




SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: October 13, 2011

To: Board Members

From: Vernon D. Evans, CFO 

Subject: Unaudited Financial Statements For The Three Months Ended September 30, 2011 and 2010

The attached unaudited financial reports include the following:

Balance Sheets as of September 30, 2011 and 2010
 Statement of Revenues and Expenses Compared to Budget for the Three Months
 Ended September 30, 2011 and 2010
 Authority Detailed Income Statement-Supplemental Schedule

Year to date analysis:

Total operating revenues are \$561k or 1% below budget primarily due to deficit parking revenues related to reduced operations and due to perceived traffic disruptions from the Green Build.

Total operating expenses are \$1.7m or 6% below budget. This is primarily due to salary vacancies. Also contributing is the tile replacement project material delay that was budgeted for July through September and now has begun in October.

Nonoperating revenues, net, are \$4.2m, or 41% above budget primarily due to unbudgeted unrealized gains and higher capitalized interest expense.

Capital grant contributions are \$4.5m or 169% above budget due to higher expenditures for the apron and baggage screening projects.



SAN DIEGO
INTERNATIONAL
AIRPORT

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Balance Sheets
as of September 30, 2011
(Unaudited)
ASSETS

	Sept 30	
	2011	2010
Current assets:		
Cash and investments ⁽¹⁾	\$ 74,794,749	\$ 73,787,096
Tenant lease receivable, net of allowance of 2011: \$14,918 and 2010: \$20,055	6,062,609	6,016,542
Grants receivable	7,983,841	7,285,439
Notes receivable-current portion	1,696,413	1,612,790
Prepaid expenses and other current assets	10,954,822	11,877,135
Total current assets	101,492,434	100,579,002
Cash designated for capital projects and other ⁽¹⁾	9,401,644	20,601,330
Restricted assets:		
Cash and investments:		
Bonds reserve ⁽¹⁾	45,098,156	45,707,776
Passenger facility charges and interest unapplied ⁽¹⁾	54,360,584	63,538,767
Customer facility charges and interest unapplied ^{(1)*}	21,974,328	13,028,877
Commercial paper reserve ⁽¹⁾	63,115	280,757
SBD Bond Guarantee ⁽¹⁾	4,000,000	4,000,000
Bond proceeds held by trustee ⁽¹⁾	347,839,153	5,465,220
Commercial paper interest held by trustee ⁽¹⁾	12,855	162,813
Passenger facility charges receivable	4,615,463	4,759,785
Customer facility charges receivable*	920,798	1,146,896
OCIP insurance reserve	6,239,213	6,400,000
Total restricted assets	485,123,665	144,490,891
Noncurrent assets:		
Capital assets:		
Land and land improvements	24,481,944	23,453,560
Runways, roads and parking lots	273,648,762	235,384,951
Buildings and structures	464,488,834	462,703,300
Machinery and equipment	10,328,340	10,074,342
Vehicles	5,422,530	5,295,223
Office furniture and equipment	30,600,912	30,071,876
Works of art	2,440,369	2,257,371
Construction-in-progress	389,727,401	205,940,035
Total capital assets	1,201,139,092	975,180,658
Less accumulated depreciation	(519,991,895)	(471,453,916)
Total capital assets, net	681,147,197	503,726,742
Other assets:		
Notes receivable - long-term portion	42,501,930	44,220,518
Investments-long-term portion ⁽¹⁾	13,383,151	8,383,088
Deferred costs - bonds (net)	4,944,790	770,856
Net pension asset	7,621,689	8,178,002
Security Deposit	500,000	-
Total other assets	68,951,560	61,552,464
Total noncurrent assets	750,098,757	565,279,206
TOTAL ASSETS	\$ 1,346,116,500	\$ 830,950,429

⁽¹⁾ Total cash and investments, \$570,927,735 in 2011 and \$234,955,724 in 2010

* ConRAC Facility

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Balance Sheets
as of September 30, 2011
(Unaudited)

LIABILITIES AND NET ASSETS

	Sept 30	
	2011	2010
Current liabilities:		
Accounts payable and accrued liabilities	\$ 47,917,773	\$ 39,892,706
Deposits and other current liabilities	3,295,374	3,433,493
Total current liabilities	51,213,147	43,326,199
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	5,905,000	3,265,000
Accrued interest on bonds and commercial paper	7,721,769	803,063
Total liabilities payable from restricted assets	13,626,769	4,068,063
Long-term liabilities:		
Commercial paper notes payable	20,729,000	164,430,000
Deferred rent liability	115,637	540,187
Other long-term liabilities	1,576,948	1,195,737
Long term debt - bonds net of amortized premium	630,226,653	37,915,124
Total long-term liabilities	652,648,238	204,081,048
Total liabilities	717,488,154	251,475,310
Authority net assets:		
Invested in capital assets, net of related debt	371,605,266	298,655,861
Other restricted	148,654,732	147,755,891
Unrestricted:		
Designated	17,023,333	32,779,332
Undesignated	91,345,015	100,284,035
Total net assets	628,628,346	579,475,119
TOTAL LIABILITIES AND NET ASSETS	\$ 1,346,116,500	\$ 830,950,429

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statement of Revenues and Expenses Compared to Budget
For the three Months Ended September 30, 2011 and 2010
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 5,203,681	\$ 5,170,900	\$ (32,781)	(1)%	\$ 4,910,187
Aircraft parking fees	757,650	792,320	34,670	5%	759,001
Building rentals	7,977,608	8,007,283	29,675	-	7,046,350
Security surcharge	4,182,900	4,176,546	(6,354)	(0)%	3,721,320
Other aviation revenue	398,745	399,328	583	-	400,391
Terminal rent non-airline	226,079	217,321	(8,758)	(4)%	200,730
Terminal concessions	3,331,479	3,412,781	81,302	2%	3,332,118
Rental car license fees	6,621,900	6,944,141	322,241	5%	6,437,222
License fees other	696,224	704,671	8,447	1%	739,979
Parking revenue	8,275,048	7,195,124	(1,079,924)	(13)%	8,114,542
Ground transportation permits and citations	534,667	453,618	(81,049)	(15)%	260,350
Ground rentals	1,663,955	1,695,334	31,379	2%	1,896,687
Grant reimbursements	53,918	158,401	104,483	194%	135,884
Other operating revenue	184,474	220,043	35,569	19%	251,881
Total operating revenues	40,108,328	39,547,811	(560,517)	(1)%	38,206,642
Operating expenses:					
Salaries and benefits	8,911,377	8,373,662	537,715	6%	8,644,501
Contractual services	6,889,201	6,652,950	236,251	3%	6,102,549
Safety and security	4,885,845	4,897,189	(11,344)	(0)%	4,724,973
Space rental	2,853,786	2,858,842	(5,056)	-	2,725,842
Utilities	1,885,265	2,009,463	(124,198)	(7)%	1,845,012
Maintenance	2,314,310	1,866,213	448,097	19%	1,705,206
Equipment and systems	77,335	36,757	40,578	52%	62,322
Materials and supplies	75,238	47,788	27,450	36%	69,247
Insurance	254,250	184,744	69,506	27%	270,826
Employee development and support	256,601	122,863	133,738	52%	161,234
Business development	539,237	338,787	200,450	37%	323,511
Equipment rentals and repairs	447,821	347,929	99,892	22%	308,221
Total operating expenses	29,390,266	27,737,187	1,653,079	6%	26,943,444
Depreciation	12,008,590	12,063,099	(54,509)	-	12,314,100
Operating income (loss)	(1,290,528)	(252,475)	1,038,053	80%	(1,050,902)
Nonoperating revenue (expenses):					
Passenger facility charges	8,509,454	8,510,985	1,531	0%	8,561,498
Customer facility charges (ConRAC Facility)	2,769,257	2,871,019	101,762	4%	2,851,584
Quieter Home Program	(752,249)	104,022	856,271	114%	(935,645)
Interest income	1,334,534	1,556,341	221,807	17%	1,266,204
BAB interest rebate	1,248,980	1,248,980	-	-	-
Interest expense	(3,003,406)	(1,093,830)	1,909,576	64%	(686,388)
Bond amortization cost	162,386	162,704	318	(0)%	(18,379)
Other nonoperating income (expenses)	-	1,094,095	1,094,095	-	43,229
Nonoperating revenue, net	10,268,956	14,454,316	4,185,360	41%	11,082,103
Income before capital grant contributions	8,978,428	14,201,841	5,223,413	58%	10,031,201
Capital grant contributions	2,667,431	7,172,266	4,504,835	169%	8,991,492
Net income	\$ 11,645,859	\$ 21,374,107	\$ 9,728,248	84%	\$ 19,022,693



San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2011
(Unaudited)

Print Date: 10/7/2011
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	Month to Date			Year to Date		
	Budget	Actual	Variance Favorable (Unfavorable) Percent	Prior Year Actual	Budget	Actual
Landing Fees						
41112 - Landing Fees - Signatory	\$1,652,127	\$1,686,975	\$34,849	2	\$1,518,183	\$5,308,055
41113 - Landing Fee Rebate	(38,164)	(33,851)	4,313	11	(14,641)	(137,155)
Total Landing Fees	1,613,962	1,653,124	39,162	2	1,503,541	5,170,900
Aircraft Parking Fees						
41150 - Terminal Aircraft Parking	193,125	193,128	3	0	188,400	589,288
41155 - Remote Aircraft Parking	59,425	64,376	4,951	8	56,520	203,032
Total Aircraft Parking Fees	252,550	257,504	4,954	2	244,920	792,320
Building and Other Rents						
41210 - Terminal Rent	2,642,100	2,670,114	28,014	1	2,319,332	7,913,052
41215 - Federal Inspection Services	14,601	40,559	25,959	178	7,065	94,231
41220 - Fuel Farm Rent	0	0	0	0	0	0
Total Building and Other Rents	2,656,701	2,710,673	53,973	2	2,326,397	8,007,284
Security Surcharge						
41310 - Airside Security Charges	393,825	395,827	2,002	1	411,025	1,179,891
41320 - Terminal Security Charges	1,000,475	1,006,519	6,044	1	823,673	2,996,655
Total Security Surcharge	1,394,300	1,402,346	8,046	1	1,234,699	4,176,546
Other Aviation Revenue						
43100 - Fuel Franchise Fees	13,628	14,297	669	5	15,398	42,475
43105 - New Capital Recovery	118,950	118,951	1	0	118,951	356,853
Total Other Aviation Revenue	132,578	133,248	670	1	134,349	399,328
Non-Airline Terminal Rents						
45010 - Terminal Rent - Non-Airline	75,360	74,488	(872)	(1)	66,910	217,321
Total Non-Airline Terminal Rents	75,360	74,488	(872)	(1)	66,910	217,321
Concession Revenue						
45110 - Terminal Concessions	998,902	1,039,845	40,943	4	984,463	3,412,781
45120 - Car Rental License Fees	1,546,280	1,793,170	146,890	9	1,692,075	6,944,141
45130 - License Fees - Other	207,899	211,590	3,692	2	210,085	704,671
Total Concession Revenue	2,853,081	3,044,606	191,525	7	2,886,623	11,061,593
					10,649,603	41,990
						41,990
						10,509,318

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2011
(Unaudited)

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	Month to Date				Year to Date					
	Budget	Actual	Variance		Prior Year Actual	Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent				Favorable (Unfavorable)	Percent	
Parking and Ground Transportat										
45210 - Parking	\$2,602,504	\$2,284,267	\$(318,237)	(12)	\$2,640,039	\$8,275,048	\$7,195,124	\$(1,079,924)	(13)	\$8,114,542
45220 - AVI fees	53,227	64,099	10,872	20	52,578	163,350	188,861	25,511	16	52,578
45240 - Ground Transportation Permits	148,376	75,490	(72,886)	(49)	27,290	365,089	251,765	(113,324)	(31)	202,645
45250 - Citations	1,927	8,615	6,689	347	1,967	6,228	12,992	6,764	109	5,127
Total Parking and Ground Transportat	2,806,034	2,432,471	(373,563)	(13)	2,721,874	8,809,715	7,648,742	(1,160,973)	(13)	8,374,892
Ground Rentals										
45310 - Ground Rental - Fixed	495,185	492,839	(2,347)	0	845,117	1,485,556	1,483,360	(2,197)	0	1,688,108
45320 - Ground Rental - Percentage	68,498	92,832	24,333	36	79,641	178,399	211,974	33,575	19	208,579
Total Ground Rentals	563,684	585,670	21,986	4	924,759	1,663,955	1,695,334	31,378	2	1,896,688
Grant Reimbursements										
45410 - TSA Reimbursements	17,582	17,634	52	0	17,634	53,918	54,078	160	0	54,048
45420 - Planning Grants	0	0	0	0	62,122	0	104,323	104,323	0	81,836
Total Grant Reimbursements	17,582	17,634	52	0	79,756	53,918	158,401	104,483	194	135,884
Other Operating Revenue										
45510 - Finger Printing Fee	4,417	4,821	404	9	3,295	13,250	10,269	(2,981)	(22)	14,573
45520 - Utilities Reimbursements	44,683	43,194	(1,489)	(3)	43,091	134,049	136,593	2,544	2	130,131
45530 - Miscellaneous Other Revenue	5,667	1	(5,665)	(100)	422	17,000	41,998	24,998	147	45,608
45540 - Service Charges	3,392	6,272	2,880	85	2,828	10,175	18,588	8,413	83	23,855
45570 - FBO Landing Fees	3,333	1,965	(1,368)	(41)	13,021	10,000	6,595	(3,405)	(34)	31,714
45580 - Equipment Rental	0	2,000	2,000	0	2,000	0	6,000	6,000	0	6,000
Total Other Operating Revenue	61,491	58,254	(3,238)	(5)	64,657	184,474	220,043	35,569	19	251,881
Total Operating Revenue	12,427,323	12,370,017	(57,306)	0	12,188,486	40,108,328	39,547,810	(560,518)	(1)	38,206,644
Personnel Expenses										
Salaries										
51110 - Salaries & Wages	2,123,348	1,787,134	336,214	16	1,782,712	6,439,118	5,323,666	1,115,453	17	5,394,563
51210 - Paid Time Off	0	157,441	(157,441)	0	162,544	0	557,697	(557,697)	0	555,947
51220 - Holiday Pay	0	51,412	(51,412)	0	46,977	0	102,654	(102,654)	0	93,853
51240 - Other Leave With Pay	0	6,449	(6,449)	0	14,503	0	17,683	(17,683)	0	49,590
51250 - Special Pay	0	56,741	(56,741)	0	1,585	0	133,643	(133,643)	0	48,594
Total Salaries	2,123,348	2,059,176	64,171	3	2,008,321	6,439,118	6,135,343	303,776	5	6,142,548
52110 - Overtime	64,078	78,542	(14,463)	(23)	56,978	190,643	228,178	(37,534)	(20)	181,489

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2011
(Unaudited)

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	Month to Date				Year to Date					
	Budget	Actual	Variance		Prior Year Actual	Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent				Favorable (Unfavorable)	Percent	
Benefits										
54110 - FICA Tax	\$155,206	\$146,012	\$9,194	6	\$141,912	\$478,748	\$447,122	\$31,626	7	\$445,711
54120 - Unemployment Insurance-State	0	19,195	(19,195)	0	1,426	0	19,195	(19,195)	0	1,426
54130 - Workers Compensation Insurance	44,487	20,233	24,254	55	51,260	133,466	60,754	72,712	54	112,165
54135 - Workers Comp Incident Expense	0	4,229	(4,229)	0	7,493	0	4,229	(4,229)	0	7,662
54210 - Medical Insurance	438,529	264,536	173,993	40	245,738	1,315,586	794,720	520,867	40	734,067
54220 - Dental Insurance	22,847	21,663	1,184	5	19,882	68,542	65,107	3,435	5	59,178
54230 - Vision Insurance	3,018	2,796	222	7	2,824	9,055	8,388	667	7	8,424
54240 - Life Insurance	5,310	4,099	1,211	23	3,650	15,930	12,306	3,624	23	11,760
54250 - Short Term Disability	27,560	8,970	18,590	67	9,101	82,417	26,928	55,489	67	26,937
54310 - Retirement	526,862	428,328	98,534	19	475,720	1,584,532	1,285,266	299,266	19	1,439,610
54315 - Medical Retirement Benes	0	143,099	(143,099)	0	149,025	0	429,347	(429,347)	0	447,075
54320 - Amortization of Retirement-Oth	0	46,359	(46,359)	0	46,359	0	139,078	(139,078)	0	139,078
54410 - Taxable Benefits	0	0	0	0	0	0	1,280	(1,280)	0	2,615
54430 - Accrued Vacation	0	(20,923)	20,923	0	1,653	0	(59,627)	59,627	0	(46,672)
54440 - Relocation	2,500	0	2,500	100	0	2,500	0	2,500	100	0
Total Benefits	1,226,320	1,088,597	137,722	11	1,156,044	3,690,777	3,234,094	456,683	12	3,389,036
Cap Labor/Burden/OH Recharge										
54510 - Capitalized Labor Recharge	(416,194)	(122,726)	(293,468)	(71)	(94,014)	(1,243,925)	(374,309)	(869,616)	(70)	(349,844)
54515 - Capitalized Burden Recharge	0	(49,563)	49,563	0	(40,188)	0	(152,212)	152,212	0	(144,025)
Total Cap Labor/Burden/OH Recharge	(416,194)	(172,289)	(243,906)	(59)	(134,202)	(1,243,925)	(526,521)	(717,404)	(58)	(493,870)
QHP Labor/Burden/OH Recharge										
54520 - QHP Labor Recharge	(55,078)	(36,343)	(18,736)	(34)	(39,200)	(165,235)	(110,719)	(54,516)	(33)	(121,144)
54525 - QHP Burden Recharge	0	(16,304)	16,304	0	(18,217)	0	(49,207)	49,207	0	(53,285)
54526 - QHP OH Contra Acct FY07	0	(8,984)	8,984	0	(10,468)	0	(25,575)	25,575	0	(34,046)
Total QHP Labor/Burden/OH Recharge	(55,078)	(61,631)	6,553	12	(67,886)	(165,235)	(185,501)	20,266	12	(208,475)
MM&JS Labor/Burden/OH Recharge										
54530 - MM & JS Labor Recharge	0	0	0	0	(1,842)	0	(932)	932	0	(11,473)
54531 - Joint Studies-Labor(writeoff)	0	0	0	0	1,842	0	932	(932)	0	11,473
54535 - MM & JS Burden Recharge	0	0	0	0	(786)	0	(305)	305	0	(4,674)
54536 - Maintenance-Burden	0	0	0	0	786	0	305	(305)	0	4,674
54599 - OH Contra	0	(212,076)	212,076	0	(140,934)	0	(511,930)	511,930	0	(366,227)
Total MM&JS Labor/Burden/OH Recharge	0	(212,076)	212,076	0	(140,934)	0	(511,930)	511,930	0	(366,227)

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For the three months ended September 30, 2011
(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)
Total Personnel Expenses	2,942,473	2,780,319	162,154	6	2,878,323	8,911,378	8,373,662	537,716
Non-Personnel Expenses								6
Contract Services								
61100 - Temporary Staffing	\$21,083	\$19,736	\$1,348	6	\$58,570	\$81,250	\$84,742	\$(3,492)
61110 - Auditing Services	66,250	75,000	(8,750)	(13)	59,300	198,750	90,000	108,750
61120 - Legal Services	95,000	129,352	(34,352)	(36)	19,500	285,000	264,457	20,543
61130 - Services - Professional	771,825	657,794	114,032	15	685,184	2,246,868	2,078,780	168,088
61150 - Outside Svs - Other	223,732	199,845	23,887	11	184,479	669,218	576,130	93,088
61160 - Services - Custodial	1,233,050	1,272,413	(39,364)	(3)	1,185,486	3,703,115	3,830,210	(127,095)
61990 - OH Contra	0	(107,585)	107,585	0	(46,896)	0	(271,369)	271,369
61998 - Capitalized OH Contra	(100,000)	0	(100,000)	(100)	0	(295,000)	0	(295,000)
Total Contract Services	2,310,940	2,246,554	64,386	3	2,145,624	6,889,201	6,652,950	236,251
Safety and Security								3
61170 - Services - Fire, Police, Rescu	471,080	491,574	(20,495)	(4)	410,500	1,440,684	1,465,374	(24,690)
61180 - Services - SDUPD	991,271	1,036,897	(45,626)	(5)	1,052,008	2,973,813	3,019,439	(45,625)
61185 - Guard Services	157,116	135,790	21,326	14	129,889	471,348	412,376	58,972
Total Safety and Security	1,619,467	1,664,261	(44,794)	(3)	1,592,397	4,885,846	4,897,189	(11,343)
Space Rental								0
62100 - Rent	951,262	956,920	(5,658)	(1)	945,925	2,853,786	2,858,842	(5,056)
62199 - Rent Amortization	0	0	0	0	(37,506)	0	0	0
Total Space Rental	951,262	956,920	(5,658)	(1)	908,419	2,853,786	2,858,842	(5,056)
Utilities								0
63100 - Telephone & Other Communicatio	33,348	27,700	5,648	17	39,395	100,140	90,823	9,318
63110 - Utilities - Gas & Electric	500,042	582,860	(82,818)	(17)	575,217	1,550,125	1,614,324	(64,199)
63120 - Utilities - Water	80,000	190,278	(110,278)	(138)	78,948	235,000	304,316	(69,316)
Total Utilities	613,390	800,839	(187,449)	(31)	693,560	1,885,265	2,009,463	(124,197)
								(7)
								1,845,013

Print Date: 10/7/2011
Print Time: 2:13:50PM
Report ID: GL0012

Data Date: 10/7/2011 **2:02:48PM**
DataSource: ARP

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2011
(Unaudited)

Print Date: 10/7/2011
Print Time: 2:13:50PM
Report ID: GL0012

	Month to Date				Year to Date			
	Budget	Actual	Variance Favorable (Unfavorable)	Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)
Employee Development and Suppo								
66120 - Awards - Service	\$4,541	\$1,928	\$2,613	58	\$2,252	\$23,623	\$(14,337)	\$37,960
66130 - Book & Periodicals	6,401	3,527	2,874	45	2,974	15,290	8,546	6,743
66210 - Finger Printing Expenses	230	0	230	100	672	690	52	638
66220 - Permits/Certificates/License	7,583	40	7,543	99	357	23,205	6,080	17,125
66260 - Recruiting	2,198	443	1,755	80	200	2,819	443	2,376
66280 - Seminars & Training	41,685	16,492	25,193	60	32,010	97,174	54,640	42,534
66290 - Transportation	13,988	13,163	825	6	14,190	41,719	40,112	1,606
66299 - OH Contra	(3,000)	(2,922)	(78)	(3)	(3,177)	(9,000)	(3,972)	(5,028)
66305 - Travel-Employee Development	12,475	13,359	(884)	(7)	10,497	30,151	14,099	16,052
66310 - Tuition	3,000	4,109	(1,109)	(37)	2,805	9,000	8,880	120
66320 - Uniforms	6,375	2,869	3,506	55	10,709	21,930	8,320	13,610
Total Employee Development and Suppo	95,477	53,007	42,470	44	73,489	256,600	122,864	133,736
Business Development								
66100 - Advertising	87,940	17,035	70,904	81	51,375	236,754	56,937	179,817
66110 - Allowance for Bad Debts	2,083	0	2,083	100	(39,286)	6,250	0	6,250
66200 - Memberships & Dues	5,555	37,114	(31,559)	(568)	17,880	63,857	94,957	(31,100)
66230 - Postage & Shipping	4,125	8,067	(3,941)	(96)	6,001	17,981	19,550	(1,569)
66240 - Promotional Activities	74,592	78,031	(3,440)	(5)	33,644	138,890	151,323	(12,434)
66250 - Promotional Materials	13,768	10,478	3,291	24	11,722	55,805	12,857	42,948
66300 - Travel	7,950	3,826	4,124	52	25,701	19,700	3,163	16,537
Total Business Development	196,013	154,551	41,462	21	107,037	539,237	338,786	200,450
Equipment Rentals and Repairs								
66140 - Computer Licenses & Agreements	35,000	36,236	(1,236)	(4)	59,664	100,000	111,833	(11,833)
66150 - Equipment Rental/Leasing	30,815	36,234	(5,419)	(18)	10,348	89,495	80,682	8,813
66160 - Tenant Improvements	0	0	0	0	4,925	0	0	0
66270 - Repairs - Office Equipment & S	108,621	85,315	23,305	21	37,876	335,326	246,366	88,961
66279 - OH Contra	(26,000)	(35,179)	9,179	35	(37,001)	(77,000)	(90,952)	13,952
Total Equipment Rentals and Repairs	148,436	122,606	25,830	17	75,811	447,821	347,929	99,893
Total Non-Personnel Expenses	6,777,372	6,839,352	(61,980)	(1)	5,923,752	20,478,890	19,363,525	1,115,365
Total Departmental Expenses before Depreciation	9,719,845	9,619,671	100,174	1	8,802,075	29,390,268	27,737,188	1,653,081

Print Date: 10/7/2011
Print Time: 2:13:50PM
Report ID: GL0012

(Unaudited)

Data Date: 10/7/2011 **2:02:48PM**
DataSource: ARP

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San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2011
(Unaudited)

Print Date: 10/7/2011
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Report ID: GL0012

	Month to Date				Year to Date			
	Actual		Variance Favorable (Unfavorable)		Prior Year Actual		Variance Favorable (Unfavorable)	
	Budget		Percent		Budget		Percent	
Net Income/(Loss)	3,388,914	8,346,580	4,957,666	146	7,166,994	21,374,107	9,728,249	84
Equipment Outlay								
73200 - Equipment Outlay Expenditures	\$0	\$(65,478)	\$(65,478)	0	\$(125,913)	\$(35,478)	\$14,522	29
73299 - Capitalized Equipment Contra A	0	65,478	65,478	0	125,913	35,478	35,478	0
Total Equipment Outlay	0	0	0	0	(50,000)	0	50,000	100
								0

Revised 10/18/11

ITEM 2

San Diego County Regional Airport Authority



Review of the Unaudited Financial
Statements for the 3 Months
Ended September 30, 2011

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

October 24, 2011



...THIS MONTH'S TERRIBLE ECONOMIC NEWS IS ONLY SLIGHTLY WORSE THAN LAST MONTH'S HORRENDOUS ECONOMIC NEWS, SO WE'RE TRENDING TOWARDS ABYSMAL AT A SLOWER RATE OF GHASTLY.

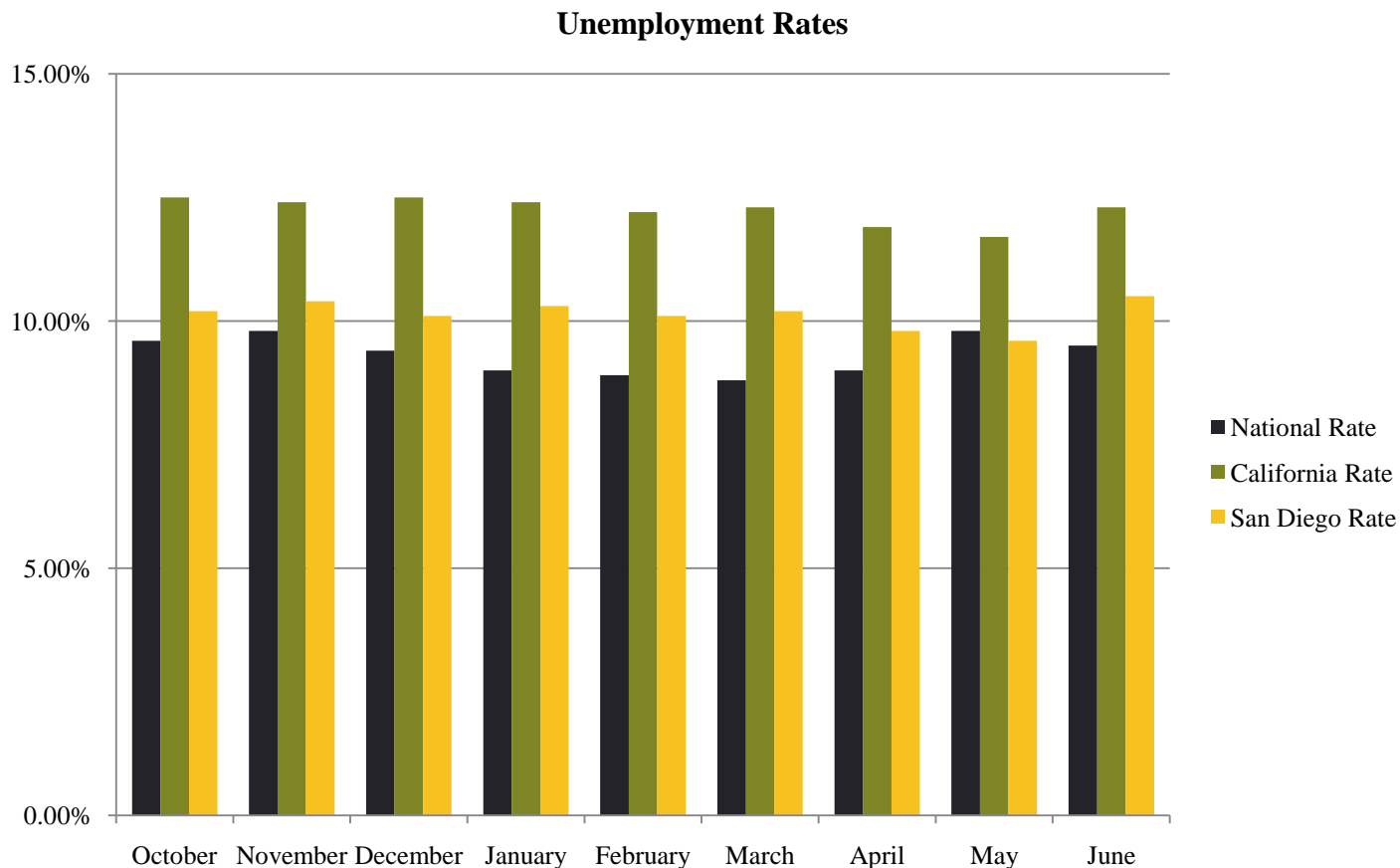




Unemployment Rate Remains High (To Be Updated)



The Federal unemployment rate held at 9.1% for the months of August & September. The California unemployment rate remains high at 12.1% which continues to be higher than the national average. The U-6 rate is 16.5% for September. San Diego's unemployment rate is 10.2%.

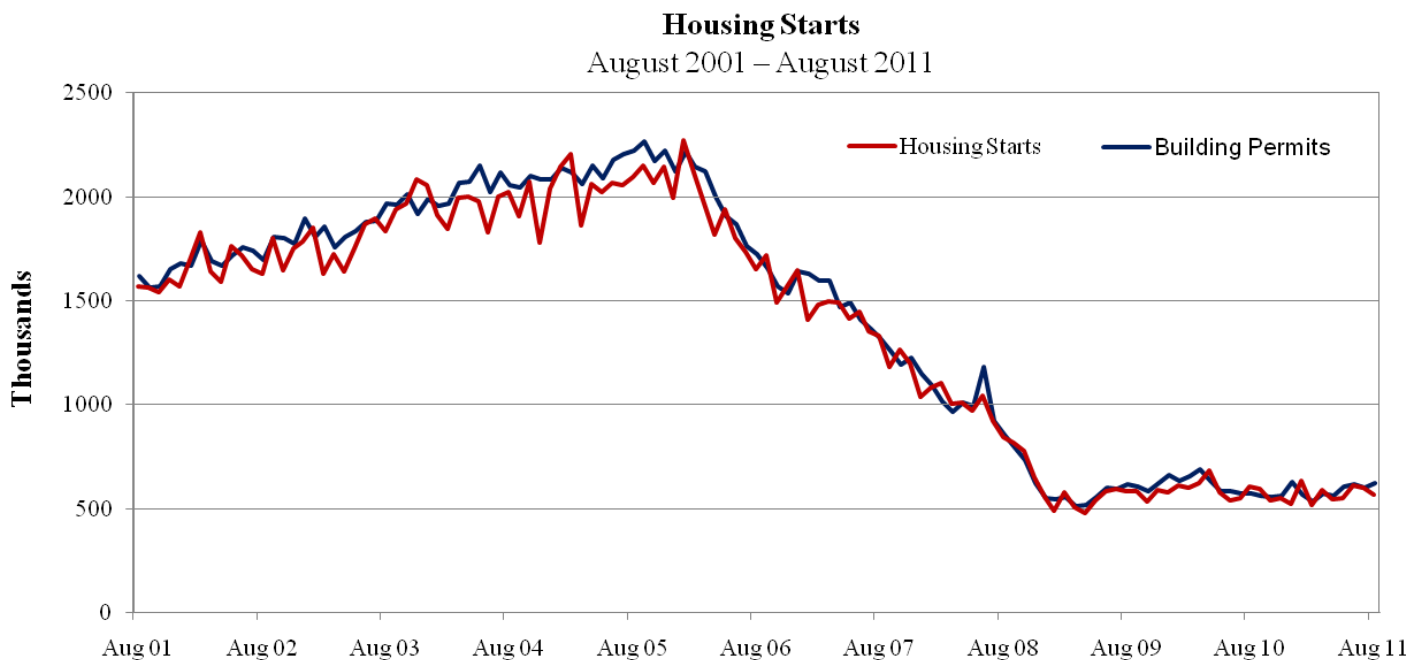






Housing Starts Remain Depressed

The housing starts report for August remained mixed with a decline in housing starts and slight rise in building permits. Housing starts fell 5.0% percent in August to an annualized pace of 571,000 units from July's report of 601,000 units. August's report fell short of analyst projections of 592,000 units, led by a 13.5% fall in the multifamily component.



Housing Starts represent the number of privately owned new houses on which construction has been started in a given period. This data is divided into three types: single-family houses, townhouses or small condos, and apartment buildings with five or more units.



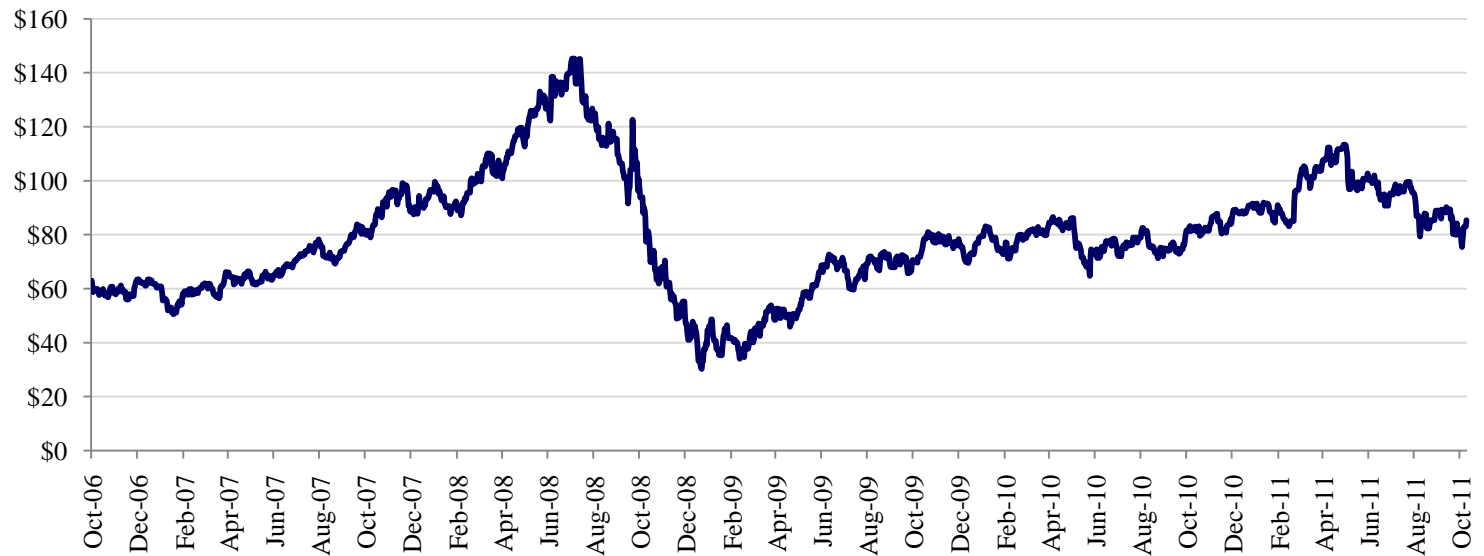


Oil Prices Rebound



After falling to \$75 per barrel (WTI), oil has moved back above \$85 a barrel as developments towards a potential solution in Europe's sovereign debt crisis has lessened the market's concern of a global slowdown, which means global demand for oil should continue to grow.

Oil Price Per Barrel (WTI Spot)
October 1, 2006 – October 10, 2011





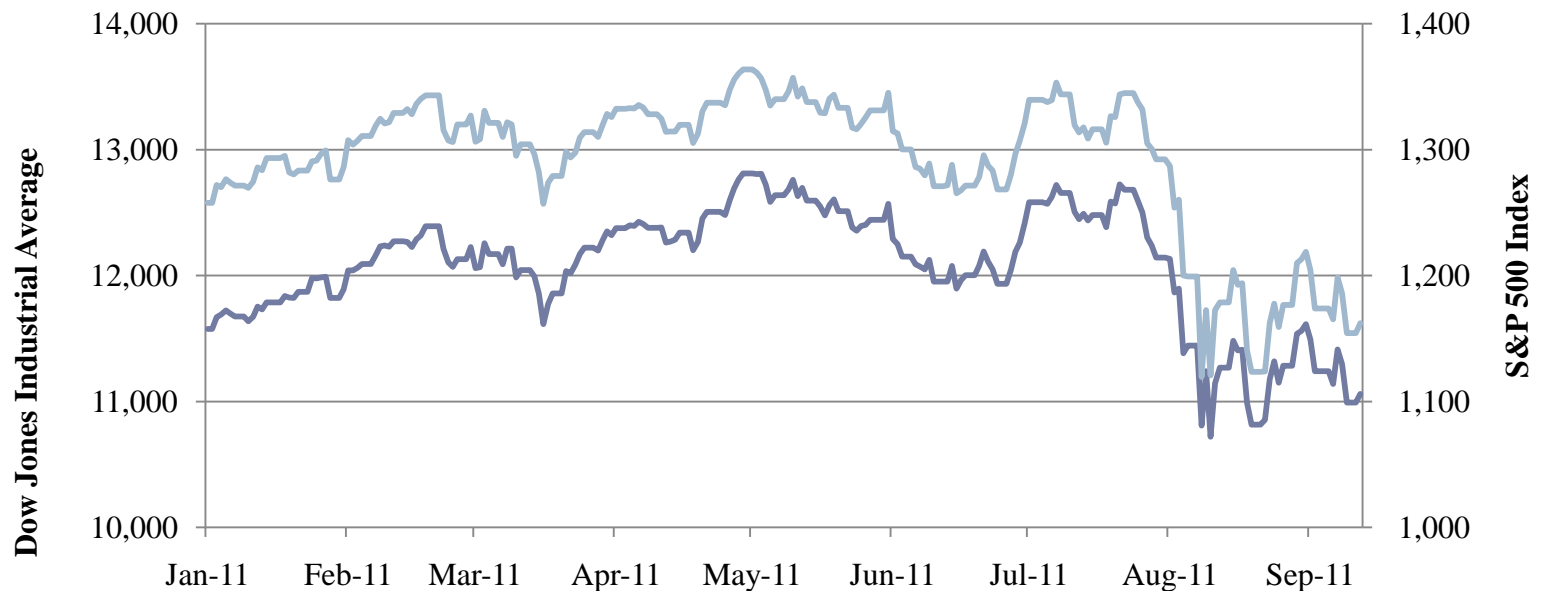
The Equity Markets Remain Volatile



Since August, the stock markets have experienced significant volatility as investors have reacted to a variety of developments, including the continuing European debt crises, generally weaker economic data, the debt ceiling battle, the S&P downgrade along with statements from the Federal Reserve.

Year-to-date, the DJIA is down -4.46% and the S&P500 is down -7.58%.

Dow Jones Industrial Average and S&P 500 Indices
January 1, 2011 – September 12, 2011



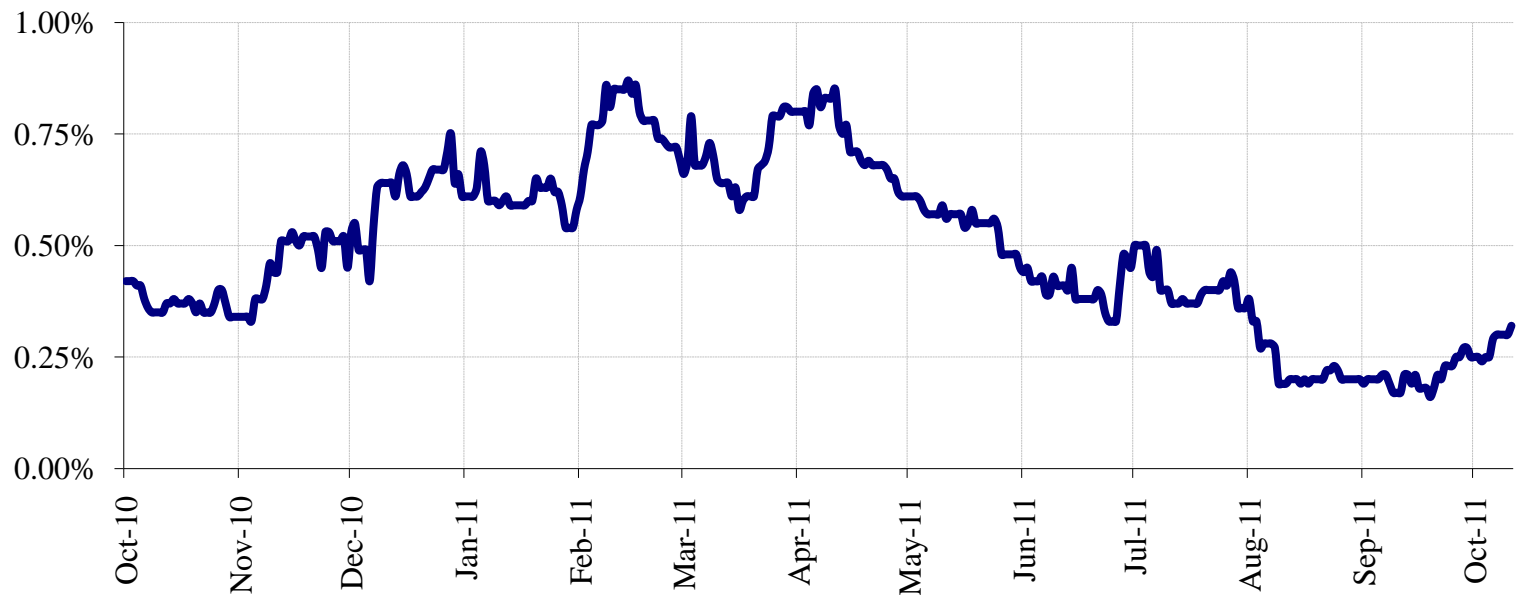


2 Year Treasury Yield Moves Higher



The 2-year Treasury yield has moved higher in recent days, as investor concerns about the European debt crisis have subsided. After hitting an all-time low of 0.15% in mid-September, the 2-year Treasury yield rebounded to close at 0.31% on October 11th. However, the upside to rates in the short-end of the yield curve is limited by the Fed's two year commitment to a near-zero rate policy. But, we note that rates were much higher earlier this year than they are today, even though the fed funds rate has been at the same level since December 2008 remained range bound near its historical low since the Federal Reserve's statement that it expects the weak economy to warrant exceptionally low levels for the federal funds rate "at least through mid-2013."

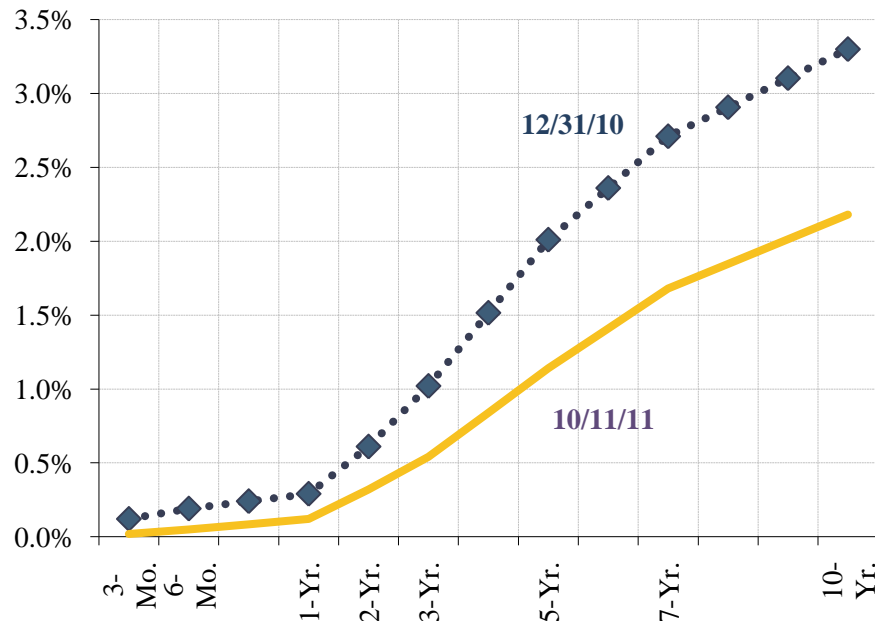
2-Year U.S. Treasury Yields
October 1, 2010 – October 11, 2011



Yield Curve Flattens

Although Treasury yields have rebounded in recent days, Treasury yields are still down for the year.

U.S. Treasury Yield Curve
December 31, 2010 vs. October 11, 2011



	12/31/10	10/11/11	Change
3-Mo.	0.12%	0.02%	(0.10%)
6-Mo.	0.19%	0.05%	(0.14%)
1-Yr.	0.29%	0.12%	(0.17%)
2-Yr.	0.61%	0.32%	(0.29%)
3-Yr.	1.02%	0.54%	(0.48%)
5-Yr.	2.01%	1.14%	(0.87%)
10-Yr.	3.30%	2.18%	(1.12%)



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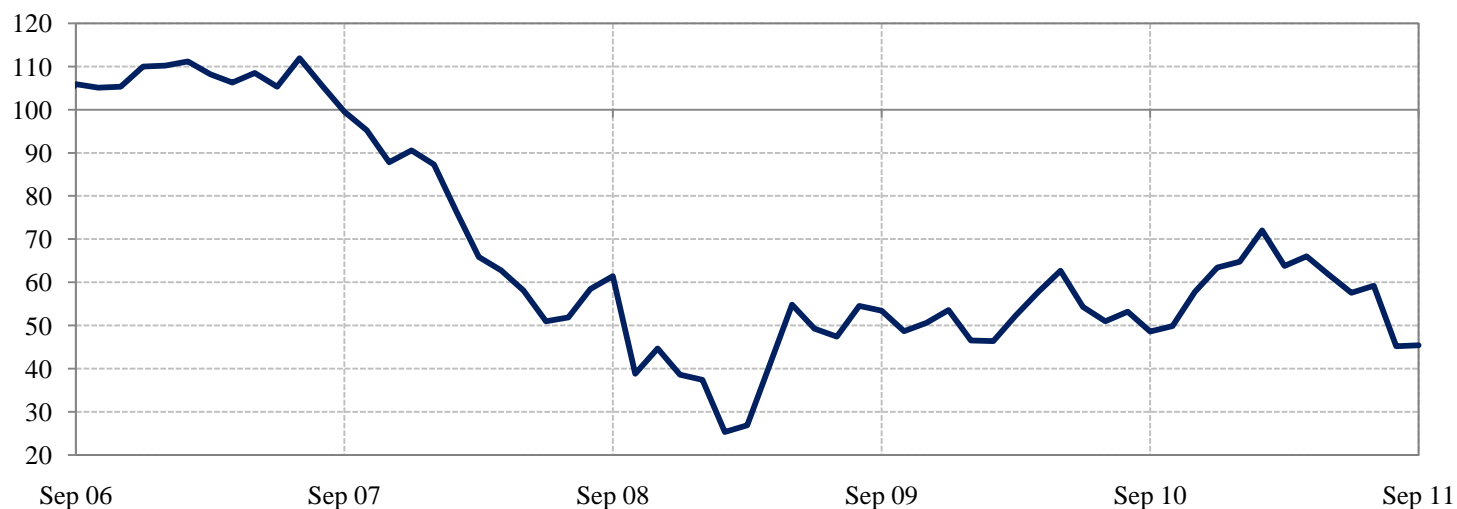


Consumer Confidence Remained Stagnate in September



The Conference Board's Consumer Confidence Index remained stagnant at 45.4 for the month of September, after August's reading indicated that consumer confidence had fallen to its lowest level since April 2009. September's consumer confidence reading signals that consumers remain very concerned about income, employment, and the state of the economy and points to weaker labor market conditions as we get closer towards the end of the year.

Consumer Confidence
September 2006 – September 2011





ECONOMIC MOOD SWING

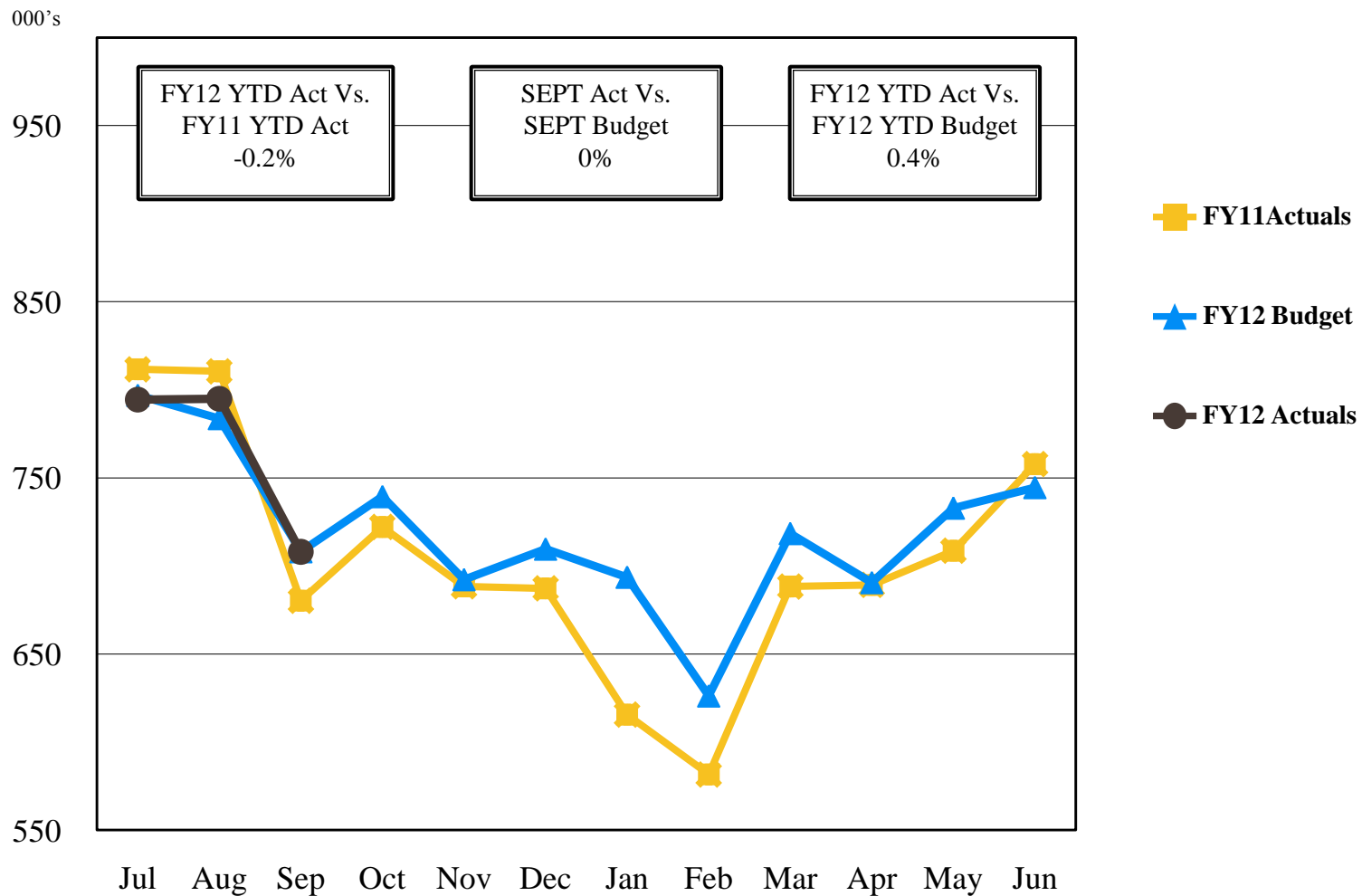


Unaudited Financial Statements For the Three Months Ended September 30, 2011





Enplanements

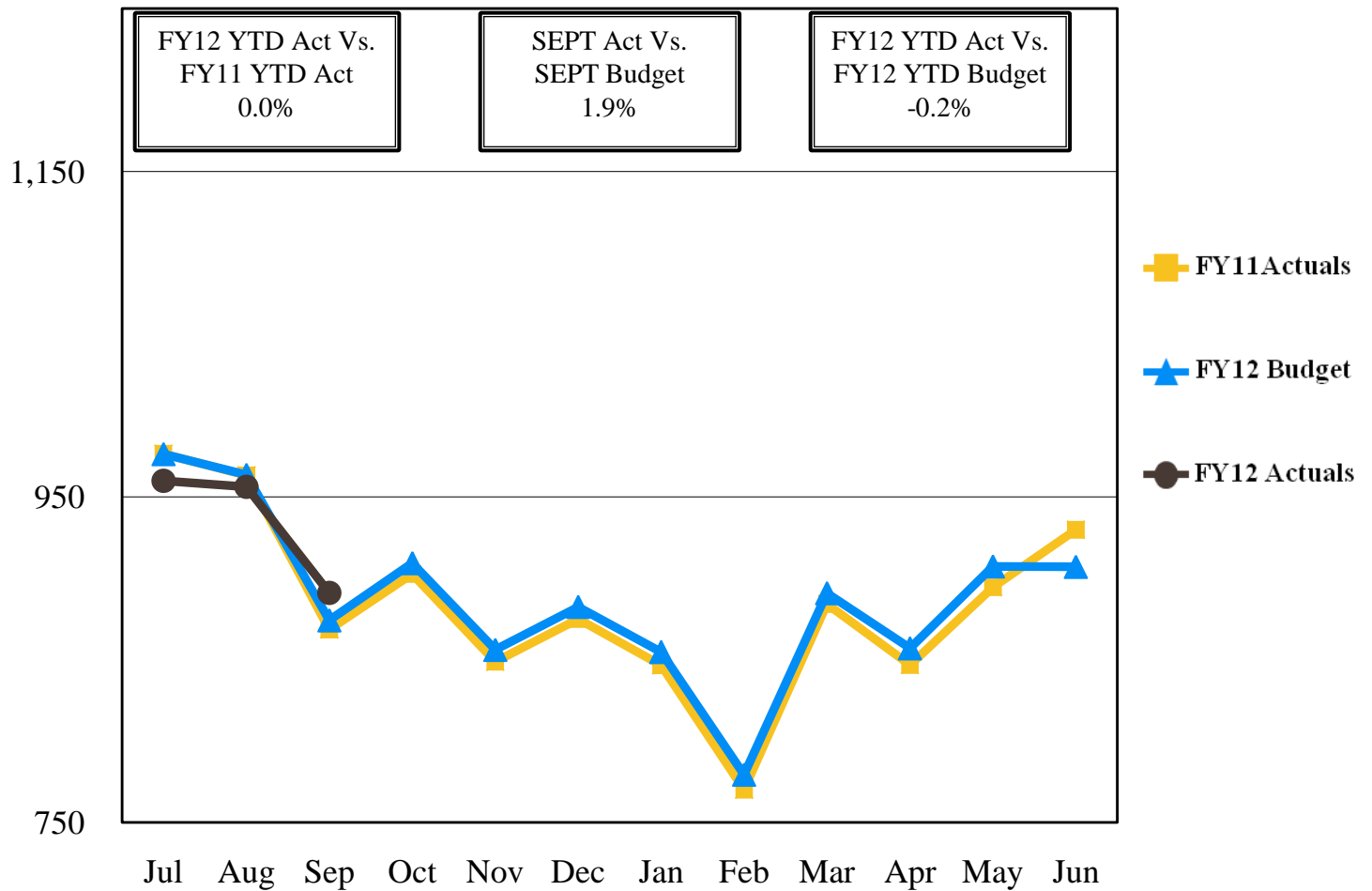




Gross Landing Weight Units (000 lbs)

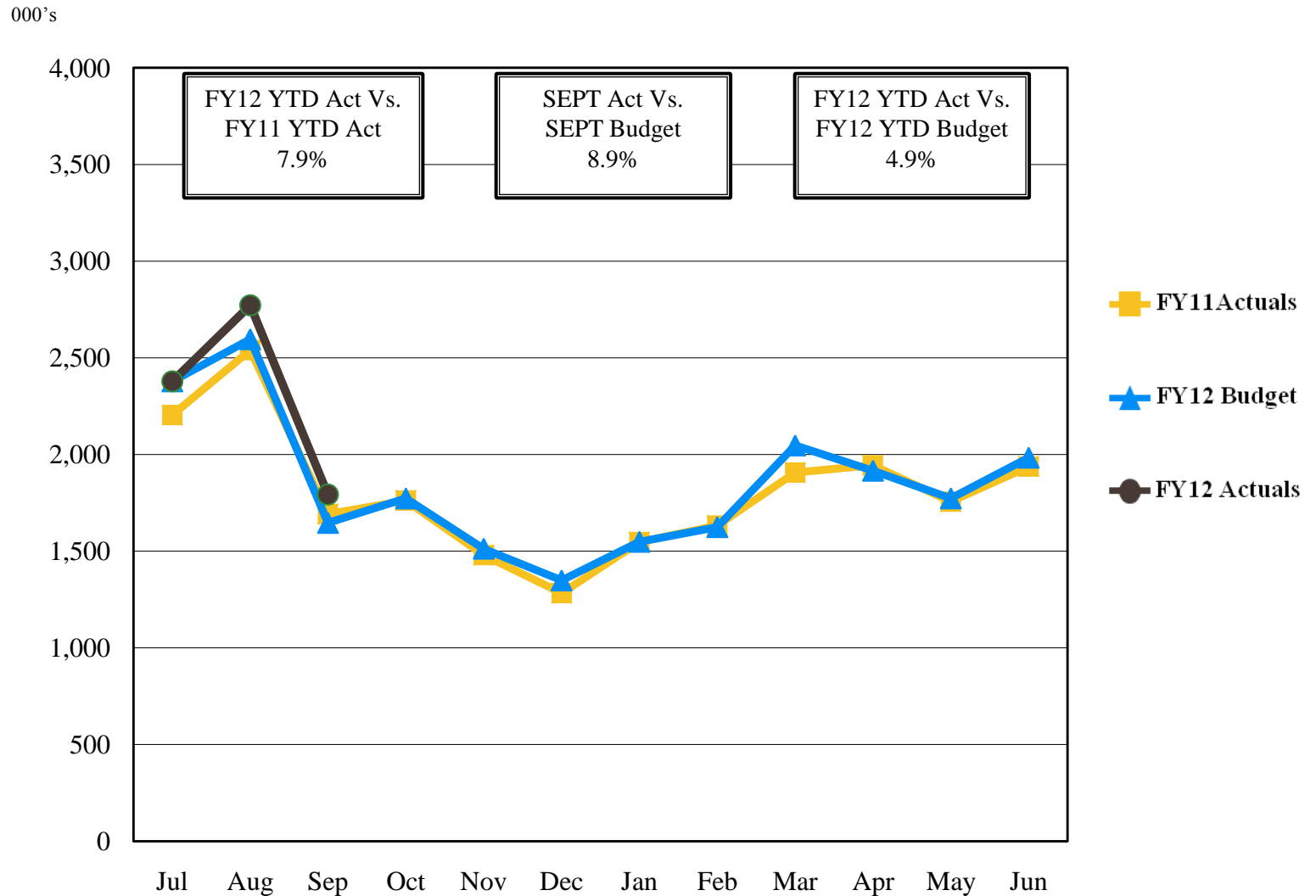


000's





Car Rental License Fees



Revenues & Expenses (Unaudited)
For the Month Ended
September 30, 2011





Operating Revenues

for the Month Ended September 30, 2011 (Unaudited)

(In thousands)	Variance				
	Budget	Actual	Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 1,614	\$ 1,653	\$ 39	2%	\$ 1,504
Aircraft parking fees	253	258	4	2%	245
Building rentals	2,657	2,711	54	2%	2,326
Security surcharge	1,394	1,402	8	-	1,235
Other aviation revenue	133	133	-	-	134
Total aviation revenue	\$ 6,051	\$ 6,157	\$ 106	2%	\$ 5,444



Operating Revenues

for the Month Ended September 30, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 75	\$ 75	\$ -	-	\$ 67
Concession revenue:					
Terminal concession revenue:					
Food and beverage	460	485	25	5%	469
Gifts and news	304	325	21	7%	304
Other	235	230	(5)	(2)%	211
Total terminal concession revenue	999	1,040	41	4%	984
Car rental and license fee revenue:					
Rental car and license fees	1,646	1,792	147	9%	1,692
License fees-other	208	212	4	2%	210
Total rental car and license fees	1,854	2,005	151	8%	1,902
Total concession revenue	\$ 2,853	\$ 3,045	\$ 192	7%	\$ 2,886



Operating Revenues

for the Month Ended September 30, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 456	\$ 293	\$ (163)	(36)%	\$ 436
Long-term parking revenue	2,146	1,991	(155)	(7)%	2,204
Total parking revenue	2,602	2,284	(318)	(12)%	2,640
Ground transportation permits and citations	204	148	(55)	(27)%	82
Ground rentals	564	586	22	4%	925
Grant reimbursements	18	18	-	-	80
Other operating revenue	61	57	(4)	(7)%	65
Subtotal	3,449	3,093	(356)	(12)%	3,792
Total operating revenues	\$12,428	\$12,370	(58)	-	\$12,189



Operating Revenues

for the Month Ended September 30, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 2,942	\$ 2,780	\$ 162	6%	\$ 2,878
Contractual services	2,311	2,247	64	3%	2,146
Safety and security	1,619	1,664	(45)	(3)%	1,592
Space rental	951	957	(6)	(1)%	908
Utilities	613	801	(188)	(31)%	694
Maintenance	698	753	(55)	(8)%	179
Equipment and systems	38	11	27	71%	29
Materials and supplies	21	19	2	10%	29
Insurance	85	59	26	31%	90
Employee development and support	95	53	42	41%	73
Business development	196	155	41	21%	107
Equipment rental and repairs	148	122	26	18%	76
Total operating expenses	\$ 9,717	\$ 9,621	\$ 96	1%	\$ 8,801



Operating Revenues for the Month Ended September 30, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 12,428	\$12,370	\$ (57)	-	\$12,188
Total operating expenses	9,717	9,621	100	1%	8,801
Income from operations	2,711	2,749	43	2%	3,388
Depreciation	3,929	3,947	(18)	-	4,310
Operating income (loss)	\$ (1,218)	\$ (1,197)	\$ 21	(2)%	\$ (922)



Operating Revenues for the Month Ended September 30, 2011 (Unaudited)



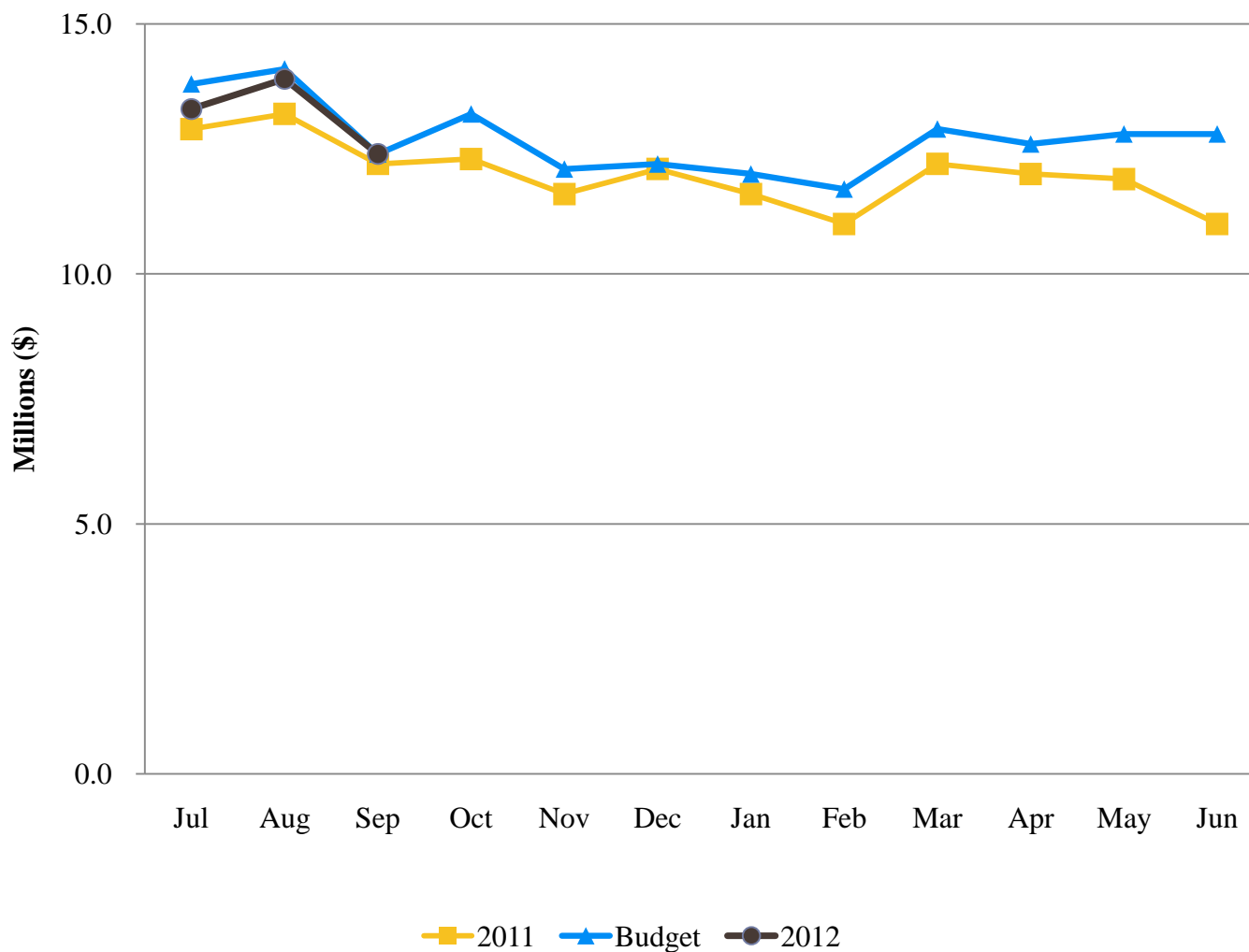
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 2,728	\$ 2,843	\$ 115	4%	\$ 2,590
Customer facility charges (ConRAC Facility)	861	916	54	6%	916
Quieter Home Program	(299)	336	635	213%	(292)
Interest income	445	504	59	13%	406
BAB interest rebate	416	416	-	-	-
Interest expense	(1,144)	(161)	983	86%	(223)
Bond amortization cost	197	54	(144)	73%	(6)
Other nonoperating revenue (expenses)	-	527	527	-	(23)
Nonoperating revenue, net	3,204	5,435	2,231	70%	3,369
Income before grant contributions	1,986	4,238	2,252	113%	2,446
Capital grant contributions	1,407	4,109	2,702	192%	4,723
Net income	\$ 3,393	\$ 8,347	\$ 4,951	146%	\$ 7,169

Revenues & Expenses (Unaudited)
For the Three Months Ended
September 30, 2011





Monthly Operating Revenue, FY 2012 (Unaudited)





Operating Revenues

for the Three Months Ended September 30, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 5,204	\$ 5,171	\$ (33)	(1)%	\$ 4,910
Aircraft parking fees	758	793	35	5%	759
Building rentals	7,978	8,008	30	-	7,046
Security surcharge	4,183	4,177	(6)	-	3,721
Other aviation revenue	399	399	-	-	400
Total aviation revenue	\$ 18,522	\$ 18,548	\$ 26	(1)%	\$ 16,836



Operating Revenues

for the Three Months Ended September 30, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 226	\$ 217	\$ (9)	(4)%	\$ 201
Concession revenue:					
Terminal concession revenue:					
Food and beverage	1,583	1,597	14	1%	1,537
Gifts and news	1,046	1,088	42	4%	1,047
Other	703	728	25	4%	747
Total terminal concession revenue	3,332	3,413	81	2%	3,331
Car rental and license fee revenue:					
Rental car license fees	6,622	6,944	322	5%	6,437
License fees-other	696	705	8	1%	740
Total rental car and license fees	7,318	7,649	331	5%	7,177
Total concession revenue	\$10,650	\$11,062	\$ 412	4%	\$10,508



Operating Revenues

for the Three Months Ended September 30, 2011 (Unaudited)

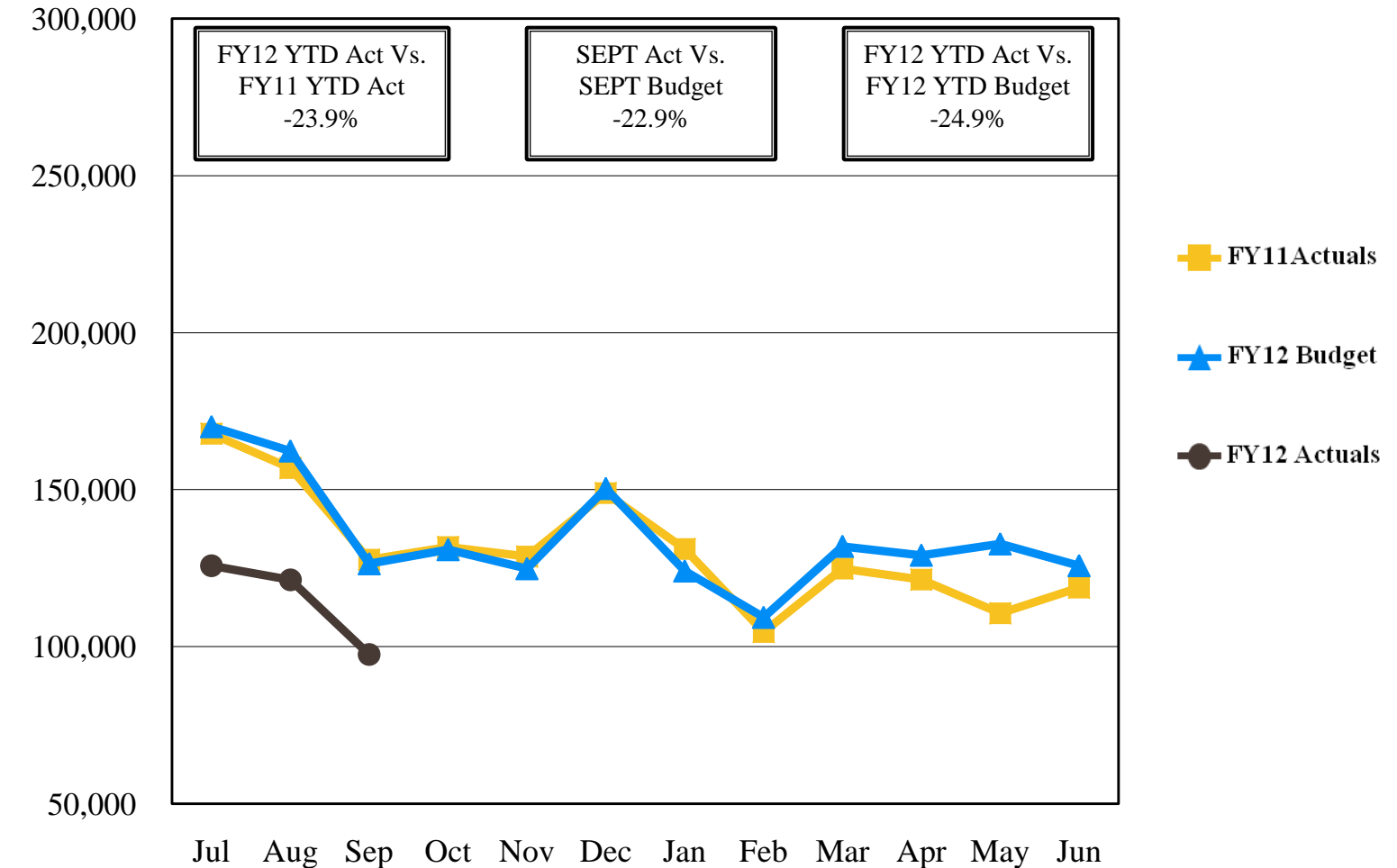
			Variance Favorable	%	Prior
(In thousands)	Budget	Actual	(Unfavorable)	Change	Year
Parking revenue:					
Short-term parking revenue	\$ 2,022	\$ 1,279	\$ (743)	(37)%	\$ 1,753
Long-term parking revenue	6,253	5,916	(337)	(5)%	6,362
Total parking revenue	8,275	7,195	(1,080)	(13)%	8,115
Ground transportation permits and citations	535	454	(81)	(16)%	260
Ground rentals	1,664	1,695	32	2%	1,897
Grant reimbursements	54	158	105	197%	136
Other operating revenue	184	220	36	19%	252
Subtotal	10,712	9,722	(990)	(9)%	10,660
Total operating revenues	\$40,110	\$ 39,549	\$ (561)	(1)%	\$ 38,205



Airport Parking Transactions



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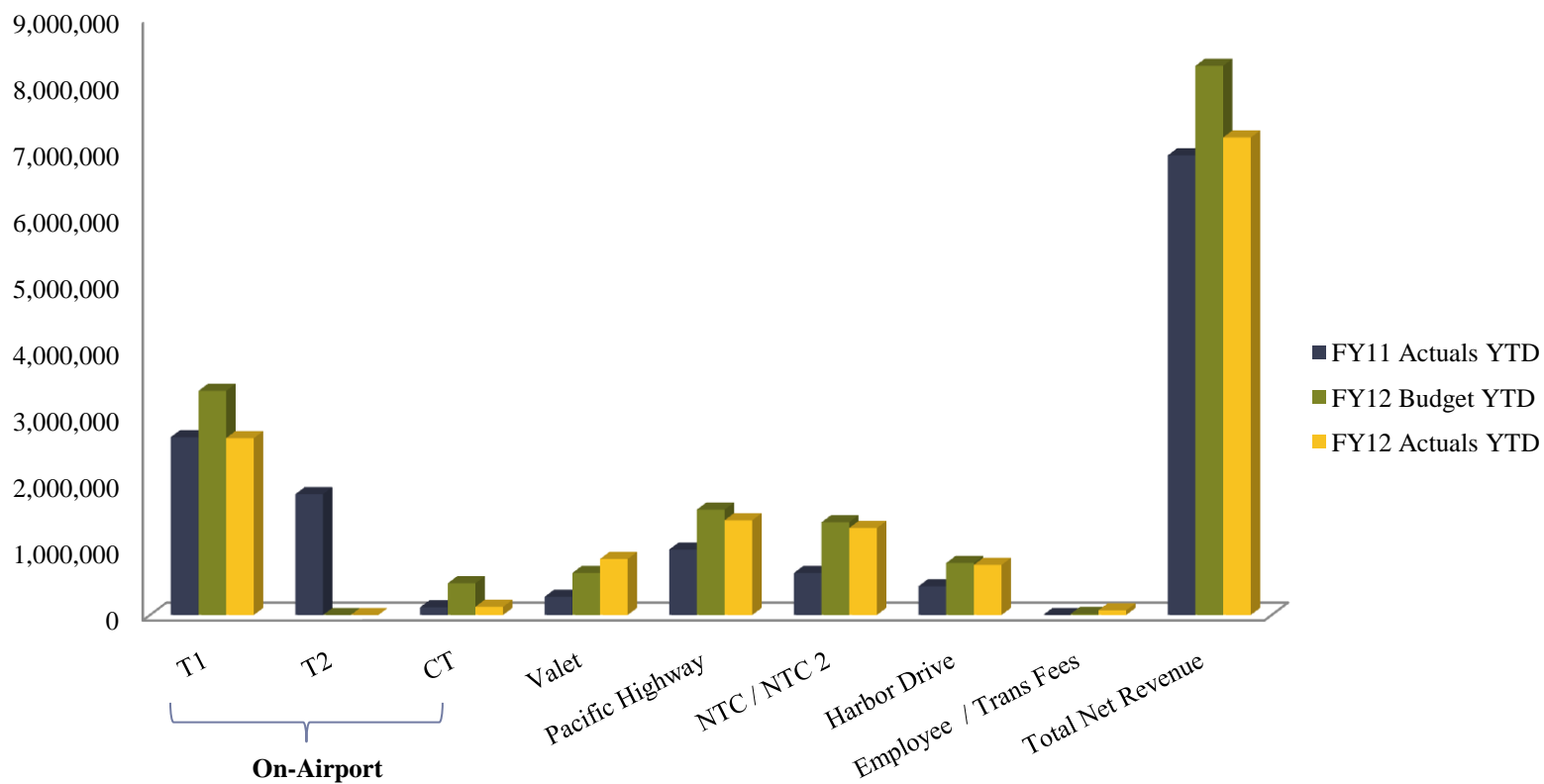




Parking Revenue



Parking Revenue (\$)
Three Months Ended September 2011

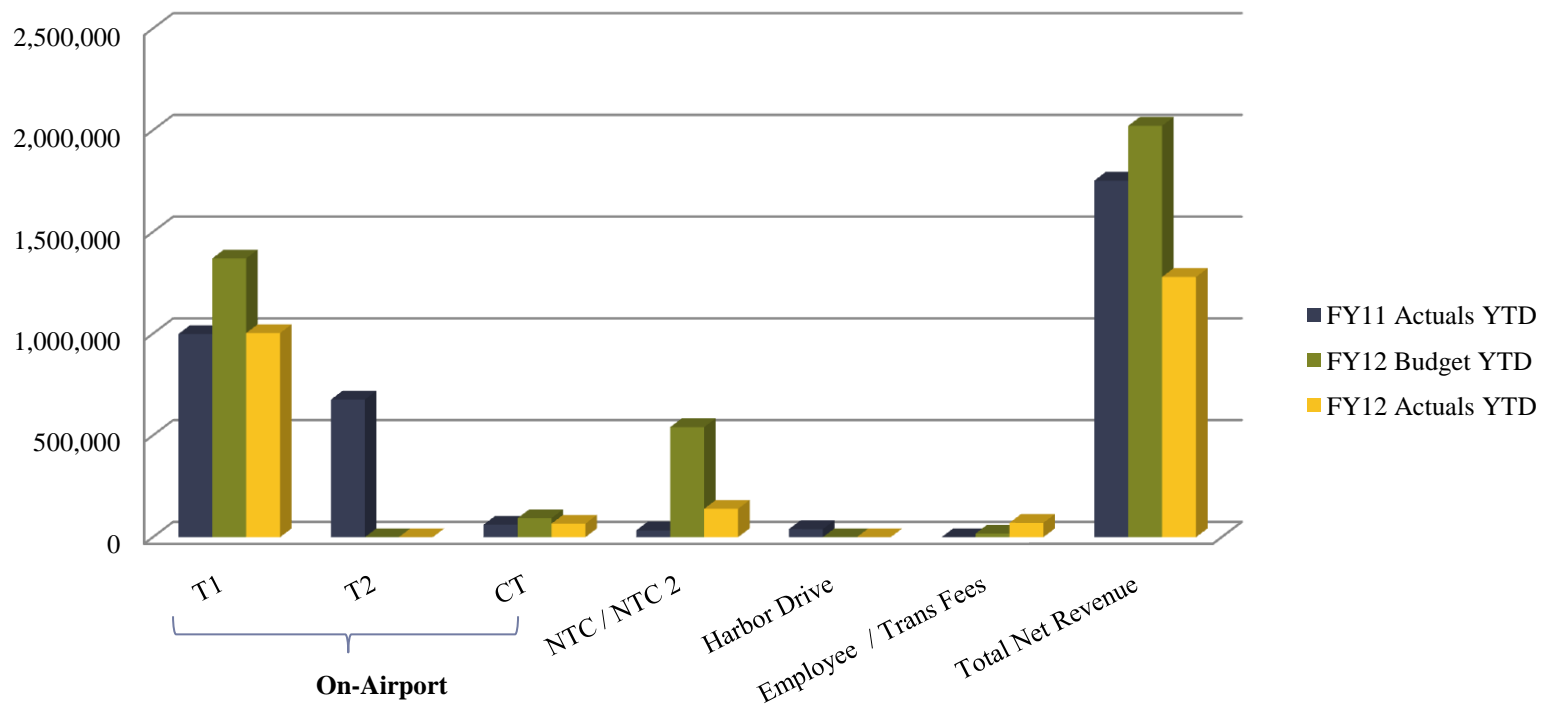




Short Term Parking Revenue



**Short Term Parking Revenue (\$)
Three Months Ended September 2011**

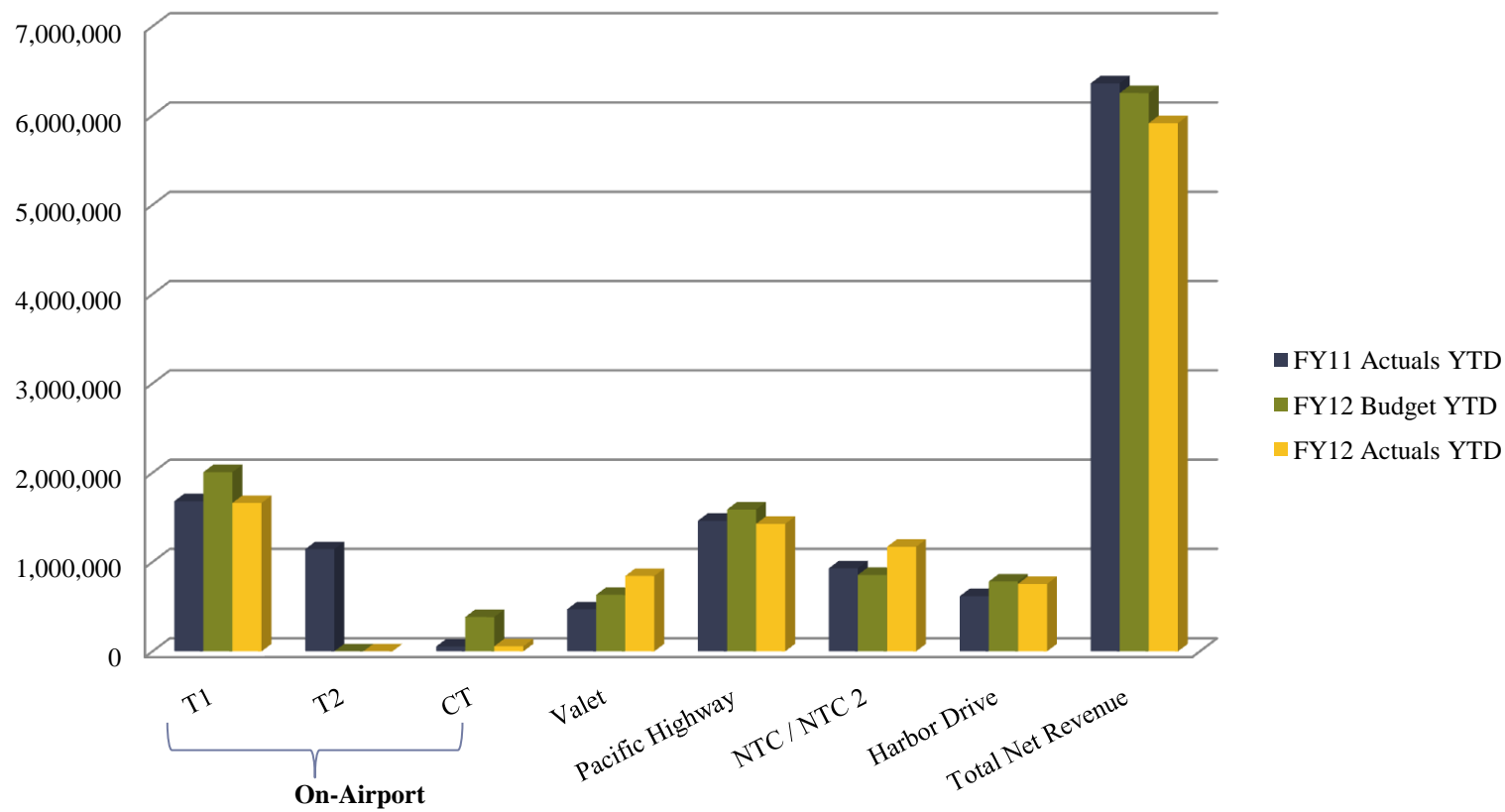




Long Term Parking Revenue

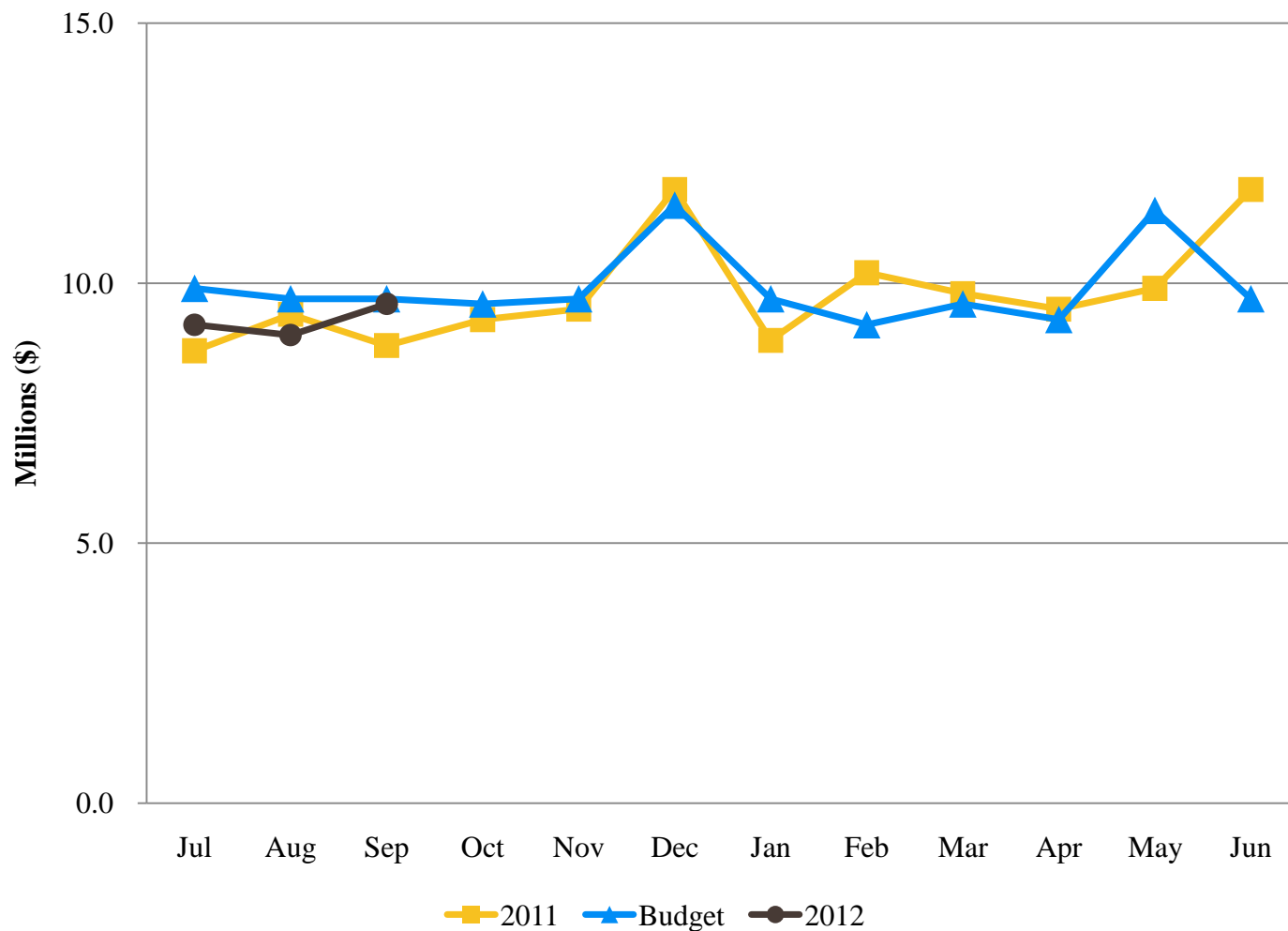


**Long Term Parking Revenue (\$)
Three Months Ended September 2011**





Monthly Operating Expenses, FY 2012 (Unaudited)





Operating Revenues

for the Three Months Ended September 30, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 8,911	\$ 8,374	\$ 537	6%	\$ 8,645
Contractual services	6,889	6,653	236	3%	6,103
Safety and security	4,886	4,897	(11)	-	4,725
Space rental	2,854	2,859	(5)	-	2,726
Utilities	1,885	2,010	(125)	(7)%	1,845
Maintenance	2,314	1,866	448	19%	1,705
Equipment and systems	77	37	40	52%	62
Materials and supplies	75	48	27	36%	69
Insurance	254	185	69	27%	271
Employee development and support	257	123	134	52%	161
Business development	539	339	200	37%	324
Equipment rental and repairs	448	348	100	22%	308
Total operating expenses	\$29,389	\$27,739	\$ 1,650	6%	\$26,944



Financial Summary

for the Three Months Ended September 30, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 40,110	\$ 39,549	\$ (561)	(1)%	\$ 38,205
Total operating expenses	29,389	27,739	1,650	6%	26,944
Income from operations	10,721	11,810	1,089	10%	11,261
Depreciation	12,009	12,062	(55)	-	12,314
Operating income (loss)	\$ (1,288)	\$ (252)	\$ 1,036	80%	\$ (1,053)

Nonoperating Revenues & Expenses

for the Three Months Ended September 30, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 8,509	\$ 8,511	\$ 2	-	\$ 8,561
Customer facility charges (ConRAC Facility)	2,769	2,871	102	4%	2,852
Quieter Home Program	(752)	105	857	114%	(936)
Interest income	1,335	1,556	221	17%	1,266
BAB interest rebate	1,249	1,249	-	-	-
Interest expense	(3,003)	(1,094)	1,909	64%	(686)
Bond amortization cost	162	163	-	-	(18)
Other nonoperating revenue (expenses)	-	1,094	1,094	-	43
Nonoperating revenue, net	10,269	14,455	4,186	41%	11,082
Income before grant contributions	8,979	14,203	5,222	58%	10,030
Capital grant contributions	2,667	7,172	4,505	169%	8,991
Net income	\$11,647	\$21,375	\$ 9,727	84%	\$19,022



Balance Sheets (Unaudited)

	(In thousands)	
	September	
	2011	2010
Current assets:		
Cash and investments	\$ 74,795	\$ 73,787
Tenant lease receivable, net of allowance of 2011: \$14,918 and 2010: \$20,055	6,062	6,017
Grants receivable	7,984	7,285
Notes receivable-current portion	1,696	1,613
Prepaid expenses and other current assets	10,955	11,877
Total current assets	101,492	100,579
 Cash designated for capital projects and other	 \$ 9,402	 \$ 20,601



Balance Sheets (Unaudited)

	(In thousands)	
	September	
	2011	2010
Restricted assets:		
Cash and investments:		
Bonds reserve	\$ 45,098	\$ 45,708
Passenger facility charges and interest unapplied	54,361	63,538
Customer facility charges and interest applied*	21,974	13,029
Commercial paper reserve	63	281
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	347,839	5,465
Commercial paper interest held by trustee	13	163
Passenger facility charges receivable	4,615	4,760
Customer facility charges receivable*	921	1,147
OCIP insurance reserve	6,239	6,400
Total restricted assets	\$ 485,123	\$ 144,491



Balance Sheets (Unaudited)

Noncurrent assets:

Capital assets:

Land and land improvements
Runways, roads and parking lots
Buildings and structures
Machinery and equipment
Vehicles
Office furniture and equipment
Works of art
Construction-in-progress

Total capital assets

Less: accumulated depreciation

Total capital assets, net

(In thousands)			
September			
	2011		2010
\$	24,482	\$	23,454
	273,649		235,385
	464,489		462,703
	10,327		10,074
	5,423		5,295
	30,601		30,072
	2,440		2,257
	389,727		205,940
	1,201,138		975,180
	(519,992)		(471,454)
\$	681,146	\$	503,726



Balance Sheets (Unaudited)

Other assets:

Notes receivable - long-term portion

Investments - long-term portion

Deferred costs - bonds (net)

Net pension asset

Security Deposits

Total other assets

Total noncurrent assets

TOTAL ASSETS

(In thousands)

September

	2011	2010
\$	42,502	\$ 44,221
	13,383	8,383
	4,945	771
	7,622	8,178
	500	-
	68,952	61,553
	750,098	565,279
\$	1,346,115	\$ 830,950



Balance Sheets (Unaudited)

(In thousands)			
September			
	2011		2010
Current liabilities:			
Accounts payable and accrued liabilities	\$ 47,918	\$	39,893
Deposits and other current liabilities	3,296		3,433
Total current liabilities	51,214		43,326
Current liabilities - payable from restricted assets:			
Current portion of long-term debt	5,905		3,265
Accrued interest on bonds and commercial paper	7,722		803
Total liabilities payable from restricted assets	\$ 13,627	\$	4,068



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)		September	
	2011		2010
\$	20,729	\$	164,430
	115		540
	1,577		1,196
	630,226		37,915
	652,647		204,081
\$	717,488	\$	251,475



Balance Sheets (Unaudited)

	(In thousands)	
	September	
	2011	2010
Authority net assets:		
Invested in capital assets, net of related debt	\$ 371,605	\$ 298,656
Other restricted	148,655	147,756
Unrestricted:		
Designated	17,023	32,779
Undesignated	91,344	100,284
Total net assets	628,627	579,475
TOTAL LIABILITIES AND NET ASSETS	\$ 1,346,115	\$ 830,950



Questions

