



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Communication

**Date:** January 11, 2011

**To:** Board Members

**From:** Vernon D. Evans, CFO

**Subject:** Financial Statements For Six Months Ended December 31, 2010

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The attached financial reports include the following:

Balance Sheets as of December 31, 2010 and 2009  
 Statement of Revenues and Expenses Compared to Budget for Six Months Ended  
 December 31, 2010 and 2009  
 Authority Detailed Income Statement-Supplemental Schedule

### **Year to date analysis:**

Total operating revenues are \$637k, or one percent above budget primarily due to the retroactive billing on new ground rental agreements with Federal Express, Southwest and UPS.

Total operating expenses are \$3.5m or 6% below budget primarily due to overall timing issues.

Nonoperating revenues, net, are \$1.1m, or 5% below budget primarily due to required accounting treatment of BAB's bonds interest expense.

Capital grant contributions are \$4.6m or 25% below budget due to timing issues due to the delay of the apron project. This was caused by contract award challenges.

A more detailed discussion will be presented at the January 24<sup>th</sup> finance committee meeting.



SAN DIEGO  
INTERNATIONAL  
AIRPORT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Balance Sheets**  
**as of December 31, 2010**  
**(Unaudited)**  
**ASSETS**

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
<b>Current assets:</b>		
Cash and investments <sup>(1)</sup>	\$ 110,326,520	\$ 90,119,742
Tenant lease receivable, net of allowance of 2010: \$30,980 and 2009: \$164,634	5,769,716	5,217,884
Grants receivable	4,502,940	4,158,250
Notes receivable-current portion	1,612,790	1,646,288
Prepaid expenses and other current assets	12,368,039	10,408,029
<b>Total current assets</b>	<b>134,580,005</b>	<b>111,550,193</b>
<b>Cash designated for capital projects and other <sup>(1)</sup></b>	<b>5,253,756</b>	<b>14,151,337</b>
<b>Restricted assets:</b>		
Cash and investments:		
Bonds reserve <sup>(1)</sup>	45,707,776	47,302,857
Passenger facility charges and interest unapplied <sup>(1)</sup>	68,738,181	54,544,895
Customer facility charges and interest unapplied <sup>(1)*</sup>	15,472,487	5,919,006
Commercial paper reserve <sup>(1)</sup>	167,815	396,471
SBD Bond Guarantee <sup>(1)</sup>	4,000,000	4,000,000
Bond proceeds held by trustee <sup>(1)</sup>	429,441,193	6,517,074
Commercial paper interest held by trustee <sup>(1)</sup>	139,785	12,856
Passenger facility charges receivable	3,788,849	4,110,474
Customer facility charges receivable*	935,378	988,335
OCIP insurance reserve	6,400,000	5,282,463
<b>Total restricted assets</b>	<b>574,791,464</b>	<b>129,074,431</b>
<b>Noncurrent assets:</b>		
<b>Capital assets:</b>		
Land and land improvements	23,453,560	23,581,619
Runways, roads and parking lots	236,947,421	229,222,891
Buildings and structures	463,108,153	418,123,169
Machinery and equipment	10,211,096	7,770,763
Vehicles	5,468,836	4,982,699
Office furniture and equipment	30,099,465	24,192,389
Works of art	2,410,518	2,175,217
Construction-in-progress	253,593,341	158,457,604
<b>Total capital assets</b>	<b>1,025,292,390</b>	<b>868,506,351</b>
Less accumulated depreciation	(483,825,854)	(443,120,521)
<b>Total capital assets, net</b>	<b>541,466,536</b>	<b>425,385,830</b>
<b>Other assets:</b>		
Notes receivable - long-term portion	43,823,439	45,480,238
Investments-long-term portion <sup>(1)</sup>	8,383,088	9,151,082
Deferred costs - bonds (net)	5,134,176	822,542
Net pension asset	8,038,924	3,867,459
<b>Total other assets</b>	<b>65,379,627</b>	<b>59,321,321</b>
<b>Total noncurrent assets</b>	<b>606,846,163</b>	<b>484,707,151</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,321,471,388</b>	<b>\$ 739,483,112</b>

<sup>(1)</sup> Total cash and investments, \$687,630,601 2010 and \$232,115,320 2009

\* ConRAC Facility

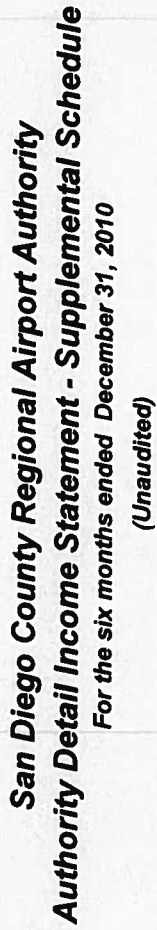
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Balance Sheets**  
**as of December 31, 2010**  
**(Unaudited)**

**LIABILITIES AND NET ASSETS**

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 59,727,768	\$ 39,423,919
Deposits and other current liabilities	3,284,692	2,993,813
<b>Total current liabilities</b>	<b>63,012,460</b>	<b>42,417,732</b>
<b>Current liabilities - payable from restricted assets:</b>		
Current portion of long-term debt	4,725,000	3,105,000
Accrued interest on bonds and commercial paper	8,817,788	1,280,781
<b>Total liabilities payable from restricted assets</b>	<b>13,542,788</b>	<b>4,385,781</b>
<b>Long-term liabilities:</b>		
Commercial paper notes payable	21,509,000	114,430,000
Deferred rent liability	405,920	942,989
Other long-term liabilities	1,188,530	1,091,750
Long term debt - bonds net of amortized premium	635,702,665	41,195,611
<b>Total long-term liabilities</b>	<b>658,806,115</b>	<b>157,660,350</b>
<b>Total liabilities</b>	<b>735,361,363</b>	<b>204,463,863</b>
<b>Authority net assets:</b>		
Invested in capital assets, net of related debt	307,441,981	274,162,299
Other restricted	156,514,720	132,179,431
Unrestricted:		
Designated	17,292,680	22,018,795
Undesignated	104,860,644	106,658,724
<b>Total net assets</b>	<b>586,110,025</b>	<b>535,019,249</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,321,471,388</b>	<b>\$ 739,483,112</b>

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statement of Revenues and Expenses Compared to Budget**  
**For the Six Months Ended December 31, 2010 and 2009**  
**(Unaudited)**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>% Change</b>	<b>Prior Year</b>
<b>Operating revenues:</b>					
Aviation revenue:					
Landing fees	\$ 9,819,386	\$ 9,544,197	\$ (275,189)	(3)%	\$ 9,928,280
Aircraft parking fees	1,413,000	1,493,761	80,761	6%	1,744,578
Building rentals	13,883,422	14,024,785	141,363	1%	12,805,871
Security surcharge	7,392,750	7,417,692	24,942	0%	6,004,048
Other aviation revenue	790,458	797,360	6,902	1%	792,477
Terminal rent non-airline	434,100	406,930	(27,170)	(6)%	395,511
Terminal concessions	6,525,679	6,504,295	(21,384)	(0)%	6,305,787
Rental car license fees	10,714,435	10,961,995	247,560	2%	10,925,735
License fees other	1,602,347	1,367,693	(234,654)	(15)%	1,422,006
Parking revenue	16,667,228	16,156,908	(510,320)	(3)%	15,437,612
Ground transportation permits and citations	296,781	443,293	146,512	49%	250,369
Ground rentals	3,098,535	4,253,761	1,155,226	37%	2,955,822
Grant reimbursements	551,372	407,924	(143,448)	(26)%	794,844
Other operating revenue	360,696	406,511	45,815	13%	228,541
<b>Total operating revenues</b>	<b>73,550,189</b>	<b>74,187,105</b>	<b>636,916</b>	<b>1%</b>	<b>69,991,481</b>
<b>Operating expenses:</b>					
Salaries and benefits	19,166,642	18,800,168	366,474	2%	17,355,563
Contractual services	14,665,290	13,051,866	1,613,424	11%	13,951,560
Safety and security	10,297,079	10,131,544	165,535	2%	10,003,867
Space rental	5,453,270	5,453,808	(538)	(0)%	5,450,916
Utilities	3,693,752	3,289,639	404,113	11%	3,379,785
Maintenance	4,088,410	3,846,882	241,528	6%	4,867,347
Equipment and systems	266,646	278,234	(11,588)	(4)%	258,271
Materials and supplies	202,721	156,799	45,922	23%	189,849
Insurance	611,375	541,254	70,121	11%	589,238
Employee development and support	689,824	485,981	203,843	30%	411,916
Business development	1,081,087	799,374	281,713	26%	924,727
Equipment rentals and repairs	754,092	652,828	101,264	13%	804,322
<b>Total operating expenses</b>	<b>60,970,188</b>	<b>57,488,377</b>	<b>3,481,811</b>	<b>6%</b>	<b>58,187,361</b>
 Depreciation	 25,493,133	 24,686,038	 807,095	 3%	 19,732,934
<b>Operating Income (loss)</b>	<b>(12,913,132)</b>	<b>(7,987,310)</b>	<b>4,925,822</b>	<b>38%</b>	<b>(7,928,814)</b>
<b>Nonoperating revenue (expenses):</b>					
Passenger facility charges	17,391,531	16,817,865	(573,666)	(3)%	16,980,467
Customer facility charges (ConRAC Facility)	5,182,873	5,384,979	202,106	4%	5,534,916
Quieter Home Program	(1,856,294)	(1,704,797)	151,497	8%	(891,257)
Interest income	2,991,270	2,755,910	(235,360)	(8)%	4,153,208
BAB interest rebate	-	1,193,470	1,193,470	0%	-
Interest expense	(2,383,232)	(5,131,604)	(2,748,372)	(115)%	(1,332,791)
Bond amortization cost	(72,423)	144,009	216,432	299%	(55,697)
Other nonoperating income (expenses)	(20,000)	654,642	674,642	3373%	(1,402,647)
<b>Nonoperating revenue, net</b>	<b>21,233,725</b>	<b>20,114,474</b>	<b>(1,119,251)</b>	<b>(5)%</b>	<b>22,986,199</b>
<b>Income before capital grant contributions</b>	<b>8,320,593</b>	<b>12,127,164</b>	<b>3,806,571</b>	<b>46%</b>	<b>15,057,385</b>
Capital grant contributions	18,136,020	13,530,430	(4,605,590)	(25)%	6,779,291
<b>Net Income</b>	<b>\$ 26,456,613</b>	<b>\$ 25,657,594</b>	<b>\$ (799,019)</b>	<b>(3)%</b>	<b>\$ 21,836,676</b>



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**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**  
For the six months ended December 31, 2010  
(Unaudited)

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	Month to Date				Year to Date			
	Actual		Variance		Prior Year		Variance	
	Budget		Favorable (Unfavorable)	Percent	Actual		Favorable (Unfavorable)	Percent
<b>Total Personnel Expenses</b>	<b>4,153,849</b>	<b>4,389,369</b>	<b>(235,520)</b>	<b>(6)</b>	<b>3,873,813</b>	<b>19,166,641</b>	<b>366,474</b>	<b>2</b>
<b>Non-Personnel Expenses</b>						<b>18,800,167</b>		<b>17,355,563</b>
<b>Contract Services</b>								
61100 - Temporary Staffing	\$38,002	\$13,666	\$24,337	64	\$88,362	\$249,389	\$76,439	31
61110 - Auditing Services	0	0	0	0	0	140,000	29,700	21
61120 - Legal Services	100,000	70,054	29,946	30	56,718	600,000	279,244	47
61130 - Services - Professional	940,938	681,434	259,504	28	1,130,428	6,054,425	1,944,727	32
61150 - Outside Svs - Other	204,491	213,078	(8,586)	(4)	222,818	1,443,918	143,936	10
61160 - Services - Custodial	1,111,661	1,317,874	(206,213)	(19)	1,316,920	6,816,676	(669,260)	(10)
61990 - OH Contra	0	(71,120)	71,120	0	(81,092)	0	447,756	0
61998 - Capitalized OH Contra	(106,520)	0	(106,520)	(100)	0	(639,118)	(639,118)	(100)
<b>Total Contract Services</b>	<b>2,288,574</b>	<b>2,224,985</b>	<b>63,588</b>	<b>3</b>	<b>2,734,154</b>	<b>14,665,290</b>	<b>1,613,424</b>	<b>11</b>
<b>Safety and Security</b>								
61170 - Services - Fire, Police, Rescu	347,544	429,300	(81,757)	(24)	360,185	2,178,705	(280,734)	(13)
61180 - Services - SDUPD	1,664,418	1,740,584	(76,166)	(5)	1,615,548	7,142,959	272,490	4
61185 - Guard Services	186,555	175,198	11,357	6	186,367	975,415	173,779	18
<b>Total Safety and Security</b>	<b>2,198,516</b>	<b>2,345,082</b>	<b>(146,566)</b>	<b>(7)</b>	<b>2,162,100</b>	<b>10,297,079</b>	<b>165,535</b>	<b>2</b>
<b>Space Rental</b>								
62100 - Rent	908,678	947,146	(38,468)	(4)	945,760	5,453,270	(225,575)	(4)
62199 - Rent Amortization	0	(37,506)	37,506	0	(37,506)	0	225,036	0
<b>Total Space Rental</b>	<b>908,678</b>	<b>909,640</b>	<b>(962)</b>	<b>0</b>	<b>908,254</b>	<b>5,453,270</b>	<b>(538)</b>	<b>0</b>
<b>Utilities</b>								
63100 - Telephone & Other Communicatio	40,547	32,684	7,863	19	27,588	243,502	(3,966)	(2)
63110 - Utilities - Gas & Electric	450,050	434,589	15,461	3	222,127	3,075,250	395,233	13
63120 - Utilities - Water	40,000	38,995	1,005	3	39,135	375,000	12,846	3
<b>Total Utilities</b>	<b>530,597</b>	<b>506,267</b>	<b>24,330</b>	<b>5</b>	<b>288,850</b>	<b>3,693,752</b>	<b>404,113</b>	<b>11</b>



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**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**  
For the six months ended December 31, 2010  
(Unaudited)

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	Month to Date				Year to Date			
	Budget	Actual	Variance		Prior Year Actual	Variance		
			Favorable (Unfavorable)	Percent		Favorable (Unfavorable)	Percent	
Employee Development and Suppo								
66120 - Awards - Service	\$90,742	\$59,699	\$31,043	34	\$2,561	\$43,820	38	
66130 - Book & Periodicals	6,530	2,158	4,373	67	1,262	14,996	45	
66210 - Finger Printing Expenses	210	160	50	24	64	(314)	(30)	
66220 - Permits/Certificates/License	36,095	57,685	(21,590)	(60)	55,846	(16,455)	(31)	
66260 - Recruiting	1,910	319	1,591	83	644	29,390	95	
66280 - Seminars & Training	31,062	23,760	7,302	24	23,369	78,295	37	
66290 - Transportation	15,424	13,549	1,875	12	14,658	12,630	13	
66299 - OH Contra	(3,878)	(1,253)	(2,626)	(68)	(2,576)	(10,188)	(44)	
66305 - Travel-Employee Development	10,874	7,610	3,264	30	7,819	16,521	20	
66310 - Tuition	15,000	11,591	3,409	23	11,017	12,720	32	
66320 - Uniforms	9,166	5,451	3,715	41	5,012	22,428	45	
Total Employee Development and Suppo	213,135	180,729	32,406	15	119,674	203,842	30	
Business Development								
66100 - Advertising	34,325	39,211	(4,886)	(14)	79,778	21,213	11	
66110 - Allowance for Bad Debts	12,500	10,924	1,576	13	(34,924)	53,361	213	
66200 - Memberships & Dues	35,365	41,554	(6,190)	(18)	43,582	69,461	29	
66230 - Postage & Shipping	5,740	2,734	3,005	52	1,786	18,396	51	
66240 - Promotional Activities	59,181	54,805	4,376	7	66,289	172,686	49	
66250 - Promotional Materials	17,654	2,428	15,226	86	3,735	(47,512)	(40)	
66300 - Travel	17,213	18,728	(1,514)	(9)	12,000	(5,892)	(5)	
Total Business Development	181,977	170,385	11,592	6	172,246	281,714	26	
Equipment Rentals and Repairs								
66140 - Computer Licenses & Agreements	30,000	14,888	15,112	50	33,385	21,881	11	
66150 - Equipment Rental/Leasing	25,788	24,808	980	4	21,655	26,033	15	
66160 - Tenant Improvements	0	265	(265)	0	17,500	(8,951)	0	
66270 - Repairs - Office Equipment & S	106,198	80,097	26,101	25	111,455	81,339	16	
66279 - OH Contra	(27,284)	(10,762)	(16,522)	(61)	(9,182)	(19,038)	(14)	
Total Equipment Rentals and Repairs	134,703	109,296	25,406	19	174,814	652,828	13	
Total Non-Personnel Expenses	7,343,737	7,373,588	(29,850)	0	7,480,305	3,115,339	7	
Total Departmental Expenses before Depreciation	11,497,587	11,762,957	(265,370)	(2)	11,354,118	57,488,372	6	

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**Authority Detail Income Statement - Supplemental Schedule**  
For the six months ended December 31, 2010  
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	Month to Date				Year to Date				
	Actual		Variance		Favorable		Variance		
	Budget		(Unfavorable)	Percent	(Unfavorable)		Percent	Prior Year Actual	
Total Expenses Net of Non-Operating Revenue/ (Expense)	10,060,629	11,129,224	(1,068,595)	(11)	47,093,575	48,529,506	(1,435,931)	(3)	48,154,804
Net Income/(Loss)	1,306,167	999,222	(306,945)	(23)	26,456,614	25,657,599	(799,015)	(3)	21,836,678
Equipment Outlay									
73200 - Equipment Outlay Expenditures	\$(12,000)	\$0	\$12,000	100	\$(119,000)	\$(413,051)	\$294,051	(247)	\$(47,872)
73299 - Capitalized Equipment Contra A	0	0	0	0	0	413,051	413,051	0	47,872
Total Equipment Outlay	(12,000)	0	12,000	100	(119,000)	0	119,000	100	0





Item 2

# San Diego County Regional Airport Authority

## Review of the Unaudited Financial Statements for the Six Months Ended December 31, 2010

Presented by:

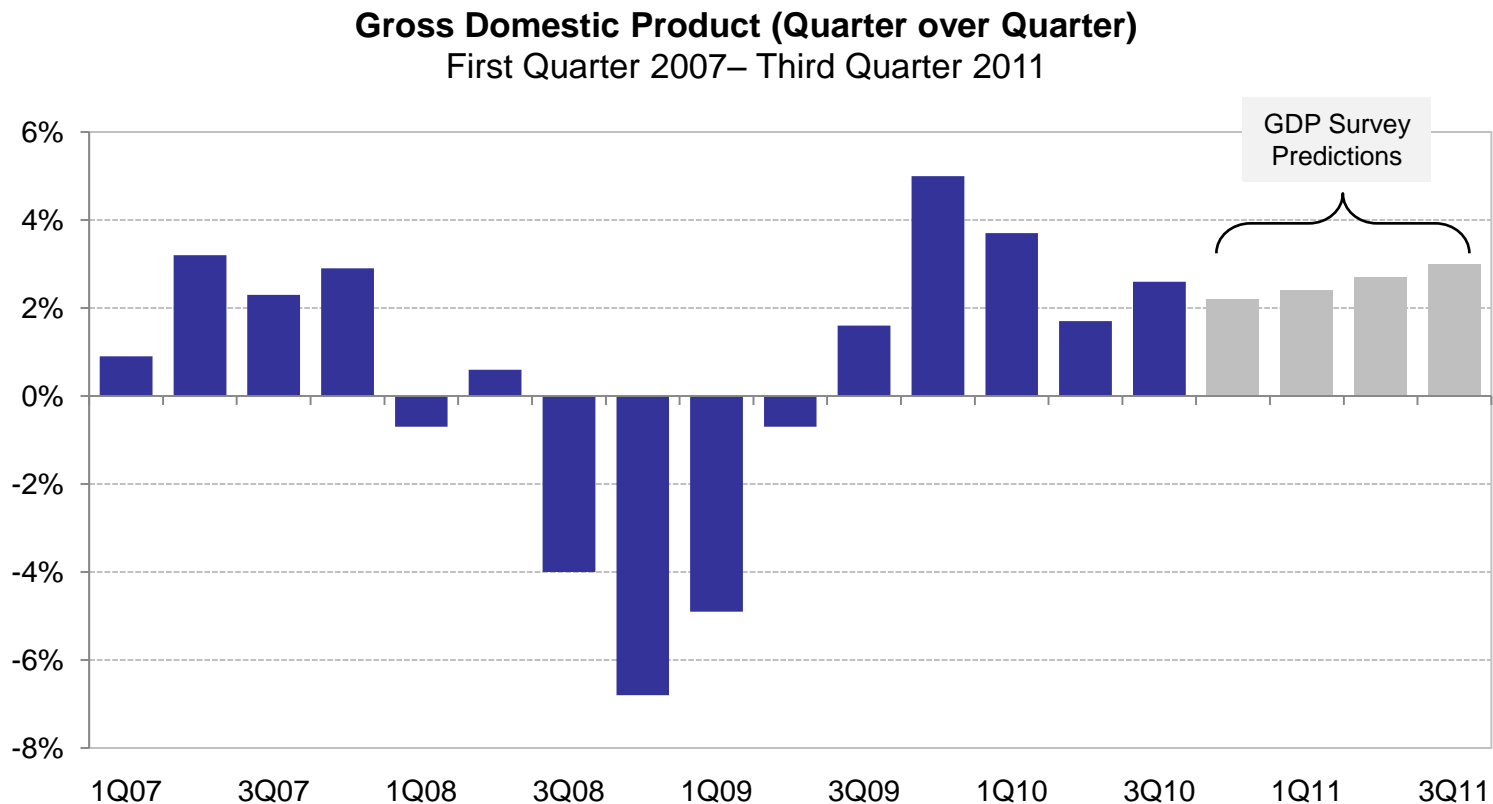
Vernon D. Evans, CPA

Vice-President-Finance/Treasurer and CFO

January 24, 2011

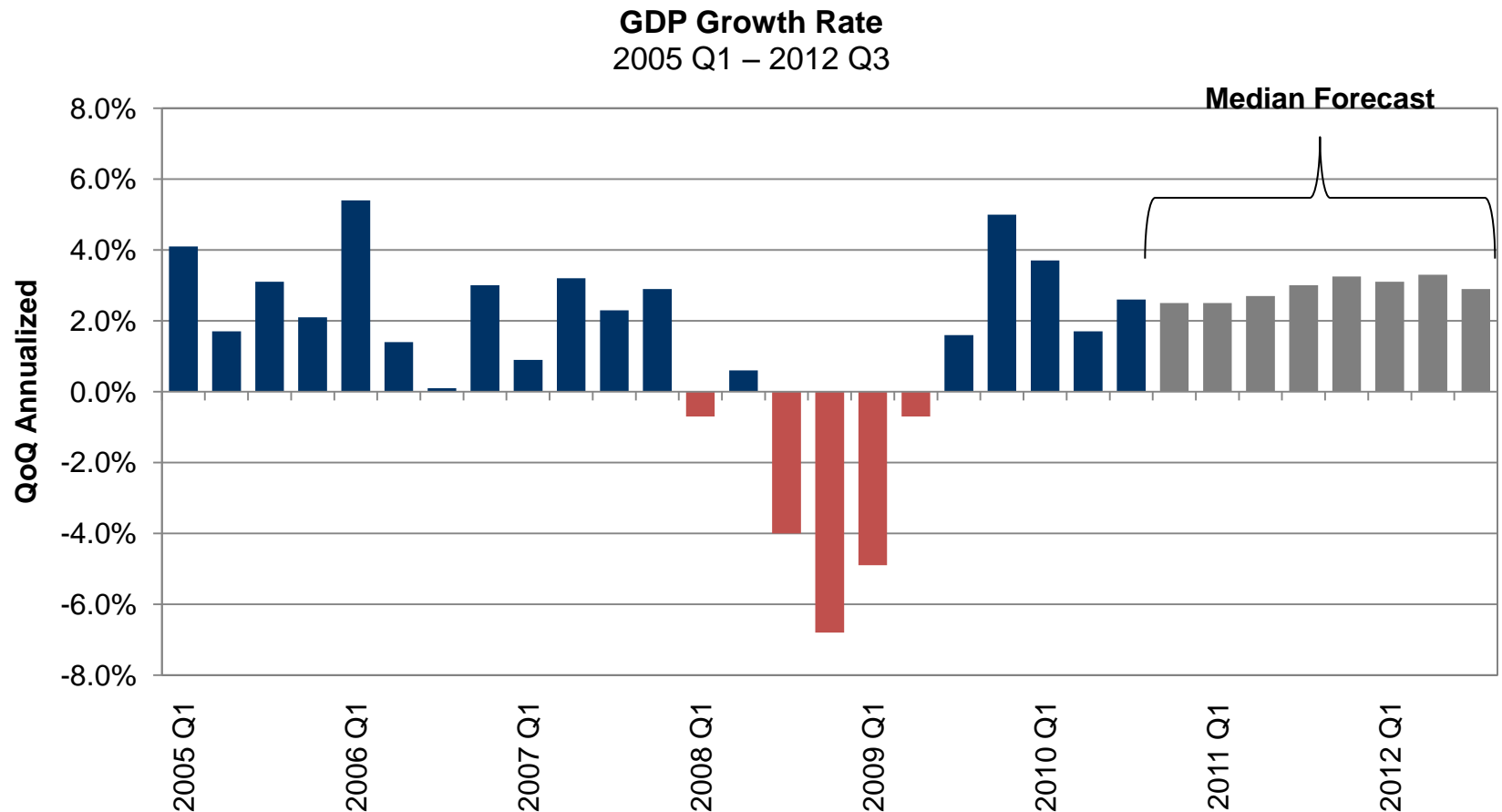
# 3rd Quarter 2010 GDP Revised Higher

- Third quarter GDP was revised upward to 2.6% (third estimate) from the initial release of 2.0% growth for the third quarter 2010. This revision indicates better than expected consumer demand, which is important in a consumer-driven economy. However, economic growth is not expected to improve significantly over the coming year.



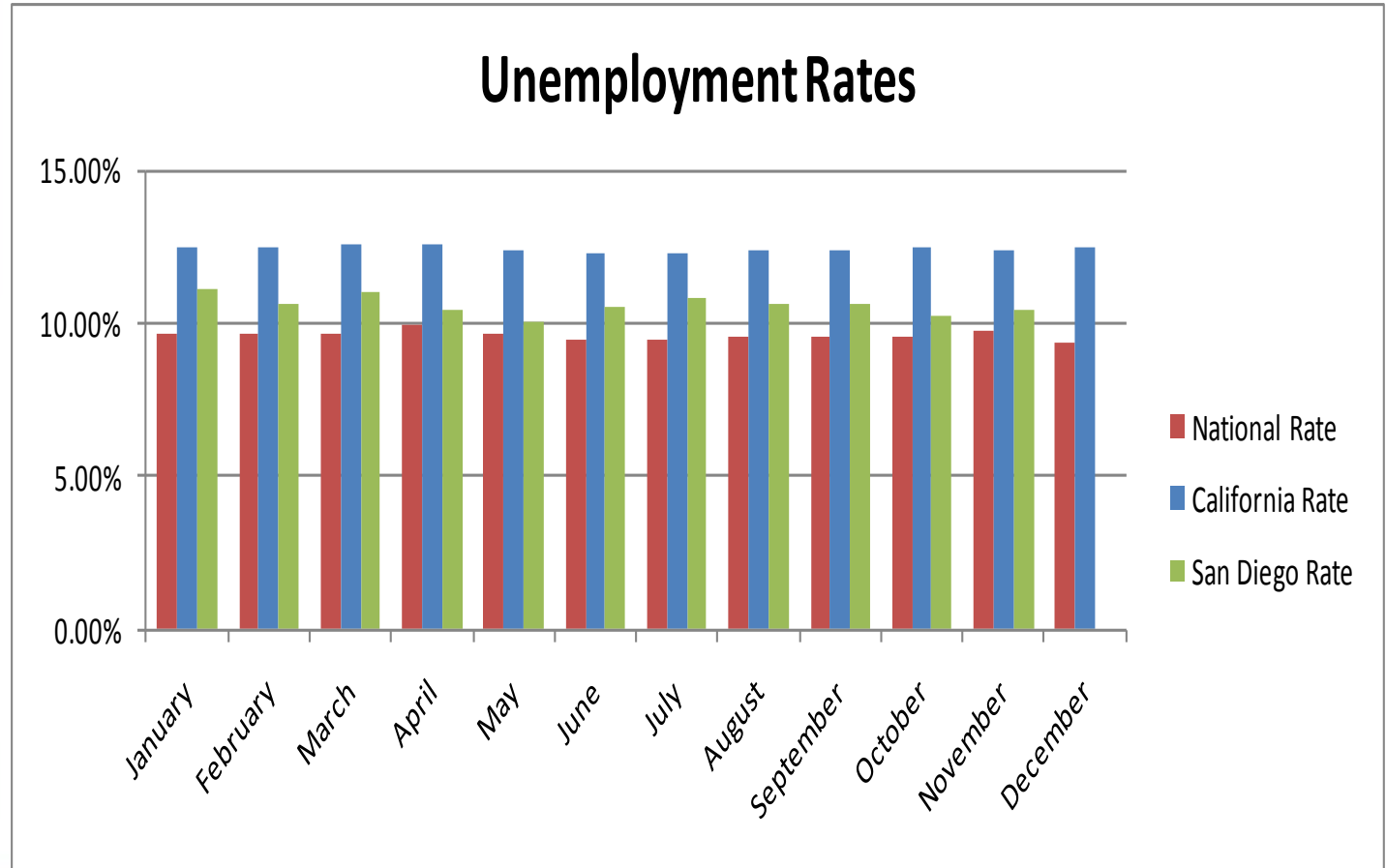
# Forecasted GDP Growth is Insufficient

- Current economic forecasts suggest that GDP growth will be insufficient to significantly decrease the unemployment rate.



# Unemployment Rate This Fiscal Year

The Federal unemployment rate fell to 9.4% after reaching 9.8% in the prior month. This was due mainly to people leaving the job market. The California unemployment rate remains high at 12.5% which continues to be higher than the national average. The U-6 rate is slightly lower at 16.72% for December. San Diego unemployment rate is 10.4% (to be updated).



# Stock Markets Up For the Year

- The major stock indices all improved during 2010 on the strength of a recovering economy and strong profits. The DJIA was up 11% for 2010.





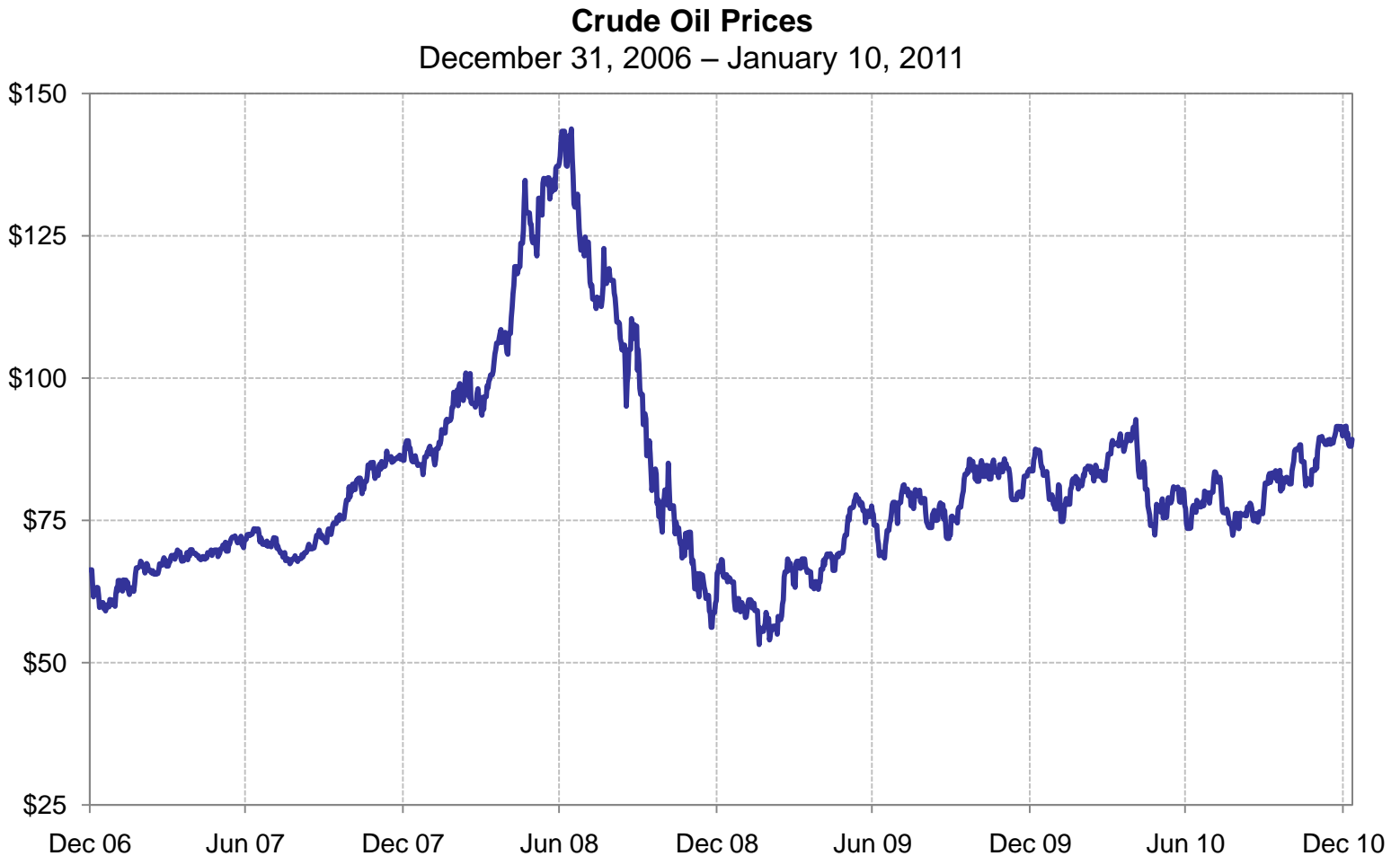
# Consumer Confidence Dips Slightly in December

- Consumer confidence fell slightly in December after improving slightly in the prior two months. Consumer confidence remains about where it has for most of the past year. Given continued weakness in the employment and housing markets, consumers remain cautious about the economic recovery.



# Oil Prices Trend Higher

- Oil prices have trended higher recently on expectations of growing demand from a recovering global economy.



# New Home Sales Up

- After falling in October, new home sales rose by 5.5% in November. Despite continued low interest rates, high unemployment, tight credit, foreclosure issues and price declines continue to impede the recovery in the housing market.

**New Home Sales**  
November 2005 – November 2010



# 2-Year U. S. Treasury Yields Off Lows

- After hitting an all-time low of 0.33% in November, the 2-year U.S. Treasury rebounded in December hitting a high of 0.75% at the end of December. However, yields have fallen again following the disappointing December employment report.

**2-Year U.S. Treasury Yields**  
December 31, 2009 – January 10, 2011

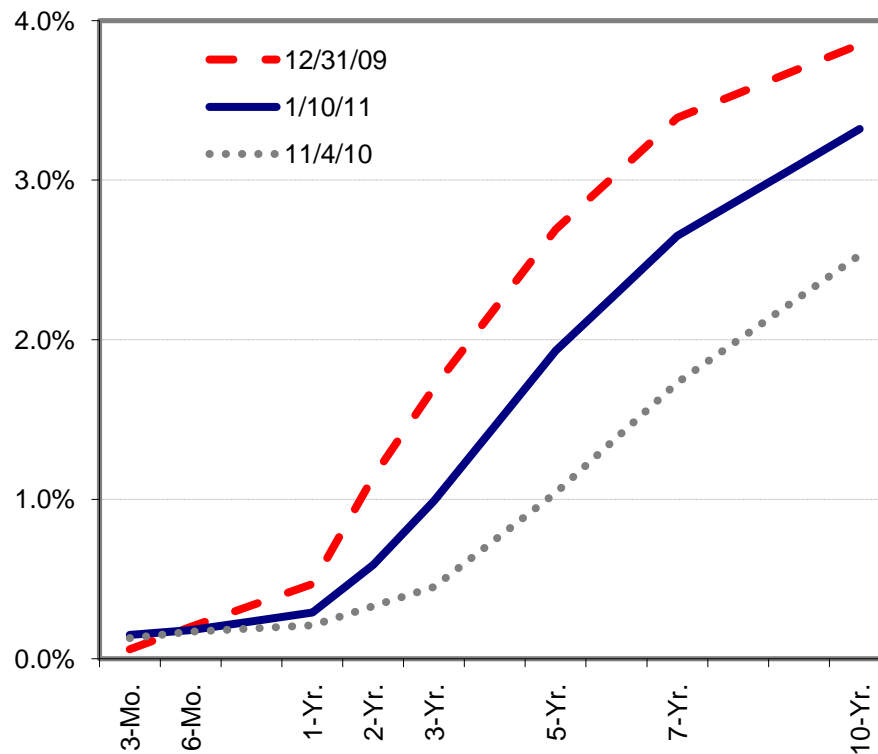


# U.S. Treasury Yield Curve

- Although longer-term Treasury yields are off the lows they reached in November, they are still down for the year.

## U.S. Treasury Yield Curve

December 31, 2009 vs. November 4, 2010 vs. January 10, 2011



	12/31/09	11/4/10	1/10/11
<b>3-Mo.</b>	0.06%	0.13%	0.15%
<b>6-Mo.</b>	0.20%	0.17%	0.18%
<b>1-Yr.</b>	0.47%	0.21%	0.29%
<b>2-Yr.</b>	1.14%	0.33%	0.59%
<b>3-Yr.</b>	1.70%	0.45%	0.99%
<b>5-Yr.</b>	2.69%	1.04%	1.93%
<b>10-Yr.</b>	3.85%	2.53%	3.32%

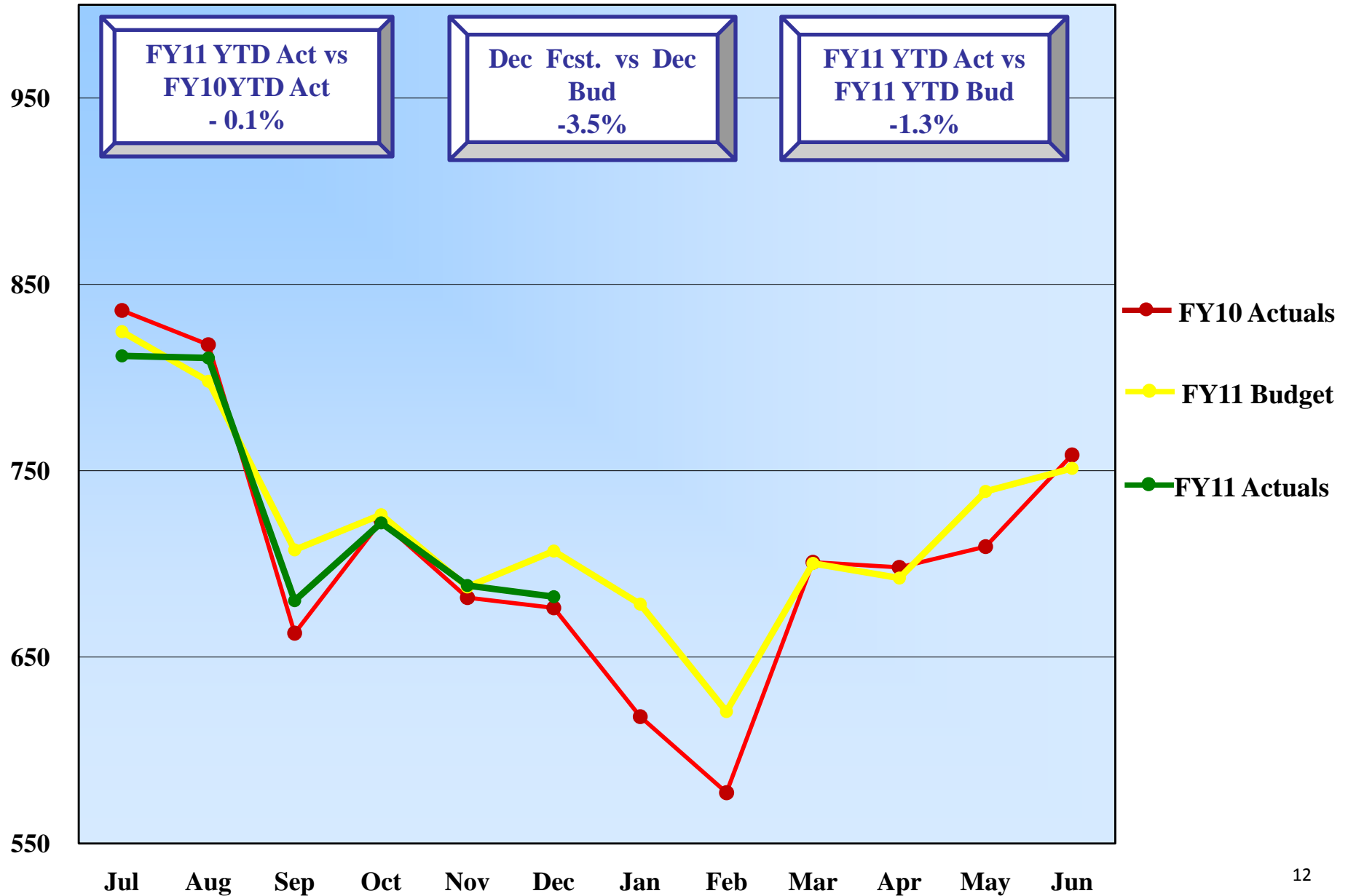


# **Unaudited Financial Statements For the Six Months Ended December 31, 2010**



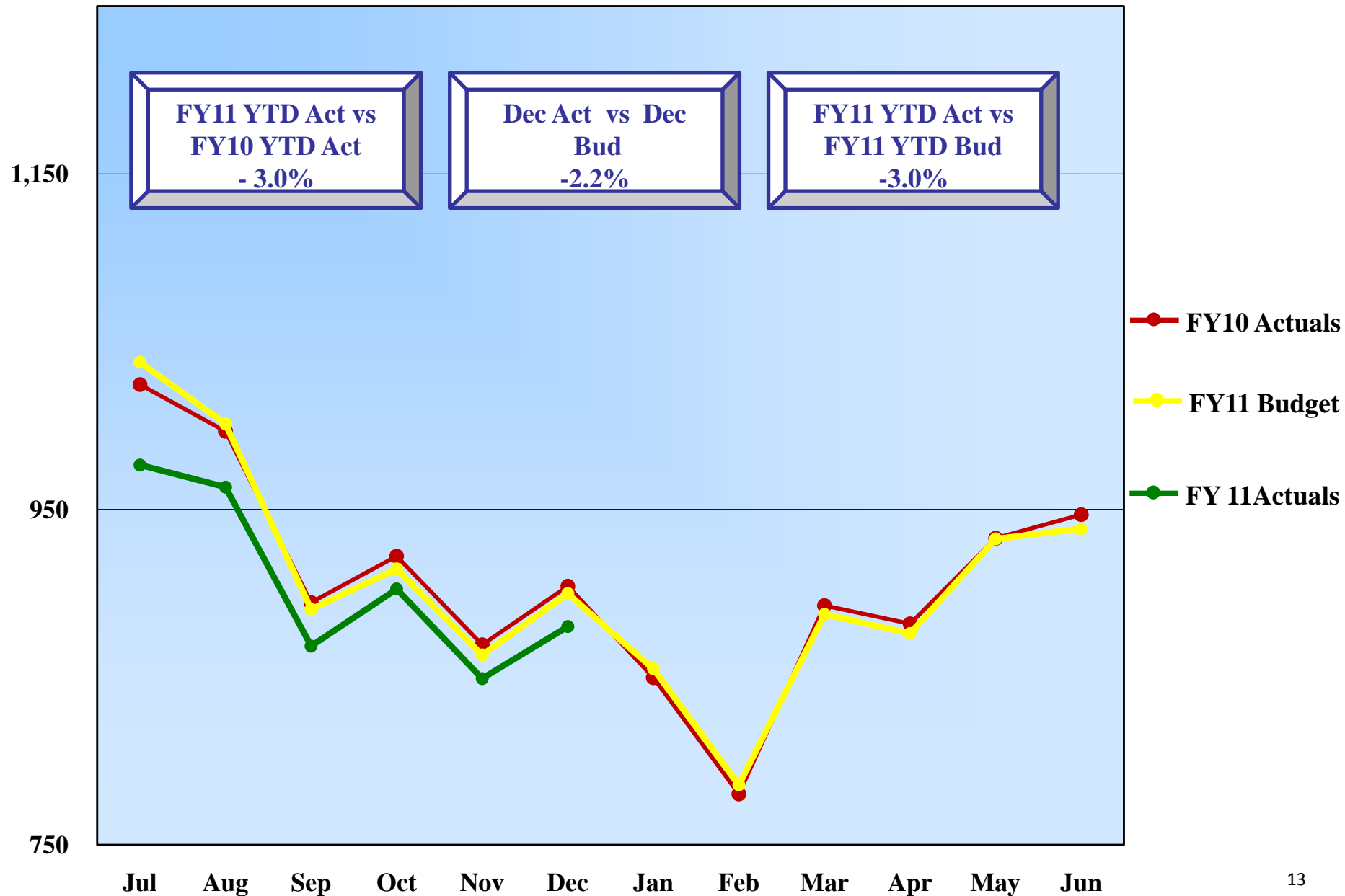
# Enplanements

000s

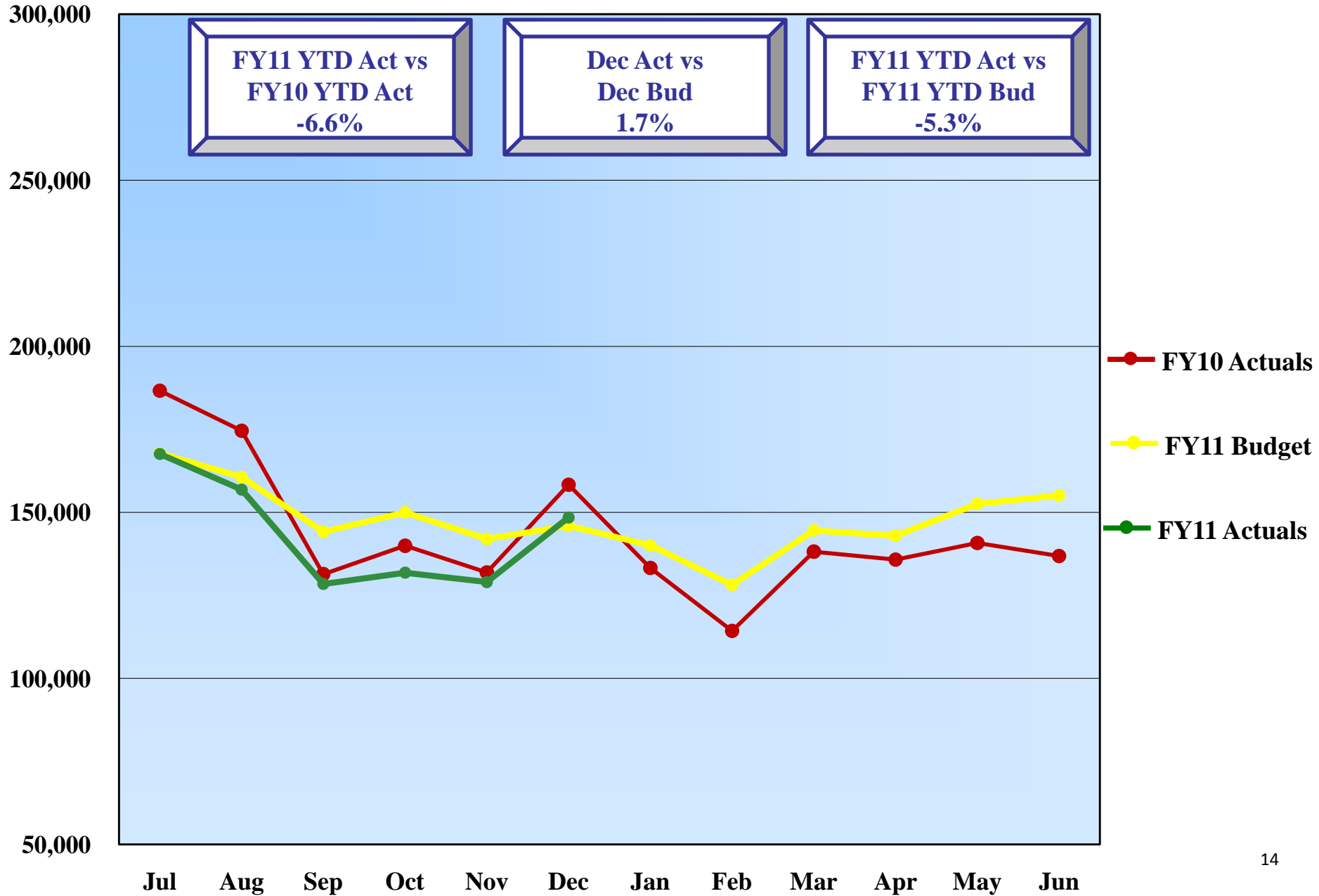


000s

# Gross Landing Weight Units (000 lbs)

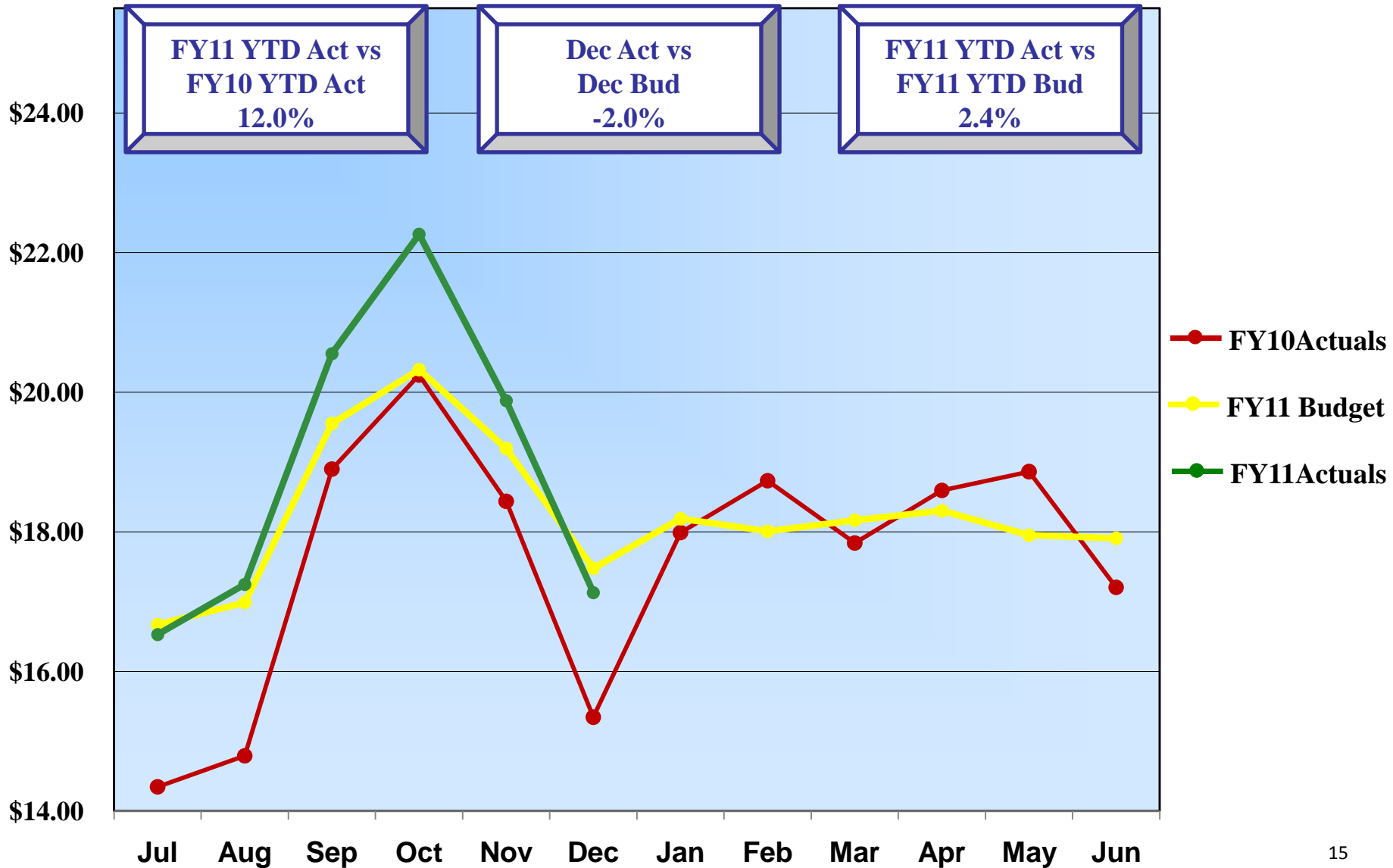


# Airport Parking Transactions

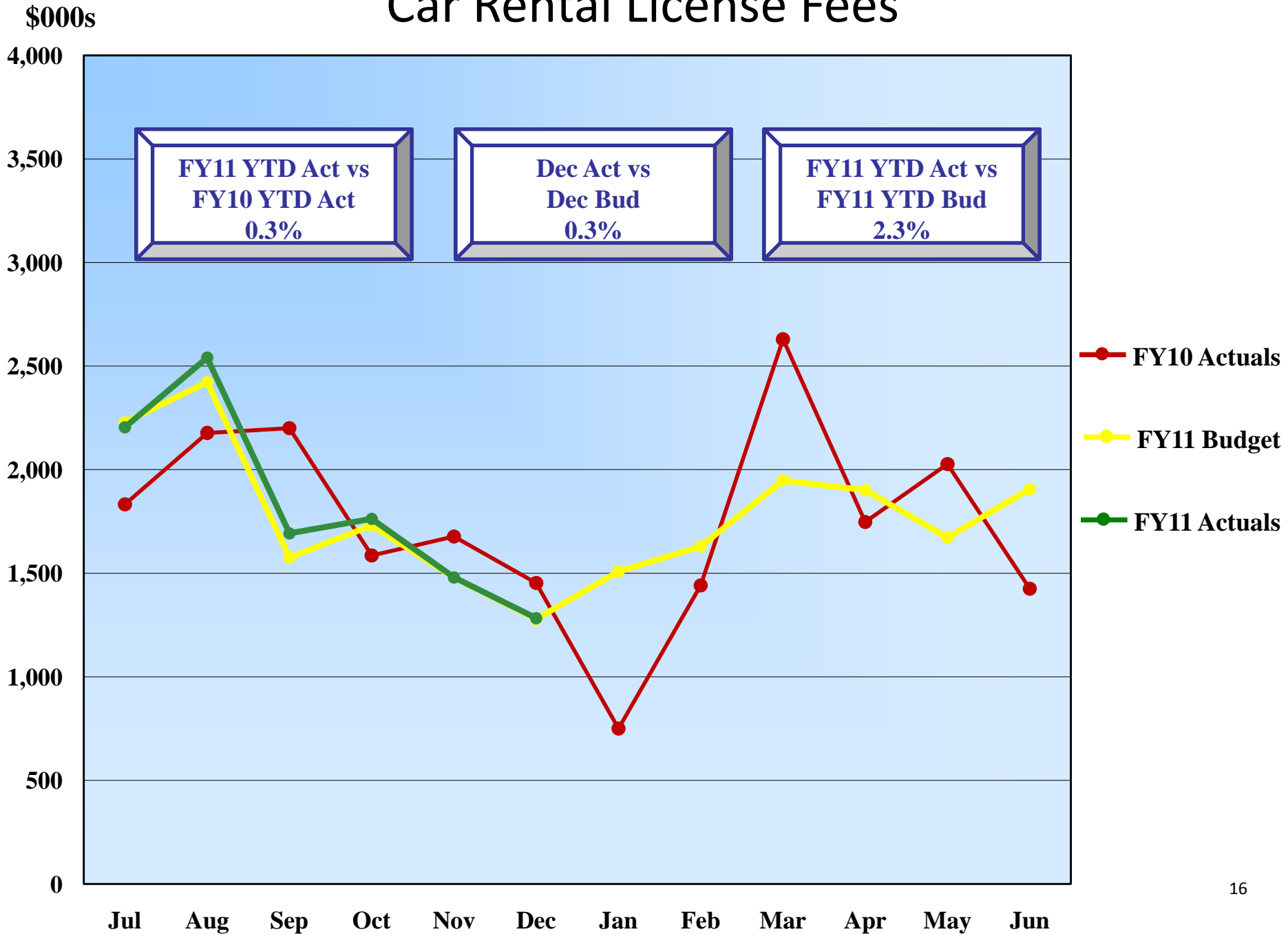


# Airport Parking

Revenue (\$) / Transaction



# Car Rental License Fees



# **Revenues and Expenses (Unaudited)**

## **For the month ended December 31, 2010**





# Operating Revenues

## For the Month Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 1,571	\$ 1,526	\$ (45)	(3)%	\$ 1,588
Aircraft parking fees	236	245	9	4%	286
Building rentals	2,311	2,332	21	1%	2,107
Security surcharge	1,232	1,232	(0)	-	992
Other aviation revenue	130	133	3	2%	130
<b>Total aviation revenue</b>	<b>\$ 5,480</b>	<b>\$ 5,468</b>	<b>\$ (12)</b>	<b>-</b>	<b>\$ 5,103</b>



# Operating Revenues

## For the Month Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 72	\$ 72	\$ 0	-	\$ 66
<b>Concession revenue:</b>					
Terminal concession revenue:					
Food and beverage	493	520	27	5%	506
Gifts and news	288	286	(2)	(1)%	304
Other	234	255	21	9%	310
<b>Total terminal concession revenue</b>	<b>1,015</b>	<b>1,061</b>	<b>46</b>	<b>5%</b>	<b>1,120</b>
<b>Car rental and license fee revenue:</b>					
Rental car and license fees	1,278	1,283	5	-	1,453
License fees-other	251	202	(49)	(20)%	250
Total rental car and license fees	1,529	1,485	(44)	(3)%	1,703
<b>Total concession revenue</b>	<b>\$ 2,544</b>	<b>\$ 2,546</b>	<b>\$ 2</b>	<b>-</b>	<b>\$ 2,823</b>

# Operating Revenues

## For the Month Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
On-airport parking revenue	\$ 1,607	\$ 1,672	\$ 65	4%	\$ 1,527
Off-airport parking revenue	944	871	(73)	(8)%	902
<b>Total parking revenue</b>	<b>2,551</b>	<b>2,543</b>	<b>(8)</b>	<b>-</b>	<b>2,429</b>
Ground transportation permits and citations	32	53	21	66%	50
Ground rentals	529	1,372	843	159%	480
Grant reimbursement	99	18	(81)	(82)%	250
Other operating revenue	60	56	(4)	(7)%	32
Subtotal	3,271	4,042	771	24%	3,241
<b>Total operating revenues</b>	<b>\$ 11,367</b>	<b>\$ 12,128</b>	<b>\$ 761</b>	<b>7%</b>	<b>\$ 11,233</b>

# Operating Expenses

## For the Month Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 4,154	\$ 4,389	\$ (235)	(6)%	\$ 3,874
Contractual services	2,288	2,225	63	3%	2,734
Safety and security	2,198	2,345	(147)	(7)%	2,162
Space rental	909	910	(1)	-	908
Utilities	531	506	25	5%	289
Maintenance	712	737	(25)	(4)%	762
Equipment and systems	38	75	(37)	(97)%	28
Materials and supplies	36	25	11	31%	33
Insurance	102	90	12	12%	98
Employee development and support	213	181	32	15%	120
Business development	182	171	11	6%	172
Equipment rental and repairs	135	109	26	19%	175
<b>Total operating expenses</b>	<b>\$ 11,498</b>	<b>\$ 11,763</b>	<b>\$ (265)</b>	<b>(2)%</b>	<b>\$ 11,355</b>

# Financial Summary

## For the Month Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 11,367	\$12,128	\$ 761	7%	\$ 11,233
Total operating expenses	11,498	11,763	\$ (265)	(2)%	11,355
<b>Income from operations</b>	<b>(131)</b>	<b>365</b>	<b>496</b>	<b>(379)%</b>	<b>(122)</b>
Depreciation	4,368	4,111	257	6%	3,279
<b>Operating income (loss)</b>	<b>\$ (4,499)</b>	<b>\$ (3,746)</b>	<b>\$ 753</b>	<b>17%</b>	<b>\$ (3,401)</b>

# Nonoperating Revenues and (Expenses) For the Month Ended December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 2,762	\$ 2,462	\$ (300)	(11)%	\$ 2,332
Customer facility charges (ConRAC Facility)	697	705	8	1%	869
Quieter Home Program	(330)	(205)	125	38%	134
Interest income	499	627	128	26%	694
BAB interest rebate	-	398	398	-	-
Interest expense	(547)	(1,419)	(872)	(159)%	(228)
Bond amortization cost	(12)	54	66	550%	(25)
Other nonoperating revenue (expenses)	(3)	473	476	-	(528)
<b>Nonoperating revenue, net</b>	<b>3,066</b>	<b>3,095</b>	<b>29</b>	<b>1%</b>	<b>3,248</b>
<b>Income before grant contributions</b>	<b>(1,433)</b>	<b>(651)</b>	<b>782</b>	<b>(55)%</b>	<b>(153)</b>
Capital grant contributions	2,739	1,650	(1,089)	(40)%	960
<b>Net income</b>	<b>\$ 1,306</b>	<b>\$ 999</b>	<b>\$ (307)</b>	<b>(24)%</b>	<b>\$ 807</b>



# **Revenues and Expenses (Unaudited)**

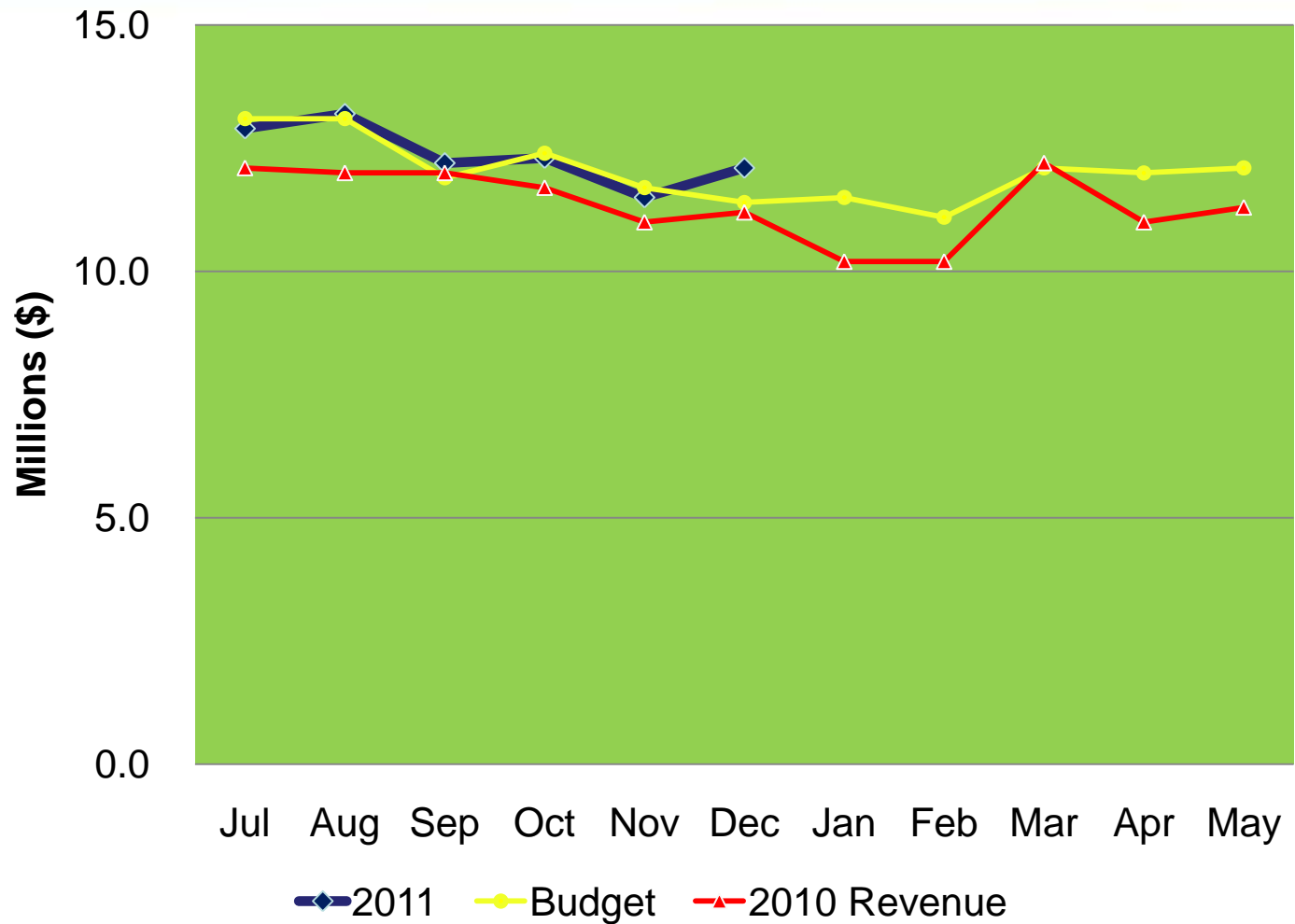
## **For the six months ended December 31, 2010**





# Monthly Operating Revenue, FY 2011

(Unaudited)



# Operating Revenues

## For the Six Months Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 9,819	\$ 9,544	\$ (275)	(3)%	\$ 9,928
Aircraft parking fees	1,413	1,494	81	6%	1,745
Building rentals	13,884	14,025	141	1%	12,806
Security surcharge	7,393	7,418	25	-	6,004
Other aviation revenue	790	797	7	1%	792
<b>Total aviation revenue</b>	<b>\$ 33,299</b>	<b>\$ 33,278</b>	<b>\$ (21)</b>	<b>-</b>	<b>\$ 31,275</b>

# Operating Revenues

## For the Six Months Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Terminal rent non-airline</b>	<b>\$ 434</b>	<b>\$ 407</b>	<b>\$ (27)</b>	<b>(6)%</b>	<b>\$ 396</b>
<b>Concession revenue:</b>					
<b>Terminal concession revenue:</b>					
Food and beverage	3,084	3,103	19	1%	3,138
Gifts and news	1,982	1,970	(12)	(1)%	1,909
Other	1,460	1,431	(29)	(2)%	1,259
<b>Total terminal concession revenue</b>	<b>6,526</b>	<b>6,504</b>	<b>(22)</b>	<b>-</b>	<b>6,306</b>
<b>Car rental and license fee revenue:</b>					
Rental car license fees	10,714	10,962	248	2%	10,926
License fees-other	1,602	1,368	(234)	(15)%	1,422
Total rental car and license fees	12,316	12,330	14	-	12,348
<b>Total concession revenue</b>	<b>\$ 18,842</b>	<b>\$ 18,834</b>	<b>\$ (8)</b>	<b>-</b>	<b>\$ 18,654</b>

# Operating Revenues

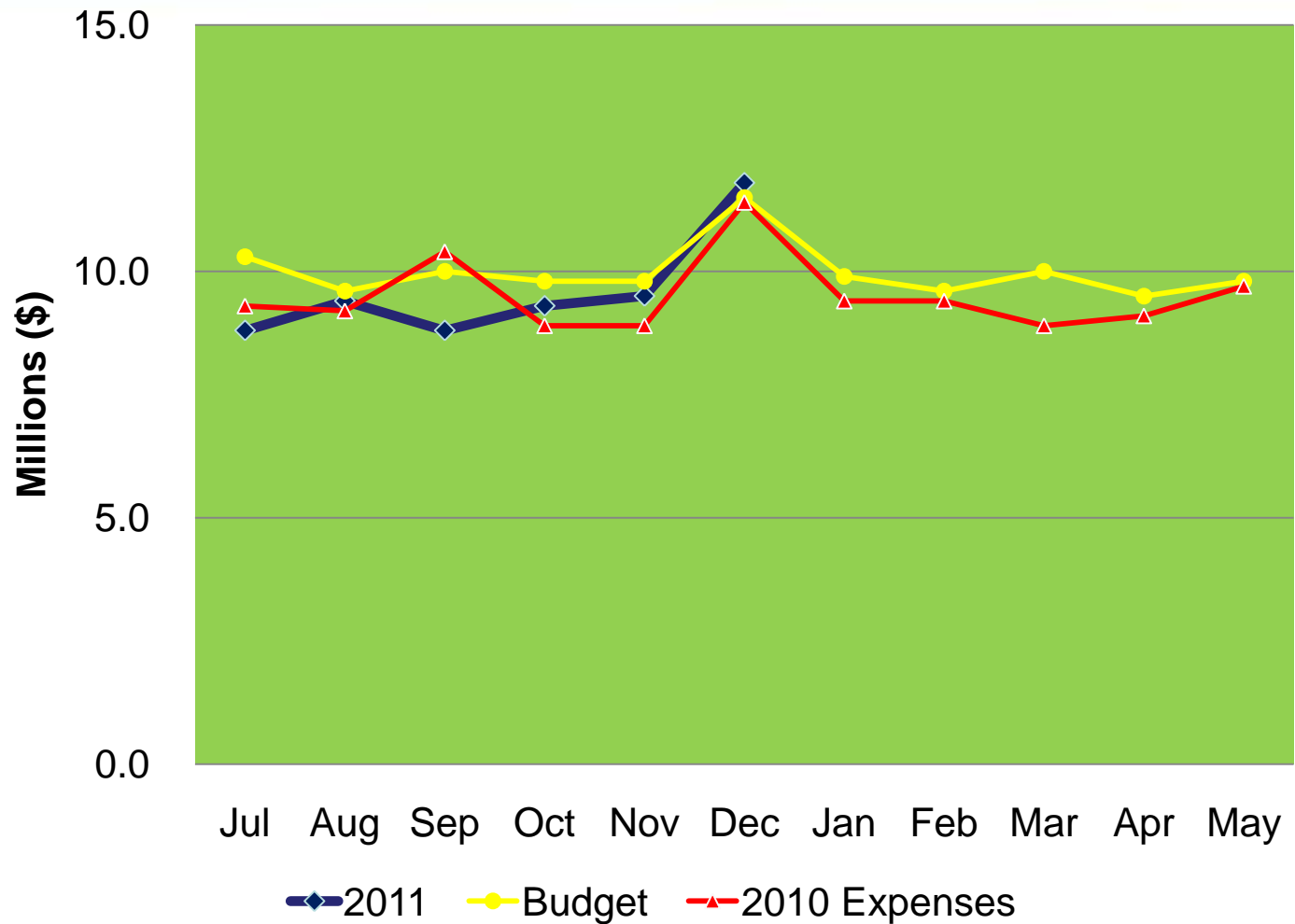
## For the Six Months Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
On-airport parking revenue	\$ 10,479	\$ 10,264	\$ (215)	(2)%	\$ 9,614
Off-airport parking revenue	6,188	5,893	(295)	(5)%	5,824
<b>Total parking revenue</b>	<b>16,667</b>	<b>16,157</b>	<b>(510)</b>	<b>(3)%</b>	<b>15,438</b>
Ground transportation permits and citations	297	443	146	49%	250
Ground rentals	3,099	4,254	1,155	37%	2,956
Grant reimbursement	551	408	(143)	(26)%	795
Other operating revenue	361	407	46	13%	229
Subtotal	20,975	21,669	694	3%	19,668
<b>Total operating revenues</b>	<b>\$ 73,550</b>	<b>\$ 74,188</b>	<b>\$ 638</b>	<b>1%</b>	<b>\$ 69,993</b>

# Monthly Operating Expenses, FY 2011

(Unaudited)



# Operating Expenses

## For the Six Months Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 19,167	\$ 18,800	\$ 367	2%	\$ 17,356
Contractual services	14,665	13,052	1,613	11%	13,952
Safety and security	10,297	10,132	165	2%	10,004
Space rental	5,453	5,454	(1)	-	5,451
Utilities	3,694	3,290	404	11%	3,380
Maintenance	4,088	3,847	241	6%	4,867
Equipment and systems	267	278	(11)	(4)%	258
Materials and supplies	203	157	46	23%	190
Insurance	611	541	70	11%	589
Employee development and support	690	486	204	30%	412
Business development	1,081	799	282	26%	925
Equipment rental and repairs	754	653	101	13%	804
<b>Total operating expenses</b>	<b>\$ 60,970</b>	<b>\$ 57,489</b>	<b>\$ 3,481</b>	<b>6%</b>	<b>\$ 58,188</b>





# Financial Summary

## For the Six Months Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 73,550	\$ 74,188	\$ 638	1%	\$ 69,993
Total operating expenses	60,970	\$ 57,489	3,481	6%	58,188
<b>Income from operations</b>	<b>12,580</b>	<b>16,699</b>	<b>4,119</b>	<b>33%</b>	<b>11,805</b>
Depreciation	25,493	24,686	807	3%	19,733
<b>Operating income (loss)</b>	<b>\$ (12,913)</b>	<b>\$ (7,987)</b>	<b>\$ 4,926</b>	<b>38%</b>	<b>\$ (7,928)</b>

# Nonoperating Revenues and (Expenses)

## For the Six Months Ended

### December 31, 2010 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 17,392	\$ 16,818	\$ (574)	(3)%	\$ 16,980
Customer facility charges (ConRAC Facility)	5,183	5,385	202	4%	5,535
Quieter Home Program	(1,856)	(1,705)	151	8%	(891)
Interest income	2,991	2,756	(235)	(8)%	4,153
BAB interest rebate	-	1,193	1,193	-	-
Interest expense	(2,383)	(5,132)	(2,749)	(115)%	(1,333)
Bond amortization cost	(72)	144	216	300%	(56)
Other nonoperating revenue (expenses)	(20)	655	675	(3373)%	(1,403)
<b>Nonoperating revenue, net</b>	<b>21,235</b>	<b>20,114</b>	<b>(1,121)</b>	<b>(5)%</b>	<b>22,985</b>
<b>Income before grant contributions</b>	<b>8,322</b>	<b>12,127</b>	<b>3,805</b>	<b>46%</b>	<b>15,057</b>
Capital grant contributions	18,136	13,530	(4,606)	(25)%	6,779
<b>Net income</b>	<b>\$ 26,458</b>	<b>\$ 25,657</b>	<b>\$ (801)</b>	<b>(3)%</b>	<b>\$ 21,836</b>

# Balance Sheets (Unaudited)

## ASSETS

	(In thousands)	
	December	
	2010	2009
<b>Current assets:</b>		
Cash and investments	\$ 110,327	\$ 90,120
Tenant lease receivable, net of allowance of 2010: \$30,980 and 2009: \$164,634	5,770	5,218
Grants receivable	4,503	4,158
Notes receivable-current portion	1,613	1,646
Prepaid expenses and other current assets	12,368	10,408
<b>Total current assets</b>	<b>134,581</b>	<b>111,550</b>
<b>Cash designated for capital projects and other</b>	<b>\$ 5,254</b>	<b>\$ 14,151</b>

# Balance Sheets (Unaudited)

## ASSETS

(In thousands)

**December**

**2010**

**2009**

### Restricted assets:

Cash and investments:

Bonds reserve

\$ 45,708 \$ 47,303

Passenger facility charges and interest unapplied

68,738 54,545

Customer facility charges and interest applied\*

15,472 5,919

Commercial paper reserve

168 397

SBD bond guarantee

4,000 4,000

Bond proceeds held by trustee

429,441 6,517

Commercial paper interest held by trustee

140 13

Passenger facility charges receivable

3,789 4,110

Customer facility charges receivable\*

935 988

OCIP insurance reserve

6,400 5,282

**Total restricted assets**

**\$ 574,791 \$ 129,075**

\*ConRAC Facility

# Balance Sheets (Unaudited)

## ASSETS

(In thousands)  
**December**

### Noncurrent assets:

#### Capital assets:

	<b>2010</b>	<b>2009</b>
Land and land improvements	\$ 23,454	\$ 23,582
Runways, roads and parking lots	236,947	229,223
Buildings and structures	463,108	418,123
Machinery and equipment	10,211	7,771
Vehicles	5,469	4,983
Office furniture and equipment	30,099	24,192
Works of art	2,411	2,175
Construction-in-progress	253,593	158,458
<b>Total capital assets</b>	<b>1,025,292</b>	<b>868,507</b>
Less: accumulated depreciation	(483,826)	(443,121)
<b>Total capital assets, net</b>	<b>\$ 541,466</b>	<b>\$ 425,386</b>

# Balance Sheets (Unaudited)

## ASSETS

	(In thousands)	
	<b>December</b>	
	<b>2010</b>	<b>2009</b>
<b>Other assets:</b>		
Notes receivable - long-term portion	\$ 43,824	\$ 45,480
Investments - long-term portion	8,383	9,151
Deferred costs - bonds (net)	5,134	823
Net pension asset	8,039	3,867
<b>Total other assets</b>	<b>65,380</b>	<b>59,321</b>
<b>Total noncurrent assets</b>	<b>606,846</b>	<b>484,707</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,321,472</b>	<b>\$ 739,483</b>



## Balance Sheets (Unaudited)

### LIABILITIES AND NET ASSETS

	(In thousands)	
	<b>December</b>	
	<b>2010</b>	<b>2009</b>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 59,728	\$ 39,424
Deposits and other current liabilities	3,284	2,994
<b>Total current liabilities</b>	<b>63,012</b>	<b>42,418</b>
<b>Current liabilities - payable from restricted assets:</b>		
Current portion of long-term debt	4,725	3,105
Accrued interest on bonds and commercial paper	8,818	1,281
<b>Total liabilities payable from restricted assets</b>	<b>\$ 13,543</b>	<b>\$ 4,386</b>

## Balance Sheets (Unaudited)

### LIABILITIES AND NET ASSETS

	(In thousands)	
	<b>December</b>	
	<b>2010</b>	<b>2009</b>
<b>Long-term liabilities - other:</b>		
Commercial paper notes payable	\$ 21,509	\$ 114,430
Deferred rent liability	406	943
Other long-term liabilities	1,188	1,092
Long-term debt - bonds net of amortized premium	635,703	41,195
<b>Total long-term liabilities</b>	<b>658,806</b>	<b>157,660</b>
<b>Total liabilities</b>	<b>\$ 735,361</b>	<b>\$ 204,464</b>

**Balance Sheets  
(Unaudited)**

**LIABILITIES AND NET ASSETS**

	(In thousands)	
	<b>December</b>	
	<b>2010</b>	<b>2009</b>
<b>Authority net assets:</b>		
Invested in capital assets, net of related debt	\$ 307,442	\$ 274,162
Other restricted	156,515	132,179
Unrestricted:		
Designated	17,293	22,019
Undesignated	104,861	106,659
<b>Total net assets</b>	<b>586,111</b>	<b>535,019</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,321,472</b>	<b>\$ 739,483</b>

# Questions

