



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: March 16, 2011

To: Board Members

From: Vernon D. Evans, CFO 

Subject: Financial Statements For Eight Months Ended February 28, 2011

The attached financial reports include the following:

Balance Sheets as of February 28, 2011 and 2010
 Statement of Revenues and Expenses Compared to Budget for Eight Months Ended
 February 28, 2011 and 2010
 Authority Detailed Income Statement-Supplemental Schedule

Year to date analysis:

Total operating revenues are \$636k, or 1% above budget primarily due to the retroactive billing on new ground rental agreements with Federal Express, Southwest and UPS.

Total operating expenses are \$3.9m or 5% below budget primarily due to reduced departmental spending as compared to how the budget was spread over the twelve months in the current fiscal year.

Nonoperating revenues, net, are \$885k, or 3% below budget primarily due to required accounting treatment of BAB's bonds interest expense.

Capital grant contributions are \$6.5m or 26% below budget due to the delay of the apron project. The delay was caused by contract award challenges and December rains.

A more detailed discussion will be presented at the March 28 Finance Committee meeting.



SAN DIEGO
INTERNATIONAL
AIRPORT

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Balance Sheets
as of February 28, 2011
(Unaudited)
ASSETS

	February 28	
	2011	2010
Current assets:		
Cash and investments ⁽¹⁾	\$ 98,460,696	\$ 87,777,933
Tenant lease receivable, net of allowance of 2011: \$30,980 and 2010: \$164,634	5,027,672	4,580,267
Grants receivable	7,670,560	3,798,954
Notes receivable-current portion	1,612,790	1,606,999
Prepaid expenses and other current assets	10,609,891	10,646,491
Total current assets	123,381,609	108,410,644
 Cash designated for capital projects and other ⁽¹⁾	 4,570,382	 12,566,908
 Restricted assets:		
Cash and investments:		
Bonds reserve ⁽¹⁾	45,707,776	47,302,857
Passenger facility charges and interest unapplied ⁽¹⁾	63,869,689	54,660,006
Customer facility charges and interest unapplied ^{(1)*}	16,531,122	7,389,209
Commercial paper reserve ⁽¹⁾	167,815	117,258
SBD Bond Guarantee ⁽¹⁾	4,000,000	4,000,000
Bond proceeds held by trustee ⁽¹⁾	417,938,047	5,441,243
Commercial paper interest held by trustee ⁽¹⁾	70,841	12,856
Passenger facility charges receivable	4,420,349	4,506,049
Customer facility charges receivable*	874,249	912,523
OCIP insurance reserve	6,400,000	5,282,463
Total restricted assets	559,979,888	129,624,464
 Noncurrent assets:		
Capital assets:		
Land and land improvements	23,453,560	23,581,619
Runways, roads and parking lots	236,707,387	229,205,185
Buildings and structures	463,759,712	423,192,646
Machinery and equipment	10,218,228	7,770,763
Vehicles	5,366,830	4,982,699
Office furniture and equipment	30,098,329	24,883,112
Works of art	2,410,518	2,257,371
Construction-in-progress	281,253,084	174,510,951
Total capital assets	1,053,267,648	890,384,346
Less accumulated depreciation	(491,414,951)	(449,945,189)
Total capital assets, net	561,852,697	440,439,157
 Other assets:		
Notes receivable - long-term portion	43,541,208	45,211,942
Investments-long-term portion ⁽¹⁾	10,764,747	3,991,665
Deferred costs - bonds (net)	5,097,899	811,055
Net pension asset	7,946,205	3,817,332
Total other assets	67,350,059	53,831,994
Total noncurrent assets	629,202,756	494,271,151
TOTAL ASSETS	\$ 1,317,134,635	\$ 744,873,167

⁽¹⁾ Total cash and investments, \$662,081,115 2011 and \$223,359,935 2010

* ConRAC Facility

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Balance Sheets
as of February 28, 2011
(Unaudited)

LIABILITIES AND NET ASSETS

	February 28	
	2011	2010
Current liabilities:		
Accounts payable and accrued liabilities	\$ 51,506,517	\$ 40,185,413
Deposits and other current liabilities	3,727,586	3,573,374
Total current liabilities	55,234,103	43,758,787
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	4,725,000	3,105,000
Accrued interest on bonds and commercial paper	5,714,951	491,337
Total liabilities payable from restricted assets	10,439,951	3,596,337
Long-term liabilities:		
Commercial paper notes payable	21,509,000	114,430,000
Deferred rent liability	316,409	853,478
Other long-term liabilities	1,188,530	1,124,749
Long term debt - bonds net of amortized premium	635,558,131	41,177,439
Total long-term liabilities	658,572,070	157,585,666
Total liabilities	724,246,124	204,940,790
Authority net assets:		
Invested in capital assets, net of related debt	317,655,269	282,298,188
Other restricted	152,208,084	132,729,464
Unrestricted:		
Designated	16,516,587	20,384,240
Undesignated	106,508,571	104,520,486
Total net assets	592,888,511	539,932,377
TOTAL LIABILITIES AND NET ASSETS	\$ 1,317,134,635	\$ 744,873,167

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statement of Revenues and Expenses Compared to Budget
For the Eight Months Ended February 28, 2011 and 2010
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 12,682,504	\$ 12,364,236	\$ (318,268)	(3)%	\$ 12,819,324
Aircraft parking fees	1,884,000	1,960,051	76,051	4%	2,290,096
Building rentals	18,512,579	18,646,861	134,282	1%	17,078,156
Security surcharge	9,857,000	9,910,468	53,468	1%	8,018,829
Other aviation revenue	1,053,575	1,064,046	10,471	1%	1,053,287
Terminal rent non-airline	578,800	585,035	6,235	1%	527,443
Terminal concessions	8,394,766	8,495,455	100,689	1%	8,228,707
Rental car license fees	13,851,422	14,142,128	290,706	2%	13,116,529
License fees other	2,089,432	1,768,833	(320,599)	(15)%	1,844,954
Parking revenue	21,522,311	20,897,863	(624,448)	(3)%	19,975,598
Ground transportation permits and citations	360,943	555,733	194,790	54%	272,001
Ground rentals	4,139,217	5,399,910	1,260,693	30%	3,957,706
Grant reimbursements	732,028	463,244	(268,784)	(37)%	872,138
Other operating revenue	480,928	522,093	41,165	9%	304,228
Total operating revenues	96,139,505	96,775,956	636,451	1%	90,358,996
Operating expenses:					
Salaries and benefits	25,210,842	24,909,914	300,928	1%	23,244,920
Contractual services	19,488,187	17,252,644	2,235,543	11%	18,380,735
Safety and security	13,509,877	13,777,701	(267,824)	(2)%	13,443,693
Space rental	7,270,626	7,270,625	1	0%	7,268,008
Utilities	4,800,156	4,295,417	504,739	11%	4,518,394
Maintenance	5,483,655	5,114,523	369,132	7%	6,007,096
Equipment and systems	351,953	319,853	32,100	9%	296,529
Materials and supplies	259,125	203,530	55,595	21%	269,933
Insurance	815,167	719,854	95,313	12%	785,431
Employee development and support	920,859	632,782	288,077	31%	555,600
Business development	1,415,962	1,095,537	320,425	23%	1,256,665
Equipment rentals and repairs	956,261	1,012,717	(56,456)	(6)%	983,540
Total operating expenses	80,482,670	76,605,097	3,877,573	5%	77,010,544
Depreciation	33,878,921	32,555,346	1,323,575	4%	26,557,602
Operating income (loss)	(18,222,086)	(12,384,487)	5,837,599	32%	(13,209,150)
Nonoperating revenue (expenses):					
Passenger facility charges	22,467,692	21,542,376	(925,316)	(4)%	21,662,400
Customer facility charges (ConRAC Facility)	6,812,281	7,106,779	294,498	4%	6,970,794
Quieter Home Program	(2,384,535)	(2,200,162)	184,373	8%	(1,481,933)
Interest income	3,988,360	3,825,919	(162,441)	(4)%	4,965,947
BAB interest rebate	-	2,026,124	2,026,124	0%	-
Interest expense	(3,478,764)	(7,594,406)	(4,115,642)	(118)%	(1,787,730)
Bond amortization cost	(96,565)	252,267	348,832	361%	(49,011)
Other nonoperating income (expenses)	(26,667)	1,437,695	1,464,362	5491%	(1,604,337)
Nonoperating revenue, net	27,281,802	26,396,592	(885,210)	(3)%	28,676,130
Income before capital grant contributions	9,059,716	14,012,105	4,952,389	55%	15,466,980
Capital grant contributions	24,914,595	18,423,983	(6,490,612)	(26)%	11,282,831
Net income	\$ 33,974,311	\$ 32,436,088	\$ (1,538,223)	(5)%	\$ 26,749,811



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San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the eight months ended February 28, 2011
(Unaudited)

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	Month to Date				Year to Date			
	Budget	Actual	Variance		Prior Year Actual	Variance		
			Favorable (Unfavorable)	Percent		Favorable (Unfavorable)	Percent	
Parking and Ground Transportat								
45210 - Parking	\$2,307,867	\$2,192,015	\$(115,852)	(5)	\$2,141,065	\$20,897,863	\$(624,448)	(3)
45220 - AVI fees	25,508	35,360	9,852	39	0	221,098	2,942	1
45240 - Ground Transportation Permits	1,835	14,810	12,975	707	6,630	306,015	179,213	141
45250 - Citations	1,726	1,726	0	0	2,659	28,620	12,635	79
Total Parking and Ground Transportat	2,336,936	2,243,910	(93,026)	(4)	2,150,354	21,453,596	(429,658)	(2)
Ground Rentals								
45310 - Ground Rental - Fixed	462,531	493,464	30,933	7	425,064	4,847,484	1,147,236	31
45320 - Ground Rental - Percentage	52,905	79,114	26,209	50	69,057	552,426	113,457	26
Total Ground Rentals	515,436	572,579	57,143	11	494,122	5,399,909	1,260,692	30
Grant Reimbursements								
45410 - TSA Reimbursements	16,454	16,458	4	0	16,458	142,806	1,770	1
45420 - Planning Grants	73,874	3,308	(70,566)	(96)	7,372	320,438	(270,554)	(46)
Total Grant Reimbursements	90,328	19,766	(70,562)	(78)	23,830	463,244	(268,784)	(37)
Other Operating Revenue								
45510 - Finger Printing Fee	4,116	3,516	(600)	(15)	3,281	35,285	2,357	7
45520 - Utilities Reimbursements	44,191	43,089	(1,102)	(2)	21,977	345,561	(7,967)	(2)
45530 - Miscellaneous Other Revenue	5,567	7,999	2,432	44	12,479	61,500	16,964	38
45540 - Service Charges	3,325	(1,571)	(4,896)	(147)	(1,224)	17,187	(9,413)	(35)
45570 - FBO Landing Fees	2,917	3,645	728	25	0	46,560	23,224	100
45580 - Equipment Rental	0	2,000	2,000	0	2,000	16,000	16,000	0
Total Other Operating Revenue	60,116	58,677	(1,439)	(2)	38,514	522,092	41,164	9
Total Operating Revenue	11,125,521	10,965,836	(159,685)	(1)	10,216,691	96,775,956	636,451	1
Personnel Expenses								
Salaries								
51110 - Salaries & Wages	2,161,427	1,883,803	277,624	13	1,802,708	15,250,428	3,273,620	18
51210 - Paid Time Off	0	113,805	(113,805)	0	113,845	1,400,621	(1,400,621)	0
51220 - Holiday Pay	0	46,500	(46,500)	0	48,230	559,368	(559,368)	0
51240 - Other Leave With Pay	0	3,760	(3,760)	0	9,633	101,437	(101,437)	0
51250 - Special Pay	0	34,812	(34,812)	0	40,691	329,315	(329,315)	0
Total Salaries	2,161,427	2,082,681	78,746	4	2,015,106	17,641,169	882,880	5
52110 - Overtime	75,481	58,930	16,551	22	91,549	510,926	138,524	21

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	Month to Date				Year to Date					
	Variance			Variance	Variance					
	Budget	Actual	Favorable (Unfavorable)		Favorable (Unfavorable)	Percent	Prior Year Actual			
Total Personnel Expenses	3,017,088	3,123,934	(106,847)	(4)	2,972,346	25,210,840	24,909,912	300,928	1	23,244,922
Non-Personnel Expenses										
Contract Services										
61100 - Temporary Staffing	\$42,127	\$13,693	\$28,434	67	\$76,829	\$326,518	\$202,134	\$124,384	38	\$609,424
61110 - Auditing Services	0	0	0	0	0	140,000	117,800	22,200	16	130,000
61120 - Legal Services	100,000	37,829	62,172	62	58,800	800,000	391,375	408,625	51	414,929
61130 - Services - Professional	924,848	806,531	118,316	13	440,587	7,994,471	5,650,380	2,344,091	29	6,885,834
61150 - Outside Svs - Other	289,053	251,572	37,482	13	395,154	1,994,255	1,607,698	386,558	19	1,855,021
61160 - Services - Custodial	1,156,263	1,303,581	(147,318)	(13)	1,314,359	9,085,100	9,895,796	(810,695)	(9)	9,342,845
61990 - OH Contra	0	(49,950)	49,950	0	(102,104)	0	(612,539)	612,539	0	(857,318)
61998 - Capitalized OH Contra	(106,520)	0	(106,520)	(100)	0	(852,157)	0	(852,157)	(100)	0
Total Contract Services	2,405,772	2,363,255	42,516	2	2,183,625	19,488,188	17,252,643	2,235,544	11	18,380,735
Safety and Security										
61170 - Services - Fire, Police, Rescu	347,544	882,837	(535,294)	(154)	460,909	2,873,792	3,763,876	(890,084)	(31)	3,126,464
61180 - Services - SDUPD	1,109,612	1,038,293	71,318	6	1,001,259	9,362,182	8,940,952	421,231	4	9,015,106
61185 - Guard Services	149,244	139,965	9,279	6	149,854	1,273,903	1,072,873	201,030	16	1,302,123
Total Safety and Security	1,606,399	2,061,096	(454,697)	(28)	1,612,022	13,509,877	13,777,701	(267,823)	(2)	13,443,692
Space Rental										
62100 - Rent	908,678	946,481	(37,803)	(4)	945,481	7,270,626	7,570,674	(300,048)	(4)	7,568,057
62199 - Rent Amortization	0	(37,506)	37,506	0	(37,506)	0	(300,049)	300,049	0	(300,049)
Total Space Rental	908,678	908,975	(297)	0	907,975	7,270,626	7,270,625	1	0	7,268,008
Utilities										
63100 - Telephone & Other Communicatio	40,537	37,629	2,908	7	17,805	324,826	321,450	3,376	1	279,580
63110 - Utilities - Gas & Electric	475,040	414,671	60,369	13	574,701	4,000,330	3,533,390	466,940	12	3,845,055
63120 - Utilities - Water	45,000	34,806	10,195	23	4,544	475,000	440,577	34,423	7	393,759
Total Utilities	560,577	487,106	73,471	13	597,051	4,800,156	4,295,417	504,739	11	4,518,394

San Diego County Regional Airport Authority Authority Detail Income Statement - Supplemental Schedule

For the eight months ended February 28, 2011

(Unaudited)

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	Month to Date				Year to Date			
	Budget	Actual	Variance		Prior Year Actual	Variance		
			Favorable (Unfavorable)	Percent		Favorable (Unfavorable)	Percent	
Maintenance								
64100 - Facilities Supplies	\$53,625	\$55,735	\$(2,110)	(4)	\$50,224	\$28,523	6	
64110 - Maintenance - Annual Repair	417,035	610,273	(193,238)	(46)	359,085	(127,666)	(3)	
64122 - Contractor Labor	0	78	(78)	0	0	(1,016)	0	
64123 - Contractor Burden	0	99	(99)	0	0	(1,293)	0	
64124 - Maintenance-Overhead	0	984	(984)	0	184	(6,612)	0	
64125 - Major Maintenance - Materials	50,000	51,057	(1,057)	(2)	181,464	588,204	65	
64127 - Contract Overhead (contra)	0	3,094	(3,094)	0	0	(22,814)	0	
64140 - Refuse & Hazardous Waste Dis	38,000	7,413	30,587	80	1,743	(88,194)	(29)	
Total Maintenance	558,660	728,733	(170,073)	(30)	592,699	369,134	7	
Equipment and Systems								
65100 - Equipment & Systems	52,286	25,152	27,135	52	26,754	44,021	12	
65101 - OH Contra	(5,266)	(3,712)	(1,554)	(30)	(633)	(11,921)	(50)	
Total Equipment and Systems	47,020	21,440	25,581	54	26,122	32,100	9	
Materials and Supplies								
65110 - Office & Operating Supplies	30,902	23,727	7,175	23	45,082	88,401	34	
65120 - Safety Equipment & Supplies	7,621	5,443	2,178	29	677	6,627	15	
65130 - Tools - Small	2,500	278	2,222	89	1,487	6,921	49	
65199 - OH Contra	(7,233)	(2,332)	(4,901)	(68)	(2,997)	(46,355)	(80)	
Total Materials and Supplies	33,789	27,116	6,673	20	44,248	55,595	21	
Insurance								
67170 - Insurance - Property	30,271	29,484	787	3	27,109	6,297	3	
67171 - Insurance - Liability	36,667	23,913	12,753	35	36,813	95,007	32	
67172 - Insurance - Public Officials L	26,250	23,239	3,011	11	25,505	24,089	11	
67173 - Insurance Miscellaneous	8,458	13,208	(4,750)	(56)	8,671	(32,080)	(47)	
67199 - Insurance - Claims	250	0	250	100	0	2,000	100	
Total Insurance	101,896	89,844	12,052	12	98,097	95,313	12	
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San Diego County Regional Airport Authority

Authority Detail Income Statement - Supplemental Schedule

For the eight months ended February 28, 2011

(Unaudited)

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	Month to Date				Year to Date					
	Budget	Actual	Variance		Prior Year Actual	Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent				Favorable (Unfavorable)	Percent	
Employee Development and Suppo										
66120 - Awards - Service	\$3,240	\$3,090	\$150	5	\$1,814	\$120,432	\$78,782	\$41,650	35	\$25,339
66130 - Book & Periodicals	9,984	9,423	562	6	1,933	48,724	44,239	4,485	9	16,056
66210 - Finger Printing Expenses	210	898	(688)	(328)	320	1,470	2,678	(1,208)	(82)	1,775
66220 - Permits/Certificates/License	7,975	(491)	8,466	106	1,836	64,150	72,950	(8,800)	(14)	88,522
66260 - Recruiting	22,420	0	22,420	100	150	55,340	1,610	53,730	97	1,239
66280 - Seminars & Training	51,236	18,527	32,710	64	37,172	302,028	175,720	126,308	42	186,580
66290 - Transportation	16,347	14,275	2,072	13	14,024	127,594	110,448	17,146	13	111,355
66299 - OH Contra	(3,878)	(2,319)	(1,559)	(40)	(3,561)	(31,026)	(11,299)	(19,727)	(64)	(18,469)
66305 - Travel-Employee Development	19,840	9,048	10,792	54	7,823	115,054	84,952	30,102	26	74,067
66310 - Tuition	10,000	4,864	5,136	51	9,632	55,000	35,357	19,643	36	32,343
66320 - Uniforms	5,916	6,365	(450)	(8)	5,592	62,093	37,345	24,748	40	36,793
Total Employee Development and Suppo	143,290	63,680	79,610	56	76,734	920,858	632,782	288,076	31	555,599
Business Development										
66100 - Advertising	81,766	49,591	32,176	39	45,508	304,815	275,398	29,417	10	450,475
66110 - Allowance for Bad Debts	0	0	0	0	0	25,000	(28,341)	53,341	213	(205,052)
66200 - Memberships & Dues	17,836	17,303	533	3	22,881	291,721	204,827	86,894	30	220,055
66230 - Postage & Shipping	5,305	9,323	(4,018)	(76)	5,219	51,531	28,757	22,775	44	32,067
66240 - Promotional Activities	30,914	20,173	10,741	35	58,659	415,473	281,117	134,356	32	455,388
66250 - Promotional Materials	17,064	13,513	3,551	21	40,115	155,254	184,448	(29,194)	(19)	187,918
66300 - Travel	24,481	18,804	5,677	23	12,651	172,168	149,331	22,837	13	115,814
Total Business Development	177,366	128,707	48,659	27	185,032	1,415,962	1,095,537	320,426	23	1,256,665
Equipment Rentals and Repairs										
66140 - Computer Licenses & Agreements	30,000	54,933	(24,933)	(83)	(15,665)	257,000	234,238	22,762	9	101,756
66150 - Equipment Rental/Leasing	25,688	21,305	4,384	17	32,801	223,680	191,856	31,824	14	190,028
66160 - Tenant Improvements	0	0	0	0	0	0	8,951	(8,951)	0	36,200
66270 - Repairs - Office Equipment & S	51,961	114,741	(62,780)	(121)	83,376	666,567	679,040	(12,473)	(2)	719,806
66279 - OH Contra	(27,284)	(26,552)	(732)	(3)	(1,662)	(190,986)	(101,368)	(89,618)	(47)	(64,250)
Total Equipment Rentals and Repairs	80,366	164,426	(84,061)	(105)	98,851	956,260	1,012,717	(56,456)	(6)	983,540
Total Non-Personnel Expenses	6,623,814	7,044,378	(420,564)	(6)	6,422,456	55,271,826	51,695,179	3,576,647	6	53,765,624
Total Departmental Expenses before Depreciation	9,640,901	10,168,312	(527,411)	(5)	9,394,802	80,482,667	76,605,091	3,877,575	5	77,010,546

Print Date: 3/14/2011
Print Time: 10:28:19AM
Report ID: GL0012

(Unaudited)

Data Date: 3/9/2011 12:37:40PM
Data Source: ARP

San Diego County Regional Airport Authority Authority Detail Income Statement - Supplemental Schedule

For the eight months ended February 28, 2011

(Unaudited)

Print Date: 3/14/2011
Print Time: 10:28:19AM
Report ID: GL0012

	Month to Date				Year to Date			
	Budget	Actual	Variance		Prior Year Actual	Variance		
			Favorable (Unfavorable)	Percent		Favorable (Unfavorable)	Percent	
Interest income BAB's rebate								
71362 - Interest Income BAB's Rebate	\$0	\$416,327	\$416,327	0	\$0	\$2,026,124	0	\$0
Total Interest income BAB's rebate	0	416,327	416,327	0	0	2,026,124	0	0
Interest Expense								
71410 - Interest Expense 2005 Bonds	(540,300)	(174,102)	366,198	68	(187,040)	(1,392,817)	1,804,583	56 (1,496,317)
71411 - Interest Expense- 2010 Bonds	0	(2,348,798)	(2,348,798)	0	0	(7,471,363)	(7,471,363)	0
71420 - Interest Expense - Commercial	0	(5,792)	(5,792)	0	(15,855)	(85,113)	55,513	39 (86,458)
71430 - LOC Fees - C/P	(6,127)	(18,513)	(12,386)	(202)	(25,581)	(174,664)	(49,273)	(39) (213,225)
71440 - Dealer Fees - C/P	0	0	0	0	0	(31,544)	(27,696)	(720) (19,622)
71450 - Trustee Fee - 2005 Bonds	0	0	0	0	0	(1,500)	(6,500)	(433) (1,000)
71451 - Program Fees - Comm. Paper	0	0	0	0	0	(3,760)	6,240	62 (8,108)
71460 - Interest Expense - Other	0	1,572,855	1,572,855	0	0	1,572,855	1,572,855	0 37,000
Total Interest Expense	(546,427)	(974,351)	(427,924)	(78)	(228,475)	(7,594,406)	(4,115,642)	(118) (1,787,729)
Amortization Cost								
69210 - Amortization - Premium	18,939	91,590	72,651	384	18,939	514,768	363,254	240 151,514
69220 - Amortization - Cost of Issuanc	(31,010)	(36,322)	(5,312)	(17)	(23,927)	(253,388)	(5,309)	(2) (191,412)
69230 - Amort-Commercial Paper	0	(1,139)	(1,139)	0	(1,139)	(9,113)	(9,113)	0 (9,113)
Total Amortization Cost	(12,071)	54,129	66,200	548	(6,126)	252,268	348,833	361 (49,011)
Other Non-Operating Income (Expense)								
71510 - Legal Settlement Income	0	0	0	0	0	200,223	200,223	0 14,019
71520 - Fixed Asset Disposal-Proceeds	0	9,146	9,146	0	0	2,111	2,111	0 2,596
71530 - Gain/Loss On Investments	0	82,718	82,718	0	109,427	1,113,377	1,113,377	0 (1,685,066)
71540 - Discounts Earned	0	1,761	1,761	0	1,862	5,656	5,656	0 6,155
71610 - Legal Settlement Expense	(3,333)	0	3,333	100	0	0	26,667	100 (22,000)
71620 - Other Non-Operating Income	0	44,486	44,486	0	0	116,328	116,328	0 79,965
71630 - Other Non-Operating Expenses	0	0	0	0	0	0	0	0 (6)
Total Other Non-Operating Income (Expense)	(3,333)	138,110	141,444	4,243	111,289	1,437,694	1,464,361	5,491 (1,604,337)
Total Non-Operating Revenue/(Expense)	2,917,540	3,606,482	688,942	24	(3,592,369)	26,396,590	(885,212)	(3) (28,676,132)
Capital Grant Contribution								
72100 - AIP Grants	3,534,617	1,604,561	(1,930,056)	(55)	2,104,957	18,423,983	(6,490,612)	(26) 11,282,831
Total Capital Grant Contribution	3,534,617	1,604,561	(1,930,056)	(55)	2,104,957	18,423,983	(6,490,612)	(26) 11,282,831

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the eight months ended February 28, 2011
(Unaudited)

Print Date: 3/14/2011
Print Time: 10:28:19AM
Report ID: GL0012

	Month to Date				Year to Date					
	Budget	Actual	Variance		Prior Year Actual	Variance				
			Favorable (Unfavorable)	Percent		Favorable (Unfavorable)	Percent			
Total Expenses Net of Non-Operating Revenue/ (Expense)	7,352,831	8,857,808	(1,504,977)	(20)	7,206,478	62,165,191	64,339,864	(2,174,673)	(3)	63,609,185
Net Income/(Loss)	3,772,690	2,108,028	(1,664,662)	(44)	3,010,213	33,974,314	32,436,092	(1,538,222)	(5)	26,749,811
Equipment Outlay										
73200 - Equipment Outlay Expenditures	\$(12,000)	\$0	\$12,000	100	\$(169,119)	\$(178,000)	\$(438,094)	\$(260,094)	(146)	\$(309,275)
73299 - Capitalized Equipment Contra A	0	0	0	0	169,119	0	438,094	438,094	0	309,275
Total Equipment Outlay	(12,000)	0	12,000	100	0	(178,000)	0	178,000	100	0



Item 2

San Diego County Regional Airport Authority

Review of the Unaudited Financial Statements for the Eight Months Ended February 28, 2011

Presented by:

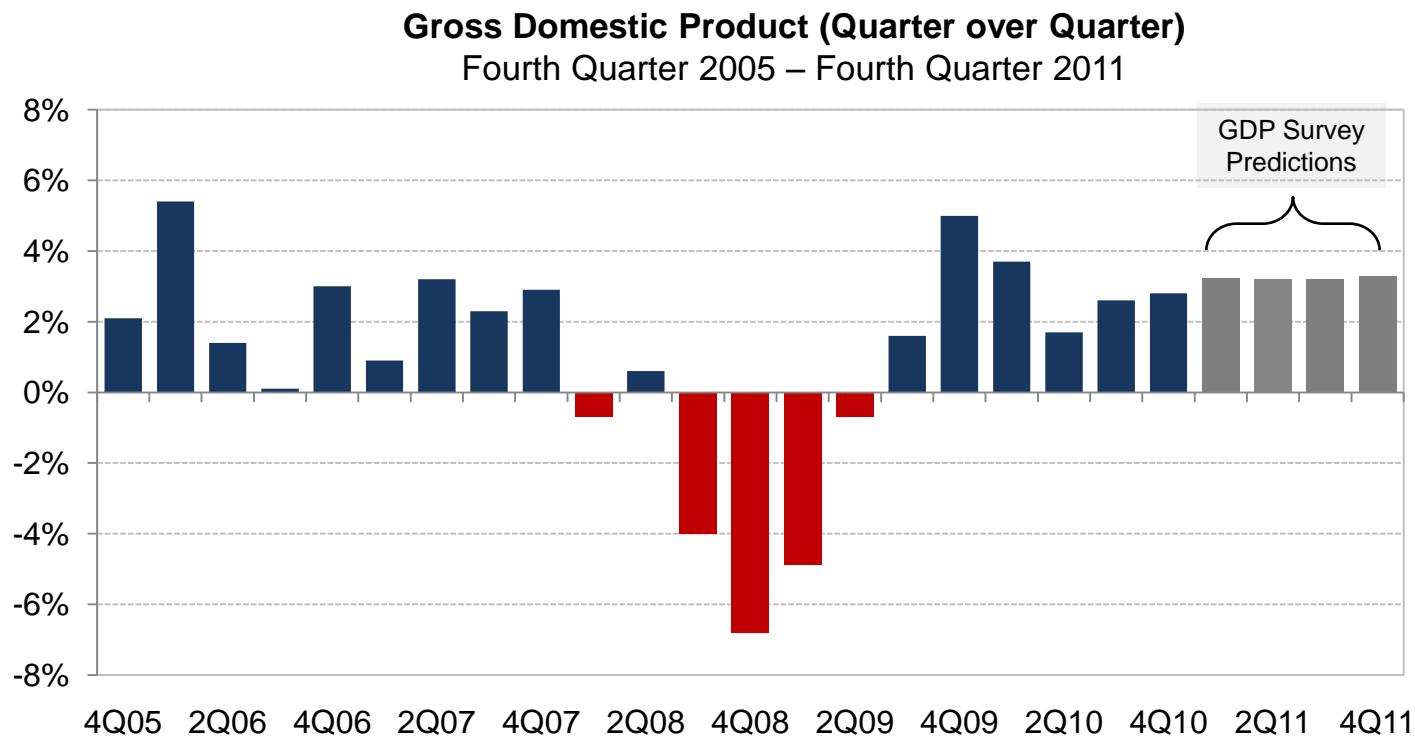
Vernon D. Evans, CPA

Vice-President-Finance/Treasurer and CFO

March 28, 2011

GDP Revised Lower By 0.4%

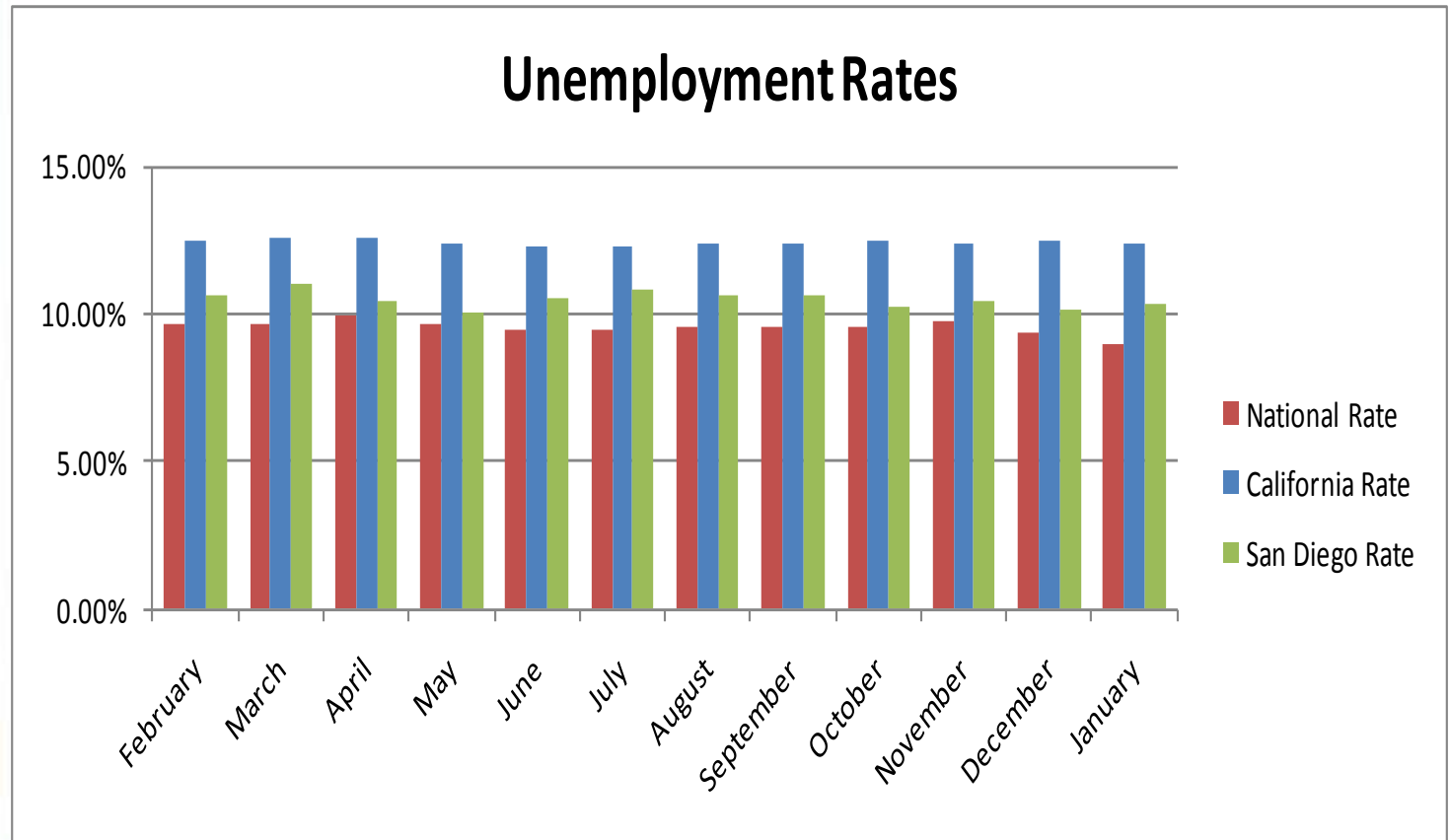
- GDP for the 4th quarter was revised lower to 2.8% from the initial release of 3.2%. Analysts projected the revision to be 3.3%, so this was disappointing for the growth of the economy. Although the number was revised lower, it is still stronger than the 3rd quarter number of 2.6%. The main driver in the lower revision was an increase to the number of imports, resulting in a decreased net exports number. Also, state and local government spending was revised lower as were personal consumption expenditures.



Gross Domestic Product (GDP) is a measure of the United States' production over the quarter, often shown as quarter over quarter change. GDP includes consumption, government spending, investment, and net exports. It is the measure of economic activity in the United States.

Unemployment Rate This Fiscal Year

The Federal unemployment rate fell to 9.0% after reaching 9.4% in the prior month. This was due mainly to people leaving the job market. The California unemployment rate remains high at 12.4% which continues to be higher than the national average. The U-6 rate is slightly lower at 16.1% for January. San Diego unemployment rate is 10.3% .



Consumer Confidence Sharply Higher

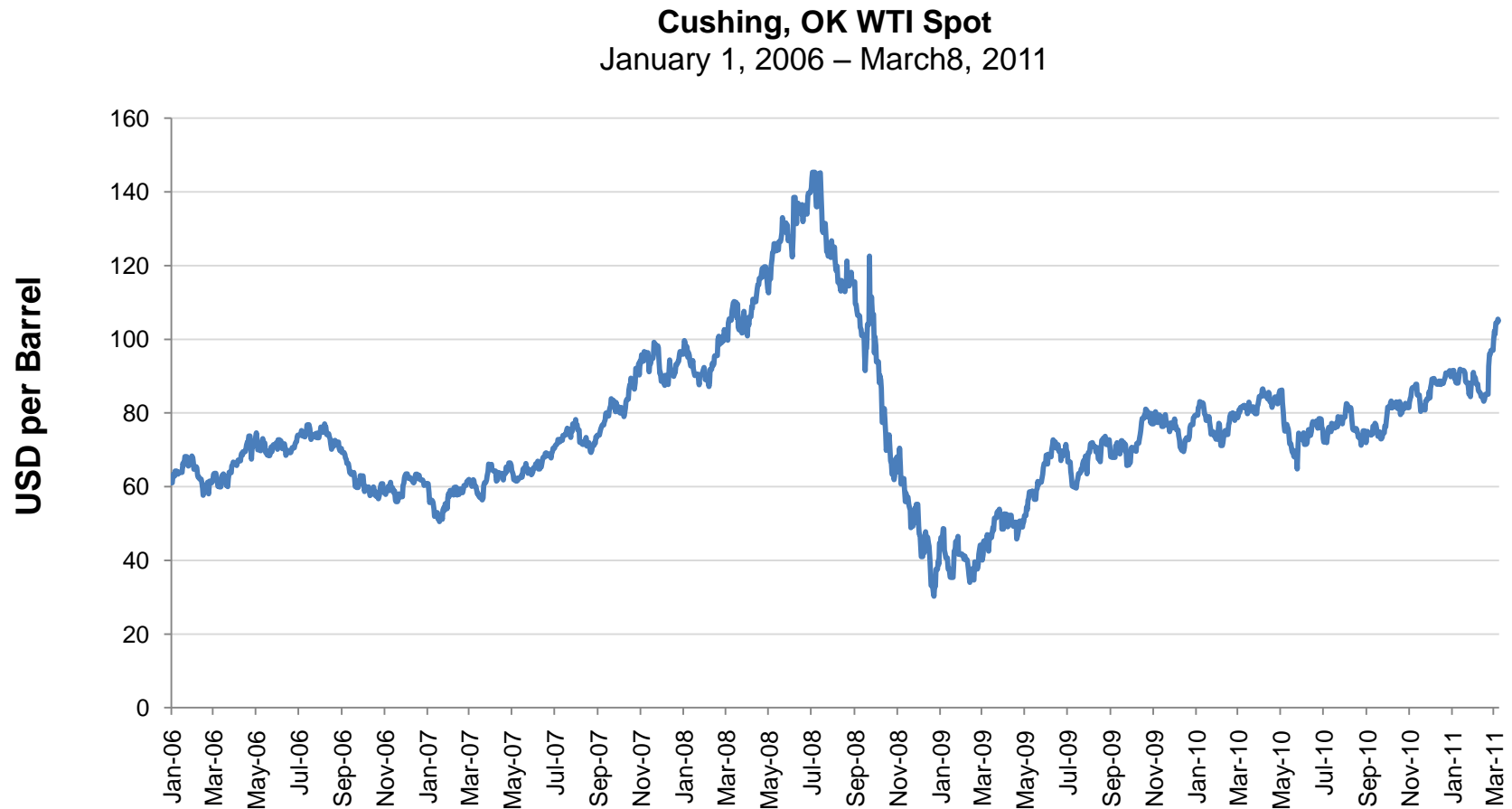
- The Conference Board's Consumer Confidence Index report came in at 70.4 for February, well above analysts' estimates of 67. Consumers grew more optimistic about the overall economic conditions although employment conditions remains a concern. It is unclear what impact the turmoil in the Middle East and rising gas prices will have on consumer confidence.

Conference Board Consumer Sentiment
February 2001 – February 2011



Unrest in Libyan Keeps Upward Pressure on Oil Prices

- With no resolution in sight, the turmoil in Libya has driven prices over \$100 a barrel, its highest level since 2008. The spot price for West Texas Intermediate is trading at around \$105 per barrel while Brent is trading at around \$113 per barrel.



Middle East Protests Felt In The U.S.

- The Middle East protests have been felt in the United States as gas prices continue to rise and have hit nearly \$3.50 after being as low as \$2.67 in August 2010. The countries that are currently, or have been, in protest during the past several weeks control approximately 11% of the world's oil and the protests have been significant enough to scare investors and put crude oil in higher demand. Some economists estimate that each one penny per gallon increase in the cost of gas diverts over \$1 billion in consumer spending.

Price/Gallon – Regular Unleaded Gasoline

March 1, 2005 – March 4, 2011



Price/Barrel – Crude Oil 1-Month Futures Contract

March 1, 2005 - March 4, 2011



“Too Much To Handle?”



The Equity Markets Face Additional Uncertainty

- Over the past two years, the DJIA Index is up over 80% driven by an improving economy and strong corporate profits. However, the turmoil in the Middle East and its potential impacts has generated an additional level of uncertainty among investors.

Dow Jones Industrial Average Index
March 1, 2006 – March 8, 2011



2-Year U.S. Treasury Yields Remain Volatile

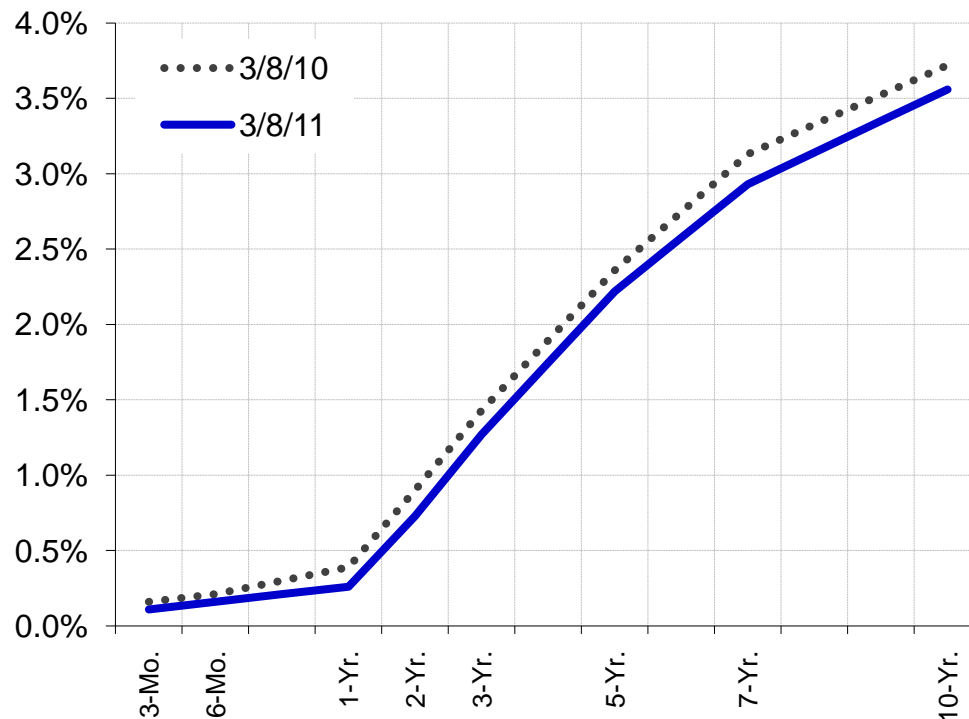
- Treasury Yields remain volatile in response to the latest economic and geopolitical news. Over the past week, the 2-year Treasury yield has been as low as 0.64% and as high as 0.81%. Although recent economic releases have been generally favorable, the continuing unrest in Libya and the potential impacts on the US economy from rising oil prices are creating additional uncertainty in the markets.



U.S Treasury Yield Curve

- Although Treasury yields have been volatile during the past year, the Treasury yield curve is now at basically the same level it was 12 months ago.

U.S. Treasury Yield Curve
March 8, 2010 vs. March 8, 2011



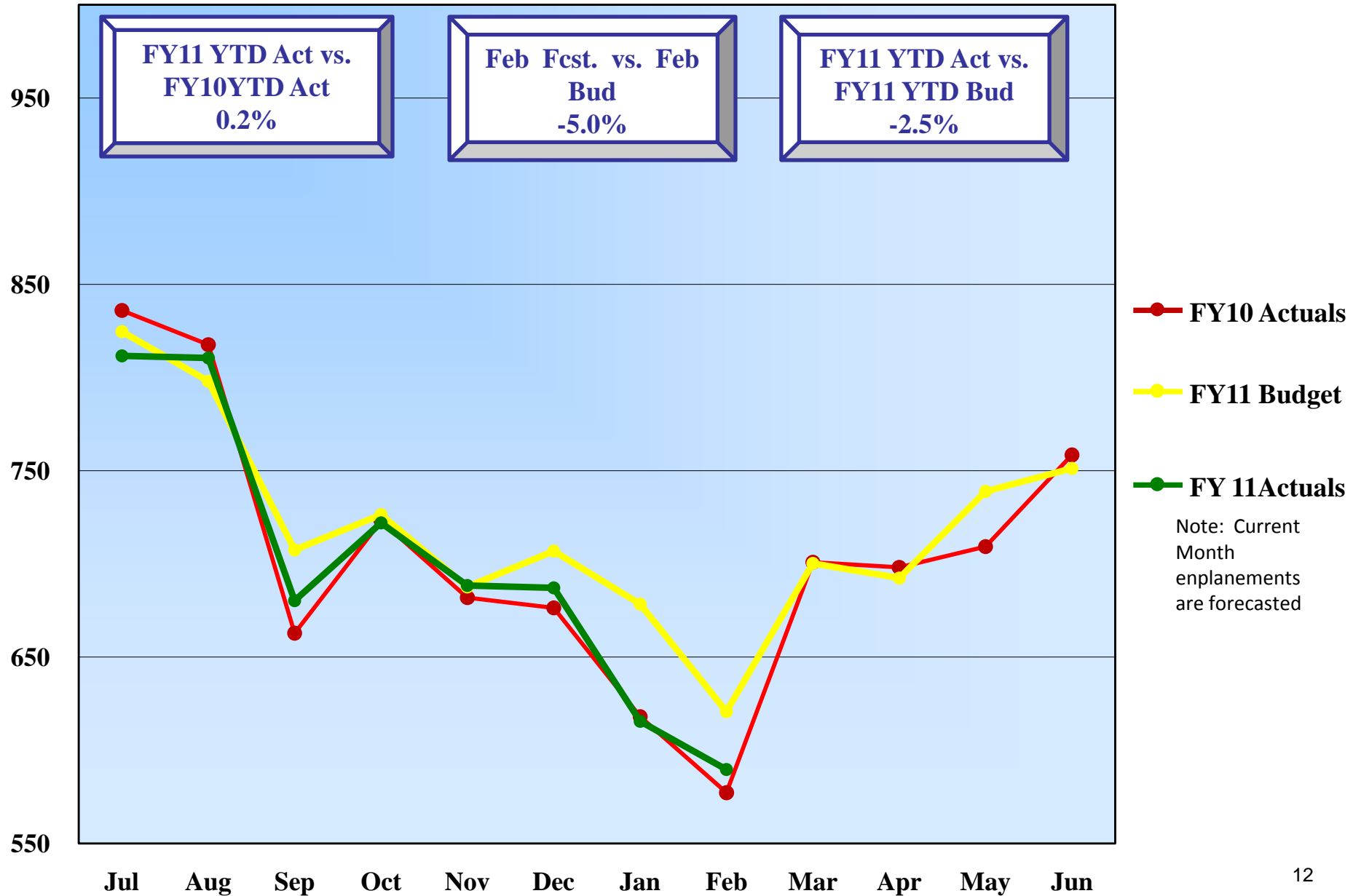
	3/8/10	3/8/11	Change
3-Mo.	0.16%	0.11%	(0.05%)
6-Mo.	0.21%	0.16%	(0.05%)
1-Yr.	0.39%	0.26%	(0.13%)
2-Yr.	0.90%	0.73%	(0.17%)
3-Yr.	1.43%	1.27%	(0.16%)
5-Yr.	2.36%	2.22%	(0.14%)
10-Yr.	3.72%	3.56%	(0.16%)

Unaudited Financial Statements For the Eight Months Ended February 28, 2011



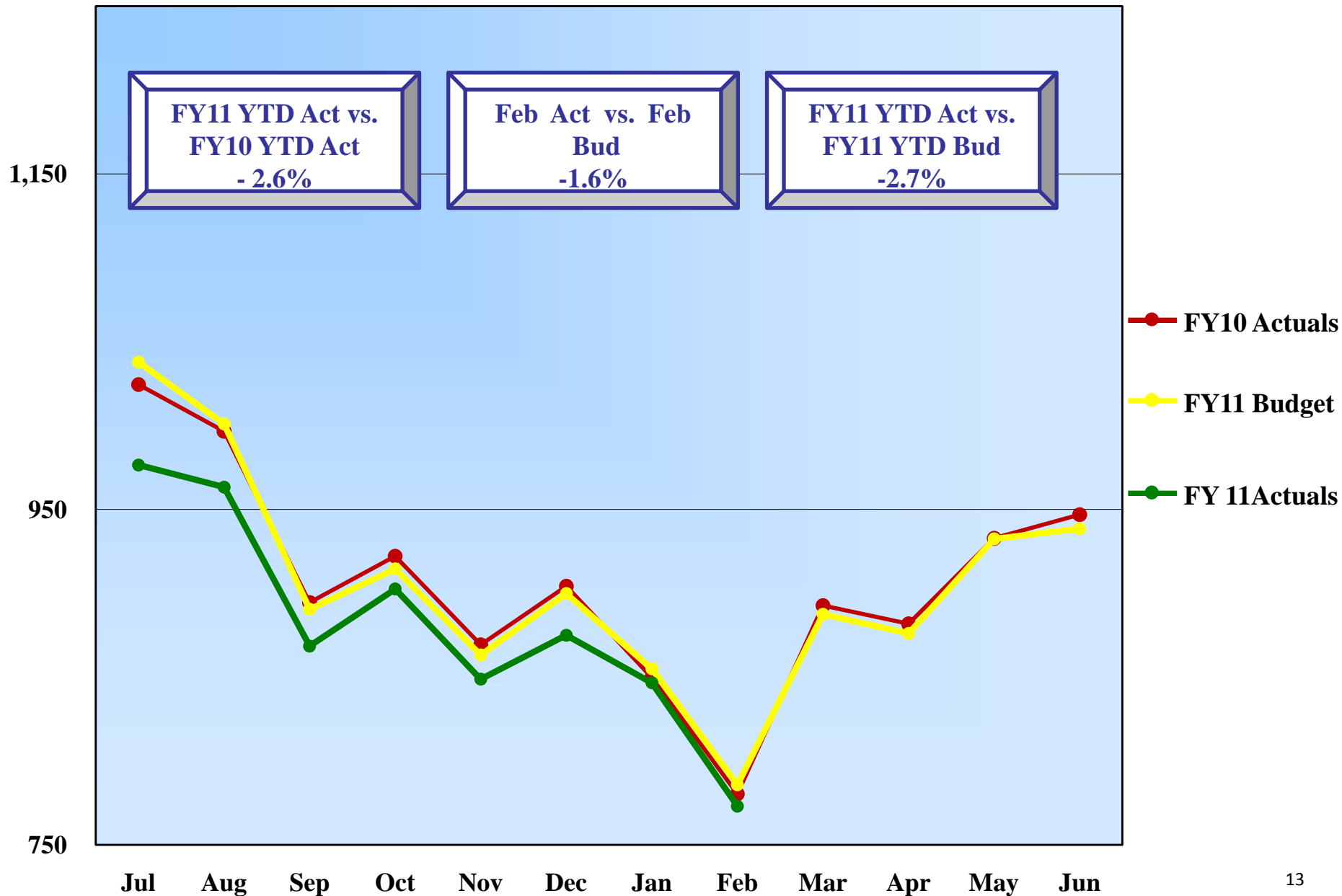
Enplanements

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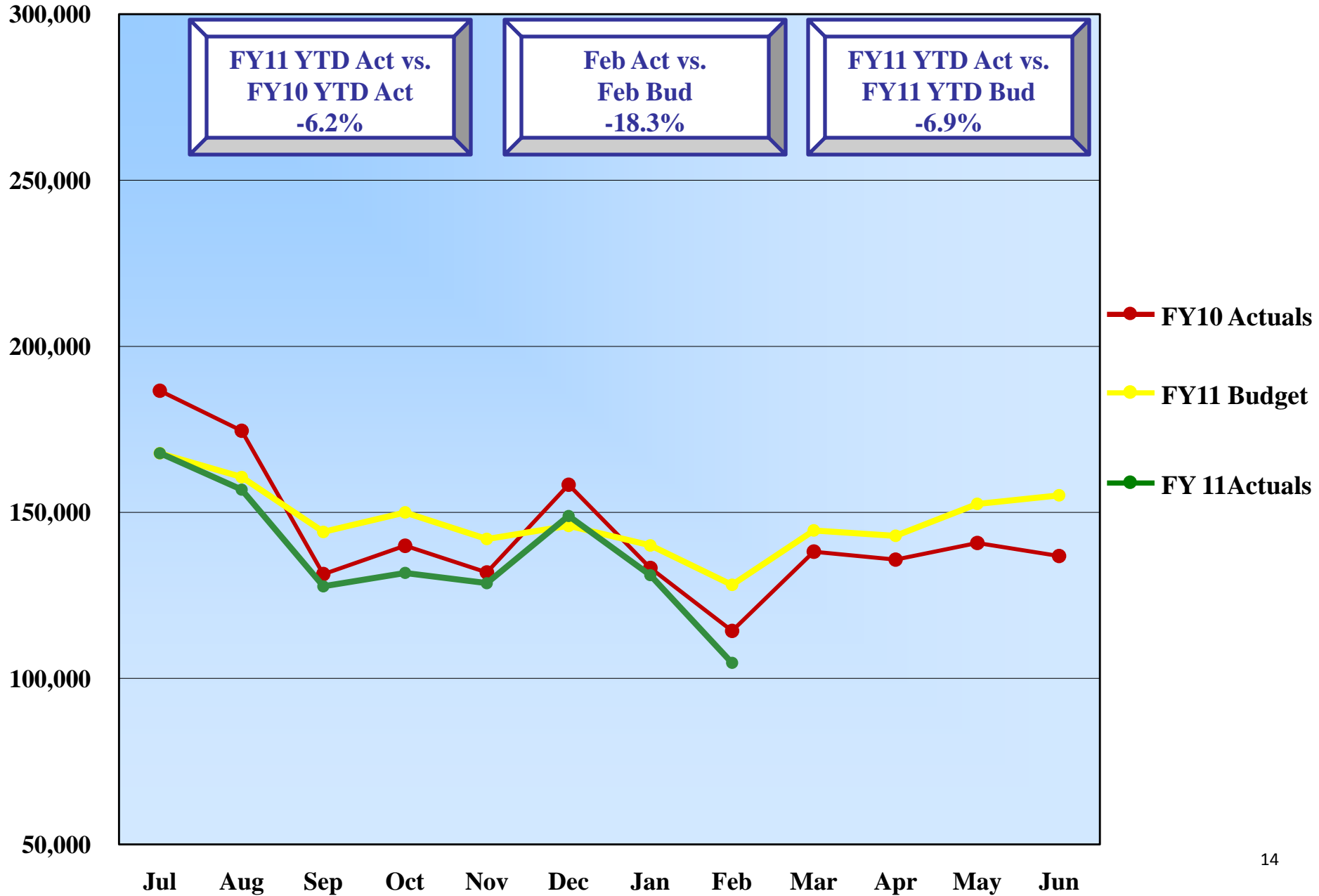


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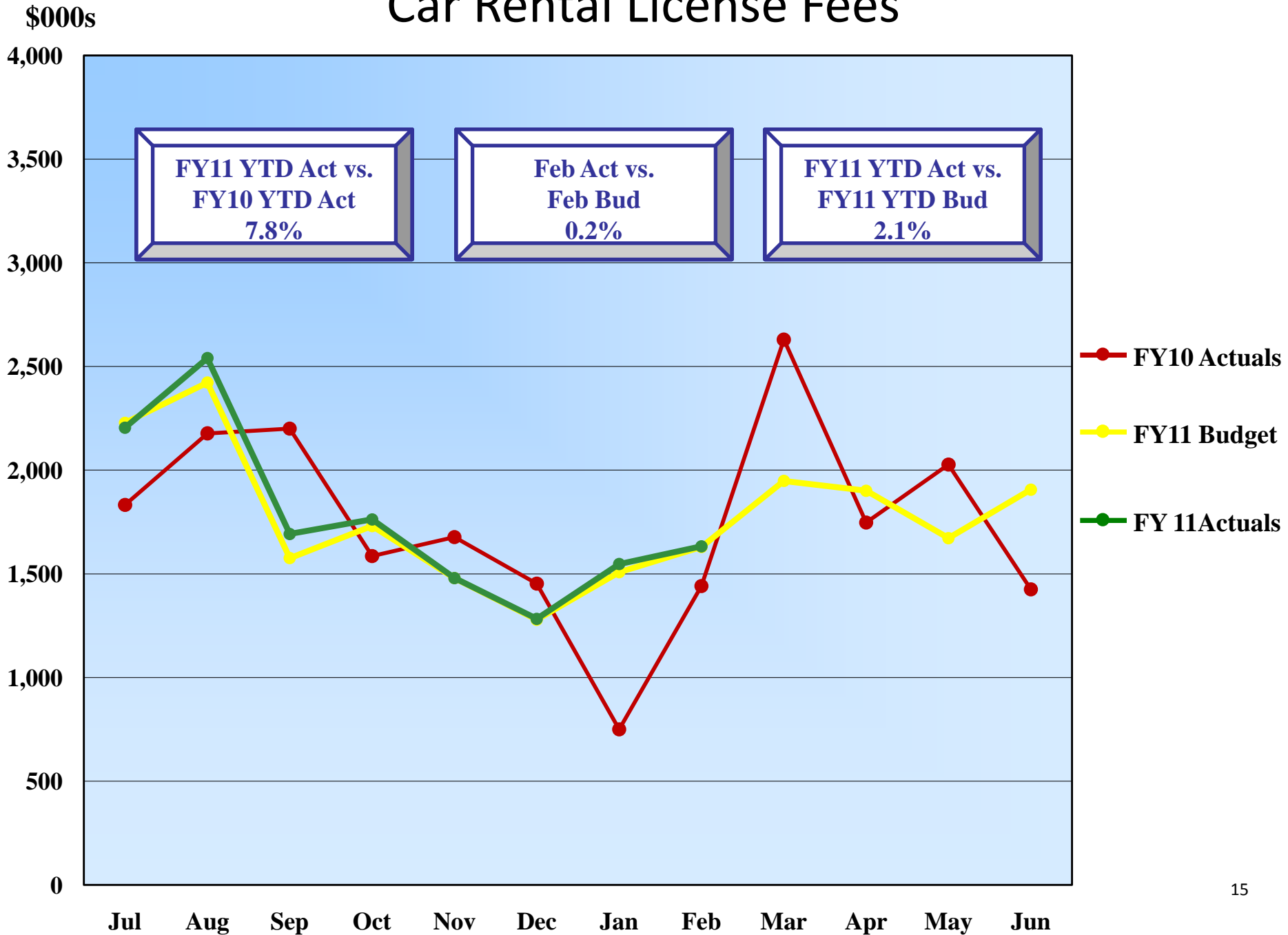
Gross Landing Weight Units (000 lbs)



Airport Parking Transactions



Car Rental License Fees



Revenues and Expenses (Unaudited)

For the month ended February 28, 2011



Operating Revenues

For the Month Ended

February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 1,371	\$ 1,366	\$ (5)	-	\$ 1,381
Aircraft parking fees	236	235	(1)	-	259
Building rentals	2,312	2,305	(7)	-	2,114
Security surcharge	1,232	1,246	14	1%	1,005
Other aviation revenue	131	133	2	2%	132
Total aviation revenue	\$ 5,282	\$ 5,285	\$ 3	-	\$ 4,891



Operating Revenues

For the Month Ended

February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 72	\$ 82	\$ 10	14%	\$ 66
Concession revenue:					
Terminal concession revenue:					
Food and beverage	425	435	10	2%	413
Gifts and news	275	264	(11)	(4)%	234
Other	212	198	(14)	(7)%	249
Total terminal concession revenue	<u>912</u>	<u>897</u>	<u>(15)</u>	<u>(2)%</u>	<u>896</u>
Car rental and license fee revenue:					
Rental car and license fees	1,629	1,633	4	-	1,441
License fees-other	228	173	(55)	(24)%	216
Total rental car and license fees	<u>1,857</u>	<u>1,806</u>	<u>(51)</u>	<u>(3)%</u>	<u>1,657</u>
Total concession revenue	<u>\$ 2,769</u>	<u>\$ 2,703</u>	<u>\$ (66)</u>	<u>(2)%</u>	<u>\$ 2,553</u>

Operating Revenues

For the Month Ended

February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
On-airport parking revenue	\$ 1,218	\$ 1,429	\$ 211	17%	\$ 1,379
Off-airport parking revenue	1,090	763	(327)	(30)%	762
Total parking revenue	2,308	2,192	(116)	(5)%	2,141
Ground transportation permits and citations	29	52	23	79%	9
Ground rentals	515	573	58	11%	494
Grant reimbursements	90	20	(70)	(78)%	24
Other operating revenue	60	59	(1)	(2)%	39
Subtotal	3,002	2,896	(106)	(4)%	2,707
Total operating revenues	\$ 11,125	\$ 10,966	\$ (159)	(1)%	\$ 10,217

Operating Expenses

For the Month Ended

February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 3,017	\$ 3,124	\$ (107)	(4)%	\$ 2,972
Contractual services	2,406	2,363	43	2%	2,184
Safety and security	1,606	2,061	(455)	(28)%	1,612
Space rental	909	909	(0)	-	908
Utilities	561	487	74	13%	597
Maintenance	559	729	(170)	(30)%	593
Equipment and systems	47	21	26	55%	26
Materials and supplies	34	27	7	21%	44
Insurance	102	90	12	12%	98
Employee development and support	143	64	79	55%	77
Business development	177	128	49	28%	185
Equipment rental and repairs	80	165	(85)	(106)%	99
Total operating expenses	\$ 9,641	\$ 10,168	\$ (527)	(5)%	\$ 9,395

Financial Summary

For the Month Ended

February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 11,125	\$10,966	\$ (159)	(1)%	\$ 10,217
Total operating expenses	9,641	10,168	\$ (527)	(5)%	9,395
Income from operations	1,484	798	(686)	(46)%	822
Depreciation	4,164	3,901	263	6%	3,509
Operating income (loss)	\$ (2,680)	\$ (3,103)	\$ (423)	(16)%	\$ (2,687)

Nonoperating Revenues and (Expenses)

For the Month Ended

February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 2,426	\$ 2,575	\$ 149	6%	\$ 2,538
Customer facility charges (ConRAC Facility)	828	866	38	5%	731
Quieter Home Program	(273)	(153)	120	44%	(17)
Interest income	499	684	185	37%	464
BAB interest rebate	-	416	416	-	-
Interest expense	(547)	(974)	(427)	(78)%	(229)
Bond amortization cost	(12)	54	66	550%	(6)
Other nonoperating revenue (expenses)	(3)	138	141	-	111
Nonoperating revenue, net	2,918	3,606	688	24%	3,592
Income before grant contributions	238	503	265	111%	905
Capital grant contributions	3,535	1,605	(1,930)	(55)%	2,105
Net income	\$ 3,773	\$ 2,108	\$ (1,665)	(44)%	\$ 3,010

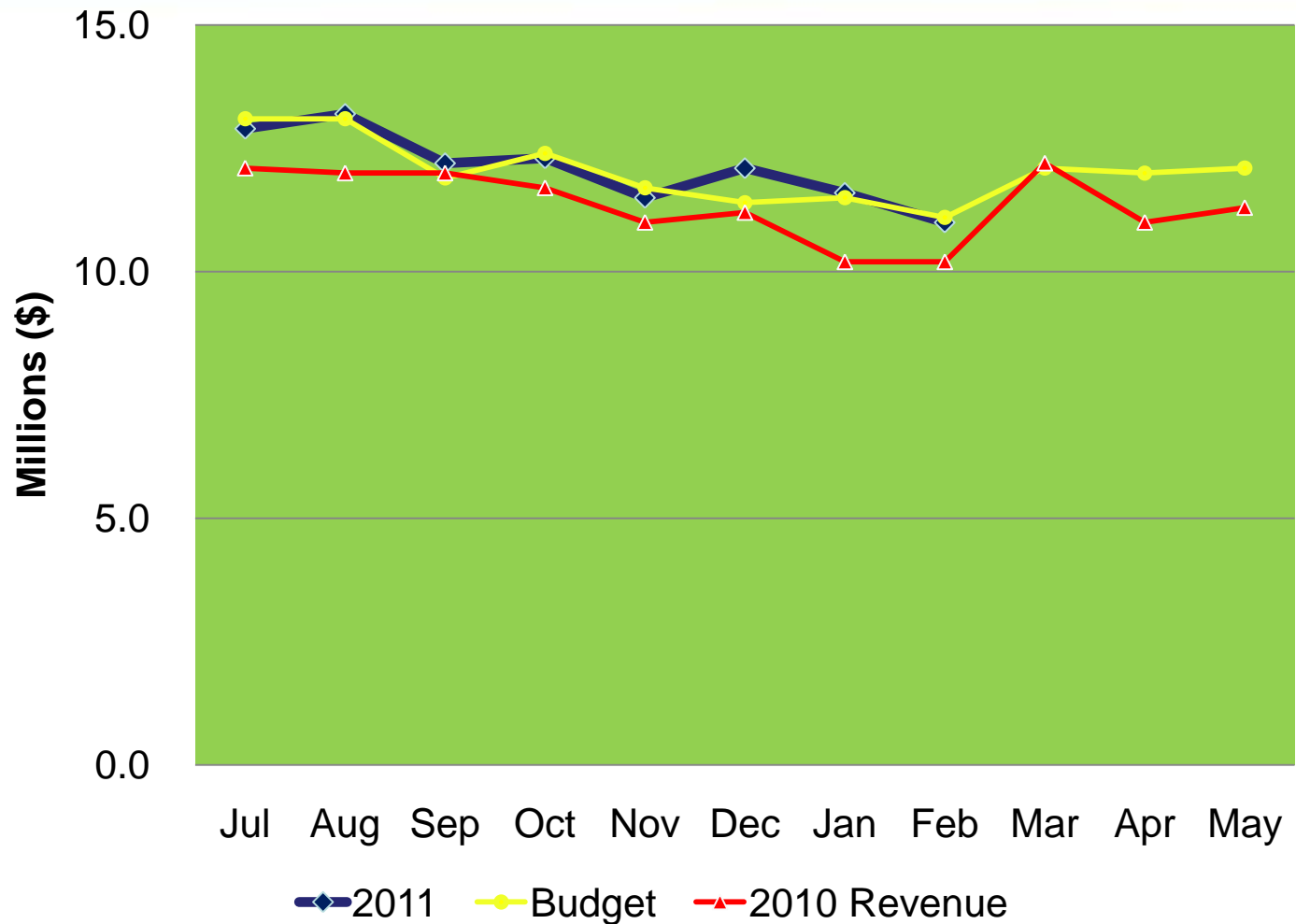
Revenues and Expenses (Unaudited)

For the eight months ended February 28, 2011



Monthly Operating Revenue, FY 2011

(Unaudited)



Operating Revenues

For the Eight Months Ended February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 12,683	\$ 12,364	\$ (319)	(3)%	\$ 12,820
Aircraft parking fees	1,884	1,960	76	4%	2,290
Building rentals	18,513	18,647	134	1%	17,078
Security surcharge	9,857	9,911	54	1%	8,019
Other aviation revenue	1,054	1,064	10	1%	1,053
Total aviation revenue	\$ 43,991	\$ 43,946	\$ (45)	-	\$ 41,260

Operating Revenues

For the Eight Months Ended February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 579	\$ 585	\$ 6	1%	\$ 527
Concession revenue:					
Terminal concession revenue:					
Food and beverage	3,961	4,030	69	2%	4,048
Gifts and news	2,535	2,523	(12)	-	2,411
Other	1,899	1,942	43	2%	1,770
Total terminal concession revenue	8,395	8,495	100	1%	8,229
Car rental and license fee revenue:					
Rental car license fees	13,851	14,142	291	2%	13,117
License fees-other	2,089	1,769	(320)	(15)%	1,845
Total rental car and license fees	15,940	15,911	(29)	-	14,962
Total concession revenue	\$ 24,335	\$ 24,406	\$ 71	-	\$ 23,191

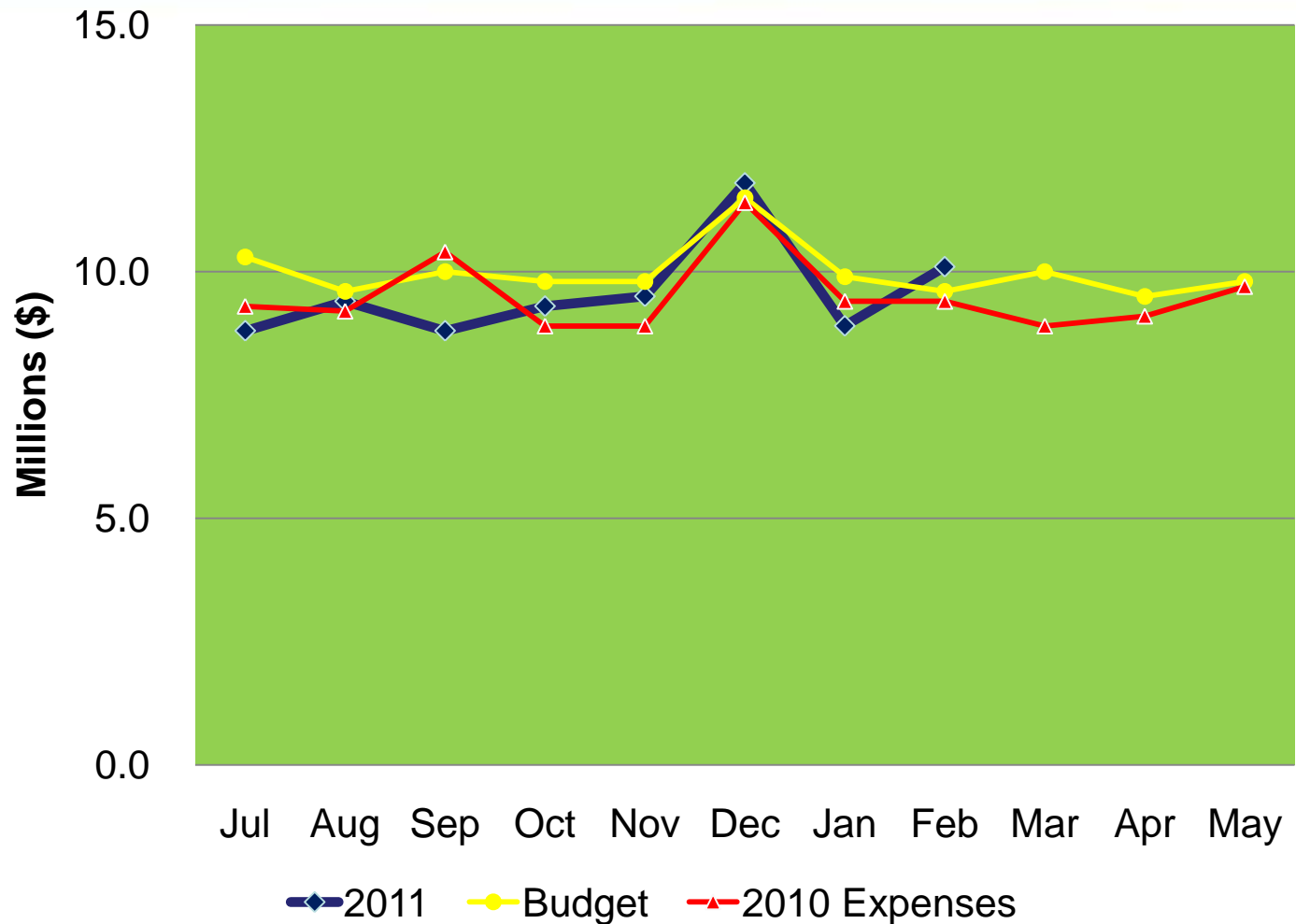
Operating Revenues

For the Eight Months Ended February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
On-airport parking revenue	\$ 13,065	\$ 13,365	\$ 300	2%	\$ 12,516
Off-airport parking revenue	8,457	7,533	(924)	(11)%	7,460
Total parking revenue	21,522	20,898	(624)	(3)%	19,976
Ground transportation permits and citations	361	556	195	54%	272
Ground rentals	4,139	5,400	1,261	30%	3,958
Grant reimbursements	732	463	(269)	(37)%	872
Other operating revenue	481	522	41	9%	303
Subtotal	27,235	27,839	604	2%	25,381
Total operating revenues	\$ 96,140	\$ 96,776	\$ 636	1%	\$ 90,359

Monthly Operating Expenses, FY 2011

(Unaudited)



Operating Expenses

For the Eight Months Ended

February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 25,211	\$ 24,910	\$ 301	1%	\$ 23,245
Contractual services	19,488	17,253	2,235	11%	18,381
Safety and security	13,510	13,778	(268)	(2)%	13,444
Space rental	7,271	7,271	0	-	7,268
Utilities	4,800	4,295	505	11%	4,518
Maintenance	5,484	5,114	370	7%	6,007
Equipment and systems	352	320	32	9%	296
Materials and supplies	259	204	55	21%	270
Insurance	815	720	95	12%	785
Employee development and support	921	633	288	31%	556
Business development	1,416	1,095	321	23%	1,257
Equipment rental and repairs	956	1,013	(57)	(6)%	984
Total operating expenses	\$ 80,483	\$ 76,606	\$ 3,877	5%	\$ 77,011

Financial Summary

For the Eight Months Ended February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 96,140	\$ 96,776	\$ 636	1%	\$ 90,359
Total operating expenses	80,483	76,606	3,877	5%	77,011
Income from operations	15,657	20,170	4,513	29%	13,348
Depreciation	33,879	32,555	1,324	4%	26,558
Operating income (loss)	\$ (18,222)	\$ (12,385)	\$ 5,837	32%	\$ (13,210)

Nonoperating Revenues and (Expenses)

For the Eight Months Ended

February 28, 2011 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 22,468	\$ 21,542	\$ (926)	(4)%	\$ 21,662
Customer facility charges (ConRAC Facility)	6,812	7,107	295	4%	6,971
Quieter Home Program	(2,384)	(2,200)	184	8%	(1,482)
Interest income	3,988	3,826	(162)	(4)%	4,966
BAB interest rebate	-	2,026	2,026	-	-
Interest expense	(3,479)	(7,594)	(4,115)	(118)%	(1,788)
Bond amortization cost	(97)	252	349	360%	(49)
Other nonoperating revenue (expenses)	(27)	1,438	1,465	-	(1,604)
Nonoperating revenue, net	27,281	26,397	(884)	(3)%	28,676
Income before grant contributions	9,059	14,012	4,953	55%	15,466
Capital grant contributions	24,915	18,424	(6,491)	(26)%	11,283
Net income	\$ 33,974	\$ 32,436	\$ (1,538)	(5)%	\$ 26,749

Balance Sheets (Unaudited)

ASSETS

	(In thousands)	
	February	
	2011	2010
Current assets:		
Cash and investments	\$ 98,461	\$ 87,778
Tenant lease receivable, net of allowance of 2011: \$30,980 and 2010: \$164,634	5,028	4,580
Grants receivable	7,670	3,799
Notes receivable-current portion	1,613	1,607
Prepaid expenses and other current assets	10,610	10,646
Total current assets	123,382	108,410
Cash designated for capital projects and other	\$ 4,570	\$ 12,567

Balance Sheets (Unaudited)

ASSETS

(In thousands)

February

2011

2010

Restricted assets:

Cash and investments:

Bonds reserve

\$ 45,708 \$ 47,303

Passenger facility charges and interest unapplied

63,870 54,660

Customer facility charges and interest applied*

16,531 7,389

Commercial paper reserve

168 117

SBD bond guarantee

4,000 4,000

Bond proceeds held by trustee

417,938 5,441

Commercial paper interest held by trustee

71 13

Passenger facility charges receivable

4,420 4,506

Customer facility charges receivable*

874 913

OCIP insurance reserve

6,400 5,282

Total restricted assets

\$ 559,980 \$ 129,624

*ConRAC Facility

Balance Sheets (Unaudited)

ASSETS

	(In thousands)	
	February	
	<u>2011</u>	<u>2010</u>
Noncurrent assets:		
Capital assets:		
Land and land improvements	\$ 23,454	\$ 23,582
Runways, roads and parking lots	236,707	229,205
Buildings and structures	463,760	423,193
Machinery and equipment	10,218	7,771
Vehicles	5,367	4,983
Office furniture and equipment	30,098	24,883
Works of art	2,411	2,257
Construction-in-progress	281,253	174,511
Total capital assets	1,053,268	890,385
Less: accumulated depreciation	(491,415)	(449,945)
Total capital assets, net	\$ 561,853	\$ 440,440

Balance Sheets (Unaudited)

ASSETS

(In thousands)

February

Other assets:

Notes receivable - long-term portion

Investments - long-term portion

Deferred costs - bonds (net)

Net pension asset

Total other assets

Total noncurrent assets

TOTAL ASSETS

	2011	2010
\$	43,541	\$ 45,212
	10,765	3,992
	5,098	811
	7,946	3,817
	67,350	53,832
	629,203	494,272
	\$ 1,317,135	\$ 744,873

Balance Sheets (Unaudited)

LIABILITIES AND NET ASSETS

(In thousands)

February

2011

2010

Current liabilities:

Accounts payable and accrued liabilities

\$ 51,506 \$ 40,186

Deposits and other current liabilities

3,728 3,573

Total current liabilities

55,234 43,759

Current liabilities - payable from restricted assets:

Current portion of long-term debt

4,725 3,105

Accrued interest on bonds
and commercial paper

5,715 491

Total liabilities payable from restricted assets

\$ 10,440 \$ 3,596



Balance Sheets (Unaudited)

LIABILITIES AND NET ASSETS

	(In thousands)	
	February	
	2011	2010
Long-term liabilities - other:		
Commercial paper notes payable	\$ 21,509	\$ 114,430
Deferred rent liability	316	854
Other long-term liabilities	1,189	1,125
Long-term debt - bonds net of amortized premium	635,558	41,177
Total long-term liabilities	658,572	157,586
Total liabilities	\$ 724,246	\$ 204,941

Balance Sheets (Unaudited)

LIABILITIES AND NET ASSETS

	(In thousands)	
	February	
	2011	2010
Authority net assets:		
Invested in capital assets, net of related debt	\$ 317,655	\$ 282,298
Other restricted	152,208	132,729
Unrestricted:		
Designated	16,517	20,384
Undesignated	106,509	104,521
Total net assets	592,889	539,932
TOTAL LIABILITIES AND NET ASSETS	\$ 1,317,135	\$ 744,873

Questions

