

San Diego County Regional Airport Authority



Financial Update for the
Nine Months Ended
March 31, 2012

Presented by:

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Vice President, Finance / Treasurer & CFO





May 3, 2012

Revenues & Expenses (Unaudited)
For the Nine Months Ended
March 31, 2012



Operating Revenues

for the Nine Months Ended March 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 14,802	\$ 14,833	\$ 31	-	\$ 13,867
Aircraft parking fees	2,273	2,401	128	6%	2,196
Building rentals	23,942	24,262	320	1%	20,950
Security surcharge	12,549	12,602	53	-	11,157
Other aviation revenue	1,185	1,197	12	1%	1,200
Total aviation revenue	\$ 54,751	\$ 55,295	\$ 544	1%	\$ 49,370

Operating Revenues

for the Nine Months Ended March 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 678	\$ 678	-	-	\$ 655
Concession revenue:					
Terminal concession revenue:					
Food and beverage	4,461	4,714	253	6%	4,564
Gifts and news	2,862	2,979	117	4%	2,845
Other	2,139	2,177	38	2%	2,088
Total terminal concession revenue	9,462	9,870	408	4%	9,497
Car rental and license fee revenue:					
Rental car license fees	16,476	17,652	1,176	7%	16,048
License fees-other	1,961	2,268	307	16%	1,989
Total rental car and license fees	18,437	19,920	1,483	8%	18,037
Total concession revenue	\$ 27,899	\$ 29,790	\$ 1,891	7%	\$ 27,534

Operating Revenues

for the Nine Months Ended March 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 5,786	\$ 3,516	\$ (2,270)	(39)%	\$ 5,025
Long-term parking revenue	18,493	18,338	\$ (155)	(1)%	18,425
Total parking revenue	\$ 24,279	\$ 21,854	\$ (2,425)	(10)%	\$ 23,450
Ground transportation permits and citations	1,069	991	(78)	(7)%	602
Ground rentals	4,978	5,040	62	1%	5,985
Grant reimbursements	161	254	93	58%	762
Other operating revenue	553	666	113	20%	573
Subtotal	31,040	28,805	(2,235)	(7)%	31,372
Total operating revenues	\$114,368	\$114,568	\$ 200	-	\$108,931




Operating Expenses

for the Nine Months Ended March 31, 2012 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 27,995	\$ 26,900	\$ 1,095	4%	\$ 27,891
Contractual services	20,195	19,940	255	1%	19,512
Safety and security	15,410	15,325	85	1%	15,430
Space rental	8,562	8,561	1	-	8,180
Utilities	5,011	5,118	(107)	(2)%	4,866
Maintenance	6,078	5,974	104	2%	6,021
Equipment and systems	264	107	157	59%	348
Materials and supplies	239	168	71	30%	235
Insurance	765	568	197	26%	810
Employee development and support	865	637	228	26%	711
Business development	1,909	1,557	352	18%	1,248
Equipment rental and repairs	1,310	1,126	184	14%	1,121
Total operating expenses	\$ 88,603	\$ 85,981	\$ 2,622	3%	\$ 86,373

Financial Summary

for the Nine Months Ended March 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$114,368	\$114,568	\$ 200	-	\$108,931
Total operating expenses	88,603	85,981	2,622	3%	86,373
Income from operations	25,765	28,587	2,822	11%	22,558
Depreciation	34,676	34,487	189	-	36,462
Operating income (loss)	\$ (8,911)	\$ (5,900)	\$ 3,011	34%	\$ (13,904)

Nonoperating Revenues & Expenses for the Nine Months Ended March 31, 2012 (Unaudited)



(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 24,790	\$ 25,900	\$ 1,110	4%	\$ 24,746
Customer facility charges (ConRAC Facility)	7,779	8,389	610	8%	8,079
Quieter Home Program	(2,324)	(2,136)	188	8%	(2,590)
Interest income	4,004	4,358	354	9%	4,437
BAB interest rebate	3,747	3,747	-	-	2,442
Interest expense	(9,126)	(2,328)	6,798	74%	(7,396)
Bond amortization	487	786	299	61%	307
Other nonoperating revenue (expenses)	-	1,090	1,090	-	1,427
Nonoperating revenue, net	29,357	39,806	10,449	36%	31,452
Income before grant contributions	20,446	33,906	13,460	66%	17,548
Capital grant contributions	15,713	17,482	1,769	11%	20,523
Net income	\$ 36,159	\$ 51,388	\$ 15,229	42%	\$ 38,071



Balance Sheets (Unaudited)



	(In thousands)	
	March	
	2012	2011
Current assets:		
Cash and investments	\$ 110,083	\$ 97,148
Tenant lease receivable, net of allowance of 2012: \$45,817 and 2011: \$23,094	5,961	5,370
Grants receivable	4,613	7,070
Notes receivable-current portion	1,605	1,613
Prepaid expenses and other current assets	9,516	10,575
Total current assets	131,778	121,776
Cash designated for capital projects and other	\$ 8,262	\$ 4,135



Balance Sheets (Unaudited)



(In thousands)

March

Restricted assets:

Cash and investments:

	<u>2012</u>	<u>2011</u>
Bonds reserve	\$ 45,098	\$ 45,708
Passenger facility charges and interest unapplied	65,171	59,198
Customer facility charges and interest applied*	27,749	16,935
Commercial paper reserve	19	43
SBD bond guarantee	2,000	4,000
Bond proceeds held by trustee	221,495	406,652
Commercial paper interest held by trustee	13	13
Passenger facility charges receivable	5,637	4,829
Customer facility charges receivable*	974	960
OCIP insurance reserve	6,174	6,400
Total restricted assets	\$ 374,330	\$ 544,738

*ConRAC Facility



Balance Sheets (Unaudited)



Noncurrent assets:

Capital assets:

Land and land improvements

Runways, roads and parking lots

Buildings and structures

Machinery and equipment

Vehicles

Office furniture and equipment

Works of art

Construction-in-progress

Total capital assets

Less: accumulated depreciation

Total capital assets, net

(In thousands)

March

	<u>2012</u>	<u>2011</u>
	\$ 24,504	\$ 23,454
	274,670	236,772
	465,481	463,760
	11,184	10,218
	5,362	5,367
	31,043	30,127
	2,676	2,411
	537,197	300,341
	<u>1,352,117</u>	<u>1,072,450</u>
	(542,355)	(495,321)
	<u>\$ 809,762</u>	<u>\$ 577,129</u>



Balance Sheets (Unaudited)



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

(In thousands)

March

	<u>2012</u>	<u>2011</u>
\$ 41,745	\$ 43,443	
15,736	20,196	
4,732	5,087	
7,344	7,900	
500	-	
70,057	76,626	
879,819	653,755	
\$ 1,394,189	\$ 1,324,404	



Balance Sheets (Unaudited)



(In thousands)

March

Current liabilities:

Accounts payable and accrued liabilities

	<u>2012</u>	<u>2011</u>
\$ 66,078	\$ 50,134	

Deposits and other current liabilities

4,096	4,052	
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Total current liabilities

<u>70,174</u>	<u>54,186</u>	
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Current liabilities - payable from restricted assets:

Current portion of long-term debt

5,190	4,725	
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Accrued interest on bonds
and commercial paper

8,438	8,475	
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Total liabilities payable from restricted assets

<u>\$ 13,628</u>	<u>\$ 13,200</u>	
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Balance Sheets (Unaudited)



(In thousands)

March

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

	<u>2012</u>	<u>2011</u>
\$ 20,729	\$ 21,509	
72	272	
1,553	1,228	
629,391	635,486	
651,745	658,495	
\$ 735,547	\$ 725,881	



Balance Sheets (Unaudited)



(In thousands)

March

Authority net assets:

Invested in capital assets, net of related debt

Other restricted

Unrestricted:

Designated

Undesignated

Total net assets

TOTAL LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
	\$ 375,213	\$ 321,684
	161,730	146,815
	15,606	16,034
	106,093	113,990
	<u>658,642</u>	<u>598,523</u>
	<u>\$1,394,189</u>	<u>\$1,324,404</u>



Authority's Investments

Total Portfolio Summary



	Current Period	Prior Period	Change From
	March 31, 2012	December 31, 2011	Prior
Book Value	\$275,217,000	\$246,505,000	\$28,712,000
Market Value	\$275,420,000	\$246,659,000	\$28,761,000
Market Value%	100.08%	100.04%	0.04%
Unrealized Gain / (Loss)	\$203,000	\$154,000	\$49,000
Weighted Average Maturity (Days)	294 days	243 days	51
Weighted Average Yield as of Period End	0.56%	0.63%	(0.07%)
Cash Interest Received- Quarter-to-Date	\$371,000	\$295,000	\$76,000
Cash Interest Received-Year-to-Date	\$1,056,000	\$685,000	\$371,000
Accrued Interest	\$208,000	\$274,000	(\$66,000)

Notes:

(1) Increase in cash balance was predominantly due to positive operating cash flow and capital receipts that exceeded disbursements on capital projects.



Authority's Bond Proceeds

Bond Proceeds Summary

As of: **March 31, 2012**

(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
<u>Project Fund</u>						
LAIF ⁽¹⁾	\$ -	\$ -	\$ 8	\$ 8	0.38%	N/R
SDCIP ⁽²⁾	76,936	-	75,554	152,490	0.53%	AAAf
	<u>76,936</u>	<u>-</u>	<u>75,562</u>	<u>152,498</u>		
<u>Capitalized Interest</u>						
SDCIP ⁽²⁾	6,345	-	4,554	10,899	0.53%	AAAf
JP Morgan Federal MM Reserve	6	-	4	10	0.00%	AAAm
	<u>6,351</u>	<u>-</u>	<u>4,558</u>	<u>10,909</u>		
<u>Debt Service Reserve Fund</u>						
FNMA Global Notes	9,933	-	4,968	14,901	0.66%	AA+/AAA
East West Bank CD	13,178	-	7,093	20,271	0.75%	
Bank of the West DDA	9,673	-	6,352	16,025	0.45%	
JP Morgan Federal MM Reserve	136	-	67	203	0.00%	AAAm
	<u>32,920</u>	<u>-</u>	<u>18,480</u>	<u>51,400</u>		
	<u>\$ 116,207</u>	<u>\$ -</u>	<u>\$ 98,600</u>	<u>\$ 214,807</u>	0.55%	

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

**LAIF & SDCIP Market Value & Interest Earned are one month in arrears.

(1) LAIF Yield as of 3/31/2012

(2) SDCIP Yield as of 02/29/2012



Questions

