



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: August 19, 2011
To: Board Members
Via: Thella F. Bowens, President/CEO
From: Vernon D. Evans, Vice President, Finance/Treasurer
Subject: Receive the Investment Report as of June 30, 2011

The attached report is to be received at the September 1, 2011 Board meeting.





Item 6

San Diego County Regional Airport Authority

Investment Report As of June 30, 2011

Presented by:

Vernon D. Evans, CPA

Vice-President-Finance/Treasurer and CFO

September 1, 2011



This report is prepared for the San Diego County Regional Airport Authority (the "Authority") in accordance with California Government Code Section 53646, which states that "the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency within 30 days following the end of the quarter covered by the report."

The investment report and investment portfolio are in compliance with California Government Code Section 53646 and the Authority's approved Investment Policy. All investment transactions made in the Authority's portfolio during this period were made on behalf of the Authority. Sufficient liquidity and anticipated revenue are available to meet expenditure requirements for the next six months.

Vernon D. Evans
Chief Financial Officer/Treasurer
San Diego County Regional Airport Authority

Total Portfolio Summary

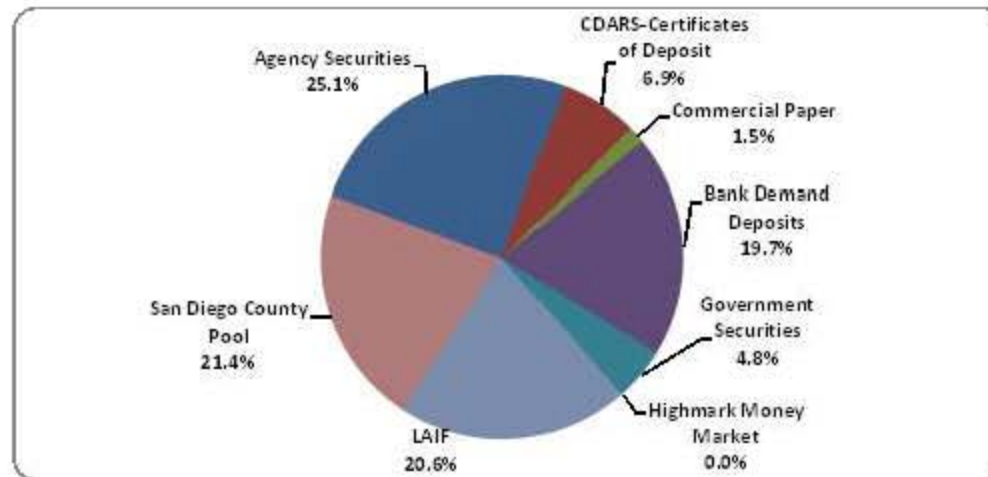
| | Current Period | Prior Period | Change From Prior |
|---|----------------|---------------|-------------------|
| | July 31, 2011 | June 30, 2011 | |
| Book Value | \$228,782,000 | \$241,585,000 | (\$12,803,000) |
| Market Value | \$228,795,000 | \$241,544,000 | (\$12,749,000) |
| Market Value% | 100.00% | 99.98% | 0.02% |
| Unrealized Gain / (Loss) | \$13,000 | (\$41,000) | \$54,000 |
| Weighted Average Maturity (Days) | 305 days | 294 days | 11 |
| Weighted Average Yield as of Period End | 0.81% | 0.80% | 0.01% |
| Cash Interest Received- Current Month | \$233,000 | \$247,000 | (\$14,000) |
| Cash Interest Received-Year-to-Date | \$2,481,000 | \$2,248,000 | \$233,000 |
| Accrued Interest | \$156,000 | \$279,000 | (\$123,000) |

Notes:

(1) Decrease in cash balance was predominantly due to spending on capital projects that exceeded reimbursements for the month.

Portfolio Composition by Security Type

| | July 31, 2011 | | June 30, 2011 | | Permitted by Policy |
|-------------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------------|
| | Market Value | Percent of Portfolio | Market Value | Percent of Portfolio | |
| Agency Securities | \$ 56,967,000 | 25.1% | \$ 58,922,000 | 24.4% | 100% |
| CDARS-Certificates of Deposit | 15,893,000 | 6.9% | 15,888,000 | 6.6% | 30% |
| Commercial Paper | 3,492,000 | 1.5% | 3,490,000 | 1.4% | 25% |
| Bank Demand Deposits | 45,085,000 | 19.7% | 55,757,000 | 23.1% | 100% |
| Government Securities | 11,030,000 | 4.8% | 11,038,000 | 4.6% | 100% |
| Highmark Money Market | 83,000 | 0.0% | 333,000 | 0.1% | 20% |
| LAF | 47,187,000 | 20.6% | 47,174,000 | 19.5% | \$50 million ⁽¹⁾ |
| San Diego County Pool | 49,058,000 | 21.4% | 48,942,000 | 20.3% | \$50 million ⁽²⁾ |
| Total: | \$ 228,795,000 | 100.0% | \$ 241,544,000 | 100.0% | |

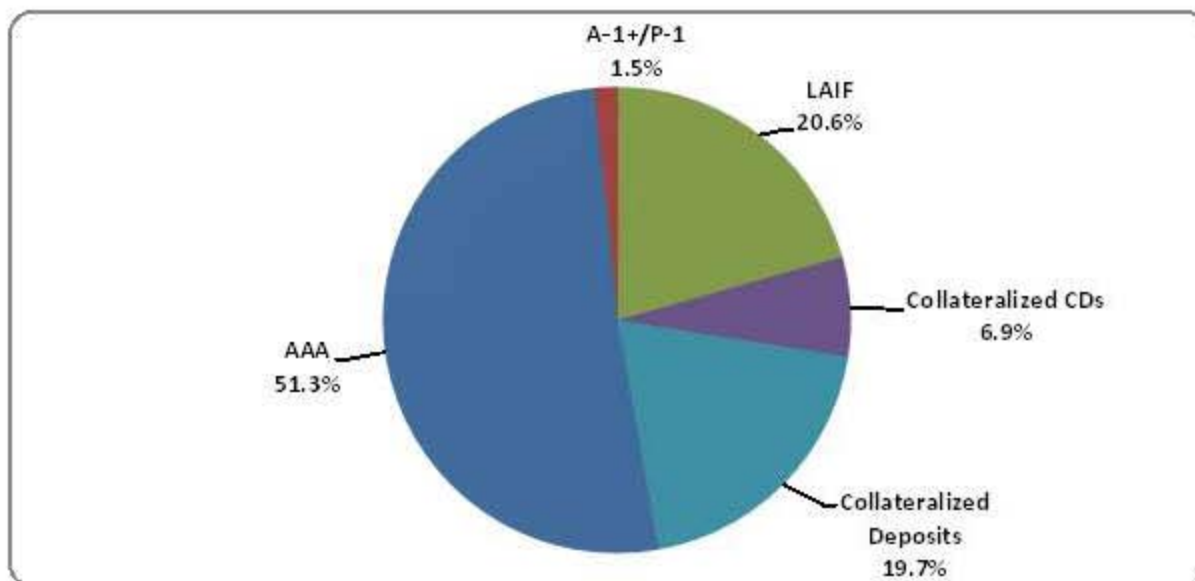


Notes:

- 1) The \$50 million limit on LAF is a non-statutory LAF internal limit. It does not apply to bond proceeds.
- 2) The San Diego County Investment Pool mirrors the LAF internal limit and does not apply to bond proceeds.
- 3) LAF & San Diego County Pool reported one month in arrears.

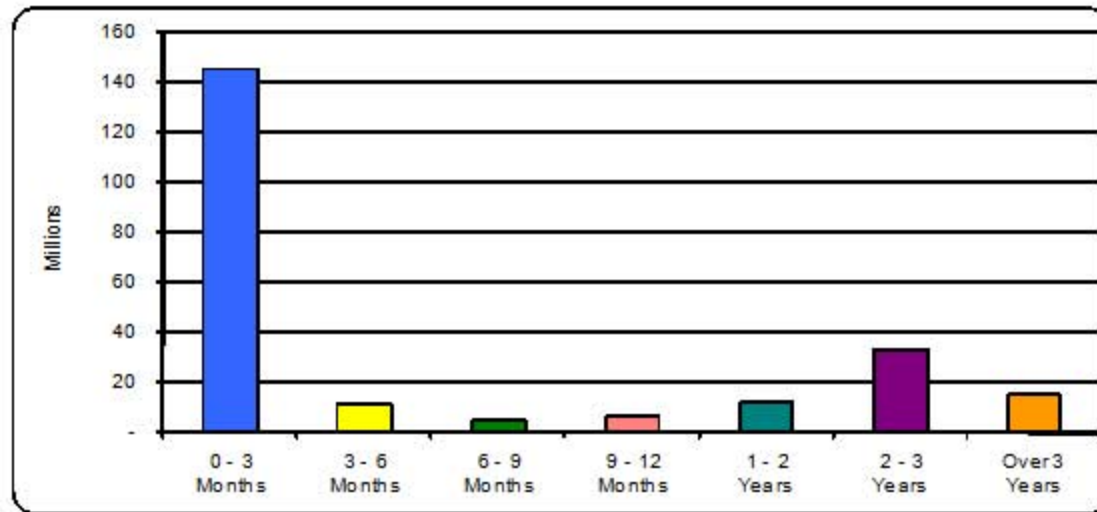
Portfolio Composition by Credit Rating

| | July 31, 2011 | | June 30, 2011 | |
|--------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Market Value | Percent of Portfolio | Market Value | Percent of Portfolio |
| AAA | \$ 117,138,000 | 51.3% | \$ 119,235,000 | 49.4% |
| A-1+/P-1 | 3,492,000 | 1.5% | 3,490,000 | 1.4% |
| LAIF | 47,187,000 | 20.6% | 47,174,000 | 19.5% |
| Collateralized CDs | 15,893,000 | 6.9% | 15,888,000 | 6.6% |
| Collateralized Deposits | 45,085,000 | 19.7% | 55,757,000 | 23.1% |
| Total: | \$ 228,795,000 | 100.0% | \$ 241,544,000 | 100.0% |



Portfolio Composition by Maturity Distribution⁽¹⁾

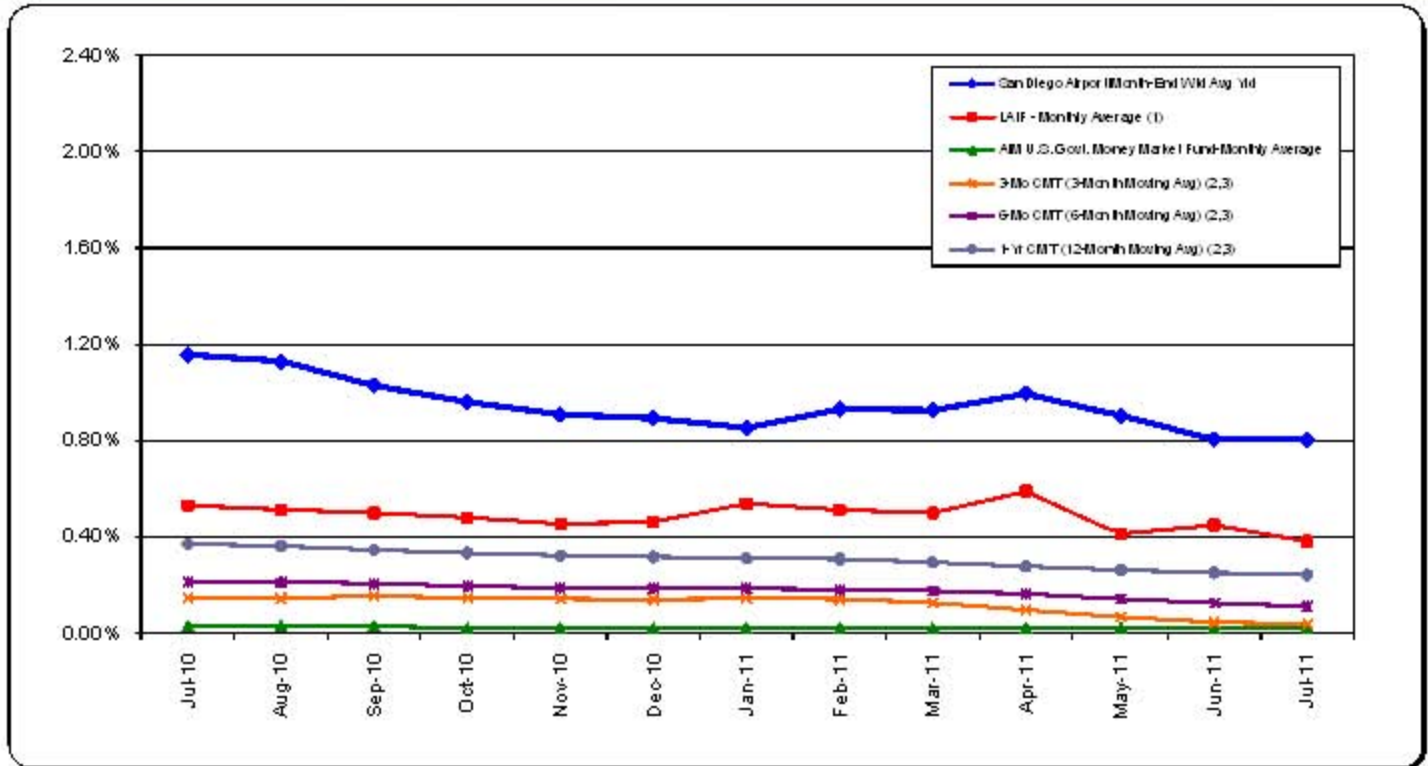
| | July 31, 2011 | | June 30, 2011 | |
|---------------|-----------------------|----------------------|-----------------------|----------------------|
| | Market Value | Percent of Portfolio | Market Value | Percent of Portfolio |
| 0 - 3 Months | \$ 145,414,000 | 63.7% | \$ 156,206,000 | 64.7% |
| 3 - 6 Month | 11,519,000 | 5.0% | - | 0.0% |
| 6 - 9 Months | 4,893,000 | 2.1% | 16,413,000 | 6.8% |
| 9 - 12 Months | 7,000,000 | 3.1% | 7,000,000 | 2.9% |
| 1 - 2 Years | 12,004,000 | 5.2% | 14,997,000 | 6.2% |
| 2 - 3 Years | 33,438,000 | 14.6% | 24,008,000 | 9.9% |
| Over 3 Years | 14,527,000 | 6.3% | 22,920,000 | 9.5% |
| Total: | \$ 228,735,000 | 100.0% | \$ 241,544,000 | 100.0% |



Notes:

1) The 0-3 Month category includes investments held in the LAF and the San Diego County Investment Pool.

Benchmark Comparison



Notes:

- 1.) Benchmark data for LAIF is the average monthly effective yield.
- 2.) CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities.
- 3.) The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year CMT is the daily average for the previous 12 months.

San Diego County Regional Airport Authority
DETAIL OF SECURITY HOLDINGS
As of July 31, 2011

| Settlement Date | Security Description | Coupon | Maturity Date | Next Call Date | Par Value | Purchase Price | Book Value | Market Price | Market Value | Days to Maturity | Yield to Maturity |
|---------------------|--------------------------|--------|---------------|----------------|-------------------|----------------|-------------------|--------------|-------------------|------------------|-------------------|
| 06/28/11 | FHLB | 0.500 | 12/28/12 | 07/28/11 | \$ 4,000,000 | 100.000 | \$ 4,000,000 | 99.989 | \$ 3,999,560 | 516 | 0.500 |
| 06/13/11 | FHLMC | 0.500 | 06/13/13 | 09/13/11 | 3,000,000 | 100.000 | 3,000,000 | 99.999 | 2,999,970 | 683 | 0.874 |
| 06/27/11 | FHLB | 0.875 | 06/27/13 | 09/27/11 | 2,000,000 | 100.000 | 2,000,000 | 100.051 | 2,001,020 | 697 | 0.875 |
| 08/26/10 | FNMA | 0.550 | 08/26/13 | 08/26/11 | 3,000,000 | 100.000 | 3,000,000 | 100.000 | 3,000,000 | 757 | 1.509 |
| 06/23/11 | FHLMC | 0.750 | 09/23/13 | 12/23/11 | 3,000,000 | 99.975 | 2,998,500 | 100.115 | 3,003,450 | 785 | 0.773 |
| 01/27/11 | FNMA | 0.750 | 01/27/14 | 01/27/12 | 5,000,000 | 99.950 | 4,997,500 | 100.026 | 5,001,300 | 911 | 1.597 |
| 03/07/11 | FNMA | 2.500 | 03/07/14 | 09/07/11 | 3,000,000 | 100.950 | 3,028,500 | 100.170 | 3,005,100 | 950 | 2.171 |
| 07/21/11 | FNMA | 1.110 | 04/29/14 | | 3,000,000 | 100.000 | 3,000,000 | 100.167 | 3,005,010 | 1003 | 1.110 |
| 06/23/11 | FNMA | 0.750 | 06/23/14 | 12/23/11 | 3,000,000 | 100.000 | 3,000,000 | 99.933 | 2,997,990 | 1058 | 1.348 |
| 06/23/11 | FHLMC | 0.758 | 06/23/14 | 12/23/11 | 3,000,000 | 99.975 | 2,999,250 | 99.918 | 2,997,540 | 1058 | 1.458 |
| 06/30/11 | FHLB | 0.500 | 06/30/14 | 12/30/11 | 3,000,000 | 99.975 | 2,999,250 | 99.911 | 2,997,330 | 1065 | 1.294 |
| 06/30/11 | FHLB | 0.750 | 06/30/14 | 03/30/12 | 4,435,000 | 99.950 | 4,432,783 | 99.992 | 4,434,645 | 1065 | 1.469 |
| 07/11/11 | FNMA | 1.200 | 07/11/14 | 01/11/12 | 3,000,000 | 100.000 | 3,000,000 | 99.859 | 2,995,770 | 1076 | 1.200 |
| 04/27/11 | FNMA | 1.000 | 04/27/15 | 10/27/11 | 3,000,000 | 100.000 | 3,000,000 | 100.147 | 3,004,410 | 1366 | 2.469 |
| 05/26/11 | FHLB | 1.250 | 05/26/16 | 08/26/11 | 1,500,000 | 99.825 | 1,497,375 | 100.057 | 1,500,855 | 1761 | 2.458 |
| 06/30/11 | FNMA | 1.200 | 06/30/16 | 12/30/11 | 5,000,000 | 100.000 | 5,000,000 | 100.257 | 5,012,850 | 1796 | 2.545 |
| 07/19/11 | FNMA | 1.250 | 07/19/16 | 07/19/12 | 2,000,000 | 99.800 | 1,996,000 | 100.367 | 2,007,340 | 1815 | 2.360 |
| 07/27/11 | FHLMC | 1.050 | 07/27/16 | 10/27/11 | 3,000,000 | 100.000 | 3,000,000 | 100.057 | 3,001,710 | 1823 | 2.991 |
| Agency Total | | | | | 56,935,000 | | 56,949,158 | | 56,965,850 | 1104 | 1.598 |
| 02/10/11 | Neighborhood Nat'l Bk CD | 1.150 | 02/09/12 | | 4,892,728 | 100.000 | 4,892,728 | 100.000 | 4,892,728 | 193 | 1.138 |
| 06/21/11 | Union Bank CD | 0.200 | 09/19/11 | | 4,000,000 | 100.000 | 4,000,000 | 100.000 | 4,000,000 | 50 | 0.200 |
| 06/28/11 | East West Bk CD | 0.850 | 06/28/12 | | 7,000,000 | 100.000 | 7,000,489 | 100.007 | 7,000,489 | 333 | 0.850 |
| CD's Total | | | | | 15,892,728 | | 15,893,217 | | 15,893,217 | 219 | 0.775 |



San Diego County Regional Airport Authority
DETAIL OF SECURITY HOLDINGS
As of July 31, 2011

| Settlement Date | Security Description | Coupon | Maturity Date | Next Call Date | Par Value | Purchase Price | Book Value | Market Price | Market Value | Days to Maturity | Yield to Maturity |
|------------------------------------|---------------------------|--------|---------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|------------------|-------------------|
| 04/27/11 | FCAR Owner Trust CP | 0.530 | 01/20/12 | | 3,500,000 | 99.605 | 3,486,191 | 99.785 | 3,492,475 | 173 | 0.532 |
| Commercial Paper Total | | | | | 3,500,000 | | 3,486,191 | | 3,492,475 | 173 | 0.532 |
| 09/27/10 | U.S. Treasury | 1.000 | 12/31/11 | | 4,033,594 | 100.840 | 4,033,594 | 99.496 | 4,013,280 | 153 | 0.330 |
| 09/30/10 | U.S. Treasury | 0.875 | 12/31/11 | | 4,028,906 | 100.723 | 4,028,906 | 99.608 | 4,013,120 | 153 | 0.332 |
| 03/29/11 | U.S. Treasury | 0.375 | 10/31/12 | | 3,000,000 | 99.740 | 2,992,148 | 100.113 | 3,003,390 | 458 | 0.541 |
| Government Total | | | | | 11,062,500 | | 11,054,648 | | 11,029,790 | 236 | 0.388 |
| | US Bank General Acct | | | | 10,697,770 | 100.000 | 10,697,770 | 100.000 | 10,697,770 | 1 | 0.350 |
| US Bank Accounts Total | | | | | 10,697,770 | | 10,697,770 | | 10,697,770 | 1 | 0.350 |
| | Highmark US Govt MMF | | | | 83,043 | 100.000 | 83,043 | 100.000 | 83,043 | 1 | 0.000 |
| | Highmark US Govt MMF | | | | 0 | 100.000 | 0 | 100.000 | 0 | 1 | 0.000 |
| | Highmark US Govt MMF | | | | 0 | 100.000 | 0 | 100.000 | 0 | 1 | 0.000 |
| | Highmark US Govt MMF | | | | 0 | 100.000 | 0 | 100.000 | 0 | 1 | 0.000 |
| Highmark Money Market Total | | | | | 83,043 | | 83,043 | | 83,043 | 1 | 0.000 |
| | Local Agency Invstmnt Fd | | | | 47,113,197 | 100.000 | 47,113,197 | 100.157 | 47,187,382 | 1 | 0.381 |
| | San Diego County Inv Pool | | | | 49,117,501 | 100.000 | 49,117,501 | 99.879 | 49,057,838 | 1 | 0.671 |
| | Bank of the West | | | | 3,216,153 | 100.000 | 3,216,153 | 100.000 | 3,216,153 | 1 | 0.450 |
| | East West Bank | | | | 10,903,287 | 100.000 | 10,903,287 | 100.000 | 10,903,287 | 1 | 0.600 |
| | East West Bank | | | | 20,261,040 | 100.000 | 20,261,040 | 100.000 | 20,261,040 | 1 | 0.600 |
| East West Bank Total | | | | | 31,164,327 | | 31,164,327 | 100.000 | 31,164,327 | 1 | 0.600 |
| | Union Bk Cash | | | | 7,096.75 | 100.000 | 7,096.75 | 100.000 | 7,096.75 | 1 | 0.000 |
| Grand Total | | | | | \$ 228,789,316 | 100.02 | \$ 228,782,301 | 100.00 | \$ 228,794,942 | 305 | 0.805 |



San Diego County Regional Airport Authority
Consolidated Investments
INVESTMENT TRANSACTIONS
From 07-01-11 To 07-31-11

| Settle Date | Security Description | Security Type | CUSIP | Coupon | Mature Date | Call Date | Unit Price | Amount |
|--------------------|----------------------|---------------|-----------|--------|-------------|-----------|------------|----------------------|
| PURCHASES | | | | | | | | |
| 07/27/11 | FHLMC | AGCY STEP | 3134G2RH7 | 1.050 | 07/27/16 | 10/27/11 | 100.000 | 3,000,000 |
| 07/21/11 | FNMA | AGCY STEP | 31398A5G3 | 1.110 | 04/29/14 | | 100.000 | 3,000,000 |
| 07/11/11 | FNMA | AGCY CALL | 3136FRVL4 | 1.200 | 07/11/14 | 01/11/12 | 100.000 | 3,000,000 |
| 07/19/11 | FNMA | AGCY STEP | 3136FRYJ6 | 1.250 | 07/19/16 | 07/19/12 | 99.800 | 2,000,000 |
| | | | | | | | | \$ 11,000,000 |
| CALLS | | | | | | | | |
| 01/07/11 | FNMA | AGCY CALL | 31398A7H9 | 1.000 | 01/07/13 | 07/07/11 | 99.970 | 3,000,000 |
| 07/08/10 | FHLMC | AGCY STEP | 3134G1JG0 | 1.000 | 07/08/13 | 07/08/11 | 100.199 | 4,000,000 |
| 07/28/10 | FNMA | AGCY STEP | 3136FM3T9 | 1.550 | 07/28/15 | 07/28/11 | 99.880 | 2,500,000 |
| 01/28/11 | FNMA | AGCY STEP | 3136FP2Y2 | 1.250 | 01/28/16 | 07/28/11 | 100.000 | 3,500,000 |
| | | | | | | | | \$ 13,000,000 |
| MATURITIES | | | | | | | | |
| | | | | | | | | \$ - |
| Deposits | | | | | | | | |
| | | | | | | | | \$ - |
| Withdrawals | | | | | | | | |
| | | | | | | | | \$ - |



Bond Proceeds Summary

As of: July 31, 2011
(in thousands)

| Fund | Series A | Series B | Series C | Total | Yield | Rating |
|---|-------------------|-------------|-------------------|-------------------|-------|--------|
| <u>Project Fund</u> | | | | | | |
| LAIF* | \$ 46,454 | \$ - | \$ 45,447 | \$ 91,901 | 0.38% | N/R |
| SDCIP* | 114,732 | - | 84,237 | 198,969 | 0.67% | AAAf |
| | <u>161,186</u> | <u>-</u> | <u>129,684</u> | <u>290,870</u> | | |
| <u>Capitalized Interest</u> | | | | | | |
| CAMP | 6 | - | 4 | 10 | 0.12% | AAAm |
| SDCIP* | 12,155 | - | 8,783 | 20,938 | 0.67% | AAAf |
| JP Morgan Federal MM Reserve | - | - | - | - | 0.00% | AAAm |
| | <u>12,161</u> | <u>-</u> | <u>8,787</u> | <u>20,948</u> | | |
| <u>Debt Service Reserve Fund</u> | | | | | | |
| CAMP | 9 | - | 5 | 14 | 0.12% | AAAm |
| FNMA Global Notes | 10,054 | - | 5,027 | 15,081 | 0.66% | AAA |
| East West Bank CD | 13,079 | - | 7,040 | 20,119 | 1.14% | |
| Bank of the West DDA | 9,644 | - | 6,333 | 15,977 | 0.45% | |
| JP Morgan Federal MM Reserve | 65 | - | 31 | 97 | 0.00% | AAAm |
| | <u>32,851</u> | <u>-</u> | <u>18,436</u> | <u>51,288</u> | | |
| | <u>\$ 206,198</u> | <u>\$ -</u> | <u>\$ 156,907</u> | <u>\$ 363,106</u> | 0.61% | |

*Bond proceeds are not included in deposit limits as applied to operating funds

**LAIF & SDCIP Market Value & Interest Earned is one month in arrears.

CAMP Yield as of 7/31/2011

LAIF Yield as of 7/31/2011

SDCIP Yield as of 6/30/2011

San Diego County Regional Airport Authority

Bond Proceeds Investments

INVESTMENT TRANSACTIONS

From 07-01-11 To 07-31-11

| Settle Date | Security Description | Security Type | CUSIP | Coupon | Mature Date | Call Date | Unit Price | Amount |
|--------------------|-------------------------------------|---------------|-------|--------|-------------|-----------|------------|---------------|
| PURCHASES | | | | | | | | |
| | | | | | | | | \$ - |
| CALLS | | | | | | | | |
| | | | | | | | | \$ - |
| MATURITIES | | | | | | | | |
| | | | | | | | | \$ - |
| Deposits | | | | | | | | |
| | | | | | | | | \$ - |
| Withdrawals | | | | | | | | |
| 7/1/2011 | Transfer to Debt Service P&I Funds | SDCIP | | 0.67 | | | 100.000 | 4,339,978 |
| 7/13/2011 | Local Agency Investment Fund | LAIF | | 0.38 | | | 100.000 | 8,020,000 |
| 7/13/2011 | JP Morgan Federal Money Market Fund | JPMM | | 0.00 | | | 100.000 | 30 |
| | | | | | | | | \$ 12,360,008 |



Questions

