



BOARD OF DIRECTORS
FEBRUARY 28, 2014

ACTION REQUESTED - INFORMATION

**OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL
MARKETS AND QUARTERLY INVESTMENT REPORT
FOR THE PERIOD ENDING DECEMBER 31, 2013**

File Number 8000180

Introduction

Staff provides quarterly briefings intended to keep the Board of Directors informed about the latest developments in the financial markets, the economy, and sales tax revenues; the strategies being explored and implemented to minimize possible impacts to the *TransNet* Program; and a quarterly report on investments as required per Board Policy No. 003: Investment Policy.

Discussion

Market Review and Update

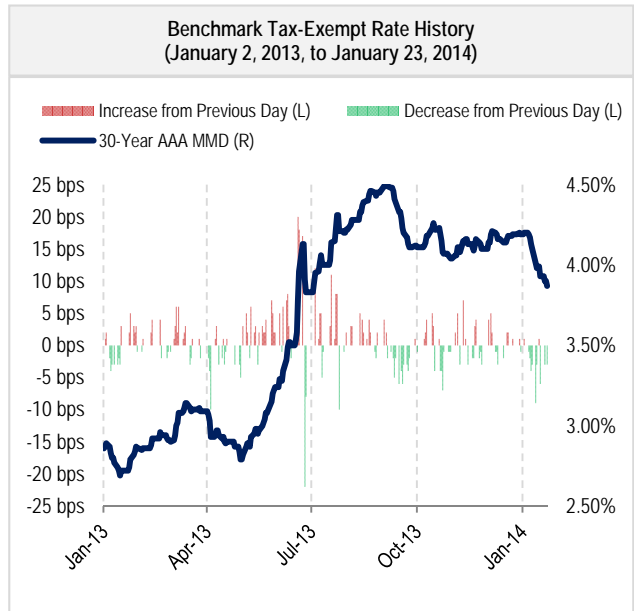
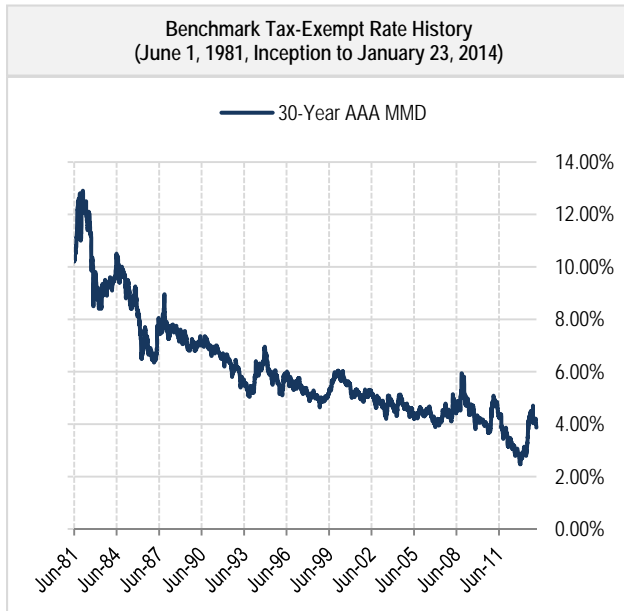
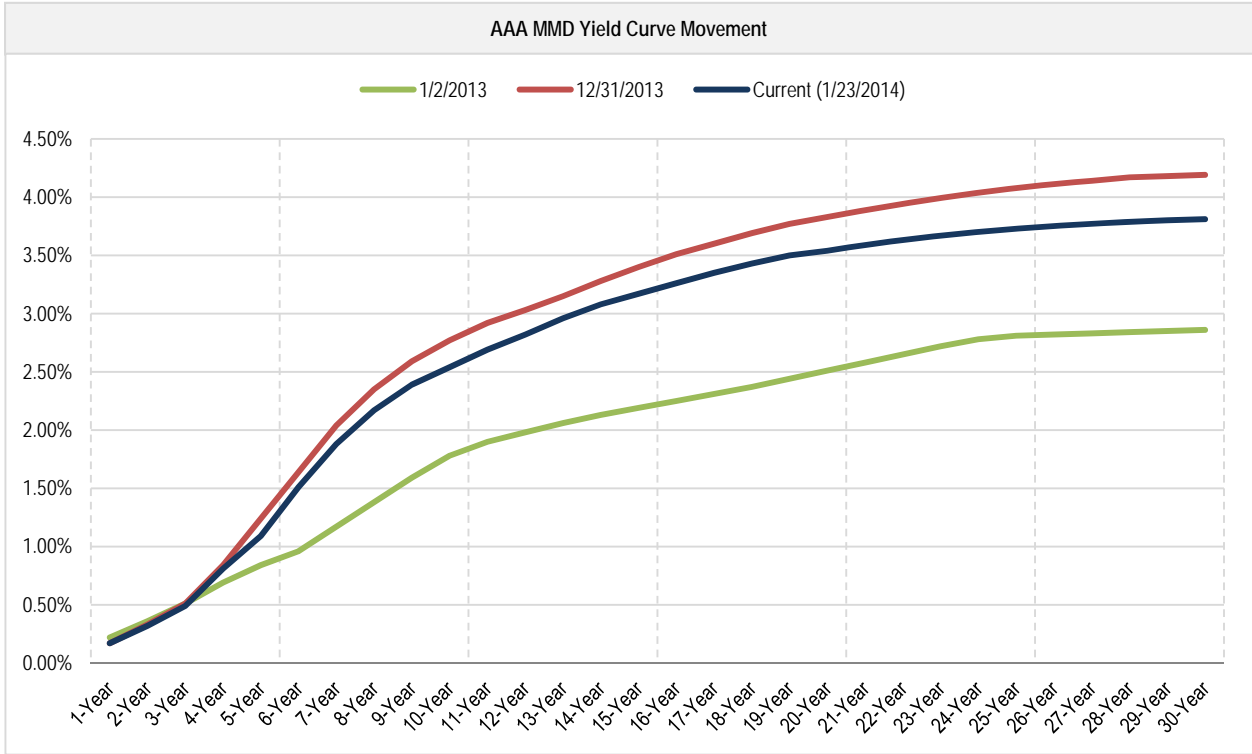
Overview

The municipal market in 2013 can be characterized by market volatility, rising long-term interest rates, and significant outflows from municipal bond funds. Calendar year 2013 began with uncertainty over funding of the federal budget and fears of the impact of sequestration. Prior to May 2013, intermediate and long-term market rates had been trending downward, supported by the assumption that the Federal Reserve would continue its unprecedented monetary stimulus, 0 percent interest rates combined with \$85 billion per month of bond purchases (quantitative easing), well into 2015. Interest rates increased dramatically in the couple of months following the Federal Reserve’s discussion in late May 2013 of a possible tapering of its quantitative easing program.

Interest rates in 2013 peaked in early September and then declined before stabilizing during the last quarter of the year as a result of the government shutdown, debt ceiling negotiations, and Federal Open Market Committee (FOMC) announcements at the time stating that they would not slow the Federal Reserve’s asset purchase program just yet. The net increase in benchmark tax-exempt interest rates since May 2013 brought them to levels well off their all-time lows reached at the end of November 2012. However, taking a longer view, interest rates remained below their long-term averages.

2013 AAA MMD Rate Movements							
Maturity	1/2/2013	5/1/2013	6/25/2013	9/5/2013	12/31/2013	Δ 12/31 - 1/2	1/23/2014
2-Year	0.36%	0.29%	0.55%	0.43%	0.33%	-0.03%	0.32%
10-Year	1.78%	1.66%	2.81%	3.04%	2.77%	0.99%	2.54%
30-Year	2.86%	2.79%	4.13%	4.51%	4.19%	1.33%	3.81%

In December 2013, the FOMC announced it would taper its quantitative easing program by \$10 billion per month beginning in January 2014. After more dramatic reactions to earlier announcements of tapering mentioned above, investors generally reacted calmly to the most recent news and so far in January 2014, tax-exempt interest rates have declined materially, driven by a supply and demand mismatch, with issuance lagging considerably compared to reinvestment needs.

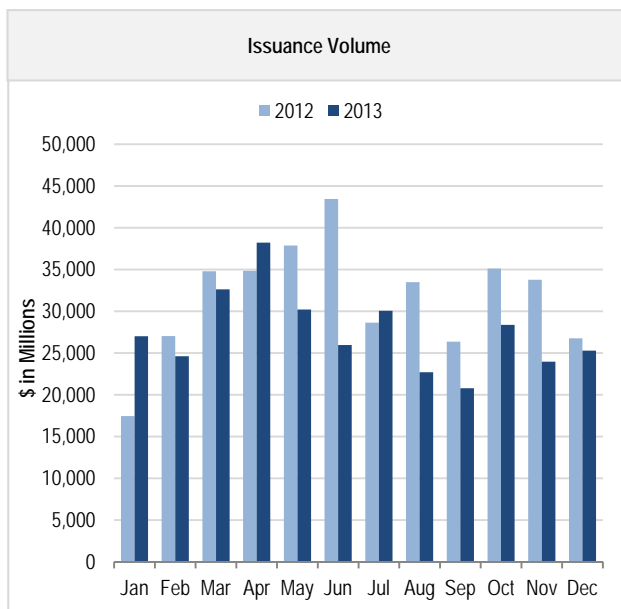


Municipal Market Supply¹

In December 2013, municipal bond issuances volume decreased by 5.5 percent to \$25.3 billion against \$26.8 billion in December 2012.

Long-term municipal bond issuance volume in the fourth quarter of calendar year 2013 decreased by 18.8 percent to \$77.6 billion in 2,423 issues against \$95.7 billion in 3,272 issues through the same period in 2012.

For 2013, volume fell 13.1 percent to \$329.9 billion in 11,284 deals compared with \$379.6 billion in 13,115 issues in 2012. For 2013, refunding volume decreased 30.5 percent to \$109.9 billion from \$158.2 billion and new-money volume increased at 9.1 percent to \$159.2 billion from \$146 billion, versus in 2012. While refinancing transactions have slowed, investment in new infrastructure increased. The transportation sector's issuance volume fell by 4.2 percent in 2013 from a year earlier.



Various market participants are forecasting a 10 to 15 percent decline in new issue volume in 2014 to \$280-\$300 billion as a result of a combination of lower refunding activity and modest new money financing.

Interest Rate Forecasts

During the second and third quarters of calendar year 2013, there were significant rises in intermediate to long-term interest rates driven by the Federal Reserve's comments on tapering its program of bond purchases. The short end of the yield curve saw lower increases in interest rates. The FOMC met three times during the fourth quarter of 2013 and affirmed its commitment to a 0 percent interest rate policy for short-term and overnight rates. The Federal Reserve has stated that it is appropriate to keep the federal funds rate exceptionally low (in the 0.00 to 0.25 percent range) at least as long as the unemployment rate remains above 6.5 percent and inflation remains no more than half a percentage point above the 2 percent longer-run goal of the FOMC. These low short-term rates are expected to persist into 2015.

As mentioned above, on the longer end of the curve, the tax-exempt and U.S. Treasury markets weakened during the second and third quarter of the year due to the prospect of the Federal Reserve cutting its \$85 billion per month Treasury and mortgage-backed-security purchases. In December 2013, it was announced that as of January 2014, asset purchases are to be cut by \$10 billion per month. Despite all the prospective changes, Federal Reserve officials have tried to calm investors by emphasizing that bond purchases will not halt until the economy strengthens. The market has been reflective of investors' expectations of the economy as rates stabilized into the first month of 2014.

¹ Issuance data from Thomson Reuters, compiled by The Bond Buyer.

The table below provides an average of interest rate forecasts by industry professionals. These are surveyed and compiled by Bloomberg. As noted, the 10-year U.S. Treasury rate is forecast to increase 0.63 percent to 3.41 percent by the fourth quarter of calendar year 2014. The 30-year U.S. Treasury is forecast to increase to 4.25 percent by the fourth quarter of calendar year 2014, an increase of 0.57 percent. These increases in long-term rates over the next 12 months are expected to be coupled with continued low rates in the short-term. This will continue to support relatively low long-term borrowing rates for SANDAG, while creating challenges for SANDAG short-term investments.

The Street's Interest Rate Forecast ²													
30-Year UST							2-Year UST						
1/23/2014 3.68%							1/23/2014 0.36%						
Forecast	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15	Forecast	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15
Average	3.93%	4.04%	4.13%	4.25%	4.28%	4.28%	Average	0.43%	0.56%	0.69%	0.86%	0.97%	1.08%
10-Year UST							3M LIBOR						
1/23/2014 2.78%							1/23/2014 0.24%						
Forecast	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15	Forecast	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15
Average	2.99%	3.13%	3.27%	3.41%	3.49%	3.60%	Average	0.29%	0.31%	0.35%	0.40%	0.46%	0.58%

Debt Portfolio Overview and Update

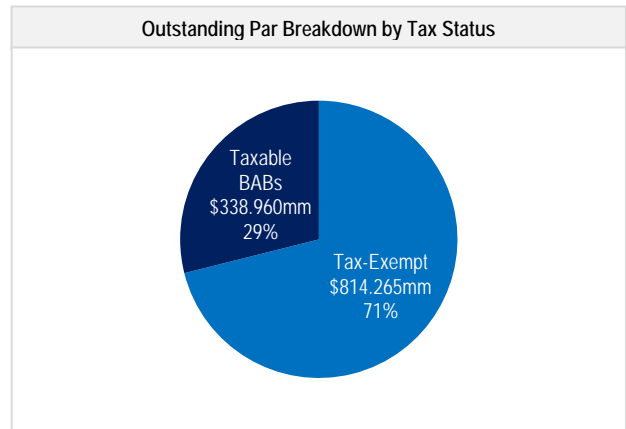
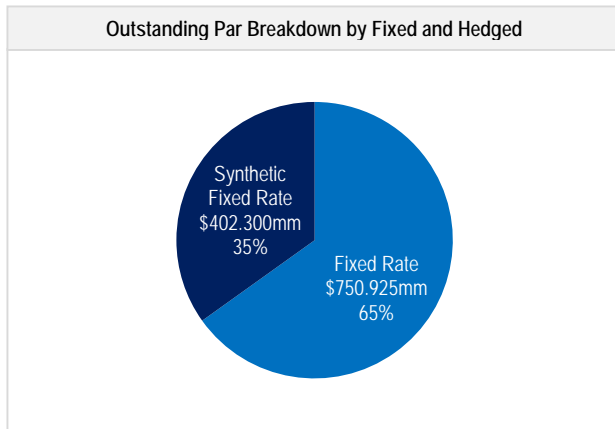
Outstanding Debt Overview

SANDAG has \$1.15 billion of outstanding long-term debt, consisting of the Series 2008 variable-rate bonds, the 2010 Series A taxable Build America Bonds, the 2010 Series B tax-exempt fixed-rate bonds, and the 2012 Series A tax-exempt fixed-rate bonds. Of the total debt portfolio, 35 percent consists of synthetic fixed-rate bonds (variable-rate bonds hedged with fixed-payer interest rate swaps) and the remaining 65 percent are fixed-rate bonds. A summary of the outstanding bonds is tabulated and graphically presented below.

Summary of Outstanding Debt						
Series	Tax Status	Coupon Type	Original Issue Size	Outstanding Par	Call Option	Final Maturity
2008A	Tax-Exempt	Variable-Rate	\$150,000,000	\$100,575,000	Current	4/1/2038
2008B	Tax-Exempt	Variable-Rate	\$150,000,000	\$100,575,000	Current	4/1/2038
2008C	Tax-Exempt	Variable-Rate	\$150,000,000	\$100,575,000	Current	4/1/2038
2008D	Tax-Exempt	Variable-Rate	\$150,000,000	\$100,575,000	Current	4/1/2038
2010A	Taxable BABs	Fixed-Rate	\$338,960,000	\$338,960,000	Make-Whole	4/1/2048
2010B	Tax-Exempt	Fixed-Rate	\$11,040,000	\$9,440,000	4/1/2020	4/1/2030
2012A	Tax-Exempt	Fixed-Rate	\$420,585,000 ³	\$402,525,000	4/1/2022	4/1/2048
Total				\$1,153,225,000		

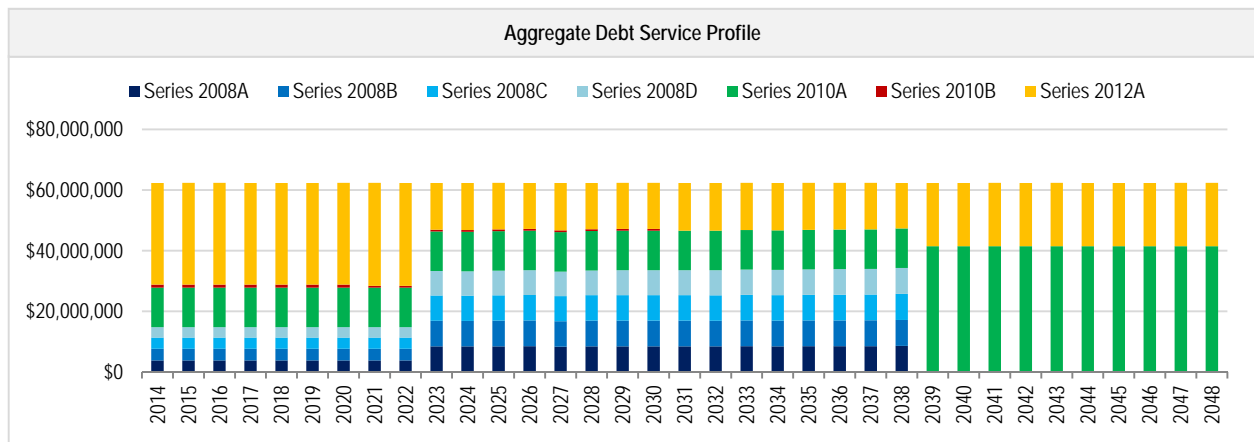
² Bloomberg survey compilation as of January 23, 2014

³ \$151,500,000 of these bond proceeds were used to refund a portion of the 2008 Series Bonds



Debt Service and Coverage

As seen in the figure below, SANDAG has an aggregate level debt service profile with approximately \$62.3 million in debt service per year through FY 2048. Debt service coverage, using actual sales tax receipts of \$252.2 million for the last 12 months through December 2013, is 4.05. For every \$1.00 of debt service, SANDAG received \$4.05 of sales tax revenue, providing ample coverage.



Recent Variable-Rate Demand Bond and Swap Mark-to-Market Performance

SANDAG has \$402.3 million of outstanding variable-rate demand bonds (Series 2008 A, B, C, and D), as shown below. These variable-rate demand bonds (VRDBs) are backed by Standby Bond Purchase Agreements from certain financial institutions. The interest rate on these bonds resets weekly through a remarketing process. SANDAG VRDBs have been trading well, with their interest rate resets at or below the Securities Industry and Financial Markets Association (SIFMA) Index (the benchmark short-term municipal index) resets. On average, SANDAG VRDBs have reset at a rate of 0.11 to 0.12 percent since September 29, 2011.

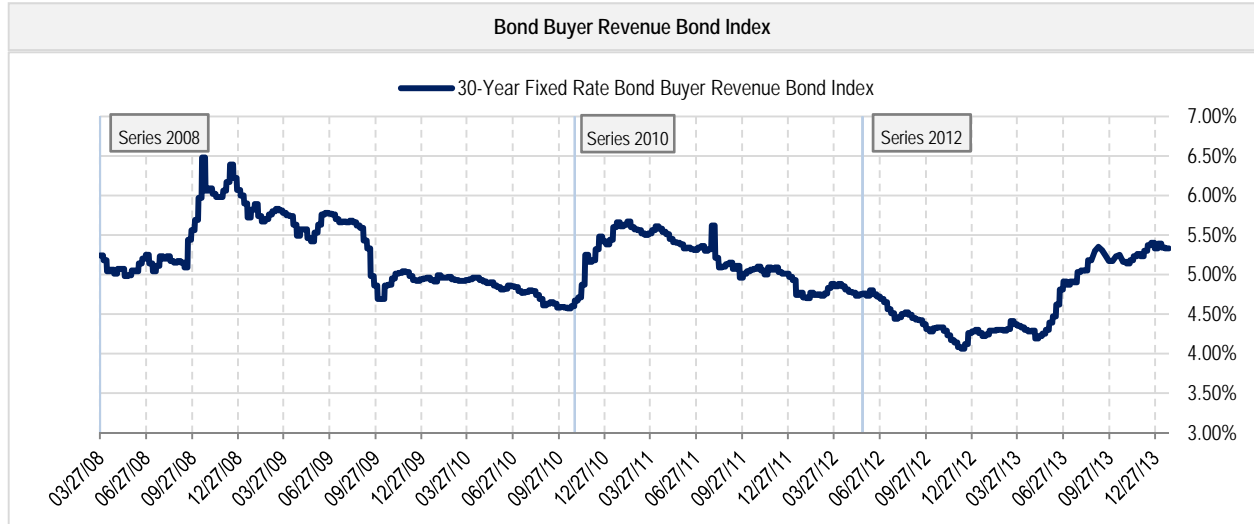
SANDAG Series 2008ABCD VRDB Resets Since September 29, 2011					
Series	SBPA Provider	Remarketing Agent	Reset Average	SIFMA Average	Spread to SIFMA
2008A	JP Morgan Chase Bank NA	Barclays Capital Inc.	0.12%	0.13%	-1 bps
2008B	JP Morgan Chase Bank NA	Goldman Sachs & Company	0.12%	0.13%	-1 bps
2008C	Mizuho Corporate Bank	J.P. Morgan Securities LLC	0.11%	0.13%	-2 bps
2008D	State Street/CALSTRS	E.J. De La Rosa & Company	0.11%	0.13%	-2 bps

SANDAG also has \$402.3 million of fixed-payer interest rate swaps outstanding (listed below), the purpose of which is to hedge the interest rate variability associated with the \$402.3 million of variable-rate bonds. Additionally, SANDAG has \$313.2 million of basis swaps outstanding. Under the basis swaps, which become effective on April 1, 2018, when the existing fixed-payer swaps are scheduled to convert from London Interbank Offered Rate (LIBOR) to SIFMA based indices, SANDAG will pay its counterparty a floating interest rate payment based upon the SIFMA Index and will receive a floating payment based upon 107.4 percent of three-month LIBOR. The market value of the SANDAG swap portfolio changes with interest rate fluctuations. The mark-to-market valuation, as of January 22, 2014, is approximately (\$32,068,537), meaning SANDAG would need to pay approximately \$32.1 million to terminate the entire swap portfolio in the current market. However, the swaps are performing as expected and currently there are no reasons that SANDAG would terminate the swaps. On an annual basis and in accordance with Board Policy No. 032: San Diego County Regional Transportation Commission Interest Rate Swap Policy, an annual written description of the swaps and an evaluation of the risks associated with outstanding interest rate swaps are presented to the Board for review.

Swap Portfolio Overview								
Associated Series	SANDAG Pays	SANDAG Receives	Trade Date	Effective Date	Maturity Date	MTM Value (As of 1/23/14)	Notional Outstanding	Bank Counterparty
Series 2008	3.8165%	65% of USD-LIBOR 'til 04/18; SIFMA Swap Index thereafter	05/23/2012	05/23/2012	04/01/2038	(\$14,719,783)	\$134,100,000	Bank of America, N.A. (A2/A/A)
Series 2008	3.8165%	65% of USD-LIBOR 'til 04/18; SIFMA Swap Index thereafter	05/23/2012	05/23/2012	04/01/2038	(\$14,719,783)	\$134,100,000	Goldman Sachs Mitsui Marine Derivative Products, L.P. (Aa2/AAA/)
Series 2008	3.4100%	65% of USD-LIBOR	05/23/2012	05/23/2012	04/01/2038	(\$21,523,929)	\$134,100,000	Bank of America, N.A. (A2/A/A)
Total Fixed Payer Swaps						(\$50,963,496)	\$402,300,000	
Series 2008	SIFMA Swap Index	107.4% of 3 Month LIBOR	03/19/2009	04/01/2018	04/01/2038	\$9,447,480	\$156,600,000	Barclays Bank PLC (A2/A/A)
Series 2008	SIFMA Swap Index	107.4% of 3 Month LIBOR	03/19/2009	04/01/2018	04/01/2038	\$9,447,480	\$156,600,000	Barclays Bank PLC (A2/A/A)
Total Index Conversion Swaps						\$18,894,959	\$313,200,000	
Total Combined						(\$32,068,537)	\$715,500,000	

Cost of Capital

SANDAG has a very attractive weighted average cost of capital (WACC) of 3.96 percent. This cost can vary based upon swap performance and the cost of liquidity to support the variable-rate debt.



The 2008A-D bonds with the current swap rate and associated fees provide a cost of capital equal to 4.30 percent. The 2010A bonds were issued as taxable Build America Bonds and have a borrowing cost of 3.89 percent. The 2010B tax-exempt bonds have a borrowing cost of 3.14 percent. The 2012A bonds were sold at an all-in cost of 3.72 percent. Taken together, SANDAG has issued approximately \$1.19 billion in bonds (net of refundings) to accelerate project delivery, for a weighted average cost of 3.96 percent.

SANDAG's WACC Calculations					
<u>Synthetic Fixed Rate:</u>					
Series	Par Post '12 Refunding	Swap Rate	SBPA Fee	Remarketing Agent Fee	Cost of Capital
2008A	\$100,575,000	3.8165%	0.560%	0.06%	4.4365%
2008B	\$100,575,000	3.8165%	0.560%	0.06%	4.4365%
2008C1	\$67,050,000	3.8165%	0.475%	0.06%	4.3515%
2008C2	\$33,525,000	3.4100%	0.475%	0.06%	3.9450%
2008D	\$100,575,000	3.4100%	0.650%	0.06%	4.1200%
2008 Weighted Avg.					4.3023%
<u>Fixed Rate:</u>					
Series	Original Par	-	-	-	All-in TIC
2010A	\$338,960,000	-	-	-	3.8871%
2010B	\$11,040,000	-	-	-	3.1434%
2012A	\$420,585,000	-	-	-	3.7167%
Total Weighted Avg.					3.9614%

Commercial Paper

In addition to the long-term debt, SANDAG has a short-term commercial paper program supported by a Letter of Credit from Union Bank. The commercial paper program is authorized at \$75 million, with \$32.3 million outstanding as of January 31, 2014, and the paper was most recently remarketed out 91 days at a rate of 9 basis points.

Looking Ahead

The next new money bond transaction is currently expected to take place in late FY 2014/early FY 2015. SANDAG and its advisors are currently drafting a Request for Proposals to select Underwriter(s) for the issuance of the expected new money transaction, potential application for the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program, and the possible securitization of federal grant revenues identified in the anticipated Full Funding Grant Agreement. The JP Morgan Standby Bond Purchase Agreement, which supports the Series 2008A and Series 2008B VRDBs, is scheduled to expire in March 2014. SANDAG and its advisors are currently in negotiation with JP Morgan for a renewal. In addition, SANDAG and its advisors will continue to monitor the municipal bond market and identify opportunities that best allow SANDAG to meet its financing needs and objectives.

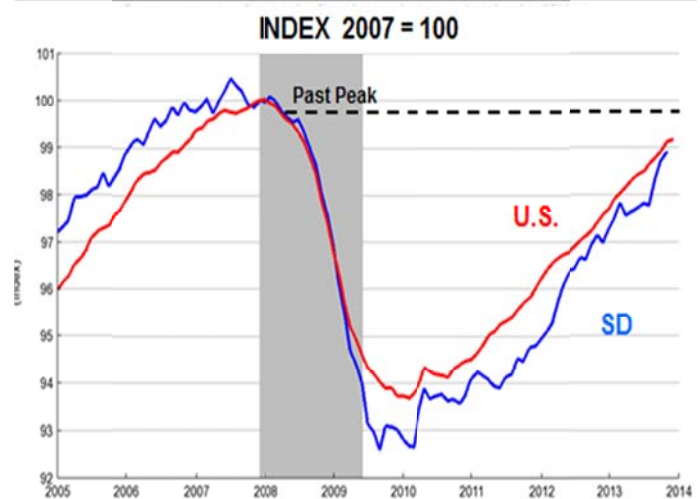
The Local Economy and Sales Tax Revenues

Locally, the San Diego economy has followed much the same path as the national economy during and after the Great Recession, although direct comparisons are not possible for the current year because the local job numbers are not adjusted to reflect seasonal variations. However, there have been some important differences. The local labor market shed 107,300 payroll jobs between December 2007 and July 2009. At the trough, the local economy had lost 7.8 percent of its total jobs since the start of the recession, whereas the national economy shed 6.1 percent over the same time period. Locally, the aggregate number of local jobs was at about the same level as recorded in January 2001. The most recent local

employment data that has been adjusted to remove reporting errors is through the end of 2012. On a year-over-year comparison basis, as of December 2012, local employment has increased by 25,400 payroll jobs, a rise of 2.1 percent, higher than the 1.6 percent pace recorded nationwide. As of December 2013 the preliminary jobs numbers for both the U.S. and local economies show that neither had yet regained all jobs lost during the Great Recession.

Overall, this slow pace of economic growth has influenced sales tax revenue. Since emerging from the Great Recession in July 2009, the rate of growth in sales tax revenue locally has been positive, but slightly lower each year. During FY 2013, sales tax revenue increased 4.3 percent representing, a slower pace than the expected 5.5 percent. Through the first seven months of FY 2014, sales tax

Local Job Growth Trailing US



revenue received from the State Board of Equalization was approximately 3.9 percent higher than revenue received during the same period last year. The positive growth in sales tax receipts is consistent with the SANDAG expectation that revenue increases will occur as the economy begins to experience increased job growth, which has occurred nationwide and locally over the past three-plus fiscal years. However, this trend of smaller growth rates indicates that the economy may not be out of the woods yet, and likely faces challenges during the next couple of years. The SANDAG forecast of sales tax revenue growth of 4 percent for FY 2015 reflects this expected longer recovery period.

Quarterly Investment Data

Included with this quarterly finance report through December 31, 2013, are: a summary of portfolio balances by institution (Attachment 1); a detail of portfolio balances by account (Attachment 2); and a detail of portfolio balances by investment type (Attachment 3) for all money under the direction or care of SANDAG, including funds of the San Diego County Regional Transportation Commission (RTC), SourcePoint, and the Automated Regional Justice Information System (ARJIS).

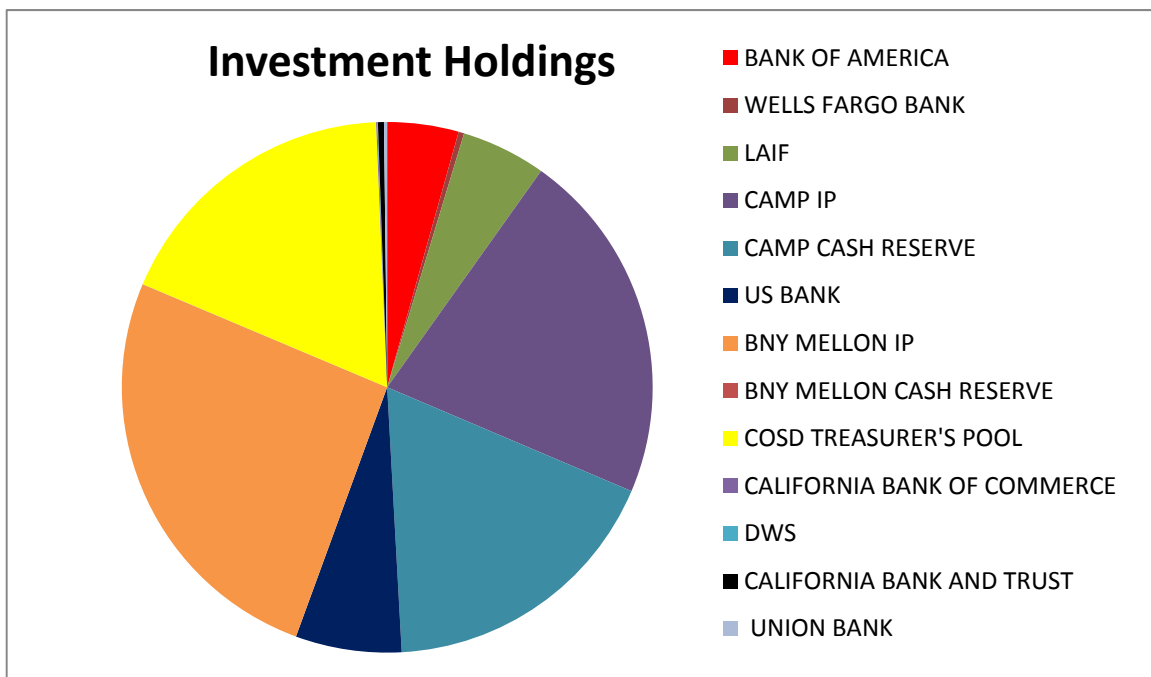
As of December 31, 2013, a total of \$595.9 million was held by SANDAG in a number of investment accounts, in comparison to \$674.3 million held in the previous quarter. The \$78.4 million decrease during the quarter is primarily due to the timing of *TransNet* sales tax receipts, *TransNet* debt service payments, *TransNet* allocation payments to other local governmental agencies, and the use of *TransNet* bond proceeds to fund current projects.

Approximately \$25.9 million was held in eight Bank of America accounts and \$2 million in two Wells Fargo accounts at the end of the quarter. Funds in these accounts are used for operating purposes. Approximately \$570 million was invested in nine institutions, as follows:

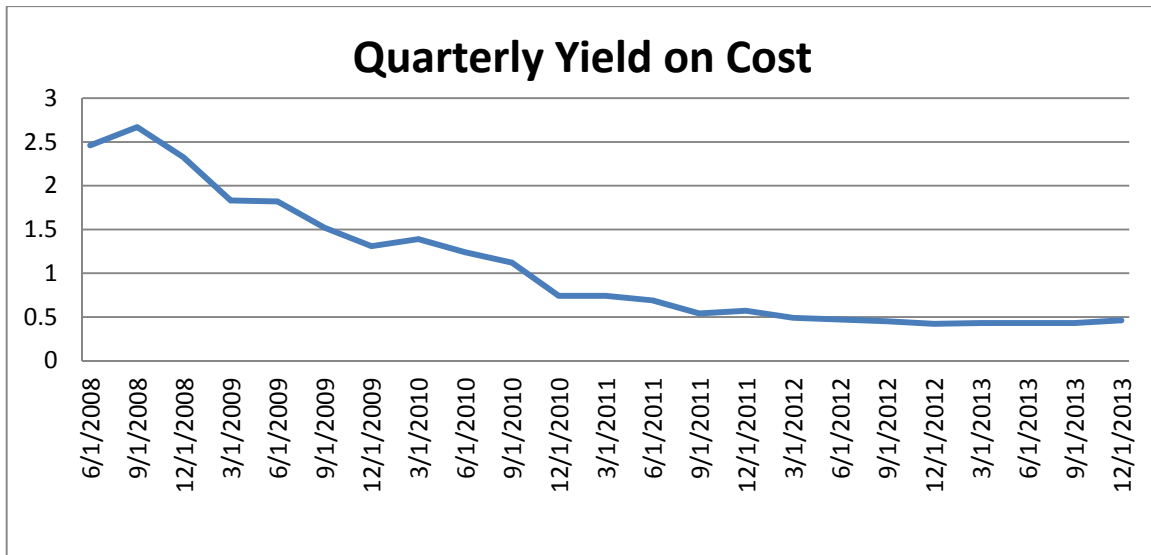
1. *State of California Local Agency Investment Fund (LAIF)* – State law allows local agencies (RTC and SANDAG) to invest up to \$50 million per agency in LAIF. These funds hold excess operating funds for RTC and SANDAG. A total of approximately \$30.7 million was invested in LAIF, of which RTC held approximately \$29.9 million of sales tax funds and SANDAG held \$859,255. These funds are highly liquid, and funds may be accessed easily for immediate operating needs.
2. *California Asset Management Program (CAMP)* – These are funds administered by one of the two SANDAG financial advisors, PFM Asset Management LLC (PFM). The Cash Reserve Portfolio, totaling \$105.6 million, is used for the investment of the 2008, 2010, and 2012 *TransNet* bond proceeds and *TransNet* sales tax funds not yet paid for *TransNet*-approved projects. In addition, CAMP uses the Individual Portfolio, totaling \$128.5 million, for the investment of the 2008, 2010, and 2012 *TransNet* bond proceeds needed for payment in the short term, and excess operating funds for Interstate 15 FasTrak®, State Route 125, ARJIS, Coronado Bridge Toll Funds, and *TransNet* sales tax funds not yet paid to other local governmental agencies.
3. *US Bank* – These funds, totaling approximately \$38.5 million, were held by US Bank, Trustee for bond debt service payments and payment of interest on the short-term Commercial Paper Program, as part of the *TransNet* Program, and for the toll revenues of the State Route 125 franchise. Of this balance, \$30.6 million of the investments held by US Bank is invested in North County Transit District auction rate securities purchased with commercial paper.

4. *The Bank of New York Mellon* – These are funds administered by one of the two SANDAG financial advisors, Cutwater Asset Management. The Individual Portfolio, totaling \$153.4 million, and the Cash Reserve Portfolio, totaling \$84,295 are used for the investment of excess *TransNet* sales tax revenue not yet paid for *TransNet*-approved projects.
5. *San Diego County Treasurer’s Pooled Money Fund* – These funds, totaling \$107.2 million, were held by the San Diego’s County Treasurer’s Pooled Money Fund. The funds consist of the SourcePoint Cash Reserve Fund for the City of Santee, ARJIS, SANDAG Service Authority for Freeway Emergencies, *TransNet* sales tax revenues, and *TransNet* 2012 bond proceeds.
6. *DWS Money Market Series Institutional Funds* – This institution holds the funds received by SANDAG from the California Department of Boating and Waterways. There was a total of \$268,630 in this mutual fund.
7. *California Bank and Trust* – There was approximately \$2.1 million on deposit with California Bank and Trust pursuant to capital project escrow retention agreements with various contractors.
8. *California Bank of Commerce* – There was approximately \$380,232 on deposit with California Bank of Commerce to capital project escrow retention agreements with a contractor.
9. *Union Bank* – Approximately \$1.2 million was on deposit with Union Bank pursuant to capital project escrow retention agreements with contractors.

The chart below provides a snapshot of the investment holding locations at December 31, 2013.



As shown in the chart below, as of December 31, 2013, the yield on cost of the portfolio was 0.46 percent, with a weighted average maturity of 432 days, in comparison to 0.43 percent and 415 days in the prior quarter.



The Finance Department has continued to implement the Board’s investment objectives of safety, liquidity, and return on investment for the SANDAG investment portfolio. These will continue to be important investment objectives for the future.

Certifications

The Director of Finance reports that this investment portfolio, together with the authorized short-term Commercial Paper Program, will provide the necessary liquidity to meet the expenditure requirements of SANDAG, RTC, ARJIS, and SourcePoint for the next six months. This portfolio is in compliance with state law and Board Policy No. 003: Investment Policy.

The Local Economy and Sales Tax Revenues

The U.S. economy approaches 2014 with a poor showing during the third quarter in calendar year 2013, with the gross domestic product (GDP) rising 1.4 percent compared with the same quarter last year. The long-run rate of growth for GDP is about 3.2 percent annually. Again, the consensus short-term outlook over the next few quarters is for GDP growth above 2 percent, and above 2.5 percent for all four quarters in 2014. These consensus outlooks are below forecasts provided during the past three years, which had GDP growth at or above 3 percent. The consensus forecast has become progressively less optimistic.

To achieve a GDP growth rate of 2.5 percent or higher requires more jobs in total and more jobs of a higher quality than has been produced over this past year. Nationwide, payroll job growth for 2013 is expected to average about 175,000 jobs per month, slightly below last year’s 183,000 jobs per month. The continued decline in the unemployment rate over the past few years has been a pleasant surprise, both nationwide and locally, given that job growth has continued to be weak. The nation’s unemployment rate has declined to 7.2 percent in September 2013 from 7.9 percent one year ago, reflecting the job gains as well as a shrinking labor force. Since the start of the Great Recession

(December 2007), the labor force participation rate has declined nearly four percentage points, reducing the labor force by nearly six million people; meaning that job growth and leaving the labor force contributed equally to the decline in the unemployment rate. In addition, the median length of time people remain unemployed continued at seven months. Also, more than 30 percent of the people without jobs have been unemployed for one year or longer, leading to growing concerns about their ability to reenter the labor force.

Additional concerns about the recovery include weakness in wage rate growth and the average number of hours worked; these trends, combined with the types of jobs (part-time, temporary with low pay) that have been created since the end of the recession, have contributed to keeping real per capita disposable income stagnant for the past three years. This, in turn, has led to weak growth in consumer spending, which makes up more than 70 percent of the economy and is a primary driver of sales tax revenue. Additional economic headwinds are expected from the temporary fix to the federal government shutdown and raising the debt ceiling to allow for more borrowing. Lastly, although the European recession appears over helping to stabilize international trade, it is not clear how robust the turnaround will be.

Locally, the San Diego economy has followed much the same path as the national economy during and after the Great Recession, although direct comparisons are not possible for the current year because the local job numbers are not adjusted to reflect seasonal variations. However, there have been some important differences. The local labor market shed 107,300 payroll jobs between December 2007 and July 2009. At the trough, the local economy had lost 7.8 percent of its total jobs since the start of the recession, whereas the national economy shed 6.1 percent over the same time period. Locally, the aggregate number of local jobs was at about the same level as recorded in January 2001. The most recent local employment data that has been adjusted to remove reporting errors is through the end of 2012. On a year-over-year comparison basis, as of December 2012, local employment has increased by 25,400 payroll jobs, a rise of 2.1 percent, higher than the 1.6 percent pace recorded nationwide.

Although the recession may be behind us technically, a majority of economists are forecasting a modest recovery over the next few years, followed by a relatively slow expansion through 2017. In the near-term, GDP is expected to expand in the 2 to 3 percent range, levels that are historically low for a recovery from a deep recession. For example, following the deep 1981-1982 recession in which GDP shrunk by 2.9 percent from peak to trough, the economy bounced right back – growing 4.5 percent in 1983 and 7.2 percent in 1984. The 2007-2009 Great Recession has been twice as deep and the rebound about half as robust as the 1981-1982 downturn. If the nation's GDP increases at the expected 2 to 3 percent per year, it would likely be 2017 or beyond before the unemployment rate falls to the prerecession level of about 5.5 percent.

Overall, this slow pace of economic growth has influenced sales tax revenue. Since emerging from the Great Recession in July 2009, the rate of growth in sales tax revenue locally has been positive, but slightly lower each year. During FY 2013, sales tax revenue increased 4.3 percent, representing a slower pace than the expected 5.5 percent. Through the first four months of FY 2014, sales tax revenue received from the State Board of Equalization was approximately 5.3 percent higher than revenue received during the same period last year. The positive growth in sales tax receipts is consistent with the SANDAG expectation that revenue increases will occur as the economy begins to experience increased job growth, which has occurred nationwide and locally over the past two-plus fiscal years. However, this trend of smaller growth rates indicates that the economy may not be out

of the woods yet, and likely faces challenges during the next couple of years. The SANDAG forecast of sales tax revenue growth of 5 percent for FY 2014 reflects this expected longer recovery period.

GARY L. GALLEGOS
Executive Director

Attachments: 1. SANDAG Summary of Portfolio Balances (by Institution) as of December 31, 2013
 2. SANDAG Detail of Portfolio Balances (by Account) as of December 31, 2013
 3. SANDAG Detail of Portfolio Balances (by Investment Type) as of December 31, 2013

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SANDAG
Summary of Portfolio Balances (by Institution)
as of December 31, 2013

Institution	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
BANK OF AMERICA	\$ 25,879,898	4.32%	\$ 25,879,898	100.00%	\$ -	0.15%	1
WELLS FARGO BANK	2,012,455	0.34%	2,012,455	100.00%	-	N/A	1
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)	30,727,948	5.13%	30,727,948	100.00%	-	0.26%	209 **
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) INDIVIDUAL PORTFOLIO	129,973,603	21.71%	128,484,250	98.85%	(1,489,354)	0.51%	608
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) CASH RESERVE PORTFOLIO	105,630,611	17.63%	105,630,611	100.00%	-	0.06%	58 **
US BANK	38,472,307	6.43%	38,471,038	100.00%	(1,269)	0.11%	36
THE BANK OF NEW YORK (BNY) MELLON INDIVIDUAL PORTFOLIO	154,817,955	25.86%	153,395,239	99.08%	(1,422,716)	0.90%	834
THE BANK OF NEW YORK (BNY) MELLON CASH RESERVE PORTFOLIO	84,295	0.01%	84,295	100.00%	-	0.01%	1
SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND	107,191,843	17.90%	107,191,843	100.00%	-	0.39%	350 **
DWS MONEY MARKET SERIES INSTITUTIONAL FUNDS	268,630	0.04%	268,630	100.00%	-	0.03%	39 **
CALIFORNIA BANK AND TRUST	2,134,187	0.36%	2,134,187	100.00%	-	0.10%	1
CALIFORNIA BANK OF COMMERCE	380,232	0.06%	380,232	100.00%	-	0.35%	1
UNION BANK	1,190,459	0.20%	1,190,459	100.00%	-	0.05%	1
TOTAL	\$ 598,764,424	100.00%	\$ 595,851,085	99.51%	\$ (2,913,339)	0.46%	432

** Although average days to maturity is greater than one day, funds are available at par the same day.

Summary of Portfolio Balances (by Agency)

Agency	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
SANDAG FUNDS	\$ 46,724,324	7.80%	\$ 46,723,055	100.00%	\$ (1,269)	0.12%	78
ARJIS FUNDS (Automated Regional Justice Information System)	6,058,984	1.01%	6,058,984	100.00%	-	0.21%	169
SOURCEPOINT FUNDS	712,002	0.12%	712,002	100.00%	-	0.32%	248
CORONADO BRIDGE TOLL FUNDS	277,342	0.05%	277,342	100.00%	-	0.06%	58
RTC FUNDS (San Diego County Regional Transportation Commission)	544,991,773	91.02%	542,079,703	99.47%	(2,912,070)	0.48%	466
TOTAL	\$ 598,764,424	100.00%	\$ 595,851,085	99.51%	\$ (2,913,339)	0.46%	432

SANDAG
Detail of Portfolio Balances (by Account)
as of December 31, 2013

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
BANK OF AMERICA:							
Checking - TransNet Sales Tax (RTC)	\$ 17,176,571	2.87%	\$ 17,176,571	100.00%	\$ -	N/A	1
Checking - SANDAG General	6,845,007	1.14%	6,845,007	100.00%	-	N/A	1
Checking - SANDAG Flexible Spending Acct (FSA)	57,470	0.01%	57,470	100.00%	-	N/A	1
Checking - SANDAG Interstate 15 (I-15) FasTrak®	492,652	0.08%	492,652	100.00%	-	N/A	1
Checking - SANDAG SAFE Program Acct	449,694	0.08%	449,694	100.00%	-	N/A	1
Checking - SourcePoint	4,754	0.00%	4,754	100.00%	-	N/A	1
Checking - ARJIS	650,923	0.11%	650,923	100.00%	-	N/A	1
Money Market - SourcePoint	202,827	0.03%	202,827	100.00%	-	0.15%	1
TOTAL BANK OF AMERICA	\$ 25,879,898	4.32%	\$ 25,879,898	100.00%	\$ -	0.15%	1
WELLS FARGO BANK:							
Checking - SR125 Payment Account	\$ 1,913,371	0.32%	\$ 1,913,371	100.00%	\$ -	N/A	1
Checking - SR125 Collection Account	99,084	0.02%	99,084	100.00%	-	N/A	1
TOTAL WELLS FARGO BANK	\$ 2,012,455	0.34%	\$ 2,012,455	100.00%	\$ -	N/A	1
STATE OF CA LOCAL AGENCY INVESTMENT FUND (LAIF):							
TransNet (RTC)	\$ 29,868,693	4.99%	\$ 29,868,693	100.00%	\$ -	0.26%	209
SANDAG	859,255	0.14%	859,255	100.00%	-	0.26%	209
TOTAL LAIF	\$ 30,727,948	5.13%	\$ 30,727,948	100.00%	\$ -	0.26%	209 **
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP):							
INDIVIDUAL PORTFOLIO:							
TransNet Sales Tax (RTC)	\$ 112,828,154	18.84%	\$ 111,351,380	98.69%	\$(1,476,774)	0.52%	655
TransNet 2008 Bond Proceeds A/B/C/D Reserve Fund (RTC)	17,145,449	2.86%	17,132,869	99.93%	(12,580)	0.44%	303
TOTAL INDIVIDUAL PORTFOLIO	\$ 129,973,603	21.71%	\$ 128,484,250	98.85%	\$(1,489,354)	0.51%	608

SANDAG
Detail of Portfolio Balances (by Account)
as of December 31, 2013

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
CASH RESERVE PORTFOLIO:							
I-15 FasTrak®	\$ 619,030	0.10%	\$ 619,030	100.00%	\$ -	0.06%	58
ARJIS	2,982,081	0.50%	2,982,081	100.00%	-	0.06%	58
California Coastal Commission	1,151,638	0.19%	1,151,638	100.00%	-	0.06%	58
SANDAG SR -125	1,845,078	0.31%	1,845,078	100.00%	-	0.06%	58
SANDAG Toll Road Project Maint	17,228,332	2.88%	17,228,332	100.00%	-	0.06%	58
Coronado Bridge Toll Funds	277,342	0.05%	277,342	100.00%	-	0.06%	58
2008 Bond Series A/B/C/D Reserve Fund (RTC)	104,784	0.02%	104,784	100.00%	-	0.18%	58
2008 Bond Series A - Principal (RTC)	67	0.00%	67	100.00%	-	0.06%	58
2008 Bond Series B - Principal (RTC)	67	0.00%	67	100.00%	-	0.06%	58
2008 Bond Series C - Principal (RTC)	67	0.00%	67	100.00%	-	0.06%	58
2008 Bond Series D - Principal (RTC)	67	0.00%	67	100.00%	-	0.06%	58
2010 Bond Series A - San Marcos Fund (RTC)	14,861,179	2.48%	14,861,179	100.00%	-	0.06%	58
2010 Bond Series B - Principal (RTC)	442,587	0.07%	442,587	100.00%	-	0.06%	58
2010 Bond Series B - Interest (RTC)	95,655	0.02%	95,655	100.00%	-	0.06%	58
2010 Bond Series A - Interest (RTC)	5,009,945	0.84%	5,009,945	100.00%	-	0.06%	58
2012 Bond Series A - Project (RTC)	32,265,616	5.39%	32,265,616	100.00%	-	0.06%	58
2012 Bond Series A - Interest (RTC)	4,763,465	0.80%	4,763,465	100.00%	-	0.06%	58
2012 Bond Series A - Principal (RTC)	10,869,613	1.82%	10,869,613	100.00%	-	0.06%	58
2010 Bond Series A - Solana Beach Fund (RTC)	5,469,162	0.91%	5,469,162	100.00%	-	0.06%	58
2008 Sales Tax Account - <i>TransNet</i> Extension (RTC)	7,307,773	1.22%	7,307,773	100.00%	-	0.06%	58
Wetland Mitigation <i>TransNet</i> Sales Tax (RTC)	290,732	0.05%	290,732	100.00%	-	0.06%	58
Sage Hill Endowment (RTC)	46,330	0.01%	46,330	100.00%	-	0.06%	58
TOTAL CASH RESERVE PORTFOLIO	\$ 105,630,611	17.63%	\$ 105,630,611	100.00%	\$ -	0.06%	58 **
TOTAL CAMP	\$ 235,604,215	39.34%	\$ 234,114,861	99.37%	\$(1,489,354)	0.31%	360

SANDAG
Detail of Portfolio Balances (by Account)
as of December 31, 2013

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
US BANK:							
Capital Project Retention Account	\$ 7,194	0.00%	\$ 7,194	100.00%	\$ -	0.01%	1
Capital Project Retention Account	170,129	0.03%	169,794	99.80%	(335)	0.50%	864
Capital Project Retention Account	199,696	0.03%	200,778	100.54%	1,082	1.12%	1,213
Capital Project Retention Account	58,896	0.01%	56,880	96.58%	(2,016)	0.50%	1,354
SANDAG - Toll Road Project Revenue	242,000	0.04%	242,000	100.00%	-	0.05%	1
SANDAG - Toll Road Project Capital Expenditure Reserve	354,426	0.06%	354,426	100.00%	-	0.05%	1
SANDAG - Toll Road Project Expense Fund - TIFIA Note Expense Acct	10,006	0.00%	10,006	100.00%	-	0.05%	1
SANDAG - Toll Road Project Senior Obligation Debt Service - Interest	478	0.00%	478	100.00%	-	0.05%	1
SANDAG - Toll Road Project Senior Obligation Debt Service - Principal	23	0.00%	23	100.00%	-	0.04%	1
SANDAG - Toll Road Project Major Maintenance Reserve	5,094,629	0.85%	5,094,629	100.00%	-	0.05%	1
SANDAG - Toll Road Proj First Subord Obl TransNet Payment	198	0.00%	198	100.00%	-	0.05%	1
SANDAG - Toll Road Project SANDAG Distribution	1	0.00%	1	100.00%	-	0.00%	1
2008 Bond Series A/B/C/D Main Interest (RTC)	1,259,384	0.21%	1,259,384	100.00%	-	0.03%	1
Commercial Paper Series B - NCTD Interest (RTC)	235,403	0.04%	235,403	100.00%	-	0.03%	1
NCTD Certificates of Participation	30,575,000	5.11%	30,575,000	100.00%	-	0.12%	30
2010 Bonds Series A - Project Fund - San Marcos	470	0.00%	470	100.00%	-	0.03%	1
2010 Bonds Series A - Project Fund - Solana Beach	119	0.00%	119	100.00%	-	0.03%	1
2012 Bonds Series A - Project Fund	2	0.00%	2	100.00%	-	0.00%	1
Sales Tax Revenue CP Notes Series B Interest (RTC)	2,297	0.00%	2,297	100.00%	-	0.00%	1
Sales Tax Revenue CP Notes Series B Principal (RTC)	261,955	0.04%	261,955	100.00%	-	0.00%	1
TOTAL US BANK	\$ 38,472,307	6.43%	\$ 38,471,038	100.00%	\$ (1,269)	0.11%	36

SANDAG
Detail of Portfolio Balances (by Account)
as of December 31, 2013

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
THE BANK OF NEW YORK MELLON:							
INDIVIDUAL PORTFOLIO:							
TransNet Extension (RTC)	\$ 154,817,955	25.86%	\$ 153,395,239	99.08%	\$ (1,422,716)	0.90%	834
TOTAL INDIVIDUAL PORTFOLIO	\$ 154,817,955	25.86%	\$ 153,395,239	99.08%	\$ (1,422,716)	0.90%	834
CASH RESERVE:							
TransNet Extension (RTC)	\$ 84,295	0.01%	\$ 84,295	100.00%	\$ -	0.01%	1
TOTAL CASH RESERVE	\$ 84,295	0.01%	\$ 84,295	100.00%	\$ -	0.01%	1
TOTAL THE BANK OF NEW YORK MELLON	\$ 154,902,250	25.87%	\$ 153,479,534	99.08%	\$ (1,422,716)	0.90%	834
SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND:							
SourcePoint Cash Reserve Fund	\$ 504,421	0.08%	\$ 504,421	100.00%	\$ -	0.39%	350
TransNet Extension (RTC)	48,980,084	8.18%	48,980,084	100.00%	-	0.39%	350
ARJIS	2,425,979	0.41%	2,425,979	100.00%	-	0.39%	350
TransNet 2012 Bond Proceeds (RTC)	50,228,831	8.39%	50,228,831	100.00%	-	0.39%	350
SANDAG SAFE Program	5,052,527	0.84%	5,052,527	100.00%	-	0.39%	350
TOTAL SAN DIEGO COUNTY TREASURER'S POOLED MONEY F	\$ 107,191,843	17.90%	\$ 107,191,843	100.00%	\$ -	0.39%	350 **
DWS MONEY MARKET SERIES INSTITUTIONAL FUNDS:							
California Boating & Waterways	\$ 268,630	0.04%	\$ 268,630	100.00%	\$ -	0.03%	39 **
TOTAL DWS MONEY MARKET SERIES INSTITUTIONAL FUNDS	\$ 268,630	0.04%	\$ 268,630	100.00%	\$ -	0.03%	39
CALIFORNIA BANK AND TRUST							
Capital Project Retention Accounts	\$ 2,134,187	0.36%	\$ 2,134,187	100.00%	\$ -	0.10%	1
TOTAL CALIFORNIA BANK AND TRUST	\$ 2,134,187	0.36%	\$ 2,134,187	100.00%	\$ -	0.10%	1

SANDAG
Detail of Portfolio Balances (by Account)
as of December 31, 2013

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd. Avg. Days to Maturity
CALIFORNIA BANK OF COMMERCE							
Capital Project Retention Account	\$ 380,232	0.06%	\$ 380,232	100.00%	\$ -	0.35%	1
TOTAL CALIFORNIA BANK OF COMMERCE	\$ 380,232	0.06%	\$ 380,232	100.00%	\$ -	0.35%	1
UNION BANK							
Capital Project Retention Accounts	\$ 1,190,459	0.20%	\$ 1,190,459	100.00%	\$ -	0.05%	1
TOTAL UNION BANK	\$ 1,190,459	0.20%	\$ 1,190,459	100.00%	\$ -	0.05%	1
TOTAL	\$ 598,764,424	100.00%	\$ 595,851,085	99.51%	\$(2,913,339)	0.46%	432

Legend:

Automated Regional Justice Information System (ARJIS)

Commercial Paper (CP)

State of California Local Agency Investment Fund (LAIF)

North County Transit District (NCTD)

San Diego County Regional Transportation Commission (RTC)

** Although average days to maturity is greater than one day, funds are available at par the same day.

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of December 31, 2013

Investment	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Yield on Cost	Wtd. Avg. Days to Maturity
Cash and cash equivalents:										
Demand deposits:										
Checking - TransNet Sales Tax (RTC)	N/A	N/A	\$ 17,176,571	\$ 17,176,571	\$ -	N/A	NR	NR	N/A	1
Checking - SANDAG General	N/A	N/A	6,845,007	6,845,007	-	N/A	NR	NR	N/A	1
Checking - SANDAG Flexible Spending Acct (FSA)	N/A	N/A	57,470	57,470	-	N/A	NR	NR	N/A	1
Checking - SANDAG Interstate 15 (I-15) FasTrak®	N/A	N/A	492,652	492,652	-	N/A	NR	NR	N/A	1
Checking - SANDAG SAFE Program Acct	N/A	N/A	449,694	449,694	-	N/A	NR	NR	N/A	1
Checking - SR125 Payment Account	N/A	N/A	1,913,371	1,913,371	-	N/A	NR	NR	N/A	1
Checking - SR125 Collection Account	N/A	N/A	99,084	99,084	-	N/A	NR	NR	N/A	1
Checking - SourcePoint	N/A	N/A	4,754	4,754	-	N/A	NR	NR	N/A	1
Checking - ARJIS	N/A	N/A	650,923	650,923	-	N/A	NR	NR	N/A	1
Total demand deposits			\$ 27,689,527	\$ 27,689,527	\$ -	N/A			N/A	1
Money market accounts and funds:										
Money Market - Capital Project Retention Account	N/A	N/A	\$ 7,194	\$ 7,194	\$ -	N/A	NR	NR	0.01%	1
Money Market - Capital Project Retention Account	N/A	N/A	2,134,187	2,134,187	-	N/A	NR	NR	0.10%	1
Money Market - Capital Project Retention Account	N/A	N/A	1,190,459	1,190,459	-	N/A	NR	NR	0.05%	1
Money Market - Capital Project Retention Account	N/A	N/A	380,232	380,232	-	N/A	NR	NR	0.35%	1
Money Market - SANDAG Toll Road Project Revenue Fund	N/A	N/A	242,000	242,000	-	N/A	NR	NR	0.05%	1
Money Market - SANDAG Toll Road Project Cap Exp Reserve	N/A	N/A	354,426	354,426	-	N/A	NR	NR	0.05%	1
Money Market - SANDAG Toll Road Project TIFIA Note Expense	N/A	N/A	10,006	10,006	-	N/A	NR	NR	0.05%	1
Money Market - SANDAG Toll Road Project Sr. Oblig. D/S - Interes	N/A	N/A	478	478	-	N/A	NR	NR	0.05%	1
Money Market - SANDAG Toll Road Project Sr. Oblig. D/S - Princ.	N/A	N/A	23	23	-	N/A	NR	NR	0.04%	1
Money Market - SANDAG Toll Road Project Major Maint. Reserve	N/A	N/A	5,094,629	5,094,629	-	N/A	NR	NR	0.05%	1
Money Market - SANDAG Toll Road Project 1st Sub Obl TNet Pym	N/A	N/A	198	198	-	N/A	NR	NR	0.05%	1
Money Market - SANDAG Toll Road Project SANDAG Distribution	N/A	N/A	1	1	-	N/A	NR	NR	0.00%	1
San Diego County Treasurer's Pooled Money Fund (SourcePoint)	N/A	N/A	504,421	504,421	-	N/A	AAAf / S1	-	0.39%	350
San Diego County Treasurer's Pooled Money Fund (RTC)	N/A	N/A	48,980,084	48,980,084	-	N/A	AAAf / S1	-	0.39%	350
San Diego County Treasurer's Pooled Money Fund (ARJIS)	N/A	N/A	2,425,979	2,425,979	-	N/A	AAAf / S1	-	0.39%	350
San Diego County Treasurer's Pooled Money Fund (RTC)	N/A	N/A	50,228,831	50,228,831	-	N/A	AAAf / S1	-	0.39%	350
San Diego County Treasurer's Pooled Money Fund (SAFE)	N/A	N/A	5,052,527	5,052,527	-	N/A	AAAf / S1	-	0.39%	350
Money Market - RTC (2008 Bond - Main Interest)	N/A	N/A	1,259,384	1,259,384	-	N/A	NR	NR	0.03%	1
Money Market - RTC (CP Series B - NCTD)	N/A	N/A	235,403	235,403	-	N/A	NR	NR	0.03%	1

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of December 31, 2013

Investment	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Yield on Cost	Wtd. Avg.
										Days to Maturity
Money Market - RTC (2010 A Bond - San Marcos Project)	N/A	N/A	470	470	-	N/A	NR	NR	0.03%	1
Money Market - RTC (2010 A Bond - Solana Beach Project)	N/A	N/A	119	119	-	N/A	NR	NR	0.03%	1
Money Market - RTC (2012 A Bond - Project)	N/A	N/A	2	2	-	N/A	NR	NR	0.00%	1
Money Market - RTC (CP Interest Payment)	N/A	N/A	2,297	2,297	-	N/A	NR	NR	0.00%	1
Money Market - RTC (CP Principal Payment)	N/A	N/A	261,955	261,955	-	N/A	NR	NR	0.00%	1
Money Market - SourcePoint	N/A	N/A	202,827	202,827	-	N/A	NR	NR	0.15%	1
DWS Money Mrkt Srs Institution - CA Boating & Waterways	N/A	N/A	268,630	268,630	-	N/A	AAAm	Aaa-mf	0.03%	39
CAMP Cash Reserve Portfolio (ARJIS)	N/A	N/A	2,982,081	2,982,081	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio - CA Coastal Commission	N/A	N/A	1,151,638	1,151,638	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (SANDAG SR-125)	N/A	N/A	1,845,078	1,845,078	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (SANDAG SR-125) - Project Maint	N/A	N/A	17,228,332	17,228,332	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio - Coronado Bridge Toll Funds	N/A	N/A	277,342	277,342	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (I-15 FasTrak®)	N/A	N/A	619,030	619,030	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Reserve	N/A	N/A	104,784	104,784	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Ser A Principal	N/A	N/A	67	67	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Ser B Principal	N/A	N/A	67	67	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Ser C Principal	N/A	N/A	67	67	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2008 Bond Ser D Principal	N/A	N/A	67	67	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2010 Bond Ser A San Marco	N/A	N/A	14,861,179	14,861,179	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2010 Bond Ser B Principal	N/A	N/A	442,587	442,587	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2010 Bond Ser B Interest	N/A	N/A	95,655	95,655	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2010 Bond Ser A Interest	N/A	N/A	5,009,945	5,009,945	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2012 Bond Project	N/A	N/A	32,265,616	32,265,616	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2012 Bond Interest	N/A	N/A	4,763,465	4,763,465	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2012 Bond Principal	N/A	N/A	10,869,613	10,869,613	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - 2010 Bond Ser A Solana Bch	N/A	N/A	5,469,162	5,469,162	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio (RTC) - Sales Tax	N/A	N/A	7,307,773	7,307,773	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio - Wetland Mitigation (RTC)	N/A	N/A	290,732	290,732	-	N/A	AAAm	NR	0.06%	58
CAMP Cash Reserve Portfolio - Sage Hill Endowment (RTC)	N/A	N/A	46,330	46,330	-	N/A	AAAm	NR	0.06%	58
BNY Mellon Cash Reserve <i>TransNet</i> Extension (RTC)	N/A	N/A	84,295	84,295	-	N/A	NR	NR	0.01%	1
Total money market accounts and funds			\$224,551,670	\$224,551,670	\$ -	N/A			0.22%	194
Total cash and cash equivalents			\$252,241,196	\$252,241,196	\$ -	N/A			N/A	173
Investments:										
State of CA Local Agency Investment Fund:										
LAIF - <i>TransNet</i> (RTC)	N/A	N/A	\$ 29,868,693	\$ 29,868,693	\$ -	N/A	NR	NR	0.26%	209
LAIF - SANDAG	N/A	N/A	859,255	859,255	-	N/A	NR	NR	0.26%	209
Total State of CA Local Agency Investment Fund			\$ 30,727,948	\$ 30,727,948	\$ -	N/A			0.26%	209

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of December 31, 2013

Investment	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Yield on Cost	Wtd. Avg.
										Days to Maturity
U.S. Agencies:										
Fannie Mae Global Notes	06/13/2012	10/30/2014	\$ 17,145,449	\$ 17,132,869	\$ (12,581)	\$17,070,000	AA+	Aaa	0.44%	303
FHLMC	12/17/2013	05/13/2016	170,129	169,794	(335)	170,000	AA+	AAA	0.50%	864
FNMA	09/30/2013	04/27/2017	199,696	200,778	1,082	200,000	AA+	AAA	1.12%	1,213
US Treasury Notes	02/23/2012	10/31/2014	3,850,863	3,727,051	(123,812)	3,660,000	AA+	Aaa	0.42%	304
US Treasury Notes	05/22/2012	11/15/2014	2,410,117	2,277,601	(132,517)	2,200,000	AA+	Aaa	0.38%	319
US Treasury Notes	01/26/2012	01/31/2015	4,944,322	4,789,316	(155,006)	4,685,000	AA+	Aaa	0.40%	396
US Treasury Notes	01/27/2012	01/31/2015	4,994,166	4,825,096	(169,070)	4,720,000	AA+	Aaa	0.31%	396
US Treasury Notes	06/29/2012	01/31/2015	6,797,344	6,629,395	(167,949)	6,485,000	AA+	Aaa	0.38%	396
US Treasury Notes	04/29/2013	02/15/2015	3,032,144	2,960,478	(71,666)	2,840,000	AA+	Aaa	0.23%	411
US Treasury Notes	03/14/2012	02/28/2015	733,008	712,402	(20,606)	695,000	AA+	Aaa	0.51%	424
US Treasury Notes	10/09/2012	04/30/2015	1,911,742	1,864,653	(47,089)	1,810,000	AA+	Aaa	0.29%	485
US Treasury Notes	07/31/2012	05/15/2015	1,354,104	1,290,174	(63,930)	1,225,000	AA+	Aaa	0.33%	500
US Treasury Notes	11/06/2012	05/31/2015	6,690,500	6,570,253	(120,247)	6,400,000	AA+	Aaa	0.35%	516
US Treasury Notes	11/30/2012	11/15/2015	4,095,557	3,932,163	(163,393)	3,650,000	AA+	Aaa	0.35%	684
US Treasury Notes	04/11/2013	04/30/2016	598,678	589,683	(8,995)	570,000	AA+	Aaa	0.34%	851
US Treasury Notes	05/31/2013	05/31/2016	777,393	771,738	(5,655)	750,000	AA+	Aaa	0.52%	882
US Treasury Notes	05/15/2013	06/30/2016	1,278,960	1,253,578	(25,382)	1,175,000	AA+	Aaa	0.40%	902
US Treasury Notes	08/30/2013	08/31/2016	1,649,033	1,655,375	6,342	1,640,000	AA+	Aaa	0.81%	974
US Treasury Notes	12/03/2013	11/30/2016	4,630,700	4,604,702	(25,999)	4,590,000	AA+	Aaa	0.58%	1,065
US Treasury Notes	11/01/2013	11/30/2016	6,908,554	6,860,637	(47,917)	6,490,000	AA+	Aaa	0.63%	1,065
FHLMC Global Reference Notes	04/05/2013	07/17/2015	1,823,640	1,775,085	(48,555)	1,670,000	AA+	Aaa	0.33%	563
FHLMC Global Reference Notes	04/04/2013	07/17/2015	2,445,699	2,380,952	(64,747)	2,240,000	AA+	Aaa	0.34%	563
Freddie Mac Global Notes	07/31/2012	08/28/2015	2,402,784	2,404,850	2,066	2,400,000	AA+	Aaa	0.46%	605
Federal Home Loan Bank Global Notes	08/09/2013	08/28/2015	2,884,885	2,886,783	1,898	2,885,000	AA+	Aaa	0.38%	605
FHLB (callable) Global Notes	12/30/2013	12/30/2015	3,348,995	3,344,389	(4,606)	3,350,000	AA+	Aaa	0.39%	729
Fannie Mae Global Notes	08/30/2013	03/30/2016	3,729,750	3,745,969	16,219	3,750,000	AA+	Aaa	0.71%	820
FNMA Notes	10/03/2013	09/28/2016	1,451,459	1,450,418	(1,041)	1,430,000	AA+	Aaa	0.74%	1,002
FNMA Notes	10/03/2013	09/28/2016	1,542,466	1,541,703	(763)	1,520,000	AA+	Aaa	0.75%	1,002
Fannie Mae Global Notes	09/20/2013	10/15/2015	876,169	867,105	(9,064)	810,000	AA+	Aaa	0.41%	653
US Treasury	08/26/2011	10/31/2015	1,788,965	1,778,915	(10,050)	1,750,000	AA+	Aaa	0.71%	669
US Treasury	08/12/2011	07/31/2016	3,078,750	3,068,202	(10,548)	3,000,000	AA+	Aaa	0.96%	943
Private Expt Fdg Corp (PEFCO)	09/10/2013	10/15/2014	2,604,255	2,581,410	(22,845)	2,526,000	AA+	Aaa	0.22%	288
Private Expt Fdg Corp (PEFCO)	09/18/2013	05/15/2015	2,624,886	2,597,454	(27,432)	2,455,000	AA+	Aaa	0.36%	500
Private Expt Fdg Corp (PEFCO)	08/21/2013	02/15/2017	3,023,010	3,027,192	4,182	3,000,000	AA+	Aaa	1.15%	1,142
FHLB	03/16/2012	02/28/2014	2,021,220	2,002,040	(19,180)	2,000,000	AA+	Aaa	0.45%	59
FNMA	10/21/2010	04/21/2014	3,007,500	3,008,796	1,296	3,000,000	AA+	Aaa	1.25%	111
FHLMC	04/01/2011	04/29/2014	2,989,920	3,011,985	22,065	3,000,000	AA+	Aaa	1.46%	119
FHLMC	09/16/2011	08/20/2014	3,037,470	3,015,636	(21,834)	3,000,000	AA+	Aaa	0.57%	232
FHLMC	10/17/2011	08/20/2014	3,020,010	3,015,636	(4,374)	3,000,000	AA+	Aaa	0.76%	232

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of December 31, 2013

Investment	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	S&P Rating	Moody's Rating	Yield on Cost	Wtd. Avg.
										Days to Maturity
FNMA	07/29/2011	09/08/2014	2,030,524	2,018,260	(12,264)	2,000,000	AA+	Aaa	1.00%	251
FNMA	08/04/2011	09/08/2014	2,041,940	2,018,260	(23,680)	2,000,000	AA+	Aaa	0.81%	251
FHLB	08/11/2011	06/12/2015	2,156,240	2,073,472	(82,768)	2,000,000	AA+	Aaa	0.80%	528
FHLMC	08/19/2013	08/19/2015	9,505,510	9,508,693	3,183	9,500,000	AA+	Aaa	0.44%	596
FNMA	03/19/2012	10/26/2015	1,282,750	1,277,314	(5,436)	1,250,000	AA+	Aaa	0.88%	664
FNMA	03/11/2013	03/11/2016	3,016,770	3,008,751	(8,019)	3,000,000	AA+	Aaa	0.38%	801
FHLMC	03/14/2012	03/14/2016	2,000,000	2,003,162	3,162	2,000,000	AA+	Aaa	1.00%	804
FNMA	06/29/2012	05/23/2016	3,008,550	3,005,529	(3,021)	3,000,000	AA+	Aaa	0.72%	874
FHLMC	08/14/2012	09/28/2016	3,021,750	3,003,612	(18,138)	3,000,000	AA+	Aaa	0.60%	1,002
FNMA	05/14/2013	11/14/2016	7,750,000	7,697,277	(52,723)	7,750,000	AA+	Aaa	0.55%	1,049
FNMA	08/28/2013	11/28/2016	4,402,750	4,405,205	2,455	4,400,000	AA+	Aaa	0.88%	1,063
FNMA	08/09/2013	12/05/2016	50,065	49,901	(164)	50,000	AA+	Aaa	0.77%	1,070
FHLMC	01/27/2012	12/19/2016	1,521,150	1,512,372	(8,778)	1,500,000	AA+	Aaa	1.00%	1,084
FHLMC	01/23/2012	01/23/2017	2,062,000	2,002,456	(59,544)	2,000,000	AA+	Aaa	0.69%	1,119
FHLMC	02/28/2012	02/28/2017	4,000,000	4,003,748	3,748	4,000,000	AA+	Aaa	0.75%	1,155
FHLB	02/28/2012	03/10/2017	3,183,360	3,191,334	7,974	3,200,000	AA+	Aaa	1.03%	1,165
FHLMC	08/06/2012	05/12/2017	511,200	503,264	(7,937)	500,000	AA+	Aaa	0.77%	1,228
FHLMC	07/31/2012	06/29/2017	3,025,650	2,980,986	(44,664)	3,000,000	AA+	Aaa	0.82%	1,276
FNMA	11/30/2012	09/20/2017	3,508,400	3,455,158	(53,242)	3,500,000	AA+	Aaa	1.00%	1,359
FNMA	12/05/2012	09/20/2017	1,002,750	987,188	(15,562)	1,000,000	AA+	Aaa	1.00%	1,359
FNMA	02/26/2013	09/20/2017	4,004,000	3,948,752	(55,248)	4,000,000	AA+	Aaa	1.00%	1,359
FHLMC	01/30/2013	01/12/2018	4,931,800	4,864,415	(67,385)	5,000,000	AA+	Aaa	1.03%	1,473
Farmer Mac	01/25/2013	01/24/2018	2,499,375	2,434,365	(65,010)	2,500,000	AA+	Aaa	0.94%	1,485
FHLMC	02/26/2013	02/07/2018	2,470,712	2,434,712	(36,000)	2,455,000	AA+	Aaa	0.67%	1,499
FNMA	02/22/2013	02/08/2018	1,989,480	1,948,778	(40,702)	2,000,000	AA+	Aaa	0.98%	1,500
FHLB	03/18/2013	03/09/2018	254,980	247,755	(7,225)	250,000	AA+	Aaa	0.96%	1,529
FNMA	05/29/2013	03/13/2018	3,033,720	2,974,110	(59,610)	3,000,000	AA+	Aaa	0.87%	1,533
FNMA	07/22/2013	03/13/2018	400,760	396,548	(4,212)	400,000	AA+	Aaa	1.38%	1,533
FNMA	08/09/2013	03/13/2018	600,300	594,822	(5,478)	600,000	AA+	Aaa	1.47%	1,533
FNMA	06/14/2013	04/03/2018	2,968,800	2,939,547	(29,253)	3,000,000	AA+	Aaa	1.35%	1,554
Total U.S. Agencies			\$204,109,577	\$201,811,999	\$ (2,297,577)	#####			0.64%	759
Corporate Medium Term Notes:										
Gen Electric Cap Corp	07/29/2013	09/15/2017	\$ 58,896	\$ 56,880	\$ (2,016)	\$ 50,000	AA+	A1	0.50%	1,354
Walt Disney Co Global Notes	11/30/2012	12/01/2015	382,132	384,606	2,474	385,000	A	A2	0.70%	700
Cisco Systems Inc Global Notes	11/08/2013	02/22/2016	2,304,806	2,282,778	(22,028)	2,075,000	AA-	A1	0.62%	783
Cisco Systems Inc Global Notes	12/20/2013	02/22/2016	2,309,868	2,299,280	(10,588)	2,090,000	AA-	A1	0.62%	783
Caterpillar Financial SE Notes	02/28/2013	02/26/2016	649,194	648,970	(224)	650,000	A	A2	0.74%	787
PepsiCo Inc Global Notes	02/28/2013	02/26/2016	709,752	706,318	(3,434)	710,000	A-	A1	0.71%	787
JPMorgan Chase & Co Global Notes	02/26/2013	02/26/2016	1,997,580	2,003,404	5,824	2,000,000	A	A3	1.17%	787

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of December 31, 2013

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										Days to Maturity
Apple Inc Global Notes	05/03/2013	05/03/2016	998,190	992,740	(5,450)	1,000,000	AA+	Aa1	0.51%	854
IBM Corp Global Notes (Ex-Callable)	05/07/2013	05/06/2016	2,742,245	2,726,796	(15,450)	2,750,000	AA-	Aa3	0.55%	857
Toyota Motor Credit Corp	05/17/2013	05/17/2016	1,099,549	1,101,174	1,625	1,100,000	AA-	Aa3	0.81%	868
Chevron Corp Global Notes	11/21/2013	06/24/2016	3,529,410	3,515,326	(14,084)	3,507,000	AA	Aa1	0.64%	906
General Electric Capital Corp (Floating)	07/12/2013	07/12/2016	2,240,000	2,255,716	15,716	2,240,000	AA+	A1	0.93%	924
Wells Fargo and Company	07/29/2013	07/20/2016	769,261	775,712	6,451	770,000	A+	A2	1.28%	932
Berkshire Hathaway Fin Global Notes	10/15/2013	08/15/2016	499,050	502,268	3,218	500,000	AA	Aa2	1.02%	958
Berkshire Hathaway Fin Global Notes	08/15/2013	08/15/2016	1,419,247	1,426,441	7,194	1,420,000	AA	Aa2	0.97%	958
American Honda Finance Global Notes	10/10/2013	10/07/2016	1,165,928	1,174,782	8,853	1,170,000	A+	A1	1.24%	1,011
Coca-Cola Co/The Global Notes	11/01/2013	11/01/2016	524,396	522,157	(2,240)	525,000	AA-	Aa3	0.79%	1,036
Pfizer Inc Global Notes	06/03/2013	01/15/2017	2,695,680	2,686,643	(9,037)	2,700,000	AA	A1	0.95%	1,111
Wal-Mart	12/17/2010	02/03/2014	3,109,437	3,006,630	(102,807)	3,000,000	AA	Aa2	1.80%	34
Google Inc.	05/23/2011	05/19/2014	2,999,130	3,010,932	11,802	3,000,000	AA	Aa2	1.26%	139
GE Capital	10/16/2012	01/09/2015	1,029,240	1,018,315	(10,925)	1,000,000	AA+	A1	0.82%	374
Berkshire Hathaway Fin Corp	01/26/2012	01/15/2015	4,474,400	4,186,876	(287,524)	4,000,000	AA	Aa2	0.80%	380
IBM Corp	02/07/2012	02/06/2015	3,002,220	3,004,443	2,223	3,000,000	AA-	Aa3	0.53%	402
Pfizer, Inc.	12/06/2013	03/15/2015	1,062,320	1,056,653	(5,667)	1,000,000	AA	A1	0.44%	500
GE Capital	12/23/2011	06/29/2015	1,053,750	1,043,624	(10,126)	1,000,000	AA+	A1	1.91%	545
Wal-Mart	01/19/2012	07/08/2015	1,049,330	1,026,455	(22,875)	1,000,000	AA	Aa2	0.81%	554
US Bancorp	10/29/2010	07/27/2015	3,082,440	3,084,321	1,881	3,000,000	A+	A1	1.84%	573
GE Capital	12/23/2011	09/21/2015	1,472,581	1,441,420	(31,160)	1,360,000	AA+	A1	2.07%	629
Procter & Gamble	09/20/2011	11/15/2015	2,055,280	2,046,216	(9,064)	2,000,000	AA-	Aa3	1.12%	684
Google Inc.	10/16/2012	05/19/2016	1,053,370	1,033,129	(20,241)	1,000,000	AA	Aa2	0.62%	870
Procter & Gamble	12/23/2011	08/15/2016	1,145,143	1,148,440	3,298	1,132,000	AA-	Aa3	1.19%	957
Procter & Gamble	12/23/2011	08/15/2016	734,429	736,544	2,115	726,000	AA-	Aa3	1.19%	957
Toyota Motor Credit	10/04/2013	01/12/2017	5,420,085	5,399,399	(20,685)	5,285,000	AA-	Aa3	1.25%	1,108
PepsiCo Inc	02/19/2013	08/13/2017	3,004,200	2,966,655	(37,545)	3,000,000	A-	A1	1.22%	1,321
Philip Morris Int'l	12/18/2012	08/21/2017	999,720	979,899	(19,821)	1,000,000	A	A2	1.13%	1,329
Wal-Mart	05/31/2013	02/15/2018	720,498	693,056	(27,442)	600,000	AA	Aa2	1.38%	1,507
Wal-Mart	04/16/2013	04/11/2018	500,215	485,018	(15,198)	500,000	AA	Aa2	1.12%	1,562
Apple Inc.	08/05/2013	05/03/2018	1,925,040	1,932,954	7,914	2,000,000	AA+	Aa1	1.83%	1,676
Total Corporate Medium Notes			\$ 65,988,011	\$ 65,362,968	\$ (625,043)	\$ 64,245,000			1.07%	790
Commercial Paper:										
BNP Paribas Finance Inc Comm Paper	09/18/2013	03/17/2014	\$ 2,795,660	\$ 2,798,900	\$ 3,240	\$ 2,800,000	A-1	P-1	0.31%	76
Bank of Tokyo MITS UFJ Ltd Comm Paper	09/18/2013	03/17/2014	2,796,360	2,798,813	2,453	2,800,000	A-1	P-1	0.26%	76
Rabobank USA Fin Corp Comm Paper	11/08/2013	05/15/2014	2,796,816	2,798,004	1,188	2,800,000	A-1+	P-1	0.23%	135
Societe Generale NA Comm Paper	11/01/2013	01/31/2014	2,498,736	2,499,718	981	2,500,000	A-1	P-1	0.20%	31

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of December 31, 2013

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ING Funding Comm Paper	10/31/2013	05/02/2014	2,995,120	2,997,531	2,411	3,000,000	A-1	P-1	0.32%	122
Total Commercial Paper			\$ 13,882,692	\$ 13,892,965	\$ 10,273	\$ 13,900,000			0.27%	90
Municipal Bonds/Notes:										
University of Cal Txbt Revenue Bonds	10/02/2013	05/15/2015	\$ 620,000	\$ 619,126	\$ (874)	\$ 620,000	AA	Aa1	0.53%	500
CA ST Dept of Water Rev Bonds	09/27/2012	12/01/2015	620,000	619,882	(118)	620,000	AAA	Aa1	0.65%	700
Total Municipal Bonds/Notes			\$ 1,240,000	\$ 1,239,008	\$ (992)	\$ 1,240,000			0.59%	600
Certificates of Participation:										
North County Transit District Certificates of Participation	10/29/2013	01/30/2014	\$ 30,575,000	\$ 30,575,000	\$ -	\$30,575,000	N/R	A1,A2	0.12%	30
Total Certificates of Participation			\$ 30,575,000	\$ 30,575,000	\$ -	\$ 30,575,000			0.12%	30
Total investments			\$ 346,523,227	\$ 343,609,888	\$ (2,913,339)	N/A			0.65%	622
Total Portfolio:			\$ 598,764,424	\$ 595,851,085	\$ (2,913,339)	N/A			0.46%	432

Legend:

- Automated Regional Justice Information System (ARJIS)
- Commercial Paper (CP)
- State of California Local Agency Investment Fund (LAIF)
- North County Transit District (NCTD)
- San Diego County Regional Transportation Commission (RTC)