

## SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Balance Sheets

as of January 31, 2012

(Unaudited)

## ASSETS

	January 31	
	2012	2011
<b>Current assets:</b>		
Cash and investments <sup>(1)</sup>	\$ 101,262,512	\$ 99,101,310
Tenant lease receivable, net of allowance of 2012: \$54,982 and 2011: \$30,980	5,675,883	4,932,634
Grants receivable	6,550,358	6,665,096
Notes receivable-current portion	1,696,413	1,612,790
Prepaid expenses and other current assets	8,629,965	10,350,385
<b>Total current assets</b>	<b>123,815,131</b>	<b>122,662,215</b>
<b>Cash designated for capital projects and other <sup>(1)</sup></b>	<b>8,292,085</b>	<b>2,859,825</b>
<b>Restricted assets:</b>		
Cash and investments:		
Bonds reserve <sup>(1)</sup>	45,098,156	45,707,776
Passenger facility charges and interest unapplied <sup>(1)</sup>	59,560,064	70,357,121
Customer facility charges and interest unapplied <sup>(1)*</sup>	26,115,724	15,764,184
Commercial paper reserve <sup>(1)</sup>	89,800	167,815
SBD Bond Guarantee <sup>(1)</sup>	4,000,000	4,000,000
Bond proceeds held by trustee <sup>(1)</sup>	273,775,917	419,798,702
Commercial paper interest held by trustee <sup>(1)</sup>	12,855	139,785
Passenger facility charges receivable	2,945,053	4,509,920
Customer facility charges receivable*	997,530	808,754
OCIP insurance reserve	6,239,213	6,400,000
<b>Total restricted assets</b>	<b>418,834,312</b>	<b>567,654,057</b>
<b>Noncurrent assets:</b>		
<b>Capital assets:</b>		
Land and land improvements	24,496,508	23,453,560
Runways, roads and parking lots	274,638,935	236,985,179
Buildings and structures	465,488,914	463,534,113
Machinery and equipment	11,183,465	10,216,222
Vehicles	5,422,530	5,468,836
Office furniture and equipment	30,945,112	30,129,493
Works of art	2,478,094	2,410,518
Construction-in-progress	497,569,831	266,979,506
<b>Total capital assets</b>	<b>1,312,223,389</b>	<b>1,039,177,427</b>
Less accumulated depreciation	(535,081,952)	(487,794,624)
<b>Total capital assets, net</b>	<b>777,141,437</b>	<b>551,382,803</b>
<b>Other assets:</b>		
Notes receivable - long-term portion	41,945,710	43,692,689
Investments-long-term portion <sup>(1)</sup>	6,658,343	10,764,747
Deferred costs - bonds (net)	4,783,169	5,116,037
Net pension asset	7,436,252	7,992,564
Security deposit	500,000	-
<b>Total other assets</b>	<b>61,323,474</b>	<b>67,566,037</b>
<b>Total noncurrent assets</b>	<b>838,464,911</b>	<b>618,948,840</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,389,406,439</b>	<b>\$ 1,312,124,937</b>

<sup>(1)</sup> Total cash and investments, \$524,865,456 for 2012 and \$668,661,265 for 2011

\* ConRAC Facility

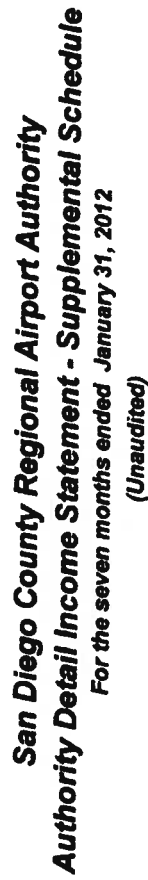
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Balance Sheets**  
**as of January 31, 2012**  
**(Unaudited)**

**LIABILITIES AND NET ASSETS**

	<b>January 31</b>	
	<b>2012</b>	<b>2011</b>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 79,275,664	\$ 51,469,758
Deposits and other current liabilities	4,693,837	3,667,089
<b>Total current liabilities</b>	<b>83,969,501</b>	<b>55,136,847</b>
<b>Current liabilities - payable from restricted assets:</b>		
Current portion of long-term debt	5,190,000	4,486,667
Accrued interest on bonds and commercial paper	2,896,556	3,031,842
<b>Total liabilities payable from restricted assets</b>	<b>8,086,556</b>	<b>7,518,509</b>
<b>Long-term liabilities:</b>		
Commercial paper notes payable	20,729,000	21,509,000
Deferred rent liability	86,638	361,165
Other long-term liabilities	1,524,226	1,188,530
Long term debt - bonds net of amortized premium	629,623,556	635,630,398
<b>Total long-term liabilities</b>	<b>651,963,420</b>	<b>658,689,093</b>
<b>Total liabilities</b>	<b>744,019,477</b>	<b>721,344,449</b>
<b>Authority net assets:</b>		
Invested in capital assets, net of related debt	394,739,156	309,254,379
Other restricted	153,907,208	156,538,395
Unrestricted:		
Designated	15,728,337	14,852,389
Undesignated	81,012,261	110,135,324
<b>Total net assets</b>	<b>645,386,962</b>	<b>590,780,488</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,389,406,439</b>	<b>\$ 1,312,124,937</b>

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statement of Revenues and Expenses Compared to Budget**  
**For the Seven Months Ended January 31, 2012 and 2011**  
**(Unaudited)**

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating revenues:</b>					
Aviation revenue:					
Landing fees	\$ 11,704,530	\$ 11,622,306	\$ (82,224)	(1)%	\$ 10,998,377
Aircraft parking fees	1,767,850	1,870,811	102,961	6%	1,724,551
Building rentals	18,617,143	18,837,922	220,779	1%	16,341,763
Security surcharge	9,760,100	9,813,582	53,482	1%	8,664,080
Other aviation revenue	922,437	933,185	10,748	1%	930,926
Terminal rent non-airline	527,518	524,351	(3,167)	(1)%	503,230
Terminal concessions	7,447,769	7,754,917	307,148	4%	7,598,269
Rental car license fees	12,804,922	13,755,737	950,815	7%	12,509,332
License fees other	1,584,877	1,633,637	68,960	4%	1,595,683
Parking revenue	19,266,731	17,044,636	(2,222,095)	(12)%	18,705,848
Ground transportation permits and citations	917,464	835,018	(82,446)	(9)%	503,838
Ground rentals	3,899,572	3,940,331	40,759	1%	4,827,331
Grant reimbursements	126,004	222,322	96,318	76%	443,478
Other operating revenue	430,440	525,924	95,484	22%	463,414
<b>Total operating revenues</b>	<b>89,757,157</b>	<b>89,314,679</b>	<b>(442,478)</b>	<b>(0)%</b>	<b>85,810,120</b>
<b>Operating expenses:</b>					
Salaries and benefits	21,959,990	21,084,416	875,574	4%	21,785,979
Contractual services	16,007,879	15,773,714	234,165	1%	14,889,388
Safety and security	12,088,024	12,106,490	(18,466)	(0)%	11,716,604
Space rental	6,659,435	6,658,635	800	0%	6,361,650
Utilities	3,954,079	4,121,846	(167,767)	(4)%	3,808,312
Maintenance	4,858,768	4,639,192	219,576	5%	4,385,789
Equipment and systems	216,975	77,459	139,516	64%	298,413
Materials and supplies	183,516	114,048	69,468	38%	176,413
Insurance	594,750	440,122	154,628	26%	630,010
Employee development and support	679,281	493,447	185,834	27%	569,101
Business development	1,573,691	1,091,806	481,885	31%	966,830
Equipment rentals and repairs	1,044,963	895,282	149,681	14%	848,290
<b>Total operating expenses</b>	<b>69,821,351</b>	<b>67,496,457</b>	<b>2,324,894</b>	<b>3%</b>	<b>66,436,779</b>
Depreciation	27,232,434	27,153,155	79,279	0%	28,654,807
<b>Operating income (loss)</b>	<b>(7,296,628)</b>	<b>(5,334,933)</b>	<b>1,961,695</b>	<b>27%</b>	<b>(9,281,486)</b>
<b>Nonoperating revenue (expenses):</b>					
Passenger facility charges	18,846,693	18,720,294	(126,399)	(1)%	18,967,152
Customer facility charges (ConRAC Facility)	5,996,623	6,489,865	493,242	8%	6,241,233
Quieter Home Program	(1,726,042)	(1,088,372)	637,670	37%	(2,047,643)
Interest income	3,113,913	3,527,453	413,540	13%	3,141,904
BAB interest rebate	2,914,287	2,914,287	-	0%	1,609,797
Interest expense	(7,077,772)	(2,432,511)	4,645,261	66%	(6,620,056)
Bond amortization cost	378,900	604,180	225,280	(59)%	198,138
Other nonoperating income (expenses)	-	581,332	581,332	-	1,299,584
<b>Nonoperating revenue, net</b>	<b>22,446,602</b>	<b>29,316,528</b>	<b>6,869,926</b>	<b>31%</b>	<b>22,790,109</b>
<b>Income before capital grant contributions</b>	<b>15,149,974</b>	<b>23,981,595</b>	<b>8,831,621</b>	<b>58%</b>	<b>13,508,643</b>
Capital grant contributions	11,832,835	14,151,124	2,318,289	20%	16,819,422
<b>Net income</b>	<b>\$ 26,982,809</b>	<b>\$ 38,132,719</b>	<b>\$ 11,149,910</b>	<b>41%</b>	<b>\$ 30,328,065</b>



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**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**  
For the seven months ended January 31, 2012  
(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)
<b>Parking and Ground Transportat</b>								
45210 - Parking	\$2,476,078	\$2,285,040	\$(191,038)	(8)	\$2,548,940	\$19,266,731	\$17,044,636	\$(2,222,095)
45220 - AVI fees	54,204	51,776	(2,428)	(4)	33,305	376,650	411,061	34,411
45240 - Ground Transportation Pe	28,552	13,245	(15,307)	(54)	13,045	526,872	358,629	(168,243)
45250 - Citations	1,887	14,237	12,349	654	14,195	13,942	65,328	51,386
<b>Total Parking and Ground Transportat</b>	<b>2,560,721</b>	<b>2,364,298</b>	<b>(196,423)</b>	<b>(8)</b>	<b>2,609,485</b>	<b>20,184,194</b>	<b>17,879,653</b>	<b>(2,304,541)</b>
<b>Ground Rentals</b>								
45310 - Ground Rental - Fixed	495,185	504,187	9,001	2	496,015	3,466,298	3,418,352	(47,947)
45320 - Ground Rental - Percenta	68,566	72,199	3,633	5	77,555	433,274	521,979	88,705
<b>Total Ground Rentals</b>	<b>563,752</b>	<b>576,386</b>	<b>12,634</b>	<b>2</b>	<b>573,570</b>	<b>3,899,572</b>	<b>3,940,330</b>	<b>40,758</b>
<b>Grant Reimbursements</b>								
45410 - TSA Reimbursements	18,168	16,000	(2,168)	(12)	18,222	126,004	118,000	(8,004)
45420 - Planning Grants	0	0	0	0	17,332	0	104,322	104,322
<b>Total Grant Reimbursements</b>	<b>18,168</b>	<b>16,000</b>	<b>(2,168)</b>	<b>(12)</b>	<b>35,554</b>	<b>126,004</b>	<b>222,322</b>	<b>96,318</b>
<b>Other Operating Revenue</b>								
45510 - Finger Printing Fee	4,417	10,900	6,483	147	1,761	30,917	37,424	6,507
45520 - Utilities Reimbursements	44,683	44,466	(217)	0	42,494	312,781	310,293	(2,488)
45530 - Miscellaneous Other Reve	5,667	1,684	(3,983)	(70)	511	39,667	65,669	26,002
45540 - Service Charges	3,392	14,577	11,185	330	6,831	23,742	78,571	54,829
45570 - FBO Fees	3,333	4,984	1,651	50	3,307	23,333	19,967	(3,367)
45580 - Equipment Rental	0	2,000	2,000	0	2,000	0	14,000	14,000
<b>Total Other Operating Revenue</b>	<b>61,491</b>	<b>78,610</b>	<b>17,118</b>	<b>28</b>	<b>56,904</b>	<b>430,439</b>	<b>525,923</b>	<b>95,484</b>
<b>Total Operating Revenue</b>	<b>12,008,738</b>	<b>12,134,877</b>	<b>125,139</b>	<b>1</b>	<b>11,623,015</b>	<b>89,757,155</b>	<b>89,314,678</b>	<b>(442,478)</b>
<b>Personnel Expenses</b>								
<b>Salaries</b>								
51110 - Salaries & Wages	2,137,993	1,759,138	378,856	18	1,794,156	16,038,888	12,985,365	3,053,523
51210 - Paid Time Off	0	120,835	(120,835)	0	110,367	0	1,272,328	(1,272,328)
51220 - Holiday Pay	0	148,986	(148,986)	0	155,764	0	506,317	(506,317)
51240 - Other Leave With Pay	0	10,141	(10,141)	0	6,322	0	49,148	(49,148)
51250 - Special Pay	0	71,886	(71,886)	0	58,533	0	590,291	(590,291)
<b>Total Salaries</b>	<b>2,137,993</b>	<b>2,110,986</b>	<b>27,008</b>	<b>1</b>	<b>2,125,141</b>	<b>16,038,888</b>	<b>15,403,448</b>	<b>635,440</b>
52110 - Overtime	63,018	65,104	(2,086)	(3)	58,918	472,960	528,454	(56,494)
<b>Total Personnel Expenses</b>	<b>2,201,011</b>	<b>2,176,090</b>	<b>24,921</b>	<b>(1)</b>	<b>2,184,059</b>	<b>16,511,848</b>	<b>15,931,902</b>	<b>579,946</b>
<b>Total Operating Expenses</b>	<b>14,219,750</b>	<b>14,310,967</b>	<b>91,217</b>	<b>0</b>	<b>13,747,074</b>	<b>106,299,003</b>	<b>105,246,580</b>	<b>1,052,423</b>
<b>Total Operating Income</b>	<b>(2,210,992)</b>	<b>(1,176,090)</b>	<b>1,035,102</b>	<b>(47)</b>	<b>(561,064)</b>	<b>(16,541,848)</b>	<b>(15,931,902)</b>	<b>609,946</b>

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**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**  
For the seven months ended January 31, 2012  
(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) Percent
<b>Total Personnel Expenses</b>	3,005,148	3,128,545	(123,398)	(4)	2,985,811	21,959,990	21,084,416	875,573 4
<b>Non-Personnel Expenses</b>								21,785,978
<b>Contract Services</b>								
61100 - Temporary Staffing	\$10,483	\$19,158	\$(8,675)	(83)	\$15,491	\$148,483	\$129,513	\$18,970 13
61110 - Auditing Services	0	0	0	0	7,500	265,000	121,451	143,549 54
61120 - Legal Services	95,000	165,250	(70,250)	(74)	32,790	665,000	727,550	(62,550) (9)
61130 - Services - Professional	811,826	542,787	269,039	33	734,151	5,423,188	4,901,959	521,229 10
61150 - Outside Svs - Other	223,716	181,590	42,126	19	56,144	1,543,207	1,399,268	143,939 9
61160 - Services - Custodial	1,279,519	1,281,431	(1,912)	0	1,106,279	8,677,001	9,139,277	(462,276) (5)
61990 - OH Contra	0	(74,924)	74,924	0	(114,833)	0	(645,304)	645,304 0
61998 - Capital Proj OH Alloc Co	(115,000)	0	(115,000)	(100)	0	(714,000)	0	(714,000) (100)
<b>Total Contract Services</b>	2,305,544	2,115,292	190,252	8	1,837,522	16,007,879	15,773,713	234,166 1
<b>Safety and Security</b>								14,889,388
61170 - Services - Fire, Police,	484,812	395,577	89,235	18	421,600	3,366,181	3,262,552	103,629 3
61180 - Services - SDUPD-Harbor	1,032,937	564,642	468,295	45	1,032,189	7,622,031	7,880,471	(258,440) (3)
61185 - Guard Services	157,116	147,766	9,350	6	131,272	1,099,812	963,467	136,345 12
<b>Total Safety and Security</b>	1,674,866	1,107,985	566,880	34	1,585,061	12,088,024	12,106,490	(18,466) 0
<b>Space Rental</b>								11,716,605
62100 - Rent	951,862	950,898	964	0	945,349	6,659,435	6,658,635	800 0
62199 - Rent Amortization	0	0	0	0	(37,506)	0	0	0 (262,543)
<b>Total Space Rental</b>	951,862	950,898	964	0	907,843	6,659,435	6,658,635	800 0
<b>Utilities</b>								6,361,660
63100 - Telephone & Other Commun	33,346	33,654	(307)	(1)	36,354	233,787	220,285	13,502 6
63110 - Utilities - Gas & Electr	440,042	452,810	(12,768)	(3)	438,701	3,265,292	3,426,590	(161,298) (5)
63120 - Utilities - Water	50,000	20,527	29,473	59	43,618	455,000	474,971	(19,971) (4)
<b>Total Utilities</b>	523,388	506,990	16,398	3	518,673	3,964,079	4,121,846	(167,767) (4)
								3,908,312

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**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**  
For the seven months ended January 31, 2012  
(Unaudited)

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	Month to Date			Year to Date		
	Budget	Actual	Variance Favorable (Unfavorable) Percent	Prior Year Actual	Budget	Actual
<b>Employee Development and Suppo</b>						
66120 - Awards - Service	\$90,541	\$71,157	\$19,384 21	\$5,561	\$131,287	\$61,552
66130 - Book & Periodicals	6,767	3,841	2,926 43	16,362	37,019	34,278
66210 - Finger Printing Expenses	230	0	230 100	416	1,610	52
66220 - Permits/Certificates/Lic	7,913	45,950	(38,037) (481)	3,436	53,023	78,600
66260 - Recruiting	2,198	0	2,198 100	0	7,611	457
66280 - Seminars & Training	25,168	12,784	12,385 49	23,414	206,873	143,542
66290 - Transportation	14,063	14,490	(427) (3)	13,470	102,827	97,258
66299 - OH Contra	(3,000)	(1,770)	(1,230) (41)	4,101	(21,000)	(15,094)
66305 - Travel-Employee Developm	9,325	6,078	3,247 35	10,001	78,001	42,312
66310 - Tuition	3,500	9,084	(5,584) (160)	3,213	35,000	28,659
66320 - Uniforms	5,375	1,075	4,300 80	3,146	47,030	21,831
<b>Total Employee Development and Suppo</b>	<b>162,061</b>	<b>162,689</b>	<b>(608) 0</b>	<b>83,120</b>	<b>679,281</b>	<b>493,447</b>
<b>Business Development</b>						
66100 - Advertising	52,147	73,034	(20,887) (40)	57,461	570,311	176,577
66110 - Allowance for Bad Debts	2,083	0	2,083 100	20	14,583	40,064
66200 - Memberships & Dues	118,566	22,831	95,735 81	13,390	316,353	195,692
66230 - Postage & Shipping	2,973	3,833	(860) (29)	1,583	33,379	30,926
66240 - Promotional Activities	34,163	36,345	(2,182) (6)	82,125	336,670	366,590
66250 - Promotional Materials	38,393	38,669	(276) (1)	4,716	215,445	210,217
66300 - Travel-Business Developm	16,500	11,731	4,769 29	8,161	86,950	71,740
<b>Total Business Development</b>	<b>264,826</b>	<b>186,443</b>	<b>78,383 30</b>	<b>167,457</b>	<b>1,573,692</b>	<b>1,091,806</b>
<b>Equipment Rentals and Repairs</b>						
66140 - Computer Licenses & Agre	21,500	24,916	(3,416) (16)	4,186	252,500	236,182
66150 - Equipment Rental/Leasing	31,815	25,363	6,452 20	26,281	208,255	171,883
66160 - Tenant Improvements	0	0	0 0	0	0	70,800
66270 - Repairs - Office Equipme	97,239	82,424	14,815 15	122,430	765,208	611,200
66279 - OH Contra	(26,000)	(25,545)	(455) (2)	42,565	(181,000)	(194,783)
<b>Total Equipment Rentals and Repairs</b>	<b>124,654</b>	<b>107,157</b>	<b>17,397 14</b>	<b>195,463</b>	<b>1,044,963</b>	<b>895,281</b>
<b>Total Non-Personnel Expenses</b>	<b>6,692,074</b>	<b>5,970,376</b>	<b>721,697 11</b>	<b>5,962,596</b>	<b>47,861,360</b>	<b>46,412,038</b>
<b>Total Departmental Expenses before Depreciation</b>	<b>9,697,221</b>	<b>9,098,922</b>	<b>598,300 6</b>	<b>8,948,407</b>	<b>69,821,350</b>	<b>67,496,454</b>

Print Date: 2/13/2012  
Print Time: 3:11:42PM  
Report ID: GL0012

**(Unaudited)**

Data Date: 2/13/2012 3:09:06PM  
DataSource: ARP

Print Date: 2/13/2012  
Print Time: 3:11:42PM  
Report ID: GL0012

**Data Date: 2/13/2012 3:09:06PM**  
**Data Source: ARP**

**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**

Print Date: 2/13/2012  
 Print Time: 3:11:42PM  
 Report ID: GL0012

For the seven months ended January 31, 2012

(Unaudited)

	Month to Date				Year to Date			
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)
<b>Net Income/(Loss)</b>	<b>4,908,557</b>	<b>3,512,371</b>	<b>(1,396,186)</b>	<b>(28)</b>	<b>4,670,465</b>	<b>26,982,809</b>	<b>38,132,720</b>	<b>11,149,911</b>
<b>Equipment Outlay</b>								<b>41</b>
73200 - Equipment Outlay Expendi	\$(26,000)	\$0	\$26,000	100	\$(25,043)	\$(162,000)	\$80,830	\$81,170
73299 - Capitalized Equipment Co	0	0	0	0	25,043	0	80,830	80,830
<b>Total Equipment Outlay</b>	<b>(26,000)</b>	<b>0</b>	<b>26,000</b>	<b>100</b>	<b>0</b>	<b>(162,000)</b>	<b>0</b>	<b>162,000</b>
								<b>100</b>
								<b>0</b>
								<b>0</b>

# San Diego County Regional Airport Authority



## Review of the Unaudited Financial Statements for the Seven Months Ended January 31, 2012

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

February 21, 2012



# Things Looking Up?





# GDP Growth Fell Below Expectations For A 3.1% Increase



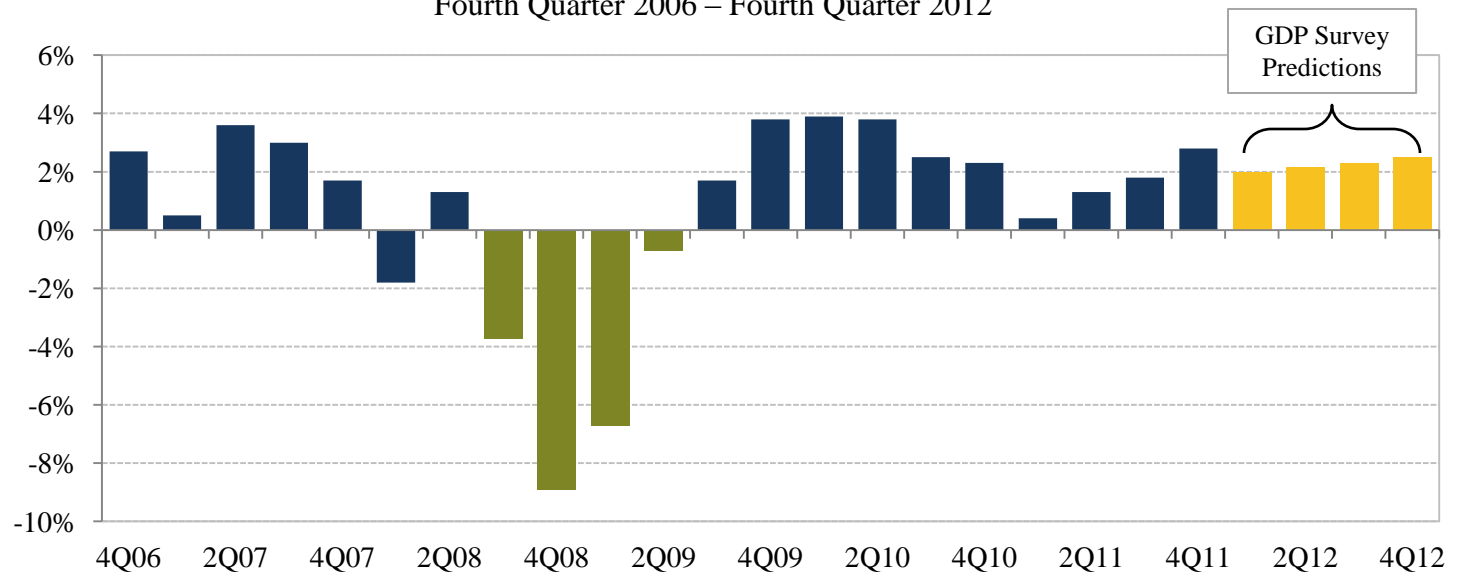
While GDP accelerated in the fourth quarter to 2.8 percent from 1.8 percent in the third quarter, the component mix was not favorable.

Inventory growth added 1.94 percent to overall growth, however, demand numbers slowed as final sales dropped to 0.8 percent from 3.2 percent the prior quarter.

Inflation pressures eased in the fourth quarter to 0.4 percent from 2.6 percent, which supports the Fed's decision to maintain its loose monetary policy until late 2014.



**Gross Domestic Product (Quarter on Quarter)**  
Fourth Quarter 2006 – Fourth Quarter 2012



*Gross Domestic Product (GDP) is a measure of the United States' production over the quarter, often shown as quarter on quarter change. GDP includes consumption, government spending, investment, and net exports. It is the measure of economic activity in the United States.*





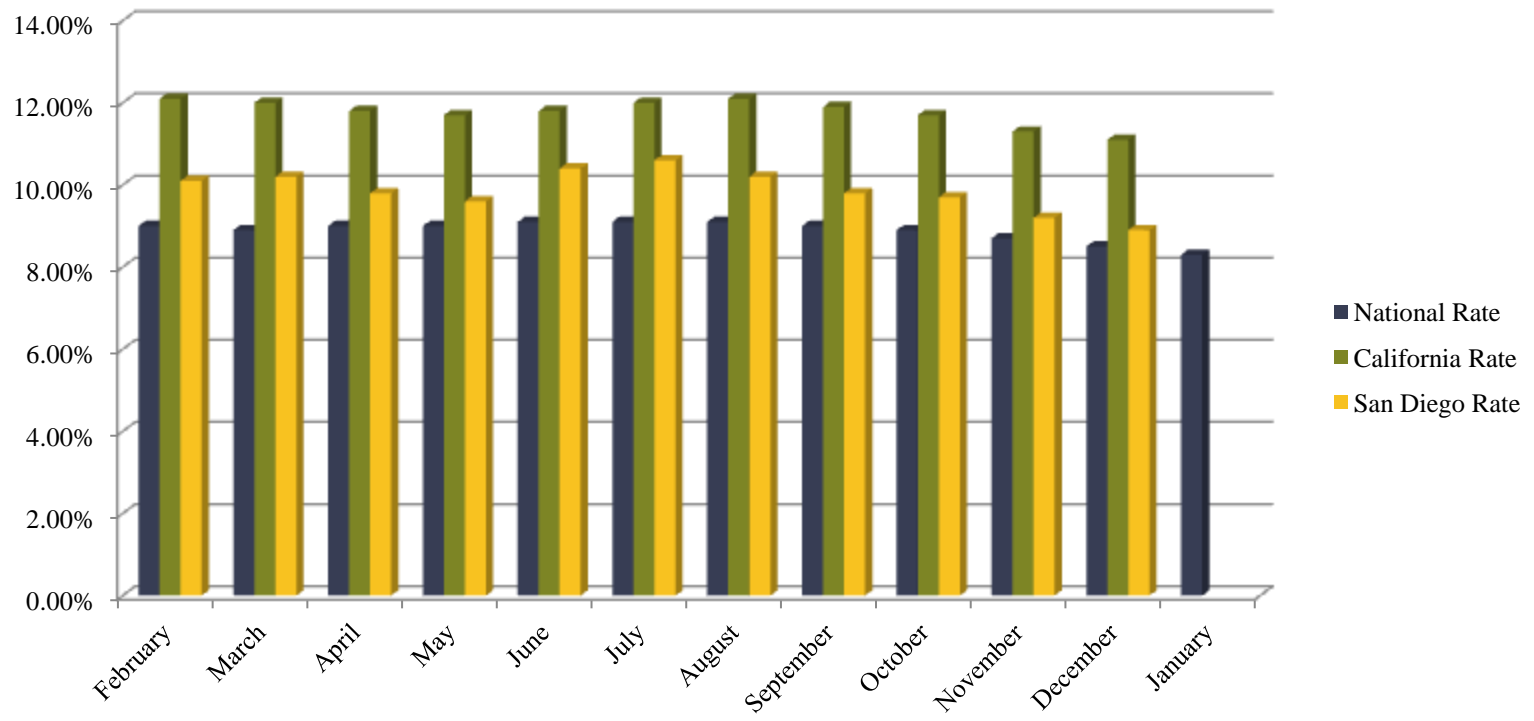
# Unemployment Rate Remains High



The Federal unemployment rate decreased to 8.3% for the month of January, 2012. The California unemployment rate decreased to 11.1% in December, but continued to be higher than the national average. The U-6 rate decreased to 15.1% for January. San Diego's unemployment rate decreased to 8.9% for December, 2011.

*(Note: The CA EDD unemployment data release for January 2012 will not be available until March 9, 2012.)*

## Unemployment Rates







# Consumer Confidence Falls In January



Consumer confidence fell 3.7 points to 61.1 in January due primarily to a decline in the present situation while future expectations held steady.

**Consumer Confidence**  
January 2007 – January 2012





# Existing Home Sales Up Slightly

Existing home sales rose by 5% in December to an annual rate of 4.61 million. For all of 2011, an estimated 4.26 million homes were sold, which was only 1.7% higher than the estimated 4.19 million homes sold in 2010. Despite very low mortgage rates, a recovery in the housing market remains constrained by an oversupply of unsold homes, falling prices and high unemployment.

**Existing Home Sales**  
December 2001– December 2011





# New Home Sales Relatively Unchanged

New home sales in December were down 2.2% to an annual rate of 307,000. For all of 2011, an estimated 302,000 new homes were sold down 6.2% from 2010 when an estimated 323,000 new homes were sold. Despite very low mortgage rates, a recovery in the housing market remains constrained by an oversupply of unsold homes, falling prices and high unemployment.

**New Home Sales**  
December 2001– December 2011





# Oil Prices Drop



Oil prices (WTI) have fallen below \$100 per barrel and are down almost 9% year to date on higher supplies and a lowering of tensions in the middle east. However, crude oil prices (WTI) are still trading up 8% from the levels seen at the start of 2011.

The US became a net exporter of petroleum products in 2011 for the first time in 62 years selling gasoline and diesel fuel to emerging economies.

**Oil Price Per Barrel (WTI Spot)**  
January 1, 2007 – January 31, 2012





# The Equity Markets Had Their Best January Since 1997



After their best January since 1997, The equity markets have continued their winning streak into February, as favorable economic data has raised the market's optimism about future economic growth. Year to date, the DJIA is up 4.0% and the S&P is up 5.4%.

Although the equity markets are up substantially from the lows reached in 2011, they are still off their peak levels reached in 2011.

## Dow Jones Industrial and S&P 500 Indices

February 1, 2007 – February 2, 2012

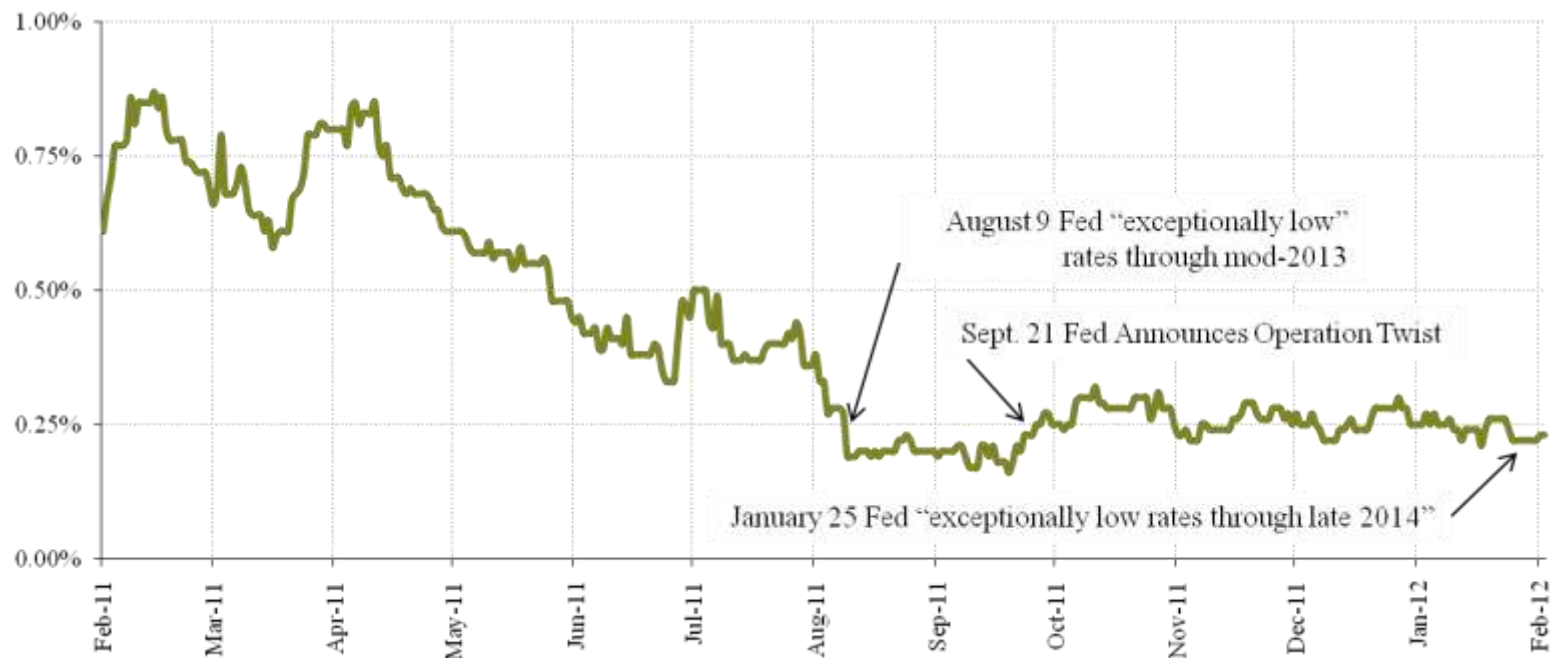




# 2-Year Treasury Yield Remains Range Bound

The 2-year Treasury has remained range bound since early August when the Federal Reserve stated its intention to keep rates low through the middle of 2013. At its January 25, 2012 meeting, the Federal Reserve stated its intention is now to keep rates “exceptionally low” through late 2014.

**2-Year U.S. Treasury Yields**  
February 1, 2011 – February 2, 2012





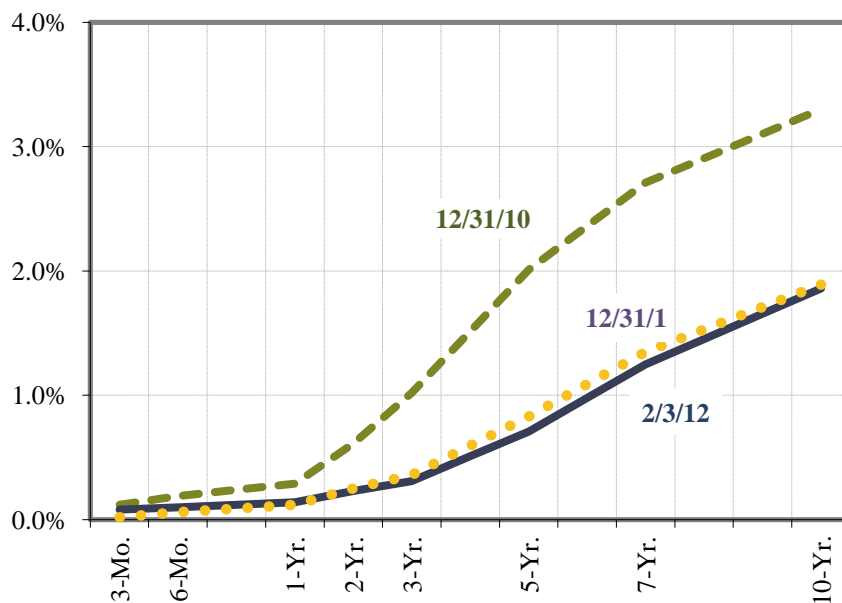
# Yield Curve Remains Relatively Flat

The Treasury yield curve flattened significantly during 2011. Year to date in 2012, the yield curve is relatively unchanged.



## U.S. Treasury Yield Curve

December 31, 2010 vs. December 31, 2011 vs. February 2, 2012



	12/31/10	12/31/11	2/3/12
3-Mo.	0.12%	0.02%	0.08%
6-Mo.	0.19%	0.06%	0.10%
1-Yr.	0.29%	0.12%	0.14%
2-Yr.	0.61%	0.25%	0.23%
3-Yr.	1.02%	0.36%	0.31%
5-Yr.	2.01%	0.83%	0.71%
10-Yr.	3.30%	1.89%	1.86%

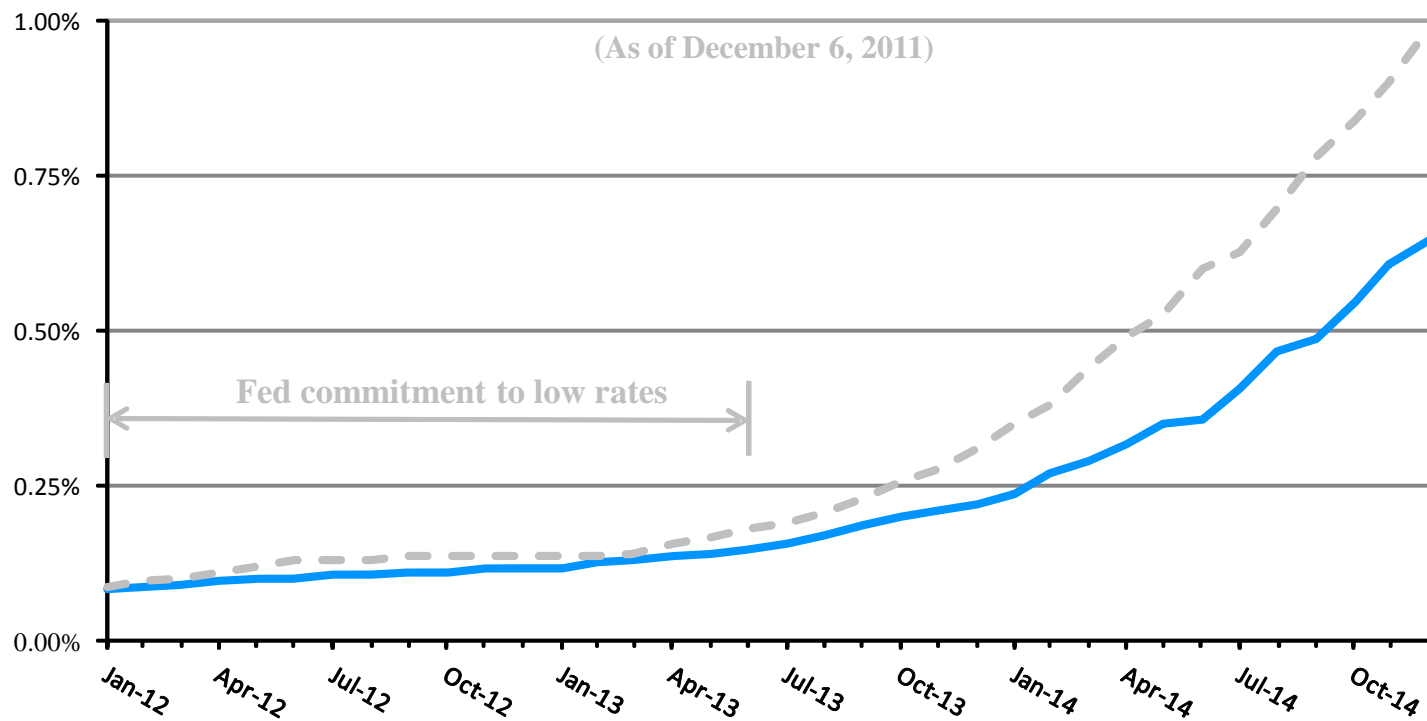


# Fed Funds Expected To Stay Lower For Longer

Futures market now expecting Fed Funds to reach 50bps in September 2014. Prior to the New Year, the expectation was Fed Funds at 50bps in March 2014.

## Fed Funds Implied Rate

(As of January 25, 2012)



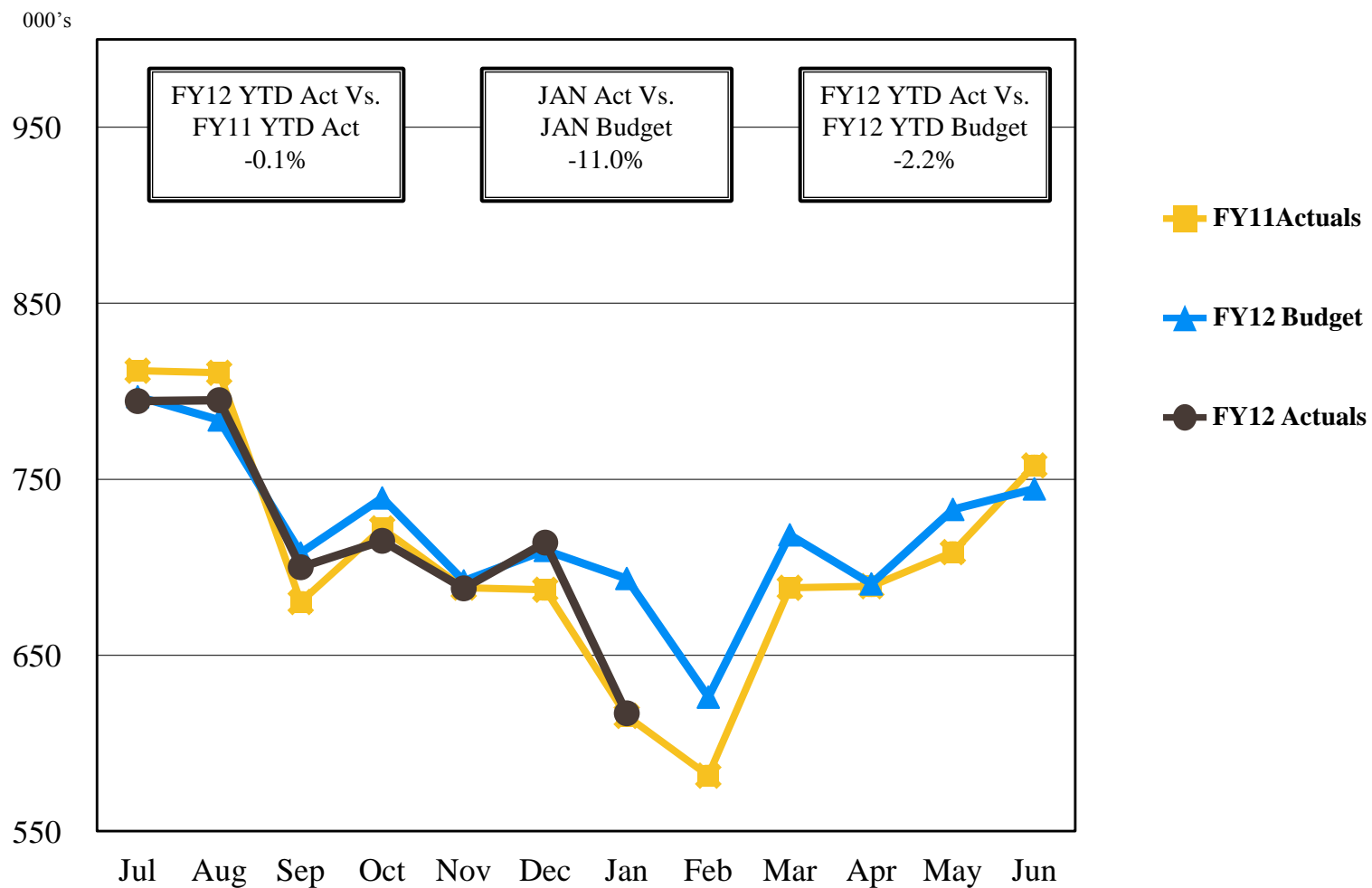


Unaudited Financial Statements  
For the Seven Months Ended  
January 31, 2012





# Enplanements

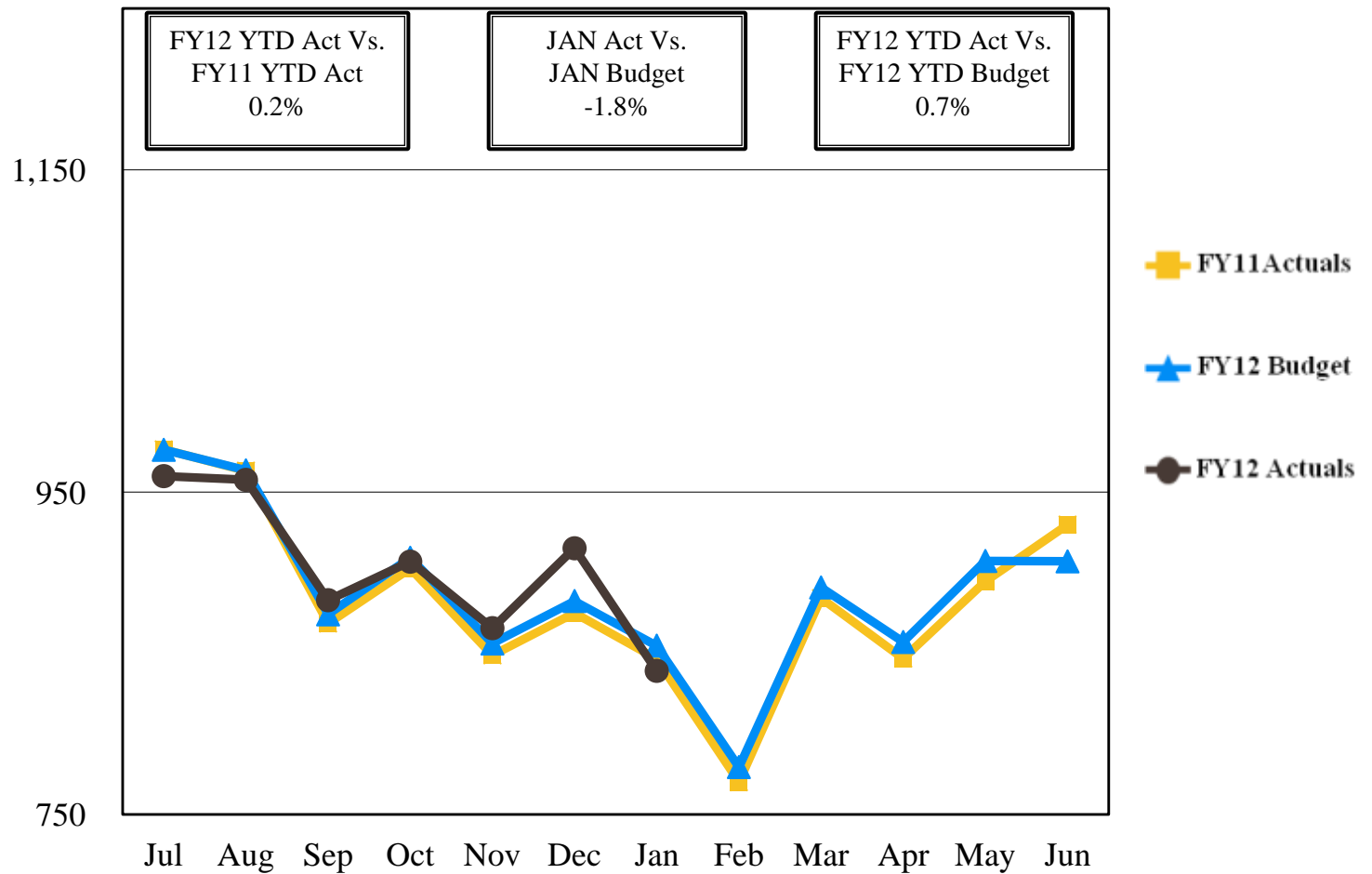




# Gross Landing Weight Units (000 lbs)

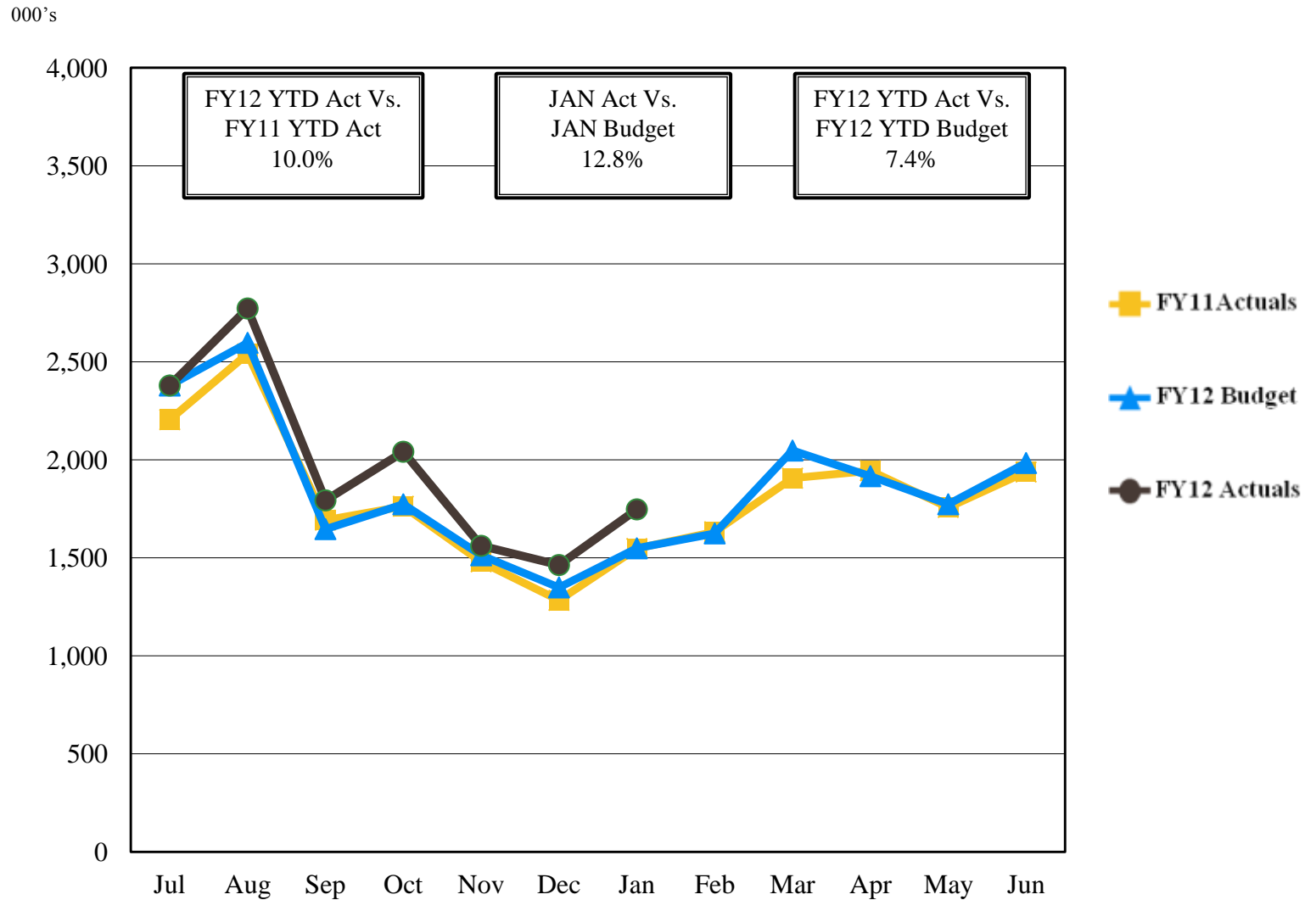


000's





# Car Rental License Fees



Revenues & Expenses (Unaudited)  
For the Month Ended  
January 31, 2012





# Operating Revenues

## for the Month Ended January 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 1,586	\$ 1,574	\$ (12)	(1)%	\$ 1,454
Aircraft parking fees	253	267	14	6%	231
Building rentals	2,663	2,680	17	1%	2,317
Security surcharge	1,394	1,394	0	-	1,246
Other aviation revenue	132	136	4	3%	134
<b>Total aviation revenue</b>	<b>\$ 6,028</b>	<b>\$ 6,051</b>	<b>\$ 23</b>	<b>-</b>	<b>\$ 5,382</b>





# Operating Revenues

## for the Month Ended January 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Terminal rent non-airline</b>	\$ 75	\$ 77	\$ 2	3%	\$ 96
<b>Concession revenue:</b>					
<b>Terminal concession revenue:</b>					
Food and beverage	449	460	12	3%	492
Gifts and news	269	279	10	4%	290
Other	231	264	33	14%	312
<b>Total terminal concession revenue</b>	949	1,004	55	6%	1,094
<b>Car rental and license fee revenue:</b>					
Rental car and license fees	1,548	1,747	199	13%	1,547
License fees-other	205	220	15	7%	228
<b>Total rental car and license fees</b>	1,753	1,967	214	12%	1,775
<b>Total concession revenue</b>	\$ 2,702	\$ 2,971	\$ 269	10%	\$ 2,869



# Operating Revenues

## for the Month Ended January 31, 2012 (Unaudited)




(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 600	\$ 402	\$ (198)	(33)%	\$ 543
Long-term parking revenue	1,876	1,883	7	-	2,006
<b>Total parking revenue</b>	<b>2,476</b>	<b>2,285</b>	<b>(191)</b>	<b>(8)%</b>	<b>2,549</b>
Ground transportation permits and citations	85	79	(6)	(7)%	61
Ground rentals	563	576	13	2%	573
Grant reimbursements	18	16	(2)	(11)%	36
Other operating revenue	61	79	18	30%	57
Subtotal	3,203	3,035	(168)	(5)%	3,276
<b>Total operating revenues</b>	<b>\$12,008</b>	<b>\$12,134</b>	<b>\$ 126</b>	<b>1%</b>	<b>\$11,623</b>



# Operating Expenses

## for the Month Ended January 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 3,005	\$ 3,129	\$ (124)	(4)%	\$ 2,986
Contractual services	2,306	2,115	191	8%	1,838
Safety and security	1,675	1,108	567	34%	1,585
Space rental	952	951	1	-	908
Utilities	523	507	16	3%	519
Maintenance	546	751	(205)	(38)%	539
Equipment and systems	25	7	18	72%	20
Materials and supplies	29	12	17	59%	20
Insurance	85	64	21	25%	89
Employee development and support	162	163	(1)	-	83
Business development	265	186	79	30%	167
Equipment rental and repairs	125	107	18	14%	195
<b>Total operating expenses</b>	<b>\$ 9,698</b>	<b>\$ 9,100</b>	<b>\$ 598</b>	<b>6%</b>	<b>\$ 8,949</b>



# Financial Summary

## for the Month Ended January 31, 2012 (Unaudited)



(In thousands)	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>% Change</b>	<b>Prior Year</b>
Total operating revenues	\$12,008	\$12,134	\$ 126	1%	\$11,623
Total operating expenses	9,698	9,100	598	6%	8,949
<b>Income from operations</b>	<b>2,310</b>	<b>3,034</b>	<b>724</b>	<b>31%</b>	<b>2,674</b>
Depreciation	3,735	3,643	92	2%	3,969
<b>Operating income (loss)</b>	<b>\$ (1,425)</b>	<b>\$ (609)</b>	<b>\$ 816</b>	<b>57%</b>	<b>\$ (1,295)</b>



# Nonoperating Revenues & Expenses for the Month Ended January 31, 2012 (Unaudited)



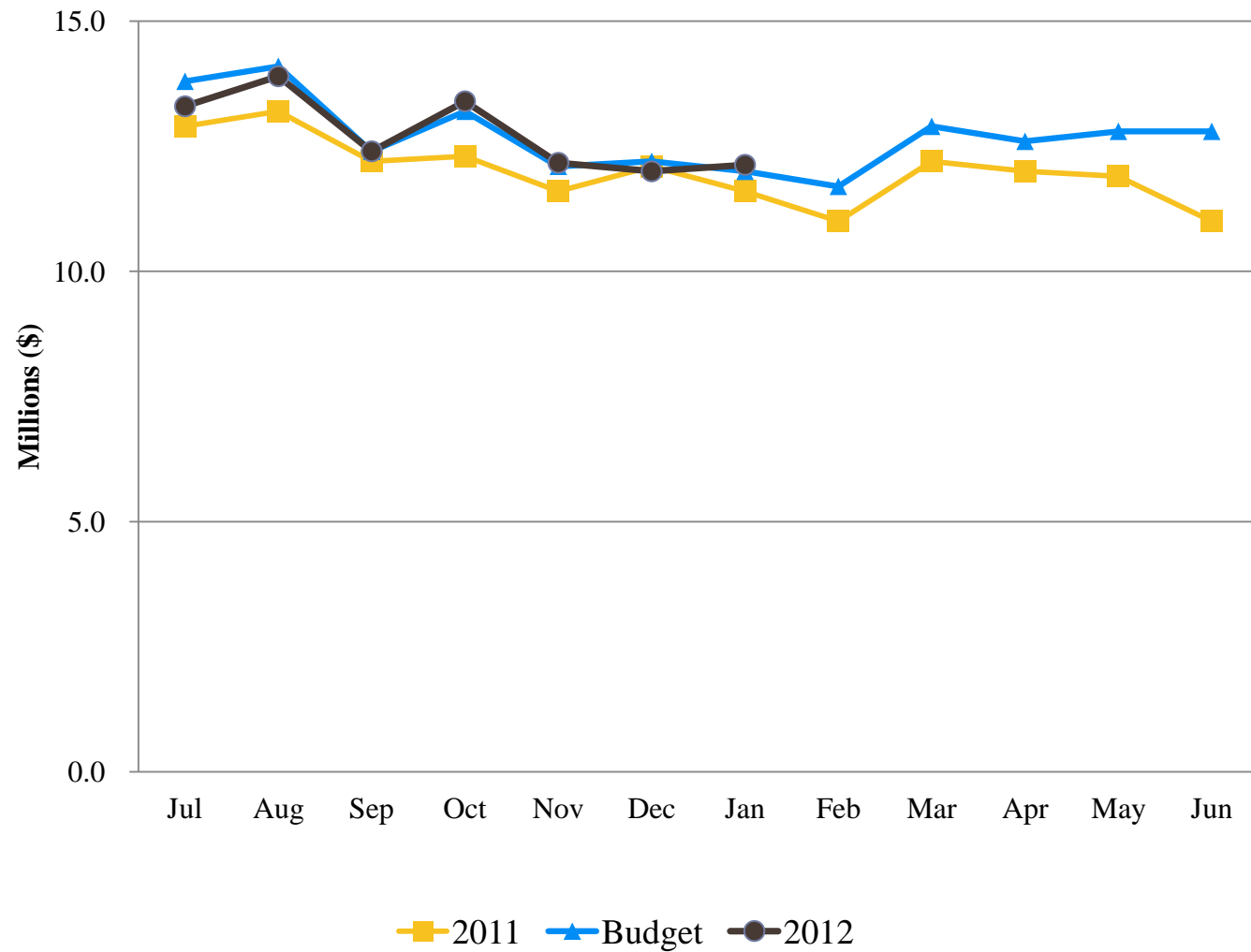
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 2,249	\$ 1,955	\$ (294)	(13)%	\$ 2,149
Customer facility charges (ConRAC Facility)	796	919	123	15%	856
Quieter Home Program	(220)	(157)	63	29%	(343)
Interest income	445	464	19	4%	386
BAB interest rebate	416	416	0	-	416
Interest expense	(1,017)	(309)	708	70%	(1,488)
Bond amortization	54	91	37	69%	54
Other nonoperating revenue (expenses)	0	(70)	(70)	-	645
<b>Nonoperating revenue, net</b>	<b>2,723</b>	<b>3,309</b>	<b>586</b>	<b>22%</b>	<b>2,675</b>
<b>Income before grant contributions</b>	<b>1,298</b>	<b>2,700</b>	<b>1,402</b>	<b>108%</b>	<b>1,380</b>
Capital grant contributions	3,606	809	(2,797)	(78)%	3,289
<b>Net income</b>	<b>\$ 4,904</b>	<b>\$ 3,509</b>	<b>\$ (1,395)</b>	<b>(28)%</b>	<b>\$ 4,669</b>

Revenues & Expenses (Unaudited)  
For the Seven Months Ended  
January 31, 2012





## Monthly Operating Revenue, FY 2012 (Unaudited)







# Operating Revenues

## for the Seven Months Ended January 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$11,705	\$11,622	\$ (82)	(1)%	\$10,998
Aircraft parking fees	1,768	1,871	103	6%	1,725
Building rentals	18,617	18,838	221	1%	16,342
Security surcharge	9,760	9,814	54	1%	8,664
Other aviation revenue	922	933	11	1%	931
<b>Total aviation revenue</b>	<b>\$42,772</b>	<b>\$43,078</b>	<b>\$ 306</b>	<b>1%</b>	<b>\$38,660</b>



# Operating Revenues

for the Seven Months Ended January 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Terminal rent non-airline</b>	<b>\$ 528</b>	<b>\$ 524</b>	<b>\$ (4)</b>	<b>(1)%</b>	<b>\$ 503</b>
<b>Concession revenue:</b>					
<b>Terminal concession revenue:</b>					
Food and beverage	3,504	3,697	193	6%	3,596
Gifts and news	2,256	2,341	85	4%	2,259
Other	1,688	1,717	29	2%	1,743
<b>Total terminal concession revenue</b>	<b>7,448</b>	<b>7,755</b>	<b>307</b>	<b>4%</b>	<b>7,598</b>
<b>Car rental and license fee revenue:</b>					
Rental car license fees	12,805	13,756	951	7%	12,509
License fees-other	1,565	1,634	69	4%	1,596
Total rental car and license fees	14,370	15,390	1,020	7%	14,105
<b>Total concession revenue</b>	<b>\$21,818</b>	<b>\$23,145</b>	<b>\$ 1,327</b>	<b>6%</b>	<b>\$21,703</b>



# Operating Revenues

## for the Seven Months Ended January 31, 2012 (Unaudited)

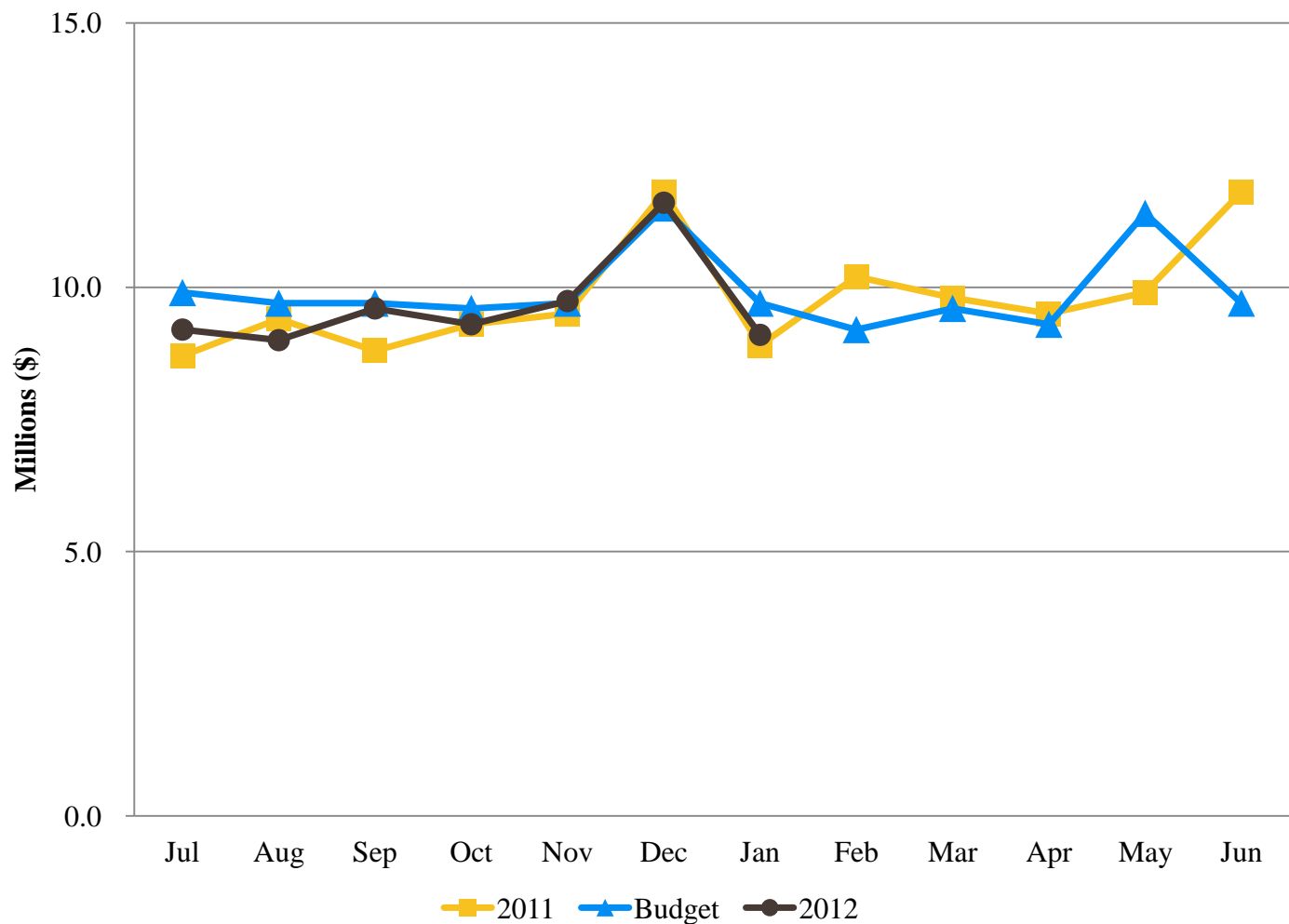


(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 4,784	\$ 2,843	\$ (1,941)	(41)%	\$ 4,122
Long-term parking revenue	14,483	14,202	\$ (281)	(2)%	14,584
<b>Total parking revenue</b>	<b>19,267</b>	<b>17,045</b>	<b>\$ (2,222)</b>	<b>(12)%</b>	<b>18,706</b>
Ground transportation permits and citations	917	835	(82)	(9)%	504
Ground rentals	3,900	3,940	40	1%	4,827
Grant reimbursements	126	222	96	76%	443
Other operating revenue	430	526	96	22%	463
Subtotal	24,640	22,568	(2,072)	(8)%	24,943
<b>Total operating revenues</b>	<b>\$89,758</b>	<b>\$89,315</b>	<b>\$ (443)</b>	<b>-</b>	<b>\$85,809</b>






# Monthly Operating Expenses, FY 2012 (Unaudited)



# Operating Expenses

## for the Seven Months Ended January 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$21,960	\$21,084	\$ 876	4%	\$21,786
Contractual services	16,008	15,774	234	1%	14,889
Safety and security	12,088	12,106	(18)	-	11,717
Space rental	6,659	6,659	0	-	6,362
Utilities	3,954	4,122	(168)	(4)%	3,808
Maintenance	4,859	4,639	220	5%	4,386
Equipment and systems	217	77	140	65%	298
Materials and supplies	184	114	70	38%	176
Insurance	595	440	155	26%	630
Employee development and support	679	493	186	27%	569
Business development	1,574	1,092	482	31%	967
Equipment rental and repairs	1,045	895	150	14%	848
<b>Total operating expenses</b>	<b>\$69,822</b>	<b>\$67,495</b>	<b>\$ 2,327</b>	<b>3%</b>	<b>\$66,436</b>



# Financial Summary

## for the Seven Months Ended January 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$89,758	\$89,315	\$ (443)	-	\$85,809
Total operating expenses	69,822	67,495	2,327	3%	66,436
<b>Income from operations</b>	<b>19,936</b>	<b>21,820</b>	<b>1,884</b>	<b>9%</b>	<b>19,373</b>
Depreciation	27,232	27,153	79	-	28,655
<b>Operating income (loss)</b>	<b>\$ (7,296)</b>	<b>\$ (5,333)</b>	<b>\$ 1,963</b>	<b>27%</b>	<b>\$ (9,282)</b>

# Nonoperating Revenues & Expenses

## for the Seven Months Ended January 31, 2012 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$18,847	\$18,720	\$ (126)	(1)%	\$18,967
Customer facility charges (ConRAC Facility)	5,997	6,490	493	8%	6,241
Quieter Home Program	(1,726)	(1,088)	638	37%	(2,048)
Interest income	3,114	3,527	414	13%	3,142
BAB interest rebate	2,914	2,914	0	-	1,610
Interest expense	(7,078)	(2,433)	4,645	66%	(6,620)
Bond amortization	379	604	225	59%	198
Other nonoperating revenue (expenses)	0	581	581	-	1,300
<b>Nonoperating revenue, net</b>	<b>22,447</b>	<b>29,316</b>	<b>6,869</b>	<b>31%</b>	<b>22,790</b>
<b>Income before grant contributions</b>	<b>15,151</b>	<b>23,983</b>	<b>8,832</b>	<b>58%</b>	<b>13,508</b>
Capital grant contributions	11,833	14,151	2,318	20%	16,819
<b>Net income</b>	<b>\$26,984</b>	<b>\$38,134</b>	<b>\$ 11,150</b>	<b>41%</b>	<b>\$30,327</b>





# Balance Sheets (Unaudited)

		(In thousands)	
		<b>January</b>	
		<b>2012</b>	<b>2011</b>
<b>Current assets:</b>			
Cash and investments		\$ 101,263	\$ 99,101
Tenant lease receivable, net of allowance of 2012: \$54,982 and 2011: \$30,980		5,676	4,933
Grants receivable		6,550	6,665
Notes receivable-current portion		1,696	1,613
Prepaid expenses and other current assets		8,630	10,350
<b>Total current assets</b>		<b>123,815</b>	<b>122,662</b>
<b>Cash designated for capital projects and other</b>		<b>\$ 8,292</b>	<b>\$ 2,860</b>



# Balance Sheets (Unaudited)



## Restricted assets:

### Cash and investments:

(In thousands)		
<b>January</b>		
	<b>2012</b>	<b>2011</b>
Bonds reserve	\$ 45,098	\$ 45,708
Passenger facility charges and interest unapplied	59,560	70,357
Customer facility charges and interest applied*	26,116	15,764
Commercial paper reserve	90	168
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	273,776	419,797
Commercial paper interest held by trustee	13	140
Passenger facility charges receivable	2,945	4,510
Customer facility charges receivable*	998	809
OCIP insurance reserve	6,239	6,400
<b>Total restricted assets</b>	<b>\$ 418,835</b>	<b>\$ 567,653</b>

\*ConRAC Facility



## Balance Sheets (Unaudited)

	(In thousands)	
	<b>January</b>	
	<b>2012</b>	<b>2011</b>
<b>Noncurrent assets:</b>		
<b>Capital assets:</b>		
Land and land improvements	\$ 24,497	\$ 23,454
Runways, roads and parking lots	274,639	236,985
Buildings and structures	465,489	463,534
Machinery and equipment	11,183	10,216
Vehicles	5,423	5,469
Office furniture and equipment	30,945	30,129
Works of art	2,478	2,411
Construction-in-progress	497,570	266,980
<b>Total capital assets</b>	<b>1,312,224</b>	<b>1,039,178</b>
Less: accumulated depreciation	(535,082)	(487,795)
<b>Total capital assets, net</b>	<b>\$ 777,142</b>	<b>\$ 551,383</b>



# Balance Sheets (Unaudited)



(In thousands)

**January**

**Other assets:**

Notes receivable - long-term portion

Investments - long-term portion

Deferred costs - bonds (net)

Net pension asset

Security deposit

**Total other assets**

**Total noncurrent assets**

**TOTAL ASSETS**

	<b>2012</b>	<b>2011</b>
\$ 41,946	\$ 43,693	
6,658	10,765	
4,783	5,116	
7,436	7,993	
500	-	
<b>61,323</b>	<b>67,567</b>	
<b>838,465</b>	<b>618,950</b>	
<b>\$1,389,407</b>	<b>\$1,312,125</b>	



# Balance Sheets (Unaudited)



	(In thousands)	
	<b>January</b>	
	<b>2012</b>	<b>2011</b>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 79,275	\$ 51,470
Deposits and other current liabilities	4,694	3,667
<b>Total current liabilities</b>	<b>83,969</b>	<b>55,137</b>
<b>Current liabilities - payable from restricted assets:</b>		
Current portion of long-term debt	5,190	4,487
Accrued interest on bonds and commercial paper	2,897	3,032
<b>Total liabilities payable from restricted assets</b>	<b>\$ 8,087</b>	<b>\$ 7,519</b>



# Balance Sheets (Unaudited)



## **Long-term liabilities - other:**

Commercial paper notes payable

Deferred rent liability

Other long-term liabilities

Long-term debt - bonds net of amortized premium

**Total long-term liabilities**

**Total liabilities**

(In thousands)

**January**

	<b>2012</b>	<b>2011</b>
Commercial paper notes payable	\$ 20,729	\$ 21,509
Deferred rent liability	87	361
Other long-term liabilities	1,524	1,188
Long-term debt - bonds net of amortized premium	629,624	635,630
<b>Total long-term liabilities</b>	<b>651,964</b>	<b>658,688</b>
<b>Total liabilities</b>	<b>\$ 744,020</b>	<b>\$ 721,344</b>



## Balance Sheets (Unaudited)

	(In thousands)	
	January	
	2012	2011
<b>Authority net assets:</b>		
Invested in capital assets, net of related debt	\$ 394,739	\$ 309,254
Other restricted	153,907	156,538
Unrestricted:		
Designated	15,728	14,852
Undesignated	81,013	110,137
<b>Total net assets</b>	<b>645,387</b>	<b>590,781</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,389,407</b>	<b>\$1,312,125</b>



# Questions

