SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SAN DIEGO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEARS ENDED JUNE 30, 2022 & 2021

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

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FISCAL YEARS ENDED JUNE 30, 2022 & 2021

PREPARED BY

ACCOUNTING DEPARTMENT OF THE
SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Scott Brickner
Vice President/Chief Financial Officer

Elizabeth Stewart
Director, Accounting

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INTRODUCTORY SECTION

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GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
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SAN DIEGO INTERNATIONAL AIRPORT
LET'S GO.

November 1, 2022.
To Members of the Board and the Public:

We are pleased to present the Annual Comprehensive Financial Report of the San Diego County Regional Airport Authority (Airport Authority) for the fiscal years ended June 30, 2022, and 2021. The purpose of this report is to provide the Airport Authority Board of Directors (Board), the public and other interested parties with reliable information concerning the financial condition and operational results of the Airport Authority. The Airport Authority's Accounting Department prepared this report following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Responsibility for the accuracy, completeness and fairness of the presented data, including all disclosures, rests with Airport Authority management.

To the best of our knowledge and belief, this report fairly presents and fully discloses the Airport Authority's financial position, changes in financial position, results of operations and cash flows in accordance with generally accepted accounting principles (GAAP) in the United States of America.

The Airport Authority has established and maintains a comprehensive framework of internal controls to provide reasonable assurance that assets are carefully safeguarded, transactions are properly executed, and the financial statements are free from material misstatement.

The Airport Authority engaged the Certified Public Accounting firm FORVIS, LLP to perform the annual independent audit of the basic financial statements contained in this report. The auditors issued an unmodified (or clean) opinion on the Airport Authority's financial statements for the fiscal years ended June 30, 2022 and 2021.

GAAP requires that management provide a narrative overview and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A) section. This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the Financial Section of this report.

PROFILE OF AIRPORT AUTHORITY AND ORGANIZATIONAL STRUCTURE

The Airport Authority began operations on January 1, 2003, as an independent agency to manage the operations of San Diego International Airport (SAN) and address the region's long-term air transportation needs.

The legislation that created the Airport Authority mandates three main responsibilities:

- Operate San Diego International Airport
- Plan for the future air transportation needs of the region
- Serve as the region's Airport Land Use Commission – and ensure the adoption of land use plans that protect public health and safety surrounding all 16 of the county's airports.

The Airport Authority is governed by an appointed Board of Directors of nine members representing all areas of San Diego County and three additional members serving as non-voting, ex-officio Board members. Three Board members serve as the Executive Committee consisting of one Board member from each of the following defined jurisdictions: the City of San Diego, the County of San Diego, and one Board member from among the east county cities, south county cities, north county coastal or north county inland cities. The Board members serve three-year terms.

The management and operations of SAN are carried out by a staff headed by the President/ Chief Executive Officer, who is appointed by and reports directly to the Airport Authority Board.

ECONOMIC CONDITION

The United States Census Bureau estimates the population of San Diego County to be 3.29 million as of July 1, 2021. The county is the second largest in California, in terms of population, and the City of San Diego ranks as the second largest city in the state. The majority of the county's population is concentrated in its western portion adjacent to the ocean. The largest cities in the county are San Diego (42 percent), Chula Vista (8 percent), Oceanside (5 percent), Escondido (5 percent), Carlsbad (4 percent), and El Cajon (3 percent). The combined San Diego/Tijuana metropolitan population is estimated to be approximately 5.5 million inhabitants. The Air Trade Area for SAN includes San Diego County as well as portions of neighboring Orange, Imperial and Riverside Counties, and Baja California, Mexico.

As the economy recovers from the pandemic, the San Diego region is faring favorably compared to other large US cities, due to its many strong business sectors. These include innovation, manufacturing, construction, military and, once again, tourism. In 2022, economic measures have been somewhat volatile and at times inconsistent, showing strong employment, high inflation, slow or negative Gross Domestic Product growth, and unpredictable debt and equity markets.

The airline industry realized a stronger recovery in domestic capacity in the second half of 2021 compared to the first half. Despite the arrival of the new COVID-19 Omicron variant, capacity remained stable. Major cancellations became the main focus as airlines struggled with staff shortages. By June of 2022, leisure travel was experiencing a strong rebound, while business, convention and international travel were tracking at a more gradual trajectory. By the summer of 2022, passenger levels were approximately 90 percent of 2019 traffic, with holiday weekend travel periods even slightly exceeding pre-pandemic levels.

As the air travel industry continued on the path to recovery, through the 2022 fiscal year, the Airport Authority gradually deactivated its Financial Resiliency Plan, implemented in March 2020 in response to the COVID-19 pandemic. The Airport Authority resumed hiring and normal financial operations, while maintaining a conservative approach to spending. In addition, many of the proposed capital improvement projects that had been suspended because of the pandemic have now been placed back in the plan. San Diego has always been a desirable place to visit and do business and the Airport Authority is optimistic that recovery will continue and long-term growth prospects are positive.

MAJOR INITIATIVES, AWARDS, AND ACCOMPLISHMENTS

GROWING SAN'S AIR SERVICE OFFERINGS

With access to COVID-19 vaccinations and declining case numbers, people around the world were once again eager to take trips, visit friends and family, and conduct face-to-face meetings. During fiscal year 2022, SAN welcomed back some airline routes that had been suspended and added nonstop service to new cities.

International air service gained momentum after many countries began to lift travel restrictions, making it easier to travel between destinations. In August 2021, Air Canada resumed nonstop service to Vancouver, British Columbia, Canada. In October 2021, WestJet resumed nonstop service to Calgary, Alberta, Canada, and British Airways resumed nonstop service to London, England, United Kingdom. Lufthansa opted to offer nonstop service to Munich, Bavaria, Germany beginning in March 2022 instead of returning to Frankfurt, Hesse, Germany where they provided service pre-pandemic. In May 2022, WestJet resumed seasonal nonstop flights to Vancouver, British Columbia, Canada and Air Canada began nonstop flights to Montreal, Quebec, Canada.

Domestic routes continued to be added as well. Southwest Airlines added non-stop service to Bozeman, Montana, beginning in November 2021, and at the same time resumed nonstop service to New Orleans, Louisiana, after the route was suspended in May 2022 due to the pandemic. Allegiant Air added service to Austin, Texas beginning April 2022. The airline also offered seasonal nonstop flights to Sioux Falls, South Dakota beginning in May 2022. Spirit Airlines began nonstop service to Oakland, California the same month.

AIRLINE SUPPORT BUILDING REACHES COMPLETION

In July 2021, the Airport Authority celebrated the completion of the Airline Support Building (ASB), a modern 93,000-square-foot building that houses airline belly cargo, ground service equipment maintenance, and serves as a storage area for aircraft provisioning items. It is located on the south side of SAN's airfield along the main roadway towards the airport entrance which improves access for the public and transport vehicles. Southwest Airlines, American Airlines, Alaska Airlines, Hawaiian Airlines, Sun Country Airlines, Delta Airlines, Lufthansa, and United Airlines are all housed in the facility.

BREAKING GROUND ON THE NEW T1

After several years of planning, on November 1, 2021, the Airport Authority began construction on the New Terminal 1 (New T1) project which includes the replacement of the outdated Terminal 1, improvements to the airfield, improved transportation connectivity to the airport, and a new facility for the Airport Authority administration. A ceremonial groundbreaking event was held in December 2021 where federal, state, and local officials were seen wearing hard hats and holding shovels commemorating the historic day.

The New T1 will feature pre-and post-security passenger connectors to Terminal 2, a new parking plaza, an expansive security checkpoint, an outdoor patio area post-security providing views of the airfield, San Diego Bay, and downtown, up to two airline or common-use lounges/clubs, and a children's play area. Six artists have been commissioned to create integrated, site-specific public art for the New T1 and the façade is being designed by renowned artist James Carpenter.

An important feature of the New T1 project is a three-lane on-airport access roadway that will take traffic from Laurel Street directly to the airport, reducing 45,000 vehicles a day on Harbor Drive. A dual-level roadway and curb front to separate arriving and departing passenger traffic with an elevated departures roadway and curbside check-in will also be integrated. The Airport Authority has preserved a space for a future transit station, giving the airport even more direct accessibility.

The airport has an economic impact of $12 billion on the region and serves as a critical link to San Diego's top economic sectors. The total project budget is $3.4 billion. The initial estimate is that the New T1 project will create between 15,000 to 20,000 construction-related jobs and maximize opportunities for small, local, veteran-owned small businesses, and disadvantaged business enterprises through the Airport Authority's Small Business Development program.

THE SAN DIEGO FLYER OFFERS PASSENGERS A LAST-MILE CONNECTION

The San Diego Flyer, a free-to-customers electric shuttle bus service between the airport and Old Town Transit Center, launched just before Thanksgiving 2021. The electric shuttle buses operate seven days a week, with an average arrival every 20 to 30 minutes. Pick-up and drop-offs are timed to meet the first and last Trolley, Coasters, Amtrak trains, and MTS busses.

The service is provided on six Electric Vehicle (EV) shuttles which are powered by 100 percent sustainable energy through charging stations located on airport property. The EV shuttles are equipped with air conditioning, luggage racks, bike racks, and an ADA ramp. In fiscal year 2022, daily ridership has been between 150-250 riders.

THE AIRPORT AUTHORITY COMPLETES THE LARGEST SINGLE BOND SALE BY A CALIFORNIA AIRPORT

The Airport Authority completed a major bond financing totaling $1.94 billion, the largest single bond sale by a California airport, in December 2021.

Approximately $1.58 billion of the bonds are being used to pay for a portion of the New T1 program and achieved a true interest cost of 3.3 percent. This has reduced financing costs on a present value basis by an estimated $387 million over the life of the program when compared to the plan of finance approved by the Airport Authority Board in October 2021. Of the remaining portion of the bonds, approximately $357 million was used to refinance existing debt that has been in place since 2013, resulting in net present value savings for the Airport Authority of approximately $53 million.

SUSTAINABILITY REPORT

Each year, the Airport Authority releases a Sustainability Report which serves as a useful barometer for SAN's relationship to the environment, the traveling public, its stakeholders, and the greater San Diego community. The report is organized into three sections: Social, Economic, and Environmental.

The Social Sustainability section looks at ways in which the Airport Authority focuses on the customer experience, employee diversity, recruitment, retention, and training, and regional and industry leadership. The Economic Sustainability section focuses on ways in which the Airport Authority optimizes facilities, enhances revenue, reduces expenses, drives the regional economy, provides opportunities for small businesses, and plans for the future. The Environmental Sustainability section focuses on ways in which the Airport Authority is achieving carbon neutrality, serving as water stewards, pursuing energy efficiency and innovation, working towards clean, accessible transportation, zero waste, protecting biodiversity, building resilience for future climate conditions, and addressing aircraft noise.

The 2020-2021 Sustainability Report traces the Airport Authority's journey from the early months of the pandemic when resilience was the watchword, to the early signs of recovery and a healthier, safer future for the region. It tells the story of recovery from two perspectives: the short-term and the long-term. In the short-term, the Airport Authority focused on continued health and safety, sustainable infrastructure development, and economic growth. The short-term strategy helped provide the means to realize longer-term benefits in the form of a more diverse and inclusive workplace, improved transportation options to and from the airport, cleaner air and water, energy independence, and climate change resilience.

THE AIRPORT AUTHORITY'S QUIETER HOME PROGRAM AWARDED $26 MILLION IN FEDERAL GRANT

The Airport Authority received a total of $26 million in two airport safety and infrastructure grants through the Federal Aviation Administration (FAA) for noise mitigation measures. The grants mark the largest annual amount given to the Airport Authority by the FAA for its Quieter Home Program (QHP) and one of the largest annual amounts given to any airport nationwide.

The QHP is San Diego International Airport's residential sound insulation program. Primarily, the funds will be used to sound-insulate approximately 400 to 500 homes per year. A portion of this grant will also treat two churches and preschool facilities in the areas most impacted by aircraft noise.

AIRPORT AUTHORITY RECEIVES GFOA DISTINGUISHED BUDGET PRESENTATION AWARD FOR 17TH CONSECUTIVE YEAR

The Authority received its seventeenth consecutive Distinguished Budget Presentation Award from the GFOA for its annual budget for the fiscal year beginning July 1, 2021. The GFOA Distinguished Budget Presentation Awards Program (Budget Awards Program) was established to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting, and the GFOA's best practices on budgeting, and then to recognize individual governments that succeed in achieving that goal. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

Distinguished Budget PRESENTATION Award

npi Leading Excellence in Public Procurement

AIRPORT AUTHORITY AWARDED ACHIEVEMENT OF EXCELLENCE IN PROCUREMENT

The Airport Authority was awarded the Achievement of Excellence in Procurement® (AEP) for 2022 from the National Procurement Institute, Inc. (NPI). The award recognizes organizations that demonstrate excellence in innovation, professionalism, productivity, leadership, and e-procurement. The AEP program encourages the development of excellence as well as continued organizational improvement to earn the award annually. This was the eleventh consecutive year the Airport Authority earned this award.

AIRPORT AUTHORITY AWARDED CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to San Diego County Regional Airport Authority for its Annual Comprehensive Financial Reports (Annual Reports) for the fiscal years ended June 30, 2020 and June 30, 2021. The Annual Reports were judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the Annual Report. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The Airport Authority has received this award every year since its inception.

Certificate of Achievement FOR EXCELLENCE IN Financial Reporting

BUDGET PROCESS AND FINANCIAL PLAN

Annually, the Airport Authority prepares a five-year capital program budget, an operating budget for the upcoming fiscal year and a conceptual budget for the following fiscal year. The capital program provides for critical improvements and asset preservation. Security, asset preservation, environmental remediation, terminal upgrades and development are the main focus of the capital program. The budget process begins in the fall with senior management collaborating with the Board to update, review and formulate the strategies and initiatives that drive business performance. The management team engages in cross-functional discussions to arrive at key decisions and agreements. The effort is designed to align divisional requirements with the Airport Authority's overall strategies and initiatives.

FINANCIAL INFORMATION

The Airport Authority Board sets policy that enables implementation of appropriate internal controls and provides oversight to ensure that the assets of the Airport Authority are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

The Airport Authority derives its operating revenue from two sources: airline and non-airline revenue. Airline revenue is derived primarily from landing fees, aircraft parking fees, building rentals, common use fees and other aviation revenue. Primary sources of non-airline revenue are terminal and rental car concessions, airport parking and ground transportation.

Non-operating revenue of the Airport Authority is comprised of interest income, Passenger Facility Charges, Customer Facility Charges, and grant reimbursements (including the *Coronavirus Aid, Relief and Economic Security Act*, the Airport Coronavirus Response Grant Program and Airport Rescue Grant funding's in fiscal year 2021 and 2022).

The Airport Authority's debt management policy was developed to ensure compliance with the master and subordinate bond indentures, which dictate the terms of the Airport Authority's outstanding debt and establishes various reserves. Funding of the required reserve balances affects the fund equity portion of the budget and rate-setting process.

The Airport Authority completed fiscal year 2022 with operating income (before depreciation) of $149.3 million, an increase of 6.4 percent compared to fiscal year 2021. Enplanements increased 104.8 percent, and airport operations increased 45.5 percent in fiscal year 2022 compared to fiscal year 2021. These increases were a strong reflection of the steady recovery from the COVID-19 pandemic. The accompanying Management's Discussion and Analysis provides a detailed narrative overview.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service and efforts of the Airport Authority's Accounting, Financial Management and Marketing staff. We wish to express our sincere appreciation for their dedication to ensure fiscal transparency and accountability and to maintain and present the Airport Authority's financial statements in conformance with the highest professional standards.

Finally, we would like to thank members of the Airport Authority Board for their continued leadership, guidance, and support towards the execution of our Mission to plan for and provide air transportation services to the region with safe, effective facilities that exceed customer expectations. We are committed to operating San Diego's air transportation gateways in a manner that promotes the region's prosperity and protects its quality of life.

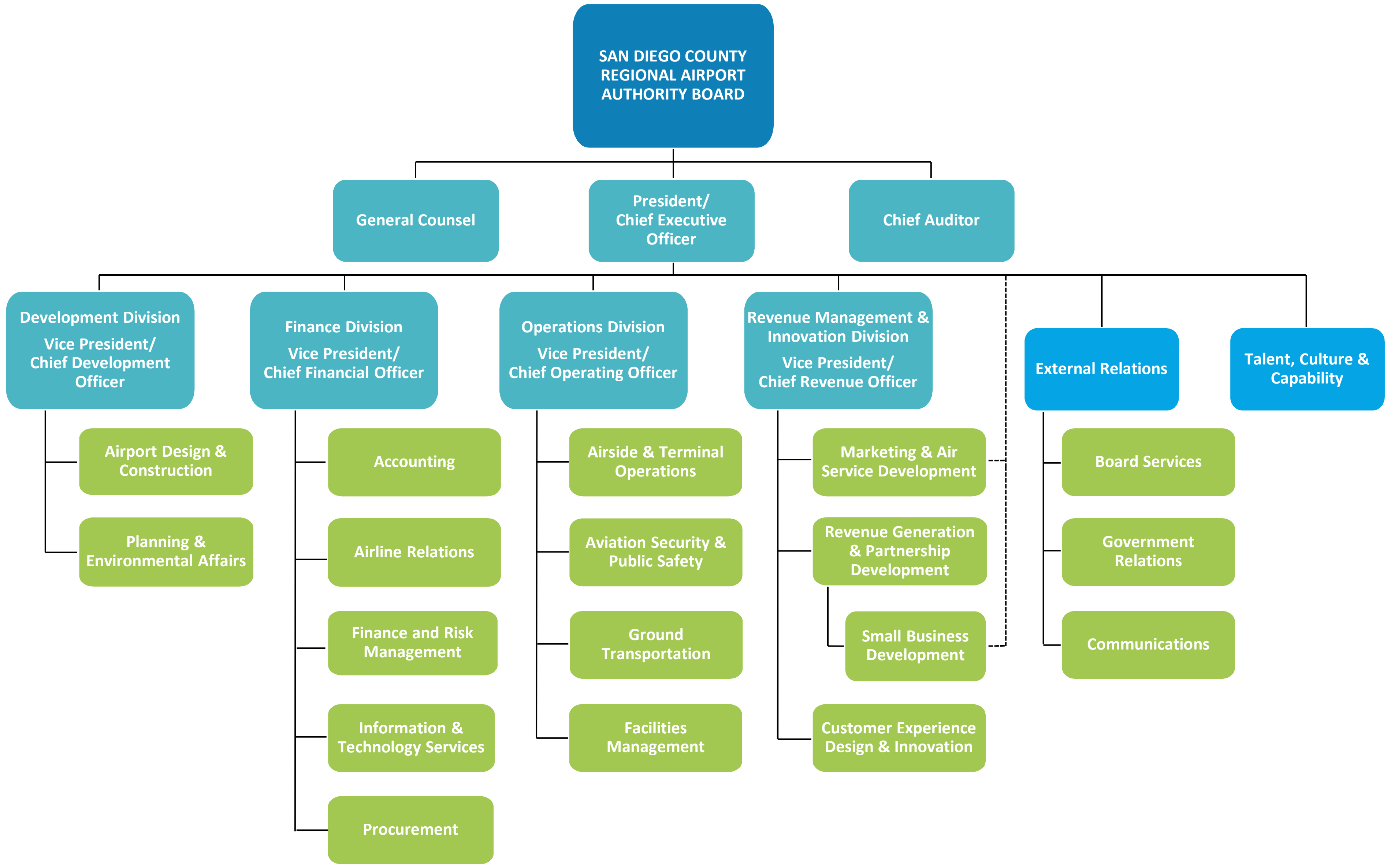
Respectfully submitted,

Kimberly J. Becker

President | Chief Executive Officer

Scott Brickner, CPA

Vice President | Chief Financial Officer



AIRPORT AUTHORITY BOARD

EXECUTIVE COMMITTEE:

GIL CABRERA, CHAIR

MARY CASILLAS SALAS, VICE CHAIR

PAUL ROBINSON

EX-OFFICIO MEMBERS:

COL. THOMAS M. BEDELL

GUSTAVO DALLARDS

GAYLE MILL

GENERAL MEMBERS:

CATHERINE BLAKESPEAR

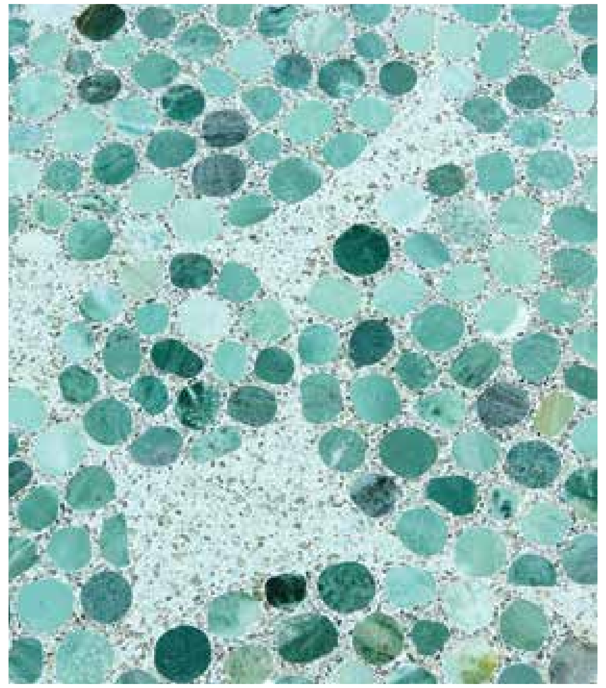
PAUL MCNAMARA

JOHANNA SCHIAVONI

JAMES SLY

NORA E. VARGAS

MARNI VON WILPERT



EXECUTIVE STAFF

KIMBERLY J. BECKER, PRESIDENT/CHIEF EXECUTIVE OFFICER

AMY GONZALEZ, GENERAL COUNSEL

LEE PARRAVANO, CHIEF AUDITOR

SCOTT M. BRICKNER, VICE PRESIDENT/CHIEF FINANCIAL OFFICER

HAMPTON BROWN, VICE PRESIDENT/CHIEF REVENUE OFFICER

JEFF RASOR, VICE PRESIDENT/CHIEF OPERATING OFFICER

ANGELA SHAFER-PAYNE, VICE PRESIDENT/CHIEF DEVELOPMENT OFFICER

GFOA CERTIFICATE
OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Diego County Regional Airport Authority for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the nineteenth consecutive year that the Airport Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Diego County Regional Airport Authority
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT
MANAGEMENT'S DISCUSION AND ANALYSIS (UNAUDITED)
BASIC FINANCIAL STATEMENTS:

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows
- Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

FORVIS

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To the Members of the Board
San Diego County Regional Airport Authority
San Diego, CA

Opinion

We have audited the financial statements of the San Diego County Regional Airport Authority (Airport Authority), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Airport Authority, as of June 30, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Airport Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in *Note 13* to the financial statements, in fiscal year 2022 the Airport Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Additionally, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Dallas, Texas
November 1, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For The Years Ended June 30, 2022 and 2021

INTRODUCTION

The San Diego County Regional Airport Authority (Airport Authority) was established on January 1, 2002, as an independent agency. On January 1, 2003, the operations and assets of San Diego International Airport (SDIA) transferred from the San Diego Unified Port District (District) to the Airport Authority.

The Airport Authority is a self-sustaining entity receiving most of its revenues through user fees and rents from airline and non-airline business partners operating at SDIA. Since the Airport Authority is not funded by tax revenues, accounts are maintained in an enterprise fund on the accrual basis of accounting. Under accrual accounting, revenues are recognized as soon as they are earned, and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. SDIA's users facilities provide most of the revenues to operate, maintain, and acquire necessary services and facilities.

SAN DIEGO INTERNATIONAL AIRPORT

HISTORY OF OWNERSHIP

The public policy decision to transfer responsibility for SDIA from the District to the newly created Airport Authority emanated from recommendations made by the San Diego Regional Efficiency Commission (Commission). The Commission was established to evaluate regional governance in San Diego County and report recommended improvement measures to the California State Legislature.

Because of the significant regional consequences of airport development and operations, the Commission concluded that a regional decision-making process should address the future development of airport facilities in San Diego County. In October 2001, the enabling legislation, Assembly Bill 93 (AB 93) established the composition and jurisdiction of the Airport Authority's governing body in a manner that is designed to reflect the collective interests of the entire San Diego region.

LEGISLATIVE BACKGROUND

AB 93 was signed into California State law in October 2001. The AB 93 Act established the Airport Authority on January 1, 2002, as a local agency of regional government with jurisdiction throughout the County of San Diego. Subsequent legislative changes to AB 93 were introduced and passed in California Senate Bill 1896 (Act). The amendment addresses several points pertaining to the transfer of aviation employees, date of transfer, property leases, property acquisition and purchase of services from the District.

On January 1, 2008, Senate Bill 10 (SB 10), the San Diego County Regional Airport Authority Reform Act, was enacted into law expanding the responsibilities of the Airport Authority. The Airport Authority is vested with five principal responsibilities:

1. Operation of SDIA;
2. Planning and operation of any future airport that could be developed as a supplement or replacement to SDIA;
3. Development of comprehensive airport land use plans for the airports in the county;
4. Serving as the region's Airport Land Use Commission; and
5. In accordance with SB 10, preparing a Regional Aviation Strategic Plan (completed in fiscal year 2011).

In August 2013, Assembly Bill 1058 was signed into law. This bill made minor clarifying and technical changes to the Airport Authority Act.

AIRPORT ACTIVITIES HIGHLIGHTS (2020 – 2022)

The Airport Authority continued to be impacted by the COVID-19 pandemic through the current fiscal year, although increased demand for air travel has resulted in improved major activities. This followed the trend seen at most commercial airports across the country.

The changes in SDIA's major activities for the three years are as follows:

	FY 2022	FY 2021	FY 2020
Enplaned passengers	**9,953,162**	4,860,931	9,235,459
% change from prior year	**104.8%**	-47.4%	-25.3%
Total passengers	**19,830,645**	9,701,311	18,450,599
% change from prior year	**104.4%**	-47.4%	-25.3%
Aircraft operations	**190,491**	130,017	190,746
% change from prior year	**46.5%**	-31.8%	-16.4%
Freight and mail (in tons)	**151,160**	151,327	154,380
% change from prior year	**-0.1%**	-2.0%	-17.2%
Landed weight (in millions pounds)	**11,764**	7,780	12,053
% change from prior year	**51.2%**	-35.5%	-16.8%

Enplaned passenger traffic has continued to improve each month from the low in fiscal year 2020 caused by the COVID-19 pandemic, resulting in fiscal year 2022 ending higher than fiscal year 2021 by 104.8 percent. Looking ahead, it is expected SDIA's major activities will continue to recover. This is due in part because SDIA is an origin and destination airport and is not a hub for any airlines. Further, there is a balanced mixture of leisure and business travelers at SDIA. These factors generally add to the stability of SDIA enplanements in comparison to most airports.

FINANCIAL HIGHLIGHTS (2020 - 2022)

For the fiscal year ended June 30, 2022, the Airport Authority adopted GASB Statement No. 87, Leases (GASB 87). Fiscal year 2021 has been restated for the adoption of GASB 87. See Note 13 of the basic financial statements. Fiscal year 2020 has not been restated because it is not presented in the basic financial statements.

STATEMENT OF REVENUES EXPENSES AND CHANGES IN NET POSITION

The metric 'Changes in Net Position' is an indicator of whether the Airport Authority's overall financial condition has improved or deteriorated during the fiscal year. Net position increased 3.7 percent in fiscal year 2020. Despite the negative effects of the pandemic, the Airport Authority was able to manage a modest increase of 0.4 percent in fiscal year 2021, due to the significant dollars received from federal relief grants and implementation of GASB 87. As traffic recovery from the pandemic progressed, net position in fiscal year 2022 increased 2.6 percent.

The following is a summary of the statements of revenues, expenses, and changes in net position (in thousands):

	FY 2022	FY 2021	FY 2020
Operating revenues	$ 319,254	$ 223,974	$ 263,036
Operating expenses	(291,233)	(277,808)	(293,837)
Nonoperating revenues (expenses), net	(17,503)	43,762	58,493
Capital contributions and grants	12,958	13,932	4,072
Increase in net position	23,476	3,859	31,764
Net position, beginning of year	888,925	885,066	853,302
Net position, end of year	$ 912,401	$ 888,925	$ 885,066

Note: Fiscal year 2021 amounts have been restated for GASB 87

OPERATING REVENUES (IN THOUSANDS)

	FY 2022	FY 2021	From 2021 to 2022 Increase (Decrease)	From 2021 to 2022 % Change
Airline revenue:				
Landing fees	$ 35,354	$ 34,046	$ 1,308	3.8%
Aircraft parking fees	8,856	8,542	314	3.7%
Building rentals	97,047	83,090	13,957	16.8%
Other aviation revenue	6,518	8,192	(1,674)	(20.4%)
Total airline revenue	147,775	133,870	13,905	10.4%
Concession revenue	88,138	41,801	46,337	110.9%
Parking and ground transportation revenue	57,076	27,447	29,629	107.9%
Ground rentals	23,265	19,177	4,088	21.3%
Other operating revenue	2,999	1,680	1,319	78.5%
Total operating revenue	$ 319,253	$ 223,975	$ 95,278	42.5%

Note: Fiscal year 2021 amounts have been restated for GASB 87

	FY 2021	FY 2020	From 2020 to 2021 Increase (Decrease)	From 2020 to 2021 % Change
Airline revenue:				
Landing fees	$ 34,046	$ 33,242	$ 804	2.4%
Aircraft parking fees	8,542	8,354	188	2.3%
Building rentals	83,090	82,453	637	0.8%
Other aviation revenue	8,192	7,789	403	5.2%
Total airline revenue	133,870	131,838	2,032	1.5%
Concession revenue	41,801	57,243	(15,442)	(27.0%)
Parking and ground transportation revenue	27,447	50,751	(23,304)	(45.9%)
Ground rentals	19,177	21,386	(2,209)	(10.3%)
Other operating revenue	1,680	1,818	(138)	(7.6%)
Total operating revenue	$ 223,975	$ 263,036	$ (39,061)	(14.9%)

Note: Fiscal year 2021 amounts have been restated for GASB 87

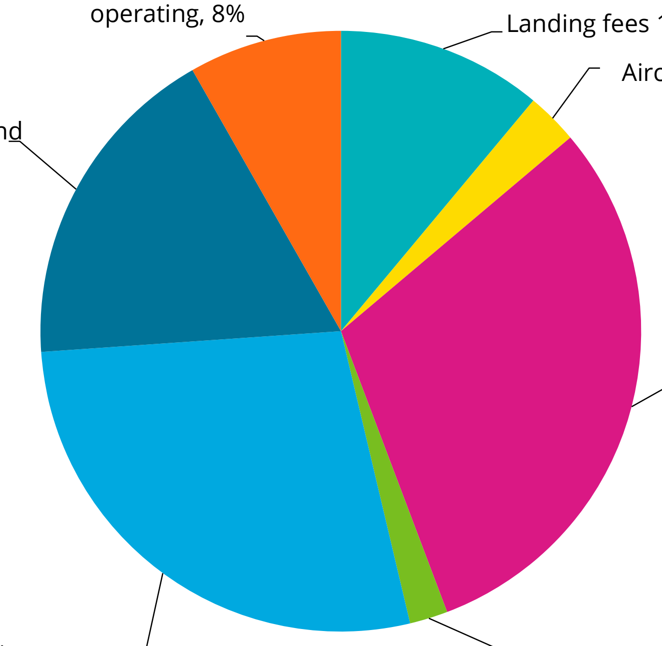
FISCAL YEAR 2022 COMPARED TO 2021:
Total airline revenues increased $13.9 million, or 10.4 percent, reflecting the cost recovery system for the airlines which was higher in fiscal year 2022, compared to 2021. Airline building rentals were the main driver, increasing $14.0 million, or 16.8 percent.

Concession revenue (terminal and rental car) increased by $46.3 million, or 110.9 percent, due to increased passenger flow throughout the terminals. Parking and ground transportation revenue increased $29.6 million, or 107.9 percent, due to the increased enplanements. Ground rentals revenue also saw an increase of $4.1 million, or 21.3 percent, driven by scheduled Consumer Price Index (CPI) rent increases, revenue recognized from reimbursements related to Hydrant Fueling projects under the fuel lease with SAN Fuel Company, LLC, and new cost recovery fees on the Airline Support Building (ASB) and Air Fuel Operations (AFO) facilities. Lastly, other operating revenue also increased $1.3 million, or 78.5 percent.

OPERATING REVENUES (CONTINUED)

FISCAL YEAR 2021 COMPARED TO 2020: Total airline revenues increased by $2.0 million, or 1.5 percent, primarily due to increased cost recovery from the airlines in fiscal year 2021, which was a result of higher debt service and lower federal relief grants applied towards airlines cost centers, offset by a decrease in recoverable operating expenses. Landing fees increased $804 thousand or 2.4 percent. Aircraft parking fees increased $188 thousand or 2.3 percent. Building rentals increased by $637 thousand or 0.8 percent. Other aviation revenue increased by $403 thousand or 5.2 percent, primarily due to the Signatory air carriers paying the minimum guarantee required in the Airline Operating and Lease Agreement.

Concession revenue (terminal and rental car) decreased by $15.4 million or 27.0 percent. This is due to the Airport Authority's Rent Forbearance and Abatement Program, which was available to qualifying non-airline tenants because of the continued impact of the COVID-19 pandemic. This Board approved program primarily provided short-term abatement of monthly minimum annual guaranteed payments for tenants that satisfy the terms and conditions during the program. Decreases in concessions revenue were partially offset by the recognition of lease revenue as per GASB 87. Parking and ground transportation revenue decreased by $23.3 million or 45.9 percent, primarily due to lower enplanements. Ground rentals decreased by $2.2 million or 10.3 percent, primarily due to implementation of GASB 87. This was partially offset by scheduled CPI rent increases and revenue recognized from reimbursements related to Hydrant Fueling projects under the fuel lease with SAN Fuel Company, LLC.



OPERATING EXPENSES (IN THOUSANDS)

	FY 2022	FY 2021	From 2021 to 2022: Increase (Decrease)	From 2021 to 2022: % Change
Salaries and benefits	**$ 46,373**	$ 52,922	$ (6,549)	(12.4%)
Contractual services	**34,491**	24,977	9,514	38.1%
Safety and security	**34,191**	35,086	(895)	(2.6%)
Space rental	**839**	64	775	1,210.9%
Utilities	**14,193**	11,730	2,463	21.0%
Maintenance	**10,747**	9,111	1,636	18.0%
Equipment and systems	**340**	425	(85)	(20.0%)
Materials and supplies	**496**	450	46	10.2%
Insurance	**1,741**	1,519	222	14.6%
Employee development and support	**537**	442	95	21.5%
Business development	**1,781**	209	1,572	752.2%
Equipment rentals and repairs	**3,585**	3,380	205	6.1%
Total operating expenses before depreciation and amortization	**149,314**	140,315	8,999	6.4%
Depreciation and amortization	**141,919**	137,496	4,423	3.2%
Total operating expense	**$ 291,233**	$ 277,811	$ 13,422	4.8%

Note: Fiscal year 2021 amounts have been restated for GASB 87

	FY 2021	FY 2020	From 2020 to 2021: Increase (Decrease)	From 2020 to 2021: % Change
Salaries and benefits	$ 52,922	$ 51,667	$ 1,255	2.4%
Contractual services	24,977	37,694	(12,717)	(33.7%)
Safety and security	35,086	29,457	5,629	19.1%
Space rental	64	10,207	(10,143)	(99.4%)
Utilities	11,730	12,748	(1,018)	(8.0%)
Maintenance	9,111	11,584	(2,473)	(21.3%)
Equipment and systems	425	336	89	26.5%
Materials and supplies	450	651	(201)	(30.9%)
Insurance	1,519	1,308	211	16.1%
Employee development and support	442	967	(525)	(54.3%)
Business development	209	2,033	(1,824)	(89.7%)
Equipment rentals and repairs	3,380	3,598	(218)	(6.1%)
Total operating expenses before depreciation and amortization	140,315	162,250	(21,935)	(13.5%)
Depreciation and amortization	137,496	131,587	5,909	4.5%
Total operating expense	$ 277,811	$ 293,837	$ (16,026)	(5.5%)

Note: Fiscal year 2021 amounts have been restated for GASB 87

OPERATING EXPENSES (CONTINUED)

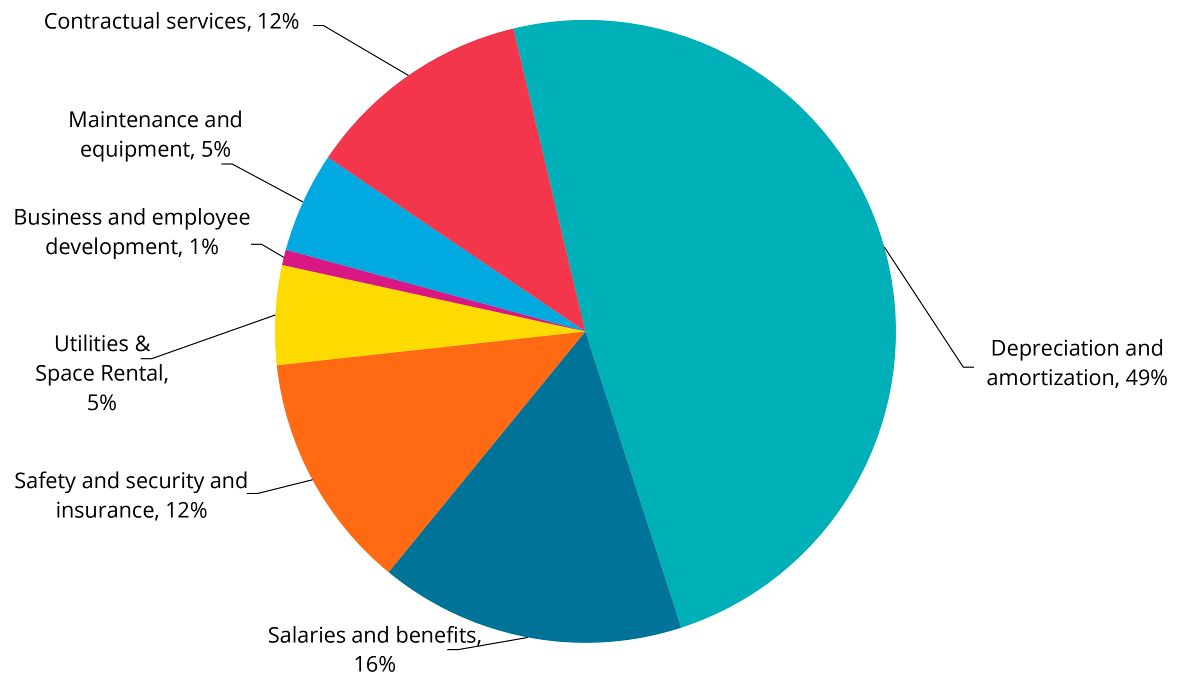
FISCAL YEAR 2022 COMPARED TO 2021:
Total fiscal year 2022 operating expenses increased by $13.4 million or 4.8 percent. Contractual services increased by $9.5 million or 38.1 percent, primarily due to an increase in parking and shuttle operations and Rental Car Center (RCC) buses expenses due to increase in enplanements. Utilities increased by $2.4 million or 21 percent due to increased gas & electric usage and rates. Maintenance expenses increased by $1.6 million, or 18 percent, due to an increase in annual and major maintenance. Business Development increased by $1.5 million or 752.2 percent, due to an increase in marketing and advertising costs.

Partially offsetting the increase in operating expenses described above, salaries and benefits, decreased by $6.5 million or 12.4 percent, primarily due to a $5.1 million decrease in retirement expense caused by investment gains on the pension and OPEB plan assets.

FISCAL YEAR 2021 COMPARED TO 2020:
Total fiscal year 2021 operating expenses decreased by $16.0 million or 5.5 percent. The Airport Authority continued to operate under its Financial Resilience Plan that was activated in March 2020, and eliminated, delayed, or reduced non-essential operating expenditures.

Contractual services decreased by $12.7 million or 33.7 percent, mainly due to lower expenses in shuttle services, planning & environmental services, terminal operation services, legal services and IT services. Space rental decreased by $10.1 million or 99.4 percent due to implementation of GASB 87. Utilities decreased by $1.0 million or 8.0 percent due to decreased gas & electric usage. Maintenance expenses decreased by $2.5 million, or 21.3 percent, due to a decrease in annual and major maintenance. Business Development decreased by $1.8 million or 89.7 percent due to a decrease in Airport Authority marketing and promotional activity expenses.

Partially offsetting the decrease in operating expenses described above, salaries and benefits, increased by $1.3 million or 2.4 percent, due to additional pension expense. In addition, safety and security increased by $5.6 million or 19.1 percent due to an increase in expenses for law enforcement, aircraft rescue and firefighting and emergency medical services.



NONOPERATING REVENUES (EXPENSES) (IN THOUSANDS)

	FY 2022	FY 2021	From 2021 to 2022: Increase (Decrease)	From 2021 to 2022: % Change
Passenger facility charges	**$ 40,394**	$ 22,110	$ 18,284	82.7%
Customer facility charges	**30,333**	15,755	14,578	92.5%
Federal Relief Grants	**78,922**	77,219	1,703	2.2%
Quieter Home Program, net	**(2,541)**	(3,233)	692	21.4%
Other interest income	**7,263**	6,748	515	7.6%
Investment income (loss)	**(48,884)**	2,495	(51,379)	(2,059.3%)
Interest expense, net	**(109,675)**	(76,628)	(33,047)	(43.1%)
Other nonoperating income (expenses)	**(13,316)**	(705)	(12,611)	(1,788.8%)
Nonoperating revenues (expenses), net	**$ (17,504)**	$ 43,761	$ (61,265)	(140.0%)

Note: Fiscal year 2021 amounts have been restated for GASB 87

	FY 2021	FY 2020	From 2020 to 2021: Increase (Decrease)	From 2020 to 2021: % Change
Passenger facility charges	$ 22,110	$ 34,393	$ (12,283)	(35.7%)
Customer facility charges	15,755	30,240	(14,485)	(47.9%)
Federal Relief Grants	77,219	36,895	40,324	109.3%
Quieter Home Program, net	(3,233)	(3,295)	62	1.9%
Other interest income	6,748	1,675	5,073	302.9%
Investment income (loss)	2,495	30,755	(28,260)	(91.9%)
Interest expense, net	(76,628)	(73,612)	(3,016)	(4.1%)
Other nonoperating income (expenses)	$ (705)	$ 1,442	(2,147)	(148.9%)
Nonoperating revenues (expenses), net	$ 43,761	$ 58,493	$ (14,732)	(25.2%)

Note: Fiscal year 2021 amounts have been restated for GASB 87

Passenger Facility Charges (PFCs) were established by Congress in 1990 as part of the *Aviation Safety and Capacity Expansion Act* of 1990. The Airport Authority collects a $4.50 PFC from revenue enplaned passengers to pay for the cost to design and construct eligible Airport capital projects, contribute to the Airport Authority's noise mitigation (Quieter Home Program), or to repay debt service issued to build eligible capital projects. PFCs are collected by the air carriers when passengers purchase their tickets and are remitted to the Airport Authority the month following collection less a $0.11 administration fee.

Customer Facility Charges (CFCs) are authorized under Section 1949 of the California Civil Code and approved by legislation under Senate Bill 1510. The revenues collected have been used to plan and construct a consolidated rental car facility and operate the related ground transportation system. The rental car agencies utilizing the consolidated rental car facility remit to the Airport Authority collection of the fee monthly. The current CFC fee is $9.00 per day, up to five days for rental car transactions that originate at the Rental Car Center. For car rental transactions of non-RCC tenants, the CFC rate is $3.41 per day, up to five days for rental car transactions.

Federal Relief Grants include *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) grants, *Coronavirus Response and Relief Supplemental Appropriation Act* (CRRSAA) and *American Rescue Plan Act* (ARPA) funds received from the federal government.

CARES Act was approved by the United States Congress and signed into law on March 27, 2020, to address the crisis created by the COVID-19 pandemic and included direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. The Airport Authority was awarded $91.2 million in CARES Act grant funds and drew $54.3 million in fiscal year 2021 and $36.9 million in fiscal year 2020.

NONOPERATING REVENUES (EXPENSES) (CONTINUED)

CRRSAA was signed into law on December 27, 2020 and included nearly $2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus disease pandemic. The Airport Authority was awarded $22.9 million on March 26, 2021 and drew $2.7 million in fiscal year 2022 and $20.2 million in fiscal year 2021.

ARPA was signed into law on March 11, 2021, and included $8 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the coronavirus disease pandemic. On August 10, 2021, the Airport Authority was awarded a $78.8 million ARPA grant, which was fully utilized in fiscal year 2022.

Quieter Home Program includes sound attenuation construction improvements at all eligible single-family and multi-family dwellings located in the Year 2020 65 dB Community Noise Equivalent Level contour. The project is eligible for the FAA's Airport Improvement Program (AIP) which awards grants for certain eligible Airport Authority expenditures. The $2.5 million of expenses represents the authority's cost, net of the grant funds utilized in FY22. From inception through the end of fiscal year 2022, the Airport Authority has spent $261.5 million and received reimbursement for $209.8 million.

Other Interest Income includes interest earned on lease receivables and notes receivable. For June 30, 2022, and 2021 other interest income was $7.3 million and $6.7 million, respectively.

Investment income (loss) is derived from interest earned by the Airport Authority on investments and includes unrealized gain (loss) on investments. For June 30, 2022, and 2021 Investment income (loss) was ($48.9) million and $2.5 million, respectively.

Interest expense includes interest paid and accrued on bonds, variable debt, and leases. For June 30, 2022, and 2021 interest expense was $109.7 million and $76.6 million, respectively. The increase is due to 2021 bonds that were issued in December 2021 to fund construction of the New Terminal 1.

Other nonoperating income (expense) includes proceeds and expenses for legal settlements, gain (loss) on the sale of assets and other miscellaneous revenue and expenses.

Fiscal year 2022 compared to 2021: nonoperating revenues (net) decreased by $61.3 million or 140.0 percent. The increases in PFCs and CFCs are due to an increase in enplaned passengers. PFCs increased by $18.3 million or 82.7 percent, and CFCs increased by $14.6 million or 92.5 percent. Investment income (loss) decreased by $51.4 million or 2,059.3 percent. The decrease is due to unrealized loss on investments of $61.3 million as market yields increased significantly decreasing the market value of fixed rate securities held by the Authority. The unrealized loss was offset partially by increased interest earnings due to higher yields and larger investment balances. Other nonoperating income (expenses) decreased by $12.6 million or 1,788.8 percent, due to the loss on fixed asset disposals, caused by the demolition of various fixed asset necessary for the construction of the New Terminal 1.

Fiscal year 2021 compared to 2020: Nonoperating revenues (net) decreased by $14.7 million or 25.2 percent. The increase in Federal Relief Grants in fiscal year 2021 was $40.3 million or 109.3 percent. The increase in federal relief grant income was partially offset by decreases in PFCs and CFCs due to reduced enplaned passengers caused by the pandemic. PFCs decreased by $12.3 million or 35.7 percent, and CFCs decreased by $14.5 million or 47.9 percent. Other interest income increased by $5.1 million or 302.9 percent due to the adoption of GASB 87 which requires lessors to recognize interest income. Investment income decreased by $28.3 million or 91.5 percent, this was caused by a combination of lower yields on investments that resulted in a $6.2 million decrease in interest income and $22.1 million reversal of prior years' unrealized gains due to market fluctuations. Other nonoperating income (expenses) decreased by $2.1 million or 148.9 percent, primarily due to legal settlement income received in fiscal year 2020.

FEDERAL GRANT CONTRIBUTIONS (IN THOUSANDS)

	FY 2022	FY 2021	From 2021 to 2022 Increase (Decrease)	From 2021 to 2022 % Change
Federal grants	$ 12,958	$ 13,932	$ (974)	(7.0%)

	FY 2021	FY 2020	From 2020 to 2021 Increase (Decrease)	From 2020 to 2021 % Change
Federal grants	$ 13,932	$ 4,072	$ 9,860	242.1%

Federal Grant Contributions: are comprised of Airport Improvement Project (AIP) entitlement and discretionary grants through the Federal Aviation Administration (FAA) and other Federal and state organizations. These funds are recognized as revenue as the work is completed on the eligible projects. In fiscal year 2021, federal grant contributions increased by $9.9 million, or 242.1 percent compared to fiscal year 2020, due to a reduction in federally funded project costs.

ASSETS, LIABILITIES AND NET POSITION (IN THOUSANDS)

The statements of net position present the financial position of the Airport Authority as of a period in time. The statements include all assets, deferred outflows, liabilities, deferred inflows, and net position of the Airport Authority. A summary comparison of the Airport Authority's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at June 30, 2020, 2021 and 2022, is as follows:

	FY 2022	FY 2021	FY 2020
Assets and Deferred Outflows of Resources			
Current assets	$ 477,126	$ 423,942	$ 349,617
Capital and lease assets, net	2,283,739	2,063,223	1,788,601
Noncurrent assets	2,593,804	782,615	773,751
Total assets	5,354,669	3,269,780	2,911,969
Deferred outflows of resources	22,390	33,471	22,761
Total assets and deferred outflows of resources	5,377,059	3,303,251	2,934,730
Liabilities and Deferred Inflows of Resources			
Current liabilities	252,815	157,563	162,269
Long-term liabilities	4,001,676	2,080,290	1,875,514
Total liabilities	4,254,491	2,237,853	2,037,783
Deferred inflows of resources	210,167	176,474	11,881
Total liabilities and deferred inflows of resources	4,464,658	2,414,327	2,049,665
Net Position			
Net investment in capital assets	418,349	324,926	266,213
Restricted	176,638	192,484	211,329
Unrestricted	317,414	371,514	407,524
Total net position	$ 912,401	$ 888,924	$ 885,066

Note: Fiscal year 2021 amounts have been restated for GASB 87

ASSETS, LIABILITIES AND NET POSITION (CONTINUED)

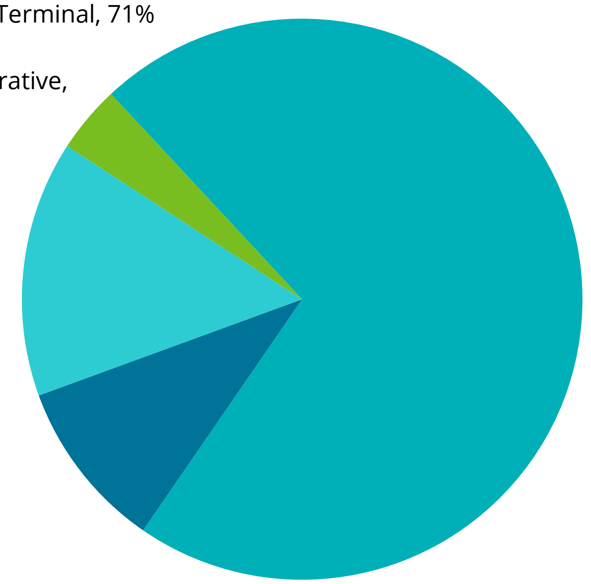
As of June 30, 2022, the Airport Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $912.4 million. This reflects a $23.5 million or 2.6 percent increase in net position from June 30, 2021. The Airport Authority uses capital and lease assets to provide services to its passengers and other users of SDIA; consequently, these assets cannot be sold or otherwise liquidated. Although the Airport Authority's investment in its capital and lease assets is reported net of related debt, the funds required to repay this debt must be provided annually from operations. The unrestricted net position of $317.4 million as of June 30, 2022, may be used to meet any of the Airport Authority's ongoing obligations. As of June 30, 2022, 2021 and 2020, management has designated unrestricted funds in the amount of $16.2 million, $22.5 million, and $43.4 million, respectively, for capital contract commitments funded by Airport Authority cash, earthquake self-insurance and operating contingency.

CAPITAL PROGRAM

The Capital Program is a rolling five-year program that provides critical improvements and asset additions. The program includes capital projects that address federal security requirements, airfield security, environmental remediation, terminal upgrades, and development. Funding sources for the projects include the Federal Aviation Administration's Airport Improvement Program, Transportation Security Agency grants, Passenger Facility Charges, Customer Facility Charges, airport operating revenues, airport revenue bonds, special facility bonds, and short-term borrowing using revolving lines of credit and drawdown bonds.

The current Capital Program, which includes projects through 2027, consists of $382 million for airside projects, $558 million for landside and ancillary projects, $2.8 billion for terminal projects, which includes the replacement of Terminal 1, and $150 million for administrative projects.

Capital Program Projects by Type



Additional information of the Airport Authority's capital and lease assets can be found in Note 5 of the financial statements.

CAPITAL FINANCING AND DEBT MANAGEMENT

On January 30, 2013, the Airport Authority issued $379.6 million of Senior Airport Revenue Bonds Series 2013 A and B (Series 2013 Bonds). The Series 2013 Bonds were issued to finance certain capital improvements at SDIA, fund a portion of the interest accrued on the Series 2013 Bonds, fund the senior reserve fund, and pay the costs of issuance of the Series 2013 Bonds.

The Series 2013 Bonds were refunded and defeased on December 8, 2021, upon the issuance of the Subordinate Series C 2021 bonds. As of June 30, 2022, the Airport Authority does not have any outstanding Series 2013 Bonds.

On February 19, 2014, the Airport Authority issued $305.3 million of Series A and B Senior Special Facilities Revenue Bonds (Series 2014 Bonds). The Series 2014 Bonds were issued to finance a portion of the costs of the development and construction of a consolidated rental car facility and related improvements at SDIA, fund a portion of the interest on the Series 2014 Bonds, fund deposits to the senior reserve fund, the rolling coverage fund and pay the costs of issuance of the Series 2014 Bonds.

The Series 2014 A Bonds were structured as tax-exempt non-AMT term bonds that bear interest at 5.0 percent. The Series 2014 B Bonds were structured as federally taxable bonds that bear interest at rates ranging from 2.5 percent to 5.6 percent and mature in fiscal years 2019 to 2045. Interest expense for the fiscal year ended June 30, 2022, amounted to $15.6 million, including accrued interest of $7.8 million. As of June 30, 2022, the principal balance on the Series 2014 Bonds was $282.0 million.

The Series 2014 Bonds are special limited obligations of the Airport Authority, payable solely from and secured by a pledge of the Trust Estate, which includes, among other things, Customer Facility Charges collected from the rental car companies operating at the Airport and remitted to the Trustee. No revenues of the Airport Authority other than the Customer Facility Charges and the Bond Funding Supplemental Consideration (as defined in the Indenture), are pledged to the payment of the Series 2014 Bonds.

On August 3, 2017, the Airport Authority issued $291.2 million of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds). The Series 2017 Bonds were issued to finance certain capital improvements at SDIA including the Parking Plaza and the FIS facility, fund a portion of the interest accruing on the subordinate Series 2017 Bonds, refund $32.6 million of the Airport Authority's outstanding variable rate debt, which was issued during 2017, fund the subordinate reserve fund and pay the costs of issuance of the subordinate Series 2017 Bonds. The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2019 to 2048. The bonds were issued at a premium of $48.4 million, which is being amortized over the life of the bonds. Interest on the senior Series 2017 Bonds is payable semiannually on January 1 and July 1, of each year. Interest expense for the fiscal year ended June 30, 2022, amounted to $13.6 million, including accrued interest of $6.8 million. As of June 30, 2022, the principal balance on the Series 2017 Bonds was $271.9 million.

On December 11, 2019, the Airport Authority issued $338.8 million of Series A Subordinate Airport Revenue and Revenue Refunding Bonds and $124.9 million of Series B Subordinate Airport Revenue Bonds (Series 2019 Bonds). The Series 2019 Bonds were issued to finance certain capital improvements at SDIA including a new facilities maintenance building and storm water capture and reuse projects, fund a portion of the interest accruing on the Series 2019 Bonds, refund $34.3 million of the Airport Authority's outstanding variable rate debt, fund the Series 2010C Escrow account to refund the 2010C bonds, fund the subordinate reserve fund, and pay the costs of issuance of the Series 2017 Bonds. The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2021 to 2050. The bonds were

CAPITAL FINANCING AND DEBT MANAGEMENT (CONTINUED)

issued at a premium of $96.9 million, which is being amortized over the life of the bonds. Interest on the Series 2019 Bonds is payable semiannually on January 1 and July 1 of each year. Interest for the fiscal year ended June 30, 2022, amounted to $22.1 million, including accrued interest of $11.1 million. The principal balance on the Series 2019 Bonds as of June 30, 2022, was $459 million.

The Airport Authority issued $241.6 million of Series A, B and C Subordinate Airport Revenue Refunding Bonds (Series 2020 Bonds). The Authority entered into a Forward Delivery Purchase Contract on December 11, 2019, and delivered the Series 2020 Bonds Proceeds on April 8, 2020. Proceeds from the sale of the Series 2020 Bonds were used to fund the Series 2010 A and B Bonds escrow accounts to refund the 2010 A/B bonds and pay the costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds are structured as serial bonds that bear interest rates of 5.0 percent and mature in fiscal years 2021 to 2041. The bonds were issued at a premium of $49.4 million, which is being amortized over the life of the bonds. Interest on the Series 2020 Bonds is payable semiannually on January 1 and July 1 of each year. Interest for the fiscal year ended June 30, 2022, amounted to $11.5 million, including accrued interest of $5.8 million. The principal balance on the Series 2020 Bonds as of June 30, 2022, was $227 million.

On December 8, 2021, the Airport Authority issued $1,941.7 million of Series A, B and C Subordinate Airport Revenue Bonds (Series 2021 Bonds). The Series 2021 Bonds were issued to finance The New Terminal 1 development at SDIA, fund a portion of the interest accruing on the Series 2021 Bonds, fund the subordinate reserve fund, pay the costs of issuance of the Series 2021 Bonds and to refund the 2013 Series A and B bonds. The Series 2021 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2027 to 2057 and were issued at a premium of $332.4 million, which is being amortized over the life of the bonds. The Series 2021 C Bonds are federally Taxable Bonds and are structured as serial and term bonds that bear interest at rates ranging from 0.5 percent to 3.1percent and mature in fiscal years 2023 to 2037. Interest on the Series 2021 Bonds is payable semiannually on January 1 and July 1, of each year. Interest for the fiscal year ended June 30, 2022, amounted to $46.3 million, including accrued interest of $46.3 million. The principal balance on the subordinate Series 2020 Bonds as of June 30, 2022, was $1,941.7 million.

Interest expense on the Series 2013, 2014, 2017, 2019, 2020 and 2021 Bonds for fiscal years ended June 30, 2022, and June 30, 2021, of $116.3 million and $81.7 million, respectively, was offset by bond premium amortization of $21.6 million in fiscal year 2022 and $14.1 million in fiscal year 2021.

The Airport Authority leases properties from various third parties and use that space to conduct its operations, the terms of which expire 2022 through 2072. The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. Incremental Borrowing Rates of 1.1 percent to 3.8 percent were used by The Airport Authority to measure lease payables. Liabilities recorded under lease contracts during the years ended June 30, 2022, and 2021, were $232.4 million and $235.8 million, respectively, which includes both principal and interest.

On July 19, 2021, The Airport Authority and Bank of America agreed to a Revolving Credit Agreement. The Airport Authority is authorized to issue up to $200.0 million in Subordinate Revolving Obligations. The revolving credit agreement is for a term of three years. At the end of fiscal year 2022, the Airport Authority had $80.1 million in aggregate principal of Subordinate Revolving Obligations outstanding.

CAPITAL FINANCING AND DEBT MANAGEMENT (CONTINUED)

These obligations were used to finance the New Terminal 1. Obligations incurred under the Revolving Credit Agreement are payable solely from and secured by a pledge of "Subordinate Net Revenues." Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

Additional information of the Airport Authority's long-term debt can be found in Note 6 to the financial statements.

The SDIA's PFC program was established in 1994, and currently authorizes the imposition of a $4.50 fee on enplaning passengers. There are currently four active applications which provide the Airport Authority to impose and use PFC revenue through May 1, 2040.

FAA entitlement and discretionary grants are awarded on a federal fiscal year running October 1 through September 30. The Airport Authority has received approximately $83.4 million in grant awards for the federal fiscal year ended September 30, 2022, as compared to $131.6 million for 2021. Grant awards are recognized as nonoperating revenue or capital contributions as eligible expenses are incurred.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Airport Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the San Diego County Regional Airport Authority, Accounting Department, P.O. Box 82776, San Diego, CA 92138. The Accounting Department can also be reached at (619) 400-2806. A copy of the financial report is available at www.san.org

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

Assets and Deferred Outflows of Resources	2022	2021 as restated
Current Assets		
Unrestricted:		
Cash and cash equivalents (Note 2)	$ 10,560,677	$ 40,910,033
Investments (Note 2)	238,734,707	241,485,681
Tenant receivables, net	12,087,092	23,041,393
Grants receivable	25,461,356	7,665,691
Lease receivables, current portion (Note 3)	25,256,727	6,285,853
Note receivable, current portion (Note 4)	4,766,887	2,243,644
Other current assets	9,909,877	9,119,154
Total unrestricted current assets	**326,777,323**	330,751,449
Restricted cash, cash equivalents and investments with trustees (Notes 2 and 6)	150,348,859	93,190,368
Total current assets	**477,126,182**	423,941,817
Noncurrent Assets		
Restricted assets (Notes 2 and 6):		
Restricted cash, cash equivalents and investments not with trustees	154,568,287	142,401,039
Restricted cash, cash equivalents and investments with trustees (Note 2)	2,025,521,963	338,135,700
Passenger facility charges receivable (Note 1)	4,185,454	5,762,062
Customer facility charges receivable (Note 1)	2,884,858	2,384,282
Other restricted assets	3,999,762	5,075,108
Total restricted assets	**2,191,160,324**	493,758,191
Other noncurrent assets:		
Investments, noncurrent (Note 2)	141,423,628	39,904,555
Lease receivables, long-term portion (Note 3)	168,039,778	175,421,407
Note receivable, long-term portion (Note 4)	29,378,094	24,965,223
Cash and cash equivalents designated for specific capital projects and other commitments (Note 2)	50,449,426	46,916,337
Net pension asset (Note 7)	8,995,046	-
Net OPEB asset (Note 10)	4,357,476	1,649,215
Total other noncurrent assets	**402,643,448**	288,856,737
Capital and lease assets (Note 5):		
Land, land improvements and nondepreciable assets/leases	182,279,198	185,938,344
Buildings and structures	1,823,469,725	1,886,207,510
Lease assets	238,303,897	238,303,897
Machinery and equipment	124,708,399	122,982,559
Runways, roads and parking lots	637,019,738	719,974,821
Construction in progress	578,124,720	248,538,868
	3,583,905,677	3,401,945,999
Less accumulated depreciation and amortization	(1,300,166,545)	(1,338,722,967)
Capital and lease assets, net	2,283,739,132	2,063,223,032
Total noncurrent assets	**4,877,542,904**	2,845,837,960
Total assets	**5,354,669,086**	3,269,779,777
Deferred outflows of resources:		
Pensions (Note 7 and 8)	18,137,274	31,657,453
OPEB (Note 10)	4,252,768	1,813,895
Total deferred outflows of resources	**22,390,042**	33,471,348
Total assets and deferred outflows of resources	**5,377,059,128**	3,303,251,125

See Notes to Financial Statements.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2022 AND 2021

Liabilities, Deferred Inflows of Resources and Net Position	2022	2021 as restated
Current Liabilities		
Payable from unrestricted assets:		
Accounts payable	7,326,129	6,671,722
Accrued liabilities	45,972,090	44,766,956
Compensated absences, current portion (Note 6)	3,264,966	2,538,532
Other current liabilities	17,029,533	6,487,256
Lease liabilities, current portion (Note 6)	3,471,838	3,384,956
Long-term debt, current portion (Note 6)	354,139	323,293
Total payable from unrestricted assets	**77,418,695**	64,172,715
Payable from restricted assets:		
Accounts payable	17,466,214	11,726,364
Accrued liabilities	39,743,912	4,096,308
Long-term debt, current portion (Note 6)	40,360,000	36,720,000
Accrued interest on variable rate debt and bonds (Note 6)	77,826,260	40,847,696
Total payable from restricted assets	**175,396,386**	93,390,368
Total current liabilities	**252,815,081**	157,563,083
Long-Term Liabilities		
Compensated absences, net of current portion (Note 6)	1,789,112	2,223,411
Other noncurrent liabilities	55,458,074	4,426,245
Lease liabilities, long-term portion (Note 6)	228,947,243	232,419,082
Long-term debt, net of current portion (Note 6)	3,713,108,235	1,804,756,565
Net pension liability (Note 7 and 8)	2,373,440	36,464,210
Total long-term liabilities	**4,001,676,104**	2,080,289,513
Total liabilities	**4,254,491,185**	2,237,852,596
Deferred inflows of resources		
Pensions (Note 7 and 8)	27,258,294	2,266,382
OPEB (Note 10)	4,901,161	890,973
Gain on refunding	9,943,477	3,868,146
Leases (Note 3)	168,064,374	169,448,031
Total deferred inflows of resources	**210,167,306**	176,473,532
Total liabilities and deferred inflows of resources	**4,464,658,491**	2,414,326,128
Net Position		
Net investment in capital assets	418,348,504	324,926,477
Restricted:		
Debt Service	48,292,097	83,213,762
Construction	93,634,418	86,078,848
Pension	8,995,046	-
OPEB	4,357,476	1,649,215
Operation and maintenance expenses	15,136,888	14,245,003
Small business bond guarantee	2,222,300	2,222,300
OCIP loss reserve	3,999,762	5,075,108
Total restricted net position	176,637,987	192,484,236
Unrestricted net position	317,414,146	371,514,284
Total net position	**$ 912,400,637**	$ 888,924,997

See Notes to Financial Statements.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021 as restated
Operating revenues:		
Airline revenue:		
Landing fees	$ 35,354,215	$ 34,046,302
Aircraft parking fees	8,855,947	8,541,663
Building rentals	97,046,860	83,090,211
Other aviation revenue	6,518,253	8,191,525
Concession revenue	88,138,271	41,801,386
Parking and ground transportation revenue	57,075,628	27,446,678
Ground and non-airline terminal rentals	23,265,430	19,176,623
Other operating revenue	2,999,290	1,679,512
Total operating revenues	319,253,894	223,973,900
Operating expenses before depreciation and amortization:		
Salaries and benefits (Notes 6, 7, 8 and 9)	46,373,068	52,922,357
Contractual services (Note 13)	34,490,679	24,976,596
Safety and security	34,190,686	35,085,809
Space rental	839,337	63,790
Utilities	14,193,387	11,729,710
Maintenance	10,746,604	9,110,600
Equipment and systems	339,942	424,501
Materials and supplies	496,452	449,999
Insurance	1,740,603	1,518,538
Employee development and support	537,388	441,883
Business development	1,781,323	208,729
Equipment rentals and repairs	3,584,990	3,380,120
Total operating expenses before depreciation and amortization	149,314,459	140,312,632
Income from operations before depreciation and amortization	169,939,435	83,661,268
Depreciation and amortization expense	141,918,773	137,495,515
Operating income (loss)	$ 28,020,662	$ (53,834,247)

See Notes to Financial Statements.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED) FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021 as restated
Nonoperating revenues (expenses):		
Passenger facility charges	$ 40,394,092	$ 22,109,906
Customer facility charges	30,333,350	15,755,254
Federal relief grants	78,922,308	77,218,785
Quieter Home Program grant revenue (Note 1)	14,392,766	12,292,767
Quieter Home Program expenses (Note 1)	(16,934,242)	(15,525,647)
Other Interest Income	7,263,175	6,748,239
Investment income (loss)	(48,883,996)	2,494,962
Interest expense (Note 6)	(109,675,241)	(76,627,532)
Other revenues (expenses), net	(13,315,574)	(704,896)
Nonoperating revenues (expenses), net	(17,503,362)	43,761,838
Income (loss) before federal grants	10,517,300	(10,072,409)
Federal grants (Note 1)	12,958,340	13,931,737
Change in net position	23,475,640	3,859,328
Net position, beginning of year	888,924,997	885,065,669
Net position, end of year	$ 912,400,637	$ 888,924,997

See Notes to Financial Statements.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2022 AND 2021

	2022	2021 as restated
Cash Flows From Operating Activities		
Receipts from customers	$ 324,778,280	$ 207,566,897
Payments to suppliers	(107,183,225)	(77,488,153)
Payments to employees	(48,787,730)	(48,665,422)
Other receipts (payments)	2,996,459	1,681,213
Net cash provided by operating activities	171,803,785	83,094,535
Cash Flows From Noncapital Financing Activities		
Misc nonoperating receipts (payments)	163,686	(704,896)
Quieter Home Program grant receipts	11,723,416	16,387,129
Quieter Home Program payments	(16,934,242)	(15,525,647)
Net cash provided by (used in) noncapital financing activities	(5,047,139)	156,586
Cash Flows From Capital and Related Financing Activities		
Capital outlay	(283,494,854)	(193,518,799)
Proceeds from variable debt	80,100,000	-
Other interest income	7,263,176	6,748,240
Federal grants received (excluding Quieter Home Program)	76,754,333	104,857,732
Proceeds from passenger facility charges	41,970,700	16,776,532
Proceeds from customer facility charges	29,832,774	14,506,299
Payment of principal on bonds and commercial paper	(389,230,000)	(31,560,000)
Proceeds from issuance of Series 2020 Bonds	2,274,125,831	-
Payment on note payable	(323,293)	(295,134)
Interest and debt fees paid	(119,271,369)	(89,746,146)
Net cash provided by (used in) capital and related financing activities	1,717,727,297	(172,231,276)
Cash Flows From Investing Activities		
Sales and maturities of investments	2,703,087,078	359,672,049
Purchases of investments	(4,619,871,044)	(297,741,464)
Interest received on investments and note receivable	12,419,871	11,790,929
Principal payments received on notes receivable	(6,936,114)	2,123,843
Net cash provided by (used in) investing activities	(1,911,300,209)	75,845,357
Net decrease in cash and cash equivalents	(26,816,267)	(13,134,799)
Cash and cash equivalents, beginning of year	87,826,370	100,961,169
Cash and cash equivalents, end of year	$ 61,010,103	$ 87,826,370

See Notes to Financial Statements.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS, (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2022 AND 2021

	2022	2021 as restated
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Unrestricted cash and cash equivalents	$ 10,560,677	$ 40,910,033
Cash and cash equivalents designated for specific capital projects and other commitments	50,449,426	46,916,337
Total cash and cash equivalents	$ 61,010,103	$ 87,826,370
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	$ 28,020,662	$ (53,834,247)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	141,918,773	137,495,515
Change in pensions/OPEB liability/asset	(45,794,077)	19,222,755
Change in deferred outflows related to pensions/OPEB	11,081,306	(10,710,028)
Change in deferred inflows related to pensions/OPEB	29,002,100	(4,652,326)
Changes in assets and liabilities:		
Receivables, net	10,954,300	(215,182)
Other assets	284,624	541,863
Accounts payable	654,407	(4,472,588)
Accrued liabilities	1,205,133	13,557,722
Compensated absences	292,136	673,359
Lease receivables	(11,589,245)	4,067,252
Other liabilities	5,773,665	(18,579,561)
Net cash provided by operating activities	$ 171,803,785	$ 83,094,534
Noncash investing, Capital and Financing Activities		
Additions to capital assets included in accounts payable	$ 17,466,214	$ 11,726,364
Unirealized gain (loss) on investments	(61,303,866)	9,295,969

See Notes to Financial Statements.

NOTE 1.

NATURE OF ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY:
The San Diego County Regional Airport Authority (the Airport Authority), an autonomous public agency, was established in accordance with, Assembly Bill 93 (2001), as modified by Senate Bill 1896 (2002), which together comprise the *San Diego County Regional Airport Authority Act* (the Act). The Act required, among other things, the transfer of the assets and operations of the San Diego International Airport (SDIA) from the San Diego Unified Port District (the District) to the Airport Authority. Effective January 1, 2003 (inception), the District transferred all airport operations and certain related assets and liabilities to the Airport Authority, pursuant to the Act and the Memorandum of Understanding (MOU) dated as of December 31, 2002, between the Airport Authority and the District, which implemented the Act.

Senate Bill 10 (SB 10), the *San Diego County Regional Airport Authority Reform Act,* was effective January 1, 2008. Responsibilities of the Airport Authority include, among other things, the operation, maintenance, development, management and regulation of SDIA and its facilities. In addition, the Airport Authority has the responsibility to plan or to expand the existing SDIA. Under one of the requirements of SB 10, the Airport Authority completed a Regional Aviation Strategic Plan and the Airport Authority prepared and adopted an Airport Multimodal Accessibility Plan. In addition, the Airport Authority acts as the Airport Land Use Commission within San Diego County.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements should include all organizations, agencies, boards, commissions and authorities for which the Airport Authority is financially accountable. The Airport Authority has also considered all other potential organizations for which the nature and significance of their relationships with the Airport Authority are such that exclusion would cause the Airport Authority's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. Based on these criteria, there are no other organizations or agencies which should be included in these basic financial statements.

The Airport Authority is governed by a nine-member, appointed Board of Directors (Board), representing all areas of San Diego County and three additional members serving as non-voting, ex-officio Board members. Three Board members are appointed by the Mayor of the City of San Diego (the City). Two Board members are appointed by the San Diego County Board of Supervisors. The remaining four Board members are each appointed by the Mayors of the following defined jurisdictions: the east county cities, south county cities, north coastal area cities and north county inland cities. The Board members serve three-year terms in accordance with California SB 10.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:
The accounting policies of the Airport Authority conform to accounting principles generally accepted in the United States of America applicable to state and local government agencies, and as such, the Airport Authority is accounted for as a proprietary fund. The basic financial statements presented are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This measurement focus emphasizes the determination of the change in Airport Authority net position.

USE OF ESTIMATES:
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS:
For purposes of the statements of cash flows, cash and cash equivalents includes unrestricted (including designated) cash on hand, demand deposits, and investment securities with original maturities of three months or less from the date of acquisition.

INVESTMENTS:
Investments in the state and county investment pools are recorded at net asset value and money market mutual funds and non-negotiable certificates of deposit are recorded at amortized cost. All other investments are stated at fair value based on quoted market prices.

TENANT RECEIVABLES:
Tenant receivables are carried at the original invoice amount for fixed-rent tenants and at estimated invoice amount for concession (variable) tenants, less an estimate made for doubtful receivables for both fixed-rent and concession tenants. Management determines the allowance for doubtful accounts by evaluating individual tenant receivables and considering a tenant's financial condition and credit history and current economic conditions. Tenant receivables are written off when deemed uncollectible. Recoveries of tenant receivables previously written off are recorded when received.

NOTE 1.

NATURE OF ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FEDERAL GRANTS:
Outlays for airport capital improvements and certain airport nonoperating expenses, primarily those relating to the Airport Authority's Quieter Home Program, are subject to reimbursement from federal grant programs. Funding provided from government grants is considered earned as the related approved capital outlays or expenses are incurred. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

AIRPORT IMPROVEMENT PROGRAM (AIP):
grants are authorized and disbursed by the FAA under the Airway Improvement Act of 1982, as amended, which provides funding for airport planning and development projects at airports included in the National Plan of Integrated Airport Systems. As such, the AIP grants must be used to pay for the allowable costs of approved projects. As of June 30, 2022, and 2021, the Airport Authority recovered $13.0 million and $14.0 million, respectively, for approved capital projects; and $14.4 million and $12.3 million, respectively, for the Quieter Home Program.

CARES ACT:
The Coronavirus Aid, Relief, and Economic Security Act (CARES), was signed into law on March 27, 2020, to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. For the fiscal year ended June 30, 2021, the Airport Authority drew $54.3 million.

CRRSAA:
The *Coronavirus Response and Relief Supplemental Appropriation Act* (CRRSAA), was signed into law on December 27, 2020, and includes nearly $2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus disease pandemic. To distribute these funds, the FAA established the Airport Coronavirus Response Grant Program (ACRGP) to make grants to all airports that are part of the national airport system, including all commercial service airports, all reliever airports, and some public-owned general aviation airports. The Airport Authority was awarded $22.9 million on March 26, 2021. For the fiscal year ended June 30, 2021, the Airport Authority drew $22.9 million.

ARPA:
The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021 and includes $8 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the coronavirus disease pandemic. To distribute these funds, the FAA has established the Airport Rescue Grants to make grants to all airports that are part of the national airport system, including all commercial service airports, all reliever airports, and some public-owned general aviation airports. The Airport Authority was awarded $78.8 million on August 10, 2021. For the fiscal year ended June 30, 2022, the Airport Authority drew $78.8 million.

Passenger facility charges (PFC):
The PFC program is authorized by the Aviation Safety and Capacity Expansion Act of 1990 (the Expansion Act). In accordance with the Expansion Act, the Airport Authority's AIP Passenger Entitlement Apportionment is reduced by certain percentages, dependent upon the level of PFC received by the Airport Authority.

In accordance with the program, PFC revenue must be used to pay allowable costs for approved capital projects, contribute to the Airport Authority's noise mitigation (Quieter Home Program), or to repay debt service issued to build eligible capital projects. As of June 30, 2022, and 2021, accrued PFC receivables totaled $4.2 million and $5.8 million respectively, and there were $61.4 million and $51.2 million PFC amounts collected but not yet applied for approved capital projects as of June 30, 2022, and 2021, respectively.

On May 20, 2003, the FAA approved an increase in the Airport Authority's PFC charge per enplaned passenger from $3.00 to $4.50, beginning August 2003. Currently, there are four active applications that allow the Airport Authority to impose and use $1.2 billion in PFC revenue through April 2040. The latest application was approved by the FAA in February 2019 (as amended in August 2020) providing collection authority with a charge effective date through April 2040. In accordance with the Aviation Investment Reform Act (AIR-21), airports imposing a $4.50 collection level are required to reduce AIP Passenger Entitlement Apportionment to 75 percent.

Customer facility charges (CFC):
The Airport Authority received approval in May 2009 from the State of California under Section 1936 of the California Civil Code to impose a $10.00 CFC per contract on rental cars at SDIA.

In accordance with the program, the CFC revenue must be used to pay allowable costs for approved capital projects and operate the related ground transportation system. The current CFC rate, which has been in effect since January 1, 2017, is $9.00 per day for a maximum of five days. As of June 30, 2022, and 2021, accrued CFC receivables totaled $2.9 million and $2.4 million, respectively. CFC amounts collected, including interest, but not yet applied for approved capital projects as of June 30, 2022, and 2021, were $25.2 million, and $26.3 million, respectively.

Deferred Outflows/Inflows of Resources:
In addition to assets and liabilities, the statement of net position may report a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods, and as such will not be recognized as flows of resources (expenses/revenues) until then.

- Employer Contributions – Pensions and OPEB– These contributions are those made after the measurement date through the fiscal year end (July 1st – June 30th) resulting in a cash outlay not yet recognized under GASB 68 or GASB 75. This amount is deferred and recognized in the following fiscal year. This item is presented as a deferred outflow of resources.
- Investment difference – Pensions and OPEB – These amounts represent the difference in projected and actual earnings on pension/OPEB plan assets. These differences are deferred and amortized over a closed five-year period. This item can be presented as both a deferred outflow and deferred inflow of resources and is combined annually as a single net unamortized balance.
- Experience difference – Pensions and OPEB – These amounts represent the difference in expected and actual pension/OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period. This item can be presented as both a deferred outflow and deferred inflow of resources but may not be shown net if there are unamortized balances for categories.
- Assumption changes – Pensions and OPEB – These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension/OPEB liability/asset. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period. This item can be presented as both a deferred outflow and deferred inflow of resources but may not be shown net if there are unamortized balances for categories.
- Debt Refunding - These amounts represent the gain or loss from the refunding of debt. These differences are deferred and recognized as interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. This item can be presented as both

NOTE 1.

NATURE OF ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a deferred outflow and deferred inflow of resources but may not be shown net if there are unamortized balances for categories.

- Leases – Represent the initial value of lease receivable under GASB 87 systematically reduced and recognized as lease revenue. over the term of the lease.

CAPITAL AND LEASE ASSETS:
Capital assets are recorded at cost, except for Capital and Lease Assets contributed by third parties, which are recorded at acquisition value as of the date of acquisition. The Airport Authority capitalizes incremental overhead costs associated with the construction of capital assets. Capital assets are defined by the Airport Authority as assets with an initial, individual cost of more than $5,000 and an initial useful life of one year or greater.

Lease assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease liability, 2) lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, 3) initial direct costs that are ancillary charges necessary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

The Airport Authority recognizes lessee-financed improvements as capital assets based upon the asset's estimated value at the time the asset reverts to the Airport Authority.

NOTE 1.

NATURE OF ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is computed by use of the straight-line method over the following estimated useful lives:

Asset Category	Useful Life (Years)
Land improvements	30-40
Runways, roadways and parking lots	
Lighting, security and minor improvements	3-10
Airfield and parking lots and improvements	12-25
Drainage systems, gas lines, pedestrian bridges	30
Roadways, bridges and infrastructure	40-50
Buildings and structures	
Passenger loading bridges, security systems, general upgrades and remodels	3-10
Baggage handling systems, HVAC, structural improvements, fuel and storage facility	12-20
Buildings and smart curb improvements	25-50
Machinery and equipment	
Vehicles and emergency vehicles	3-15
Office furniture and equipment	3-10
Communication and electronic systems	3-20
Works of art	15-30

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are expensed as incurred. Major outlays for capital assets and improvements are capitalized as construction in progress as projects are constructed. The Airport Authority no longer capitalizes interest due to the adoption of GASB 89, Accounting for Interest Cost Incurred before the End of a Construction Period that eliminated the requirement to capitalized interest.

CAPITAL ASSET IMPAIRMENT:
The Airport Authority's capital assets include property, equipment, and infrastructure assets. A capital asset is considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstances is outside the normal life cycle of the capital asset. The Airport Authority evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Common indicators of impairment include evidence of physical damage where restoration efforts are needed to restore service utility, enactment or approval of laws or regulations setting standards that the capital asset would not be able to meet, technological development or evidence of obsolescence, a change in the manner or expected duration of use of a capital asset or construction stoppage. The Airport Authority reports the effects of capital asset impairments in its financial statements when they occur and accounts for insurance recoveries in the same manner. The Airport Authority's management has determined that no impairments of capital assets currently exist.

RETENTIONS PAYABLE:
The Airport Authority enters into construction contracts that may include retention provisions such that a certain percentage of the contract amount is held for payment until completion of the contract and acceptance by the Airport Authority. The Airport Authority's policy is to record the retention payable only after completion of the work and acceptance of the contractor invoices have occurred. Retentions payable on completed contracts are included with accounts payable on the accompanying statements of net position. Amounts related to unpaid retentions on uncompleted contracts are included in accrued liabilities.

COMPENSATED ABSENCES:
All employees of the Airport Authority earn annual leave that is paid upon termination or retirement. Annual leave is accrued at current rates of compensation and based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

OTHER NONCURRENT LIABILITIES:
The Airport Authority's other noncurrent liabilities consists primarily of unearned revenue. In June 2020, the Airport Authority entered into an agreement with San Fuel Company, LLC, whereby SAN Fuel would pay the Airport Authority for the construction of portions of the new hydrant fueling system. These payments have been determined to represent advanced lease payments (deferred revenue) that will be recognized over the 30-year term of the lease agreement.

BOND DISCOUNTS, PREMIUMS, AND ISSUANCE COSTS:
Bond discounts and premiums are deferred and amortized over the term of the respective bonds using the effective interest method. Bond issuance costs are expensed as incurred.

AIRPORT AUTHORITY NET POSITION:
Net investment in capital assets consists of capital and lease assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets includes unspent debt proceeds.

Restricted net position represents amounts that are appropriated or legally segregated for a specific purpose. The Airport Authority's net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the Airport Authority or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Unrestricted net position as of June 30, 2022, and 2021 includes designations of net position that represent tentative management plans that are subject to change, consisting of:

	2022	2021
Operating contingency	**$ 2,000,000**	$ 2,000,000
Insurance contingency	**13,121,946**	12,403,950
Capital projects and other commitments	**1,068,502**	8,090,304
Total designated net position	**$ 16,190,448**	$ 22,494,254

Note: Fiscal year 2021 amounts have been restated for GASB 87

When both restricted and unrestricted resources are available for use, it is the Airport Authority's policy to use restricted resources first and then unrestricted resources as they are needed.

REVENUE AND EXPENSE RECOGNITION:
Revenues from airlines, concessionaires, lessees, and parking are reported as operating revenues. Operating expenses include the cost of administering the airport system, including depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions and grants.

CONCENTRATIONS:
A significant portion of the Airport Authority's earnings and revenues are directly or indirectly attributed to the activity of a number of major airlines. The Airport Authority's earnings and revenues could be materially and adversely affected should any of these major airlines discontinue operations and should the Airport Authority be unable to replace those airlines with similar activity. The level of operations is determined based upon the relative share of enplaned passengers.

The five largest airlines in terms of enplaned passengers are as follows:

	2022	2021
Southwest Airlines	**34.1%**	33.5%
Alaska Airlines	**17.5%**	16.6%
United Airlines	**13.1%**	12.3%
American Airlines	**12.4%**	15.8%
Delta Airlines	**12.4%**	11.7%

NOTE 1.

NATURE OF ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 1.

NATURE OF ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFINED BENEFIT PENSION PLAN:
The Airport Authority has a single-employer defined benefit pension plan (Plan) administered through San Diego City Employee Retirement System (SDCERS). For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additionally, the Airport Authority has a single-employer defined benefit preservation of benefit pension plan administered through SDCERS. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OTHER POSTEMPLOYMENT BENEFIT PLAN:
The Airport Authority provides an agent multiple-employer defined benefit postemployment benefit plan (the OPEB Plan). The OPEB Plan funds are managed by California Public Employees Retirement System (CalPERS) under the California Employer's Retiree Benefit Trust (CERBT) fund. For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ACCOUNTING PRONOUNCEMENTS ADOPTED:
The Airport Authority has adopted and implemented the following GASB statements during the year ended June 30, 2022:

GASB Statement No. 87, *Leases,* effective for the Airport Authority's year ended June 30, 2022.

GASB Statement No. 92, *Omnibus 2020*, effective for the Airport Authority's year ended June 30, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates,* effective for the Airport Authority's year ended June 30, 2022.

Implementation of Statement No. 87 resulted in a restatement of the financial statements for the fiscal year ended June 30, 2021. Details of the restated balances are provided in Note 13.

ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED:
GASB has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Airport Authority:

GASB Statement No. 91, *Conduit Debt Obligations,* effective for the Airport Authority's year ended June 30, 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, effective for the Airport Authority's year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for the Airport Authority's year ended June 30, 2023.

GASB Statement No. 99, *Omnibus 2022*, effective for the Airport Authority's year ended June 30, 2023 and June 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections,* effective for the Airport Authority's year ended June 30, 2024.

GASB Statement No. 101, *Compensated Absences,* effective for the Airport Authority's year ended June 30, 2025.

RECLASSIFICATIONS:
Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 presentation. The reclassifications had no effect on the changes in net position.

NOTE 1.

NATURE OF ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2.

CASH, CASH EQUIVALENTS & INVESTMENTS

SUMMARY OF CASH, CASH EQUIVALENTS AND INVESTMENTS:

Cash, cash equivalents and investments are reported in the accompanying statements of net position as follows at June 30:

	2022	2021
Unrestricted and Undesignated:		
Cash and cash equivalents	**$ 10,560,677**	$ 40,910,032
Current investments	**238,734,707**	241,485,681
Noncurrent investments	**141,423,628**	39,904,555
Total unrestricted and undesignated	**390,719,012**	322,300,268
Designated for specific capital projects and other commitments: cash and cash equivalents	**50,449,426**	46,916,337
Restricted:		
Current cash, cash equivalents and investments, with trustees	**150,348,859**	93,190,368
Noncurrent cash, cash equivalents and investments, not with trustees	**154,568,287**	142,401,039
Noncurrent cash, cash equivalents and investments, with trustees	**2,025,521,963**	338,135,700
Total restricted cash, cash equivalents and investments	**2,330,439,108**	573,727,107
Total cash, cash equivalents and investments	**$ 2,771,607,546**	$ 942,943,712

The components of restricted cash, cash equivalents and investments at June 30, are summarized below:

	2022	2021
Restricted cash, cash equivalents and investments:		
Bond reserves:		
Operation and maintenance reserve subaccount	**$ 45,410,666**	$ 42,735,010
Operation and maintenance subaccount	**15,136,888**	14,245,003
Renewal and replacement account	**5,400,000**	5,400,000
Total bonds reserves	**65,947,554**	62,380,013
Passenger facility charges unapplied	**61,379,099**	51,233,055
Customer facility charges unapplied	**25,185,007**	26,699,449
Small business development bond guarantee	**2,222,300**	2,222,300
2010 Series debt service reserve fund	**-**	3
2013 Series construction fund	**-**	88
2013 Series debt service account	**163**	17,157,962
2013 Series debt service reserve fund	**38,018**	34,307,365
2014 Renew and Replace	**11,674,803**	9,428,461
2014 Rolling coverage fund	**7,217,003**	7,170,595
2014 Series construction fund	**-**	2,849
2014 Series debt service account	**14,065,605**	14,156,186
2014 Series debt service reserve fund	**22,143,752**	22,305,313
2017 Series construction fund	**-**	478,586
2017 Series debt service account	**12,125,293**	12,241,130
2017 Series debt service reserve fund	**14,759,099**	14,897,086
2019 Series CAP Interest Fund	**2,164,375**	6,797,250
2019 Series Construction Fund	**87,809,097**	199,855,484
2019 Series Debt Services Account	**13,318,441**	12,275,954
2019 Series Debt Services Reserve Fund	**29,230,025**	29,607,536
2020 Series Debt Services	**20,206,542**	20,095,216
2020 Series Debt Services Reserve Fund	**30,032,139**	30,415,228
2021 Series CAP Interest Fund	**241,585,184**	-
2021 Series Construction Fund	**1,544,293,820**	-
2021 Series Cost of Issuance	**21,961**	-
2021 Series Debt Services Reserve Fund	**108,528,789**	-
2021 Series Revolving Construction Fund	**993,764**	-
2021Series Debt Services Account	**15,497,275**	-
Total restricted cash, cash equivalents and investments	**$ 2,330,439,108**	$ 573,727,107

NOTE 2.

CASH, CASH EQUIVALENTS & INVESTMENTS (CONTINUED)

INVESTMENTS AUTHORIZED IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 53601 AND UNDER THE PROVISIONS OF THE AIRPORT AUTHORITY'S INVESTMENT POLICY:

The table that follows identifies the investment types that are authorized by the Airport Authority's investment policy and State Government Code. The table also identifies certain provisions of the Airport Authority's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of bond proceeds held by the bond trustee that are governed by provisions of debt agreements of the Airport Authority, in addition to the general provisions of the Airport Authority's investment policy and State Government Code.

Authorized Investment Type	Maximum Maturity	Minimum Quality Requirements	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	N/A	None	None
U.S. agency securities	5 years	N/A	None	None
Non-U.S. Securities	5 years	AA	30 percent	10 percent
Bankers' acceptances	180 days	AAA/Aaa	40 percent	5 percent
Commercial paper	270 days	A-1; P-1; F-1	25 percent	5 percent
Negotiable certificates of deposit	5 years	A	30 percent	5 percent
Medium-term notes	5 years	A	20 percent	5 percent
Money market mutual funds	N/A	AAA/Aaa	20 percent	5 percent
Repurchase agreements	1 year	A	None	None
Local Agency Investment Fund	N/A	N/A	None	$75 million
San Diego County Investment Pool	N/A	N/A	None	$75 million
Local Government Investment Pool	N/A	N/A	None	$75 million
U.S. State and California agency indebtedness	5 years	A	20 percent	5 percent
Placement service certificates of deposits	3 years	N/A	30 percent	5 percent
Time certificates of deposit	3 years	*	20 percent	5 percent
Bank deposits	N/A	*	None	None
Asset-Backed Securities	5 years	AA	10 Percent	5 percent
Mortgage Backed Securities	5 years	AA	10 Percent	5 percent
Mortgage Pass-through Securities	5 years	AA	10 Percent	5 percent
Collaterallized Mortgage Obligation	5 years	AA	10 Percent	5 percent

* Financial institution must have at least an overall satisfactory rating under the *Community Reinvestment Act* for meeting the credit needs of California communities in its most recent evaluation. Collateralization required per Cal. Gov. Code Section 53630 et seq.

INVESTMENT IN STATE INVESTMENT POOLS:

The Airport Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Airport Authority's investments in this pool are reported in the accompanying financial statements at fair value based upon the Airport Authority's pro rata share of the amortized cost basis provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of each portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

INVESTMENT IN COUNTY INVESTMENT POOL:

The Airport Authority is a voluntary participant in the San Diego County Investment Pool (SDCIP) that is regulated by California Government Code Section 16429 under the oversight of the County Treasurer of San Diego. The Airport Authority's investments in this pool are reported in the accompanying financial statements at fair value based upon the Airport Authority's pro rata share of the amortized cost basis provided by SDCIP for the entire SDCIP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by SDCIP.

NOTE 2.

CASH, CASH EQUIVALENTS & INVESTMENTS (CONTINUED)

INVESTMENTS AUTHORIZED BY DEBT AGREEMENTS:
Investments held by the bond trustee are governed by the provisions of the debt agreement, in addition to the general provisions of the California Government Code and the Airport Authority's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee, according to the Master Trust Indenture. In the event of a conflict between the Airport Authority's investment policy and permitted investments associated with any Airport Authority debt issuance, the debt agreement shall control. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum	Minimum	Maximum	Maximum
U.S. Treasury obligations	None	N/A	None	None
U.S. agency securities	None	N/A	None	None
State Obligations	None	AAA/Aaa	None	None
Commercial paper	None	A-1; P-1; F-1	None	None
Negotiable certificates of deposit	None	AAA/Aaa	None	None
Long term and Medium-term notes	None	Two highest ratings	None	None
Money market mutual funds	None	Two highest ratings	None	None
Municipal bonds	None	Two highest ratings	None	None
Repurchase agreements	None	BBB*	None	None
Investment agreements	None	N/A	None	None
Local Agency Investment Fund	None	N/A	None	None
San Diego County Investment Pool	None	N/A	None	None
Deposit accounts	None	N/A	None	None

Any other investment which is a permitted investment of the Authority in accordance with the laws of the State.
*Investment requires collateralization

The primary objective of the Airport Authority's investment policy is to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Airport Authority. Assets of the Airport Authority that are not bond proceeds, which are invested in securities as permitted in the bond indenture, are described in the preceding table. In addition, there are various credit criteria as defined in the Airport Authority's investment policy as depicted in the previous section entitled "Investments authorized in accordance with California Government Code Section 53601 and under the provisions of the Airport Authority's investment policy."

INVESTMENTS HELD BY TRUSTEE:
The Airport Authority has monies held by trustees pledged for the security and payment of certain debt instruments, the payment of bond interest during construction and the payment of capital project costs.

DISCLOSURES RELATED TO INTEREST RATE RISK:
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments with longer maturities have greater fair value sensitivity to changes in market interest rates. One of the ways the Airport Authority manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities. These staggered maturities also provide consistent cash flow and fulfill liquidity needs for operations. The Airport Authority monitors interest rate risk inherent in its portfolio by measuring the segmented time distribution of its portfolio. The Airport Authority has no specific limitations with respect to this metric.

CUSTODIAL CREDIT RISK (DEPOSITS):
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Airport Authority maintains deposits at several institutions in order to minimize custodial credit risk. These deposits are collateralized by various instruments such as U.S. government securities (guaranteed) or U.S. agency securities (government sponsored). California Government Code requires that a financial institution secure deposits made by a state or local government by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Airport Authority deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured deposits.

Insurance through the Federal Deposit Insurance Corporation (FDIC) may be applicable to the first $250,000 of institutional deposit accounts, with any balance above this amount covered by the collateralization requirement. Certificates of deposit held by the Airport Authority's third-party custodians are fully insured by the FDIC, as the individual amounts do not exceed the FDIC-insured limits or are collateralized in accordance with the California Government Code.

CUSTODIAL CREDIT RISK (INVESTMENTS):
Custodial credit risk for investments is the risk that the Airport Authority will not be able to recover the value of its investments in the event of a counterparty failure. The Airport Authority uses third-party banks' custody and safekeeping services for its registered investment securities. Securities are held in custody at third-party banks registered in the name of the Airport Authority and are segregated from securities owned by those institutions or held in custody by those institutions.

DISCLOSURES RELATED TO CREDIT RISK:
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. California Government Code Section 53601 (as referenced previously in this note) limits the types of investment instruments that may be purchased by the Airport Authority.

NOTE 2.

CASH, CASH EQUIVALENTS & INVESTMENTS (CONTINUED)

NOTE 2.

CASH, CASH EQUIVALENTS & INVESTMENTS (CONTINUED)

The maturity ranges and credit ratings for the Airport Authority's investment securities as of June 30 are presented in the following tables:

		Investment Maturities (in Years)			
Investment Type	Total	0-1	1-2	2-5	Ratings
Investments subject to credit and interest rate risk:					
U.S. Treasury obligations	$ 231,211,065	57,730,410	27,133,119	146,347,536	AA+
U.S. Agency securities	97,162,627	27,422,110	51,463,229	18,277,289	AA+
Non-U.S. Securities	5,197,610	-	-	5,197,610	AAA
Non-U.S. Securities	9,139,850	-	-	9,139,850	A
Medium-term notes	11,629,780	3,894,940	4,754,000	2,980,840	AA
Medium-term notes	17,067,595	4,982,730	3,997,440	8,087,425	A+
Medium-term notes	30,961,940	5,498,750	10,962,010	14,501,180	A
Medium-term notes	1,878,420	-	-	1,878,420	A-
Medium-term notes	5,988,440	1,988,440	-	4,000,000	AA+
Medium-term notes	5,682,140	-	-	5,682,140	AA-
Municipal Bonds	4,908,300	-	4,908,300	-	AA+
Negotiable Certificates of deposit	2,222,300	2,222,300	-	-	Not rated
Money market mutual funds	150,481,793	150,481,793	-	-	Not rated
Local Agency Investment Fund	349,923,926	349,923,926	-	-	Not rated
San Diego County Investment Pool	423,896,690	423,896,690	-	-	AAA
San Diego County Investment Pool-Treasury	1,373,116,904	1,373,116,904			AAA
CalTrust Fund	16,298,735	16,298,735	-	-	AA
CalTrust Fund	16,090,945	16,090,945			A+
Total investments subject to credit and interest rate risk:	2,752,859,060	2,433,548,673	103,218,097	216,092,290	
Total Investments	$ 2,752,859,060				

NOTE 2.

CASH, CASH EQUIVALENTS & INVESTMENTS (CONTINUED)

	2021				
		Investment Maturities (in Years)			
Investment Type	Total	0-1	1-2	2-5	Ratings
Investments subject to credit and interest rate risk:					
U.S. Treasury obligations	$ 111,584,806	$ 62,013,108	$ 43,647,786	$ 5,923,912	AA+
U.S. Agency securities	129,121,554	32,018,617	28,272,388	68,830,549	AA+
Non-U.S. Securities	2,025,740	2,025,740	-	-	AAA
Non-U.S. Securities	5,536,955	5,536,955	-	-	Not rated
Medium-term notes	3,000,720	3,000,720	-	-	AAA
Medium-term notes	6,270,120	-	6,270,120	-	AA
Medium-term notes	12,502,610	3,009,030	7,421,280	2,072,300	A+
Medium-term notes	21,236,805	5,051,320	5,684,385	10,501,100	A
Medium-term notes	2,027,160	2,027,160	-	-	A-
Medium-term notes	4,047,720	4,047,720	-	-	AA+
Municipal Bonds	5,194,250	-	-	5,194,250	AA+
Negotiable Certificates of deposit	2,222,300	2,222,300	-	-	Not rated
Money market mutual funds	117,578,335	117,578,335	-	-	Not rated
Local Agency Investment Fund	192,705,889	192,705,889	-	-	Not rated
San Diego County Investment Pool	270,367,612	270,367,612	-	-	AAA
CalTrust Fund	16,410,450	16,410,450	-	-	AAA
Total investments subject to credit and interest rate risk:	901,833,026	718,014,956	91,295,959	92,522,111	
Investments not subject to credit or interest rate risk:					
Nonnegotiable certificates of deposit	$ 16,615,890				
Total Investments	$ 918,448,916				

Ratings per Standard and Poor's

CONCENTRATION OF CREDIT RISK:

The investment policy of the Airport Authority contains no limitations on the amount that can be invested by any one issuer beyond that stated in the table provided earlier in this note. The Airport Authority requires a diversified investment portfolio to avoid risk of losses resulting from an over-concentration of assets in a specific maturity, issuer, or class of securities. The Airport Authority had no concentrations of credit risk at June 30, 2022, and 2021.

FOREIGN CURRENCY RISK:

The Airport Authority's investment policy does not allow investments in foreign securities.

FAIR VALUE OF ASSETS:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- **Level 1** Quoted prices in active markets for identical assets or liabilities
- **Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- **Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

NOTE 2.

CASH, CASH EQUIVALENTS & INVESTMENTS (CONTINUED)

RECURRING MEASUREMENTS

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at the fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2022 and 2021:

June 30, 2022	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury obligations	$ 231,211,065	$ 231,211,065	$ -	$ -
U.S. agency securities	97,162,627	-	97,162,627	-
Non-U.S Securities	14,337,460	14,337,460	-	-
Negotiable certificates of deposit	2,222,300	-	2,222,300	-
Municipal Bonds	4,908,300	-	4,908,300	-
Medium-term notes	73,208,315	-	73,208,315	-
Total investments by fair value level	423,050,067	$ 245,548,525	$ 177,501,542	$ -
Investments measured at amortized cost				
Money Market Mutual funds	150,481,793			
Investments measured at net asset value				
Caltrust	32,389,680			
Local Agency Investment Fund	349,923,926			
San Diego County Investment Pool	423,896,690			
San Diego County Investment Pool Treasury	1,373,116,904			
Total investments	$ 2,752,859,060			

June 30, 2021	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury obligations	$ 111,584,806	$ 111,584,806	$ -	$ -
U.S. agency securities	129,121,554	-	129,121,554	-
Non-U.S Securities	7,562,695	7,562,695	-	-
Negotiable certificates of deposit	2,222,300	-	2,222,300	-
Municipal Bonds	5,194,250	-	5,194,250	-
Medium-term notes	49,085,135	-	49,085,135	-
Total investments by fair value level	304,770,740	$ 119,147,501	$ 185,623,239	$ -
Investments measured at amortized cost				
Money Market Mutual funds	117,578,335			
Non-negotiable certificate of deposit	16,615,890			
Investments measured at net asset value				
Caltrust	16,410,450			
Local Agency Investment Fund	192,705,889			
San Diego County Investment Pool	270,367,612			
Total investments	$ 918,448,916			

NOTE 3.

LEASES

LEASE RECEIVABLE

The Airport Authority leases a portion of its property to various third parties who use the space to conduct their operations on the Airport grounds, the terms of which expire 2022 through 2046. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. A number or leases have a maximum possible term of 12 months (or less), including options to extend, regardless of their probability of being exercised. Those payments are recognized as inflows of resources based on the payment provisions of the lease contracts and are therefore excluded from the schedule in this section.

Concession lease receivables for space within the terminals are typically based on the minimum annual guarantee plus a minimum 3 percent annual escalation, less rent holidays. Prior to the start of the economic downturn brought on by the COVID-19 pandemic, the Airport Authority had 85 retail and dining concessions open, all designed to provide a world class shopping and dining experience for the millions of passengers who use SDIA. Many locations closed temporarily because of the pandemic. Enplanements have continued to increase and many of the shops and restaurants that temporarily closed have since reopened. As of June 30, 2022, there are 62 terminal food services and retail concession locations open. The Board approved a Rent Forbearance and Abatement Program, which has provided abatement of certain rents and fees to qualifying concessionaires from April 1, 2020, through June 30, 2022.

The Airport Authority's CFC revenues and Bonds funded construction of the Rental Car Center facility (RCC), which was completed and placed in service on January 20, 2016. The RCC facility sits on 24.85 acres of land and houses all the major and many small operator rental car tenants. The land rent leases for the RCC commenced on the opening date of the facility and are non-cancellable. Once the Bonds are repaid or defeased, in addition to Land Rent, the rental car operators will also pay Facility Rent.

Various other leasing arrangements are in place for Airport Authority owned buildings, ground, and support spaces. Payments for these leases are generally based on total square footage being leased and an established rate, with periodic increases based on the Consumer Price Index.

Short-term lease payments are recognized as inflows of resources based on the payment provisions of the lease contract and are therefore not included in the lease receivable balances below.

The Airport Authority is party to a lease-leaseback transaction with the Port of San Diego. The lessor and lessee transactions have been netted in accordance with GASB 87, therefore the resulting balance is not included in the lease receivable figure below.

The Airport Authority reports leases receivable with a carrying amount of $193,296,505 and $181,707,260 as of June 30, 2022 and 2021, respectively, and a deferred inflow of resources in the amount of $168,064,374 and $169,448,031 as of June 30, 2022 and 2021, respectively, related to this agreement. The deferred inflow of resources will be recognized as revenue over the term of the agreement. Revenue recognized under lease contracts during the years ended June 30, 2022, and 2021, was $23,742,030 and $22,725,501, respectively, which includes both lease revenue and interest. The Airport recognized lease revenue of $13,410,253 and $7,802,199, for the years ended June 30, 2022, and 2021, respectively, for variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Airport Authority's leases that are included in the measurement of the lease receivable as of June 30, 2022:

Years Ending June 30,	Principal	Interest	Total
2023	$ 25,256,727	$ 5,644,037	$ 30,900,764
2024	21,579,230	4,940,854	26,520,084
2025	12,684,623	4,406,985	17,091,608
2026	11,804,674	4,167,455	15,972,129
2027	10,934,570	3,931,931	14,866,501
2028 - 2032	31,637,510	17,105,062	48,742,572
2033 - 2037	25,303,904	12,675,346	37,979,250
2038 - 2042	27,747,935	7,822,981	35,570,916
2043 - 2046	26,347,332	2,109,400	28,456,732
Total	$ 193,296,505	$ 62,804,051	$ 256,100,556

REGULATED LEASES

The Airport Authority leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB 87, and therefore are only subject to the disclosure requirements. The terms of the regulated leases expire 2022 through 2050.

Certain capital assets, such as loading bridges, airfield, and building space are leased to airlines as part of the Airport Authority's Airline Operating Lease Agreement (AOLA). On July 1, 2019, the Airport Authority entered into the current ten-year AOLA with passenger airlines and cargo carriers operating at SDIA. The AOLAs cover the use of and rate-setting mechanisms for the airfield and terminal facilities at SDIA. Under the terms of the AOLA, landing fees and aircraft parking fees are calculated based on a residual rate-setting methodology, in which all costs of the facility and services are recovered from the airlines, and the airlines assume the financial risk. Terminal rental rates are based on a compensatory rate-setting methodology, in which the airlines each pay for only the actual cost of facilities and services they use; financial risk and control is assumed by the airport. The AOLA also includes signatory and non-signatory rate structures. Air Carriers that signed a non-signatory agreement are charged a 120 percent premium on all signatory rates, fees, and charges, except for the Federal Inspection Services fee, which all airlines pay the same rate for use of the immigration and customs facilities. Signatory carriers are required to pay a minimum amount each year ($500,000 for passenger carriers, and $250,000 for cargo carriers). The agreement has no provisions that grant the airlines direct approval rights over capital projects, with the limited exception of certain transportation projects that exceed a $350 million threshold, as defined in the AOLA. It also allows flexibility to meet the demands of changing airline activity and to accommodate new entrant carriers. Terms of the new agreement financially support execution of the New Terminal 1, formerly referred to as the Airport Development Program. The Airport Authority does provide for preferential or exclusive use of certain assets to air carriers. As of June 30, 2022, 45 of the 60 terminal and cargo aircraft parking positions were subject to preferential use and 97,350 square feet of the 443,071 square feet of airline designated space was subject to exclusive use. As of June 30, 2021, 45 of the 60 terminal and cargo aircraft parking positions were subject to preferential use and 97,004 square feet of the 437,725 square feet of airline designated space was subject to exclusive use.

Signature Flight Support is the exclusive lessee of the Fixed Base Operator (FBO) leasehold at SDIA, with their lease expiring April 30, 2049. Ground rent at the FBO increases annually based on the Consumer Price Index (CPI) but cannot drop below the base rent escalation. Substantially all buildings and improvements in this lease are for exclusive use of this tenant.

The Airline Support Building (ASB) is an Airport Authority facility leased by carriers to process belly cargo. A portion of the lease payments increase annually based on CPI. Substantially all buildings and improvements in these leases are for the exclusive use of the four airline tenants. The Airport Authority leases out the fuel farm to SAN Fuel Company, LLC to maintain and operate fuel operations at SDIA. Payments for this lease increase every five years, starting in 2025, based on CPI. Substantially all buildings and improvements in this lease are for the exclusive use of this tenant.

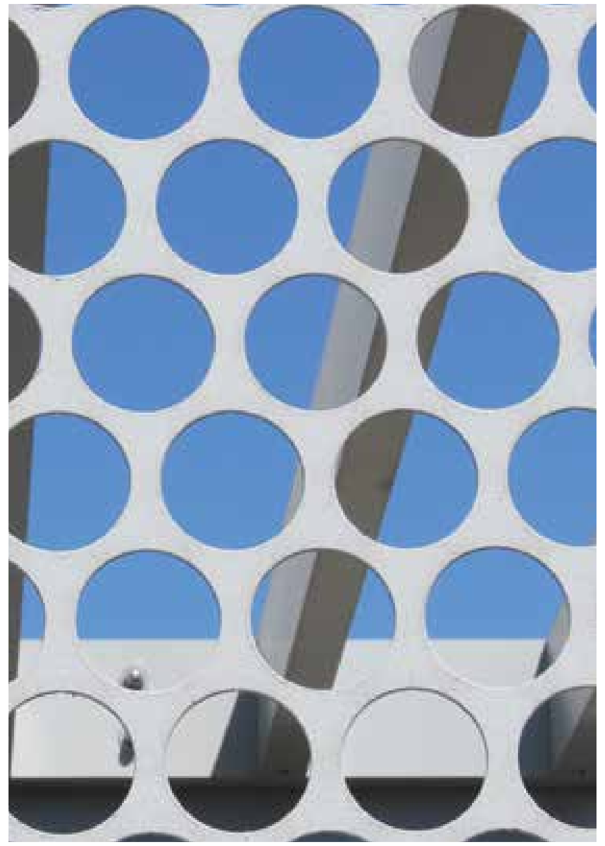
The Airport Authority recognized fixed revenue under regulated lease contracts of $18,523,369 and $14,267,452 for the years ended June 30, 2022, and 2021, respectively. Variable lease revenue not previously included in the future minimum payments under its regulated leases were $141,033,844 and $124,443,763, for the years ended June 30, 2022, and 2021, respectively.

NOTE 3.

LEASES (CONTINUED)

The following is a schedule by year of expected future minimum payments to be received under the Airports regulated leases as of June 30, 2022:

Years Ending June 30,	Total Future
2023	$ 18,377,776
2024	18,373,055
2025	18,368,144
2026	18,363,035
2027	18,357,719
2028 - 2032	66,141,596
2033 - 2037	39,413,626
2038 - 2042	39,413,626
2043 - 2047	39,413,626
2048 - 2050	16,325,333
Total	$ 292,547,536



NOTE 4.
NOTE RECEIVABLE

As part of the transfer of airport operations from the District to the Airport Authority, and pursuant to the associated MOU, the District issued a $50,000,000 unsecured promissory note to the Airport Authority. According to an agreement with the District that commenced on January 1, 2006, the note will be amortized over 25 years, maturing on December 31, 2030. The note is subordinate to all bond indebtedness of the District and carried a rate of 5.5 percent per annum through October 31, 2021. An amendment to that agreement reduced the rate to 3.6 percent per annum, effective November 1, 2021, reducing the monthly payment. At June 30, 2022, and 2021, the balance of the note receivable was $24,836,615 and $27,208,867, respectively.

As part of the contracts to lease space in the Airline Support Building (ASB), tenants were given the option to issue a note receivable to the Airport Authority in order to fund tenant improvements to their space. Four airlines and one non-airline tenant exercised this option and issued notes for a combined total of $13,366,889 commencing July 1, 2021, for a period of 5 years carrying the estimated thirty-year revenue bond index rate of 2.5 percent per annum through June 30, 2026. At June 30, 2022, the balance of the notes receivable was $9,308,366.

The required principal payments owed from the District and ASB notes receivable for the fiscal years ending June 30 are as follows:

Years Ending June 30,	ASB	District	Total
2023	$ 2,226,196	$ 2,540,692	$ 4,766,888
2024	2,292,350	2,634,469	4,926,819
2025	2,360,158	2,731,707	5,091,865
2026	2,429,662	2,832,535	5,262,197
2027		2,937,084	2,937,084
2028 - 2031		11,160,128	11,160,128
Total	$ 9,308,366	$ 24,836,615	$ 34,144,981

NOTE 5.
CAPITAL AND LEASE ASSETS

	Balance at July 1, 2021	Increases	Decreases	**Balance at June 30, 2022**
Nondepreciable assets:				
Land	$ 22,167,594	$ -	$ -	**$ 22,167,594**
Land - right-to-use lease asset	224,989,986	-	-	**224,989,986**
Construction in progress	248,538,868	377,043,444	(47,457,592)	**578,124,720**
Intangible asset	440,000	-	-	**440,000**
Total nondepreciable assets	496,136,448	377,043,444	(47,457,592)	**825,722,300**
Depreciable assets:				
Land improvements	163,770,750	-	(3,659,145)	**160,111,605**
Land improvements - right-to-use lease assets	13,313,911	-	-	**13,313,911**
Buildings and structures	1,885,767,510	19,693,720	(82,431,505)	**1,823,029,725**
Machinery and equipment	122,982,559	6,130,853	(4,405,013)	**124,708,399**
Runways, roads and parking lots	719,974,821	18,769,256	(101,724,339)	**637,019,738**
Total capital and lease assets being depreciated/amortized	2,905,809,551	44,593,829	(192,220,002)	**2,758,183,378**
Less accumulated depreciation and amortization for:				
Land improvements	(45,475,582)	(10,384,845)	5,152,634	**(50,707,793)**
Building and structures	(824,007,618)	(83,738,691)	75,628,246	**(832,118,063)**
Right-to-use lease assets	(4,792,663)	(6,483,298)	-	**(11,275,961)**
Machinery and equipment	(80,936,062)	(11,309,899)	4,347,581	**(87,898,380)**
Runways, roads and parking lots	(383,511,041)	(31,577,753)	96,922,445	**(318,166,349)**
Total accumulated depreciation and amortization	(1,338,722,966)	(143,494,486)	182,050,906	**(1,300,166,546)**
Total capital and lease assets being depreciated/amortized, net	1,567,086,585	(98,900,657)	(10,169,096)	**1,458,016,832**
Capital and lease assets, net	$ 2,063,223,033	$ 278,142,787	$ (57,626,688)	**$ 2,283,739,132**

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021
Nondepreciable assets:				
Land	$ 22,167,594	$ -	$ -	$ 22,167,594
Land - right-to-use lease asset	224,989,986	-	-	224,989,986
Construction in progress	288,353,299	173,462,464	(213,276,895)	248,538,868
Intangible asset	440,000	-	-	440,000
Total nondepreciable assets	535,950,879	173,462,464	(213,276,895)	496,136,448
Depreciable assets:				
Land improvements	114,589,520	49,181,229	-	163,770,749
Land improvements - right-to-use lease assets	-	13,313,911	-	13,313,911
Buildings and structures	1,747,407,784	148,946,010	(10,586,284)	1,885,767,510
Machinery and equipment	135,435,875	3,324,571	(15,777,887)	122,982,559
Runways, roads and parking lots	708,999,286	12,709,855	(1,734,320)	719,974,821
Total capital and lease assets being depreciated/amortized	2,706,432,465	227,475,576	(28,098,491)	2,905,809,550
Less accumulated depreciation and amortization for:				
Land improvements	(35,941,711)	(9,533,871)	-	(45,475,582)
Building and structures	(752,724,619)	(81,869,287)	10,586,287	(824,007,618)
Right-to-use lease assets	(4,792,663)	-	-	(4,792,663)
Machinery and equipment	(84,805,802)	(11,671,187)	15,540,927	(80,936,062)
Runways, roads and parking lots	(355,320,220)	(29,759,445)	1,568,624	(383,511,041)
Total accumulated depreciation and amortization	(1,233,585,015)	(132,833,789)	27,695,839	(1,338,722,966)
Total capital and lease assets being depreciated/amortized, net	1,472,847,450	94,641,787	(402,653)	1,567,086,584
Capital and lease assets, net	$ 2,008,798,329	$ 268,104,251	$ (213,679,548)	$ 2,063,223,032

Note: Fiscal year 2021 amounts have been restated for GASB 87

NOTE 6.

LONG-TERM LIABILITIES

The following is a summary of changes in the long-term liability activity for the years ended June 30, 2022 and 2021:

	Principal Balance at July 1, 2021	Additions /New Issuances	Reductions/ Repayments	**Principal Balance at June 30, 2022**	Due Within One Year
Variable Rate Debt					
Revolving LOC	$ -	$ 80,100,000	$ -	**$ 80,100,000**	$ -
Total variable rate debt	-	80,100,000	-	**80,100,000**	-
Bonds payable:					
Series 2013 Bonds	360,825,000	-	(360,825,000)	**-**	-
Series 2014 Bonds	288,095,000	-	(6,090,000)	**282,005,000**	6,320,000
Series 2017 Bonds	276,985,000	-	(5,070,000)	**271,915,000**	5,320,000
Series 2019 Bonds	462,445,000	-	(3,420,000)	**459,025,000**	4,440,000
Series 2020 Bonds	240,820,000	-	(13,825,000)	**226,995,000**	14,520,000
Series 2021 Bonds	-	1,941,745,000	-	**1,941,745,000**	9,760,000
Bond premiums	206,427,883	332,380,831	(52,650,023)	**486,158,691**	-
Total bonds payable	1,835,597,883	2,274,125,831	(441,880,023)	**3,667,843,691**	40,360,000
Lease Liabilities	235,804,038	-	(3,384,956)	**232,419,082**	3,471,838
Note Payable - CRDC	6,201,974	-	(323,293)	**5,878,682**	354,139
Total debt obligations	1,841,799,857	2,354,225,831	(442,203,316)	**3,753,822,373**	40,714,139
Compensated absences	4,761,943	292,135	-	**5,054,078**	3,264,966
Total long-term	$ 1,846,561,800	$ 2,354,517,966	$ (442,203,316)	**$ 3,758,876,451**	$ 43,979,105

	Principal Balance at July 1, 2020	Additions /New Issuances	Reductions/ Repayments	Principal Balance at June 30, 2021	Due Within One Year
Variable Rate Debt					
Revolving LOC	$ -	$ -	$ -	$ -	$ -
Total variable rate debt	-	-	-	-	-
Bonds payable:					
Series 2010 Bonds	10,865,000	-	(10,865,000)	-	-
Series 2013 Bonds	368,750,000	-	(7,925,000)	360,825,000	8,315,000
Series 2014 Bonds	293,985,000	-	(5,890,000)	288,095,000	6,090,000
Series 2017 Bonds	281,810,000	-	(4,825,000)	276,985,000	5,070,000
Series 2019 Bonds	463,680,000	-	(1,235,000)	462,445,000	3,420,000
Series 2020 Bonds	241,640,000	-	(820,000)	240,820,000	13,825,000
Bond premiums	220,478,470	-	(14,050,587)	206,427,883	-
Total bonds payable	1,881,208,470	-	(45,610,587)	1,835,597,883	36,720,000
Lease Liabilities	241,688,854		(5,884,816)	235,804,038	3,384,956
Note Payable - CRDC	6,497,108	-	(295,134)	6,201,974	323,293
Compensated absences	4,088,584	3,211,891	(2,538,532)	4,761,943	2,538,532
Total long-term	$ 1,891,794,162	$ 3,211,891	$ (48,444,253)	$ 1,846,561,800	$ 39,581,825

Note: Fiscal year 2021 amounts have been restated for GASB 87

NOTE 6.

LONG-TERM LIABILITIES (CONTINUED)

SENIOR LIEN AIRPORT REVENUE BONDS, SERIES 2013:
On January 30, 2013, the Airport Authority issued $379,585,000 of Series A and B Senior Airport Revenue Bonds (Series 2013 Bonds). The Series 2013 Bonds were issued to finance certain capital improvements at SDIA, fund a portion of the interest accruing on the Series 2013 Bonds through and including July 1, 2015, fund the senior reserve fund and pay the costs of issuance of the Series 2013 Bonds.

On December 8, 2021, the Airport Authority refunded and defeased all of its outstanding Series 2013 Bonds, by depositing proceeds Subordinate Series 2021C and certain other available monies into an irrevocable escrow fund. The amounts on deposit in the escrow fund will be used to pay the principal of and interest on the Series 2013 Bonds until their call date of July 1, 2023. As of June 30, 2022, the amount held in escrow by the trustee was $367.8 million, and the amount of the defeased Series 2013 Bonds still outstanding was $352.5 million Interest for the fiscal years ended June 30, 2022 (interest before the refunding and defeasement) and 2021, was $7,195,563 and $17,685,100, respectively, including accrued interest of $0 and $8,842,550 for fiscal years ending June 30, 2022 and 2021, respectively.

As a result of the refunding, the Airport Authority reduced its total debt service requirements by $84.4 million, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately $52.7 million.

SUBORDINATE LIEN SERIES 2017, 2019, 2020 AND 2021 BONDS:
The Airport Authority issued $291,210,000 of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds) on August 3, 2017. The Series 2017 Bonds were issued to finance certain capital improvements at SDIA including the Parking Plaza and the FIS facility, fund a portion of the interest accruing on the Series 2017 Bonds, refund $32,550,000 of the Airport Authority's outstanding variable rate debt, fund the subordinate reserve fund and pay the costs of issuance of the Series 2017 Bonds. The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2019 to 2048. The bonds were issued at a premium of $48,423,688, which is being amortized over the life of the bonds. Interest on the Series 2017 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2022, and 2021, amounted to $13,595,750 and $13,849,250, respectively, including accrued interest of $6,797,875 and $6,924,625, respectively. The principal balance on the Series 2017 Bonds as of June 30, 2022, and 2021, was $271,915,000 and $276,985,000, respectively.

The required debt service payments for the Series 2017 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2023	5,320,000	13,462,750	18,782,750
2024	5,585,000	13,190,125	18,775,125
2025	5,865,000	12,903,875	18,768,875
2026	6,155,000	12,603,375	18,758,375
2027	6,465,000	12,287,875	18,752,875
2028-2032	37,520,000	56,124,250	93,644,250
2033-2037	47,880,000	45,499,750	93,379,750
2038-2042	61,110,000	31,940,750	93,050,750
2043-2047	78,000,000	14,633,250	92,633,250
2048	18,015,000	450,375	18,465,375
	$ 271,915,000	$ 213,096,375	$ 485,011,375

NOTE 6.

LONG-TERM LIABILITIES (CONTINUED)

The Airport Authority issued $338,775,000 of Series A Subordinate Airport Revenue and Revenue Refunding Bonds and $124,905,000 of Series B Subordinate Airport Revenue Bonds on December 11, 2019 (Series 2019 Bonds). The Series 2019 Bonds were issued to finance certain capital improvements at SDIA including a new facilities maintenance building and storm water capture and reuse projects, fund a portion of the interest accruing on the Series 2019 Bonds, refund $34,321,000 of the Airport Authority's outstanding variable rate debt, fund the Series 2010C Escrow account, fund the subordinate reserve fund, and pay the costs of issuance of the Series 2019 Bonds. The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2021 to 2050. The bonds were issued at a premium of $96,927,688, which is being amortized over the life of the bonds. Interest on the Series 2019 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2022, and 2021, amounted to $22,121,100 and $22,292,100, respectively, including accrued interest of $11,060,550 and $11,146,051, respectively. The principal balance on the Series 2019 Bonds as of June 30, 2022, and 2021, was $459,025,000 and $462,445,000, respectively.

The required debt service payments for the Series 2019 Bonds for the fiscal years ending June 30:

Years Ending June 30,	Principal	Interest	Total
2023	$ 4,440,000	$ 22,121,100	$ 26,561,100
2024	6,095,000	21,899,100	27,994,100
2025	6,400,000	21,594,350	27,994,350
2026	5,615,000	21,274,350	26,889,350
2027	5,895,000	20,993,600	26,888,600
2028-2032	44,040,000	100,239,500	144,279,500
2033-2037	121,345,000	81,805,500	203,150,500
2038-2042	145,830,000	47,748,700	193,578,700
2043-2047	69,210,000	22,879,700	92,089,700
2048-2051	50,155,000	5,097,000	55,252,000
	$ 459.025.000	$ 365.652.900	$ 824.677.900

The Airport Authority issued $241,640,000 of Series A, B and C Subordinate Airport Revenue Refunding Bonds (Series 2020 Bonds). The Airport Authority entered into a Forward Delivery Purchase Contract on December 11, 2019 and delivered the 2020 Series Bonds Proceeds on April 8, 2020. Proceeds from the sale of the 2020 Series Bonds were used to fund the Series 2010 A and B bonds escrow accounts and pay the costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds are structured as serial bonds that bear interest rates of 5.0 percent and mature in fiscal years 2021 to 2041. The bonds were issued at a premium of $49,414,175, which is being amortized over the life of the bonds. Interest on the Series 2020 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2022, and 2021, amounted to $11,480,563 and $12,041,000, respectively, including accrued interest of $5,805,688 and $6,020,500, respectively. The principal balance on the Series 2020 Bonds as of June 30, 2022, and 2021, was $226,995,000 and $240,820,000, respectively.

The required debt service payments for the Series 2020 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2023	$ 14,520,000	$ 11,349,750	$ 25,869,750
2024	15,240,000	10,623,750	25,863,750
2025	16,005,000	9,861,750	25,866,750
2026	11,275,000	9,061,500	20,336,500
2027	11,830,000	8,497,750	20,327,750
2028-2032	66,345,000	32,999,000	99,344,000
2033-2037	53,440,000	16,993,500	70,433,500
2038-2041	38,340,000	4,910,000	43,250,000
	$ 226,995,000	$ 104,297,000	$ 331,292,000

NOTE 6.

LONG-TERM LIABILITIES (CONTINUED)

The Airport Authority issued $1,941,745,000 of Series A, B and C Subordinate Airport Revenue and Revenue Refunding Bonds (Series 2021 Bonds). The Series 2021 Bonds were issued to finance certain capital improvements at SDIA including construction of the New Terminal 1, fund a portion of the interest accruing on the 2021 Bonds, fund the Series 2013 Escrow account, fund the subordinate reserve fund, and pay the costs of issuance of the Series 2021 Bonds. The Series 2021A and B Bonds are structured as serial bonds that bear interest rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2027 to 2057. The Series A and B bonds were issued at a premium of $332,380,831, which is being amortized over the life of the bonds. The Series 2021 C Bonds are federally Taxable Bonds and are structured as serial and term bonds that bear interest at rates ranging from 0.5 percent to 3.1 percent and mature in fiscal years 2023 to 2037. Interest on the Series 2021ABC Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal year ended June 30, 2022, amounted to $46,267,384 including accrued interest of $46,267,384. The principal balance on the Series 2021 Bonds as of June 30, 2022, was $1,941,745,000.

The required debt service payments for the Series 2021 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2023	$ 9,760,000	$ 82,006,223	$ 91,766,223
2024	16,465,000	81,898,541	98,363,541
2025	16,570,000	81,719,420	98,289,420
2026	16,745,000	81,494,869	98,239,869
2027	10,310,000	80,979,369	91,289,369
2028-2032	72,310,000	395,793,327	468,103,327
2033-2037	160,030,000	369,134,652	529,164,652
2038-2042	247,635,000	329,258,528	576,893,528
2043-2047	358,790,000	264,949,677	623,739,677
2048-2052	385,205,000	186,627,500	571,832,500
2053-2057	647,925,000	62,706,500	710,631,500
	$ 1,941,745,000	$ 2,016,568,607	$ 3,958,313,607

NOTE 6.

LONG-TERM LIABILITIES (CONTINUED)

The subordinate Series Bonds are special obligations of the Airport Authority, payable solely from and secured by (a) a pledge of subordinate net revenues, which include certain income and revenue received by the Airport Authority from the operation of the airport system, less all amounts that are required to pay the operation and maintenance expenses of the airport system and all amounts necessary to pay debt service on and fund the reserves for the senior bonds; and (b) certain funds and accounts held by the subordinate trustee under the subordinate indenture. The subordinate Series Bonds were issued with a pledge of and lien on subordinate net revenues.

As subordinate lien bonds, the Series 2017, 2019, 2020 and 2021 Bonds require that charges for services be set each fiscal year at rates sufficient to produce pledged revenues at least 110 percent times the subordinate debt service for that year. In addition, the subordinate Bonds require the Airport Authority to maintain a reserve account with the bond trustee. At June 30, 2022, and 2021, the amount held by the trustee was $2,120,565,804 and $326,663,469, respectively, which included the July 1 payment, a debt service reserve fund, construction fund, and a capitalized interest fund. The public ratings of the Subordinate Series Bonds as of June 30, 2022, are A/A2/A+ by Standard & Poor's, Moody's Investors Service and Fitch Ratings.

SENIOR LIEN SPECIAL FACILITIES REVENUE BONDS, SERIES 2014:
On February 19, 2014, the Airport Authority issued $305,285,000 of Series A and B Senior Special Facilities Revenue Bonds (Series 2014 Bonds). The Series 2014 Bonds were issued to finance a portion of the costs of the development and construction of a consolidated rental car facility and related improvements at SDIA, fund a portion of the interest accruing on the Series 2014 Bonds, fund deposits to the senior reserve fund and pay the costs of issuance of the Series 2014 Bonds.

The Series 2014 A Bonds were structured as tax-exempt and non-AMT term bonds that bear interest at 5.0 percent. The Series 2014 B Bonds were structured as federally taxable bonds that bear interest at rates ranging from 2.5 percent to 5.6 percent. The bonds were issued at a premium of $594,226, which is amortized over the life of the bonds. Interest on the Series 2014 Bonds is payable semiannually on January 1 and July 1 of each year. Interest for fiscal years ended June 30, 2022, and 2021, was $15,600,783 and $15,827,940, respectively, including accrued interest of $7,800,392 and $7,913,970, respectively. The principal balance on the Series 2014 Bonds for fiscal years ended June 30, 2022, and 2021 was $282,005,000 and $288,095,000, respectively.

The Series 2014 Bonds are special limited obligations of the Airport Authority, payable solely from and secured by a pledge of the Trust Estate, which includes, among other things, customer facility charges collected from the rental car companies operating at the Airport and remitted to the Trustee. No revenues of the Airport Authority other than the customer facility charges and the Bond Funding Supplemental Consideration (as defined in the bond indenture), are pledged to the payment of the Series 2014 Bonds.

The Series 2014 Bonds require the Airport Authority to maintain a debt service reserve account with the bond trustee and to reserve certain additional amounts in the Airport Authority's net position, as shown previously in the notes. For the fiscal years ended June 30, 2022, and 2021, the amount held by the trustee was $55,101,163 and $53,063,404, respectively, which included the July 1 payment, the debt service reserve fund, the renewal and replace fund, and the rolling coverage fund.

The public ratings of the Senior Series Special Facility 2014 Bonds as of June 30, 2022, are BBB+/A3 by Standard & Poor's and Moody's Investors Service.

The required debt service payments for the Series 2014 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2023	$ 6,320,000	$ 15,424,013	$ 21,744,013
2024	6,670,000	15,060,682	21,730,682
2025	7,045,000	14,677,074	21,722,074
2026	7,440,000	14,271,928	21,711,928
2027	7,855,000	13,844,127	21,699,127
2028-2032	46,385,000	61,917,390	108,302,390
2033-2037	60,890,000	47,003,086	107,893,086
2038-2042	79,935,000	27,424,786	107,359,786
2043-2045	59,465,000	4,721,599	64,186,599
	$ 282,005,000	$ 214,344,685	$ 496,349,685

Interest expense on the Series 2010, 2013, 2014 2017, 2019 and 2020 Bonds for fiscal years ended June 30, 2022, and June 30, 2021, of $81.7 million and $116.3 million, respectively, was offset by bond premium amortization of $21.6 million in fiscal year 2022 and $14.1 million in fiscal year 2021.

SUBORDINATE SHORT-TERM DEBT PROGRAM:
On July 19, 2021, The Airport Authority and Bank of America entered into a Revolving Credit Agreement. The Airport Authority is authorized to issue up to $200.0 million in Subordinate Revolving Obligations. The revolving credit agreement is for a term of three years. At the end of fiscal year 2022, the Airport Authority had $80.1 million in aggregate principal of Subordinate Revolving Obligations outstanding. These obligations were used to finance the New Terminal 1. Obligations incurred under the Revolving Credit Agreement are payable solely from and secured by a pledge of "Subordinate Net Revenues." Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

LINE OF CREDIT:
In fiscal year 2022, the Airport Authority maintained a $2,000,000 line of credit held with US Bank, which is collateralized with a Treasury bond. This line is utilized to issue letters of credit to surety companies who are partnering with the Airport Authority to provide bonding assistance to contractors accepted into the bonding assistance program at the Airport Authority. As of June 30, 2022, nothing had been drawn on the line of credit and there are no outstanding letters of credit.

The Airport Authority had the following used and unused balances in line of credit type debt instruments as of June 30, 2022, and 2021:

	June 30, 2022		June 30, 2021	
	Used	Unused	Used	Unused
Revolving line of credit	$80,100,000	$119,900,000	$ -	$ -
Line of credit	$ -	2,000,000	$ -	2,000,000
	$ 80,100,000	$ 121,900,000	$ -	$ 2,000,000

EVENT OF DEFAULT:
In the event of default of all general airport revenue bonds issued by the Airport Authority, acceleration is not a remedy. For the Letter of Credit and Reimbursement Agreement, an event of default could result in either an acceleration or an interest rate increase of 3.0 to 7.0 percent in addition to the base rate. Other than this, there are no significant finance-related consequences in the event of default on other debt instruments. The Airport Authority's Letter of Credit and Reimbursement Agreement is collateralized with a $2,222,000 Treasury bond. Excluding general airport revenue bonds, special facility bonds, and capital leases, no other assets have been pledged or collateralized for any other debt instruments. General Airport revenue bonds are secured by a pledge of Net Revenues which are generally defined as all revenues and other cash receipts of the Airport Authority's operations less amounts required to pay for operations and maintenance expenses of the airport (net revenues do not include cash received from PFCs, CFCs or Federal Grants). The special facility bonds are secured by a pledge of the Trust Estate.

NOTE PAYABLE

RECEIVING DISTRIBUTION CENTER LEASE:
The Airport Authority entered into an installment purchase agreement for a receiving and distribution center (RDC) in fiscal year 2013. This agreement has been determined to be a note payable and requires monthly lease payments of $73,108. The Airport Authority will become the owner of the RDC at the conclusion of the 20-year installment purchase agreement.

The following is a schedule of future lease payments applicable to the RDC installment purchase agreement, and the net present value of the future lease payments on June 30, 2022:

Years Ending June 30,	Amount
2023	$ 877,298
2024	877,298
2025	877,298
2026	877,298
2027-2031	4,386,489
2032-2033	1,242,839
Total Lease Payments	9,138,519
Less amount representing interest	(3,259,838)
Present value of future lease payments	$ 5,878,682

LEASE LIABILITIES

The Airport Authority leases properties from the District and smaller third parties and uses that space to conduct its operations, the terms of which expire 2022 through 2072. The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

Incremental borrowing rates of 1.1 percent to 3.8 percent were used to measure lease payables. Lease liabilities recorded under lease contracts as of June 30, 2022, and 2021, were $232,419,082 and $235,804,038, respectively.

The future principal and interest payments for lease liabilities as of June 30, 2022, are as follows:

Years Ending June 30,	Principal	Interest	Total
2023	3,471,838	8,632,139	12,103,977
2024	3,561,593	8,542,384	12,103,977
2025	3,654,325	8,449,652	12,103,977
2026	2,843,071	8,357,785	11,200,856
2027	2,659,160	8,270,002	10,929,162
2028-2032	13,061,598	39,964,439	53,026,037
2033-2037	15,484,141	37,346,219	52,830,360
2038-2042	18,353,562	34,169,201	52,522,763
2043-2047	20,341,903	30,541,397	50,883,300
2048-2052	24,622,943	26,260,357	50,883,300
2053-2057	29,804,945	21,078,355	50,883,300
2058-2062	36,077,522	14,805,778	50,883,300
2063-2067	43,670,189	7,213,111	50,883,300
2068-2072	14,812,292	452,698	15,264,990
	$ 232,419,082	$ 254,083,517	$ 486,502,599

NOTE 7.

DEFINED BENEFIT PLAN

INTRODUCTION:

The Airport Authority has two defined benefit pension plans which cumulatively represent the net pension liability or asset, related deferred inflows and deferred outflows of resource balances as reported on the statement of net position. The below schedule represents aggregating information as of and for the years ended June 30, 2022, and 2021:

	Defined Benefit Plan GASB 68)	Preservation of Benefits Trust Plan GASB 73	Total
Balances as of and for the year ended 6/30/2022			
Pension expense	$ 4,323,882	$ 329,788	$ 4,653,670
Net pension liability (asset)	(8,995,046)	2,373,440	(6,621,606)
Deferred outflows of resources	17,497,620	639,654	18,137,274
Deferred inflows of resources	26,976,052	282,242	27,258,294
Balances as of and for the year ended 6/30/2021			
Pension expense	$ 12,879,899	$ 338,696	$ 13,218,595
Net pension liability	34,018,795	2,445,415	36,464,210
Deferred outflows of resources	30,748,781	908,672	31,657,453
Deferred inflows of resources	2,065,506	200,876	2,266,382

PLAN DESCRIPTION:

The Airport Authority's single-employer defined benefit pension plan (Plan), administered by SDCERS, provides service retirement, disability benefits, death benefits and survivor benefits to Plan members and beneficiaries. SDCERS is a multi-employer public employee retirement system that acts as a common investment and administrative agent for three separate single-employer defined benefit pension plans for the City, the District, and Airport Authority.

From January 1, 2003, through June 30, 2007, SDCERS administered a qualified employer defined benefit plan for the City, the District and Airport Authority. However, as of July 1, 2007, the City, the District, and the Airport Authority plans were separated into independent, qualified, single-employer governmental defined benefit plans, and trusts. The assets of the three separate plans and trusts were pooled in the SDCERS Group Trust, which was established as of July 1, 2007. SDCERS invests and administers the Group Trust as a common investment fund and accounts separately for the proportional interest of each plan and trust that participates in the Group Trust.

SDCERS is governed by a 13-member Board, responsible for the administration of retirement benefits for the City, the District, and the Airport Authority and for overseeing the investment portfolio of the retirement system's trust fund. The Board is comprised of seven appointed members, four active members, one retired member, and one ex-officio member.

SDCERS acts as a common, independent investment and administrative agent for the City, the District and the Airport Authority, whose plans cover all eligible employees. In a defined benefit plan, pension benefits are actuarially determined by a member's age at retirement, number of years of service credit and final compensation, typically based on the highest salary earned over a one-year or three-year period. Airport Authority members who are participants under the California Public Employees' Pension Reform Act (PEPRA) are subject to pensionable compensation caps.

The San Diego City Charter Section 144 and San Diego Municipal Code Sections 24.0100 et seq. assign the authority to establish and amend the benefit provisions of the plans that participate in SDCERS to the SDCERS Board. The Airport Authority contributes to the Federal Social Security Program. The SDCERS Board issues a publicly available financial report that includes financial statements and required supplementary information for SDCERS. The financial report may be found on the San Diego City Employees' Retirement System website at www.sdcers.org.

BENEFITS PROVIDED:

The Airport Authority provides retirement, disability, and death benefits. There are two types of participants, the classic participants and the PEPRA participants. A classic participant means any member who is not a PEPRA participant. A PEPRA participant is any member hired on or after January 1, 2013, who has never been a member of a public retirement system or who had a break in service of more than six months before their Airport Authority hire date.

The classic participant retirement benefit is calculated by using monthly salary amounts based on the highest continuous twenty-six bi-weekly pay periods divided by 12. The eligibility of the classic participants begins at age 62 with five years of service, or age 55 with 20 years of service.

The PEPRA participant's benefit is calculated by using monthly salary amounts based on the highest thirty-six consecutive months divided by 36. Base salary cannot exceed 100 percent of the Social Security contribution and benefit base, indexed to the CPI-U. The eligibility of the PEPRA participants begins at age 52 with five years of service.

The Airport Authority provides monthly payments for the life of the member, with 50 percent continuance to the eligible spouse or registered-domestic partner upon the member's death. If there is no eligible spouse, the member may receive either a lump sum payment equal to the accumulated surviving spouse contributions or an actuarially equivalent annuity. Members may also choose to receive a reduced lifetime monthly benefit and, upon death, leave more than 50 percent to their spouse or registered domestic partner, or to provide a continuance to a non-spouse.

Employees with ten years of continuous service are eligible to receive non-industrial disability and employees with no service requirement can receive industrial disability.

The death benefit for non-industrial death before the employee is eligible to retire is a refund of the employee contributions, with interest plus one month's salary for each completed year of service to a maximum of six months' salary. A non-industrial death benefit after the employee is eligible to retire from service is 50 percent of earned benefit payable to eligible surviving spouse, domestic partner, or dependent child under 21 years of age. The industrial death benefit is 50 percent of the final average compensation preceding death, payable to eligible surviving spouse, domestic partner, or dependent child under 21 years of age.

As of the measurement dates June 30, 2021, and June 30, 2020, Plan membership was as follows:

	2021	2020
Active employees	385	414
Inactive employees entitled to but not yet receiving benefits	163	149
Inactive employees or beneficiaries currently receiving benefits	145	132
Total	693	695

CONTRIBUTIONS:

SDCERS uses actuarial developed methods and assumptions to determine what level of contributions are required to achieve and maintain an appropriate funded status for the Plan. The actuarial process uses a funding method that attempts to create a pattern of contributions that is both stable and predictable. The actual employer and member contribution rates in effect each year are based upon actuarial valuations performed by an independent actuary and adopted by the SDCERS Board annually.

The actuarial valuation is completed as of June 30, of each year. Once accepted by the SDCERS Board, the approved rates for the Airport Authority apply to the fiscal year beginning 12 months after the valuation date. For June 30, 2022, the actuarially determined contribution rates for plan sponsors and members were developed in the June 30, 2021, actuarial valuation.

NOTE 7.
DEFINED BENEFIT PLAN

NOTE 7.

DEFINED BENEFIT PLAN (CONTINUED)

The funding objective of SDCERS is to fully fund the plan's actuarially accrued liability with contributions, which over time will remain as a level percent of payroll for the Airport Authority. Under this approach, the contribution rate is based on the normal cost rate and an amortization of any unfunded actuarial liability.

For the years ended June 30, 2022, and 2021, employees contributed $2,980,889 and $3,123,119, respectively, and the Airport Authority contributed $9,102,165 and $8,522,311, respectively, to the Plan. Under the Plan, the Airport Authority pays a portion of the classic participant's contribution, referred to as the "off-set." The offset is equal to 7.0 percent or 8.5 percent of the general classic members' base compensation and 9.6 percent of the executive classic members' base compensation. These contributions are included in the employee contribution. There is no offset for PEPRA participants.

NET PENSION LIABILITY (ASSET):
The Airport Authority's net pension liability (asset) as of June 30, 2022, is measured as the total pension liability, less the pension plan's fiduciary net position. The total pension liability as of June 30, 2022, is measured as of June 30, 2021. The annual valuation used is as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. A summary of the principal assumptions and methods used to determine the net pension liability (asset) follow.

ACTUARIAL ASSUMPTIONS:
The total pension liability in the June 30, 2021, and June 30, 2020, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2021	June 30, 2020
Valuation date	June 30, 2020	June 30, 2019
Measurement date	June 30, 2021	June 30, 2020
Actarial cost method	Entry-age normal funding method	Entry-age normal funding method
Asset valuation method	Expected value with smoothing	Expected value with smoothing
Actuarial assumptions:		
Investment rate of return (1)	6.50%	6.50%
Inflation Rate	3.05%	3.05%
Interest Credited to Member Contributions	6.50%	6.50%
Projected salary increase (2)	3.05%	3.05%
Cost-of-living adjustment	1.9% per annum, compounded	1.9% per annum, compounded
Termination rate (3)	2.0% - 16.0%	2.0% - 16.0%
Disability rate (4)	0.01% - 0.20%	0.01% - 0.20%
Mortality (5)	0.02% - 13.54%	0.02% - 13.54%

(1) Net of investment expense
(2) Net plus merit component based on employee classification and years of service
(3) Based on years of service
(4) Based on age
(5) All active and retired healthy members: CalPERS Mortality Tables from the CalPERS January 2014 Experience Study Further details about the actuarial assumptions can be found in the SDCERS June 30, 2020 and June 30, 2019 actuarial reports.

DISCOUNT RATE:
For the June 30, 2021, and June 30, 2020, actuarial valuations, the discount rates used to measure the total pension liability was 6.50 percent. Based on plan funding expectations, no actuarial projection of cash flows was made as the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability (asset).

The long-term expected rate of return estimates for equity and fixed income are developed using a geometric (long-term compounded) building block approach: 1) expected returns based on observable information in the equity and fixed income markets and consensus estimates for major economic and capital market inputs, such as earnings and inflation, and 2) where necessary, judgment-based modifications are made to these inputs. Return assumptions for other assets classes are based on historical returns, current market characteristics, and professional judgements from SDCERS general investment consultant specialist research teams.

Best estimates of geometric long-term real rates and nominal rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rates of Return	Long-term Expected Nominal Rates of Return
Domestic equity	17.2%	4.4%	6.6%
International equity	14.2%	5.3%	7.5%
Global equity	8.0%	4.9%	7.1%
Domestic fixed income	21.6%	0.5%	2.7%
Emerging market debt	5.0%	2.4%	4.5%
Real estate	11.0%	3.5%	5.7%
Private equity and infrastructure	13.0%	6.7%	8.9%
Opportunity fund	10.0%	4.2%	6.4%
	100.0%		

NOTE 7.

DEFINED BENEFIT PLAN (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY (ASSET):

Changes in the total pension liability (asset), plan fiduciary net position and the net pension liability through the year ended June 30, 2022, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of June 30, 2021	$ 241,862,071	$ 207,843,276	$ 34,018,795
Changes for the year:			
Service cost	7,970,646	-	7,970,646
Interest on total pension liability	15,693,834	-	15,693,834
Difference between expected and actual experience	(2,239,695)	-	(2,239,695)
Changes in assumptions	-	-	-
Employer contributions	-	8,596,163	(8,596,163)
Member contributions	-	3,125,138	(3,125,138)
Net investment income	-	53,140,343	(53,140,343)
Benefit payments	(8,820,959)	(8,820,959)	-
Administrative expense	-	(423,018)	423,018
Net changes	12,603,826	55,617,667	(43,013,841)
Balances as of June 30, 2022	$ 254,465,897	$ 263,460,943	$ (8,995,046)

Changes in the total pension liability, plan fiduciary net position and the net pension liability through the year ended June 30, 2021, were as follows:

	Increase (Decrease)		
	Total Pension	Fiduciary Net	Net Pension
Balances as of June 30, 2020	$ 218,788,911	$ 202,827,408	$ 15,961,503
Changes for the year:			
Service cost	7,857,035	-	7,857,035
Interest on total pension liability	14,257,205	-	14,257,205
Difference between expected and actual experience	925,862	-	925,862
Changes in assumptions	6,767,000	-	6,767,001
Employer contributions	-	8,424,834	(8,424,834)
Member contributions	-	3,321,661	(3,321,661)
Net investment income	-	390,013	(390,013)
Benefit payments	(6,733,942)	(6,733,942)	-
Administrative expense	-	(386,697)	386,697
Net changes	23,073,160	5,015,868	18,057,292
Balances as of June 30, 2021	$ 241,862,071	$ 207,843,276	$ 34,018,795

SENSITIVITY OF THE NET PENSION LIABILITY (ASSET) TO DISCOUNT RATE CHANGES:

The following presents the resulting net pension liability (asset) calculated using the discount rate of 6.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for the fiscal years ended June 30, 2022:

	1% Decrease 5.50%	Current 6.50%	1% Increase 7.50%
Total pension liability	$ 290,166,545	$ 254,465,897	$ 225,251,173
Plan fiduciary net position	263,460,943	263,460,943	263,460,943
Net pension liability	$ 26,705,602	$ (8,995,046)	$ (38,209,770)
Plan fiduciary net position as a percentage of the total pension liability	90.8%	103.5%	117.0%

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO THE PLAN:

For the years ended June 30, 2022, and June 30, 2021, the Airport Authority recognized pension expense, as measured in accordance with GASB 68, of $4,323,882 and $12,879,899, respectively. At June 30, 2022 and June 30, 2021, the Airport Authority reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

For June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,218,022	$ 2,926,703
Net difference between projected and actual earnings	-	24,049,349
Changes in assumptions	7,177,433	-
Employer contributions made subsequent to June 30, 2021 measurement date	9,102,165	-
Total	$ 17,497,620	$ 26,976,052

For June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,065,699	$ 2,065,506
Net difference between projected and actual earnings	7,836,405	-
Changes in assumptions	12,324,366	-
Employer contributions made subsequent to June 30, 2020 measurement date	8,522,311	-
Total	$ 30,748,781	$ 2,065,506

NOTE 7.

DEFINED BENEFIT PLAN (CONTINUED)

NOTE 7.

DEFINED BENEFIT PLAN (CONTINUED)

The deferred outflows of resources, at June 30, 2022, and June 30, 2021, resulting from Airport Authority contributions subsequent to the measurement date and prior to year-end will be recognized as a reduction of the net pension liability (asset) at June 30, 2023, and 2022, respectively.

Other amounts reported as deferred outflows/inflows of resources related to the plan at June 30, 2022, will be recognized in pension expense as follows:

Years ended June 30,		
2023	$	(2,463,403)
2024		(3,611,508)
2025		(4,172,590)
2026		(8,333,096)
	$	(18,580,597)

NOTE 8.

PRESERVATION OF BENEFITS TRUST PLAN

PRESERVATION OF BENEFITS TRUST PLAN (POB) DESCRIPTION:

The Airport Authority's single-employer defined benefit pension plan established as the preservation of benefits and trust plan (POB), administered by SDCERS, provides benefits to POB members and beneficiaries. The POB was established on January 1, 2003, for the purpose of providing benefits to POB members in excess of San Diego City Charter, Code Section 415(b) limitations. Information regarding SDCERS is included in Note 6.

The San Diego City Charter Section 144 and San Diego Municipal Code Sections 24.1601 et seq. assign the authority to establish and amend the benefit provisions of the plans that participate in SDCERS to the SDCERS Board.

BENEFITS PROVIDED:

Retirement benefits are provided to POB members with retirement benefits in excess of Code Section 415(b) who have participated in in the Plan since establishment of the POB. Participation ends for a portion of a plan year in which the retirement benefit of a retiree or beneficiary is not limited by Code Section 415(b) or when all benefit obligations to the retiree or beneficiary have been satisfied. Benefit payments are equal to the amount of retirement income that would have been payable, less the amount payable by the Plan. Benefit payments for the years ended June 30, 2022, and June 30, 2021, were $52,398 and $42,682, respectively. The POB is unfunded and provides benefits on an annual basis as determined by SDCERS.

As of the measurement dates of June 30, 2021, and 2020, Plan membership was as follows:

	2021	2020
Active employees	2	2
Inactive employees or beneficiaries currently receiving benefits	1	2
Total	3	4

TOTAL PENSION LIABILITY:

The Airport Authority's total pension liability as of June 30, 2022, and June 30, 2021, was $2,373,440 and $2,445,415, respectively. The pension liability as of June 30, 2022, is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. A summary of the principal assumptions and methods used to determine the net pension liability follow.

NOTE 8.

PRESERVATION OF BENEFITS TRUST PLAN (CONTINUED)

ACTUARIAL ASSUMPTIONS:

The total pension liability in the June 30, 2021, and June 30, 2020, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement

	June 30, 2021	June 30, 2020
Valuation date	June 30, 2020	June 30, 2019
Measurement date	June 30, 2021	June 30, 2020
Actuarial cost method	Entry-age normal	Entry-age normal
Actuarial assumptions:		
Discount rate	2.16%	2.21%
Inflation rate	3.05%	3.05%
Interest credited to member contributions	6.50%	6.50%
Projected salary increases	3.05%	3.05%

CHANGES IN THE TOTAL PENSION LIABILITY:

Changes in the total pension liability through the year ended June 30, 2022, was as follows:

		Total Pension
Balances as of June 30, 2021	$	2,445,415
Changes for the year:		
Service cost		88,557
Interest on total pension liability		54,559
Difference between expected and actual exper		(195,545)
Changes in assumptions		22,116
Benefit payments		(41,662)
Net changes		(71,975)
Balances as of June 30, 2022	$	2,373,440

Changes in the total pension liability through the year ended June 30, 2021, was as follows

		Total Pension
Balances as of June 30, 2020	$	1,767,232
Changes for the year:		
Service cost		55,276
Interest on total pension liability		62,061
Difference between expected and actual exper		(57,318)
Changes in assumptions		661,465
Benefit payments		(43,301)
Net changes		678,183
Balances as of June 30, 2021	$	2,445,415

NOTE 8.

PRESERVATION OF BENEFITS TRUST PLAN (CONTINUED)

SENSITIVITY OF THE TOTAL PENSION LIABILITY TO DISCOUNT RATE CHANGES:
The following presents the resulting total pension liability calculated using the discount rate of 2.2 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for the fiscal year ended June 30, 2022:

	1% Decrease 1.16%	Current Rate 2.16%	1% Increase 3.16%
Total pension liability	$ 2,880,830	$ 2,373,440	$ 1,979,491

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO THE POB
For the year ended June 30, 2022, and 2021, the Airport Authority recognized pension expense, as measured in accordance with GASB 73, of $329,788 and $338,696. At June 30, 2022 and June 30, 2021, the Airport Authority reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

For June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 129,056	$ 216,544
Changes in assumptions	458,200	65,698
Employer contributions subsequent to June 30, 2020 measurement date	52,398	-
Total	$ 639,654	$ 282,242

For June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 225,947	$ 84,431
Changes in assumptions	640,043	116,445
Employer contributions subsequent to June 30, 2020 measurement date	42,682	-
Total	$ 908,672	$ 200,876

The deferred outflows of resources, at June 30, 2022, resulting from Airport Authority contributions subsequent to the measurement date and prior to year-end will be recognized as a reduction of the net pension liability at June 30, 2023.

Amounts reported as deferred outflows/inflows of resources related to the plan will be recognized in pension expense as follows:

Years ended June 30,	
2023	$ 141,239
2024	112,314
2025	86145
2026	(34,685)
	$ 305,013

NOTE 9.

EMPLOYEES' DEFERRED COMPENSATION PLAN

The Airport Authority offers its employees a deferred compensation plan, which was created in accordance with Internal Revenue Code (IRC) Section 457. The Plan, which is available to all full-time Airport Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, total disability, death, or unforeseeable emergency.

The plan is administered by the Airport Authority and contracted to an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are held in trust for employees.

Employee assets to be held in the IRC Section 457 plans are not the property of the Airport Authority and are not subject to the claims of the Airport Authority's general creditors. Accordingly, employee assets are not reflected in the Airport Authority's financial statements.

NOTE 10.

OTHER POSTEMPLOYMENT BENEFITS

The Airport Authority provides an agent multiple-employer defined benefit postemployment benefit plan (the OPEB Plan). The OPEB Plan provides post-retirement medical, dental, vision and life insurance benefits for nonunion employees hired prior to May 1, 2006, and union employees hired prior to October 1, 2008. The employees are eligible for these benefits if they retire from active employment after age 55 with 20 years of service or age 62 with five years of service.

PLAN DESCRIPTION:
As of May 8, 2009, the Board approved entering into an agreement with the California Employer's Retiree Benefit Trust (CERBT) fund. This is managed by California Public Employees Retirement System (CalPERS). CalPERS administers pension and health benefits for over two million California public employees, retirees, and their families. CalPERS was founded in 1932 and is the largest public pension fund in the United States. As of June 30, 2022, CalPERS managed $440 billion in assets for more than 2,890 California employers. In 1988 and 2007, enabling statutes and regulations were enacted which permitted CalPERS to form the CERBT fund, an irrevocable Section 115 Trust, for the purpose of receiving employer contributions that will prefund health and other postemployment benefit costs for retirees and their beneficiaries. Financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

FUNDING POLICY:
CERBT requires a valuation of the liabilities and annual costs for benefits by an approved actuarial consulting firm. It is the Airport Authority's intent to budget and prefund the actuarially determined contributions (ADCs). As of May 9, 2009, the agreement with CERBT was approved. The retirees' contribution rate was raised from 5 percent to 10 percent of plan costs for single coverage and the entire cost of vision benefits, lowering the OPEB liabilities of the Airport Authority. Annually, the Airport Authority's goal is to fund 100 percent of the actuarially calculated ADC for its OPEB. In previous years, the Airport Authority has made contributions above the annual ADC which has resulted in a net OPEB asset. During the fiscal years ended June 30, 2022, and 2021, the Airport Authority's contributions were $951,488 and $919,462, respectively.

A measurement date of June 30, 2021, and 2020, was used for the June 30, 2022, and June 30, 2021 OPEB assets and expenses. The information that follows was determined as of a valuation date of June 30, 2021, and June 30, 2020, respectively.

Membership in the OPEB by membership class at June 30, 2021, and 2020, is as follows:

	2021	2020
Active employees	132	141
Inactive employees entitles to but not receiving benefits	-	1
Inactive employees or beneficiaries currently receiving benefits	97	86
Total	229	228

ACTUARIAL ASSUMPTIONS:
The total OPEB liability in the June 30, 2021, and 2020 actuarial valuations was determined using the following actuarial assumptions, applied to all period included in the measurement:

Actuarial Valuation Date	June 30, 2021
Contribution Policy	Authority contributes at least the full ADC
Inflation	2.50%
Projected salary increase	2.75%
Investment rate of return	5.25%; Expected Authority contributions projected to keep sufficient plan assets to pay all benefits from trust
Actuarial cost method	Entry Age Normal Level Percent of Pay
Asset valuation method	5 year asset smoothing
Retirement age	SDCERS 2015-2019 Experience Study
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076; Medicare - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Healthcare Participation of Future Retirees	90%
Spousal Assumption for Future Retirees	Currently covered - 2-party coverage if currently have 2 party or family coverage; Currently waived - 50% cover spouses at retirement

The long-term expected rate of return on the OPEB Plan investments was based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information. The target allocation and best estimates of rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rates of Return
Global Equity	23%	4.56%
Long US Treasuries	11%	0.29%
Mortgage-Backed Securities	11%	0.49%
Investment Grade Corporate	9%	1.56%
High Yeild	9%	3.00%
Sovereigns	11%	2.76%
TIPS	9%	-0.08%
Comodities	3%	1.22%
REITs	14%	4.06%
	100%	
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return		5.25%

NOTE 10.

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

DISCOUNT RATE:
The discount rate used to measure the net OPEB liability (asset) at June 30, 2022, and June 30, 2021, was 5.25 percent and 6.75 percent, respectively. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the net OPEB liability.

CHANGES IN THE NET OPEB LIABILITY (ASSET):
Changes in the total OPEB liability, plan fiduciary net position, and the net OPEB asset through the year ended June 30, 2022, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balances as of June 30, 2021	$ 27,116,806	$ 28,766,021	$ (1,649,215)
Changes for the year:			
Service cost	446,233	-	446,233
Interest on total OPEB liability	1,829,473	-	1,829,473
Difference between expected and actual experience	(3,669,756)	-	(3,669,756)
Changes in assumptions	4,568,725	-	4,568,725
Employer contributions	-	919,462	(919,462)
Member contributions	-	-	-
Net investment income	-	4,973,926	(4,973,926)
Benefit payments	(919,462)	(919,462)	-
Administrative expense	-	(10,452)	10,452
Net changes	2,255,213	4,963,474	(2,708,261)
Balances as of June 30, 2022	$ 29,372,019	$ 33,729,495	$ (4,357,476)

Changes in the total OPEB liability, plan fiduciary net position and the net OPEB liability (asset) through the year ended June 30, 2021, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balances as of June 30, 2020	$ 25,660,994	$ 27,797,488	$ (2,136,494)
Changes for the year:			
Service cost	501,198	-	501,198
Interest on total OPEB liability	1,739,459	-	1,739,459
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Employer contributions	-	784,845	(784,845)
Member contributions	-	-	-
Net investment income	-	982,113	(982,113)
Benefit payments	(784,845)	(784,845)	-
Administrative expense	-	(13,580)	13,580
Net changes	1,455,812	968,533	487,279
Balances as of June 30, 2021	$ 27,116,806	$ 28,766,021	$ (1,649,215)

SENSITIVITY OF THE NET OPEB LIABILITY (ASSET) TO CHANGES IN THE DISCOUNT RATE AND HEALTH CARE COST TREND RATES:
The net OPEB liability (asset) of the Authority has been calculated using a discount rate of 5.25 percent. The following presents the net OPEB liability (asset) using a discount rate 1 percent higher and 1 percent lower than the current discount rate.

	1% Decrease 4.25%	Current Rate 5.25%	1% Increase 6.25%
Net OPEB liability (asset)	$ 67,366	$ (4,357,476)	$ (7,976,238)

The net OPEB liability (asset) of the Authority has been calculated using health care cost trend rates of 7.25 percent decreasing to 4.0 percent in 2076 and thereafter for non-Medicare and 6.3 percent decreasing to 4.0 percent in 2076 for Medicare. The following presents the net OPEB liability (asset) using health care cost trend rates 1 percent higher and 1 percent lower than the current health care cost trend rates.

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability (asset)	$ (8,129,762)	$ (4,357,476)	$ 236,754

NOTE 10.

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

NOTE 10.

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO THE OPEB:

For the years ended June 30, 2022, and 2021, the Airport Authority recognized OPEB expense (income), as measured in accordance with GASB 75, of ($185,458) and $197,770, respectively, and reported deferred inflows of resources and deferred outflows of resources related to the OPEB from the following sources:

For June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings	$ -	$ 1,793,923
Net difference between expected and actual experience	-	2,669,705
Changes in assumptions	3,301,280	437,533
Employer contributions made subsequent to June 30, 2021 measurement date	951,488	-
Total	$ 4,252,768	$ 4,901,161

For June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings	$ 710,743	$ -
Net difference between expected and actual experience	-	88,828
Changes in assumptions	183,690	802,145
Employer contributions made subsequent to June 30, 2020 measurement date	919,462	-
Total	$ 1,813,895	$ 890,973

The deferred outflows of resources at June 30, 2022, related to OPEB resulting from Airport Authority contributions subsequent the measurement date and prior to year-end will be recognized as an addition to the net OPEB asset at June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2022, related to the OPEB will be recognized in OPEB expense as follows:

Years ended June 30,	
2023	$ (502,723)
2024	(191,306)
2025	(299,339)
2026	(606,513)
	$ (1,599,881)

NOTE 11.

RISK MANAGEMENT

The Airport Authority has a comprehensive Risk Management Program comprised of commercial insurance, self-insurance, loss mitigation/prevention, loss control, and claims administration. The Airport Authority's coverage includes a variety of retentions or deductibles.

COMMERCIALLY ISSUED INSURANCE:

- The Airport Authority maintains a minimum of $500 million in limits for general liability insurance.
- The Airport Authority maintains a property insurance policy with minimum limits of $750 million providing all risk and flood coverage for physical assets.
- The Airport Authority also maintains policies for workers' compensation, commercial auto, fiduciary liability, privacy and network security, crime, and public entity and employment practices liability, among others.

SELF-INSURANCE:

Due to the exorbitant cost of earthquake insurance, the Airport Authority self-insures for losses due to earthquake damage. Effective July 1, 2007, the Airport Authority removed the purchase of commercial earthquake insurance from the Risk Management Program and increased reliance on the laws designed to assist public entities through the Federal Emergency Management Agency and the California Disaster Assistance Act. As of June 30, 2022, and 2021, the Airport Authority has designated $13,121,946 and $12,403,950, respectively, from its net position, as an insurance contingency.

A $2,000,000 reserve has been established within unrestricted net position by the Airport Authority's management to respond to uninsured and underinsured catastrophic losses. This fund is maintained pursuant to Board action only; there is no requirement that it be maintained.

LOSS PREVENTION:

The Airport Authority has an active loss prevention program, staffed by a full-time risk manager, one risk analyst, a safety manager and two safety analysts. In addition, third party loss control engineers conduct safety surveys on an annual basis. Employees receive regular safety training and claims are monitored using a claims information system.

During fiscal year 2022, there were no significant reductions in insurance coverage from the prior year. For each of the past three fiscal years, settlements have not exceeded insurance coverage.

NOTE 12.

COMMITMENTS AND CONTINGENCIES

COMMITMENTS:
As of June 30, 2022, and 2021, the Airport Authority had significant commitments for capital expenditures and other matters as described below:

The Airport Authority has funds which have been classified as noncurrent assets, primarily for the unpaid contractual portion of capital projects that are currently in progress and will not be funded by grants or additional debt but will be funded through Airport Authority cash. These amounts are for the estimated cost of capital projects that have been authorized by the Board for construction planning to proceed and for the contractual costs of upgrading certain major equipment. June 30, 2022, and 2021, these funds totaled $1.1 million and $8.1 million, respectively, and are classified on the accompanying statements of net position as cash and investments designated for specific capital projects and other commitments.

As part of the MOU, services provided by the District Harbor Police are required to be purchased by the Airport Authority as long as SDIA continues to operate at the current location. At the time of the transfer, the Airport Authority entered into a Master Services Agreement, a Police Services Agreement, and a Communications Services Agreement with the District, which described the services that the Airport Authority could purchase and the manner of calculating the payments for such services. The largest amount that became payable under any of these agreements is under the Police Services Agreement, which is for Harbor Police services. The District provides monthly billings to the Airport Authority, with payment generally due 30 days after the date of the invoice, and provision of appropriate supporting documentation. During the years ended June 30, 2022, and 2021, the Airport Authority expensed $21.9 million and $22.2 million respectively for these services.

In fiscal year 2019, the Board approved $38 million contract with Ace Parking Management Inc., for parking management services. As of June 30, 2022, $18.4 million has been spent and the contract is scheduled for completion in fiscal year 2023. A new contract will be rebid and issued in fiscal year 2023. In fiscal year 2019, the Board approved $45 million contract with Ace Parking Management Inc., for airport shuttle services. As of June 30, 2022, $19.5 million has been spent for shuttle services and the contract is scheduled for completion in fiscal year 2023. A new contract will be rebid and issued in fiscal year 2023.

In fiscal year 2015, the Board approved a $29.2 million contract with SP Plus Corporation to transport rental car companies' customers between the Rental Car Center facility and the terminals. The contract scope also includes the operation, management, and maintenance of the shuttle vehicles. In fiscal years 2016- 2022, the Board approved an additional $27.8 million. As of June 30, 2022, $51 million had been spent and the contract is scheduled for completion in fiscal year 2023. A new contract will be rebid at that time.

In fiscal year 2019, the Board approved a $19.5 million contract with AECOM Technical Services, Inc. for on call program management, staffing support and consulting services. In fiscal year 2020, the board approved additional $134.8 million. As of June 30, 2022, $51 million has been spent and the contract is scheduled for completion in fiscal year 2024.

In fiscal year 2021, the Board approved a $16.2 million contract with Granite Construction Company to provide a Construction of the West Refueler Loading Facility and the West Solid Waste Facility. In fiscal year 2022, the board approved additional $1 million. As of June 30, 2022, $13.8 million had been spent and the contract is scheduled for completion in early fiscal year 2023. In fiscal year 2021, the Board approved an $80 million contract with Turner-Flatiron, A Joint Venture for the design-build of terminal and roadways. In fiscal year 2022, the Board approved additional $2.5 billion. As of June 30, 2022, $211 million had been spent and the contract is scheduled for completion in early fiscal year 2028.

NOTE 12.

COMMITMENTS AND CONTINGENCIES (CONTINUED)

In fiscal year 2019, the Board approved an $11.7 million contract with Pacific Rim Mechanical for HVAC repair and maintenance services. As of June 30, 2022, $8.2 million had been spent and the contract was completed in late fiscal year 2022. A new contract will be rebid and issued in fiscal year 2023.

In fiscal year 2020, the Board approved a $35 million contract with Jacobs Engineering Group, Inc. to provide Airside-Landside Engineering consulting services. As of June 30, 2022, $23.7 million had been spent and the contract is scheduled for completion in fiscal year 2025.

In fiscal year 2022, the Board approved a $19.4 million contract with SOLPAC Construction Inc. dba Soltek Pacific Construction to construct Solid and Liquid waste facilities. As of June 30, 2022, $2.3 million had been spent and the contract is scheduled for completion in early fiscal year 2024.

CONTINGENCIES:
As of June 30, 2022, the Airport Authority is subject to contingencies arising from matters as described below:

The Airport Authority has leases and operating agreements with various tenants. These agreements typically include provisions requiring the tenants/operators to indemnify the Airport Authority for any damage to property or losses to the Airport Authority as a result of the tenant's operations. Also, the leases and operating agreements typically require the Airport Authority to be named as an additional insured under certain insurance policies of the tenants/operators. The Airport Authority also tenders these claims to its own insurers once they become asserted claims. When these types of claims are asserted against the Airport Authority, the Airport Authority not only vigorously opposes them but also vigorously seeks contribution and/or indemnity from all tenants/operators involved, from the tenants'/operators' insurers and from its own insurers. The Airport Authority's legal counsel cannot predict the net exposure to the Airport Authority with respect to these matters, or the probability or remoteness of any outcome.

The Airport Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk, market risks and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net position.

NOTE 13.

CHANGE IN ACCOUNTING PRINCIPLE & CORRECTION OF STATEMENT OF CASH FLOWS

For the fiscal year ended June 30, 2022, the Airport Authority implemented GASB 87, Leases. As required when presenting prior period comparative statements, the financial statements of the fiscal year ended June 30, 2021, have been retrospectively restated. Additionally, the beginning of year cash included within the accompanying statement of cash flows has been corrected due to an understatement reported in the previous year. The effects of the restatement are as follows:

	As Previously Reported	2021 as restated	Effect of Change
Statement of Net Position:			
Lease receivable, current portion	$ -	$ 6,285,853	$ 6,285,853
Other current assets	8,280,970	9,119,154	838,184
Leased Assets	-	238,303,897	238,303,897
Construction in progress	248,535,465	248,538,868	3,403
Accumulated depreciation and amortization	(1,333,930,303)	(1,338,722,967)	(4,792,664)
Lease receivable, long-term portion	-	175,421,407	175,421,407
Unrestricted Other current liabilities	5,757,420	6,487,256	(729,836)
Lease liability, current portion	-	3,384,956	(3,384,956)
Lease liability, long-term portion	-	232,419,082	(232,419,082)
Deferred lease inflows	-	169,448,031	(169,448,031)
Net investment in capital assets	327,215,879	324,926,477	2,289,402
Unrestricted net position	359,146,706	371,514,284	(12,367,578)

	As Previously Reported	2021 as restated	Effect of Change
Statement of Revenues, Expenses and Changes in Net Position:			
Ground and non-airlilne terminal rentals	21,848,936	19,176,623	(2,672,313)
Concession revenue	31,096,870	41,801,386	10,704,516
Other operating revenue	1,682,151	1,679,512	(2,639)
Space rental	10,266,657	63,790	10,202,867
Depreciation expense	132,833,789	137,495,515	(4,661,726)
Other Interest Income	1,680,390	6,748,239	5,067,849
Interest expense	68,067,154	76,627,532	(8,560,378)
Change in net position	(6,218,846)	3,859,328	10,078,174

NOTE 13.

CHANGE IN ACCOUNTING PRINCIPLE & CORRECTION OF STATEMENT OF CASH FLOWS (CONTINUED)

	As Previously Reported	2021 as restated	Effect of Change
Statements of Cash Flows:			
Receipts from customers	$ 200,250,036	$ 207,566,897	$ 7,316,861
Payments to suppliers	(86,798,975)	(77,488,153)	9,310,822
Other receipts (payments)	1,683,852	1,681,213	(2,639)
Net cash provided by operating activities	66,469,492	83,094,535	16,625,043
Capital outlay	(180,332,423)	(193,518,799)	(13,186,376)
Other interest income	-	6,748,240	6,748,240
Interest and debt fees paid	(81,239,634)	(89,746,146)	(8,506,512)
Net cash used in financing activities	(157,286,629)	(172,231,276)	(14,944,648)
Purchases of investments	(312,867,581)	(297,741,464)	15,126,117
Interest received on investments and note receivable	4,175,353	11,790,929	7,615,576
Net cash provided by (used in) investing activities	53,103,664	75,845,357	22,741,693
Net increase (decrease) in cash and cash equivalents	(37,713,473)	(13,291,384)	24,422,088
Cash and cash equivalents, end of year	63,404,285	87,826,370	24,422,085
Cash and cash equivalents designated for specific capital projects and other commitments	22,494,254	46,916,337	24,422,083
Total cash and cash equivalents	63,404,286	87,826,370	24,422,084
Operating loss	(67,404,954)	(53,834,247)	13,570,707
Depreciation expense	132,833,789	137,495,515	4,661,726
Other assets	1,380,047	541,863	(838,184)
Lease receivables	-	4,067,252	4,067,252
Other liabilities	(13,743,101)	(18,579,561)	(4,836,460)
Net cash provided by operating activities	53,065,781	69,690,822	16,625,041

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSETS) AND RELATED RATIOS LAST 10 FISCAL YEARS (PLAN YEAR REPORTED IN SUBSEQUENT FISCAL YEAR) DEFINED BENEFIT PLAN

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:								
Service cost	**$ 7,970,646**	$ 7,857,035	$ 7,632,696	$ 7,390,428	$ 6,996,180	$ 6,205,263	$ 6,154,579	$ 6,099,481
Interest (includes interest on service cost)	**15,693,834**	14,257,205	13,355,418	12,621,226	11,416,679	10,277,610	9,327,538	8,465,485
Differences between expected and actual experience	**(2,239,695)**	925,862	(645,462)	(2,630,285)	3,975,029	(2,178,527)	345,661	-
Effect of changes of assumptions	**-**	6,767,000	-	6,416,088	5,871,218	10,473,890	-	-
Benefit payments, including refunds of member contributions	**(8,820,959)**	(6,733,942)	(6,429,659)	(4,462,751)	(4,669,787)	(3,023,391)	(2,482,523)	(2,913,221)
Net change in total pension liability	**12,603,826**	23,073,160	13,912,993	19,334,706	23,589,319	21,754,845	13,345,255	11,651,745
Total pension liability - beginning	**241,862,071**	218,788,911	204,875,918	185,541,212	161,951,893	140,197,048	126,851,793	115,200,048
Total pension liability - ending	**$ 254,465,897**	$241,862,071	$218,788,911	$204,875,918	$185,541,212	$161,951,893	$140,197,048	$126,851,793
Plan Fiduciary Net Position:								
Contributions - employer	**$ 8,596,163**	$ 8,424,834	$ 7,848,712	$ 7,318,546	$ 5,480,984	$ 4,047,780	$ 3,897,545	$ 3,924,988
Contributions - employee	**3,125,138**	3,321,661	3,178,464	3,162,781	2,990,317	2,967,269	2,840,236	2,765,079
Net investment income	**53,140,343**	390,013	12,086,349	14,036,710	19,480,875	1,651,283	4,390,185	18,302,683
Benefit payments, including refunds of member contributions	**(8,820,959)**	(6,733,942)	(6,429,659)	(4,462,751)	(4,669,786)	(3,023,391)	(2,482,523)	(2,913,221)
Administrative expense	**(423,018)**	(386,698)	(359,095)	(350,408)	(325,042)	(318,817)	(332,290)	(332,645)
Net change in plan fiduciary net position	**55,617,667**	5,015,868	16,324,771	19,704,878	22,957,348	5,324,124	8,313,153	21,746,884
Plan fiduciary net position - beginning	**207,843,276**	202,827,408	186,502,637	166,797,759	143,840,411	138,516,287	130,203,134	108,456,250
Plan fiduciary net position - ending	**$ 263,460,943**	$207,843,276	$202,827,408	$186,502,637	$166,797,759	$143,840,411	$138,516,287	$130,203,134
Net pension liability (asset) - ending	**$ (8,995,046)**	$ 34,018,795	$ 15,961,503	$ 18,373,281	$ 18,743,453	$ 18,111,482	$ 1,680,761	$ (3,351,341)
Plan fiduciary net position as a percentage of the total pension liability	**103.53%**	85.93%	92.70%	91.03%	89.90%	88.82%	98.80%	102.64%
Covered payroll	**$ 33,328,788**	$ 32,828,449	$ 31,584,841	$ 31,628,301	$ 31,131,795	$ 29,189,357	$ 27,955,455	$ 26,380,323
Net pension liability as a percentage of covered payroll	**(26.99%)**	103.63%	50.54%	58.09%	60.21%	62.05%	6.01%	(12.70%)

Note to schedule: This schedule is intended to display the most recent 10 years of data for annual changes in the net pension liability. Until such time has elapsed after implementing GASB Statement No. 68, this schedule will only present information from those years that are available.

SCHEDULE OF CONTRIBUTIONS (PENSIONS) LAST 10 FISCAL YEARS (DOLLARS IN THOUSANDS): DEFINED BENEFIT PLAN

	2022	2021	2020	2019	2018
Actuarially determined contribution	**$ 6,570**	$ 6,125	$ 6,159	$ 5,740	$ 5,416
Contributions in relation to the actuarially determined contribution	**9,102**	8,522	8,356	7,783	7,247
Contribution deficiency (excess)	**$ (2,533)**	$ (2,397)	$ (2,197)	$ (2,043)	$ (1,831)
Covered payroll	**$ 29,987**	$ 33,329	$ 32,828	$ 31,585	$ 31,628
Contributions as a percentage of covered payroll	**30.35%**	25.57%	25.45%	24.64%	22.91%

	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 3,765	$ 3,666	$ 3,823	$ 2,900	$ 2,600
Contributions in relation to the actuarially determined contribution	5,421	3,948	3,823	3,728	2,600
Contribution deficiency (excess)	$ (1,656)	$ (282)	$ -	$ (828)	$ -
Covered payroll	$ 31,506	$ 29,189	$ 27,955	$ 26,380	$ 24,840
Contributions as a percentage of covered payroll	17.21%	13.53%	13.68%	14.13%	10.47%

* This schedule is presented for the fiscal year.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS (PLAN YEAR REPORTED IN SUBSEQUENT FISCAL YEAR) PRESERVATION OF BENEFITS TRUST PLAN

	2022	2021	2020	2019	2018	2017
Total Pension Liability						
Service cost	$ 88,557	$ 55,276	$ 49,343	$ 51,774	$ 60,994	$ 29,270
Interest cost	54,559	62,061	64,133	53,311	35,323	34,173
Differences between expected and actual experience	(195,545)	(57,318)	(64,295)	193,013	388,329	-
Changes of assumptions	22,116	661,465	109,070	(89,712)	(214,765)	272,579
Benefit Payments	(41,662)	(43,301)	(47,081)	(31,329)	-	
Net Change in Total Pension Liability	(71,975)	678,183	111,170	177,057	269,881	336,022
Total pension liability -beginning	2,445,415	1,767,232	1,656,062	1,479,005	1,209,124	873,102
Total pension liability - ending	$ 2,373,440	$ 2,445,415	$ 1,767,232	$ 1,656,062	$ 1,479,005	$ 1,209,124
Covered payroll	$ 33,328,788	$ 32,828,449	$ 31,584,841	$ 31,628,301	$ 31,131,795	$ 29,189,357
Net Pension Liability as a percentage of payroll	7.12%	7.45%	5.60%	5.24%	4.75%	4.14%

Note to schedule: This schedule is intended to display the most recent 10 years of data for annual changes in the total pension liability. Until such time has elapsed after implementing GASB Statement No. 68, this schedule will only present information from those years that are available.

SCHEDULE OF CONTRIBUTIONS (PENSIONS), LAST 10 FISCAL YEARS: PRESERVATION OF BENEFITS TRUST PLAN

	2022	2021	2020	2019	2018
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	52,398	42,682	41,249	45,353	56,513
Contribution deficiency (excess)	$ (52,398)	$ (42,682)	$ (41,249)	$ (45,353)	$ (56,513)
Covered payroll	$ 29,986,825	$ 33,328,788	$ 32,828,449	$ 31,584,841	$ 31,628,301
Contributions as a percentage of covered payroll	0.17%	0.13%	0.13%	0.14%	0.18%

* This schedule is presented for the fiscal year.

Note to schedule: This schedule is intended to display the most recent 10 years of data for annual changes in the total pension liability. Until such time has elapsed after implementing GASB Statement No. 73, this schedule will only present information from those years that are available.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS LAST 10 FISCAL YEARS (PLAN YEAR REPORTED IN SUBSEQUENT FISCAL YEAR): OTHER POSTEMPLOYMENT BENEFITS

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FISCAL YEAR ENDED JUNE 30, 2022 (CONTINUED)

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	$ 446,233	$ 501,198	$ 449,596	$ 436,501	$ 411,052
Interest Cost	1,829,473	1,739,459	1,883,080	1,772,578	1,606,959
Difference between expected and actual experience	(3,669,756)	-	(169,582)	-	-
Changes of Assumptions	4,568,725	-	(1,531,369)	-	766,830
Benefit Payments	(919,462)	(784,845)	(775,225)	(622,425)	(451,189)
Net Change in Total OPEB Liability	2,255,213	1,455,812	(143,500)	1,586,654	2,333,652
Total OPEB Liability (Beginning)	27,116,806	25,660,994	25,804,494	24,217,840	21,884,188
Total OPEB Liability (Ending)	$ 29,372,019	$ 27,116,806	$ 25,660,994	$ 25,804,494	$ 24,217,840
Plan Fiduciary Net Position					
Contributions—Employer	$ 919,462	$ 784,845	$ 775,225	$ 622,425	$ 2,012,419
Net Investment Income	4,973,926	982,113	1,604,058	1,896,351	2,175,582
Benefit Payments	(919,462)	(784,845)	(775,225)	(622,425)	(451,189)
Administrative Expense	(10,452)	(13,580)	(5,611)	(12,568)	(10,578)
Net Change in Plan Fiduciary Net Position	4,963,474	968,533	1,598,447	1,883,783	3,726,234
Plan Fiduciary Net Position (Beginning)	28,766,021	27,797,488	26,199,041	24,315,258	20,589,024
Plan Fiduciary Net Position (Ending)	$ 33,729,495	$ 28,766,021	$ 27,797,488	$ 26,199,041	$ 24,315,258
Net OPEB Asset	$ (4,357,476)	$ (1,649,215)	$ (2,136,494)	$ (394,547)	$ (97,418)
Net Position as a Percentage of OPEB Liability	114.84%	106.08%	108.33%	101.53%	100.40%
Covered Payroll	$ 12,786,000	$ 14,608,940	$ 13,869,000	$ 16,625,857	$ 16,141,609
Net OPEB Asset as a Percentage of Payroll	(34.08%)	(11.29%)	(15.40%)	(2.37%)	(0.60%)

Note to schedule: This schedule is intended to display the most recent 10 years of data for annual changes in the net OPEB liability (asset). Until such time has elapsed after implementing GASB Statement No. 75, this schedule will only present information from the years that are available.

SCHEDULE OF CONTRIBUTIONS (OPEB) LAST 10 FISCAL YEARS (DOLLARS IN THOUSANDS): OTHER POSTEMPLOYMENT BENEFITS

	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 326	$ 365	$ 427	$ 486	$ 472
Contributions in relation to the actuarially determined contribution	951	919	785	339	462
Contribution deficiency (excess)	$ (625)	$ (554)	$ (358)	$ 147	$ 10
Covered payroll	$ 10,493	$ 12,786	$ 14,609	$ 13,869	$ 15,674
Contributions as a percentage of covered payroll	9.06%	7.19%	5.37%	2.44%	2.95%

* This schedule is presented for the fiscal year.

Note to schedule: This schedule is intended to display the most recent 10 years of data for annual OPEB contributions. Until such time has elapsed after implementing GASB Statement No. 75, this schedule will only present information from those years that are available.

STATISTICAL SECTION

This part of the Airport Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends Data – These tables contain trend information to help the reader understand how the Airport Authority's financial performance and well-being have changed over time.

• Authority operating revenues and O&M expenses	Exhibit S-1
• Authority net position by component	Exhibit S-2
• Authority changes in net position	Exhibit S-3
• Authority largest sources of revenue	Exhibit S-4

Revenue Capacity – These tables contain information to help the reader assess the Airport Authority's most significant revenue sources.

• Authority landing fee rate	Exhibit S-5
• Terminal rates billed to airlines	Exhibit S-6
• Airline cost per enplaned passenger	Exhibit S-7

Operating Information – These tables are intended to provide contextual information about the Airport Authority's operations and resources in order for readers to understand and assess its economic condition.

• Authority employee head count	Exhibit S-8
• Aircraft operations	Exhibit S-9
• Aircraft landed weight	Exhibit S-10
• Aircraft landed weight by airline	Exhibit S-11
• Passenger enplanements	Exhibit S-12
• Enplanement market share by airline by fiscal year	Exhibit S-13
• Capital assets	Exhibit S-14

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the Airport Authority's financial activities take place.

• Population & per capita personal income – San Diego County	Exhibit S-15
• Principal employers in San Diego County	Exhibit S-16
• Labor force, employment and unemployment rates	Exhibit S-17

Debt Capacity – These tables present information to help the reader assess the affordability of the Airport Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

• Debt service coverage	Exhibit S-18
• Debt services coverage – Series 2014 CFC Bonds	Exhibit S-19
• Debt per enplaned passenger	Exhibit S-20

EXHIBIT S-1
AUTHORITY REVENUES AND O&M EXPENSES ($000)

Fiscal Years Ended June 30,

Operating Revenues	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Airline revenue										
Landing fees	$ 19,658	$ 19,107	$ 21,390	$ 23,985	$ 24,612	$ 23,900	$ 24,816	$ 33,242	$ 34,046	$ 35,354
Aircraft parking fees	3,191	2,503	2,716	2,701	2,927	3,236	3,471	8,354	8,542	8,856
Building rentals	41,840	46,001	48,153	53,536	56,575	62,241	70,912	82,453	83,090	97,047
Security surcharge	23,360	25,777	25,180	29,223	29,468	32,303	33,559	-	-	-
Other aviation revenue	1,591	4,488	4,893	2,760	2,799	1,477	1,596	7,789	8,192	6,518
Concession revenue	42,041	47,770	52,496	29,249	61,256	65,610	71,256	57,243	41,801	88,138
Parking and ground transportation revenue	35,750	38,959	41,632	75,131	49,407	53,254	62,818	50,751	27,447	57,076
Ground rentals	9,162	9,603	13,074	16,226	20,053	22,109	22,810	21,386	19,177	23,265
Other operating revenue	905	1,529	971	1,183	1,750	1,949	2,441	1,818	1,680	2,999
Total Operating Revenues	$ 177,498	$ 195,737	$ 210,505	$ 233,994	$ 248,847	$ 266,079	$ 293,679	$ 263,036	$ 223,975	**$ 319,253**

Operating Expenses Before Depreciation	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Salaries and benefits	$ 38,092	$ 39,135	$ 39,211	$ 42,025	$ 46,874	$ 47,866	$ 49,578	$ 51,667	$ 52,922	$ 46,373
Contractual services	29,284	31,559	32,422	38,215	44,372	45,249	49,903	37,694	24,977	34,491
Safety and security	23,994	24,151	23,464	28,721	28,422	30,733	31,397	29,457	35,086	34,191
Space rental	10,897	10,478	10,433	10,367	10,190	10,190	10,191	10,207	64	839
Utilities	6,659	8,680	10,152	11,480	10,736	12,509	13,194	12,748	11,730	14,193
Maintenance	11,204	13,982	14,516	14,122	14,270	12,603	13,436	11,584	9,111	10,747
Equipment and systems	469	643	1,805	708	506	598	375	336	425	340
Materials and supplies	406	440	519	536	611	655	656	651	450	496
Insurance	795	988	1,145	949	956	1,098	1,200	1,308	1,519	1,741
Employee development and support	1,235	1,171	1,136	1,242	1,347	1,248	1,045	967	442	537
Business development	2,444	2,661	2,493	2,390	2,347	3,246	2,630	2,033	209	1,781
Equipment rentals and repairs	1,317	2,932	2,951	2,852	3,095	3,124	3,614	3,598	3,380	3,585
Total Operating Expenses Before Depreciation	$ 126,796	$ 136,820,655	$ 140,249,709	$ 153,608,455	$ 163,725,529	$ 169,119	$ 177,219	$ 162,250	$ 140,315	**$ 149,314**

EXHIBIT S-2
AUTHORITY NET POSITION BY COMPONENT ($000)

Fiscal Years Ended June 30,

	2013	2014	2015	2016[1]	2017	2018[2]	2019	2020	2021[3]	2022
Net investment in capital assets	$ 359,640	$ 312,780	$ 316,250	$ 310,339	$ 263,952	$ 294,937	$ 281,491	$ 266,213	$ 324,926	$ 418,349
Other restricted net position	167,384	204,642	215,968	214,533	225,088	230,954	246,508	211,329	192,484	176,638
Unrestricted net position	200,040	209,594	210,522	251,076	294,133	284,034	325,303	407,524	371,514	317,414
Total net position	$ 727,064	$ 727,016	$ 742,740	$ 775,949	$ 783,173	$ 809,925	$ 853,302	$ 885,066	$ 888,924	**$ 912,401**

[1] Amounts for 2016 were restated as per GASB 68

[2] Amounts for 2018 were restated as per GASB 75

[3] Amounts for 2021 were restated as per GASB 87

EXHIBIT S-3
AUTHORITY CHANGES IN NET POSITION ($000)

Fiscal Years Ended June 30,

	2013	2014	2015	2016[1]	2017	2018[2]	2019	2020	2021[3]	2022
Operating revenues:										
Airline revenue:										
Landing fees	$ 19,658	$ 19,107	$ 21,390	$ 23,985	$ 24,612	$ 23,900	$ 24,816	$ 33,242	$ 34,046	$ 35,354
Aircraft parking fees	3,191	2,503	2,716	2,701	2,927	3,236	3,471	8,354	8,542	8,856
Building rentals	41,840	46,001	48,153	53,536	56,575	62,241	70,912	82,453	83,090	97,047
Security surcharge	23,360	25,777	25,180	29,223	29,468	32,303	33,559	-	-	-
Other aviation revenue	1,591	4,488	4,893	2,760	2,799	1,477	1,596	7,789	8,192	6,518
Concession revenue	42,041	47,770	52,496	56,274	61,256	65,610	71,256	57,243	41,801	88,138
Parking and ground transportation revenue	35,750	38,959	41,632	48,106	49,407	53,254	62,818	50,751	27,447	57,076
Ground rentals	9,162	9,603	13,074	16,226	20,053	22,109	22,810	21,386	19,177	23,265
Other operating revenue	905	1,529	971	1,183	1,750	1,949	2,441	1,818	1,680	2,999
Total operating revenues	177,498	195,737	210,505	233,994	248,847	266,079	293,679	263,036	223,975	**319,253**
Operating expenses before depreciation and amortization:										
Salaries and benefits	38,092	39,135	39,211	42,025	46,874	47,866	49,578	51,667	52,922	46,373
Contractual services	29,284	31,559	32,422	38,215	44,372	45,249	49,903	37,694	24,977	34,491
Safety and security	23,994	24,151	23,465	28,721	28,422	30,733	31,397	29,457	35,086	34,191
Space rental	10,897	10,478	10,433	10,367	10,190	10,190	10,191	10,207	64	839
Utilities	6,659	8,680	10,152	11,480	10,736	12,509	13,194	12,748	11,730	14,193
Maintenance	11,204	13,982	14,516	14,122	14,270	12,603	13,436	11,584	9,111	10,747
Equipment and systems	469	643	1,805	708	506	598	375	336	425	340
Materials and supplies	406	440	519	536	611	655	656	651	450	496
Insurance	795	988	1,145	949	956	1,098	1,200	1,308	1,519	1,741
Employee development and support	1,235	1,171	1,136	1,242	1,347	1,248	1,045	967	442	537
Business development	2,444	2,661	2,493	2,390	2,347	3,246	2,630	2,033	209	1,781
Equipment rentals and repairs	1,317	2,932	2,951	2,852	3,095	3,124	3,614	3,598	3,380	3,585
Total operating expenses before depreciation and amortization	126,796	136,820	140,248	153,607	163,726	169,119	177,219	162,250	140,315	**149,314**
Income from operations before depreciation and amortization	50,702	58,917	70,257	80,387	85,121	96,960	116,460	100,786	83,660	**169,939**
Depreciation and amortization expense	46,100	81,598	81,887	87,821	95,229	105,532	124,329	131,587	137,496	141,919
Operating income (loss)	4,602	(22,681)	(11,630)	(7,434)	(10,108)	(8,572)	(7,869)	(30,801)	(53,836)	**28,020**
Nonoperating revenues (expenses):										
Passenger facility charges	35,437	35,770	38,517	40,258	42,200	46,953	49,198	34,393	22,110	40,394
Customer facility charges	19,117	27,545	32,465	33,208	36,528	41,036	41,918	30,240	15,755	30,333
CARES Act/ACRGP Act Grants	-	-	-	-	-	-	-	36,895	77,219	78,922
Quieter Home Program, net	(1,589)	(2,750)	(2,811)	(3,698)	(785)	(2,747)	(3,192)	(3,295)	(3,233)	(2,541)
Joint Studies Program	(55)	(152)	(145)	(101)	-	(114)	(99)	-	-	-
Other interest income	-	-	-	-	-	-	-	-	6,748	7,263
Investment income	4,140	5,211	5,747	5,999	5,689	9,426	25,533	32,430	2,495	(48,884)
Interest expense	(12,054)	(51,984)	(55,187)	(50,636)	(58,179)	(68,411)	(74,501)	(73,612)	(76,628)	(109,675)
Build America Bonds Rebate	4,779	4,636	4,631	4,656	4,651	4,666	4,686	-	-	-
Other revenues (expenses), net	(4,279)	434	1,367	2,247	(14,676)	(9,281)	(510)	1,442	(705)	(13,316)
Nonoperating revenue, net	45,496	18,710	24,584	31,933	15,428	21,528	43,033	58,493	43,761	(17,503)
Income before capital grant contributions	50,098	(3,971)	12,954	24,499	5,320	12,956	35,164	27,692	(10,075)	10,518
Capital grant contributions	16,077	3,924	10,765	10,477	1,904	13,079	8,213	4,072	13,932	12,958
Change in net position	66,175	(47)	23,719	34,976	7,224	26,035	43,377	31,764	3,857	23,476
Prior Period Adjustment	-	-	(7,993)	(1,767)	-	717	-	-	-	-
Net position, beginning of year	660,889	727,064	727,016	742,740	775,949	783,173	809,925	853,302	885,066	888,925
Net position, end of year	$ 727,064	$ 727,017	$ 742,742	$ 775,949	$ 783,173	$ 809,925	$ 853,302	$ 885,066	$ 888,923	**$ 912,401**

[1] Amounts for 2016 were restated as per GASB 68

[2] Amounts for 2018 were restated as per GASB 75

[3] Amounts for 2021 were restated as per GASB 87

EXHIBIT S-4
AUTHORITY LARGEST SOURCES OF REVENUE ($000)

Fiscal Years Ended June 30,

Tenant	2013	2014	2015	2016 [1]	2017	2018 [2]	2019	2020	2021 [3]	2022
Southwest Airlines	$ 27,598,908	$ 29,548,565	$ 33,107,335	$ 33,838,686	$ 35,960,638	$ 38,403,919	$ 42,358,547	$ 44,940,626	$ 32,981,547	**$ 46,676,116**
Alaska Airlines [5]	6,167,257	8,008,057	9,712,564	10,612,367	11,705,334	16,352,834	17,436,299	20,633,199	19,163,465	**25,229,826**
Delta Airlines	10,898,540	12,005,146	13,560,515	14,418,056	16,123,110	17,007,240	18,367,799	22,063,736	16,637,440	**23,051,398**
United Airlines	15,817,886	15,364,094	15,687,045	14,518,119	16,227,363	17,520,412	18,335,068	20,204,377	16,629,587	**19,809,053**
American Airlines [4]	15,173,458	15,785,140	15,888,023	15,321,505	17,075,112	16,581,217	17,073,172	17,150,267	17,009,804	**19,653,281**
Avis Rent-A-Car [6]	-	-	-	-	-	-	-	8,446,736	4,666,097	**14,247,125**
Enterprise Rent-A-Car	6,934,784	7,162,116	7,998,222	9,451,127	11,188,393	12,285,652	12,779,605	12,238,158	5,913,051	**12,725,271**
Hertz Rent-A-Car	5,961,730	6,149,759	6,236,082	8,225,179	11,142,905	11,017,486	11,538,847	10,829,239	5,303,020	**11,065,293**
Uber Technologies, Inc	-	-	-	-	-	-	-	-	-	**6,805,565**
Signature Flight Support	-	-	-	-	-	-	-	-	4,919,025	**6,759,992**

[1] Amounts for 2016 were restated as per GASB 68

[2] Amounts for 2018 were restated as per GASB 75

[3] Amounts for 2021 were restated as per GASB 87

[4] On December 9, 2013, AMR Corporation (American Airlines) merged with US Airways Group, forming American Airlines Group. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015. Data for US Airways and American Airlines have been combined in this table.

[5] Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018. Data for Alaska Airlines and Virgin America have been combined in this table.

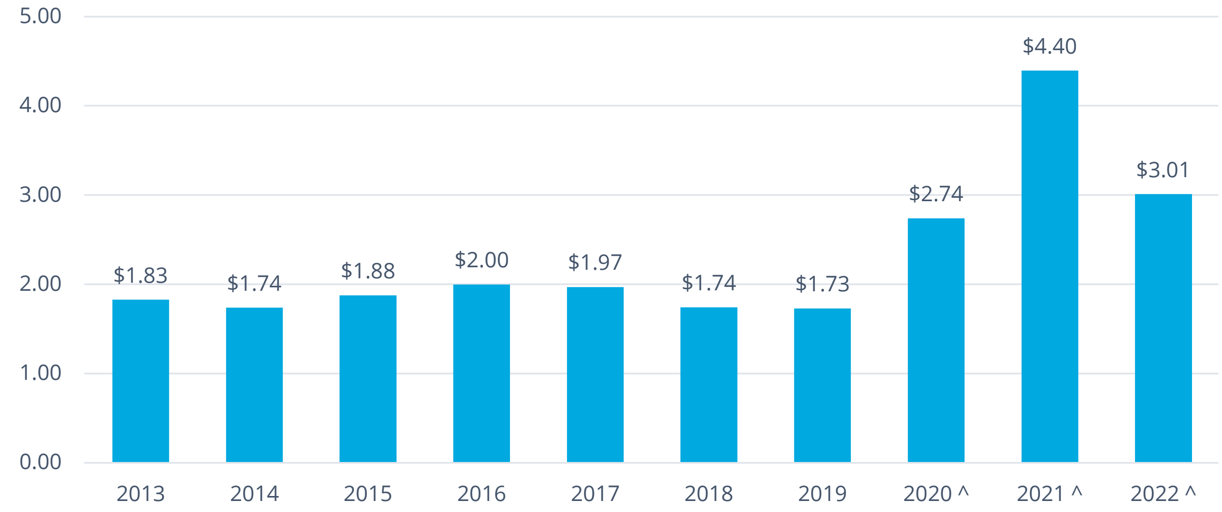
[6] On February 2, 2020 Avis Budget Car Rental LLC entered into a purchase agreement with BW-Budget-SDA LLC aquiring all agreemts at SAN. Data for BW-Budget and Avis have been combined on this table.

Note: Amounts depicted in this exhibit reflect principal and interest payments for leases subject to GASB Statement No.87, leases outside the scope of the standard reflect revenue

EXHIBIT S-5
AUTHORITY LANDING FEE RATE ($ PER 1,000 LBS)

Fiscal Years Ended June 30,

AUTHORITY LANDING FEE RATE



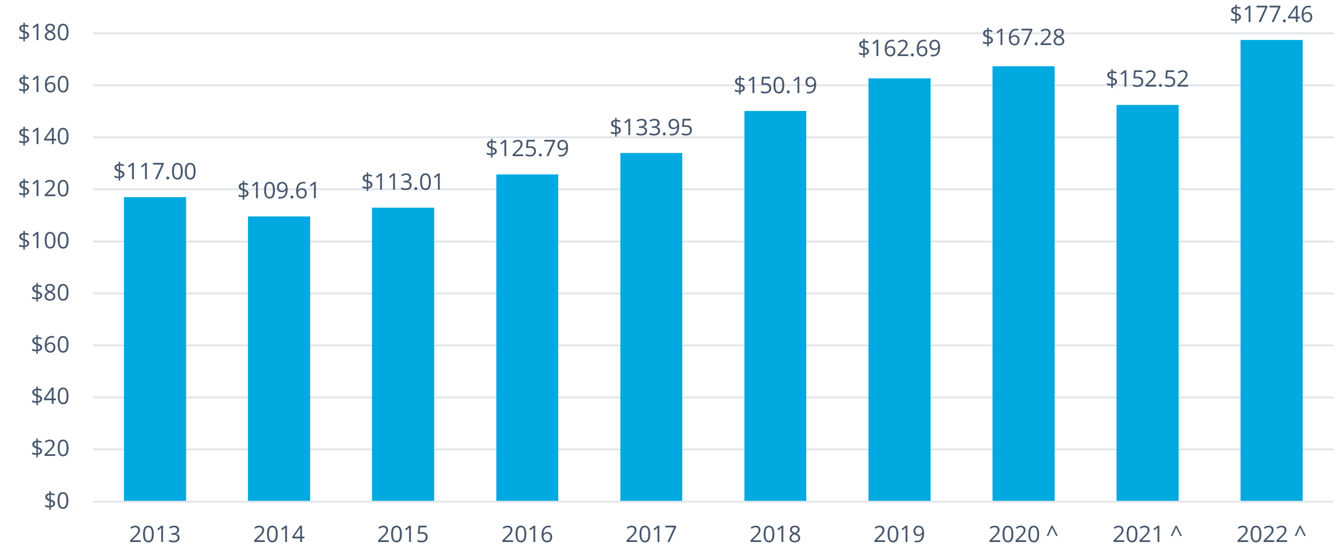
*Signatury Rate

Terminal Rate is the rate billed to the airlines for the rent of terminal space per square foot.

EXHIBIT S-6
TERMINAL RATES BILLED TO AIRLINES

Fiscal Years Ended June 30,

TERMINAL RATE PER SQUARE FOOT



*Signatury Rate

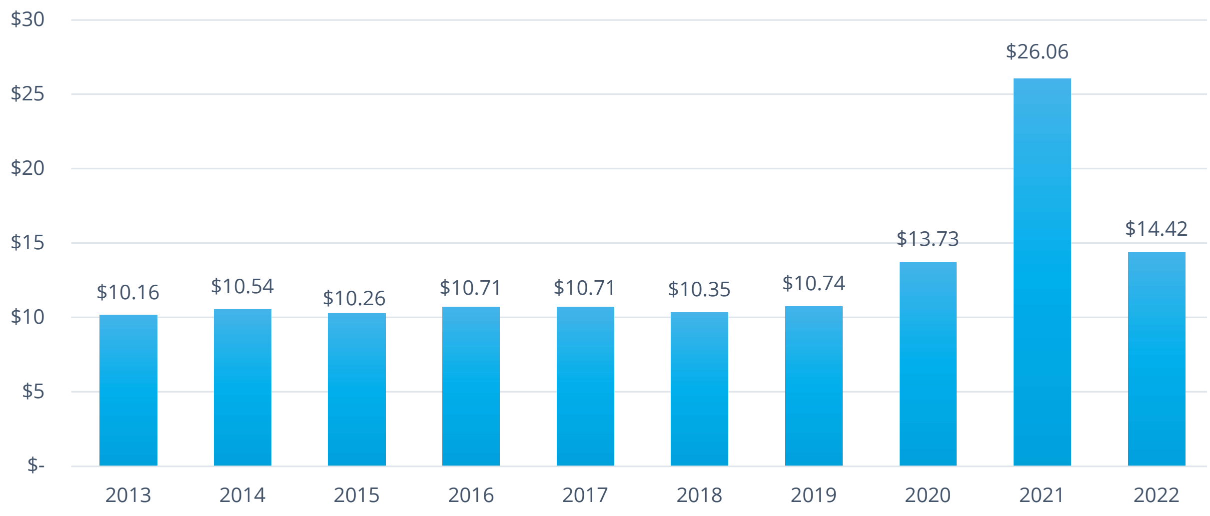
Terminal Rate is the rate billed to the airlines for the rent of terminal space per square foot.

EXHIBIT S-7
AIRLINE COST PER ENPLANED PASSENGER

Fiscal Years Ended June 30,

COST PER ENPLANED PASSENGER

Fiscal Year	Enplaned	Cost per
2013	8,738	$10.16
2014	9,082	$10.54
2015	9,713	$10.26
2016	10,206	$10.71
2017	10,596	$10.71
2018	11,732	$10.35
2019	12,356	$10.74
2020	9,235	$13.73
2021	4.861	$26.06
2022	9.953	$14.42

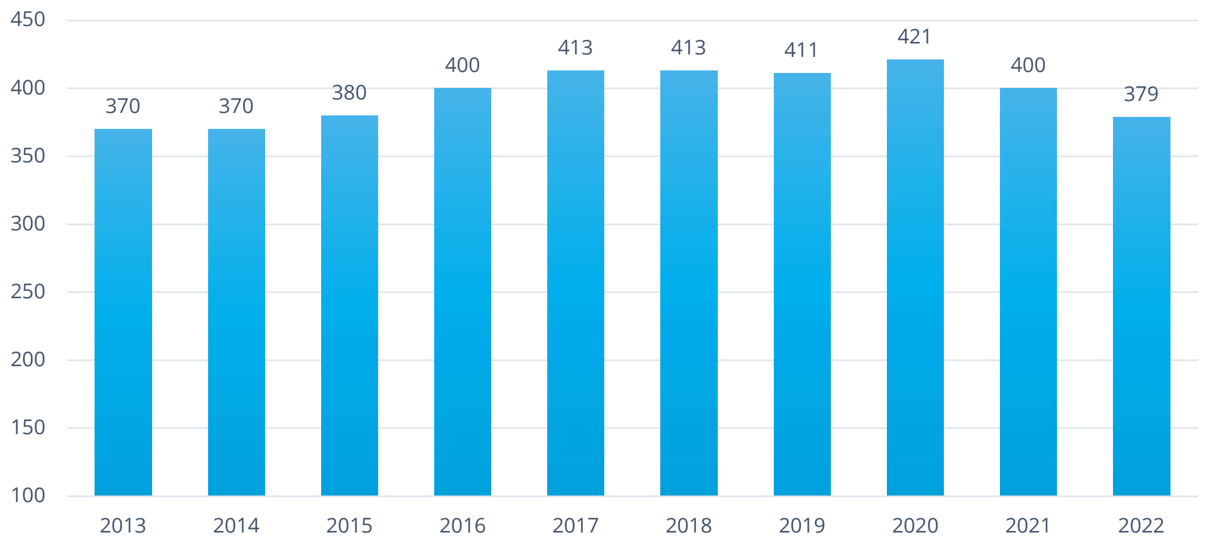


Airline Cost per Enplaned Passenger is the total annual cost of fees and charges paid by the airlines divided by the total fiscal year enplanements.

EXHIBIT S-8
AUTHORITY EMPLOYEE HEAD COUNT

Fiscal Years Ended June 30,

AUTHORITY EMPLOYEE HEAD COUNT



The Airport Authority does not have part-time employees. This chart reflects the average number of employees for the fiscal years shown above.

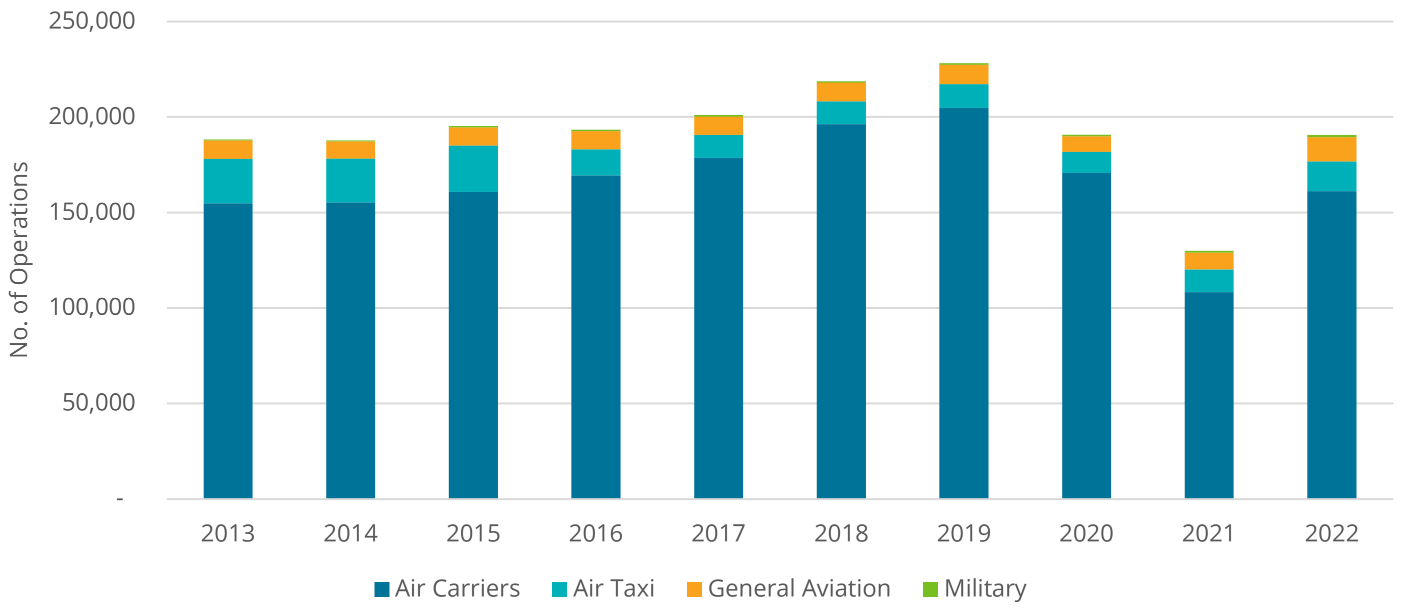
EXHIBIT S-9
AIRCRAFT OPERATIONS (TAKEOFFS & LANDINGS)

Fiscal Years Ended June 30,

Fiscal Year	Air Carriers	Air Taxi	General	Military	Total
2013	154,781	23,370	9,586	567	188,304
2014	155,310	22,953	8,930	597	187,790
2015	160,726	24,336	9,534	669	195,265
2016	169,365	13,741	9,439	906	193,451
2017	178,579	11,899	9,719	814	201,011
2018	196,253	11,903	9,816	699	218,671
2019	204,627	12,539	10,167	759	228,092
2020	170,757	10,990	8,174	825	190,746
2021	108,240	11,844	8,835	1,098	130,017
2022	**161,150**	**15,547**	**12,611**	**1,177**	**190,485**

Source: FAA ATADS Report: Air Operations Standard Report (itinerant only)

AIRCRAFT OPERATIONS

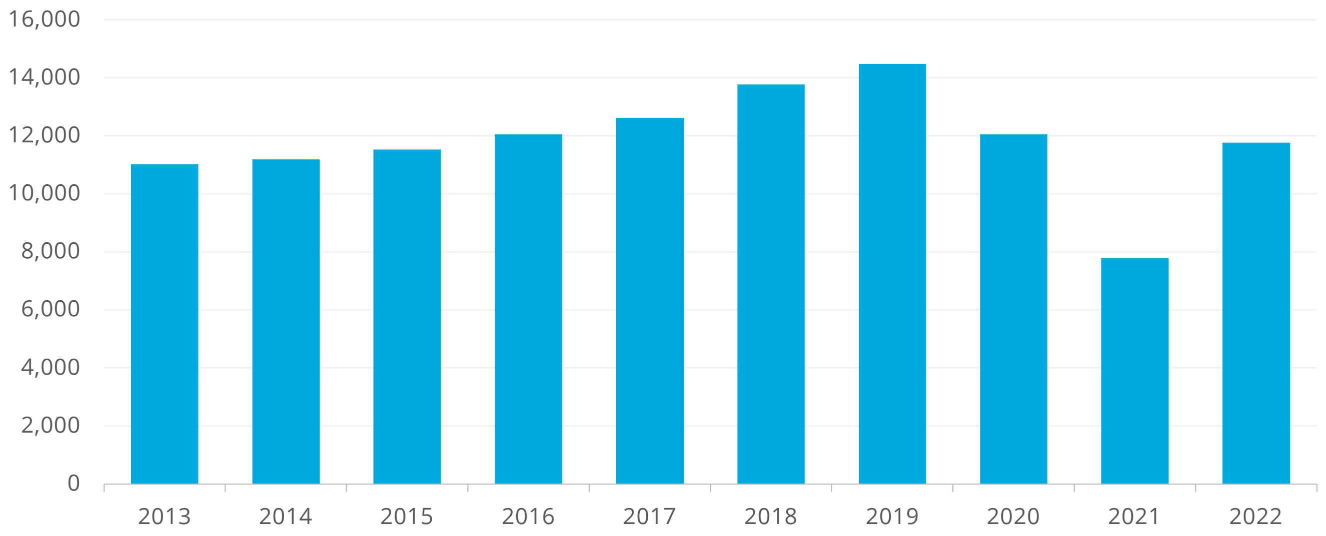


Aircraft Operations are the takeoffs and landings at SDIA.
They represent the level of demand for air service by the airlines operating at SDIA.

EXHIBIT S-10
AIRCRAFT LANDED WEIGHTS (IN MILLIONS LBS)

Fiscal Years Ended June 30,

AIRCRAFT LANDED WEIGHTS (IN MILLIONS LBS)



Landed Weight is the maximum gross certificated landed weight in one million pound units as stated in the airlines' flight operational manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at the airport.

EXHIBIT S-11
AIRCRAFT LANDED WEIGHTS BY AIRLINE (THOUSAND POUNDS)

Fiscal Years Ended June 30,

Landed Weight (in thousands)

Airline	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Southwest Airlines	3,907,554	3,925,362	4,214,314	4,257,162	4,470,104	4,924,451	5,180,064	4,422,096	2,277,011	**3,688,292**
Delta Airlines	1,023,608	1,016,878	1,077,103	1,153,074	1,175,285	1,183,702	1,389,312	1,221,773	1,049,374	**1,497,160**
American Airlines [2]	1,339,751	1,349,554	1,359,911	1,467,922	1,428,538	1,471,318	1,415,134	1,201,659	917,691	**1,238,946**
Alaska Airlines [3]	750,000	884,727	888,065	924,310	999,875	1,131,807	1,411,255	1,162,582	769,364	**1,196,955**
United Airlines [1]	1,387,854	1,340,736	1,227,974	1,250,500	1,355,185	1,492,873	1,566,148	1,201,192	694,980	**1,260,134**
Skywest Airlines	428,595	396,054	408,608	359,197	465,023	627,038	637,117	481,705	504,012	**709,412**
Federal Express	451,797	419,127	384,686	444,038	390,716	388,782	375,807	394,288	466,734	**476,195**
Frontier Airlines	196,614	192,493	153,880	115,238	167,590	232,794	247,145	204,924	199,836	**264,830**
JetBlue Airlines	168,080	189,979	193,848	199,232	244,364	293,160	281,715	260,940	171,957	**292,311**
Horizon Air- Alaska Airlines	86,478	94,972	88,241	60,268	54,799	100,303	82,650	146,100	145,050	**166,950**
United Parcel	118,180	121,742	127,660	135,318	146,778	143,678	138,860	146,624	138,926	**138,064**
Spirit Airlines	208,200	245,669	296,925	351,977	286,162	328,424	331,366	230,911	125,589	**165,464**
Hawaiian Airlines	140,637	147,325	146,284	147,406	147,568	161,486	237,560	155,345	122,574	**211,844**
ABX Air	53,656	70,039	42,666	-	-	-	-	42,542	83,216	**6,068**
Allegiant	14,963	7,790	7,053	17,403	57,227	47,516	31,927	19,387	38,889	**53,883**
Subtotal	**10,275,968**	**10,402,446**	**10,617,218**	**10,883,044**	**11,389,213**	**12,527,333**	**13,326,060**	**11,292,068**	**7,705,202**	11,366,508
All Others	739,748	784,320	906,502	1,165,098	1,226,855	1,242,613	1,155,169	761,012	74,326	**397,577**
Total	**11,015,716**	**11,186,766**	**11,523,720**	**12,048,142**	**12,616,068**	**13,769,945**	**14,481,229**	**12,053,080**	**7,779,528**	11,764,085
Annual % Change	1.8%	1.6%	3.0%	4.6%	4.7%	9.1%	5.2%	-16.8%	-16.8%	**-16.8%**

[1] United and Continental completed their merger on October 1, 2010 and began operating as United on November 30, 2011. The enplanements are combined for the purpose of this table.

[2] US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015. The enplanements are combined for the purpose of this table.

[3] Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018. The enplanements are combined for the purpose of this table.

EXHIBIT S-11
AIRCRAFT LANDED WEIGHTS BY AIRLINE (THOUSAND POUNDS)

Fiscal Years Ended June 30,

Market Share

Airline	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Southwest Airlines	35.5%	35.1%	36.6%	35.3%	35.4%	35.8%	35.8%	36.7%	29.3%	**31.4%**
Delta Airlines	9.3%	9.1%	9.3%	9.6%	9.3%	8.6%	9.6%	10.1%	13.5%	**12.7%**
American Airlines [2]	12.2%	12.1%	11.8%	12.2%	11.3%	10.7%	9.8%	10.0%	11.8%	**10.5%**
Alaska Airlines [3]	6.8%	7.9%	7.7%	7.7%	7.9%	8.2%	9.7%	9.6%	9.9%	**10.2%**
United Airlines [1]	12.6%	12.0%	10.7%	10.4%	10.7%	10.8%	10.8%	10.0%	8.9%	**10.7%**
Skywest Airlines	3.9%	3.5%	3.5%	3.0%	3.7%	4.6%	4.4%	4.0%	6.5%	**6.0%**
Federal Express	4.1%	3.7%	3.3%	3.7%	3.1%	2.8%	2.6%	3.3%	6.0%	**4.0%**
Frontier Airlines	1.8%	1.7%	1.3%	1.0%	1.5%	1.7%	1.7%	1.7%	2.6%	**2.3%**
JetBlue Airlines	1.5%	1.7%	1.7%	1.7%	1.9%	2.1%	1.9%	2.2%	2.2%	**2.5%**
Horizon Air- Alaska Airlines	0.8%	0.8%	0.8%	0.5%	0.4%	0.7%	0.6%	1.2%	1.9%	**1.4%**
United Parcel	1.1%	1.1%	1.1%	1.1%	1.2%	1.0%	1.0%	1.2%	1.8%	**1.2%**
Spirit Airlines	1.9%	2.2%	2.6%	2.9%	2.3%	2.4%	2.3%	1.9%	1.6%	**1.4%**
Hawaiian Airlines	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.6%	1.3%	1.6%	**1.8%**
ABX Air	0.5%	0.6%	0.4%	-	-	-	-	0.4%	1.1%	**0.1%**
Allegiant	0.1%	0.1%	0.1%	0.2%	0.5%	0.3%	0.2%	0.2%	0.5%	**0.5%**
Subtotal	**93.3%**	**93.0%**	**92.1%**	**90.3%**	**90.3%**	**91.0%**	**92.0%**	**93.7%**	**99.0%**	**96.6%**
All Others	6.7%	7.0%	7.9%	9.7%	9.7%	9.0%	8.0%	6.3%	1.0%	**3.4%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

EXHIBIT S-12
PASSENGER ENPLANEMENTS

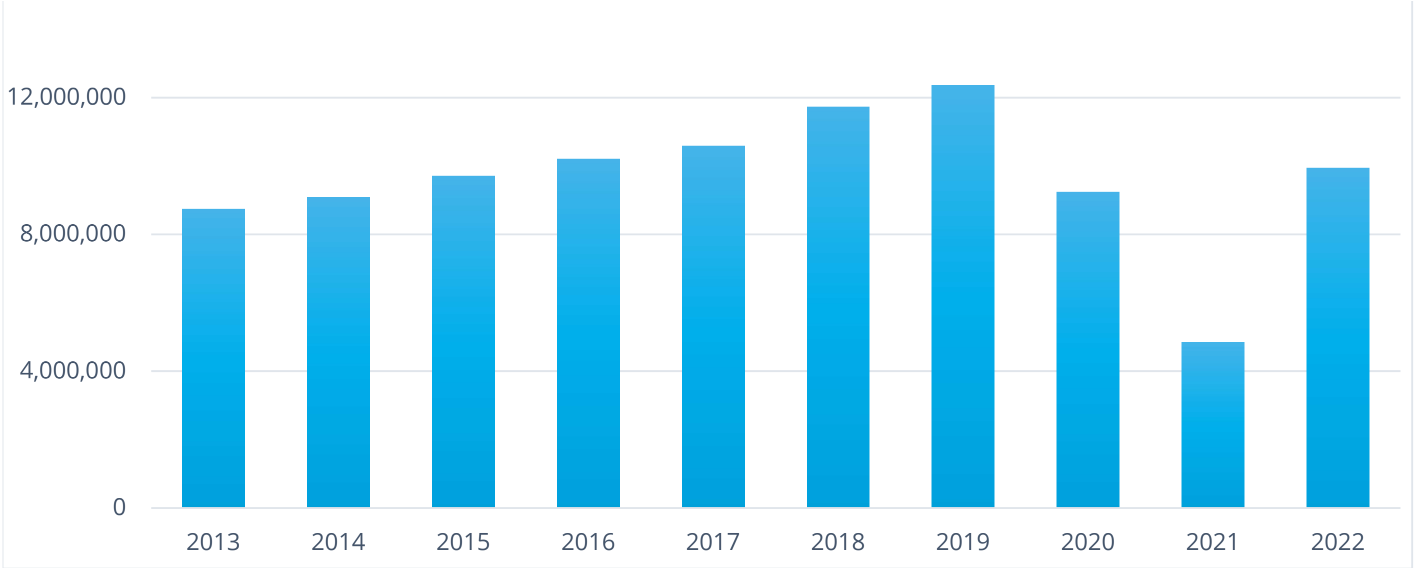
Fiscal Years Ended June 30,

FiscalYear	Enplaned Passengers	% Change SAN	% Change US Average
2012	8,575,475	1.6 %	1.7 %
2013	8,737,617	1.9 %	0.5 %
2014	9,082,244	3.9 %	2.2 %
2015	9,713,066	6.9 %	3.7 %
2016	10,206,222	5.1 %	5.4 %
2017	10,596,483	3.8 %	3.4 %
2018	11,731,833	10.7 %	4.3 %
2019	12,356,286	5.3 %	4.3 %
2020	9,235,459	(25.3)%	(25.9)%
2021	4,860,931	(47.4)%	(41.5)%
2022	**9,953,162**	**104.8 %**	**91.8%** [1]

Source: U.S. Department of Transportation T-100

[1] International data for April - June 2022 not available at time of publication.

PASSENGER ENPLANEMENTS



Enplaned Passenger is any revenue passenger boarding at the airport, including any passenger that previously disembarked from another aircraft (i.e. connecting passenger).

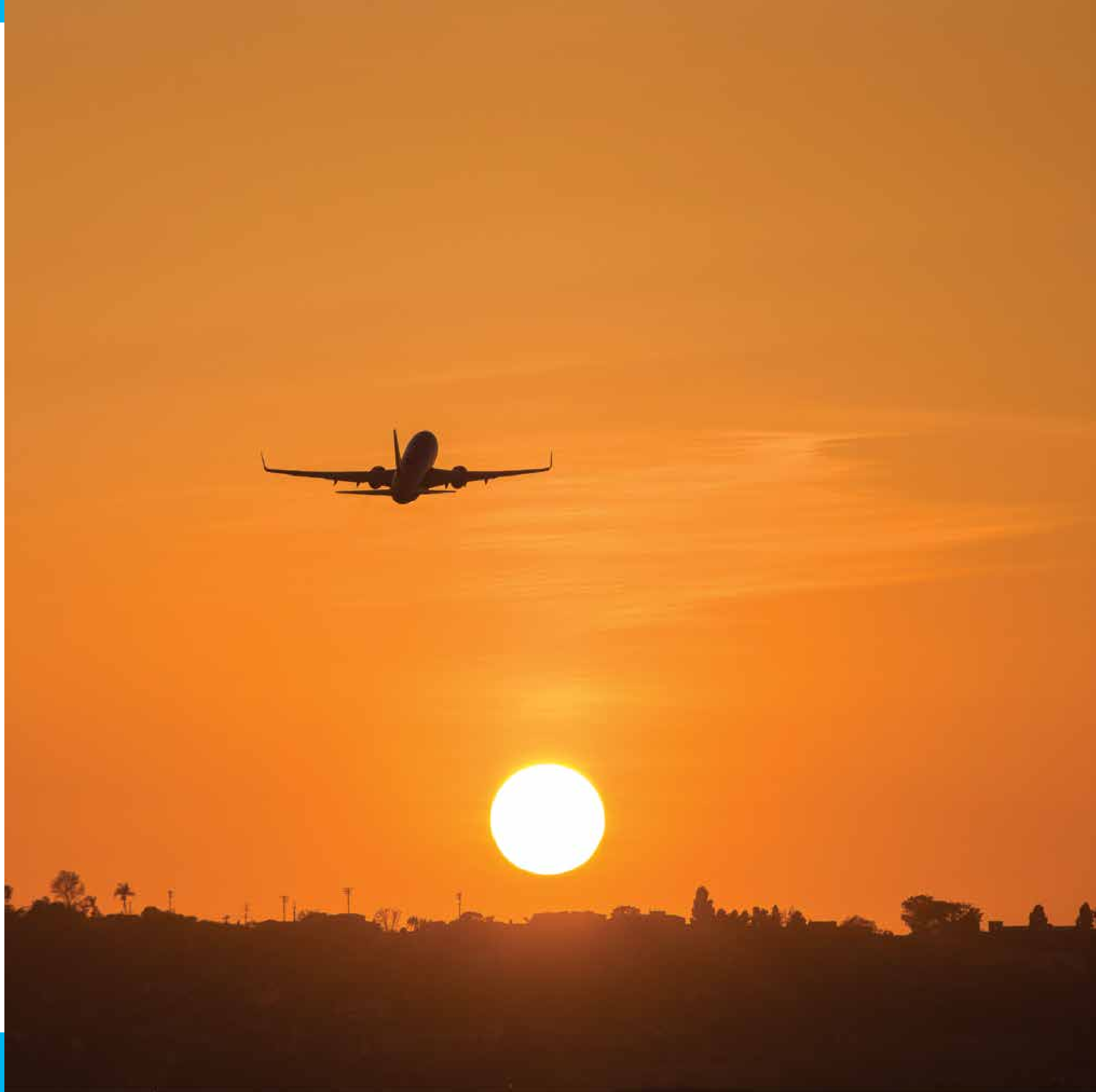


EXHIBIT S-13
ENPLANEMENT MARKET SHARE BY AIRLINE BY FISCAL YEAR

Fiscal Years Ended June 30,

	Enplanements									
Air Carrier	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Air Canada	45,058	36,636	41,175	48,985	93,274	110,684	130,404	90,425	-	**43,376**
Alaska Airlines [1]	673,731	830,349	871,775	902,705	918,841	1,031,537	1,253,433	976,326	474,179	**1,099,999**
Allegiant Airlines	15,466	7,859	7,406	16,825	49,480	44,934	30,750	13,162	22,391	**49,355**
American Airlines [2]	650,826	693,995	747,493	1,369,003	1,339,489	1,366,634	1,339,334	1,050,613	767,833	**1,238,336**
British Airways	81,534	84,600	84,263	89,723	90,200	82,543	83,492	57,998	-	**41,417**
Condor	-	-	-	-	3,902	7,815	-	-	-	**-**
Delta Air Lines	904,734	915,907	992,498	1,061,889	1,088,647	1,126,873	1,336,885	1,058,188	567,589	**1,215,201**
Edelweiss	-	-	-	-	1,215	6,990	6,271	2,317	-	**-**
Frontier Airlines	184,020	185,270	150,595	118,990	180,235	254,760	277,320	201,280	180,181	**272,802**
Hawaiian Airlines	94,283	98,667	96,963	102,462	107,776	108,971	149,744	102,759	61,754	**133,525**
Japan Airlines	18,249	54,213	59,372	59,647	59,916	62,034	66,688	43,596	1,027	**12,784**
JetBlue Airways	152,571	173,282	178,590	182,605	224,700	248,325	230,909	195,279	90,332	**249,217**
Lufthansa	-	-	-	-	-	13,037	49,974	34,654	-	**13,695**
Southwest Airlines	3,253,225	3,352,870	3,736,688	3,840,455	3,967,487	4,457,984	4,656,029	3,474,860	1,627,594	**3,393,713**
Spirit Airlines	164,189	201,414	252,219	327,183	287,208	318,201	323,623	225,279	111,604	**168,192**
Sun Country Airlines	23,836	27,276	28,732	34,886	40,109	41,466	40,167	37,073	23,461	**35,962**
Swoop, Inc.	-	-	-	-	-	-	-	-	-	**3,637**
United Airlines [3]	1,175,869	1,167,661	1,113,510	1,165,565	1,266,055	1,405,663	1,481,166	1,043,393	552,709	**1,256,748**
US Airways [2]	560,738	554,244	523,034	-	-	-	-	-	-	**-**
Virgin America [1]	168,297	156,729	175,973	211,075	212,158	183,672	-	-	-	**-**
Volaris	30,885	23,285	20,004	21,343	3,948	-	-	-	-	**-**
WestJet	27,746	31,805	33,723	34,516	41,043	39,285	42,939	28,905	-	**11,836**
Total Air Carrier	8,225,257	8,596,062	9,114,013	9,587,857	9,975,683	10,911,408	11,499,128	8,636,107	4,480,654	**9,239,795**
Regional										
Compass	-	8,563	140,012	249,723	195,126	251,066	296,091	161,113	-	**-**
Horizon Air	77,392	84,000	83,764	64,758	53,517	82,131	64,135	107,373	89,894	**137,421**
Skywest Airlines	352,189	341,365	371,979	301,592	372,157	487,228	496,932	330,866	290,383	**575,946**
Other	82,779	52,254	3,298	2,292	-	-	-	-	-	**-**
Total Regional	512,360	486,182	599,053	618,365	620,800	820,425	857,158	599,352	380,277	**713,367**
Total Passengers	8,737,617	9,082,244	9,713,066	10,206,222	10,596,483	11,731,833	12,356,286	9,235,459	4,860,931	**9,953,162**

[1] Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018. The enplanements are combined for the purpose of this table.

[2] US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015. The enplanements are combined for the purpose of this table.

[3] United and Continental completed their merger on October 1, 2010 and began operating as United on November 30, 2011. The enplanements are combined for the purpose of this table.

EXHIBIT S-13
ENPLANEMENT MARKET SHARE BY AIRLINE BY FISCAL YEAR

Fiscal Years Ended June 30,

	Enplanements									
Air Carrier	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Air Canada	45,058	36,636	41,175	48,985	93,274	110,684	130,404	90,425	-	**43,376**
Alaska Airlines [1]	673,731	830,349	871,775	902,705	918,841	1,031,537	1,253,433	976,326	474,179	**1,099,999**
Allegiant Airlines	15,466	7,859	7,406	16,825	49,480	44,934	30,750	13,162	22,391	**49,355**
American Airlines [2]	650,826	693,995	747,493	1,369,003	1,339,489	1,366,634	1,339,334	1,050,613	767,833	**1,238,336**
British Airways	81,534	84,600	84,263	89,723	90,200	82,543	83,492	57,998	-	**41,417**
Condor	-	-	-	-	3,902	7,815	-	-	-	**-**
Delta Air Lines	904,734	915,907	992,498	1,061,889	1,088,647	1,126,873	1,336,885	1,058,188	567,589	**1,215,201**
Edelweiss	-	-	-	-	1,215	6,990	6,271	2,317	-	**-**
Frontier Airlines	184,020	185,270	150,595	118,990	180,235	254,760	277,320	201,280	180,181	**272,802**
Hawaiian Airlines	94,283	98,667	96,963	102,462	107,776	108,971	149,744	102,759	61,754	**133,525**
Japan Airlines	18,249	54,213	59,372	59,647	59,916	62,034	66,688	43,596	1,027	**12,784**
JetBlue Airways	152,571	173,282	178,590	182,605	224,700	248,325	230,909	195,279	90,332	**249,217**
Lufthansa	-	-	-	-	-	13,037	49,974	34,654	-	**13,695**
Southwest Airlines	3,253,225	3,352,870	3,736,688	3,840,455	3,967,487	4,457,984	4,656,029	3,474,860	1,627,594	**3,393,713**
Spirit Airlines	164,189	201,414	252,219	327,183	287,208	318,201	323,623	225,279	111,604	**168,192**
Sun Country Airlines	23,836	27,276	28,732	34,886	40,109	41,466	40,167	37,073	23,461	**35,962**
Swoop, Inc.	-	-	-	-	-	-	-	-	-	**3,637**
United Airlines [3]	1,175,869	1,167,661	1,113,510	1,165,565	1,266,055	1,405,663	1,481,166	1,043,393	552,709	**1,256,748**
US Airways [2]	560,738	554,244	523,034	-	-	-	-	-	-	**-**
Virgin America [1]	168,297	156,729	175,973	211,075	212,158	183,672	-	-	-	**-**
Volaris	30,885	23,285	20,004	21,343	3,948	-	-	-	-	**-**
WestJet	27,746	31,805	33,723	34,516	41,043	39,285	42,939	28,905	-	**11,836**
Total Air Carrier	8,225,257	8,596,062	9,114,013	9,587,857	9,975,683	10,911,408	11,499,128	8,636,107	4,480,654	**9,239,795**
Regional										
Compass	-	8,563	140,012	249,723	195,126	251,066	296,091	161,113	-	**-**
Horizon Air	77,392	84,000	83,764	64,758	53,517	82,131	64,135	107,373	89,894	**137,421**
Skywest Airlines	352,189	341,365	371,979	301,592	372,157	487,228	496,932	330,866	290,383	**575,946**
Other	82,779	52,254	3,298	2,292	-	-	-	-	-	**-**
Total Regional	512,360	486,182	599,053	618,365	620,800	820,425	857,158	599,352	380,277	**713,367**
Total Passengers	8,737,617	9,082,244	9,713,066	10,206,222	10,596,483	11,731,833	12,356,286	9,235,459	4,860,931	**9,953,162**

[1] Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018. The enplanements are combined for the purpose of this table.

[2] US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015. The enplanements are combined for the purpose of this table.

[3] United and Continental completed their merger on October 1, 2010 and began operating as United on November 30, 2011. The enplanements are combined for the purpose of this table.

EXHIBIT S-14
CAPITAL ASSETS

San Diego International Airport	
Number of runways	1
Length of runway (feet)	9,401 feet
Number of gates	49
Remote aircraft parking positions	28
Terminal rentable square footage	587,683
Airport Land Area	661 acres
On airport parking spaces (public)	3,356
Off airport parking spaces (public)	837

The parking spaces shown above are controlled and operated by the Airport Authority and reported on a weighted average basis.

The terminal rentable square footage is a weighted average figure that reflects square footage changes due to construction or remodeling.

EXHIBIT S-15
POPULATION & PER CAPITA PERSONAL INCOME SAN DIEGO COUNTY

Calendar Year	Estimated Population	% Change	Per Capita Personal Income	% Change	Total Personal Income (in billions)	% Change
2012	3,174,446	1.2 %	$50,670	1.5 %	$152.7	4.8 %
2013	3,208,946	1.1 %	$51,223	1.1 %	$157.8	3.3 %
2014	3,248,547	1.2 %	$52,889	3.3 %	$167.1	5.9 %
2015	3,275,084	0.8 %	$54,708	3.4 %	$175.9	5.3 %
2016	3,300,891	0.8 %	$55,797	2.0 %	$184.2	4.7 %
2017	3,327,564	0.8 %	$56,437	1.1 %	$192.5	4.5 %
2018	3,352,564	0.8 %	$57,473	1.8 %	$202.8	5.4 %
2019	3,357,442	0.1 %	$64,862	12.9 %	$217.8	7.4 %
2020	3,362,150	0.1 %	$63,169	(2.6)%	$213.8	(1.8)%
2021	3,366,072	0.1 %	$63,971	1.3 %	$221.3	3.5 %

Source: California Department of Transportation - San Diego County

EXHIBIT S-16
PRINCIPAL EMPLOYERS IN SAN DIEGO COUNTY

November 2020

Employer	Local Employees	Rank	Percentage of Total Industry Employment
University of California, San Diego	35,802	1	2.3%
Naval Base San Diego	34,534	2	2.3%
Sharp Health Care	19,468	3	1.3%
Scripps Health	16,295	4	1.1%
General Atomics Aeronautical	6,745	5	0.4%
San Diego State University	6,454	6	0.4%
Rady's Children Hospital	5,711	7	0.4%
San Diego Community College District	5,400	8	0.4%
Sempra Energy	5,063	9	0.3%
YMCA of San Diego	5,057	10	0.3%

August 2011

Employer	Local Employees	Rank	Percentage of Total Industry Employment
U.S. Federal Government	46,300	1	3.0%
State of California	45,500	2	3.0%
University of California, San Diego	27,393	3	1.8%
County of San Diego	15,109	4	1.0%
Sharp Health Care	14,696	5	1.0%
Scripps Health	13,830	6	0.9%
San Diego Unified School District	13,730	7	0.9%
Qualcomm Inc.	10,509	8	0.7%
City of San Diego	10,211	9	0.7%
Kaiser Permanente	8,200	10	0.5%

Source: Employers - San Diego Journal Book of Lists: 2021 & 2012
Total Industry Employment - California Employment Development Dept,. Labor Market Info.

EXHIBIT S-17
LABOR FORCE, EMPLOYMENT, & UNEMPLOYMENT RATES

Year	Labor Force	Employment	Unemployment	Unemployment Rate SD County	Unemployment Rate State
2013	1,537,600	1,415,600	122,000	7.9%	9.0%
2014	1,537,500	1,437,400	100,100	6.5%	7.6%
2015	1,548,800	1,467,700	81,100	5.2%	6.3%
2016	1,563,200	1,489,100	74,100	4.7%	5.5%
2017	1,570,800	1,507,200	63,600	4.0%	4.8%
2018	1,579,600	1,526,100	53,500	3.4%	4.3%
2019	1,582,900	1,531,000	51,800	3.3%	4.1%
2020	1,542,000	1,395,700	146,200	9.5%	10.2%
2021	1,543,700	1,443,800	99,900	6.5%	7.3%
2022	**1,578,467**	**1,523,067**	**55,400**	**3.5%**	**4.3%**

Source: California Employment Development Dept., Labor Market Information Division
Unemployment Rate and Labor Force, not seasonally adjusted

Source: California Employment Development Department Labor Market Information Division
Unemployment Rate and Labor Force, not seasonally adjusted.

EXHIBIT S-18
DEBT SERVICE COVERAGE

Fiscal Years Ended June 30,

Senior Bonds	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Revenues [1]	$ 181,051,929	$ 199,834,430	$ 214,770,544	$ 238,640,326	$ 255,540,858	$ 276,983,726	$ 306,683,097	$ 280,572,989	$ 227,573,518	**$ 324,096,640**
Operating and Maintenance Expenses	(126,662,546)	(136,604,105)	(142,781,639)	(151,327,220)	(154,455,699)	(157,246,523)	(165,925,555)	(136,297,647)	(88,039,540)	**(96,134,968)**
Net Revenues [2]	$ 54,389,383	$ 63,230,325	$ 71,988,905	$ 87,313,106	$ 101,085,159	$ 119,737,204	$ 140,757,542	$ 144,275,342	$ 139,533,978	**$ 227,961,672**
Senior Bond Debt Service [3]										
Principal	$ -	$ -	$ 2,030,000	$ 2,090,000	$ 2,155,000	$ 2,240,000	$ 2,320,000	$ 7,925,000	$ 8,315,000	**$ 3,635,598**
Interest	2,478,489	16,645,435	18,034,575	18,414,600	18,349,950	18,263,750	18,174,150	18,081,350	17,685,100	**7,195,563**
PFCs used to pay debt service	(714,077)	(7,140,301)	(8,669,966)	(9,490,326)	(9,548,626)	(9,547,482)	(9,544,261)	(11,260,741)	(11,172,249)	**(4,691,941)**
Federal Relief used to pay debt service	-	-	-	-	-	-	-	(6,501,585)	(3,406,934)	**(1,539,286)**
Total Debt Service for the Senior Bond	$ 1,764,412	$ 9,505,134	$ 11,394,609	$ 11,014,274	$ 10,956,324	$ 10,956,268	$ 10,949,889	$ 8,244,024	$ 11,420,918	**$ 4,599,934**
Senior Bonds Debt Service Coverage	30.83	6.65	6.32	7.93	9.23	10.93	12.85	17.50	12.22	**49.56**
Subordinate Debt										
Subordinate Net Revenues [2]	$ 52,624,971	$ 53,725,191	$ 60,594,296	$ 76,298,832	$ 90,128,835	$ 108,780,936	$ 129,807,653	$ 136,031,318	$ 128,113,061	**$ 223,361,738**
Subordinate Annual Debt Service [4]										
Principal	$ 1,000,000	$ 5,785,000	$ 8,665,000	$ 9,000,000	$ 9,430,000	$ 14,830,000	$ 15,895,000	$ 17,745,000	$ 22,315,000	**$ 34,040,000**
Interest	26,194,616	27,069,283	26,853,179	26,495,600	26,085,029	37,197,656	37,917,500	39,404,449	41,720,733	**48,876,516**
Variable Rate Debt [5]	5,519,872	6,446,951	6,736,945	6,760,189	7,000,066	7,335,123	7,497,649	1,894,813	-	**-**
PFCs used to pay debt service	(20,061,962)	(20,718,863)	(21,554,245)	(20,331,674)	(20,456,707)	(20,457,851)	(20,461,072)	(18,744,592)	(8,833,085)	**(25,313,393)**
Federal Relief used to pay debt service	-	-	-	-	-	-	-	(14,313,843)	(22,593,066)	**(16,460,714)**
Total Subordinate Annual Debt Service	$ 12,652,526	$ 18,582,371	$ 20,700,879	$ 21,864,115	$ 22,058,389	$ 38,904,928	$ 40,849,077	$ 25,985,827	$ 32,609,582	**$ 41,142,409**
Subordinate Obligations Debt Service Coverage	4.16	2.89	2.93	3.48	4.09	2.80	3.18	5.23	3.93	**5.43**
Aggregate Debt										
Aggregate Net Revenues	$ 54,389,383	$ 63,230,325	$ 71,988,905	$ 87,313,106	$ 101,085,159	$ 119,737,204	$ 140,757,542	$ 144,275,342	$ 139,533,978	**$ 227,961,672**
Aggregate Annual Debt Service										
Principal	1,000,000	5,785,000	10,695,000	11,090,000	11,585,000	17,070,000	18,215,000	25,670,000	30,630,000	**37,675,598**
Interest	28,673,105	43,714,718	44,887,754	44,910,200	44,434,979	55,461,406	56,091,650	57,485,799	59,405,833	**56,072,079**
Variable Rate Debt [5]	5,519,872	6,446,951	6,736,945	6,760,189	7,000,066	7,335,123	7,497,649	1,894,813	-	**-**
PFC Funds Applied to Debt Service	(20,776,039)	(27,859,164)	(30,224,211)	(29,822,000)	(30,005,333)	(30,005,333)	(30,005,333)	(30,005,333)	(20,005,333)	**(30,005,334)**
CARES Act used to pay debt service	-	-	-	-	-	-	-	(20,815,428)	(26,000,000)	**(18,000,000)**
Total Annual Debt Service	$ 14,416,938	$ 28,087,505	$ 32,095,488	$ 32,938,389	$ 33,014,712	$ 49,861,196	$ 51,798,966	$ 34,229,851	$ 44,030,500	**$ 45,742,343**
Aggregate Obligations Debt Service Coverage	3.77	2.25	2.24	2.65	3.06	2.40	2.72	4.21	3.17	**4.98**
Aggregate Net Revenues (Including PFC, BAB Subsidy and CARES Act Grant)	$ 79,944,021	$ 95,725,704	$ 106,844,335	$ 121,791,304	$ 135,721,711	$ 154,408,727	$ 175,449,049	$ 197,185,501	$ 185,539,311	**$ 275,967,006**
Total Annual Debt Service (Excluding PFC, BAB Subsidy and CARES Act Grant)	39,971,576	60,582,884	66,950,918	67,416,588	67,651,265	84,532,719	86,490,473	87,140,009	90,035,833	**93,747,677**
Revenue Method - Debt Service Coverage on Aggregate Debt	2.00	1.58	1.60	1.81	2.01	1.83	2.03	2.26	2.06	**2.94**

[1] Revenues are calculated pursuant to the provisions of the Master Senior Indenture and the Master Subordinate Indenture.

[2] Net Revenues and Subordinate Net Revenues are calculated pursuant to the provisions of the Master Senior Indenture and Master Subordinate Indenture, as appropriate.

[3] Debt service with respect to the Senior Bonds is calculated pursuant to the provisions of the Master Senior Indenture.

[4] Subordinate Annual Debt Service is calculated pursuant to the provisions of the Master Subordinate Indenture.

[5] Includes principal and interest.

[6] Information regarding Subordinate Obligations Debt Service Coverage provided in connection with the first fiscal year for which Subordinate Annual Debt Service was due with respect to the 2010 Bonds. Subordinate Annual Debt Service for prior years consisted of debt service on the Authority's Subordinate Commercial Paper Notes and is not presented for Fiscal Years 2009-2010.

EXHIBIT S-19
DEBT SERVICE COVERAGE - SERIES 2014 CFC BONDS

Fiscal Years Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
CFC Collections	$ 27,545,001	$ 32,464,843	$ 33,207,946	$ 36,527,853	$ 41,036,526	$ 41,918,554	$ 30,239,698	$ 15,755,254	**$ 30,333,350**
Bond Funding Supplemental Consideration	-	-	-	-	-	-	-	-	
Transfers from CFC Stabilization Fund	-	-	-	-	-	-	3,563,874	9,540,452	**14,357**
Interest Earnings[1]	204,194	295,726	332,761	466,134	919,740	1,544,474	1,502,382	855,813	**324,938**
Total Amounts Available	27,749,195	32,760,569	33,540,707	36,993,987	41,956,266	43,463,028	35,305,954	26,151,519	**30,672,645**
Rolling Coverage Fund Balance[2]	-	-	2,451,182	4,902,363	6,576,363	6,575,894	6,575,637	6,575,382	**6,576,235**
Total Amounts Available, plus Rolling Coverage Fund Balance	$ 27,749,195	$ 27,749,195	$ 35,991,889	$ 41,896,350	$ 48,532,629	$ 50,038,922	$ 41,881,591	$ 32,726,901	**$ 37,248,880**
Series 2014 Debt Service Requirements	-	-	8,170,605	16,341,210	21,921,210	21,919,646	21,918,789	21,917,940	**21,930,783**
Coverage excluding Rolling Coverage Fund	N/A	N/A	4.11	2.26	1.91	1.98	1.61	1.19	**1.40**
Coverage including Rolling Coverage Fund	N/A	N/A	4.41	2.56	2.21	2.28	1.91	1.49	**1.70**

[1] Includes earnings on investments in the Senior Reserve Fund, the Rolling Coverage Fund and the CFC Surplus Fund.

[2] Includes amount on deposit in the Rolling Coverage Fund at the beginning of each Fiscal Year, up to an amount not to exceed 30% of the Series 2014 Debt Service Requirements for such Fiscal Year.

EXHIBIT S-20
DEBT PER ENPLANED PASSENGER

Fiscal Years Ended June 30,

Fiscal Year	Outstanding Bond Debt [1]	Outstanding Short-Term Debt	Capital Leases	Total Outstanding Debt	Enplaned Passengers	Debt per Enplaned Passenger
2013	$ 1,027,411,188	$ 50,969,000	$ 8,152,588	$ 1,086,532,776	8,737,617	$ 124.35
2014 [2]	1,327,897,591	44,884,000	7,810,927	1,380,592,518	9,082,244	152.01
2015	1,317,784,291	38,705,000	7,971,993	1,364,461,284	9,713,066	140.48
2016	1,302,846,043	32,581,000	7,717,734	1,343,144,777	10,206,222	131.60
2017	1,287,602,498	58,998,000	7,442,314	1,354,042,812	10,596,483	127.78
2018	1,609,960,696	20,163,000	7,143,865	1,637,267,561	11,731,833	139.56
2019	1,581,628,919	13,719,000	6,820,351	1,602,168,270	12,356,286	129.66
2020	1,881,208,470	-	6,496,837	1,887,705,307	9,235,459	204.40
2021	1,835,597,883	-	6,201,974	1,841,799,857	4,860,931	378.90
2022	**3,667,843,691**	**80,100,000**	**5,878,682**	**3,753,822,373**	**9,953,162**	**377.15**

[1] Outstanding Bond Debt includes unamortized bond premium

[2] Starting in 2014, Outstanding Bond Debt includes CFC Bond issuance

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