



ITEM A

San Diego County Regional Airport Authority

Review of the Unaudited Financial Statements for the Nine Months Ended March 31, 2011

Presented by:

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Vice-President-Finance/Treasurer and CFO

May 5, 2011

The Housing Market

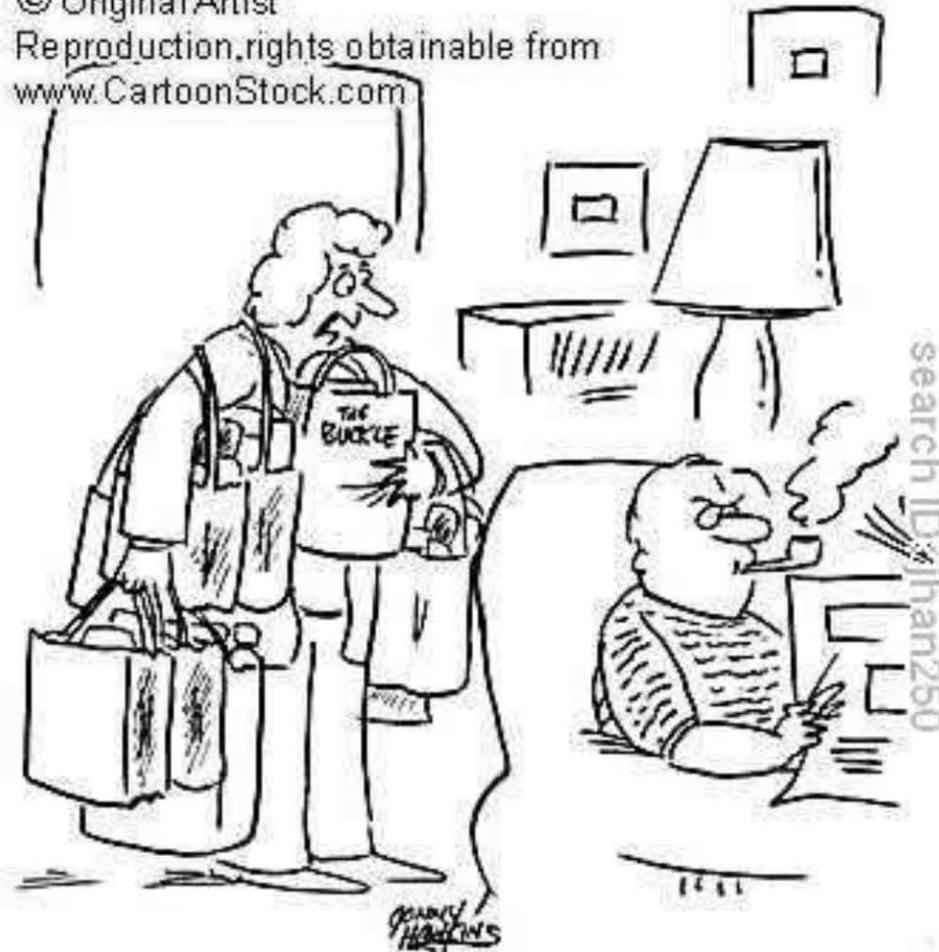


Economic Recovery and the Price Per Barrel of Oil



Consumer Confidence

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“I’ll need a lot more money if you expect me to maintain a level of consumer confidence.”

The Job Market



Investment Indicators

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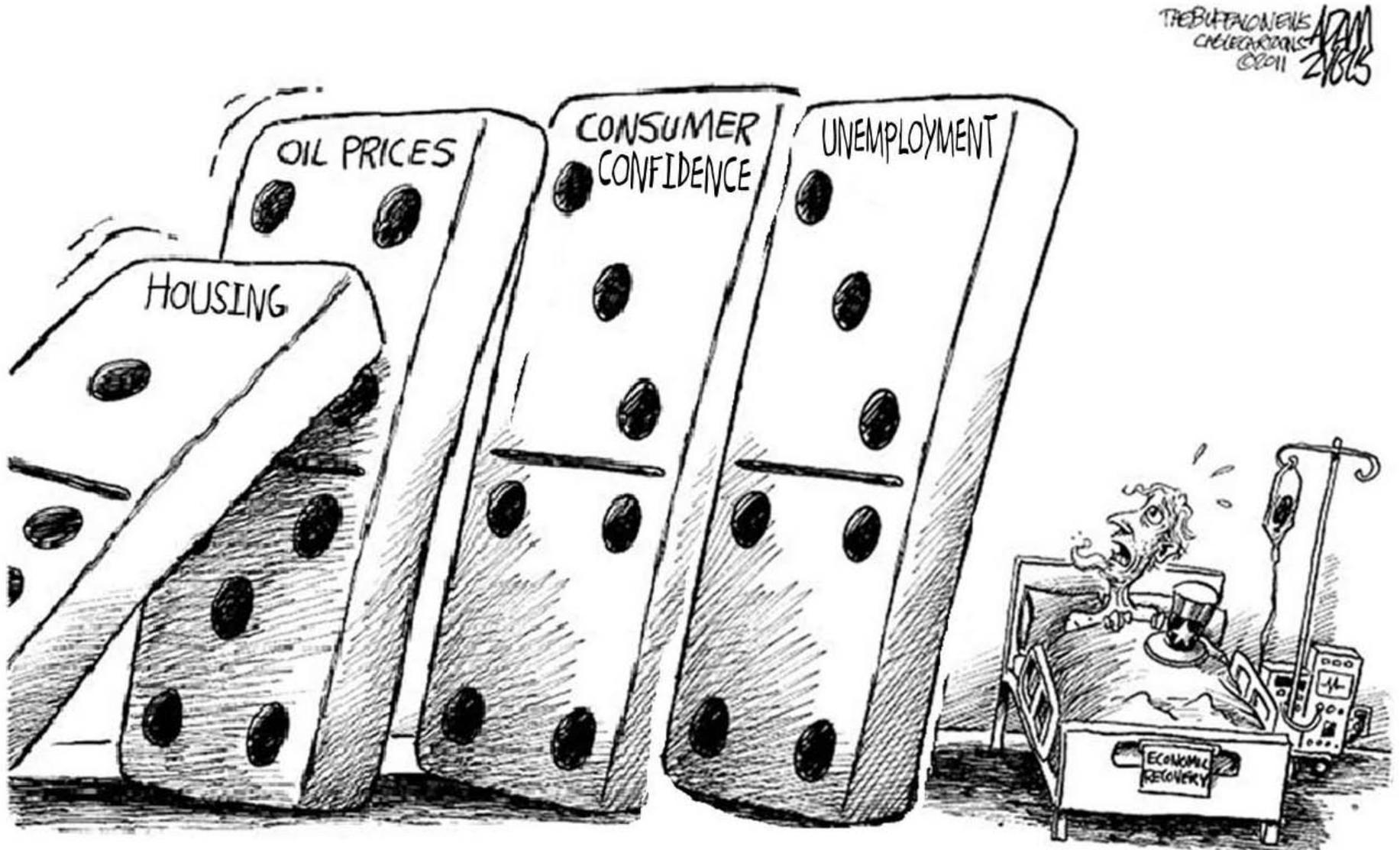
CARDS

GET WELL



**"Do you have a 'Get Better Soon' card
for someone's retirement investment?"**

The Domino Effect



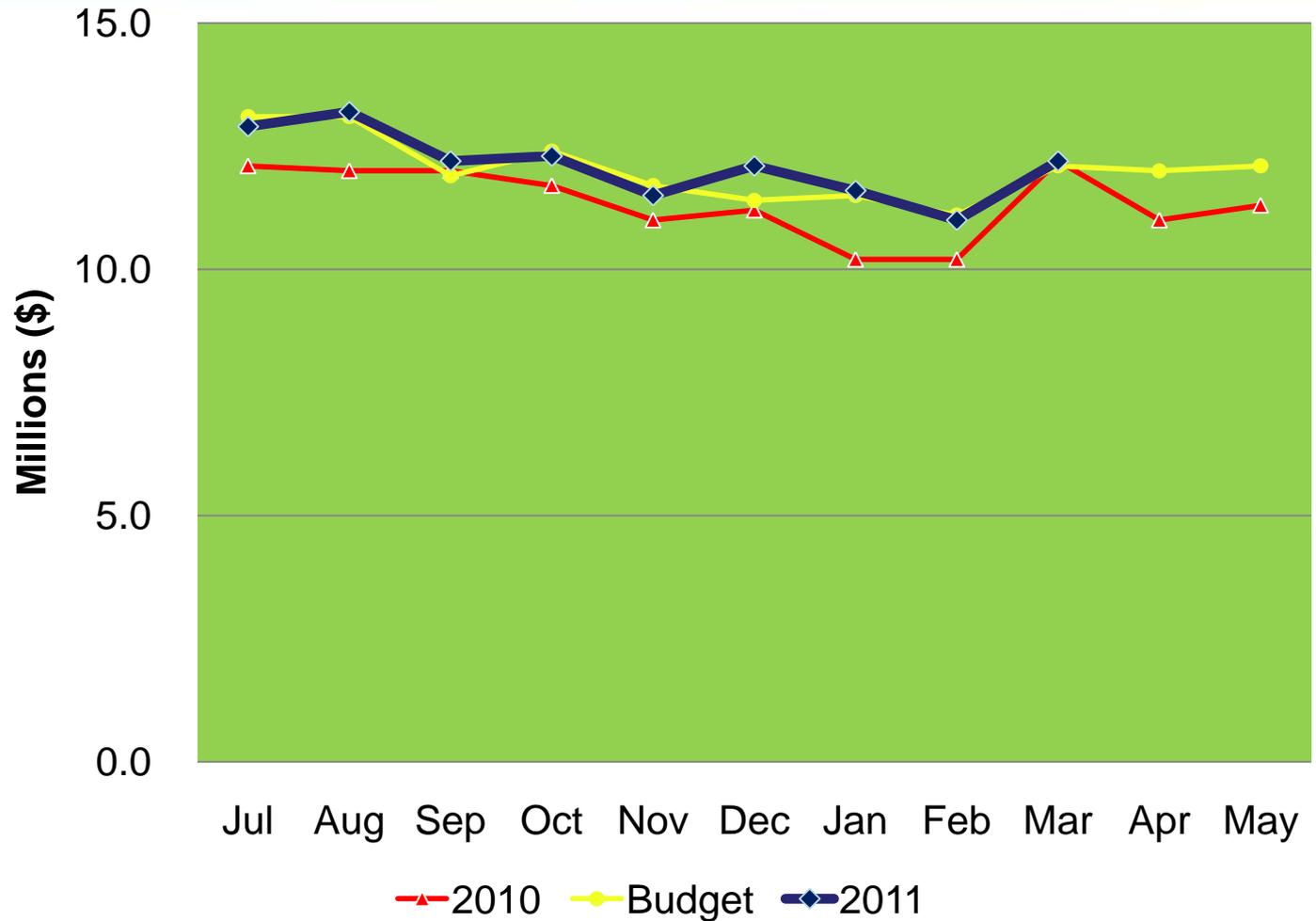
Revenues and Expenses (Unaudited)

For the nine months ended March 31, 2011



Monthly Operating Revenue, FY 2011

(Unaudited)



Operating Revenues

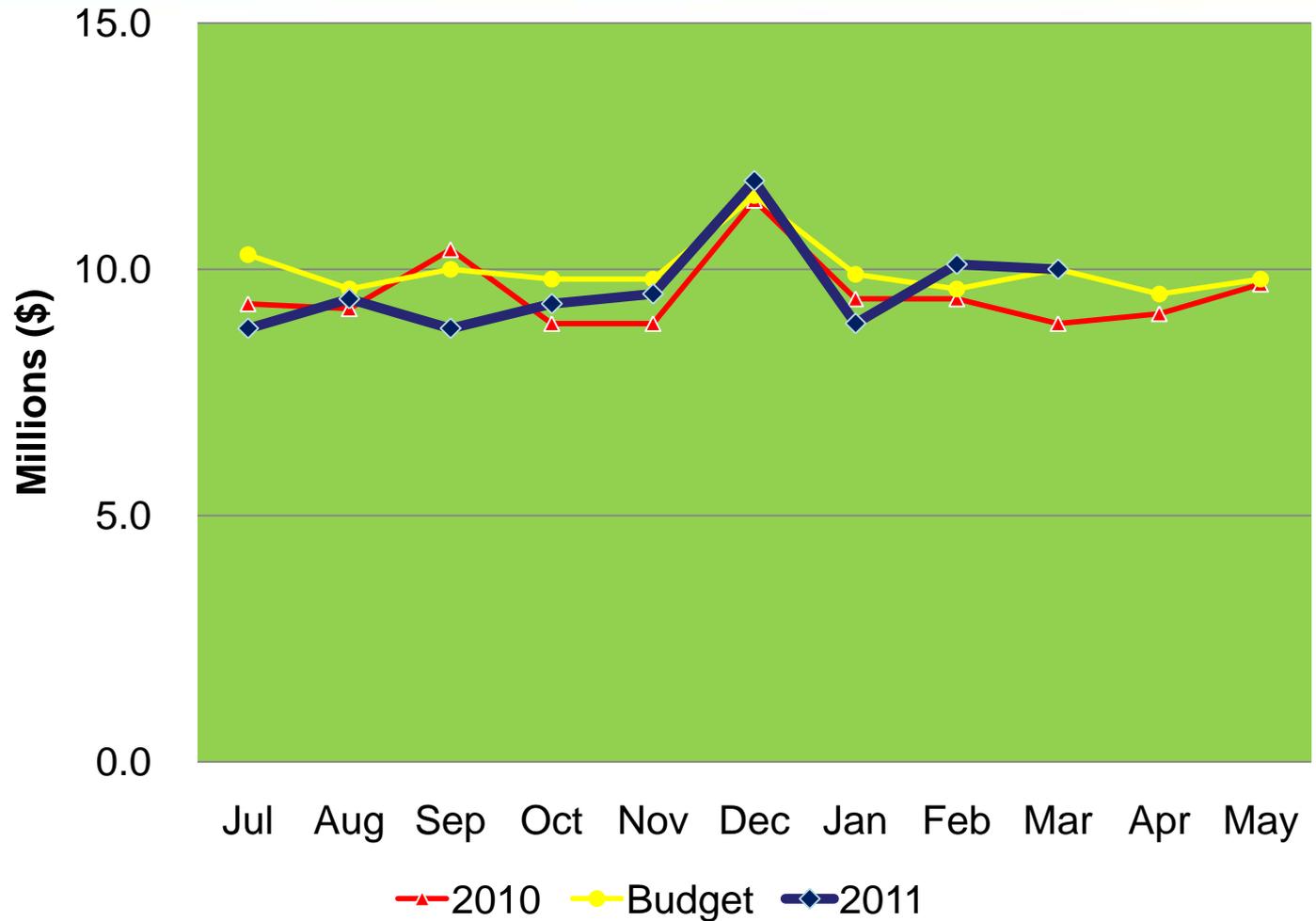
For the Nine Months Ended

March 31, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue	\$ 49,456	\$ 49,370	\$ (86)	-	\$ 46,375
Terminal rent non-airline revenue	651	655	4	1%	593
Concession revenue	9,450	9,497	47	-	9,283
Rental car and license fees	18,138	18,037	(101)	(1)%	17,907
Parking revenue	24,149	23,450	(699)	(3)%	22,441
Ground transportation permits and citations	401	602	201	50%	288
Ground rentals	4,648	5,985	1,337	29%	4,451
Grant reimbursements	822	762	(60)	(7)%	911
Other operating revenue	541	573	32	6%	338
Total operating revenues	\$ 108,256	\$ 108,931	\$ 675	1%	\$ 102,587

Monthly Operating Expenses, FY 2011

(Unaudited)



Operating Expenses

For the Nine Months Ended

March 31, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 28,245	\$ 27,891	\$ 354	1%	\$ 26,122
Contractual services	21,804	19,512	2,292	11%	20,060
Safety and security	15,299	15,430	(131)	(1)%	15,056
Space rental	8,179	8,180	(1)	-	8,176
Utilities	5,341	4,866	475	9%	5,146
Maintenance	6,202	6,021	181	3%	6,864
Equipment and systems	420	347	73	17%	326
Materials and supplies	296	235	61	21%	294
Insurance	917	810	107	12%	884
Employee development and support	1,036	711	325	31%	667
Business development	1,626	1,248	378	23%	1,303
Equipment rental and repairs	1,070	1,121	(51)	(5)%	1,041
Total operating expenses	\$ 90,435	\$ 86,372	\$ 4,063	4%	\$ 85,939

Financial Summary

For the Nine Months Ended March 31, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 108,256	\$ 108,931	\$ 675	1%	\$ 102,587
Total operating expenses	90,435	86,372	4,063	4%	85,939
Income from operations	17,821	22,559	4,738	27%	16,648
Depreciation	38,044	36,462	1,582	4%	29,960
Operating income (loss)	\$ (20,223)	\$ (13,903)	\$ 6,320	31%	\$ (13,312)

Nonoperating Revenues and (Expenses) For the Nine Months Ended March 31, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 25,204	\$ 24,746	\$ (458)	(2)%	\$ 24,752
Customer facility charges (ConRAC Facility)	7,755	8,079	324	4%	7,928
Quieter Home Program	(2,805)	(2,590)	215	8%	(2,215)
Interest, net	(1,932)	(210)	1,722	89%	3,394
Other nonoperating revenue (expenses)	(30)	1,427	1,457	-	(1,946)
Nonoperating revenue, net	28,192	31,452	3,260	12%	31,913
Income before grant contributions	7,969	17,549	9,580	120%	18,601
Capital grant contributions	29,125	20,523	(8,602)	(30)%	14,815
Net income	\$ 37,094	\$ 38,072	\$ 978	3%	\$ 33,416

Balance Sheets (Unaudited)

ASSETS

	(In thousands)	
	March	
	2011	2010
Current assets:		
Cash and investments	\$ 97,149	\$ 78,721
Tenant lease receivable, net of allowance of 2011: \$30,980 and 2010: \$164,634	5,370	5,974
Grants receivable	7,070	5,371
Notes receivable-current portion	1,613	1,587
Prepaid expenses and other current assets	10,575	9,290
Total current assets	121,777	100,943
Cash designated for capital projects and other	\$ 4,135	\$ 13,091



Balance Sheets (Unaudited)

ASSETS

(In thousands)

March

	2011	2010
Restricted assets:		
Cash and investments:		
Bonds reserve	\$ 45,708	\$ 47,303
Passenger facility charges and interest unapplied	59,198	58,009
Customer facility charges and interest applied*	16,934	8,236
Commercial paper reserve	43	95
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	406,652	5,464
Commercial paper interest held by trustee	13	12
Passenger facility charges receivable	4,829	3,520
Customer facility charges receivable*	960	1,029
OCIP insurance reserve	6,400	6,766
Total restricted assets	\$ 544,737	\$ 134,434

*ConRAC Facility



Balance Sheets (Unaudited)

ASSETS

	(In thousands)	
	March	
	2011	2010
Noncurrent assets:		
Capital assets:		
Land and land improvements	\$ 23,454	\$ 23,582
Runways, roads and parking lots	236,772	229,316
Buildings and structures	463,760	423,509
Machinery and equipment	10,218	7,771
Vehicles	5,367	4,983
Office furniture and equipment	30,127	28,525
Works of art	2,411	2,257
Construction-in-progress	300,342	182,375
Total capital assets	1,072,451	902,318
Less: accumulated depreciation	(495,321)	(453,348)
Total capital assets, net	\$ 577,130	\$ 448,970

Balance Sheets (Unaudited)

ASSETS

(In thousands)

March

	2011	2010
Other assets:		
Notes receivable - long-term portion	\$ 43,443	\$ 45,087
Investments - long-term portion	20,195	3,929
Deferred costs - bonds (net)	5,087	805
Net pension asset	7,900	3,792
	76,625	53,613
Total other assets		
Total noncurrent assets	653,755	502,583
	\$ 1,324,404	\$ 751,051
TOTAL ASSETS		



Balance Sheets (Unaudited)

LIABILITIES AND NET ASSETS

(In thousands)

March

	2011	2010
Current liabilities:		
Accounts payable and accrued liabilities	\$ 50,134	\$ 39,162
Deposits and other current liabilities	4,052	3,941
Total current liabilities	54,186	43,103
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	4,725	3,105
Accrued interest on bonds and commercial paper	8,475	701
Total liabilities payable from restricted assets	\$ 13,200	\$ 3,806

Balance Sheets (Unaudited)

LIABILITIES AND NET ASSETS

	(In thousands)	
	March	
	2011	2010
Long-term liabilities:		
Commercial paper notes payable	\$ 21,509	\$ 114,430
Deferred rent liability	272	809
Other long-term liabilities	1,228	1,127
Long-term debt - bonds net of amortized premium	635,486	41,178
Total long-term liabilities	658,495	157,544
Total liabilities	\$ 725,881	\$ 204,453



Balance Sheets (Unaudited)

LIABILITIES AND NET ASSETS

	(In thousands)	
	March	
	2011	2010
Authority net assets:		
Invested in capital assets, net of related debt	\$ 321,684	\$ 290,824
Other restricted	148,275	137,538
Unrestricted:		
Designated	16,034	20,884
Undesignated	112,530	97,352
Total net assets	598,523	546,598
TOTAL LIABILITIES AND NET ASSETS	\$ 1,324,404	\$ 751,051

Authority's Investments



Total Portfolio Summary

	Current Period March 31, 2011	Prior Period December 31, 2010	Change From Prior
Book Value	\$246,930,000	\$260,106,000	(\$13,176,000)
Market Value	\$247,101,000	\$260,016,000	(\$12,915,000)
Market Value%	100.10%	100.09%	0.01%
Unrealized Gain / (Loss)	\$171,000	(\$90,000)	\$261,000
Weighted Average Maturity (Days)	304 days	232 days	72
Weighted Average Yield as of Period End	0.93%	0.89%	0.04%
Cash Interest Received- Current Month	\$125,000	\$163,000	(\$38,000)
Cash Interest Received- Quarter-to-Date	\$525,000	\$512,000	\$13,000
Cash Interest Received-Year-to-Date	\$1,715,000	\$1,190,000	\$525,000
Accrued Interest	\$369,000	\$446,000	(\$77,000)

Bond Proceeds Summary

As of: March 31, 2011
(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
<u>Project Fund</u>						
LAIF*	\$ 62,006	\$ -	\$ 55,177	\$ 117,183	0.51%	N/R
SDCIP*	114,548	-	84,103	198,651	0.82%	AAAF
	176,554	-	139,280	315,834		
<u>Capitalized Interest</u>						
CAMP	6	-	4	10	0.17%	AAAm
SDCIP*	19,030	-	13,131	32,161	0.82%	AAAF
	19,036	-	13,135	32,171		
<u>Debt Service Reserve Fund</u>						
CAMP	9	-	5	14	0.17%	AAAm
FNMA Global Notes	9,998	-	4,999	14,997	1.14%	
East West Bank CD	13,042	-	7,020	20,062	0.45%	
Bank of the West DDA	9,630	-	6,323	15,953	0.66%	AAA
	32,679	-	18,347	51,026		
<u>Cost of Issuance</u>						
JP Morgan Federal MM Reserve	25	4	16	45	0.00%	AAAm
	\$ 228,294	\$ 4	\$ 170,778	\$ 399,076	0.72%	

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

CAMP Yield as of 3/31/2011

LAIF Yield as of 2/28/2011

SDCIP Yield as of 2/28/2011

Questions

