

San Diego County Regional Airport Authority

Review of the Authority's Investment Report As of December 31, 2011



Presented by:
Vernon D. Evans, CPA
Vice President, Finance / Treasurer & CFO

January 30, 2012



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.

A handwritten signature in black ink that reads "Vernon D. Evans".

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



Total Portfolio Summary



	Current Period December 31, 2011	Prior Period September 30, 2011	Change From Prior
Book Value	\$246,505,000	\$225,555,000	\$20,950,000
Market Value	\$246,659,000	\$225,803,000	\$20,856,000
Market Value%	100.04%	100.09%	(0.05%)
Unrealized Gain / (Loss)	\$154,000	\$248,000	(\$94,000)
Weighted Average Maturity (Days)	243 days	320 days	(77)
Weighted Average Yield as of Period End	0.63%	0.77%	(0.14%)
Cash Interest Received- Current Month	\$106,000	\$88,000	\$18,000
Cash Interest Received-Year-to-Date	\$2,933,000	\$2,638,000	\$295,000
Accrued Interest	\$274,000	\$241,000	\$33,000

Notes:

(1) Increase in cash balance was predominantly due to capital reimbursements for the quarter that exceeded spending on capital projects and positive operating cash flow.



Portfolio Composition by Security Type





Portfolio Composition by Credit Rating





Portfolio Composition by Maturity Distribution⁽¹⁾





Benchmark Comparison





Detail of Security Holdings

As of December 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
08/01/11	FHLMC	0.450	07/26/13	07/26/12	3,000,000	100.000	3,000,000	99.932	2,997,960	573	0.726
06/23/11	FHLMC	0.750	09/23/13	03/23/12	3,000,000	99.975	2,998,500	100.090	3,002,700	632	0.773
12/30/11	FNMA	0.550	10/18/13	04/18/12	4,671,298	100.028	4,671,298	100.038	4,673,082	657	0.534
12/27/11	FNMA	0.550	12/27/13	06/27/12	3,000,000	99.995	2,999,850	99.844	2,995,320	727	0.553
01/27/11	FNMA	0.750	01/27/14	01/27/12	5,000,000	99.950	4,997,500	100.016	5,000,800	758	1.597
07/11/11	FNMA	1.200	07/11/14	01/11/12	3,000,000	100.000	3,000,000	100.011	3,000,330	923	1.200
08/29/11	FHLMC	0.500	08/29/14	02/29/12	5,000,000	99.950	4,997,500	99.991	4,999,550	972	1.139
09/29/11	FHLMC	0.800	09/29/14	03/29/12	3,000,000	100.000	3,000,000	99.845	2,995,350	1003	0.800
06/30/11	FHLB	0.750	12/30/14	03/30/12	4,435,000	99.950	4,432,783	100.011	4,435,488	1095	1.469
11/02/11	FNMA	1.450	11/02/15	05/02/12	3,000,000	100.000	3,000,000	100.306	3,009,180	1402	1.450
12/28/11	FNMA	0.750	12/28/15	12/28/12	5,000,000	99.970	4,998,500	99.992	4,999,600	1458	1.498
07/19/11	FNMA	1.250	07/19/16	07/19/12	2,000,000	99.800	1,996,000	100.490	2,009,800	1662	2.360
08/22/11	FNMA	1.875	07/20/16	01/20/12	4,000,000	100.481	4,019,240	100.073	4,002,920	1663	2.004
10/26/11	FNMA	1.375	10/26/16	10/26/12	3,000,000	100.481	3,000,000	100.654	3,019,620	1761	1.689
Agency Total					51,106,298		51,111,171		51,141,700	1075	1.262
02/10/11	Neighborhood Nat'l Bk CD	1.150	02/09/12		4,916,370	100.000	4,916,370	100.000	4,916,370	40	1.138
12/22/11	Union Bank CD	0.150	02/27/12		4,000,000	100.000	4,000,000	100.000	4,000,000	58	0.150
06/28/11	East West Bk CD	0.850	06/27/12		7,030,550	100.000	7,030,550	100.000	7,030,550	179	0.846
CD's Total					15,946,920		15,946,920		15,946,920	106	0.761



Detail of Security Holdings

As of December 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	99.985	3,499,475	20	0.532
08/26/11	FCAR Owner Trust CP	0.550	05/22/12		3,500,000	99.588	3,485,563	99.702	3,489,570	143	0.552
09/09/11	Toyota Motor Credit CP	0.603	06/05/12		3,000,000	99.550	2,986,500	99.656	2,989,680	157	0.603
09/30/11	Toyota Motor Credit CP	0.643	06/26/12		2,000,000	99.520	1,990,400	99.609	1,992,180	178	0.643
12/19/11	Toyota Motor Credit CP	0.760	09/14/12		3,000,000	0.994	3,000,000	100.000	3,000,000	258	0.764
Commercial Paper Total					15,000,000		14,948,653		14,970,905	145	0.612
09/30/10	U.S. Treasury	0.875	01/31/12		4,028,906	100.723	4,028,906	99.345	4,002,520	31	0.332
09/27/10	U.S. Treasury	1.000	12/31/11		4,033,594	100.840	4,033,594	99.167	4,000,000	0	0.330
03/29/11	U.S. Treasury	0.375	10/31/12		3,000,000	99.740	2,992,148	100.199	3,005,970	305	0.541
Government Total					11,062,500		11,054,648		11,008,490	94	0.388
US Bank General Acct					23,715,652	100.000	23,715,652	100.000	23,715,652	1	0.350
US Bank Accounts Total					23,715,652		23,715,652		23,715,652	1	0.350
Highmark US Govt MMF					3,446,127	100.000	3,446,127	100.000	3,446,127	1	0.000
Highmark Money Market Total					3,446,127		3,446,127		3,446,127	1	0.000
Local Agency Invstmnt Fd					47,158,679	100.000	47,158,679	100.221	47,262,900	1	0.382
San Diego County Inv Pool					48,188,091	100.000	48,188,091	100.090	48,231,354	1	0.560
Bank of the West					5,225,315	100.000	5,225,315	100.000	5,225,315	1	0.450
East West Bank					102,435	100.000	102,435	100.000	102,435	1	0.350
East West Bank					25,597,489	100.000	25,597,489	100.000	25,597,489	1	0.350
East West Bank Total					25,699,924		25,699,924	100.000	25,699,924	1	0.350
Union Bk Cash					10,011.89	100.000	10,011.89	100.000	10,011.89	1	0.000
Grand Total					\$ 246,559,517	98.81	\$ 246,505,191	100.04	\$ 246,659,298	243	0.628



Portfolio Investment Transactions

From October 1st, 2011 – December 31st, 2011



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
10/26/11	FNMA	AGCY STEP	3136FTEP0	1.375	10/26/16	10/26/12	100.481	3,000,000
11/02/11	FNMA	AGCY CALL	3135G0EP4	1.450	11/02/15	05/02/12	100.000	3,000,000
12/19/11	Toyota Motor Credit CP	CP - DISC	89233GJE7	0.760	09/14/12		99.430	3,000,000
12/30/11	FNMA	AGCY CALL	3135G0DV2	0.550	10/18/13	04/18/12	100.028	4,671,298
12/27/11	FNMA	AGCY CALL	3135G0GR8	0.550	12/27/13	06/27/12	99.995	3,000,000
12/28/11	FNMA	AGCY CALL	3136FTWE5	0.750	12/28/15	12/28/12	99.970	5,000,000
12/22/11	Union Bank CD	CD-SHORT	CD-0448	0.150	02/27/12		100.000	4,000,000
								\$ 25,671,298
CALLS								
07/21/11	FNMA	AGCY BULLET	31398A5G3	1.110	04/29/14	10/29/11	100.000	3,000,000
04/27/11	FNMA	AGCY STEP	3136FRHT3	1.000	04/27/15	10/27/11	100.000	3,000,000
07/27/11	FHLMC	AGCY STEP	3134G2RH7	1.050	07/27/16	10/27/11	100.000	3,000,000
06/23/11	FNMA	AGCY STEP	3136FRSC8	0.750	06/23/14	12/23/11	100.000	3,000,000
06/23/11	FHLMC	AGCY STEP	3134G2LK6	0.758	06/23/14	12/23/11	99.975	3,000,000
06/30/11	FHLB	AGCY STEP	3133744T4	0.500	06/30/14	12/30/11	99.975	3,000,000
06/30/11	FNMA	AGCY STEP	3136FRUB7	1.200	06/30/16	12/30/11	100.000	5,000,000
								\$ 23,000,000
MATURITIES								
09/20/11	Union Bank CD	CD-SHORT	CD-0448	0.200	12/19/11		100.000	4,000,000
								\$ 4,000,000
Deposits								
								\$ -
Withdrawals								
								\$ -



Bond Proceeds Summary



As of: December 31, 2011

(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
<u>Project Fund</u>						
LAIF ⁽¹⁾	\$ 4,995	\$ -	\$ 16,145	\$ 21,140	0.38%	N/R
SDCIP ⁽²⁾	115,137	-	84,535	199,672	0.56%	AAAf
	120,132	-	100,680	220,812		
<u>Capitalized Interest</u>						
CAMP	6	-	4	10	0.15%	AAAm
SDCIP ⁽²⁾	6,332	-	4,544	10,876	0.56%	AAAf
JP Morgan Federal MM Reserve	-	-	4,287	4,287	0.00%	AAAm
	6,338	-	8,835	15,173		
<u>Debt Service Reserve Fund</u>						
CAMP	9	-	5	14	0.15%	AAAm
FNMA Global Notes	10,089	-	5,044	15,133	0.66%	AA+/AAA
East West Bank CD	13,153	-	7,079	20,232	1.14%	
Bank of the West DDA	9,662	-	6,345	16,007	0.45%	
JP Morgan Federal MM Reserve	66	-	31	97	0.00%	AAAm
	32,979	-	18,504	51,483		
	\$ 159,449	\$ -	\$ 128,019	\$ 287,468	0.58%	

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

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

(1) LAIF Yield as of 12/31/2011

(2) SDCIP Yield as of 11/30/2011



Bond Proceeds Investment Transactions

From October 1st, 2011 – December 31st, 2011



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
								\$ -
CALLS								
								\$ -
MATURITIES								
								\$ -
Deposits								
								\$ -
Withdrawals								
10/31/2011	Local Agency Investment Fund	LAIF		0.378*			100.000	12,874,501
11/14/2011	Local Agency Investment Fund	LAIF		0.40			100.000	15,720,000
11/14/2011	JP Morgan Federal Money Market Fund	JPMM		0.00			100.000	794
12/15/2011	Local Agency Investment Fund	LAIF					100.000	20,006,000
								\$ 48,601,295



Questions

