

# San Diego County Regional Airport Authority



## Financial Update for the Nine Months Ended June 30, 2012

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

September 6, 2012

Unaudited Financial Statements  
For the Year Ended Ended  
June 30, 2012

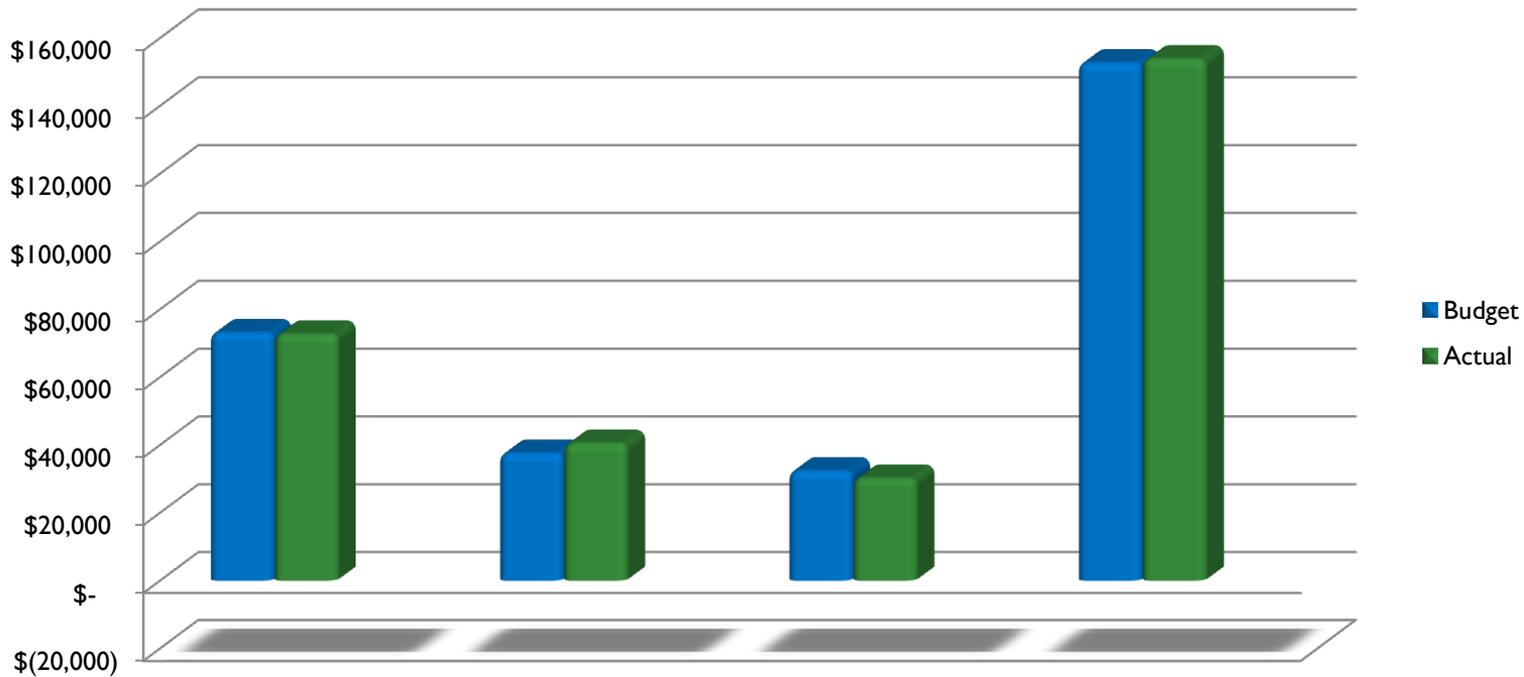




# Operating Revenue



**For the Year Ended June 30, 2012 (Unaudited)  
(\$ In thousands)**



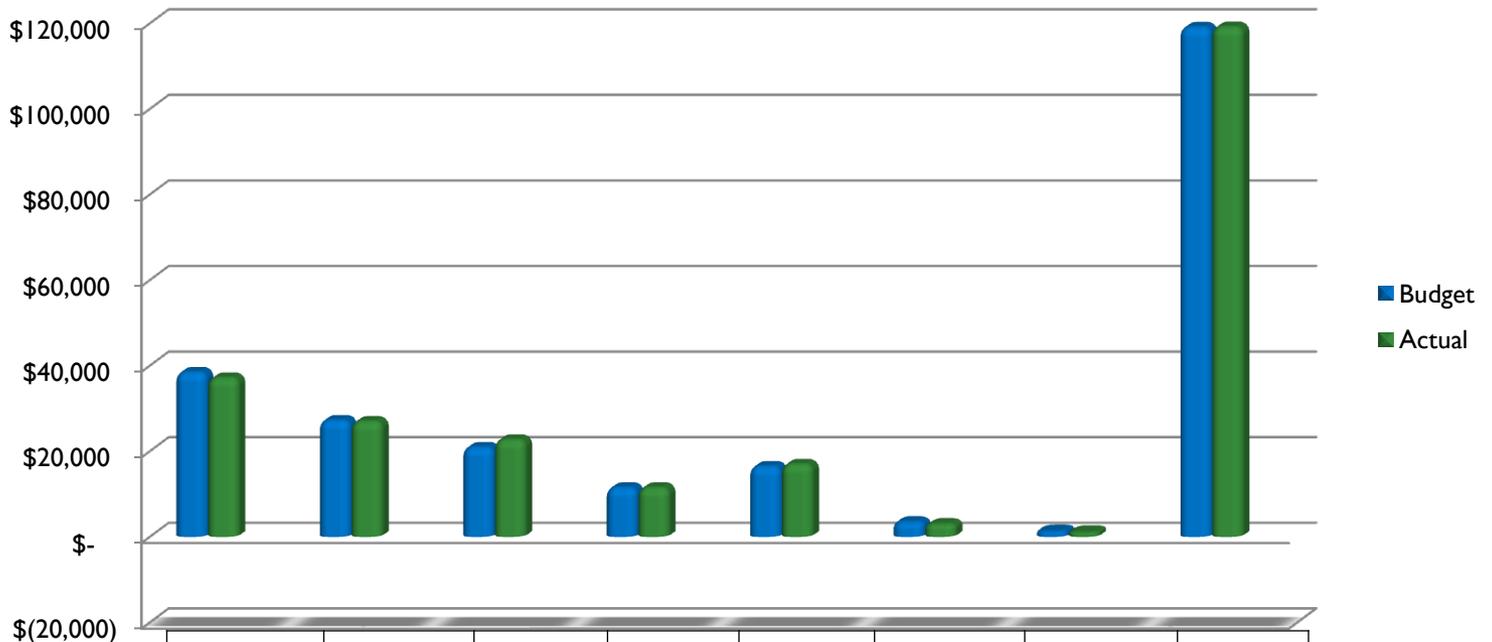
	Aviation revenue	Concession revenue	Parking revenue	Total operating revenue
Budget	\$ 73,046	\$ 37,487	\$ 32,316	\$ 152,602
Actual	\$ 72,655	\$ 40,428	\$ 30,142	\$ 153,775
Variance	\$ (391)	\$ 2,941	\$ (2,174)	\$ 1,173



# Operating Expenses



**For the Year Ended June 30, 2012 (Unaudited)**  
**(\$ In thousands)**



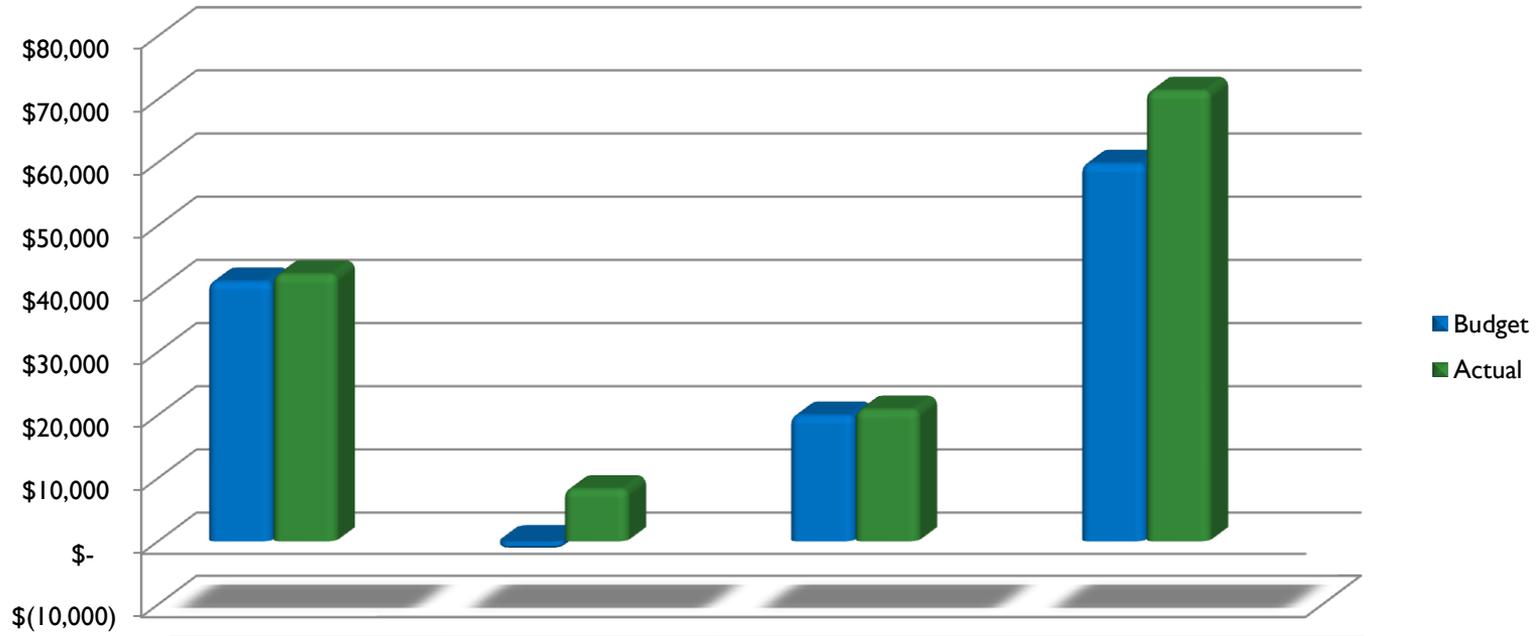
	Salaries & benefits	Contract services	Safety & security	Space rental	Utilities & maint.	Employee & business dev.	Insurance & other	Total operating expenses
Budget	\$ 38,388	\$ 27,157	\$ 20,850	\$ 11,416	\$ 16,386	\$ 3,461	\$ 1,376	\$ 119,034
Actual	\$ 37,112	\$ 26,898	\$ 22,625	\$ 11,415	\$ 16,903	\$ 2,998	\$ 1,167	\$ 119,118
Variance	\$ 1,276	\$ 259	\$ (1,775)	\$ 1	\$ (517)	\$ 463	\$ 209	\$ (84)



# Nonoperating Revenue & Expenses



**For the Year Ended June 30, 2012 (Unaudited)**  
**(\$ In thousands)**



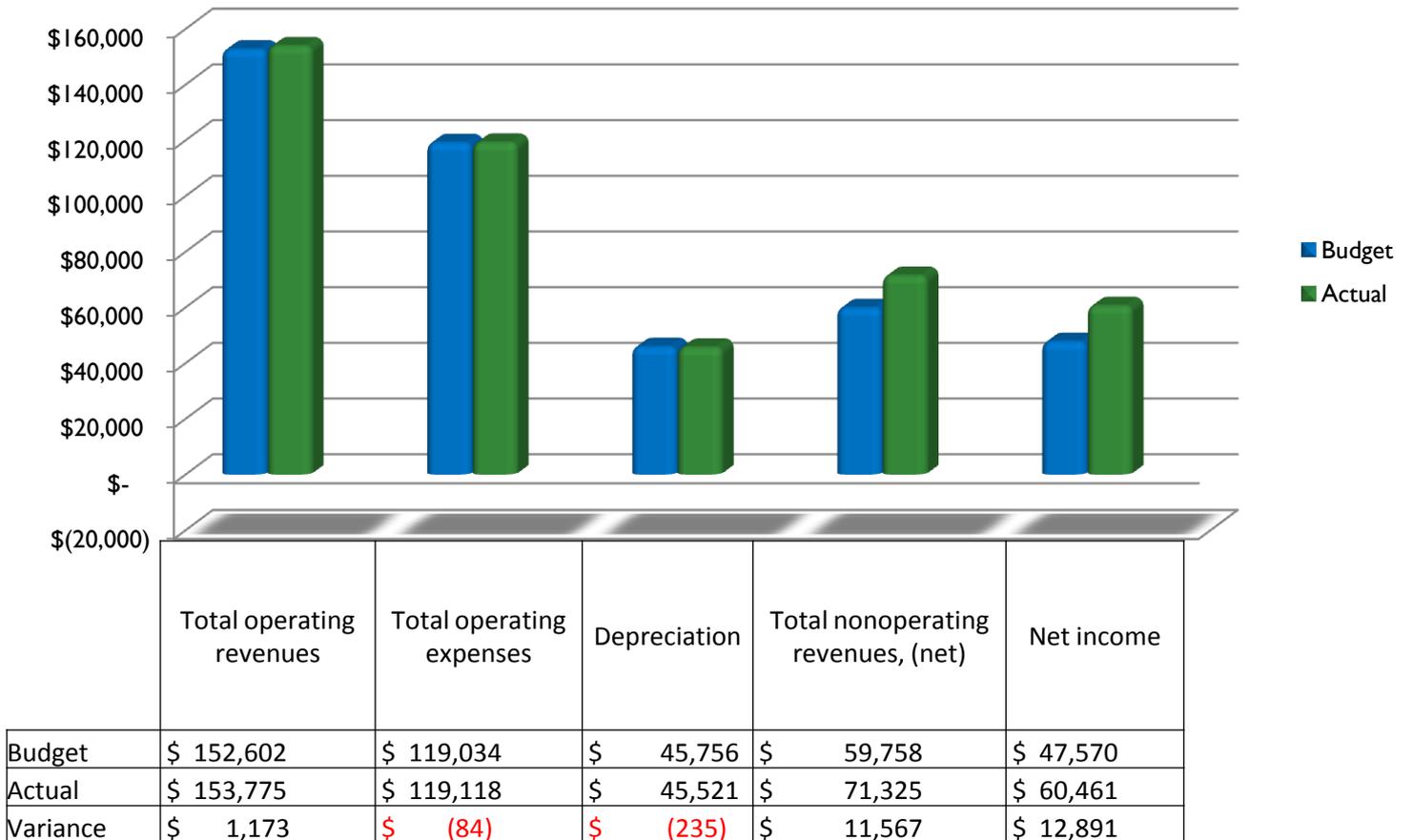
	Passenger Facility Charge, Customer Facility Charge, & Quieter Home Program	Interest expense, interest income, capitalized interest (net)	Capital grant contributions	Total nonoperating revenue, (net)
Budget	\$ 41,110	\$ (1,259)	\$ 19,907	\$ 59,758
Actual	\$ 42,254	\$ 8,237	\$ 20,834	\$ 71,325
Variance	\$ 1,144	\$ 9,496	\$ 927	\$ 11,567



# Financial Summary



## For the Year Ended June 30, 2012 (Unaudited) (\$ In thousands)

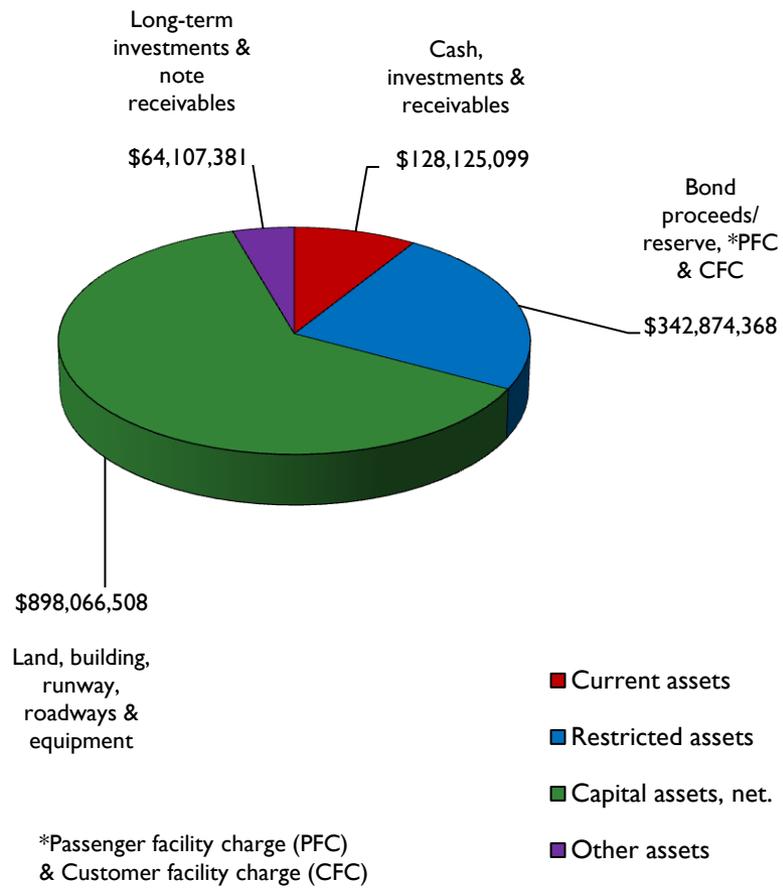




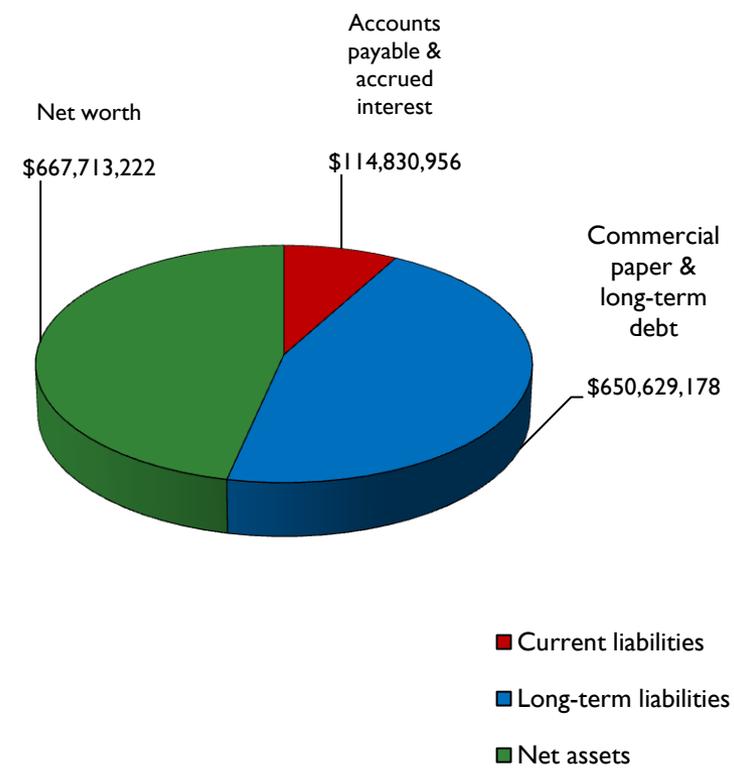
# Balance Sheet (Unaudited), as of June 30, 2012



## Assets



## Liabilities & Net Assets

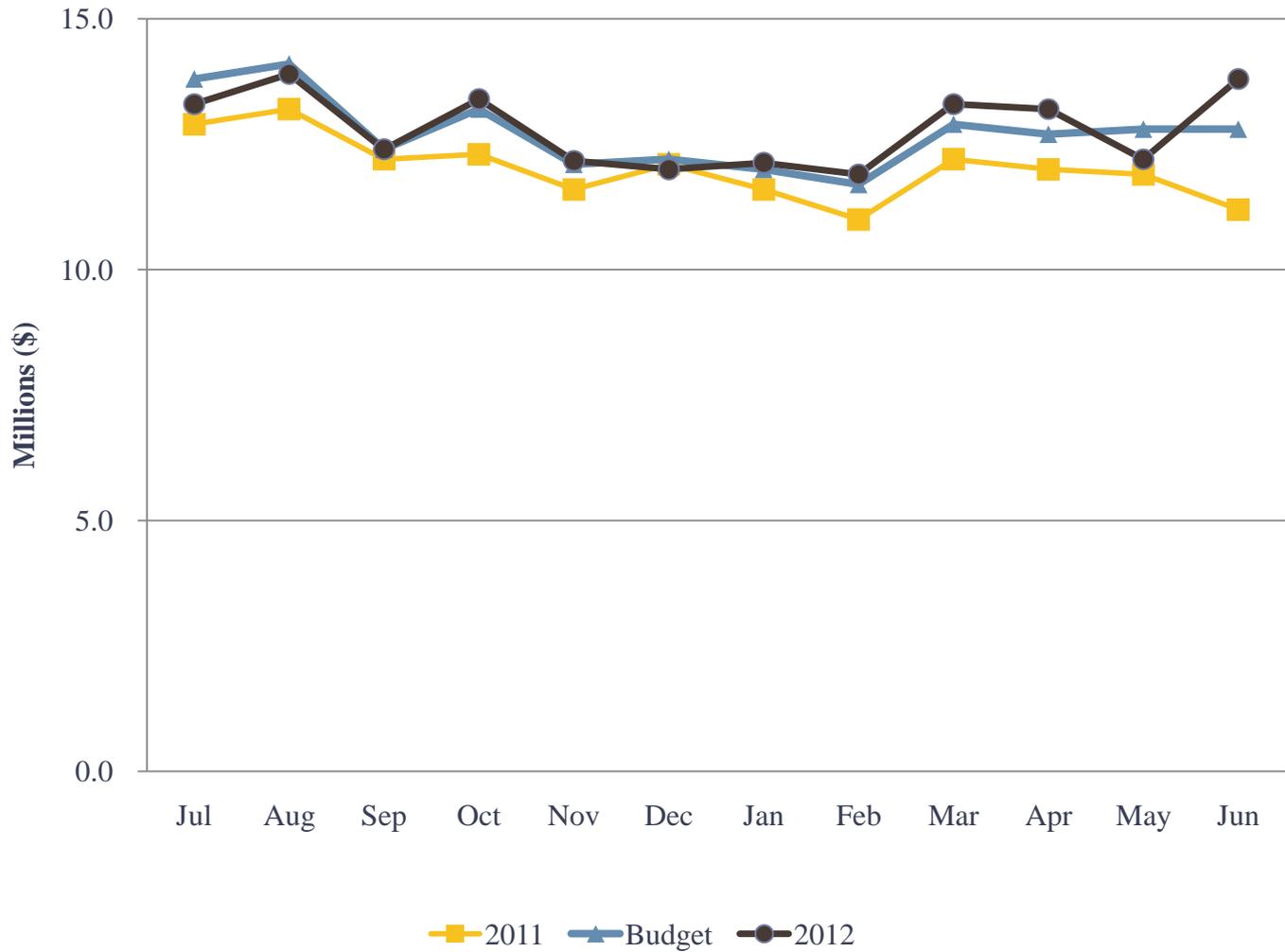


Revenues & Expenses (Unaudited)  
For the Year Ended  
June 30, 2012





# Monthly Operating Revenue, FY 2012 (Unaudited)



# Operating Revenues

## for the Year Ended June 30, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 19,775	\$ 18,605	\$ (1,169)	(6)%	\$ 18,579
Aircraft parking fees	3,031	3,135	103	3%	2,921
Building rentals	31,924	30,732	(1,192)	(4)%	26,980
Security surcharge	16,732	18,588	1,856	11%	14,887
Other aviation revenue	1,584	1,595	10	1%	1,597
<b>Total aviation revenue</b>	<b>\$ 73,046</b>	<b>\$ 72,655</b>	<b>\$ (391)</b>	<b>(1)%</b>	<b>\$ 64,964</b>

# Operating Revenues

## for the Year Ended June 30, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Terminal rent non-airline</b>	\$ 904	\$ 907	\$ 3	-	\$ 869
<b>Concession revenue:</b>					
<b>Terminal concession revenue:</b>					
Food and beverage	6,018	6,404	386	6%	6,181
Gifts and news	3,865	4,042	177	5%	3,857
Other	2,855	2,860	5	-	2,774
<b>Total terminal concession revenue</b>	<b>12,738</b>	<b>13,306</b>	<b>568</b>	<b>4%</b>	<b>12,812</b>
<b>Car rental and license fee revenue:</b>					
Rental car license fees	22,150	23,943	1,793	8%	21,687
License fees-other	2,599	3,179	580	22%	2,604
Total rental car and license fees	24,749	27,122	2,373	10%	24,291
<b>Total concession revenue</b>	<b>\$ 37,487</b>	<b>\$ 40,428</b>	<b>\$ 2,941</b>	<b>8%</b>	<b>\$ 37,103</b>

# Operating Revenues

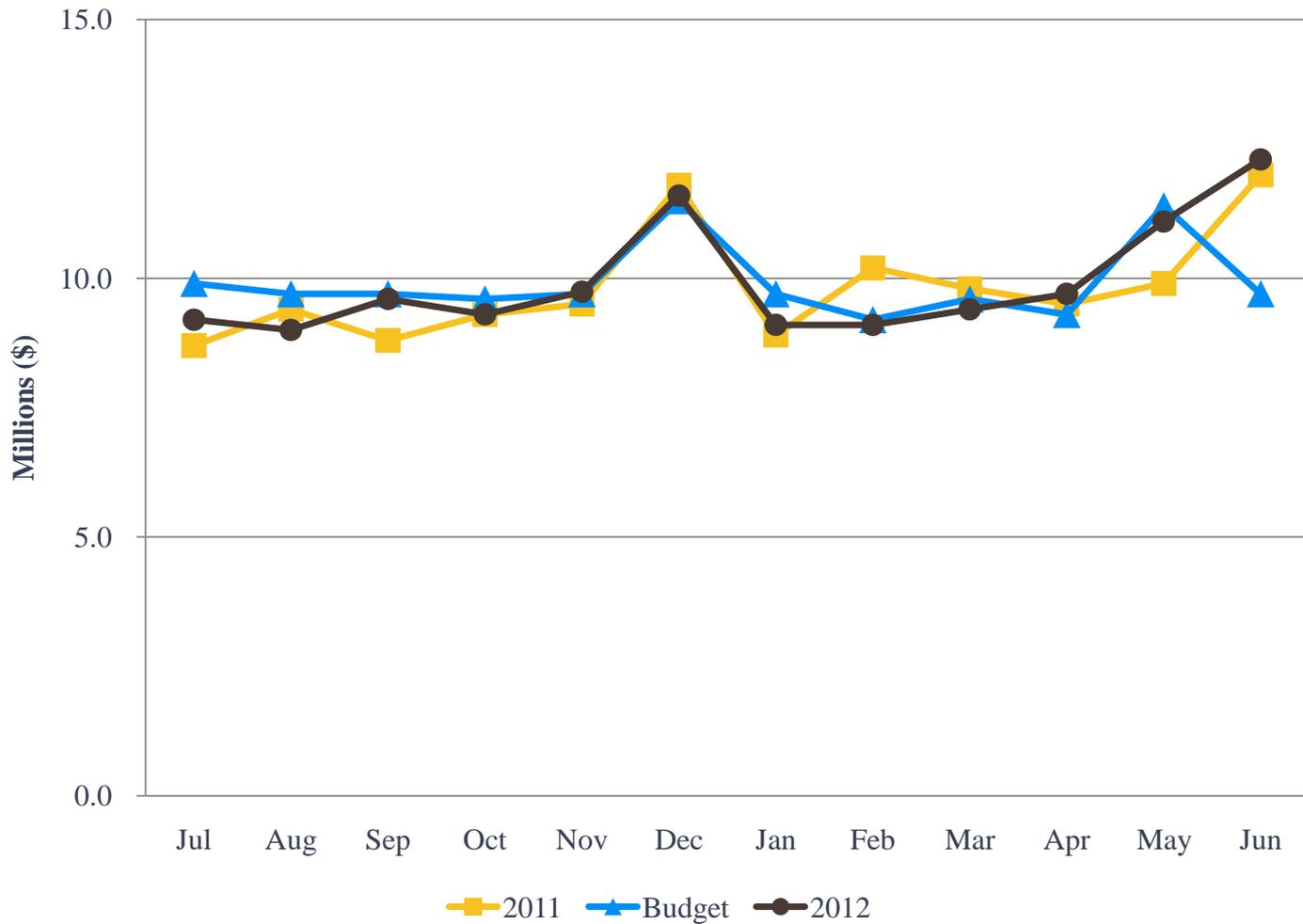
## for the Year Ended June 30, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 7,222	\$ 4,894	\$ (2,328)	(32)%	\$ 6,416
Long-term parking revenue	25,094	25,248	154	1%	24,493
<b>Total parking revenue</b>	<b>32,316</b>	<b>30,142</b>	<b>(2,174)</b>	<b>(7)%</b>	<b>30,909</b>
Ground transportation permits and citations	1,277	1,328	51	4%	735
Ground rentals	6,619	7,136	518	8%	7,787
Grant reimbursements	215	301	86	40%	870
Other operating revenue	738	878	140	19%	770
Subtotal	41,165	39,785	(1,380)	(3)%	41,071
<b>Total operating revenues</b>	<b>\$ 152,602</b>	<b>\$ 153,775</b>	<b>\$ 1,173</b>	<b>1%</b>	<b>\$ 144,007</b>



# Monthly Operating Expenses, FY 2012 (Unaudited)



# Operating Expenses

## for the Year Ended June 30, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 38,388	\$ 37,112	\$ 1,276	3%	\$ 38,266
Contractual services	27,157	26,898	259	1%	26,113
Safety and security	20,850	22,625	(1,775)	(9)%	21,344
Space rental	11,416	11,415	1	-	10,906
Utilities	6,667	6,674	(7)	-	6,413
Maintenance	7,723	8,434	(711)	(9)%	8,174
Equipment and systems	356	403	(47)	(13)%	570
Materials and supplies	318	302	16	5%	344
Insurance	1,020	764	256	25%	1,066
Employee development and support	1,121	906	215	19%	1,041
Business development	2,340	2,092	248	11%	2,275
Equipment rental and repairs	1,678	1,493	185	11%	1,327
<b>Total operating expenses</b>	<b>\$ 119,034</b>	<b>\$ 119,118</b>	<b>\$ (84)</b>	<b>-</b>	<b>\$ 117,839</b>

# Financial Summary

## for the Year Ended June 30, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 152,602	\$ 153,775	\$ 1,173	1%	\$ 144,007
Total operating expenses	119,034	119,118	\$ (84)	-	117,839
<b>Income from operations</b>	<b>33,568</b>	<b>34,657</b>	<b>1,089</b>	<b>3%</b>	<b>26,168</b>
Depreciation	45,756	45,521	235	-	49,989
<b>Operating income (loss)</b>	<b>\$ (12,188)</b>	<b>\$ (10,864)</b>	<b>\$ 1,324</b>	<b>11%</b>	<b>\$ (23,821)</b>

# Nonoperating Revenues & Expenses for the Year Ended June 30, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 33,742	\$ 34,371	\$ 629	2%	\$ 33,998
Customer facility charges (ConRAC Facility)	10,553	11,487	934	9%	10,986
Quieter Home Program	(3,185)	(3,604)	(419)	(13)%	(3,488)
Interest income	5,338	5,492	154	3%	6,408
BAB interest rebate	4,996	4,996	0	-	3,691
Interest expense	(12,243)	(276)	11,967	98%	(8,084)
Bond amortization	650	1,057	407	63%	851
Other nonoperating revenue (expenses)	0	(3,032)	(3,032)	-	(93)
<b>Nonoperating revenue, net</b>	<b>39,851</b>	<b>50,491</b>	<b>10,640</b>	<b>27%</b>	<b>44,269</b>
<b>Income before grant contributions</b>	<b>27,663</b>	<b>39,627</b>	<b>11,964</b>	<b>43%</b>	<b>20,448</b>
Capital grant contributions	19,907	20,834	927	5%	26,355
<b>Net income</b>	<b>\$ 47,570</b>	<b>\$ 60,461</b>	<b>\$ 12,891</b>	<b>27%</b>	<b>\$ 46,803</b>



# Balance Sheets (Unaudited)



(In thousands)

**June**

	<b>2012</b>	<b>2011</b>
<b>Current assets:</b>		
Cash and investments	\$ 102,722	\$ 89,539
Tenant lease receivable, net of allowance of 2012: \$49,604 and 2011: \$14,918	6,332	5,594
Grants receivable	3,868	3,985
Notes receivable-current portion	1,581	1,696
Prepaid expenses and other current assets	4,560	5,273
<b>Total current assets</b>	<b>119,063</b>	<b>106,087</b>
<b>Cash designated for capital projects and other</b>	<b>\$ 9,063</b>	<b>\$ 8,149</b>



# Balance Sheets (Unaudited)

(In thousands)

**June**

**Restricted assets:**

Cash and investments:

	2012	2011
Bonds reserve	\$ 47,829	\$ 45,098
Passenger facility charges and interest unapplied	74,756	54,819
Customer facility charges and interest applied*	30,863	20,974
Commercial paper reserve	3	63
SBD bond guarantee	2,000	4,000
Bond proceeds held by trustee	176,118	396,903
Commercial paper interest held by trustee	13	13
Passenger facility charges receivable	4,144	5,121
Customer facility charges receivable*	1,089	1,029
Insurance claim reserve	6,059	6,239
<b>Total restricted assets</b>	<b>\$ 342,874</b>	<b>\$ 534,259</b>

\* *Conrac Facility*



# Balance Sheets (Unaudited)



(In thousands)

**June**

**2012**

**2011**

**Noncurrent assets:**

**Capital assets:**

Land and land improvements	\$ 24,487	\$ 24,461
Runways, roads and parking lots	269,535	273,449
Buildings and structures	461,499	464,477
Machinery and equipment	11,184	10,327
Vehicles	5,389	5,342
Office furniture and equipment	31,104	30,577
Works of art	2,676	2,427
Construction-in-progress	633,912	322,289
<b>Total capital assets</b>	<b>1,439,786</b>	<b>1,133,349</b>
Less: accumulated depreciation	(541,720)	(507,929)
<b>Total capital assets, net</b>	<b>\$ 898,066</b>	<b>\$ 625,420</b>



# Balance Sheets (Unaudited)



(In thousands)  
**June**

**Other assets:**

Notes receivable - long-term portion  
Investments - long-term portion  
Deferred costs - bonds (net)  
Net pension asset  
Workers' compensation deposit

**Total other assets**

**Total noncurrent assets**

**TOTAL ASSETS**

	<u>2012</u>	<u>2011</u>
\$ 41,333	\$ 42,914	
10,411	16,827	
4,656	4,999	
7,204	7,761	
503	225	
<b>64,107</b>	<b>72,726</b>	
<b>962,173</b>	<b>698,146</b>	
<b>\$ 1,433,173</b>	<b>\$ 1,346,641</b>	



# Balance Sheets (Unaudited)



(In thousands)

**June**

**Current liabilities:**

Accounts payable and accrued liabilities

Deposits and other current liabilities

**Total current liabilities**

	2012	2011
\$	91,216	\$ 57,749
	1,556	2,601
	<b>92,772</b>	<b>60,350</b>

**Current liabilities - payable from restricted assets:**

Current portion of long-term debt

Accrued interest on bonds

and commercial paper

**Total liabilities payable from restricted assets**

	5,215	4,760
	16,844	16,992
\$	<b>22,059</b>	<b>\$ 21,752</b>



# Balance Sheets (Unaudited)



(In thousands)

June

## Long-term liabilities - other:

Commercial paper notes payable

Deferred rent liability

Other long-term liabilities

Long-term debt - bonds net of amortized premium

**Total long-term liabilities**

**Total liabilities**

	2012	2011
Commercial paper notes payable	\$ 19,924	\$ 20,729
Deferred rent liability	50	137
Other long-term liabilities	1,612	1,564
Long-term debt - bonds net of amortized premium	629,043	634,853
<b>Total long-term liabilities</b>	<b>650,629</b>	<b>657,283</b>
<b>Total liabilities</b>	<b>\$ 765,460</b>	<b>\$ 739,385</b>



# Balance Sheets (Unaudited)



(In thousands)

**June**

**Authority net assets:**

Invested in capital assets, net of related debt

Other restricted

Unrestricted:

Designated

Undesignated

**Total net assets**

**TOTAL LIABILITIES AND NET ASSETS**

	<b>2012</b>	<b>2011</b>
\$	414,730	\$ 357,275
	172,991	146,627
	16,267	15,909
	63,725	87,445
	<b>667,713</b>	<b>607,256</b>
	<b>\$ 1,433,173</b>	<b>\$ 1,346,641</b>



# Authority's Investments

# Total Portfolio Summary



	Current Period July 31, 2012	Prior Period June 30, 2012	Change From Prior
Book Value	\$260,918,000	\$279,359,000	(\$18,441,000)
Market Value	\$261,160,000	\$279,477,000	(\$18,317,000)
Market Value%	100.11%	100.06%	0.05%
Unrealized Gain / (Loss)	\$242,000	\$118,000	\$124,000
Weighted Average Maturity (Days)	309 days	301 days	8
Weighted Average Yield as of Period End	0.58%	0.57%	0.01%
Cash Interest Received-Year-to-Date	\$169,000	\$88,000	\$81,000
Accrued Interest	\$166,000	\$252,000	(\$86,000)

**Notes:**

(1) Decrease in cash balance was predominantly due to capital receipts that were lower than disbursements on capital projects.



# Authority's Bond Proceeds

# Bond Proceeds Summary

As of: July 31, 2012

(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
<b><u>Project Fund</u></b>						
SDCIP <sup>(1)</sup>	39,751	-	57,299	97,050	0.51%	AAAf
	39,751	-	57,299	97,050		
<b><u>Capitalized Interest</u></b>						
SDCIP <sup>(1)</sup>	514	-	372	886	0.51%	AAAf
JP Morgan Federal MM Reserve	6	-	4	10	0.00%	AAAm
	520	-	376	896		
<b><u>Debt Service Reserve Fund</u></b>						
East West Bank CD	13,203	-	7,106	20,309	0.75%	
Bank of the West DDA	9,688	-	6,362	16,050	0.45%	
JP Morgan Federal MM Reserve	9,811	-	4,809	14,621	0.00%	AAAm
	32,702	-	18,277	50,980		
	<u>\$ 72,973</u>	<u>\$ -</u>	<u>\$ 75,952</u>	<u>\$ 148,926</u>	0.49%	

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

(1) SDCIP Yield as of 06/30/2012



# Questions

