Comprehensive Annual Financial Report

Raleigh-Durham Airport Authority

For the Fiscal Years Ended March 31, 2010 and 2009

Raleigh-Durham Airport Authority

Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Comprehensive Annual Financial Report

For the fiscal years March 31, 2010 and 2009

Prepared by the Finance Department

2009-2011 Raleigh-Durham Airport Authority Board Members

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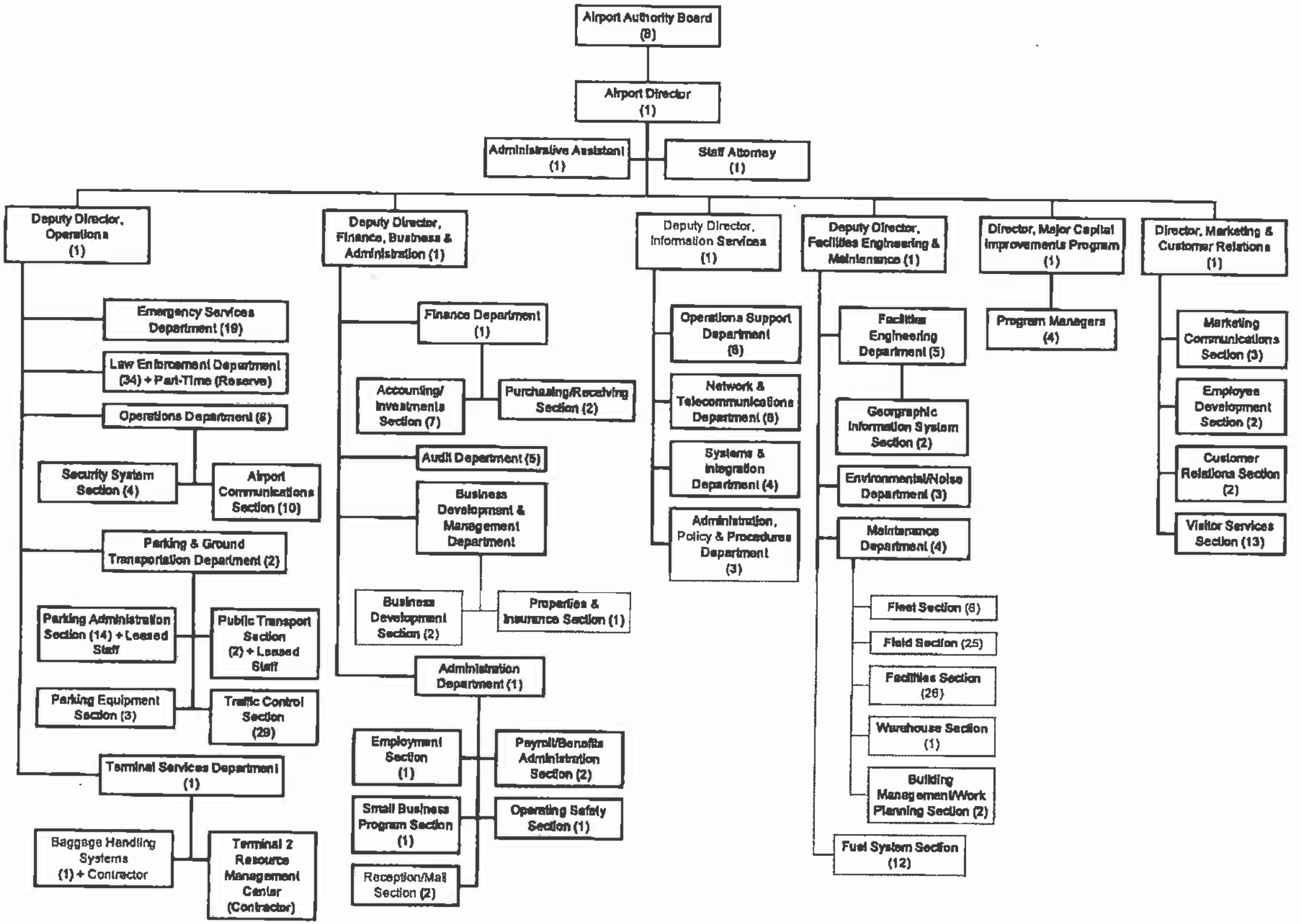

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Raleigh-Durham Airport Authority, North Carolina

For its Comprehensive Annual Financial Report for the Fiscal Year Ended March 31, 2009

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President

Executive Director

RDU
RALEIGH-DURHAM AIRPORT AUTHORITY
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July 13, 2010

To the Board of the Raleigh-Durham Airport Authority,

This Comprehensive Annual Financial Report of the Raleigh-Durham Airport Authority (the "Authority"), is hereby submitted for the fiscal year ended March 31, 2010. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Finance department of the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority.

The Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report is presented in three sections – Introductory, Financial and Statistical. The Introductory section includes this Letter of Transmittal, a depiction of the Authority Board Members, the Authority's Organization Chart and the Certificate of Achievement for Excellence in Financial Reporting Award, received for the 1st time in the history of the Authority for its prior year FY08-09 submission. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A) , Basic Financial Statements, Required Supplementary Information, and Supplemental Information. The Statistical Section includes selected financial trends, debt service, key performance indicators ("KPIs") and other operating statistics, and economic demographic information, presented on a multi-year basis.

This Letter should be read in conjunction with the accompanying Management Discussion & Analysis ("MD&A") in order to gather a more complete financial and business picture of the Authority. It is our intent to submit the FY2009-10 Comprehensive Annual Report to the Government Finance Officers Association for their review and seek the award for the 2nd consecutive year.

Reporting Entity

The Authority is a special joint agency of the Cities of Raleigh and Durham, North Carolina and the Counties of Wake and Durham, North Carolina. The Authority was created and exists pursuant to a special act enacted by the General Assembly of North Carolina in 1939, as amended, and by action taken by the sponsoring governmental units pursuant to that act. The Authority is governed by an eight member board appointed by the sponsoring governmental units.

Reporting Entity (continued)

The Authority has many of the same powers of any North Carolina local government unit with some notable exceptions. It has no power to impose any taxes. In order to finance Airport development, operation and maintenance, it charges fees to those who use or operate businesses at the Airport. Annually the Authority receives $12,500 from each of the four governmental units that appoint its members. The total of $50,000 is less than one-tenth of one percent of the Authority's annual operating revenue.

Economy

Wake, Durham, and Orange counties are part of the larger region known as the Research Triangle Region and provide the primary economic base for air transportation at the Airport. These three counties together with five additional nearby counties – Chatham, Franklin, Johnston, Harnett, and Person – the Raleigh-Durham-Cary Combined Statistical Area (CSA). The population of the Raleigh-Durham-Cary CSA in 2009 was approximately 1,743,000. Based on 2009 population estimates by the U.S. Department of Commerce (NCDOC), Bureau of the Census, North Carolina was the 10th largest state in the nation, and also ranked 8th in percentage population growth between 2000 and 2009.

A large and rapidly growing population has historically been a key driver of economic growth in the CSA. From 1990 through 2009, population in the CSA increased an average of 3.2% per year, compared to increases of 1.8% per year in the State and 1.1% per year in the U.S. This trend is projected to continue, with the NCDOC projecting population growth averaging 2.7% per year from 2009 through 2014 in the CSA and 1.6% per year in the State. These rates are both higher than the 1.0% per year growth projected for the U. S.

In spite of the very well-diversified Raleigh-Durham Triangle economy – notably healthcare, government, education and high-technology, the Authority has hardly been immune to the global economic travails affecting North Carolina and the Aviation Industry this past year. Operating Revenues and enplaned passenger counts have declined from the previous fiscal year, and in addition the Authority did not achieve its Operating Revenue budget for the period by approximately $773,000. The Authority continued its approach began the prior fiscal year to defer discretionary spending and non-critical hiring, and was able to more than offset the revenue shortfall with operating expenses kept significantly under budget. By fiscal year end or March 31, 2010, savings of $1.1 million had been realized through cost savings initiatives.

External events in the financial markets dictated the Authority take several actions with respect to its long-term debt arrangements, specifically its 2008C bonds. This event is discussed more fully in the MD&A. In light of continuing economic uncertainties, the Authority has developed an austere budget for fiscal 2010-11. It curtailed non-Terminal 2 capital activities, with a 2.7% increase in projected operating expenses in comparison to the original 2009-10 budget in spite of the operating spending increases driven by the opening of the South Concourse Terminal 2 in early 2011. The Authority is justly proud of its industry-exceptional AA-/Aa3 bond ratings (Fitch and Moody's respectively) and considers maintaining this rating a top strategic priority.

FY 2009-10 Major Events and Initiatives

The Board, its Audit Committee, the Airport Director, senior staff and financial management continued to closely monitor and respond to the continuing financial and business uncertainties facing the global, national and local economy, the airline industry and the Authority itself during fiscal 09-10. A detailed financial review process with the Board (began July 2009) continues to occur on a quarterly basis. The Authority elected to suspend all merit increases for the fiscal period 2009-10. (Merits were re-instated in the fiscal period 2010-11).

The Authority is committed to continuing proactive management of the issues brought on by the continuing economic turbulence during the course of fiscal 10-11. Headcount continues to be managed with no growth in number of positions for the last three years and well under the budgeted figure of 290 full time positions. For the Fiscal Year ending March 31, 2011, the number of authorized full time positions of the Authority is 290, 10 of which are currently frozen. Thus, the Authority effectively has 280 full-time budgeted positions. In addition, the Authority employs up to 39 part-time law enforcement officers (in addition to its full time force) to provide law enforcement presence at the Security Checkpoints. The cost of this checkpoint security force is reimbursable from the Transportation Security Administration.

Fiscal year 2009-10 was the 1st full year of operations for Terminal 2 (1st phase). The architect, Curtis Fentress received the American Institute of Architecture's Thomas Jefferson award for his work on Terminal 2.

With the successful launch of Terminal 2, the Authority senior staff and Board devoted significant time and energy to development of Strategic Planning Goals and related Objectives, even as phase two Terminal 2 planning and construction proceeded. Seven key Goal statements –around airport safety & efficiency, air, ground & support services, environmental best practices, fiscal soundness, customer service, high-performing organization, and business partnership- have been articulated, and an even dozen related Objectives selected for further analysis. Progress has been made on a number of these items, and future reporting will drill down more extensively on the particular objectives chosen for implementation and the results obtained.

Planning also began in earnest during the year for the renovation of Terminal 1. The scope of the project will be nowhere near the effort involved in Terminal 2, however after the completion of Terminal 2 Terminal 1 will still be home to Southwest, JetBlue and Airtran and thus remains an important pillar of the Airport infrastructure. The renovation is scheduled to begin upon the completion of Terminal 2 including the move of US Air and Continental operations.

The Authority began a major employee related initiative during the year designed to both manage overall healthcare cost increases as well as increase the productivity and overall wellness of its workforce. A Healthcare Policy was developed and approved by the Board, incentivizing all employees to undergo annual Health Risk Assessment and blood testing in order to qualify for reduced Healthcare Insurance Premiums. In concert, voluntary education programs began on the topics of exercise, nutrition, disease management, health risk prevention and stress management. These efforts have been

FY 2009-10 Major Events and Initiatives (continued)

well received and heading into FY2010-11 the Authority has made a more significant investment in ongoing onsite exercise, nutrition, and health awareness programs, individual health counseling, and smoking cessation and metabolic syndrome management group sessions. The Authority is optimistic that these efforts will improve both employee productivity and job satisfaction as well as contribute to the bottom line.

The Authority was also pleased to announce the next phase of development of Aviation Station as Burger King (operated by Prospect Foods LLC) was approved at the site next to the existing Sheetz gas station. Burger King is expected to be operational fall of 2010.

Financial Information

The MD&A summarizes the Authority's Statements of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets, and Statements of Cash Flows and is included in this report. The information in the MD&A should be read in conjunction with the information in the Letter of Transmittal.

Internal Controls – Internal Audit Department

Annually, the internal auditors evaluate the internal controls related to Raleigh-Durham Airport Authority's financial reporting as a part of and in coordination with the Authority's external audit. On an ongoing basis, the department operates under an annual audit plan currently approved by the Deputy Director - Finance, Business and Administration, the Airport Director, and starting this past year, the Board Audit Committee. The Audit Plan includes substantial coverage of the Authority's agreements with concessionaires, airline carriers and other tenant agreements, key departmental functions, and key business processes. While overall responsibility for the development and maintenance of Internal Controls clearly rests with Authority management, significant investments in the Internal Audit function over the past 2 years have made a positive impact on the Authority's overall control environment.

Budgetary Controls

The Authority's annual operating and capital budgets are reviewed in a Board work session and subsequently approved at the regular meeting annually in March for the upcoming fiscal year that begins on April 1. Operating Budget approval is at the total operating expenditures level. The Authority Operating budget is a single enterprise fund. Subsequent individual expenditures against budget are subject to the Authority's Purchasing Policy, HUB policy, and other process and system controls including transaction signature authority limits.

Subsequent Events

The National Hockey League selected the city of Raleigh (host team – Carolina Hurricanes) as the venue for the 2011 NHL All-Star game, to be played Sunday January 30th, 2011. In doing so municipal infrastructure investments were cited as a key factor, and Terminal 2 was prominently mentioned as an example. The Board in response has approved the schedule acceleration of the completion and opening of the 2nd phase of the terminal by approximately 5 weeks in order to be fully operational in preparation for arriving fans. Positive area economic impact estimates range from $10-20 million.

In the current interest rate environment, the Authority must pay a termination payment in connection with the termination of its interest rate swap agreements (3 swaps with notational values totaling $216.9 million). The Authority is preparing to issue the fixed interest rate 2010A Bonds to refund the 2008A/B Bonds and terminate the interest rate swap agreements in order to reduce its exposure to risks associated with the underlying variable rate demand obligations, particularly with regard to costs and availability of credit and liquidity support for the 2008A/B Bonds, and to risks associated with the interest rate swap agreements. Depending upon market conditions and whether corresponding market driven financial objectives are met at the time of the sale of the 2010A Bonds, the Authority may refund less than all of the 2008A/B Bonds and terminate less than all of the interest rate swap agreements, or may terminate the swap agreements completely, but leave some of the 2008A/B Bonds outstanding as variable rate demand obligations. The Authority expects approval from the North Carolina Local Government Commission to issue the 2010A Bonds during August 2010. This approval will remain in force for 12 months.

For the fifth year in a row, RDU was recognized by the Air Transport Research Society (ATRS) as one of the top three airports in North America for both overall financial operating efficiency and cost competitiveness. For this most recent year, RDU was #1 overall in the category of less than 15 million passenger enplanements as it received the 2010 ATRS Airport Efficiency Excellence Award. This reinforces the Authority's efforts to maintain low operating costs for the airlines that serve the Airport and its success in doing so.

Recent airline carrier actions announced in FY09-10 and effective in FY10-11 have restored or added new route service for Authority passengers – Delta Airlines restored its LAX flight, Southwest Airlines added a daily St. Louis flight and Midwest Airlines returned to RDU with service to Milwaukee – all encouraging signs.

Independent Audit

The Authority's independent auditor, Cherry, Bekaert & Holland, has performed the annual audit as of and for the fiscal period ended March 31, 2010, and rendered an unqualified opinion as to the Authority's financial statements. The audit is conducted in a manner consistent with the requirements of the Single Audit Act and the Office of Management and Budget Circular A-133. The report and opinion are contained herein, and found that the Authority's financial statements presented fairly, in all material respects, the financial position of the Authority as of March 31, 2010 and 2009.

Acknowledgements

The completion of this report would not have been possible without the support of the Board and the Airport Director's commitments to continuous improvement of the corporate governance and financial reporting function. In addition, key members of the Finance department played a major role in bringing this expanded report to the Authority.

Respectfully submitted,

Joe D. Styres
Deputy Director,
Finance, Business & Administration

Tom D. Barritt
Director of Finance

Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Financial Section

Prepared by the Finance Department

CHERRY BEKAERT & HOLLAND

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Members
Raleigh-Durham Airport Authority
RDU Airport, North Carolina

We have audited the accompanying Statements of Net Assets of the Raleigh-Durham Airport Authority (the "Authority") as of and for the years ended March 31, 2010 and 2009, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2010 and 2009 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 7, 2010, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Management's Discussion and Analysis and the Required Supplemental Information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

We did not audit the data included in the transmittal letter and, accordingly, we express no opinion on such data.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Cherry, Bekaert & Holland LLP.

Raleigh, North Carolina
July 7, 2010

Overview

The management discussion and analysis ("MD&A") provides an overview of the Raleigh-Durham Airport Authority's (the "Authority") activities during the fiscal years ended March 31, 2010 and March 31, 2009. The Authority's basic financial statements consist of three components; 1) Management's Discussion and Analysis, 2) financial statements, and 3) notes to the financial statements. In addition to the management's discussion and analysis, management has prepared the accompanying Statements of Net Assets, Statements of Revenues, Expenses and Changes in Net Assets, and Statements of Cash Flows.

The MD&A is intended to aid the reader in interpreting the Authority's relative financial position as of the above referenced date. Condensed key financial as well as non-financial information will be highlighted for the reader.

Required Financial Statements

The Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statements of Net Assets include all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Assets. These statements can be used to measure the success of the Authority's operations over the past year, its financial position and can be used to determine the Authority's overall profitability, financial strength and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 17 to 37 of this report.

Background

The Raleigh-Durham International Airport (the "Airport") is located in Wake County, between the Cities of Raleigh and Durham approximately 10 miles from the downtown areas of each of Raleigh and Durham. Interstate 40, a major thoroughfare, is located immediately to the southwest of the Airport and US Highway 70, another major thoroughfare, located immediately to the northeast of the Airport. William B. Umstead State Park is located to the immediate east of the Airport.

Background (Continued)

The Airport consists of approximately 5,100 acres, approximately 2,075 of which are developed. The Airport at year end had two active terminals, 1 and 2. Terminal 1 consists of approximately 296,000 square feet of floor space, including 23 passenger contact gates. The older Terminal C, being no longer in service, was demolished subsequent to the opening of Terminal 2 on October 26, 2008. Thus, Terminal 2 currently consists of approximately 550,000 square feet of floor space, including 19 passenger gates. Terminal 2 is currently being expanded (South Concourse) to approximately 900,000 square feet of floor space, with a total of 36 passenger gates. The South Concourse of Terminal 2 will open January 23, 2011. The Airport has two primary runways and one secondary runway. In the fiscal years ended March 31, 2010 and 2009, 9.0 and 9.4 million passengers, respectively, used the Airport.

Passenger Facility Charges

In February 2003, the Authority received final approval from the Federal Aviation Administration (FAA) to begin charging a $3 passenger facility charge ("PFC") effective May 1st, 2003. In fiscal year 2004-2005, the Authority received approval from the FAA to increase this charge from $3.00 to $4.50 per eligible enplanement effective October 1st, 2004. PFC cash balances decreased 1.2% or $.8 million for the fiscal year ending March 31, 2010 versus the prior year. These PFC balances are restricted for use on FAA approved projects as reimbursement of capital costs or to offset PFC eligible debt service.

Annual PFC revenue decreased $4.3 million or 17.9% for FY 2008-2009, relative to the prior year. In addition, a portion of PFCs are irrevocably committed to offset Authority debt service beginning FY 2005-2006. This irrevocable commitment for the fiscal years ending March 31, 2010, 2009, and 2008, is $20,074,167, $13,981,935, and $9,249,487, respectively. Irrevocable commitments to the extent not applied to debt service are carried forward for future application.

Financial Highlights, and Analysis

Net Assets

Current assets increased 13.3%, or $16.6 million from the prior year due to increases in cash and cash equivalents offset by a decrease in short-term investments. The primary reason for this increase in cash and cash equivalents was due to decreases in non-bond funded capital cash flow requirements. See **Cash Flows** for a detailed explanation of this increase.

Non-current assets, consisting of restricted assets, decreased 42.1% or $98.4 million. This decrease was related to the spend down of bond proceeds related to the construction of Terminal 2.

Airport and facilities, net increased $73.5 million or 8.3% primarily due to continued construction costs related to Terminal 2 South Concourse.

The combined effect of the above items was to decrease Total Assets for the year by .7% or $8.3 million.

Current liabilities increased by $14 thousand or .03% due to a slight increase in current maturities of long-term debt.

Net Assets (Continued)

Non-current liabilities decreased by $15.5 million or 2.2% primarily due to the reductions in long-term debt related to scheduled principal payments ($15.8 million).

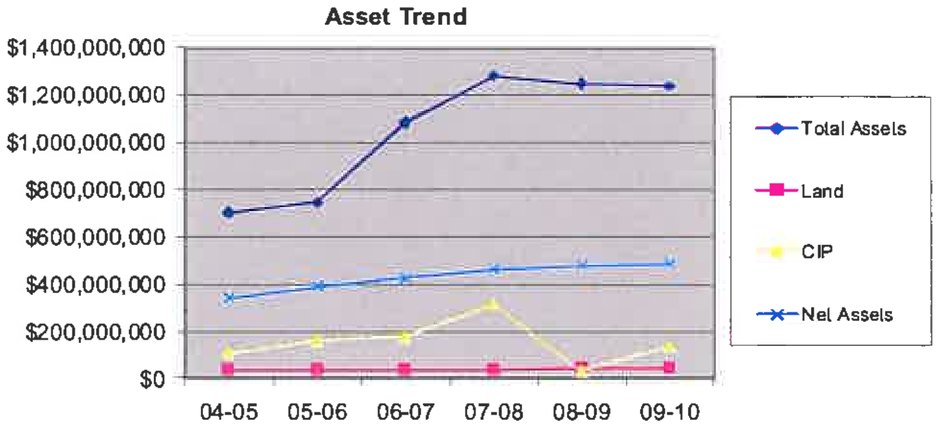
The combined effect of these items was to increase net assets during the fiscal year by $7.3 million or 1.5%. Net assets at March 31, 2010 and March 31, 2009 are presented in the following table:

Condensed Statement of Net Assets

	March 31, 2010	March 31, 2009	March 31, 2008
Current Assets	$ 141,783,809	$ 125,190,123	$ 141,045,993
Airport and facilities, net	959,918,360	886,440,114	787,356,929
Other noncurrent assets	135,068,795	233,399,073	350,627,296
Total assets	1,236,770,964	1,245,029,310	1,279,030,218
Current liabilities	46,266,012	46,252,012	59,613,845
Noncurrent liabilities	706,128,320	721,665,763	758,195,392
Total liabilities	752,394,332	767,917,775	817,809,237
Invested in capital assets, net of related debt	302,289,837	310,905,473	298,851,847
Restricted Assets	73,514,625	74,648,717	73,829,528
Unrestricted assets	108,572,170	91,557,348	88,539,606
Net assets	$ 484,376,632	$ 477,111,538	$ 461,220,981

The following graph depicts the trend in net assets, airport and facilities, land and construction in progress ("CIP"). Airport and facilities assets include land, construction in progress, and depreciable capital assets, net of accumulated depreciation. Total Assets fell .7% or $8.3 million during the fiscal year. CIP increased $106.2 million or 384.1% due to the construction of the South Concourse phase of the Terminal 2 project. Net assets increased $7.3 million or 1.5% for the reasons aforementioned.

Net Assets (Continued)



Revenues, Expenses, and Change in Net Assets

For the fiscal year ended March 31, 2010, the Authority experienced a 1.1% increase, or $.94 million, in operating revenues due primarily to increased Airfield revenues ($1.9 million) and Terminal revenues ($2.8 million). Largely offsetting these increases were decreased parking revenue ($2.6 million) and decreased rental car revenue ($1.2 million) each compared to the prior year. This overall increase in operating revenue was realized despite a decrease in enplaned passengers of 166 thousand (-3.6%) for the fiscal year ended March 31, 2010, relative to the prior fiscal year. The Authority's rates and charges to air carriers remained at the low end of comparable airports. In addition, the Authority's airline derived revenue remained diversified with no carrier accounting for more than 10% of operating revenues for the fiscal year ended March 31, 2010.

Operating Expenses (excluding depreciation) increased 4.5%, or $1.9 million, for the fiscal year ended March 31, 2010 relative to the prior year. This increase was primarily due to increases in Airport facilities costs associated with the full year operation of Terminal 2 (5 months of operational costs were in FY 2008-2009). Depreciation expense increased 21.1% or $8.3 million during the fiscal year ended March 31, 2010. This increase was due to the full year addition of phase 1, Terminal 2 to depreciation expense ($9.5 million) vs. half year deprecation in the prior year. Thus, total Operating expenses (including depreciation), increased 12.5%, or $10.2 million. The combined effect of the above items was a 190% or $9.2 million decrease in Operating Income relative to the prior period. Nearly all of this decrease in Operating Income was directly related to increased depreciation of the Terminal 2 phase I asset.

Revenues, Expenses, and Change in Net Assets (Continued)

Non-operating revenues (expenses) in total decreased $5.2 million or 97.9% due to the following: Investment interest income decreased $1.8 million or 32.9% due to declining interest rates. Passenger Facility Charges (PFC) revenue also decreased $.8 million or 3.9%, both for the period ending March 31, 2010 compared to the prior year. Bond interest expense, net increased $6.7 million or 41.7%, primarily due to the expensing of interest related to the Series 2007 Bonds. As a result, $7.3 million of interest costs related to the Terminal project were not capitalized as in the prior year. Finally a $4.5 million loss on swap termination was realized in FY 2008-2009 (Feb- 09) related to the Lehman Brothers bankruptcy and subsequent required a termination of a $150 million Lehman Brothers swap with the Authority. No corresponding loss on swap terminations was experienced in FY 2009-2010. **(See NOTE 5 Long-Term Debt)**

Capital Contributions increased $5.8 million or 103% compared to the prior year due to increased Federal Grant revenue. The Authority PFC program collection level of $4.50 requires a corresponding reduction of 75% in federal entitlement grant revenue. Thus, the increase in Net Assets of $7.26 million for the period ending March 31, 2010 represented a decrease of $8.6 million or 54% from the prior year increase. The following table depicts these changes for the fiscal years ended March 31, 2010 and March 31, 2009:

Operating expenses	44,009,519	42,129,717	36,202,078
Depreciation	47,523,955	39,245,679	33,505,153
Total operating expense	91,533,474	81,375,396	69,707,231
Operating income	(4,364,557)	4,856,794	18,651,532
Total non-operating revenues(expenses)	110,725	5,356,378	18,252,797
Capital contributions	11,518,926	5,677,385	50,000
Increase in net assets	$ 7,265,094	$ 15,890,557	$ 36,954,329

Cash Flows

The Authority's overall liquidity position improved during the fiscal year with an increase in unrestricted cash and investments of $18.1 million or 15.3%. This increase was primarily due to reduced capital cash requirements (net of bond and grant funds) of the Authority's Capital Program. This net capital cash requirement for FY 2010 was reduced by $16.8 million relative to the prior fiscal year.

Restricted cash decreased $98.1 million or 42.5% due almost entirely to the spend down of Terminal 2 bond proceeds ($96.2 million). Both current PFC cash balances and bond proceeds are restricted for use on the Terminal 2 or related debt service.

With regard to the Statement of Cash Flows, cash provided by operating activities ($44.1 million) decreased slightly ($447 thousand, 1.0%) from the prior fiscal year. Cash provided by investing activities increased $2.3 million or 15.7% relative to the prior fiscal year.

Cash used by capital and related financing activities for FY 2009-2010 was $127.7 million. In the preceding year, cash used by capital and financing activities was $184.5 million. This resulted in a reduction of approximately $56.9 million in cash used in capital and related activities between the two years presented. The two major components of this decrease were less construction spending on the Terminal project versus the prior year reflecting the completion of phase 1 in late October 2008 ($34.9 million), and the prior year payoff off of the Series 2002 bonds ($22.5 million) which did not have a corresponding use of cash in FY 2009-2010. In addition, there was also no loss on swap termination ($4.5 million) in the current period. The net decrease was partially offset with an increase in contributed capital (federal and state grants) of $7.7 million.

Positive operating results and increased investment activities could not offset the large spend down of bond proceeds due to the partial completion (phase 1) of Terminal 2. Thus, total cash and cash equivalents at the end of FY 2009-2010 decreased $66.2 million. For the year ended March 31, 2009, cash and cash equivalents decreased $125.0 million during the fiscal year also due to the spending of bond proceeds related to the Terminal project. The following is a summary of the change in cash and cash equivalents for the fiscal years ended March 31, 2010 and March 31, 2009:

Condensed Statement of Cash Flows

	March 31, 2010	March 31, 2009	March 31, 2008
Net cash provided from:			
Operating activities	$ 44,074,283	$ 44,521,075	$ 41,169,502
Capital and related financing activities	(127,650,050)	(184,535,146)	32,304,622
Investing activities	17,333,111	14,984,787	11,585,540
Net increase	(66,242,656)	(125,029,284)	85,059,664
Cash and cash equivalents at beginning of year	276,230,560	401,259,844	316,200,180
Cash and cash equivalents at end of year	$ 209,987,904	$ 276,230,560	$ 401,259,844

Cash Flows (Continued)

During the year, the Authority continued to maintain its cash reserve policy to set aside and reserve an operating cash reserve of one times the current fiscal year's annual Operating Budgeted Expenses (excluding depreciation). This policy caps the amount of this cash reserve at $35 million. For FY 2009-2010, this cash reserve was maintained at the policy cap of $35 million. Authority policy requires that this reserve not be expended, encumbered, or budgeted for any purpose in executing Authority fiscal policy without Board approval and notification of bond rating agencies that maintain bond ratings for the Authority.

Economic Outlook and Capital Development

In 2000, the Authority, in response to record setting growth, was considering an extensive redevelopment plan for Terminal A that would ultimately have expanded Terminal A from 23 gates to as many as 40 gates. This plan would have added nearly 1,000,000 square feet of space to Terminal A and would have potentially exceeded one billion dollars in cost.

Terminal C was built by American Airlines (AA) in 1987 through a Special Facility Revenue Bond financing arrangement that originally provided AA with a forty-year lease, set to expire in 2027. Subsequent to the major changes in the airline industry after September 11, 2001, the Authority and AA entered into an agreement, effective June 15, 2002, for the Authority to purchase AA's leasehold interests at the Airport. This leasehold included Terminal C, certain cargo and fuel facilities as well as other airport improvements. This leasehold acquisition allowed the Authority the option to more cost effectively and efficiently expand and redevelop Terminal C rather than proceed with the redevelopment of Terminal A. Therefore, major redevelopment of Terminal A was deferred until some point after the redevelopment and expansion of Terminal C.

Thus, the Authority turned its attention to a major redevelopment of Terminal C under a preliminary project budget of $350 million in 2003 dollars. With the additional redevelopment of the South Concourse, the project was subsequently revised to $570 million. In addition, these project costs were the result of extensive modeling and cost projections to incorporate a costing strategy to maintain the lowest possible cost per enplanement passenger to the airlines thereby retaining the Airport's competitive cost structure. The Authority's cost per passenger is projected to remain within the target range of 4-6% of average one way fares through 2018.

The Terminal C facility, originally designed to house the American Airlines hub operation, was not able to effectively support multiple airline operations. In addition, the project included the redevelopment and expansion of the aircraft parking ramp and taxiways at the north end of Terminal C as well as the demolition of that terminal's North Concourse which will make room for an approximately 575-foot extension of the northern concourse that will include additional passenger boarding gates, a new Federal Inspection Service area, and additional support facilities.

During 2005, the Authority believed that an appropriate strategy with regard to financing this project was to limit risk associated with rising interest costs. Thus, the Authority developed a hedging program to lock in current historically low long-term interest rates through the use of forward interest rate swaps. On May 4, 2005, the Authority entered into two (2) negotiated synthetic fixed interest rate swaps (BMA or Bond Market Association Municipal Swap Index based) totaling $300,000,000. The purpose of these transactions was to fix interest costs related to the Terminal C Renovation and Expansion Project.

Economic Outlook and Capital Development (Continued)

Pursuant to these hedge agreements, the Authority on June 13, 2006, issued $300,000,000 of variable rate bonds. The bonds will amortize over 30-years. Due to the swap agreements related to this debt, the Authority was able to lock in a fixed interest rate of 4.27% on this transaction. Subsequent to the end of Fiscal Year 2007-2008, the Authority refunded the Series 2006A-E Bonds in the amount of $300 million on May 2, 2008. These bonds were variable, but underlying swaps convert this obligation to a fixed synthetic rate. These bonds were refunded to fix a trading problem associated with the downgrade of the bond insurer the Authority used to insure these bonds. The new Series 2008A-C bonds in the amount of $300 million has the identical amortization schedule as the Series 2006A-E refunded bonds and are traded on the Authority's credit rating (bond insurance was not used). In addition, the underlying swaps totaling $300 million on these bonds were not changed. The 2008A-C bonds, once issued, returned to trading in a historic relationship to the benchmark tax exempt index. Thus, the trading problems associated with the ratings downgrade of the previous bond insurer were resolved.

On September 15, 2008 Lehman Brothers filed for bankruptcy and consequently defaulted on its $150 million swap agreement with the Authority. On February 9, the Airport Authority terminated the Lehman swap at a cost to the Airport Authority of $9.1 million. Simultaneously, the Authority selected Barclays and Morgan Keegan/Deutsche Bank as new swap counterparties and received $4,551,000 from them to offset this payment made to Lehman Brothers. The new swaps were negotiated with Barclays in the amount of $50 million and with Morgan Keegan/Deutsche Bank in the amount of $25 million. These new swaps were set at a swap rate of 4.099 percent, down from the 4.27 percent Lehman swap rate, reducing the Airport Authority's interest cost on this $75 million by approximately $128,000 per year.

Thus, the remaining $75 million became un-hedged variable debt at that time. In addition, the Authority also offset termination transaction costs and the market premium associated with a failed Debt Service Reserve fund investment agreement with Lehman. As such, these additional offsets reduced the net cash flow to the Authority of the termination of the Lehman swap to $3.1 million. This reserve fund market premium also created a bond arbitrage rebate liability on the Series 2005 bonds of $949,217 which the Authority recorded as a current liability at March 31, 2009.

On October 26, 2008, the Authority opened phase 1 of Terminal 2. The South Concourse or phase 2 of the Terminal project is scheduled to open January 23, 2011. The Terminal 2 Project is currently budgeted at $570 million and remains on budget. The financing for this project was completed in 2007 with the issuance of $152 million of fixed rate bonds on May 31, 2007. In connection with this financing, the Authority's underlying credit rating was upgraded to AA- (from A-) and Aa3 (from A3) by Fitch Ratings and Moody's Investor Service, respectively. A stable outlook was assigned in both cases. These ratings were affirmed, both with stable outlooks, in conjunction with the 2008A-C refunding in May 2008, where they remain today.

The Authority's enplaned passengers decreased to 4.5 million which represented a 3.6% reduction for the fiscal year ended March 31, 2010, relative to the prior period. In the fiscal year ended March 31, 2009, 4.7 million passengers were enplaned at the Airport.

Budget Information for the Fiscal Year Ending March 31, 2011

The Authority, as it typically does, has elected to forecast conservatively, especially with respect to revenue generation for the fiscal year ended March 31, 2011. For comparison purposes, FY 2010-2011 budgeted operating revenues of $86,295,852 were 1.0% ($873 thousand) lower than actual FY 2009-2010 operating revenues of $87,168,917. For FY 2010-2011 relative to the prior year budget, total budgeted operating revenue decreased $1.6 million or 1.9% due to decreased estimated: Parking Revenues (down $1.4 million or 3.9%), Rental Car revenues (down $73 thousand or .6%), Terminal revenues increased ($690 thousand or 3.0%), and Landing Fees revenue down ($1.0 million or 7.9%). In addition, budgeted non-operating revenue increased $2.9 million or 12.4% due to increased Federal and State entitlement Grant revenues ($3.1 million) and PFC revenues of ($1.4 million).

Budgeted operating expenses (excluding depreciation) increased $1.2 million, or 2.7% for the year ended March 31, 2011 relative to the prior year. Inclusive of depreciation, total budgeted operating expenses increased $6.1 million or 6.9% relative to the prior year. Total budgeted non-operating expenses increased $795 thousand or 3.8% due to changes in debt service interest expense.

The combined net effect of these items was to decrease budgeted Net Assets $5.6 million or 203.3% with regard to the Authority's FY 2010-2011 budgeted projections versus the prior year. This decrease in Net Assets was primarily the result of increased depreciation (4.8 million) related to the Terminal 2 phase 1 completion.

Requests for Information

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Raleigh-Durham Airport Authority, P.O. Box 80001, RDU Airport, North Carolina 27623.

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF NET ASSETS

March 31, 2010 and 2009

	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 75,972,007	$ 44,131,037
Short-term investments	59,434,509	73,135,116
Collateral for SEB loan program	1,500,000	1,500,000
Accounts receivable for fees and rentals, less allowance for doubtful accounts of $0 and $310,404 respectively	3,980,526	4,799,164
Grants receivable	82,410	950,236
Other current assets	814,357	674,570
Total current assets	141,783,809	125,190,123
Non-current assets		
Restricted assets		
State of North Carolina Underground Storage Tank Trust Fund Deductible	220,000	220,000
Passenger Facility Charge Cash and cash equivalents	70,784,420	71,629,167
Passenger Facility Charge Receivable	2,510,205	2,799,550
Aeronautical Facilities Revenue Bonds		
Cash and cash equivalents - Bond Series 2001A, 2007 and 2008	21,758,189	117,963,617
Debt Service Reserve Fund - Bond Series 2001A, 2005, 2007 and 2008	39,753,288	40,786,739
Total restricted assets	135,026,102	233,399,073
Airport and facilities		
Airport and facilities, non depreciable	175,025,704	68,838,385
Airport and facilities depreciable, net	784,892,656	817,601,732
Airport and facilities, net	959,918,360	886,440,117
Debt premium/issue costs, net	42,693	-
Total non-current assets	1,094,987,155	1,119,839,190
TOTAL ASSETS	$ 1,236,770,964	$ 1,245,029,313

The accompanying notes are an integral part of these basic financial statements

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF NET ASSETS

March 31, 2010 and 2009

	2010	2009
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 4,272,257	$ 3,909,285
Arbitrage rebate liability series 2005	949,219	949,219
Retainage and construction accounts payable	14,886,261	14,877,937
Accrued employee compensation	1,628,047	1,819,993
Accrued bond interest payable	8,705,228	9,550,578
Current maturities of long-term debt		
General Airport Revenue Bonds-Series 2001A	3,645,000	3,505,000
General Airport Revenue Bonds-Series 2001B	3,220,000	3,100,000
General Airport Revenue Bonds-Series 2005B	3,415,000	3,250,000
General Airport Revenue Bonds-Series 2008A	2,310,000	2,205,000
General Airport Revenue Bonds-Series 2008B	1,850,000	1,765,000
General Airport Revenue Bonds-Series 2008C	1,385,000	1,320,000
Total current liabilities	46,266,012	46,252,012
Noncurrent liabilities		
Long-term debt		
General Airport Revenue Bonds-Series 2001A, B	147,925,000	154,790,000
General Airport Revenue Bonds-Series 2005A, B	114,155,000	117,570,000
General Airport Revenue Bonds-Series 2007	152,070,000	152,070,000
General Airport Revenue Bonds-Series 2008A through C	289,165,000	294,710,000
	703,315,000	719,140,000
Other liabilities		
Debt issue premiums, net	-	63,263
Unearned rent credit	2,162,500	2,462,500
OPEB retiree health care liability	650,820	-
	2,813,320	2,525,763
Total noncurrent liabilities	706,128,320	721,665,763
TOTAL LIABILITIES	752,394,332	767,917,775
Net Assets		
Invested in capital assets, net of related debt	302,289,837	310,905,473
Restricted		
State of North Carolina Underground Storage Tank Trust Fund Deductible	220,000	220,000
Passenger Facility Charges	73,294,625	74,428,717
Unrestricted net assets	108,572,170	91,557,348
TOTAL NET ASSETS	$ 484,376,632	$ 477,111,538

The accompanying notes are an integral part of these basic financial statements

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Years Ended March 31, 2010 and 2009

	2010	2009
Operating revenues		
Parking	$ 33,998,195	$ 36,572,511
Airfield	12,499,790	10,614,546
General aviation	1,398,821	1,387,739
Terminals	23,283,910	20,459,651
Air cargo	2,004,795	1,989,512
Fuel Farm	961,740	927,232
Rental car	11,604,879	12,788,821
Other	1,416,787	1,492,178
Total operating revenues	87,168,917	86,232,190
Operating expenses		
Airport facilities	17,956,239	15,499,047
Administrative	8,201,857	8,274,367
Fuel farm	903,815	932,042
Law enforcement	2,848,365	3,008,371
Airport maintenance	4,828,437	4,821,408
Parking	2,416,808	2,756,988
Emergency services	1,523,960	1,461,996
Visitor services	689,040	611,002
Communications	727,856	814,682
Operations	984,061	1,004,747
Ground transportation	2,701,382	2,722,685
Terminal services	227,699	222,382
Subtotal	44,009,519	42,129,717
Depreciation	47,523,955	39,245,679
Total operating expenses	91,533,474	81,375,396
Operating income (loss)	(4,364,557)	4,856,794
Non-operating revenues (expenses)		
Investment interest income	3,750,839	5,592,912
Passenger Facility Charges	18,940,075	19,710,529
Net increase in fair value of investments	(404,147)	(40,516)
Bond interest expense, net	(22,663,862)	(15,989,551)
Loss on swap termination	-	(4,543,541)
Other, net	487,820	626,545
Total non-operating revenues	110,725	5,356,378
Income before capital contributions	(4,253,832)	10,213,172
Capital contributions	11,518,926	5,677,385
Increase in net assets	7,265,094	15,890,557
Net Assets, beginning of year	477,111,538	461,220,981
Net Assets, end of year	$ 484,376,632	$ 477,111,538

The accompanying notes are an integral part of these basic financial statements.

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Cash received from operations	$ 87,261,956	$ 85,800,736
Cash paid to employees	(19,383,924)	(19,277,553)
Cash paid to suppliers	(23,803,749)	(22,002,108)
Net cash provided by operating activities	44,074,283	44,521,075
Investing activities		
Purchases of short-term investments	(60,849,393)	(77,009,484)
Proceeds from maturities of short-term investments	74,550,000	86,000,000
Investment gain on valuation account	(404,147)	(40,515)
Interest on cash deposits	4,036,651	6,034,786
Net cash provided by investing activities	17,333,111	14,984,787
Capital and related financing activities		
Payments of Long-Term Debt and Capital Lease Obligations		
General Airport Revenue Bonds-Series 2001 A and B	(6,605,000)	(6,950,000)
General Airport Revenue Bonds-Series 2002	-	(22,500,000)
General Airport Revenue Bonds-Series 2005 A and B	(3,250,000)	(1,545,000)
General Airport Revenue Bonds-Series 2008 A, B and C	(5,290,000)	
Capital Lease Obligations	-	(22,850)
Other capital and financing costs		
Debt issuance costs	(105,956)	(384,629)
Additions to airport and facilities	(120,993,874)	(155,912,146)
Bond interest paid on long-term debt	(23,509,212)	(17,445,311)
Passenger facility charges collected	19,229,420	19,414,637
Loss on swap termination	-	(4,543,541)
Other non-operating revenue	488,403	626,545
Other non-operating expenses	(583)	
Contributed capital	12,386,752	4,727,149
Net cash used in capital and related financing activities	(127,650,050)	(184,535,146)
DECREASE IN CASH AND CASH EQUIVALENTS	(66,242,656)	(125,029,284)
Cash and cash equivalents - beginning of year	276,230,560	401,259,844
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 209,987,904	$ 276,230,560
(Including Restricted Cash and Restricted Cash Equivalents)		

The accompanying notes are an integral part of these basic financial statements.

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2010 and 2009

	2010	2009
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ (4,364,557)	$ 4,856,794
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	47,523,955	39,245,679
Changes in operating assets and liabilities		
Accounts receivable	532,826	5,998
Other current assets	(139,787)	(137,452)
Accounts payable	362,972	(2,184)
OPEB Retiree Health Care Liability	650,820	-
Accrued employee compensation	(191,946)	(96,979)
Arbitriage rebate		949,219
Unearned Rent Credit	(300,000)	(300,000)
Net cash provided by operating activities	$ 44,074,283	$ 44,521,075

	2010	2009
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Current Assets		
Cash and cash equivalents	75,972,007	44,131,037
Collateral for SEB loan program	1,500,000	1,500,000
Noncurrent Assets		
Restricted assets		
State of North Carolina Underground Storage Tank Trust Fund Deductible	220,000	220,000
Passenger Facility Charge Cash and cash equivalents	70,784,420	71,629,167
Aeronautical Facilities Revenue Bonds		
Cash and cash equivalents - Bond Series 2001A, 2007 and 2008	21,758,189	117,963,617
Debt Service Reserve Fund - Bond Series 2001A, 2005, 2007 and 2008	39,753,288	40,786,739
	$ 209,987,904	$ 276,230,560

	2010	2009
Supplemental Cash Flow Information		
Cash investing, capital and financing activities		
Cash paid for interest	$ 33,616,766	$ 32,280,711
Capitalized interest paid	$ 10,107,554	$ 16,227,581

The accompanying notes are an integral part of these basic financial statements.

Note 1 – The Authority

In 1939, the General Assembly of the State of North Carolina enacted legislation authorizing the governing bodies of the City of Durham, the City of Raleigh, the County of Durham, and the County of Wake jointly to acquire, establish and operate airports. It was provided that the governing bodies would appoint a joint board to carry out the provisions of the act, and the Raleigh-Durham Airport Authority (the "Authority") is the board so appointed. Legal title to all properties is vested jointly in the governing bodies. Each of the four governing bodies makes an annual appropriation of $12,500, which is accounted for as nonexchange transactions in accordance with Statement No. 33 of the Government Accounting Standards Board.

Note 2 – Summary of significant accounting policies

Basis of presentation - fund accounting – The accounts of the Raleigh-Durham Airport Authority are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, liabilities, equity, revenues and expenses.

The Authority accounts for its operations in one fund type, the enterprise fund. An enterprise fund is used to account for operations that are (a) financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of accounting – All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. As required for periods beginning after June 15, 2000 by Statement 33 of the Government Accounting Standards Board (GASB), *Accounting and Financial Reporting for Nonexchange Transactions*, the Authority recognizes capital contributions as revenue, rather than as contributed capital. Nonexchange transactions for the Authority include Federal and State grants and contributions by the Authority's four owning bodies. The enterprise fund of the Authority is presented in the financial statements on the accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period when incurred. As permitted by accounting principles generally accepted in the United States of America, the Authority has elected to apply only applicable FASB statements and interpretations issued before November 30, 1989 in its accounting and reporting practices for its operations.

Budgetary control – The Authority adopts an annual budget ordinance as required by the Local Government Budget and Fiscal Control Act of the North Carolina General Statutes. The Operating Budget ordinance is prepared on the modified accrual basis of accounting as required by North Carolina law. This budget is adopted and amended at the total expense level with management control maintained on a departmental and complex basis. Operating expenses may not legally exceed the total expense level and Operating budget appropriations lapse at year-end. Project ordinances are also adopted annually, but do not lapse at year-end and may extend multiple years. Both Operating and Project ordinances are adopted by the Authority at its March meeting and are entered in the minutes within five days after adoption.

Note 2 – Summary of significant accounting policies (continued)

Cash and cash equivalents – The Authority considers highly liquid investments, including restricted assets, with a maturity of 90 days or less to be cash equivalents.

Investments – The Authority records its investments in marketable securities at their quoted estimated fair value except for money market investments and U.S. Treasury and Agency obligations having a remaining maturity at purchase of one year or less, which are recorded at cost.

Grants receivable – Grants receivable from governmental agencies for capital construction projects are recorded in the period actual costs are incurred. The actual amount of payment on these grants is subject to final audit by the applicable agency.

Airport and facilities – The airport and facilities are recorded at cost. Provision for depreciation has been made to amortize the cost of the assets over their estimated useful lives by the straight-line method.

Depreciation expense was $47,523,955 and $39,245,679 for the fiscal years ended 2010 and 2009, respectively.

A portion of internal engineering costs are capitalized in connection with related capital projects.

All capital projects are budgeted under project ordinances, which span more than one year. These appropriations continue until the related project is complete.

Capital Assets are defined by the Authority as assets with an initial individual cost of more than $2,500 and an economic useful life of 3 years or more.

Depreciation of airfield and facilities is computed under the straight-line method at various rates considered adequate to allocate the cost over the estimated useful lives of such assets.

The estimated lives by general classifications are as follows:

	Years
Landing field and grounds	5 – 20
Terminal buildings	5 – 45
Other buildings	5 – 30
Utilities	5 – 20
Equipment	3 – 20

The Authority's net assets are classified as follows:

Invested in capital assets, net of related debt – This represents the Authority's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of Invested in Capital Assets, Net of Related Debt.

Note 2 – Summary of significant accounting policies (continued)

Restricted net assets – Restricted net assets include resources in which the Authority is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external parties. When both restricted and unrestricted assets are available for use, the Authority applies restricted assets first, and then applies unrestricted assets as needed.

Passenger facility charges are presented as Restricted Net Assets based on Federal Aviation Administration (FAA) regulations to be used only on approved capital projects.

State of North Carolina underground storage tank trust fund deductible represents cash required to be set aside by the North Carolina Department of Environment and Natural Resources related to underground storage tank clean-up costs.

Aeronautical facilities revenue bonds represent cash and cash equivalents restricted by the Master Trust Indenture to be expended for the construction of certain airport facilities and debt service reserve funds.

Debt issue costs – Debt issue costs are amortized over the lives of the related bonds.

Vacation and sick leave compensation – The Authority allows full time employees to accumulate up to 30 days earned vacation leave, and such leave is fully vested when earned provided the employee has completed a mandatory six month probationary period. Accumulated vacation pay is recorded as a current liability and reflected in accrued employee compensation.

Employees can accumulate an unlimited amount of sick leave. Unused sick leave accumulated at the time of retirement may be used in determining length of service for retirement benefit purposes. Also, employees who voluntarily terminate employment prior to retirement may convert unused sick leave in excess of 30 days to vacation leave at a rate of two days of sick leave for one day of vacation leave. This policy is limited to converting a maximum of 60 days of sick leave into 30 days of vacation leave. Since the resulting leave is fully vested when earned, it is recorded as a liability along with ordinary vacation leave.

Revenues and expenses classifications – Revenues from airlines, concessions, rental cars and parking are reported as operating revenues. Transactions which are financing or investing related and passenger facility charges are reported as non-operating revenues. All expenses related to operating the Authority are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

Interest expense – The Authority capitalizes material interest costs related to construction projects. The objective of interest capitalization is to reflect the total asset cost and to provide the related depreciation charges against revenues of future periods that benefit from the asset use.

Income tax status – Income of the Authority is excludable from federal income tax under Section 115 of the Internal Revenue Code.

Concentration of credit risk – For the years ended March 31, 2010 and 2009, no air carrier accounted for more than 10% of the Authority's operating revenues.

Note 2 – Summary of significant accounting policies (continued)

Use of estimates – The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reporting amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications – Certain 2009 amounts have been reclassified in order to conform to 2010 presentation.

Passenger facility charges – The Federal Aviation Administration (FAA) authorized the Authority to collect Passenger Facility Charges (PFCs) of $3 per qualifying enplaned passenger commencing May 1, 2003. Effective October 1, 2004, the FAA authorized the Authority to collect PFCs of $4.50 per qualifying enplaned passenger. The net receipts from PFCs are accounted for on the accrual basis of accounting and are restricted to use on FAA approved projects. Aggregate collections and interest thereon from inception through March 31, 2010 and 2009 were $128,444,127 and $109,214,707 respectively. PFC funds of $20,074,167 and $19,000,906 were expended during the fiscal year ended March 31, 2010 and 2009, respectively, on FAA approved uses. In addition, a portion of PFCs are irrevocably committed to offset Authority debt service beginning in the fiscal year 2005-2006. This irrevocable commitment for the fiscal year ending March 31, 2010 is $20,074,167. Irrevocable commitments to the extent not applied to debt service are carried forward for future application. Net assets related to PFCs are restricted for projects that are approved by the FAA.

New pronouncements –During the fiscal year ended March 31, 2010 and beyond, the Authority will implement several new pronouncements of the Governmental Accounting Standards Board (GASB). These pronouncements are as follows:

GASB Statement No. 51 "Accounting and Financial Reporting for Intangible Assets"
This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009 and are not expected to have a material effect on the Authority's financial position or results of operations.

GASB Statement No. 52 "Land and Other Real Estate Held as Investments by Endowments" This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2008 and did not have a material effect on the Authority's financial position or results of operations.

Note 2 – Summary of significant accounting policies (continued)

New pronouncements (continued)

GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments" This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Much of this Statement describes the methods of evaluating effectiveness. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, are reported at fair value. For many derivative instruments, historical prices are zero because their terms are developed so that the instruments may be entered into without a payment being received or made. The changes in fair value of derivative instruments that are used for investment purposes or that are reported as investment derivative instruments because of ineffectiveness are reported within the investment revenue classification. Alternatively, the changes in fair value of derivative instruments that are classified as hedging derivative instruments are reported in the statement of net assets as deferrals. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The Authority is currently evaluating the effect this Statement will have on the Authority's financial position or results of operations.

Note 3 – Deposits and investments

Deposits – All the deposits of the Authority are either insured or collateralized by the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Authority, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority has no policy regarding custodial credit risk for deposits.

At March 31, 2010, the Authority's deposits had a carrying amount of $137,672,368 and a statement balance of $148,307,383. Of this bank balance, $7,586,977 was covered by federal depository insurance while the balance of $140,720,406 was covered by collateral held under the Pooling Method. The Authority is required to maintain a minimum balance of $250,000 in its checking account.

At March 31, 2009, the Authority's deposits had a carrying amount of $100,763,972 and a statement balance of $103,497,408. Of this bank balance, $7,288,259 was covered by federal depository insurance while the balance of $96,209,149 was covered by collateral held under the Pooling Method. The Authority is required to maintain a minimum balance of $250,000 in its checking account.

Note 3 – Deposits and investments (continued)

Investments – At March 31, 2010, the Authority had the following investments and maturities:

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1 Year - 30 Months
US Government Agencies	59,436,074	2,003,760	10,123,430	47,308,884
NC Capital Management Trust-Cash Portfolio	42,100,321	N/A	N/A	N/A
Total:	$ 101,536,394	$ 2,003,760	$ 10,123,430	$ 47,308,884

At March 31, 2009, the Authority had the following investments and maturities:

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1 Year - 30 Months
Repurchase Agreements	$ 8,137,800	$ -	$ -	$ 8,137,800
US Government Agencies	95,379,338	-	24,776,647	70,602,691
NC Capital Management Trust-Cash Portfolio	153,035,264	N/A	N/A	N/A
Total:	$ 256,552,402	$ -	$ 24,776,647	$ 78,740,491

Interest Rate Risk Interest rate risk is the risk that rising interest rates will adversely affect the fair value of an interest bearing investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the investment portfolio to maturities of 30 months.

Credit Risk State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). Direct investments made by the Authority by policy are limited to U.S. Treasury Bills and Notes, U.S. Government Agency obligations and bank Certificates of Deposit, all with maximum maturity of 30 months. Only indirect investments in Commercial Paper and Repurchase Agreements are permitted in relation to bond proceed and debt service reserve fund investments which are designed to maximum investment income as permitted under US Treasury arbitrage regulations. As of March 31, 2010 and 2009, the Authority's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The Authority's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of March 31, 2010 and 2009. The Authority's investments in US Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Note 3 – Deposits and investments (continued)

G.S. 159-30(c) authorizes the Authority to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), a SEC registered mutual fund, dedicated to serving North Carolina public units.

Concentration of Credit Risk The Authority places no limit on the amount that the Authority may invest in any one issuer. More than 58% of the Authority's investments are in government agencies. At March 31, 2010, the Authority's investments consisted of 23% in Federal Home Loan Bank securities, 10% in Federal Home Loan Mortgage Corporation securities, 17% in Federal National Mortgage Association securities, and 50% in NCCMT. Of this 50% invested in the NCCMT, 83% represents Authority bond proceeds. At March 31, 2009, the Authority's investments consisted of 10% in Federal Home Loan Bank securities, 6% in Federal Home Loan Mortgage Corporation securities, 2% in Federal Farm Credit Bank securities, 20% in Federal National Mortgage Association securities, 3% in a Morgan Stanley repurchase agreement, and 59% in NCCMT. Of this 59% invested in the NCCMT, 89% represents Authority bond proceeds.

Note 4 – Airport and facilities, net

Changes in airport and facilities are as follows for the year ended March 31, 2010:

	March 31, 2009	Additions	Deletions	Transfers	March 31, 2010
Capital assets not being depreciated					
Land	$ 41,193,383	$ -	$ -	$ -	$ 41,193,383
Construction in progress	27,645,002	121,002,198	-	(14,814,879)	133,832,321
Total capital assets not being depreciated	68,838,385	121,002,198	-	(14,814,879)	175,025,704
Other capital assets					
Landing field and grounds	522,444,658	-	-	1,058,165	523,502,823
Terminal buildings	504,137,908	-	-	1,335,323	505,473,231
Other buildings	159,618,448	-	-	11,742,441	171,360,889
Utilities	4,115,389	-	-	115,243	4,230,632
Equipment	23,233,962	-	(793,426)	563,707	23,004,243
Total other capital assets	1,213,550,365	-	(793,426)	14,814,879	1,227,571,818
Total airport and facilities	1,282,388,750	121,002,198	(793,426)	-	1,402,597,522
Accumulated depreciation					
Landing field and grounds	(257,795,396)	(17,181,497)	-	-	(274,976,893)
Terminal buildings	(71,000,569)	(19,425,846)	-	-	(90,426,415)
Other buildings	(47,652,390)	(8,841,401)	-	-	(56,493,791)
Utilities	(3,669,650)	(77,366)	-	-	(3,747,016)
Equipment	(15,830,628)	(1,997,845)	793,426	-	(17,035,047)
Total accumulated depreciation	(395,948,633)	(47,523,955)	793,426	-	(442,679,162)
Airport and facilities, net	$ 886,440,117	$ 73,478,243	$ -	$ -	$ 959,918,360

Note 4 – Airport and facilities, net (continued)

Changes in airport and facilities are as follows for the year ended March 31, 2009:

	March 31, 2008	Additions	Deletions	Transfers	March 31, 2009
Capital assets not being depreciated					
Land	$ 35,546,221	$ -	$ -	$ 5,647,162	$ 41,193,383
Construction in progress	315,393,845	138,328,867	-	(426,077,710)	27,645,002
Total capital assets not being depreciated	350,940,066	138,328,867	-	(420,430,548)	68,838,385
Other capital assets					
Landing field and grounds	516,776,328	-	-	5,668,330	522,444,658
Terminal buildings	94,895,079	-	-	409,242,829	504,137,908
Other buildings	158,364,779	-	-	1,253,669	159,618,448
Utilities	4,115,389	-	-	-	4,115,389
Equipment	18,968,242	-	-	4,265,720	23,233,962
Total other capital assets	793,119,817	-	-	420,430,548	1,213,550,365
Total airport and facilities	1,144,059,883	138,328,867	-	-	1,282,388,750
Accumulated depreciation					
Landing field and grounds	(240,375,763)	(17,419,633)	-	-	(257,795,396)
Terminal buildings	(59,137,630)	(11,862,939)	-	-	(71,000,569)
Other buildings	(39,615,640)	(8,036,750)	-	-	(47,652,390)
Utilities	(3,595,165)	(74,485)	-	-	(3,669,650)
Equipment	(13,978,756)	(1,851,872)	-	-	(15,830,628)
Total accumulated depreciation	(356,702,954)	(39,245,679)	-	-	(395,948,633)
Airport and facilities, net	$ 787,356,929	$ 99,083,188	$ -	$ -	$ 886,440,117

During March 31, 2010 and 2009, interest costs of approximately $10,416,393 and $20,379,794, net of interest earned of approximately $308,839 and $4,152,213, were capitalized as part of the cost of construction in progress, respectively.

Note 5 – Long-term debt

Changes of long-term debt for the year ended March 31, 2010 consist of the following:

	March 31, 2009	Principal Repayments	New Debt	March 31, 2010
Amounts due to trustee				
Series 2001A 4.00 – 5.50% General Airport Revenue Bonds, maturing in varying installments beginning in 2005 to 2031	$ 144,680,000	$ 3,505,000	$ -	$ 141,175,000
Series 2001B 4.00 – 4.375% General Airport Revenue Bonds, maturing in varying installments beginning in 2002 to 2015	16,715,000	3,100,000	-	13,615,000
Series 2005A 4.00-5.00% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030	39,805,000	-	-	39,805,000
Series 2005B 3.00-5.00% General Airport Revenue Bonds, maturing in varying installments beginning 2006 to 2029	81,015,000	3,250,000	-	77,765,000
Series 2007 4.750% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2037	152,070,000	-	-	152,070,000
Series 2008ABC 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	300,000,000	5,290,000	-	294,710,000
Total bond obligations	734,285,000	15,145,000	-	719,140,000
Less current maturities	15,145,000	-	-	15,825,000
	$ 719,140,000	$ 15,145,000	$ -	$ 703,315,000

Note 5 – Long-term debt (continued)

Changes of long-term debt for the year ended March 31, 2009 consist of the following:

	March 31, 2008	Principal Repayments	New Debt	March 31, 2009
Amounts due to trustee				
Series 2001A 4.00 – 5.50% General Airport Revenue Bonds, maturing in varying installments beginning in 2005 to 2031	$ 148,000,000	$ 3,320,000	$ -	$ 144,680,000
Series 2001B 4.00 – 4.375% General Airport Revenue Bonds, maturing in varying installments beginning in 2002 to 2015	20,345,000	3,630,000	-	16,715,000
Series 2002A Adjustable Rate Airport Revenue Bonds, maturing in varying installments beginning in 2003 to 2018	22,500,000	22,500,000	-	-
Series 2005A 4.00-5.00% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030	39,805,000	-	-	39,805,000
Series 2005B 3.00-5.00% General Airport Revenue Bonds, maturing in varying installments beginning 2006 to 2029	82,560,000	1,545,000	-	81,015,000
Series 2006A-E 4.50% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036	300,000,000	300,000,000	-	-
Series 2007 4.750% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2037	152,070,000	-	-	152,070,000
Series 2008ABC 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	-	-	300,000,000	300,000,000
Total bond obligations	765,280,000	330,995,000	300,000,000	734,285,000
Less current maturities	10,295,000	-	-	15,145,000
	$ 754,985,000	$ 330,995,000	$ 300,000,000	$ 719,140,000

Note 5 – Long-term debt (continued)

Debt maturities for the next five years and in five-year increments thereafter are as follows:

Year Ending March 31	General Airport Revenue Bond Series 2001A	General Airport Revenue Bond Series 2001B	General Airport Revenue Bond Series 2005A	General Airport Revenue Bond Series 2005B	General Airport Revenue Bond Series 2007	General Airport Revenue Bond Series 2008 ABC	Interest
2011	$ 3,645,000	$ 3,220,000	$ -	$ 3,415,000	$ -	$ 5,545,000	$ 33,126,699
2012	3,790,000	3,350,000	-	3,585,000	2,755,000	5,810,000	32,356,236
2013	3,980,000	3,495,000	-	3,760,000	2,885,000	6,090,000	31,434,173
2014	4,190,000	2,435,000	-	3,950,000	3,035,000	6,385,000	30,449,872
2015	4,410,000	1,115,000	-	4,150,000	3,190,000	6,690,000	29,465,932
2016-2020	25,770,000	-	490,000	23,615,000	18,575,000	38,610,000	132,304,777
2021-2025	33,115,000	-	15,285,000	15,595,000	23,840,000	48,845,000	102,807,337
2026-2030	42,265,000	-	19,510,000	19,695,000	30,520,000	61,790,000	65,884,833
2031-2035	20,010,000	-	4,520,000	-	38,920,000	78,160,000	25,333,474
2036-2038	-	-	-	-	28,350,000	36,785,000	2,195,584
	$141,175,000	$13,615,000	$39,805,000	$77,765,000	$152,070,000	$294,710,000	$485,358,917

For the table above, interest was calculated for the un-hedged or non swapped $75 million portion of the Series 2008 bonds using an estimated rate of 4.00% for their remaining terms.

On February 27, 2001, the Authority entered into a Master Trust Indenture, dated as of February 1, 2001, that established the primary financing mechanism for the issuance of Bonds to finance improvements to the Airport. Bonds issued under the Master Trust Indenture are obligations of the Authority, secured by and payable from the Net Revenues of the Authority, and under certain circumstances, the proceeds of the Bonds, investment earnings, amounts set aside in a Debt Service Reserve Fund created under the Master Trust Indenture and certain other funds and accounts.

On February 27, 2001, the Authority issued $156,975,000 Airport Revenue Bonds Series 2001A under the Master Trust Indenture. The proceeds were used for the design and construction of several improvements to the Airport, including the construction of a garage, two warehouse buildings to house support equipment, alterations to existing parking structures, roadways, bridges, toll plazas, walkways, and alterations to a pedestrian tunnel.

On February 27, 2001, the Authority also issued $47,570,000 Airport Revenue Refunding Bonds Series 2001B under the Master Trust Indenture. The proceeds were used to refund Revenue Bonds previously issued by the Authority to finance parking facilities at the Airport.

On May 1, 2002, American prepaid and retired Series 1995A and 1995B Special Facility Revenue Refunding Bonds totaling $78,300,000. These bonds, which were considered conduit debt, financed the Terminal C Building facilities and equipment, all of which were leased to American for a 40-year period.

On June 13, 2002, the Authority issued $30,000,000 Adjustable Rate Airport Revenue Bonds, Series 2002A under the Master Trust Indenture. The proceeds of the Series 2002A Bonds were used to finance a portion of the cost of acquiring and purchasing certain rights and interests of American Airlines, Inc. under the Raleigh-Durham Airport Facilities Lease and Use Agreement dated November 1, 1985, to finance the cost of rehabilitation of certain buildings and equipment related to the forgoing

Note 5 – Long-term debt (continued)

acquisition and purchase, and to finance the cost of certain other capital improvements to aeronautical facilities located at the airport. Due to downgrades of the credit ratings of the bond insurer insuring payment of the Series 2002A Bonds in March 2008, the Series 2002 Bonds could no longer be remarketed at interest rate levels corresponding to their tax exempt trading index, or SIFMA. On August 12, 2008 the entire outstanding principal balance of Series 2002A, or $22,500,000 was retired with Authority funds.

On December 18, 2002, the Authority issued $35,000,000 Bond Anticipation Notes (BAN) Series 2002B under the Master Trust Indenture. On December 17, 2003, the Authority paid off the $35,000,000 Series 2002B BAN with the issuance of a $70,000,000 Bond Anticipation Note, Series 2003 ($35 million new funding), under the Master Trust Indenture. These BAN proceeds were used to fund the initial costs of constructing a general aviation terminal and an operations center; constructing a ramp expansion, including the relocation of Taxiway D; and improving Terminal C and associated facilities, including architectural, pre-construction and construction. The Series 2003 BAN was retired in March 2005 with the issuance of the Series 2005A&B bonds.

On March 1, 2005, the Authority issued $39,805,000 Airport Revenue Bond Series 2005A under the Master Trust Indenture. The proceeds were used for the construction, redevelopment, and expansion of Terminal C (now known as Terminal 2).

On March 1, 2005, the Authority issued $85,490,000 Airport Revenue Bond Series 2005B under the Master Trust Indenture. The proceeds were used for the construction, redevelopment, and expansion of Terminal C (now known as Terminal 2), including the redevelopment of the north ramp general aviation area, an Authority Operations Center, and the relocation of Taxiway D and ramp expansion.

On May 4, 2005 the Authority executed two interest rate swap agreements in anticipation of the issuance of $300 million of Bonds to finance the redevelopment of Terminal C (now Terminal 2). The effective date of the swaps was June 15, 2006 and the termination date of the swaps was May 1, 2036. One interest rate swap agreement was entered into with Citibank, N.A. and one interest rate swap agreement was entered into with Lehman Brothers Special Financing Inc. The aggregate notional amount of the swaps was $300,000,000 and the terms of the swaps are substantially similar. Under the swaps, the Authority agreed to pay the swap providers a fixed rate of 4.27% based on the notional amount of the swaps and the swap providers agreed to pay the Authority the Bond Market Association Municipal Swap Index (BMA or SIFMA) rate plus 5 basis points based on the notional amount of the swaps. Only the net difference in interest rate payments is actually exchanged. The $300 million in bond principal is not exchanged; it is only the basis on which the interest payments are calculated. The notional amount of the swaps was designed to amortize with the 2006 Bonds.

On June 15, 2006, the Authority issued $300 million of its Variable Rate Airport Revenue Bonds in five series (Series 2006A, 2006B, 2006C, 2006D and 2006E). On May 2, 2008, the Authority refunded the Series 2006 Bonds through the issuance of its Variable Rate Airport Revenue Bonds, also in the amount of $300 million, in three series (Series 2008A, 2008B and 2008C).The Series 2008 Bonds were issued to refund the Series 2006 Bonds to correct a trading problem associated with the ratings downgrade of the bond insurer insuring payment of the Series 2006 Bonds. The Series 2008 Bonds were issued in the amount of $300 million and have the identical amortization schedule as the refunded Series 2006 Bonds. The refunding of the Series 2006 Bonds by the Series 2008 Bonds resolved the trading problems associated with the ratings downgrade of the bond insurer for the Series 2006 Bonds.

Note 5 – Long-term debt (continued)

The Series 2006 Bonds, and later the Series 2008 Bonds, were issued as variable interest rate bonds, but the swaps converted the interest rate to a synthetic fixed rate. If the floating receipts from the swap counterparties are equal to the interest due on the hedged bonds, the Authority's effective interest rate would be the fixed swap rate. The Authority is exposed to additional interest expense payments if the variable interest rate on the Bonds exceeds BMA (or SIFMA) plus 5 basis points. The swap agreements utilized the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. Termination could result in the Authority being required to make an unanticipated termination payment.

In connection with the 2008 refunding, the swaps associated with the Series 2006 Bonds were not changed and there was no gain or loss on the refunding.

In September 2008 Lehman Brothers Special Financing, Inc. entered bankruptcy in connection with the bankruptcy filing by Lehman Brothers. This bankruptcy resulted in a default by Lehman Brothers Special Financing Inc. under its $150 million swap agreement with the Authority. At that time, the Authority began exploring the possibility of terminating the interest rate swap with Lehman. On February 9, the Authority terminated the Lehman swap at a cost to the Airport Authority of $9.1 million. Simultaneously with terminating the swap agreement, the Authority entered into two new swap agreements for an aggregate notional amount of $75 million with Barclays Bank, Plc and Morgan Keegan Financial Products, Inc. as swap counterparties. Performance by Morgan Keegan Financial Products, Inc. under its swap agreement is supported by a second agreement entered into by the Authority and Morgan Keegan with Deutsche Bank. The Authority received $4,551,000 from Barclays Bank Plc and Morgan Keegan Financial Products, Inc. to offset the payment made to Lehman Brothers. The new swaps were negotiated with Barclays in the notional amount of $50 million and with Morgan Keegan in the notional amount of $25 million. Fixed rate payments under these new swaps are set at a rate of 4.099 percent, down from the 4.27 percent Lehman swap rate, reducing the Airport Authority's interest cost on the hedged $75 million by approximately $128,000 per year. The remaining $75 million of Series 2008 Bonds became un-hedged variable debt upon the termination of the Lehman swap. In connection with the termination of the Lehman swap, the Authority offset termination transaction costs and the market premium associated with a failed Debt Service Reserve fund investment agreement with Lehman. As such, these additional offsets reduced the net cash payment by the Authority in connection with the termination of the Lehman swap termination to $3.1 million.

Each series of the Series 2008 Bonds is supported by credit or liquidity support provided by a letter of credit or standby bond purchase agreement of a financial institution. For the $75 million Series 2008C Bonds, the Authority made arrangements for the delivery of a letter of credit of SunTrust Bank. Due to financial difficulties encountered by SunTrust Bank in 2009, the Series 2008C Bonds could not be remarketed at variable interest rates that corresponded to SIFMA. In November 2009, the Authority and SunTrust Bank entered into arrangements with the Federal Home Loan Bank of Atlanta for the Federal Home Loan Bank to deliver a standby letter of credit that supports the letter of credit of SunTrust Bank securing the Series 2008C Bonds. The delivery of the Federal Home Bank letter of credit resulted in a return of the variable interest rates on the Series 2008C Bonds to levels that approximate the SIFMA index.

Note 5 – Long-term debt (continued)

At March 31, 2010, the Authority's swaps had the following negative fair values:

Counterparty	Swap Amount	Negative fair value
Citigroup, Inc	$147,355,000	$13,393,582
Barclays Capital	49,116,000	3,835,182
Morgan Keegan	24,559,000	1,795,061

Fair value was established by the counterparty using mark to market valuations.

On May 31, 2007, the Authority finalized financing of the Terminal C (now Terminal 2) Redevelopment and Expansion Project with the issuance by the Authority of its Airport Revenue Bonds, Series 2007 in the aggregate principal amount of $152 million. These proceeds were used for the construction, redevelopment, and expansion of Terminal C (now Terminal 2).

The Authority's bonds are subject to federal arbitrage regulations, and are reviewed for potential for arbitrage liability annually on the bond issue dates. The arbitrage rebate payments are payable on the fifth anniversary of the bond issue date and every fifth year subsequent to that date. Annual calculations are performed for all applicable bond issues and the Authority is in compliance with regard to arbitrage regulations on all bond issues.

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the Authority must rebate to the federal government "arbitrage profits" earned on the governmental bonds after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At March 31, 2010 the Series 2005 bonds had an arbitrage liability of $949,219.

These bonds have rate covenants associated with them, whereby the Authority must maintain a debt service coverage ratio of Net Revenues and available fund balance to debt service. The bond documents provide for a number of technical adjustments to be followed in determining the Net Revenues and debt service to be used in this calculation. The rate covenant generally requires that sum of (i) the Net Revenues for the fiscal year and (ii) available fund balance at the end of the fiscal year in an amount up to 25% of debt service for the fiscal year (the "25% transfer") must be no less than 125% of the adjusted debt service calculated for the fiscal year. The debt service coverage ratio at March 31, 2010 with this 25% transfer is 202%. The debt service coverage ratio at March 31, 2009 without this 25% transfer is calculated as follows:

Net revenues	$ 46,910,237
Annual debt service	26,574,881
Calculated debt service coverage ratio without transfer	177%

Note 6 – Leases

The Authority leases land, buildings and terminal space with a cost of approximately $524 million and a carrying value of approximately $424 million to the airlines, car rental agencies, restaurant and other businesses located at the airport. Revenues from these leases, which are included in buildings and grounds and general aviation revenue, were approximately 40% and 39% of airport operating revenues for fiscal years ended March 31, 2010 and 2009, respectively. These leases cover periods ranging up to a maximum of 40 years and contain provisions for fixed and contingent rentals based on revenues. For the years ended March 31, 2010 and 2009, contingent rentals comprised $16.6 and $17.8 million of the total rental revenues, respectively.

Minimum future rentals on noncancelable operating leases for the next five fiscal years are approximately:

Year Ending March 31	Amount
2011	$ 8,237,000
2012	8,380,000
2013	8,052,000
2014	7,544,000
2015	7,544,000
	$ 39,757,000

Note 7 – Employee retirement plans

Local governmental employees' retirement system

Plan Description – The Authority contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy – Plan members are required to contribute six percent of their annual covered salary. The Authority is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 4.88% and 4.86% of annual covered payroll. The contribution requirements of members are established and may be amended by the North Carolina General Assembly. The Authority's contributions to LGERS for the years ended March 31, 2010, 2009 and 2008 were $1,741,464, 1,678,340 and $1,474,901 respectively. The contributions made by the Authority equaled the required contributions for each fiscal year.

Note 7 – Employee retirement plans (continued)

Supplemental retirement income plan for law enforcement officers

Plan Description – The Authority contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Authority. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy – Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended March 31, 2010 were $137,568, which consisted of $84,022 from the Authority, and $53,546 from the law enforcement officers. Contributions for the year ended March 31, 2009 were $129,580, which consisted of $77,946 from the Authority, and $51,634 from the law enforcement officers.

Law enforcement officer's special separation allowance

Plan Description – The Authority administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Authority's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At March 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	29
Total	34

A separate report was not issued for the plan.

Summary of Significant Accounting Policies
Basis of Accounting – The Authority has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from operating accounts, which are maintained on the accrual basis of accounting.

Method Used to Value Investments – No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

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Note 7 – Employee retirement plans (continued)

Contributions – The Authority is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the operating budget. The Authority's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

Other Post-Employment Benefits

Health Care Plan

Plan Description:
Under the terms of an Authority resolution, the Authority administers a single-employer benefit Health Care Plan (the "Plan"). The Plan provides postemployment healthcare benefits to retirees of the Authority, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System). While eligibility to draw retirement benefits from the System vests at 5 years, eligibility for post-retirement health benefits from the Authority requires: (1) all requirements for retirement from LGERS are met and (2) the final 5 years of service are worked with the Authority. The Authority pays the cost of the individual and dependent premiums (or same portion of the cost as it pays for non-retired employees) for the qualified retiree's health coverage through the Authority's group health insurance plan. When the retiree reaches age 65, the Authority's post-retirement benefits cease. At that time, the retiree is no longer covered by the Authority's group health insurance program. The Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or a report of another entity.

Membership in the plan included the following at December 31, 2008, the date of the last actuarial valuation:

Retirees receiving benefits	23
Active plan members	274
Total	297

Funding Policy:
As noted above, the Authority pays its share of the cost of coverage (premiums) for the health care benefits provided to qualified retirees. The Authority's members pay their share of the premiums. The Authority has chosen to fund the health care benefits on a pay as you go basis and no funds are set aside to pay these benefits.

The current annual required contribution rate is 5.87% of annual covered payroll. For the current year, the Authority contributed $203,635 (retiree claims paid less premiums received) or 1.31% of annual covered payroll. The Authority provides health care coverage through a minimum premium plan. The Authority's required contribution for employees and retirees is the actual expense incurred. Contributions (premiums) made by employees and retirees were 2.89% and .23% of covered payroll, respectively. The Authority's obligation to contribute to the Plan is established and may be amended by the Authority's Board of Directors.

Other Post-Employment Benefits (continued)

Life Insurance Benefit

Plan Description:
Under the terms of an Authority resolution, the Authority administers a single-employer life insurance benefit. The life insurance benefit provides postemployment life insurance coverage to retirees of the Authority in the amount of $5,000. When the retiree reaches age 99, the Authority's post-retirement benefits cease. At that time, the retiree is no longer covered by the Authority's life insurance policy.

Funding Policy:
The Authority pays the full cost of life insurance premiums. The Authority has chosen to fund the life insurance benefits on a pay as you go basis and no funds are set aside to pay these benefits. The Authority's obligation to contribute to the life insurance benefit is established and may be amended by the Authority's Board of Directors.

Summary of Significant Accounting Policies:
Postemployment expenditures for the Authority's portion of the premiums are from the Authority's enterprise fund, which is maintained on the full accrual basis of accounting. No funds are set aside to pay benefits and administrative costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation:
The Authority's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the Plan and changes in the Authority's net OPEB obligation for the health care benefits:

Annual required contribution	$854,455
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	854,455
Contributions made	203,635
Increase in net OPEB obligation	650,820
Net OPEB obligation beginning of the year	-
Net OPEB obligation end of the year	$650,820

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2010 were as follows:

For Year Ended March	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	$ 854,455	23.8%	$ 650,820

Other Post-Employment Benefits (continued)

Funded Status and Funding Progress:
As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was $6,078,786. The covered payroll (annual payroll of active employees covered by the Plan) was $14,562,473, and the ratio of the UAAL to the covered payroll was 41.7%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions.
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.5 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

Note 8 – Commitments and contingencies

Risk management – The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, injuries to employees and the general public, and natural disasters. The Authority carries commercial insurance against risks of loss, including property and public liability insurance and worker's compensation. Settled claims from these risks have been far less than commercial insurance coverage.

Construction commitments – At March 31, 2010 and 2009, the Authority has contractual commitments for Authority expansion programs of approximately $63 million and $125 million, respectively.

Contingent liabilities - The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Authority's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

Contingent liabilities (continued)

Prior to the opening of Terminal 2, the Authority's Small Emerging Business (SEB) program was used to provide loan backing for two small business concessionaires. Additional support is also available for Terminal 2 phase 2 opportunities in early 2011. The Authority has capped the amount available for this program at $1.5 million.

Note 9 – Subsequent Events

The Authority is preparing to issue fixed interest rate 2010A Bonds to refund the 2008A/B Bonds and terminate its interest rate swap agreements (3 swaps with notational values totaling $221 million at March 31, 2010) in order to reduce its exposure to risks associated with the underlying variable rate demand obligations, particularly with regard to costs and availability of credit and liquidity support for the 2008A/B Bonds, and to risks associated with the interest rate swap agreements. In the current interest rate environment, the Authority must pay a termination payment in connection with the termination of its interest rate swap agreements. Depending upon market conditions and whether corresponding market driven financial objectives are met at the time of the sale of the 2010A Bonds, the Authority may refund less than all of the 2008A/B Bonds and terminate less than all of the interest rate swap agreements, or may terminate the swap agreements completely, but leave some of the 2008A/B Bonds outstanding as variable rate demand obligations. The Authority expects approval from the North Carolina Local Government Commission to issue the 2010A Bonds during August 2010. This approval will remain in force for 12 months.

In response to recent losses on investments managed by the North Carolina Office of the State Treasurer during the recession, the Treasurer has mandated increased local government employer contributions to the Local Government Employees Retirement System beginning July 1, 2010 to increase the system's funded status. The Authority's contribution rate will increase from 4.8% to 6.36% (33% increase), which will result in increased expense of about $187,500 for the fiscal year ending March 31, 2011. This increase on an annual basis would equate to approximately $250,000.

Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Required Supplemental Information

Prepared by the Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY

POST EMPLOYMENT BENEFIT HEALTH CARE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

UNAUDITED

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabiality (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/2008	$ -	$ 6,078,786	$ 6,078,786	0.0%	$ 14,562,473	41.7%

RALEIGH-DURHAM AIRPORT AUTHORITY
POST EMPLOYMENT BENEFIT HEALTH CARE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
UNAUDITED

Fiscal Year Ended March 31,	Annual Required Contribution	Actual Contribution	Percentage Contribution
2010	$ 854,455	$ 203,635	23.8%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined a part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level Percentage of Pay, open
Remaining amortization period	30 years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment Rate of Return*	4.00%
Medical cost trend rate	10.50% - 5.00%
Year of Ultimate trend rate	2016
*Includes inflation at	3.75%

The assumed investment rate of return reflects the fact that no assets are se aside within the Raleigh-Durham Airport Authority that are legally held exclusively for retiree health benefits. If a trust or equivalent arrangement were set up for this purpose, the investment rate of return can be increased.

RALEIGH-DURHAM AIRPORT AUTHORITY

SEPARATION ALLOWANCE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
UNAUDITED

2010	59,826
2009	24,569
2008	24,569
2007	24,569
2006	24,569
2005	24,569

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Members
Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Our audits were conducted for the purpose of forming opinions on the basic financial statements as of and for the years ended March 31, 2010 and 2009 taken as a whole. The following supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Authority. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the statistical section of this report and, accordingly, we express no opinion on such data.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Cherry, Bekaert & Holland LLP.

Raleigh, North Carolina
July 7, 2010

RALEIGH-DURHAM AIRPORT AUTHORITY
SUMMARY OF OPERATING REVENUES AND EXPENSES
COMPARED WITH BUDGET
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Operating revenues			
Parking	$ 33,998,195	$ 35,000,000	97.1%
Airfield	12,499,790	12,661,658	98.7%
General aviation	1,398,821	1,380,302	101.3%
Terminals	23,283,910	23,029,239	101.1%
Air cargo	2,004,795	2,027,775	98.9%
Fuel Farm	961,740	1,002,700	95.9%
Rental car	11,604,879	11,521,877	100.7%
Other	1,416,787	1,318,507	107.5%
Total operating revenues	87,168,917	87,942,058	99.1%
Operating expenses			
Complex expenses	17,956,239	18,743,956	95.8%
Department expenses	26,053,280	26,407,866	98.7%
Subtotal	44,009,519	45,151,822	97.5%
Depreciation Expense	47,523,955	42,439,732	112.0%
Total operating expenses	91,533,474	87,591,554	104.5%
NET OPERATING LOSS	$ (4,364,557)	$ 350,504	-1245.2%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
PARKING REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Parking revenues			
Parking fees	$ 34,002,859	$ 35,000,000	97.2%
Contra revenue	(4,664)	-	N/A
TOTAL PARKING REVENUES	$ 33,998,195	$ 35,000,000	97.1%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIRFIELD REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Landing fees			
Commercial/Commuter airlines			
Air Wisconsin	$ 330,063	$ 438,752	75.2%
Airtran Airways	310,351	353,923	87.7%
American Airlines	1,298,005	1,473,580	88.1%
American Eagle	1,120,374	975,781	114.8%
Atlantic Southeast/Delta Connection	25,422	34,875	72.9%
Chatauqua Airlines/USAirways Express	77,691	38,713	200.7%
Chatauqua Airlines/Delta Connection	79,613	32,906	241.9%
Chatauqua Airlines/American Connection	45,078	35,193	128.1%
Chatauqua Airlines/Continental Express	83,449	69,155	120.7%
Chatauqua Airways/Continental	169,837	138,015	123.1%
Comair/Delta Connection	480,966	529,947	90.8%
Continental Airlines	264,855	351,483	75.4%
Continental Express	180,757	144,936	124.7%
Delta Airlines	1,110,746	1,355,102	82.0%
Express Jet	2,379	-	N/A
Freedom Airlines/Mesa	3,230	47,358	6.8%
Jazz Air LP	93,757	96,154	97.5%
Jetblue Airways	391,029	351,715	111.2%
Mesa Airlines/USAirways Express	60,237	-	N/A
Mesa Airlines/United Express	115,227	159,162	72.4%
Mesaba Airlines	10,453	-	N/A
Northwest Airlines	478,167	451,908	105.8%
Piedmont Aviation/USAirways Express	591	6,289	9.4%
Pinnacle/Delta	47,328	-	N/A
Pinnacle/Northwest	143,745	172,463	83.3%
PSA Airlines/USAirways Express	61,279	72,370	84.7%
Republic/USAirways	146,421	109,267	134.0%
Skywest	3,389	-	N/A
Shuttle America	158,327	160,943	98.4%
Southwest Airlines	2,542,822	2,644,588	96.2%
Trans State Airlines/USAirways Express	72,908	94,716	77.0%
United Airlines	363,135	376,932	96.3%
USAirways	933,065	719,684	129.6%
Non-Scheduled Carriers	-	42,935	-
Charter Express	35,014	-	N/A
Worldwide Flight Services	1,834	-	N/A
Total Commercial/Commuter airlines	11,241,544	11,478,845	97.9%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIRFIELD REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Cargo carriers			
Air Now	$ 943	$ 8,916	10.6%
Air Transport International/BAX Global	146,561	121,690	120.4%
Federal Express	491,254	458,046	107.2%
Martinaire/DHL	15,015	-	N/A
United Parcel Service	269,262	256,641	104.9%
Total Cargo carriers	923,035	845,293	109.2%
Total landing fees	12,164,579	12,324,138	98.7%
Other			
Fuel flowage fees	316,953	320,000	99.0%
Other airfield revenues	18,258	17,520	104.2%
Total other	335,211	337,520	99.3%
TOTAL AIRFIELD REVENUES	$ 12,499,790	$ 12,661,658	98.7%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
GENERAL AVIATION REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
General Aviation-General			
Fixed space rents			
Bellefonte, Inc.	$ 16,902	$ 15,448	109.4%
Bellsouth	30,817	30,817	100.0%
Civil Air Patrol	1,260	-	N/A
Jetcraft	8,380	8,380	100.0%
Lichtin Corp.	8,380	8,180	102.4%
Martin Marietta	8,380	8,380	100.0%
NC DOT Aviation	236,930	236,930	100.0%
Piedmont Hawthorne	270,861	213,074	127.1%
PK Enterprises	8,380	8,380	100.0%
Progress Energy	20,946	21,523	97.3%
SAS Institute, Inc.	30,461	32,552	93.6%
Southern Jet	561,186	600,472	93.5%
Telecommunication Services	10,712	13,105	81.7%
Total Fixed space rents	1,213,595	1,197,241	101.4%
Percentage rents			
Piedmont Hawthorne-Catering	7,697	11,000	70.0%
Southern Jet-Catering	2,186	2,500	87.4%
Sharp Detail	735	-	N/A
Hertz Corporation	40,112	49,230	81.5%
Immaculate Flight	4,280	-	N/A
Total Percentage rents	55,010	62,730	87.7%
Total General Aviation-General	1,268,605	1,259,971	100.7%

RALEIGH-DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

GENERAL AVIATION REVENUES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
General Aviation-Terminal			
Fixed space rents			
Delta Airport Consultants	$ 18,454	$ 18,454	100.0%
Jetcraft	37,753	37,753	100.0%
JQ Enterprises/Crosswinds Café	6,048	6,048	100.0%
Telecommunication Services	8,931	8,606	103.8%
Total Fixed space rents	71,186	70,861	100.5%
Percentage rents			
JQ Enterprises/Crosswinds Café	4,377	8,800	49.7%
CLS Management	20,630	18,000	114.6%
Hertz Corporation	3,710	5,470	67.8%
Employee Parking	28,138	15,100	186.3%
Total Percentage rents	56,855	47,370	120.0%
Total General Aviation-Terminal	128,041	118,231	108.3%
Charter Security Screening	2,175	2,100	103.6%
TOTAL GENERAL AVIATION REVENUES	$ 1,398,821	$ 1,380,302	101.3%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Terminal 1 Complex			
Fixed space rents			
AirTran Airways	$ 355,787	$ 363,362	97.9%
Air Wisconsin	57,491	57,491	100.0%
Continental Airlines	878,346	891,756	98.5%
Jetblue Airways	353,698	357,637	98.9%
Southwest Airlines	1,459,576	1,491,184	97.9%
US Airways	1,351,651	1,380,075	97.9%
Aeronautical Radio	600	600	100.0%
Anton Airfood	82,993	85,801	96.7%
Corner Café	3,536	-	N/A
DAL Global Services	1,200	1,200	100.0%
Sandhills Delivery Service	17,710	17,710	100.0%
Globe Airport Security	20,147	13,099	153.8%
Kellee Communications Group	6,908	6,908	100.0%
Network Communications	500	-	N/A
Passur Aerospace	528	528	100.0%
State Employee's Credit Union	6,000	6,000	100.0%
Superior Aircraft Services	2,618	-	N/A
Superior Shine	2,250	9,000	25.0%
Paradies Shops	18,916	18,916	100.0%
Transportation Security Administration	111,913	95,835	116.8%
RDU Taxi	9,424	6,867	137.2%
Super Shuttle	17,890	17,256	103.7%
Wham Aviation	2,702	1,200	225.2%
Total fixed space rents	4,762,384	4,822,425	98.8%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Terminal 1 Complex			
Percentage rents			
Anton's Airfood:			
AJ Tavern/Greenleaf's	$ 348,161	$ 283,000	123.0%
Carolina Varsity Bar	226,977	272,000	83.4%
Food Court 1:			
Godfather's	18,905	25,000	75.6%
Popeye's Chicken	86,658	90,000	96.3%
Food Court 2:			
A&W All American Food	41,213	26,000	158.5%
Golden Corral	(11)	-	N/A
Fresh Attractions Kiosk	1,727	21,000	8.2%
Cinnabon	82,656	58,000	142.5%
Great American Bagel	68,739	56,000	122.7%
Starbucks - A3	79,782	100,500	79.4%
Freshens	27,835	39,500	70.5%
Borders, Inc.	92,828	99,500	93.3%
Checkpoint Mailers	700	500	140.0%
Classic Food Services	11,380	6,500	175.1%
Interspace Airport Advertising	368,124	336,000	109.6%
J.Q. Enterprises			
The Corner Café	14,821	15,500	95.6%
Majestic Terminal Services	1,271	11,200	11.3%
National Aviation Services	23,637	-	N/A
Network Communications	5,565	4,200	132.5%
SBC Internet Services	55,387	-	N/A
Smarte Carte	6,443	6,000	107.4%
Superior Shine	6,750	-	N/A
Telephones - Kellee Communications	5,887	11,000	53.5%
Travelex Currency	12,238	33,500	36.5%
Universal Parking Resources	2,089	-	N/A
XpressSpa	30,743	27,500	111.8%
The Paradies Shops:			
A Southern Season	40,649	44,500	91.3%
Brighton Shops	81,369	68,500	118.8%
Brooks Brothers	809	-	N/A
PGA Tour Shop	8,829	17,000	51.9%
RDU Press Plus	480,370	481,000	99.9%
The Book Cellar	9,646	25,200	38.3%
24-Hour Flower	1,732	1,700	101.9%
Total percentage rents	2,243,909	2,160,300	103.9%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Miscellaneous rents			
Janitorial	$ 186,989	$ 216,500	86.4%
Telecommunication Services	15,066	11,385	132.3%
Miscellaneous	3,500	-	N/A
Total miscellaneous rents	205,555	227,885	90.2%
Total Terminal 1 Complex revenues	7,211,848	7,210,610	100.0%
Terminal 2 Complex			
Fixed space rents			
Airport Management Services	8,936	8,936	100.0%
American Airlines	3,717,517	3,911,021	95.1%
American Eagle Airlines	566,067	515,342	109.8%
Borders Book	-	2,573	-
Charter Express	19,129	18,778	101.9%
Delta Airlines	3,738,951	3,629,983	103.0%
Host International	21,505	21,505	100.0%
Jazz Air LP	43,477	45,043	96.5%
JQ Enterprises	11,265	11,265	100.0%
Mesa	73,373	77,050	95.2%
Pinnacle Airlines	29,843	-	N/A
SSP America	10,658	12,098	88.1%
Skytanking	7,348	7,348	100.0%
State Employees' Credit Union - ATM	6,000	6,000	100.0%
Superior Shine	3,000	3,000	100.0%
The Paradies Shops	10,664	10,664	100.0%
Transportation Security Administration	56,012	56,012	100.0%
United Airlines	1,135,422	1,128,929	100.6%
XpressSpa	1,045	3,128	33.4%
Total fixed space rents	9,460,212	9,468,675	99.9%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Terminal 2 Complex			
Percentage rents			
24 Hour Flower	$ 1,550	$ 1,500	103.3%
2nd Edition Book Sellers	11,369	17,500	65.0%
ABM/Onesource	15,392	-	N/A
Airport Management Services, LLC			
AeroMart	136,996	163,500	83.8%
Anders Natural Soaps	2,844	7,500	37.9%
Shaw News	137,313	140,000	98.1%
Borders	161,074	162,500	99.1%
Checkpoint Mailers	410	300	136.5%
Classic Food Services	4,734	6,000	78.9%
Interspace Airport Advertising	384,566	505,000	76.2%
EJE Retail	67,892	37,500	181.0%
Host International, Inc.			
42nd Street Oyster Bar	235,694	240,000	98.2%
Brookwoods Farms	95,885	125,500	76.4%
California Pizza Kitchen	83,240	107,000	77.8%
Carolina Ale House	235,362	256,500	91.8%
Gordon Biersch	82,025	80,500	101.9%
Starbucks	156,006	140,000	111.4%
JQ Enterprises, Inc.			
A&W All American Food/KFC Express	92,237	54,000	170.8%
Bruegger's Bagels	116,356	116,000	100.3%
Kelee Communications	2,735	-	N/A
RDU Currency Exchange	73,329	120,000	61.1%
SBC Internet Services	81,250	-	N/A
Smarte Carte	6,932	6,500	106.6%
SSP America			
Camden Food Company	162,431	148,500	109.4%
Panoplis	57,778	66,500	86.9%
Techshowcase	89,234	85,500	104.4%
The Paradies Shops			
OTC Drugs and More	100,377	96,500	104.0%
Taxco Sterling	57,738	80,500	71.7%
University Kids	18,818	15,500	121.4%
University Market	246,314	226,000	109.0%
XpressSpa	41,812	55,500	75.3%
Zoom Systems			
Apple i-Pod	6,521	14,000	46.6%
Rosetta Stone	6,170	8,500	72.6%
Skymall	825	-	N/A
Total percentage rents	2,973,209	3,084,300	96.4%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Miscellaneous rents			
FIS international passenger deplaning fee	$ 786,285	$ 766,000	102.6%
Janitorial Revenues	231,219	293,300	78.8%
Gate Usage Fees	469,650	-	N/A
Telecommunication Services	85,642	79,057	108.3%
Total miscellaneous rents	1,572,796	1,138,357	138.2%
Total Terminal 2 Complex revenues	14,006,217	13,691,332	102.3%
Terminal Security			
Security- Checkpoint/Space- Terminals 1 & 2	1,364,317	1,363,182	100.1%
Security-L/E Cost Recovery - Terminals 1 & 2	106,221	106,132	100.1%
Total Terminal Security	1,470,538	1,469,314	100.1%
Terminal Miscellaneous			
Traffic Ordinance Violations	33,855	-	N/A
Colonial Pipeline	15,960	15,960	100.0%
Skychefs M&O	36,480	-	N/A
U.S. Postal Service	22,543	22,543	100.0%
Wireless:WIFI license fee	-	75,000	-
Wireless:DAS fees	108,000	108,000	100.0%
Skychefs	378,469	436,480	86.7%
Total Terminal Miscellaneous	595,307	657,983	90.5%
TOTAL TERMINAL REVENUES	$ 23,283,910	$ 23,029,239	101.1%

RALEIGH-DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

AIR CARGO REVENUES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
North Cargo Complex			
Fixed space rents			
ABX Air, Inc.	$ 112,717	$ 112,717	100.0%
Emery Worldwide	174,100	174,100	100.0%
Federal Express	312,052	312,048	100.0%
United Parcel Service	227,477	227,477	100.0%
Worldwide Flight Services	98,443	98,443	100.0%
Total North Cargo Complex revenues	924,789	924,785	100.0%
South Cargo Complex			
Fixed space rents			
American Airlines	447,445	447,445	100.0%
Aviation Repair Technologies	5,186	-	N/A
Anton Airfood	96,008	96,009	100.0%
BAX Global	63,248	63,266	100.0%
Cingular Wireless	27,472	27,494	99.9%
Delta Airlines	56,341	84,316	66.8%
EJE Retail	3,418	41,612	8.2%
Elite Line Services	57,149	57,149	100.0%
Jet Logistics, Inc.	21,310	21,310	100.0%
Paradies	94,420	56,276	167.8%
Quantem Aviation	35,282	141,140	25.0%
Southwest Airlines	55,945	55,949	100.0%
Telecommunications Services	5,846	5,810	100.6%
Worldwide Flight Services	105,847	-	N/A
USO of North Carolina	5,089	5,214	97.6%
Total South Cargo Complex revenues	1,080,006	1,102,990	97.9%
TOTAL AIR CARGO REVENUES	$ 2,004,795	$ 2,027,775	98.9%

RALEIGH-DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

FUEL FARM REVENUES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Fuel Farm			
License Fee - Worldwide	$ 1,200	$ 1,200	100.0%
License Fee - Skytanking	400	-	N/A
Jet A Fuel Thru Put	957,022	1,000,000	95.7%
Glycol Thru Put	972	1,500	64.8%
Mo Gas Thru Put	999	-	N/A
Diesel Fuel Thru Put	1,147	-	N/A
TOTAL FUEL FARM REVENUES	$ 961,740	$ 1,002,700	95.9%

RALEIGH-DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

RENTAL CAR REVENUES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Fixed space rents			
Alamo Rent-A-Car	$ 43,985	$ 43,985	100.0%
Avis Rent-A-Car	109,653	109,653	100.0%
Budget Rent-A-Car	63,299	63,299	100.0%
Dollar Rent-A-Car	30,719	31,720	96.8%
Enterprise Car Rental	34,137	37,269	91.6%
The Hertz Corporation	138,917	137,066	101.4%
National Car Rental	74,011	74,012	100.0%
Thrifty Rent-A-Car	24,872	24,873	100.0%
Total fixed space rents	519,593	521,877	99.6%
Percentage rents			
Alamo Rent-A-Car	921,887	712,000	129.5%
Avis Rent-A-Car	2,042,115	2,167,000	94.2%
Budget Rent-A-Car	1,140,124	1,238,000	92.1%
Dollar Rent-A-Car	723,940	810,000	89.4%
Enterprise Car Rental	1,294,110	1,168,000	110.8%
The Hertz Corporation	2,878,154	3,052,000	94.3%
National Car Rental	1,491,190	1,288,000	115.8%
Thrifty Rent-A-Car	593,766	565,000	105.1%
Total percentage rents	11,085,286	11,000,000	100.8%
TOTAL RENTAL CAR REVENUES	$ 11,604,879	$ 11,521,877	100.7%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
OTHER REVENUES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Fixed space rents			
NC Department of Transportation	$ 37,648	$ 40,165	93.7%
Research Triangle Regional Partnership	18,685	37,370	50.0%
Total fixed rents	56,333	77,535	72.7%
Percentage rents			
Sheetz	162,464	162,465	100.0%
Off airport - Pre-flight parking	169,689	155,500	109.1%
Airport Fast Park	95,671	-	N/A
Total percentage rents	427,824	317,965	134.6%
Other miscellaneous rents			
ID badges	36,180	42,000	86.1%
Authority Building Conference Rooms	11,491	6,000	191.5%
FAA	3,840	3,840	100.0%
Fingerprinting	23,997	28,000	85.7%
Skytanking	36,800	37,200	98.9%
UNC Hospitals	7,168	7,168	100.0%
AVI Fees	206,183	225,300	91.5%
RDU Taxi Concession Fees	168,947	158,470	106.6%
Employee parking lot	423,394	410,000	103.3%
Super Shuttle	7,575	-	N/A
Telecommunication Services	5,151	4,429	116.3%
Miscellaneous	1,904	600	317.3%
Total miscellaneous rents	932,630	923,007	101.0%
TOTAL OTHER REVENUES	$ 1,416,787	$ 1,318,507	107.5%

RALEIGH-DURHAM AIRPORT AUTHORITY

COMPARATIVE SUMMARIES OF OPERATING EXPENSES BY COST CENTER

Years Ended March 31, 2010 and 2009

	Amount		Percent of Total Operating Expenses	
	2010	2009	2010	2009
Operating expenses				
Airport facilities	$ 17,956,239	$ 15,499,047	19.6%	19.0%
Administrative	8,201,857	8,274,367	9.0%	10.2%
Visitor services	689,040	611,002	0.8%	0.8%
Fuel Farm	903,815	932,042	1.0%	1.1%
Airport maintenance	4,828,437	4,821,408	5.3%	5.9%
Law enforcement	2,848,365	3,008,371	3.1%	3.7%
Emergency services	1,523,960	1,461,996	1.7%	1.8%
Operations	984,061	1,004,747	1.1%	1.2%
Communications	727,856	814,682	0.8%	1.0%
Parking	2,416,808	2,756,988	2.6%	3.4%
Grounds transportation division	2,701,382	2,722,685	3.0%	3.3%
Terminal services	227,699	222,382	0.2%	0.3%
Depreciation	47,523,955	39,245,679	51.8%	48.2%
Total operating expenses	$ 91,533,474	$ 81,375,396	100.0%	100.0%

RALEIGH-DURHAM AIRPORT AUTHORITY

SUMMARY OF OPERATING EXPENSES BY COST CENTER

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Operating expenses (excluding depreciation)			
Airport facilities	$ 17,956,239	$ 18,743,956	95.8%
Administrative	8,201,857	8,268,083	99.2%
Visitor services	689,040	673,111	102.4%
Fuel Farm	903,815	952,513	94.9%
Airport maintenance	4,828,437	4,545,368	106.2%
Law enforcement	2,848,365	3,030,134	94.0%
Emergency services	1,523,960	1,444,561	105.5%
Operations	984,061	995,858	98.8%
Communications	727,856	767,741	94.8%
Parking	2,416,808	2,657,726	90.9%
Ground transportation	2,701,382	2,839,905	95.1%
Terminal Services	227,699	232,866	97.8%
Total operating expenses (excluding depreciation)	44,009,519	45,151,822	97.5%
Depreciation			
Airport facilities	36,297,722	31,662,701	114.6%
Administrative	1,019,845	372,604	273.7%
Law enforcement	39,749	22,735	174.8%
Airport maintenance	174,737	506,403	34.5%
Parking	9,613,896	9,578,966	100.4%
Emergency services	232,974	199,732	116.6%
Communications	102,640	69,995	146.6%
Operations	42,392	26,596	159.4%
Total depreciation	47,523,955	42,439,732	112.0%
TOTAL OPERATING EXPENSES	$ 91,533,474	$ 87,591,554	104.5%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Airport facilities			
Airfield complex			
Contracted services	$ 197,804	$ 202,147	97.9%
Contracted Services - Leased Employees	139,147	154,600	90.0%
Electricity	129,061	125,000	103.2%
Natural Gas	3,764	3,700	101.7%
Telecommunications	10,144	15,364	66.0%
Fuel - vehicles and equipment	5,323	4,200	126.7%
Supplies	135,804	118,225	114.9%
Liability Insurance	128,815	139,200	92.5%
Repairs and maintenance			
Equipment	18,890	3,500	539.7%
General	3,946	8,450	46.7%
HVAC	961	-	N/A
Snow Removal	124,641	124,641	100.0%
Total airfield complex	898,300	899,027	99.9%
Terminal 1 complex			
Contracted Services-BHS &PBB	343,019	343,225	99.9%
Contracted services	20,360	35,560	57.3%
Electricity	916,246	919,500	99.6%
Fuel - natural gas	131,846	164,300	80.2%
Telecommunications	16,545	23,032	71.8%
Fuel - vehicles and equipment	-	100	-
Supplies	84,825	95,125	89.2%
Liability Insurance	91,868	99,200	92.6%
Insurance claim	4,047	8,640	46.8%
Computer Hardware	1,317	-	N/A
Repairs and maintenance/buildings and grounds			
Public address and music system rental	394	1,711	23.0%
Elevators/escalators	112,194	93,000	120.6%
Equipment	1,586	5,500	28.8%
General	31,580	35,600	88.7%
HVAC	70,836	66,300	106.8%
Janitorial	1,504,821	1,561,950	96.3%
Loading Bridges/Bag Belts	6,943	6,943	100.0%
Permit administration	2,890	3,050	94.8%
Total Terminal 1 complex	3,341,317	3,462,736	96.5%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Terminal 2 complex			
Contracted Services-Ramp Tower	$ 947,991	$ 1,000,525	94.7%
Contracted Services-BHS &PBB	1,357,454	1,393,875	97.4%
Contracted Services-AOIS	497,663	566,289	87.9%
Contracted Services-Other	42,833	44,745	95.7%
Electricity	1,298,816	1,477,400	87.9%
Telecommunications	23,004	21,653	106.2%
Cable Television	10,004	16,000	62.5%
Small Equipment	2,789	2,260	123.4%
Supplies	250,712	290,510	86.3%
Liability Insurance	384,384	415,300	92.6%
Insurance claim	4,047	8,640	46.8%
Repairs and maintenance			
Computer Hardware	397	397	100.0%
Elevators/escalators	132,634	154,750	85.7%
Equipment	3,796	2,500	151.8%
General	65,028	70,100	92.8%
HVAC	116,882	127,550	91.6%
Janitorial	1,724,901	1,808,150	95.4%
Permit administration	5,100	5,125	99.5%
Total Terminal 2 complex	6,868,435	7,405,769	92.7%
Central Energy Plant			
Electricity	534,414	565,200	94.6%
Fuel - natural gas	251,991	350,400	71.9%
Telecommunications	1,154	1,815	63.6%
Fuel - vehicles and equipment	-	12,300	-
Supplies	1,181	2,000	59.1%
Liability Insurance	35,075	37,900	92.5%
Repairs and maintenance			
Equipment	2,265	2,000	113.3%
General	16,874	20,985	80.4%
HVAC	90,523	90,000	100.6%
Janitorial	17,843	22,725	78.5%
Permit administration	90	325	27.7%
Total Central Energy Plant complex	951,410	1,105,650	86.0%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Cargo complex			
North Cargo			
Contracted Services - Other	$ 10,000	$ 10,000	100.0%
Electricity	26,710	26,900	99.3%
Telecommunications	310	486	63.8%
Supplies	1,214	50	2428.0%
Liability Insurance	16,342	17,600	92.9%
Insurance claim	1,077	2,300	46.8%
Repairs and maintenance			
General	1,100	1,983	55.5%
Total North Cargo	56,753	59,319	95.7%
South Cargo 1 & 2			
Electricity	13,782	8,000	172.3%
Fuel-Natural Gas	23,449	22,100	106.1%
Telecommunications	2,018	3,177	63.5%
Supplies	162	50	324.0%
Liability Insurance	11,775	12,700	92.7%
Insurance Claim	403	860	46.9%
Repairs and maintenance			
Equipment	222	1,000	22.2%
HVAC	1,044	1,250	83.5%
Total South Cargo 1 & 2	52,855	49,137	107.6%
South Cargo 3			
Electricity	59,152	58,300	101.5%
Telecommunications	1,134	1,781	63.7%
Supplies	738	500	147.6%
Insurance	18,970	20,500	92.5%
Insurance Claim	628	1,340	46.9%
Repairs and maintenance			
Elevators/Escalators	1,607	1,500	107.1%
Equipment	467	1,000	46.7%
General	1,310	2,600	50.4%
HVAC	3,661	3,525	103.9%
Janitorial	4,214	4,500	93.6%
Permit Administration	-	325	-
Total South Cargo 3	91,881	95,871	95.8%
Total Cargo complex	201,489	204,327	98.6%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Fuel Farm complex			
Contracted Services-Other	$ 140,288	$ 141,426	99.2%
Electricity	72,196	76,800	94.0%
Fuel-Natural Gas	5,220	4,200	124.3%
Telecommunications	4,732	7,446	63.6%
Fuel - vehicles and equipment	363	200	181.5%
Supplies	563	2,000	28.2%
Insurance	20,483	22,100	92.7%
Repairs and maintenance			
Equipment	-	500	-
General	2,345	3,950	59.4%
HVAC	29,174	500	5834.8%
Janitorial	12,345	16,400	75.3%
Permit Administration	-	275	-
Total Fuel Farm complex	287,709	275,797	104.3%
General Aviation complex			
General Aviation-General			
Electricity	7,632	7,800	97.8%
Telecommunications	310	486	63.8%
Supplies	454	800	56.8%
Liability Insurance	10,966	11,800	92.9%
Insurance claim	1,260	2,690	46.8%
Repairs and maintenance			
Elevators/Escalators	1,669	1,500	111.3%
General	2,118	1,125	188.3%
HVAC	514	2,500	20.6%
Janitorial	1,933	6,775	28.5%
Permit Administration	235	250	94.0%
Total General Aviation-General	27,091	35,726	75.8%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
General Aviation-Terminal			
Contracted services-Building Manager	$ 158,624	$ 180,450	87.9%
Contracted services	1,500	1,800	83.3%
Electricity	53,090	53,300	99.6%
Fuel - Natural Gas	33,993	37,200	91.4%
Telecommunications	3,771	5,934	63.5%
Supplies	3,161	1,175	269.0%
Liability Insurance	6,221	6,700	92.9%
Insurance claim	853	1,820	46.9%
Repairs and maintenance			
Elevators/escalators	2,287	2,000	114.4%
Equipment	97	1,500	6.5%
General	5,845	8,325	70.2%
HVAC	2,545	2,975	85.5%
Janitorial	55,139	62,075	88.8%
Permit administration	175	250	70.0%
Total General Aviation-Terminal	327,301	365,504	89.5%
Total General Aviation complex	354,392	401,230	88.3%
Rental Car complex			
Electricity	3,862	3,400	113.6%
Telecommunications	307	486	63.2%
Liability Insurance	14,048	15,200	92.4%
Insurance claim	586	1,250	46.9%
Total Rental Car complex	18,803	20,336	92.5%
Office & Other Buildings complex			
Contracted Services - Other	2,999	2,999	100.0%
Electricity	238,851	239,900	99.6%
Fuel - natural gas	83,742	76,700	109.2%
Telecommunications	89,325	139,609	64.0%
Fuel - vehicle and equipment	1,507	2,150	70.1%
Small Equipment	95,544	1,210	7896.2%
Supplies	16,034	14,725	108.9%
Liability Insurance	64,534	70,000	92.2%
Insurance claim	810	1,730	46.8%
Repairs and maintenance			
Elevators/escalators	6,911	7,500	92.1%
Equipment	3,648	6,100	59.8%
General	139,505	145,305	96.0%
HVAC	42,381	63,475	66.8%
Janitorial	231,713	253,400	91.4%
Waste disposal	113,490	122,001	93.0%
Permit administration	820	750	109.3%
Total Office & Other complex	1,131,814	1,147,554	98.6%

RALEIGH-DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

AIRPORT FACILITIES OPERATING EXPENSES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Utilities complex			
Electricity	$ 6,518	$ 6,300	103.5%
Water and sewer	765,609	710,000	107.8%
Telecommunications	307	486	63.2%
Supplies	8,381	10,025	83.6%
Liability Insurance	1,388	1,500	92.5%
Repairs and maintenance			
General	28,463	71,460	39.8%
Water system	-	1,000	-
Total Utilities complex	810,666	800,771	101.2%
Parking complex			
Contracted Services - Other	16,228	20,030	81.0%
Electricity	863,857	708,000	122.0%
Telecommunications	31,752	49,963	63.6%
Fuel - Vehicles & Equipment	-	1,750	-
Supplies	56,777	55,000	103.2%
Liability Insurance	239,972	259,300	92.5%
Insurance claim	8,095	17,280	46.8%
Repairs and maintenance			
Elevators/Escalators	126,216	99,625	126.7%
Equipment	111	3,200	3.5%
General	26,506	41,400	64.0%
HVAC	3,468	2,500	138.7%
Janitorial	205,692	240,250	85.6%
Permit administration	3,975	3,975	100.0%
Total Parking complex	1,582,649	1,502,273	105.4%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Ground Transportation complex			
Taxi Operation			
Telecommunications	$ 1,067	$ 1,679	63.5%
Supplies	133	140	95.0%
Liability Insurance	910	1,000	91.0%
Repairs and maintenance			
Equipment	-	200	-
General	960	960	100.0%
Janitorial	27,320	27,325	100.0%
Total Taxi Operation	30,390	31,304	97.1%
Ground Transportation Other			
Contracted services-landscaping	1,122,744	1,125,824	99.7%
Other contracted Services	156,192	173,061	90.3%
Electricity	19,550	22,100	88.5%
Telecommunications	307	486	63.2%
Supplies	24,748	22,200	111.5%
Insurance claim	561	700	80.1%
Repairs and maintenance			
Equipment	23,025	22,000	104.7%
General	15,427	4,500	342.8%
Snow Removal	116,311	116,311	100.0%
Total Ground Transportation	1,478,865	1,487,182	99.4%
Total Ground Transportation Complex	1,509,255	1,518,486	99.4%
TOTAL AIRPORT FACILITIES	$ 17,956,239	$ 18,743,956	95.8%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Administrative			
Airport Director's Office			
Salaries	$ 978,043	$ 971,605	100.7%
Health insurance	54,213	59,294	91.4%
Retirement	87,163	92,762	94.0%
Social security	55,680	57,354	97.1%
Retiree Health Care Expense-OPEB	19,980	-	N/A
Professional/Education	79,090	67,950	116.4%
Unemployment compensation	8,291	8,291	100.0%
Advertising	230	200	115.0%
Legal fees	218,841	100,000	218.8%
Printing	41	50	82.0%
Copiers	1,688	1,350	125.0%
Promotional	587	1,000	58.7%
Supplies	1,640	1,500	109.3%
Liability Insurance	106,436	115,000	92.6%
Travel	8,504	14,850	57.3%
Postage	881	750	117.5%
Total Airport Director's Office	1,621,308	1,491,956	108.7%
Customer Service and Organizational Support			
Salaries	591,039	603,629	97.9%
Health insurance	41,934	51,556	81.3%
Retirement	51,649	55,328	93.4%
Social security	41,945	44,886	93.4%
Retiree Health Care Expense-OPEB	15,554	-	N/A
Professional/Education	3,257	4,325	75.3%
Tuition assistance	15,803	14,400	109.7%
Printing	4,040	10,225	39.5%
Contracted services	89,410	101,891	87.8%
Copiers	1,688	1,350	125.0%
Computer Software	737	1,500	49.1%
Promotional	22,356	21,300	105.0%
Small Equipment	350	-	N/A
Supplies	3,453	2,400	143.9%
Travel	561	850	66.0%
Postage	177	250	70.8%
Total Customer Service and Organ. Support	883,953	913,890	96.7%

RALEIGH-DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

ADMINISTRATIVE EXPENSES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Administration			
Salaries	$ 467,346	$ 485,966	96.2%
Health insurance	47,146	51,175	92.1%
Retirement	42,047	44,700	94.1%
Social security	34,307	37,177	92.3%
Retiree Health Care Expense-OPEB	17,767	-	N/A
Professional/Education	11,679	17,800	65.6%
Employee assistance program	8,634	7,500	115.1%
Advertising	7,323	8,000	91.5%
Legal fees	50,341	73,500	68.5%
Printing	1,362	6,800	20.0%
Contracted services	99,648	101,260	98.4%
Copiers	3,528	2,800	126.0%
Software	2,550	2,600	98.1%
Promotional	15,503	15,500	100.0%
Small Equipment	1,529	-	N/A
Supplies	1,667	2,000	83.4%
Repairs and maintenance			
Equipment	3,577	4,000	89.4%
Travel	1,978	2,475	79.9%
Postage	1,695	1,500	113.0%
Total Administration	819,627	864,753	94.8%
Business Development			
Salaries	224,867	238,128	94.4%
Health insurance	17,787	19,371	91.8%
Retirement	18,318	19,093	95.9%
Social security	16,609	18,217	91.2%
Retiree Health Care Expense-OPEB	6,638	-	N/A
Professional/education	873	975	89.5%
Legal fees	(17,554)	10,000	-175.5%
Copying	3,528	2,800	126.0%
Promotional	478	500	95.6%
Small Equipment	595	-	N/A
Supplies	1,281	1,000	128.1%
Repairs and maintenance			
General	220	-	N/A
Travel	225	225	100.0%
Postage	609	800	76.1%
Total Business Development	274,474	311,109	88.2%

RALEIGH-DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

ADMINISTRATIVE EXPENSES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Audit			
Salaries	$ 285,284	$ 285,070	100.1%
Health insurance	29,488	31,923	92.4%
Retirement	22,336	23,756	94.0%
Social security	21,438	21,808	98.3%
Retiree Health Care Expense-OPEB	11,129	-	N/A
Professional/Education	4,254	4,175	101.9%
Copiers	3,528	2,800	126.0%
Supplies	1,145	1,000	114.5%
Postage	204	150	136.0%
Total Audit	378,806	370,682	102.2%
Finance			
Salaries	650,154	659,913	98.5%
Health insurance	58,952	64,138	91.9%
Retirement	47,123	55,344	85.1%
Social security	47,045	49,750	94.6%
Retiree Health Care Expense-OPEB	22,193	-	N/A
Professional/Education	762	3,500	21.8%
Audit	48,492	52,500	92.4%
Oracle ASP services	153,892	153,900	100.0%
Printing	4,772	5,000	95.4%
Contracted services	27,072	14,000	193.4%
Copiers	3,528	2,800	126.0%
Small equipment	-	1,000	-
Supplies	2,703	3,500	77.2%
Travel	386	1,050	36.8%
Postage	4,762	4,500	105.8%
Total Finance	1,071,836	1,070,895	100.1%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Information Technology			
Salaries	$ 1,180,224	$ 1,260,532	93.6%
Health insurance	111,963	115,686	96.8%
Retirement	100,042	114,839	87.1%
Social security	87,154	96,431	90.4%
Retiree Health Care Expense-OPEB	42,173	-	N/A
Uniforms	406	425	95.5%
Physical Examinations	-	50	-
Professional Education	8,543	14,130	60.5%
Printing	34	75	45.3%
Contracted services	231,456	186,273	124.3%
Copiers	2,862	2,250	127.2%
Computer Hardware	3,130	9,133	34.3%
Software	12,115	12,286	98.6%
Printer supplies	3,213	5,245	61.3%
Small equipment	4,198	7,592	55.3%
Supplies	8,305	9,382	88.5%
Media and documentation	189	190	99.5%
Repairs and Maintenance			
Computer Hardware	4,284	4,620	92.7%
Travel	1,216	2,375	51.2%
Postage	336	600	56.0%
Total Information Technology	1,801,843	1,842,114	97.8%
Major Capital Improvements Program			
Salaries	175,980	192,717	91.3%
Health insurance	24,329	26,307	92.5%
Retirement	46,835	46,006	101.8%
Social security	28,547	32,664	87.4%
Retiree Health Care Expense-OPEB	8,916	-	N/A
Professional/Education	1,887	2,000	94.4%
Copiers	1,688	1,350	125.0%
Supplies	290	150	193.3%
Liability Insurance	6,286	6,800	92.4%
Travel	4	200	2.0%
Postage	96	100	96.0%
Total Major Capital Improvements Program	294,858	308,294	95.6%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Facilities and Environmental			
Salaries	$ 581,113	$ 612,555	94.9%
Health insurance	42,101	57,789	72.9%
Retirement	49,884	56,469	88.3%
Social security	42,317	46,957	90.1%
Retiree Health Care Expense-OPEB	15,554	-	N/A
Physical Examinations	46	46	100.0%
Professional/Education	2,271	2,621	86.6%
Legal fees	6,207	9,900	62.7%
Printing	138	250	55.2%
Contracted services	30,190	31,554	95.7%
Copiers	1,688	1,350	125.0%
Printer supplies	3,587	3,625	99.0%
Supplies	2,180	2,150	101.4%
Liability Insurance	53,578	57,900	92.5%
Repairs and maintenance			
Equipment	-	150	-
Computer Software	22,897	23,454	97.6%
Travel	154	150	102.7%
Permit administration	6,450	6,450	100.0%
Postage	450	850	52.9%
Total Facilities and Environmental	860,805	914,220	94.2%
Noise			
Salaries	61,523	62,716	98.1%
Health insurance	16,984	6,404	265.2%
Retirement	6,066	6,203	97.8%
Social security	3,700	4,797	77.1%
Retiree Health Care Expense-OPEB	6,638	-	N/A
Professional/Education	723	850	85.1%
Legal fees	-	500	-
Contracted services	49,984	50,000	100.0%
Copiers	1,808	1,500	120.5%
Electricity	1,829	1,900	96.3%
Supplies	492	500	98.4%
Liability Insurance	1,565	1,700	92.1%
Repairs and maintenance			
Computer Software	43,000	43,000	100.0%
Travel			N/A
Postage	35	100	35.0%
Total Noise	194,347	180,170	107.9%
TOTAL ADMINISTRATIVE	$ 8,201,857	$ 8,268,083	99.2%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
VISITOR SERVICES EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Visitor Services			
Salaries	$ 466,727	$ 468,528	99.6%
Health insurance	75,674	82,117	92.2%
Accident insurance	350	350	100.0%
Retirement	37,722	38,250	98.6%
Social security	34,438	35,841	96.1%
Retiree Health Care Expense-OPEB	28,897	-	N/A
Uniforms	4,221	5,000	84.4%
Professional/Education	2,042	2,050	99.6%
Advertising	1,800	1,800	100.0%
Printing	3,200	4,400	72.7%
Contracted services	1,645	2,250	73.1%
Copiers	1,793	1,250	143.4%
Promotional	6,963	7,000	99.5%
Small equipment	707	775	91.2%
Supplies	2,902	3,000	96.7%
Liability Insurance	18,846	20,400	92.4%
Travel	1,081	-	N/A
Postage	32	100	32.0%
TOTAL VISITOR SERVICES	$ 689,040	$ 673,111	102.4%

RALEIGH-DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

FUEL FARM EXPENSES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Fuel Farm			
Salaries	$ 552,295	$ 591,947	93.3%
Health insurance	70,263	82,489	85.2%
Retirement/ 401K Match	39,755	52,918	75.1%
Social security	41,020	45,283	90.6%
Retiree Health Care Expense-OPEB	26,684	-	N/A
Uniforms	3,452	3,775	91.4%
Physical Examinations	77	150	51.3%
Professional/Education	1,791	1,800	99.5%
ASP Services	16,000	18,000	88.9%
Contracted services	42,550	42,550	100.0%
Copiers	1,489	1,050	141.8%
Small equipment	6,190	6,190	100.0%
Supplies	41,685	41,361	100.8%
Liability Insurance	29,598	32,000	92.5%
Repairs and maintenance			
Equipment	30,832	32,850	93.9%
Postage	134	150	89.3%
Total Fuel Farm	$ 903,815	$ 952,513	94.9%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT MAINTENANCE EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Airport Maintenance			
Salaries	$ 2,539,512	$ 2,433,957	104.3%
Health insurance	338,415	324,035	104.4%
Retirement/ 401K Match	219,045	213,853	102.4%
Social security	186,986	186,201	100.4%
Retiree Health Care Expense-OPEB	128,862	-	N/A
Uniforms	19,878	21,050	94.4%
Physical examinations	1,132	1,150	98.4%
Professional/Education	7,101	10,000	71.0%
CMMS ASP Services	31,013	31,013	100.0%
Contracted services	1,159	1,305	88.8%
Copiers	6,976	5,600	124.6%
Computer Software	40,237	-	N/A
Small equipment	14,510	11,275	128.7%
Supplies	24,568	18,500	132.8%
Liability Insurance	148,944	160,900	92.6%
Repairs and maintenance			
Equipment	1,493	1,407	106.1%
General	5,101	-	N/A
Travel	-	500	-
Postage	497	900	55.2%
Total Airport Maintenance	3,715,429	3,421,646	108.6%
Fleet Maintenance			
Salaries	363,326	353,952	102.6%
Health insurance	35,368	38,347	92.2%
Retirement/ 401K Match	33,529	32,590	102.9%
Social security	27,590	27,078	101.9%
Retiree Health Care Expense-OPEB	13,342	-	N/A
Uniforms	2,219	2,775	80.0%
Professional/Education	-	325	-
Copiers	670	430	155.8%
Fuel - vehicles and equipment	379,617	425,000	89.3%
Small equipment	3,126	3,000	104.2%
Supplies	193,318	174,500	110.8%
Liability Insurance	12,483	13,500	92.5%
Repairs and maintenance			
Equipment	48,420	52,225	92.7%
Total Fleet Maintenance	1,113,008	1,123,722	99.0%
TOTAL AIRPORT MAINTENANCE	$ 4,828,437	$ 4,545,368	106.2%

RALEIGH-DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

LAW ENFORCEMENT EXPENSES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Law Enforcement			
Salaries	$ 2,060,385	$ 2,260,630	91.1%
Health insurance	200,925	217,014	92.6%
Retirement/ 401K Match	159,831	166,860	95.8%
Social security	158,399	172,905	91.6%
Retiree Health Care Expense-OPEB	75,495	-	N/A
Uniforms	11,355	18,000	63.1%
Physical examinations	15,931	17,500	91.0%
Professional/Education	2,446	4,000	61.2%
Printing	522	900	58.0%
DCI access fee	2,748	2,700	101.8%
Contracted Services	25,081	17,500	143.3%
Copiers	4,537	3,400	133.4%
Small equipment	1,218	2,225	54.7%
Supplies	17,779	21,100	84.3%
Liability Insurance	105,450	113,900	92.6%
Repairs and maintenance			
Equipment	912	1,000	91.2%
Travel	392	5,000	7.8%
Postage	383	400	95.8%
K-9 program	4,576	5,100	89.7%
TOTAL LAW ENFORCEMENT	$ 2,848,365	$ 3,030,134	94.0%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
EMERGENCY SERVICES EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Emergency Services			
Salaries	$ 1,089,939	$ 1,040,222	104.8%
Health insurance	111,566	121,169	92.1%
Retirement/ 401K Match	94,625	92,647	102.1%
Social security	77,376	79,578	97.2%
Retiree Health Care Expense-OPEB	42,173	-	N/A
Uniforms	14,829	12,900	115.0%
Physical examinations	10,031	8,000	125.4%
Professional/Education	12,717	13,275	95.8%
Copiers	978	720	135.8%
Small Equipment	7,187	2,900	247.8%
Supplies	7,911	10,800	73.3%
Liability Insurance	40,552	43,800	92.6%
Repairs and maintenance			
Equipment	12,974	13,900	93.3%
Waste disposal	85	1,200	7.1%
Travel	955	3,400	28.1%
Postage	62	50	124.0%
TOTAL EMERGENCY SERVICES	$ 1,523,960	$ 1,444,561	105.5%

RALEIGH-DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

OPERATIONS EXPENSES

Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Operations			
Salaries	$ 694,318	$ 714,179	97.2%
Health insurance	70,771	76,715	92.3%
Retirement/ 401K Match	65,469	66,529	98.4%
Social security	50,528	54,635	92.5%
Retiree Health Care Expense-OPEB	26,684	-	N/A
Professional/Education	-	1,500	-
Printing	583	2,000	29.2%
Contracted services	5,945	6,500	91.5%
Copiers	4,402	3,450	127.6%
Small equipment	678	200	339.0%
Supplies	2,371	4,000	59.3%
Supplies-ID System	29,668	30,000	98.9%
Liability Insurance	31,087	33,600	92.5%
Repairs and maintenance			
Equipment	1,231	1,400	87.9%
Travel	-	1,000	-
Postage	326	150	217.3%
TOTAL OPERATIONS	$ 984,061	$ 995,858	98.8%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
COMMUNICATIONS EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Communications			
Salaries	$ 444,783	$ 490,818	90.6%
Health insurance	58,539	63,589	92.1%
Retirement/ 401K Match	38,099	39,587	96.2%
Social security	32,492	37,547	86.5%
Retiree Health Care Expense-OPEB	22,193	-	N/A
Physical examinations	46	350	13.1%
DCI Access Fees	900	1,200	75.0%
Contracted Services	54,994	57,400	95.8%
Copiers	1,438	1,150	125.0%
Small equipment	6,809	7,250	93.9%
Supplies	1,477	1,400	105.5%
Liability Insurance	15,703	17,000	92.4%
Repairs and maintenance			
Equipment	50,383	50,450	99.9%
TOTAL COMMUNICATIONS	$ 727,856	$ 767,741	94.8%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
PARKING EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Parking			
Salaries	$ 855,426	$ 827,003	103.4%
Health insurance	116,686	120,482	96.8%
Retirement/ 401K Match	72,557	68,750	105.5%
Social security	63,514	63,266	100.4%
Retiree Health Care Expense-OPEB	44,451	-	N/A
Uniforms	1,406	2,850	49.3%
Physical examinations	45	50	90.0%
Professional/Education	427	4,350	9.8%
Advertising	-	1,000	-
Printing	43,933	49,000	89.7%
Credit Card Fees	582,572	765,500	76.1%
Contracted services-labor	436,441	495,000	88.2%
Contracted services-Other	(776)	1,000	-77.6%
Copiers	29,475	23,350	126.2%
Computer Hardware	-	9,000	-
Computer Software	85	950	8.9%
Printer supplies	1,199	3,450	34.8%
Small equipment	2,076	2,950	70.4%
Supplies	9,786	11,700	83.6%
Liability Insurance	40,552	43,800	92.6%
Repairs and maintenance			
Computer Hardware	115,209	159,500	72.2%
Equipment	-	225	-
Travel	-	1,700	-
Abandoned vehicles	320	800	40.0%
Postage	1,424	2,050	69.5%
TOTAL PARKING	$ 2,416,808	$ 2,657,726	90.9%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
GROUNDS TRANSPORTATION DIVISION EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Ground Transportation			
Salaries	$ 144,568	$ 177,525	81.4%
Health insurance	17,762	25,375	70.0%
Retirement/ 401K Match	12,941	15,584	83.0%
Social security	10,922	13,581	80.4%
Retiree Health Care Expense-OPEB	6,638	-	N/A
Uniforms	2,260	5,550	40.7%
Physical examinations	77	200	38.5%
Professional/Education	1,769	1,850	95.6%
Printing	1,541	2,550	60.4%
Contracted services - Bus Drivers	1,078,305	1,100,000	98.0%
Copiers	1,438	1,150	125.0%
Small equipment	225	3,800	5.9%
Supplies	1,961	3,975	49.3%
Liability Insurance	33,823	36,500	92.7%
Repairs and maintenance			
Equipment	18,000	24,725	72.8%
Computer Software	24,200	24,200	100.0%
Travel	40	200	20.0%
Postage	428	400	107.0%
Total Ground Transportation	1,356,898	1,437,165	94.4%
Traffic Control			
Salaries	906,252	980,774	92.4%
Health insurance	168,603	182,923	92.2%
Retirement/ 401K Match	68,085	79,939	85.2%
Social security	64,296	75,029	85.7%
Retiree Health Care Expense-OPEB	64,431	-	N/A
Uniforms	16,727	20,000	83.6%
Physical examinations	273	2,925	9.3%
Professional/Education	978	1,800	54.3%
Printing	1,984	3,000	66.1%
Copiers	1,438	1,150	125.0%
Small equipment	2,690	2,700	99.6%
Supplies	2,748	2,850	96.4%
Liability Insurance	45,550	49,200	92.6%
Repairs and maintenance			
Equipment	429	450	95.3%
Total Traffic Control	1,344,484	1,402,740	95.8%
TOTAL GROUND TRANSPORTATION DIVISION	$ 2,701,382	$ 2,839,905	95.1%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
TERMINAL SERVICES DIVISION EXPENSES
Year Ended March 31, 2010

	Actual	Budget	Percent of Budget
Terminal Services			
Salaries	$ 181,376	$ 178,717	101.5%
Health insurance	12,000	12,980	92.4%
Retirement/ 401K Match	11,738	15,646	75.0%
Social security	13,525	13,673	98.9%
Retiree Health Care Expense-OPEB	4,425	-	N/A
Other Contracted Services	3,564	5,200	68.5%
Copiers	589	350	168.3%
Supplies	482	1,300	37.1%
Liability Insurance	-	5,000	-
Total Terminal Services	$ 227,699	$ 232,866	97.8%

RALEIGH-DURHAM AIRPORT AUTHORITY
DETAILS OF AIRPORT AND FACILITIES
March 31, 2010

	Total	Authority Funds	Federal and State Funds
Land	$ 41,193,383	$ 35,702,262	$ 5,491,121
Landing field and grounds	523,502,823	419,775,795	103,727,028
Terminal buildings	505,473,231	505,196,961	276,270
Other buildings	171,360,889	136,355,587	35,005,302
Utilities	4,230,632	4,025,119	205,513
Equipment	23,004,243	23,004,243	-
Construction in progress	133,832,321	133,832,321	-
TOTAL DETAILS OF AIRPORT AND FACILITIES	$ 1,402,597,522	$ 1,257,892,288	$ 144,705,234

RALEIGH-DURHAM AIRPORT AUTHORITY

SUMMARY OF DEPRECIATION

March 31, 2010

Departmental	
Administrative	$ 397,899
Parking	9,613,896
Emergency services	232,974
Airport maintenance	174,737
Law enforcement	39,749
Facilities and environmental	365,040
Operations	42,392
Communications	102,640
Ground transportation	256,906
Total departmental	11,226,233
Nondepartmental	
Airfield complex	5,871,973
Terminal 1 complex	
Buildings and improvements	3,108,406
Terminal 2 complex	
Buildings and improvements	16,319,694
Central Energy Plant	554,593
General Aviation complex	
Buildings and improvements	3,164,657
Cargo complex	
Buildings and improvements	1,186,868
Ground Transportation complex	
Roadways	2,754,641
Fuel Farm complex	683,864
Office & Other Buildings complex	2,627,653
Utilities complex	25,373
Rental Car complex	-
TOTAL DEPRECIATION	$ 47,523,955

Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Statistical Section

Prepared by the Finance Department

The ***Statistical Section*** presents detailed information on financial trends, revenue capacity, debt capacity, demographic, and economic information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority`s overall financial health.

RALEIGH-DURHAM AIRPORT AUTHORITY

STATISTICAL TABLE OF CONTENTS

FOR THE FISCAL YEAR ENDED MARCH 31, 2010

Raleigh-Durham Airport Authority
Net Assets by Component
Last Seven Fiscal Years

	2010	2009	2008	2007	2006	2005	2004
Net Assets							
Invested in capital assets, net of related debt	$ 302,289,837	$ 310,905,473	$ 298,851,847	$ 283,069,756	$ 272,120,858	$ 253,926,968	$ 109,870,086
Restricted For:							
Collateral for General Obligation Bond Debt	-	-	-	-	-	-	2,075,358
Aeronautical Facilities Revenue Bond Reserves	-	-	-	-	-	-	69,081,671
State of north Carolina Underground Storage Tank Trust Fund Deductible	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Passenger Facility Charges	73,294,625	74,428,717	73,609,528	54,433,797	39,088,582	19,243,564	11,320,732
Unrestricted Net Asstes	108,572,170	91,557,348	88,539,606	86,543,100	75,110,876	66,073,395	107,470,285
Total Net Assets	$ 484,376,632	$ 477,111,538	$ 461,220,981	$ 424,266,653	$ 386,540,316	$ 339,463,927	$ 300,038,132

Note:

Due to Raleigh-Durham Airport Authority's required adoption of GASB 34 during FY2004, only seven years of comparative financial statement data is available.

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Last Seven Fiscal Years

	2010	2009	2008	2007	2006	2005	2004
Operating revenues							
Parking	$ 33,998,195	$ 36,572,511	$ 39,500,251	$ 37,118,422	$ 35,102,368	$ 32,764,711	$ 24,801,450
Airfield	12,499,790	10,614,546	11,308,179	10,931,805	6,852,766	7,033,600	11,805,279
General aviation	1,398,821	1,387,739	1,342,211	817,917	1,017,201	884,339	956,604
Terminals	23,283,910	20,459,651	18,845,460	17,692,618	16,323,512	16,427,603	16,612,556
Air cargo	2,004,795	1,989,512	1,959,833	1,911,283	1,741,380	1,667,054	1,701,728
Fuel Farm	961,740	927,232	565,893	1,170,945	1,166,326	1,204,611	1,069,616
Rental car	11,604,879	12,788,821	13,628,529	12,793,354	11,109,594	9,438,239	9,102,698
Other	1,416,787	1,492,178	1,208,407	1,186,009	1,079,832	1,059,597	1,024,216
Total operating revenues	87,168,917	86,232,190	88,358,763	83,622,353	74,392,979	70,479,754	67,074,147
Operating expenses							
Airport facilities	17,956,239	15,499,047	12,290,026	12,670,053	12,624,529	10,166,095	9,397,740
Administrative	8,201,857	8,274,367	6,684,641	5,468,321	5,212,159	4,558,154	4,100,417
Fuel Farm	903,815	932,042	739,965	-	-	-	-
Law enforcement	2,848,365	3,008,371	2,987,660	2,685,681	2,710,370	2,573,268	2,659,697
Airport maintenance	4,828,437	4,821,408	4,247,141	3,986,311	3,711,178	3,511,927	3,147,746
Parking	2,416,808	2,756,988	2,644,350	2,729,983	2,586,436	2,519,168	2,622,633
Emergency services	1,523,960	1,461,996	1,508,453	1,313,139	1,413,059	1,337,302	1,235,362
Visitor services	689,040	611,002	543,024	558,204	565,644	536,617	461,741
Communications	727,856	814,682	741,821	648,163	651,726	595,018	477,917
Operations	984,061	1,004,747	919,665	938,333	906,909	923,735	987,559
Ground transportation	2,701,382	2,722,685	2,771,980	2,586,828	2,850,381	3,360,378	3,822,417
Terminal Services	227,699	222,382	123,352	-	-	-	-
Subtotal	**44,009,519**	**42,129,717**	**36,202,078**	**33,585,016**	**33,232,391**	**30,081,662**	**28,913,229**
Depreciation	47,523,955	39,245,679	33,505,153	32,581,129	28,548,381	25,845,025	21,404,074
Total operating expenses	**91,533,474**	**81,375,396**	**69,707,231**	**66,166,145**	**61,780,772**	**55,926,687**	**50,317,303**
Operating income	**(4,364,557)**	**4,856,794**	**18,651,532**	17,456,208	12,612,207	14,553,067	**16,756,844**
Non-operating revenues (expenses)							
Investment interest income	3,750,839	5,592,912	8,507,396	5,484,164	4,015,127	1,931,286	1,721,408
Passenger Facility Charges	18,940,075	19,710,529	24,006,372	20,965,795	20,632,549	15,324,824	11,300,707
Net decrease in fair value of investments	(404,147)	(40,516)	771,553	718,703	160,248	(1,119,050)	(47,236)
Bond interest expense, net	(22,663,862)	(15,989,551)	(15,239,195)	(9,556,465)	(9,878,616)	(9,727,743)	(3,078,837)
Loss on disposal of airport facilities	-	-	-	-	-	(219,042)	-
Loss on swap termination	-	(4,543,541)	-	-	-	-	-
Other, net	487,820	626,545	206,670	372,260	314,989	852,613	408,037
Total non-operating revenues (expenses)	**110,725**	**5,356,378**	**18,252,796**	17,984,457	15,244,297	7,042,888	**10,304,079**
Income before capital contributions	**(4,253,832)**	**10,213,172**	**36,904,328**	**35,440,665**	**27,856,504**	**21,595,955**	**27,060,923**
Capital contributions	11,518,926	5,677,385	50,000	2,285,672	19,219,885	17,829,840	11,193,427
Increase in net assets	**7,265,094**	**15,890,557**	**36,954,328**	**37,726,337**	**47,076,389**	**39,425,795**	**38,254,350**
Net Assets, beginning of year	477,111,538	461,220,981	424,266,653	386,540,316	339,463,927	300,038,132	**261,783,782**
Net Assets, end of year	$ 484,376,632	**$ 477,111,538**	$ 461,220,981	$ 424,266,653	$ 386,540,316	$ 339,463,927	**$ 300,038,132**

Note:

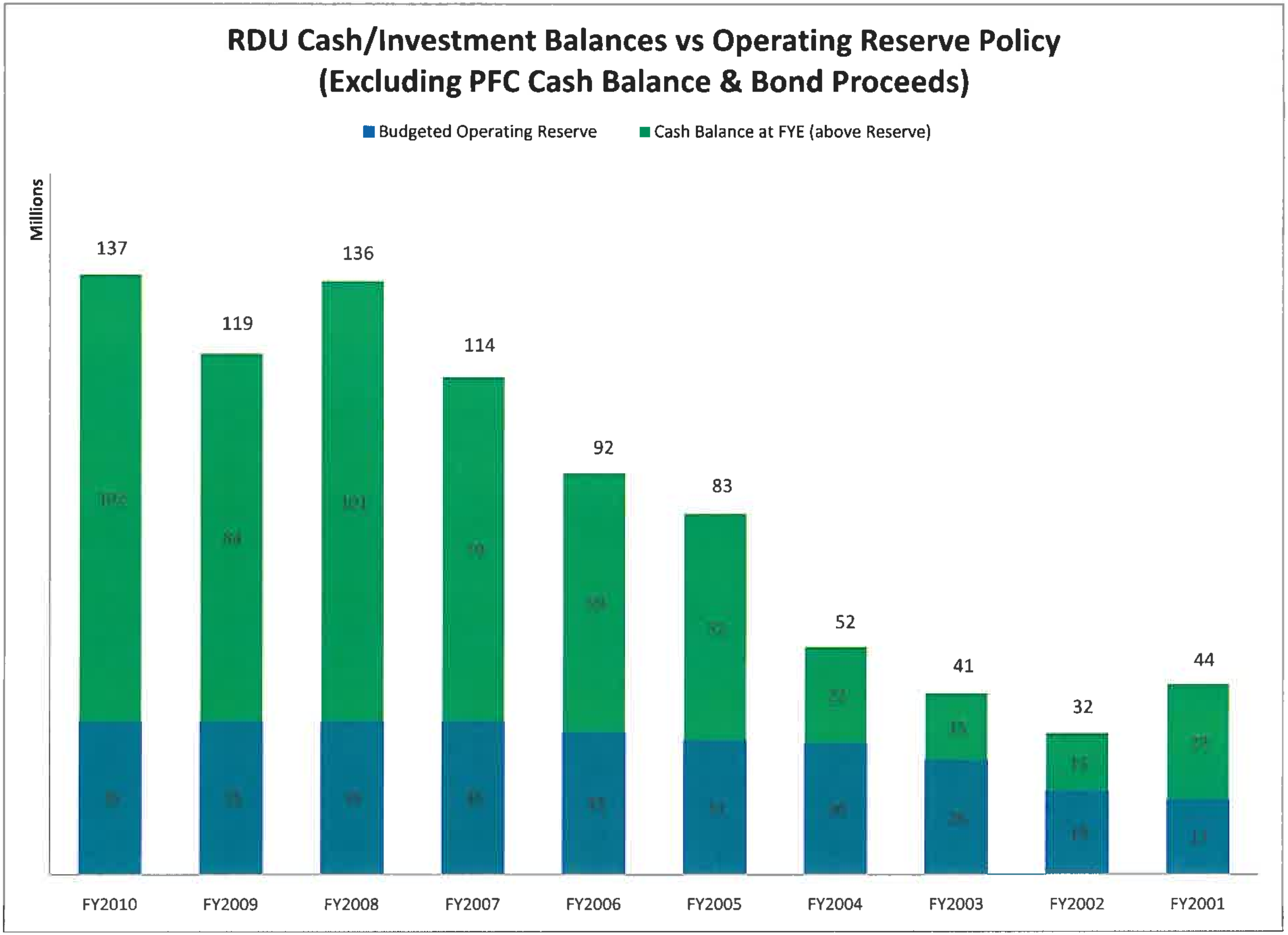
Due to Raleigh-Durham Airport Authority's required adoption of GASB 34 during FY2004, only seven years of comparative financial statement data is available.

RALEIGH-DURHAM AIRPORT AUTHORITY
KEY PERFORMANCE INDICATORS
Last Seven Fiscal Years

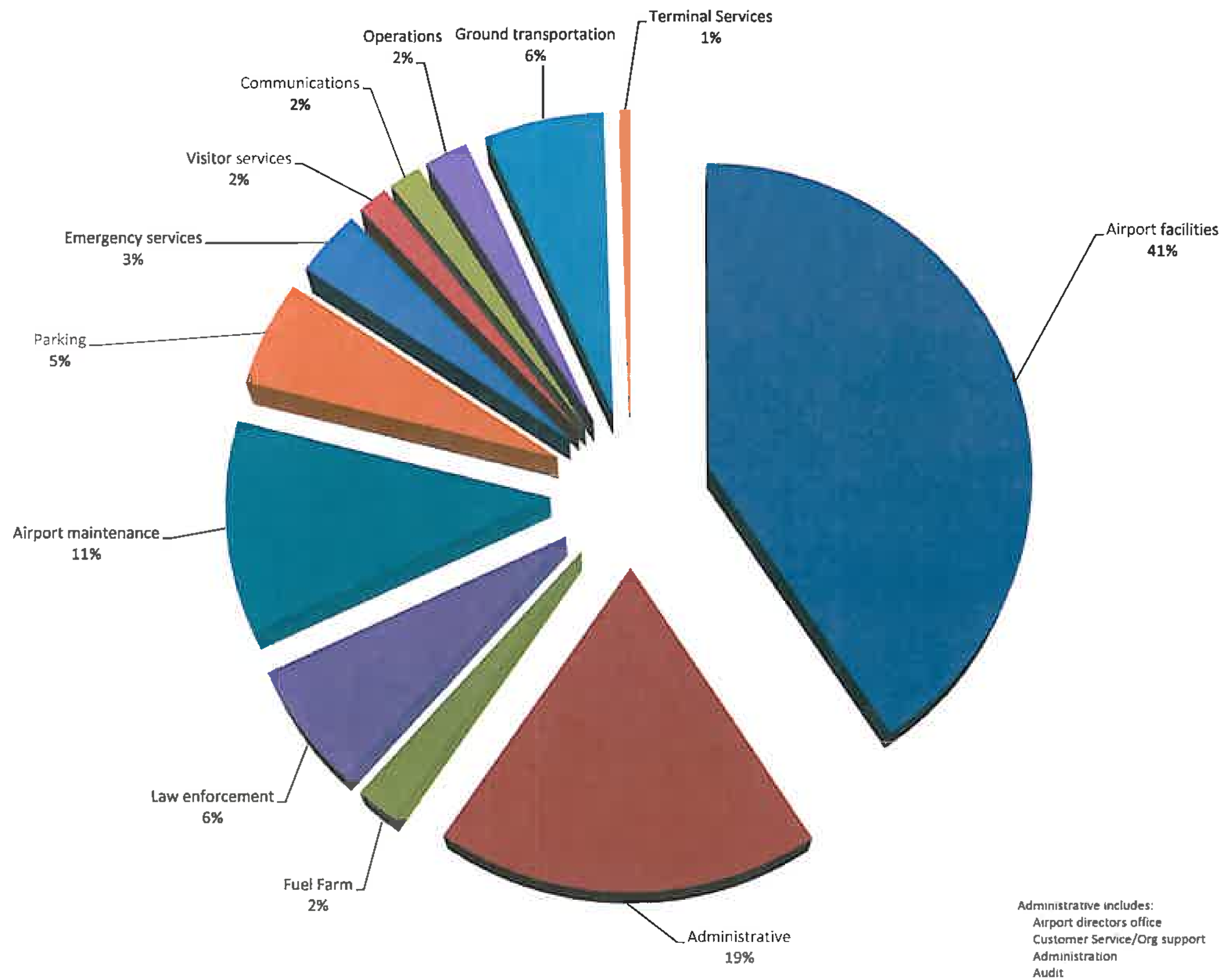
	2010	2009	2008	2007	2006	2005	2004
Airline Revenue per Enplanement	$ 6.24	$ 5.09	$ 4.50	$ 4.62	$ 3.80	$ 4.05	$ 5.70
Airline Revenue per Airline Operation	183.93	145.35	120.55	120.81	96.22	94.58	135.24
Total Aeronautical Revenue per Total Operation	168.81	132.04	110.81	110.80	90.68	88.99	114.00
Concession Revenue per Enplanement	1.39	1.25	1.19	1.11	1.04	1.05	1.15
Concession Revenue per Airline Operation	41.12	35.58	31.91	28.94	26.47	24.57	27.29
Rental Car Revenue per Enplanement	2.57	2.73	2.69	2.68	2.36	2.09	2.50
Rental Car Revenue per Airline Operation	75.76	77.93	71.96	70.08	59.91	48.85	59.38
Parking Revenue per Enplanement	7.76	7.99	7.87	7.85	7.53	7.40	6.59
Parking Revenue per Airline Operation	228.87	228.18	210.62	205.17	190.76	173.04	156.42
Non-Aeronautical Revenue per Enplanement	11.82	12.16	11.92	11.80	11.09	10.61	10.31
Non-Aeronautical Revenue per Airline Operation	348.71	347.08	319.05	308.42	281.06	247.99	244.51
Non-Airline Operating Revenue per Enplanement	13.18	13.32	12.92	12.91	12.03	11.56	11.09
Non-Airline Operating Revenue per Total Operation	293.06	281.39	259.97	249.71	230.23	205.89	195.02
Total Operating Revenue per Enplanement	19.41	18.41	17.43	17.53	15.83	15.60	16.79
Total Operating Revenue per Airline Operation	572.58	525.44	466.52	458.07	401.15	364.78	398.25
Total Operating Revenue per Total Operation	431.74	389.00	350.56	339.16	302.88	277.96	295.30
Total Operating Expenses per Enplanement	9.74	8.99	7.14	7.04	7.07	6.66	7.24
Total Operating Expenses per Airline Operation	287.30	256.71	191.14	183.97	179.20	155.69	171.67
Total Operating Expenses per Total Operation	216.63	190.05	143.63	136.22	135.30	118.64	127.29
Number of Days Unrestricted Cash On Hand	1,135	1,029	1,364	1,232	1,006	997	654

Note:

Due to Raleigh-Durham Airport Authority's required adoption of GASB 34 during FY2004, only seven years of comparative financial statement data is available.

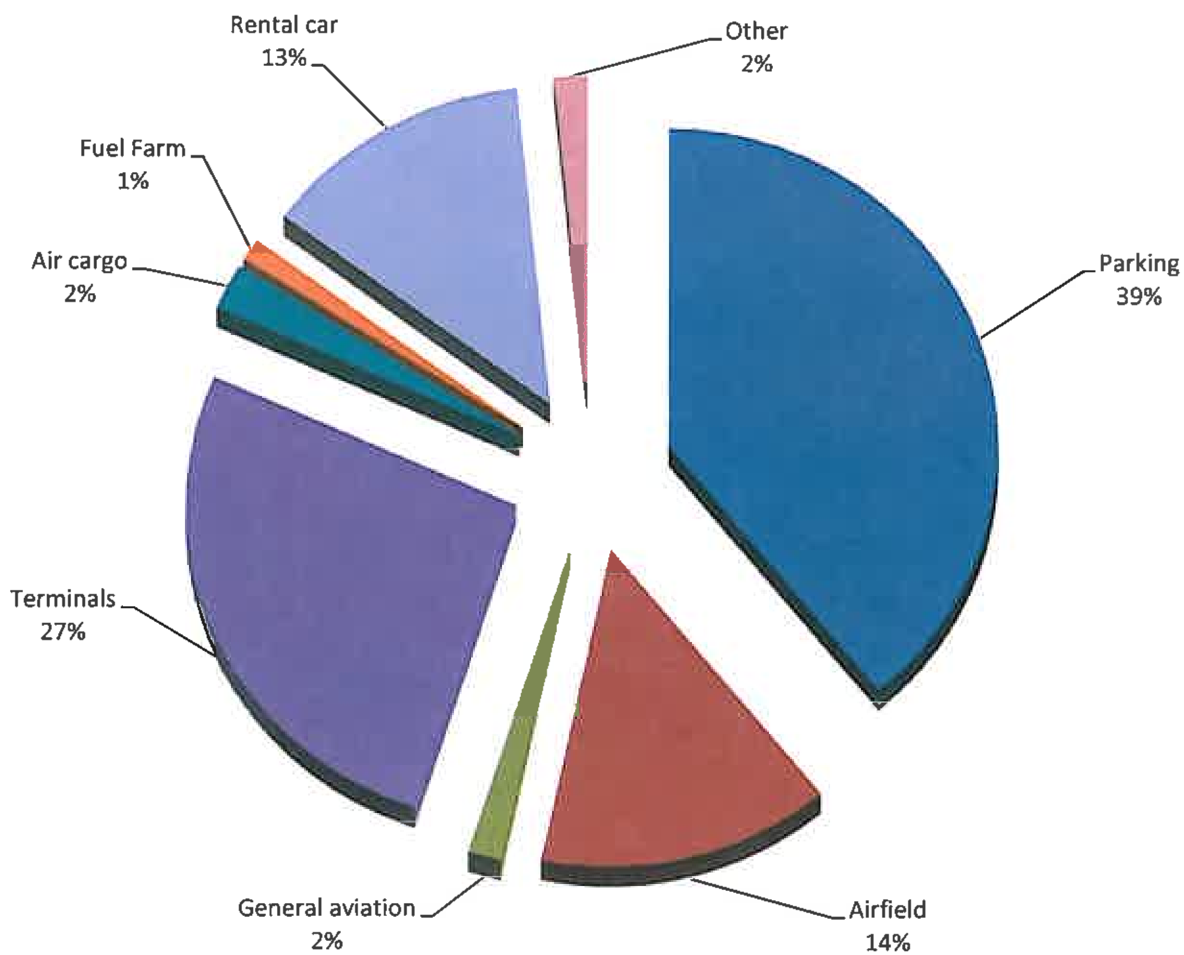

RDU Cash/Investment Balances vs Operating Reserve Policy
(Excluding PFC Cash Balance & Bond Proceeds)
Budgeted Operating Reserve
Cash Balance at FYE (above Reserve)
Millions
137
119
136
114
92
83
52
41
32
44
FY2010
FY2009
FY2008
FY2007
FY2006
FY2005
FY2004
FY2003
FY2002
FY2001

Operating Expenses by Business Unit , FYE March 31, 2010

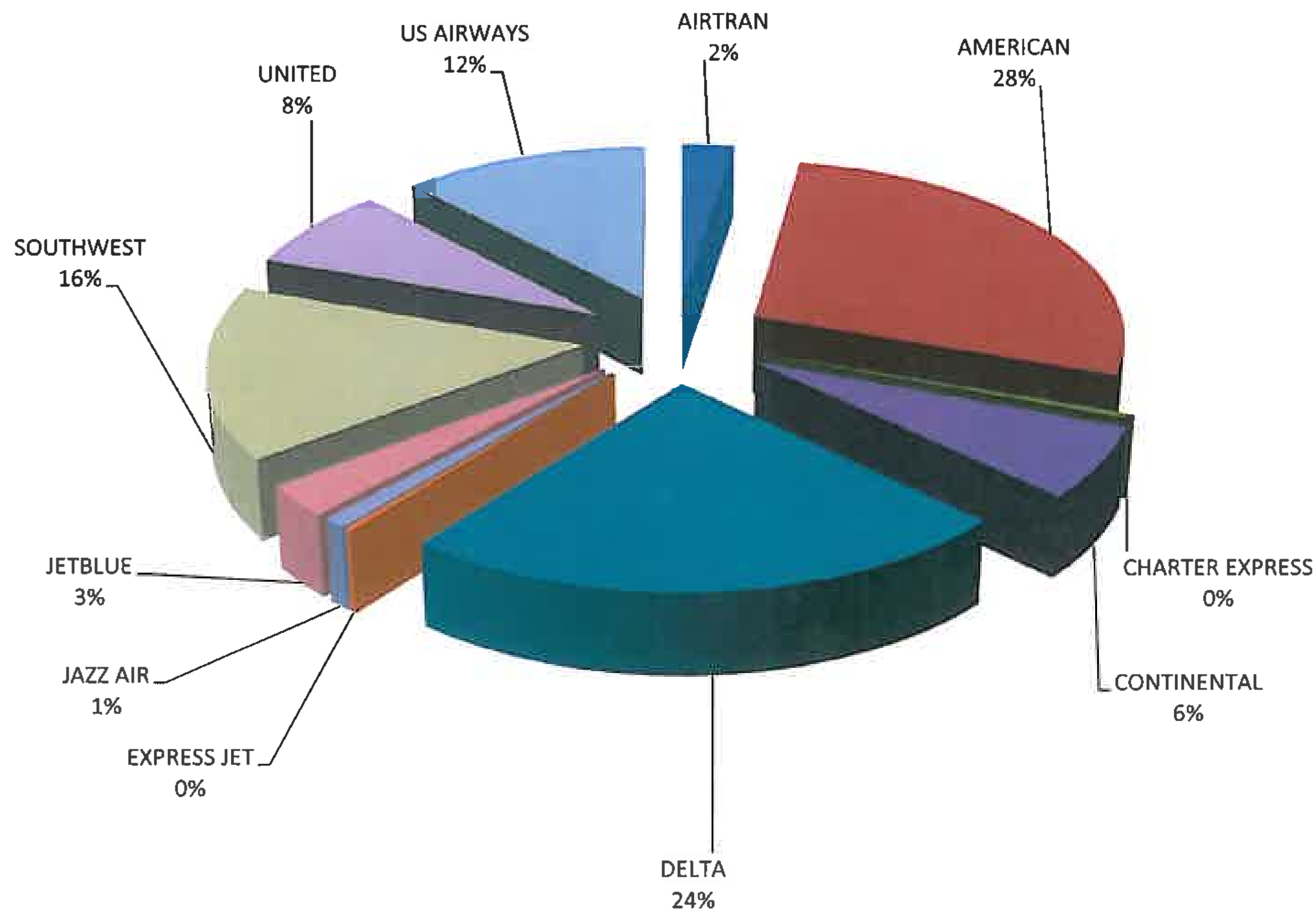


Administrative includes:
- Airport directors office
- Customer Service/Org support
- Administration
- Audit
- Finance
- Information Services
- Major Capital improvements
- Facilities Development
- Noise

FYE March 31, 2010 Operating Revenue



FYE 2010 Airline Derived Revenue by Carrier



no carrier accountied for more than 10% of operating revenues

RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT SERVICE SCHEDULE
with Irrevocable PFC Offsets (as committed)

RDU BONDS ISSUES	FY 2019/2020	FY 2018/2019	FY 2017/2018	FY 2016/2017	FY 2015/2016	FY 2014/2015	FY 2013/2014	FY 2012/2013	FY 2011/2012	FY 2010/2011
2001A -$156.975 mill. (non-AMT) 5.00%										
Principal (November Only)	$5,695,000	$5,410,000	$5,140,000	$4,885,000	$4,640,000	$4,410,000	$4,190,000	$3,980,000	$3,790,000	$3,645,000
Interest (May)	$2,534,244	$2,676,256	$2,811,181	$2,939,413	$3,061,213	$3,176,975	$3,286,963	$3,391,438	$3,486,188	$3,559,088
Interest (November)	$2,534,244	$2,676,256	$2,811,181	$2,939,413	$3,061,213	$3,176,975	$3,286,963	$3,391,438	$3,486,188	$3,559,088
Total	$10,763,488	$10,762,513	$10,762,363	$10,763,825	$10,762,425	$10,763,950	$10,763,925	$10,762,875	$10,762,375	$10,763,175
2001B - $47.57 mill. (non-AMT) 4.28%										
Principal (November Only)	n/a	n/a	n/a	n/a	n/a	$1,115,000	$2,435,000	$3,495,000	$3,350,000	$3,220,000
Interest (May)	n/a	n/a	n/a	n/a	n/a	$25,088	$78,353	$152,622	$223,809	$288,209
Interest (November)	n/a	n/a	n/a	n/a	n/a	$25,088	$78,353	$152,622	$223,809	$288,209
Total	n/a	n/a	n/a	n/a	n/a	$1,165,175	$2,591,706	$3,800,244	$3,797,619	$3,796,419
2005 A (Non-AMT) - $39.805 mill (4.66%)										
Principal (May Only)	$490,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interest (May)	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894
Interest (November)	$971,094	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894	$980,894
Total	$2,441,988	$1,961,788	$1,961,788	$1,961,788	$1,961,788	$1,961,788	$1,961,788	$1,961,788	$1,961,788	$1,961,788
2005 B (AMT) - $85.49 mill (4.66%)										
Principal (May Only) PFC Application of Funds	$4,820,000	$5,055,000	$4,810,000	$4,575,000	$4,355,000	$4,150,000	$3,950,000	$3,760,000	$3,585,000	$3,415,000
Interest (May) PFC Application of Funds	$956,931	$1,083,307	$1,203,556	$1,317,931	$1,420,156	$1,522,656	$1,619,156	$1,712,676	$1,799,895	$1,884,145
Interest (November) PFC Application of Funds	$836,431	$956,932	$1,083,306	$1,203,556	$1,317,931	$1,420,156	$1,522,656	$1,619,156	$1,712,676	$1,799,895
Total	$6,613,363	$7,095,239	$7,096,863	$7,096,488	$7,093,088	$7,092,813	$7,091,813	$7,091,833	$7,097,571	$7,099,040
2007 (AMT) - $152.070 mill (4.75%)										
Principal (May Only) PFC Applicaton of Funds	$4,095,000	$3,895,000	$3,705,000	$3,525,000	$3,355,000	$3,190,000	$3,035,000	$2,885,000	$2,755,000	n/a
Interest (May) PFC Application of Funds	$3,084,138	$3,181,513	$3,274,138	$3,362,263	$3,445,138	$3,524,888	$3,600,513	$3,672,638	$3,733,938	$3,733,938
Interest (November) PFC Application of Funds	$2,981,763	$3,084,138	$3,181,513	$3,274,138	$3,362,263	$3,445,138	$3,524,888	$3,600,513	$3,672,638	$3,733,938
Total	$10,160,900	$10,160,650	$10,160,650	$10,161,400	$10,162,400	$10,160,025	$10,160,400	$10,158,150	$10,161,575	$7,467,875
2008 ABC (A&B AMT,C Non-AMT) -$300.0 mill (Note 3)										
Principal (May Only) PFC Applicaton of Funds	$8,470,000	$8,075,000	$7,705,000	$7,355,000	$7,010,000	$6,685,000	$6,385,000	$6,090,000	$5,810,000	$5,545,000
Interest (12 Monthly Payments) PFC Application of Funds	$8,847,210	$9,177,079	$9,491,586	$9,791,692	$10,078,130	$10,351,145	$10,611,534	$10,860,210	$11,097,402	$11,323,695
Total	$17,317,210	$17,252,079	$17,196,586	$17,146,692	$17,088,130	$17,036,145	$16,996,534	$16,950,210	$16,907,402	$16,868,695
FY Principal Total	$23,570,000	$22,435,000	$21,360,000	$20,340,000	$19,360,000	$19,550,000	$19,995,000	$20,210,000	$19,290,000	$15,825,000
FY Interest Total	$23,726,948	$24,797,268	$25,818,249	$26,790,192	$27,707,830	$28,629,895	$29,571,165	$30,515,099	$31,398,329	$32,131,991
Total Principal and Interest	$47,296,948	$47,232,268	$47,178,249	$47,130,192	$47,067,830	$48,179,895	$49,566,165	$50,725,099	$50,688,329	$47,956,991
Total Principal Outstanding at end of FY	$517,205,000	$540,775,000	$563,210,000	$584,570,000	$604,910,000	$624,270,000	$643,820,000	$663,815,000	$684,025,000	$703,315,000
PFC Offsets to Annual Debt Service										
Irrevocable Commitment of PFC's	Irrevocable Commitments are not yet determined for these years.						$24,346,000	$23,634,000	$22,946,000	$22,444,000
DEBT SERVICE P & I NET OF PFC OFFSET	$47,296,948	$47,232,268	$47,178,249	$47,130,192	$47,067,830	$48,179,895	$ 25,220,165	$ 27,091,099	$ 27,742,329	$ 25,512,991

Notes:

1 This schedule represents Cashflow Scheduled Debt Service. Accrual Basis interest expense will differ slightly.

2 Schedule excludes 2002 and 2003 $70 million in BAN Debt Service since this was refinanced in Series 2005 A&B

3 Note 2008 interest rate is a weighted average of 3 swaps (4.27%, 4.099% and 4.099%) and unhedged variable rates assumed to be 3.0% (.34 % at 3/31/10). The weighted average of these bonds is 3.91% (and excludes program costs such as liquidity and remarketing fees.)

RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT PROFILE
3/31/2010

Type of Debt	Series	Original Term	Tax Exempt Status	Use of Funds	Original Issue Size		3/31/2010 Amount Outstanding
General Airport Revenue Bonds (GARBs):							
Fixed Rate	Series 2001A	30	Non-AMT	Parking Garage 4	$ 156,975,000		$ 141,175,000
Fixed Rate	Series 2001B	13	Non-AMT	Refunding of Parking Rev Bonds	$ 47,570,000		$ 13,615,000
Variable Rate	Series 2002	15	AMT	Term C Lease Buyout	$ 30,000,000		$ -
Bond Anticipation Notes	Series 2002B	1	-	Terminal 2 Bond Anticipation Notes	$ 35,000,000		$ -
Bond Anticipation Notes	Series 2003	1	-	Terminal 2 Bond Anticipation Notes	$ 35,000,000		$ -
Fixed Rate	Series 2005A	25	Non-AMT	Operation Center, G/A Term, 75% of Taxiway D	$ 39,805,000		$ 39,805,000
Fixed Rate	Series 2005B	25	AMT	Terminal 2 Project, 25% of Taxiway D	$ 85,490,000		$ 77,765,000
Variable Rate swapped to Fixed	Series 2006ABCDE	30	AMT	Terminal 2 Project- $300 mill (refunded 5/1/08)	$ 300,000,000		Refunded in 2008
Fixed Rate	Series 2007	30	AMT	Terminal 2 Project	$ 152,070,000		$ 152,070,000
Variable Rate swaped to Fixed	Series 2008A	30	AMT	Terminal 2 Project	$ 125,000,000		$ 122,795,000
Variable Rate swaped to Fixed	Series 2008B	30	AMT	Terminal 2 Project	$ 100,000,000		$ 98,235,000
Variable Rate swaped to Fixed	Series 2008C	30	AMT	Terminal 2 Project (refunded 2009)	$ 75,000,000		Refunded in 2009
Variable Rate	Series 2008C	30	Non-AMT	Terminal 2 Project	$ 73,680,000		$ 73,680,000
				Total Debt Issued	$ 1,255,590,000		
				Total Outstanding Debt at 3/31/10			**$ 719,140,000**
				Fixed versus Variable Debt			
				Fixed Rate Debt (includes Bonds swaped to Fixed)		89.8%	$ 645,460,000
				Variable Rate Debt (2008C Unhedged bonds)		10.2%	$ 73,680,000
						100.0%	
				Total Outstanding Debt at 3/31/10			$ 719,140,000

Weighted Average Rates
of Debt Portfolio at 3/31/10

		Current Rates		Current Wgt. Avg. Rates
Series 2001A	$ 141,175,000	5.00%		0.98%
Series 2001B	$ 13,615,000	4.28%		0.08%
Series 2005A	$ 39,805,000	4.66%		0.26%
Series 2005B	$ 77,765,000	4.66%		0.50%
Series 2007	$ 152,070,000	4.70%		0.99%
Series 2008 Swap (Initial Amt $150 million)	$ 147,350,000	4.31%	*1	0.88%
Series 2008 Swap (Initial Amts $50 mill & 25 mill)	$ 73,680,000	4.14%	*1	0.42%
Series 2008C Variable unhedged bonds	$ 73,680,000	1.13%	*2	0.12%
	$ 719,140,000			
		Weighted Average Rate of Debt for FY 2009-2010		**4.24%**

*1 Excludes Program Costs such as LOC and Remarketing Fees. Rates indicated are actual swap rates plus averaged basis risk for FY 2009-2010 of 4 basis points on swap payments
*2 Average weekly rate for FY 2009-2010

RALEIGH-DURHAM AIRPORT AUTHORITY

RDU DEMOGRAPHIC INFORMATION

2009, 2008, and 2007 ($ in thousands)

	2009	2008	2007
Population*	1,779	1,730	1,671
Median Household Income**	Unavailable	$ 55.9	$ 52.9
Per Capita Income***	Unavailable	$ 40.3	$ 40.4
Personal Income***	Unavailable	$ 63,274,000	$ 61,453,000
Median Age****	34.7	34.8	34.1
Unemployment Rate*****	8.4	9.7	7.5

Sources:

*CAFR Demographic and Economic Statistics for City of Raleigh, Wake County, City of Durham, and Durham County

**U.S. Census Bureau, 2006-2008 American Community Survey for Durham MSA and Raleigh-Cary MSA

***U.S. Department of Commerce, Bureau of Economic Analysis

****U.S. Census Bureau, American Fact Finder

*****U.S. Department of Labor, Bureau of Labor Statistics

Raleigh-Durham Airport Authority

Raleigh-Durham Triangle Top Employers
Current year and Nine years Ago

The Authority primarily serves the Research Triangle; officially named the Raleigh-Durham-Cary CSA (combined statistical area). Major employers of the region include;

	2009			2000		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
State of North Carolina	25,458	1	4.61%	23,230	2	4.64%
Duke University	20,185	2	3.65%	21,000	3	4.20%
Wake County Public Schools	16,755	3	3.03%	12,500	5	2.50%
International Business Machines	11,530	4	2.09%	27,000	1	5.40%
Glaxosmithkline	11,400	5	2.06%	5,850	7	1.17%
N C State University at Raleigh	8,000	6	1.45%	7,787	6	1.56%
Wake Med	6,893	7	1.25%	5,000	8	1.00%
Durham Public Schools	5,489	8	0.99%	4,500	9	0.90%
Progress Energy	5,000	9	0.90%	3,428	12	0.69%
SAS Institute Inc.	4,149	10	0.75%	3,600	11	0.72%
Rex Healthcare	4,000	11	0.72%	3,779	10	0.76%
Wake County Government	3,744	12	0.68%	-		0.00%
Cisco Systems	3,600	13	0.65%	-		0.00%
Nortel Networks, Inc.	2,600	14	0.47%	13,348	4	2.67%
Blue Cross & Blue Shield of NC, Inc.	2,437	15	0.44%	2,500	13	0.50%
City of Durham	2,336	16	0.42%	1,979	14	0.40%
Lenovo Group, Ltd	2,300	17	0.42%	-		0.00%
Research Triangle institute	2,200	18	0.40%	1,600	16	0.32%
Veterans Affairs Medical Center	2,162	19	0.39%	1,550	17	0.31%
County of Durham	-		0.00%	1,874	15	0.37%
Glaxo Wellcome, Inc	-		0.00%	4,500	9	0.90%
Total	140,238		25.37%	145,025		28.99%

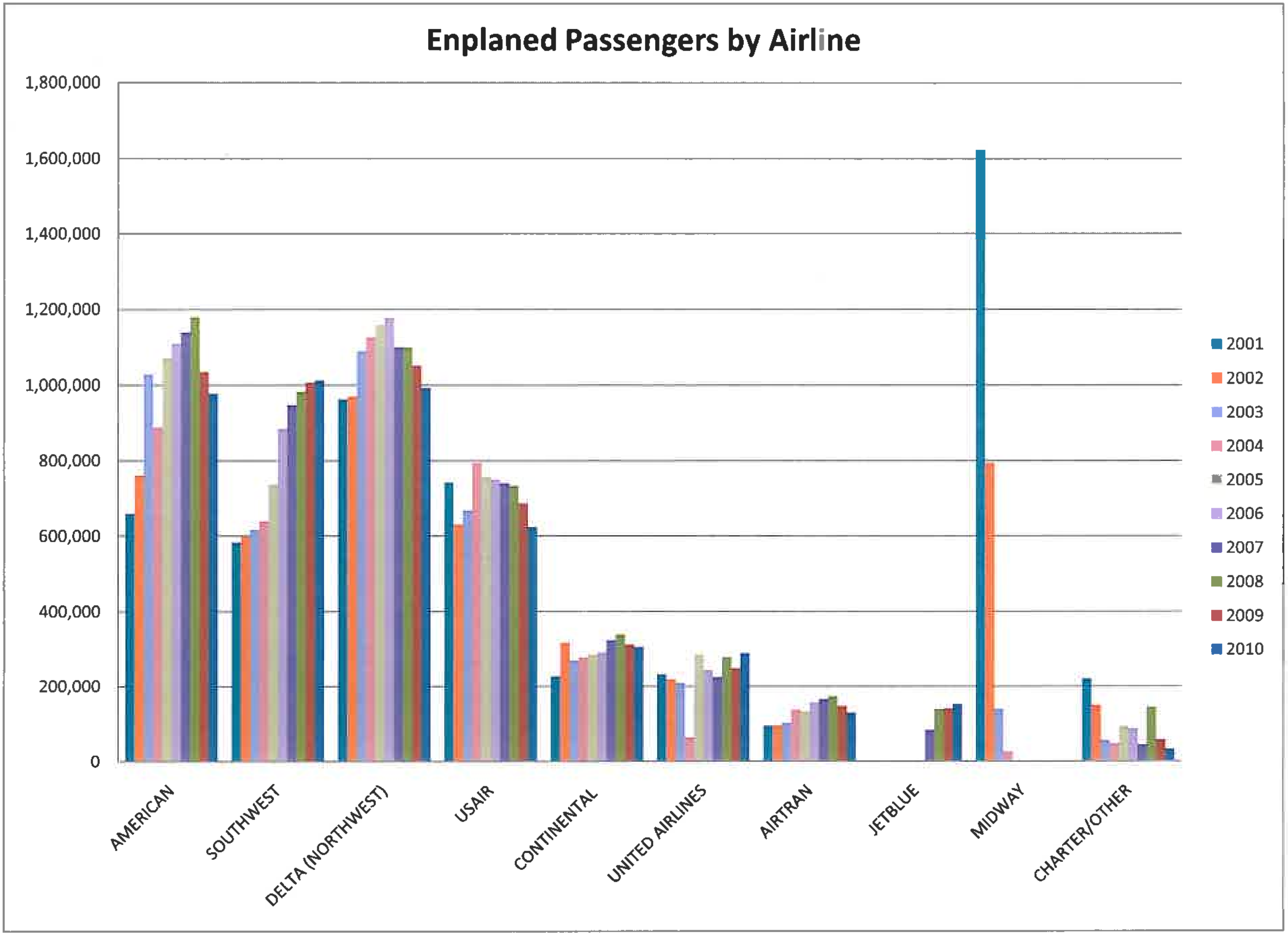
Source - Wake County 2009 CAFR - Greater Raleigh Chamber of commerce
Durham county 2009 CAFR - Durham Chamber of Commerce

RALEIGH-DURHAM AIRPORT AUTHORITY
ACTIVITY STATISTICS
Last Ten Fiscal Years

Fiscal Year	Total Passengers	Aircraft Operations	Cargo Volume (lbs)
2010	9,001,247	199,483	198,545,086
2009	9,367,703	221,676	211,264,605
2008	10,110,183	252,051	237,097,547
2007	9,543,800	246,557	230,839,499
2006	9,280,471	245,615	240,313,100
2005	8,929,913	253,563	236,196,270
2004	7,964,067	227,140	212,777,512
2003	8,346,005	235,413	220,903,449
2002	9,007,590	259,161	230,207,206
2001	10,673,164	300,339	267,252,302

Source: Raleigh Durham Airport Authority Activity Reports

Aircraft operations represents the total number of take-offs and landings passenger & Cargo



Enplaned Passengers by Airline
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
AMERICAN
SOUTHWEST
DELTA (NORTHWEST)
USAIR
CONTINENTAL
UNITED AIRLINES
AIRTRAN
JETBLUE
MIDWAY
CHARTER/OTHER
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010

RALEIGH-DURHAM AIRPORT AUTHORITY
ENPLANED PASSENGERS BY AIRLINE
Last Ten fiscal Years

	2010		2009		2008		2007		2006		2005		2004		2003		2002		2001	
AMERICAN	977,895	21.6%	1,034,070	22.1%	1,179,470	23.3%	1,139,890	23.9%	1,110,052	23.6%	1,071,109	23.7%	887,862	22.2%	1,028,836	24.6%	759,704	16.8%	659,475	12.3%
SOUTHWEST	1,012,673	22.4%	1,006,841	21.5%	982,935	19.4%	947,658	19.9%	884,222	18.8%	735,767	16.3%	638,921	16.0%	616,580	14.7%	597,824	13.2%	583,273	10.9%
DELTA (NORTHWEST)	992,524	22.0%	1,051,656	22.4%	1,099,792	21.7%	1,100,558	23.1%	1,178,088	25.1%	1,159,475	25.7%	1,125,996	28.2%	1,090,005	26.1%	969,382	21.4%	963,114	18.0%
USAIR	623,142	13.8%	685,798	14.6%	732,835	14.5%	739,632	15.5%	749,050	15.9%	755,734	16.7%	792,541	19.8%	667,310	16.0%	629,254	13.9%	741,269	13.9%
CONTINENTAL	306,178	6.8%	311,410	6.6%	339,065	6.7%	323,886	6.8%	290,413	6.2%	284,350	6.3%	276,543	6.9%	269,934	6.5%	315,420	7.0%	226,977	4.2%
UNITED AIRLINES	289,275	6.4%	247,776	5.3%	277,971	5.5%	224,345	4.7%	243,139	5.2%	285,439	6.3%	63,829	1.6%	209,750	5.0%	218,281	4.8%	232,684	4.4%
AIRTRAN	130,365	2.9%	147,364	3.1%	173,880	3.4%	166,071	3.5%	156,488	3.3%	132,538	2.9%	136,542	3.4%	103,606	2.5%	94,430	2.1%	94,790	1.8%
JETBLUE	152,583	3.4%	141,066	3.0%	139,057	2.7%	83,762	1.8%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
MIDWAY	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	25,881	0.6%	140,004	3.3%	792,407	17.5%	1,624,602	30.4%
CHARTER/OTHER	33,687	0.7%	58,717	1.3%	144,989	2.9%	44,996	0.9%	87,470	1.9%	92,387	2.0%	47,388	1.2%	55,946	1.3%	149,847	3.3%	220,700	4.1%
TOTAL	4,518,322		4,684,698		5,069,994		4,770,798		4,698,922		4,516,799		3,995,503		4,181,971		4,526,549		5,346,884	

RALEIGH-DURHAM AIRPORT AUTHORITY
ENPLANED PASSENGERS BY MONTH
Last Ten Fiscal Years

	Avg %	Monthly Avg	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
April	8.61%	398,684	386,257	418,666	418,819	392,703	380,756	367,706	316,146	370,963	479,928	454,891
May	9.12%	422,517	395,931	449,221	448,600	417,233	433,395	386,862	346,042	402,223	473,788	471,871
June	9.46%	438,155	413,735	462,195	476,806	434,149	437,868	389,541	370,063	414,192	508,121	474,882
July	9.58%	443,679	429,806	454,330	469,881	425,489	434,254	421,211	376,007	403,917	525,463	496,427
August	8.87%	410,864	399,927	422,091	463,413	414,456	408,259	379,669	342,706	378,158	432,828	467,129
September	7.36%	340,909	354,093	354,490	391,222	365,120	367,430	346,150	297,683	305,888	228,269	398,742
October	8.61%	398,925	403,843	410,727	437,609	414,758	415,225	407,289	357,733	363,537	312,532	466,001
November	8.15%	377,634	374,480	364,782	423,622	412,364	398,876	380,453	334,362	323,578	309,558	454,261
December	8.29%	384,144	386,585	394,997	408,355	411,925	389,339	392,727	363,908	352,328	319,282	421,995
January	6.76%	313,274	309,391	301,606	344,556	344,263	322,342	310,198	269,291	266,453	271,474	393,162
February	6.74%	312,256	291,670	298,697	356,028	329,166	309,689	310,045	287,321	276,774	286,034	377,135
March	8.42%	390,005	372,604	352,896	431,083	409,172	401,489	424,948	334,241	323,960	379,272	470,388
TOTAL		4,631,044	4,518,322	4,684,698	5,069,994	4,770,798	4,698,922	4,516,799	3,995,503	4,181,971	4,526,549	5,346,884
Increase (Decrease) over Prior Period			-3.55%	-7.60%	6.27%	1.53%	4.03%	13.05%	-4.46%	-7.61%	-15.34%	

RALEIGH-DURHAM AIRPORT AUTHORITY
LANDED WEIGHTS BY AIRLINE (in 000's)
Last Eight Fiscal Years

	2010		2009		2008		2007		2006		2005		2004		2003	
Airlines																
AIRTRAN	151,096.00	2.6%	180,448.00	2.8%	205,139.50	2.9%	198,704.40	3.0%	187,720.00	2.8%	173,347.00	2.5%	178,093.01	2.9%	143,470.00	2.2%
AMERICAN	1,199,345.76	20.2%	1,379,141.10	21.3%	1,607,897.87	22.6%	1,523,329.49	22.8%	1,505,417.37	22.7%	1,645,876.05	23.9%	1,582,094.78	25.8%	1,758,843.42	26.5%
CONTINENTAL	340,284.20	5.7%	373,257.38	5.8%	384,852.43	5.4%	362,923.19	5.4%	344,040.62	5.2%	385,542.22	5.6%	349,358.04	5.7%	340,581.30	5.1%
DELTA (NORTHWEST)	1,161,039.90	19.6%	1,003,810.20	15.5%	1,359,023.24	19.1%	1,375,437.80	20.6%	1,516,711.35	22.8%	1,573,666.02	22.8%	1,433,254.90	23.4%	1,464,426.10	22.0%
JAZZ AIR	45,646.20	0.8%	53,016.00	0.8%	56,440.20	0.8%	50,440.00	0.8%	47,199.10	0.7%	50,937.60	0.7%	53,460.82	0.9%	54,364.39	0.8%
JETBLUE	190,769.30	3.2%	191,153.00	3.0%	181,688.29	2.6%	111,472.05	1.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SOUTHWEST	1,237,984.00	20.9%	1,347,980.00	20.8%	1,341,806.00	18.8%	1,252,454.00	18.7%	1,153,776.00	17.4%	961,466.00	14.0%	812,617.99	13.3%	853,094.00	12.8%
UNITED AIRLINES	472,318.67	8.0%	316,554.61	4.9%	345,472.61	4.9%	277,076.37	4.1%	302,447.09	4.6%	326,738.88	4.7%	282,718.87	4.6%	282,714.70	4.3%
USAIR	658,321.50	11.1%	1,089,778.74	16.9%	916,638.79	12.9%	979,503.06	14.7%	934,136.28	14.1%	1,022,003.89	14.8%	760,329.26	12.4%	943,511.43	14.2%
CHARTER/OTHER	19,097.91	0.3%	41,346.09	0.6%	207,189.71	2.9%	17,555.00	0.3%	76,643.00	1.2%	161,340.60	2.3%	116,885.61	1.9%	272,195.50	4.1%
Cargo																
UPS	131,023.68	2.2%	134,318.30	2.1%	135,892.78	1.9%	137,229.12	2.1%	141,256.62	2.1%	132,010.20	1.9%	213,666.35	3.5%	131,313.00	2.0%
FEDERAL EXPRESS	239,169.60	4.0%	237,093.50	3.7%	248,939.35	3.5%	255,424.55	3.8%	253,415.45	3.8%	234,744.70	3.4%	224,017.81	3.7%	238,730.60	3.6%
OTHERS	79,123.00	1.3%	118,319.30	1.8%	129,820.35	1.8%	139,504.31	2.1%	182,545.56	2.7%	222,102.00	3.2%	122,596.85	2.0%	164,434.79	2.5%
TOTAL	5,925,219.72	100.0%	6,466,216.23	100.0%	7,120,801.12	100.0%	6,681,053.35	100.0%	6,645,308.43	100.0%	6,889,775.15	100.0%	6,129,094.29	100.0%	6,647,679.23	100.0%

Note:
Due to Raleigh-Durham Airport Authority's transition to Oracle during FY2003, only eight years of comparative data is available.

Raleigh-Durham Airport Authority
Net Capital Assets
Last Ten Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Capital Assets										
Land	$ 41,193,383	$ 41,193,383	$ 35,546,221	$ 35,546,221	$ 35,546,221	$ 35,546,221	$ 35,067,463	$ 35,067,464	$ 35,067,464	$ 34,388,119
Construction In Progress	133,832,321	27,645,002	315,393,845	174,144,771	161,129,319	106,406,209	113,883,239	180,171,142	126,991,700	48,926,336
Total Capital Assets Not Being Depreciated	175,025,704	68,838,385	350,940,066	209,690,993	196,675,540	141,952,430	148,950,702	215,238,606	162,059,164	83,314,455
Land Improvements	523,502,823	522,444,658	516,776,328	516,302,808	452,074,787	440,864,656	410,839,381	297,049,489	285,584,756	282,945,890
Equipment	23,004,243	23,233,962	18,968,242	18,347,805	14,405,726	12,670,803	11,886,004	11,469,955	11,276,421	10,739,980
Building and building Improvements	676,834,120	663,756,356	253,259,858	246,949,416	199,740,362	168,967,843	146,877,097	119,526,239	187,314,547	176,090,821
Utilities	4,230,632	4,115,389	4,115,389	4,115,389	4,115,389	3,924,925	3,924,925	3,924,926	3,924,925	3,924,925
Total Capital Assets Being Depreciated	1,227,571,818	1,213,550,365	793,119,817	785,715,418	670,336,264	626,428,227	573,527,408	431,970,609	488,100,649	473,701,616
Accumulated Depreciation	(442,679,162)	(395,948,633)	(356,702,954)	(323,350,418)	(290,805,680)	(262,416,619)	(249,510,995)	(228,160,408)	(261,614,222)	(242,791,861)
Net Capital Assets	$ 959,918,360	$ 886,440,117	$ 787,356,929	$ 672,055,993	$ 576,206,124	$ 505,964,038	$ 472,967,115	$ 419,048,807	$ 388,545,591	$ 314,224,210

RALEIGH-DURHAM AIRPORT AUTHORITY
GRANT AWARDS HISTORY
Last Ten Fiscal Years

Fiscal Year	Security	Construction	Total
	PURPOSE OF GRANT		
2010	$ 540,492	$ 11,468,926	$ 12,009,418
2009	$ 688,069	$ 5,627,385	$ 6,315,454
2008	751,336	-	751,336
2007	740,696	2,235,672	2,976,368
2006	723,438	19,774,665	20,498,103
2005	675,532	17,510,647	18,186,179
2004	261,298	10,836,199	11,097,497
2003	-	4,506,528	4,506,528
2002	-	5,899,314	5,899,314
2001	-	587,044	587,044
Total	$ 4,380,861	$ 78,446,380	$ 82,827,241

Source: Schedule of Expenditures of Federal Awards

Raleigh-Durham Airport Authority
Employee Headcount
Last Ten Fiscal Years

Year Ending	Number of employees
2010	271
2009	273
2008	261
2007	233
2006	236
2005	228
2004	224
2003	229
2002	194
2001	167