

# Special Executive & Finance Committees Meeting and Special Board Meeting Agenda

**Wednesday, May 20, 2026**  
**9:00 AM**

San Diego County Regional Airport Authority  
Administration Building  
First Floor – Boardroom  
2417 McCain Road  
San Diego, CA 92101

## Board Members

Lydia Ball (Chair)  
James Sly (Vice Chair)  
Whitney Benzian  
Daniel Kuperschmid  
Monica Montgomery Steppe  
Rafael Perez  
Esther C. Sanchez  
Steve Vaus  
Marni von Wilpert

## Ex-Officio Board Members

Ann Fox  
Col. R. Erik Herrmann  
Michele Perrault

## President/CEO

Atif Saeed

This Agenda contains a brief general description of each Item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. If comments are made to the Committee without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law. ***Please note that Agenda Items may be taken out of order.***

Staff Reports and documentation relating to each Item of business on the Agenda are on file in the Office of the Authority Clerk and are available for public inspection.

**\*NOTE:** This Committee Meeting also is noticed as a Special Meeting of the Board to (1) foster communication among Board members in compliance with the Brown Act; and (2) preserve the advisory function of the Committee.

Board members who are not members of this Committee may attend and participate in Committee discussions. Since sometimes more than a quorum of the Board may be in attendance, to comply with the Brown Act, this Committee meeting also is noticed as a Special Meeting of the Board.

To preserve the proper function of the Committee, only members officially assigned to this Committee are entitled to vote on any Item before the Committee. This Committee only has the power to review Items and make recommendations to the Board. Accordingly, this Committee cannot, and will not, take any final action that is binding on the Board or the Authority, even if a quorum of the Board is present.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. **PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.**

# Special Executive & Finance Committees Meeting and Special Board Meeting Agenda

Wednesday, May 20, 2026

## CALL TO ORDER:

## PLEDGE OF ALLEGIANCE:

## ROLL CALL:

### **Executive Committee**

Committee Members: Ball (Chair), Perez, Sly

### **Finance Committee**

Committee Members: Sly (Chair), von Wilpert

## NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board and Committee. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring Items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific Items should reserve their comments until the specific item is taken up by the Board and Committee.

## EXECUTIVE COMMITTEE:

### **1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the Minutes of the April 27, 2026, Regular Meeting.

## FINANCE COMMITTEE NEW BUSINESS:

### **2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TEN MONTHS ENDED APRIL 30, 2026:**

Presented by: John Dillon, Director, Accounting & Risk Management

### **3. REVIEW OF THE AUTHORITY INVESTMENT REPORT AS OF APRIL 30, 2026:**

Presented by: Geoff Bryant, Manager, Airport Finance

# Special Executive & Finance Committees Meeting and Special Board Meeting Agenda

Wednesday, May 20, 2026

4. **REVIEW OF AUTHORITY POLICIES: 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, CHIEF FINANCIAL OFFICER/TREASURER; AND AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT POLICY:**

RECOMMENDATION: Forward this Item to the Board with a recommendation to approve delegation of authority to invest and manage Authority funds to the Vice President, Chief Financial Officer/Treasurer.

Presented by: Maya Dayan, Director, Finance and Airline Relations

## **EXECUTIVE COMMITTEE NEW BUSINESS:**

### **REVIEW OF FUTURE AGENDAS:**

5. **REVIEW OF THE DRAFT AGENDA FOR THE JUNE 4, 2026, BOARD MEETING:**  
Presented by: Atif Saeed, President/CEO
6. **REVIEW OF THE DRAFT AGENDA FOR THE JUNE 4, 2026, AIRPORT LAND USE COMMISSION MEETING:**  
Presented by: Atif Saeed, President/CEO

## **COMMITTEE MEMBER COMMENTS:**

## **ADJOURNMENT:**

# Special Executive & Finance Committees Meeting and Special Board Meeting Agenda

Wednesday, May 20, 2026

## Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall submit a "Request to Speak" form prior to the initiation of the portion of the Agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to submit a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the Agenda is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board.
- 3) Persons wishing to speak on specific items listed on the Agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

## Additional Meeting Information

**NOTE:** This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2550 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the Agenda is also available to you on our website at [www.san.org](http://www.san.org).

**For those planning to attend the Commission meeting, parking is available in the Airport Administration Building Parking Lot (entrance on the east side of McCain Road). Visitors can park in the lot from 8:00 a.m. to 5:00 p.m.**

You may also reach the SDCRAA Building by using public transit via the San Diego MTS System, Route 923. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

**DRAFT - SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
EXECUTIVE & FINANCE COMMITTEES MEETING MINUTES  
MONDAY, April 27, 2026  
BOARDROOM**

**CALL TO ORDER:** Vice Chair Sly called the Regular Meeting of the Executive & Finance Committees to order at 9:01 a.m. on Monday, April 27, 2026, in the Boardroom of the San Diego County Regional Airport Authority, Administration Building, 2417 McCain Road, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Vice Chair Sly led the Pledge of Allegiance.

**ROLL CALL:**

**Executive Committee:**

Present: Committee Members: Sly (Vice Chair), Perez

Absent: Committee Member: None

**Finance Committee:**

Present: Committee Member: Sly (Chair)

Absent: Committee Member: von Wilpert

**Board:**

Present: Board Member: Ball

Also Present: Atif Saeed, President/CEO; Lee Kaminetz, Assistant General Counsel; Annette Fagan Ortiz, Authority Clerk; Patricia Willis, Authority Clerk II; Sonja Banks, Assistant Authority Clerk II

*There was no quorum of the Finance Committee.*

**NON-AGENDA PUBLIC COMMENT:** None

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the Minutes of the March 23, 2026, Regular Meeting.

**ACTION: Board Member Perez moved approval of staff recommendation. Board Member Sly seconded the motion which carried unanimously.**

**FINANCE COMMITTEE NEW BUSINESS:**

**2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2026:**

John Dillon, Director, Financial Planning & Budget, provided a presentation on the Review of the Unaudited Financial Statements for the nine months ending March 31, 2026, that included Enplanements; Landed Weights; Operating Revenue and Expenses; Nonoperating Revenue and Expenses; Summary of Change in Net Position; and Statements of Net Position.

**3. REVIEW OF THE AUTHORITY INVESTMENT REPORT AS OF MARCH 31, 2026:**

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Investment Report as of March 31, 2026, that included Portfolio Characteristics; U.S. Treasury Yield Curve; Sector Distribution; Quality and Maturity Distribution; Investment Performance; and Bond Proceeds.

**ACTION: Items 2 and 3 were forwarded to the Board.**

**EXECUTIVE COMMITTEE NEW BUSINESS:**

**REVIEW OF FUTURE AGENDAS:**

**4. REVIEW OF THE DRAFT AGENDA FOR THE MAY 7, 2026, BOARD MEETING:**

Presented by: Atif Saeed, President/CEO

Atif Saeed, President/CEO reported one notable item: Item 5, Appointment of Authority Advisory Committee Member.

Lee Kamintez, Assistant General Counsel, stated that the Closed Session will cover Items 10, 11, and 12.

**5. REVIEW OF THE DRAFT AGENDA FOR MAY 7, 2026, AIRPORT LAND USE COMMISSION MEETING:**

Presented by: Atif Saeed, President/CEO

**COMMITTEE MEMBER COMMENTS:** None

**ADJOURNMENT:** The meeting adjourned at 9:23 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
EXECUTIVE COMMITTEE THIS 20<sup>TH</sup> DAY OF MAY 2026.

ATTEST:

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ANNETTE FAGAN ORTIZ  
AUTHORITY CLERK

APPROVED AS TO FORM:

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AMY GONZALEZ  
GENERAL COUNSEL

## SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Statements of Net Position

as of April 30, 2026

(Unaudited)

	ASSETS	
	FY 2026	FY 2025
<b>Current assets:</b>		
Cash and investments <sup>(1)</sup>	\$ (39,623,595)	\$ 33,115,487
Tenant lease receivable, net of allowance of FY 2026: (\$254,106) and FY 2025: (\$209,348)	37,934,511	19,086,654
Grants receivable	8,382,664	58,151,868
Lease receivable-current portion	18,164,569	15,909,129
Notes receivable-current portion	5,349,057	5,175,634
Prepaid expenses and other current assets	31,821,074	26,754,582
<b>Total current assets</b>	<b>62,028,280</b>	<b>158,193,354</b>
<b>Cash designated for capital projects and other<sup>(1)</sup></b>	<b>261,777,026</b>	<b>220,483,040</b>
<b>Restricted assets:</b>		
Cash and investments:		
Bonds reserve <sup>(1)</sup>	84,462,714	76,270,401
Passenger facility charges and interest unapplied <sup>(1)</sup>	257,585,651	198,722,124
Customer facility charges and interest unapplied <sup>(1)</sup>	34,816,920	27,153,888
SBD Bond Guarantee <sup>(1)</sup>	2,223,000	2,223,000
Bond proceeds held by trustee <sup>(1)</sup>	1,606,305,931	1,192,623,608
Passenger facility charges receivable	8,237,873	8,652,837
Customer facility charges receivable	6,785,804	3,002,884
Customer facility charges held by trustee	215,784	147,861
<b>Total restricted assets</b>	<b>2,000,633,677</b>	<b>1,508,796,603</b>
<b>Noncurrent assets:</b>		
<b>Capital assets:</b>		
Land and land improvements	199,349,881	182,113,981
Runways, roads and parking lots	634,962,710	623,847,598
Buildings and structures	2,230,947,948	1,932,768,957
Lease Assets	240,922,204	240,922,204
Machinery and equipment	78,074,738	77,539,123
Vehicles	29,788,955	28,331,718
Office furniture and equipment	42,098,071	40,171,572
Works of art	14,126,417	14,126,417
Construction-in-progress	2,682,478,849	2,554,662,614
	<b>6,152,749,773</b>	<b>5,694,484,184</b>
Less accumulated depreciation	(1,725,161,743)	(1,549,305,113)
<b>Total capital assets, net</b>	<b>4,427,588,030</b>	<b>4,145,179,071</b>
<b>Other assets:</b>		
Lease receivable - long-term portion	253,619,806	258,452,951
Notes receivable - long-term portion	9,632,347	15,039,323
Investments - long-term portion <sup>(1)</sup>	495,596,189	411,231,275
Deferred Bond Refunding	8,809,190	9,238,185
Security deposit	2,345,606	2,513,093
<b>Total other assets</b>	<b>770,548,755</b>	<b>696,474,827</b>
<b>Deferred outflows of resources:</b>		
Deferred pension outflows	19,706,065	14,962,200
Deferred OPEB outflows	3,827,471	6,070,052
Deferred POB outflows	477,808	157,718
<b>Total assets and deferred outflows of resources</b>	<b>\$ 7,546,587,111</b>	<b>\$ 6,750,316,864</b>

<sup>(1)</sup> Total cash and investments, \$2,703,143,835 for FY 2026 and \$2,161,822,822 for FY 2025

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**Statements of Net Position**

**as of April 30, 2026**

**(Unaudited)**

**LIABILITIES AND NET POSITION**

	<u>FY 2026</u>	<u>FY 2025</u>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 90,882,120	\$ 97,526,793
Deposits and other current liabilities	33,524,777	12,514,720
Current lease liability	3,538,760	4,358,369
<b>Total current liabilities</b>	<b><u>127,945,657</u></b>	<b><u>114,399,882</u></b>
<b>Current liabilities - payable from restricted assets:</b>		
Current portion of long-term debt	42,355,000	46,355,000
Accrued interest on bonds and variable debt	76,950,617	63,784,049
<b>Total liabilities payable from restricted assets</b>	<b><u>119,305,617</u></b>	<b><u>110,139,049</u></b>
<b>Long-term liabilities:</b>		
Other long-term liabilities	8,066,349	9,231,337
Net pension liability	16,684,974	10,244,143
Long-term lease Liability	221,533,654	224,363,516
Long term debt - bonds net of amortized premium	5,184,504,763	4,431,519,730
<b>Total long-term liabilities</b>	<b><u>5,430,789,740</u></b>	<b><u>4,675,358,726</u></b>
<b>Total liabilities</b>	<b><u>5,678,041,014</u></b>	<b><u>4,899,897,657</u></b>
<b>Deferred inflows of resources:</b>		
Deferred pension inflows	770,170	1,540,344
Deferred OPEB inflows	711,586	2,252,387
Deferred POB inflows	621,336	1,039,236
Deferred Inflows Bond Refunding	16,204,251	16,977,551
Deferred Inflow of resources - leases	131,819,976	130,610,304
Deferred Inflow of resources - partnership leases	199,927,141	207,744,698
<b>Total liabilities and deferred inflows of resources</b>	<b><u>\$ 6,028,095,473</u></b>	<b><u>\$ 5,260,062,177</u></b>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	586,444,225	635,654,009
Other restricted	394,327,747	316,172,995
Unrestricted:		
Designated	288,442,962	247,148,977
Undesignated	249,276,703	291,278,706
<b>Total Net Position</b>	<b><u>\$ 1,518,491,637</u></b>	<b><u>\$ 1,490,254,687</u></b>

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Ten Months Ended April 30, 2026 and 2025**  
**(Unaudited)**

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating revenues:</b>					
Aviation revenue:					
Landing fees	\$ 48,838,238	\$ 48,923,086	\$ 84,848	-	\$ 51,710,761
Aircraft parking fees	12,674,349	12,667,191	(7,158)	-	14,065,290
Building rentals	153,099,172	151,961,824	(1,137,348)	(1)%	128,598,596
CUPPS Support Charges	13,264,883	13,245,991	(18,892)	-	8,425,833
Other aviation revenue	(1,750,395)	(1,925,470)	(175,075)	(10)%	(42,330)
Terminal rent non-airline	2,512,870	3,574,202	1,061,332	42%	2,301,802
Terminal concessions	33,506,668	34,377,413	870,745	3%	29,760,883
Rental car license fees	31,828,466	31,207,001	(621,465)	(2)%	31,092,009
Rental car center cost recovery	2,832,527	3,147,325	314,798	11%	2,903,678
License fees other	8,877,472	10,715,102	1,837,630	21%	8,827,629
Parking revenue	51,247,521	57,032,694	5,785,173	11%	46,558,311
Ground transportation permits and citatio	21,455,991	21,883,238	427,247	2%	19,489,503
Ground rentals	23,071,254	23,121,855	50,601	-	22,650,134
Other operating revenue	1,831,559	2,930,587	1,099,028	60%	2,404,235
<b>Total operating revenues</b>	<b>403,290,575</b>	<b>412,862,039</b>	<b>9,571,464</b>	<b>2%</b>	<b>368,746,334</b>
<b>Operating expenses:</b>					
Salaries and benefits	56,794,110	57,926,637	(1,132,527)	(2)%	48,129,086
Contractual services	54,949,809	50,115,796	4,834,013	9%	44,883,563
Safety and security	37,409,762	37,218,047	191,715	1%	32,092,930
Space rental	9,228,785	9,192,056	36,729	-	9,197,590
Utilities	20,413,757	19,543,221	870,536	4%	17,395,779
Maintenance	15,441,654	13,323,325	2,118,329	14%	14,370,445
Equipment and systems	597,971	372,030	225,941	38%	355,102
Materials and supplies	972,430	743,095	229,335	24%	515,170
Insurance	2,651,773	2,461,421	190,352	7%	2,156,953
Employee development and support	919,598	835,052	84,546	9%	644,554
Business development	4,424,912	3,276,551	1,148,361	26%	2,158,132
Equipment rentals and repairs	5,897,046	5,311,770	585,276	10%	4,257,523
<b>Total operating expenses</b>	<b>209,701,607</b>	<b>200,319,001</b>	<b>9,382,606</b>	<b>4%</b>	<b>176,156,827</b>
Depreciation	145,556,243	145,556,243	-	-	92,350,330
<b>Operating income (loss)</b>	<b>48,032,725</b>	<b>66,986,795</b>	<b>18,954,070</b>	<b>39%</b>	<b>100,239,177</b>
<b>Nonoperating revenue (expenses):</b>					
Passenger facility charges	41,885,935	43,044,743	1,158,808	3%	40,603,507
Customer facility charges	30,358,256	31,955,445	1,597,189	5%	30,044,428
Quieter Home Program	(3,017,933)	(3,327,305)	(309,372)	(10)%	(1,582,167)
Interest income	77,127,773	86,989,458	9,861,685	13%	89,733,226
Interest expense	(194,545,832)	(194,837,101)	(291,269)	-	(160,535,201)
Bond amortization costs	20,439,605	21,944,639	1,505,034	7%	20,981,684
Other nonoperating income (expenses)	(187,498)	129,123	316,621	169%	14,061,539
<b>Nonoperating revenue, net</b>	<b>(27,939,694)</b>	<b>(14,100,998)</b>	<b>13,838,696</b>	<b>50%</b>	<b>33,307,016</b>
<b>Change in net position before capital grant contributions</b>	<b>20,093,031</b>	<b>52,885,797</b>	<b>32,792,766</b>	<b>163%</b>	<b>133,546,193</b>
Capital grant contributions	42,693,137	21,777,132	(20,916,005)	(49)%	55,476,845
<b>Change in net position</b>	<b>\$ 62,786,168</b>	<b>\$ 74,662,929</b>	<b>\$ 11,876,761</b>	<b>19%</b>	<b>\$ 189,023,038</b>

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Month Ended April 30, 2026**  
**(Unaudited)**

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating revenues:</b>					
Aviation revenue:					
Landing fees	\$ 4,929,066	\$ 4,015,771	\$ (913,295)	(19)%	\$ 4,952,494
Aircraft parking fees	1,064,612	118,526	(946,086)	(89)%	1,377,480
Building rentals	16,853,514	15,071,849	(1,781,665)	(11)%	12,559,914
CUPPS Support Charges	1,591,210	1,376,841	(214,369)	(13)%	756,826
Other aviation revenue	(161,871)	(240,809)	(78,938)	(49)%	(29,659)
Terminal rent non-airline	259,018	363,066	104,048	40%	228,562
Terminal concessions	3,488,267	4,083,129	594,862	17%	3,067,775
Rental car license fees	2,965,771	3,838,748	872,977	29%	2,946,421
Rental car center cost recovery	283,253	456,042	172,789	61%	290,368
License fees other	876,653	994,840	118,187	13%	895,943
Parking revenue	5,367,556	6,327,877	960,321	18%	5,162,349
Ground transportation permits and citatic	1,996,032	2,277,882	281,850	14%	1,974,194
Ground rentals	2,307,125	2,309,292	2,167	-	2,256,749
Other operating revenue	171,932	216,861	44,929	26%	277,309
<b>Total operating revenues</b>	<b>41,992,138</b>	<b>41,209,915</b>	<b>(782,223)</b>	<b>(2)%</b>	<b>36,716,725</b>
<b>Operating expenses:</b>					
Salaries and benefits	7,247,983	7,918,361	(670,378)	(9)%	3,946,475
Contractual services	5,410,451	5,309,050	101,401	2%	4,586,586
Safety and security	4,657,802	4,862,422	(204,620)	(4)%	3,189,612
Space rental	924,678	923,116	1,562	-	920,224
Utilities	1,952,370	1,823,191	129,179	7%	1,492,059
Maintenance	1,392,431	2,731,515	(1,339,084)	(96)%	1,479,532
Equipment and systems	46,061	28,799	17,262	37%	172,910
Materials and supplies	104,555	134,045	(29,490)	(28)%	63,337
Insurance	265,135	205,206	59,929	23%	210,946
Employee development and support	93,956	94,185	(229)	-	88,498
Business development	451,351	264,655	186,696	41%	326,770
Equipment rentals and repairs	659,773	520,294	139,479	21%	470,943
<b>Total operating expenses</b>	<b>23,206,546</b>	<b>24,814,839</b>	<b>(1,608,293)</b>	<b>(7)%</b>	<b>16,947,892</b>
Depreciation	16,071,751	16,071,751	-	-	9,144,272
<b>Operating income (loss)</b>	<b>2,713,841</b>	<b>323,325</b>	<b>(2,390,516)</b>	<b>(88)%</b>	<b>10,624,561</b>
<b>Nonoperating revenue (expenses):</b>					
Passenger facility charges	4,399,581	4,968,406	568,825	13%	4,378,024
Customer facility charges	3,089,857	3,465,656	375,799	12%	3,346,914
Quieter Home Program	(347,233)	(777,138)	(429,905)	(124)%	(192,821)
Interest income	8,301,415	8,636,238	334,823	4%	9,285,944
Interest expense	(20,842,323)	(19,164,779)	1,677,544	8%	(16,040,321)
Bond amortization costs	2,021,862	2,188,241	166,379	8%	2,076,555
Other nonoperating income (expenses)	(20,833)	(2,048,391)	(2,027,558)	(9732)%	6,095,155
<b>Nonoperating revenue, net</b>	<b>(3,397,674)</b>	<b>(2,731,767)</b>	<b>665,907</b>	<b>20%</b>	<b>8,949,450</b>
<b>Change in net position before     capital grant contributions</b>	<b>(683,833)</b>	<b>(2,408,443)</b>	<b>(1,724,609)</b>	<b>252%</b>	<b>19,574,011</b>
Capital grant contributions	6,774,810	1,746,966	(5,027,844)	(74)%	7,062,123
<b>Change in net position</b>	<b>\$ 6,090,977</b>	<b>\$ (661,477)</b>	<b>\$ (6,752,453)</b>	<b>(111)%</b>	<b>\$ 26,636,134</b>



**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**  
 For the ten months ended April 30, 2026  
 (Unaudited)

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	Month to Date					Year to Date				
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Landing Fees</b>										
41112 - Landing Fees	\$4,929,066	\$4,015,771	\$(913,295)	(19)	\$4,952,494	\$48,838,238	\$48,923,086	\$84,848	0	\$51,710,761
<b>Total Landing Fees</b>	<b>4,929,066</b>	<b>4,015,771</b>	<b>(913,295)</b>	<b>(19)</b>	<b>4,952,494</b>	<b>48,838,238</b>	<b>48,923,086</b>	<b>84,848</b>	<b>0</b>	<b>51,710,761</b>
<b>Aircraft Parking Fees</b>										
41160 - Aircraft Parking Position Rent	744,255	415,750	(328,505)	(44)	857,809	7,442,550	7,100,584	(341,967)	(5)	8,431,661
41162 - Parking Position Turn Fee	84,290	(372,139)	(456,429)	(541)	443,506	1,880,066	2,373,671	493,605	26	2,100,025
41165 - Overnight Parking Fee	236,067	74,916	(161,151)	(68)	76,165	3,351,733	3,192,937	(158,796)	(5)	3,533,604
<b>Total Aircraft Parking Fees</b>	<b>1,064,612</b>	<b>118,526</b>	<b>(946,086)</b>	<b>(89)</b>	<b>1,377,480</b>	<b>12,674,349</b>	<b>12,667,191</b>	<b>(7,158)</b>	<b>0</b>	<b>14,065,290</b>
<b>Building and Other Rents</b>										
41210 - Terminal Rent	16,443,642	14,608,761	(1,834,880)	(11)	12,321,107	149,469,719	148,014,681	(1,455,038)	(1)	125,668,178
41215 - Federal Inspection Services	409,873	463,087	53,215	13	238,807	3,629,452	3,947,143	317,690	9	2,930,418
<b>Total Building and Other Rents</b>	<b>16,853,514</b>	<b>15,071,849</b>	<b>(1,781,666)</b>	<b>(11)</b>	<b>12,559,914</b>	<b>153,099,172</b>	<b>151,961,824</b>	<b>(1,137,348)</b>	<b>(1)</b>	<b>128,598,596</b>
<b>CUPPS Support Charges</b>										
41400 - Common Use Fees	1,591,210	1,376,841	(214,369)	(13)	756,826	13,264,883	13,245,991	(18,892)	0	8,425,833
<b>Total CUPPS Support Charges</b>	<b>1,591,210</b>	<b>1,376,841</b>	<b>(214,369)</b>	<b>(13)</b>	<b>756,826</b>	<b>13,264,883</b>	<b>13,245,991</b>	<b>(18,892)</b>	<b>0</b>	<b>8,425,833</b>
<b>Other Aviation</b>										
43100 - Fuel Franchise Fees	20,953	31,190	10,237	49	28,554	208,564	222,219	13,655	7	237,857
43140 - Air Service Incentive Rebates	(182,824)	(271,999)	(89,175)	(49)	(58,213)	(1,958,959)	(2,147,690)	(188,730)	(10)	(280,187)
<b>Total Other Aviation</b>	<b>(161,871)</b>	<b>(240,809)</b>	<b>(78,938)</b>	<b>(49)</b>	<b>(29,659)</b>	<b>(1,750,395)</b>	<b>(1,925,470)</b>	<b>(175,075)</b>	<b>(10)</b>	<b>(42,330)</b>
<b>Non-Airline Terminal Rents</b>										
45010 - Terminal Rent - Non-Airline	259,018	363,066	104,048	40	228,562	2,512,870	3,574,202	1,061,332	42	2,301,802
<b>Total Non-Airline Terminal Rents</b>	<b>259,018</b>	<b>363,066</b>	<b>104,048</b>	<b>40</b>	<b>228,562</b>	<b>2,512,870</b>	<b>3,574,202</b>	<b>1,061,332</b>	<b>42</b>	<b>2,301,802</b>

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Concession Revenue</b>										
45111 - Term Concessions-Food & Bev	\$1,446,513	\$1,726,180	\$279,667	19	\$1,338,739	\$13,711,852	\$14,592,678	\$880,826	6	\$13,395,499
45112 - Terminal Concessions - Retail	900,310	1,119,944	219,635	24	791,551	8,402,993	8,759,031	356,038	4	8,085,829
45113 - Concession Others	550,310	720,719	170,409	31	505,400	5,736,097	6,251,847	515,750	9	4,286,579
45114 - Term Concessions Space Rents	125,132	108,265	(16,867)	(13)	93,111	1,132,517	1,078,773	(53,744)	(5)	934,071
45115 - Term Concessions Cost Recovery	215,468	175,829	(39,640)	(18)	143,749	2,144,866	1,610,568	(534,298)	(25)	1,518,261
45116 - Rec Distr Center Cost Recovery	211,946	210,555	(1,391)	(1)	195,226	2,116,406	1,968,102	(148,304)	(7)	1,540,643
45117 - Concessions Marketing Program	38,588	21,635	(16,953)	(44)	0	261,937	116,413	(145,524)	(56)	0
45120 - Rental car license fees	2,965,771	3,838,748	872,977	29	2,946,421	31,828,466	31,207,001	(621,465)	(2)	31,092,009
45121 - Rental Car Center Cost Recover	283,253	456,042	172,789	61	290,368	2,832,527	3,147,325	314,798	11	2,903,678
45130 - License Fees - Other	876,653	994,840	118,187	13	895,943	8,877,472	10,715,102	1,837,630	21	8,827,629
<b>Total Concession Revenue</b>	<b>7,613,943</b>	<b>9,372,758</b>	<b>1,758,815</b>	<b>23</b>	<b>7,200,507</b>	<b>77,045,133</b>	<b>79,446,841</b>	<b>2,401,708</b>	<b>3</b>	<b>72,584,198</b>
<b>Parking and Ground Transportat</b>										
45210 - Parking	5,367,556	6,326,007	958,451	18	5,153,930	51,247,521	57,029,788	5,782,267	11	46,523,544
45215 - Parking - EV Charging	0	1,870	1,870	0	8,419	0	2,906	2,906	0	34,767
45220 - AVI fees	1,951,023	2,230,745	279,722	14	1,938,374	20,801,285	21,144,591	343,306	2	18,901,937
45240 - Ground Transportation Pe	20,009	17,595	(2,414)	(12)	15,025	404,706	484,208	79,502	20	384,378
45250 - Citations	25,000	29,543	4,543	18	20,796	250,000	254,439	4,439	2	203,188
<b>Total Parking and Ground Transportat</b>	<b>7,363,588</b>	<b>8,605,759</b>	<b>1,242,171</b>	<b>17</b>	<b>7,136,544</b>	<b>72,703,512</b>	<b>78,915,932</b>	<b>6,212,420</b>	<b>9</b>	<b>66,047,814</b>
<b>Ground Rentals</b>										
45310 - Ground Rental Fixed - N	1,989,205	1,990,400	1,195	0	1,937,945	19,892,049	19,910,252	18,204	0	19,431,554
45315 - ASB Cost Recovery	35,082	35,082	0	0	35,237	350,821	372,210	21,389	6	378,789
45325 - Fuel Lease Revenue	280,317	281,289	971	0	280,849	2,803,175	2,812,887	9,712	0	2,803,950
45326 - AFO Cost Recovery	2,521	2,521	0	0	2,717	25,209	26,506	1,297	5	35,842
<b>Total Ground Rentals</b>	<b>2,307,125</b>	<b>2,309,292</b>	<b>2,166</b>	<b>0</b>	<b>2,256,749</b>	<b>23,071,254</b>	<b>23,121,855</b>	<b>50,601</b>	<b>0</b>	<b>22,650,134</b>

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Other Operating Revenue</b>										
45510 - Finger Printing Fee	\$11,914	\$16,268	\$4,354	37	\$17,132	\$134,070	\$181,482	\$47,412	35	\$144,447
45520 - Utilities Reimbursements	34,496	32,123	(2,373)	(7)	31,289	330,182	323,736	(6,446)	(2)	312,891
45530 - Miscellaneous Other Reve	1,500	49,049	47,549	3,170	12,732	15,000	1,672,881	1,657,881	11,053	544,435
45535 - Innovation Lab Revenue	0	0	0	0	0	0	0	0	0	745
45540 - Service Charges	10,000	500	(9,500)	(95)	10,314	100,000	(287,122)	(387,122)	(387)	209,716
45550 - Telecom Services	95,378	86,163	(9,215)	(10)	111,070	896,552	795,664	(100,888)	(11)	766,659
45570 - FBO Landing Fees	17,484	31,600	14,116	81	93,611	351,117	238,147	(112,970)	(32)	420,702
45580 - Equipment Rental	1,160	1,160	0	0	1,160	4,640	5,800	1,160	25	4,640
<b>Total Other Operating Revenue</b>	<b>171,932</b>	<b>216,863</b>	<b>44,931</b>	<b>26</b>	<b>277,308</b>	<b>1,831,561</b>	<b>2,930,588</b>	<b>1,099,027</b>	<b>60</b>	<b>2,404,235</b>
<b>Total Operating Revenue</b>	<b>41,992,138</b>	<b>41,209,915</b>	<b>(782,223)</b>	<b>(2)</b>	<b>36,716,725</b>	<b>403,290,575</b>	<b>412,862,039</b>	<b>9,571,464</b>	<b>2</b>	<b>368,746,334</b>
<b>Personnel Expenses</b>										
<b>Salaries</b>										
51110 - Salaries & Wages	5,774,869	5,321,687	453,182	8	3,135,740	42,227,349	36,748,482	5,478,867	13	31,265,160
51210 - Paid Time Off	0	588,109	(588,109)	0	248,943	0	3,539,886	(3,539,886)	0	3,070,167
51220 - Holiday Pay	0	78,408	(78,408)	0	62,578	0	880,862	(880,862)	0	824,201
51240 - Other Leave With Pay	0	77,187	(77,187)	0	24,103	0	340,837	(340,837)	0	210,754
51250 - Special Pay	0	16,600	(16,600)	0	28,559	0	184,049	(184,049)	0	140,282
<b>Total Salaries</b>	<b>5,774,869</b>	<b>6,081,992</b>	<b>(307,123)</b>	<b>(5)</b>	<b>3,499,924</b>	<b>42,227,349</b>	<b>41,694,115</b>	<b>533,233</b>	<b>1</b>	<b>35,510,564</b>
52110 - Overtime	43,498	175,579	(132,081)	(304)	59,172	635,315	948,864	(313,550)	(49)	690,664

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<b>Benefits</b>										
54110 - FICA Tax	\$337,699	\$272,374	\$65,325	19	\$(813,296)	\$2,143,229	\$1,828,756	\$314,473	15	\$1,479,775
54120 - Unemployment Insurance-S	0	0	0	0	0	0	40,862	(40,862)	0	66,739
54130 - Workers Compensation Ins	35,336	31,726	3,609	10	17,344	291,715	220,131	71,584	25	177,937
54135 - Workers Comp Incident Expense	0	152,080	(152,080)	0	84,585	0	513,416	(513,416)	0	115,612
54210 - Medical Insurance	660,249	604,911	55,338	8	451,684	5,793,713	5,245,937	547,776	9	4,381,237
54220 - Dental Insurance	25,617	21,855	3,763	15	22,776	249,592	226,537	23,054	9	229,370
54230 - Vision Insurance	4,697	4,171	526	11	3,881	46,968	40,829	6,139	13	37,741
54240 - Life Insurance	6,043	(7,934)	13,977	231	5,300	60,257	40,870	19,387	32	50,608
54250 - Short Term Disability	14,450	13,915	535	4	12,921	144,028	134,767	9,261	6	122,612
54260 - LSA Expense	25,650	29,726	(4,076)	(16)	24,446	256,500	268,426	(11,926)	(5)	204,003
54310 - Retirement	947,142	966,225	(19,083)	(2)	776,024	9,226,704	8,984,886	241,819	3	7,742,370
54315 - Retiree Health Benefits	103,892	127,248	(23,356)	(22)	108,335	1,038,917	1,274,592	(235,676)	(23)	1,065,942
54410 - Taxable Benefits	0	0	0	0	0	0	1,912	(1,912)	0	15,204
54430 - Accrued Vacation	106,198	187,324	(81,126)	(76)	172,351	1,061,983	1,812,195	(750,211)	(71)	1,154,964
54440 - Misc. Benefits	4,167	0	4,167	100	0	85,467	43,092	42,375	50	0
<b>Total Benefits</b>	<b>2,271,139</b>	<b>2,403,621</b>	<b>(132,481)</b>	<b>(6)</b>	<b>866,352</b>	<b>20,399,073</b>	<b>20,677,207</b>	<b>(278,135)</b>	<b>(1)</b>	<b>16,844,112</b>
<b>Cap Labor/Burden/OH Recharge</b>										
54510 - Capitalized Labor Recha	(785,450)	(446,600)	(338,850)	(43)	(272,538)	(6,028,793)	(3,141,903)	(2,886,891)	(48)	(2,822,068)
54515 - Capitalized Burden Rech	0	(197,763)	197,763	0	(160,797)	0	(1,656,672)	1,656,672	0	(1,620,537)
<b>Total Cap Labor/Burden/OH Recharge</b>	<b>(785,450)</b>	<b>(644,363)</b>	<b>(141,087)</b>	<b>(18)</b>	<b>(433,335)</b>	<b>(6,028,793)</b>	<b>(4,798,574)</b>	<b>(1,230,219)</b>	<b>(20)</b>	<b>(4,442,604)</b>
<b>QHP Labor/Burden/OH Recharge</b>										
54520 - QHP Labor Recharge	(56,074)	(43,961)	(12,113)	(22)	(19,667)	(438,833)	(238,584)	(200,249)	(46)	(216,776)
54525 - QHP Burden Recharge	0	(16,476)	16,476	0	(9,831)	0	(104,859)	104,859	0	(103,763)
54526 - QHP OH Contra Acct	0	(14,654)	14,654	0	(16,139)	0	(146,368)	146,368	0	(139,243)
<b>Total QHP Labor/Burden/OH Recharge</b>	<b>(56,074)</b>	<b>(75,091)</b>	<b>19,017</b>	<b>34</b>	<b>(45,637)</b>	<b>(438,833)</b>	<b>(489,811)</b>	<b>50,978</b>	<b>12</b>	<b>(459,782)</b>
<b>MM&amp;JS Labor/Burden/OH Recharge</b>										
54530 - MM & JS Labor Recharge	0	(23,377)	23,377	0	0	0	(105,164)	105,164	0	(13,868)
<b>Total MM&amp;JS Labor/Burden/OH Recharge</b>	<b>0</b>	<b>(23,377)</b>	<b>23,377</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(105,164)</b>	<b>105,164</b>	<b>0</b>	<b>(13,868)</b>
<b>Total Personnel Expenses</b>	<b>7,247,983</b>	<b>7,918,361</b>	<b>(670,378)</b>	<b>(9)</b>	<b>3,946,475</b>	<b>56,794,110</b>	<b>57,926,637</b>	<b>(1,132,527)</b>	<b>(2)</b>	<b>48,129,086</b>
<b>Non-Personnel Expenses</b>										

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<b>Contract Services</b>										
61100 - Temporary Staffing	\$12,500	\$80,276	\$(67,776)	(542)	\$10,666	\$131,725	\$469,003	\$(337,278)	(256)	\$193,327
61110 - Auditing Services	1,000	0	1,000	100	6,958	184,400	174,400	10,000	5	135,958
61120 - Legal Services	83,333	97,790	(14,456)	(17)	170,049	833,334	493,603	339,730	41	570,912
61130 - Services - Professional	918,624	825,749	92,875	10	596,223	9,569,198	8,102,501	1,466,697	15	6,297,421
61150 - Outside Svs - Other	494,694	428,180	66,513	13	405,602	5,115,745	4,705,844	409,901	8	4,206,558
61160 - Services - Custodial	3,678,286	3,657,246	21,041	1	3,194,050	36,895,270	34,114,803	2,780,467	8	31,889,003
61190 - Receiving & Dist Cntr Services	222,014	219,809	2,205	1	203,039	2,220,137	2,055,642	164,495	7	1,590,383
<b>Total Contract Services</b>	<b>5,410,451</b>	<b>5,309,050</b>	<b>101,401</b>	<b>2</b>	<b>4,586,586</b>	<b>54,949,809</b>	<b>50,115,796</b>	<b>4,834,013</b>	<b>9</b>	<b>44,883,563</b>
<b>Safety and Security</b>										
61170 - Services - Fire, Police,	801,458	775,458	26,000	3	718,629	7,670,265	7,771,515	(101,250)	(1)	7,158,019
61180 - Services - SDUPD-Harbor	3,228,810	3,228,810	0	0	1,933,442	23,412,533	22,917,809	494,724	2	20,092,258
61185 - Guard Services	466,759	511,208	(44,449)	(10)	381,124	4,719,219	4,773,912	(54,693)	(1)	3,414,058
61188 - Other Safety & Security Serv	160,775	346,946	(186,172)	(116)	156,417	1,607,745	1,754,811	(147,066)	(9)	1,428,595
<b>Total Safety and Security</b>	<b>4,657,802</b>	<b>4,862,422</b>	<b>(204,620)</b>	<b>(4)</b>	<b>3,189,612</b>	<b>37,409,762</b>	<b>37,218,047</b>	<b>191,716</b>	<b>1</b>	<b>32,092,930</b>
<b>Space Rental</b>										
62100 - Rent	924,678	923,116	1,563	0	920,224	9,228,785	9,192,056	36,729	0	9,197,590
<b>Total Space Rental</b>	<b>924,678</b>	<b>923,116</b>	<b>1,563</b>	<b>0</b>	<b>920,224</b>	<b>9,228,785</b>	<b>9,192,056</b>	<b>36,729</b>	<b>0</b>	<b>9,197,590</b>
<b>Utilities</b>										
63100 - Telephone & Other Commun	51,361	41,453	9,908	19	42,697	513,613	414,867	98,745	19	484,961
63110 - Utilities - Gas & Electr	1,736,645	1,688,576	48,069	3	1,321,239	18,392,463	17,995,130	397,333	2	15,663,970
63120 - Utilities - Water	164,364	93,162	71,202	43	128,124	1,507,681	1,133,224	374,457	25	1,246,848
<b>Total Utilities</b>	<b>1,952,370</b>	<b>1,823,191</b>	<b>129,179</b>	<b>7</b>	<b>1,492,059</b>	<b>20,413,757</b>	<b>19,543,221</b>	<b>870,535</b>	<b>4</b>	<b>17,395,779</b>
<b>Maintenance</b>										
64100 - Facilities Supplies	82,600	92,594	(9,994)	(12)	38,345	831,100	612,794	218,306	26	674,292
64110 - Maintenance - Annual R	1,229,631	2,515,284	(1,285,653)	(105)	1,348,524	13,614,954	11,895,748	1,719,207	13	12,860,062
64125 - Major Maintenance - Mat	34,200	87,742	(53,542)	(157)	0	521,600	463,345	58,255	11	317,771
64140 - Refuse & Hazardous Waste	46,000	35,896	10,104	22	92,664	474,000	351,438	122,562	26	518,319
<b>Total Maintenance</b>	<b>1,392,431</b>	<b>2,731,515</b>	<b>(1,339,084)</b>	<b>(96)</b>	<b>1,479,532</b>	<b>15,441,654</b>	<b>13,323,325</b>	<b>2,118,330</b>	<b>14</b>	<b>14,370,445</b>
<b>Equipment and Systems</b>										
65100 - Equipment & Systems	46,061	28,799	17,261	37	172,910	597,971	372,030	225,941	38	355,102
<b>Total Equipment and Systems</b>	<b>46,061</b>	<b>28,799</b>	<b>17,261</b>	<b>37</b>	<b>172,910</b>	<b>597,971</b>	<b>372,030</b>	<b>225,941</b>	<b>38</b>	<b>355,102</b>

**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**  
For the ten months ended April 30, 2026  
(Unaudited)

Print Date: 5/8/2026  
Print Time: 1:50:18PM  
Report ID: GL0012

	----- Month to Date -----					----- Year to Date -----				
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Materials and Supplies</b>										
65110 - Office & Operating Suppl	\$88,856	\$117,091	\$(28,235)	(32)	\$47,265	\$785,395	\$611,544	\$173,852	22	\$395,930
65120 - Safety Equipment & Suppl	12,698	12,643	55	0	15,818	161,285	106,481	54,804	34	93,994
65130 - Tools - Small	3,000	4,310	(1,310)	(44)	255	25,750	25,070	680	3	25,246
<b>Total Materials and Supplies</b>	<b>104,555</b>	<b>134,045</b>	<b>(29,490)</b>	<b>(28)</b>	<b>63,337</b>	<b>972,430</b>	<b>743,095</b>	<b>229,335</b>	<b>24</b>	<b>515,170</b>
<b>Insurance</b>										
67170 - Insurance - Property	176,676	120,962	55,713	32	128,520	1,766,757	1,618,663	148,093	8	1,285,203
67171 - Insurance - Liability	22,619	20,206	2,413	11	19,583	226,188	202,061	24,127	11	195,833
67172 - Insurance - Public Offic	22,121	21,234	887	4	20,110	221,208	212,342	8,865	4	251,792
67173 - Insurance Miscellaneous	43,720	42,803	916	2	42,732	437,621	428,355	9,266	2	424,124
<b>Total Insurance</b>	<b>265,135</b>	<b>205,206</b>	<b>59,929</b>	<b>23</b>	<b>210,946</b>	<b>2,651,773</b>	<b>2,461,421</b>	<b>190,351</b>	<b>7</b>	<b>2,156,953</b>
<b>Employee Development and Suppo</b>										
66120 - Awards - Service	7,333	2,027	5,306	72	2,310	73,333	21,207	52,127	71	20,891
66130 - Book & Periodicals	2,709	2,263	446	16	1,992	41,095	29,077	12,018	29	27,298
66220 - License & Certifications	200	59	141	71	0	2,683	2,707	(24)	(1)	360
66260 - Recruiting	0	12,106	(12,106)	0	3,810	81,666	221,096	(139,430)	(171)	7,673
66280 - Seminars & Training	30,961	12,815	18,145	59	18,074	271,474	167,047	104,427	38	205,142
66290 - Transportation	13,679	14,684	(1,005)	(7)	14,785	140,220	144,422	(4,202)	(3)	144,522
66305 - Travel-Employee Developm	24,903	31,159	(6,256)	(25)	33,478	164,213	144,500	19,713	12	137,464
66310 - Tuition	3,333	734	2,599	78	4,080	33,333	35,138	(1,805)	(5)	21,676
66320 - Uniforms	10,838	18,338	(7,500)	(69)	9,969	111,581	69,858	41,723	37	79,528
<b>Total Employee Development and Suppo</b>	<b>93,956</b>	<b>94,185</b>	<b>(228)</b>	<b>0</b>	<b>88,498</b>	<b>919,598</b>	<b>835,052</b>	<b>84,547</b>	<b>9</b>	<b>644,554</b>
<b>Business Development</b>										
66100 - Advertising	226,005	120,402	105,603	47	180,864	2,249,425	1,683,957	565,468	25	811,159
66110 - Allowance for Bad Debts	0	0	0	0	0	22,500	0	22,500	100	0
66200 - Memberships & Dues	66,064	22,370	43,694	66	39,177	451,824	298,615	153,209	34	335,281
66225 - Permits, Licenses & Taxes	21,500	5,234	16,266	76	19,261	139,892	127,190	12,702	9	118,167
66230 - Postage & Shipping	632	(3,720)	4,352	689	284	6,582	109	6,472	98	2,879
66240 - Promotional Activities	98,632	50,611	48,021	49	87,940	1,193,333	788,187	405,146	34	710,497
66250 - Promotional Materials	3,704	4,803	(1,099)	(30)	0	87,260	77,414	9,846	11	31,088
66300 - Travel-Business Developm	34,815	64,955	(30,140)	(87)	(756)	274,097	301,077	(26,981)	(10)	149,061
<b>Total Business Development</b>	<b>451,351</b>	<b>264,655</b>	<b>186,696</b>	<b>41</b>	<b>326,770</b>	<b>4,424,912</b>	<b>3,276,551</b>	<b>1,148,361</b>	<b>26</b>	<b>2,158,132</b>

**San Diego County Regional Airport Authority**  
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<b>Equipment Rentals and Repairs</b>										
66140 - Computer Licenses & Agre	\$156,321	\$223,757	\$(67,437)	(43)	\$63,386	\$1,270,173	\$1,156,503	\$113,670	9	\$1,007,500
66150 - Equipment Rental/Leasing	9,908	8,529	1,379	14	7,585	99,733	97,546	2,187	2	81,029
66160 - Tenant Improvements	98,801	67,606	31,194	32	103,002	988,009	828,103	159,907	16	962,380
66270 - Repairs - Office Equipme	394,743	220,402	174,342	44	296,970	3,539,131	3,229,619	309,512	9	2,206,616
<b>Total Equipment Rentals and Repairs</b>	<b>659,773</b>	<b>520,294</b>	<b>139,479</b>	<b>21</b>	<b>470,943</b>	<b>5,897,046</b>	<b>5,311,771</b>	<b>585,275</b>	<b>10</b>	<b>4,257,525</b>
<b>Total Non-Personnel Expenses</b>	<b>15,958,563</b>	<b>16,896,478</b>	<b>(937,915)</b>	<b>(6)</b>	<b>13,001,416</b>	<b>152,907,497</b>	<b>142,392,364</b>	<b>10,515,133</b>	<b>7</b>	<b>128,027,741</b>
<b>Total Departmental Expenses before</b>	<b>23,206,546</b>	<b>24,814,839</b>	<b>(1,608,294)</b>	<b>(7)</b>	<b>16,947,892</b>	<b>209,701,607</b>	<b>200,319,001</b>	<b>9,382,606</b>	<b>4</b>	<b>176,156,827</b>
<b>Depreciation and Amortization</b>										
69110 - Depreciation Expense	16,071,751	9,751,751	6,320,000	39	9,144,272	145,556,243	101,316,243	44,240,000	30	92,350,330
69120 - Depreciation Expense-GASB87	0	6,320,000	(6,320,000)	0	0	0	44,240,000	(44,240,000)	0	0
<b>Total Depreciation and Amortization</b>	<b>16,071,751</b>	<b>16,071,751</b>	<b>0</b>	<b>0</b>	<b>9,144,272</b>	<b>145,556,243</b>	<b>145,556,243</b>	<b>0</b>	<b>0</b>	<b>92,350,330</b>
<b>Non-Operating Revenue/(Expense)</b>										
<b>Passenger Facility Charges</b>										
71110 - Passenger Facility Charg	4,399,581	4,968,406	568,825	13	4,378,024	41,885,935	43,044,743	1,158,808	3	40,603,507
<b>Total Passenger Facility Charges</b>	<b>4,399,581</b>	<b>4,968,406</b>	<b>568,825</b>	<b>13</b>	<b>4,378,024</b>	<b>41,885,935</b>	<b>43,044,743</b>	<b>1,158,808</b>	<b>3</b>	<b>40,603,507</b>
<b>Customer Facility Charges</b>										
71120 - Customer facility charges (Con	3,089,857	3,465,656	375,799	12	3,346,914	30,358,256	31,955,445	1,597,189	5	30,044,428
<b>Total Customer Facility Charges</b>	<b>3,089,857</b>	<b>3,465,656</b>	<b>375,799</b>	<b>12</b>	<b>3,346,914</b>	<b>30,358,256</b>	<b>31,955,445</b>	<b>1,597,189</b>	<b>5</b>	<b>30,044,428</b>
<b>Quieter Home Program</b>										
71212 - Quieter Home - Labor	(33,333)	(43,961)	(10,627)	(32)	(19,667)	(333,333)	(238,584)	94,750	28	(216,776)
71213 - Quieter Home - Burden	0	(16,476)	(16,476)	0	(9,831)	0	(104,859)	(104,859)	0	(103,763)
71214 - Quieter Home - Overhead	(20,833)	(14,654)	6,179	30	(16,139)	(208,333)	(146,368)	61,965	30	(139,243)
71215 - Quieter Home - Material	(1,682,000)	(2,504,182)	(822,182)	(49)	(1,773,576)	(14,548,000)	(13,982,495)	565,505	4	(12,538,522)
71216 - Quieter Home Program	1,388,933	1,802,135	413,202	30	1,626,392	12,071,733	11,145,001	(926,732)	(8)	11,416,137
<b>Total Quieter Home Program</b>	<b>(347,233)</b>	<b>(777,138)</b>	<b>(429,904)</b>	<b>(124)</b>	<b>(192,821)</b>	<b>(3,017,933)</b>	<b>(3,327,305)</b>	<b>(309,372)</b>	<b>(10)</b>	<b>(1,582,167)</b>

**San Diego County Regional Airport Authority**  
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<b>Interest Income</b>										
71310 - Interest - Investments	\$3,203,499	\$3,370,873	\$167,374	5	\$3,437,973	\$32,090,016	\$33,314,950	\$1,224,934	4	\$24,571,913
71330 - Interest - Variable Debt	0	0	0	0	0	0	0	0	0	(173)
71340 - Interest - Note Receivab	44,815	44,815	0	0	53,307	480,268	480,268	0	0	564,036
71350 - Interest - Other	0	4,897	4,897	0	10,759	0	58,464	58,464	0	152,450
71363 - 2013-Interest Income	0	0	0	0	0	0	0	0	0	15,101
71364 - 2017-Interest Income	78,742	25,013	(53,730)	(68)	134,090	711,546	603,969	(107,577)	(15)	772,753
71365 - 2014-Interest Income	170,659	142,195	(28,464)	(17)	378,931	1,699,207	1,881,531	182,324	11	1,919,880
71366 - 2019-Interest Income	201,716	148,967	(52,749)	(26)	162,102	1,472,083	1,426,515	(45,568)	(3)	1,773,571
71367 - 2020-Interest Income	217,951	164,441	(53,509)	(25)	140,350	1,418,917	1,421,679	2,762	0	1,446,909
71368 - 2021-Interest Income	1,273,131	672,916	(600,215)	(47)	718,250	9,661,759	5,807,800	(3,853,959)	(40)	12,585,367
71369 - 2023-Interest Income	860,249	2,145,374	1,285,124	149	4,250,181	12,508,212	19,422,214	6,914,002	55	45,931,417
71370 - 2025-Interest Income	2,250,653	1,916,748	(333,905)	(15)	0	17,085,765	22,572,069	5,486,304	32	0
<b>Total Interest Income</b>	<b>8,301,415</b>	<b>8,636,238</b>	<b>334,823</b>	<b>4</b>	<b>9,285,944</b>	<b>77,127,773</b>	<b>86,989,458</b>	<b>9,861,685</b>	<b>13</b>	<b>89,733,226</b>
<b>Interest Expense</b>										
71413 - 2014-Interest Expense	(1,171,986)	(1,171,986)	0	0	(1,206,669)	(11,719,860)	(11,719,860)	0	0	(12,066,688)
71414 - 2017-Interest Expense	(1,037,458)	(1,037,458)	0	0	(1,063,104)	(10,374,583)	(10,374,583)	0	0	(10,631,042)
71415 - 2019-Interest Expense	(1,749,467)	(1,749,467)	0	0	(1,772,863)	(17,494,667)	(17,494,667)	0	0	(17,728,625)
71416 - 2020-Interest Expense	(708,146)	(708,146)	0	0	(755,125)	(7,081,458)	(7,081,458)	0	0	(7,551,250)
71417 - 2021-Interest Expense	(6,711,362)	(6,711,362)	0	0	(6,725,692)	(67,113,618)	(67,113,618)	0	0	(67,258,138)
71418 - 2023-Interest Expense	(4,482,618)	(4,482,618)	0	0	(4,494,555)	(44,826,177)	(44,826,177)	0	0	(44,945,552)
71419 - 2025-Interest Expense	(4,625,800)	(3,334,923)	1,290,877	28	0	(32,380,600)	(33,349,230)	(968,630)	(3)	0
71430 - LOC Fees - C/P	(50,694)	0	50,694	100	(50,000)	(506,944)	(456,667)	50,278	10	(456,112)
71450 - Bonds-Trustee Fee	(1,500)	(4,975)	(3,475)	(232)	0	(15,000)	(10,058)	4,942	33	(19,718)
71451 - Program Fees - Variable Debt	(83)	0	83	100	0	(833)	(1,875)	(1,042)	(125)	0
71460 - Interest Expense - Other	(268,891)	69,442	338,333	126	64,442	(2,688,913)	(2,062,755)	626,158	23	501,604
71461 - Interest Expense - Cap Leases	(34,318)	(33,287)	1,031	3	(36,755)	(343,178)	(346,153)	(2,975)	(1)	(379,681)
<b>Total Interest Expense</b>	<b>(20,842,323)</b>	<b>(19,164,779)</b>	<b>1,677,544</b>	<b>8</b>	<b>(16,040,321)</b>	<b>(194,545,832)</b>	<b>(194,837,101)</b>	<b>(291,269)</b>	<b>0</b>	<b>(160,535,201)</b>
<b>Amortization</b>										
69210 - Amortization - Premium & Disco	2,021,862	2,188,241	166,379	8	2,076,555	20,439,605	21,944,639	1,505,034	7	20,981,684
<b>Total Amortization</b>	<b>2,021,862</b>	<b>2,188,241</b>	<b>166,379</b>	<b>8</b>	<b>2,076,555</b>	<b>20,439,605</b>	<b>21,944,639</b>	<b>1,505,034</b>	<b>7</b>	<b>20,981,684</b>

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<b>Other Non-Operating Income (Expense)</b>										
71510 - Legal Settlement Income	\$0	\$0	\$0	0	\$0	\$0	\$1,391,126	\$1,391,126	0	\$0
71530 - Gain/Loss On Investments	0	(2,078,392)	(2,078,392)	0	3,102,367	0	(1,193,545)	(1,193,545)	0	11,426,837
71540 - Discounts Earned	0	0	0	0	0	0	23,654	23,654	0	21,179
71610 - Legal Settlement Expense	(20,833)	0	20,833	100	0	(187,497)	(182,500)	4,997	3	(620,996)
71620 - Other non-operating revenue (e	0	30,000	30,000	0	2,992,789	0	90,389	90,389	0	3,238,973
71630 - Other Non-Operating Expe	0	0	0	0	0	0	0	0	0	(4,452)
<b>Total Other Non-Operating Income (Expense)</b>	<b>(20,833)</b>	<b>(2,048,392)</b>	<b>(2,027,559)</b>	<b>(9,732)</b>	<b>6,095,157</b>	<b>(187,497)</b>	<b>129,124</b>	<b>316,621</b>	<b>169</b>	<b>14,061,540</b>
<b>Total Non-Operating Revenue/(Expense)</b>	<b>(3,397,674)</b>	<b>(2,731,767)</b>	<b>665,907</b>	<b>20</b>	<b>(8,949,450)</b>	<b>(27,939,694)</b>	<b>(14,100,998)</b>	<b>13,838,696</b>	<b>50</b>	<b>(33,307,016)</b>
<b>Capital Grant Contribution</b>										
72100 - AIP Grants	6,774,810	1,746,966	(5,027,844)	(74)	7,062,123	42,693,137	21,777,132	(20,916,005)	(49)	55,476,845
<b>Total Capital Grant Contribution</b>	<b>6,774,810</b>	<b>1,746,966</b>	<b>(5,027,844)</b>	<b>(74)</b>	<b>7,062,123</b>	<b>42,693,137</b>	<b>21,777,132</b>	<b>(20,916,005)</b>	<b>(49)</b>	<b>55,476,845</b>
<b>Total Expenses Net of Non-Operating Revenue/ (Expense)</b>	<b>35,901,161</b>	<b>41,871,392</b>	<b>(5,970,231)</b>	<b>(17)</b>	<b>10,080,591</b>	<b>340,504,407</b>	<b>338,199,111</b>	<b>2,305,296</b>	<b>1</b>	<b>179,723,295</b>
<b>Net Income/(Loss)</b>	<b>6,090,977</b>	<b>(661,477)</b>	<b>(6,752,454)</b>	<b>(111)</b>	<b>26,636,134</b>	<b>62,786,168</b>	<b>74,662,929</b>	<b>11,876,761</b>	<b>19</b>	<b>189,023,038</b>
<b>Equipment Outlay</b>										
73200 - Equipment Outlay Expendi	(407,000)	(68,098)	338,902	83	(87,974)	(1,350,000)	(1,035,530)	314,470	23	(345,968)
73299 - Capitalized Equipment Co	0	68,098	68,098	0	87,974	0	1,035,530	1,035,530	0	345,968
<b>Total Equipment Outlay</b>	<b>(407,000)</b>	<b>0</b>	<b>407,000</b>	<b>100</b>	<b>0</b>	<b>(1,350,000)</b>	<b>0</b>	<b>1,350,000</b>	<b>100</b>	<b>0</b>



# Review of the Unaudited Financial Statements

For the Ten Months Ended  
April 30, 2026, and 2025

Presented by: John Dillon, Director, Accounting

Finance Committee Meeting  
May 20, 2026





# Economic Update

# Market Commentary

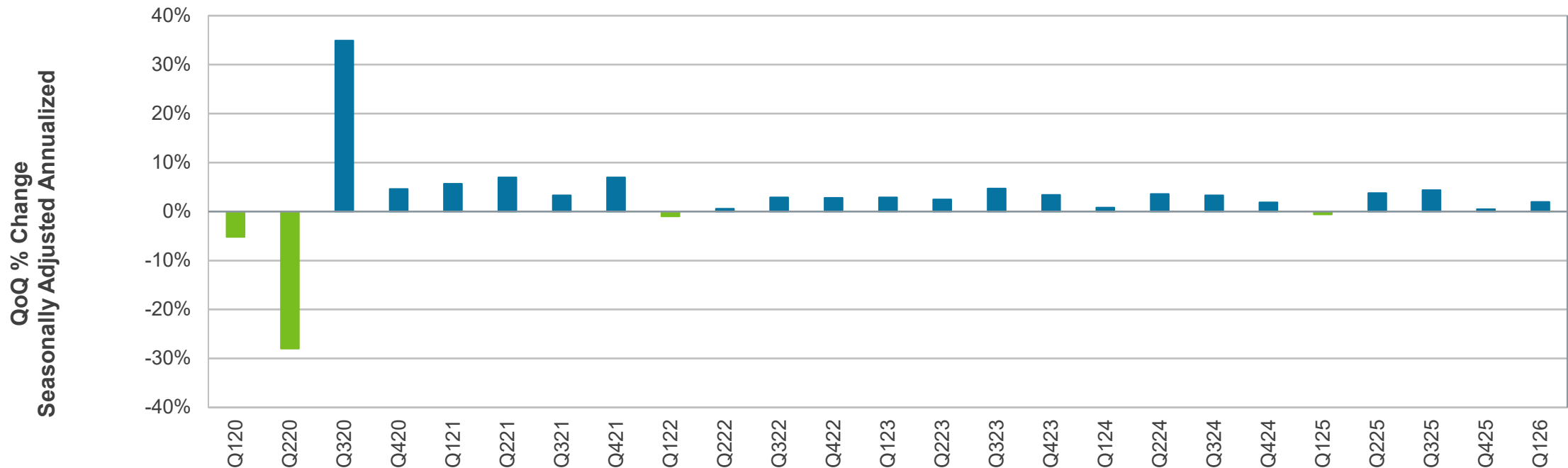
March payrolls rebounded by 178,000 after February's revised 133,000 decline, but the war in Iran and its disruption of the Strait of Hormuz have driven WTI crude oil as high as \$115—potentially injecting an inflationary shock into an economy grappling with sticky core prices above 3%. The Federal Reserve has held the funds rate at 3.50–3.75% and adopted a cautious stance, signaling it may delay rate cuts if oil-related inflation persists rather than proves transitory. With this Iran-driven energy shock narrowing the path to policy easing, the Chandler team has extended its projected timeframe for rate cuts beyond our six-month investment horizon.

The Federal Reserve's Federal Open Market Committee (FOMC) held the target range for the federal funds rate steady at 3.50 to 3.75% on April 29 by an 8-to-4 vote, the most dissents at a single meeting since 1992. Governor Stephen Miran preferred a quarter-point reduction, while Cleveland Fed President Beth Hammack, Minneapolis Fed President Neel Kashkari, and Dallas Fed President Lorie Logan opposed inclusion of an easing bias. The meeting was widely expected to be Chair Jerome Powell's last in that role, with Kevin Warsh's nomination advancing from the Senate Banking Committee earlier the same day. Powell intends to remain on the Board of Governors after his chairmanship concludes May 15.

# First Quarter GDP

The Bureau of Economic Analysis advance estimate placed real Gross Domestic Product (GDP) growth at 2.0% annualized in the first quarter of 2026, an acceleration from the 0.5% pace recorded in the fourth quarter of 2025 but below the 2.3% consensus expectation. Personal consumption contributed 1.1%, with government spending at 0.6% as federal outlays rebounded following the late-2025 shutdown. Net exports subtracted nearly 1.3 percentage points as imports moved higher ahead of expected tariff actions and Strait of Hormuz disruptions.

**U.S. Gross Domestic Product (QoQ)**  
First Quarter 2020 – First Quarter 2026

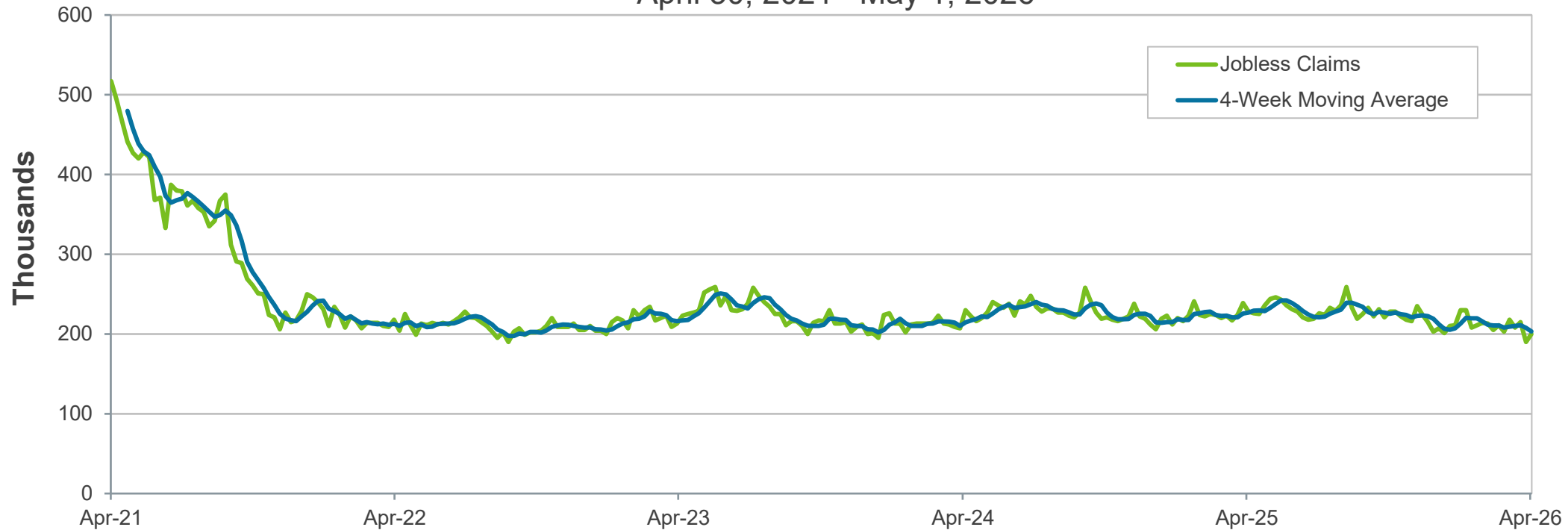


# Initial Claims For Unemployment

As of the week ended May 2, the number of initial jobless claims improved to 200,000 from 190,000 in the prior week. Initial jobless claims below 250,000 are indicative of strong employment, however there are indications that the jobs market is slowing. The level of continuing unemployment claims (where the data is lagged by one week) fell to 1.766 million versus 1.776 million the prior week.

## Initial Jobless Claims and 4-Week Moving Average

April 30, 2021– May 1, 2026

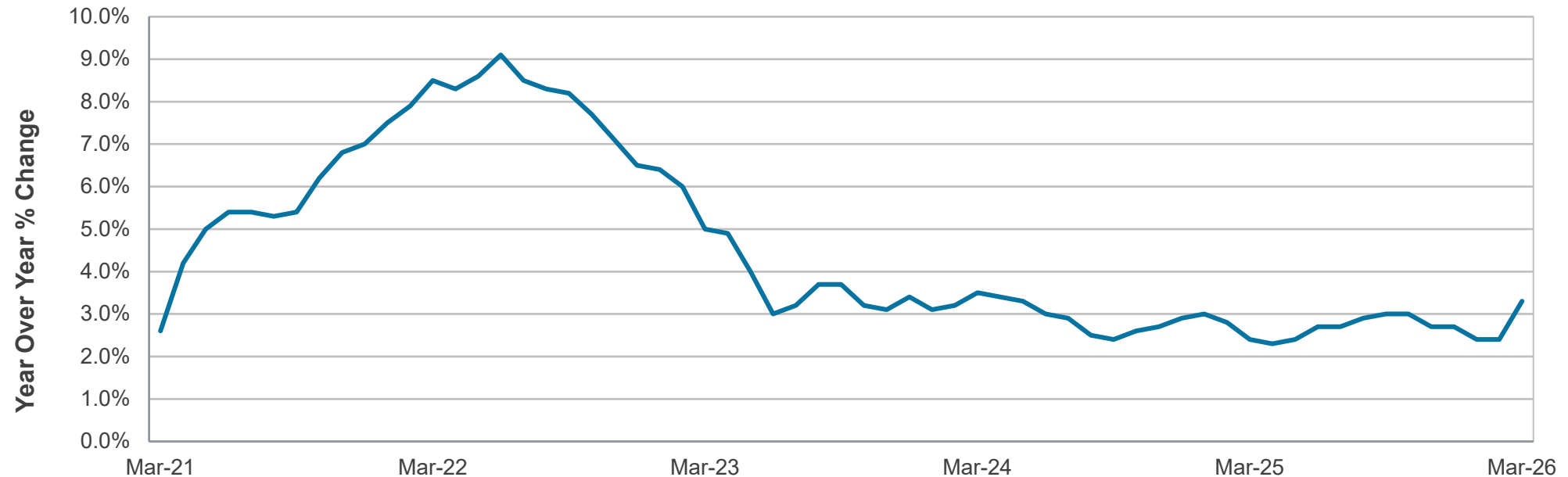


Source: Bloomberg.

# Consumer Price Index

Consumer Price Index (CPI) for March surged 0.9%, the highest monthly rate since June 2022, and was up 3.3% on an annual basis primarily due to spikes in energy and airfare prices. Notably, Core CPI was little changed with a monthly increase of 0.2% and an annual rise of 2.6% as costs for services and other goods remained subdued. The March Personal Consumption Expenditures (PCE) Price Index rose 0.7% month-over-month and 3.5% year-over-year, capturing the energy spike from the Iran War disruption. Meanwhile core PCE, the Federal Reserve's preferred inflation gauge, was more contained at 0.3% month-over-month and 3.2% year-over-year. Both core readings remain meaningfully above the Fed's 2% objective, complicating any near-term pivot toward easier policy.

**Consumer Price Index (YoY%)**  
March 2021– March 2026

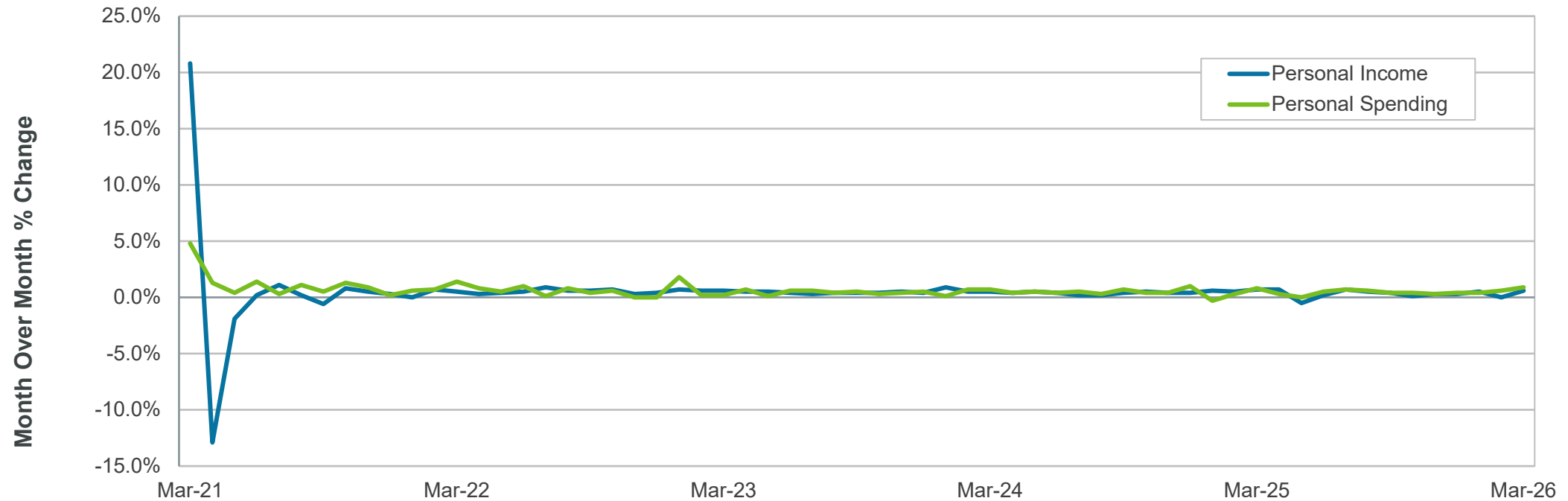


Source: Bloomberg.

# Personal Income and Spending

Personal income and personal spending jumped 0.6% and 0.9%, respectively, in March, while real personal spending decelerated to 0.2%. The increase in nominal spending was mostly attributed to higher gasoline costs. The personal savings rate fell to 3.6%, the lowest level since October 2022, as the rate of spending displaced savings.

**Personal Income and Spending (MoM%)**  
March 2021 – March 2026

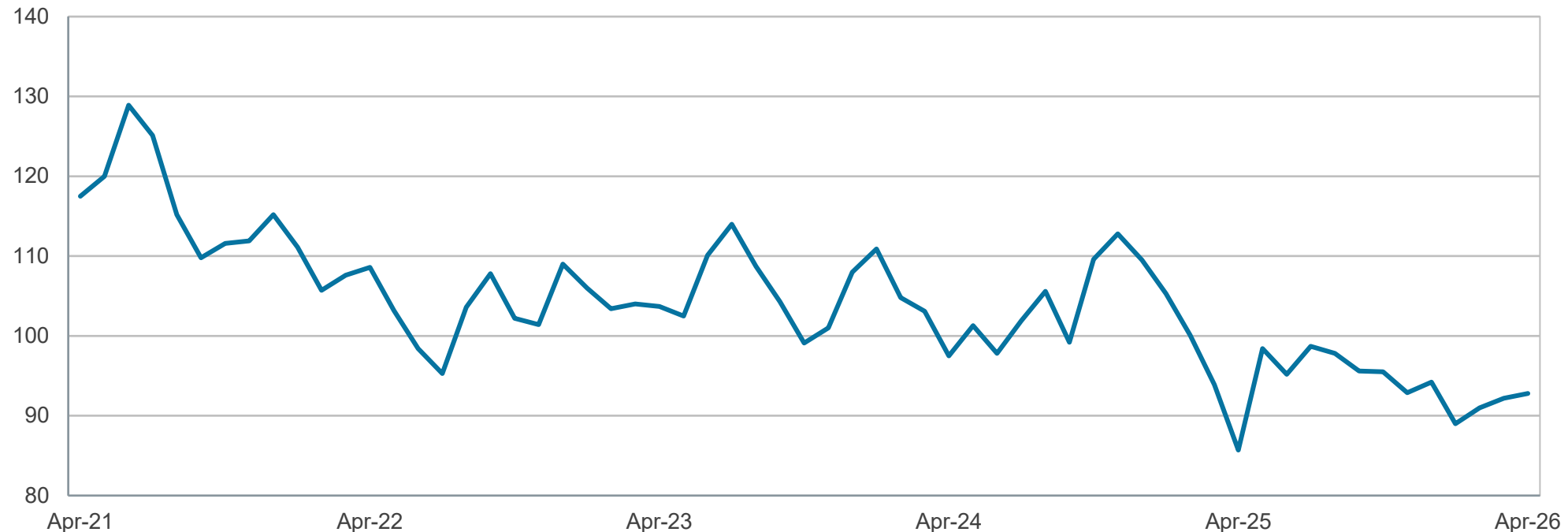


Source: Bloomberg

# Consumer Confidence Index

The Conference Board's Consumer Confidence Index edged up 0.6 points to 92.8 in April, with the Expectations component recovering modestly to 72.2 after weeks of geopolitically driven pessimism. The survey period encompassed the temporary ceasefire and an equity market rebound, providing a partial offset to energy price anxiety that had depressed near-term consumer sentiment.

**Consumer Confidence Index**  
April 2021 – April 2026



Source: Bloomberg

# Existing Home Sales

Existing home sales fell 3.6% in March to a seasonally adjusted annualized rate of 3.98 million units as affordability weighed on demand. Existing home sales were down 1.0% on a year-over-year basis. The average rate on a 30-year fixed mortgage was 6.4% as of early May according to Freddie Mac. The median sales price rose year-over-year to \$408,800 for March.

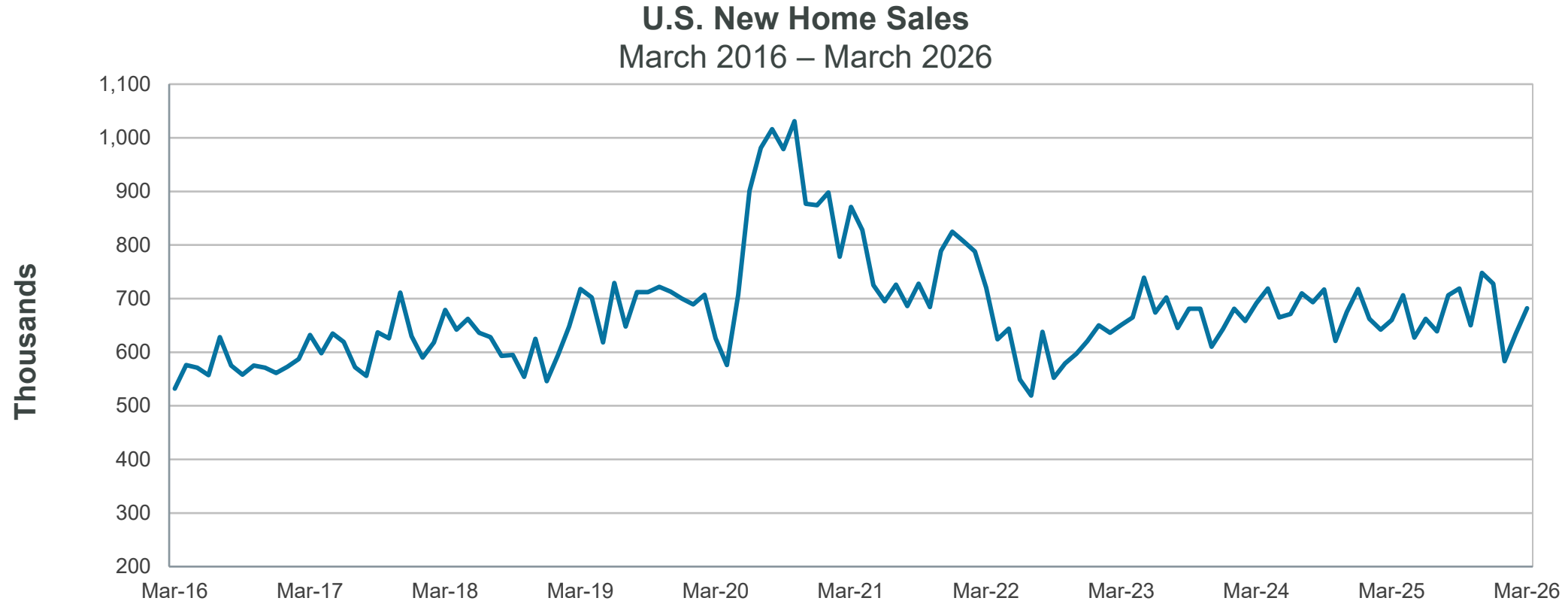
**U.S. Existing Home Sales (MoM)**  
March 2016 – March 2026



Source: Bloomberg

# New Home Sales

New home sales climbed 7.4% in March to an annualized rate of 682,000 units as demand for new construction rebounded after severe winter weather in January. Builders continue to offer incentives, and the median sales price fell by 6.2% year-over-year to \$387,400, the lowest since July 2021.



Source: Bloomberg

# Crude Oil Prices

U.S. West Texas Intermediate (WTI) crude settled at \$95.08 per barrel on May 6, below its one-month average of \$97.31 and above its one-year average of \$68.83. Oil prices fell this week on hopes of a deal between the US and Iran to end the war and reopen the Strait of Hormuz. Oil prices are expected to remain volatile this year.

## West Texas Intermediate Oil Price Per Barrel (WTI Spot)

May 6, 2021 – May 6, 2026



Source: Bloomberg

# Jet Fuel Prices

Jet fuel closed at \$3.51 per gallon on May 6, below the one-month average of \$3.90 and above its one-year average of \$2.47. Jet fuel prices and airfares remain elevated and many flights have been canceled due to supply disruptions around the world.

**Jet Fuel 54 Colonial Pasadena MOC Spot Price**  
May 7, 2021 – May 7, 2026



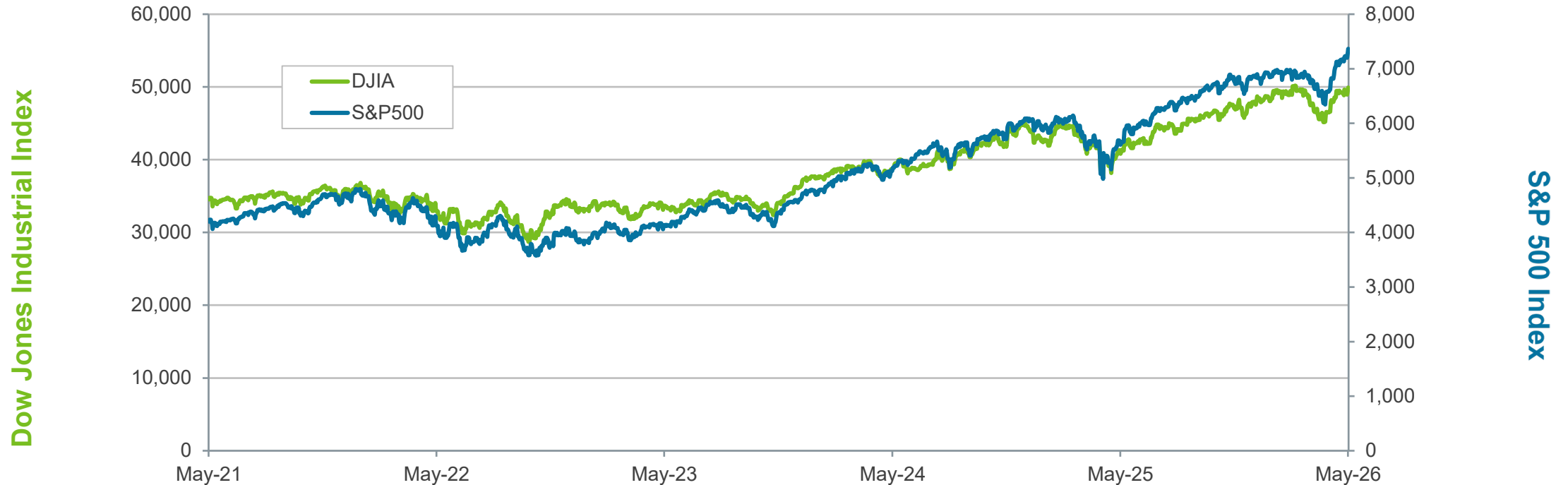
Source: Bloomberg



# U.S. Equity Markets

US equity markets have been volatile so far in 2026 with stocks surging on strong corporate earnings despite elevated oil prices, concerns about the implications of artificial intelligence on the US economy, a weakening labor market, and inflationary risks. Equity markets were up May 6 based on optimism for an end the war with Iran this week; the S&P is up 7.6%, the DJIA has increased 3.8%, and the NASDAQ has jumped 11.2% year-to-date.

**Dow Jones Industrial Average (DJIA) and S&P 500 Indices**  
May 7, 2021 – May 7, 2026

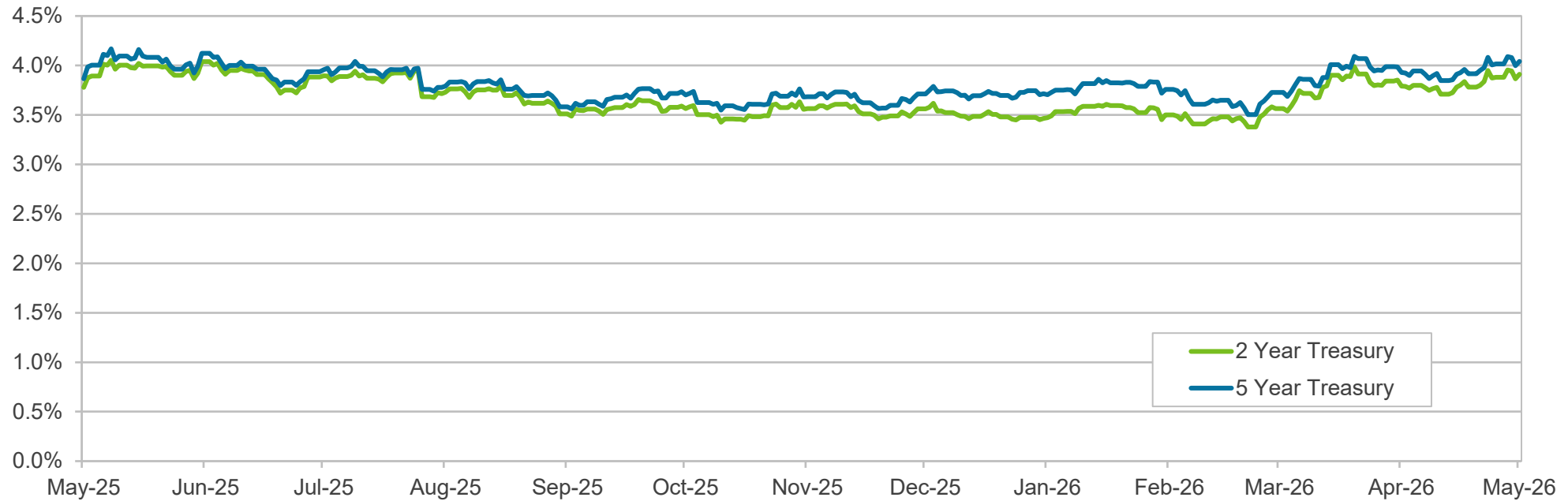


Source: Bloomberg

# Treasury Yield History

The Federal Reserve's Federal Open Market Committee (FOMC) held the target range for the federal funds rate steady at 3.50 to 3.75% on April 29, as expected. The federal funds futures market is now forecasting the FOMC to leave interest rates unchanged in 2026 due to inflationary pressures. As of May 6, the 2-year yield was up 40 basis points to 3.87%, the 5-year increased 27 basis points to 4.00%, and the 10-year rose 18 basis points to 4.35%, year-to-date.

**2- and 5-year U.S. Treasury Yields**  
May 7, 2026 – May 7, 2026

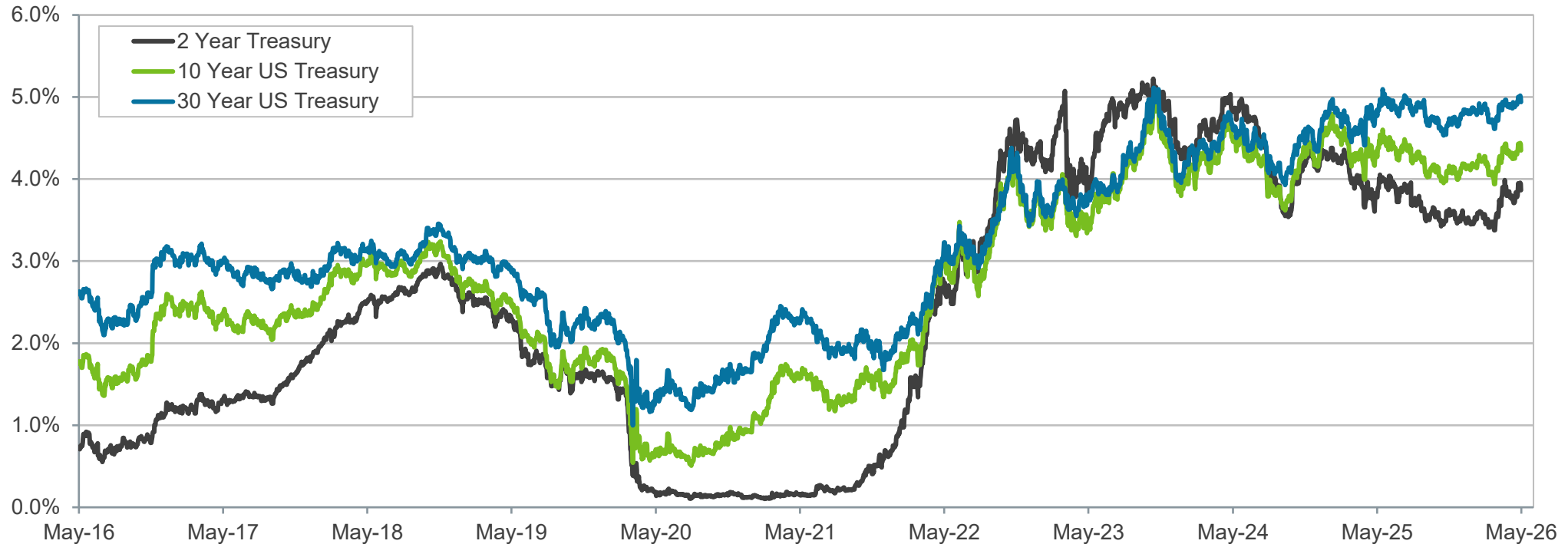


Source: Bloomberg

# Treasury Yield History

The spread between the 10-year and 2-year US Treasury yield has narrowed to +48 basis points versus +70 basis points one year ago. The yield curve has mostly normalized since the Fed began cutting short-term interest rates. Longer term yields remain elevated due to concerns over inflation and growing US debt levels.

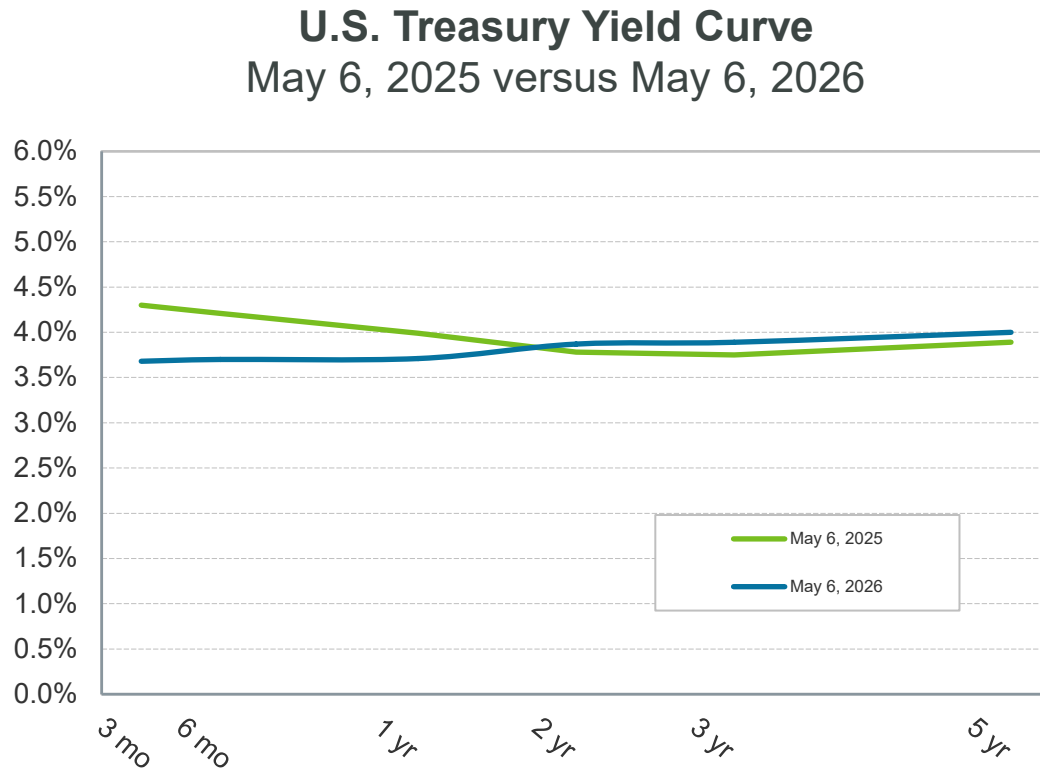
**2-, 10- and 30-year U.S. Treasury Yields**  
May 7, 2016 – May 7, 2026



Source: Bloomberg

# U.S. Treasury Yield Curve

The US Treasury yield curve has steepened over the past year as the FOMC cut short term interest rates by 75 basis points in late 2025 and have paused cuts in 2026 due to higher inflation expectations. The 3-month T-bill yield is down 62 basis points, the 2-year Treasury yield is up 9 basis points, and the 10-year yield is 5 basis points higher on a year-over-year basis.



	05/06/2025	05/06/2026	Change
<b>3-Mo.</b>	4.30	3.68	(0.62)
<b>6-Mo.</b>	4.21	3.70	(0.51)
<b>1-Yr.</b>	3.99	3.71	(0.28)
<b>2-Yr.</b>	3.78	3.87	0.09
<b>3-Yr.</b>	3.75	3.89	0.14
<b>5-Yr.</b>	3.89	4.00	0.11
<b>10-Yr.</b>	4.30	4.35	0.05
<b>20-Yr.</b>	4.81	4.92	0.11
<b>30-Yr.</b>	4.80	4.94	0.14

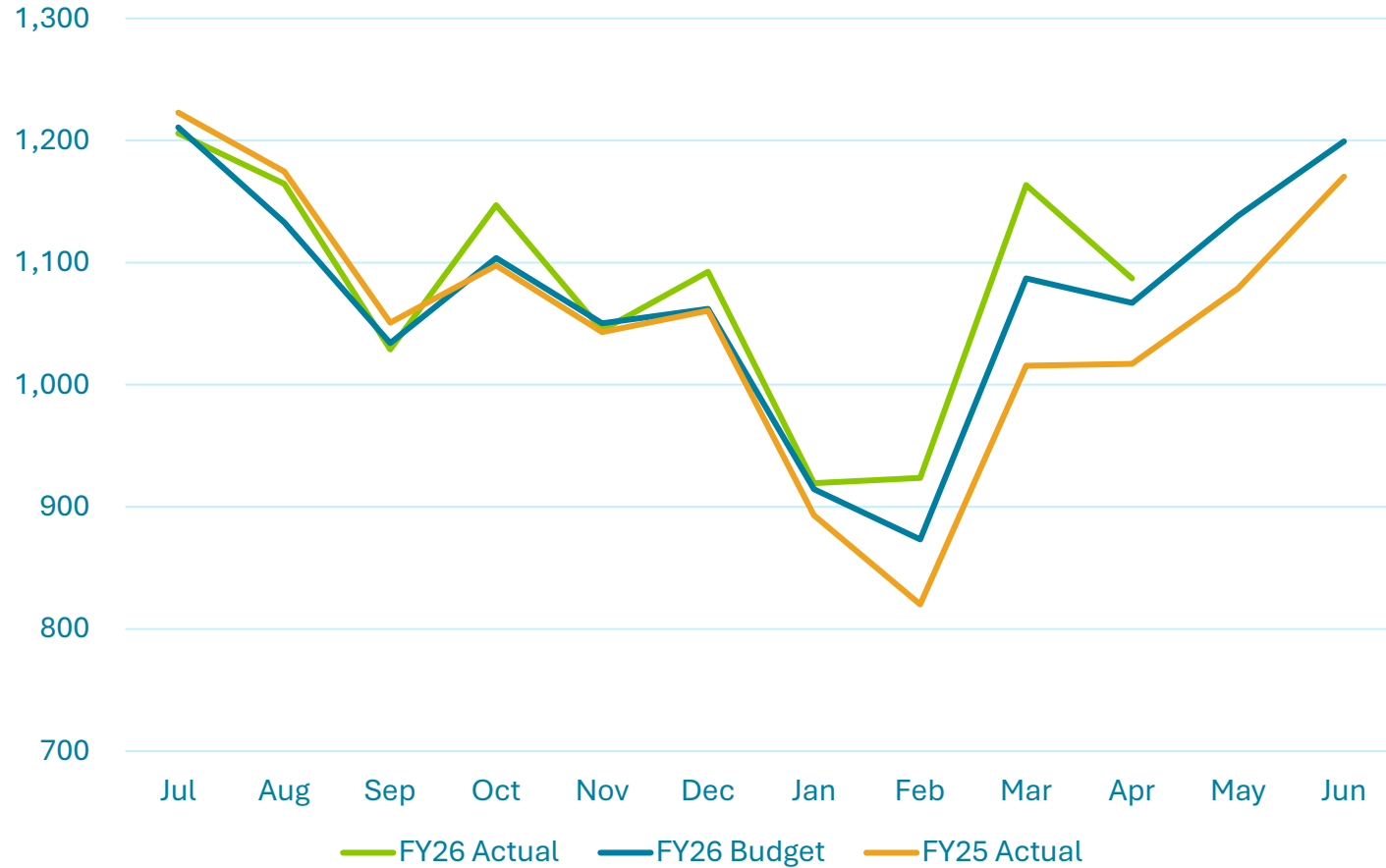
Source: Bloomberg



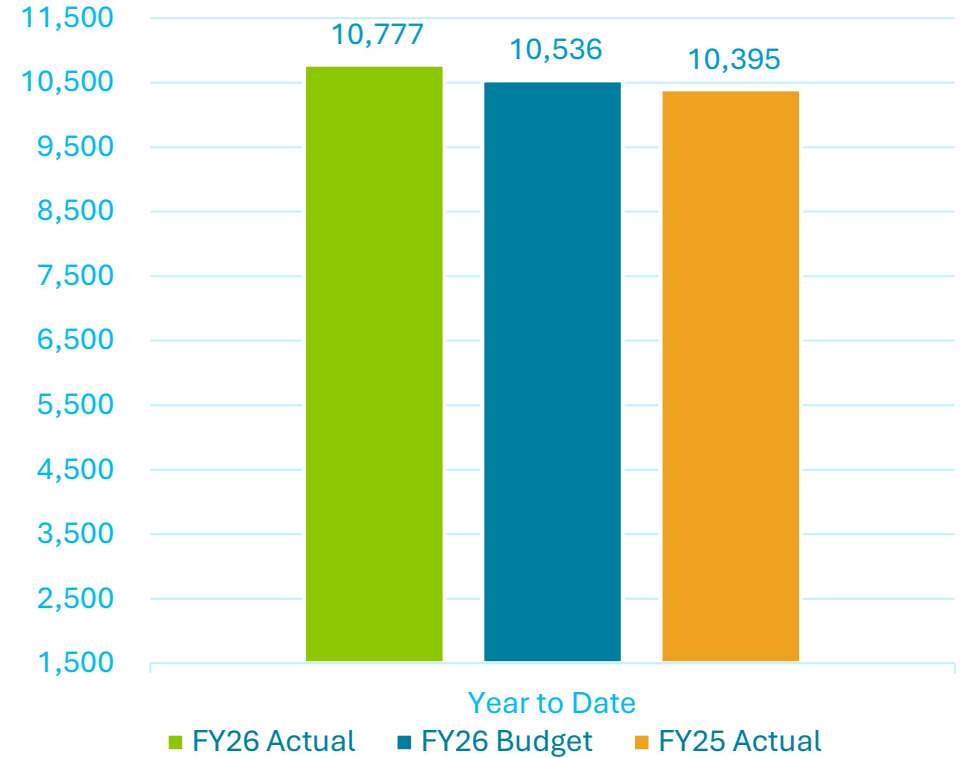
# Financial Review

For the Ten Months Ended April 30, 2026

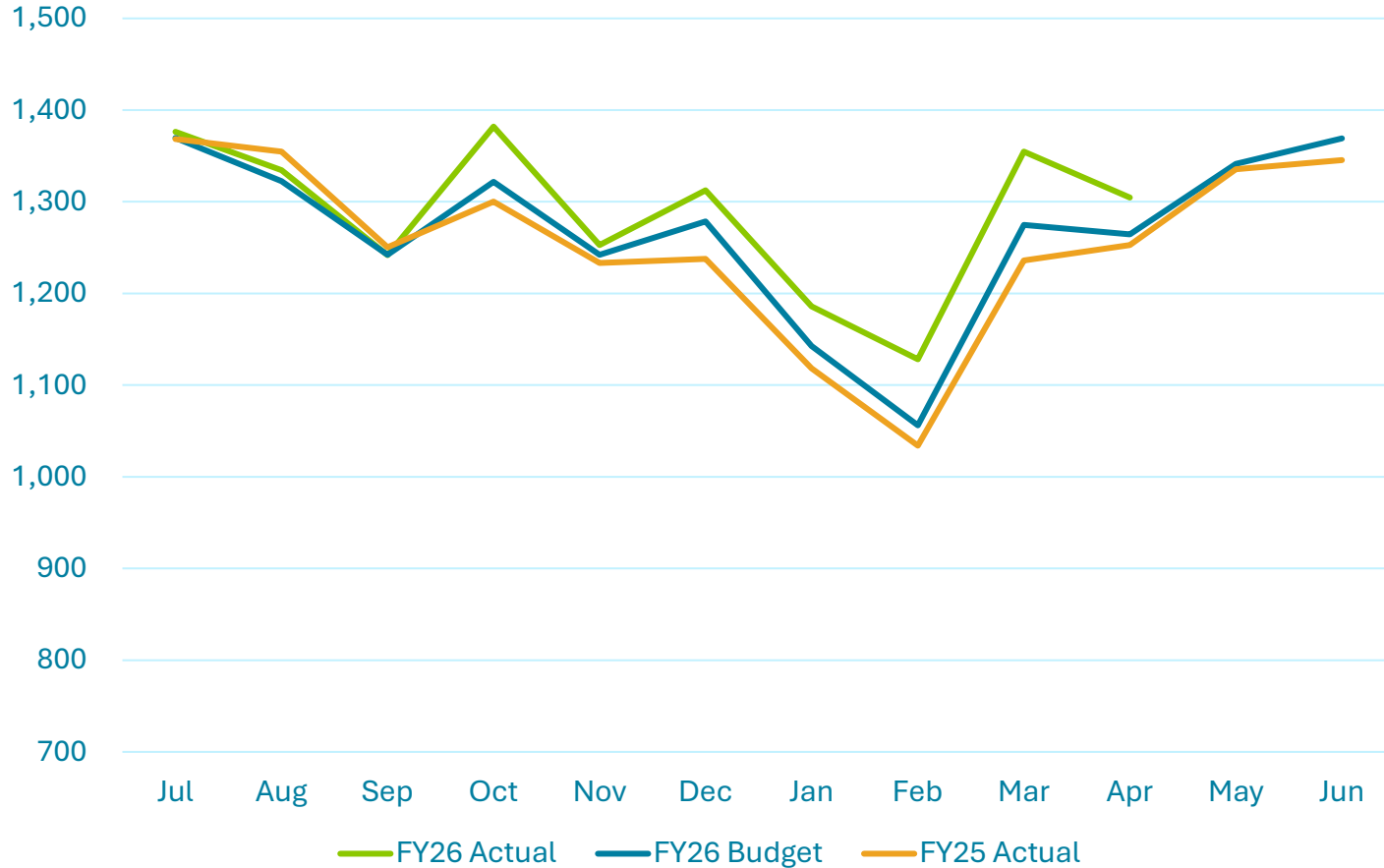
# Enplanements (in thousands)



FY26 YTD Act Vs. FY26 YTD Budget 2.3%	FY26 YTD Act Vs. FY25 YTD Actual 3.7%
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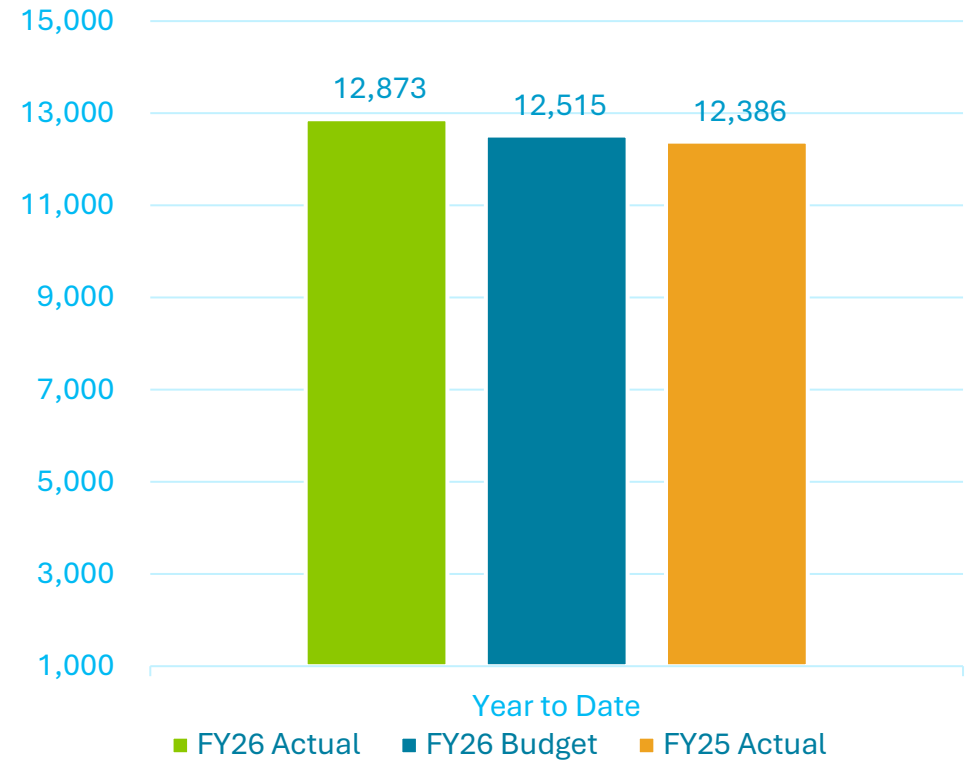


# Landed Weights (in millions)

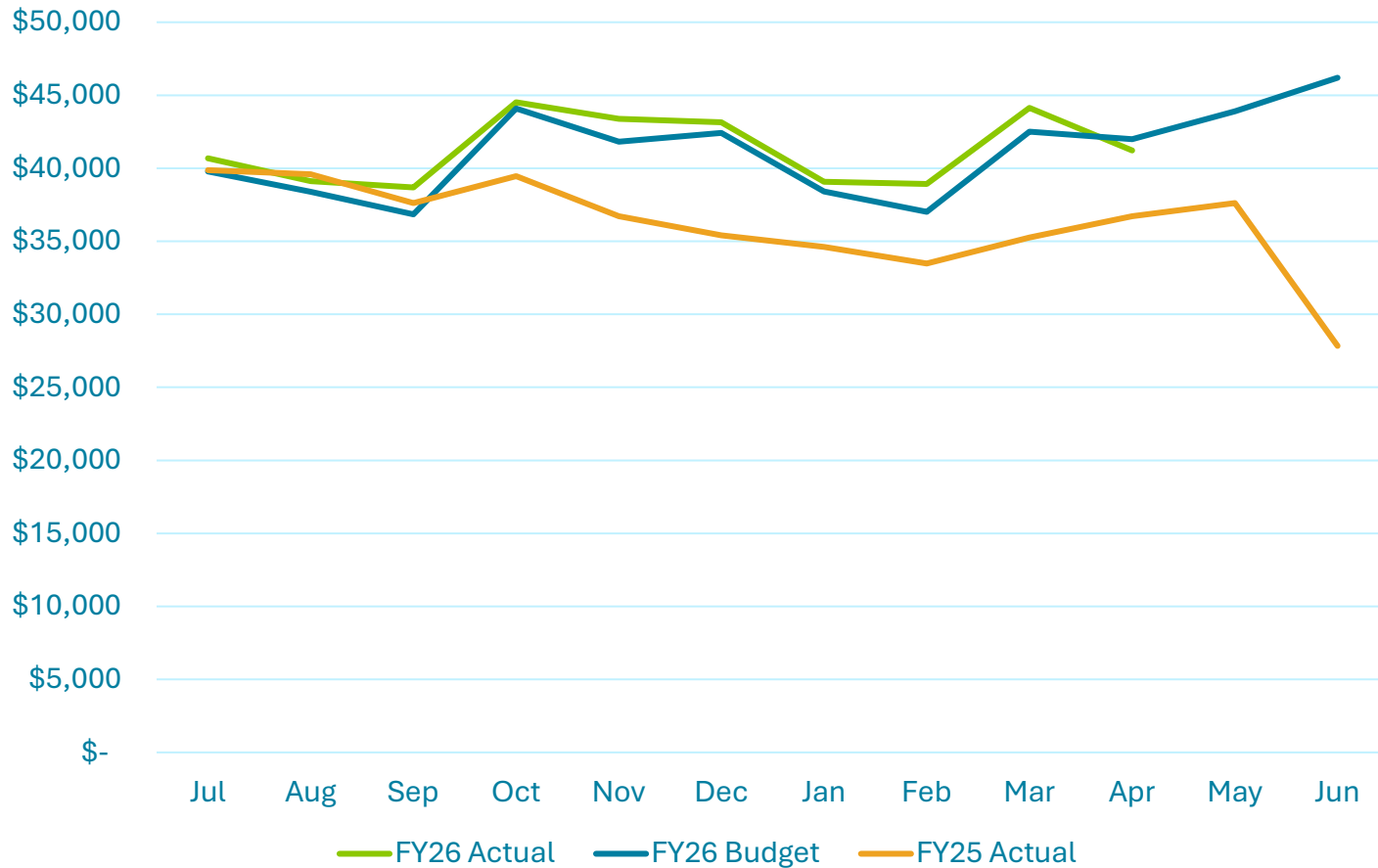


FY26 YTD Act Vs. FY26 YTD Budget 2.9%

FY26 YTD Act Vs. FY25 YTD Actual 3.9%

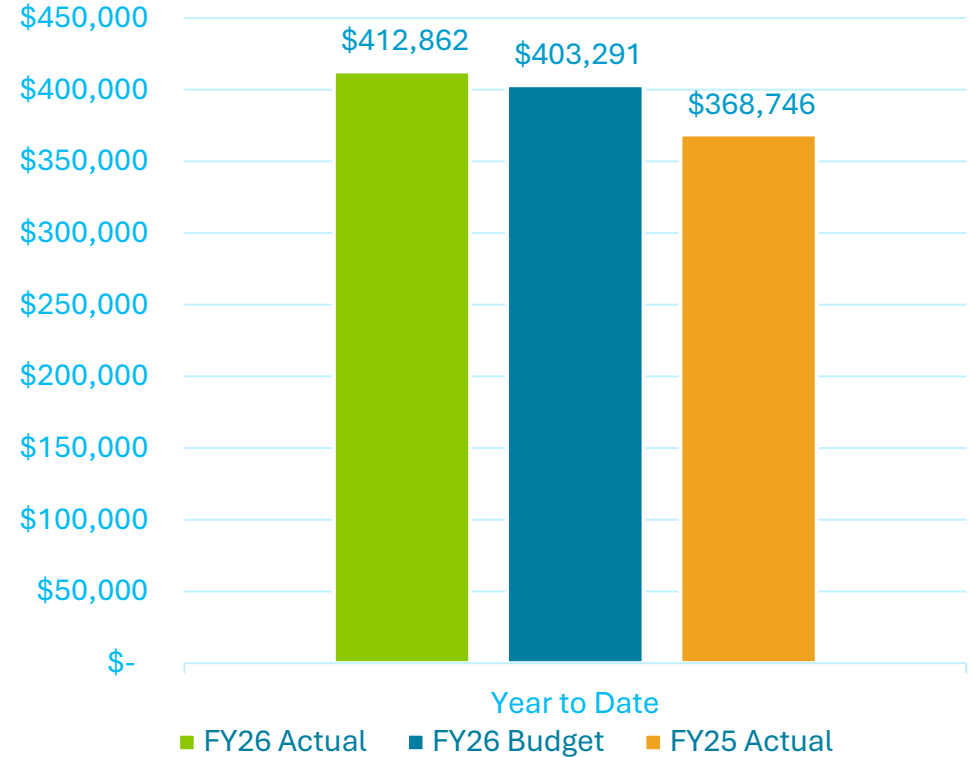


# Operating Revenues (Unaudited) (in thousands)

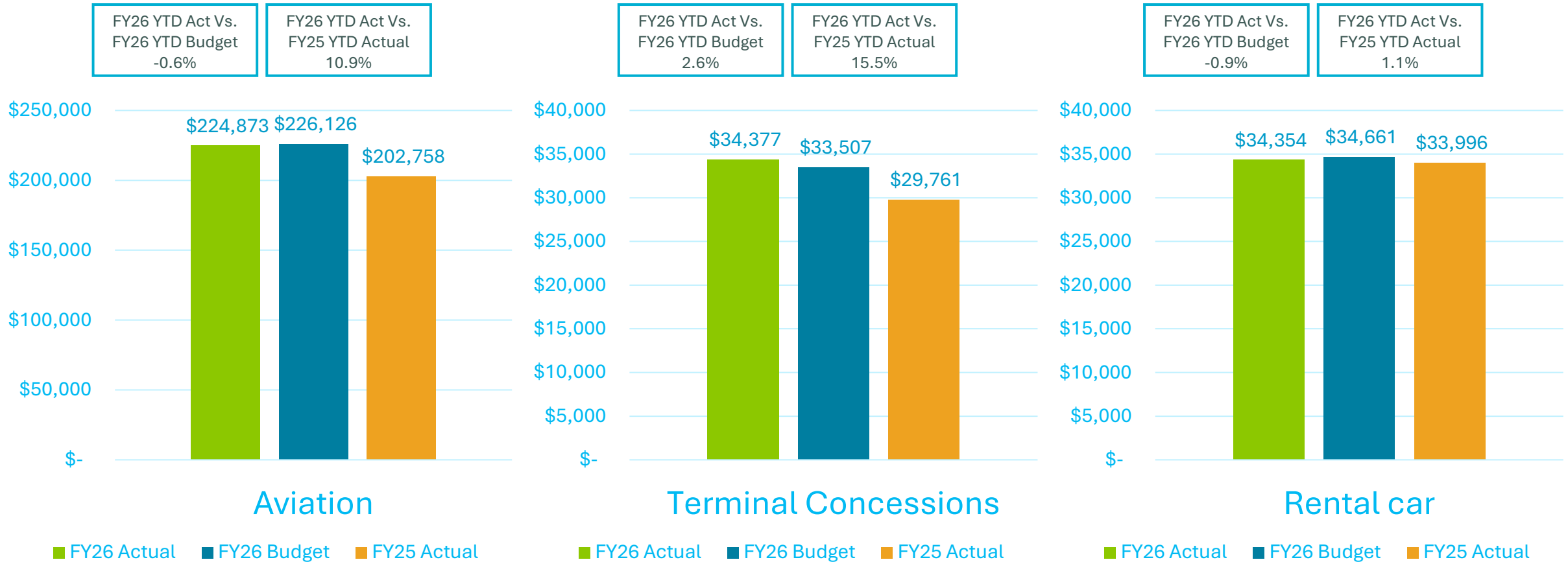


FY26 YTD Act Vs. FY26 YTD Budget 2.4%

FY26 YTD Act Vs. FY25 YTD Actual 12.0%



# Operating Revenue (Unaudited) (in thousands)

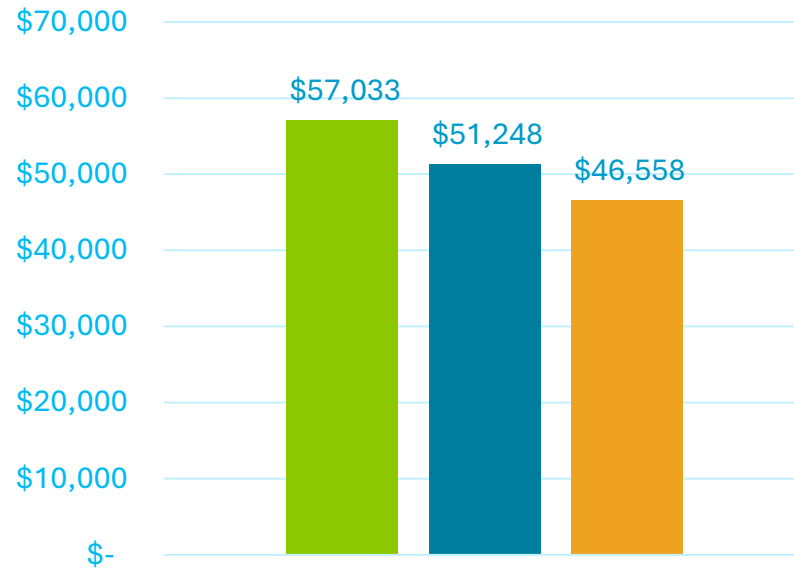


# Operating Revenue (Unaudited) (in thousands)



FY26 YTD Act Vs.  
FY26 YTD Budget  
11.3%

FY26 YTD Act Vs.  
FY25 YTD Actual  
22.5%

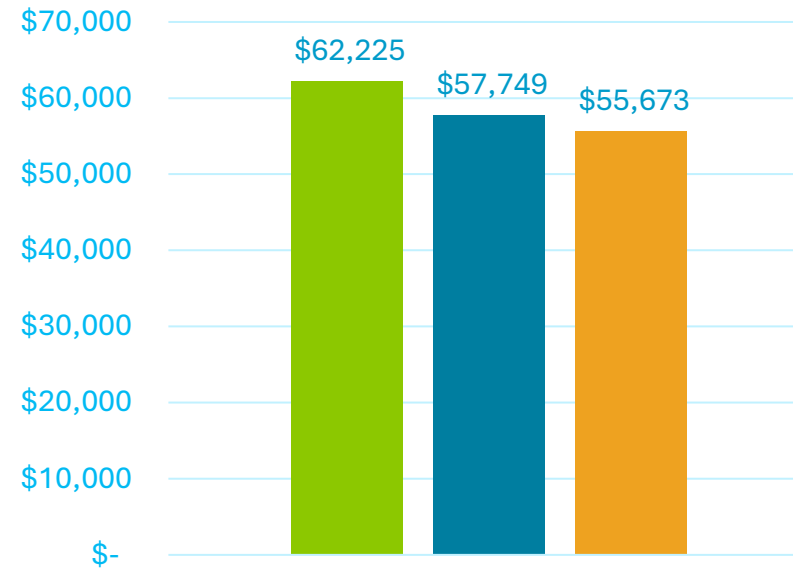


Parking

■ FY26 Actual ■ FY26 Budget ■ FY25 Actual

FY26 YTD Act Vs.  
FY26 YTD Budget  
7.8%

FY26 YTD Act Vs.  
FY25 YTD Actual  
11.8%

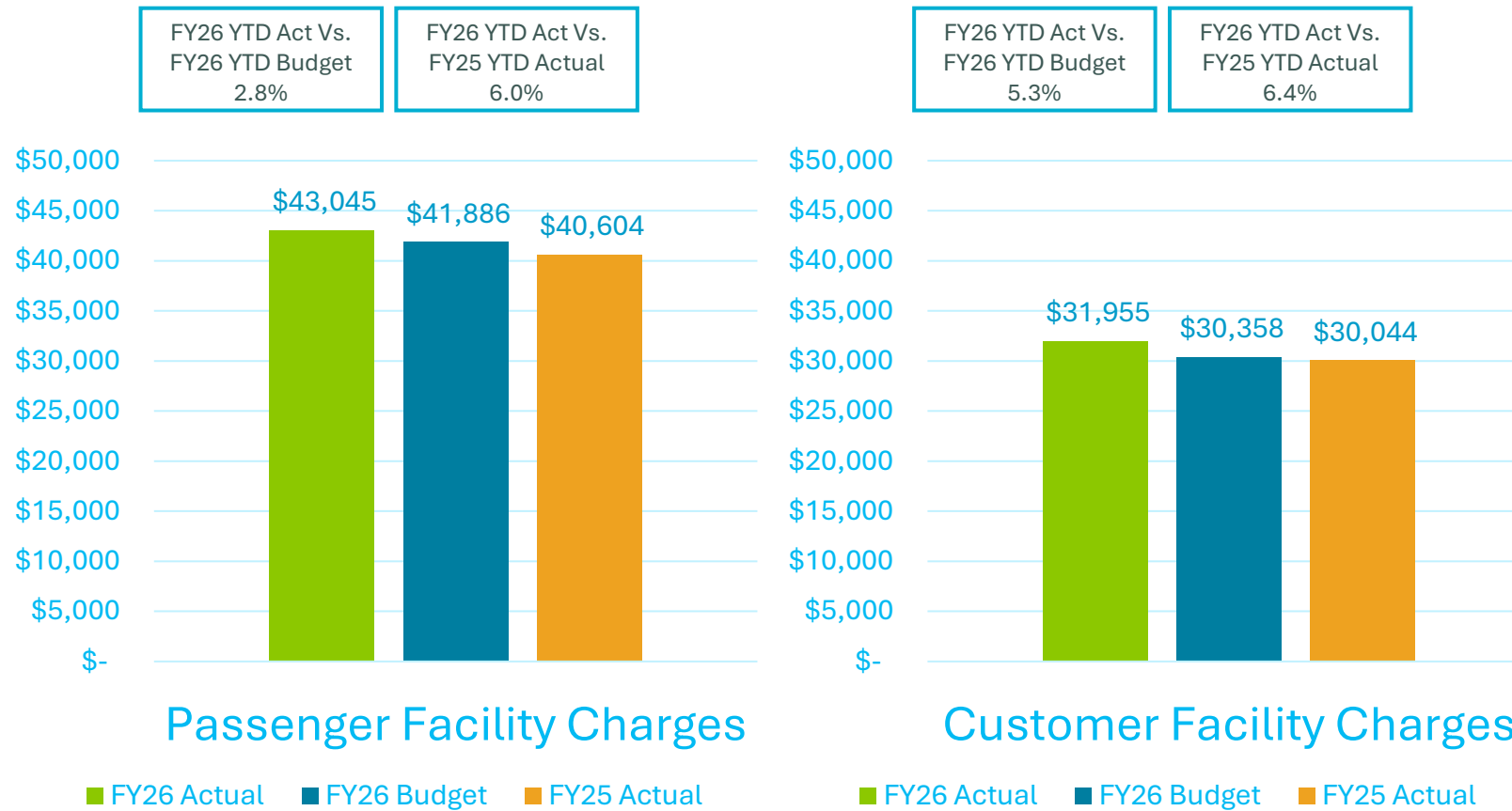


Other Operating

■ FY26 Actual ■ FY26 Budget ■ FY25 Actual



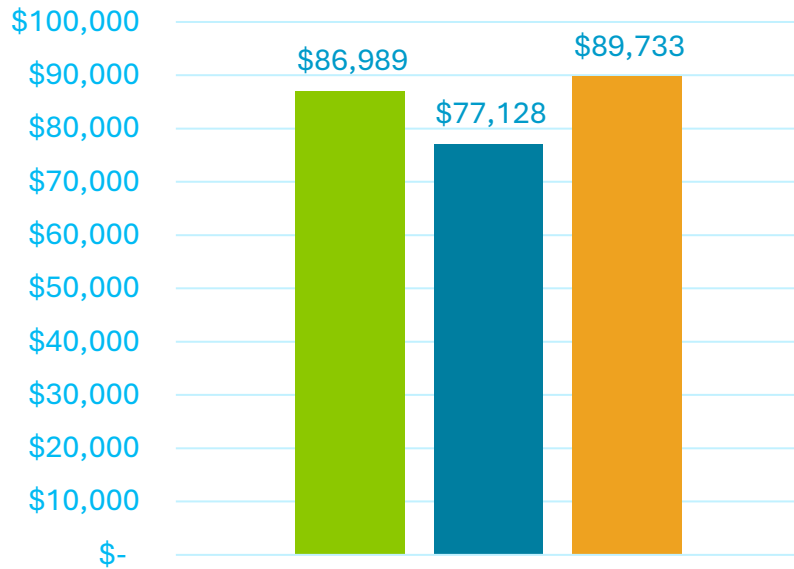
# Nonoperating Revenue (Unaudited) (in thousands)



# Nonoperating Revenue (Unaudited) (in thousands)



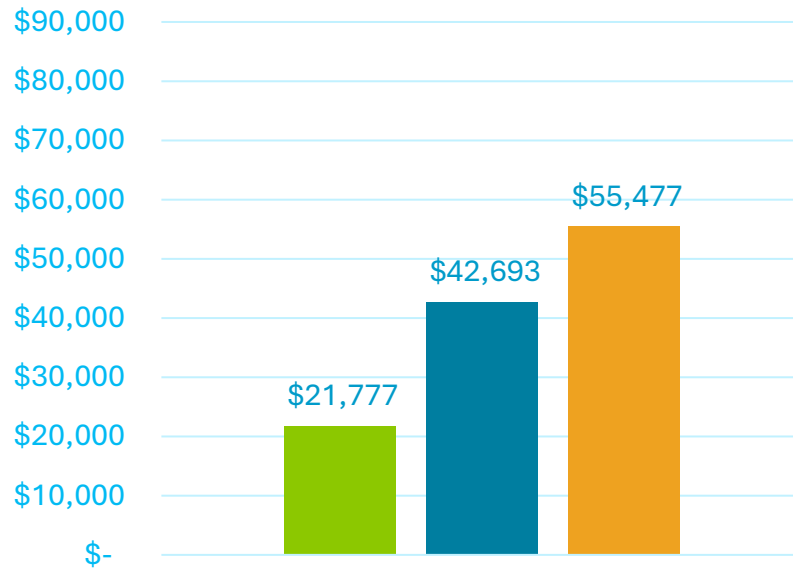
FY26 YTD Act Vs. FY26 YTD Budget 12.8%	FY26 YTD Act Vs. FY25 YTD Actual -3.1%
--	--



Interest income

■ FY26 Actual ■ FY26 Budget ■ FY25 Actual

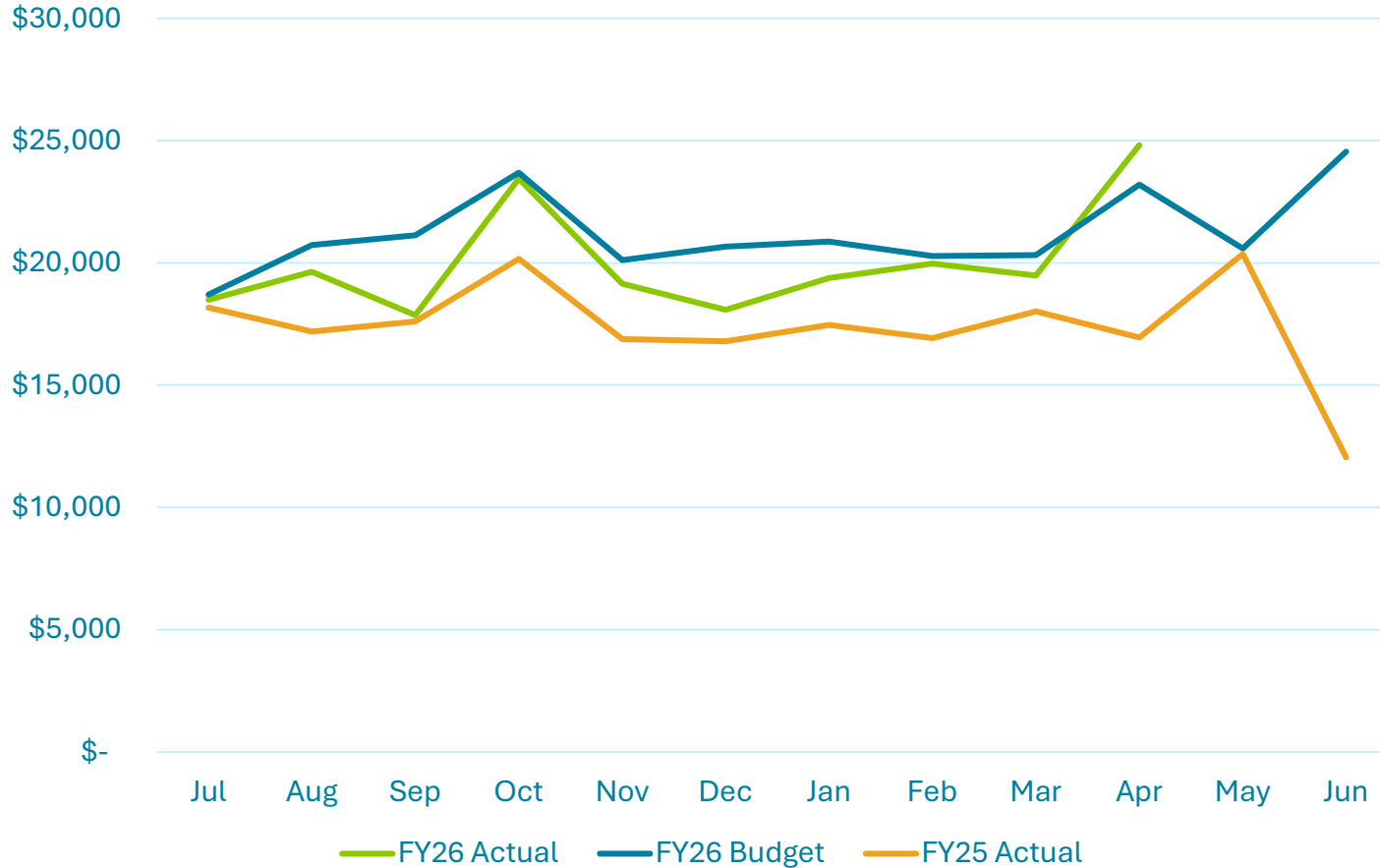
FY26 YTD Act Vs. FY26 YTD Budget -49.0%	FY26 YTD Act Vs. FY25 YTD Actual -60.7%
---	---



Capital Grant contributions

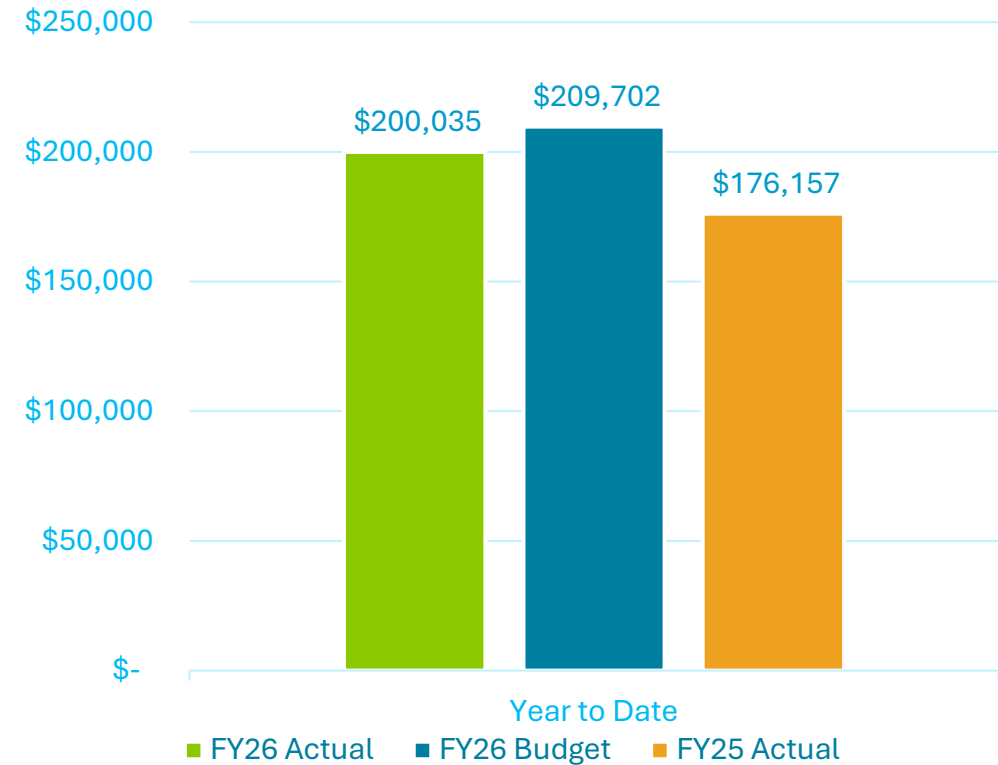
■ FY26 Actual ■ FY26 Budget ■ FY25 Actual

# Operating Expenses (Unaudited) (in thousands)

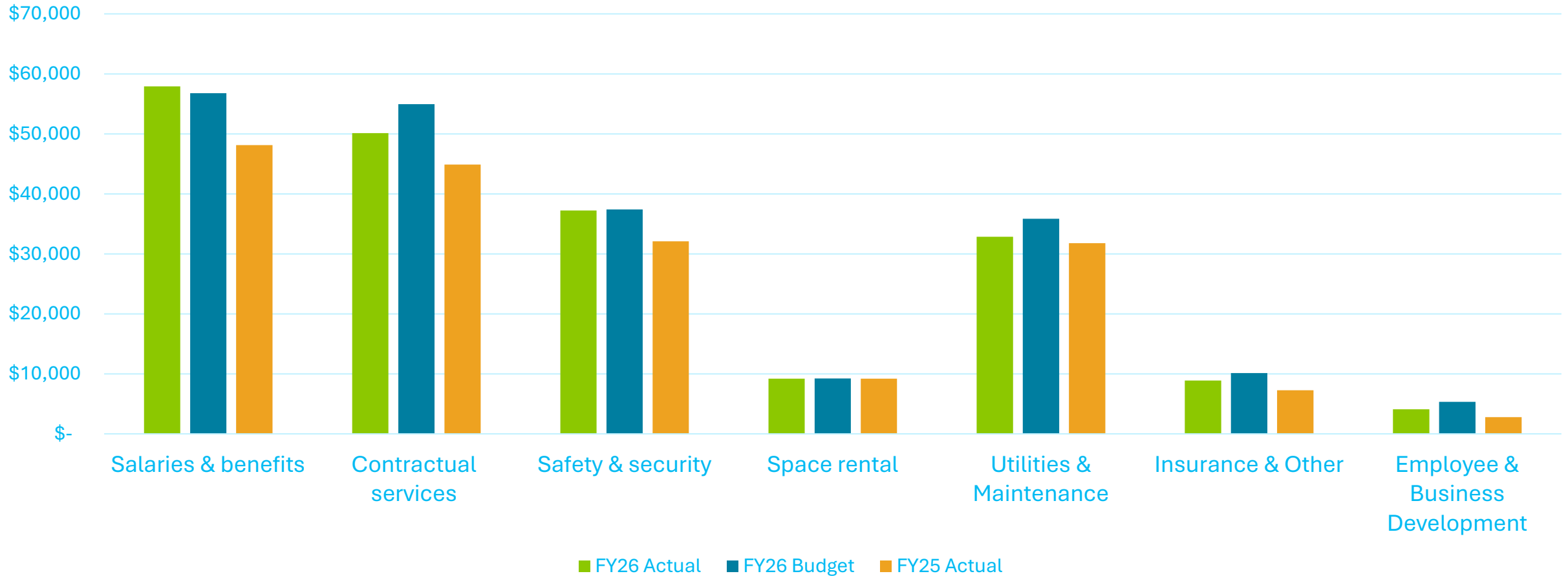


FY26 YTD Act Vs. FY26 YTD Budget 4.5%

FY26 YTD Act Vs. FY25 YTD Actual -13.7%

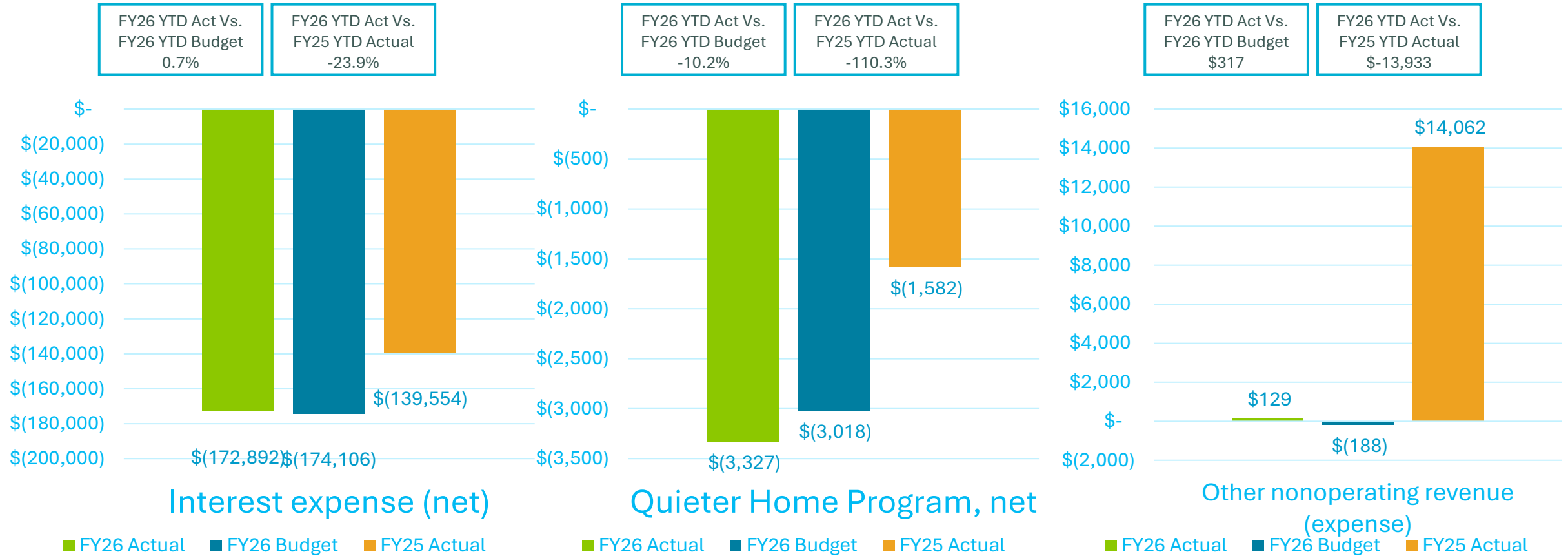


# Operating Expenses (Unaudited) (in thousands)





# Nonoperating Expense (Unaudited) (in thousands)





# **Financial Statements (Unaudited)** **For the Ten Months Ended April 30, 2026 and 2025**

# Operating Revenues For the Ten Months Ended April 30, 2026 (unaudited)

(in thousands)



	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>% Change</u>	<u>Prior Year</u>
Aviation	\$ 226,126	\$ 224,873	\$ (1,253)	(1)%	\$ 202,758
Terminal concessions	33,507	34,377	870	3%	29,761
Rental car	34,661	34,354	(307)	(1)%	33,996
Parking	51,248	57,033	5,785	11%	46,558
Other operating	57,749	62,225	4,476	8%	55,673
<b>Total operating revenues</b>	<b>\$ 403,291</b>	<b>\$ 412,862</b>	<b>\$ 9,571</b>	<b>2%</b>	<b>\$ 368,746</b>

# Operating Expenses For the Ten Months Ended April 30, 2026 (unaudited)

(in thousands)



	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>% Change</u>	<u>Prior Year</u>
Salaries and benefits	\$ 56,794	\$ 57,927	\$ (1,133)	(2)%	\$ 48,129
Contractual services	54,950	50,116	4,834	9%	44,884
Safety and security	37,410	37,218	192	1%	32,093
Space rental	9,229	9,192	37	-	9,198
Utilities	20,414	19,543	871	4%	17,396
Maintenance	15,442	13,323	2,119	14%	14,370
Equipment and systems	598	372	226	38%	355
Materials and supplies	972	743	229	24%	515
Insurance	2,652	2,461	191	7%	2,157
Employee development and support	920	835	85	9%	645
Business development	4,425	3,277	1,148	26%	2,158
Equipment rental and repairs	5,896	5,312	584	10%	4,257
<b>Total operating expenses</b>	<b>\$ 209,702</b>	<b>\$ 200,319</b>	<b>\$ 9,383</b>	<b>4%</b>	<b>\$ 176,157</b>

# Nonoperating Revenues & Expenses For the Ten Months Ended April 30, 2026 (unaudited)

(in thousands)



	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>% Change</u>	<u>Prior Year</u>
Passenger facility charges	\$ 41,886	\$ 43,045	\$ 1,159	3%	\$ 40,604
Customer facility charges	30,358	31,955	1,597	5%	30,044
Quieter Home Program, net	(3,018)	(3,327)	(309)	(10)%	(1,582)
Interest income	77,128	86,989	9,861	13%	89,733
Interest expense (net)	(174,106)	(172,892)	1,214	1%	(139,554)
Other nonoperating revenue (expense)	(188)	129	317	169%	14,062
<b>Nonoperating revenue, net</b>	<b>\$ (27,940)</b>	<b>\$ (14,101)</b>	<b>\$ 13,839</b>	<b>50%</b>	<b>\$ 33,307</b>

# Summary of Changes in Net Position For the Ten Months Ended April 30, 2026 (unaudited)

(in thousands)



	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	%	Prior Year
			Change		
Total operating revenues	\$ 403,291	\$ 412,862	\$ 9,571	2%	\$ 368,746
Total operating expenses	209,702	200,319	9,383	4%	176,157
Income from operations	<u>\$ 193,589</u>	<u>\$ 212,543</u>	<u>\$ 18,954</u>	10%	<u>\$ 192,590</u>
Depreciation	145,556	145,556	(0)	-	92,350
Operating income (loss)	<u>\$ 48,033</u>	<u>\$ 66,987</u>	<u>\$ 18,954</u>	39%	<u>\$ 100,239</u>
Nonoperating expense, net	(27,940)	(14,101)	13,839	50%	33,307
Capital grant contributions	42,693	21,777	(20,916)	(49)%	55,477
Change in net position	<u><u>\$ 62,786</u></u>	<u><u>\$ 74,663</u></u>	<u><u>\$ 11,877</u></u>	19%	<u><u>\$ 189,023</u></u>

# Statements of Net Position as of April 30, 2026 and 2025 (unaudited)

(in thousands)



	<u>FY 2026</u>	<u>FY 2025</u>
<b>Assets and Deferred Outflows of Resources</b>		
Current assets	\$ 62,028	\$ 158,193
Cash designated for capital projects and other	261,777	220,483
Restricted assets	2,000,634	1,508,797
Capital assets, net	4,427,588	4,145,179
Other assets	770,549	696,475
Deferred outflows of resources	24,011	21,190
<b>Total assets and deferred outflows of resources</b>	<b><u><u>\$ 7,546,587</u></u></b>	<b><u><u>\$ 6,750,317</u></u></b>

# Statements of Net Position as of April 30, 2026 and 2025 (unaudited)

(in thousands)



	<u>FY 2026</u>	<u>FY 2025</u>
<b>Liabilities and Deferred Inflows of Resources</b>		
Current liabilities	\$ 127,946	\$ 114,400
Liabilities payable from restricted assets	119,306	110,139
Long term liabilities	5,430,790	4,675,359
Deferred inflows of resources	350,054	360,165
<b>Total liabilities and deferred inflows of resources</b>	<b><u>\$ 6,028,095</u></b>	<b><u>\$ 5,260,062</u></b>
<b>Total net position</b>	<b><u><u>\$ 1,518,492</u></u></b>	<b><u><u>\$ 1,490,255</u></u></b>



**Thank you**



# Investment Report

Period Ending April 30, 2026



# Section 1

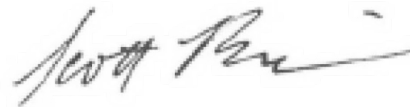
Account Profile



# Certification Page

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. The quarterly report shall be so submitted within 45 days following the end of the quarter covered by the report.”

The investment report was compiled in compliance with California Government Code 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.



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Scott Brickner, C.P.A.  
Vice President, Chief Financial Officer  
San Diego County Regional Airport Authority

# Objectives

## Investment Objectives

The San Diego County Regional Airport Authority's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program. In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

# Portfolio Characteristics

## SDCRAA Consolidated

	04/30/2026	03/31/2026	Change
	Portfolio	Portfolio	Portfolio
Average Maturity (yrs)	1.86	1.91	(0.05)
Average Purchase Yield	3.94%	3.95%	(0.01)
Average Market Yield	3.94%	3.90%	0.04%
Average Quality*	AA+	AA+	
Unrealized Gains/Losses	8,642,871	9,576,988	(934,117)
Total Market Value	1,107,078,488	1,103,782,869	3,295,619

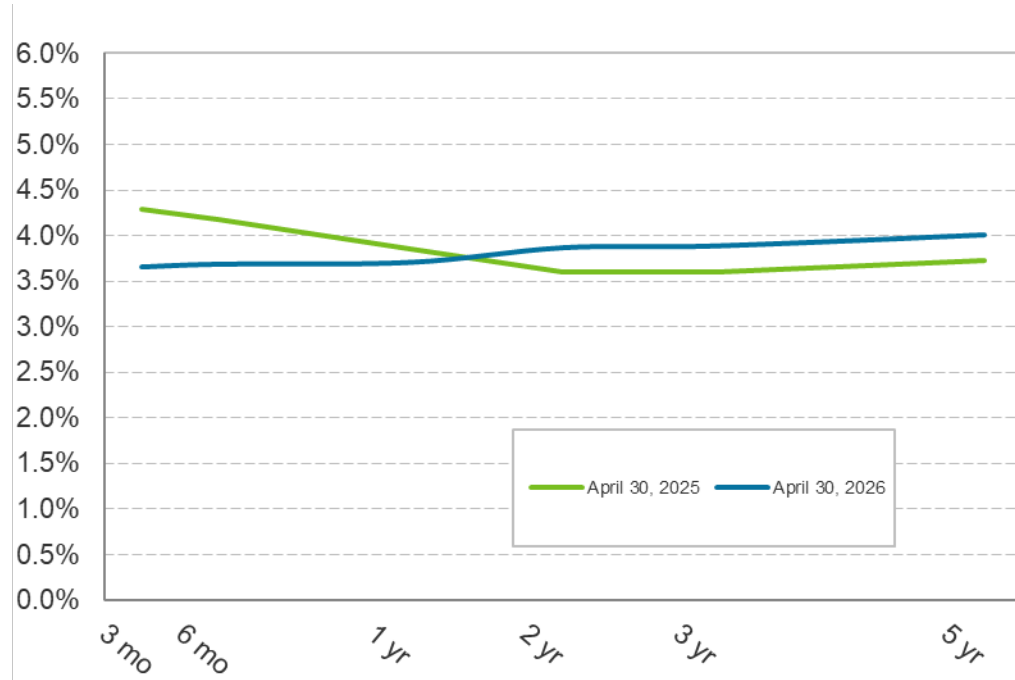
\*Portfolio Quality is S&P and Moody's, respectively.

# U.S. Treasury Yield Curve

The 3-month T-bill yield is down 63 basis points year-over-year, the 2-year Treasury yield is up 27 basis points, and the 10-year yield is up 21 basis points.

## U.S. Treasury Yield Curve

April 30, 2025 versus April 30, 2026

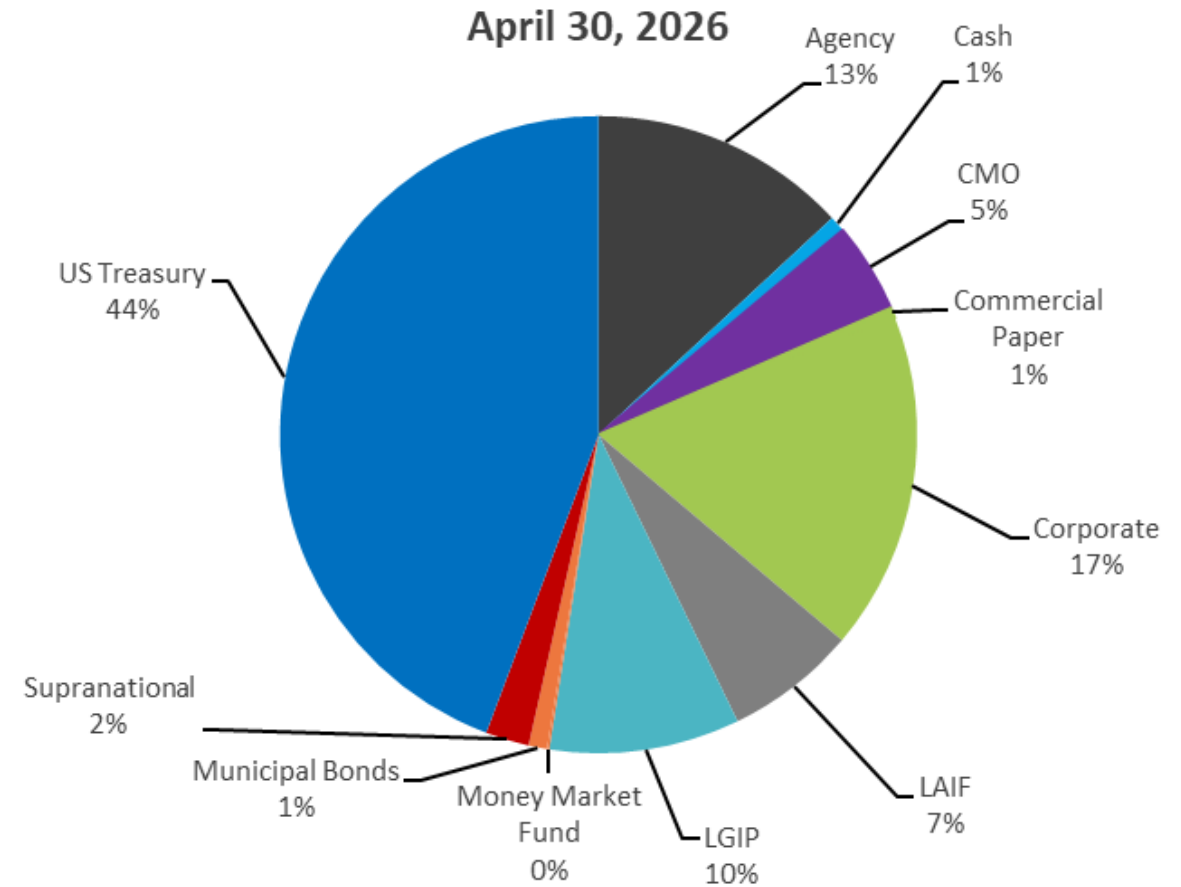


	04/30/2025	04/30/2026	Change
<b>3-Mo.</b>	4.29	3.66	(0.63)
<b>6-Mo.</b>	4.17	3.69	(0.48)
<b>1-Yr.</b>	3.85	3.71	(0.14)
<b>2-Yr.</b>	3.60	3.87	0.27
<b>3-Yr.</b>	3.60	3.89	0.29
<b>5-Yr.</b>	3.73	4.01	0.28
<b>10-Yr.</b>	4.16	4.37	0.21
<b>20-Yr.</b>	4.69	4.96	0.27
<b>30-Yr.</b>	4.68	4.97	0.29

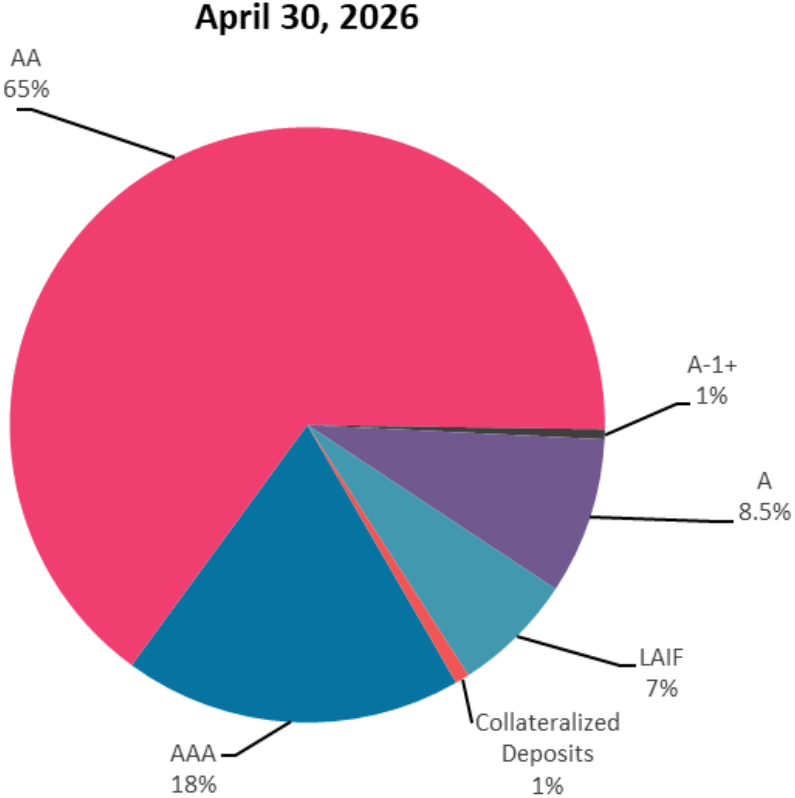
Source: Bloomberg

# Sector Distribution

	April 30, 2026		March 31, 2026	
	Total Market Value	% of Portfolio	Total Market Value	% of Portfolio
Agency	145,728,995	13.1%	148,354,711	13.4%
Cash	8,775,734	0.8%	8,185,439	0.8%
CMO	50,666,914	4.6%	50,725,647	4.6%
Commercial Paper	5,939,514	0.5%	5,919,756	0.5%
Corporate	190,505,070	17.1%	185,287,895	16.7%
LAIF	73,094,120	6.7%	72,384,779	6.6%
LGIP	106,231,870	9.7%	106,090,775	9.7%
Money Market Fund	1,443,759	0.1%	1,841,770	0.2%
Municipal Bonds	10,243,520	0.9%	10,251,270	0.9%
Supranational	24,484,024	2.2%	24,570,701	2.2%
US Treasury	489,964,986	44.3%	490,170,126	44.4%
<b>TOTAL</b>	<b>1,107,078,488</b>	<b>100.0%</b>	<b>1,103,782,869</b>	<b>100.0%</b>



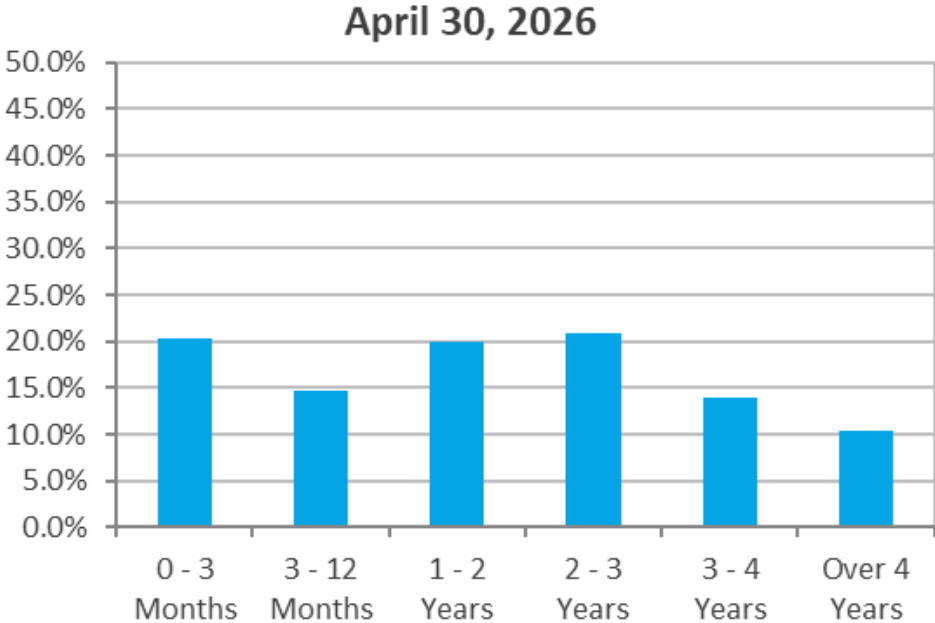
# Quality & Maturity Distribution



**Notes:**

Security ratings are based on the highest rating provided by Moody's, S&P and Fitch and is presented using the S&P ratings scale.

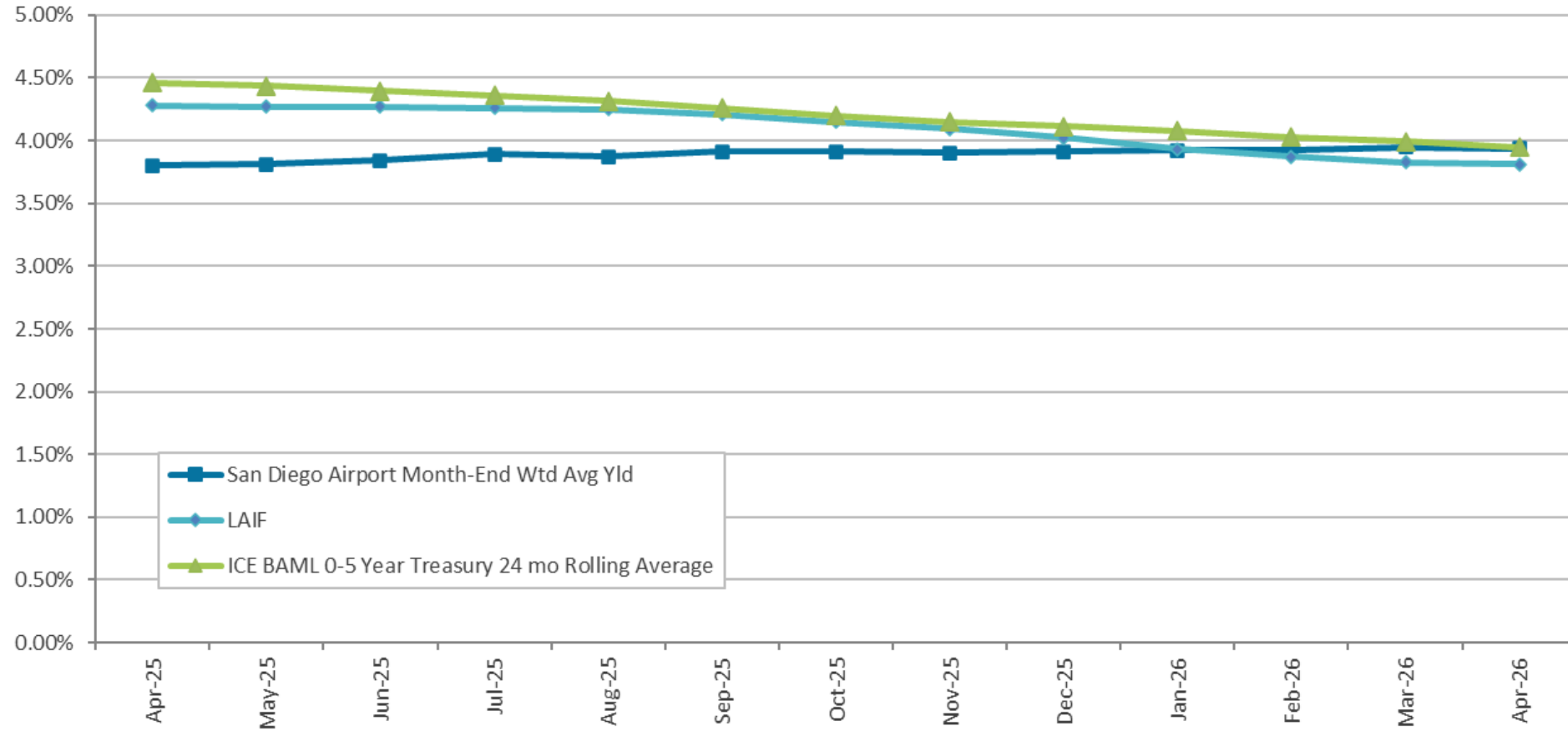
(1) Includes investments that have split ratings between S&P, Moody's and Fitch.



**Notes:**

(1) The 0-3 category includes investments held in LAIF, CalTrust, and the San Diego County Investment Pool.

# Investment Performance



# Section 2

Bond Proceeds



# Bond Proceeds

## Summary Bond Proceeds 2014, 2017, 2019, 2020, 2021, 2023 & 2025 Bond Proceeds <sup>(1)</sup>

As of April 30, 2026

	2014 Special Facility Revenue Bond	2017, 2019, 2020, 2021, 2023 & 2025 General Airport Revenue Bonds	Total Proceeds	Yield	Rating
<b>Project Fund</b>					
Treasuries	-	768,754,632	768,754,632	3.94%	AAm
Money Market Fund	-	266,061,384	266,061,384	3.52%	AAAm
	-	1,034,816,016	1,034,816,016	3.83%	
<b>Debt Service Reserve &amp; Coverage Funds</b>					
Treasuries	-	197,132,978	197,132,978	3.80%	AAm
SDCIP	8,124,120	-	8,124,120	3.87%	AAAf
Agencies	-	64,239,792	64,239,792	4.66%	AAm
Money Market Fund	22,181,537	66,364,523	88,546,059	3.48%	AAAm
	30,305,657	327,737,292	358,042,950	3.88%	
<b>Capitalized Interest Funds</b>					
Treasuries	-	108,411,361	108,411,361	3.94%	AAm
Money Market Fund	-	7,844,703	7,844,703	3.52%	AAAm
	-	116,256,065	116,256,065	3.91%	
<b>Cost of Issuance 2025</b>					
Cash	-	51,609	51,609	0.00%	AAAm
	-	51,609	51,609	0.00%	
<b>Rebate Funds</b>					
Money Market Fund	-	1,786,460	1,786,460	3.32%	AAAm
	-	1,786,460	1,786,460	3.32%	
<b>TOTAL</b>	<b>\$30,305,657</b>	<b>\$1,480,647,441</b>	<b>\$1,510,953,098</b>	<b>3.85%</b>	

(1) Bond Proceeds are not included in deposit limits as applied to operating funds. SDCIP Yield as of March 31, 2026.

# Section 3

Appendix



# Compliance

April 30, 2026

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by SDCRAA. Chandler relies on SDCRAA to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
U.S. Treasuries	No limitations; Full faith and credit of the U.S. are pledged for the payment of principal and interest	Complies
Federal Agencies	No limitations; Federal agencies or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued or fully guaranteed as to principal and interest by federal agencies or U.S. government sponsored enterprises	Complies
Supranational Obligations	"AA" rating category or higher by a NRSRO; 30% max; 10% max per issuer; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	Complies
Municipal Securities (CA, Other States)	"A" rating category or better by a NRSRO; 20% max; 5% max per issuer	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 20% max; 5% max per issuer (combined with any other securities from that issuer); Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Asset-Backed Securities (ABS)	"AA" rating or better by a NRSRO; 10% max (combined ABS/MBS/CMO and Mortgage Pass-Through Securities); 5% max per ABS issuer unless the issuer is U.S. Treasury or Federal Agency/GSE; Asset-Backed Securities from issuers not defined in sections (a) U.S. Treasury and (b) Federal Agency of the Authorized Investments section of the policy	Complies
Mortgage-Backed Securities (MBS), Mortgage Pass-Through Securities, Collateralized Mortgage Obligations (CMO)	"AA" rating or better by a NRSRO; 10% max (combined ABS/MBS/CMO and Mortgage Pass-Through Securities); 5% max per issuer unless the issuer is U.S. Treasury or Federal Agency/GSE; Mortgage-Backed Securities, Mortgage Pass-Through Securities and Collateralized Mortgage Obligations from issuers not defined in sections (a) U.S. Treasury and (b) Federal Agency of the Authorized Investments section of the policy	Complies
Negotiable Certificates of Deposit (NCD)	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer (combined with any other securities from that issuer); Issued by nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank	Complies
Certificate of Deposit Placement Service (CDARS)	30% max; 3 years max maturity	Complies
Time Deposits/Certificates of Deposit/ Bank Deposit	Bank Deposits, including, demand deposit accounts, savings accounts, market rate accounts, and time certificates of deposits ("TCD") in financial institutions located in California. 20% max; 5% max per TCD issuer in excess of FDIC limit (combined with other securities from that issuer); 3 years max maturity; Financial institutions with net worth of \$10 million and total assets of \$50 million; Deposits in each bank limited to 5% max of the total assets of bank; To be eligible to receive Authority deposits, financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities; Bank Deposits are required to be collateralized as specified by Cal. Gov. Code §53630 et seq.; Collateralization may be waived for any portion that is covered by FDIC	Complies
Banker's Acceptances	Highest rating category by a NRSRO; 40% max; 5% max per bank; 180 days max maturity	Complies
Commercial Paper	"Prime" quality of the highest rating by a NRSRO; 25% max; 5% max per issuer (combined with any other securities from that issuer); 270 days maturity; Issued by an entity that meets all of the following conditions in either (a) or (b): a. (i) organized and operating within the U.S. as a general corporation; (ii) has total assets > \$500 million; (iii) has "A" rating category or higher by a NRSRO, if issuer has debt other than commercial paper. b. (i) organized within the U.S. as a special purpose corporation, trust, or limited liability company; (ii) has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; (iii) rated "A-1" or higher by a NRSRO.	Complies
Money Market Funds	20% max; 10% max per fund; 5% max of total fund balance; Registered with SEC under Investment Company Act of 1940; Companies shall either: (i) Attain highest rating by two NRSROs; or (ii) Retain an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >\$500 million	Complies
Local Agency Investment Fund (LAIF)	The market value of the Authority's investment in LAIF may not exceed the current deposit limit for regular LAIF accounts; Pursuant to California Government Code	Complies
San Diego County Investment Pool (SDCIP)	The market value of the Authority's investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts; Pursuant to California Government Code	Complies
Local Government Investment Pool (LGIP)/ CalTRUST	The market value of the Authority's investment in each of the CalTRUST funds may not exceed the current deposit limit for regular LAIF accounts; Pursuant to California Government Code	Complies
Local Government Investment Pool (LGIP)/ Joint Powers Authority (JPA)	AAA issuer rating; The market value of the Authority's investment in any LGIP may not exceed the LAIF statutory limit; Pursuant to California Government Code	Complies
Repurchase Agreements	"A" rating category or better by a NRSRO; 1 year max maturity; 102% Collateralized with U.S. Treasury or Federal Agency	Complies
Average Maturity	3 years	Complies
Maximum maturity	5 years	Complies

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
<b>AGENCY</b>									
3133EPNG6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 06/23/2026	7,500,000.00	03/12/2024 4.45%	7,486,875.00 7,486,875.00	100.08 3.76%	7,506,052.50 116,666.67	0.68% 19,177.50	Aa1/AA+ AA+	0.15 0.14
3133EPSW6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 08/14/2026	7,500,000.00	08/15/2023 4.77%	7,444,275.00 7,444,275.00	100.21 3.73%	7,515,585.00 72,187.50	0.68% 71,310.00	Aa1/AA+ AA+	0.29 0.28
3130AWTQ3	FEDERAL HOME LOAN BANKS 4.625 09/11/2026	8,000,000.00	09/12/2023 4.81%	7,957,360.00 7,957,360.00	100.32 3.71%	8,025,512.00 51,388.89	0.73% 68,152.00	Aa1/AA+ AA+	0.37 0.36
3130B3A29	FEDERAL HOME LOAN BANKS 4.0 10/09/2026	5,000,000.00	10/11/2024 3.97%	5,002,600.00 5,002,600.00	100.10 3.76%	5,004,965.00 12,222.22	0.46% 2,365.00	Aa1/AA+ AA+	0.44 0.43
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	8,000,000.00	12/05/2023 4.46%	8,036,960.00 8,036,960.00	100.49 3.71%	8,039,128.00 168,555.56	0.73% 2,168.00	Aa1/AA+ AA+	0.55 0.52
3133ERTT8	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.5 06/23/2027	6,000,000.00	09/24/2024 3.57%	5,990,100.00 5,990,100.00	99.62 3.84%	5,977,242.00 74,666.67	0.54% (12,858.00)	Aa1/AA+ AA+	1.15 1.10
3133ETVJ3	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.625 08/27/2027	9,000,000.00	-- 3.56%	9,010,514.00 9,010,514.00	99.71 3.85%	8,974,332.00 58,000.00	0.82% (36,182.00)	Aa1/AA+ AA+	1.33 1.27
3130ATUS4	FEDERAL HOME LOAN BANKS 4.25 12/10/2027	10,000,000.00	02/13/2023 4.00%	10,108,541.40 10,108,541.40	100.55 3.89%	10,054,810.00 166,458.33	0.91% (53,731.40)	Aa1/AA+ AA+	1.61 1.52
3130B9RC6	FEDERAL HOME LOAN BANKS 3.5 03/03/2028	10,000,000.00	03/12/2026 3.74%	9,954,300.00 9,954,300.00	99.32 3.88%	9,932,190.00 54,444.44	0.90% (22,110.00)	Aa1/AA+ AA+	1.84 1.75
3130ATS57	FEDERAL HOME LOAN BANKS 4.5 03/10/2028	3,000,000.00	03/20/2023 3.87%	3,085,290.00 3,085,290.00	101.11 3.87%	3,033,336.00 19,125.00	0.28% (51,954.00)	Aa1/AA+ AA+	1.86 1.76
3130AWMN7	FEDERAL HOME LOAN BANKS 4.375 06/09/2028	3,250,000.00	07/26/2023 4.28%	3,262,870.00 3,262,870.00	100.88 3.93%	3,278,756.00 56,085.07	0.30% 15,886.00	Aa1/AA+ AA+	2.11 1.96
3133EPNH4	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 06/21/2028	3,750,000.00	06/26/2023 4.04%	3,722,475.00 3,722,475.00	99.91 3.92%	3,746,801.25 52,473.96	0.34% 24,326.25	Aa1/AA+ AA+	2.14 2.01
3130AWN63	FEDERAL HOME LOAN BANKS 4.0 06/30/2028	4,750,000.00	08/15/2023 4.47%	4,652,340.00 4,652,340.00	100.21 3.90%	4,759,918.00 63,861.11	0.43% 107,578.00	Aa1/AA+ AA+	2.17 2.03
3130AWTR1	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	12,500,000.00	09/26/2023 4.71%	12,317,875.00 12,317,875.00	100.85 3.99%	12,605,787.50 80,512.15	1.15% 287,912.50	Aa1/AA+ AA+	2.36 2.20
3133EPC45	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 11/13/2028	8,500,000.00	11/14/2023 4.73%	8,459,540.00 8,459,540.00	101.46 4.01%	8,624,508.00 183,458.33	0.78% 164,968.00	Aa1/AA+ AA+	2.54 2.32
3130AXQK7	FEDERAL HOME LOAN BANKS 4.75 12/08/2028	12,000,000.00	12/05/2023 4.27%	12,253,560.00 12,253,560.00	102.00 3.93%	12,239,628.00 226,416.67	1.11% (13,932.00)	Aa1/AA+ AA+	2.61 2.39

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3133EPW84	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 01/18/2029	8,500,000.00	01/30/2024 4.05%	8,435,145.00 8,435,145.00	99.83 3.94%	8,485,337.50 94,237.85	0.77% 50,192.50	Aa1/AA+ AA+	2.72 2.53
3133ERAK7	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 04/10/2029	10,000,000.00	04/11/2024 4.67%	9,871,400.00 9,871,400.00	101.21 3.93%	10,120,930.00 25,520.83	0.92% 249,530.00	Aa1/AA+ AA+	2.94 2.73
3130B1BC0	FEDERAL HOME LOAN BANKS 4.625 06/08/2029	6,000,000.00	07/01/2024 4.47%	6,039,216.00 6,039,216.00	101.96 3.95%	6,117,666.00 110,229.17	0.56% 78,450.00	Aa1/AA+ AA+	3.11 2.82
<b>Total Agency</b>		<b>143,250,000.00</b>	<b>4.29%</b>	<b>143,091,236.40</b>	<b>100.56</b> <b>3.87%</b>	<b>144,042,484.75</b> <b>1,686,510.42</b>	<b>13.10%</b> <b>951,248.35</b>		<b>1.75</b> <b>1.63</b>
<b>AGENCY CMBS</b>									
3137BSRES	FHMS K-059 A2 3.12 09/25/2026	6,897,094.08	10/29/2024 4.33%	6,731,402.17 6,731,402.17	99.50 3.91%	6,862,939.67 17,932.44	0.62% 131,537.50	Aa1/AAA AAA	0.41 0.37
3137F2LJ3	FHMS K-066 A2 3.117 06/25/2027	9,879,403.00	11/20/2024 4.44%	9,540,956.26 9,540,956.26	99.04 3.92%	9,784,501.45 25,661.75	0.89% 243,545.20	Aa1/AA+ AAA	1.15 0.97
3137FAWS3	FHMS K-067 A2 3.194 07/25/2027	5,000,000.00	12/17/2024 4.44%	4,836,914.06 4,836,914.06	98.90 4.00%	4,945,100.00 13,308.33	0.45% 108,185.94	Aaa/AA+ AA+	1.24 1.14
3137FETN0	FHMS K-073 A2 3.35 01/25/2028	8,500,000.00	05/30/2023 4.32%	8,179,257.81 8,179,257.81	98.67 4.09%	8,386,958.50 23,729.17	0.76% 207,700.69	Aa1/AA+ AAA	1.74 1.55
3137FEZU7	FHMS K-076 A2 3.9 04/25/2028	9,000,000.00	10/31/2023 5.25%	8,519,414.04 8,519,414.04	99.38 4.13%	8,944,605.00 29,250.00	0.81% 425,190.96	Aa1/AA+ AAA	1.99 1.77
3137FRUT6	FHMS K-106 A2 2.069 01/25/2030	3,850,000.00	07/15/2025 4.27%	3,497,033.20 3,497,033.20	92.62 4.22%	3,566,004.75 6,638.04	0.32% 68,971.55	Aa1/AA+ AAA	3.74 3.49
3137HA4B9	FHMS K-751 A2 4.412 03/25/2030	8,000,000.00	03/27/2025 4.37%	7,992,187.50 7,992,187.50	100.39 4.24%	8,030,872.00 29,413.33	0.73% 38,684.50	Aaa/AA+ AA+	3.90 3.22
<b>Total Agency CMBS</b>		<b>51,126,497.08</b>	<b>4.52%</b>	<b>49,297,165.04</b>	<b>98.85</b> <b>4.07%</b>	<b>50,520,981.37</b> <b>145,933.07</b>	<b>4.59%</b> <b>1,223,816.33</b>		<b>1.92</b> <b>1.68</b>
<b>CASH</b>									
PP2118\$12	U.S. Bank Checking Account	40,449.75	-- 2.50%	40,449.75 40,449.75	1.00 2.50%	40,449.75 0.00	0.00% 0.00	NA/NA NA	0.00 0.00
PP2118V\$9	U.S. Bank	8,500,649.89	-- 2.50%	8,500,649.89 8,500,649.89	1.00 2.50%	8,500,649.89 0.00	0.77% 0.00	NA/NA NA	0.00 0.00

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CCYUSD	Receivable	5,843.99	--	5,843.99 5,843.99	1.00	5,843.99 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	228,790.21	--	228,790.21 228,790.21	1.00	228,790.21 0.00	0.02% 0.00	Aaa/AAA AAA	0.00 0.00
<b>Total Cash</b>		<b>8,775,733.84</b>	<b>2.50%</b>	<b>8,775,733.84</b>	<b>1.00</b> <b>2.50%</b>	<b>8,775,733.84</b> <b>0.00</b>	<b>0.80%</b> <b>0.00</b>		<b>0.00</b> <b>0.00</b>
<b>COMMERCIAL PAPER</b>									
89233HH31	Toyota Motor Credit Corporation 08/03/2026	6,000,000.00	11/12/2025 3.95%	5,831,040.00 5,831,040.00	98.99 3.90%	5,939,514.00 0.00	0.54% 108,474.00	P-1/A-1+ F1	0.26 0.25
<b>Total Commercial Paper</b>		<b>6,000,000.00</b>	<b>3.95%</b>	<b>5,831,040.00</b>	<b>98.99</b> <b>3.90%</b>	<b>5,939,514.00</b> <b>0.00</b>	<b>0.54%</b> <b>108,474.00</b>		<b>0.26</b> <b>0.25</b>
<b>CORPORATE</b>									
341081GR2	FLORIDA POWER & LIGHT CO 4.45 05/15/2026	4,000,000.00	05/22/2023 4.72%	3,970,320.00 3,970,320.00	100.01 4.13%	4,000,372.00 82,077.78	0.36% 30,052.00	A1/A A+	0.04 0.03
57629WCQ1	MASSMUTUAL GLOBAL FUNDING II 2.35 01/14/2027	3,000,000.00	04/28/2025 4.17%	2,911,050.00 2,911,050.00	98.75 4.17%	2,962,413.00 20,954.17	0.27% 51,363.00	Aa3/AA+ AA+	0.71 0.68
808513BY0	CHARLES SCHWAB CORP 2.45 03/03/2027	2,000,000.00	03/30/2022 3.06%	1,944,440.00 1,944,440.00	98.66 4.09%	1,973,230.00 7,894.44	0.18% 28,790.00	A2/A- A	0.84 0.82
09247XAN1	BLACKROCK FINANCE INC 3.2 03/15/2027	2,000,000.00	05/16/2022 3.51%	1,972,980.00 1,972,980.00	99.34 3.97%	1,986,804.00 8,177.78	0.18% 13,824.00	Aa3/AA- NA	0.87 0.85
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	2,000,000.00	04/21/2022 3.28%	1,911,920.00 1,911,920.00	98.55 4.01%	1,970,962.00 5,877.78	0.18% 59,042.00	Aa2/AA A+	0.87 0.85
023135CF1	AMAZON.COM INC 3.3 04/13/2027	1,000,000.00	06/10/2022 3.59%	987,080.00 987,080.00	99.44 3.91%	994,359.00 1,650.00	0.09% 7,279.00	A1/AA AA-	0.95 0.92
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	4,000,000.00	08/29/2022 3.98%	4,004,040.00 4,004,040.00	99.92 4.08%	3,996,892.00 76,000.00	0.36% (7,148.00)	A2/A+ A+	1.03 0.98
931142EX7	WALMART INC 3.95 09/09/2027	4,500,000.00	09/08/2022 3.92%	4,505,805.00 4,505,805.00	100.02 3.93%	4,500,787.50 25,675.00	0.41% (5,017.50)	Aa2/AA AA	1.36 1.30
89236TKJ3	TOYOTA MOTOR CREDIT CORP 4.55 09/20/2027	3,500,000.00	01/09/2024 4.48%	3,508,050.00 3,508,050.00	100.60 4.10%	3,521,091.00 18,136.81	0.32% 13,041.00	A1/A+ A+	1.39 1.33

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
58989V2J2	MET TOWER GLOBAL FUNDING 4.0 10/01/2027	5,000,000.00	10/03/2024 4.03%	4,995,400.00 4,995,400.00	99.57 4.32%	4,978,365.00 16,666.67	0.45% (17,035.00)	Aa3/AA- AA-	1.42 1.36
911312BM7	UNITED PARCEL SERVICE INC 3.05 11/15/2027	5,000,000.00	10/03/2024 3.98%	4,864,500.00 4,864,500.00	98.37 4.15%	4,918,475.00 70,319.44	0.45% 53,975.00	A2/A NA	1.54 1.46
57636QBA1	MASTERCARD INC 4.1 01/15/2028	5,000,000.00	09/16/2024 3.74%	5,054,900.00 5,054,900.00	100.10 4.04%	5,004,805.00 60,361.11	0.46% (50,095.00)	Aa3/A+ NA	1.71 1.54
63743HFW7	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.75 02/07/2028	3,500,000.00	-- 4.74%	3,501,235.00 3,501,235.00	100.72 4.32%	3,525,347.00 38,791.67	0.32% 24,112.00	A2/NA A	1.77 1.59
64953BBW7	NEW YORK LIFE GLOBAL FUNDING 4.4 04/25/2028	5,000,000.00	04/23/2025 4.37%	5,004,700.00 5,004,700.00	100.21 4.29%	5,010,355.00 3,666.67	0.46% 5,655.00	Aa1/AA+ AAA	1.99 1.88
009158BN5	AIR PRODUCTS AND CHEMICALS INC 4.3 06/11/2028	5,000,000.00	07/18/2025 4.25%	5,006,750.00 5,006,750.00	100.21 4.19%	5,010,320.00 83,611.11	0.46% 3,570.00	A3/A NA	2.11 1.89
69371RS64	PACCAR FINANCIAL CORP 4.95 08/10/2028	5,000,000.00	12/05/2023 4.70%	5,052,200.00 5,052,200.00	101.67 4.17%	5,083,455.00 55,687.50	0.46% 31,255.00	A1/A+ NA	2.28 2.11
592179KR5	METROPOLITAN LIFE GLOBAL FUNDING I 4.15 08/25/2028	3,000,000.00	09/11/2025 3.92%	3,018,750.00 3,018,750.00	99.56 4.35%	2,986,662.00 22,825.00	0.27% (32,088.00)	Aa3/AA- AA-	2.32 2.17
74456QBX3	PUBLIC SERVICE ELECTRIC AND GAS CO 3.65 09/01/2028	5,000,000.00	12/12/2024 4.56%	4,845,950.00 4,845,950.00	98.50 4.33%	4,924,835.00 30,416.67	0.45% 78,885.00	A1/A NA	2.34 2.20
91324PEU2	UNITEDHEALTH GROUP INC 4.25 01/15/2029	6,000,000.00	07/29/2024 4.62%	5,911,860.00 5,911,860.00	99.88 4.29%	5,992,866.00 75,083.33	0.54% 81,006.00	A2/A+ A	2.71 2.50
713448GL6	PEPSICO INC 4.1 01/15/2029	7,000,000.00	08/13/2025 4.01%	7,018,690.00 7,018,690.00	99.89 4.14%	6,992,405.00 84,505.56	0.64% (26,285.00)	A1/A+ NA	2.71 2.51
24422EXH7	JOHN DEERE CAPITAL CORP 4.5 01/16/2029	3,000,000.00	03/12/2024 4.61%	2,985,990.00 2,985,990.00	100.79 4.19%	3,023,712.00 39,375.00	0.27% 37,722.00	A1/A A+	2.71 2.50
63743HGE6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.05 02/09/2029	5,000,000.00	02/11/2026 3.99%	5,008,150.00 5,008,150.00	99.27 4.33%	4,963,705.00 46,125.00	0.45% (44,445.00)	A2/NA A	2.78 2.57
17275RBR2	CISCO SYSTEMS INC 4.85 02/26/2029	5,000,000.00	03/12/2024 4.60%	5,054,850.00 5,054,850.00	101.65 4.22%	5,082,525.00 43,784.72	0.46% 27,675.00	A1/AA- NA	2.83 2.52
14913UAJ9	CATERPILLAR FINANCIAL SERVICES CORP 4.85 02/27/2029	4,900,000.00	06/10/2024 4.94%	4,881,723.00 4,881,723.00	101.70 4.20%	4,983,265.70 42,248.89	0.45% 101,542.70	A1/A A+	2.83 2.60
002824BRO	ABBOTT LABORATORIES 3.7 03/09/2029	5,000,000.00	04/15/2026 4.05%	4,952,050.00 4,952,050.00	98.63 4.21%	4,931,580.00 26,722.22	0.45% (20,470.00)	Aa3/A+ NA	2.86 2.67

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
09290DAA9	BLACKROCK INC 4.7 03/14/2029	5,000,000.00	07/29/2024 4.53%	5,034,200.00 5,034,200.00	101.47 4.15%	5,073,650.00 30,680.56	0.46% 39,450.00	Aa3/AA- NA	2.87 2.58
58933YBW4	MERCK & CO INC 3.85 03/15/2029	2,000,000.00	12/15/2025 3.88%	1,997,960.00 1,997,960.00	99.19 4.15%	1,983,884.00 9,838.89	0.18% (14,076.00)	Aa3/A+ NA	2.87 2.68
023135CG9	AMAZON.COM INC 3.45 04/13/2029	6,000,000.00	05/14/2024 4.74%	5,663,400.00 5,663,400.00	98.00 4.18%	5,880,090.00 10,350.00	0.53% 216,690.00	A1/AA AA-	2.95 2.77
74460DAD1	PUBLIC STORAGE OPERATING CO 3.385 05/01/2029	4,000,000.00	09/29/2025 4.05%	3,912,080.00 3,912,080.00	97.52 4.27%	3,900,824.00 67,700.00	0.35% (11,256.00)	A2/A NA	3.00 2.82
64952WFG3	NEW YORK LIFE GLOBAL FUNDING 5.0 06/06/2029	5,000,000.00	-- 5.02%	4,995,020.00 4,995,020.00	101.82 4.36%	5,091,120.00 100,694.44	0.46% 96,100.00	Aa1/AA+ AAA	3.10 2.79
341081GT8	FLORIDA POWER & LIGHT CO 5.15 06/15/2029	2,000,000.00	07/01/2024 5.04%	2,009,480.00 2,009,480.00	102.49 4.29%	2,049,854.00 38,911.11	0.19% 40,374.00	Aa2/A+ AA-	3.13 2.67
89236TMK8	TOYOTA MOTOR CREDIT CORP 4.55 08/09/2029	2,500,000.00	10/21/2024 4.51%	2,504,000.00 2,504,000.00	100.60 4.35%	2,514,940.00 25,909.72	0.23% 10,940.00	A1/A+ A+	3.28 2.98
66815L2U2	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.96 01/13/2030	5,000,000.00	01/13/2025 5.09%	4,971,850.00 4,971,850.00	101.29 4.58%	5,064,260.00 74,400.00	0.46% 92,410.00	Aa1/AA+ AAA	3.71 3.30
26442CBA1	DUKE ENERGY CAROLINAS LLC 2.45 02/01/2030	5,000,000.00	03/03/2025 4.58%	4,536,900.00 4,536,900.00	93.22 4.43%	4,661,215.00 30,625.00	0.42% 124,315.00	Aa3/A NA	3.76 3.50
532457CV8	ELI LILLY AND CO 4.75 02/12/2030	5,000,000.00	03/11/2025 4.53%	5,047,400.00 5,047,400.00	101.68 4.26%	5,084,060.00 52,118.06	0.46% 36,660.00	Aa3/AA- NA	3.79 3.33
69371RT71	PACCAR FINANCIAL CORP 4.55 05/08/2030	5,000,000.00	05/12/2025 4.61%	4,986,300.00 4,986,300.00	100.83 4.32%	5,041,605.00 109,326.39	0.46% 55,305.00	A1/A+ NA	4.02 3.56
037833EZ9	APPLE INC 4.2 05/12/2030	5,000,000.00	05/12/2025 4.36%	4,965,500.00 4,965,500.00	100.48 4.07%	5,024,135.00 98,583.33	0.46% 58,635.00	Aaa/AA+ NA	4.03 3.54
74153WCW7	PRICOA GLOBAL FUNDING I 4.7 05/28/2030	5,000,000.00	06/10/2025 4.68%	5,004,300.00 5,004,300.00	100.45 4.58%	5,022,455.00 99,875.00	0.46% 18,155.00	Aa3/AA- AA-	4.08 3.60
437076DJ8	HOME DEPOT INC 3.95 09/15/2030	5,000,000.00	09/11/2025 3.99%	4,991,450.00 4,991,450.00	98.74 4.27%	4,937,160.00 25,236.11	0.45% (54,290.00)	A2/A A	4.38 3.95
717081FD0	PFIZER INC 4.2 11/15/2030	7,000,000.00	12/30/2025 4.06%	7,043,470.00 7,043,470.00	99.21 4.39%	6,944,728.00 130,666.67	0.63% (98,742.00)	A2/A NA	4.54 4.01
023135CT1	AMAZON.COM INC 4.1 11/20/2030	4,000,000.00	12/02/2025 4.05%	4,008,800.00 4,008,800.00	98.62 4.44%	3,944,924.00 73,344.44	0.36% (63,876.00)	A1/AA AA-	4.56 4.03

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
74456QCX2	PUBLIC SERVICE ELECTRIC AND GAS CO 4.2 01/01/2031	4,000,000.00	01/14/2026 4.18%	4,004,080.00 4,004,080.00	98.86 4.47%	3,954,436.00 53,200.00	0.36% (49,644.00)	A1/A NA	4.67 4.14
14913UBH2	CATERPILLAR FINANCIAL SERVICES CORP 4.15 01/08/2031	3,000,000.00	01/06/2026 4.15%	2,999,880.00 2,999,880.00	99.07 4.37%	2,972,073.00 39,079.17	0.27% (27,807.00)	A1/A A+	4.69 4.16
02079KBK2	ALPHABET INC 4.1 02/15/2031	6,000,000.00	02/24/2026 3.99%	6,030,120.00 6,030,120.00	98.83 4.37%	5,929,596.00 53,300.00	0.54% (100,524.00)	Aa2/AA+ NA	4.80 4.26
<b>Total Corporate</b>		<b>188,900,000.00</b>	<b>4.32%</b>	<b>187,579,573.00</b>	<b>99.76</b> <b>4.25%</b>	<b>188,394,597.20</b> <b>2,110,473.19</b>	<b>17.13%</b> <b>815,024.20</b>		<b>2.82</b> <b>2.56</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	73,094,119.83	-- 3.81%	73,094,119.83 73,094,119.83	1.00 3.81%	73,094,119.83 0.00	6.65% 0.00	NA/NA NA	0.00 0.00
<b>Total LAIF</b>		<b>73,094,119.83</b>	<b>3.81%</b>	<b>73,094,119.83</b>	<b>1.00</b> <b>3.81%</b>	<b>73,094,119.83</b> <b>0.00</b>	<b>6.65%</b> <b>0.00</b>		<b>0.00</b> <b>0.00</b>
<b>LOCAL GOV INVESTMENT POOL</b>									
09CATR\$04	CalTrust STF	1,913,588.35	-- 3.89%	19,054,830.86 19,054,830.86	10.05 3.89%	19,231,562.89 0.00	1.75% 176,732.03	NA/AAAm NA	0.00 0.00
90SDCP\$00	County of San Diego Investment Pool	50,059,116.00	-- 3.87%	50,059,116.00 50,059,116.00	1.00 3.87%	50,059,116.00 0.00	4.55% 0.00	NA/NA AAA	0.00 0.00
09CATR\$05	CalTrust MTF	3,750,374.77	-- 3.86%	37,428,176.82 37,428,176.82	9.85 3.86%	36,941,191.44 0.00	3.36% (486,985.38)	NA/AAAm NA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>55,723,079.11</b>	<b>3.87%</b>	<b>106,542,123.68</b>	<b>5.72</b> <b>3.87%</b>	<b>106,231,870.32</b> <b>0.00</b>	<b>9.66%</b> <b>(310,253.36)</b>		<b>0.00</b> <b>0.00</b>
<b>MONEY MARKET FUND</b>									
09248U718	BLKRK LQ:T-FUND INSTL	1,443,758.56	-- 3.53%	1,443,758.56 1,443,758.56	1.00 3.53%	1,443,758.56 0.00	0.13% 0.00	Aaa/AAAm AAA	0.00 0.00
<b>Total Money Market Fund</b>		<b>1,443,758.56</b>	<b>3.53%</b>	<b>1,443,758.56</b>	<b>1.00</b> <b>3.53%</b>	<b>1,443,758.56</b> <b>0.00</b>	<b>0.13%</b> <b>0.00</b>		<b>0.00</b> <b>0.00</b>

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
<b>MUNICIPAL BONDS</b>									
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	10,000,000.00	11/15/2024 4.46%	10,016,600.00 10,016,600.00	101.31 4.06%	10,131,020.00 112,500.00	0.92% 114,420.00	Aa2/AA- AA	3.25 2.97
<b>Total Municipal Bonds</b>		<b>10,000,000.00</b>	<b>4.46%</b>	<b>10,016,600.00</b> <b>10,016,600.00</b>	<b>101.31</b> <b>4.06%</b>	<b>10,131,020.00</b> <b>112,500.00</b>	<b>0.92%</b> <b>114,420.00</b>		<b>3.25</b> <b>2.97</b>
<b>SUPRANATIONAL</b>									
459058KT9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 07/12/2028	7,000,000.00	07/17/2023 4.13%	6,802,320.00 6,802,320.00	99.12 3.92%	6,938,365.00 74,180.56	0.63% 136,045.00	Aaa/AAA NA	2.20 2.07
4581X0DC9	INTER-AMERICAN DEVELOPMENT BANK 3.125 09/18/2028	2,500,000.00	02/06/2024 4.20%	2,388,225.00 2,388,225.00	98.17 3.94%	2,454,237.50 9,331.60	0.22% 66,012.50	Aaa/AAA NA	2.39 2.26
4581X0EN4	INTER-AMERICAN DEVELOPMENT BANK 4.125 02/15/2029	5,000,000.00	03/12/2024 4.21%	4,980,800.00 4,980,800.00	100.49 3.94%	5,024,395.00 43,541.67	0.46% 43,595.00	Aaa/AAA NA	2.80 2.59
4581X0EF1	INTER-AMERICAN DEVELOPMENT BANK 3.5 09/14/2029	5,000,000.00	09/27/2024 3.57%	4,983,950.00 4,983,950.00	98.49 3.98%	4,924,720.00 22,847.22	0.45% (59,230.00)	Aaa/AAA NA	3.38 3.13
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	5,000,000.00	12/17/2024 4.36%	4,894,150.00 4,894,150.00	99.69 3.97%	4,984,355.00 8,050.00	0.45% 90,205.00	Aaa/AAA NA	3.46 3.20
<b>Total Supranational</b>		<b>24,500,000.00</b>	<b>4.09%</b>	<b>24,049,445.00</b> <b>24,049,445.00</b>	<b>99.30</b> <b>3.95%</b>	<b>24,326,072.50</b> <b>157,951.04</b>	<b>2.21%</b> <b>276,627.50</b>		<b>2.84</b> <b>2.64</b>
<b>US TREASURY</b>									
91282CHB0	UNITED STATES TREASURY 3.625 05/15/2026	11,000,000.00	12/23/2024 4.32%	10,896,875.00 10,896,875.00	99.99 3.70%	10,999,428.00 183,953.73	1.00% 102,553.00	Aa1/AA+ AA+	0.04 0.04
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	7,500,000.00	08/13/2021 0.80%	7,482,128.91 7,482,128.91	99.74 3.92%	7,480,372.50 23,489.01	0.68% (1,756.41)	Aa1/AA+ AA+	0.08 0.08
9128287B0	UNITED STATES TREASURY 1.875 06/30/2026	5,000,000.00	10/27/2022 4.22%	4,604,882.81 4,604,882.81	99.70 3.67%	4,985,060.00 31,336.33	0.45% 380,177.19	Aa1/AA+ AA+	0.17 0.16
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	6,000,000.00	09/09/2021 0.79%	5,952,890.63 5,952,890.63	99.24 3.66%	5,954,496.00 9,323.20	0.54% 1,605.37	Aa1/AA+ AA+	0.25 0.25
91282CLB5	UNITED STATES TREASURY 4.375 07/31/2026	4,000,000.00	10/29/2024 4.15%	4,014,687.50 4,014,687.50	100.16 3.68%	4,006,492.00 43,508.29	0.36% (8,195.50)	Aa1/AA+ AA+	0.25 0.25

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	7,000,000.00	09/28/2021 1.01%	6,913,046.88 6,913,046.88	99.02 3.73%	6,931,533.00 8,845.11	0.63% 18,486.12	Aa1/AA+ AA+	0.34 0.33
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	8,000,000.00	11/01/2021 1.21%	7,874,062.50 7,874,062.50	98.84 3.71%	7,907,248.00 5,928.96	0.72% 33,185.50	Aa1/AA+ AA+	0.42 0.41
91282CLP4	UNITED STATES TREASURY 3.5 09/30/2026	9,000,000.00	11/14/2025 3.71%	8,983,476.56 8,983,476.56	99.90 3.74%	8,990,640.00 26,680.33	0.82% 7,163.44	Aa1/AA+ AA+	0.42 0.41
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	8,000,000.00	11/30/2021 1.15%	7,991,562.50 7,991,562.50	98.71 3.76%	7,897,032.00 244.57	0.72% (94,530.50)	Aa1/AA+ AA+	0.50 0.49
91282CDK4	UNITED STATES TREASURY 1.25 11/30/2026	6,750,000.00	03/30/2022 2.47%	6,390,087.89 6,390,087.89	98.59 3.72%	6,654,879.00 35,233.52	0.61% 264,791.11	Aa1/AA+ AA+	0.59 0.57
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	8,000,000.00	12/02/2024 4.18%	8,030,000.00 8,030,000.00	100.41 3.70%	8,032,848.00 131,730.77	0.73% 2,848.00	Aa1/AA+ AA+	0.63 0.60
91282CDQ1	UNITED STATES TREASURY 1.25 12/31/2026	4,900,000.00	05/16/2022 2.85%	4,562,933.59 4,562,933.59	98.39 3.73%	4,820,874.80 20,473.07	0.44% 257,941.21	Aa1/AA+ AA+	0.67 0.65
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	5,000,000.00	12/12/2024 4.17%	4,982,812.50 4,982,812.50	100.19 3.72%	5,009,375.00 58,563.54	0.46% 26,562.50	Aa1/AA+ AA+	0.71 0.68
912828Z78	UNITED STATES TREASURY 1.5 01/31/2027	8,000,000.00	01/05/2023 4.06%	7,240,000.00 7,240,000.00	98.35 3.74%	7,868,280.00 29,834.25	0.72% 628,280.00	Aa1/AA+ AA+	0.76 0.73
912828V98	UNITED STATES TREASURY 2.25 02/15/2027	10,500,000.00	-- 4.14%	9,896,425.78 9,896,425.78	98.84 3.75%	10,377,979.50 48,946.82	0.94% 481,553.72	Aa1/AA+ AA+	0.80 0.77
91282CEC1	UNITED STATES TREASURY 1.875 02/28/2027	7,750,000.00	01/30/2025 4.22%	7,391,865.23 7,391,865.23	98.47 3.76%	7,631,146.00 24,482.00	0.69% 239,280.77	Aa1/AA+ AA+	0.83 0.81
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	8,000,000.00	01/20/2023 3.64%	7,647,812.50 7,647,812.50	98.88 3.75%	7,910,504.00 16,939.89	0.72% 262,691.50	Aa1/AA+ AA+	0.92 0.89
91282CEN7	UNITED STATES TREASURY 2.75 04/30/2027	10,000,000.00	09/01/2022 3.45%	9,702,734.38 9,702,734.38	98.99 3.80%	9,898,590.00 747.28	0.90% 195,855.62	Aa1/AA+ AA+	1.00 0.97
91282CET4	UNITED STATES TREASURY 2.625 05/31/2027	6,000,000.00	09/16/2024 3.45%	5,872,734.38 5,872,734.38	98.76 3.80%	5,925,702.00 65,769.23	0.54% 52,967.62	Aa1/AA+ AA+	1.08 1.04
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	5,000,000.00	10/12/2022 4.16%	4,807,421.90 4,807,421.90	99.36 3.81%	4,967,970.00 54,316.30	0.45% 160,548.10	Aa1/AA+ AA+	1.17 1.12
91282CFB2	UNITED STATES TREASURY 2.75 07/31/2027	10,000,000.00	11/17/2022 3.98%	9,476,562.50 9,476,562.50	98.68 3.84%	9,867,970.00 68,370.17	0.90% 391,407.50	Aa1/AA+ AA+	1.25 1.21
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	16,000,000.00	-- 4.31%	15,398,437.51 15,398,437.51	99.06 3.85%	15,849,376.00 84,239.13	1.44% 450,938.49	Aa1/AA+ AA+	1.34 1.28

# Holdings Report

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91282CLL3	UNITED STATES TREASURY 3.375 09/15/2027	14,750,000.00	-- 3.54%	14,690,849.61 14,690,849.61	99.36 3.85%	14,656,086.75 63,579.31	1.33% (34,762.86)	Aa1/AA+ AA+	1.38 1.32
91282CLQ2	UNITED STATES TREASURY 3.875 10/15/2027	6,500,000.00	02/10/2025 4.28%	6,434,238.28 6,434,238.28	100.00 3.87%	6,500,000.00 11,010.93	0.59% 65,761.72	Aa1/AA+ AA+	1.46 1.40
91282CPE5	UNITED STATES TREASURY 3.5 10/31/2027	5,500,000.00	03/18/2026 3.75%	5,478,515.63 5,478,515.63	99.46 3.88%	5,470,135.00 523.10	0.50% (8,380.63)	Aa1/AA+ AA+	1.50 1.44
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	8,000,000.00	12/21/2022 3.82%	7,443,125.00 7,443,125.00	97.58 3.88%	7,806,560.00 83,038.67	0.71% 363,435.00	Aa1/AA+ AA+	1.54 1.48
91282CFZ9	UNITED STATES TREASURY 3.875 11/30/2027	8,000,000.00	07/18/2025 3.85%	8,004,062.50 8,004,062.50	99.99 3.88%	7,999,064.00 129,450.55	0.73% (4,998.50)	Aa1/AA+ AA+	1.59 1.50
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	10,000,000.00	02/13/2023 3.91%	9,814,843.75 9,814,843.75	99.35 3.89%	9,934,770.00 87,016.57	0.90% 119,926.25	Aa1/AA+ AA+	1.76 1.67
9128283W8	UNITED STATES TREASURY 2.75 02/15/2028	8,000,000.00	02/27/2023 4.20%	7,483,750.00 7,483,750.00	98.04 3.89%	7,843,440.00 45,580.11	0.71% 359,690.00	Aa1/AA+ AA+	1.80 1.72
91282CQB0	UNITED STATES TREASURY 3.375 02/29/2028	7,000,000.00	04/15/2026 3.77%	6,950,781.25 6,950,781.25	99.13 3.87%	6,938,750.00 39,802.99	0.63% (12,031.25)	Aa1/AA+ AA+	1.84 1.75
91282CGT2	UNITED STATES TREASURY 3.625 03/31/2028	10,000,000.00	07/18/2025 3.83%	9,946,875.00 9,946,875.00	99.51 3.89%	9,950,780.00 30,703.55	0.90% 3,905.00	Aa1/AA+ AA+	1.92 1.83
91282CHE4	UNITED STATES TREASURY 3.625 05/31/2028	13,000,000.00	10/24/2024 4.01%	12,833,945.31 12,833,945.31	99.46 3.89%	12,930,424.00 196,785.71	1.18% 96,478.69	Aa1/AA+ AA+	2.08 1.96
91282CNM9	UNITED STATES TREASURY 3.875 07/15/2028	10,000,000.00	08/13/2025 3.65%	10,060,937.50 10,060,937.50	99.96 3.89%	9,995,700.00 113,466.85	0.91% (65,237.50)	Aa1/AA+ AA+	2.21 2.07
9128284V9	UNITED STATES TREASURY 2.875 08/15/2028	6,000,000.00	07/29/2025 3.85%	5,832,890.63 5,832,890.63	97.78 3.90%	5,866,638.00 35,738.95	0.53% 33,747.37	Aa1/AA+ AA+	2.29 2.18
91282CNU1	UNITED STATES TREASURY 3.625 08/15/2028	10,000,000.00	08/13/2025 3.64%	9,994,531.25 9,994,531.25	99.41 3.89%	9,941,410.00 75,103.59	0.90% (53,121.25)	Aa1/AA+ AA+	2.29 2.16
91282CPC9	UNITED STATES TREASURY 3.5 10/15/2028	10,000,000.00	02/11/2026 3.58%	9,978,906.25 9,978,906.25	99.05 3.91%	9,905,470.00 15,300.55	0.90% (73,436.25)	Aa1/AA+ AA+	2.46 2.33
91282CDF5	UNITED STATES TREASURY 1.375 10/31/2028	8,500,000.00	01/30/2024 4.03%	7,533,789.06 7,533,789.06	94.02 3.91%	7,991,989.00 317.60	0.73% 458,199.94	Aa1/AA+ AA+	2.50 2.41
9128285M8	UNITED STATES TREASURY 3.125 11/15/2028	10,500,000.00	-- 4.00%	10,141,074.22 10,141,074.22	98.12 3.91%	10,302,715.50 151,372.58	0.94% 161,641.28	Aa1/AA+ AA+	2.54 2.38
91282CJW2	UNITED STATES TREASURY 4.0 01/31/2029	7,500,000.00	03/12/2024 4.10%	7,468,066.41 7,468,066.41	100.22 3.91%	7,516,702.50 74,585.64	0.68% 48,636.09	Aa1/AA+ AA+	2.76 2.56

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CKG5	UNITED STATES TREASURY 4.125 03/31/2029	9,000,000.00	06/20/2024 4.29%	8,934,257.81 8,934,257.81	100.57 3.92%	9,050,976.00 31,444.67	0.82% 116,718.19	Aa1/AA+ AA+	2.92 2.72
9128286T2	UNITED STATES TREASURY 2.375 05/15/2029	11,000,000.00	05/29/2024 4.66%	9,899,140.63 9,899,140.63	95.61 3.92%	10,517,463.00 120,521.41	0.96% 618,322.37	Aa1/AA+ AA+	3.04 2.86
91282CES6	UNITED STATES TREASURY 2.75 05/31/2029	3,500,000.00	04/28/2026 3.88%	3,385,566.41 3,385,566.41	96.62 3.93%	3,381,602.00 40,192.31	0.31% (3,964.41)	Aa1/AA+ AA+	3.08 2.88
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	9,000,000.00	08/30/2024 3.72%	9,111,796.88 9,111,796.88	100.20 3.93%	9,017,577.00 89,502.76	0.82% (94,219.88)	Aa1/AA+ AA+	3.25 2.99
91282CFJ5	UNITED STATES TREASURY 3.125 08/31/2029	10,000,000.00	-- 3.50%	9,831,835.94 9,831,835.94	97.46 3.94%	9,746,090.00 52,649.46	0.89% (85,745.94)	Aa1/AA+ AA+	3.34 3.11
91282CLN9	UNITED STATES TREASURY 3.5 09/30/2029	4,000,000.00	09/30/2024 3.56%	3,989,218.75 3,989,218.75	98.59 3.95%	3,943,436.00 11,857.92	0.36% (45,782.75)	Aa1/AA+ AA+	3.42 3.18
91282CFT3	UNITED STATES TREASURY 4.0 10/31/2029	8,000,000.00	03/26/2026 4.05%	7,987,812.50 7,987,812.50	100.15 3.95%	8,012,184.00 869.57	0.73% 24,371.50	Aa1/AA+ AA+	3.50 3.23
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	8,000,000.00	12/19/2024 4.39%	7,906,250.00 7,906,250.00	100.56 3.95%	8,045,000.00 137,802.20	0.73% 138,750.00	Aa1/AA+ AA+	3.59 3.25
91282CGB1	UNITED STATES TREASURY 3.875 12/31/2029	6,000,000.00	03/03/2025 4.01%	5,965,078.13 5,965,078.13	99.70 3.96%	5,981,952.00 77,714.09	0.54% 16,873.87	Aa1/AA+ AA+	3.67 3.34
91282CGJ4	UNITED STATES TREASURY 3.5 01/31/2030	8,000,000.00	07/15/2025 4.03%	7,826,562.50 7,826,562.50	98.38 3.97%	7,870,312.00 69,613.26	0.72% 43,749.50	Aa1/AA+ AA+	3.76 3.45
91282CGQ8	UNITED STATES TREASURY 4.0 02/28/2030	6,000,000.00	04/14/2025 4.05%	5,986,875.00 5,986,875.00	100.11 3.97%	6,006,330.00 40,434.78	0.55% 19,455.00	Aa1/AA+ AA+	3.83 3.50
91282CGZ8	UNITED STATES TREASURY 3.5 04/30/2030	14,000,000.00	-- 4.05%	13,658,359.38 13,658,359.38	98.23 3.98%	13,752,270.00 1,331.52	1.25% 93,910.62	Aa1/AA+ AA+	4.00 3.69
91282CHF1	UNITED STATES TREASURY 3.75 05/31/2030	5,000,000.00	06/10/2025 4.08%	4,926,367.19 4,926,367.19	99.12 3.98%	4,956,055.00 78,296.70	0.45% 29,687.81	Aa1/AA+ AA+	4.08 3.69
91282CNX5	UNITED STATES TREASURY 3.625 08/31/2030	16,000,000.00	09/03/2025 3.74%	15,918,750.00 15,918,750.00	98.50 4.01%	15,759,376.00 97,717.39	1.43% (159,374.00)	Aa1/AA+ AA+	4.34 3.94
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	14,000,000.00	10/31/2025 3.72%	13,939,843.75 13,939,843.75	98.48 4.00%	13,787,816.00 42,984.97	1.25% (152,027.75)	Aa1/AA+ AA+	4.42 4.02
91282CPD7	UNITED STATES TREASURY 3.625 10/31/2030	15,000,000.00	-- 3.75%	14,921,093.75 14,921,093.75	98.45 4.01%	14,767,380.00 1,477.58	1.34% (153,713.75)	Aa1/AA+ AA+	4.50 4.10
91282CJQ5	UNITED STATES TREASURY 3.75 12/31/2030	10,000,000.00	02/02/2026 3.83%	9,963,671.88 9,963,671.88	98.86 4.02%	9,885,550.00 125,345.30	0.90% (78,121.88)	Aa1/AA+ AA+	4.67 4.18

# Holdings Report

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CQD6	UNITED STATES TREASURY 3.5 02/28/2031	11,000,000.00	03/03/2026 3.63%	10,933,398.44 10,933,398.44	97.77 4.01%	10,754,216.00 64,864.13	0.98% (179,182.44)	Aa1/AA+ AA+	4.83 4.37
<b>Total US Treasury</b>		<b>492,150,000.00</b>	<b>3.68%</b>	<b>481,290,502.04</b> <b>481,290,502.04</b>	<b>98.92</b> <b>3.87%</b>	<b>486,754,015.55</b> <b>3,210,952.77</b>	<b>44.26%</b> <b>5,463,513.51</b>		<b>2.19</b> <b>2.03</b>
<b>Total Portfolio</b>		<b>1,054,963,188.42</b>	<b>3.94%</b>	<b>1,091,011,297.39</b> <b>1,091,011,297.39</b>	<b>82.88</b> <b>3.94%</b>	<b>1,099,654,167.93</b> <b>7,424,320.49</b>	<b>100.00%</b> <b>8,642,870.54</b>		<b>1.86</b> <b>1.72</b>
<b>Total Market Value + Accrued</b>						<b>1,107,078,488.42</b>			

# Transaction Ledger

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	04/15/2026	90LAIF\$00	709,340.90	Local Agency Investment Fund State Pool	1.000	3.81%	(709,340.90)	0.00	(709,340.90)	0.00
Purchase	04/16/2026	002824BR0	5,000,000.00	ABBOTT LABORATORIES 3.7 03/09/2029	99.041	4.05%	(4,952,050.00)	(19,013.89)	(4,971,063.89)	0.00
Purchase	04/16/2026	91282CQB0	7,000,000.00	UNITED STATES TREASURY 3.375 02/29/2028	99.297	3.77%	(6,950,781.25)	(30,173.23)	(6,980,954.48)	0.00
Purchase	04/29/2026	91282CES6	3,500,000.00	UNITED STATES TREASURY 2.75 05/31/2029	96.730	3.88%	(3,385,566.41)	(39,663.46)	(3,425,229.87)	0.00
Purchase	04/30/2026	09CATR\$04	6,047.81	CalTrust STF	10.050	3.89%	(60,780.48)	0.00	(60,780.48)	0.00
Purchase	04/30/2026	09CATR\$05	11,949.19	CalTrust MTF	9.850	3.86%	(117,699.55)	0.00	(117,699.55)	0.00
<b>Total Purchase</b>			<b>16,227,337.90</b>				<b>(16,176,218.59)</b>	<b>(88,850.58)</b>	<b>(16,265,069.17)</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>16,227,337.90</b>				<b>(16,176,218.59)</b>	<b>(88,850.58)</b>	<b>(16,265,069.17)</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Maturity	04/15/2026	91282CGV7	(10,000,000.00)	UNITED STATES TREASURY 3.75 04/15/2026	100.000	4.35%	10,000,000.00	0.00	10,000,000.00	80,859.37
Maturity	04/28/2026	3133EPHH1	(2,500,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 04/28/2026	100.000	4.04%	2,500,000.00	0.00	2,500,000.00	3,125.00
<b>Total Maturity</b>			<b>(12,500,000.00)</b>				<b>12,500,000.00</b>	<b>0.00</b>	<b>12,500,000.00</b>	<b>83,984.37</b>
<b>TOTAL DISPOSITIONS</b>			<b>(12,500,000.00)</b>				<b>12,500,000.00</b>	<b>0.00</b>	<b>12,500,000.00</b>	<b>83,984.37</b>

# Transaction Ledger for Bonds

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Security Contribution	04/15/2026		3,566,867.66	First American Govt Obligation Funds			(3,566,867.66)	0.00	(3,566,867.66)	0.00
Security Contribution	04/01/2026		294.91	First American Govt Obligation Funds			(294.91)	0.00	(294.91)	0.00
Security Contribution	04/01/2026		401.77	First American Govt Obligation Funds			(401.77)	0.00	(401.77)	0.00
Security Contribution	04/01/2026		0.22	First American Govt Obligation Funds			(0.22)	0.00	(0.22)	0.00
Security Contribution	04/01/2026		403.63	First American Govt Obligation Funds			(403.63)	0.00	(403.63)	0.00
Security Contribution	04/01/2026		837.92	First American Govt Obligation Funds			(837.92)	0.00	(837.92)	0.00
Security Contribution	04/01/2026		7.45	First American Govt Obligation Funds			(7.45)	0.00	(7.45)	0.00
Security Contribution	04/01/2026		34,412.45	First American Govt Obligation Funds			(34,412.45)	0.00	(34,412.45)	0.00
Security Contribution	04/15/2026		3,057,321.23	First American Govt Obligation Funds			(3,057,321.23)	0.00	(3,057,321.23)	0.00
Security Contribution	04/01/2026		6,355.91	First American Govt Obligation Funds			(6,355.91)	0.00	(6,355.91)	0.00
Security Contribution	04/01/2026		0.01	First American Govt Obligation Funds			(0.01)	0.00	(0.01)	0.00
Security Contribution	04/01/2026		60,014.86	First American Govt Obligation Funds			(60,014.86)	0.00	(60,014.86)	0.00

# Transaction Ledger for Bonds

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Security Contribution	04/01/2026		23.09	First American Govt Obligation Funds			(23.09)	0.00	(23.09)	0.00
Security Contribution	04/15/2026		13,758,982.19	First American Govt Obligation Funds			(13,758,982.19)	0.00	(13,758,982.19)	0.00
Security Contribution	04/01/2026		65.65	First American Govt Obligation Funds			(65.65)	0.00	(65.65)	0.00
Security Contribution	04/01/2026		396.20	First American Govt Obligation Funds			(396.20)	0.00	(396.20)	0.00
Security Contribution	04/01/2026		817.11	First American Govt Obligation Funds			(817.11)	0.00	(817.11)	0.00
Security Contribution	04/01/2026		1,670.80	First American Govt Obligation Funds			(1,670.80)	0.00	(1,670.80)	0.00
Security Contribution	04/01/2026		2,645.41	County of San Diego Investment Pool			(2,645.41)	0.00	(2,645.41)	0.00
Security Contribution	04/30/2026		2,500,000.00	US Treasury			(2,471,972.66)	10,937.50	(2,482,910.16)	0.00
Security Contribution	04/30/2026		10,000,000.00	US Treasury			(9,887,890.63)	43,750.00	(9,931,640.63)	0.00
Security Contribution	04/30/2026		2,000,000.00	US Treasury			(1,977,578.13)	8,750.00	(1,986,328.13)	0.00
Security Contribution	04/30/2026		7,000,000.00	US Treasury			(6,921,523.44)	30,625.00	(6,952,148.44)	0.00
Security Contribution	04/24/2026		15.25	San Diego County Regional Airport Authority			(15.25)	0.00	(15.25)	0.00

# Transaction Ledger for Bonds

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Security Contribution	04/24/2026		28.00	San Diego County Regional Airport Authority			(28.00)	0.00	(28.00)	0.00
Security Contribution	04/24/2026		145.18	San Diego County Regional Airport Authority			(145.18)	0.00	(145.18)	0.00
Security Contribution	04/15/2026		24,936,201.28	Dreyfus Fund			(24,936,201.28)	0.00	(24,936,201.28)	0.00
Security Contribution	04/02/2026		6,971.28	Dreyfus Fund			(6,971.28)	0.00	(6,971.28)	0.00
Security Contribution	04/15/2026		6,134,916.86	Dreyfus Fund			(6,134,916.86)	0.00	(6,134,916.86)	0.00
Security Contribution	04/15/2026		9,172,871.58	Dreyfus Fund			(9,172,871.58)	0.00	(9,172,871.58)	0.00
Security Contribution	04/15/2026		1,290,148.74	Dreyfus Fund			(1,290,148.74)	0.00	(1,290,148.74)	0.00
Security Contribution	04/02/2026		144.02	Dreyfus Fund			(144.02)	0.00	(144.02)	0.00
Security Contribution	04/02/2026		3.99	Dreyfus Fund			(3.99)	0.00	(3.99)	0.00
Security Contribution	04/02/2026		158,339.16	Dreyfus Fund			(158,339.16)	0.00	(158,339.16)	0.00
Security Contribution	04/02/2026		3,151.61	Dreyfus Fund			(3,151.61)	0.00	(3,151.61)	0.00
Security Contribution	04/02/2026		18.33	Dreyfus Fund			(18.33)	0.00	(18.33)	0.00

# Transaction Ledger for Bonds

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Security Contribution	04/02/2026		13,163.44	Dreyfus Fund			(13,163.44)	0.00	(13,163.44)	0.00
Security Contribution	04/02/2026		36.99	Dreyfus Fund			(36.99)	0.00	(36.99)	0.00
<b>Total Contribution</b>			<b>83,707,674.18</b>				<b>(83,466,639.04)</b>	<b>94,062.50</b>	<b>(83,560,701.54)</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>83,707,674.18</b>				<b>(83,466,639.04)</b>	<b>94,062.50</b>	<b>(83,560,701.54)</b>	<b>0.00</b>

# Transaction Ledger for Bonds

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Maturity	04/15/2026		(3,500,000.00)	US Treasury			3,500,000.00	0.00	3,500,000.00	64,355.47
Maturity	04/15/2026		(23,171,000.00)	US Treasury			23,171,000.00	0.00	23,171,000.00	60,041.39
Maturity	04/15/2026		(13,500,000.00)	US Treasury			13,500,000.00	0.00	13,500,000.00	378,105.47
Maturity	04/15/2026		(3,000,000.00)	US Treasury			3,000,000.00	0.00	3,000,000.00	84,023.44
Maturity	04/15/2026		(5,698,000.00)	US Treasury			5,698,000.00	0.00	5,698,000.00	14,764.83
Maturity	04/15/2026		(9,000,000.00)	US Treasury			9,000,000.00	0.00	9,000,000.00	144,843.75
<b>Total Maturity</b>			<b>(57,869,000.00)</b>				<b>57,869,000.00</b>	<b>0.00</b>	<b>57,869,000.00</b>	<b>746,134.35</b>

# Transaction Ledger for Bonds

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Security Withdrawal	04/30/2026		(2,482,910.16)	First American Govt Obligation Funds			2,482,910.16	0.00	2,482,910.16	0.00
Security Withdrawal	04/30/2026		(1,986,328.13)	First American Govt Obligation Funds			1,986,328.13	0.00	1,986,328.13	0.00
Security Withdrawal	04/30/2026		(9,931,640.63)	First American Govt Obligation Funds			9,931,640.63	0.00	9,931,640.63	0.00
Security Withdrawal	04/27/2026		(227,262.00)	First American Govt Obligation Funds			227,262.00	0.00	227,262.00	0.00
Security Withdrawal	04/30/2026		(6,952,148.44)	Dreyfus Fund			6,952,148.44	0.00	6,952,148.44	0.00
Security Withdrawal	04/28/2026		(40,948.77)	Dreyfus Fund			40,948.77	0.00	40,948.77	0.00
	04/28/2026		(10,525.45)				10,525.45	0.00	10,525.45	0.00
<b>Total Withdrawal</b>			<b>(21,631,763.58)</b>				<b>21,631,763.58</b>	<b>0.00</b>	<b>21,631,763.58</b>	<b>0.00</b>
<hr/>										
<b>TOTAL DISPOSITIONS</b>			<b>(79,500,763.58)</b>				<b>79,500,763.58</b>	<b>0.00</b>	<b>79,500,763.58</b>	<b>746,134.35</b>

# Important Disclosures

2024 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

# Benchmark Disclosures

## **ICE BofA 0-5 Yr US Treasury Index**

The ICE BofA 0-5 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than five years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion.



SAN DIEGO  
INTERNATIONAL AIRPORT

## Finance Committee Staff Report

**Meeting Date:** May 20, 2026

**Subject:**

**Review of Authority Policies; 4.20 – Guidelines for Prudent Investments and Delegation of Authority to Invest and Manage Authority Funds to the Vice President, Chief Financial Officer/Treasurer; and Authority Policy 4.40 - Debt Issuance and Management Policy.**

**Recommendation:**

Forward this item to the Board with a recommendation to approve delegation of authority to invest and manage Authority funds to the Vice President, Chief Financial Officer/Treasurer.

**Background/Justification:**

Investment Policy 4.20

The attached Investment Policy (Exhibit A) serves as the foundation of the Airport Authority's investment goals and priorities. The Authority's internal policy guidelines compel the Authority's Treasurer to invest Authority funds in a manner that will provide the highest security of funds while meeting the daily cash flow demands. The foremost stated objective is safety, with the requirement that all transactions are structured to avoid capital losses from issuer or broker/dealer default, or erosion of market value.

State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, the Investment Policy requires the Authority shall seek to achieve a return on funds throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

The Authority's Investment Policy was developed in conjunction with the Authority's financial and investment advisors, and it adheres to or exceeds the policies and requirements of investment types authorized by California Government Code §§ 16429.1 and 53600 et seq.

Meeting Date: May 20, 2026

As a result of the annual review by staff and the Authority's financial and investment advisors, certain changes to Policy 4.20 are recommended. These recommended changes to the Policy arise from changes made to the California Government Code by Senate Bill No. 595.

This Bill was signed into law on October 3, 2025, and became effective on January 1, 2026. The Bill has three primary provisions:

- 1) Revises the maximum maturity periods for investments in prime quality commercial paper to 397 days from the date of settlement;
- 2) Allows local agencies with at least \$100 million in assets under management to invest a maximum of 40% of the portfolio in commercial paper until to January 1, 2031;
- 3) Extends the exemption that allows local agencies to invest in US Government securities that could result in a zero or negative interest accrual in the event of, and for the duration of a period of negative market interest rates to January 1, 2031.

Staff recommends amending the investment policy to reflect provisions 1 and 3 set forth above.

With regard to provision 2 set forth above, the existing policy allows the Authority to invest a maximum of 25% of the portfolio in commercial paper (the current portfolio holds less than 1% in commercial paper), which is adequate for the Authority's short-term investment objectives.

While an annual review and adoption is not required by statute, both the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association have established policy standards recommending a review be conducted annually.

Since this Investment Policy serves as the guidelines for prudent management of the Authority's investments, the attached resolution and accompanying policy are submitted to ensure a regular review and approval of the Investment Policy by the Authority Board.

In addition, the Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. Based on the investment record, the attached resolution requests reappointment of the Vice President, Chief Financial Officer/Treasurer to continue this role for another year.

The existence of an approved investment policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves. This annual review ensures the Authority Board's continued oversight and approval of the policies, rules, and performance regarding the investment of Authority funds.

## Debt Issuance and Management Policy 4.40

The Authority Policy 4.40 – Debt Issuance and Management (Exhibit B) was developed in conjunction with the Authority's financial advisors and bond counsel and serves as the foundation of the Authority's debt issuance and management goals and priorities. The stated objectives are:

- Protect the assets and funds entrusted to the Authority;
- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors; and,
- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law compliance, and reimbursement agreement covenants.

The Vice President/CFO shall be responsible for ensuring the Policy is current and will review the Policy annually, at a minimum.

This year there were no substantive changes, and the policy will remain unchanged.

Meeting Date: May 20, 2026

## Fiscal Impact:

No Fiscal impact.

## Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

### Strategies

Community Strategy    Customer Strategy    Employee Strategy    Financial Strategy    Operations Strategy

### Focus Areas

Advance the Airport Development Plan    Transform the Customer Journey    Optimize Ongoing Business

## Environmental Review:

- A. CEQA: This Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA"). Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

## Prepared by:

Scott Brickner  
Vice President, Chief Financial Officer/Treasurer

# Exhibit A

## SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

### POLICIES

**ARTICLE 4 - FINANCE AND ACCOUNTING**  
**PART 4.2 - INVESTMENTS**  
**SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS**

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**PURPOSE:** To establish a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”), including risk management.

**POLICY STATEMENT:**

It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio’s exposure to each issue and issuer of debt and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the Authority.

(1) Scope. This investment policy applies to all the Authority’s investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“**Indenture**”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the Indenture will take precedence. The financial assets of all other Authority funds shall also be administered in accordance with the provisions of this policy.

(2) Objectives.

(a) Safety of Principal. Safety of principal is the Authority’s foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

(i) Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flows.

(ii) Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:

(A) structuring the portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and

(B) limiting the average maturity of the Authority's portfolio to three years. Furthermore, no investments will be made in any security with a maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

It is explicitly recognized, however, that in a diversified portfolio occasional losses may be inevitable and must be considered within the context of overall investment return.

(b) Liquidity. The Authority's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the Authority.

(c) Return on Investment. State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

(3) Authority to Invest Funds.

(a) Policy principles for investment of Authority funds. Monies entrusted to the Authority will be invested and actively managed pursuant to applicable California statutory limitations and the guidance and limitations set forth in the Authority's written policies. Authority for the management and investment of Authority funds rests with the Authority Board of Directors ("**Board**"). The Board promulgates the policy for investment and management of Authority funds and conducts periodic reviews to ensure compliance with policy and statutory requirements. All persons authorized to make investment decisions for the Authority are trustees of the Authority and owe the Authority a fiduciary duty. All trustees are bound by the prudent investor rule, which requires trustees in making decisions with regards to the Authority's funds to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Trustees of Authority funds are relieved of personal responsibility for an individual security's risk or market price changes where the trustees at all times were acting in accordance with written procedures and this investment policy, exercising due diligence, taking timely and appropriate action to control adverse developments, and provided timely appropriate reports to the Board regarding the adverse developments with an investment.

(b) Delegation of investment authority to Treasurer. The Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation shall be on a fiscal year basis and subject to renewal by the Board, at its option, after appropriate review of the investment record. The Board reserves the right to revoke the delegation of investment authority at its discretion. The Treasurer shall report to the board the status of Authority's investment portfolio in accordance with Sections (10)(a) and (b) of this policy. Whenever a security is sold at a loss, the Treasurer will record the loss as such in the Authority's accounting system. The Treasurer shall designate in writing an officer or employee of the Authority who shall have authority to execute or authorize execution of an investment trade on behalf of the Authority when the Treasurer is not reasonably available and circumstances require timely action.

(c) Treasurer's responsibility for investments. Investment and management of the Authority's funds shall be solely the responsibility of the Authority's Treasurer, who shall take necessary measures to be fully informed on current market conditions and market trends in general and the condition of the Authority's investment portfolio in particular. The Treasurer shall establish and periodically review for currency and adequacy a system of controls to ensure compliance with the applicable statutory requirements and the Authority's investment policies. The system of controls shall also provide for regulation of subordinate officers and employees as well as investment advisors under contract with the Authority.

(d) Execution of trades by authorized investment advisor. Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of investment responsibilities and where the Treasurer has approved in writing a strategy to guide the investment of Authority funds, the Treasurer may authorize the investment advisor to execute trades on behalf of the Authority to effectuate the approved investment strategy. The Treasurer shall make such delegation via a document that specifies the boundaries of the delegated authorization. The investment advisor designated to execute trades on behalf of the Authority shall be bound by this policy of the Authority and the Treasurer's written approval of the investment strategy. Authorizing the investment advisor to execute trades on behalf of the Authority does not relieve the Treasurer of responsibility for management and oversight of all investment transactions involving Authority funds. The Treasurer or designated Authority officer or employee, as provided in Section 3(b), when the Treasurer is not reasonably available and circumstances require timely action, must approve in writing all investment transactions that exceed a market value of five million dollars (\$5,000,000) prior to execution of the trade. The investment advisor shall not execute any trade through any security broker in whom the investment advisor holds an ownership interest or has a financial interest. The investment advisor shall not take possession of or act as custodian for the cash, securities or other assets. The investment advisor shall provide a written report of all trades made on behalf of the Authority to the Treasurer within twenty-four (24) hours of trade execution.

(4) Ethics and Conflicts of Interest. The Board, Authority officers or Authority employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program or which could impair the Authority's Treasurer's ability to make impartial investment decisions. Authority staff involved with the investment process shall disclose to the Authority's Treasurer any financial interest in financial institutions that conduct business with the Authority and they shall further disclose any personal financial and/or investment positions that could be related to the performance of the Authority's portfolio. Board members, Authority officials and Authority employees shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the time of purchases and sales.

(5) Placement of Trade Execution Orders.

- (a) Whenever possible, investment transactions shall be made via a competitive process to ensure the Authority's security transactions are made on terms most favorable to the Authority. Trade execution shall be only through firms registered with the Financial Industry Regulatory Authority (FINRA) and approved by the Treasurer. To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. When purchasing new issue securities, no competitive process will be required as all dealers in the selling group offer the securities at the same original issue price. This policy permits the Authority to purchase investments directly from approved issuers who require no competitive process (e.g., Local Agency Investment Fund (LAIF), the San Diego County Investment Pool (SDCIP), and Local Government Investment Pools (LGIPs),
- (b) Other than investments with depository institutions and approved pools, the Treasurer shall only execute trades with security dealers that have been approved to execute security trades on behalf of the Authority. Prior to approving a security dealer to execute security trades, the Treasurer shall determine that the dealer is fully qualified to execute security trades for the Authority. In evaluating whether a specific dealer is so qualified, the Treasurer shall evaluate, at a minimum, the dealer's security registration, financial condition, standing in the investment community, and experience with security trades of the nature to be executed on behalf of the Authority. To be qualified, all financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following information on an annual basis: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) a trading resolution; (4) proof of California registration; and (5) a completed broker/dealer questionnaire.
- (c) Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of the investment responsibilities, the Treasurer may rely on the advisor's assurances that specific security dealers are fully qualified to execute trades on behalf of the Authority. The investment advisor shall provide such assurances in writing and shall renew the assurances based on an annual review of the financial condition and registrations of qualified bidders.

(6) Authorized Investments.

The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 *et seq.* and §53630 *et seq.* to invest in the following types of securities, further limited herein:

(a) United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b)

(b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(f)

(c) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio. No more than 10% of the portfolio may be invested in a single Supranational issuer. Cal. Gov. Code §53601(k)

(d) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances which are eligible for purchase by the Federal Reserve System and are rated in the highest category by a nationally recognized statistical rating organization (NRSRO), may not exceed 180 days to maturity or 40% of the market value of the portfolio. No more than 5% of the market value of the portfolio may be invested in banker's acceptances issued by any one bank. Cal. Gov. Code §53601(g)

(e) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

(2) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maturity of 397 days or less. No more than 25% of the market value of the portfolio may be invested in commercial paper. No more than 5% of the market value of the portfolio may be invested in the commercial paper of any single issuer. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 5% of the market value of the portfolio. Cal. Gov. Code §53601(h)

(f) Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank. The amount invested in Negotiable Certificates of Deposit (NCDs) may not exceed 30% of the market value of the portfolio. NCDs eligible for purchase shall be rated in a rating category of “A” or its equivalent or better by a NRSRO. The maximum term for NCDs shall be five years. The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed 5% of the market value of the portfolio. Cal. Gov. Code §53601(i)

(g) Placement Service Deposits (PSDs). Deposits placed through a deposit placement service that meet the requirements of Cal. Gov. Code §53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for PSDs shall be three years. The amount invested in Placement Service Deposits (PSDs) may not exceed 30% of the market value of the portfolio. Cal. Gov. Code §53601.8 and 53635.8

(h) Bank Deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time certificates of deposits (“TCDs”) in financial institutions located in California. The Authority will invest in financial institutions with a net worth of ten million dollars and total assets in excess of \$50 million. Such deposits in each bank shall be limited to no more than 5% of the total assets of the bank. To be eligible to receive Authority deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Cal. Gov. Code §53630 *et seq.* The Treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The Authority shall have a signed agreement with any depository accepting Authority funds per Cal. Gov. Code §53649. The maximum maturity of TCDs is three years. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in excess of the FDIC limit in combination with any other securities from that issuer shall not exceed 5% of the market value of the portfolio. Cal. Gov. Code §53630 *et seq.*

(i) Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States rated in a rating category of “A” or its equivalent or better by a NRSRO and be issued by a corporation organized and operating within the United States. The aggregate total of MTNs may not exceed 20% of the market value of the investment portfolio. The amount invested in MTNs of any one issuer in combination with any other securities from that issuer shall not exceed 5% of the market value of the portfolio. Cal. Gov. Code §53601(k)

(j) Asset-Backed Securities (ABS) from issuers not defined in sections (a) and (b) of the Authorized Investments section of this policy shall have a credit rating of “AA” or its equivalent or better by a NRSRO. No more than 10% of the portfolio shall be invested in a combination of ABS, MBS, CMOs, and Mortgage Pass-Through Securities. No more than 5% of the portfolio may be invested in a single ABS issuer unless the issuer is the US Treasury or a Federal Agency/GSE. The maturity shall not exceed five years. Cal. Gov. Code §53601 (o).

(k) Mortgage Backed Securities (MBS), Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations (CMOs) from issuers not defined in sections (a) and (b) of the Authorized Investments section of this policy shall have a credit rating of “AA” or its equivalent or better by a NRSRO. No more than 10% of the portfolio shall be invested in a combination of ABS, MBS, CMOs, and Mortgage Pass-Through Securities. No more than 5% of the portfolio may be invested in a single issuer unless the issuer is the US Treasury or a Federal Agency/GSE. The maturity shall not exceed five years. Cal. Gov. Code §53601 (o).

(l) Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating in the rating category “A” or its equivalent or better by a NRSRO. The Security Industry and Financial Markets Association (SIFMA) master repurchase agreement shall be the Authority’s master repurchase agreement.

The term of the agreement may not exceed one year.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in 6(a) and 6(b) above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102% of the total dollar value of the money invested by the Authority for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement. Cal. Gov. Code §53601(j)

(m) The Local Agency Investment Fund (“**LAIF**”), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 *et seq.* The market value of the Authority’s investment in LAIF may not exceed the current deposit limit for regular LAIF accounts.

(n) The San Diego County Investment Pool (“**SDCIP**”) as authorized by Cal. Gov. Code §53684. The market value of the Authority’s investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts.

(o) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of the Investment Trust of California (CalTRUST), as authorized by California Government Code §53601(p). The market value of the Authority’s investment in each of the CalTRUST funds may not exceed the current deposit limit for regular LAIF accounts.

(p) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of Cal. Gov. Code §53601(p). The market value of the Authority’s investment in any LGIP may not exceed the LAIF statutory limit. Prior to investing, the Treasurer will complete a thorough investigation of the potential investment. Whenever the Authority has any funds so invested, the Treasurer shall maintain on-going monitoring including the following:

(i) Establish the investment is a legal investment under Cal. Gov. Code.

(ii) A description of eligible investment securities, and a written statement of investment policy and objectives. All investments must comply with the eligible investments outlined in this policy. In the event that any investments do not comply with the eligible investments outlined in this Policy, the Treasurer will assess the potential risk of a substantial investment loss related to the investment(s) not in compliance.

(iii) The issuer must have a current AAAM rating, provide a constant dollar pool with a stated objective of maintaining a \$1 net asset value, meet an asset size of \$1 billion at the time of investment, and provide for third-party custody of portfolio assets.

(iv) A description of interest calculations and how it is distributed, and how gains and losses are treated.

(v) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.

(vi) A description of who may invest in the program, the type and number of governmental participants, investor concentrations, what size deposit and withdrawal are allowed, and what time restrictions are placed on these deposits and withdrawals.

(vii) A schedule for receiving statements and portfolio listings.

(viii) Determination of how reserves, retained earnings, etc. are utilized by the fund.

(ix) A fee schedule, and when and how it is assessed. Cal. Gov. Code §53601(p).

(q) The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 *et seq.*). Investment in money market funds may not exceed 20% of the market value of the portfolio with no more than 10% of the market value of the portfolio in any single fund. Additionally, each selected fund shall be large enough that the Authority's investment does not constitute more than 5% of the total fund balance. To be eligible for investment, these companies shall either:

(i) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or

(ii) Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing money market mutual funds with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)

(r) The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state; (ii) Registered treasury notes or bonds issued by any of the other 49 States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state; and (iii) Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's portfolio. The amount invested with any one issuer shall not exceed 5% of the portfolio. Cal. Gov. Code §53601 (c), (d), (e).

(s) Permitted Investment for Bond Proceeds. All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in the following:

Investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of this section which are the following:

- (i) Valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, and
- (ii) Held by any Federal Reserve Bank or a depository acceptable to the Treasurer or any Authority bond trustee, and
- (iii) Subject to a perfected first lien on behalf of the Authority or any bond trustee and free and clear from all third-party liens

The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio.

(7) Prohibited Investments. Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, and common stocks are prohibited from use in this portfolio. The Authority shall not invest any funds in any security that could result in zero or negative interest accrual if held to maturity unless they are securities issued or backed by the US Government under a provision sunseting January 1, 2031 and the Authority has exhausted all other potential investment options to avoid a zero or negative interest accrual. Cal. Gov. Code §53601.6. The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

(8) Safekeeping of Securities. To protect against potential losses by the collapse of individual securities dealers, all securities owned by the Authority shall be held in safekeeping by a third person bank trust department acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All securities will be received and delivered using standard delivery versus payment procedures. The only exception to the foregoing shall be: (i) LAIF; (ii) the SDCIP; (iii) LGIPs; (iv) money market mutual funds, and (v) Deposits (TCDs & PSDs), since the purchased securities are not deliverable. A record of these investments shall be held by the Treasurer.

All investment officers shall be bonded.

(9) Portfolio Limitations. Percentage limits and credit criteria are applied at the time of purchase. If a percentage-of-portfolio limitation is exceeded due to reduction in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Authority's Treasurer shall consider restructuring the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced. The Treasurer shall report all such imbalances in the monthly report to the Board. In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

(10) Reporting Requirements.

(a) In accordance with Cal. Gov. Code §53646, on a quarterly basis, the Authority's Treasurer shall prepare in accordance with GAAP and GASB 31 a report detailing investments and investment activity and transmit same to the Executive Officer, the Internal Auditor and the Board.

(i) The report shall be submitted within 45 days of the end of the quarter covered by the report.

(ii) The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Authority.

(iii) The report shall include a description of any funds, investments, or programs that are under the management of contracted persons.

(iv) The report shall also include a current market value on a market-to-market basis as of the report date using an established identified independent source for the valuation.

(v) The report shall state compliance of the portfolio to the statement of investment policy or the manner in which it is not in compliance.

(vi) The report shall state the Authority's ability to meet its budgeted expenditure requirements for the next six months or to explain why sufficient money may not be available.

(b) In accordance with Cal. Gov. Code §53607, the Authority's Treasurer shall make a monthly report of investment transactions to the Board.

(11) Internal Control. The development of internal controls is a function of management. The Authority's Treasurer shall establish and document a system of internal controls that will provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding assets
- Ensuring validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

In addition, the Authority's Treasurer shall:

(a) Establish an annual process of an independent review by an external examiner.

(b) Develop performance standards. Those performance standards will be reviewed by the Treasurer and presented as an information item to the President/CEO and the Board. On a quarterly basis, as part of the reporting requirements the Authority's Treasurer shall report actual compared to the performance standard and any substantial deviations shall be explained.

(c) Review the Authority's investment policy annually at a public meeting and obtain Board approval and adoption of the policy to ensure its consistency with the Authority's objectives of preservation of principal, liquidity, rate of return and the policy's relevance to current law and financial and economic trends. The Authority's Treasurer is responsible for maintaining guidance over the Authority's investment policy and ensuring that the Authority can adapt readily to changing market conditions and shall submit to the Board any modification to the investment policy prior to implementation.

(12) Glossary of Terms.

**Asked:** The price at which securities are offered (that is, the price at which a firm will sell a security to an investor).

**Asset-Backed Securities:** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**Bankers' Acceptance (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Bid:** The price offered for securities (that is, the price at which a broker or dealer will pay to purchase a security an investor owns).

**Broker:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**Certificate of Deposit (CD):** See: Time Certificate of Deposits, Negotiable Certificates of Deposits.

**Collateral:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Collateralized Mortgage Obligations:** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**Commercial Paper (CP)** - An unsecured short-term promissory note issued by corporations and local governments, with maturities ranging from 1 to 270 days. Commercial paper is usually issued at a discount from par with a zero coupon. Highly-rated, or "Prime" commercial paper carries a Standard & Poor's rating of A1 or A1+, a Moody's rating of P1, and/or a Fitch rating of F1 or F1+.

**Constant Maturity Treasury (CMT)** – A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

**Coupon:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; (b) A certificate attached to a bond evidencing interest due on a payment date.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

**Debenture:** A bond secured only by the general credit of the issuer.

**Delivery versus Payment:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Discount:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns.

**Federal Farm Credit Bank (FFCB):** The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. Unlike commercial banks, System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FFCB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

**Federal Home Loan Banks:** Federal Home Loan Banks provide a source of low cost loan funding to U.S. banks. Within their collective membership, the FHLBank System represents the largest source of home mortgages in the United States. The System does not provide loans directly to individuals, only to other correspondent banks. System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FHLB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

**Federal Home Loan Mortgage Company (FHLMC or “Freddie Mac”):** The Federal Home Loan Mortgage Corporation (FHLMC), commonly referred to as “Freddie Mac”, was created in 1970 to assist its sister company, Fannie Mae, by purchasing mortgage loans in the secondary market, pooling them together, and selling them to investors in the form of mortgage-backed securities. By providing a secondary market for home loans, Freddie Mac increases the amount of money available for mortgage lending. In September 2008, Freddie was placed under Federal government conservatorship as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed. Like Fannie Mae, Freddie Mac issues debt in maturity ranges from one-day to 30 years, and its long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government.

**Federal National Mortgage Association (FNMA or “Fannie Mae”):** The Federal National Mortgage Association (FNMA), commonly referred to as “Fannie Mae”, was created in 1938 during the Great Depression to provide a secondary market for mortgage loans by purchasing groups of loans from lenders and packaging them into pools of mortgage-backed securities that can then be sold to investors. To facilitate this process, Fannie Mae also issues debt in maturity ranges from one-day to 30 years. The company’s long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government. Although Fannie Mae had operated as a private company since 1968, it was placed under Federal government conservatorship in September 2008 as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed.

**Government National Mortgage Association (GNMA or “Ginnie Mae”):** Long-term mortgage-backed securities backed by FHA and VA loans guaranteed by the full faith and credit of the U.S. Treasury. The term “pass-through” is often used to describe Ginnie Mae securities as principal and interest payments from the underlying homeowners are passed along to investors.

**Federal Open Market Committee (FOMC):** A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raises and lowers interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels.

**Fed or Federal Reserve Bank:** The Central Bank of the U.S. responsible for supervising and regulating member banks, providing banking services, providing information, and setting monetary policy through the FOMC.

**International Bank for Reconstruction and Development (IBRD or World Bank).** The International Bank for Reconstruction and Development was created in 1944 to help Europe rebuild after World War II. Today, its purpose is to assist with reconstruction and poverty reduction through an inclusive and sustainable globalization. The IBRD is owned and governed by its member governments. The United States is the IBRD’s leading shareholder.

**International Finance Corporation (IFC):** The IFC is a member of the World Bank Group. Its focus is on assisting with private sector development in developing countries. The IFC is owned and governed by its member governments. The United States is the IFC’s leading shareholder.

**Inter-American Development Bank (IADB):** The IADB was established in 1959 to provide financing and expertise for sustainable economic, social, and institutional development in Latin America and the Caribbean. The IADB is owned and governed by its member governments. The United States is the IADB’s leading shareholder.

**Inverse Floating Rate Note:** A debt security with an interest rate stated as a fixed rate minus a variable rate index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

**Local Government Investment Pools (LGIPs):** Shares of beneficial interest issued by a joint powers authority organized pursuant to Cal. Gov. Code §6509.7. LGIPs offer a diversification alternative to LAIF and SDCIP for short-term cash management facilities.

**Market Value:** The price at which a security is trading and could presumably be sold.

**Master Repurchase Agreement:** A written contract covering all future transactions between counterparties to repurchase agreements and reverse repurchase agreements that establish each entity's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.

**Medium Term Notes:** A class of debenture that is defined as all corporate and depository debt securities with a maximum remaining maturity of five years or less.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

**Mortgage Backed Securities (MBS):** A bond that is secured by a mortgage or collection of mortgages.

**Mortgage Pass-Through Securities:** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**Nationally Recognized Statistical Rating Organization (NRSRO):** A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

**Negotiable Certificate of Deposit (NCD):** A type of CD that is at least \$100,000 and can also be traded on a highly liquid secondary market.

**Placement Service Deposit (PSD):** A type of deposit that uses a deposit placement service. The placement service will allow the bank with which the investment is placed to split the initial deposit into multiple pieces that are then distributed among a network of banks, such that the full amount of the deposit is protected by the FDIC insurance of each participating bank.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

**Prudent Investor Standard:** A legal doctrine that requires fiduciaries to make investments using the prudence, diligence, and intelligence that would be used by a prudent person in making similar investments.

**Rate of Return:** A standard performance measurement that considers the coupon interest a security or portfolio of securities receives, along with any realized gain or loss, along with any change in unrealized market gain or loss. Depending on market volatility, the rate of return could differ significantly from the average yield of a portfolio.

**Rating Agency:** Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

**Rating Category:** A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**Repurchase Agreement (RP or Repo):** A type of financial agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specified period. At the end of the period, securities are returned in exchange for the principal amount, along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Sec Rule 15C3-1:** See Uniform Net Capital Rule.

**Securities and Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Strip (Bonds):** Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

**Time Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

**Treasurer:** The Vice President/Chief Financial Officer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

**Treasury Bill:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bond:** Long-term U.S. Treasury security having initial maturities of more than ten years.

**Treasury Note:** U.S. Treasury security having initial maturities between two and 10 years.

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (A) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (B) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

[Amended by Resolution No. 2023-0040 dated June 1, 2023.]  
[Amended by Resolution No. 2021-0055 dated June 3, 2021.]  
[Amended by Resolution No. 2018-0133 dated December 6, 2018.]  
[Amended by Resolution No. 2018-0056 dated June 7, 2018]  
[Amended by Resolution No. 2017-0049 dated June 1, 2017]  
[Amended by Resolution No. 2016-0040 dated May 19, 2016]  
[Amended by Resolution No. 2015-0043 dated May 21, 2015]  
[Amended by Resolution No. 2014-0051 dated June 5, 2014]  
[Amended by Resolution No. 2013-0049 dated June 6, 2013]  
[Amended by Resolution No. 2012-0059 dated June 7, 2012]  
[Amended by Resolution No. 2011-0064 dated June 2, 2011]  
[Amended by Resolution No. 2010-0059 dated June 3, 2010]  
[Amended by Resolution No. 2009-0123 dated October 1, 2009]  
[Amended by Resolution No. 2008-0118 dated September 4, 2008]  
[Amended by Resolution No. 2006-0010 dated February 6, 2006]  
[Amended by Resolution No. 2005-0102 dated September 8, 2005]  
[Amended by Resolution No. 2004-0133 dated December 6, 2004]  
[Amended by Resolution No. 2004-0100 dated October 4, 2004]  
[Amended by Resolution No. 2004-0032 dated April 5, 2004]  
[Adopted Resolution No. 2002-02 dated September 20, 2002]

## **Exhibit B**

# **SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

## **POLICIES**

**ARTICLE 4 - FINANCE AND ACCOUNTING**

**PART 4.4 - DEBT**

**SECTION 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY**

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**PURPOSE:** To establish a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”).

**POLICY STATEMENT:**

**SECTION I. INTRODUCTION & EXECUTIVE SUMMARY**

This comprehensive Debt Issuance and Management Policy (the “Policy”) contains the policies that govern existing and anticipated debt obligations. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its outstanding debt and projected debt issuance. It is expected that the Policy will be updated from time to time to reflect changes in law and market practices.

Debt plays an important role in meeting the financial needs of the Authority since it provides the funding for the Authority to build projects today which will subsequently be repaid from future revenues. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Authority’s access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity. The term “debt” is used in this Policy to describe numerous types of financial obligations of the Authority which may include Bonds, Subordinate Obligations, Special Facility Obligations, interim financing programs, and other financings of the Authority.

The Authority’s debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors;

- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law post-issuance compliance, reimbursement and revolving credit agreement covenants; and
- Protect the assets and funds entrusted to the Authority.

## **SECTION II. ROLES AND RESPONSIBILITIES**

The roles and responsibilities of key parties in administering, monitoring, and ensuring on-going compliance with this Policy include:

- 1) Board: The Authority is governed by an appointed board of nine members who represent all areas of San Diego County and three *ex-officio* members. The Board approves all bond issuances as well as the policies and guidelines pursuant to which debt is incurred and issued. The Board may waive or modify relevant sections of this policy for any lawful purpose, including in response to an emergency or disaster that materially impacts the Authority's operations.
- 2) President/CEO and Vice President/CFO: The Vice President/CFO, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this Policy, subject to Board approvals; (ii) in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations; (iii) responsible for implementing and ensuring compliance with internal control procedures to ensure proceeds of the Authority's debt obligations are directed to the intended use; and (iv) responsible for timely submitting to the California Debt and Investment Advisory Commission any annual debt report required under California Government Code Section 8855(k). As of the date of this Policy, an annual report must be submitted no later than seven (7) months after the end of the immediately preceding "reporting period". A "reporting period" starts on July 1 and ends on June 30.
- 3) Registered Municipal Advisor: The Authority has chosen to deliver a Notice of Representation by Registered Municipal Advisor pursuant to SEC Rule 17 CFR Section 240.15Bal – 1(d)(3)(vi)(B) dated August 27, 2014 to notify investment banking firms that the Authority has retained a Financial Advisor and, among other things, will rely on advice of the Financial Advisor for recommendations on the issuance of municipal securities provided by investment banking firms. The Authority may amend or modify this notice from time to time.
- 4) Financial Professionals: All financial professionals performing services for the Authority's debt programs, such as its Financial Advisor, Bond Counsel, Disclosure Counsel, investment advisor and Underwriters, must comply with the policies and procedures set forth herein.

**SECTION III. CAPITAL IMPROVEMENTS AND FINANCIAL PLANNING**

The Authority maintains a financing plan and model which projects the available sources and uses of funds and verifies the Authority's financial ability to deliver current and planned programs and services. The impact of the funding sources, particularly debt, on future commitments is a relevant consideration of this Policy. The financing plan is based on a set of assumptions developed through detailed collection and analysis of historical and forecasted data concerning revenues and expenses, economic forecasts and trend projections.

The main sources of revenues include airline rates and charges, parking and concession revenues, and lease revenues. Additionally, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and federal grants-in-aid are included as a funding source for certain eligible projects.

The Authority's annual operating budget will ensure that sufficient resources are provided from current revenues to: 1) finance the current fiscal year's requirements for ongoing operating and maintenance needs; 2) provide reserves for periodic replacement and renewal; 3) fund the annual requirements of the maintenance, operating and other reserves; and 4) meet any debt service coverage requirements.

Both the capital plan and the financing plan shall be updated periodically as part of the budget process. It is the goal of the Authority to adopt its capital plan on a rolling five-year forward basis. Both plans will comply with the Policy, paying particular attention to all relevant target debt affordability indicators.

**SECTION IV. DEBT TARGETS**

The President/CEO and the Vice President/CFO will recommend to the Board the amount, tenor and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and impact on rates and charges will be considered, guided by the use of target debt capacity indicators for measuring the affordability of additional borrowing.

1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – The Authority will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Net Revenues, which are generally defined as Revenues less Operation and Maintenance Expenses for a given period, in each Fiscal Year will be at least equal to 125% of the Aggregate Annual Debt Service for all Bonds.

“Bonds” are generally defined by the Master Indenture to mean any debt obligation of the Authority including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements, other agreements, certificates of participation, and bank repayment obligations. The term “Bonds” does not include Subordinate Obligations (which is defined hereinafter).

The Authority has covenanted in the Master Subordinate Indenture to comply with the subordinate lien Rate Covenant, as summarized below:

Subordinate Obligations – The Authority will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Subordinate Net Revenues (which are generally defined as Revenues less Operation and Maintenance Expenses less senior lien Bond debt service and reserve funding requirement for a given period) in each Fiscal Year will be at least equal to 110% of the Aggregate Annual Debt Service for all Subordinate Obligations for such Fiscal Year (excluding the principal amount of Commercial Paper reissued during the Fiscal Year).

“Subordinate Obligations” shall mean any debt obligation of the Authority issued under the Master Subordinate Indenture and are generally defined to mean a subordinate lien debt obligation including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and bank repayment obligations.

2) Additional Bonds Test and Additional Subordinate Obligations Test

In order to issue additional parity debt under the Master Indenture, the Authority must comply with one of the two prongs of the Additional Bonds Test, as summarized below:

(A) The Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds were at least equal to 125% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for such applicable period; or

(B) Obtain a certificate prepared by a consultant showing that the forecasted Net Revenues are expected to be at least 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for each year of the forecast period.

In order to issue additional parity debt under the Master Subordinate Indenture, the Authority must comply with one of the two prongs of the Additional Subordinate Obligations Test, as summarized below:

(C) The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations were at least equal to 110% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for such applicable period; or

(D) Obtain a certificate prepared by a consultant showing that the forecasted Subordinate Net Revenues are expected to be at least 110% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for each year of the forecast period.

3) Annual Debt Service Coverage Target

The Authority has established a debt service coverage target for its Bonds and Subordinate Obligations (in aggregate) in order to maintain adequate financial margins to accommodate unexpected events given the volatile nature of the aviation industry, preserve financial capacity for future funding needs, and maintain strong credit ratings.

The minimum Debt Service Coverage target for Aggregate Debt Service is:

- 1.40x, where PFCs used to pay debt service, if any, are added to Net Revenues (rather than deducted from Debt Service) with the sum divided by Aggregate Annual Debt Service for Bonds and Subordinate Obligations and Other Debt Service

This debt service coverage target will be reviewed at least annually by the Authority and its Financial Advisor to determine appropriate adjustments that may be necessary.

4) Airline Costs Per Enplaned Passenger Target

The Authority will compare its airline costs per enplaned passenger (“CPE”) with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports set airline rates and charges, it is recognized that comparisons between airports can be misleading.

The Authority will regularly review and monitor CPE and seek to maintain a competitive rate.

5) Debt Per Enplaned Passenger – Target (excluding Special Facility Financing)

The Authority will monitor the amount of long-term debt it has outstanding. One common metric of leverage for airports is Debt per Enplanement. This metric, like CPE, is impacted by long-term passenger traffic demand which continues to evolve and has increased uncertainty. The Authority has a Debt per Enplanement target range of \$300 to \$400.

The Authority will regularly review and monitor the Debt per Enplanement target using available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.

6) Net Debt/Cash Flow Available to Debt Service (CFADS) – Target (excluding Special Facility Financing)

The Authority will monitor the amount of net long-term debt outstanding relative to the Cash Flow Available for Debt Service (CFADS). Net Debt to CFADS is the ratio of gross debt (including long-term capital leases) less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest and PFCs available for debt service). Airport credits, like most infrastructure assets, are highly leveraged and Net Debt/CFADS is a measure of debt affordability. A lower ratio is preferred as that indicates more available cash flow to service a given amount of debt outstanding.

The Authority has a Net Debt to CFADS target range of 8x to 11x. The Authority will regularly review and monitor the Net Debt to CFADS target using available sources of data, including the rating agencies' median reports.

7) Liquidity Target

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Authority's budgeting and capital planning process.

The Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year.

8) Credit Ratings Target

The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. The Authority will maintain ratings from at least two of the leading rating agencies for its Senior Lien Airport Revenue Bonds and seek to maintain a rating at least in the A1/ A+ category.

**SECTION V. TYPES OF FINANCING – DESCRIPTION AND APPROACH**

1) Bonds and Subordinate Obligations of the Authority

In general, issuing senior lien debt under the Authority's Master Indenture will achieve the lowest borrowing costs compared to other forms of borrowing. Under the Master Indenture, senior lien debt is defined as "Bonds". Under the Master Subordinate Indenture, subordinate lien debt is defined as "Subordinate Obligations".

Proceeds of the Authority's Bonds and Subordinate Obligations may be used for any legally permitted purposes.

Bonds issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues generated by the Airport. Subordinate Obligations issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues generated by the Airport.

Revenues generally include all revenues, income, receipts, and money derived from the ownership and operation of the Airport and all gifts, grants, reimbursements, or payments received from governmental units or public agencies, which are not restricted by law or the payor to application for a particular purpose other than payment of bonds. Among other things, Revenues specifically exclude:

- (A) Passenger Facility Charges (PFCs)
- (B) Released Revenues, which are an identifiable portion of Revenues that have been excluded from Revenues after meeting certain requirements defined in the Master Indenture
- (C) State and/or federal grants
- (D) Rental car Customer Facility Charges (CFCs)

2) PFC-Supported Bonds and Subordinate Obligations

The Authority leverages PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service for purposes of compliance with the Additional Bonds Test. The Authority may also deposit additional PFC amounts each year to the debt service fund to pay debt service on Bonds and Subordinate Obligations that financed PFC eligible projects.

The Authority will not include PFCs in estimates of future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.

3) Special Facility Financings

Special Facilities Obligations may be issued by the Authority to finance capital projects and must be secured by a defined revenue stream derived from or relating to discrete facilities such as cargo terminals or maintenance facilities. Such facilities may be leased to one or more tenants.

The Authority may designate facilities at the Airport as Special Facilities and the revenues therefrom as Special Facilities Revenue if such facilities or revenues meet the following tests from the Master Indenture:

- (A) The estimated Special Facilities Revenue pledged to the payment of Special Facilities Obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and

(B) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a “Special Facility” or “Special Facilities,” the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with the Rate Covenant; and

(C) No Event of Default then exists under the Indenture.

If a facility meets these tests, the Special Facilities Revenues will not be Revenues for the period during which any Special Facilities Obligations are outstanding.

Special Facilities Obligations are limited obligations of the Authority to be repaid solely by Special Facilities Revenues derived from or relating to a discrete facility and are not secured by a lien on Revenues or PFC Revenues. Bonds and Subordinate Obligations are not secured by Special Facilities Revenues.

Special Facilities Obligations may be used in lieu of issuance of Bonds or Subordinate Obligations for financing of discrete airport facilities or airport projects that have an independent revenue stream.

The Authority may permit tenants to undertake Special Facilities Obligations under the following specified terms and conditions:

(A) The financing must comply with the Master Indenture limitations on this type of financing;

(B) A pledge of leasehold mortgage or security interest in the underlying asset may be granted to the trustee or Bondholders in certain circumstances, taking into account any value the Authority receives from the tenant in return;

(C) Terms of bonds will be consistent with the standard terms and the provisions of the Airport’s leasing policies;

(D) The Authority will not enhance the creditworthiness of Special Facilities Obligations (for example, through the granting of a re-letting provision), unless the Authority determines it is in the best interests of the Airport, taking into account any value the Airport receives from the tenant in return;

(E) The Special Facilities Obligations are amortized over a period that does not exceed the lesser of: (a) 40 years; or (b) the useful life of the facility (80% of the useful life of the facility for projects that are considered to be “private activities” under federal tax regulations, if tax-exempt financing is used). “Bullet” maturities may be considered if they do not exceed the lesser of: (a) the useful life of the facility; or (b) 25 years, and are amortized on a straight line basis for purposes of calculating amortized cost (see below);

(F) The Authority reserves the right to acquire the facility at its amortized cost and the right to require notices exercising early call redemption provisions for the Special Facilities Obligations;

(G) Any refinancing of assets financed with Special Facilities Obligations will not be permitted without the consent of the Board;

(H) The tenant will reimburse the Authority for all of its costs associated with the Special Facilities Obligations;

(I) The Authority may assess an annual fee for Special Facilities Obligations;

(J) Bond Counsel(s) for the Authority will review all Disclosure documents and prepare the financing documents;

(K) The tenant will satisfy Continuing Disclosure and arbitrage rebate requirements and will provide the Authority with indemnities covering any exposure the Authority may have arising from the financing;

(L) The proposed facility must be compatible with Airport System land and capital use plans; and

(M) The Authority may establish minimum threshold Credit Ratings for airlines and other parties wishing to participate in Special Facilities Obligation financed projects. These threshold Credit Ratings will be reviewed by the Authority from time to time.

4) Bond Anticipation Notes (“BANs”) and Grant Anticipation Notes (“GANs”)

Bond Anticipation Notes (“BANs”) are short-term debt instruments that will be repaid with proceeds of an upcoming bond issue.

Grant Anticipation Notes (“GANs”) are short-term instruments that will be repaid from expected future federal AIP and TSA grants or other federal or State grants accepted by the Authority. The FAA and TSA may issue Letters of Intent (“LOI”) to the Authority indicating their intent, although not their commitment, to fund “long term, high priority capacity projects” on a multi-year basis as appropriations become available. Once an LOI is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received.

The Authority may use BANs proceeds to finance projects that would be otherwise financed by an upcoming bond issue. The Authority may use GANs proceeds to finance projects permitted by the grants anticipated to be received by the Authority.

Notes may be considered Balloon Indebtedness under the Master Indenture, which specifies that, for purposes of calculating the Aggregate Annual Debt Service of Balloon Indebtedness, such Bonds shall be assumed to be amortized in substantially equal annual amounts for principal and interest over a period of 30 years at an interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, or if that index is no longer published, another similar index selected by the Authority.

If the Authority fails to select a replacement index, the rate shall be the rate determined by a consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Indenture. Issuance of BANs and GANs should not occur in amounts or result in amortization that would result in the failure by the Authority of its ability to satisfy its rate covenants and the debt coverage goals contained in this Policy.

5) Capital Appreciation Bonds and Zero Coupon Bonds

The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures.

In the event that the Authority issues capital appreciation bonds or zero coupon bonds, proceeds of such bonds may be used for any legally permitted purposes.

6) Commercial Paper

Commercial Paper is a short-term obligation with maturities ranging from 1 to 270 days. The payment when due of principal and interest on each series of the Notes also is secured by separate irrevocable, direct-pay letters of credit.

The Authority may refinance, refund or purchase outstanding Commercial Paper by issuing new Commercial Paper, by issuing Bonds, or by using available Authority funds.

For purposes of calculating Aggregate Annual Debt Service for a Commercial Paper Program, the principal and interest shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 35 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments.

The interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a consultant to be a reasonable market rate for fixed rate Subordinate Obligations of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Subordinate Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

Any outstanding Commercial Paper anticipated to be paid off and not reissued within the current fiscal year shall be excluded from any calculations of variable rate exposure for internal debt management purposes.

The Authority may issue Commercial Paper as sources of interim financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

7) Floating Rate Notes and Revolving Credit Facilities

Floating Rate Notes (FRNs), including Revolving Credit Facilities, are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or BSBY (Bloomberg Short Term Bank Yield Index) or SOFR (Secured Overnight Financing Rate), or such other industry benchmarks, plus a spread. The spread is a rate that remains constant. At the beginning of each coupon period, the coupon is calculated by taking the fixing of the reference rate for that day and adding the spread. Because the coupon resets based on a short-term index, the issuer is exposed to rising interest rates unless it has swapped the debt to a fixed rate. However, unlike variable rate demand obligations or Commercial Paper, FRNs are not supported by a bank liquidity facility, and therefore do not pose short-range liquidity/refinancing risk to the issuer.

The Authority may issue FRNs as a source of interim financing for capital projects. Before issuing such FRNs, the take out of such notes must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

8) Equipment Leases

Equipment leases are basically loans pursuant to which the lender buys and owns certain equipment (e.g., jet bridges, baggage systems, flight and baggage information display systems) and then "rents" it to the Authority at a flat monthly rate for a specified number of months. At the end of the lease, the Authority may purchase the equipment for its fair market value (or a fixed or predetermined amount), continue leasing, lease new equipment or return the equipment. The Authority may explore equipment leases as a financing vehicle and alternative to debt if the terms and conditions of the lease (including the interest rate charged) are more favorable.

9) Installment Payment Agreement

The Authority may also finance certain facilities, including equipment, under an agreement with a third-party whereby the third-party funds the investment in the facility and the Authority agrees to pay the third party as rental/payment for the use and occupancy of the facility specific installment payments.

The installment payments would be made from the Authority's available funds after payment of all Operation and Maintenance Expenses, all funds necessary to pay debt service on and to fund the reserves for the Authority's Outstanding Senior and Subordinate Debt Obligations and amounts necessary to fund the Authority's Operation and Maintenance Reserve Subaccount and Renewal and Replacement Subaccount in accordance with the Master Trust Indenture.

10) Direct Loans

The Authority may also enter into a direct loan with a financial institution or other lending entity to meet certain of its financing needs. A direct loan is made directly with a financial institution or other lending entity and may be a fixed or variable product. The Authority may use direct loans as interim or permanent financing for capital projects or to refinance outstanding debt.

**SECTION VI. FEATURES OF LONG-TERM DEBT**

The Vice President/CFO will recommend to the Board the structure and term of long-term debt according to the general policies described below.

1) Selection of Final Maturity and Amortization of Principal

The final maturity of borrowings should not exceed, and preferably be less than, the projected economic life of the improvements that are financed or such shorter period as required by federal tax law, if tax-exempt debt has been used.

2) Use of Capitalized Interest

The Vice President/CFO will evaluate whether or not to capitalize the early years' interest cost in a bond issue by taking into account the impact this action would have on the size of the bond issue, future Annual Debt Service requirements, accounting treatments and budgetary impacts.

3) Tax Status

The Vice President/CFO will evaluate whether or not to issue taxable bonds in lieu of bonds that are subject to the Alternative Minimum Tax (AMT) for certain maturities for private activity financing needs. In some market conditions, the cost for taxable debt may be less than the cost for AMT bonds for certain maturities. The Vice President/CFO will also evaluate the benefit of using taxable bonds for advance refunding transactions.

4) Sizing of Debt Service Reserve Funds

Except in limited circumstances, the Master Indenture and the Master Subordinate Indenture require either the funding of a common Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for all existing and proposed Bonds or Subordinate Obligations under the respective master indenture participating in such master reserve fund, or the funding of a Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for only the proposed issue. With each issuance of Bonds or Subordinate Obligations, the Vice President/CFO will compare the costs of funding required increases to the reserve requirement from bond proceeds with the costs of satisfying the reserve requirement through the use of a reserve fund surety. The potential effect on credit ratings will also be considered when comparing reserve requirement funding alternatives.

5) Selection of Redemption Provisions

Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale.

The issuance of non-callable Bonds or Subordinate Obligations should be considered only in special circumstances based upon the specific transaction. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable bonds. The preference of the Authority is to issue debt with standard redemption provisions.

6) Use of Discount Bonds

Prior to issuing Bonds or Subordinate Obligations at a dollar price less than 97.0% of par, the Vice President/CFO will request from the Financial Advisor an analysis of the reduced option value resulting from the assignment of a lower interest coupon. The Authority will consider issuing the discount debt, where permissible under tax law, if the present value debt service savings provided by the lower interest coupon is greater than the reduction in call option value. Other benefits such as the participation of new investors will be an additional consideration.

7) Use of Premium Bonds

Prior to issuing Bonds at a dollar price greater than par, the Vice President/CFO will request from the Authority's Financial Advisor a brief cost/benefit analysis of the interest saved using premium debt versus other possible pricing structures.

8) Minimum Criteria for Debt Financing Equipment Items

The Authority will not issue long-term debt to finance individual items of equipment with a useful life less than five (5) years, except under a master lease program.

**SECTION VII. REFUNDING OPPORTUNITIES**

The Vice President/CFO and the Authority's Financial Advisor will monitor refunding opportunities for all outstanding debt obligations on a periodic basis applying established criteria in determining when to issue refunding bonds for debt service savings.

The refunding criteria will include a comparison of expected present value savings with the option value of the existing callable bonds. Generally, the Authority will pursue refunding opportunities if the expected net present value savings provide sufficient compensation for the exercise of the optional redemption provision. Recommendations as to the sufficiency of the net present value savings will be provided by the Authority's Financial Advisor.

Under current Internal Revenue Code provisions, only a current refunding of tax-exempt bonds is permitted using the proceeds of tax-exempt bonds. A current refunding requires issuing refunding bonds no earlier than ninety (90) days prior to the bond's optional redemption date. An Advance Refunding of tax-exempt bonds is permitted using the proceeds of taxable bonds.

Given the limitations on refunding outstanding tax-exempt bonds, careful attention will be given to pricing considerations and the impact early optional redemption provisions have on pricing.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President/CFO with the assistance of the Authority's Financial Advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using a percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.

2) Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, the Authority will evaluate the net present value savings as a percentage of the refunded par amount relative to the time to the first call date of the bonds and the maturity date of the bonds, using the following minimum guidelines:

<i>Years from the date of first call to Maturity Date of the Bonds</i>	Years to the first Call Date		
	After the First Call Date to Up to 90 Days Before	90 Days to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
0-5 Years	0.5%	1.0%	2.0%
6-10 Years	1.0%	2.5%	4.0%
11-20 Years	3.0%	4.0%	5.0%

For advance refunding or current refunding utilizing forward delivery bonds, the Authority will also evaluate the efficiency of the refunding opportunity as well as the breakeven analyses of the opportunity relative to a hypothetical current refunding.

3) Other Considerations:

Some refundings may be executed for other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. In addition, if the benefits outweigh the costs and the refunding opportunity would otherwise be lost, the Authority may proceed with a refunding that has economic benefit but does not meet the criteria stated above in the “Target Savings Amount” paragraph above.

4) Non-Traditional Refundings:

Refundings executed with non-traditional structures such as tenders and swaps, require a full analysis of the benefits and risks, and may require higher economic benefits.

**SECTION VIII. ISSUANCE OF VARIABLE RATE DEBT**

Variable Rate Debt typically is issued for a term of up to 30 years, although the interest rate on this debt instrument is reset daily, weekly, monthly or less commonly, periodically.

The Authority recognizes that variable rate securities are a useful debt management tool that traditionally has had lower interest rate costs than fixed rate debt. The Authority’s current goal is to maintain a debt program which may include both fixed and variable rate debt, as well as Commercial Paper, FRNs and Revolving Credit Facilities.

1) Purposes of Variable Rate Debt

The Vice President/CFO may recommend that variable rate securities be issued for the following purposes:

(A) Interim Financing Tool

The Authority may consider issuing Variable Rate Debt in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt can be retired or redeemed without penalty, these instruments may better suit circumstances where a refunding or restructuring of a potential debt issue is likely for any reason, (for example, if a change in use of the facility to be funded may reasonably be anticipated, or if grant or another source of funds may be obtained to substitute for bond funding).

Certain variable rate products most notably, Commercial Paper and Revolving Credit Facilities can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing.

(B) Statement of Net Position Management Tool

The maintenance of Variable Rate Indebtedness, Commercial Paper, FRNs and Revolving Credit Facilities liabilities at a level that takes into consideration the amount of short-term assets maintained by the Authority prudently reduces the Authority's risk of exposure to changes in interest rates. Since the Authority invests its free cash balances in short term instruments, it is exposed to interest rate fluctuations at the short end of the yield curve. Conversely, a large portion of its liabilities are in the form of long term, fixed-rated debt. When interest rates fall, the Authority's assets earn less, while its liabilities are fixed. Offsetting this exposure by better matching the variability of earnings on its assets with variable, rather than fixed, rate liabilities serve as a hedge against interest rate risk and reduces the overall cost of funds.

(C) Diversify Investor Base to Lower Costs

Typically, variable rate debt is sold to a different segment of investors than long-term fixed rate bonds. By tapping short-term investors, an issuer broadens and diversifies its investor base. By becoming a familiar and respected credit among short-term investors, the Authority will be in a better position to gain access to these buyers at those times when it is less advantageous to borrow in the fixed-rate market.

(D) Management of Negative Arbitrage

Issuing debt in a variable rate mode reduces or at times may even eliminate negative arbitrage in Construction, Capitalized Interest and Debt Service Reserve Funds. (See “A” above)

2) Criteria for Use of Variable Rate Debt

The Authority’s net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves) excluding interim financings (defined as financings the Authority intends to take out with permanent long term financings) will not exceed 15% of total debt.

Statement of Net Position Risk Mitigation - In determining the appropriate amount of variable rate debt to be issued for risk mitigation purposes, the following factors should be taken into account, and analyzed on the basis of the funds that will be repaying the debt:

- (i) The historic average of cash balances analyzed over the course of several prior fiscal years.
- (ii) Projected cash balances based on known demands on the given fund.
- (iii) Any basis risk, such as differences in the performance or average life of the Authority’s investment vehicle (e.g., swaps, as discussed in Section IX) and the variable rate debt instrument.

3) Diversification of Remarketing Agents and Credit Facility Providers

In selecting remarketing agents for variable rate debt, the Authority will seek to choose a diversity of remarketing agents to better foster competition. For similar reasons, the Authority will seek to diversify institutions providing liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President/CFO will determine the appropriate method for budgeting the interest cost of variable rate debt by considering historic interest rates, projected interest rates and the effect of risk mitigation products such as interest rate swaps or caps.

5) Monitoring and Reporting

The Vice President/CFO will monitor the performance of actual interest rates on variable rate debt and periodically report the results. Reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the General Accounting Standards Board (GASB). With the assistance of its Financial Advisor, the Vice President/CFO will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs and market indices.

**SECTION IX. DERIVATIVES**

The Authority has adopted and will maintain a separate policy for derivatives (Policy 4.21 “Policy Regarding the Use and Management of Derivative Products”).

**SECTION X – METHOD FOR SALE OF DEBT**

There are two methods of issuing debt obligations: a Competitive Sale and a Negotiated Sale. In a Competitive Sale, Underwriters submit sealed bids, and the Underwriter or Underwriting Syndicate with the lowest True Interest Cost (TIC) is awarded the sale. In a Negotiated Sale, the Underwriter or Underwriting Syndicate is selected through a Request for Proposal (RFP) process. The interest rate and Underwriter’s fee are negotiated prior to the sale, based on market conditions.

It is usually not feasible to issue bonds through a Competitive Sale for certain types of financings, such as Variable Rate Debt, Commercial Paper and specialized financings like Special Facility Revenue Bonds. Further, there are factors (e.g., flexibility as to timing and the mix of the underwriting syndicate) that support the use of a Negotiated Sale. Still, a competitive process should be used to choose the appropriate Underwriter and financing team to ensure the most qualified firms are used for a specific financing. The current policy of the Authority establishes a preference for Negotiated Sales of its Bonds.

*Role of Underwriters in Negotiated Sale*

The Authority expects its Underwriters to: 1) participate in a valuable and significant way with respect to the structuring and pricing of each debt issue and sales performance; 2) cooperate fully with other financing team members in a way that provides the maximum benefit to the Authority; and 3) attend meetings, when requested, related to the issuance of debt.

The book running senior manager, in conjunction with the Financial Advisor, is responsible for developing a time and responsibility schedule that will allow for the timely and successful completion of the financing. The book running senior manager is responsible for communicating the Authority’s plan of finance and timing to the other managing Underwriters in the syndicate.

*Underwriter Selection in Negotiated Sale*

The Authority may select Underwriters for an individual financing or to serve as part of a pre-qualified pool of Underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include:

- Developing an RFP that meets the financial and policy goals of the Authority.
- Meeting the Authority procurement requirements.
- Circulating the RFP to a wide range of Underwriters (e.g. national and regional firms, DBE and majority firms, firms that provide credit to the Authority, and firms that specialize in certain types of debt).
- Diligently evaluating the Underwriters’ proposals received in response to the RFP.

- Conducting follow-up interviews with any or all of the proposing firms (optional).
- Selecting candidates to be recommended for appointment to an individual financing or to an Underwriter pool.

Should the Board appoint Underwriters to a pre-qualified pool after an RFP process, the Vice President/CFO may recommend such firms for appointment to specific financings, without a subsequent RFP process.

#### **SECTION XI. INVESTMENT OF BOND PROCEEDS**

The Authority shall invest proceeds generated through the issuance of debt in compliance with the terms of eligible investments under the relevant bond indenture and related bond documents; its Investment Policy; and applicable state laws.

#### **SECTION XII. COMPLIANCE WITH FEDERAL TAX LAW AND MARKET DISCLOSURE OBLIGATIONS**

##### **1) Compliance with Federal Tax Law**

The Vice President/CFO shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code and ensure compliance with other federal tax regulations and post-issue compliance as required by Bond Counsel at the time of issuance of the debt. This effort shall include tracking expenditures of bond proceeds to ensure such expenditures comply with federal tax law requirements, tracking investment earnings on proceeds, retention of a rebate consultant to prepare and calculate rebate payments in compliance with tax law and remitting any earnings subject to rebate to the federal government in a timely manner in order to preserve the tax-exempt status of the Authority's outstanding debt issues that have been issued on a tax-exempt basis.

The Authority will comply with all covenants contained in tax certificates.

Trustee banks have been appointed for the Authority's outstanding debt. The trustees shall perform all functions and duties required under the terms and conditions set forth in the respective bond indentures and trust agreements, including maintaining records of fund balances and investments.

##### **2) Initial Disclosure**

The Authority acknowledges its responsibilities under the securities laws to avoid material misstatements and omissions in offering documents used in the marketing of Authority debt. The Vice President/CFO shall manage and coordinate the disclosure documentation preparation process and shall establish a system of procedures to ensure the preparation of appropriate disclosure documentation when required, with assistance from the Authority's General Counsel and the Authority's Bond and/or Disclosure Counsel. When necessary, the Vice President/CFO shall provide training covering new developments and disclosure responsibilities to staff members.

3) Continuing Disclosure

To assist Underwriters to comply with Securities and Exchange Commission (“SEC”) Rule 15c2-12, the Authority has entered into and expects in the future to enter into additional Continuing Disclosure Undertakings. The Authority is required to provide 1) Annual Reports, containing the Authority’s audited financial statements as well as updates of operating and financial data included in the Authority’s offering documents, and 2) notices of certain enumerated events.

- i) Notice of the occurrence of any of the following events shall be given, or caused to be given by the Authority, with respect to any bonds, not later than ten business days after the occurrence of the event:
  - (A) Principal and interest payment delinquencies;
  - (B) Unscheduled draws on the Debt Service Reserve Funds reflecting financial difficulties;
  - (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (D) Substitution of credit or liquidity providers, or their failure to perform;
  - (E) Adverse tax opinions with respect to the tax status of any bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to any bonds;
  - (F) Tender offers;
  - (G) Defeasances;
  - (H) Rating changes;
  - (I) Bankruptcy, insolvency, receivership or similar event of the obligated person;
  - (J) Default, event of acceleration, termination event, modification or terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (I), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (K) Any applicable revision to rule 15c2-12 adopted by the SEC
- (ii) Notice of the occurrence of any of the following events with respect to any bonds, if material, shall be given, or caused to be given by the Authority, not later than ten business days after the occurrence of the event:
  - (A) Unless described in paragraph 3(i)(E), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of any bonds or other material events affecting the tax status of any bonds;
  - (B) Modifications to rights of the owners of any bonds;
  - (C) Optional, unscheduled or contingent bond calls;
  - (D) Release, substitution or sale of property securing repayment of any bonds;
  - (E) Non-payment related defaults;
  - (F) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
  - (G) Appointment of a successor or additional trustee or the change of name of a trustee; or
  - (H) Incurrence of a Financial Obligation of the Authority, or agreement to covenants, events of default, remedies, priority rights, of other similar terms of a Financial Obligation of the Authority, any of which affect security holders;
  - (I) Any applicable revision to rule 15c2-12 adopted by the SEC.

**SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS**

The Vice President/CFO shall be responsible for implementing and managing the Authority's Credit Rating agency relationship. The Authority recognizes the importance of immediate and timely disclosure of relevant financial and program information concerning its debt programs to the rating agencies and pursuant to its continuing disclosure undertakings. This effort shall include periodic meetings with the rating agencies and shall provide the rating agencies with the Authority's annual budget projections, financial statements and other relevant information.

The Vice President/CFO shall be responsible for implementing and managing the Authority's investor relations program, including the maintenance and periodic updating of the financial information provided on the Authority's web site. The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public and in certain circumstances involving significant events affecting the Authority, make voluntary Secondary Market Disclosure pursuant to an EMMA (Electronic Municipal Market Access) filing.

**SECTION XIV. AMENDMENTS TO DEBT ISSUANCE AND MANAGEMENT POLICY**

The Policy codifies and explains the guidelines and the policies that govern existing and anticipated debt obligations of the Authority. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority's ability to manage its projected debt issuance. The Policy will require changes and modifications over time. The Vice President/CFO shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum. In the event that changes to the Policy are necessary, the Vice President/CFO shall propose such changes to the President/CEO. Upon President/CEO approval, the proposed amended Policy will be submitted to the Board requesting approval.

**GLOSSARY (PROVIDED FOR INFORMATIONAL PURPOSES ONLY)**

Additional Bonds Test: The earnings test which must be satisfied under the provisions of a revenue bond contract before bonds of an additional issue having the same lien on a pledged revenue source can be issued. Typically, the test required that historical or future estimated pledged revenues exceed total debt service (existing and proposed) by a certain ratio. The test provides protection to investors that the bond issuer will not issue additional parity bonds without providing ample security to the investors in the previous financing(s).

Advance Refunding: A refunding that occurs more than 90 days in advance of the first optional redemption date. Under current Internal Revenue Code Provisions no tax exempt bonds may be advance refunded on a tax-exempt basis.

Airline Costs per Enplaned Passenger (“CPE”): A comparative statistic used to demonstrate the affordability of airline operations at an airport. CPE is often used in the process of determining the credit quality of an issue. It is typically calculated as total passenger airline revenue divided by the number of enplaned passengers in any fiscal year.

Airport Revenue Bonds: Airport Revenue Bonds (also known as General Airport Revenue Bonds, or “GARBs”) are bonds issued pursuant to the terms of a trust indenture or ordinance which are secured either by a pledge of gross or net airport revenues.

Alternative Minimum Tax: Interest on tax-exempt private activity bonds (held by individuals, issued after January 1, 2018 is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference: provided however certain new money private activity bonds previously issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 can be current refunded and exempt from AMT.

Amortization: The process of paying the principal amount of an issue of securities by periodic payments either directly to holders of the securities or to a sinking fund for the benefit of security holders.

Arbitrage: With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds.

Arbitrage Rebate: A payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

Balloon Maturity: A bond structure wherein the principal amount becomes due and payable on one date, generally at the end of the bond term.

**Basis Point:** Yields on bonds are usually quoted in increments of basis points. One basis point is equal to 1/100 of one (1%) percent. For example, the difference between 6.00% and 6.50% is 50 basis points.

**Bond Counsel:** A law firm retained by the bond issuer to give a legal opinion that the bond issuer is authorized to issue proposed securities, the bond issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Usually, bond counsel will prepare authorizing resolutions and ordinances, trust indentures and other bond documents with the exception of the Official Statement.

**Bondholder:** The owner of a municipal bond whose name is noted on the bond register.

**Bond Insurance:** Insurance which provides an additional guarantee of the timely payment of principal and interest of either an entire bond issue or specified maturities. In exchange for payment of the bond insurance premium, a higher credit rating (the rating of the insurer) is assigned to the insured bonds and a lower cost of funds may be attained.

**Bond Purchase Agreement:** The contract between the Syndicate and the bond issuer setting forth the final terms, prices and conditions upon which the Syndicate will purchase a new issue.

**Book Running Senior Manager:** The managing underwriter that controls the book of orders for the transaction and is primarily responsible for the successful execution of the transaction.

**Broker-Dealer:** A securities firm engaged in both buying and selling securities on behalf of customers and also buying and selling securities on behalf of its own account.

**Bullet Maturity:** See Balloon Maturity.

**Callable Bond:** A bond where the bond issuer is permitted to redeem it before the stated maturity date at a specified price by giving notice of redemption in the manner specified in the bond document.

**Capital Appreciation Bond:** A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. It differs from a Zero Coupon Bond in that only the initial principal amount is counted against an issuer’s statutory debt limit, rather than the total par value at maturity.

**Capitalized Interest:** A portion of the proceeds of an issue which is set-aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a revenue-producing project.

**Commercial Paper:** Short-term (1 to 270 days) promissory notes usually issued to provide for interim financing of projects through the construction period and backed by a letter or line of credit from a commercial bank. Following the completion of the projects, principal and interest due on commercial paper is often redeemed through the issuance of long-term refunding bonds.

Competitive Sale: The sale of a new issue of bonds by an issuer through a bidding process where underwriters are awarded the bonds on the basis of offering the lowest cost of funds for the issuer usually as measured on a true interest cost (TIC) basis. The bid parameters for the public sale are established in the notice of sale or notice inviting bids.

Credit Enhancement: The use of the credit of an entity other than the issuer to provide additional security in a bond or note financing. This term typically is used in the context of bond insurance, letters of credit and other similar facilities.

Credit Ratings: Evaluations of the credit quality of bonds made by independent ratings services such as Moody's Investors Service, S&P Global Ratings, Fitch Ratings and Kroll Bond Rating Agency. Credit ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities. Credit ratings are assigned before issuance of the bonds and are periodically reviewed or may be amended to reflect changes in the issuer's credit position. Bonds with investment grade ratings are assigned credit ratings between Baa3/BBB- and Aaa/AAA.

Current Refunding: A current refunding involves refunding bonds within 90 days of the bonds first optional redemption. Federal tax law does not limit the number of current refundings of any tax-exempt bond.

Customer Facility Charge (CFC): A fee imposed by a car rental company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport or off-airport car rental company serving the airport. The CFC is collected by the car rental company generally for use by the airport in funding rental car facility-related projects or debt associated with such projects.

Debt Ratios: Comparative statistics showing the relationship between a bond issuer's outstanding debt and factors affecting repayment. Such ratios are often used in the process of determining the credit quality of an issue. Examples of debt ratios applied to airport bonds include: debt/revenues/costs per enplaned passenger, debt service coverage ratio, utilization per gate, operating ratio and net takedown.

Debt Service: The amount due for repayment of interest and principal on outstanding debt, including required contributions to a sinking fund for term bonds. Debt service may be computed on a bond year, fiscal year or calendar year basis.

Debt Service Coverage: The ratio of Net Revenues annually available to pay debt service on bonds to the annual debt service requirement. This ratio is one indicator of the credit quality of a bond issue. For example, a coverage ratio of "1.50x" means that for every \$1.00 of annual debt service, the bond issuer has \$1.50 of annual net revenues.

Debt Service Reserve Fund: The fund in which moneys are placed which may be used to pay debt service if Net Revenues are insufficient to satisfy the debt service requirements. The size of this fund is generally established by the reserve requirement, which is generally equal to the lesser of: (i) 10% of new issue par, (ii) maximum annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund), and (iii) 125% of average annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund).

Debt Service Reserve Fund Surety Policy: A debt service reserve fund insurance policy provided by a highly-rated municipal bond insurer or a letter of credit provided by a highly-rated commercial bank which guarantees the funding of the reserve requirement.

Defeasance: Bonds for which the payment of debt service has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the outstanding bonds. The rights and interest of the bondholders and of their lien on pledged revenues is terminated in accordance with the bond documents through a defeasance. Defeasance usually occurs through the issuance of refunding bonds.

Disclosure: From the perspective of the bond issuer, it is taken to mean the dissemination of accurate and complete information material to an existing or proposed bond issuance which an investor is likely to consider important in making an investment decision. The material facts pertinent to a new bond offering are disclosed in the Official Statement.

Disclosure Counsel: A law firm retained by the bond issuer to prepare the Official Statement and provide a 10b-5 opinion.

Discount Bond: A bond sold for less than its face value as a result of the yield exceeding the coupon rate.

Financial Advisor (also known as a Municipal Advisor): A consultant who advises the bond issuer on matters such as bond structure, timing, marketing, pricing, documentation and credit ratings. The consultant may also provide non-bond related advice relating to capital planning and investment management.

Financial Obligation: shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities (as defined in the securities Act, as amended) as to which final official statement (as define in the rule) has been provided to the MSRB consistent with the Rule.

Fixed Rate Debt: Securities with an interest rate that is established for the life of the securities.

Forward Refunding: A Forward Refunding is an agreement, usually between an issuer and the underwriter, whereby the issuer agrees to issue bonds on a specified future date and an underwriter agrees to purchase such bonds on such date. The proceeds of such bonds, when issued, are generally used to refund the issuer's outstanding bonds.

Group Net Order: An order for bonds submitted by a Syndicate member in which the takedown is distributed to Syndicate members according to their respective liability shares in the issue.

Institutional Order: An order for bonds placed by a bank, pension fund, mutual fund, trust or insurance company, investment bank, hedge fund or similar financial institution.

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Letter of Credit: A commitment usually made by a commercial bank to honor demands for timely payment of debt service upon compliance with pre-established conditions and/or the occurrence of certain events specified in the agreement between the bank and the issuer of the debt. Letters of credit are often issued as additional sources of security for issues of notes, commercial paper or bonds, with the bank issuing the letter of credit committing to pay debt service on the bonds. Debt issued with a letter of credit may be assigned the credit rating (short- and/or long-term) of the letter of credit provider. Letters of credit may also provide liquidity support for such debt issues.

Master Indenture: The Trust Indenture that governs all the senior lien bond obligations of the issuer.

Master Subordinate Indenture: The Trust Indenture that governs all the subordinate lien bond obligations of the issuer.

Member Order: An order submitted by a syndicate member at the takedown price.

Negotiated Sale: The sale of a new issue of bonds by an issuer through an agreement with an underwriter or underwriting Syndicate selected by the issuer. Bonds are generally sold on a negotiated basis when market conditions, issue structure or issue credit quality indicate that a competitive sale would result in higher borrowing costs for the issuer.

Net Debt/Cash Flow Available for Debt Service (CFADS): Gross debt (including long-term capital leases) less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes net Revenues, Capitalized Interest and PFCs available for debt service).

Net Designated Order: An order submitted by a syndicate member on behalf of a buyer on which all or a portion of the takedown is to be credited to certain members of the syndicate. The buyer directs the percentage of the total designation each member will receive in accordance with the terms of the underwriting syndicate.

New T1: The New Terminal 1 will help the Airport meet the region's passenger demand through the year 2035 by developing a 30-gate replacement facility for Terminal 1 (11 gate net increase) at the San Diego International Airport. The new facility will be accompanied with reconfigured and new taxiways, a close-in parking structure, and associated access and circulation roadway improvements. Collectively, these projects will enhance the passenger experience, improve airport operating efficiency, and lower carbon emissions.

Official Statement: A document published by the bond issuer, and often prepared by Disclosure Counsel, which discloses material information on a new bond issue including the purpose of the issue, source of repayment, bond covenants as well as financial, economic, demographic and legal characteristics of the bond issuer. The Official Statement is used by investors to determine the credit quality of the bond issue. An Official Statement is deemed preliminary prior to the determination of the interest rates on the bond issue.

Other Debt Service: Any debt obligation of Authority other than Bonds and Special Facility Financing, including commercial paper, other indebtedness of Authority, and all other related requirements.

Parity Bonds: Two or more subsequent issues of bonds which have the same priority of claim or lien against pledged revenues.

Passenger Facility Charge (PFC): A fee, in amounts up to \$4.50, assessed to enplaned passengers at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Federal law limits use of PFC funds strictly to the above categories.

Premium Bond: A bond sold for greater than its face value as a result of the coupon rate exceeding the yield.

Redemption Provisions: Terms set out in the bond documents which give the bond issuer the right or requirement to redeem or “call” all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price.

Remarketing Agent: A broker-dealer responsible for reselling to new investors securities (such as variable rate demand obligations and other tender option bonds) that have been tendered for purchase by their owner. The remarketing agent also typically is responsible for resetting the interest rate for a variable rate issue and also may act as tender agent.

Retail Order: An order for bonds placed by an individual or, as determined by the bond issuer, a retail order may also include an order placed by a bank trust department or an investment advisor for an individual.

Revolving Credit Facility: An agreement between a financial institution and the Authority that provides the Authority with the flexibility to drawdown, repay and redraw loans. Loans advanced under the revolving Credit Facility have a variable interest rate.

Secondary Market Disclosure: Disclosure of information relating to outstanding municipal securities made following the end of the underwriting period by or on behalf of the issuer of the securities.

Securities and Exchange Commission (SEC): The federal agency responsible for supervising and regulating the securities industry. In general, municipal securities are exempt from the SEC’s registration and reporting requirements. Brokers and dealers in municipal securities, however, are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of Municipal Securities Rulemaking Board (MSRB) rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

SEC Rule 15(c)2-12: A regulation of the SEC which requires underwriters participating in primary offerings of municipal securities of \$1,000,000 or more (i) to obtain, review, and distribute to investors copies of the issuer’s disclosure documents; (ii) to obtain and review a copy of an Official Statement deemed final by an issuer of the securities, except for the omission of specified information; (iii) to make available upon request, in non-competitively bid offerings, the most recent preliminary official statement, if any; (iv) to contract with an issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer’s final official statement, both to comply with this rule and any rules of the Municipal Securities Rulemaking Board; and (v) to provide, for a specified period of time, copies of final Official Statements to any potential customer upon request. The rule contains exemptions for underwriters participating in certain offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. The release also modifies, in limited respects, a previously published interpretation of the legal obligations of municipal securities underwriters.

Senior Lien Bonds: Bonds which have a prior claim against pledged revenues.

Serial Bonds: Bonds of an issue in which principal is amortized in successive years without interruption.

Subordinate Lien Bonds: Bonds which have a subordinate, or junior, claim against pledged revenues.

Special Facility Obligations: The issuance of bonds by a governmental entity to finance a project with repayment secured by a defined revenue stream derived from or relating to the use of the completed project.

Syndicate: A group of underwriters formed to purchase and re-offer a bond issuer's bonds for sale to the public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase a bond issue and for broader distribution of the issue to the general public. Each syndicate member has a share in the liability of the issue.

Takedown: The total discount at which members of syndicates buy bonds from an issuer.

Tax Events Risk: Risk to the issuer of variable rate bonds created by either a change in the taxable equivalent yield of comparable investments or loss of tax-exempt status. For an issuer of variable rate bonds, a reduction in federal income tax rates would increase interest costs. Re-classification of outstanding variable rate bonds as taxable would also increase interest costs.

Term Bonds: Bonds comprising a large part of the issue which come due in a single maturity. The bond issuer usually makes periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

True Interest Cost: The rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received on the closing date of the bond issue.

Trust Indenture: A contract between a bond issuer and a trustee, for the benefit of bondholders. The trustee administers the funds specified in the indenture and implements the remedies provided in case of default.

Underwriter: A dealer which purchases a new issue of bonds for resale either by negotiation with the issuer or by award on the basis of a competitive bid.

Underwriter's Counsel: A law firm retained by the Underwriter to represent their interests in connection with the negotiated purchase of a new issue of bonds. The firm's duties may include review of all bond documents, preparation of the agreement among Underwriters and negotiation of the bond purchase contract between the Underwriter and the bond issuer.

Underwriter's Gross Spread: In a negotiated sale, the difference between the price the Underwriter pays the bond issuer and the original reoffering price to the public; includes the management fee, expenses, and sales commissions (takedown and concession).

Variable Rate Debt: Securities with an interest rate that changes at intervals according to an index or formula, or is periodically (daily, weekly or monthly) reset at the market clearing rate. Variable rate debt is also known as "floating rate debt".

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.

Zero Coupon Bond: An original issue discount bond on which no periodic interest payments are made but which is issued at a deep discount from par, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity.

[Amended by Resolution No. 2024-0040 dated June 6, 2024.]  
[Amended by Resolution No. 2023-0039 dated June 1, 2023.]  
[Amended by Resolution No. 2022-0053 dated June 2, 2022.]  
[Amended by Resolution No. 2021-0056 dated June 3, 2021.]  
[Amended by Resolution No. 2020-0067 dated June 4, 2020.]  
[Amended by Resolution No. 2019-0056 dated May 30, 2019.]  
[Amended by Resolution No. 2019-0034 dated April 4, 2019.]  
[Amended by Resolution No. 2018-0133 dated December 6, 2018.]  
[Amended by Resolution No. 2017-0050 dated June 1, 2017.]  
[Amended by Resolution No. 2015-0042 dated May 21, 2015.]  
[Amended by Resolution No. 2014-0050 dated June 5, 2014.]  
[Amended by Resolution No. 2013-0048 dated June 6, 2013.]  
[Amended by Resolution No. 2012-0060 dated June 7, 2012.]  
[Amended by Resolution No. 2011-0078 dated July 7, 2011.]  
[Adopted by Resolution. No. 2010-0046 dated May 6, 2010.]

# San Diego County Regional Airport Authority



## ANNUAL REVIEW TO AUTHORITY POLICIES 4.20 AND 4.40

**Review of Investment Policy 4.20, Guidelines for Prudent Investments, and  
Delegation of Authority to Invest and Manage Authority Funds to the Vice President,  
Chief Financial Officer/Treasurer**

**And Review of Policy 4.40 - Debt Issuance and Management Policy**



SAN DIEGO  
INTERNATIONAL AIRPORT

# Debt Policy- Overview, Objectives & Update

Policy 4.40 - Debt Issuance and Management Policy



# Debt Policy - Overview



- Governs existing and anticipated debt obligations
- Sets forth certain financial management practices in capital budgeting that supports the Authority's ability to manage its projected debt issuance
- Policy is updated from time to time to reflect changes in the law and the market

# Debt Policy - Objectives



- Protect the Authority's assets and funds
- Manage and monitor existing debt to:
  - Optimize financial structure
  - Control costs
  - Ensure compliance with bond financing covenants
- Oversee the issuance of new debt in order to maintain access to capital markets
- Obtain and maintain the highest possible credit ratings on debt
- Explore and implement prudent debt structuring
- Provide the required secondary market disclosure to the rating agencies and investors
- Comply with all federal and state laws and regulations as well as bond indenture and federal tax and securities law compliance

# Debt Policy - Update



The current policy has been reviewed by staff and the Authority's financial advisors and Bond Counsel.  
No updates are recommended.

# Investment Policy- Overview & Update

Policy 4.20 - Guidelines for Prudent Investments



# Investment Policy - Overview



- Serves as the foundation of investment goals and objectives
- Mandates investing in a manner that provides the highest security while meeting Authority cash flow needs
- Demonstrates our fiduciary responsibility, thereby promoting trust and confidence from the public we serve
- Adheres to or exceeds the requirements of California Government Code Section 53600 et seq.
- Adheres to state law requirements that return on investment be subordinate to safety and liquidity objectives
- Developed and annually reviewed in conjunction with our financial and investment advisors
- Annual Board review is not required by State Code, but is an Authority practice

# Investment Policy - Update



- The current policy adheres to or exceeds requirements of California Government Code. The policy has been reviewed by staff and the Authority's financial and investment advisors, and the following changes are recommended:
- Incorporate Senate Bill No. 595 to update our Investment Policy:
  - Extends the maximum maturity of commercial paper (CP) from 270 days to 397 days
  - Extends the exemption that allows local agencies to invest in US Government securities that could result in a zero or negative interest accrual to 2031
- Senate Bill No. 595 provision not adopted
  - Local agencies with at least \$100 million in assets under management are permitted to invest a maximum of 40% of the portfolio in CP.

# Delegation of Investment Authority

- The Board delegates the authority to invest and manage funds to the Vice President, Chief Financial Officer/Treasurer
- This delegation is on a fiscal year basis and subject to renewal by the Board

# Action Requested



Forward Resolution to the Board with recommendation for approval:

- Approving changes to Authority Investment policy 4.20
- Delegating the authority to invest and manage funds to the Vice President, Chief Financial Officer/Treasurer

# Questions?



SAN DIEGO  
INTERNATIONAL AIRPORT

## DRAFT-Board Meeting Agenda

Thursday, June 4, 2026  
9:00 AM

San Diego County Regional Airport Authority  
Administration Building  
First Floor – Boardroom  
2417 McCain Road  
San Diego, CA 92101

### Board Members

Lydia Ball (Chair)  
James Sly (Vice Chair)  
Whitney Benzian  
Daniel Kuperschmid  
Monica Montgomery Steppe  
Rafael Perez  
Esther C. Sanchez  
Steve Vaus  
Marni von Wilpert

### Ex-Officio Board Members

Ann Fox  
Col. R. Erik Herrmann  
Michele Perrault

### President/CEO

Atif Saeed

***Live webcasts of Authority Board meetings can be accessed at  
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>***

This Agenda contains a brief general description of each Item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that Agenda Items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each Item of business on the Agenda are on file in the Office of the Authority Clerk Department and are available for public inspection.

**NOTE:** Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Office of the Authority Clerk Department.

PLEASE COMPLETE A SPEAKER SLIP PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

THE CLERK'S OFFICE DOES NOT ACCEPT EXTERNAL FLASH DRIVES OR REMOVABLE MEDIA DEVICES. ALL PRESENTATIONS MUST BE EMAILED TO CLERK@SAN.ORG BY CLOSE OF BUSINESS THE DAY PRIOR TO THE APPLICABLE MEETING.

## CALL TO ORDER:

## PLEDGE OF ALLEGIANCE:

## ROLL CALL:

## PRESENTATIONS:

## REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

- **AUDIT COMMITTEE:**  
Committee Members: Huerta, Newsom (Chair), Montgomery Steppe, Perez, Sanchez, Vaus, Wong Nickerson
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Committee Members: Benzian, Perez, Sanchez, von Wilpert (Chair)
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Committee Member: Sly
- **FINANCE COMMITTEE:**  
Committee Members: Sly (Chair), von Wilpert

## ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**  
Liaisons: Benzian
- **ARTS ADVISORY COMMITTEE:**  
Liaison:

## LIAISONS

- **CALTRANS:**  
Liaison: Fox
- **INTERGOVERNMENTAL AFFAIRS:**  
Liaison:
- **MILITARY AFFAIRS:**  
Liaison: Herrmann
- **PORT:**  
Liaison: von Wilpert

Thursday, June 4, 2026

- **WORLD TRADE CENTER:**  
Representative: Sly

## **BOARD REPRESENTATIVES (EXTERNAL)**

- **SANDAG BOARD OF DIRECTORS:**  
Representative: Sly
- **SANDAG TRANSPORTATION COMMITTEE:**  
Representatives: Sanchez (Primary), Perez

## **CHAIR REPORT:**

## **PRESIDENT/CEO REPORT:**

## **NON-AGENDA PUBLIC COMMENT:**

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups, and jurisdictions referring Items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific Items should reserve their comments until the specific Item is taken up by the Board.

## **CONSENT AGENDA (ITEMS 1- 12):**

The Consent Agenda contains Items that are routine in nature and non-controversial. Some Items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an Item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

### **1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the Minutes of the April 16, 2026, Special Board Meeting, May 7, 2026, Regular Board Meeting and May 14, 2026, Special Board Meeting.

Thursday, June 4, 2026

**2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS' WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**

RECOMMENDATION: Accept the reports and pre-approve Board Member attendance at other meetings, trainings and events not covered by the current resolution.

**(Office of the Authority Clerk: Annette Fagan Ortiz, Authority Clerk)**

**3. AWARDED CONTRACTS AND APPROVED CHANGE ORDERS FROM April 10, 2026, THROUGH MAY 7, 2026, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 10, 2026, THROUGH MAY 7, 2026:**

RECOMMENDATION: Receive the report.

**(Procurement: Jana Vargas, Director)**

**4. JUNE 2026 LEGISLATIVE REPORT:**

RECOMMENDATION: Adopt Resolution No. 2026-0000, approving the June 2026 Legislative Report.

**(Government Relations and Strategy: Matt Harris, Director)**

**5. APPOINTMENT TO BOARD COMMITTEES, LIAISON AND REPRESENTATIVE POSITIONS:**

RECOMMENDATION: Adopt Resolution No. 2026-00300, making appointments to Board committees, liaison, and representative positions.

**(Government Relations and Strategy: Matt Harris, Director)**

**CLAIMS:**

**COMMITTEE RECOMMENDATIONS:**

**6. REVIEW OF AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, CHIEF FINANCIAL OFFICER/TREASURER; AND AUTHORITY POLICY 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY:**

RECOMMENDATION: Adopt Resolution No. 2026-0000, approving the delegation of authority to invest and manage Authority funds to the Vice President, Chief Financial Officer/Treasurer.

**(Finance & Airline Relations: Maya Dayan, Director)**

Thursday, June 4, 2026

- 7. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDITS FOR THE FISCAL YEAR ENDED JUNE 30, 2026:**  
RECOMMENDATION: The Audit Committee recommends that the Board accepts the information.  
**(Accounting & Risk Management: John Dillon, Director)**
- 8. FISCAL YEAR 2026 THIRD QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board accepts the report.  
**(Audit: Lee Parravano, Chief Auditor)**
- 9. RISK ASSESSMENT AND PROPOSED FISCAL YEAR 2027 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**  
Recommendation: The Audit Committee recommends that the Board adopt Resolution No. 2026-0000, approving the Fiscal Year 2027 Proposed Audit Plan of the Office of the Chief Auditor.  
**(Audit: Lee Parravano, Chief Auditor)**
- 10. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:**  
RECOMMENDATION: Adopt Resolution No. 2026-0000, appointing Phillip Unthank as a public member to the Audit Committee to commence July 1, 2026, for a new three-year term.  
**(Office of the Authority Clerk: Annette Fagan Ortiz, Authority Clerk)**

## CONTRACTS AND AGREEMENTS:

- 11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AMENDMENTS TO EXISTING CONCESSION AGREEMENTS WITH HFF SAN T1, LLC (HIGH FLYING FOODS) FOR TERMINAL 1 PHASE 1B, INCLUDING CONCEPT MODIFICATIONS AND PHASING ADJUSTMENTS:**  
RECOMMENDATION: Adopt Resolution No. 2026-0000, authorizing the President/CEO to negotiate and execute amendments to existing concession agreements with HFF SAN T1, LLC (High Flying Foods) for Terminal 1 Phase 1B, including concept modifications and the deferral of select concession units.  
**(Terminal Business Development: Dominique Sheck, Manager)**

Thursday, June 4, 2026

## CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION:

**12. AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC. FOR QUIETER HOME PROGRAM PHASE 14, GROUP 8, PROJECT NO. 381408 THIRTY-SIX (36) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON EIGHT (8) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2026-0000, awarding a contract to G&G Specialty Contractors, Inc. in the amount of \$1,692,996 for Phase 14, Group 8, Project No. 381408, of the San Diego County Regional Airport Authority's Quieter Home Program and making a finding that the project is exempt from the California Environmental Quality Act.

**(Planning, Noise, and Environment: Sjohnna Knack, Director)**

## PUBLIC HEARINGS:

## CONTINUED BUSINESS:

## NEW BUSINESS:

**13. UPDATE AUTHORITY POLICIES TO COMPLY WITH CHANGES TO THE BROWN ACT REQUIRED BY SENATE BILL 707 (SB 707):**

RECOMMENDATION: Adopt Resolution No. 2026-0000: (1) amending Authority Policy 1.33 entitled Public Participation in Meetings of the Board, to comply with SB 707; and (2) adopting Authority Policy 1.34 entitled Technology Disruption Policy and Authority Policy 1.35 entitled Teleconferencing and Remote Participation by Members of the Board to comply with SB 707.

**(Office of the Authority Clerk: Annette Fagan Ortiz, Authority Clerk)**

**14. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2027, THE CAPITAL PROGRAM FOR FISCAL YEARS 2027-2031, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2028:**

RECOMMENDATION: Adopt Resolution No. 2026-0000 approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2027, the Capital Program for Fiscal Years 2027-2031, and conceptually approving the Annual Operating Budget for Fiscal Year 2028.

**(Finance: Scott Brickner, Vice President/Chief Financial Officer)**

Thursday, June 4, 2026

**15. PUBLIC EMPLOYEE COMPENSATION: DISCUSSION AND POSSIBLE ACTION CONCERNING COMPENSATION FOR THE GENERAL COUNSEL:**

RECOMMENDATION: The Board will be discussing and possibly taking action regarding the performance of the General Counsel.

**(Human Resources: Monty Bell, Director)**

**16. PUBLIC EMPLOYEE COMPENSATION: DISCUSSION AND POSSIBLE ACTION CONCERNING COMPENSATION FOR THE CHIEF AUDITOR:**

RECOMMENDATION: The Board will be discussing and possibly taking action regarding the performance of the Chief Auditor.

**(Human Resources: Monty Bell, Director)**

**CLOSED SESSION:**

**17. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

**18. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957

Title: General Counsel

**19. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957

Title: Chief Auditor

**20. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9

Number of potential Cases: 3

**21. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:**

Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9

Name of Case: San Diego County Regional Airport Authority v. AQ US SW Holding Co., et al., San Diego Superior Court Case No. 37-2023-00032124-CU-BC- CTL

**22. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:**

Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9

Name of Case: *Flandez v. San Diego County Regional Airport Authority*, San Diego Superior Court Case No. 25CU010276C

Thursday, June 4, 2026

**23. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Property: Airline Operating and Lease Agreement - San Diego International Airport

Agency Negotiator: Atif Saeed, Scott Brickner, Maya Dayan, John Dillon, Lee

Kaminetz, Amy Gonzalez

Negotiating Parties: Alaska Airlines, American Airlines, Breeze Airlines,

British Airways, Delta Airlines, FedEx, Frontier Airlines, Hawaiian Airlines, Japan

Airlines, JetBlue Airlines, Lufthansa, Southwest Airlines, United Airlines, KLM, Copa

Airlines, Air Canada, Westjet, Sun Country

Under Negotiation: price and terms of payment

**REPORT ON CLOSED SESSION:**

**GENERAL COUNSEL REPORT:**

**BOARD COMMENT:**

**ADJOURNMENT:**

Thursday, June 4, 2026

## **Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)**

- 1) Persons wishing to address the Board, ALUC, and Committees shall submit a speaker slip to the Clerk prior to the initiation of the portion of the Agenda containing the Item to be addressed (e.g., Public Comment and General Items). Failure to submit a speaker slip shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the Agenda is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board.
- 3) Persons wishing to speak on specific Items listed on the Agenda will be afforded an opportunity to speak during the presentation of individual Items. Persons wishing to speak on specific Items should reserve their comments until the specific Item is taken up by the Board, ALUC and Committees.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any Item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.

After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

## **Additional Meeting Information**

**NOTE:** This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2550 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the Agenda is also available to you on our website at [www.san.org](http://www.san.org).

**For those planning to attend the Board meeting, parking is available in the Airport Administration Building Parking Lot (entrance on the east side of McCain Road). Bring your ticket to the first-floor receptionist for validation.**

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## Draft-Airport Land Use Commission Agenda

Thursday, June 4, 2026

9:00 AM or immediately following the Board Meeting

San Diego County Regional Airport Authority  
Administration Building  
First Floor – Boardroom  
2417 McCain Road  
San Diego, CA 92101

### Board Members

Lydia Ball (Chair)  
James Sly (Vice-Chair)  
Whitney Benzian  
Daniel Kuperschmid  
Monica Montgomery Steppe  
Rafael Perez  
Esther C. Sanchez  
Steve Vaus  
Marni von Wilpert

### Ex-Officio Board Members

Ann Fox  
Col. R. Erik Herrmann  
Michele Perrault

### President/CEO

Atif Saeed

***Live webcasts of Authority Board meetings can be accessed at  
<http://www.san.org/Airport-Authority/Meetings-Agendas/ALUC>***

*Pursuant to California Public Utilities Code §§ 21670-21679.5, the Airport Land Use Commission ("Commission") is responsible for coordinating the airport planning of public agencies within San Diego County. The Commission has the legal responsibility to formulate airport land use compatibility plans ("ALUCPs") that will (a) provide for the orderly growth of each public airport and the areas surrounding the airport within the County and (b) safeguard the general welfare of the inhabitants within the vicinity of each airport and the public in general. Pursuant to §21670.3, the San Diego County Regional Airport Authority serves as the Commission.*

This Agenda contains a brief general description of each Item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. **Please note that Agenda Items may be taken out of order.** If comments are made to the Commission without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each Item of business on the Agenda are on file in the Office of the Authority Clerk Department and are available for public inspection.

**NOTE:** Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Commission Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Office of the Authority Clerk Department.

PLEASE COMPLETE A SPEAKER SLIP PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. **PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMISSION MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.**

Thursday, June 4, 2026

## CALL TO ORDER:

## PLEDGE OF ALLEGIANCE:

## ROLL CALL:

## NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Commission on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Commission. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups, and jurisdictions referring Items to the Commission for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific Items should reserve their comments until the specific Item is taken up by the Commission

## CONSENT AGENDA (ITEMS 1-2):

The Consent Agenda contains Items that are routine in nature and non-controversial. Some Items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Commission Member may remove an Item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

### **1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the Minutes of the May 7, 2026, Regular Meeting.

## **CONSISTENCY DETERMINATIONS**

### **2. REPORT OF DETERMINATIONS OF CONSISTENCY WITH AIRPORT LAND USE COMPATIBILITY PLANS:**

**Brown Field Municipal Airport, Gillespie Field, Marine Corps Air Station Miramar, Naval Air Station North Island, Naval Outlying Landing Field Imperial Beach, and San Diego International Airport ALUCPs**

General Plan and Municipal Code Amendments for Historic Preservation Program, City of San Diego

RECOMMENDATION: Receive the report.

**(Planning, Noise, & Environment: Ralph Redman, Program Manager)**

# **DRAFT- Airport Land Use Commission Agenda**

Thursday, June 4, 2026

Page 3 of 4

**PUBLIC HEARINGS:**

**CONTINUED BUSINESS:**

**NEW BUSINESS:**

**COMMISSION COMMENT:**

**ADJOURNMENT:**

Thursday, June 4, 2026

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