000,000.00	5,200	Aaa	5.200	1,332	05/25/2012	
3133XLVX8	10679	FEDERAL HOME LOAN BANK	500,000.00	08/06/2007	510,315.00	500,000.00	5,400	Aaa	5,400	1,405	08/06/2012	
3133XLWB5	10680	FEDERAL HOME LOAN BANK	500,000.00	08/14/2007	510,940.00	500,000.00	5,460	Aaa	5,460	1,413	08/14/2012	
3133XMS8	10684	FEDERAL HOME LOAN BANK	1,000,000.00	08/27/2007	1,031,250.00	1,000,000.00	5,125	Aaa	5,125	1,426	08/27/2012	
3133XMG39	10691	FEDERAL HOME LOAN BANK	2,000,000.00	10/09/2007	2,041,880.00	2,000,000.00	5,100	Aaa	5,100	1,469	10/09/2012	
3133XMG70	10693	FEDERAL HOME LOAN BANK	1,000,000.00	10/16/2007	1,001,250.00	1,000,000.00	5,250	Aaa	5,250	1,476	10/16/2012	
3133XMP28	10696	FEDERAL HOME LOAN BANK	2,000,000.00	10/22/2007	2,043,120.00	2,000,000.00	5,150	Aaa	5,150	1,482	10/22/2012	
3133XNUA8	10701	FEDERAL HOME LOAN BANK	1,000,000.00	12/17/2007	1,002,190.00	1,000,000.00	4,550	Aaa	4,550	1,538	12/17/2012	
3133XNHS1	10702	FEDERAL HOME LOAN BANK	895,000.00	12/03/2007	897,514.95	895,000.00	4,520	Aaa	4,520	1,524	12/03/2012	
3133XNV5	10712	FEDERAL HOME LOAN BANK	1,000,000.00	01/22/2008	995,940.00	1,000,000.00	4,050	Aaa	4,050	1,574	01/22/2013	
3133XPB29	10724	FEDERAL HOME LOAN BANK	1,000,000.00	02/13/2008	979,690.00	993,207.41	3,850	Aaa	4,006	1,596	02/13/2013	
3133XPF90	10725	FEDERAL HOME LOAN BANK	1,000,000.00	02/05/2008	983,440.00	1,000,000.00	3,660	Aaa	3,660	1,588	02/05/2013	
3133XPMS0	10727	FEDERAL HOME LOAN BANK	1,000,000.00	02/25/2008	984,380.00	1,000,000.00	3,750	Aaa	3,750	1,603	02/25/2013	
3133XNPV5	10728	FEDERAL HOME LOAN BANK	1,000,000.00	02/27/2008	987,500.00	1,000,000.00	3,875	Aaa	3,875	1,610	02/27/2013	
3133XPX4	10731	FEDERAL HOME LOAN BANK	2,000,000.00	03/18/2008	1,993,760.00	2,000,000.00	3,800	Aaa	3,800	1,244	02/27/2012	
3133XPY73	10732	FEDERAL HOME LOAN BANK	2,000,000.00	04/16/2008	1,974,380.00	1,999,188.89	4,250	Aaa	4,272	1,610	02/27/2013	
3133XPY24	10733	FEDERAL HOME LOAN BANK	1,000,000.00	03/13/2008	997,190.00	999,223.75	3,950	Aaa	3,997	1,259	03/13/2012	
3133XQCL4	10735	FEDERAL HOME LOAN BANK	2,750,000.00	03/26/2008	2,703,607.50	2,750,000.00	3,720	Aaa	3,720	1,637	03/26/2013	
3133XQEHI	10736	FEDERAL HOME LOAN BANK	1,000,000.00	03/18/2008	991,250.00	999,839.35	4,000	Aaa	4,006	1,629	03/18/2013	
3133XQJZ6	10738	FEDERAL HOME LOAN BANK	2,000,000.00	04/16/2008	1,943,120.00	1,999,691.67	3,750	Aaa	3,754	1,658	04/16/2013	
3133XQKA9	10740	FEDERAL HOME LOAN BANK	1,000,000.00	04/02/2008	994,690.00	1,000,000.00	4,150	Aaa	4,150	1,644	04/02/2013	
3133XQUA1	10742	FEDERAL HOME LOAN BANK	2,000,000.00	04/15/2008	1,965,000.00	2,000,000.00	3,700	Aaa	3,700	1,657	04/15/2013	
3133XQVY5	10746	FEDERAL HOME LOAN BANK	2,000,000.00	05/13/2008	1,989,380.00	1,999,595.83	4,125	Aaa	4,131	1,685	05/13/2013	
3133XQWDO	10747	FEDERAL HOME LOAN BANK	1,500,000.00	05/08/2008	1,496,715.00	1,498,779.38	3,700	Aaa	3,742	1,133	11/08/2011	

Portfolio CITY

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Run Date: 10/27/2008 - 10:37

City of Torrance
Portfolio Management
Portfolio Details - Investments
September 30, 2008

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	YTM	Days to Maturity	Maturity Date	Stated Rate	Moody's		
Federal Agency Issues - Coupon														
3133XQWX6	10748	FEDERAL HOME LOAN BANK	05/07/2008	1,500,000.00	1,492,035.00	1,500,000.00	1,500,000.00	3.760	1,314	05/07/2012	Aaa	3.760		
3133XQY10	10750	FEDERAL HOME LOAN BANK	05/19/2008	1,000,000.00	995,310.00	1,000,000.00	995,310.00	3.720	1,234	02/17/2012	Aaa	3.721		
3133XQZ88	10751	FEDERAL HOME LOAN BANK	05/14/2008	1,000,000.00	990,310.00	1,000,000.00	990,310.00	3.625	1,321	05/14/2012	Aaa	3.625		
3133XR6T2	10753	FEDERAL HOME LOAN BANK	05/27/2008	2,000,000.00	1,994,380.00	2,000,000.00	1,994,380.00	3.500	968	05/27/2011	Aaa	3.500		
3133XR7E4	10755	FEDERAL HOME LOAN BANK	05/28/2008	1,000,000.00	994,060.00	1,000,000.00	994,060.00	3.560	969	05/28/2011	Aaa	3.560		
3133XRCH1	10759	FEDERAL HOME LOAN BANK	06/12/2008	2,000,000.00	1,996,260.00	1,998,605.56	4,000	Aaa	4,027	1,350	06/12/2012	Aaa	4,027	
3133XRFD7	10761	FEDERAL HOME LOAN BANK	06/11/2008	1,000,000.00	1,004,690.00	1,000,000.00	1,004,690.00	4.250	1,349	06/11/2012	Aaa	4.250		
3133XRFU9	10762	FEDERAL HOME LOAN BANK	06/17/2008	2,245,000.00	2,247,806.25	2,244,818.74	3,800	Aaa	3,804	989	06/17/2011	Aaa	3,804	
3133XKRU3	10764	FEDERAL HOME LOAN BANK	06/25/2008	1,000,000.00	1,010,310.00	1,000,000.00	1,000,000.00	4.350	Aaa	4,350	1,363	06/25/2012	Aaa	4,350
3133XRNW6	10767	FEDERAL HOME LOAN BANK	07/14/2008	1,000,000.00	1,005,630.00	1,000,000.00	1,005,630.00	4.250	Aaa	4,250	1,016	07/14/2011	Aaa	4,250
3133XRRS1	10770	FEDERAL HOME LOAN BANK	07/22/2008	2,000,000.00	2,007,500.00	2,000,000.00	2,007,500.00	4.020	Aaa	4,020	1,024	07/22/2011	Aaa	4,020
3128XGP67	10722	FEDERAL HOME LOAN MORTGAGE CO	02/05/2008	2,000,000.00	1,973,600.00	2,000,000.00	1,973,600.00	4.000	Aaa	4,000	1,588	02/05/2013	Aaa	4,000
3128XTFV1	10737	FEDERAL HOME LOAN MORTGAGE CO	04/01/2008	1,000,000.00	974,180.00	959,750.00	959,750.00	3,900	Aaa	3,911	1,643	04/01/2013	Aaa	3,911
3128XTLX0	10745	FEDERAL HOME LOAN MORTGAGE CO	04/29/2008	2,000,000.00	1,981,060.00	1,985,266.67	3,920	Aaa	3,987	1,671	04/29/2013	Aaa	3,987	
3128XTSA3	10754	FEDERAL HOME LOAN MORTGAGE CO	05/28/2008	1,000,000.00	999,710.00	1,000,000.00	999,710.00	4,400	Aaa	4,400	1,700	05/28/2013	Aaa	4,400
3128XTG32	10763	FEDERAL HOME LOAN MORTGAGE CO	06/30/2008	1,000,000.00	1,006,510.00	1,000,000.00	1,006,510.00	4,050	Aaa	4,050	820	12/30/2010	Aaa	4,050
3136FBN92	10720	FEDERAL NATIONAL MORT ASSOC	01/29/2008	2,000,000.00	1,966,880.00	2,000,000.00	1,966,880.00	3,625	Aaa	3,625	1,581	01/29/2013	Aaa	3,625
3136F33X1	10730	FEDERAL NATIONAL MORT ASSOC	02/22/2008	2,000,000.00	1,990,620.00	2,000,000.00	1,990,620.00	4,125	Aaa	4,125	1,605	02/22/2013	Aaa	4,125
3136F9MV2	10749	FEDERAL NATIONAL MORT ASSOC	05/05/2008	1,000,000.00	994,060.00	1,000,000.00	994,060.00	3,250	Aaa	3,250	946	05/05/2011	Aaa	3,250
3136F9NE9	10752	FEDERAL NATIONAL MORT ASSOC	05/14/2008	1,000,000.00	993,700.00	1,000,000.00	993,700.00	4,000	Aaa	4,000	1,686	05/14/2013	Aaa	4,000
3136F9WQ2	10765	FEDERAL NATIONAL MORT ASSOC	07/02/2008	1,000,000.00	1,007,500.00	1,000,000.00	1,007,500.00	4,000	Aaa	4,000	639	07/02/2010	Aaa	4,000
3136F9WQ2	10766	FEDERAL NATIONAL MORT ASSOC	07/02/2008	1,000,000.00	1,007,500.00	1,000,000.00	1,007,500.00	4,000	Aaa	4,000	639	07/02/2010	Aaa	4,000
3136F9XY4	10769	FEDERAL NATIONAL MORT ASSOC	07/14/2008	1,000,000.00	1,003,130.00	1,000,000.00	1,003,130.00	4,050	Aaa	4,050	835	01/14/2011	Aaa	4,050
Subtotal and Average			119,316,113.35		120,890,000.00	120,653,253.70		120,910,252.25		4,174	1,351			
Treasury Securities - Coupon														
912828DZ0	10579	U.S.TREASURY NOTE	07/25/2005	1,000,000.00	1,036,020.00	997,082.87	3,875	Aaa	4,057	652	07/15/2010	Aaa	4,057	
912828FV7	10627	U.S.TREASURY NOTE	10/31/2006	1,000,000.00	1,003,280.00	1,000,012.82	4,875	Aaa	4,858	30	10/31/2008	Aaa	4,858	
912828GP9	10664	U.S.TREASURY NOTE	05/23/2007	2,000,000.00	2,032,340.00	1,996,554.11	4,500	Aaa	4,814	211	04/30/2009	Aaa	4,814	
912828GR5	10689	U.S.TREASURY NOTE	06/08/2007	1,000,000.00	1,041,480.00	992,419.54	4,500	Aaa	5,008	591	05/15/2010	Aaa	5,008	
912828GG9	10671	U.S.TREASURY NOTE	06/15/2007	1,000,000.00	1,039,220.00	995,419.25	4,750	Aaa	5,109	502	02/15/2010	Aaa	5,109	
912828FX3	10672	U.S.TREASURY NOTE	06/15/2007	1,000,000.00	1,030,470.00	995,032.69	4,625	Aaa	5,100	410	11/15/2009	Aaa	5,100	
Subtotal and Average			7,942,317.88		7,000,000.00	7,182,810.00		6,976,521.28		4,823	372			

**City of Torrance
Portfolio Management
Portfolio Details - Investments
September 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
Medium Term Notes												
060505BH6	10596	Bank of America		04/13/2006	1,000,000.00	980,240.00				993,659.92	3,375	Aa2
060505AR5	10699	Bank of America		11/02/2007	990,000.00	914,819.40				990,096.50	4,875	Aa2
084664AF8	10709	Berkshire Hathaway		01/15/2008	1,000,000.00	1,015,640.00				1,011,426.04	4,200	Aaa
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	974,280.00				1,014,322.44	4,625	Aaa
19416QCH1	10692	Colgate-Palmolive Co.		10/01/2007	500,000.00	499,985.00				500,325.63	5,580	Aa3
36962GK78	10703	General Electric Capital Corp		12/03/2007	1,000,000.00	955,660.00				997,156.90	4,250	Aaa
36966RV94	10729	General Electric Capital Corp		02/14/2008	2,000,000.00	1,837,920.00				2,000,000.00	4,000	Aaa
36966RV59	10760	General Electric Capital Corp		05/30/2008	2,000,000.00	1,871,440.00				2,000,000.00	4,150	Aaa
38143UBE0	10660	Goldman Sachs		05/14/2007	1,210,000.00	1,123,218.80				1,199,581.45	4,500	Aa3
38141GBU7	10743	Goldman Sachs		04/18/2008	1,000,000.00	932,190.00				1,052,282.35	6,600	Aa3
40429CCX8	10632	Household Finance Co		11/20/2006	1,000,000.00	982,540.00				1,001,586.51	5,250	Aa3
40429XB39	10694	Household Finance Co		10/12/2007	1,000,000.00	972,980.00				1,000,000.00	5,000	Aa3
40429XC95	10700	Household Finance Co		11/29/2007	1,000,000.00	976,550.00				1,000,000.00	5,050	Aa3
59018VV0	10630	MERRILL LYNCH		11/17/2006	1,000,000.00	945,670.00				995,646.12	4,790	A2
59018VSK8	10643	MERRILL LYNCH		01/30/2007	2,000,000.00	1,965,940.00				1,994,161.25	4,125	A2
64952WAE3	10697	New York Life Global		11/02/2007	1,000,000.00	1,019,920.00				998,865.54	4,625	Aaa
90327QCQ0	10670	USAA Capital Corp		06/12/2007	2,000,000.00	1,989,820.00				1,982,620.78	4,640	Aa1
949746NB3	10715	Wells Fargo Co		01/23/2008	1,000,000.00	996,880.00				1,018,624.18	4,875	Aa1
98153BAE4	10604	World Savings Bank		06/05/2006	1,000,000.00	984,470.00				993,955.27	4,500	Aa3
Subtotal and Average			24,298,279.73		22,700,000.00	21,940,163.20				22,745,210.88		4,741
Municipal Bond Issues - Coupon												791
SY510423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	1,185,448.08	1,185,448.08				1,185,448.08	8,000	
Subtotal and Average			1,185,448.08		1,185,448.08	1,185,448.08						7,999
Commercial Paper Disc. -Amortizing												
61745AQ93	10775	Morgan Stanley & Co. Inc.		09/11/2008	1,000,000.00	982,160.00				985,690.00	3,240	
Subtotal and Average			656,556.67		1,000,000.00	982,160.00				985,690.00		3,293
Total and Average			174,777,538.73		176,675,448.08	175,843,834.98				176,703,122.49		4,104
												1,051

**City of Torrance
Portfolio Management
Portfolio Details - Cash
September 30, 2008**

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

	FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N	General	46,445,853.97	44,866,185.97	26.28
R	Parks & Recr Facility & Open Space	3,610,052.18	3,487,270.85	2.04
R	State Gas Tax	7,834,907.00	7,568,434.31	4.43
R	Federal Housing, Community Dev	1,070,804.48	1,034,385.39	0.61
R	Street Lighting	126,605.31	122,299.34	0.07
R	Traffic Congestion Relief Act 2000 - AB2928	19,444.89	18,783.55	0.01
R	Proposition 1B	2,518,972.21	2,433,299.55	1.43
R	Police Asset Forfeiture	3,114,434.69	3,008,509.78	1.76
N	Government Cable	2,319,934.27	2,241,031.08	1.31
R	Local Return - Proposition C	6,127,066.01	5,918,678.62	3.47
R	Grants/Donations	(264,692.20)	(255,689.76) (B)	(0.15)
R	Citizens Options for Public Safety (COPS) Grant Funds - AB3229	277,168.61	267,741.84	0.16
R	Seismic Education Fund	54,199.53	52,356.15	0.03
R	Rehabilitation Housing	605,529.36	584,934.73	0.34
R	Police Inmate Welfare Fund	50,496.25	48,778.82	0.03
N	Capital Improvements	24,271,350.09	23,445,858.22	13.74
R	Vanpool/Rideshare Fund	318,445.67	307,615.03	0.18
R	Torrance Improvement Fund	5,628,270.02	5,436,847.16	3.19
R	Animal Control Fund	23,536.52	22,736.02	0.01
R	Redevelopment-Capital Proj	8,727,948.50	8,431,102.61	4.94
R	Redevelopment Debt Service	482,423.83	466,016.13	0.27
N	DNA Sampling Fund	11,180.25	10,800.00	0.01
N	Airport Fund	6,801,692.29	6,570,360.22	3.85
N	Transit Operations	2,205,541.19	2,130,528.62	1.25
R	Development Impact Fund	744,730.11	719,401.13	0.42
N	Water Operations	6,781,385.37	6,550,743.96	3.84
N	Emergency Medical Service Enterprise Fund	7,947.54	7,677.24	0.00
N	Sanitation Operations	3,133,253.21	3,026,688.27	1.77
N	Cultural Arts Enterprise	504,004.13	486,862.47	0.29
N	Sewer Enterprise Fund	11,095,459.40	10,718,092.19	6.28
N	Parks & Recr Enterprise Fund	126,589.00	122,283.59	0.07
N	Self Insurance Fund	8,290,175.67	8,008,218.85	4.69
N	Fleet Services	13,906,924.66	13,433,936.83	7.87
R	Postemployment/Compensated Absences Fund	6,679,543.03	6,452,365.37	3.78
R	Trust & Agency	3,051,945.43	2,948,145.84	1.73
TOTAL		176,703,122.49	170,693,279.97	100.00

R = Restricted Funds

N = Non-Restricted Funds

- (A) The difference between the Share of Investments total of \$176,703,122.49 and the Pooled Cash and Investments total of \$170,693,279.97 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 \$503,753. Invoice for \$443,561 was submitted to Caltrans for reimbursement on Oct. 13, 2008.

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

INVESTMENTS PER PORTFOLIO SUMMARY
(City Pool)

176,703,122.49

CASH AND INVESTMENTS PER BOOKS

170,693,279.97

CASH IN BANKS:

Cash in B of A General Account	(\$860,705.44)
Cash in B of A Payroll Account	0.00

OUTSTANDING WARRANTS:

General Account	1,823,470.29
Payroll Account	83,641.71
Workers Compensation Account	47,143.04
Housing Account	334,121.51
	2,288,376.55

Miscellaneous outstanding adjusting journal entries	1,091,527.65
Payroll for PE 9/27/08 posted on 9/27/08 and paid on 10/3/08	2,795,265.07
Payroll for PE 10/11/08 posted on 9/30/08 and paid on 10/17/08	695,378.69

INVESTMENTS PER BOOKS

\$176,703,122.49