



**Annual Report
for the Fiscal Year Ended June 30, 2010**

Relating to:

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

\$56,270,000 Airport Revenue Refunding Bonds, Series 2005

\$313,150,000 Subordinate Airport Revenue Bonds, Series 2010A (Non-Amt)

\$44,055,000 Subordinate Airport Revenue Bonds, Series 2010B (Non-Amt)

\$215,360,000 Subordinate Airport Revenue Bonds, Series 2010C (Federally Taxable – Build America Bonds – Direct Payment To Issuer)

Dated as of:

December 27, 2010

This Annual Report (this “Report”) is being furnished by the San Diego County Regional Airport Authority (the “Authority”) to provide updated financial and operating information of the Authority of the type included in the final official statements for the:

- \$56,270,000 aggregate principal amount of Revenue Refunding Bonds, Series 2005 (the “Series 2005 Bonds”);
- \$313,150,000 aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2010A (the “Series 2010A Bonds”);
- \$44,055,000 aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2010B (the “Series 2010B Bonds”);
- \$215,360,000 aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2010C (the “Series 2010C Bonds” and, collectively with the Series 2010A Bonds and Series 2010B Bonds, the “Series 2010 Bonds”). The Series 2005 Bonds and the Series 2010 Bonds are referred to in this Report as the “Bonds.”

This Report is provided pursuant to covenants made by the Authority in connection with the issuance of: (i) the Series 2005 Bonds pursuant to that certain Continuing Disclosure Certificate of the Authority dated November 9, 2005 (the “2005 Continuing Disclosure Certificate”) and (ii) the Series 2010 Bonds pursuant to that certain Continuing Disclosure Certificate of the Authority dated October 5, 2010 (the “2010 Continuing Disclosure Certificate”) and, together with the 2005 Continuing Disclosure Certificate, the “Continuing Disclosure Certificates”).

Official Statements and Prior Reports

For further information and a more complete description of the Authority and the Bonds, reference is made to the Official Statement for the Series 2005 Bonds (the “2005 Official Statement”), the Official Statement for the Series 2010 Bonds (the “2010 Official Statement”) and the Authority’s previous Continuing Disclosure Reports beginning with the report for the Fiscal Year ended June 30, 2006 (the “Prior Reports”), respectively, each of which are incorporated by reference in this Report and all of which speak only as of their respective dates. The 2005 Official Statement and the 2010 Official Statement are together referred to in this Report as the “Official Statements.” Capitalized terms used but not defined in this Report have the meanings given to them in the Official Statements and the Continuing Disclosure Certificates.

This Report contains financial and operating information updating certain information contained in the Official Statements issued in conjunction with the Bonds. Reference is made to the Authority's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2010, including the Financial Report and Independent Auditor's Report included therein (collectively, the "CAFR"), a copy of which is filed with and hereby made part of this Report. Due to its date of publication, certain information contained in this Report is more current than some of the information contained in the CAFR, including but not limited to the unaudited information therein.

Pursuant to the Continuing Disclosure Certificates, the Authority is obligated to provide only the information specified therein. The tables contained in this Report reference and update tables in the Official Statements. To the extent the Authority provides information in this Report that the Authority is not obligated under the Continuing Disclosure Certificates to present or update, such as that contained in the section hereof entitled "Recent Developments," the Authority is not obligated to present or update such information in future annual reports.

The Bonds are special obligations of the Authority, payable solely from and secured by a pledge of net revenues derived by the Authority from the operations of the Airport System and certain limited funds and accounts held by the trustee under the Indenture. None of the properties of the airport system is subject to any mortgage or other lien for the benefit of the owners of the Bonds, and neither the full faith and credit nor the taxing power of the Authority (if any), the City of San Diego (the "City"), the County of San Diego, the State of California or any political subdivision or agency of the State of California is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

By providing the information in this Report, the Authority does not imply or represent (a) that all information provided in this Report is material to investors' decisions regarding investment in the Bonds, (b) the completeness or accuracy of any financial, operational or other information not included in this Report or in the Official Statements, (c) that no changes, circumstances or events have occurred since the end of the Fiscal Year ended June 30, 2010 (other than as contained in this Report), or (d) that no other information exists which may have a bearing on the Authority's financial condition, the security for the Bonds or an investor's decision to buy, sell or hold the Bonds.

No statement contained in this Report should be construed as a prediction or representation about future financial performance of the Authority. Historical results presented in this Report, including the historical financial and enplanement figures contained in this Report, may not be indicative of future operating results.

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Recent Developments

Pension and Retirement Plans

For a discussion of the Authority Pension Plan, investors are referred to “FINANCIAL INFORMATION – Pension and Retirement Plans” in the 2010 Official Statement, which has been filed with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access website and may be obtained at www.emma.msrb.org.

Based on the most recent actuarial valuation of the Authority Pension Plan, dated as of January 8, 2010, performed by Cheiron, Inc., the actuarial valuation of the Authority Pension Plan assets was approximately \$58,981,105 as of June 30, 2009. For the Fiscal Year ended June 30, 2009, an actuarial smoothing method on the market value that dampens volatility was employed to determine the actuarial valuation of the Authority Pension Plan assets. Such valuation reflected an actuarial accrued liability of approximately \$67,870,945 using the entry-age normal method of valuation, and a funding ratio of approximately 86.9%. For the June 30, 2009 valuation, the actuarial valuation of the Authority Pension Plan assets was determined using an expected asset value methodology which consists of 100% of the expected asset value plus 25% of the difference between the current market value and the expected asset value. The Board approved a resolution in December 2006 directing the Authority to maintain the Authority Pension Plan funding level at a minimum of 95%. In June 2010, the Board amended its direction to the Authority by providing that the Authority Pension Plan funding level should be instead maintained at a minimum of 90%, with a corresponding strategy to incrementally improve the funding level to a 95% target/goal. In order to meet the 90% minimum funding level, in June 2010, the Authority made an additional \$4.6 million contribution to the Authority Pension Plan. For Fiscal Years 2008 and 2009, the Authority’s funding level was 102.3% and 86.9%, respectively. While the actuarial valuation for the Fiscal Year ended June 30, 2010 is not expected to be completed until January 2011, the San Diego City Employees’ Retirement System (“SDCERS”) estimates that the Authority’s funding level as of that date will be at 90% or higher.

Prior to April 16, 2004, employees of the Authority were authorized to purchase service credits (“PSCs”) priced by SDCERS at a flat rate of 15% of salary for each year purchased. On April 16, 2004, SDCERS increased the rates for PSCs to 32% of salary to correct pricing of future PSCs, consistent with Authority Pension Plan requirements. The SDCERS Board delayed implementation of the new rates and continued to offer PSC agreements at the old rates until June 30, 2004 (the “Window Period”). The underfunding resulted in certain unfunded actuarial liabilities. The Authority Pension Plan, like the pension plan for the City, is administered by SDCERS, and similar actions were taken by SDCERS in connection with its administration of PSCs for the City. After receiving input from its actuary and fiduciary counsel, on November 15, 2007, the SDCERS Board considered the effect of prior PSC pricing and determined that the underpriced PSCs would be allowed to continue at their original price. On November 20, 2007, the City filed suit against SDCERS, objecting to SDCERS’s attempts to recover, from the City, underfunded amounts created by the underpriced PSCs. The Authority did not join the suit.

On June 7, 2010, the Fourth District Court of Appeal issued a ruling in *City of San Diego v. San Diego City Employees’ Retirement System*, 186 Cal. App. 4th 69 (2010) (“*San Diego v. SDCERS*”). The Court found that, based on the City’s Municipal Code and the City Charter, SDCERS’s attempt to require the City to pay for the underfunding of PSCs during the Window Period was contrary to law and exceeded SDCERS’s authority, that governing legislation passed by the City specifically dictated that the cost to purchase PSCs be the amount determined to be both the employee and the employer (plan sponsor) cost for that service, and that SDCERS was not permitted by law to delay implementation of the new rates once it determined a new rate

While the Court’s findings are not directly applicable to Authority employees who purchased PSCs, as described above, SDCERS’s administration of PSCs for the City was similar to SDCERS’s administration of PSCs for the Authority. Based on the findings of the Court in *San Diego v. SDCERS*, SDCERS has informed the Authority that the PSCs for Authority employees may be similarly affected due to the pricing of the PSCs not complying with the requirements of the Authority Pension Plan.

SDCERS has advised the Authority that approximately 40 Authority employees purchased PSCs at rates that were too low. SDCERS has not determined at this time whether, or to what extent, the Authority Pension Plan may or may not be underfunded as a result of the purchase of PSCs by such employees. SDCERS has indicated that the Internal Revenue Service requires that SDCERS collect underfunding from some source so that the trust fund is made whole. SDCERS is attempting to undertake corrective actions to comply with the requirements of the Authority Pension Plan and the SDCERS Board has presented various options for reconciling the unfunded

amounts, each of which assume that the Authority will not pay the underfunding amount. No assurance can be given that the amount of any underfunding to the Authority Pension Plan based on these PSCs will not be material.

Updated Tables

Except as provided in this Report, the financial and operating information required to be included in this Report pursuant to the Continuing Disclosure Certificates for the Fiscal Year ended June 30, 2010 may be found in the 2010 Official Statement. The following tables included in the 2010 Official Statement are incorporated in this Report by reference:

1. Table 3 — San Diego County Regional Airport Authority, Future Rental Commitments⁽¹⁾
2. Table 4 — San Diego International Airport, Air Carriers Serving San Diego International Airport⁽²⁾
3. Table 7 — San Diego International Airport, Historical Enplaned and Deplaned Freight and U.S. Mail Cargo⁽³⁾
4. Table 8 — San Diego International Airport, Enplanements by Air Carriers⁽⁴⁾
5. Table 11 — San Diego County Regional Airport Authority, Investments⁽⁵⁾

The following tables contain information that has been updated since the date of the 2010 Official Statement.

⁽¹⁾ Shown as Table 1 “San Diego International Airport, Future Rental Commitments” in the 2005 Official Statement.

⁽²⁾ Shown as Table 2 “San Diego International Airport, Air Carriers Serving San Diego International Airport” in the 2005 Official Statement.

⁽³⁾ Shown as Table 5 “San Diego International Airport, Historical Mail, Freight and Express Air Cargo” in the 2005 Official Statement.

⁽⁴⁾ Shown as Table 4 “San Diego International Airport, Historical Airline Enplanements” in the 2005 Official Statement.

⁽⁵⁾ Shown as Table 9 “San Diego County Regional Airport Authority, Investments” in the 2005 Official Statement.

The following table sets forth the total domestic and international enplanements at SDIA for the last five Fiscal Years.

**SAN DIEGO INTERNATIONAL AIRPORT
TOTAL ENPLANEMENTS*
FISCAL YEARS 2006-2010**

Fiscal Year	Domestic		International ⁽¹⁾		Total Enplanements	
	Enplanements	Percent of Total	Enplanements	Percent of Total	Enplanements	Percent Change
2006	8,690,765	99.3%	58,969	0.7%	8,749,734	--
2007	8,797,153	98.9	94,916	1.1	8,892,069	1.6
2008	9,302,073	99.1	87,254	0.9	9,389,327	5.6
2009	8,479,221	99.3	56,553	0.7	8,535,774	(9.1)
2010	8,339,147	98.6	114,739	1.4	8,453,886	(1.0)

* Shown as Table 5 "Total Enplanements" in the 2010 Official Statement. Not included in the 2005 Official Statement.

⁽¹⁾ International enplanements include enplanements by foreign air carriers serving SDIA, as well as periodic international enplanements reported by domestic air carriers serving SDIA.

Source: San Diego County Regional Airport Authority

The following table sets forth total revenue operations (landings and takeoffs) and total enplaned and deplaned passengers at SDIA for Fiscal Years 2006 through 2010:

**SAN DIEGO INTERNATIONAL AIRPORT
AIR TRAFFIC DATA*
FISCAL YEARS 2006-2010**

Fiscal Year	Total Operations	Operations Growth	Total Passengers ⁽¹⁾	Passenger Growth
2006	226,752	--	17,483,516	--
2007	225,444	(0.6)%	17,753,839	1.5%
2008	240,289	6.6	18,771,550	5.7
2009	208,783	(13.1)	17,073,818	(9.0)
2010	194,509	(6.8)	16,917,595	(0.9)

* Shown as Table 3 "Air Traffic Data" in the 2005 Official Statement and as Table 6 "Air Traffic Data" in the 2010 Official Statement.

⁽¹⁾ Enplaned and deplaned passengers. International passenger traffic has historically accounted for less than 1% of total passenger traffic.

Source: San Diego County Regional Airport Authority

The following table sets forth the total revenue landed weight for the 15 largest air and cargo carriers serving SDIA for the last five Fiscal Years, ranked on Fiscal Year 2010 results:

**SAN DIE GO INTERNATIONAL AIRPORT
TOTAL REVENUE LANDED WEIGHT⁽¹⁾⁽²⁾
FISCAL YEARS 2006-2010
(TOP 15 RANKED ON FISCAL YEAR 2010 RESULTS)
(IN THOUSANDS OF LBS.)**

Airline	2006	2007	2008	2009	2010	2010% of Total
Southwest ⁽³⁾	3,768,374	3,956,170	4,416,996	4,415,780	4,068,974	37.4%
United ⁽⁴⁾	1,269,465	1,270,371	1,222,906	1,148,637	1,249,030	11.5
Delta	1,165,956	1,124,244	1,173,864	1,007,769	1,101,367	10.1
American	1,089,872	961,143	890,796	848,513	766,151	7.0
US Airways	250,303	391,358	713,030	684,354	626,510	5.8
Continental ⁽⁴⁾	497,929	533,322	538,786	521,842	514,981	4.7
Alaska	616,552	668,390	612,282	535,410	511,813	4.7
Federal Express	445,744	456,152	447,636	402,665	400,303	3.7
American Eagle ⁽⁵⁾	338,424	321,712	280,234	280,413	254,088	2.3
Frontier ⁽⁶⁾	246,749	283,898	287,387	237,274	227,848	2.1
Virgin America	--	--	3,122	221,333	205,348	1.9
JetBlue	174,337	175,333	288,239	297,340	201,071	1.8
SkyWest ⁽⁷⁾	251,902	246,559	195,777	219,416	176,862	1.6
Hawaiian	145,920	211,840	235,200	137,145	121,600	1.1
Express Jet ⁽⁸⁾	0	34,384	273,655	39,136	0	0.0
Others	<u>1,343,346</u>	<u>1,139,082</u>	<u>921,581</u>	<u>499,731</u>	<u>466,921</u>	<u>4.3</u>
Total	<u>11,604,873</u>	<u>11,773,958</u>	<u>12,501,491</u>	<u>11,496,758</u>	<u>10,892,867</u>	<u>100.0%</u>
Annual % Change	-	1.5%	6.2%	(8.0%)	(5.3%)	

* Shown as Table 6 "Total Revenue Landed Weight" in the 2005 Official Statement and as Table 9 "Total Revenue Landed Weight" in the 2010 Official Statement.

(1) For those airlines that were party to a completed merger or acquisition and operate under a single FAA certificate, only the surviving entity is presented in this table. However, the activity for the airlines that are now a part of the surviving airline is included in the information presented.

(2) Totals may not add due to rounding.

(3) In 2010, the respective Boards of Directors of Southwest and AirTran approved Southwest's acquisition of AirTran. The acquisition is subject to government and shareholder approval. Until the acquisition is complete, Southwest and AirTran will operate as separate airlines.

(4) In 2010, the respective Boards of Directors and shareholders of United and Continental approved a merger of the two airlines, with operation under the United Airlines name. This merger was consummated on October 1, 2010. Although the merger is complete, United and Continental have announced that they intend to continue to operate as separate airlines until their operations have been fully integrated.

(5) An affiliate of and doing business as American Airlines.

(6) Frontier Airlines Inc. emerged from bankruptcy on October 1, 2009 when Republic Airways Holdings, Inc. completed its acquisition of Frontier Airlines Holdings, Inc. Frontier Airlines continues to operate under the same name.

(7) An affiliate of and doing business as United Express and Delta Connection.

(8) Express Jet initiated scheduled service from SDIA in May 2007 and ceased scheduled service from SDIA in September 2008.

Source: San Diego County Regional Airport Authority

The following table summarizes the financial results from operations for the Authority for Fiscal Years 2006 through 2010 (derived from audited financial statements):

**SAN DIEGO INTERNATIONAL AIRPORT
HISTORICAL OPERATING STATEMENTS*
(DOLLARS IN THOUSANDS)⁽¹⁾
FISCAL YEARS 2006-2010**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Operating revenue:					
Aviation revenue					
Landing fees	\$ 22,243	\$ 24,006	\$ 24,763	\$ 18,689	\$ 18,672
Aircraft parking fees	-	-	-	3,222	3,406
Building rentals	21,137	22,495	24,265	23,057	23,835
Security surcharge	7,759	8,441	8,618	10,204	11,900
Other aviation revenue	1,868	1,757	1,808	1,565	1,584
Concession revenue	29,362	34,201	38,785	36,280	36,249
Parking and ground transportation revenue	26,904	28,392	31,038	31,492	30,296
Ground rentals	5,505	4,994	5,207	5,776	5,923
Other operating revenue	4,717	1,080	1,197	693	1,829
Total operating revenue	<u>119,495</u>	<u>125,366</u>	<u>135,682</u>	<u>130,977</u>	<u>133,695</u>
Operating expenses:					
Salaries and benefits	26,847	28,333	32,912	34,741	35,386
Contractual services	30,970	26,391	27,378	27,465	27,999
Safety & security	14,777	15,946	19,110	19,930	20,131
Space rental	11,353	10,842	10,901	10,888	10,906
Utilities	5,416	6,421	6,429	6,912	6,871
Maintenance	5,390	8,393	8,735	8,002	9,231
Equipment and systems	736	980	1,333	678	891
Material and supplies	591	761	795	641	413
Insurance	1,162	1,999	1,227	1,096	1,166
Employee development & support	906	909	1,035	1,030	990
Business development	2,325	2,096	2,733	2,509	2,033
Equipment rental and repair	882	1,479	1,396	1,387	1,271
Total operating expenses before depreciation and amortization	<u>101,356</u>	<u>104,551</u>	<u>113,985</u>	<u>115,278</u>	<u>117,288</u>
Income from operations before depreciation and amortization	18,139	20,816	21,697	15,699	16,407
Depreciation and amortization	<u>31,559</u>	<u>33,468</u>	<u>36,765</u>	<u>38,196</u>	<u>42,424</u>
Operating income (loss)	<u>(13,420)</u>	<u>(12,652)</u>	<u>(15,067)</u>	<u>(22,498)</u>	<u>(26,018)</u>
Non-operating revenues (expenses):					
Passenger facility charges	34,981	36,452	37,401	33,219	34,049
Customer facility charges	-	-	-	1,695	10,783
Quieter Home Program, net	(1,596)	(3,212)	(4,954)	(5,753)	(1,873)
Interest income	9,306	11,969	13,432	9,434	6,667
Interest expense	(4,809)	(4,683)	(4,086)	(2,998)	(2,684)
Other non-operating revenue, net	964	(3,282)	12	316	(1,004)
Net non-operating revenue	<u>38,846</u>	<u>37,245</u>	<u>41,806</u>	<u>35,913</u>	<u>45,937</u>
Income before capital grant contributions	25,426	24,593	26,738	13,416	19,919
Capital grant contributions	<u>12,145</u>	<u>7,150</u>	<u>2,850</u>	<u>4,646</u>	<u>27,350</u>
Change in net assets	37,571	31,742	29,588	18,061	47,270
Net assets, beginning of year	<u>396,220</u>	<u>433,791</u>	<u>465,533</u>	<u>495,121</u>	<u>513,183</u>
Net assets, end of year	<u>\$433,791</u>	<u>\$465,533</u>	<u>\$495,121</u>	<u>\$513,183</u>	<u>\$560,452</u>

* Shown as Table 10 "Historical Operating Statements" in the 2005 Official Statement and as Table 12 "Historical Operating Statements" in the 2010 Official Statement.

⁽¹⁾ Totals may not add due to rounding.

Source: San Diego County Regional Airport Authority

The following table sets forth the top ten operating revenue providers at SDIA for Fiscal Year 2010.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TOP TEN OPERATING REVENUE PROVIDERS*
FISCAL YEAR 2010**

Revenue Provider	Revenues	Percent of Total Operating Revenue
1. Southwest Airlines ⁽¹⁾	\$19,428,103	14.6%
2. Host International	9,907,860	7.4
3. United Airlines ⁽²⁾	7,905,284	5.9
4. American Airlines	7,693,564	5.6
5. Delta Air Lines	6,663,671	5.0
6. Hertz Rent-A-Car	5,861,737	4.4
7. US Airways	3,756,383	2.8
8. Continental Airlines ⁽²⁾	3,502,608	2.6
9. Avis Budget Rent-A-Car Group	3,378,607	2.5
10. Alaska Airlines	2,951,554	2.2

* Shown as Table 13 "Top Ten Operating Revenue Providers" in the 2010 Official Statement. Not included in the 2005 Official Statement.

⁽¹⁾ In 2010, the respective Boards of Directors of Southwest and AirTran approved Southwest's acquisition of AirTran. The acquisition is subject to government and shareholder approval. Until the acquisition is complete, Southwest and AirTran will operate as separate airlines.

⁽²⁾ In 2010, the respective Boards of Directors and shareholders of United and Continental approved a merger of the two airlines, with operation under the United Airlines name. This merger was consummated on October 1, 2010. Although the merger is complete, United and Continental have announced that they intend to continue to operate as separate airlines until their operations have been fully integrated.

Source: San Diego County Regional Airport Authority

The following table sets forth the top ten top ten revenue sources at SDIA for Fiscal Year 2010.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TOP TEN OPERATING REVENUE SOURCES*
FISCAL YEAR 2010**

Source	Revenue
1. Parking	\$29,975,204
2. Terminal Rent-Airlines ⁽¹⁾	22,971,092
3. Car Rental License Fees ⁽²⁾	20,968,694
4. Landing Fees	18,672,255
5. Security Surcharge	11,900,070
6. Food and Beverages	6,081,961
7. Ground Rent	5,923,301
8. News/Retail	3,614,299
9. Aircraft Parking Fees	3,406,012
10. Advertising, ATM Smarte Carte	2,758,175

* Shown as Table 14 "Top Ten Operating Revenue Sources" in the 2010 Official Statement. Not included in the 2005 Official Statement.

⁽¹⁾ Includes FIS revenues.

⁽²⁾ Excludes CFC revenues, of which the Authority recorded the receipt of \$10,782,512 in Fiscal Year 2010.

Source: San Diego County Regional Airport Authority

The following table shows historical debt service coverage for Fiscal Years 2006 through 2010:

**SAN DIEGO INTERNATIONAL AIRPORT
HISTORICAL SENIOR DEBT SERVICE COVERAGE AND
HISTORICAL SUBORDINATE DEBT SERVICE COVERAGE*
FISCAL YEARS 2006-2010**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues ⁽¹⁾	\$ 123,308,672	\$ 133,924,976	\$ 144,379,133	\$ 138,334,601	\$ 138,113,792
Operating and Maintenance Expenses	<u>97,675,011</u>	<u>103,942,210</u>	<u>114,375,096</u>	<u>115,221,068</u>	<u>116,275,132</u>
Net Revenue Available for Debt Service	\$ <u>25,633,661</u>	\$ <u>29,982,766</u>	\$ <u>30,004,037</u>	\$ <u>23,113,533</u>	\$ <u>21,838,660</u>
Debt Service ⁽²⁾					
Principal	\$ 5,995,000 ⁽³⁾	\$ 2,670,000	\$ 2,805,000	\$ 2,950,000	\$ 3,105,000
Interest	<u>2,949,705⁽³⁾</u>	<u>2,665,725</u>	<u>2,532,225</u>	<u>2,391,975</u>	<u>2,244,475</u>
Total Debt Service	\$ <u>8,944,705⁽³⁾</u>	\$ <u>5,335,725</u>	\$ <u>5,337,225</u>	\$ <u>5,341,975</u>	\$ <u>5,349,475</u>
Debt Service Coverage	2.87x	5.62x	5.62x	4.33x	4.08x

* Shown as Table 11 "Historical Debt Service Coverage" in the 2005 Official Statement and as Table 15 "Historical Senior Debt Service Coverage" in the 2010 Official Statement.

⁽¹⁾ Does not include grants which are otherwise included in the definition of Revenues. Grants which are not otherwise restricted by their terms to the payment of debt service on Senior Bonds and/or Subordinate Obligations are included in the definition of Revenues.

⁽²⁾ Senior Debt Service is calculated pursuant to the provisions of the Master Senior Indenture.

⁽³⁾ Includes principal of and interest paid on the California Maritime Infrastructure Authority Airport Revenue Bonds (San Diego Unified Port District Airport Project – Lindbergh Field), Series 1995 (which were fully defeased on November 9, 2005), and principal and interest funded on the Senior Series 2005 Bonds.

Source: San Diego County Regional Airport Authority

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The following table presents the historical airline costs (landing fees, terminal building rentals, airport police/security reimbursement fees and fuel and other franchise fees) of operating at SDIA for the past five Fiscal Years:

**SAN DIEGO INTERNATIONAL AIRPORT
AIRLINE DERIVED REVENUE PER PASSENGER⁽¹⁾
FISCAL YEARS 2006-2010**

<u>Airline Revenues</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Landing Fees	\$ 22,242,806	\$ 24,006,493	\$ 24,763,236	\$ 18,677,650	\$ 18,656,620
Aircraft Parking Fees ⁽²⁾	0	0	0	3,189,492	3,382,020
Terminal Rentals	20,487,300	21,880,249	23,569,899	22,046,636	22,868,249
FIS Use Charges	0	0	0	148,035	102,843
Security Surcharge	7,758,983	8,440,960	8,618,400	10,203,808	11,900,070
Other Aviation Revenue ⁽³⁾	<u>1,867,678</u>	<u>1,756,782</u>	<u>1,807,979</u>	<u>0</u>	<u>0</u>
Total Airline Revenue	\$ <u>52,356,767</u>	\$ <u>56,084,484</u>	\$ <u>58,759,514</u>	\$ <u>54,265,621</u>	\$ <u>56,909,803</u>
Enplaned Passengers	8,749,734	8,892,069	9,389,327	8,535,774	8,453,886
Airline Derived Revenue Per Passenger	\$5.98	\$6.31	\$6.26	\$6.36	\$6.73

* Shown as Table 12 "Airline Derived Revenue Per Passenger" in the 2005 Official Statement and as Table 16 "Airline Derived Revenue Per Passenger" in the 2010 Official Statement.

(1) Totals may not add due to rounding.

(2) Amount excludes general aviation remote overnight parking.

(3) Includes revenue received for fuel franchise fees/capital recovery, tunnel fees, and loading bridges. Beginning in Fiscal Year 2009, other aviation revenue is excluded in accordance with the terms of the Airline Lease Agreements.

Source: San Diego County Regional Airport Authority

The following table sets forth a summary of the Authority's approved PFC applications through June 30, 2010. Additionally, on November 24, 2010, the Authority received approval from the FAA to impose and use \$1,118,567,229 of PFC revenues to finance a portion of the costs of the Green Build Program.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVED PFC APPLICATIONS*
AS OF JUNE 30, 2010**

<u>PFC Application</u>	<u>Approval Date</u>	<u>Amended Approval Amount^{(1),(2)}</u>
1	1995	\$104,716,731
2	1998	51,152,839
3	2003	83,075,730
4 ⁽³⁾	2005	110,064,925
5	2008	26,301,763
7	2009	85,181,950
Total		<u>\$460,493,938</u>

* Shown as Table 19 "Approved PFC Applications" in the 2010 Official Statement. Not included in the 2005 Official Statement.

(1) Includes the amount of PFCs the FAA has authorized the Authority to collect at SDIA.

(2) Authorization to collect PFCs under all of the applications and amendments expires on October 1, 2012; however, such authorization to collect PFCs could expire earlier if the total authorized amount is collected prior to October 1, 2012.

(3) The Authority received authorization to collect \$110,064,925 of PFCs under the 4th PFC Application, but only received authorization to use \$64,964,925 of such PFCs. The Authority has a 6th PFC Application pending with the FAA seeking authorization to use the remaining \$45.1 million of PFCs approved for collection under the 4th PFC Application.

Source: San Diego County Regional Airport Authority

The following table sets forth the amount of PFCs received by the Authority in Fiscal Years 2006 through 2010.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
ANNUAL RECEIPT OF PFCs⁽¹⁾
FISCAL YEARS 2006-2010**

<u>Fiscal Year</u>	<u>PFCs Collected</u>
2006	\$34,981,343
2007	36,452,013
2008	37,401,373
2009	33,219,261
2010	34,048,981

* Shown as Table 20 "Annual Receipt of PFCs" in the 2010 Official Statement. Not included in the 2005 Official Statement.

⁽¹⁾ The information in this table is presented on an accrual basis.

Source: San Diego County Regional Airport Authority

Future Financings*

The Authority does not anticipate any new financings for the Fiscal Year ending June 30, 2011 other than pursuant to the Authority's existing commercial paper program. In addition, the Authority currently is reviewing plans to issue approximately \$450 million of Additional Senior Bonds and/or Additional Subordinate Obligations (exclusive of the Subordinate Series 2010 Bonds) through calendar year 2013, to, among other things, complete the Green Build Program and certain of the projects set forth in the 2011-15 CIP. The forecasts in the Financial Feasibility Report assume the issuance of Additional Senior Bonds and Additional Subordinate Obligations in Fiscal Years 2012 and 2013, respectively. See the 2010 Official Statement "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

During the Feasibility Consultant's projection period (through Fiscal Year 2016), the Authority may pursue additional capital projects beyond those described in the preceding paragraph and Additional Senior Bonds and/or Additional Subordinate Obligations may be issued to fund such additional projects. These projects and the funding therefor are not included in the projections included in the Financial Feasibility Report. See the 2010 Official Statement "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources." See also the Financial Feasibility Report contained in the 2010 Official Statement for a discussion of certain projects the Authority is considering undertaking. Additionally, the Authority continuously evaluates refunding opportunities and, when economically beneficial, may refund one or more Series of Senior Bonds and/or Subordinate Obligations.

Further Information

For additional information about the Authority, please see the Official Statements for the Bonds available from the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board. For further information regarding this Report, you may contact:

Mr. Vernon D. Evans, Vice President, Finance/CFO and Treasurer
San Diego County Regional Airport Authority
3225 North Harbor Drive
San Diego, California 92101

* Pursuant to Section 4(iii) of the 2005 Continuing Disclosure Certificate.