

Revised 4/26/13

Item B

San Diego County Regional Airport Authority



Review of the Unaudited Financial Statements for the Nine Months Ended March 31, 2013

Presented by:

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May 02, 2013

Revenues & Expenses (Unaudited)
For the Nine Months Ended
March 31, 2013

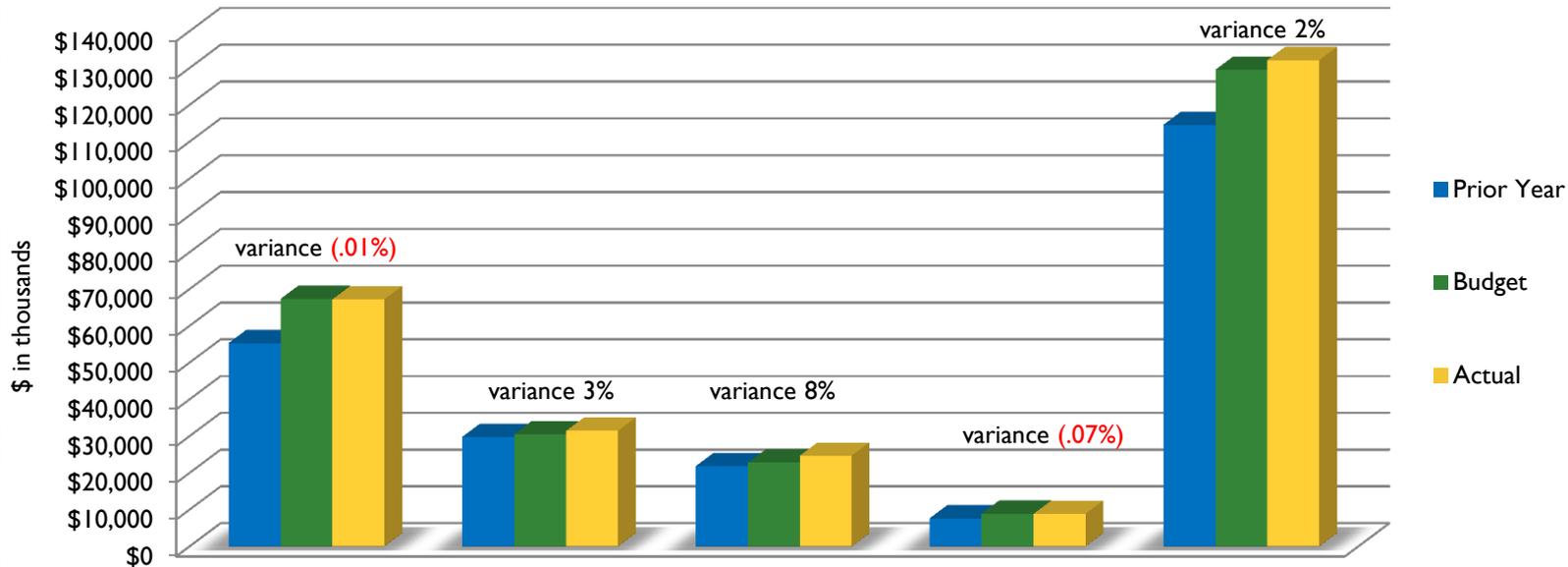




Operating Revenue



For Nine Months Ended March 31, 2013 (unaudited)



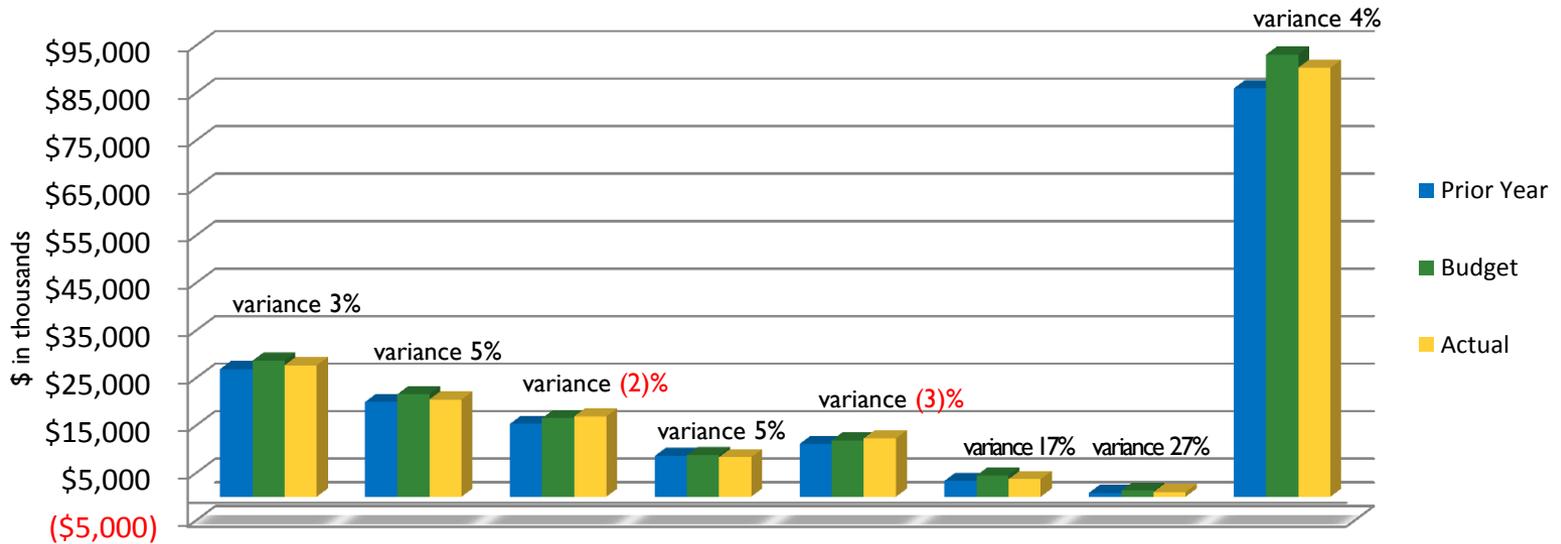
	Aviation revenue	Concession revenue	Parking revenue	Other revenue	Total revenue
Prior Year	\$ 55,295	\$ 29,790	\$ 21,854	\$ 7,629	\$ 114,568
Budget	67,309	30,541	22,752	8,900	129,502
Actual	67,204	31,416	24,672	8,838	132,130
Variance	(105)	875	1,920	(62)	2,628



Operating Expenses



For Nine Months Ended March 31, 2013 (unaudited)



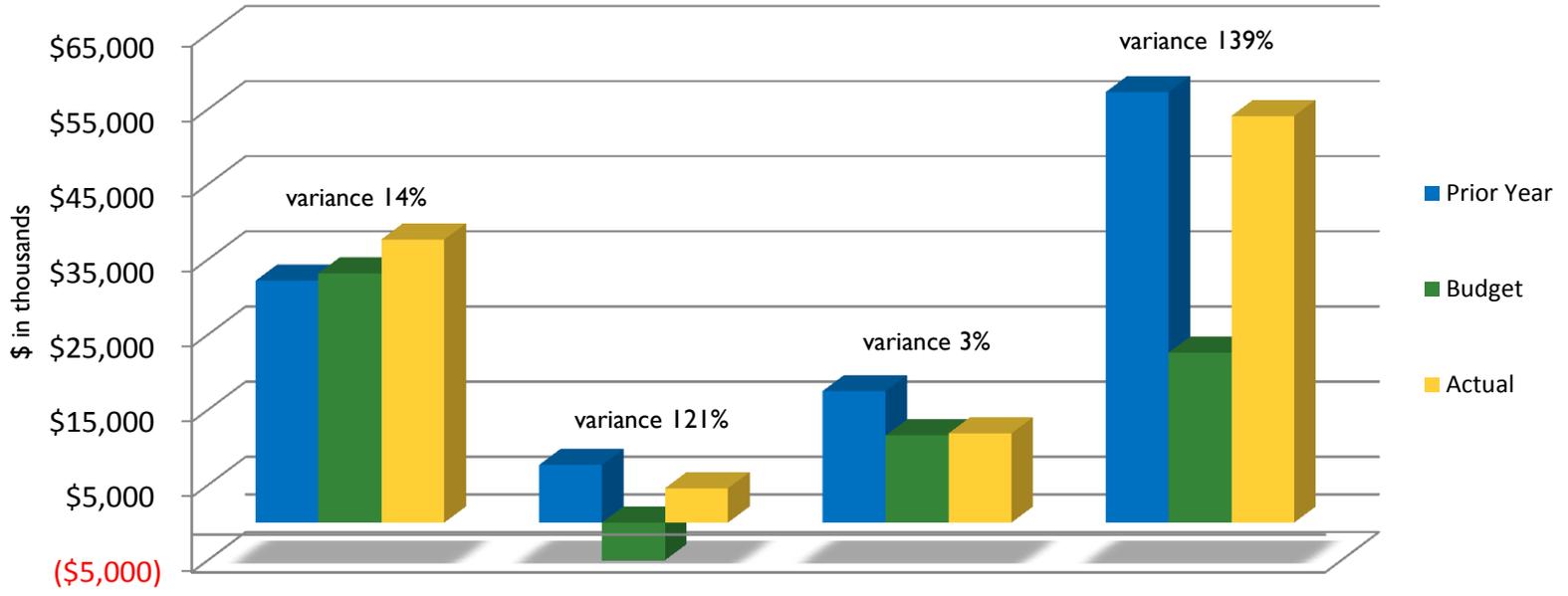
	Salaries & benefits	Contract services	Safety & security	Space rental	Utilities & maintenance	Employee & Business Dev.	Insurance & Other	Total operating expenses
Prior Year	\$ 26,900	\$ 19,940	\$ 15,325	\$ 8,561	\$ 11,092	\$ 3,320	\$ 843	\$ 85,981
Budget	28,630	21,568	16,530	8,758	11,863	4,467	1,279	93,095
Actual	27,669	20,467	16,905	8,302	12,278	3,702	985	90,308
Variance	961	1,101	(375)	456	(415)	765	294	2,787



Nonoperating Revenue & Expenses



For Nine Month Ended March 31, 2013 (unaudited)



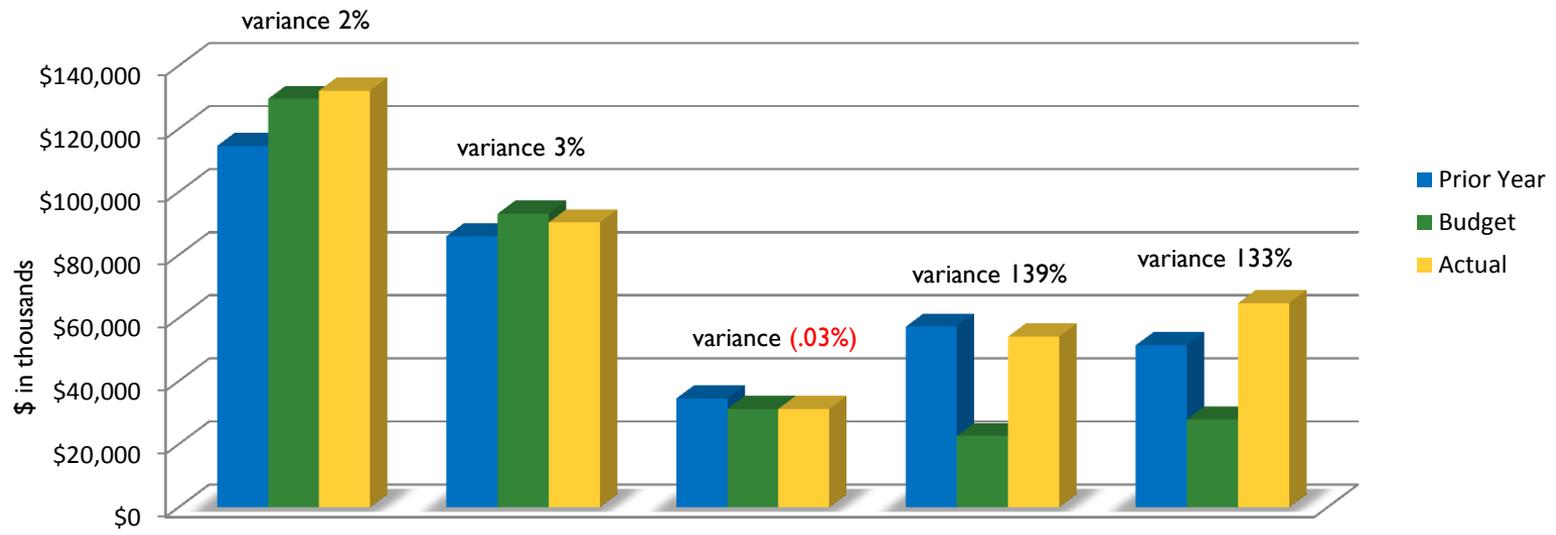
	Passenger Facility Charge, Customer Facility Charge, & Quieter Home Program	Interest expense, interest income, capitalized interest (net)	Capital grant contributions	Total nonoperating revenue, (net)
Prior Year	\$ 32,151	\$ 7,653	\$ 17,482	\$ 57,286
Budget	33,144	(22,129)	11,578	22,593
Actual	37,662	4,565	11,872	54,099
Variance	4,518	26,694	294	31,506



Financial Summary



For Nine Months Ended March 31, 2013 (unaudited)



	Total operating revenues	Total operating expenses	Depreciation	Total nonoperating revenues, (net)	Net income
Prior Year	\$ 114,568	\$ 85,981	\$ 34,487	\$ 57,286	\$ 51,386
Budget	129,502	93,095	31,200	22,593	27,800
Actual	132,130	90,308	31,209	54,099	64,712
Variance	2,628	2,787	(9)	31,506	36,912

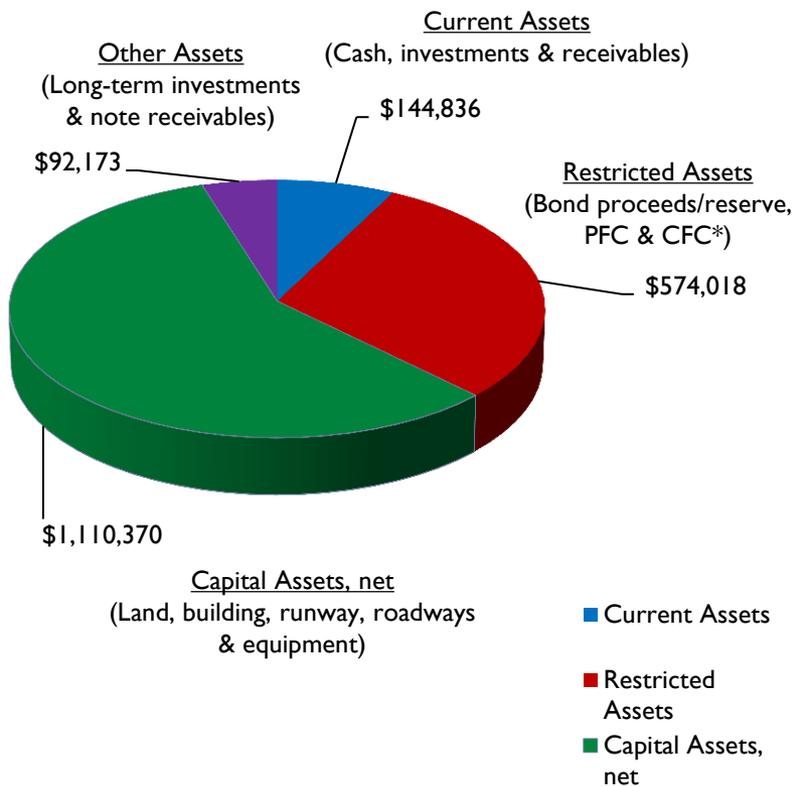


Balance Sheet (Unaudited), as of March 31, 2013

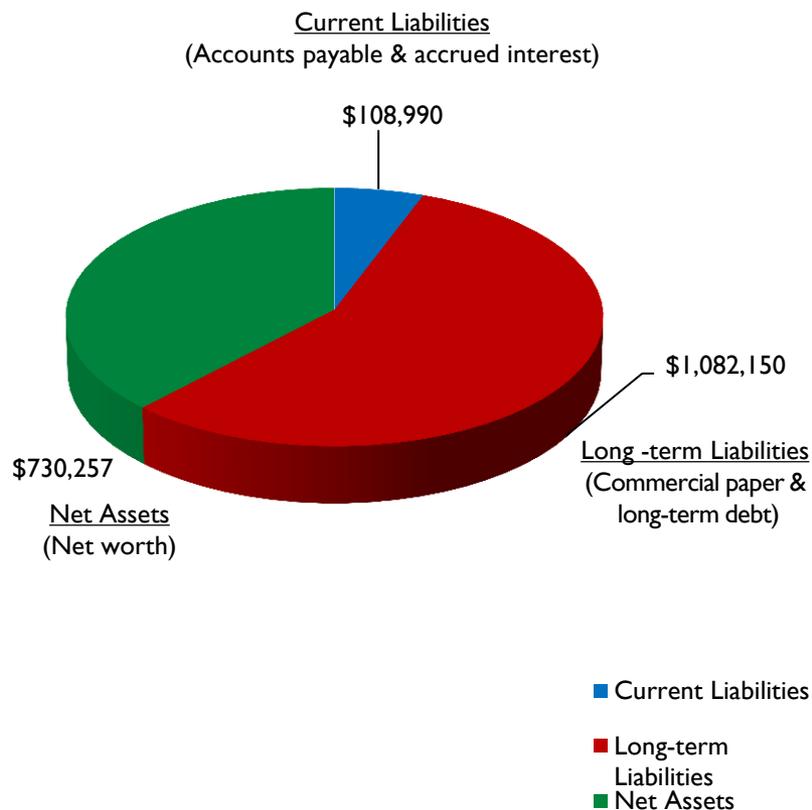
(\$ in thousands)



Assets Total: \$1,921,397



Liabilities & Net Assets Total: \$1,921,397





Operating Revenues

for the Nine Months Ended March 31, 2013 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 15,745	\$ 15,688	\$ (57)	-	\$ 14,833
Aircraft parking fees	2,475	2,402	(73)	(3)%	2,401
Building rentals	32,429	32,589	160	-	24,262
Security surcharge	15,472	15,329	(143)	(1)%	12,602
Other aviation revenue	1,188	1,196	8	1%	1,197
Total aviation revenue	\$ 67,309	\$ 67,204	\$ (105)	-	\$ 55,295

Operating Revenues

for the Nine Months Ended March 31, 2013 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 720	\$ 728	\$ 8	1%	\$ 678
Concession revenue:					
Terminal concession revenue:					
Food and beverage	4,846	4,850	4	-	4,714
Gifts and news	2,473	2,476	3	-	2,979
Space rents	171	225	53	32%	-
Cost recovery	608	532	(76)	(13)%	-
Other (Primarily advertising)	2,245	2,220	(25)	(1)%	2,177
Total terminal concession revenue	10,343	10,303	(40)	-	9,870
Car rental and license fee revenue:					
Rental car license fees	18,072	18,596	524	3%	17,652
License fees-other	2,126	2,517	391	18%	2,268
Total rental car and license fees	20,198	21,113	915	5%	19,920
Total concession revenue	\$ 30,541	\$ 31,416	\$ 875	3%	\$ 29,790



Operating Revenues

for the Nine Months Ended March 31, 2013 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 11,157	\$ 13,115	\$ 1,958	18%	\$ 8,386
Long-term parking revenue	11,595	11,557	(38)	-	13,468
Total parking revenue	22,752	24,672	1,920	8%	21,854
Ground transportation permits and citations	1,631	1,146	(485)	(30)%	991
Ground rentals	5,936	6,273	337	6%	5,040
Grant reimbursements	164	142	(22)	(13)%	254
Other operating revenue	449	549	100	22%	666
Subtotal	30,932	32,782	1,850	6%	28,805
Total operating revenues	\$ 129,502	\$ 132,130	\$ 2,629	2%	\$ 114,568

Operating Expenses

for the Nine Months Ended March 31, 2013 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 28,630	\$ 27,669	\$ 961	3%	\$ 26,900
Contractual services	21,568	20,467	1,101	5%	19,940
Safety and security	16,530	16,905	(375)	(2)%	15,325
Space rental	8,758	8,302	456	5%	8,561
Utilities	5,595	4,839	756	14%	5,118
Maintenance	6,268	7,439	(1,171)	(19)%	5,974
Equipment and systems	355	153	202	57%	107
Materials and supplies	270	229	41	15%	168
Insurance	654	603	51	8%	568
Employee development and support	917	889	28	3%	637
Business development	2,214	1,708	506	23%	1,557
Equipment rental and repairs	1,336	1,105	231	17%	1,126
Total operating expenses	\$ 93,095	\$ 90,308	\$ 2,787	3%	\$ 85,981



Financial Summary

for the Nine Months Ended March 31, 2013 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 129,502	\$ 132,130	\$ 2,628	2%	\$ 114,568
Total operating expenses	93,095	90,308	2,787	3%	85,981
Income from operations	36,407	41,822	5,415	15%	28,587
Depreciation	31,200	31,209	(9)	-	34,487
Operating income (loss)	\$ 5,207	\$ 10,613	\$ 5,406	104%	\$ (5,900)

Nonoperating Revenues & Expenses

for the Nine Months Ended March 31, 2013 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 24,596	\$ 25,863	\$ 1,267	5%	\$ 25,898
Customer facility charges (Rental Car Center)	10,848	12,716	1,868	17%	8,389
Quieter Home Program	(2,300)	(917)	1,383	60%	(2,136)
Interest income	3,649	3,413	(236)	(6)%	4,358
BAB interest rebate	3,747	3,747	0	-	3,747
Interest expense bonds and commercial paper	(29,985)	(27,801)	2,184	7%	(25,301)
Interest expense centralized receiving building purchase agreement	-	(306)	(306)	-	-
Amortization of bond and commercial paper fees	(293)	(208)	85	29%	(198)
2005 Bond defeasance	-	(1,131)	(1,131)	-	-
Capitalized interest expense from bonds and commercial paper	-	26,525	26,525	-	23,171
Bond amortization	768	1,310	542	71%	786
Other nonoperating revenue (expenses)	(15)	(984)	(969)	-	1,090
Nonoperating revenue, net	11,015	42,227	31,212	283%	39,804
Income before grant contributions	16,222	52,840	36,618	226%	33,904
Capital grant contributions	11,578	11,872	294	3%	17,482
Net income	\$ 27,800	\$ 64,712	\$ 36,912	133%	\$ 51,386



Balance Sheets (Unaudited)



(In thousands)

March

	2013	2012
Current assets:		
Cash and investments	\$ 112,685	\$ 110,083
Tenant lease receivable, net of allowance of 2013: (\$55,959) and 2012: (\$45,817)	8,397	5,961
Grants receivable	5,729	4,613
Notes receivable-current portion	1,370	1,605
Prepaid expenses and other current assets	7,273	9,516
Total current assets	135,454	131,778
Cash designated for capital projects and other	\$ 9,383	\$ 8,262



Balance Sheets (Unaudited)



(In thousands)
March

	2013	2012
Restricted assets:		
Cash and investments:		
Bonds reserve	\$ 62,533	\$ 45,098
Passenger facility charges and interest unapplied	52,263	65,171
Customer facility charges and interest applied*	39,347	27,749
Commercial paper reserve	90	19
SBD bond guarantee	2,000	2,000
Bond proceeds held by trustee	404,754	221,495
Commercial paper interest held by trustee	13	13
Passenger facility charges receivable	4,929	5,637
Customer facility charges receivable*	2,379	974
OCIP insurance reserve	5,710	6,174
Total restricted assets	\$ 574,018	\$ 374,330

*Rental Car Center



Balance Sheets (Unaudited)



(In thousands)

March

2013

2012

Noncurrent assets:

Capital assets:

Land and land improvements	\$ 24,487	\$ 24,504
Runways, roads and parking lots	273,576	274,670
Buildings and structures	473,428	465,481
Machinery and equipment	13,155	11,184
Vehicles	5,414	5,362
Office furniture and equipment	31,633	31,043
Works of art	2,284	2,676
Construction-in-progress	855,990	537,195
Total capital assets	1,679,967	1,352,115
Less: accumulated depreciation	(569,598)	(542,355)
Total capital assets, net	\$ 1,110,369	\$ 809,760



Balance Sheets (Unaudited)



(In thousands)

March

Other assets:

Notes receivable - long-term portion

Investments - long-term portion

Deferred costs - bonds (net)

Net pension asset

Security deposit

Total other assets

Total noncurrent assets

TOTAL ASSETS

	2013	2012
	\$ 40,315	\$ 41,745
	37,902	15,736
	6,554	4,732
	6,787	7,344
	615	500
	92,173	70,057
	1,202,542	879,817
	\$ 1,921,397	\$ 1,394,187



Balance Sheets (Unaudited)



(In thousands)

March

Current liabilities:

Accounts payable and accrued liabilities

\$ 85,987 \$ 66,078

Deposits and other current liabilities

5,708 4,096

Total current liabilities

91,695 70,174

Current liabilities - payable from restricted assets:

Current portion of long-term debt

6,172 5,190

Accrued interest on bonds
and commercial paper

11,124 8,438

Total liabilities payable from restricted assets

\$ 17,296 \$ 13,628



Balance Sheets (Unaudited)



(In thousands)

March

Long-term liabilities - other:

Commercial paper notes payable

Capital lease payable and other long-term liabilities

Long-term debt - bonds net of amortized premium

Total long-term liabilities

Total liabilities

	<u>2013</u>	<u>2012</u>
\$ 45,316	\$ 20,729	
9,315	1,626	
1,027,519	629,391	
1,082,150	651,746	
\$ 1,191,141	\$ 735,548	



Authority's Investments

Total Portfolio Summary



	Current Period	Prior Period	Change From Prior
	March 31, 2013	December 31, 2012	
Book Value ⁽¹⁾	\$319,526,000	\$260,624,000	\$58,902,000
Market Value	\$319,862,000	\$261,005,000	\$58,857,000
Market Value%	100.15%	100.17%	(0.02%)
Unrealized Gain / (Loss)	\$336,000	\$381,000	(\$45,000)
Weighted Average Maturity (Days)	323 days	275 days	48
Weighted Average Yield as of Period End	0.45%	0.50%	(0.05%)
Cash Interest Received- Quarter-to-Date	\$365,000	\$343,000	\$22,000
Cash Interest Received-Year-to-Date	\$1,056,000	\$691,000	\$365,000
Accrued Interest	\$218,000	\$136,000	\$82,000

Notes:

(1) Increase in cash balance was predominantly due to receipt of 2013 bond proceeds.



Authority's Bond Proceeds

Bond Proceeds Summary

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY SUMMARY OF 2010 & 2013 BOND PROCEEDS

As of: March 31, 2013

(in thousands)

	Bonds 2010	Bonds 2013	Total	Yield	Rating
<u>Project Fund</u>					
LAIF ⁽¹⁾	\$ -	\$ 138,183	\$ 138,183	0.29%	N/R
SDCIP ⁽²⁾	7,722	155,993	163,715	0.48%	AAAf
	<u>7,722</u>	<u>294,176</u>	<u>301,898</u>		
<u>Capitalized Interest</u>					
SDCIP ⁽²⁾	\$ -	\$ 8,364	\$ 8,364	0.48%	AAAf
	-	8,364	8,364		
<u>Debt Service Reserve Fund</u>					
East West Bank CD	\$ 20,423	\$ -	\$ 20,423	0.75%	
Bank of the West DDA	16,097	-	16,097	0.44%	
SDCIP ⁽²⁾	14,628	32,949	47,577	0.48%	AAAf
	<u>51,149</u>	<u>32,949</u>	<u>84,098</u>		
<u>Cost of Issuance</u>					
Dreyfus Inst Res Treasury Fund	\$ -	\$ 373	\$ 373	0.00%	AAAm
	-	373	373		
	<u>\$ 58,871</u>	<u>\$ 335,863</u>	<u>\$ 394,733</u>	0.41%	

*Bond proceeds are not included in deposit limits as applied to operating funds

(1) LAIF Yield as of 02/28/2013

(2) SDCIP Yield as of 02/28/2013



Questions

