ITEM 7

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: May 3, 2012

To: Board Members

Via: Thella F. Bowens, President/CEO

From: Vernon D. Evans, Vice President, Finance/Treasurer

Subject: Accept the Authority's Investment Report as of March 31, 2012

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

At the April 19, 2012 Executive/Finance Committee meeting, the Committee voted unanimously to forward this item to the May 3, 2012 Board meeting.

Item 7

San Diego County Regional Airport Authority

Investment Report

As of March 31, 2012

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

May 3, 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.

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

Total Portfolio Summary



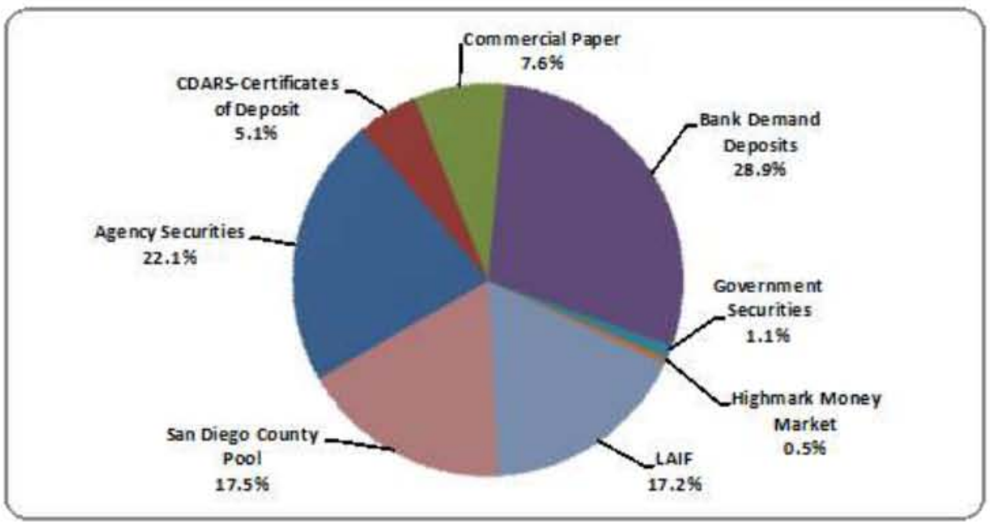
	Current Period March 31, 2012	Prior Period December 31, 2011	Change From Prior
Book Value	$275,217,000	$246,505,000	$28,712,000
Market Value	$275,420,000	$246,659,000	$28,761,000
Market Value%	100.08%	100.04%	0.04%
Unrealized Gain / (Loss)	$203,000	$154,000	$49,000
Weighted Average Maturity (Days)	294 days	243 days	51
Weighted Average Yield as of Period End	0.56%	0.63%	(0.07%)
Cash Interest Received- Quarter-to-Date	$371,000	$295,000	$76,000
Cash Interest Received-Year-to-Date	$1,056,000	$685,000	$371,000
Accrued Interest	$208,000	$274,000	($66,000)

Notes:

(1) Increase in cash balance was predominantly due to positive operating cash flow and capital receipts that exceeded disbursements on capital projects.

Portfolio Composition by Security Type

	March 31, 2012		December 31, 2011		
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	Permitted by Policy
Agency Securities	$ 60,834,000	22.1%	$ 51,142,000	20.5%	100%
CDARS-Certificates of Deposit	13,974,000	5.1%	15,947,000	6.5%	30%
Commercial Paper	20,928,000	7.6%	14,971,000	6.1%	25%
Bank Demand Deposits	79,608,000	28.9%	54,651,000	22.2%	100%
Government Securities	3,004,000	1.1%	11,008,000	4.5%	100%
Highmark Money Market	1,481,000	0.5%	3,446,000	1.4%	20%
LAIF	47,289,000	17.2%	47,263,000	19.2%	$50 million [1]
San Diego County Pool	48,302,000	17.5%	48,231,000	19.6%	$50 million [2]
Total:	$ 275,420,000	100.0%	$ 246,653,000	100.0%	



Notes:

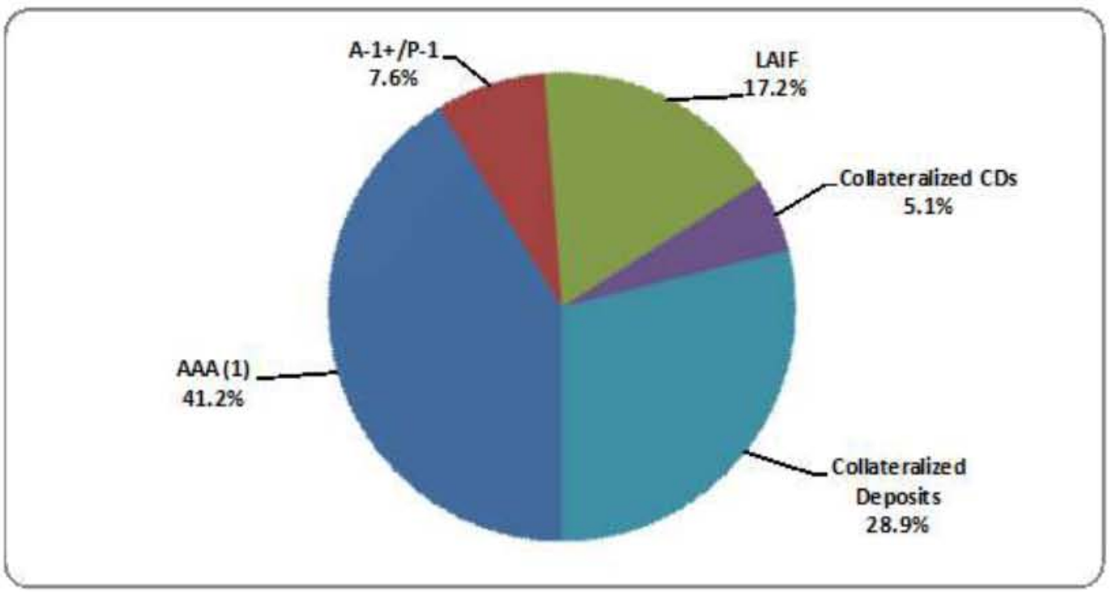
1.) The $50 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.

2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.

3.) LAIF & San Diego County Pool reported one month in arrears.

Portfolio Composition by Credit Rating

	March 31, 2012		December 31, 2011	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA [1]	$ 113,621,000	41.2%	$ 113,827,000	46.0%
A-1+/P-1	20,928,000	7.6%	14,971,000	6.1%
LAIF	47,289,000	17.2%	47,263,000	19.2%
Collateralized CDs	13,974,000	5.1%	15,947,000	6.5%
Collateralized Deposits	79,608,000	28.9%	54,651,000	22.2%
Total:	**$ 275,420,000**	**100.0%**	**$ 246,659,000**	**100.0%**

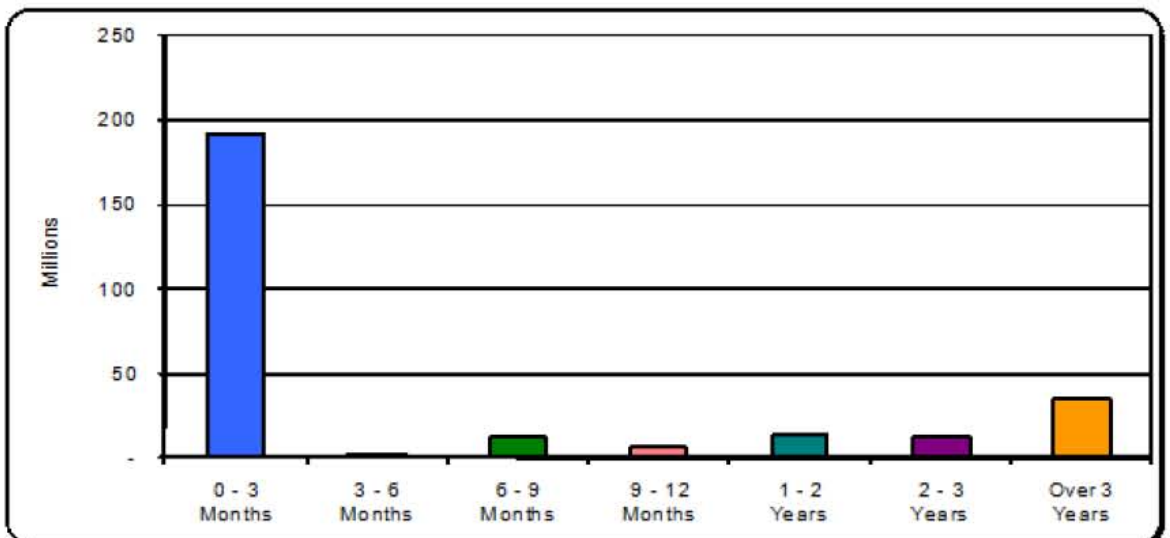


Notes:

1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)

Portfolio Composition by Maturity Distribution[(1)]

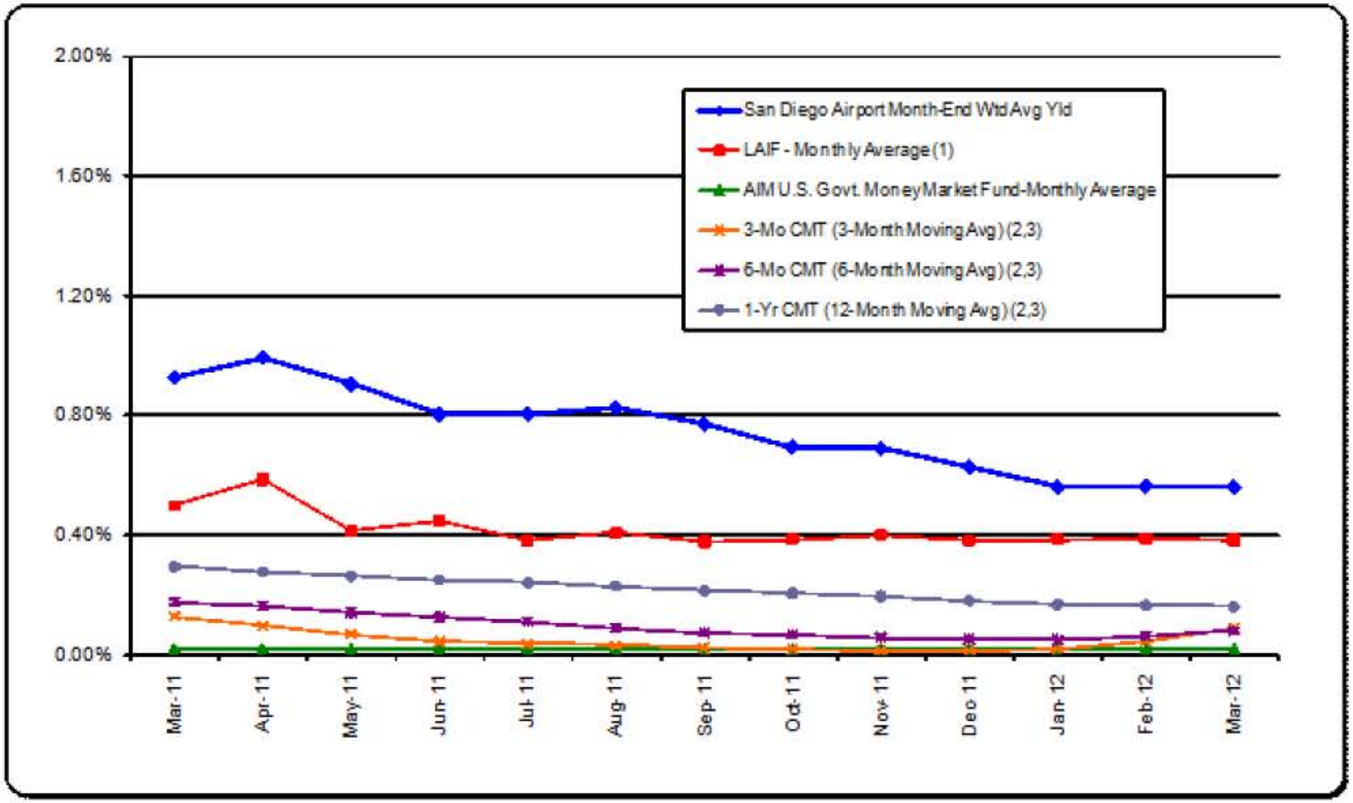
	March 31, 2012		December 31, 2011	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	$ 192,218,000	69.7%	$ 174,009,000	70.6%
3 - 6 Month	2,989,000	1.1%	15,502,000	6.3%
6 - 9 Months	12,451,000	4.5%	3,000,000	1.2%
9 - 12 Months	6,928,000	2.5%	3,006,000	1.2%
1 - 2 Years	13,680,000	5.0%	13,669,000	5.5%
2 - 3 Years	12,564,000	4.6%	15,996,000	6.5%
Over 3 Years	34,590,000	12.6%	21,477,000	8.7%
Total:	$ 275,420,000	100.0%	$ 246,659,000	100.0%



Notes:

1.) The 0-3 Month category includes investments held in the LAIF 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.

Detail of Security Holdings

As of March 31, 2012

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	99.988	2,999,640	482	0.726
12/30/11	FNMA	0.550	10/18/13	04/18/12	4,670,000	100.028	4,671,298	100.012	4,670,560	566	0.534
03/26/12	FHLMC	0.625	12/23/13	12/23/13	3,000,000	100.335	3,010,050	100.382	3,011,460	632	0.432
12/27/11	FNMA	0.550	12/27/13	06/27/12	3,000,000	99.995	2,999,850	99.940	2,998,200	636	0.553
03/30/12	FNMA	1.500	09/08/14	09/08/14	3,000,000	102.390	3,071,700	101.985	3,059,550	891	0.513
01/09/12	FHLMC	0.850	01/09/15	01/09/13	3,000,000	100.000	3,000,000	100.134	3,004,020	1014	0.850
02/13/12	FHLMC	0.700	02/13/15	02/13/13	2,500,000	100.000	2,500,000	99.975	2,499,375	1049	0.700
03/26/12	FHLMC	0.750	03/26/15	04/26/12	4,000,000	100.000	4,000,000	100.035	4,001,400	1090	0.750
11/02/11	FNMA	1.450	11/02/15	05/02/12	3,000,000	100.000	3,000,000	100.093	3,002,790	1311	1.450
12/28/11	FNMA	0.750	12/28/15	12/28/12	5,000,000	99.970	4,998,500	99.986	4,999,300	1367	1.498
02/10/12	FHLMC	1.000	02/10/16	02/10/14	3,000,000	100.475	3,014,250	100.162	3,004,860	1411	0.879
02/24/12	FNMA	0.800	02/24/16	02/24/14	3,000,000	99.785	2,993,550	99.459	2,983,770	1425	0.855
03/21/12	FNMA	0.625	03/21/16	09/21/12	3,000,000	100.000	3,000,000	99.774	2,993,220	1451	1.304
07/19/11	FNMA	1.250	07/19/16	07/19/12	2,000,000	99.800	1,996,000	100.335	2,006,700	1571	2.360
01/11/12	FHLMC	1.500	09/21/16	09/21/12	3,000,000	100.345	3,010,341	100.274	3,008,220	1635	1.424
10/26/11	FNMA	1.375	10/26/16	10/26/12	3,000,000	100.000	3,000,000	100.565	3,016,950	1670	1.689
01/18/12	FNMA	0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.095	4,003,800	1754	1.599
01/27/12	FHLMC	2.250	01/23/17	01/23/14	2,500,000	102.885	2,500,000	102.885	2,572,125	1759	1.645
02/06/12	FNMA	0.750	02/06/17	02/06/13	3,000,000	99.900	3,000,000	99.928	2,997,840	1773	1.700
	Agency Total				60,670,000		60,765,539		60,833,780	1219	1.105
02/09/12	Neighborhood Nat'l Bk CD	0.850	02/07/13		4,928,379	100.000	4,928,379	100.000	4,928,379	313	0.843
02/27/12	Union Bank CD	0.200	02/27/13		2,000,000	100.000	2,000,000	100.000	2,000,000	333	0.200
06/28/11	East West Bk CD	0.850	06/28/12		7,045,464	100.000	7,045,464	100.000	7,045,464	89	0.846
	CD's Total				13,973,844		13,973,844		13,973,844	203	0.752

Detail of Security Holdings

As of March 31, 2012

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
08/26/11	FCAR Owner Trust CP	0.550	05/22/12		3,500,000	99.588	3,485,563	99.942	3,497,970	52	0.552
09/09/11	Toyota Motor Credit CP	0.603	06/05/12		3,000,000	99.550	2,986,500	99.904	2,997,120	66	0.603
09/30/11	Toyota Motor Credit CP	0.643	06/26/12		2,000,000	99.520	1,990,400	99.873	1,997,460	87	0.643
12/19/11	Toyota Motor Credit CP	0.760	09/14/12		3,000,000	99.430	3,000,000	99.624	2,988,720	167	0.764
01/20/12	FCAR Owner Trust CP	0.650	10/16/12		3,500,000	99.513	3,500,000	99.524	3,483,340	199	0.653
02/16/12	FCAR Owner Trust CP	0.000	11/09/12		3,000,000	99.540	2,986,205	99.454	2,983,620	223	0.620
03/30/12	Toyota Motor Credit CP	0.000	12/24/12		3,000,000	99.589	2,987,671	99.342	2,980,260	268	0.552
	Commercial Paper Total				21,000,000		20,936,338		20,928,490	154	0.625
03/29/11	U.S. Treasury	0.375	10/31/12		3,000,000	99.740	2,992,148	100.121	3,003,630	214	0.541
	Government Total				3,000,000		2,992,148		3,003,630	214	0.541
	US Bank General Acct				31,516,126	100.000	31,516,126	100.000	31,516,126	1	0.035
	US Bank Accounts Total				31,516,126		31,516,126		31,516,126	1	0.035
	Highmark US Govt MMF				1,480,914	100.000	1,480,914	100.000	1,480,914	1	0.020
	Highmark Money Market Total				1,480,914		1,480,914		1,480,914	1	0.020
	Local Agency Invstmnt Fd				47,203,932	100.000	47,203,932	100.181	47,289,371	1	0.383
	San Diego County Inv Pool				48,256,417	100.000	48,256,417	100.094	48,301,842	1	0.530
	Bank of the West				20,232,690	100.000	20,232,690	100.000	20,232,690	1	0.380
	East West Bank				102,525	100.000	102,525	100.000	102,525	1	0.350
	East West Bank				27,749,182	100.000	27,749,182	100.000	27,749,182	1	0.350
	East West Bank Total				27,851,706		27,851,706	100.000	27,851,706	1	0.350
	Union Bk Cash				7,123.67	100.000	7,123.67	100.000	7,123.67	1	0.000
	Grand Total				**$ 275,192,754**	**100.02**	**$ 275,216,780**	**100.08**	**$ 275,419,518**	**294**	**0.562**

Portfolio Investment Transactions

From January 1st, 2012 – March 31st, 2012

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
01/09/12	FHLMC	AGCY CALL	3134G3GG9	0.850	01/09/15	01/09/13	100.000	3,000,000.00
01/11/12	FHLMC	AGCY CALL	3134G2F64	1.500	09/21/16	09/21/12	100.345	3,010,341.00
01/18/12	FNMA	AGCY STEP	3136FTYX1	0.700	01/18/17	07/18/13	100.000	4,000,000.00
01/20/12	FCAR Owner Trust CP	CP - DISC	3024A0KG9	0.650	10/16/12		99.513	3,500,000.00
01/27/12	FHLMC	AGCY CALL	3134G3JU5	2.250	01/23/17	01/23/14	102.885	2,500,000.00
02/06/12	FNMA	AGCY STEP	3136FTG94	0.750	02/06/17	02/06/13	99.900	2,997,000.00
02/09/12	Neighborhood Nat'l Bk CD	CD-SHORT	CDAR-6843	0.850	02/07/13		100.000	4,924,822.68
02/10/12	FHLMC	AGCY CALL	3134G3NH9	1.000	02/10/16	02/10/14	100.475	3,014,250.00
02/13/12	FHLMC	AGCY CALL	3134G3LD0	0.700	02/13/15	02/13/13	100.000	2,500,000.00
02/16/12	FCAR Owner Trust CP	CP - DISC	3024A0L94	0.000	11/09/12		99.540	2,986,205.00
02/24/12	FNMA	AGCY STEP	3135G0HK2	0.800	02/24/16	02/24/14	99.785	2,993,550.00
02/27/12	Union Bank CD	CD-SHORT	CD-0547	0.200	02/27/13		100.000	2,000,000.00
03/21/12	FNMA	AGCY STEP	3136FT4U0	0.625	03/21/16	09/21/12	100.000	3,000,000.00
03/26/12	FHLMC	AGCY CALL	3134G3BF6	0.625	12/23/13	12/23/13	100.335	3,010,050.00
03/26/12	FHLMC	AGCY CALL	313378JA0	0.750	03/26/15	04/26/12	100.000	4,000,000.00
03/30/12	FNMA	AGCY CALL	31398A3G5	1.500	09/08/14	09/08/14	102.390	3,071,700.00
03/30/12	Toyota Motor Credit CP	CP - DISC	89233GMQ6	0.000	12/24/12		99.589	2,987,670.83
								$ 53,495,590
CALLS								
07/11/11	FNMA	Agen Sec	3136FRVL4	0.012	07/11/14	01/11/12	100.000	3,000,000
08/22/11	FNMA	Agen Sec	3136FRWU3	0.019	07/20/16	01/20/12	100.000	4,000,000
01/27/11	FNMA	Agen Sec	3136FP3T2	0.008	01/27/14	01/27/12	99.430	5,000,000
08/29/11	FHLMC	Agen Sec	3134G2XS6	0.005	08/29/14	02/29/12	100.000	4,997,500
06/23/11	FHLMC	Agen Sec	3134G2KY7	0.008	09/23/13	03/23/12	100.000	3,000,000
09/29/11	FHMLC	Agen Sec	3134G2H39	0.008	09/29/14	03/29/12	100.000	3,000,000
06/30/11	FHLB	Agen Sec	313374CY4	0.008	12/30/14	03/30/12	99.950	4,434,283
								$ 27,431,783
MATURITIES								
09/30/10	TREAS NOTE	U.S. Treasury	912828MJ6	1.000	01/31/12		100.723	4,017,200
								$ 4,017,200
Deposits								
								$ -
Withdrawals								
								$ -

Bond Proceeds Summary

As of: March 31, 2012

(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
Project Fund						
LAIF[1]	$ -	$ -	$ 8	$ 8	0.38%	N/R
SDCIP[2]	76,936	-	75,554	152,490	0.53%	AAAf
	76,936	-	75,562	152,498		
Capitalized Interest						
SDCIP[2]	6,345	-	4,554	10,899	0.53%	AAAf
JP Morgan Federal MM Reserve	6	-	4	10	0.00%	AAAm
	6,351	-	4,558	10,909		
Debt Service Reserve Fund						
FNMA Global Notes	9,933	-	4,968	14,901	0.66%	AA+/AAA
East West Bank CD	13,178	-	7,093	20,271	0.75%	
Bank of the West DDA	9,673	-	6,352	16,025	0.45%	
JP Morgan Federal MM Reserve	136	-	67	203	0.00%	AAAm
	32,920	-	18,480	51,400		
	$ 116,207	$ -	$ 98,600	$ 214,807	0.55%	

*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 3/31/2012

(2) SDCIP Yield as of 02/29/2012

Bond Proceeds Investment Transactions

From January 1st, 2012 – March 31st, 2012

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
								$ -
CALLS								
								$ -
MATURITIES								
								$ -
Deposits								
								$ -
Withdrawals								
1/3/2012	Transfer to Debt Service P&I Funds	SDCIP					100.000	4,287,274
1/13/2012	Local Agency Investment Fund	LAIF					100.000	11,344,204
1/31/2012	San Diego County Investment Pool	SDCIP					100.000	4,406,587
2/15/2012	Local Agency Investment Fund	LAIF					100.000	5,356,298
2/15/2012	San Diego County Investment Pool	SDCIP					100.000	10,149,641
3/15/2012	Local Agency Investment Fund	LAIF					100.000	4,437,466
3/15/2012	San Diego County Investment Pool	SDCIP					100.000	32,902,768
								$ 72,884,238

Questions