



Agenda Item No. 1

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 25, 2009

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **RATIFICATION OF ACTIONS BY THE AUDITOR-CONTROLLER**

Recommendation

The Finance-Auditing Committee recommends:

- a. The Board of Directors have no commitments and/or expenditures to ratify for the period May 1, 2009, through May 31, 2009.
- b. The Board of Directors ratifies investments made during the period May 12, 2009, through June 15, 2009 (See Attachment B for details).
- c. The Board of Directors authorizes the reinvestment, within the established policy of the Board, of any investments maturing between June 16, 2009, and July 13, 2009, as well as the investment of all other funds not required to cover expenditures which may become available.
- d. The Board of Directors accepts the Investment Report for May 2009 (see Attachment C for details).

Fiscal Impact

There is no fiscal impact District Operations or Capital Expenditures. The investments made by the Auditor-Controller will earn the District investment income.

Attachments

ATTACHMENT B

RATIFICATION OF PREVIOUS INVESTMENTS

Summary

During the reporting period May 12, 2009, through June 15, 2009, \$24,150,000.00 matured. This report lists investments made by the Auditor-Controller of maturing funds available for reinvestment and any other money made available during this period:

Security	Purchase Date	Maturity Date	Original Cost	Percent Yield
FHLMC Disc Note	05/12/09	06/08/09	5,144,344.01	0.17
FHLB Disc Note	06/08/09	06/09/09	5,314,980.81	0.13
Calyon N. America, Inc. Commercial Paper	06/08/09	09/08/09	4,994,825.00	0.41
Rabobank USA Fin Commercial Paper	06/08/09	09/03/09	3,547,168.88	0.33
FFCB Bonds	06/09/09	04/17/14	5,279,796.50	3.33

Market Summary

Quotations as of June 15, 2009, for collateralized public time deposits over \$100,000 and representative money market securities are shown below:

Category	90 DAYS	180 DAYS	360 DAYS
Bank C.D.	1.55%	1.95%	2.25%
Treasury Bills	0.17%	0.29%	
Commercial Paper	0.22%	0.60%	



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors



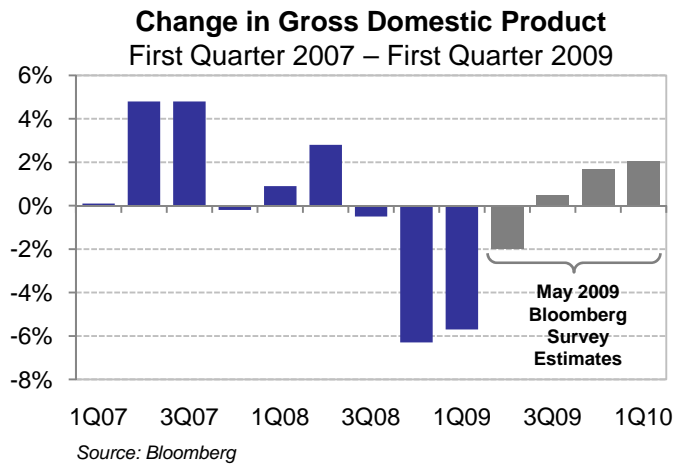
Golden Gate Transportation District Investment Report

June 2009

Economic Summary

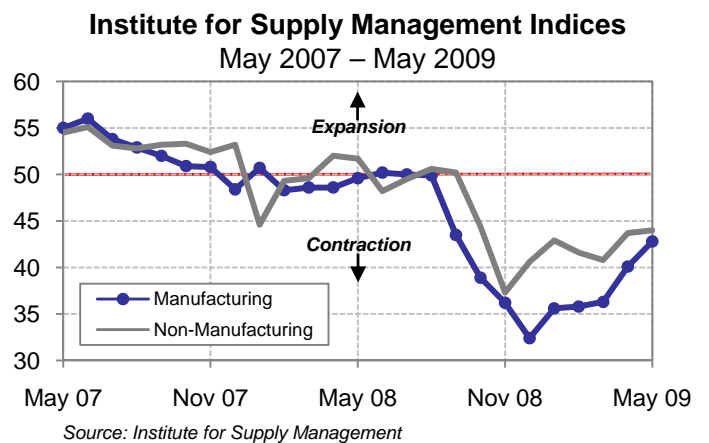
First Quarter GDP Revised Upward

- The U.S. economy contracted at an annual pace of 5.7%, which was less than the initial estimate of 6.1%.
- The improvement reflects a narrower trade deficit, improving corporate profits, and increased consumer spending.



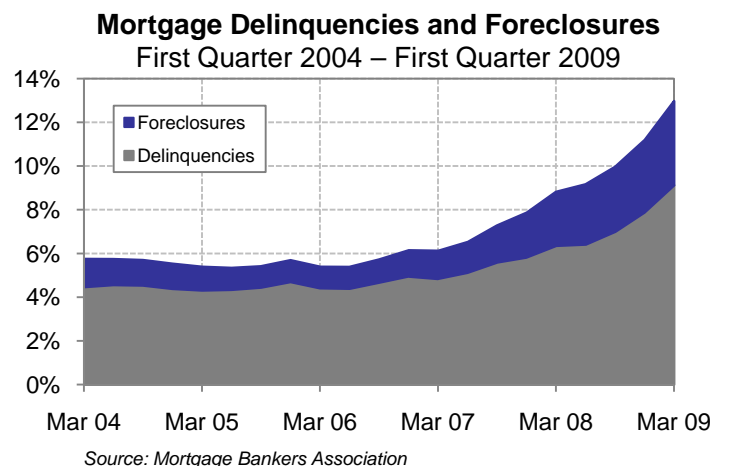
Service and Manufacturing Contraction Slows

- Service and manufacturing activity declined in May, but at a slower pace than in previous months.
- The ISM's non-manufacturing index measures the growth of the service industry. The service industry accounts for 90% of the economy.
- The index's increase was less than forecasted, indicating that any economic recovery will be slow to develop.



Delinquencies and Foreclosures Continue to Climb

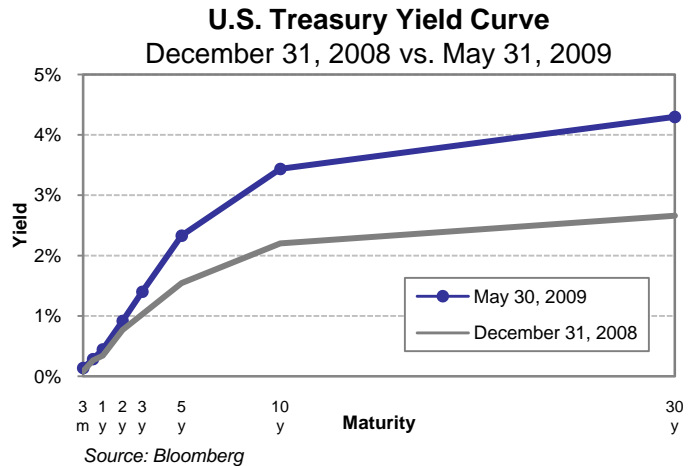
- The Mortgage Bankers Association reported that 12.97% of loans were either delinquent or in the process of foreclosure at the end of the first quarter.
- Numbers were artificially low due to various moratoria on foreclosures in the first quarter, which have now been lifted.
- The level of mortgage defaults will likely not begin to fall until after the employment situation has begun to improve.



Interest Rate Movements

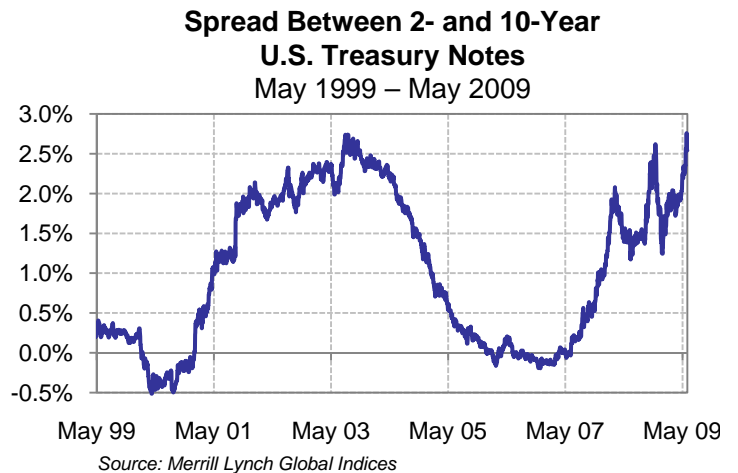
Yield Curve Steepens Sharply

- Short-term yields, which are tied to the Fed Funds rate, have only increased modestly.
- Yields on longer maturities have risen dramatically due to inflation concerns and increased Treasury borrowing.



Spread Between 2- and 10-Year U.S. Treasuries Hit a Record High

- The spread between 2-year and 10-year Treasury rates reached a record high of 2.76% on May 27.
- The spread has increased more than 100 basis points since the end of 2008.
- Investors are now demanding higher yields on 10-year notes due to the perceived risk associated with increased Treasury supply.



Agency Spreads Continue to Narrow

- The spread between Treasury and Agency yields has narrowed to pre-credit-crisis levels, due mostly to rising Treasury yields.
- Narrower spreads and higher yields relative to Treasuries have caused Agency indices to outperform similar Treasury indices by considerable margins.



Investment Report

General Fund Portfolio

- With short-term interest rates at their current low levels and longer-term yields poised to rise, we did not buy any securities with maturities longer than two years.
- \$5,145,000 of BNP Paribas commercial paper matured in May and the funds were invested in Federal Agency discount notes maturing June 2009.
- While maintaining an overall diversified portfolio, we kept the portfolio's concentration in Federal Agency securities because of their excellent credit quality and the additional yield they offer compared to Treasuries.

Portfolio Yield As of May 31, 2009

Portfolio	Yield
General Fund (excluding LAIF)	3.43%
General Fund (including LAIF)	3.15%

MEMORANDUM

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 25, 2009

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Re: District Investment Report, May 2009

Attached to this memo is a listing of the District's investments.

The investment portfolio is in compliance with the District's Investment Policy and the California Government Code.

The District has sufficient cash and investments to meet its expenditure requirements for the next six months.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT
General Fund, Special Operating Reserve, & CP DSR
Combined
As of May 31, 2009

PORTFOLIO OF INVESTMENTS

MATURITY	SECURITY	DATE OF		DESCRIPTION	TOTAL		
		INVESTMENT	YIELD		MARKET VALUE	PAR	Cost
ON DEMAND	STATE	VARIOUS	1.53	LOCAL AGENCY INVESTMENT FUND	23,743,360	23,700,000	23,700,000.00
06/08/09	DN	05/12/09	0.17	FHLMC DISC NOTE	5,144,811	5,145,000	5,144,344.01
08/15/09	NOTES	05/09/07	5.11	SAN DIEGO CNTY CALIF PENS(FHIC CNTY GTD)	1,219,194	1,225,000	1,092,724.50
09/15/09	NOTES	03/07/08	3.50	HSBC BANK USA GLOBAL SR BANK NOTES	2,002,394	1,990,000	2,001,044.50
10/09/09	NOTES	11/03/08	2.72	FHLB GLOBAL BONDS	7,587,125	7,475,000	7,596,992.00
11/01/09	NOTES	05/22/06	5.52	HELLER FINANCIAL INC (GECC) GLOBAL 144A	4,580,388	4,500,000	4,758,795.00
02/09/10	NOTES	01/13/09	0.76	FHLMC GLOBAL REFERENCE NOTES	9,073,941	8,815,000	9,201,537.75
02/09/10	NOTES	01/12/09	0.76	FHLMC GLOBAL REFERENCE NOTES	7,030,631	6,830,000	7,130,315.10
02/10/10	NOTES	01/09/09	0.79	FNMA GLOBAL BENCHMARK NOTES	4,892,091	4,805,000	4,932,572.75
03/12/10	NOTES	03/03/09	1.09	FHLB TAP BONDS	568,734	550,000	571,851.50
04/19/10	NOTES	05/22/06	5.35	FNMA GLOBAL NOTES (EX-CALLABLE)	5,184,375	5,000,000	4,938,600.00
05/15/10	NOTES	05/09/07	5.02	SAN DIEGO CNTY CALIF PENS(FGIC CNTY GTD)	2,900,520	3,000,000	2,551,230.00
11/04/10	NOTES	05/29/07	5.28	MERRILL LYNCH & CO (BAC) SR MTN	7,988,392	8,000,000	7,806,480.00
02/01/11	NOTES	01/29/07	5.22	GENERAL ELEC CAP CORP GLOBAL SR MTN	5,132,755	5,000,000	4,996,750.00
06/01/11	NOTES	09/12/07	5.19	JPMORGAN CHASE & CO SR NOTES	5,269,480	5,000,000	5,067,400.00
06/28/11	NOTES	07/19/06	5.53	FHLB BONDS	5,432,813	5,000,000	5,014,550.00
12/01/11	NOTES	12/02/08	3.26	MORGAN STANLEY (FDIC) GLOBAL NOTE	9,039,918	8,700,000	8,697,042.00
03/09/12	NOTES	04/30/08	3.53	FHLB TAP BONDS	5,246,875	5,000,000	4,995,150.00
04/18/12	NOTES	08/27/08	5.40	WELLS FARGO FINANCIAL GLOBAL SR NOTES	5,131,120	5,000,000	5,117,650.00
05/15/12	NOTES	11/04/08	3.92	FHLB GLOBAL BONDS	7,780,938	7,000,000	7,417,963.00
06/08/12	NOTES	06/12/08	4.31	FHLB TAP BONDS	3,936,330	3,695,000	3,704,237.50
06/08/12	NOTES	06/17/08	4.42	FHLB TAP BONDS	5,267,188	5,000,000	4,857,050.00
05/29/13	NOTES	11/03/08	4.48	FHLB GLOBAL BONDS	10,446,875	10,000,000	9,649,540.00
07/15/13	NOTES	08/01/08	4.77	FFCB BONDS (CALLABLE)	5,026,563	5,000,000	4,995,000.00
03/18/14	NOTES	04/03/09	2.96	FHLMC GLOBAL NOTES (CALLABLE)	5,015,905	5,000,000	5,067,000.00
03/18/14	NOTES	04/06/09	3.00	FHLMC GLOBAL NOTES (CALLABLE)	5,015,905	5,000,000	5,057,000.00
06/08/09	CP	03/04/09	0.98	CALYON NORTH AMERICA INC COMM PAPER (1)	4,999,735	5,000,000	4,987,000.00
06/08/09	CP	03/04/09	0.78	NORDEA NORTH AMERICA INC COMM PAPER (1)	3,544,812	3,545,000	3,537,626.40
06/25/09	CP	03/27/09	0.69	SOCIETE GENERALE N AMER COMM PAPER (2)	6,338,700	6,340,000	6,329,063.50
TOTAL					<u>174,541,865</u>	<u>170,315,000</u>	<u>170,916,509.51</u>

Notes

'1. Special Operating Reserve

'2. Commercial Paper Debt Service Reserve

DESCRIPTION	INVESTMENT	PORTFOLIO COMPOSITION	YIELD
Banker's Acceptance	-	0.00%	0.00%
Savings and Loan C.D.'s (C.D.)	-	0.00%	0.00%
Commercial Paper (C.P.)	14,883,247	8.53%	0.81%
Commercial Paper -TLGP	-	0.00%	0.00%
U. S. Treasury Bills and Notes	-	0.00%	0.00%
Agency Discount Notes	5,144,811	2.95%	0.17%
Agency Coupon Notes	87,506,287	50.13%	3.21%
Corporate Notes	30,104,529	17.25%	5.19%
Corporate Bonds (FDIC Insured)	9,039,918	5.18%	3.26%
Municipal Bonds	4,119,714	2.36%	5.05%
Long Term CD	-	0.00%	0.00%
LAIF	23,743,360	13.60%	1.53%
Total	<u>174,541,865</u>	100.00%	

Average Investment Yield of Portfolio 3.06%
Average Maturity of Portfolio 575

Market prices are derived from closing bid prices as of the last business day of the month as supplied by F.T. Interactive Data, Bloomberg or Telerate. Prices that fall between data points are interpolated.

Market value for LAIF is derived from the NAV posted quarterly on the LAIF website.