



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: November 8, 2011

To: Board Members

From: Vernon D. Evans, CFO

A handwritten signature in blue ink, appearing to be "V. Evans", is written over the "From:" line.

Subject: Unaudited Financial Statements For The Four Months Ended October 31, 2011 and 2010

The attached unaudited financial reports include the following:

Balance Sheets as of October 31, 2011 and 2010

Statement of Revenues and Expenses Compared to Budget for the Four Months Ended October 31, 2011 and 2010

Authority Detailed Income Statement-Supplemental Schedule

Year to date analysis:

Total operating revenues are \$359k 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 \$1.9m or 5% below budget. This is primarily due to salary vacancies. Also contributing is reduced contractual services and business development expenses.

Nonoperating revenues, net, are \$2.5m, or 18% above budget primarily due to higher interest capitalization offset by unbudgeted unrealized losses on investments.

Capital grant contributions are \$6.4m or 154% above budget due to accelerated expenditures for the apron and baggage screening projects.



SAN DIEGO
INTERNATIONAL
AIRPORT

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Balance Sheets
as of October 31, 2011
(Unaudited)
ASSETS

	Oct 31	
	2011	2010
Current assets:		
Cash and investments ⁽¹⁾	\$ 87,635,378	\$ 108,319,806
Tenant lease receivable, net of allowance of 2011: \$35,803 and 2010: \$20,055	6,738,545	5,446,055
Grants receivable	7,904,410	4,786,910
Notes receivable-current portion	1,696,413	1,612,790
Prepaid expenses and other current assets	9,703,544	10,910,636
Total current assets	113,678,290	131,076,197
Cash designated for capital projects and other ⁽¹⁾	8,303,996	4,630,222
Restricted assets:		
Cash and investments:		
Bonds reserve ⁽¹⁾	45,098,156	45,707,776
Passenger facility charges and interest unapplied ⁽¹⁾	53,168,015	64,203,795
Customer facility charges and interest unapplied ⁽¹⁾ *	23,825,648	13,752,163
Commercial paper reserve ⁽¹⁾	63,115	152,326
SBD Bond Guarantee ⁽¹⁾	4,000,000	4,000,000
Bond proceeds held by trustee ⁽¹⁾	333,884,887	440,083,303
Commercial paper interest held by trustee ⁽¹⁾	12,855	139,785
Passenger facility charges receivable	5,341,807	5,426,054
Customer facility charges receivable*	1,074,943	959,035
OCIP insurance reserve	6,239,213	6,400,000
Total restricted assets	472,708,639	580,824,237
Noncurrent assets:		
Capital assets:		
Land and land improvements	24,481,944	23,453,560
Runways, roads and parking lots	273,648,762	235,558,985
Buildings and structures	464,491,924	462,799,501
Machinery and equipment	10,329,046	10,077,899
Vehicles	5,422,530	5,295,223
Office furniture and equipment	30,646,264	30,071,876
Works of art	2,446,120	2,410,518
Construction-in-progress	412,402,051	218,540,092
Total capital assets	1,223,868,641	988,207,654
Less accumulated depreciation	(523,939,427)	(475,604,773)
Total capital assets, net	699,929,214	512,602,881
Other assets:		
Notes receivable - long-term portion	42,365,476	44,091,586
Investments-long-term portion ⁽¹⁾	7,379,809	8,383,088
Deferred costs - bonds (net)	4,895,534	4,923,021
Net pension asset	7,575,330	8,131,642
Security Deposit	500,000	-
Total other assets	62,716,149	65,529,337
Total noncurrent assets	762,645,363	578,132,218
TOTAL ASSETS	\$ 1,357,336,288	\$ 1,294,662,874

⁽¹⁾ Total cash and investments, \$563,371,859 in 2011 and \$689,372,264 in 2010

* ConRAC Facility

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Balance Sheets
as of October 31, 2011
(Unaudited)

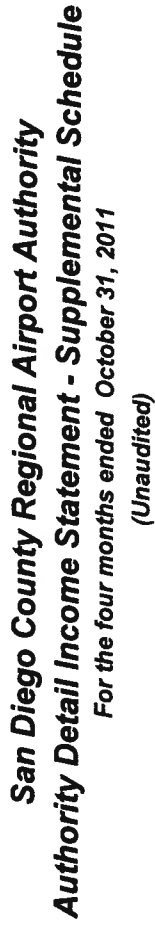
LIABILITIES AND NET ASSETS

	Oct 31	
	2011	2010
Current liabilities:		
Accounts payable and accrued liabilities	\$ 51,607,965	\$ 40,433,223
Deposits and other current liabilities	2,835,013	3,221,649
Total current liabilities	54,442,978	43,654,872
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	5,905,000	4,725,000
Accrued interest on bonds and commercial paper	10,553,589	3,378,520
Total liabilities payable from restricted assets	16,458,589	8,103,520
Long-term liabilities:		
Commercial paper notes payable	20,729,000	21,509,000
Deferred rent liability	108,387	495,432
Other long-term liabilities	1,576,948	1,187,954
Long term debt - bonds net of amortized premium	629,973,939	635,847,200
Total long-term liabilities	652,388,274	659,039,586
Total liabilities	723,289,841	710,797,978
Authority net assets:		
Invested in capital assets, net of related debt	376,613,273	306,297,437
Other restricted	150,217,176	149,494,358
Unrestricted:		
Designated	15,879,326	16,761,864
Undesignated	91,336,672	111,311,237
Total net assets	634,046,447	583,864,896
TOTAL LIABILITIES AND NET ASSETS	\$ 1,357,336,288	\$ 1,294,662,874

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statement of Revenues and Expenses Compared to Budget
For the four Months Ended October 31, 2011 and 2010
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 6,892,498	\$ 6,793,162	\$ (99,336)	(1)%	\$ 6,517,504
Aircraft parking fees	1,010,200	1,058,683	48,483	5%	1,003,921
Building rentals	10,634,060	10,765,729	131,669	1%	9,370,648
Security surcharge	5,577,200	5,605,028	27,828	-	4,953,444
Other aviation revenue	531,318	530,889	(429)	-	535,926
Terminal rent non-airline	301,439	291,808	(9,631)	(3)%	267,640
Terminal concessions	4,408,723	4,600,170	191,447	4%	4,434,269
Rental car license fees	8,394,883	8,985,203	590,320	7%	8,199,899
License fees other	916,843	936,398	19,555	2%	955,755
Parking revenue	11,497,705	10,121,846	(1,375,859)	(12)%	11,049,771
Ground transportation permits and citations	638,334	579,159	(59,175)	(9)%	353,324
Ground rentals	2,202,673	2,225,683	23,010	1%	2,375,207
Grant reimbursements	72,086	175,400	103,314	143%	169,777
Other operating revenue	245,966	296,183	50,217	20%	287,010
Total operating revenues	53,323,928	52,965,341	(358,587)	(1)%	50,474,095
Operating expenses:					
Salaries and benefits	11,867,054	11,119,424	747,630	6%	11,525,178
Contractual services	9,168,633	8,806,139	362,494	4%	8,378,823
Safety and security	6,560,702	6,490,586	70,116	1%	6,248,713
Space rental	3,805,048	3,804,747	301	-	3,635,749
Utilities	2,408,806	2,760,453	(351,647)	(15)%	2,274,093
Maintenance	2,841,372	2,566,362	275,010	10%	2,523,660
Equipment and systems	102,480	40,276	62,204	61%	107,510
Materials and supplies	104,895	68,505	36,390	35%	77,692
Insurance	339,750	248,589	91,161	27%	360,968
Employee development and support	354,025	195,733	158,292	45%	232,130
Business development	841,790	521,935	319,855	38%	460,684
Equipment rentals and repairs	617,162	455,653	161,509	26%	401,534
Total operating expenses	39,011,717	37,078,402	1,933,315	5%	36,226,734
Depreciation	16,042,054	16,010,631	31,423	-	16,464,956
Operating income (loss)	(1,729,843)	(123,692)	1,606,151	93%	(2,217,595)
Nonoperating revenue (expenses):					
Passenger facility charges	11,519,989	11,716,193	196,204	2%	11,527,996
Customer facility charges (ConRAC Facility)	3,700,090	3,923,894	223,804	6%	3,842,773
Quieter Home Program	(1,013,776)	(495,437)	518,339	51%	(1,072,297)
Interest income	1,779,379	2,051,937	272,558	15%	1,690,646
BAB interest rebate	1,665,307	1,665,307	-	-	-
Interest expense	(4,023,895)	(1,819,643)	2,204,252	55%	(1,109,115)
Bond amortization cost	216,515	366,163	149,648	(69)%	35,751
Other nonoperating income (expenses)	-	(1,073,548)	(1,073,548)	#DIV/0!	78,625
Nonoperating revenue, net	13,843,609	16,334,866	2,491,257	18%	14,994,379
Income before capital grant contributions	12,113,766	16,211,174	4,097,408	34%	12,776,784
Capital grant contributions	4,163,417	10,581,035	6,417,618	154%	10,635,690
Net income	\$ 16,277,183	\$ 26,792,209	\$ 10,515,026	65%	\$ 23,412,474

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San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the four months ended October 31, 2011
(Unaudited)

Print Date: 11/7/2011
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										Month to Date				Year to Date			
										Actual		Variance Favorable (Unfavorable) Percent		Prior Year Actual		Variance Favorable (Unfavorable) Percent	
										Budget		Budget		Budget		Budget	
Parking and Ground Transportat																	
45210 - Parking	\$3,222,657	\$2,926,721	\$(295,935)	(9)	\$2,935,228	\$11,497,705	\$10,121,846	\$(1,375,859)	(12)	\$11,049,771							
45220 - AVI fees	56,453	73,774	17,321	31	38,470	219,803	262,635	42,832	19	91,048							
45240 - Ground Transportation Pe	45,202	49,755	4,553	10	52,485	410,291	301,520	(108,771)	(27)	255,130							
45250 - Citations	2,012	2,012	0	0	2,019	8,240	15,004	6,764	82	7,146							
Total Parking and Ground Transportat	3,326,323	3,052,262	(274,061)	(8)	3,028,203	12,136,038	10,701,005	(1,435,034)	(12)	11,403,095							
Ground Rentals																	
45310 - Ground Rental - Fixed	495,185	476,935	(18,251)	(4)	426,031	1,980,742	1,960,295	(20,447)	(1)	2,114,139							
45320 - Ground Rental - Percenta	43,532	53,414	9,882	23	52,488	221,931	265,388	43,457	20	261,068							
Total Ground Rentals	538,717	530,349	(8,368)	(2)	478,519	2,202,673	2,225,683	23,010	1	2,375,207							
Grant Reimbursements																	
45410 - TSA Reimbursements	18,168	17,000	(1,168)	(6)	18,222	72,086	71,078	(1,008)	(1)	72,270							
45420 - Planning Grants	0	(1)	(1)	0	15,671	0	104,322	104,322	0	97,507							
Total Grant Reimbursements	18,168	16,999	(1,169)	(6)	33,893	72,086	175,400	103,314	143	169,777							
Other Operating Revenue																	
45510 - Finger Printing Fee	4,417	5,213	796	18	2,881	17,667	15,482	(2,185)	(12)	17,454							
45520 - Utilities Reimbursements	44,883	43,361	(1,322)	(3)	43,725	178,732	179,954	1,222	1	173,856							
45530 - Miscellaneous Other Reve	5,667	12,366	6,699	118	6,364	22,667	54,364	31,697	140	51,972							
45540 - Service Charges	3,392	10,590	7,198	212	(19,841)	13,567	29,177	15,611	115	4,014							
45570 - FBO Fees	3,333	2,611	(723)	(22)	0	13,333	9,206	(4,127)	(31)	31,714							
45580 - Equipment Rental	0	2,000	2,000	0	2,000	0	8,000	8,000	0	8,000							
Total Other Operating Revenue	61,491	76,140	14,649	24	35,130	245,965	296,183	50,218	20	287,011							
Total Operating Revenue	13,215,599	13,417,530	201,931	2	12,267,452	53,323,927	52,965,340	(358,587)	(1)	50,474,096							
Personnel Expenses																	
Salaries																	
51110 - Salaries & Wages	2,132,491	1,540,500	591,991	28	1,835,842	8,571,609	6,864,166	1,707,444	20	7,230,406							
51210 - Paid Time Off	0	161,543	(161,543)	0	149,509	0	719,240	(719,240)	0	705,456							
51220 - Holiday Pay	0	0	0	0	344	0	102,654	(102,654)	0	94,197							
51240 - Other Leave With Pay	0	5,783	(5,783)	0	16,328	0	23,466	(23,466)	0	65,918							
51250 - Special Pay	0	254,228	(254,228)	0	59,461	0	387,871	(387,871)	0	108,055							
Total Salaries	2,132,491	1,962,053	170,438	8	2,061,485	8,571,609	8,097,396	474,213	6	8,204,033							
52110 - Overtime	70,008	67,392	2,616	4	57,750	260,651	295,570	(34,919)	(13)	239,239							

Print Date: 11/7/2011
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San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the four months ended October 31, 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	
Employee Development and Suppo										
66120 - Awards - Service	\$3,041	\$965	\$2,076	68	\$4,552	\$26,664	\$(13,372)	\$40,036	150	\$9,285
66130 - Book & Periodicals	5,112	6,664	(1,552)	(30)	9,018	20,402	15,211	5,192	25	15,384
66210 - Finger Printing Expenses	230	0	230	100	32	920	52	868	94	1,204
66220 - Permits/Certificates/Lic	7,058	278	6,781	96	450	30,263	6,358	23,906	79	7,299
66260 - Recruiting	198	14	184	93	98	3,017	457	2,560	85	333
66280 - Seminars & Training	42,597	37,589	5,008	12	23,243	139,771	92,229	47,541	34	82,500
66290 - Transportation	16,438	14,304	2,134	13	14,009	58,157	54,417	3,740	6	54,917
66299 - OH Contra	(3,000)	(3,707)	707	24	(5,466)	(12,000)	(7,679)	(4,321)	(36)	(10,222)
66305 - Travel-Employee Developm	16,375	9,123	7,252	44	18,768	46,526	23,222	23,304	50	43,867
66310 - Tuition	3,500	3,268	232	7	3,345	12,500	12,148	352	3	9,098
66320 - Uniforms	5,875	4,370	1,505	26	2,847	27,805	12,690	15,115	54	18,466
Total Employee Development and Suppo	97,425	72,869	24,556	25	70,896	354,025	195,733	158,292	45	232,131
Business Development										
66100 - Advertising	88,157	4,846	83,311	95	40,860	324,911	61,783	263,128	81	113,004
66110 - Allowance for Bad Debts	2,083	20,885	(18,802)	(902)	0	8,333	20,885	(12,552)	(151)	(39,286)
66200 - Memberships & Dues	11,035	24,964	(13,929)	(126)	29,449	74,892	119,921	(45,029)	(60)	114,769
66230 - Postage & Shipping	3,161	2,778	383	12	1,661	21,142	22,328	(1,186)	(6)	11,661
66240 - Promotional Activities	80,824	78,494	2,330	3	33,845	219,714	229,817	(10,103)	(5)	92,436
66250 - Promotional Materials	87,043	6,534	80,510	92	23,668	142,848	19,391	123,458	86	87,372
66300 - Travel-Business Developm	30,250	44,648	(14,398)	(48)	7,690	49,950	47,810	2,140	4	80,727
Total Business Development	302,554	183,148	119,406	39	137,172	841,791	521,934	319,857	38	460,683
Equipment Rentals and Repairs										
66140 - Computer Licenses & Agre	35,000	35,352	(352)	(1)	32,667	135,000	147,184	(12,184)	(9)	115,700
66150 - Equipment Rental/Leasing	30,315	18,916	11,399	38	21,782	119,810	99,598	20,212	17	93,160
66160 - Tenant Improvements	0	0	0	0	3,761	0	0	0	0	8,686
66270 - Repairs - Office Equipme	130,026	91,208	38,818	30	69,587	465,352	337,574	127,778	27	273,361
66279 - OH Contra	(26,000)	(37,751)	11,751	45	(34,483)	(103,000)	(128,703)	25,703	25	(89,373)
Total Equipment Rentals and Repairs	169,341	107,725	61,616	36	93,314	617,162	455,653	161,509	26	401,534
Total Non-Personnel Expenses	6,665,773	6,595,452	70,321	1	6,402,611	27,144,663	25,958,978	1,185,686	4	24,701,554
Total Departmental Expenses before Depreciation	9,621,451	9,341,214	280,237	3	9,283,289	39,011,719	37,078,402	1,933,318	5	36,226,732

Print Date: 11/7/2011
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San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the four months ended October 31, 2011
(Unaudited)

	Month to Date				Year to Date				
	Budget	Actual	Variance		Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent	
Interest income BAB's rebate									
71362 - BAB interest rebate	\$416,327	\$416,327	\$0	0	\$1,665,307	\$1,665,307	\$0	0	\$0
Total Interest income BAB's rebate	416,327	416,327	0	0	1,665,307	1,665,307	0	0	0
Interest Expense									
71410 - Interest Expense 2005 Bo	(160,498)	(160,498)	0	0	(641,992)	(641,992)	0	0	(596,408)
71411 - Interest Expense- 2010 Bonds	(2,646,258)	(2,646,258)	0	0	(10,585,032)	(10,585,032)	(1)	0	(199,880)
71420 - Interest Expense - Comme	(28,265)	(4,567)	23,698	84	(71,635)	(18,121)	53,515	75	(61,371)
71430 - LOC Fees - C/P	(22,123)	(20,497)	1,625	7	(82,530)	(81,327)	1,203	1	(116,137)
71440 - Dealer Fees - C/P	(2,611)	(2,169)	443	17	(4,762)	(2,169)	2,593	54	(28,319)
71450 - Trustee Fee - 2005 Bonds	(250)	0	250	100	(1,000)	0	1,000	100	(7,000)
71451 - Program Fees - Comm. Pap	(2,500)	0	2,500	100	(5,000)	0	5,000	100	0
71460 - Interest Expense - Other	1,842,014	2,108,176	266,162	14	7,368,056	9,508,999	2,140,943	29	0
Total Interest Expense	(1,020,490)	(725,812)	294,678	29	(4,023,895)	(1,819,642)	2,204,253	55	(1,109,116)
Amortization									
69210 - Amortization - Premium	91,589	272,038	180,449	197	366,357	546,809	180,452	49	148,408
69220 - Amortization - Cost of I	(36,322)	(67,440)	(31,118)	(86)	(145,286)	(176,090)	(30,803)	(21)	(108,101)
69230 - Amort-Commercial Paper	(1,139)	(1,139)	0	0	(4,556)	(4,556)	0	0	(4,556)
Total Amortization	54,129	203,459	149,331	276	216,515	366,163	149,648	69	35,750
Other Non-Operating Income (Expense)									
71520 - Fixed Asset Disposal-Pro	0	0	0	0	0	0	0	0	12,478
71530 - Gain/Loss On Investments	0	(2,171,378)	(2,171,378)	0	0	(1,262,244)	(1,262,244)	0	6,884
71540 - Discounts Earned	0	0	0	0	0	2,197	2,197	0	1,989
71610 - Legal Settlement Expense	0	0	0	0	0	(1,930)	(1,930)	0	0
71620 - Other non-operating revenue (e	0	3,733	3,733	0	0	188,429	188,429	0	57,274
71630 - Other Non-Operating Expe	0	2	2	0	0	0	0	0	0
Total Other Non-Operating Income (Expense)	0	(2,167,644)	(2,167,644)	0	0	(1,073,548)	(1,073,548)	0	78,625
Total Non-Operating Revenue/(Expense)	3,574,651	1,880,550	(1,694,101)	(47)	13,843,608	16,334,867	2,491,259	18	(14,994,375)
Capital Grant Contribution									
72100 - AIP Grants	1,495,987	3,408,769	1,912,782	128	4,163,417	10,581,035	6,417,618	154	10,635,690
Total Capital Grant Contribution	1,495,987	3,408,769	1,912,782	128	4,163,417	10,581,035	6,417,618	154	10,635,690
Total Expenses Net of Non-Operating Revenue/(Expense)	8,584,277	7,999,427	584,850	7	37,046,748	26,173,130	10,873,618	29	27,061,623

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For the four months ended October 31, 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)	Variance Percent	Prior Year Actual
Net Income/(Loss)	4,631,322	5,418,103	786,781	17	4,389,780	16,277,179	26,792,210	10,515,031	65	23,412,473
Equipment Outlay										
73200 - Equipment Outlay Expendi	\$(26,000)	\$(45,352)	\$(19,352)	(74)	\$0	\$(76,000)	\$(80,830)	\$(4,830)	(6)	\$(148,663)
73299 - Capitalized Equipment Co	0	45,352	45,352	0	0	0	80,830	80,830	0	148,663
Total Equipment Outlay	(26,000)	0	26,000	100	0	(76,000)	0	76,000	100	0

San Diego County Regional Airport Authority



Review of the Unaudited Financial Statements for the Four Months Ended October 31, 2011

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

November 21, 2011

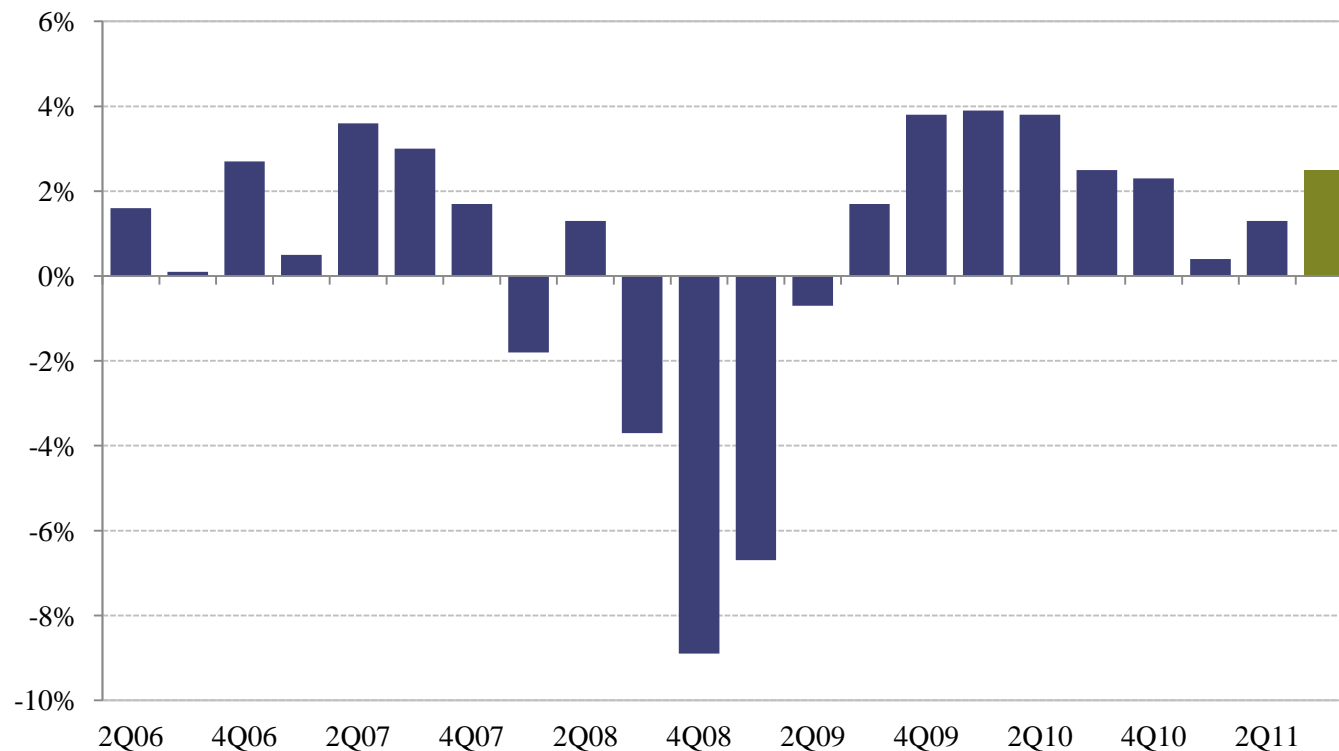


Third Quarter GDP Shows Improvement

Economic growth accelerated in the third quarter with third quarter GDP coming in at 2.5% (initial estimated) compared to 1.3% for the second quarter and 0.4% for the first quarter.

Improvement was led by business investment and personal consumption expenditures.

U.S. GDP
2Q 2006 – 3Q 2011



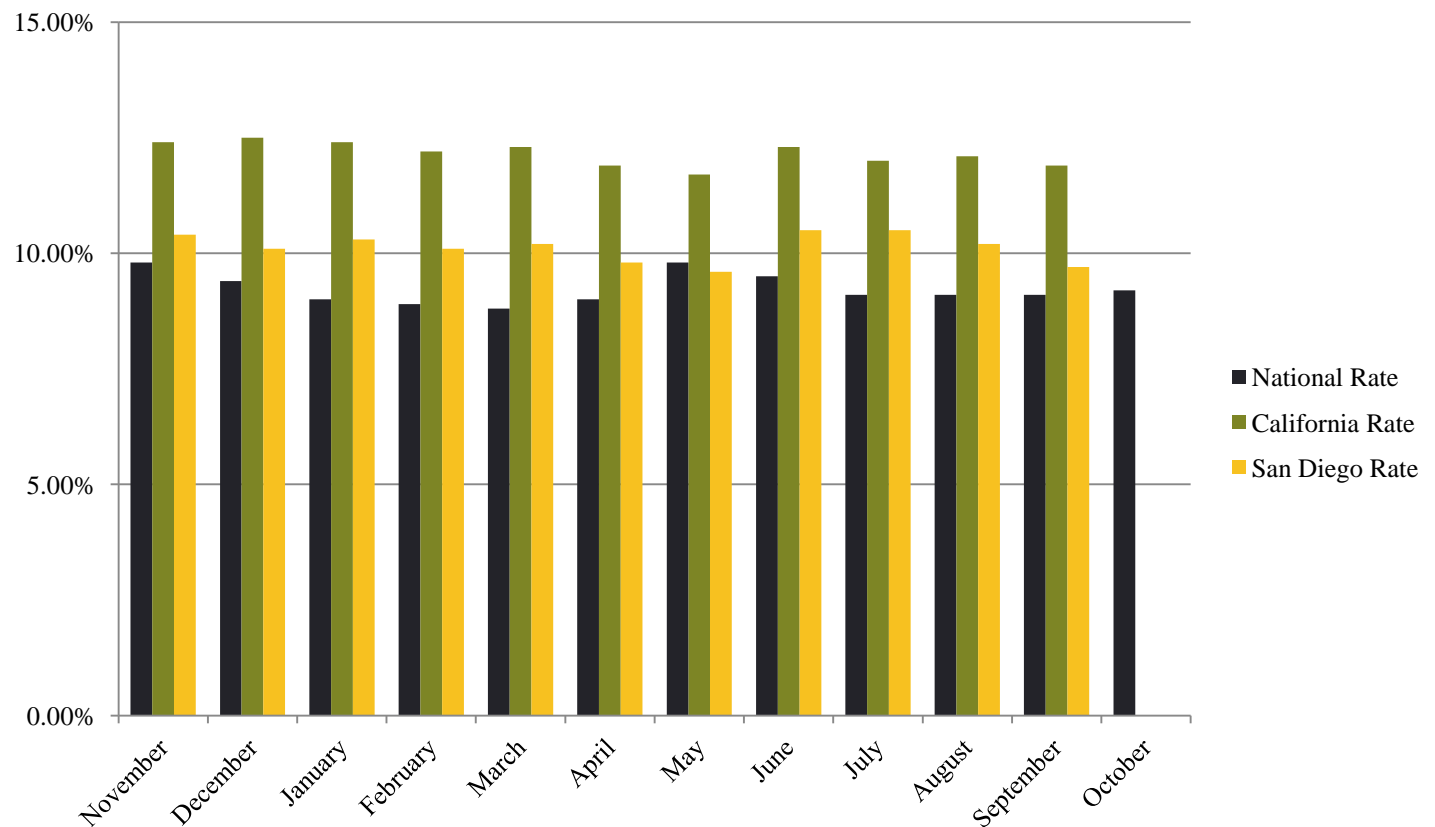


Unemployment Rate Remains High (To Be Updated 11/21)



The Federal unemployment decreased to 9.0% for the month of October. The California unemployment rate decreased to 11.9% in September, but continued to be higher than the national average. The U-6 rate is 16.2% for October. San Diego's unemployment rate decreased to 9.7% in September, 2011

Unemployment Rates





Consumer Confidence Falls in October



The Conference Board's Consumer Confidence Index fell further in October, falling 6.6 points to 39.8, leaving consumer confidence the lowest since the recession. The driving force behind October's low reading remains consumers' pessimistic outlook on business conditions, as 43.7% of individuals surveyed indicated that they perceived conditions as bad.

Consumer Confidence
October 2006 – October 2011





Housing Market Remains Depressed

The housing market continues to suffer, as existing home sales dropped 3.0% in September to a 4.91 million annual rate. The September number fell short of the consensus for a 4.93 million annual rate and ended the 7.7% gain in August. The decrease was a result of a 3.6% dip in the key single family component, which offset the 1.8% increase in condos. Among all four regions, only the Northeast showed small gains. The housing market will likely face headwinds in the future, as more foreclosures are coming down the pipeline.

Existing Home Sales
September 2001– September 2011



Existing home sales represents the number of sales in each month of previously constructed homes, condominiums, and co-ops. Existing homes are often a better indicator of trends in the housing market, as they account for a larger share of the market than new homes.



Oil Prices Rebound

Oil is now back up over \$95 per barrel (WTI), which is up over 10% for the past month. After falling to \$75 per barrel (WTI) in early October, oil has trended upward on generally favorable economic news and as the European sovereign debt crisis has moved towards a solution, which 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)
November 1, 2006 – November 8, 2011

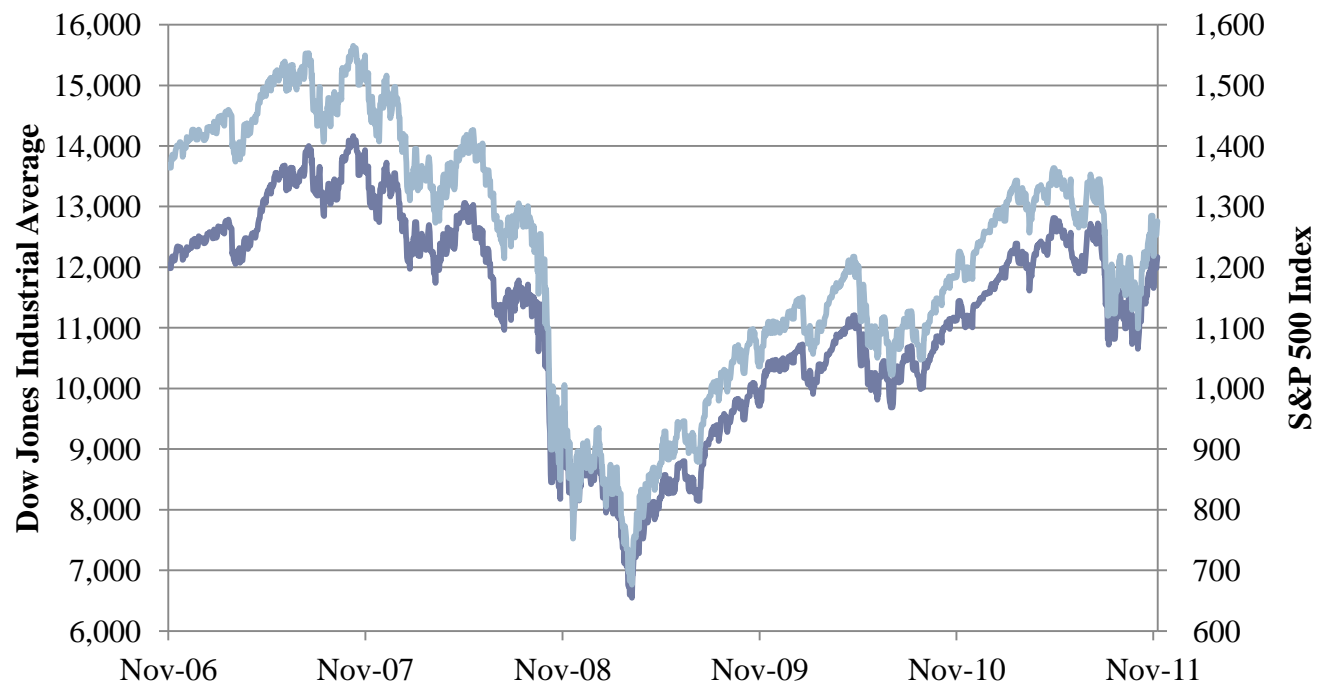




The Equity Markets Remain Volatile

The U.S. equity markets continue to experience significant volatility driven by uncertainty surrounding the European debt crisis. Year-to-date, the DJIA is still up approximately 5.1% and the S&P500 is up approximately 1.4%.

Dow Jones Industrial Average and S&P 500 Indices
November 1, 2006 – November 8, 2011





2-Year Treasury Yield Remains Range Bound

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, in recent weeks the 2-year Treasury yield has been trading around 0.25% as investors cautiously watch developments in Europe.

2-Year U.S. Treasury Yields
November 1, 2010 – November 8, 2011



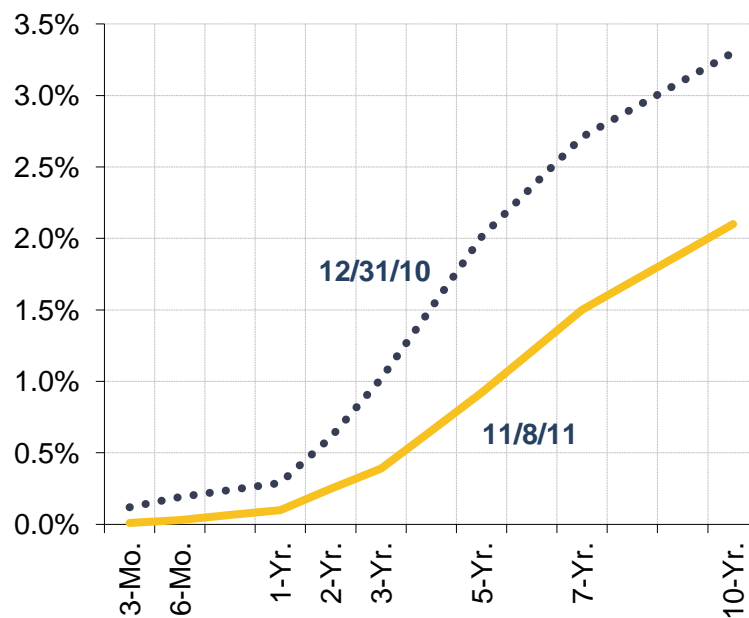


Yield Curve Flattens



Year to date, treasury yields are all down sharply resulting a significantly flatter yield curve.

U.S. Treasury Yield Curve
December 31, 2010 vs. November 8, 2011



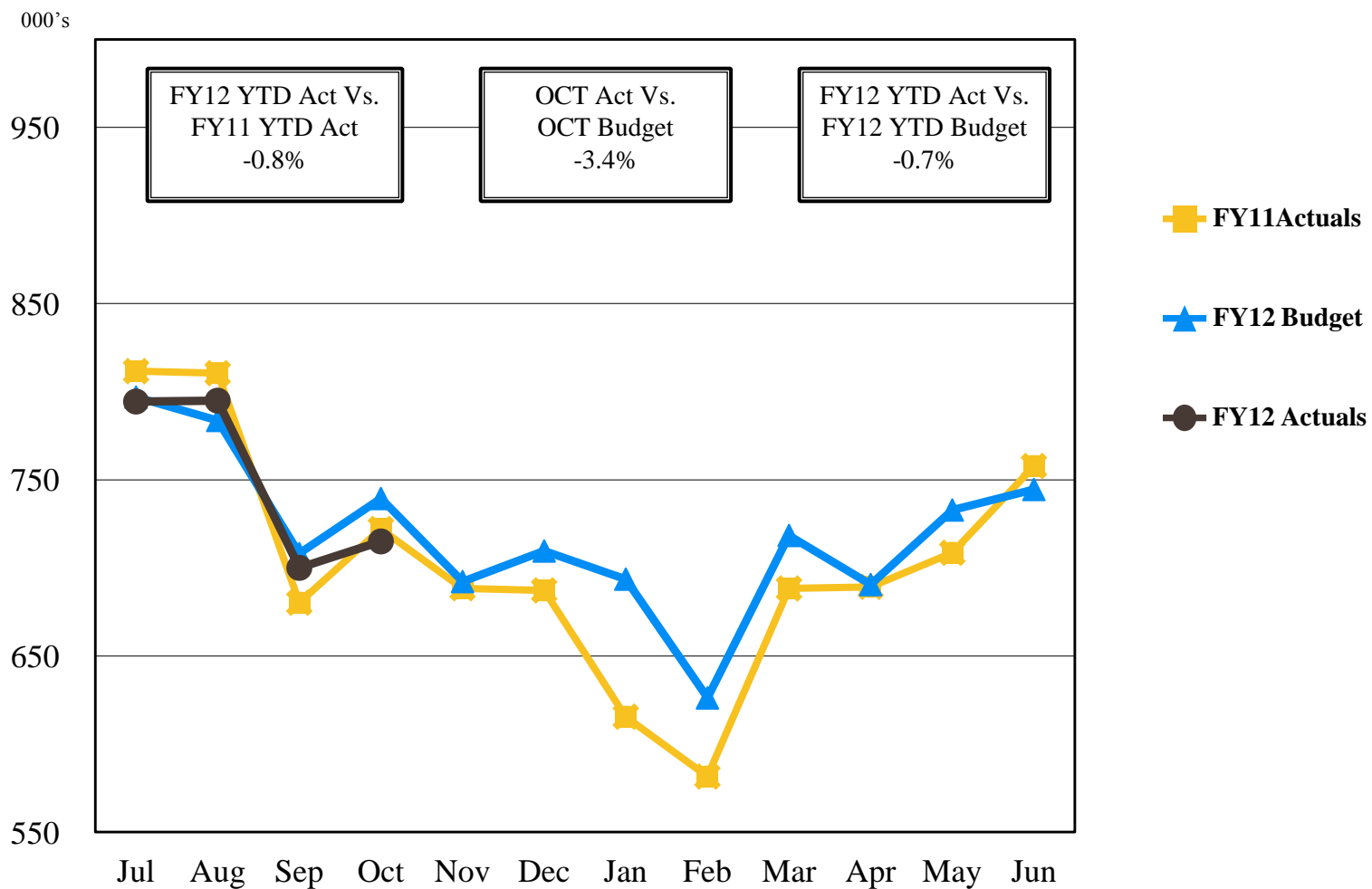
	12/31/10	11/8/11	Change
3-Mo.	0.12%	0.01%	(0.11%)
6-Mo.	0.19%	0.03%	(0.16%)
1-Yr.	0.29%	0.10%	(0.19%)
2-Yr.	0.61%	0.25%	(0.36%)
3-Yr.	1.02%	0.39%	(0.63%)
5-Yr.	2.01%	0.92%	(1.09%)
10-Yr.	3.30%	2.10%	(1.20%)

Unaudited Financial Statements For the Four Months Ended October 31, 2011





Enplanements

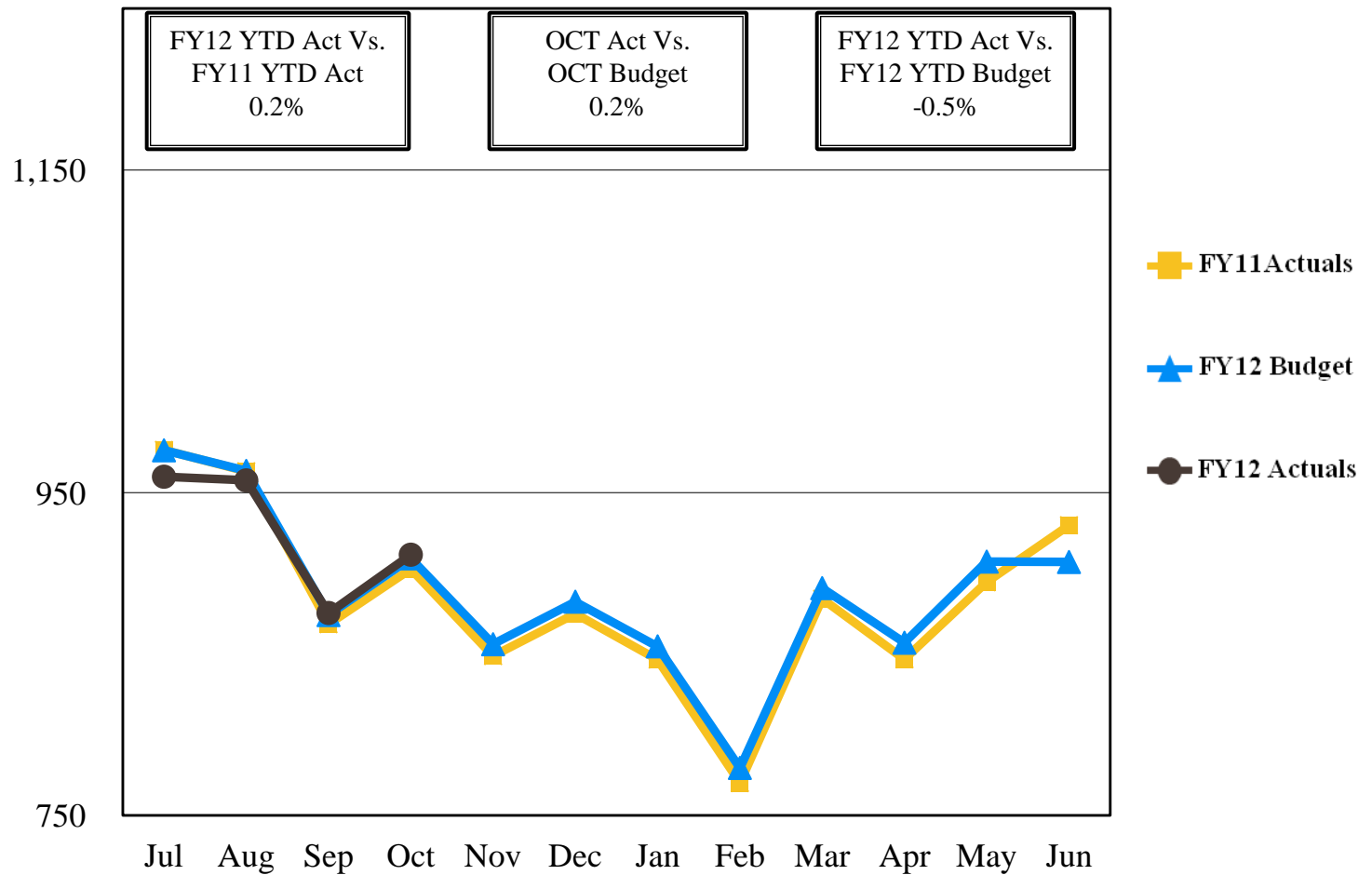




Gross Landing Weight Units (000 lbs)

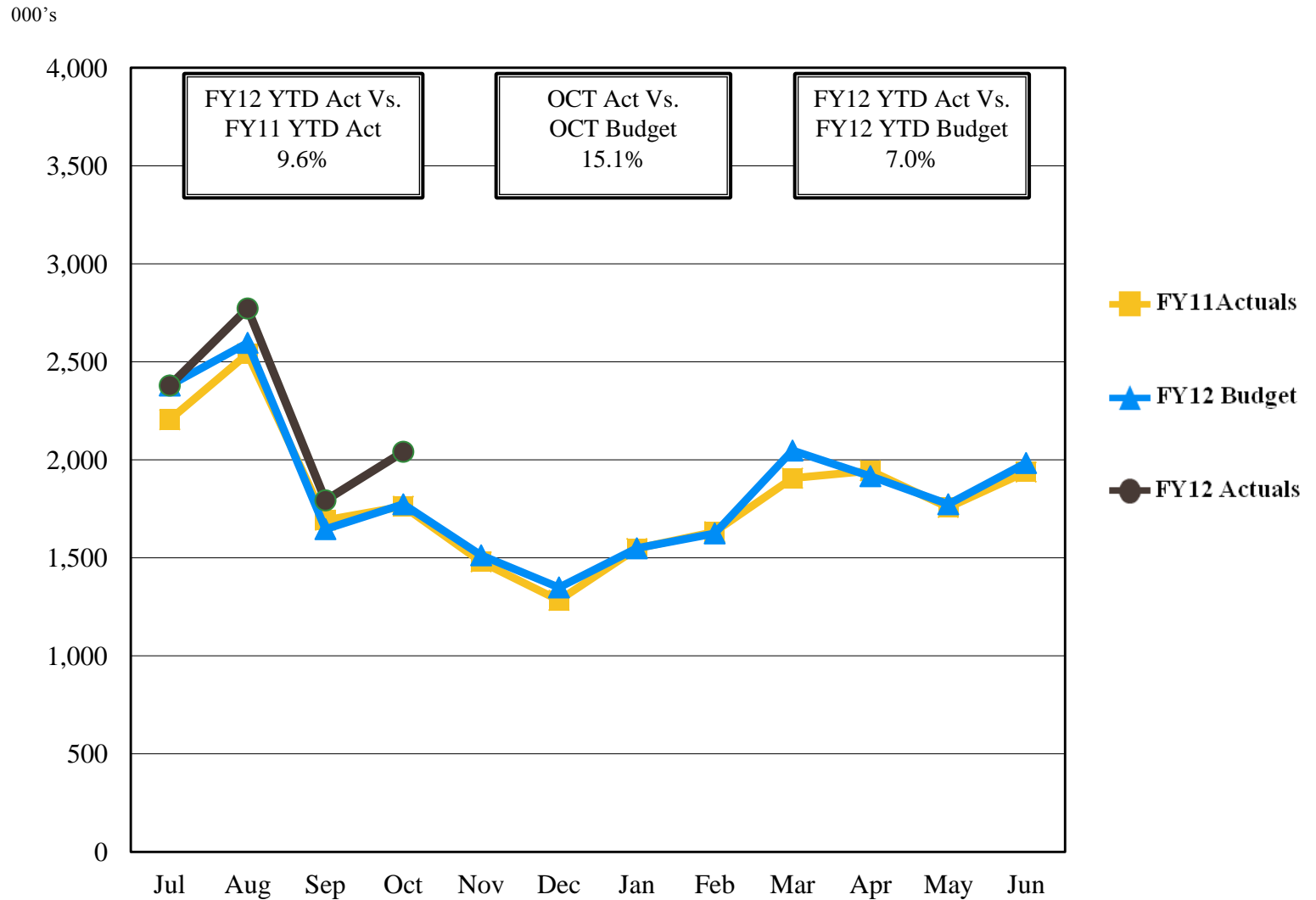


000's





Car Rental License Fees



Revenues & Expenses (Unaudited) For the Month Ended October 31, 2011





Operating Revenues

for the Month Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 1,689	\$ 1,622	\$ (67)	(4)%	\$ 1,607
Aircraft parking fees	253	266	13	5%	245
Building rentals	2,656	2,758	102	4%	2,324
Security surcharge	1,394	1,428	34	2%	1,232
Other aviation revenue	133	132	(1)	(1)%	136
Total aviation revenue	\$ 6,125	\$ 6,206	\$ 81	1%	\$ 5,544



Operating Revenues

for the Month Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 75	\$ 75	\$ 0	-	\$ 67
Concession revenue:					
Terminal concession revenue:					
Food and beverage	506	570	64	13%	526
Gifts and news	328	349	21	6%	333
Other	243	268	25	10%	243
Total terminal concession revenue	<u>1,077</u>	<u>1,187</u>	<u>110</u>	<u>10%</u>	<u>1,102</u>
Car rental and license fee revenue:					
Rental car and license fees	1,773	2,040	267	15%	1,762
License fees-other	221	232	11	5%	216
Total rental car and license fees	<u>1,994</u>	<u>2,272</u>	<u>278</u>	<u>14%</u>	<u>1,978</u>
Total concession revenue	<u>\$ 3,071</u>	<u>\$ 3,459</u>	<u>\$ 388</u>	<u>13%</u>	<u>\$ 3,080</u>



Operating Revenues

for the Month Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term airport parking revenue	\$ 899	\$ 628	\$ (271)	(30)%	\$ 689
Long-term airport parking revenue	2,323	2,299	(24)	(1)%	2,246
Total parking revenue	3,222	2,927	(295)	(9)%	2,935
Ground transportation permits and citations	104	126	22	21%	93
Ground rentals	539	530	(9)	(2)%	479
Grant reimbursements	18	17	(1)	(6)%	34
Other operating revenue	61	75	14	23%	35
Subtotal	3,944	3,675	(269)	(7)%	3,576
Total operating revenues	\$ 13,215	\$ 13,415	\$ 200	2%	\$ 12,267



Operating Revenues

for the Month Ended October 31, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 2,956	\$ 2,746	\$ 210	7%	\$ 2,881
Contractual services	2,279	2,153	126	6%	2,276
Safety and security	1,675	1,593	82	5%	1,524
Space rental	951	946	5	1%	910
Utilities	524	751	(227)	(43)%	429
Maintenance	527	700	(173)	(33)%	818
Equipment and systems	25	5	20	80%	45
Materials and supplies	30	21	9	30%	8
Insurance	86	64	22	26%	90
Employee development and support	97	73	24	25%	71
Business development	303	183	120	40%	137
Equipment rental and repairs	169	108	61	36%	93
Total operating expenses	\$ 9,622	\$ 9,343	\$ 279	3%	\$ 9,282



Financial Summary

for the Month Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 13,215	\$ 13,415	\$ 200	2%	\$ 12,267
Total operating expenses	9,622	9,343	279	3%	9,282
Income from operations	3,593	4,072	479	13%	2,985
Depreciation	4,033	3,947	86	2%	4,151
Operating income (loss)	\$ (440)	\$ 125	\$ 565	128%	\$ (1,166)



Nonoperating Revenues & Expenses for the Month Ended October 31, 2011 (Unaudited)



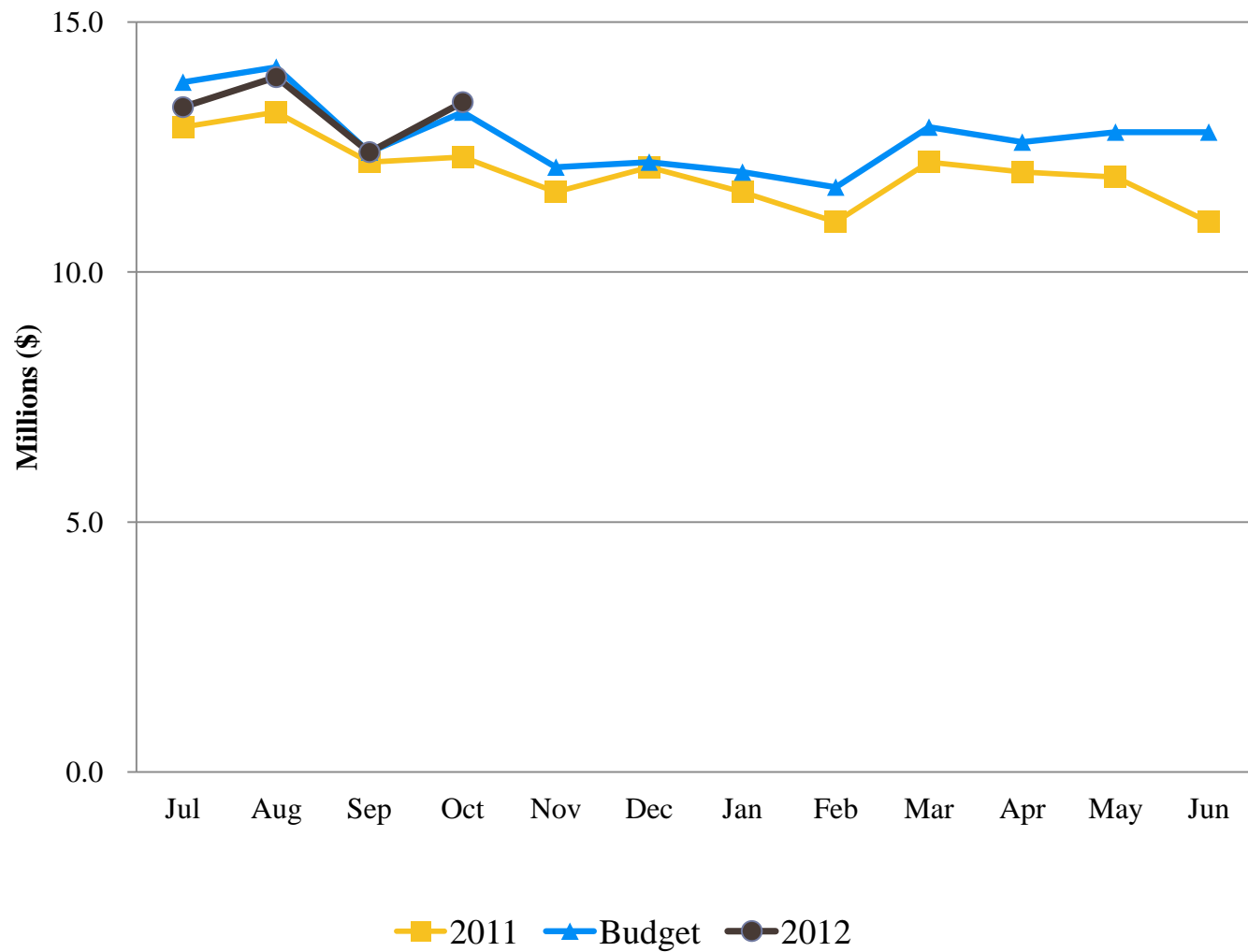
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 3,011	\$ 3,205	\$ 194	6%	\$ 2,966
Customer facility charges (ConRAC Facili	931	1,053	122	13%	991
Quieter Home Program	(262)	(599)	(337)	(129)%	(137)
Interest income	445	496	51	11%	424
BAB interest rebate	416	416	-	0%	-
Interest expense	(1,020)	(726)	294	29%	(423)
Bond amortization cost	54	203	149	276%	54
Other nonoperating revenue (expenses)	-	(2,168)	(2,168)	-	35
Nonoperating revenue, net	3,575	1,880	(1,695)	(47)%	3,910
Income before grant contributions	3,135	2,005	(1,130)	(36)%	2,744
Capital grant contributions	1,496	3,409	1,913	128%	1,644
Net income	\$ 4,631	\$ 5,414	\$ 783	17%	\$ 4,388

Revenues & Expenses (Unaudited)
For the Four Months Ended
October 31, 2011





Monthly Operating Revenue, FY 2012 (Unaudited)





Operating Revenues

for the Four Months Ended October 31, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 6,892	\$ 6,793	\$ (99)	(1)%	\$ 6,518
Aircraft parking fees	1,010	1,060	50	5%	1,004
Building rentals	10,634	10,767	133	1%	9,371
Security surcharge	5,577	5,605	28	-	4,953
Other aviation revenue	531	531	(0)	-	536
Total aviation revenue	\$24,644	\$24,756	\$ 112	-	\$22,382



Operating Revenues

for the Four Months Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 301	\$ 292	\$ (9)	(3)%	\$ 268
Concession revenue:					
Terminal concession revenue:					
Food and beverage	2,043	2,167	124	6%	2,109
Gifts and news	1,375	1,437	62	5%	1,379
Other	991	996	5	1%	945
Total terminal concession revenue	4,409	4,600	191	4%	4,433
Car rental and license fee revenue:					
Rental car license fees	8,395	8,985	590	7%	8,200
License fees-other	917	936	19	2%	956
Total rental car and license fees	9,312	9,921	609	7%	9,156
Total concession revenue	\$ 13,721	\$ 14,521	\$ 800	6%	\$13,589



Operating Revenues

for the Four Months Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term airport parking	\$ 2,921	\$ 1,906	\$ (1,015)	(35)%	\$ 2,442
Long-term airport parking	8,576	8,215	(361)	(4)%	8,608
Total parking revenue	11,497	10,121	(1,376)	(12)%	11,050
Ground transportation permits and citations	638	579	(59)	(9)%	353
Ground rentals	2,203	2,226	23	1%	2,375
Grant reimbursements	72	175	103	143%	170
Other operating revenue	246	296	50	20%	287
Subtotal	14,656	13,397	(1,259)	(9)%	14,235
Total operating revenues	\$ 53,322	\$ 52,966	\$ (356)	(1)%	\$ 50,474



Airport Parking Transactions



000's

300,000

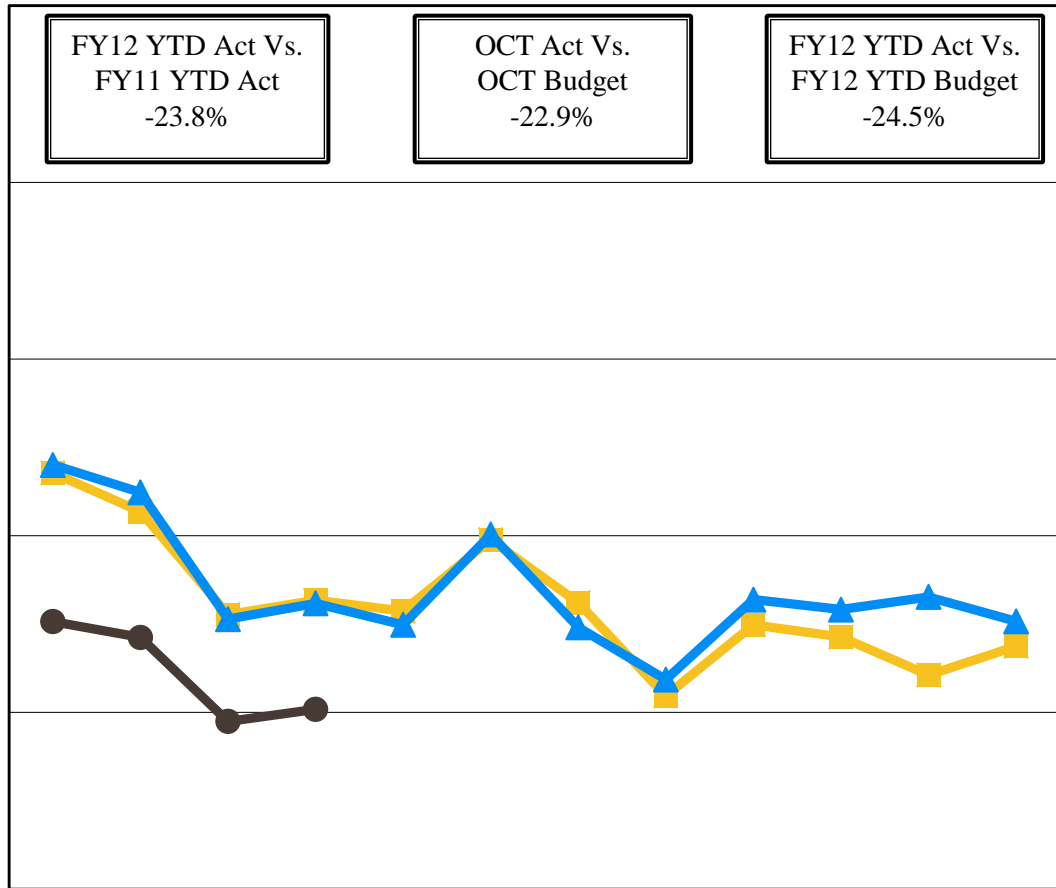
250,000

200,000

150,000

100,000

50,000



■ FY11 Actuals

▲ FY12 Budget

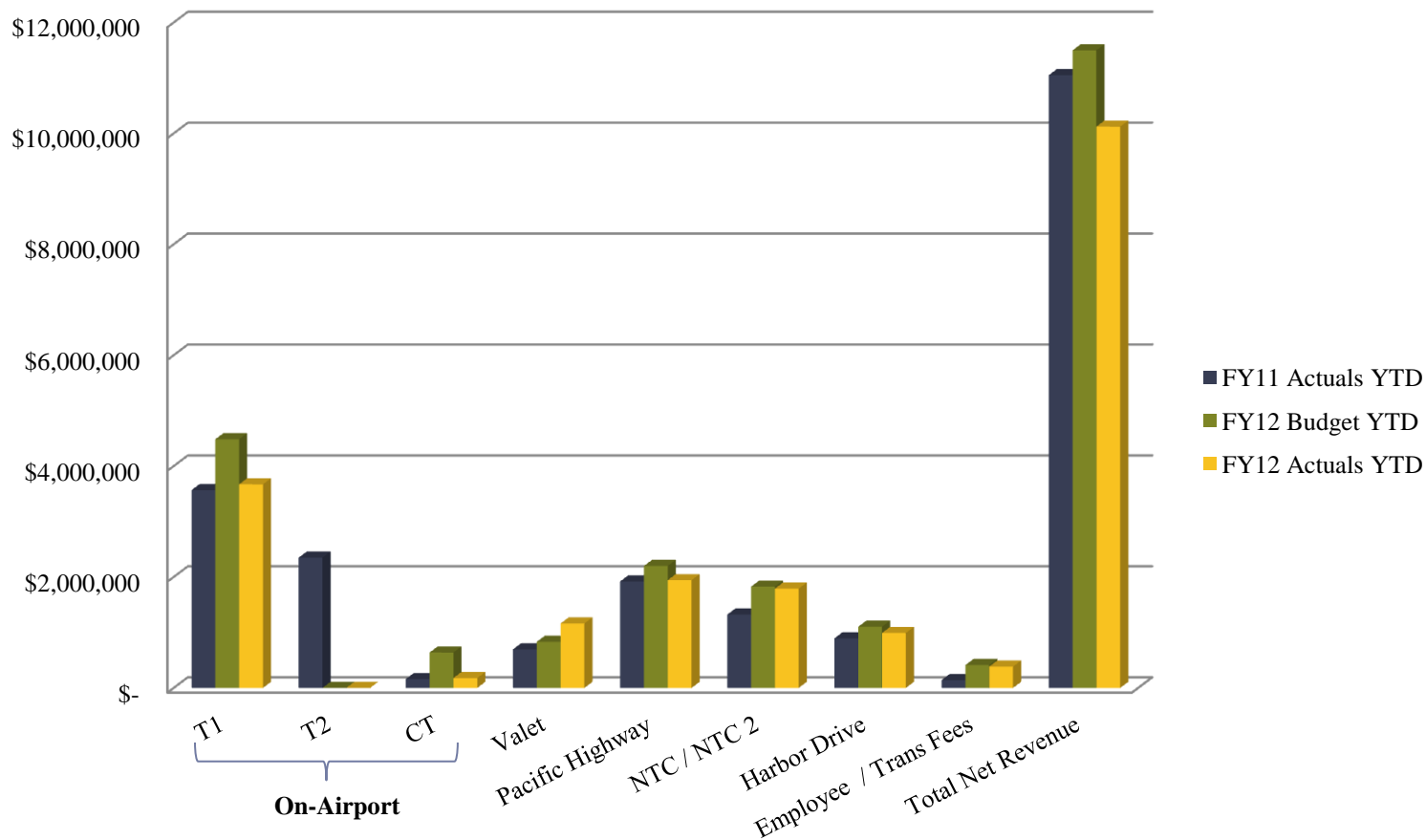
● FY12 Actuals



Parking Revenue



Parking Revenue (\$)
Four Months Ended October 2011

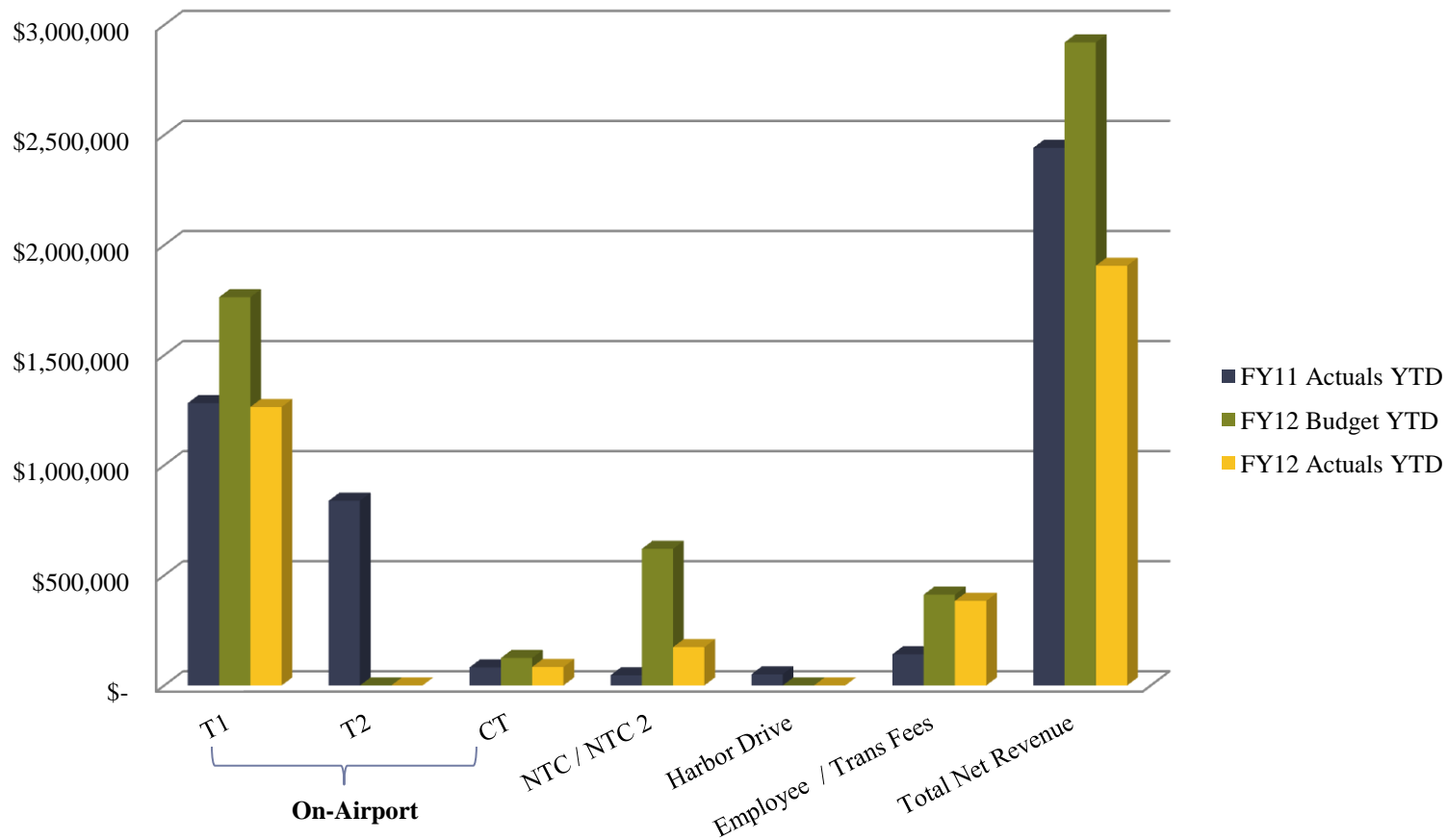




Short Term Parking Revenue



**Short Term Parking Revenue (\$)
Four Months Ended October 2011**

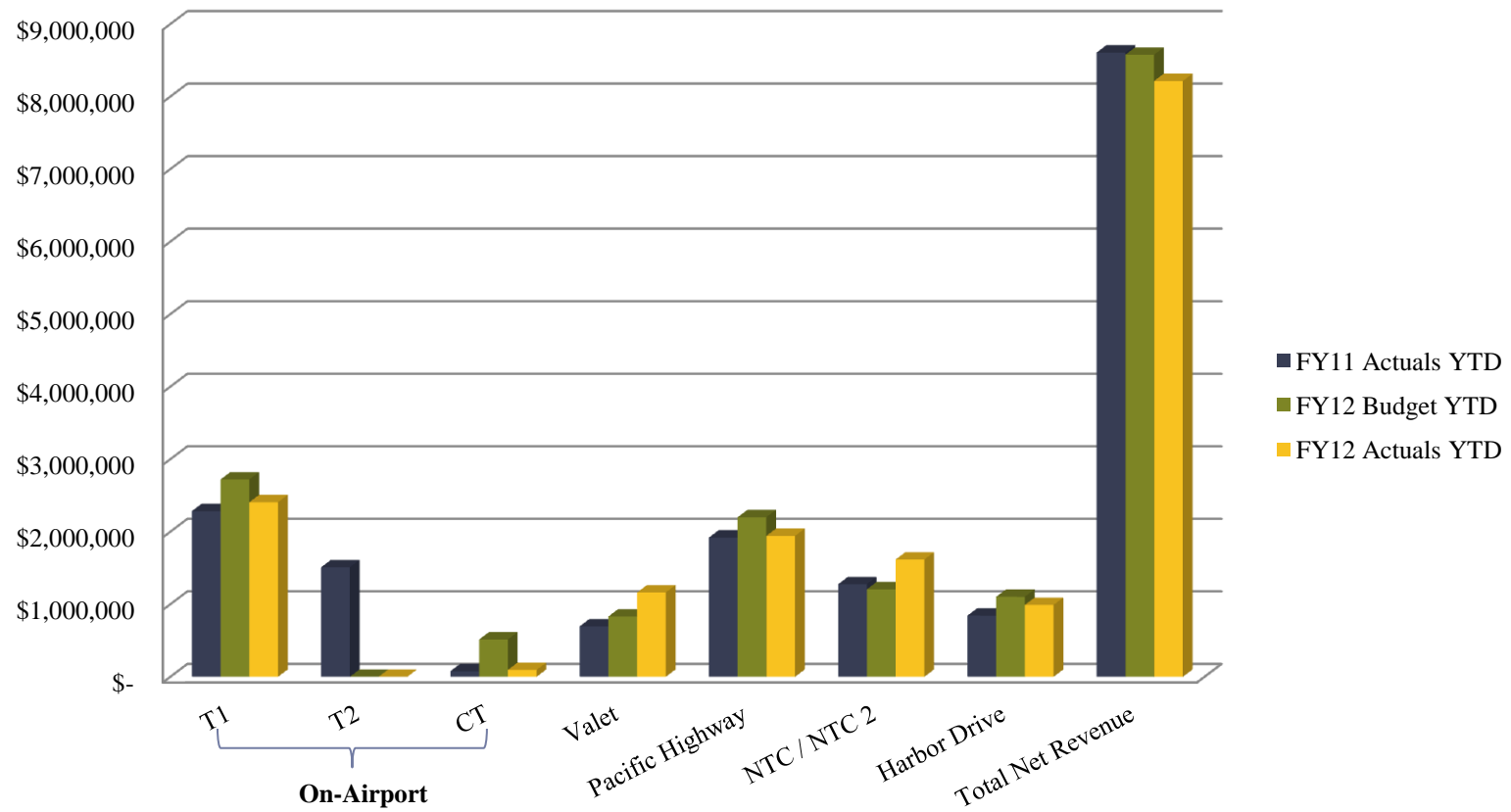




Long Term Parking Revenue

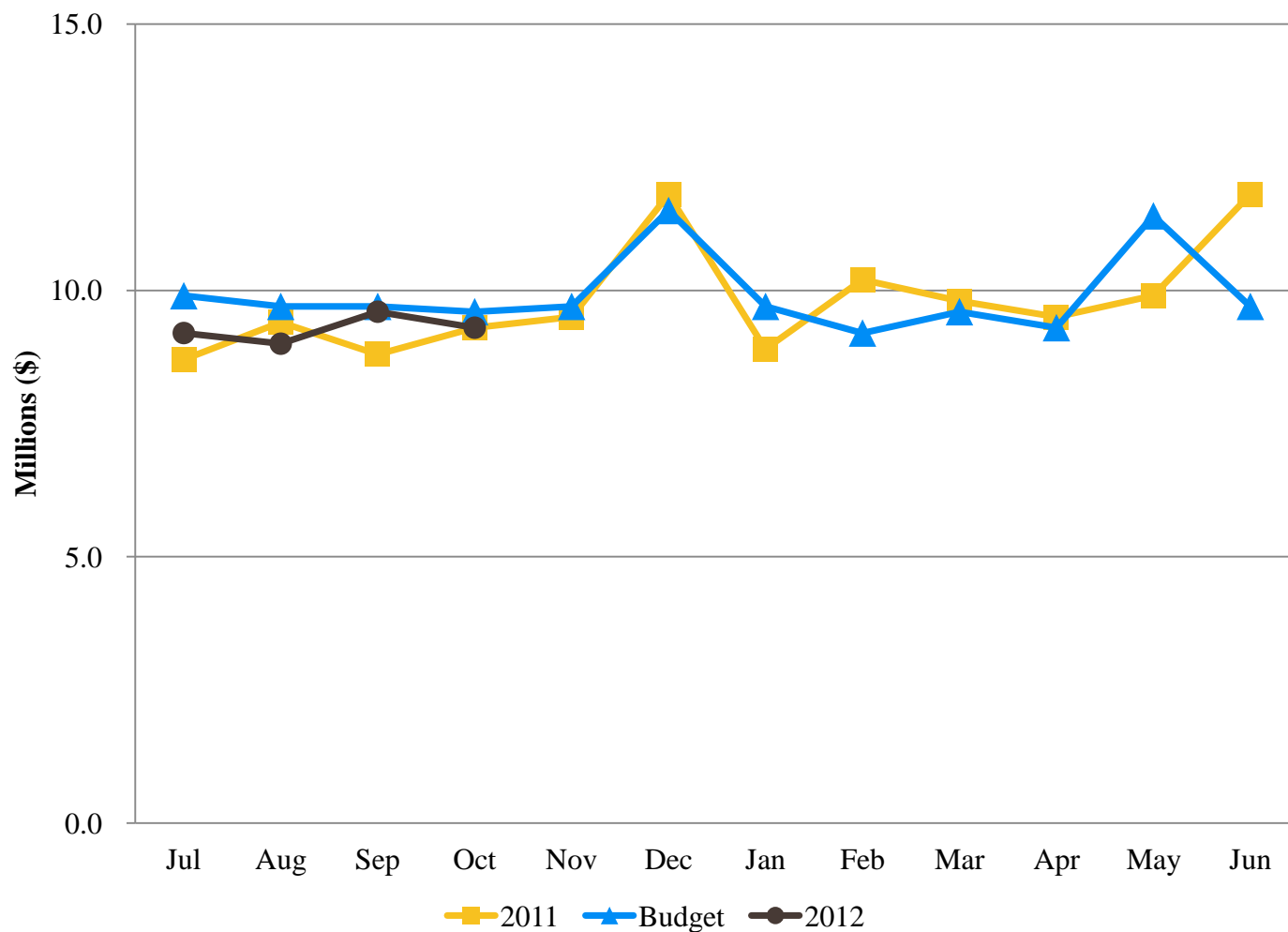


**Long Term Parking Revenue (\$)
October YTD**





Monthly Operating Expenses, FY 2012 (Unaudited)





Operating Expenses

for the Four Months Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$11,867	\$11,119	\$ 748	6%	\$11,525
Contractual services	9,169	8,806	363	4%	8,379
Safety and security	6,561	6,491	70	1%	6,249
Space rental	3,805	3,805	0	-	3,636
Utilities	2,409	2,761	(352)	(15)%	2,274
Maintenance	2,841	2,566	275	10%	2,524
Equipment and systems	102	40	62	61%	108
Materials and supplies	105	69	36	34%	78
Insurance	340	249	91	27%	361
Employee development and support	354	196	158	45%	232
Business development	842	522	320	38%	461
Equipment rental and repairs	617	456	161	26%	402
Total operating expenses	\$39,012	\$37,080	\$ 1,932	5%	\$36,229



Financial Summary

for the Four Months Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 53,322	\$ 52,966	(356)	(1)%	\$50,474
Total operating expenses	39,012	37,080	1,932	5%	36,229
Income from operations	14,310	15,886	1,576	11%	14,245
Depreciation	16,042	16,010	32	-	16,465
Operating income (loss)	\$ (1,732)	\$ (124)	\$ 1,608	93%	\$ (2,220)



Nonoperating Revenues & Expenses for the Four Months Ended October 31, 2011 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 11,520	\$ 11,716	\$ 196	2%	\$11,528
Customer facility charges (ConRAC Facility)	3,700	3,924	224	6%	3,843
Quieter Home Program	(1,014)	(494)	520	51%	(1,072)
Interest income	1,779	2,052	273	15%	1,691
BAB interest rebate	1,665	1,665	-	-	-
Interest expense	(4,024)	(1,820)	2,204	55%	(1,109)
Bond amortization cost	217	366	149	69%	36
Other nonoperating revenue (expenses)	-	(1,074)	(1,074)	-	79
Nonoperating revenue, net	13,843	16,335	2,492	18%	14,996
Income before grant contributions	12,111	16,211	4,100	34%	12,777
Capital grant contributions	4,163	10,581	6,418	154%	10,636
Net income	\$ 16,274	\$ 26,792	\$ 10,518	65%	\$23,414



Balance Sheets (Unaudited)

	(In thousands)	
	October	
	2011	2010
Current assets:		
Cash and investments	\$ 87,635	\$ 108,320
Tenant lease receivable, net of allowance of 2011: \$35,803 and 2010: \$20,055	6,738	5,445
Grants receivable	7,904	4,787
Notes receivable-current portion	1,696	1,613
Prepaid expenses and other current assets	9,704	10,911
Total current assets	113,677	131,076
Cash designated for capital projects and other	\$ 8,304	\$ 4,630



Balance Sheets (Unaudited)

(In thousands)

October

2011

2010

Restricted assets:

Cash and investments:

Bonds reserve	\$ 45,098	\$ 45,708
Passenger facility charges and interest unapplied	53,168	64,204
Customer facility charges and interest applied*	23,826	13,752
Commercial paper reserve	63	152
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	333,885	440,083
Commercial paper interest held by trustee	13	140
Passenger facility charges receivable	5,342	5,426
Customer facility charges receivable*	1,075	959
OCIP insurance reserve	6,239	6,400
Total restricted assets	\$ 472,709	\$ 580,824



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)

October

2011

2010

\$ 24,482	\$ 23,454
273,649	235,559
464,492	462,800
10,329	10,078
5,423	5,295
30,646	30,072
2,446	2,411
412,402	218,540
1,223,869	988,209
(523,939)	(475,605)
\$ 699,930	\$ 512,604



Balance Sheets (Unaudited)



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

(In thousands)		
October		
	2011	2010
\$	42,365	\$ 44,092
	7,380	8,383
	4,896	4,923
	7,575	8,132
	500	-
	62,716	65,529
	762,646	578,133
	<u>\$1,357,336</u>	<u>\$1,294,663</u>



Balance Sheets (Unaudited)

	(In thousands)	
	October	
	2011	2010
Current liabilities:		
Accounts payable and accrued liabilities	\$ 51,608	\$ 40,433
Deposits and other current liabilities	2,836	3,222
Total current liabilities	54,444	43,655
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	5,905	4,725
Accrued interest on bonds and commercial paper	10,554	3,379
Total liabilities payable from restricted assets	\$ 16,459	\$ 8,104



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)

October

	2011	2010
\$ 20,729	\$ 21,509	
108	495	
1,577	1,188	
629,973	635,848	
652,387	659,040	
\$ 723,290	\$ 710,798	



Balance Sheets (Unaudited)

	(In thousands)	
	October	
	2011	2010
Authority net assets:		
Invested in capital assets, net of related debt	\$ 376,613	\$ 306,297
Other restricted	150,217	149,494
Unrestricted:		
Designated	15,879	16,763
Undesignated	91,337	111,312
Total net assets	634,046	583,865
 TOTAL LIABILITIES AND NET ASSETS	 \$1,357,336	 \$ 1,294,663



Questions

