



# **Comprehensive Annual Financial Report** **For the Fiscal Year Ended March 31, 2015 and 2014**

**Raleigh-Durham Airport Authority**  
**North Carolina**



Raleigh-Durham Airport Authority  
RDU Airport, North Carolina

## Comprehensive Annual Financial Report

For the fiscal years March 31, 2015 and 2014

Prepared by the Finance Department

# Comprehensive Annual Financial Report

## **2015-2016 Raleigh-Durham Airport Authority Board Members**



**Richard (Dickie) Thompson**  
Chairman, City of Raleigh



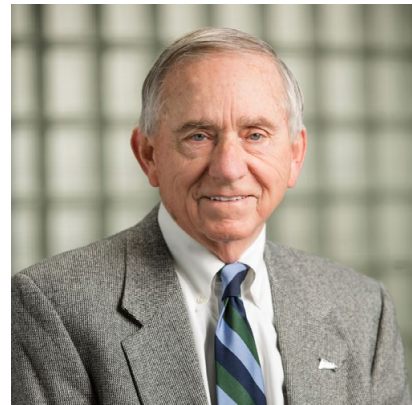
**Farad Ali**  
Vice Chairman, City of Durham



**John Kane**  
Secretary, Wake County



**Robert Teer Jr.**  
Treasurer, City of Durham



**Tommy Hunt**  
Durham County



**Adrienne Cole**  
City of Raleigh



**Lawrence Zucchini**  
Wake County



**Patrick Hannah, Esq.**  
Durham County



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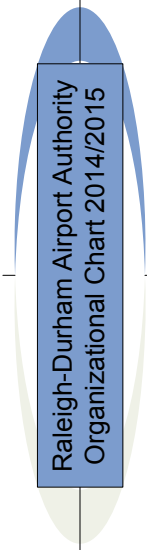
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Raleigh-Durham Airport Authority  
Organizational Chart 2014/2015







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Raleigh-Durham Airport Authority  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**March 31, 2014**



Executive Director/CEO





Michael J. Landguth, A.A.E.  
President & CEO

R A L E I G H - D U R H A M   A I R P O R T   A U T H O R I T Y

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June 18, 2015

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, 2015 (FY 2014-15). 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 of the Authority for its prior FY 2013-14 submissions. This Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government finance reports. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplemental 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 FY 2014-15 Comprehensive Annual Report to the Government Finance Officers Association for their review and seek the award for the seventh 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 created for the development, operation and maintenance of the Raleigh-Durham International Airport (RDU). 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.

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

## **Reporting Entity (continued)**

governmental units that appoint its members. This total of \$50,000 is less than one-tenth of one percent of the Authority's annual operating revenue.

The Airport is located midway between the cities of Raleigh and Durham in an area often referred to as the "Research Triangle." The population as of July 1, 2013 of the Raleigh-Durham-Cary Combined Statistical Area ("CSA"), which is made up of the eight counties in and around the Research Triangle, was estimated at 2,037,430. The Airport is the easternmost large Airport in North Carolina and draws significant users from eastern North Carolina, in addition to users from the Research Triangle area. The Piedmont Triad International Airport, which primarily services the Greensboro-Winston-Salem area, is approximately 79 miles west of the Airport. Charlotte Douglas International Airport is located approximately 159 miles southwest of the Airport.

## **Economy, Region & Air Service**

The Board, its Finance Committee, the President and Chief Executive Officer, senior staff and financial management continued to closely monitor and respond to the on-going financial and business uncertainties facing the global and national economies, the airline industry, and the Authority itself during FY 2014-15.

Raleigh, Durham, and Chapel Hill make up the three primary cities of the Research Triangle metropolitan region. The regional nickname of "The Triangle" originated after the 1959 creation of the Research Triangle Park, primarily located in Durham County, four miles from Downtown Durham. It is encompassed on three sides by the city of Durham and roughly midway between the cities of Raleigh and Chapel Hill and the three major research universities of NC State University, Duke University, and UNC-Chapel Hill. This 7,000 acre park set aside for research and research oriented manufacturing employs approximately 42,000 people. Anchored by leading technology firms, government, and world-class universities and medical centers, the area's economy consistently performs strongly.

Wake, Durham, and Orange counties are part of the larger 13-county economic region known as the Research Triangle Region and provide the primary economic base for air transportation at the Airport. The airport alone is estimated to have over an \$8 billion economic impact. The airport's total impact on regional employment involves an estimated 47,000 jobs with payrolls of \$2.5 billion. In addition, over 4,700 workers are employed in various functions on the airport.

RDU is a very busy commercial service airport served by eight major airlines and their regional partners offering service from RDU to forty-one domestic cities and three international destinations nonstop with an average of 183 daily departing flights. These airlines include Air Canada, American, Delta, Frontier, JetBlue, Southwest, United, and U.S. Airways. For FY 2014-15, the top three carriers in terms of market share were Delta, Southwest, and American, comprising about 68% of total passengers. For FY 2014-15, approximately 98% of all passengers at the Airport enplaned on domestic flights and 2% enplaned on international flights. Major cargo carriers at RDU include Federal Express and UPS. The airport processed approximately 9.6 million passengers and 84,000 tons of air cargo in the FY 2014-15.

## **Economy, Region & Air Service (continued)**

RDU is recognized by the Federal Aviation Administration (FAA) as a medium size hub and is the second largest airport in the North Carolina behind Charlotte Douglas International (CLT). RDU, however, serves almost exclusively origin-destination (O&D) passengers while CLT serves largely connecting passengers.

General Aviation (GA) facilities at RDU include the 22,000-square foot GA Terminal owned by the Authority supporting two Fixed-Base Operators: Landmark Aviation and TAC Air. The complex offers 30 acres of aircraft parking space for a variety of aircraft sizes and much more.

Regarding air service development, recent air carrier actions announced include the following:

- In April 2015, Alaska Airlines announced that it would begin daily non-stop service between the Airport and Seattle, Washington in October 2015. Upon commencement of this service, Seattle will be the third non-stop destination on the west coast of the United States from the Airport (in addition to Los Angeles and San Francisco).
- In May 2015, United Airlines announced that it would offer two daily non-stop flights between the Airport and Denver, Colorado starting in September 2015.
- Also in May 2015, Allegiant Airlines began service between three destinations in Florida and the Airport.
- Southwest Airlines recently announced that in August 2015, it would begin daily service between Dallas (Love Field) and the Airport.

In April 2014, in support of targeted, new non-stop destinations, the Authority expanded its Air Service Development Policy to further incentivize expansion of capacity at RDU. We believe this policy contributed to the new service listed above and the 4.5% growth in enplanements experienced for FY 2014-15. Additionally, this policy includes the use of Authority managed marketing support for new transcontinental and transatlantic destinations.

## **FY 2014-15 Major Events and Initiatives**

The Authority is also committed to continuing proactive management of the issues and challenges regarding the economy and aviation environment. In an effort to control costs, headcount has been managed with no growth in number of authorized positions for the previous five years. For FY 2014-15, the number of Authority authorized full time positions was 291, three less than the 294 authorized positions from five years earlier. For the budgeted FY 2015-16, the Authority will increase its authorized headcount to 304 positions, primarily in critical areas such as Security/Law Enforcement, and to drive its strategic business plan. In addition to its full-time positions, 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 largely reimbursable from the Transportation Security Administration and thus, to the extent reimbursed, not passed on to the air carriers.

On April 13, 2014, the Authority completed its \$68 million project to renovate and modernize Terminal 1, all of which was cash funded. Terminal 1 consists of approximately 250,000 square feet of floor space, including 9 contact gates and is occupied by Southwest Airlines. The project

## **FY 2014-15 Major Events and Initiatives (continued)**

included installation of an automated baggage handling system, reconfiguration of the security checkpoint to a larger and more navigable design, creation of pre-security concession areas and other improvements. The Terminal 1 renovation project was named the Best Project in the Airport/Transit category in 2014 by *Engineering News-Record Southeast*. It is the Airport's first LEED certified building by the *US Green Building Council*.

Terminal 2 consists of approximately 920,000 square feet of floor space, including 36 gates. Terminal 2 is the result of a \$573 million redevelopment project that was completed in 2011 and is a state-of-the-art, common use passenger terminal occupied by all of the other airlines conducting operations at the Airport. In addition to the airline gates, Terminal 2 has over 40 shops and restaurants. All airlines conducting operations at the Airport other than Southwest Airlines operate out of Terminal 2.

For the 9th 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. The ATRS is the leading academic society in the air transportation field who measures and compares the operating efficiency, managerial efficiency and cost competitiveness of 183 airports and 25 airport groups worldwide. RDU was again ranked in the top 3 airports overall in the category of less than 15 million passenger enplanements for 2014. This acknowledgement reinforces the Authority's efforts to maintain low operating costs for the airlines that serve the Airport and its success in doing so.

## **Major Expenditure Plan**

The Authority has developed a Major Expenditure Plan covering the period of the fiscal year ending March 31, 2016 through the fiscal year ending March 31, 2020. This capital improvement program includes expenditures on capital projects at the Airport of approximately \$116 million, net of anticipated grant funding. At present, the Authority does not plan to issue additional Bonds to finance any of the projects included in the Major Expenditure Plan.

## **Financial Information**

The MD&A summarizes the Authority's Statements of Net Position, Statement of Revenues, Expenses and Changes in Net Position, 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.

The Authority is pleased with its industry-exceptional AA-/Aa3 bond ratings (Fitch Ratings and Moody's respectively) and considers maintaining these ratings a top strategic priority. During FY 2014-15, Fitch Ratings and Moody's both affirmed their ratings, each with stable outlooks. At March 31, 2015 the Authority's debt portfolio consisted of approximately 90% fixed rate and 10% variable rate revenue bond obligations, with a weighted average interest rate of approximately 3.9%.

For FY 2014-15, Operating revenue at RDU continued its upward trend having increased in the previous five fiscal years. However, total passengers of 9.59 million for FY 2014-15 represented a significant increase of 4.5% from the prior fiscal year. This helped drive an operating revenue budget surplus of \$5.3 million or 5.2% for FY 2014-15. In addition, total operating expenses of \$53.6 million were under budget by \$1.3 million or 2.4% for FY 2014-15.



## **Financial Information (continued)**

The Authority, as it typically does, elected to forecast conservatively, especially with respect to revenue generation for FY 2015-16. For FY 2015-16, total operating revenue is budgeted to rise \$7.8 million to \$109.9 million, a 7.6% increase over budgeted operating revenue for FY 2014-15. However, this budgeted increase only represented a \$2.4 million increase over actual revenues for FY 2014-2015. This significant increase in budgeted FY 2015-16 revenue is largely attributable to new passengers utilizing the airport helping drive increases in parking revenue (\$2 million increase over prior years' budget) and terminal related revenue (\$3.2 million increase over prior years' budget). For FY 2015-16, budgeted revenue for enplanement driven revenue types such as parking, terminal concession, and rental car, were based on a one percent future enplanement growth forecast, affirming the Authority's conservative budgeting and financial management practices.

Operating expenses are budgeted to increased \$8.3 million, or 15.3% for FY 2015-16, relative to the budgeted amounts for the prior year. Approximately two-thirds of the increase was driven by growth in asset management costs related to maintaining the Authority's \$1.5 billion of infrastructure assets.

## **Internal Control Structure Framework**

The financial statements of the Authority are prepared following U.S. generally accepted accounting principles applicable to governmental unit enterprise funds. Annually, the Authority's Audit Department's 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 Audit department operates under an annual audit plan approved by the President and CEO, and the Board Finance/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 recent years have made a positive impact on the Authority's overall control environment.

Internal control is a process affected by an entity's governing board, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) safeguarding of assets from loss, from unauthorized use or disposition; (b) execution of transactions in accordance with management's authorization; (c) reliability of financial records for preparing financial statements and maintaining accountability for assets; (d) effectiveness and efficiency of operation; and (e) compliance with applicable laws and regulations.

Internal controls, no matter how well designed and operated, can provide only reasonable assurance to management and the Board regarding achievement of an entity's control objective. The likelihood of achievement is affected by limitations inherent to internal control. Such limitations include:

1. Human judgment in decision-making can be faulty;
2. Breakdowns in internal controls can occur due to errors or mistakes;
3. Controls can be circumvented by the collusion of two or more people, or management override of internal controls;

## **Internal Control Structure Framework (continued)**

4. Cost of an entity's internal controls should not exceed the benefits that are expected to be derived;
5. Custom, culture and the corporate governance system inhibit irregularities by management, but they are not absolute deterrents.

All internal control evaluations occur within the above framework. We believe that the Authority's internal controls adequately meet the objectives listed above and have devoted considerable effort to attract and retain individuals in our finance department and organization who embrace the concept of a healthy internal control environment.

## **Budgetary Controls**

The Authority's annual operating and capital budgets are reviewed by the Board in a Work Session and subsequently approved at its regular board meeting 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 Procurement Policy, Minority and Women-Owned Small Business policy, and other process and system controls including transaction signature authority limits and Finance Officer review.

The Authority will continue 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). For FY 2014-15 and FY 2015-16, this cash reserve was maintained at the policy cap of \$50 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 the bond rating agencies that maintain bond ratings for the Authority.

## **Strategic Planning**

Our customers are at the center of our planning, driving our vision to deliver a world-class airport experience, as well as our mission to deliver excellent airport services, facilities and unparalleled customer service.

In 2014, with the opening of the modernized Terminal 1, the Airport Authority completed a 15-year nearly \$1 billion period of construction that also included a new parking garage, renovated general aviation complex, and Terminal 2. We now turn our attention to taking care of our assets. Some elements of Terminal 2, for example, are reaching seven years old, and are no longer under warranty. We will also continue to strengthen the organization, focusing on needed staff and resources, while beginning a master planning program that will focus on airside and landside development for the next 20 to 25 years.

The 2015 Strategic Business Plan outlines the Airport Authority's key areas of focus and the planned initiatives for this upcoming fiscal year. In this plan, the Airport Authority assesses the organization's future needs, identifies the sequencing for projects and activities, and ensures we have the right projects and resources to be successful in implementing our vision. Four key strategic areas that drive our actions for FY 2015-16 are:

## **Strategic Planning (continued)**

1. Strategic alignment
2. Revenue development
3. Asset management
4. Operational excellence

With its 2015 Strategic Business Plan, the Authority is taking steps to address the new low-growth aviation environment with dynamic strategic planning, combined with a flexible business plan capable of responding to industry changes and opportunities.

In addition, the Authority adopts its budgets with the commitment to maintain a fiscally sound airport with a low airline cost structure. The Authority continues to cost its services to air carriers at about 75% of the medium hub average per the most recent ACI (Air Council International) survey data. Total budgeted Airline Cost per Enplanement (CPE) for RDU increased 10.3% for FY 2014-15 to \$6.95, relative to the prior year.

## **Subsequent Events**

On June 5, 2015, the Authority sold \$82,745,000 of Series 2015AB Bonds to refund its Series 2005AB Bonds. Ultimately, this refunding will generate \$16.5 million of total debt service savings, or nearly \$12 million on a net present value basis. This transaction closed on June 16, 2015.

## **Independent Audit**

The Authority's independent auditor, Cherry Bekaert LLP, has performed the annual audit as of and for the fiscal period ended March 31, 2015, and rendered an unmodified opinion as to the Authority's financial statements. The audit was 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, 2015 and 2014.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended March 31, 2014. This was the 6th consecutive year of award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized CAFR. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgements

The completion of this report would not have been possible without the support of the Board and the President and CEO'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,

A handwritten signature in blue ink, appearing to read "Michael J. Landguth", with a long horizontal flourish extending to the right.

Michael J. Landguth, AAE  
President and CEO  
Raleigh-Durham Airport Authority

A handwritten signature in blue ink, appearing to read "Donna Sylver", with a stylized, cursive script.

Donna Sylver, MBA, CPA, CGMA  
Senior Vice President and CFO  
Raleigh-Durham Airport Authority

A handwritten signature in blue ink, appearing to read "Tom D. Barritt", with a stylized, cursive script.

Tom D. Barritt, CPA, CGMA  
Director of Finance & Controller  
Raleigh-Durham Airport Authority

Raleigh-Durham Airport Authority  
RDU Airport, North Carolina

## Financial Section

Prepared by the Finance Department

# FINANCIAL SECTION

## **Report of Independent Auditor**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Raleigh-Durham Airport Authority (the "Authority") as of and for the years ended March 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of March 31, 2015 and 2014, and results of their operations and their cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplemental Information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The introductory section, supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we not express an opinion or provide any assurance on them.

### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2015, 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* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Cherry Berkant".

Raleigh, North Carolina  
June 16, 2015



RALEIGH–DURHAM AIRPORT AUTHORITY  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Years Ended March 31, 2015 and 2014

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## **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, 2015 and March 31, 2014. 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 Position, Statements of Revenues, Expenses and Changes in Net Position, 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 Position 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 Position. 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 19 to 41 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. The Airport consists of approximately 5,100 acres, approximately 2,075 of which are developed. The Airport has two active terminals, 1 and 2. The \$573 million Terminal 2, a state of the art, common use facility consists of

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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### **Background (Continued)**

approximately 920,000 square feet of floor space, including 36 passenger gates. The North Concourse of Terminal 2 opened October 26, 2008, while the final phase, or the South Concourse of Terminal 2, opened January 23, 2011. In addition, in April 2014 the Authority completed a \$68 million renovation of Terminal 1. This terminal is home to Southwest Airlines and operates with 9 gates.

The Airport has two primary runways and one secondary runway. In the fiscal years ended March 31, 2015 and 2014, 9.6 and 9.2 million annual 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 1<sup>st</sup>, 2003. In fiscal year 2004-05, the Authority received approval from the FAA to increase this charge from \$3.00 to \$4.50 per eligible enplanement effective October 1<sup>st</sup>, 2004. PFC cash balances decreased 58.9% or \$2.7 million for the fiscal year ending March 31, 2015, versus the prior year. PFC cash balances decreased 57.1% or \$6.2 million for the fiscal year ending March 31, 2014, versus the prior year. In each of these years, declining PFC cash balances were the result of the Authority using surplus PFC cash towards the irrevocable commitment of PFC's applied to debt service. 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 of \$19.1 million increased \$790 thousand or 4.3% for FY 2014-15, relative to the prior year. In addition, a portion of PFCs are irrevocably committed to offset Authority debt service beginning FY 2005-06. This irrevocable commitment applied to debt service for the fiscal years ending March 31, 2015, 2014, and 2013, was \$22,001,000, \$24,346,000, and \$23,634,000, respectively. The irrevocable commitment budgeted to be applied to debt service for FY 2015-16 is \$22,001,000. Irrevocable commitments to the extent not applied to debt service are carried forward for future application.

### **Financial Highlights and Analysis**

#### **Net Position**

Current assets increased 11.6%, or \$17.0 million from the prior year due to increased short-term investments of \$18.8 million. Primarily offsetting this increase was a \$1.6 million decrease in Grants Receivable and a \$1.4 million decrease in accounts receivable for fees and rentals. Current assets decreased 7.6%, or \$11.9 million from March 2013 to March 2014 due to decreased short-term investments of \$19.0 million. Primarily offsetting this decrease was a \$6.5 million increase in cash and cash equivalents.

Total non-current assets, consisting of restricted assets and airport and facilities, net decreased \$39.3 million or 3.9%. This decrease was in part related to the reduction of Airport and facilities, non-depreciable of \$77.7 million or 63.6% and a decrease in PFC cash and cash equivalents of \$2.7 million of 58.9%. Primarily offsetting this decrease was an increase of \$39.2 million or 4.8% in Airport and facilities depreciable, net and an increase in the debt service reserve fund of \$2.1 million or 4.7%. For the FY 2013-14, non-current assets, consisting of restricted assets and airport and facilities, net,

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**Net Position (Continued)**

decreased \$7.1 million or .7%. This decrease was in part related to the reduction of PFC cash and cash equivalents of \$6.2 million and a decrease in the debt service reserve fund of \$1.4 million or 3.0%.

Restricted assets decreased \$785 thousand or 1.5% primarily due to a \$2.7 million or \$58.9% decrease in PFC cash and cash equivalents and an increase in the parity reserve fund of \$2.1 million or 4.7%. Restricted assets decreased \$7.4 million or 12.4% from March 2013 to March 2014 primarily due to a \$6.2 million or \$57.1% decrease in PFC cash and cash equivalents and a decrease in the parity reserve fund of \$1.4 million or 3.0%.

Airport and facilities, net decreased \$38.5 million or 4.1% primarily related to a decrease in construction activities related to the completion of the renovation of Terminal 1. Airport and facilities, net increased \$285 thousand or .03% from March 2013 to March 2014 primarily related to an increase in construction activities related to the renovation of Terminal 1.

The combined effect of the above items was to decrease total assets \$22.3 million or 2.0% for the fiscal year ended March 2015, and \$19.0 million or 1.6% for the fiscal year ended March 2014, and \$12.7 million or 1.1% for the fiscal year ended March 2013.

For the period ending March 31, 2015, current liabilities decreased by \$2.8 million or 6.6% due to a decrease in retainage and construction accounts payable of \$5.0 million related to substantial completion of the Terminal 1 project, and offset by increases in Accounts payable of \$1.3 million and in current maturities of long-term debt of \$850 thousand. For the prior period, March 2013 to March 2014, current liabilities decreased by \$3.0 million or 6.5% due to a decrease in retainage and construction accounts payable of \$4.9 million related to substantial completion of the Terminal 1 project, and offset by an increase in accounts payable of \$1.2 million and an increase in current maturities of long-term debt of \$790 thousand.

Total non-current liabilities decreased by \$20.9 million or 3.1%, primarily due to decreases in long term debt of \$19.7 million and Debt issue premiums of \$1.5 million, both the result of scheduled principal reductions and premium amortizations, respectively. Slightly offsetting this decrease was a combined increase in OPEB Retiree cost and Separation allowance costs of \$376 thousand. For the prior period ending March 31, 2014, total non-current liabilities decreased by \$20.0 million or 2.9% primarily due to decreases in long term debt of \$18.9 million and Debt issue premiums of \$1.5 million, both the result of scheduled principal reductions and premium amortizations, respectively. Slightly offsetting this decrease was a combined increase in OPEB Retiree cost and Separation allowance costs of \$435 thousand.

Total deferred inflows of resources decreased \$128 thousand or 31.2%, and \$128 thousand or 23.8% due to reduction in rent credits related to lease changes with an air carrier, for the fiscal years ending March 31, 2015 and March 31, 2014, respectively.

The combined effect of these items was to increase net position during the year ended March 31, 2015 by \$1.5 million or .4%. For the year ended March 31, 2014 net position increased by \$4 million or 1.0%. Net position at March 31, 2015, March 31, 2014, and March 31, 2013 are presented in the following table:

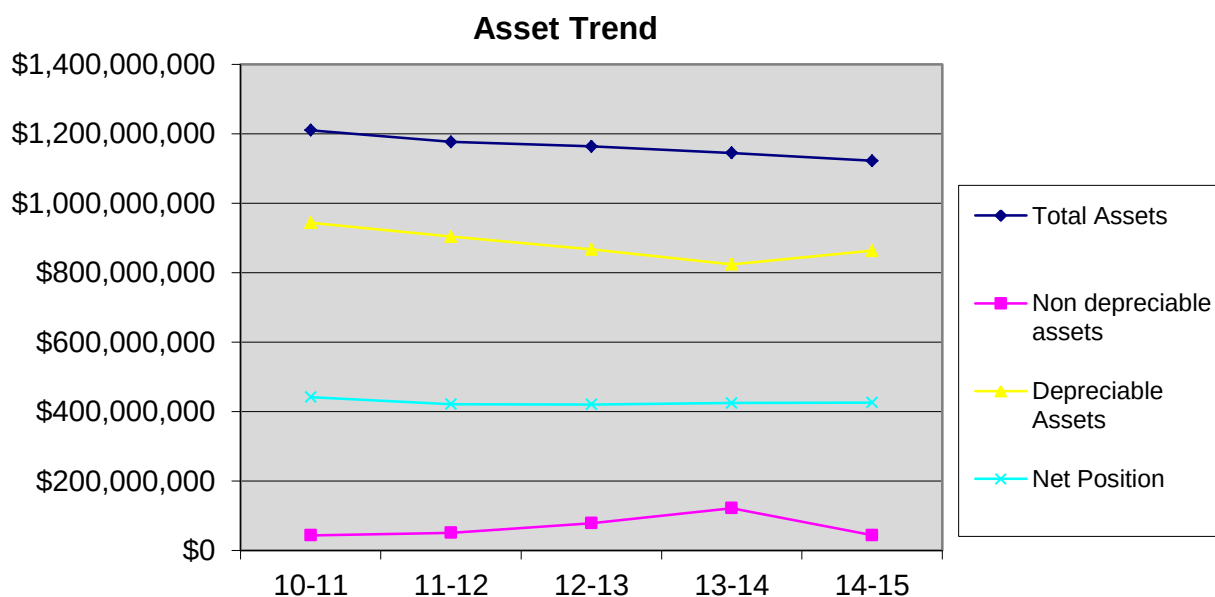
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 Years Ended March 31, 2015 and 2014

**Net Position (Continued)**

**Condensed Statements of Net Position**

|                                     | March 31, 2015        | March 31, 2014        | March 31, 2013        |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| Current Assets                      | \$ 162,817,705        | \$ 145,842,417        | \$ 157,757,757        |
| Airport and facilities, net         | 907,823,612           | 946,362,715           | 946,077,356           |
| Other noncurrent assets             | 51,790,152            | 52,574,704            | 59,994,568            |
| Total assets                        | <u>1,122,431,469</u>  | <u>1,144,779,836</u>  | <u>1,163,829,681</u>  |
| Current liabilities                 | 40,011,426            | 42,846,885            | 45,804,343            |
| Noncurrent liabilities              | 655,776,847           | 676,684,982           | 696,684,585           |
| Total liabilities                   | <u>695,788,273</u>    | <u>719,531,867</u>    | <u>742,488,928</u>    |
| Total deferred inflows of resources | 283,597               | 412,019               | 540,441               |
| Net investment in capital assets    | 313,053,656           | 330,599,774           | 313,607,597           |
| Restricted Assets                   | 4,545,108             | 7,432,645             | 13,459,327            |
| Unrestricted assets                 | 108,760,835           | 86,803,531            | 93,733,389            |
| Net position                        | <u>\$ 426,359,599</u> | <u>\$ 424,835,950</u> | <u>\$ 420,800,313</u> |

The following graph depicts the trend in total assets, airport and facilities non depreciable, airport and facilities depreciable, and net position as described in the preceding paragraphs. Airport and facilities, non depreciable includes land and construction in progress:



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Years Ended March 31, 2015 and 2014

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### **Revenues, Expenses, and Change in Net Position**

For the fiscal year ended March 31, 2015, the Authority experienced a \$8.8 million increase, or 8.9% in operating revenue, due primarily to an increase in Terminal revenue of \$5.4 million and an increase of \$2.3 million in Parking revenue, compared to the prior year. This overall increase in Operating revenue was realized in part due to an increase in enplaned passengers of 208 thousand, or 4.5% for the fiscal year ended March 31, 2015, relative to the prior fiscal year. In addition, the Authority's airline derived revenue remained diversified with no single carrier accounting for more than approximately 9% of operating revenue for the fiscal year ended March 31, 2015.

For the fiscal year ended March 31, 2014, the Authority experienced a \$653 thousand increase (.7%) in operating revenue, due primarily to an increase in airfield revenue of \$791 thousand compared to the prior year. This overall increase in operating revenue was realized despite a slight decrease in passengers of 36 thousand or .8% for the fiscal year ended March 31, 2014, relative to the prior fiscal year. In addition, the Authority's airline derived revenue remained diversified with no single carrier accounting for more than approximately 9% of operating revenue for the fiscal year ended March 31, 2014.

Operating expenses (excluding depreciation) increased 2.8%, or \$1.4 million for the fiscal year ended March 31, 2015, relative to the prior year. This increase was primarily due to increases in Administrative costs of \$1.6 million or 14.4%, and an increase in Law Enforcement costs of \$463 thousand or 17.7%. These increases were offset by a decrease in Airport facilities of 3.1% or \$656 thousand. Depreciation expense increased 3.6% or \$1.7 million during the fiscal year ended March 31, 2015. Thus, total Operating expenses (including depreciation), increased 3.2%, or \$3.2 million. The combined effect of the above items was to replace a prior year loss of \$1.4 million with a current year income of \$4.2 million. Nearly all of this increase in Operating income was directly related to increased revenue in Terminals and Parking. While revenues in both areas were driven by a 4.5% increase in enplanements, Terminal revenue also benefited from a 20% increase (effective April 1, 2014) in terminal fixed rental rates to the air carriers.

Operating expenses (excluding depreciation) increased 5.2%, or \$2.6 million, for the fiscal year ended March 31, 2014, relative to the prior year. This increase was primarily due to increases in Administrative costs of \$1.3 million or 13.2%, and an increase in Airport facilities costs of \$1.6 million or 7.9%. Depreciation expense decreased 1.6% or \$777 thousand during the fiscal year ended March 31, 2014. Thus, total Operating expenses (including depreciation), increased 1.8%, or \$1.8 million. The combined effect of the above items was a 490% or \$1.1 million increase in the Operating loss, relative to the prior period. Nearly all of this increase in Operating loss was directly related to increased operating costs related to Administrative and Airfield expenses.

For FY 2014-15, total non-operating revenues (expenses) decreased \$61 thousand due to the following: an increase in Investment interest income of \$1.0 million or 73.7%, an increase in Passenger Facility Charges of \$790 thousand or 4.3%, and an increase in Other, net revenue of \$236 thousand or 68.5%. Offsetting this decrease in total non-operating revenue (expenses) for FY 2014-15 was a net decrease in fair values of investments of \$1.0 million or 219.4% and an increase in bond interest expense, net of \$963 thousand.

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**Revenues, Expenses, and Change in Net Position (Continued)**

For FY 2013-14, total non-operating revenues (expenses) in total decreased \$719 thousand due to the following: reductions in bond interest expense of 2.1 million or 7.6%, reduction in investment interest of \$634 thousand or 30.8%, reduction in Passenger Facility Charges of \$411 thousand or 2.2% and a reduction in net decrease in fair values of investments of \$301 thousand or 38.9% for FY 2013-14.

For FY 2014-15, capital contributions decreased \$8.2 million or 76.9% compared to the prior year. This change primarily related to decreased Federal and State Funds received for airfield project costs. Regarding the increase in net position for FY 2014-15, the resultant increase of \$1.5 million was the combined result of the aforementioned reasons.

For FY 2013-14, capital contributions increased \$5.2 million or 94.5% compared to the prior year. This change primarily related to increased Federal and State Funds received for airfield project costs. Regarding the increase in net position for FY 2013-14, the resultant increase of \$4.0 million was the combined result of the aforementioned reasons.

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**Revenues, Expenses, and Change in Net Position (Continued)**

**Condensed Statement of Revenues, Expenses, and Change in Net Position**

|                                        | <u>March 31, 2015</u> | <u>March 31, 2014</u> | <u>March 31, 2013</u> |
|----------------------------------------|-----------------------|-----------------------|-----------------------|
| Operating revenues                     |                       |                       |                       |
| Parking                                | \$ 42,900,176         | \$ 40,634,069         | \$ 40,455,878         |
| Terminals                              | 31,649,941            | 26,230,425            | 27,022,756            |
| Rental Car                             | 14,191,508            | 13,126,408            | 12,875,772            |
| Other                                  | 18,728,609            | 18,706,607            | 17,690,330            |
| Total operating revenues               | <u>107,470,234</u>    | <u>98,697,509</u>     | <u>98,044,736</u>     |
| Operating expenses                     | 53,607,399            | 52,172,155            | 49,599,522            |
| Depreciation                           | 49,623,986            | 47,901,680            | 48,678,489            |
| Total operating expense                | <u>103,231,385</u>    | <u>100,073,835</u>    | <u>98,278,011</u>     |
| Operating income (loss)                | <u>4,238,849</u>      | <u>(1,376,326)</u>    | <u>(233,275)</u>      |
| Non-operating revenues(expenses)       |                       |                       |                       |
| Passenger Facility Charges             | 19,113,463            | 18,323,327            | 18,734,688            |
| Investment Interest Income             | 2,465,613             | 1,419,898             | 2,054,048             |
| Other non-operating revenue            | 10,157                | 822,008               | 1,189,552             |
| Non-operating expenses                 | <u>(26,763,852)</u>   | <u>(25,801,032)</u>   | <u>(27,933,517)</u>   |
| Total non-operating revenues(expenses) | <u>(5,174,619)</u>    | <u>(5,235,799)</u>    | <u>(5,955,229)</u>    |
| Loss before capital contributions      | (935,770)             | (6,612,125)           | (6,188,504)           |
| Capital contributions                  | <u>2,459,419</u>      | <u>10,647,762</u>     | <u>5,475,352</u>      |
| Increase (decrease) in net position    | <u>1,523,649</u>      | <u>4,035,637</u>      | <u>(713,152)</u>      |
| Net position, beginning of year        | <u>424,835,950</u>    | <u>420,800,313</u>    | <u>421,513,465</u>    |
| Net position, end of year              | <u>\$ 426,359,599</u> | <u>\$ 424,835,950</u> | <u>\$ 420,800,313</u> |

**Cash Flows**

The Authority's overall unrestricted liquidity position consisting of cash and cash equivalents, and short-term investments increased during FY 2014-15 by \$19.8 million or 14.3%, largely due to revenue growth and reduced capital cash funding. For FY 2013-14, this unrestricted cash position decreased by \$12.5 million or 8.3% largely due to cash funding of renovations to Terminal 1.

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Years Ended March 31, 2015 and 2014

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**Cash Flows (continued)**

For FY 2014-15 restricted cash decreased \$621 thousand or 1.2% primarily due to a \$2.7 million reduction in PFCs offset by a \$2.1 million increase in Parity Debt Service Reserve funds. For FY 2013-14 restricted cash decreased \$7.6 million or 22.9% primarily due to a \$6.1 million reduction in PFCs and a \$1.4 million decrease in Parity Debt Service Reserve funds.

With regard to the statement of cash flows for FY 2014-15, cash provided by operating activities of \$57.2 million increased \$8.6 million or 17.8%, from the prior fiscal year. With regard to the statement of cash flows for FY 2013-14, cash provided by operating activities of \$48.5 million decreased \$409 thousand or .84%, from the prior fiscal year. For FY 2012-13, cash provided by operating activities of \$48.9 million increased \$4.0 million or 8.9%, from the prior fiscal year.

For FY 2014-15, cash used in investing activities of \$16.6 million represented an increase of \$37.4 million or 179.8%, relative to the prior fiscal year. This large increase in cash used in investing activities was the result of decreased maturities of short-term investments. For FY 2013-14, cash provided by investing activities of \$20.8 million represented an increase of \$48.2 million or 175.8%, relative to the prior fiscal year. This large increase in cash provided by investing activities was the result of maturity of short-term investments. For FY 2012-13, cash used in investing activities of \$27.4 million represented an increase of \$61.2 million or 181.3%, relative to the prior fiscal year. This large increase in cash used by investing activities was the result of increased longer-term investment utilization.

For FY 2014-15, cash used in capital and related financing activities or \$40.2 million, represented a decrease of \$30.1 million or 42.9%, from the prior period. The primary contributor to this reduction was a decrease in additions to Airport and Facilities of \$37.1 million. Offsetting cash used in capital and related financing activities was a decrease in Contributed capital of \$6.2 million caused by a reduction in grant receipts. For FY 2013-14, cash used in capital and related financing activities or \$70.3 million, represented an increase of \$15.8 million or 29.0% from the prior period. Primary contributors to this increase were an increase in additions to Airport and Facilities of \$22.1 million. Offsetting cash used in capital and related financing activities was an increase in Contributed capital of \$5.6 million related to additional grant receipts. For FY 2012-13, cash used in capital and related financing activities or \$54.5 million, represented an increase of \$6.7 million or 14.1% from the prior period. Primary contributors to this increase were an increase in additions to Airport and Facilities of \$11.0 million. Offsetting cash used in capital and related financing activities was an increase in Contributed capital of \$2.4 million related to additional grant receipts

For FY 2014-15 positive operating cash activities of \$57.2 million, offset by cash used in capital and related financing activities of \$40.2 million and by an increase in cash used in investment activities of \$16.6 million, combined to produce an overall increase in cash and cash equivalents of \$371 thousand. For FY 2013-14 positive operating cash activities of \$48.5 million, an increase in cash provided by investment activities of \$20.8 million, offset by cash used by capital and related financing activities of \$70.3 million, combined to produce an overall decrease in cash and cash equivalents of \$1.0 million. For FY 2012-13 positive operating cash activities of \$48.9 million, offset by cash used in investment activities of \$27.4 million, also offset by cash used by capital and related financing activities of \$54.5 million, combined to produce an overall decrease in cash and cash equivalents of \$33.0 million.



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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Years Ended March 31, 2015 and 2014

## Cash Flow (continued)

The following is a summary of the change in cash and cash equivalents for the fiscal years ended March 31, 2015, March 31, 2014, and March 31, 2013:

### Condensed Statement of Cash Flows

|                                                | March 31, 2015        | March 31, 2014        | March 31, 2013        |
|------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Net cash provided from:                        |                       |                       |                       |
| Operating activities                           | \$ 57,164,262         | \$ 48,527,482         | \$ 48,936,837         |
| Investing activities                           | (16,585,621)          | 20,778,184            | (27,430,884)          |
| Capital and related financing activities       | (40,207,220)          | (70,349,414)          | (54,522,183)          |
| Net increase (decrease)                        | 371,421               | (1,043,748)           | (33,016,230)          |
| Cash and cash equivalents at beginning of year | 120,146,318           | 121,190,066           | 154,206,296           |
| Cash and cash equivalents at end of year       | <u>\$ 120,517,739</u> | <u>\$ 120,146,318</u> | <u>\$ 121,190,066</u> |

The Authority continues to maintain its cash reserve policy to set aside and reserve an operating cash reserve of about one times the current fiscal year's annual operating budgeted expenses (excluding depreciation). Beginning FY 2010-11, the Authority raised the cash reserve cap to \$50 million where it is currently maintained. 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.

## Capital Assets

As of March 31, 2015 the Authority had \$907.8 million (net of depreciation) in capital assets consisting primarily of land, buildings and runways. This amount represents a net decrease of \$38.5 million, or 4.1% over FY2013-14. As of March 31, 2014 the Authority had \$946.4 million (net of depreciation) in capital assets consisting primarily of land, buildings and runways. This amount represents a net increase of \$285 thousand, or .03% over FY2012-13. This year's major asset additions were Terminal 1 improvements. More detailed information about the Airport's capital assets is presented in Note 4 to the financial statements.

## Economic Outlook and Capital Development

On October 26, 2008, the Authority opened phase 1 of Terminal 2 (renamed from Terminal C). The South Concourse, or phase 2 of the Terminal 2 project, opened on January 23, 2011, thus completing the \$573 million Terminal 2 on time and on budget. No additional new money financings have been required since 2007, and the recently completed \$68 million Terminal 1 Renovation project was entirely cash funded. With the April 2014 opening of the modernized Terminal 1, the Authority completed a 15-year period of construction of nearly \$1 billion that included Terminal 2, a new parking garage, and a renovated general aviation complex. Thus, the Authority at the end of FY 2014-15, had transitioned

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Years Ended March 31, 2015 and 2014

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### **Economic Outlook and Capital Development (continued)**

from a period of major construction to a period of asset management focused on maintaining infrastructure assets valued at over \$1.5 billion.

For the fiscal year ended March 31, 2015, the Authority's enplaned passengers increased significantly to 4.805 million, which represented a 4.5% increase, relative to the prior year. For the fiscal year ended March 31, 2014, the Authority's enplaned passengers decreased slightly to 4.597 million, which represented a .78% decrease, relative to the prior year. For the fiscal year ended March 31, 2013, the Authority's enplaned passengers increased to 4.633 million, which represented a .48% increase, relative to the prior period.

### **Long Term Debt Activity**

At March 31, 2015 the Authority's outstanding debt totaled \$642,015,000 that was comprised of 89.7% fixed rate revenue bonds and 10.3% variable rate revenue bonds. The weighted average interest cost of this debt portfolio was 3.92% at March 31, 2015. Other than actively pursuing a cost saving bond refunding transaction related to the Series 2005A and 2005 B bonds closing on June 16, 2015, the Authority currently has no plans to issue new or additional debt. For more information on long-term debt activity please refer to footnote 5, "Long-term debt."

### **Budget Information for the Fiscal Year Ending March 31, 2016**

The Authority, as it typically does, has elected to forecast conservatively, especially with respect to revenue generation for the fiscal year ended March 31, 2016. For comparison purposes, FY 2015-16 budgeted operating revenue of \$109.9 million was \$2.4 million or 2.3% greater than actual FY 2014-15 operating revenue of \$107.5 million. For FY 2015-16 relative to the prior year budget, total budgeted operating revenue increased \$7.8 million or 7.6%. Significant drivers of this revenue increase included increased Parking revenue of \$2.2 million, increased Terminal related revenue increases of \$3.0 million, increased Landing fee revenue of \$1.4 million, and increased Rental car revenue of \$715 thousand. Budgeted non-operating revenue decreased \$60 thousand or .2% due primarily to decreased Federal and State Grant revenue (\$800 thousand).

Operating expenses are budgeted to increase \$8.3 million, or 15.3% for the year ending March 31, 2015 relative to the budgeted amounts for the prior year. The increase was predominantly (two-thirds of the increase) driven by increased asset management costs related to maintaining the Authority's \$1.5 billion of infrastructure assets. Inclusive of depreciation, total budgeted operating expenses increased \$9.1 million or 8.7% relative to the prior year. Total budgeted non-operating expenses decreased \$793 thousand or 2.9% due to decreased debt service interest expense.

The combined net effect of these items for the FY 2015-16 was to decrease budgeted net position of \$630 thousand, driven by increased asset management costs for the period.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Years Ended March 31, 2015 and 2014

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**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 POSITION**

March 31, 2015 and 2014

|                                                                           | 2015                 | 2014                 |
|---------------------------------------------------------------------------|----------------------|----------------------|
| <b><u>ASSETS</u></b>                                                      |                      |                      |
| <b>Current assets</b>                                                     |                      |                      |
| Cash and cash equivalents                                                 | \$ 71,149,650        | \$ 68,656,921        |
| Short-term investments                                                    | 88,069,075           | 69,280,467           |
| Collateral for SEB loan program                                           | -                    | 1,500,000            |
| Accounts receivable                                                       | 2,535,750            | 3,921,279            |
| Grants receivable                                                         | -                    | 1,609,143            |
| Inventories                                                               | 577,984              | 381,666              |
| Other current assets                                                      | 485,246              | 492,941              |
| <b>Total current assets</b>                                               | <b>162,817,705</b>   | <b>145,842,417</b>   |
| <b>Non-current assets</b>                                                 |                      |                      |
| <b>Restricted assets</b>                                                  |                      |                      |
| State of North Carolina underground storage tank<br>trust fund deductible | 220,000              | 220,000              |
| Passenger facility charge cash and cash equivalents                       | 1,903,045            | 4,627,338            |
| Passenger facility charge receivable                                      | 2,422,063            | 2,585,307            |
| General airport revenue bonds cash and cash equivalents                   | -                    | -                    |
| Parity reserve fund                                                       | 47,245,044           | 45,142,059           |
| <b>Total restricted assets</b>                                            | <b>51,790,152</b>    | <b>52,574,704</b>    |
| <b>Airport and facilities</b>                                             |                      |                      |
| Airport and facilities, non depreciable                                   | 44,520,983           | 122,254,893          |
| Airport and facilities depreciable, net                                   | 863,302,629          | 824,107,822          |
| <b>Airport and facilities, net</b>                                        | <b>907,823,612</b>   | <b>946,362,715</b>   |
| <b>Total non-current assets</b>                                           | <b>959,613,764</b>   | <b>998,937,419</b>   |
| <b>TOTAL ASSETS</b>                                                       | <b>1,122,431,469</b> | <b>1,144,779,836</b> |

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

RALEIGH-DURHAM AIRPORT AUTHORITY

**STATEMENTS OF NET POSITION**

March 31, 2015 and 2014

|                                                  | 2015                  | 2014                  |
|--------------------------------------------------|-----------------------|-----------------------|
| <b><u>LIABILITIES</u></b>                        |                       |                       |
| <b>Current liabilities</b>                       |                       |                       |
| Accounts payable                                 | \$ 5,802,218          | \$ 4,474,920          |
| Other accrued liabilities                        | 296,400               | 174,779               |
| Retainage and construction accounts payable      | 728,211               | 5,680,834             |
| Accrued employee compensation                    | 1,847,581             | 1,712,795             |
| Accrued bond interest payable                    | 11,597,016            | 11,913,557            |
| Current maturities of long-term debt             | 19,740,000            | 18,890,000            |
| <b>Total current liabilities</b>                 | <b>40,011,426</b>     | <b>42,846,885</b>     |
| <b>Non-current liabilities</b>                   |                       |                       |
| <b>Long-term debt</b>                            |                       |                       |
| General airport revenue bonds                    | 622,275,000           | 642,015,000           |
| Unamortized debt issue premiums                  | 28,500,508            | 30,045,099            |
|                                                  | <b>650,775,508</b>    | <b>672,060,099</b>    |
| <b>Other non-current liabilities</b>             |                       |                       |
| OPEB retiree health care liability               | 4,162,685             | 3,734,979             |
| Separation allowance liability                   | 838,654               | 889,904               |
|                                                  | <b>5,001,339</b>      | <b>4,624,883</b>      |
| <b>Total non-current liabilities</b>             | <b>655,776,847</b>    | <b>676,684,982</b>    |
| <b>TOTAL LIABILITIES</b>                         | <b>695,788,273</b>    | <b>719,531,867</b>    |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>      |                       |                       |
| Unearned rent credit                             | 283,597               | 412,019               |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>       | <b>283,597</b>        | <b>412,019</b>        |
| <b><u>NET POSITION</u></b>                       |                       |                       |
| Net investment in capital assets                 | 313,053,656           | 330,599,774           |
| Restricted for:                                  |                       |                       |
| State of North Carolina Underground Storage Tank |                       |                       |
| Trust Fund Deductible                            | 220,000               | 220,000               |
| Passenger Facility Charges                       | 4,325,108             | 7,212,645             |
| Unrestricted net position                        | 108,760,835           | 86,803,531            |
| <b>TOTAL NET POSITION</b>                        | <b>\$ 426,359,599</b> | <b>\$ 424,835,950</b> |

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

RALEIGH-DURHAM AIRPORT AUTHORITY  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
Years Ended March 31, 2015 and 2014

|                                                      | 2015                         | 2014                         |
|------------------------------------------------------|------------------------------|------------------------------|
| <b>Operating revenues</b>                            |                              |                              |
| Parking                                              | \$ 42,900,176                | \$ 40,634,069                |
| Airfield                                             | 11,361,874                   | 12,158,127                   |
| General aviation                                     | 1,632,938                    | 1,475,959                    |
| Terminals                                            | 31,649,941                   | 26,230,425                   |
| Air cargo                                            | 2,186,712                    | 2,032,561                    |
| Fuel farm                                            | 1,493,730                    | 1,260,329                    |
| Rental car                                           | 14,191,508                   | 13,126,408                   |
| Other                                                | 2,053,355                    | 1,779,631                    |
| <b>Total operating revenues</b>                      | <u>107,470,234</u>           | <u>98,697,509</u>            |
| <b>Operating expenses</b>                            |                              |                              |
| Airport facilities                                   | 20,771,149                   | 21,427,418                   |
| Administrative                                       | 13,081,431                   | 11,439,962                   |
| Fuel farm                                            | 974,962                      | 988,781                      |
| Law enforcement                                      | 3,083,883                    | 2,621,284                    |
| Airport maintenance                                  | 5,752,900                    | 5,682,924                    |
| Parking                                              | 2,646,638                    | 2,734,778                    |
| Airport Fire - Rescue                                | 1,630,311                    | 1,687,521                    |
| Guest services                                       | 793,295                      | 803,492                      |
| Communications                                       | 706,819                      | 722,262                      |
| Operations                                           | 1,325,999                    | 1,277,388                    |
| Ground transportation                                | 2,728,126                    | 2,656,949                    |
| Terminal services                                    | 111,886                      | 129,396                      |
| Subtotal                                             | <u>53,607,399</u>            | <u>52,172,155</u>            |
| Depreciation                                         | 49,623,986                   | 47,901,680                   |
| <b>Total operating expenses</b>                      | <u>103,231,385</u>           | <u>100,073,835</u>           |
| <b>Operating income (loss)</b>                       | <u>4,238,849</u>             | <u>(1,376,326)</u>           |
| <b>Non-operating revenues (expenses)</b>             |                              |                              |
| Investment interest income                           | 2,465,613                    | 1,419,898                    |
| Passenger facility charges                           | 19,113,463                   | 18,323,327                   |
| Net (decrease) increase in fair value of investments | (570,203)                    | 477,643                      |
| Bond interest expense, net                           | (26,763,852)                 | (25,801,032)                 |
| Other, net                                           | 580,360                      | 344,365                      |
| <b>Total non-operating expenses</b>                  | <u>(5,174,619)</u>           | <u>(5,235,799)</u>           |
| <b>Loss before capital contributions</b>             | <u>(935,770)</u>             | <u>(6,612,125)</u>           |
| <b>Capital contributions</b>                         | <u>2,459,419</u>             | <u>10,647,762</u>            |
| <b>Increase in net position</b>                      | <u>1,523,649</u>             | <u>4,035,637</u>             |
| <b>Net Position, beginning of year</b>               | <u>424,835,950</u>           | <u>420,800,313</u>           |
| <b>Net Position, end of year</b>                     | <u><u>\$ 426,359,599</u></u> | <u><u>\$ 424,835,950</u></u> |

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

RALEIGH-DURHAM AIRPORT AUTHORITY

**STATEMENTS OF CASH FLOWS**

Years Ended March 31, 2015 and 2014

|                                                                  | 2015                  | 2014                  |
|------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                      |                       |                       |
| Cash received from operations                                    | \$ 108,231,140        | \$ 98,460,602         |
| Other, non-operating revenue                                     | 580,360               | 344,365               |
| Cash paid to employees                                           | (21,717,597)          | (21,005,750)          |
| Cash paid to suppliers                                           | (29,929,641)          | (29,271,735)          |
| <b>Net cash provided by operating activities</b>                 | <b>57,164,262</b>     | <b>48,527,482</b>     |
| <b>Investing activities</b>                                      |                       |                       |
| Purchases of short-term investments                              | (87,288,609)          | (85,977,644)          |
| Proceeds from calls or maturities of short-term investments      | 68,500,000            | 105,000,000           |
| Investment (loss) gain on valuation account                      | (570,203)             | 477,643               |
| Interest on cash deposits                                        | 2,773,191             | 1,278,185             |
| <b>Net cash (used in) provided by investing activities</b>       | <b>(16,585,621)</b>   | <b>20,778,184</b>     |
| <b>Capital and related financing activities</b>                  |                       |                       |
| Payments of long-term debt                                       | (18,890,000)          | (18,100,000)          |
| Other capital and financing costs                                |                       |                       |
| Debt premium amortization                                        | (1,544,591)           | (1,544,592)           |
| Additions to airport and facilities                              | (16,037,506)          | (53,114,239)          |
| Bond interest paid on long-term debt                             | (27,080,393)          | (26,080,970)          |
| Passenger facility charges collected                             | 19,276,708            | 18,189,767            |
| Contributed capital                                              | 4,068,562             | 10,300,620            |
| <b>Net cash used in capital and related financing activities</b> | <b>(40,207,220)</b>   | <b>(70,349,414)</b>   |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>          | <b>371,421</b>        | <b>(1,043,748)</b>    |
| <b>Cash and cash equivalents - beginning of year</b>             | <b>120,146,318</b>    | <b>121,190,066</b>    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                   | <b>\$ 120,517,739</b> | <b>\$ 120,146,318</b> |
| (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, 2015 and 2014

|                                                                                               | 2015                 | 2014                 |
|-----------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b> |                      |                      |
| Operating income (loss)                                                                       | \$ 4,238,849         | \$ (1,376,326)       |
| Other, non-operating revenue                                                                  | 580,360              | 344,365              |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities |                      |                      |
| Depreciation                                                                                  | 49,623,986           | 47,901,680           |
| Changes in operating assets and liabilities                                                   |                      |                      |
| Accounts receivable                                                                           | 1,077,951            | (288,907)            |
| Inventories                                                                                   | (196,318)            | (4,310)              |
| Other current assets                                                                          | 7,695                | 184,732              |
| OPEB retiree health care liability                                                            | 427,706              | 504,590              |
| Separation allowance liability                                                                | (51,250)             | (69,601)             |
| Accounts payable and other accrued liabilities                                                | 1,448,919            | 1,364,568            |
| Accrued employee compensation                                                                 | 134,786              | 95,113               |
| Unearned rent credit                                                                          | (128,422)            | (128,422)            |
| <b>Net cash provided by operating activities</b>                                              | <b>\$ 57,164,262</b> | <b>\$ 48,527,482</b> |

**RECONCILIATION OF CASH AND CASH EQUIVALENTS**

|                                                                        |                       |                       |
|------------------------------------------------------------------------|-----------------------|-----------------------|
| Current Assets                                                         |                       |                       |
| Cash and cash equivalents                                              | \$ 71,149,650         | \$ 68,656,921         |
| Collateral for SEB loan program                                        | -                     | 1,500,000             |
| Restricted cash and cash equivalents:                                  |                       |                       |
| State of North Carolina underground storage tank trust fund deductible | 220,000               | 220,000               |
| Passenger facility charge cash and cash equivalents                    | 1,903,045             | 4,627,338             |
| Parity Reserve Fund                                                    | 47,245,044            | 45,142,059            |
|                                                                        | <b>\$ 120,517,739</b> | <b>\$ 120,146,318</b> |

**Supplemental Cash Flow Information**

|                                                  |                |               |
|--------------------------------------------------|----------------|---------------|
| Cash investing, capital and financing activities |                |               |
| Net change in grant receivable                   | \$ (1,609,143) | \$ 347,142    |
| Cash paid for interest                           | \$ 27,171,591  | \$ 28,217,884 |
| Capitalized interest paid                        | \$ 91,198      | \$ 2,136,914  |

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



RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**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 (“GASB”).

**Note 2 – Summary of significant accounting policies**

**Basis of presentation, basis of 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 that of 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.

All assets and all liabilities associated with the operation of the Authority are included on the statements of net position. As required for periods beginning after June 15, 2000 by Statement 33 of 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 governing 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.

**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.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**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.

**Inventory policy** – Inventory consists of parts related to the terminal baggage claim systems and passenger boarding bridges as well as fuel for fleet vehicles and equipment. Materials and supplies inventories are valued at lower of cost or market. Fuel inventories are accounted for at the lower of cost or market.

**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 \$49,623,986 and \$47,901,680 for the fiscal years ended March 31, 2015 and 2014, 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.

Airport and facilities are defined by the Authority as assets with an initial individual cost of more than \$5,000 and an economic useful life of 3 years or more.

Depreciation of airport 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:

|                           | <u>Years</u> |
|---------------------------|--------------|
| Landing field and grounds | 5 – 20       |
| Terminal buildings        | 5 – 45       |
| Other buildings           | 5 – 30       |
| Utilities                 | 5 – 20       |
| Equipment                 | 3 – 20       |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 2 – Summary of significant accounting policies (continued)**

The Authority's net assets are classified as follows:

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

**Restricted net position** – Restricted net position 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.

**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.

**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.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 2 – Summary of significant accounting policies (continued)**

**Concentration of credit risk** – For the years ended March 31, 2015 and 2014, no air carrier accounted for more than approximately 9% of the Authority's operating revenues.

**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.

**Passenger facility charges** – are presented as restricted net assets based on Federal Aviation Administration ("FAA") regulations to be used only on FAA approved capital projects. The ("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, 2015 and 2014 were \$221,931,753 and \$202,655,044, respectively. Total PFC funds of \$22,001,000 and \$24,346,000 were expended during the fiscal years ended March 31, 2015 and 2014, respectively, on FAA approved uses. Beginning in the fiscal year 2005-06, a portion of PFCs have been irrevocably committed to directly offset Authority debt service for eligible projects. This irrevocable commitment for the fiscal year ending March 31, 2015 was \$22,001,000. Irrevocable commitments to the extent not applied to debt service are carried forward for future application. Net position related to PFCs are restricted for projects that are approved by the FAA.

**Parity reserve fund** -- The Authority, pursuant to its Bond Master Trust Indenture, maintains a debt service reserve fund, called the Parity Reserve Fund, for its outstanding revenue bonds (excluding the variable rate Series 2008 Bonds, for which a reserve fund is not required). The reserve fund requirement for the Parity Reserve Fund is based on the maximum year of debt service for all of the Bonds secured by the Parity Reserve Fund. The Parity Reserve Fund is available to pay debt service on the Bonds secured by the Parity Reserve Fund in the event the Authority were to encounter financial difficulty and did not have sufficient revenues for such payment. The Parity Reserve Fund would also be used to pay the final year of debt service on the Bonds secured by the Parity Reserve Fund. Due to these restrictions, the Parity Reserve Fund balance is presented as a restricted asset on the Statements of Net Position.

**New pronouncements** – During the fiscal year ended March 31, 2015 and beyond, the Authority has or will implement several new pronouncements of the GASB. These pronouncements are as follows:

**GASB Statement No. 67 "Financial Reporting for Pension Plans - an amendment of GASB 25"**

The objective of GASB 67 is to improve financial reporting by state and local governmental pension plans. GASB 67 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information supporting assessments of accountability and inter-period equity and creating additional transparency. GASB 67 replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and No. 50, Pension Disclosures.

RALEIGH-DURHAM AIRPORT AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
March 31, 2015 and 2014

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**Note 2 – Summary of significant accounting policies (continued)**

The provisions of this statement are effective for financial statements for periods beginning after June 15, 2013 and did not have a material effect on the Authority's financial position or results of operations.

**GASB Statement No. 68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27"** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014. The Authority is currently evaluating the effect this statement will have on the Authority's financial position or results of operations.

**GASB Statement No. 69 "Government Combinations and Disposals of Government Operations"** This statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The statement also provides guidance on how to determine the gain or loss on a disposal of government operations. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2013, and did not have a material effect on the Authority's financial position or results of operations.

**GASB Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees"** This statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a non-exchange financial guarantee. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2013, and did not have a material effect on the Authority's financial position or results of operations.

**GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68"** Effective Date: The provisions of this Statement should be applied simultaneously with the provisions of Statement 68. The Authority is currently evaluating the effect this statement will have on the Authority's financial position or results of operations.

**GASB Statement No. 72 "Fair Value Measurement and Application"** Effective Date: The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. The Authority is currently evaluating the effect this statement will have on the Authority's financial position or results of operations.

**GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"** This statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. Effective Date: The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015. The Authority is currently evaluating the effect this statement will have on the Authority's financial position or results of operations.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 2 – Summary of significant accounting policies (continued)**

**GASB Statement No. 74 “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”** This statement replaces GASB Statement No. 43. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The provisions in Statement 74 are effective for financial statements for fiscal years beginning after June 15, 2016. The Authority is currently evaluating the effect this statement will have on the Authority’s financial position or results of operations.

**GASB Statement No. 75 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”** This statement replaces GASB Statement No. 45. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. 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 formal policy regarding custodial credit risk for deposits.

At March 31, 2015, the Authority's deposits had a carrying amount of \$66,264,239 and a statement balance of \$68,670,384. Of this bank balance, \$4,239,928 was covered by federal depository insurance while the balance of \$64,430,456 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, 2014, the Authority's deposits had a carrying amount of \$68,002,009 and a statement balance of \$72,683,378. Of this bank balance, \$4,529,718 was covered by federal depository insurance while the balance of \$68,153,660 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.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

**Note 3 – Deposits and investments (continued)**

Investments – At March 31, 2015, the Authority had the following investments and maturities:

| Investment Type              | Fair Value     | Less than 6 months | 6-12 months   | 1 year- 30 Months |
|------------------------------|----------------|--------------------|---------------|-------------------|
| Repurchase Agreement         | \$ 8,137,800   | \$ -               | \$ -          | \$ 8,137,800      |
| US Government Agencies       | 110,665,275    | 34,603,220         | 33,012,000    | 43,050,055        |
| NC Capital Management Trust: |                |                    |               |                   |
| Cash Portfolio               | 16,589,215     | N/A                | N/A           | N/A               |
| Term Portfolio               | 6,930,287      | N/A                | N/A           | N/A               |
| Total:                       | \$ 142,322,577 | \$ 34,603,220      | \$ 33,012,000 | \$ 51,187,855     |

At March 31, 2014, the Authority had the following investments and maturities:

| Investment Type              | Fair Value     | Less than 6 months | 6-12 months  | 1 year- 30 Months |
|------------------------------|----------------|--------------------|--------------|-------------------|
| Repurchase Agreement         | \$ 8,137,800   | \$ -               | \$ -         | \$ 8,137,800      |
| US Government Agencies       | 90,240,421     | 15,184,430         | 5,007,820    | 70,048,171        |
| NC Capital Management Trust: |                |                    |              |                   |
| Cash Portfolio               | 16,122,436     | N/A                | N/A          | N/A               |
| Term Portfolio               | 6,924,088      | N/A                | N/A          | N/A               |
| Total:                       | \$ 121,424,745 | \$ 15,184,430      | \$ 5,007,820 | \$ 78,185,971     |

**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 U.S. Treasury arbitrage regulations. 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, 2015 and 2014. The Authority's investments in U.S. Agencies are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service as of March 31, 2015 and 2014.

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-

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

**Note 3 – Deposits and investments (continued)**

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 formal limit on the amount that the Authority may invest in any one issuer. At March 31, 2015, 78% of the Authority’s investments are in government agencies, consisting of 31% in Federal Home Loan Bank securities, 35% in Federal Home Loan Mortgage Corporation securities, 12% Federal Farm Credit Bank, 6% Repurchase Agreement, and 17% in NCCMT. Of this 17% invested in the NCCMT, 70% represents Authority debt service reserves.

At March 31, 2014, the Authority’s investments consisted of 26% in Federal Home Loan Bank securities, 17% in Federal Home Loan Mortgage Corporation securities, 15% in Federal National Mortgage Association securities, 16% Federal Farm Credit Bank, 7% Repurchase Agreements, and 19% in the NCCMT. Of this 19% invested in the NCCMT, 70% represents Authority debt service reserves.

**Note 4 – Airport and facilities, net**

Changes in airport and facilities are as follows for the year ended March 31, 2015:

|                                             | <u>March 31, 2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>March 31, 2015</u> |
|---------------------------------------------|-----------------------|------------------|------------------|------------------|-----------------------|
| <u>Capital assets not being depreciated</u> |                       |                  |                  |                  |                       |
| Land                                        | \$ 41,193,383         | \$ -             | \$ -             | \$ -             | \$ 41,193,383         |
| Construction in progress                    | 81,061,510            | 11,084,883       | -                | (88,818,793)     | 3,327,600             |
| Total capital assets not being depreciated  | 122,254,893           | 11,084,883       | -                | (88,818,793)     | 44,520,983            |
| <u>Other capital assets</u>                 |                       |                  |                  |                  |                       |
| Landing field and grounds                   | 540,455,397           | -                | -                | 12,220,548       | 552,675,945           |
| Terminal buildings                          | 706,883,758           | -                | -                | 70,175,228       | 777,058,986           |
| Other buildings                             | 174,645,702           | -                | -                | 1,513,826        | 176,159,528           |
| Utilities                                   | 5,417,436             | -                | -                | -                | 5,417,436             |
| Equipment                                   | 32,420,003            | -                | -                | 4,909,191        | 37,329,194            |
| Total other capital assets                  | 1,459,822,296         | -                | -                | 88,818,793       | 1,548,641,089         |
| Total airport and facilities                | 1,582,077,189         | 11,084,883       | -                | -                | 1,593,162,072         |
| <u>Accumulated depreciation</u>             |                       |                  |                  |                  |                       |
| Landing field and grounds                   | (341,569,480)         | (16,764,017)     | -                | -                | (358,333,497)         |
| Terminal buildings                          | (170,029,470)         | (21,577,724)     | -                | -                | (191,607,194)         |
| Other buildings                             | (94,240,622)          | (8,662,168)      | -                | -                | (102,902,790)         |
| Utilities                                   | (4,522,900)           | (68,795)         | -                | -                | (4,591,695)           |
| Equipment                                   | (25,352,002)          | (2,551,282)      | -                | -                | (27,903,284)          |
| Total accumulated depreciation              | (635,714,474)         | (49,623,986)     | -                | -                | (685,338,460)         |
| Airport and facilities, net                 | \$ 946,362,715        | \$ (38,539,103)  | \$ -             | \$ -             | \$ 907,823,612        |



RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

**Note 4 – Airport and facilities, net (continued)**

Changes in airport and facilities are as follows for the year ended March 31, 2014:

|                                             | <u>March 31, 2013</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Transfers</u>   | <u>March 31, 2014</u> |
|---------------------------------------------|-----------------------|---------------------|------------------|--------------------|-----------------------|
| <u>Capital assets not being depreciated</u> |                       |                     |                  |                    |                       |
| Land                                        | \$ 41,193,383         | \$ -                | \$ -             | \$ -               | \$ 41,193,383         |
| Construction in progress                    | 37,745,627            | 48,187,038          | -                | (4,871,155)        | 81,061,510            |
| Total capital assets not being depreciated  | <u>78,939,010</u>     | <u>48,187,038</u>   | <u>-</u>         | <u>(4,871,155)</u> | <u>122,254,893</u>    |
| <u>Other capital assets</u>                 |                       |                     |                  |                    |                       |
| Landing field and grounds                   | 540,414,269           | -                   | -                | 41,128             | 540,455,397           |
| Terminal buildings                          | 706,657,971           | -                   | -                | 225,787            | 706,883,758           |
| Other buildings                             | 174,116,721           | -                   | -                | 528,981            | 174,645,702           |
| Utilities                                   | 5,417,436             | -                   | -                | -                  | 5,417,436             |
| Equipment                                   | 28,344,744            | -                   | -                | 4,075,259          | 32,420,003            |
| Total other capital assets                  | <u>1,454,951,141</u>  | <u>-</u>            | <u>-</u>         | <u>4,871,155</u>   | <u>1,459,822,296</u>  |
| Total airport and facilities                | <u>1,533,890,151</u>  | <u>48,187,038</u>   | <u>-</u>         | <u>-</u>           | <u>1,582,077,189</u>  |
| <u>Accumulated depreciation</u>             |                       |                     |                  |                    |                       |
| Landing field and grounds                   | (325,021,185)         | (16,548,295)        | -                | -                  | (341,569,480)         |
| Terminal buildings                          | (150,084,075)         | (19,945,395)        | -                | -                  | (170,029,470)         |
| Other buildings                             | (85,137,257)          | (9,103,365)         | -                | -                  | (94,240,622)          |
| Utilities                                   | (4,413,034)           | (109,866)           | -                | -                  | (4,522,900)           |
| Equipment                                   | (23,157,243)          | (2,194,759)         | -                | -                  | (25,352,002)          |
| Total accumulated depreciation              | <u>(587,812,794)</u>  | <u>(47,901,680)</u> | <u>-</u>         | <u>-</u>           | <u>(635,714,474)</u>  |
| Airport and facilities, net                 | <u>\$ 946,077,357</u> | <u>\$ 285,358</u>   | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 946,362,715</u> |

During March 31, 2015 and 2014, interest costs of \$91,198 and \$2,136,914 were capitalized as part of the cost of construction in progress, respectively.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

**Note 5 – Long-term debt**

Changes of long-term debt for the year ended March 31, 2015 consist of the following:

| <u>Amounts due to trustee</u>                                                                                                      | <u>March 31, 2014</u> | <u>Principal<br/>Repayments</u> | <u>New Debt</u> | <u>March 31, 2015</u> |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|-----------------|-----------------------|
| 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                     | 63,055,000            | 4,150,000                       | -               | 58,905,000            |
| Series 2007 4.750% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2037                          | 143,395,000           | 3,190,000                       | -               | 140,205,000           |
| Series 2008C 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)    | 67,730,000            | 1,670,000                       | -               | 66,060,000            |
| Series 2010A 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2036 (Refunded 2008AB Bonds)  | 226,840,000           | 5,510,000                       | -               | 221,330,000           |
| Series 2010B 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2027 (Refunded 2001A Bonds)   | 81,845,000            | 4,370,000                       | -               | 77,475,000            |
| Series 2010B-1 4.18% General Airport Revenue Bonds, maturing in varying installments beginning 2028 to 2031 (Refunded 2001A Bonds) | 38,235,000            | -                               | -               | 38,235,000            |
| Total bond obligations                                                                                                             | 660,905,000           | 18,890,000                      | -               | 642,015,000           |
| Less current maturities                                                                                                            | 18,890,000            | -                               | -               | 19,740,000            |
|                                                                                                                                    | <u>\$ 642,015,000</u> | <u>\$ 18,890,000</u>            | <u>\$ -</u>     | <u>\$ 622,275,000</u> |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

**Note 5 – Long-term debt (continued)**

Changes of long-term debt for the year ended March 31, 2014 consist of the following:

| <u>Amounts due to trustee</u>                                                                                                      | <u>March 31, 2013</u> | <u>Principal<br/>Repayments</u> | <u>New Debt</u> | <u>March 31, 2014</u> |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|-----------------|-----------------------|
| 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                     | 67,005,000            | 3,950,000                       | -               | 63,055,000            |
| Series 2007 4.750% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2037                          | 146,430,000           | 3,035,000                       | -               | 143,395,000           |
| Series 2008C 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)    | 69,325,000            | 1,595,000                       | -               | 67,730,000            |
| Series 2010A 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2036 (Refunded 2008AB Bonds)  | 232,160,000           | 5,320,000                       | -               | 226,840,000           |
| Series 2010B 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2027 (Refunded 2001A Bonds)   | 86,045,000            | 4,200,000                       | -               | 81,845,000            |
| Series 2010B-1 4.18% General Airport Revenue Bonds, maturing in varying installments beginning 2028 to 2031 (Refunded 2001A Bonds) | 38,235,000            | -                               | -               | 38,235,000            |
| Total bond obligations                                                                                                             | 679,005,000           | 18,100,000                      | -               | 660,905,000           |
| Less current maturities                                                                                                            | 18,100,000            | -                               | -               | 18,890,000            |
|                                                                                                                                    | <u>\$ 660,905,000</u> | <u>\$ 18,100,000</u>            | <u>\$ -</u>     | <u>\$ 642,015,000</u> |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

**Note 5 – Long-term debt (continued)**

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

| Year Ending<br>March 31 | General<br>Airport<br>Revenue<br>Bond Series<br>2005A | General<br>Airport<br>Revenue<br>Bond Series<br>2005B | General Airport<br>Revenue Bond<br>Series 2007 | General<br>Airport<br>Revenue<br>Bond Series<br>2008C | General Airport<br>Revenue Bond<br>Series 2010A | General Airport<br>Revenue Bond<br>Series 2010B,<br>B-1 | Interest              |
|-------------------------|-------------------------------------------------------|-------------------------------------------------------|------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------|-----------------------|
| 2016                    | \$ -                                                  | \$ 4,355,000                                          | \$ 3,355,000                                   | \$ 1,750,000                                          | \$ 5,740,000                                    | \$ 4,540,000                                            | \$ 30,111,171         |
| 2017                    | -                                                     | 4,575,000                                             | 3,525,000                                      | 1,840,000                                             | 6,005,000                                       | 4,725,000                                               | 29,203,746            |
| 2018                    | -                                                     | 4,810,000                                             | 3,705,000                                      | 1,925,000                                             | 6,310,000                                       | 4,865,000                                               | 28,262,029            |
| 2019                    | -                                                     | 5,055,000                                             | 3,895,000                                      | 2,020,000                                             | 6,635,000                                       | 5,110,000                                               | 27,178,046            |
| 2020                    | 490,000                                               | 4,820,000                                             | 4,095,000                                      | 2,120,000                                             | 6,975,000                                       | 5,365,000                                               | 26,041,404            |
| 2021-2025               | 15,285,000                                            | 15,595,000                                            | 23,840,000                                     | 12,220,000                                            | 40,620,000                                      | 30,635,000                                              | 111,528,846           |
| 2026-2030               | 19,510,000                                            | 19,695,000                                            | 30,520,000                                     | 15,445,000                                            | 51,890,000                                      | 40,505,000                                              | 74,087,433            |
| 2031-2035               | 4,520,000                                             | -                                                     | 38,920,000                                     | 19,540,000                                            | 65,860,000                                      | 19,965,000                                              | 33,128,258            |
| 2036-2039               | -                                                     | -                                                     | 28,350,000                                     | 9,200,000                                             | 31,295,000                                      | -                                                       | 3,915,242             |
|                         | <u>\$ 39,805,000</u>                                  | <u>\$ 58,905,000</u>                                  | <u>\$ 140,205,000</u>                          | <u>\$ 66,060,000</u>                                  | <u>\$ 221,330,000</u>                           | <u>\$ 115,710,000</u>                                   | <u>\$ 363,456,175</u> |

For the table above, interest was calculated for the 2008C variable rate bonds using an estimated rate of 4.00% for their remaining term. At March 31, 2015, the actual rate on these bonds was 0.02%.

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 Airlines for a 40-year period.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 5 – Long-term debt (continued)**

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 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 Securities Industry and Financial Markets Association ("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 development of the new Terminal 2.

On March 1, 2005, the Authority issued \$85,490,000 Airport Revenue Bond Series 2005B under the Master Trust Indenture. These proceeds were also used for the development of 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 continued development of 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.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 5 – Long-term debt (continued)**

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.

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 equaled the interest due on the hedged bonds, the Authority's effective interest rate would be the fixed swap rate. The Authority was 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. 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 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 was 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 were set at a rate of 4.099 percent, down from the 4.27 percent Lehman swap rate, reducing the 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. Subsequent to their default, Lehman had challenged the Authority's calculations regarding these transactions and the Authority's calculation of swap termination amounts. Through mediation with Lehman in the fall of 2011, the Authority successfully negotiated a final settlement of this swap termination amount and all other related matters between the two parties.

Each series of the Series 2008 Bonds was 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 received a letter of credit from 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

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 5 – Long-term debt (continued)**

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.

On May 31, 2007, the Authority finalized financing of the Terminal 2 with the issuance by the Authority of its Airport Revenue Bonds, Series 2007 in the principal amount of \$152 million. The remaining Terminal 2 project costs were funded with \$47 million in pay-as-go PFCs (from accumulated PFC balances) and approximately \$18 million in Authority cash. With the opening of the South Concourse on January 23, 2011, Terminal 2 became fully operational. In addition, this facility was now fully funded and was completed on time and under its budget of \$570 million.

On August 6, 2010 the Authority elected to terminate all three of its interest rate swap positions. These swaps with Citigroup, Barclays Capital, and Morgan Keegan had notational values totaling \$216.87 million at August 6, 2010. At this time, these swaps under existing market conditions had a collective market termination value of \$33,549,516. In conjunction with these terminations, the Authority simultaneously priced the 2010A refunding bonds in the amount of \$242,365,000 which refunded the 2008AB variable bonds (the swapped bonds), converting them to fixed rate non-AMT obligations. These swap positions had been undertaken in 2005 to lock in historically low interest rates on the Terminal 2 project in advance of its ability to access the bond markets. By eliminating its swap positions, the Authority sought 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. Such risks had increased materially from 2005 when the Authority had entered into these swap agreements. As of August 6, 2010 and additionally at March 31, 2013, the Authority had no interest rate swaps or derivatives in its debt portfolio.

During August 2010, the Authority also was able to advance refund the Series 2001A Bonds with the Series 2010B and 2010B-1 Bonds in the amounts of \$94,080,000 and \$38,235,000, respectively. The aggregate reduction in debt service payments between the original 2001A debt and the refunded 2010B, B-1 bonds was \$4.118 million. This equated to a net present value savings of \$2.56 million. These bonds achieved present value savings of 7.80% and 6.70%, respectively. The total deposit to the escrow fund to refund the Series 2001A Bonds totaled \$145,691,630 (which included Bond premiums of \$10,818,873). This total was deposited into an escrow fund to be used, together with investment earnings thereon, to pay the interest on the Series 2001A Bonds until the redemption thereof on May 1, 2011 and to pay the redemption price of the Series 2001A Bonds on such date. This escrow payment to the trustee defeased the remaining Series 2001A Bonds and the liability for this debt was removed from these financial statements.

Prior to the swap terminations, the Authority and the North Carolina Local Government Commission placed a limit or cap of 3% on the present value dis-savings on these transactions (calculated based upon a comparison of the estimated all-in costs of the transaction if the Bonds were not refunded and the swap agreements were not terminated and the cost of the fixed rate refunding transaction). The Authority achieved this goal with associated present value dis-savings of 2.36% on these swap terminations on August 6, 2010. In combination with present value savings from the refunding of the Series 2001A Bonds, the Authority achieved overall present value savings of \$5.2 million on the collective transactions.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 5 – Long-term debt (continued)**

In September 2010, the Authority entered into arrangements to change and extend the Letter of Credit ("LOC") provider for the Authority's remaining \$72.3 million Series 2008C Bonds. Through this transaction the Authority was able to replace the existing credit facility provider for these Bonds under terms more favorable to the Authority than under the prior arrangement and also to extend the credit facility for the Bonds for 3 years.

In March 2011, in accordance with its financial plan, the Authority defeased all its remaining 2001B bond obligations by cash funding with the trustee the payoff amount of approximately \$7.1 million. With application of the cash funded debt service reserve of \$3.6 million, the 2001B bonds were paid off on May 1<sup>st</sup>, 2011 in the amount of approximately \$10.7 million. This amount consisted of principal of \$10.4 million, a redemption premium of \$104,000, and accrued interest of approximately \$224,000. Thus, the 2001B bonds were defeased in late March 2011 with this escrow payment to the trustee and the liability for this debt was removed from the financial statements.

The Authority's bonds are subject to federal arbitrage regulations, and are reviewed for potential 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, 2015 the Authority accrued an arbitrage rebate liability of \$302,934 on its Series 2007 bonds.

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, 2015 with this 25% transfer is 248%. The debt service coverage ratio at March 31, 2015 without this 25% transfer is calculated as follows:

|                                                         |                    |
|---------------------------------------------------------|--------------------|
| Net revenues                                            | \$ 56,328,449      |
| Annual debt service                                     | <u>25,219,451</u>  |
| Calculated debt service coverage ratio without transfer | <u><u>223%</u></u> |

For the fiscal year ending March 31, 2014, the Authority had debt service coverage ratios of 210% without transfer and 235% with transfer.



RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 6 – Leases**

The Authority leases land, buildings, and terminal space with a cost of approximately \$796 million and a carrying value of approximately \$591 million to the airlines, car rental agencies, restaurants and other businesses located at the airport. Revenues from these leases, which are included in buildings and grounds and general aviation revenue, were approximately 43% and 40% of airport operating revenues for fiscal years ended March 31, 2015 and 2014, 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, 2015 and 2014, contingent rentals comprised \$21.0 and \$19.2 million of the total rental revenues, respectively.

Minimum future rentals on non-cancelable operating leases for the next five fiscal years are approximately:

| Year Ending<br>March 31 | Amount               |
|-------------------------|----------------------|
| 2016                    | \$ 10,875,000        |
| 2017                    | 8,002,000            |
| 2018                    | 4,809,000            |
| 2019                    | 3,657,000            |
| 2020                    | 2,400,000            |
| Thereafter              | 5,596,000            |
|                         | <u>\$ 35,339,000</u> |

**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 6.00% 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 7.07% and 7.41% of annual covered payroll respectively. 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, 2015, 2014 and 2013 were \$2,053,049, \$2,169,691, and \$2,077,533, respectively. The contributions made by the Authority equaled the required contributions for each fiscal year.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**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, 2015 were \$201,689, which consisted of \$111,253 from the Authority and \$90,436 from the law enforcement officers. Contributions for the year ended March 31, 2014 were \$143,359, which consisted of \$39,803 from the Authority and \$103,556 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, 2015, the Separation Allowance’s membership consisted of:

|                             |           |
|-----------------------------|-----------|
| Retirees receiving benefits | 8         |
| Active plan members         | <u>29</u> |
| Total                       | <u>37</u> |

A separate audited GAAP-basis postemployment benefit plan 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.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

**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.

The Authority's pension cost and net pension obligation to the separation allowance were as follows:

|                                                         | <u>March 31, 2015</u> | <u>March 31, 2014</u> |
|---------------------------------------------------------|-----------------------|-----------------------|
| a - Employer annual required contribution               | \$ 106,186            | \$ 85,056             |
| b - Interest on net pension obligation                  | 44,495                | 47,975                |
| c - Adjustment to annual required contribution          | <u>(61,372)</u>       | <u>(62,461)</u>       |
| d - Annual pension cost (a+b+c)                         | 89,309                | 70,570                |
| e - Employer contributions made for current fiscal year | <u>140,559</u>        | <u>140,171</u>        |
| f - Increase in net pension obligation (d-e)            | (51,250)              | (69,601)              |
| g - Net pension obligation beginning of fiscal year     | 889,904               | 959,505               |
| h - Net pension obligation end of fiscal year (f+g)     | <u>\$ 838,654</u>     | <u>\$ 889,904</u>     |

The annual required contribution for the fiscal years ended March 31, 2014 and March 31, 2013 were determined as part of the December 31, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% to 7.85% per year. Item (b) included an inflation component of 3.00%. The assumptions do not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2011 was 19 years.

The trend information is as follows:

|      |           |         |              |
|------|-----------|---------|--------------|
| 2009 | \$ 99,769 | 24.63%  | \$ 1,056,934 |
| 2010 | 98,662    | 60.64%  | 1,095,770    |
| 2011 | 84,514    | 103.18% | 1,093,084    |
| 2012 | 82,172    | 170.66% | 1,035,247    |
| 2013 | 79,479    | 195.30% | 959,505      |
| 2014 | 70,570    | 198.63% | 889,904      |
| 2015 | 89,309    | 157.39% | 838,654      |

**Funding Status and Funding Progress** - as of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The present value of future accrued liability contributions and, thus, the unfunded actuarial accrued liability ("UAAL") was \$1,005,502. 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.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 7 – Employee retirement plans (continued)**

**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, 2013, the date of the last actuarial valuation:

|                             |            |
|-----------------------------|------------|
| Retirees receiving benefits | 63         |
| Active plan members         | <u>265</u> |
| Total                       | <u>328</u> |

*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 3.95% of annual covered payroll. For the current year, the Authority contributed \$192,755 (retiree claims paid less premiums received) or 1.24% 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 3.44% and .21% 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.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 7 – Employee retirement plans (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 \$10,000. 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:

|                                            | <u>March 31, 2015</u> | <u>March 31, 2014</u> |
|--------------------------------------------|-----------------------|-----------------------|
| Annual required contribution               | \$ 613,784            | \$ 683,754            |
| Interest on net OPEB obligation            | 149,399               | 129,216               |
| Adjustment to annual required contribution | <u>(142,722)</u>      | <u>(123,441)</u>      |
| Annual OPEB cost                           | 620,461               | 689,529               |
| Contributions made                         | <u>192,755</u>        | <u>184,940</u>        |
| Increase in net OPEB obligation            | 427,706               | 504,589               |
| Net OPEB obligation beginning of the year  | <u>3,734,979</u>      | <u>3,230,390</u>      |
| Net OPEB obligation end of the year        | <u>\$ 4,162,685</u>   | <u>\$ 3,734,979</u>   |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**Note 7 – Employee retirement plans (continued)**

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2015 were as follows:

| <u>March</u> | <u>OPEB Cost</u> | <u>Contributed</u> | <u>Obligation</u> |
|--------------|------------------|--------------------|-------------------|
| 2010         | \$ 854,455       | 23.8%              | \$ 650,820        |
| 2011         | 1,714,169        | 11.7%              | 2,164,060         |
| 2012         | 914,339          | 30.4%              | 2,800,736         |
| 2013         | 668,845          | 35.8%              | 3,230,390         |
| 2014         | 689,529          | 26.8%              | 3,734,979         |
| 2015         | 620,461          | 31.1%              | 4,162,685         |

*Funded Status and Funding Progress:*

As of December 31, 2013, 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 \$5,811,562. The covered payroll (annual payroll of active employees covered by the Plan) was \$15,564,381, and the ratio of the UAAL to the covered payroll was 37.3%. 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, 2013 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 return 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 7.75 to 5.00 percent annually. Both rates included a 3.00 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, 2013 was 30 years.

RALEIGH-DURHAM AIRPORT AUTHORITY  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
March 31, 2015 and 2014

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**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.

The Authority, in accordance with NC General Statute 159-29, maintains Public Official Bonds on those designated as Finance Officer or Deputy Finance Officer. Currently, the Senior Vice President and Chief Financial Officer, the Director for Finance and Controller, the Financial Budget Analyst, and the Financial Reporting Analyst, each carry coverage at the statutory requirement of \$50,000. In addition, the Authority carries a Blanket Fidelity Bond for all employees in the amount of \$1,000,000.

**Construction commitments** – At March 31, 2015 and 2014, the Authority has contractual commitments for Authority expansion programs of approximately \$1.5 million and \$15 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.

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. The Authority is no longer utilizing this program. One outstanding loan remains at March 31, 2015 with a balance under \$10,000. Thus, the collateral of \$1.5 million maintained to support this program is no longer required.

**Note 9 – Subsequent events**

The Authority has evaluated subsequent events through June 16, 2015 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

On June 5, 2015, the Authority sold \$82,745,000 of Series 2015AB Bonds to refund its Series 2005AB Bonds. Ultimately, this refunding will generate \$16.5 million of total debt service savings, or nearly \$12 million on a net present value basis. This transaction closed on June 16, 2015.





Raleigh-Durham Airport Authority  
RDU Airport, North Carolina

## Required Supplemental Information

Prepared by the Finance Department

# REQUIRED SUPPLEMENTAL INFORMATION

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**POST EMPLOYMENT BENEFIT HEALTH CARE PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**UNAUDITED**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>( a ) | Actuarial Accrued<br>Liability (AAL)<br>Projected Unit<br>Credit<br>( b ) | Unfunded<br>AAL<br>(UAAL)<br>( b - a ) | Funded<br>Ratio<br>( a / b ) | Covered<br>Payroll<br>( c ) | UAAL as a<br>Percentage of<br>Covered<br>Payroll<br>( ( b - a ) / c ) |
|--------------------------------|------------------------------------------|---------------------------------------------------------------------------|----------------------------------------|------------------------------|-----------------------------|-----------------------------------------------------------------------|
| 12/31/2008                     | \$ -                                     | \$ 6,078,786                                                              | \$ 6,078,786                           | 0.0%                         | \$ 14,562,473               | 41.7%                                                                 |
| 12/31/2009                     | -                                        | 7,591,229                                                                 | 7,591,229                              | 0.0%                         | 15,311,651                  | 49.6%                                                                 |
| 12/31/2011                     | -                                        | 6,007,588                                                                 | 6,007,588                              | 0.0%                         | 15,938,472                  | 37.7%                                                                 |
| 12/31/2013                     | -                                        | 5,811,562                                                                 | 5,811,562                              | 0.0%                         | 15,564,381                  | 37.3%                                                                 |

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

| Fiscal Year Ended<br>March 31, | Annual Required<br>Contribution | Actual<br>Contribution | Percentage<br>Contribution |
|--------------------------------|---------------------------------|------------------------|----------------------------|
| 2010                           | \$ 854,455                      | \$ 203,635             | 23.8%                      |
| 2011                           | 854,455                         | 200,929                | 23.5%                      |
| 2012                           | 950,981                         | 277,663                | 29.2%                      |
| 2013                           | 663,839                         | 239,192                | 36.0%                      |
| 2014                           | 683,754                         | 184,940                | 27.0%                      |
| 2015                           | 613,784                         | 192,755                | 31.4%                      |

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                | 12/31/2013                    |
| 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       | 9.50% - 5.00%                 |
| Year of Ultimate trend rate   | 2019                          |
| *Includes inflation at        | 3.00%                         |

The assumed investment rate of return reflects the fact that no assets are set 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 may be increased.

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**SEPARATION ALLOWANCE PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**UNAUDITED**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>( a ) | Actuarial<br>Accrued<br>Liability (AAL)<br>Projected Unit<br>Credit<br>( b ) | Unfunded<br>AAL<br>(UAAL)<br>( b - a ) | Funded<br>Ratio<br>( a / b ) | Covered<br>Payroll<br>( c ) | UAAL as a<br>Percentage of<br>Covered<br>Payroll<br><u>(( b - a ) / c )</u> |
|--------------------------------|------------------------------------------|------------------------------------------------------------------------------|----------------------------------------|------------------------------|-----------------------------|-----------------------------------------------------------------------------|
| 12/31/2009                     | \$ -                                     | \$ 1,044,827                                                                 | \$ 1,044,827                           | 0.0%                         | \$ 1,387,487                | 75.30%                                                                      |
| 12/31/2011                     | -                                        | 1,022,450                                                                    | 1,022,450                              | 0.0%                         | 1,349,585                   | 75.76%                                                                      |
| 12/31/2013                     | -                                        | 1,005,502                                                                    | 1,005,502                              | 0.0%                         | 1,196,499                   | 84.04%                                                                      |



Raleigh-Durham Airport Authority  
RDU Airport, North Carolina

## Required Supplemental Information

Prepared by the Finance Department

# REQUIRED SUPPLEMENTAL INFORMATION



**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**SEPARATION ALLOWANCE PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**UNAUDITED**

| <b>Fiscal Year<br/>Ended<br/>March 31</b> | <b>Annual Required<br/>Contribution</b> | <b>Amount<br/>Contributed</b> | <b>Percentage of<br/>APC<br/>Contributed</b> |
|-------------------------------------------|-----------------------------------------|-------------------------------|----------------------------------------------|
| 2009                                      | \$ 88,614                               | \$ 24,569                     | 27.73%                                       |
| 2010                                      | 88,614                                  | 59,826                        | 67.51%                                       |
| 2011                                      | 88,614                                  | 87,200                        | 98.40%                                       |
| 2012                                      | 88,614                                  | 140,234                       | 158.25%                                      |
| 2013                                      | 88,614                                  | 155,222                       | 175.17%                                      |
| 2014                                      | 85,056                                  | 140,171                       | 164.80%                                      |
| 2015                                      | 106,186                                 | 140,559                       | 132.37%                                      |

**Notes to the Required Schedules:**

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

|                               |                       |
|-------------------------------|-----------------------|
| Valuation date                | 12/31/2013            |
| Actuarial cost method         | Projected unit credit |
| Amortization method           | Level dollar closed   |
| Remaining amortization period | 17 years              |
| Asset valuation method        | Market Value          |
| Actuarial assumptions:        |                       |
| Investment rate of return     | 5.00%                 |
| Projected salary increase     | 4.25 - 7.85%          |
| Includes inflation at         | 3.00%                 |
| Cost of living adjustments    | N/A                   |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**SUMMARY OF OPERATING REVENUES AND EXPENSES**  
**COMPARED WITH BUDGET**  
Year Ended March 31, 2015

|                                    | Actual              | Budget                | Percent of<br>Budget |
|------------------------------------|---------------------|-----------------------|----------------------|
| <b>Operating revenues</b>          |                     |                       |                      |
| Parking                            | \$ 42,900,176       | \$ 40,900,000         | 104.9%               |
| Airfield                           | 11,361,874          | 11,767,177            | 96.6%                |
| General aviation                   | 1,632,938           | 1,442,942             | 113.2%               |
| Terminals                          | 31,649,941          | 29,708,248            | 106.5%               |
| Air cargo                          | 2,186,712           | 2,182,414             | 100.2%               |
| Fuel Farm                          | 1,493,730           | 1,303,400             | 114.6%               |
| Rental car                         | 14,191,508          | 13,109,909            | 108.3%               |
| Other                              | 2,053,355           | 1,737,499             | 118.2%               |
| <b>Total operating revenues</b>    | <u>107,470,234</u>  | <u>102,151,589</u>    | <u>105.2%</u>        |
| <b>Operating expenses</b>          |                     |                       |                      |
| Complex expenses                   | 20,771,149          | 22,117,672            | 93.9%                |
| Department expenses                | 32,836,250          | 32,813,702            | 100.1%               |
| <b>Subtotal</b>                    | <u>53,607,399</u>   | <u>54,931,374</u>     | <u>97.6%</u>         |
| Depreciation Expense               | 49,623,986          | 50,324,540            | 98.6%                |
| <b>Total operating expenses</b>    | <u>103,231,385</u>  | <u>105,255,914</u>    | <u>98.1%</u>         |
| <b>NET OPERATING INCOME (LOSS)</b> | <u>\$ 4,238,849</u> | <u>\$ (3,104,325)</u> | <u>-136.5%</u>       |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**REVENUES COMPARED WITH BUDGET**  
**PARKING REVENUES**  
 Year Ended March 31, 2015

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|                               | Actual               | Budget               | Percent of<br>Budget |
|-------------------------------|----------------------|----------------------|----------------------|
| <b>Parking revenues</b>       |                      |                      |                      |
| Parking fees                  | \$ 42,900,742        | \$ 40,900,000        | 104.9%               |
| Contra revenue                | (566)                | -                    | N/A                  |
| <b>TOTAL PARKING REVENUES</b> | <u>\$ 42,900,176</u> | <u>\$ 40,900,000</u> | <u>104.9%</u>        |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**AIRFIELD REVENUES**  
Year Ended March 31, 2015

|                                           | Actual            | Budget            | Percent of<br>Budget |
|-------------------------------------------|-------------------|-------------------|----------------------|
| <b>Landing fees</b>                       |                   |                   |                      |
| <b>Commercial/Commuter airlines</b>       |                   |                   |                      |
| Air Georgian                              | \$ 73,604         | \$ 73,314         | 100.4%               |
| Air Wisconsin                             | 64,508            | 59,146            | 109.1%               |
| Airtran Airways                           | 163,054           | 190,529           | 85.6%                |
| American Airlines                         | 1,166,500         | 1,212,737         | 96.2%                |
| American Eagle                            | 427,073           | 575,575           | 74.2%                |
| Atlantic Southeast/Delta Connection       | 130,051           | 690,047           | 18.8%                |
| Bahamasair                                | -                 | 6,141             | -                    |
| Chataqua Airlines/Delta Connection        | 157,053           | 37,792            | 415.6%               |
| Commutair                                 | 124               | -                 | N/A                  |
| Compass                                   | 15,575            | 65,315            | 23.8%                |
| Delta Airlines                            | 1,590,194         | 1,686,499         | 94.3%                |
| Express Jet                               | 197,904           | 231,480           | 85.5%                |
| Frontier/United                           | 90,391            | 78,959            | 114.5%               |
| Go Jet/Delta                              | 407,692           | 354,493           | 115.0%               |
| Go Jet/United                             | 114,168           | 6,522             | 1750.5%              |
| Jazz Air LP                               | 6,990             | 6,990             | 100.0%               |
| Jetblue Airways                           | 474,434           | 485,402           | 97.7%                |
| Mesa Airlines/USAirways Express           | 23,921            | 1,022             | 2340.6%              |
| Mesa Airlines/United Express              | 93,242            | 2,911             | 3203.1%              |
| Pinnacle/Delta                            | 816,155           | 623,118           | 131.0%               |
| PSA Airlines/USAirways Express            | 43,738            | 125,889           | 34.7%                |
| Republic/United                           | 181,190           | 250,555           | 72.3%                |
| Republic/USAirways                        | 308,371           | 137,274           | 224.6%               |
| Skywest/Delta                             | 19,600            | -                 | N/A                  |
| Shuttle America/United                    | 48,328            | 90,494            | 53.4%                |
| Shuttle America/Delta Airlines            | 66,365            | 3,369             | 1969.9%              |
| Southwest Airlines                        | 2,094,360         | 2,219,649         | 94.4%                |
| Trans State Airlines/United               | 4,968             | -                 | N/A                  |
| Trans State Airlines/USAirways Express    | 56,231            | 69,223            | 81.2%                |
| United Airlines                           | 248,979           | 367,234           | 67.8%                |
| USAirways                                 | 1,070,147         | 1,040,113         | 102.9%               |
| Non-Scheduled Carriers                    | 997               | -                 | N/A                  |
| Charter Express                           | 23,858            | 21,556            | 110.7%               |
| <b>Total Commercial/Commuter airlines</b> | <b>10,179,765</b> | <b>10,713,348</b> | <b>95.0%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**AIRFIELD REVENUES**  
 Year Ended March 31, 2015

|                                    | Actual                          | Budget                          | Percent of<br>Budget    |
|------------------------------------|---------------------------------|---------------------------------|-------------------------|
| <b>Cargo carriers</b>              |                                 |                                 |                         |
| Federal Express                    | \$ 521,009                      | \$ 462,684                      | 112.6%                  |
| Martinaire/DHL                     | 14,636                          | 14,479                          | 101.1%                  |
| Mountain Air Cargo                 | 130                             | -                               |                         |
| United Parcel Service              | 256,131                         | 239,612                         | 106.9%                  |
| <b>Total cargo carriers</b>        | <u>791,906</u>                  | <u>716,775</u>                  | <u>110.5%</u>           |
| <br><b>Total landing fees</b>      | <br><u>10,971,671</u>           | <br><u>11,430,123</u>           | <br><u>96.0%</u>        |
| <br><b>Other</b>                   |                                 |                                 |                         |
| Fuel flowage fees                  | 369,908                         | 320,000                         | 115.6%                  |
| Other airfield revenues            | 20,295                          | 17,054                          | 119.0%                  |
| <b>Total other</b>                 | <u>390,203</u>                  | <u>337,054</u>                  | <u>115.8%</u>           |
| <br><b>TOTAL AIRFIELD REVENUES</b> | <br><u><u>\$ 11,361,874</u></u> | <br><u><u>\$ 11,767,177</u></u> | <br><u><u>96.6%</u></u> |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**GENERAL AVIATION REVENUES**  
 Year Ended March 31, 2015

|                                           | <u>Actual</u>        | <u>Budget</u>        | <u>Percent of<br/>Budget</u> |
|-------------------------------------------|----------------------|----------------------|------------------------------|
| <b>General Aviation-General</b>           |                      |                      |                              |
| <b>Fixed space rents</b>                  |                      |                      |                              |
| Bellsouth                                 | \$ 32,936            | \$ 32,944            | 100.0%                       |
| Jetcraft                                  | 10,850               | 10,890               | 99.6%                        |
| Lichtin Corp.                             | 10,850               | 10,890               | 99.6%                        |
| Martin Marietta                           | 10,850               | 10,890               | 99.6%                        |
| NC DOT Aviation                           | 239,999              | 239,999              | 100.0%                       |
| Landmark                                  | 403,719              | 226,240              | 178.4%                       |
| PK Enterprises                            | 10,850               | 10,890               | 99.6%                        |
| Progress Energy                           | 6,441                | 25,843               | 24.9%                        |
| TAC Air                                   | 693,784              | 693,497              | 100.0%                       |
| Telecommunication Services                | 14,669               | 8,738                | 167.9%                       |
| <b>Total fixed space rents</b>            | <u>1,434,948</u>     | <u>1,270,821</u>     | <u>112.9%</u>                |
| <b>Percentage rents</b>                   |                      |                      |                              |
| Landmark-Catering                         | 8,198                | 7,900                | 103.8%                       |
| TAC Air-Catering                          | 949                  | 1,200                | 79.1%                        |
| Immaculate Flight                         | 10,167               | 6,200                | 164.0%                       |
| National Rental Car                       | 26,035               | 24,000               | 108.5%                       |
| <b>Total percentage rents</b>             | <u>45,349</u>        | <u>39,300</u>        | <u>115.4%</u>                |
| <br><b>Total General Aviation-General</b> | <br><u>1,480,297</u> | <br><u>1,310,121</u> | <br><u>113.0%</u>            |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**GENERAL AVIATION REVENUES**  
 Year Ended March 31, 2015

|                                        | <u>Actual</u>              | <u>Budget</u>              | <u>Percent of<br/>Budget</u> |
|----------------------------------------|----------------------------|----------------------------|------------------------------|
| <b>General Aviation-Terminal</b>       |                            |                            |                              |
| <b>Fixed space rents</b>               |                            |                            |                              |
| Delta Airport Consultants              | \$ 21,973                  | \$ 21,973                  | 100.0%                       |
| Jetcraft                               | 52,334                     | 48,122                     | 108.8%                       |
| JQ Enterprises/Crosswinds Café         | 873                        | 1,150                      | 75.9%                        |
| Telecommunication Services             | 4,243                      | 3,876                      | 109.5%                       |
| <b>Total fixed space rents</b>         | <u>79,423</u>              | <u>75,121</u>              | <u>105.7%</u>                |
| <b>Percentage rents</b>                |                            |                            |                              |
| JQ Enterprises/Crosswinds Café         | 8,150                      | 6,800                      | 119.9%                       |
| CLS Management                         | 35,084                     | 24,400                     | 143.8%                       |
| Employee Parking                       | 21,154                     | 22,000                     | 96.2%                        |
| National Rental Car                    | 6,205                      | 1,500                      | 413.7%                       |
| <b>Total percentage rents</b>          | <u>70,593</u>              | <u>54,700</u>              | <u>129.1%</u>                |
| <b>Total General Aviation-Terminal</b> | <u>150,016</u>             | <u>129,821</u>             | <u>115.6%</u>                |
| <b>Other</b>                           |                            |                            |                              |
| Charter Security Screening             | <u>2,625</u>               | <u>3,000</u>               | <u>87.5%</u>                 |
| <b>TOTAL GENERAL AVIATION REVENUES</b> | <u><u>\$ 1,632,938</u></u> | <u><u>\$ 1,442,942</u></u> | <u><u>113.2%</u></u>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**TERMINAL REVENUES**  
Year Ended March 31, 2015

|                                        | Actual           | Budget           | Percent of<br>Budget |
|----------------------------------------|------------------|------------------|----------------------|
| <b>Terminal 1 Complex</b>              |                  |                  |                      |
| <b>Fixed space rents</b>               |                  |                  |                      |
| AirTran Airways                        | \$ 34,879        | \$ -             | N/A                  |
| Southwest Airlines                     | 2,814,032        | 2,939,716        | 95.7%                |
| Host JQE RDU Prime                     | 15,879           | 12,040           | 131.9%               |
| Marshall Retail Group                  | 2,884            | 7,152            | 40.3%                |
| Passur Aerospace                       | 634              | 634              | 100.0%               |
| Superior Aircraft Services             | 7,070            | 6,189            | 114.2%               |
| Paradies Shops                         | 5,960            | -                | N/A                  |
| Transportation Security Administration | 131,829          | 173,923          | 75.8%                |
| Uptown Airport Group                   | 3,066            | 6,508            | 47.1%                |
| RDU Taxi                               | 13,383           | 10,923           | 122.5%               |
| <b>Total fixed space rents</b>         | <b>3,029,616</b> | <b>3,157,085</b> | <b>96.0%</b>         |



RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**TERMINAL REVENUES**  
Year Ended March 31, 2015

|                                         | Actual           | Budget           | Percent of<br>Budget |
|-----------------------------------------|------------------|------------------|----------------------|
| <b>Terminal 1 Complex</b>               |                  |                  |                      |
| <b>Percentage rents</b>                 |                  |                  |                      |
| Anton's Airfood                         |                  |                  |                      |
| AJ Tavern/Greenleaf's                   | \$ 13,607        | \$ -             | N/A                  |
| Cinnabon                                | 2,839            | -                | N/A                  |
| Starbucks - A3                          | 1,305            | -                | N/A                  |
| Red Star Lounge-Food                    | 463              | -                | N/A                  |
| Red Star Lounge-Alcohol                 | 1,514            | -                | N/A                  |
| Checkpoint Mailers                      | 491              | 600              | 81.8%                |
| Classic Food Services                   | 3,604            | 5,100            | 70.7%                |
| Clear Channel-Clearvision               | 309              | 400              | 77.3%                |
| Concourse Communications                | 55,450           | 45,000           | 123.2%               |
| Host/JQE/Prime LLC                      |                  |                  |                      |
| ACC American Café-Food and Beverage     | 102,698          | 166,704          | 61.6%                |
| ACC American Café-Alcohol               | 178,366          | 111,136          | 160.5%               |
| La Tapenade-Food and Beverage           | 126,813          | 113,662          | 111.6%               |
| La Tapenade-Alcohol                     | 2,542            | 12,629           | 20.1%                |
| Starbucks - Level 1                     | 27,216           | 50,516           | 53.9%                |
| Starbucks - Level 2                     | 163,166          | 50,516           | 323.0%               |
| Interspace Airport Advertising          | 263,112          | 275,000          | 95.7%                |
| Marshall Retail Group                   |                  |                  |                      |
| Flight Stop North                       | 181,378          | 128,000          | 141.7%               |
| Flight Stop South                       | 105,169          | 109,000          | 96.5%                |
| Marshall Rousso                         | 55,573           | 83,000           | 67.0%                |
| Ruby Blue                               | 17,271           | 28,000           | 61.7%                |
| Techshowcase                            | 30,007           | 52,000           | 57.7%                |
| National Aviation Services              | 22,088           | 28,700           | 77.0%                |
| Network Communications                  | 3,000            | 3,000            | 100.0%               |
| Prime Flight Aircraft Cleaning Services | 1,510            | -                | N/A                  |
| RDU Currency                            | 4,354            | 5,800            | 75.1%                |
| Smarte Carte                            | 3,015            | 3,000            | 100.5%               |
| State Employees Credit Union            | 6,000            | 6,000            | 100.0%               |
| Superior Shine                          | 5,500            | 3,000            | 183.3%               |
| Telephones - Kellee Communications      | 13               | 500              | 2.6%                 |
| The Paradies Shops:                     |                  |                  |                      |
| Brighton Shops                          | 1,950            | -                | N/A                  |
| RDU Press Plus                          | 7,948            | -                | N/A                  |
| Uptown Airport Group                    |                  |                  |                      |
| Char-Grill-Food and Beverage            | 126,429          | 130,000          | 97.3%                |
| Char-Grill-Alcohol                      | 2,001            | 14,000           | 14.3%                |
| Salsaritas-Food and Beverage            | 99,344           | 86,000           | 115.5%               |
| Salsaritas-Alcohol                      | 4,126            | 10,000           | 41.3%                |
| Catering                                | 100              | -                | N/A                  |
| Zoom Systems-Best Buy T1                | 541              | 7,400            | 7.3%                 |
| 24-Hour Flower                          | 388              | 600              | 64.7%                |
| <b>Total percentage rents</b>           | <b>1,621,200</b> | <b>1,529,263</b> | <b>106.0%</b>        |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**TERMINAL REVENUES**  
 Year Ended March 31, 2015

|                                          | Actual           | Budget           | Percent of<br>Budget |
|------------------------------------------|------------------|------------------|----------------------|
| <b>Miscellaneous rents</b>               |                  |                  |                      |
| Janitorial                               | \$ 75,182        | \$ 59,000        | 127.4%               |
| Miscellaneous                            | 67,250           | 450              | 14944.4%             |
| Telecommunication Services               | 32,792           | 13,680           | 239.7%               |
| <b>Total miscellaneous rents</b>         | <u>175,224</u>   | <u>73,130</u>    | <u>239.6%</u>        |
| <b>Total Terminal 1 Complex revenues</b> | <u>4,826,040</u> | <u>4,759,478</u> | <u>101.4%</u>        |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**TERMINAL REVENUES**  
Year Ended March 31, 2015

|                                        | Actual            | Budget            | Percent of<br>Budget |
|----------------------------------------|-------------------|-------------------|----------------------|
| <b>Terminal 2 Complex</b>              |                   |                   |                      |
| <b>Fixed space rents</b>               |                   |                   |                      |
| Air Canada                             | \$ 115,843        | \$ -              | N/A                  |
| Air Georgian                           | 42,663            | 35,020            | 121.8%               |
| Airport Management Services            | 22,022            | 22,022            | 100.0%               |
| American Airlines                      | 3,133,020         | 3,100,593         | 101.0%               |
| American Eagle Airlines                | 322,041           | 315,643           | 102.0%               |
| Charter Express                        | 81,246            | 62,151            | 130.7%               |
| DAL Global Services                    | 1,200             | 1,200             | 100.0%               |
| Delta Airlines                         | 5,548,960         | 4,936,987         | 112.4%               |
| G2 Secure Staffing                     | 56,021            | 56,021            | 100.0%               |
| Host International                     | 63,111            | 63,111            | 100.0%               |
| Jazz Air LP                            | 3,202             | 3,200             | 100.1%               |
| Jetblue Airways                        | 799,347           | 889,238           | 89.9%                |
| Landmark Aviation                      | 8,078             | 8,078             | 100.0%               |
| Raleigh Distribution Services          | 1,150             | 1,082             | 106.3%               |
| SSP America                            | 12,790            | 12,790            | 100.0%               |
| The Paradies Shops                     | 43,466            | 43,466            | 100.0%               |
| Transportation Security Administration | 69,802            | 69,802            | 100.0%               |
| United Airlines                        | 2,453,109         | 2,323,385         | 105.6%               |
| US Airways                             | 2,620,988         | 2,584,546         | 101.4%               |
| <b>Total fixed space rents</b>         | <b>15,398,059</b> | <b>14,528,335</b> | <b>106.0%</b>        |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**TERMINAL REVENUES**  
Year Ended March 31, 2015

|                                  | Actual   | Budget   | Percent of<br>Budget |
|----------------------------------|----------|----------|----------------------|
| <b>Terminal 2 Complex</b>        |          |          |                      |
| <b>Percentage rents</b>          |          |          |                      |
| 24 Hour Flower                   | \$ 2,512 | \$ 2,200 | 114.2%               |
| 2nd Edition Book Sellers         | 25,091   | 25,000   | 100.4%               |
| ABM/Onesource                    | 14,954   | 14,700   | 101.7%               |
| Airport Management Services, LLC |          |          |                      |
| AeroMart                         | 237,078  | 228,800  | 103.6%               |
| Shaw News                        | 199,568  | 205,600  | 97.1%                |
| Hudson News                      | 175,246  | 155,200  | 112.9%               |
| Hudson Bookstore                 | 191,033  | 188,200  | 101.5%               |
| Kids Works                       | 36,170   | 32,100   | 112.7%               |
| Life is Good                     | 55,796   | 60,400   | 92.4%                |
| Checkpoint Mailers               | 564      | 600      | 94.0%                |
| Classic Food Services            | 3,618    | 4,600    | 78.7%                |
| Clear Channel-Clearvision        | 722      | 900      | 80.2%                |
| Concourse Communications         | 129,383  | 105,000  | 123.2%               |
| Interspace Airport Advertising   | 613,927  | 668,100  | 91.9%                |
| EJE Retail                       | 42,584   | 51,100   | 83.3%                |
| G2 Secure Staffing               | 17,926   | 22,000   | 81.5%                |
| Host International, Inc.         |          |          |                      |
| 42nd Street Oyster Bar           | 524,822  | 462,500  | 113.5%               |
| Brookwoods Farms                 | 109,234  | 99,000   | 110.3%               |
| California Pizza Kitchen         | 115,249  | 106,700  | 108.0%               |
| Carolina Ale House               | 253,903  | 230,100  | 110.3%               |
| Catering                         | 2,788    | -        | N/A                  |
| Gordon Biersch                   | 269,571  | 230,700  | 116.8%               |
| HMS Host A&W/KFC                 | 64,557   | 64,100   | 100.7%               |
| HMS Host Bruggers                | 159,703  | 139,600  | 114.4%               |
| Starbucks                        | 505,080  | 449,300  | 112.4%               |
| Vintage NC Wine Bar              | 150,275  | 118,900  | 126.4%               |
| Kelee Communications             | 56       | 600      | 9.3%                 |
| Network Communications           | 3,000    | 3,300    | 90.9%                |
| RDU Currency Exchange            | 88,360   | 96,100   | 91.9%                |
| Smarte Carte                     | 10,461   | 11,800   | 88.7%                |
| SSP America                      |          |          |                      |
| Camden Food Company              | 170,710  | 161,200  | 105.9%               |
| Five Guys                        | 223,248  | 160,600  | 139.0%               |
| Flavours                         | 77,496   | 73,900   | 104.9%               |
| Jason's Deli                     | 173,819  | 154,000  | 112.9%               |
| Panopolis                        | 40,004   | 43,200   | 92.6%                |
| State Employees Credit Union     | 6,000    | 6,000    | 100.0%               |
| Superior Shine                   | 6,000    | 6,000    | 100.0%               |
| Techshowcase                     | 120,000  | 120,000  | 100.0%               |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**REVENUES COMPARED WITH BUDGET**  
**TERMINAL REVENUES**  
Year Ended March 31, 2015

|                                           | Actual               | Budget               | Percent of<br>Budget |
|-------------------------------------------|----------------------|----------------------|----------------------|
| <b>Terminal 2 Complex</b>                 |                      |                      |                      |
| <b>Percentage rents (continued)</b>       |                      |                      |                      |
| The Paradies Shops                        |                      |                      |                      |
| Brighton                                  | \$ 127,463           | \$ 119,500           | 106.7%               |
| Brooks Brothers                           | 89,869               | 84,200               | 106.7%               |
| CNBC                                      | 138,134              | 127,000              | 108.8%               |
| OTC Drugs and More                        | 90,293               | 93,000               | 97.1%                |
| PGA Tour Shop                             | 41,059               | 36,300               | 113.1%               |
| Taxco Sterling                            | 32,241               | 38,200               | 84.4%                |
| University Kids                           | 9,626                | 10,700               | 90.0%                |
| University Market                         | 201,215              | 196,600              | 102.3%               |
| USAirways Club                            | 164                  | 3,000                | 5.5%                 |
| XpressSpa                                 | 54,110               | 47,600               | 113.7%               |
| Zoom Systems                              |                      |                      |                      |
| 3FL OZ                                    | 867                  | 400                  | 216.8%               |
| Best Buy Express                          | 25,403               | 22,600               | 112.4%               |
| Max Wellness                              | -                    | 500                  | -                    |
| New Zoom Benefit                          | 5,504                | 3,700                | 148.8%               |
| <b>Total percentage rents</b>             | <u>5,636,456</u>     | <u>5,285,400</u>     | <u>106.6%</u>        |
| <b>Miscellaneous rents</b>                |                      |                      |                      |
| FIS international passenger deplaning fee | 941,925              | 930,000              | 101.3%               |
| Janitorial revenues                       | 396,147              | 383,000              | 103.4%               |
| Gate usage fees                           | 1,273,725            | 725,000              | 175.7%               |
| Telecommunication services                | 123,775              | 104,631              | 118.3%               |
| Miscellaneous                             | 33,111               | 20,600               | 160.7%               |
| <b>Total miscellaneous rents</b>          | <u>2,768,683</u>     | <u>2,163,231</u>     | <u>128.0%</u>        |
| <b>Total Terminal 2 Complex revenues</b>  | <u>23,803,198</u>    | <u>21,976,966</u>    | <u>108.3%</u>        |
| <b>Terminal Security</b>                  |                      |                      |                      |
| Security-Checkpoint/Space-Terminals 1 & 2 | 2,300,663            | 2,274,857            | 101.1%               |
| <b>Total Terminal Security</b>            | <u>2,300,663</u>     | <u>2,274,857</u>     | <u>101.1%</u>        |
| <b>Terminal Miscellaneous</b>             |                      |                      |                      |
| On Airport Permit Fees                    | 1,500                | 1,500                | 100.0%               |
| Colonial Pipeline                         | 21,110               | 20,651               | 102.2%               |
| Skychefs M&O                              | 40,796               | 40,796               | 100.0%               |
| Wireless:DAS fees                         | 153,000              | 150,000              | 102.0%               |
| Skychefs                                  | 503,634              | 484,000              | 104.1%               |
| <b>Total Terminal Miscellaneous</b>       | <u>720,040</u>       | <u>696,947</u>       | <u>103.3%</u>        |
| <b>TOTAL TERMINAL REVENUES</b>            | <u>\$ 31,649,941</u> | <u>\$ 29,708,248</u> | <u>106.5%</u>        |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**REVENUES COMPARED WITH BUDGET**  
**AIR CARGO REVENUES**  
 Year Ended March 31, 2015

|                                           | <u>Actual</u>              | <u>Budget</u>              | <u>Percent of<br/>Budget</u> |
|-------------------------------------------|----------------------------|----------------------------|------------------------------|
| <b>North Cargo Complex</b>                |                            |                            |                              |
| <b>Fixed space rents</b>                  |                            |                            |                              |
| Emery Worldwide                           | \$ 174,100                 | \$ 173,654                 | 100.3%                       |
| Federal Express                           | 437,907                    | 437,439                    | 100.1%                       |
| SAS Institute                             | 34,550                     | 34,170                     | 101.1%                       |
| United Parcel Service                     | 227,477                    | 226,649                    | 100.4%                       |
| Worldwide Flight Services                 | 130,607                    | 154,256                    | 84.7%                        |
| <b>Total North Cargo Complex revenues</b> | <u>1,004,641</u>           | <u>1,026,168</u>           | <u>97.9%</u>                 |
| <b>South Cargo Complex</b>                |                            |                            |                              |
| <b>Fixed space rents</b>                  |                            |                            |                              |
| American Airlines                         | 510,190                    | 510,038                    | 100.0%                       |
| Aviation Repair Technologies              | 6,006                      | 6,007                      | 100.0%                       |
| Anton Airfood                             | 120,592                    | 120,552                    | 100.0%                       |
| Caliber Jet                               | 7,425                      | 9,948                      | 74.6%                        |
| Cingular Wireless                         | 29,721                     | 29,711                     | 100.0%                       |
| Delta Airlines                            | 30,667                     | 30,657                     | 100.0%                       |
| Elite Line Services                       | 61,749                     | 61,729                     | 100.0%                       |
| Hire Heroes                               | 5,087                      | 5,087                      | 100.0%                       |
| Paradies                                  | 150,927                    | 150,877                    | 100.0%                       |
| Southwest Airlines                        | 60,549                     | 60,529                     | 100.0%                       |
| Telecommunications Services               | 4,923                      | 3,612                      | 136.3%                       |
| Worldwide Flight Services                 | 176,603                    | 152,590                    | 115.7%                       |
| USO of North Carolina                     | 17,632                     | 14,909                     | 118.3%                       |
| <b>Total South Cargo Complex revenues</b> | <u>1,182,071</u>           | <u>1,156,246</u>           | <u>102.2%</u>                |
| <b>TOTAL AIR CARGO REVENUES</b>           | <u><u>\$ 2,186,712</u></u> | <u><u>\$ 2,182,414</u></u> | <u><u>100.2%</u></u>         |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**REVENUES COMPARED WITH BUDGET**  
**FUEL FARM REVENUES**  
 Year Ended March 31, 2015

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|                                 | <u>Actual</u>              | <u>Budget</u>              | <u>Percent of<br/>Budget</u> |
|---------------------------------|----------------------------|----------------------------|------------------------------|
| <b>Fuel Farm</b>                |                            |                            |                              |
| License Fee - Worldwide         | \$ 1,200                   | \$ 1,200                   | 100.0%                       |
| License Fee - Skytanking        | 1,200                      | 1,200                      | 100.0%                       |
| Jet A Fuel Thru Put             | 1,487,513                  | 1,300,000                  | 114.4%                       |
| Glycol Thru Put                 | 1,654                      | 1,000                      | 165.4%                       |
| Mo Gas Thru Put                 | 1,198                      | -                          | N/A                          |
| Diesel Fuel Thru Put            | 965                        | -                          | N/A                          |
|                                 | <hr/>                      | <hr/>                      |                              |
| <b>TOTAL FUEL FARM REVENUES</b> | <u><u>\$ 1,493,730</u></u> | <u><u>\$ 1,303,400</u></u> | <u><u>114.6%</u></u>         |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**REVENUES COMPARED WITH BUDGET**  
**RENTAL CAR REVENUES**  
 Year Ended March 31, 2015

|                                  | Actual                      | Budget                      | Percent of<br>Budget |
|----------------------------------|-----------------------------|-----------------------------|----------------------|
| <b>Fixed space rents</b>         |                             |                             |                      |
| Alamo Rent-A-Car                 | \$ 51,550                   | \$ 51,435                   | 100.2%               |
| Avis Rent-A-Car                  | 128,500                     | 128,214                     | 100.2%               |
| Advantage Rent-A-Car             | 29,148                      | 29,084                      | 100.2%               |
| Budget Rent-A-Car                | 74,178                      | 74,013                      | 100.2%               |
| Dollar Rent-A-Car                | 37,171                      | 37,089                      | 100.2%               |
| Enterprise Car Rental            | 118,572                     | 51,267                      | 231.3%               |
| The Hertz Corporation            | 161,652                     | 160,267                     | 100.9%               |
| National Car Rental              | 86,733                      | 86,540                      | 100.2%               |
| <b>Total fixed space rents</b>   | <u>687,504</u>              | <u>617,909</u>              | <u>111.3%</u>        |
| <b>Percentage rents</b>          |                             |                             |                      |
| Alamo Rent-A-Car                 | 960,253                     | 648,000                     | 148.2%               |
| Advantage Rent-A-Car             | 300,730                     | 242,000                     | 124.3%               |
| Avis Rent-A-Car                  | 1,894,412                   | 1,920,000                   | 98.7%                |
| Avis-Payless Rent-A-Car          | 26,451                      | -                           | N/A                  |
| Budget Rent-A-Car                | 1,378,938                   | 1,188,000                   | 116.1%               |
| Dollar Rent-A-Car                | 683,294                     | 609,000                     | 112.2%               |
| Enterprise Car Rental            | 1,941,348                   | 1,796,000                   | 108.1%               |
| The Hertz Corporation            | 3,423,693                   | 3,355,000                   | 102.0%               |
| National Car Rental              | 2,355,295                   | 2,056,000                   | 114.6%               |
| Thrifty Rent-A-Car               | 539,590                     | 678,000                     | 79.6%                |
| <b>Total percentage rents</b>    | <u>13,504,004</u>           | <u>12,492,000</u>           | <u>108.1%</u>        |
| <b>TOTAL RENTAL CAR REVENUES</b> | <u><u>\$ 14,191,508</u></u> | <u><u>\$ 13,109,909</u></u> | <u><u>108.3%</u></u> |



**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**REVENUES COMPARED WITH BUDGET**  
**OTHER REVENUES**  
 Year Ended March 31, 2015

|                                        | Actual                     | Budget                     | Percent of<br>Budget |
|----------------------------------------|----------------------------|----------------------------|----------------------|
| <b>Fixed space rents</b>               |                            |                            |                      |
| NC Department of Transportation        | \$ 37,648                  | \$ 37,648                  | 100.0%               |
| Research Triangle Regional Partnership | 21,799                     | 37,371                     | 58.3%                |
| <b>Total fixed space rents</b>         | <u>59,447</u>              | <u>75,019</u>              | <u>79.2%</u>         |
| <b>Percentage rents</b>                |                            |                            |                      |
| Sheetz-Aviation Station                | 191,898                    | 191,794                    | 100.1%               |
| Off airport - Airport Fast Park        | 378,158                    | 353,000                    | 107.1%               |
| <b>Total percentage rents</b>          | <u>570,056</u>             | <u>544,794</u>             | <u>104.6%</u>        |
| <b>Other miscellaneous rents</b>       |                            |                            |                      |
| Authority conference rooms             | 35,728                     | 27,000                     | 132.3%               |
| FAA                                    | 4,250                      | 4,250                      | 100.0%               |
| Fingerprinting                         | 30,217                     | 32,700                     | 92.4%                |
| Innovata, LLC                          | 2,171                      | -                          | N/A                  |
| Skytanking                             | 36,000                     | 36,000                     | 100.0%               |
| UNC Hospitals                          | 7,168                      | 7,168                      | 100.0%               |
| AVI Fees                               | 429,372                    | 290,000                    | 148.1%               |
| RDU Taxi concession fees               | 237,320                    | 203,320                    | 116.7%               |
| Employee parking                       | 517,740                    | 460,000                    | 112.6%               |
| Telecommunication services             | 6,200                      | 4,248                      | 146.0%               |
| Traffic ordinance violations           | 45,425                     | -                          | N/A                  |
| Miscellaneous                          | 72,261                     | 53,000                     | 136.3%               |
| <b>Total other miscellaneous rents</b> | <u>1,423,852</u>           | <u>1,117,686</u>           | <u>127.4%</u>        |
| <b>TOTAL OTHER REVENUES</b>            | <u><u>\$ 2,053,355</u></u> | <u><u>\$ 1,737,499</u></u> | <u><u>118.2%</u></u> |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**COMPARATIVE SUMMARIES OF OPERATING EXPENSES BY COST CENTER**  
Years Ended March 31, 2015 and 2014

|                                 | Amount                |                       | Percent of Total<br>Operating Expenses |               |
|---------------------------------|-----------------------|-----------------------|----------------------------------------|---------------|
|                                 | 2015                  | 2014                  | 2015                                   | 2014          |
| <b>Operating expenses</b>       |                       |                       |                                        |               |
| Airport facilities              | \$ 20,771,149         | \$ 21,427,418         | 20.1%                                  | 21.4%         |
| Administrative                  | 13,081,431            | 11,439,962            | 12.7%                                  | 11.4%         |
| Guest services                  | 793,295               | 803,492               | 0.8%                                   | 0.8%          |
| Fuel Farm                       | 974,962               | 988,781               | 0.9%                                   | 1.0%          |
| Airport maintenance             | 5,752,900             | 5,682,924             | 5.6%                                   | 5.7%          |
| Law enforcement                 | 3,083,883             | 2,621,284             | 3.0%                                   | 2.6%          |
| Airport Fire - Rescue           | 1,630,311             | 1,687,521             | 1.6%                                   | 1.7%          |
| Operations                      | 1,325,999             | 1,277,388             | 1.3%                                   | 1.3%          |
| Communications                  | 706,819               | 722,262               | 0.7%                                   | 0.7%          |
| Parking                         | 2,646,638             | 2,734,778             | 2.6%                                   | 2.7%          |
| Ground transportation division  | 2,728,126             | 2,656,949             | 2.6%                                   | 2.7%          |
| Terminal services               | 111,886               | 129,396               | 0.1%                                   | 0.1%          |
| Depreciation                    | 49,623,986            | 47,901,680            | 48.0%                                  | 47.9%         |
| <b>Total operating expenses</b> | <b>\$ 103,231,385</b> | <b>\$ 100,073,835</b> | <b>100.0%</b>                          | <b>100.0%</b> |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**SUMMARY OF OPERATING EXPENSES BY COST CENTER**  
Year Ended March 31, 2015

|                                                              | Actual                | Budget                | Percent of<br>Budget |
|--------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Operating expenses (excluding depreciation)</b>           |                       |                       |                      |
| Airport facilities                                           | \$ 20,771,149         | \$ 22,117,672         | 93.9%                |
| Administrative                                               | 13,081,431            | 12,986,153            | 100.7%               |
| Guest services                                               | 793,295               | 838,920               | 94.6%                |
| Fuel Farm                                                    | 974,962               | 1,011,865             | 96.4%                |
| Airport maintenance                                          | 5,752,900             | 5,703,933             | 100.9%               |
| Law enforcement                                              | 3,083,883             | 3,087,069             | 99.9%                |
| Emergency services                                           | 1,630,311             | 1,629,599             | 100.0%               |
| Operations                                                   | 1,325,999             | 1,389,760             | 95.4%                |
| Communications                                               | 706,819               | 696,549               | 101.5%               |
| Parking                                                      | 2,646,638             | 2,516,063             | 105.2%               |
| Ground transportation                                        | 2,728,126             | 2,836,253             | 96.2%                |
| Terminal services                                            | 111,886               | 117,538               | 95.2%                |
| <b>Total operating expenses<br/>(excluding depreciation)</b> | <b>53,607,399</b>     | <b>54,931,374</b>     | <b>97.6%</b>         |
| <b>Depreciation</b>                                          |                       |                       |                      |
| Airport facilities                                           | 38,370,026            | 39,984,135            | 96.0%                |
| Administrative                                               | 737,431               | 608,707               | 121.1%               |
| Law enforcement                                              | 12,106                | 9,255                 | 130.8%               |
| Airport maintenance                                          | 910,068               | 258,497               | 352.1%               |
| Parking                                                      | 9,481,095             | 9,360,905             | 101.3%               |
| Emergency services                                           | 12,463                | 2,510                 | 496.5%               |
| Communications                                               | 95,877                | 94,814                | 101.1%               |
| Operations                                                   | 4,920                 | 5,717                 | 86.1%                |
| <b>Total depreciation</b>                                    | <b>49,623,986</b>     | <b>50,324,540</b>     | <b>98.6%</b>         |
| <b>TOTAL OPERATING EXPENSES</b>                              | <b>\$ 103,231,385</b> | <b>\$ 105,255,914</b> | <b>98.1%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FACILITIES OPERATING EXPENSES**  
Year Ended March 31, 2015

|                                               | Actual           | Budget           | Percent of<br>Budget |
|-----------------------------------------------|------------------|------------------|----------------------|
| <b>Airport facilities</b>                     |                  |                  |                      |
| <b>Airfield complex</b>                       |                  |                  |                      |
| Contracted services                           | \$ 42,820        | \$ 153,000       | 28.0%                |
| Contracted Services - Leased Employees        | 108,709          | 109,296          | 99.5%                |
| Electricity                                   | 105,375          | 109,177          | 96.5%                |
| Natural Gas                                   | 3,597            | 4,000            | 89.9%                |
| Telecommunications                            | 16,150           | 16,688           | 96.8%                |
| Fuel - vehicles and equipment                 | 10,065           | 10,230           | 98.4%                |
| Supplies                                      | 229,060          | 231,792          | 98.8%                |
| Liability Insurance                           | 119,714          | 128,200          | 93.4%                |
| Repairs and maintenance                       |                  |                  |                      |
| Equipment                                     | 760              | 1,000            | 76.0%                |
| General                                       | 39,115           | 65,280           | 59.9%                |
| HVAC                                          | -                | 650              | -                    |
| Snow Removal                                  | 301,403          | 3,370            | 8943.7%              |
| <b>Total Airfield complex</b>                 | <b>976,768</b>   | <b>832,683</b>   | <b>117.3%</b>        |
| <b>Terminal 1 complex</b>                     |                  |                  |                      |
| Contracted Services - BHS & PBB               | 495,099          | 508,489          | 97.4%                |
| Electricity                                   | 525,741          | 581,139          | 90.5%                |
| Fuel - natural gas                            | 90,996           | 86,000           | 105.8%               |
| Telecommunications                            | 2,703            | 2,980            | 90.7%                |
| Cable television                              | -                | 10,800           | -                    |
| Computer hardware                             | -                | 500              | -                    |
| Fuel - vehicles and equipment                 | 1,700            | 1,816            | 93.6%                |
| Small equipment                               | 328              | 350              | 93.7%                |
| Supplies                                      | 125,376          | 148,299          | 84.5%                |
| Liability insurance                           | 46,784           | 50,100           | 93.4%                |
| Insurance claim                               | 2,341            | 5,300            | 44.2%                |
| Repairs and maintenance/buildings and grounds |                  |                  |                      |
| Elevators/escalators                          | 47,010           | 52,537           | 89.5%                |
| Equipment                                     | 4,774            | 5,194            | 91.9%                |
| General                                       | 18,075           | 19,491           | 92.7%                |
| HVAC                                          | 45,621           | 47,605           | 95.8%                |
| Janitorial                                    | 1,058,520        | 1,118,527        | 94.6%                |
| Permit administration                         | 3,075            | 3,915            | 78.5%                |
| <b>Total Terminal 1 complex</b>               | <b>2,468,143</b> | <b>2,643,042</b> | <b>93.4%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FACILITIES OPERATING EXPENSES**  
Year Ended March 31, 2015

|                                           | Actual            | Budget            | Percent of<br>Budget |
|-------------------------------------------|-------------------|-------------------|----------------------|
| <b>Terminal 2 complex</b>                 |                   |                   |                      |
| Contracted Services - Technology          | \$ 80,202         | \$ 81,743         | 98.1%                |
| Contracted Services - Ramp Tower          | 869,651           | 869,661           | 100.0%               |
| Contracted Services - BHS & PBB           | 1,492,156         | 1,550,465         | 96.2%                |
| Contracted Services - AOIS                | 635,930           | 636,000           | 100.0%               |
| Contracted Services - Other               | 63,567            | 64,350            | 98.8%                |
| Electricity                               | 2,021,343         | 1,969,372         | 102.6%               |
| Telecommunications                        | 20,238            | 22,306            | 90.7%                |
| Cable television                          | 24,713            | 23,400            | 105.6%               |
| Computer hardware                         | 6,691             | 6,700             | 99.9%                |
| Printer supplies                          | 330               | 356               | 92.7%                |
| Small equipment                           | 119               | -                 | N/A                  |
| Supplies                                  | 425,937           | 733,902           | 58.0%                |
| Liability insurance                       | 353,446           | 378,500           | 93.4%                |
| Insurance claim                           | 7,686             | 17,400            | 44.2%                |
| Repairs and maintenance                   |                   |                   |                      |
| Computer hardware                         | 13,301            | 15,750            | 84.5%                |
| Public address and music system rental    | 3,648             | 4,000             | 91.2%                |
| Elevators/escalators                      | 248,686           | 331,070           | 75.1%                |
| Equipment                                 | 63,515            | 63,552            | 99.9%                |
| General                                   | 199,714           | 190,119           | 105.0%               |
| HVAC                                      | 104,460           | 133,175           | 78.4%                |
| Janitorial                                | 3,467,894         | 3,584,098         | 96.8%                |
| Permit administration                     | 8,725             | 8,150             | 107.1%               |
| <b>Total Terminal 2 complex</b>           | <b>10,111,952</b> | <b>10,684,069</b> | <b>94.6%</b>         |
| <b>Central Energy Plant</b>               |                   |                   |                      |
| Contracted Services - Technology          | 7,332             | 7,335             | 100.0%               |
| Electricity                               | 656,134           | 667,296           | 98.3%                |
| Fuel - natural gas                        | 238,423           | 241,000           | 98.9%                |
| Telecommunications                        | 582               | 638               | 91.2%                |
| Fuel - vehicles and equipment             | -                 | 705               | -                    |
| Supplies                                  | 4,393             | 1,600             | 274.6%               |
| Liability insurance                       | 7,003             | 7,500             | 93.4%                |
| Repairs and maintenance                   |                   |                   |                      |
| Equipment                                 | 1,433             | 1,433             | 100.0%               |
| General                                   | 19,691            | 22,650            | 86.9%                |
| HVAC                                      | 119,417           | 127,660           | 93.5%                |
| Janitorial                                | 12,451            | 18,250            | 68.2%                |
| Permit administration                     | -                 | 330               | -                    |
| <b>Total Central Energy Plant complex</b> | <b>1,066,859</b>  | <b>1,096,397</b>  | <b>97.3%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FACILITIES OPERATING EXPENSES**  
Year Ended March 31, 2015

|                                    | Actual         | Budget         | Percent of<br>Budget |
|------------------------------------|----------------|----------------|----------------------|
| <b>Cargo complex</b>               |                |                |                      |
| <b>North Cargo</b>                 |                |                |                      |
| Electricity                        | \$ 27,793      | \$ 32,587      | 85.3%                |
| Telecommunications                 | 376            | 417            | 90.2%                |
| Liability insurance                | 9,992          | 10,700         | 93.4%                |
| Repairs and maintenance            |                |                |                      |
| General                            | -              | 1,000          | -                    |
| <b>Total North Cargo</b>           | <u>38,161</u>  | <u>44,704</u>  | <u>85.4%</u>         |
| <b>South Cargo 1 &amp; 2</b>       |                |                |                      |
| Electricity                        | 16,368         | 16,716         | 97.9%                |
| Fuel - natural gas                 | 28,868         | 26,000         | 111.0%               |
| Telecommunications                 | 4,208          | 4,644          | 90.6%                |
| Supplies                           | 195            | 575            | 33.9%                |
| Liability insurance                | 7,284          | 7,800          | 93.4%                |
| Repairs and maintenance            |                |                |                      |
| Equipment                          | 2,812          | 2,812          | 100.0%               |
| General                            | 1,229          | 3,500          | 35.1%                |
| HVAC                               | 50             | 4,000          | 1.3%                 |
| <b>Total South Cargo 1 &amp; 2</b> | <u>61,014</u>  | <u>66,047</u>  | <u>92.4%</u>         |
| <b>South Cargo 3</b>               |                |                |                      |
| Electricity                        | 92,895         | 59,760         | 155.4%               |
| Telecommunications                 | 496            | 549            | 90.3%                |
| Supplies                           | 3,113          | 4,000          | 77.8%                |
| Insurance                          | 11,579         | 12,400         | 93.4%                |
| Insurance claim                    | 110            | 250            | 44.0%                |
| Repairs and maintenance            |                |                |                      |
| Elevators/escalators               | 1,485          | 1,620          | 91.7%                |
| Equipment                          | 2,334          | 2,334          | 100.0%               |
| General                            | 8,537          | 8,660          | 98.6%                |
| HVAC                               | 1,168          | 1,500          | 77.9%                |
| Janitorial                         | 4,232          | 4,330          | 97.7%                |
| Permit administration              | 175            | 175            | 100.0%               |
| <b>Total South Cargo 3</b>         | <u>126,124</u> | <u>95,578</u>  | <u>132.0%</u>        |
| <b>Total cargo complex</b>         | <u>225,299</u> | <u>206,329</u> | <u>109.2%</u>        |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FACILITIES OPERATING EXPENSES**  
Year Ended March 31, 2015

|                                       | Actual         | Budget         | Percent of<br>Budget |
|---------------------------------------|----------------|----------------|----------------------|
| <b>Fuel Farm complex</b>              |                |                |                      |
| Contracted Services - Technology      | \$ 30,750      | \$ 30,750      | 100.0%               |
| Electricity                           | 67,179         | 68,297         | 98.4%                |
| Fuel - natural gas                    | 5,206          | 5,000          | 104.1%               |
| Telecommunications                    | 2,908          | 3,199          | 90.9%                |
| Fuel - vehicles and equipment         | 354            | 383            | 92.4%                |
| Supplies                              | 835            | 260            | 321.2%               |
| Insurance                             | 11,859         | 12,700         | 93.4%                |
| Repairs and maintenance               |                |                |                      |
| Equipment                             | 637            | 637            | 100.0%               |
| General                               | 1,893          | 5,380          | 35.2%                |
| HVAC                                  | -              | 500            | -                    |
| Janitorial                            | 12,545         | 13,950         | 89.9%                |
| <b>Total Fuel Farm complex</b>        | <b>134,166</b> | <b>141,056</b> | <b>95.1%</b>         |
| <b>General Aviation complex</b>       |                |                |                      |
| <b>General Aviation-General</b>       |                |                |                      |
| Contracted services-other             | 6,823          | 7,100          | 96.1%                |
| Electricity                           | 18,154         | 15,480         |                      |
| Fuel-Natural Gas                      | 7,701          | 7,000          | 110.0%               |
| Telecommunications                    | 376            | 417            | 90.2%                |
| Supplies                              | 1,039          | 5,000          | 20.8%                |
| Liability Insurance                   | 8,124          | 8,700          | 93.4%                |
| Insurance claim                       | 221            | 500            | 44.2%                |
| Repairs and maintenance               |                |                |                      |
| Elevators/escalators                  | 1,485          | 1,620          | 91.7%                |
| Equipment                             | 2,202          | -              | N/A                  |
| General                               | 6,200          | 6,800          | 91.2%                |
| HVAC                                  | 17,505         | 40,230         | 43.5%                |
| Janitorial                            | 1,559          | 2,900          | 53.8%                |
| Permit Administration                 | 175            | 245            | 71.4%                |
| <b>Total General Aviation-General</b> | <b>71,564</b>  | <b>95,992</b>  | <b>74.6%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FACILITIES OPERATING EXPENSES**  
Year Ended March 31, 2015

|                                             | Actual         | Budget         | Percent of<br>Budget |
|---------------------------------------------|----------------|----------------|----------------------|
| <b>General Aviation complex (continued)</b> |                |                |                      |
| <b>General Aviation-Terminal</b>            |                |                |                      |
| Contracted services - Building Manager      | \$ 159,342     | \$ 162,000     | 98.4%                |
| Contracted services                         | 2,934          | 2,350          | 124.9%               |
| Electricity                                 | 52,761         | 56,540         | 93.3%                |
| Fuel - natural gas                          | 24,015         | 34,000         | 70.6%                |
| Telecommunications                          | 1,454          | 1,610          | 90.3%                |
| Cable television                            | 4,261          | 5,400          | 78.9%                |
| Fuel - vehicles and equipment               | 50             | 174            | 28.7%                |
| Supplies                                    | 6              | 4,935          | 0.1%                 |
| Liability Insurance                         | 4,202          | 4,500          | 93.4%                |
| Insurance claim                             | 110            | 250            | 44.0%                |
| Repairs and maintenance                     |                |                |                      |
| Elevators/escalators                        | 1,709          | 1,845          | 92.6%                |
| Equipment                                   | -              | 2,202          | -                    |
| General                                     | 12,616         | 17,420         | 72.4%                |
| HVAC                                        | 71,093         | 85,955         | 82.7%                |
| Janitorial                                  | 50,707         | 59,750         | 84.9%                |
| Permit administration                       | 238            | 70             | 340.0%               |
| <b>Total General Aviation-Terminal</b>      | <b>385,498</b> | <b>439,001</b> | <b>87.8%</b>         |
| <b>Total General Aviation complex</b>       | <b>457,062</b> | <b>534,993</b> | <b>85.4%</b>         |
| <b>Rental Car complex</b>                   |                |                |                      |
| Electricity                                 | 1,807          | 1,722          | 104.9%               |
| Telecommunications                          | 376            | 417            | 90.2%                |
| Liability insurance                         | 12,140         | 13,000         | 93.4%                |
| Insurance claim                             | 110            | 250            | 44.0%                |
| <b>Total Rental Car complex</b>             | <b>14,433</b>  | <b>15,389</b>  | <b>93.8%</b>         |



RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FACILITIES OPERATING EXPENSES**  
Year Ended March 31, 2015

|                                                   | Actual           | Budget           | Percent of<br>Budget |
|---------------------------------------------------|------------------|------------------|----------------------|
| <b>Office &amp; Other Buildings complex</b>       |                  |                  |                      |
| Contracted services - Technology                  | \$ 7,523         | \$ 8,000         | 94.0%                |
| Electricity                                       | 253,054          | 258,000          | 98.1%                |
| Fuel - natural gas                                | 108,262          | 116,000          | 93.3%                |
| Telecommunications                                | 113,801          | 113,667          | 100.1%               |
| Cable television                                  | 5,113            | 7,200            | 71.0%                |
| Computer hardware                                 | 3,620            | 4,250            | 85.2%                |
| Fuel - vehicle and equipment                      | 3,297            | 4,011            | 82.2%                |
| Small equipment                                   | 14,537           | 14,550           | 99.9%                |
| Supplies                                          | 16,075           | 31,005           | 51.8%                |
| Liability insurance                               | 43,982           | 47,100           | 93.4%                |
| Repairs and maintenance                           |                  |                  |                      |
| Computer hardware                                 | 647              | 800              | 80.9%                |
| Elevators/escalators                              | 4,649            | 5,060            | 91.9%                |
| Equipment                                         | 10,756           | 10,344           | 104.0%               |
| General                                           | 82,949           | 86,879           | 95.5%                |
| HVAC                                              | 37,799           | 67,945           | 55.6%                |
| Janitorial                                        | 261,570          | 260,050          | 100.6%               |
| Waste disposal                                    | 124,126          | 125,650          | 98.8%                |
| Permit administration                             | 691              | 870              | 79.4%                |
| <b>Total Office &amp; Other Buildings complex</b> | <b>1,092,451</b> | <b>1,161,381</b> | <b>94.1%</b>         |
| <b>Utilities complex</b>                          |                  |                  |                      |
| Electricity                                       | 8,143            | 6,827            | 119.3%               |
| Water and sewer                                   | 931,726          | 918,000          | 101.5%               |
| Fuel - vehicles and equipment                     | 281              | 323              | 87.0%                |
| Supplies                                          | 1,911            | 6,025            | 31.7%                |
| Liability insurance                               | 840              | 900              | 93.3%                |
| Repairs and maintenance                           |                  |                  |                      |
| General                                           | 16,038           | 20,900           | 76.7%                |
| <b>Total Utilities complex</b>                    | <b>958,939</b>   | <b>952,975</b>   | <b>100.6%</b>        |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FACILITIES OPERATING EXPENSES**  
Year Ended March 31, 2015

|                                      | Actual           | Budget           | Percent of<br>Budget |
|--------------------------------------|------------------|------------------|----------------------|
| <b>Parking complex</b>               |                  |                  |                      |
| Uniforms                             | \$ 445           | \$ -             | N/A                  |
| Contracted Services - Technology     | 5,248            | 6,200            | 84.6%                |
| Contracted Services - Other          | 40,463           | 212,650          | 19.0%                |
| Electricity                          | 844,980          | 824,019          | 102.5%               |
| Telecommunications                   | 6,723            | 7,419            | 90.6%                |
| Fuel - vehicles and equipment        | 1,351            | 1,430            | 94.5%                |
| Small equipment                      | 832              | 2,700            | 30.8%                |
| Supplies                             | 46,850           | 61,203           | 76.5%                |
| Liability insurance                  | 155,011          | 166,000          | 93.4%                |
| Insurance claim                      | 1,701            | 3,850            | 44.2%                |
| Repairs and maintenance              |                  |                  |                      |
| Elevators/escalators                 | 165,541          | 157,215          | 105.3%               |
| Equipment                            | 67,161           | 74,880           | 89.7%                |
| General                              | 64,271           | 63,240           | 101.6%               |
| HVAC                                 | 2,491            | 2,200            | 113.2%               |
| Janitorial                           | 468,603          | 583,147          | 80.4%                |
| Snow Removal                         | 12,669           | -                | N/A                  |
| Permit administration                | 1,225            | 3,975            | 30.8%                |
| <b>Total Parking complex</b>         | <u>1,885,565</u> | <u>2,170,128</u> | <u>86.9%</u>         |
| <b>Ground Transportation complex</b> |                  |                  |                      |
| <b>Taxi Operation</b>                |                  |                  |                      |
| Telecommunications                   | 650              | 726              | 89.5%                |
| Supplies                             | -                | 1,000            | -                    |
| Liability insurance                  | 1,027            | 1,100            | 93.4%                |
| Repairs and maintenance              |                  |                  |                      |
| Equipment                            | 212              | 212              | 100.0%               |
| General                              | 880              | 1,960            | 44.9%                |
| HVAC                                 | -                | 1,000            | -                    |
| Janitorial                           | 25,422           | 29,000           | 87.7%                |
| <b>Total Taxi Operation</b>          | <u>28,191</u>    | <u>34,998</u>    | <u>80.6%</u>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FACILITIES OPERATING EXPENSES**  
Year Ended March 31, 2015

|                                                  | Actual                          | Budget                          | Percent of<br>Budget    |
|--------------------------------------------------|---------------------------------|---------------------------------|-------------------------|
| <b>Ground Transportation complex (continued)</b> |                                 |                                 |                         |
| <b>Ground Transportation Other</b>               |                                 |                                 |                         |
| Contracted Services - Technology                 | \$ -                            | \$ 31,500                       | -                       |
| Contracted Services - Landscaping                | 929,931                         | 950,000                         | 97.9%                   |
| Contracted Services - Other                      | 249,870                         | 618,999                         | 40.4%                   |
| Electricity                                      | 12,217                          | 12,119                          | 100.8%                  |
| Telecommunications                               | 376                             | 417                             | 90.2%                   |
| Supplies                                         | 11,331                          | 17,430                          | 65.0%                   |
| Liability insurance                              | 654                             | 700                             | 93.4%                   |
| Insurance claim                                  | 972                             | 2,200                           | 44.2%                   |
| Repairs and maintenance                          |                                 |                                 |                         |
| General                                          | 10,576                          | 10,867                          | 97.3%                   |
| Snow removal                                     | 135,394                         | -                               | N/A                     |
| <b>Total Ground Transportation Other</b>         | <u>1,351,321</u>                | <u>1,644,232</u>                | <u>82.2%</u>            |
| <br><b>Total Ground Transportation Complex</b>   | <br><u>1,379,512</u>            | <br><u>1,679,230</u>            | <br><u>82.2%</u>        |
| <br><b>TOTAL AIRPORT FACILITIES</b>              | <br><u><u>\$ 20,771,149</u></u> | <br><u><u>\$ 22,117,672</u></u> | <br><u><u>93.9%</u></u> |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**ADMINISTRATIVE EXPENSES**  
Year Ended March 31, 2015

|                                        | Actual         | Budget         | Percent of<br>Budget |
|----------------------------------------|----------------|----------------|----------------------|
| <b>Administrative</b>                  |                |                |                      |
| <b>Airport Director's Office</b>       |                |                |                      |
| Salaries                               | \$ 406,843     | \$ 442,861     | 91.9%                |
| Health insurance                       | 13,174         | 22,657         | 58.1%                |
| Retirement/401K Match                  | 31,186         | 35,672         | 87.4%                |
| Social security                        | 22,378         | 25,622         | 87.3%                |
| Retiree Health Care Expense - OPEB     | 7,765          | 8,400          | 92.4%                |
| Moving expenses                        | 48,742         | -              | N/A                  |
| Professional education                 | 130,894        | 120,155        | 108.9%               |
| Advertising                            | 222            | 248            | 89.5%                |
| Printing                               | 69             | -              | N/A                  |
| Contracted services - Other            | 3,750          | 15,000         | 25.0%                |
| Small equipment                        | 879            | -              | N/A                  |
| Supplies                               | 13,693         | 15,172         | 90.3%                |
| Liability insurance                    | 104,306        | 111,700        | 93.4%                |
| Travel                                 | 23,769         | 30,400         | 78.2%                |
| <b>Total Airport Director's Office</b> | <u>807,670</u> | <u>827,887</u> | <u>97.6%</u>         |
| <b>Legal and Compliance</b>            |                |                |                      |
| Salaries                               | 201,966        | 208,044        | 97.1%                |
| Health insurance                       | 12,409         | 16,834         | 73.7%                |
| Retirement/401K Match                  | 24,302         | 21,520         | 112.9%               |
| Social security                        | 14,307         | 14,723         | 97.2%                |
| Retiree Health Care Expense - OPEB     | 3,346          | 3,600          | 92.9%                |
| Professional education                 | 6,004          | 7,020          | 85.5%                |
| Legal fees                             | 304,259        | 356,700        | 85.3%                |
| Printing                               | 760            | 800            | 95.0%                |
| Contracted services - Other            | 13,248         | 44,814         | 29.6%                |
| Promotional                            | 1,550          | 2,000          | 77.5%                |
| Supplies                               | 448            | 500            | 89.6%                |
| Travel                                 | 3,622          | 5,220          | 69.4%                |
| <b>Total Legal and Compliance</b>      | <u>586,221</u> | <u>681,775</u> | <u>86.0%</u>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
EXPENSES COMPARED WITH BUDGET  
ADMINISTRATIVE EXPENSES  
Year Ended March 31, 2015

|                                                       | Actual           | Budget         | Percent of<br>Budget |
|-------------------------------------------------------|------------------|----------------|----------------------|
| <b>Air Service and Marketing Communications</b>       |                  |                |                      |
| Salaries                                              | \$ 507,413       | \$ 577,047     | 87.9%                |
| Health insurance                                      | 37,538           | 50,351         | 74.6%                |
| Retirement/401K Match                                 | 56,509           | 64,189         | 88.0%                |
| Social security                                       | 35,614           | 42,112         | 84.6%                |
| Retiree Health Care Expense - OPEB                    | 8,838            | 9,600          | 92.1%                |
| Professional education                                | 17,972           | 11,533         | 155.8%               |
| Printing                                              | 9,225            | 17,322         | 53.3%                |
| Contracted services-other                             | 127,786          | 134,161        | 95.2%                |
| Promotional                                           | 14,424           | 37,500         | 38.5%                |
| Small equipment                                       | -                | 425            | -                    |
| Supplies                                              | 1,620            | 5,060          | 32.0%                |
| Snow Removal                                          | 223              | -              | N/A                  |
| Travel                                                | 11,539           | 11,140         | 103.6%               |
| Air Service Development Marketing                     | 1,265,556        | -              | N/A                  |
| <b>Total Air Service and Marketing Communications</b> | <b>2,094,257</b> | <b>960,440</b> | <b>218.1%</b>        |
| <b>Customer Relations</b>                             |                  |                |                      |
| Salaries                                              | 110,149          | 110,639        | 99.6%                |
| Health insurance                                      | 12,277           | 12,433         | 98.7%                |
| Retirement/401K Match                                 | 8,164            | 8,675          | 94.1%                |
| Social security                                       | 8,094            | 8,465          | 95.6%                |
| Retiree Health Care Expense - OPEB                    | 3,346            | 3,600          | 92.9%                |
| Professional education                                | 1,765            | 598            | 295.2%               |
| Printing                                              | 1,805            | 3,000          | 60.2%                |
| Contracted services - Other                           | 84,098           | 84,500         | 99.5%                |
| Promotional                                           | 15,026           | 18,500         | 81.2%                |
| Supplies                                              | 552              | 650            | 84.9%                |
| Travel                                                | 1,310            | 2,200          | 59.5%                |
| <b>Total Customer Relations</b>                       | <b>246,586</b>   | <b>253,260</b> | <b>97.4%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**ADMINISTRATIVE EXPENSES**  
Year Ended March 31, 2015

|                                    | Actual           | Budget           | Percent of<br>Budget |
|------------------------------------|------------------|------------------|----------------------|
| <b>Employee Development</b>        |                  |                  |                      |
| Salaries                           | \$ 144,650       | \$ 151,555       | 95.4%                |
| Health insurance                   | 12,415           | 16,651           | 74.6%                |
| Retirement/401K Match              | 16,214           | 18,293           | 88.6%                |
| Social security                    | 10,495           | 11,594           | 90.5%                |
| Retiree Health Care Expense - OPEB | 3,346            | 3,600            | 92.9%                |
| Professional education             | 1,103            | 2,828            | 39.0%                |
| Tuition assistance                 | 103,997          | 135,640          | 76.7%                |
| Printing                           | 1,967            | 2,100            | 93.7%                |
| Contracted services-other          | 60,221           | 74,300           | 81.1%                |
| Promotional                        | 179              | 775              | 23.1%                |
| Supplies                           | 1,230            | 1,625            | 75.7%                |
| Travel                             | 2,849            | 3,004            | 94.8%                |
| <b>Total Employee Development</b>  | <b>358,666</b>   | <b>421,965</b>   | <b>85.0%</b>         |
| <b>Administration</b>              |                  |                  |                      |
| Salaries                           | 582,557          | 579,275          | 100.6%               |
| Health insurance                   | 50,005           | 66,517           | 75.2%                |
| Retirement/401K Match              | 70,178           | 68,458           | 102.5%               |
| Social security                    | 42,259           | 43,719           | 96.7%                |
| Retiree Health Care Expense - OPEB | 12,184           | 13,200           | 92.3%                |
| Moving expenses                    | -                | 61,000           | -                    |
| Unemployment compensation          | 24,386           | 29,300           | 83.2%                |
| Professional education             | 13,235           | 13,719           | 96.5%                |
| Advertising                        | 5,499            | 6,000            | 91.7%                |
| Printing                           | 782              | 1,400            | 55.9%                |
| Contracted services - Technology   | 68,894           | 70,000           | 98.4%                |
| Contracted services - Other        | 290,135          | 224,675          | 129.1%               |
| Promotional                        | 54,518           | 32,600           | 167.2%               |
| Supplies                           | 1,390            | 2,300            | 60.4%                |
| Travel                             | 14,156           | 7,975            | 177.5%               |
| <b>Total Administration</b>        | <b>1,230,178</b> | <b>1,220,138</b> | <b>100.8%</b>        |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**ADMINISTRATIVE EXPENSES**  
Year Ended March 31, 2015

|                                    | Actual           | Budget           | Percent of<br>Budget |
|------------------------------------|------------------|------------------|----------------------|
| <b>Business Development</b>        |                  |                  |                      |
| Salaries                           | \$ 309,155       | \$ 409,186       | 75.6%                |
| Health insurance                   | 31,004           | 35,494           | 87.3%                |
| Retirement/401K Match              | 35,840           | 44,772           | 80.1%                |
| Social security                    | 21,973           | 31,303           | 70.2%                |
| Retiree Health Care Expense - OPEB | 4,419            | 4,800            | 92.1%                |
| Professional education             | 2,788            | 4,629            | 60.2%                |
| Advertising                        | -                | 3,000            | -                    |
| Supplies                           | 1,478            | 2,350            | 62.9%                |
| Travel                             | 8,320            | 8,552            | 97.3%                |
| <b>Total Business Development</b>  | <b>414,977</b>   | <b>544,086</b>   | <b>76.3%</b>         |
| <b>Audit</b>                       |                  |                  |                      |
| Salaries                           | 328,610          | 343,720          | 95.6%                |
| Health insurance                   | 30,816           | 41,514           | 74.2%                |
| Retirement/401K Match              | 29,602           | 28,568           | 103.6%               |
| Social security                    | 23,487           | 26,295           | 89.3%                |
| Retiree Health Care Expense - OPEB | 7,765            | 8,400            | 92.4%                |
| Professional education             | 4,885            | 6,030            | 81.0%                |
| Printing                           | 104              | 120              | 86.7%                |
| Small Equipment                    | 500              | 600              | 83.3%                |
| Supplies                           | 320              | 400              | 80.0%                |
| Travel                             | 1,141            | 1,100            | 103.7%               |
| <b>Total Audit</b>                 | <b>427,230</b>   | <b>456,747</b>   | <b>93.5%</b>         |
| <b>Finance</b>                     |                  |                  |                      |
| Salaries                           | 753,452          | 788,549          | 95.5%                |
| Health insurance                   | 55,855           | 75,274           | 74.2%                |
| Retirement/401K Match              | 74,419           | 83,189           | 89.5%                |
| Social security                    | 54,504           | 56,078           | 97.2%                |
| Retiree Health Care Expense - OPEB | 13,257           | 14,400           | 92.1%                |
| Professional education             | 6,304            | 8,374            | 75.3%                |
| Audit                              | 49,515           | 53,775           | 92.1%                |
| Contracted services - Technology   | 46,440           | 66,540           | 69.8%                |
| Printing                           | 2,081            | 3,905            | 53.3%                |
| Contracted services-other          | 8,381            | 34,125           | 24.6%                |
| Small equipment                    | -                | 200              | -                    |
| Supplies                           | 5,171            | 5,239            | 98.7%                |
| Travel                             | 5,571            | 8,528            | 65.3%                |
| Postage                            | 12,460           | 11,727           | 106.3%               |
| <b>Total Finance</b>               | <b>1,087,410</b> | <b>1,209,903</b> | <b>89.9%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**ADMINISTRATIVE EXPENSES**  
Year Ended March 31, 2015

|                                    | Actual           | Budget           | Percent of<br>Budget |
|------------------------------------|------------------|------------------|----------------------|
| <b>Procurement</b>                 |                  |                  |                      |
| Salaries                           | \$ 291,934       | \$ 327,883       | 89.0%                |
| Health insurance                   | 24,718           | 33,383           | 74.0%                |
| Retirement/401K Match              | 30,139           | 38,474           | 78.3%                |
| Social security                    | 20,697           | 25,082           | 82.5%                |
| Retiree Health Care Expense - OPEB | 5,492            | 6,000            | 91.5%                |
| Professional education             | 2,218            | 2,218            | 100.0%               |
| Printing                           | 559              | 625              | 89.4%                |
| Copiers                            | 89,106           | 75,713           | 117.7%               |
| Small equipment                    | -                | 350              | -                    |
| Supplies                           | 22,118           | 18,574           | 119.1%               |
| Travel                             | 2,103            | 1,267            | 166.0%               |
| <b>Total Procurement</b>           | <b>489,084</b>   | <b>529,569</b>   | <b>92.4%</b>         |
| <b>Information Services</b>        |                  |                  |                      |
| Salaries                           | 1,912,180        | 1,966,493        | 97.2%                |
| Health insurance                   | 160,571          | 212,316          | 75.6%                |
| Retirement/401K Match              | 214,785          | 203,486          | 105.6%               |
| Social security                    | 137,580          | 147,117          | 93.5%                |
| Retiree Health Care Expense - OPEB | 38,699           | 42,000           | 92.1%                |
| Uniforms                           | 1,334            | 2,085            | 64.0%                |
| Physical examinations              | 111              | 110              | 100.9%               |
| Professional education             | 23,128           | 23,458           | 98.6%                |
| Contracted services - Technology   | 744,984          | 758,921          | 98.2%                |
| Printing                           | 35               | 280              | 12.5%                |
| Contracted services - Other        | 80,078           | 95,000           | 84.3%                |
| Telecommunications                 | 13,080           | 12,508           | 104.6%               |
| Computer hardware                  | 235,831          | 247,029          | 95.5%                |
| Software                           | 50,644           | 81,369           | 62.2%                |
| Printer supplies                   | 5,538            | 5,551            | 99.8%                |
| Small equipment                    | 3,708            | 3,900            | 95.1%                |
| Supplies                           | 43,157           | 56,818           | 76.0%                |
| Media and documentation            | 560              | 748              | 74.9%                |
| Repairs and maintenance            |                  |                  |                      |
| Computer hardware                  | (42,274)         | 3,500            | -1207.8%             |
| Snow Removal                       | 112              | -                | N/A                  |
| Travel                             | 22,120           | 19,041           | 116.2%               |
| <b>Total Information Services</b>  | <b>3,645,961</b> | <b>3,881,730</b> | <b>93.9%</b>         |



RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**ADMINISTRATIVE EXPENSES**  
Year Ended March 31, 2015

|                                       | Actual         | Budget         | Percent of<br>Budget |
|---------------------------------------|----------------|----------------|----------------------|
| <b>Facilities Development</b>         |                |                |                      |
| Salaries                              | \$ 572,592     | \$ 687,954     | 83.2%                |
| Health insurance                      | 49,836         | 58,852         | 84.7%                |
| Retirement/401K Match                 | 76,527         | 78,407         | 97.6%                |
| Social security                       | 47,368         | 52,860         | 89.6%                |
| Retiree Health Care Expense - OPEB    | 8,838          | 9,600          | 92.1%                |
| Professional education                | 2,349          | 5,705          | 41.2%                |
| Printing                              | -              | 80             | -                    |
| Contracted services - Other           | -              | 2,500          | -                    |
| Supplies                              | 1,955          | 3,830          | 51.0%                |
| Liability insurance                   | 21,944         | 23,500         | 93.4%                |
| Travel                                | 7,217          | 5,791          | 124.6%               |
| <b>Total Facilities Development</b>   | <b>788,626</b> | <b>929,079</b> | <b>84.9%</b>         |
| <b>Planning and Environment</b>       |                |                |                      |
| Salaries                              | 180,018        | 230,633        | 78.1%                |
| Health insurance                      | 18,572         | 25,027         | 74.2%                |
| Retirement/401K Match                 | 22,523         | 29,281         | 76.9%                |
| Social security                       | 13,608         | 18,443         | 73.8%                |
| Retiree Health Care Expense - OPEB    | 4,419          | 4,800          | 92.1%                |
| Professional education                | 885            | 3,960          | 22.3%                |
| Printing                              | -              | 135            | -                    |
| Contracted services-other             | 12,252         | 32,899         | 37.2%                |
| Small Equipment                       | -              | 150            | -                    |
| Supplies                              | 486            | 696            | 69.8%                |
| Travel                                | 2,350          | 2,740          | 85.8%                |
| Permit administration                 | 5,515          | 6,370          | 86.6%                |
| <b>Total Planning and Environment</b> | <b>260,628</b> | <b>355,134</b> | <b>73.4%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**ADMINISTRATIVE EXPENSES**  
Year Ended March 31, 2015

|                                            | Actual         | Budget         | Percent of<br>Budget |
|--------------------------------------------|----------------|----------------|----------------------|
| <b>Building and Building Systems</b>       |                |                |                      |
| Salaries                                   | \$ 235,364     | \$ 163,784     | 143.7%               |
| Health insurance                           | 12,487         | 14,672         | 85.1%                |
| Retirement/401K Match                      | 24,707         | 20,514         | 120.4%               |
| Social security                            | 17,221         | 13,845         | 124.4%               |
| Retiree Health Care Expense - OPEB         | 3,346          | 3,600          | 92.9%                |
| Professional education                     | 433            | 4,125          | 10.5%                |
| Travel                                     | 1,246          | 4,198          | 29.7%                |
| <b>Total Building and Building Systems</b> | <b>294,804</b> | <b>224,738</b> | <b>131.2%</b>        |
| <b>Noise</b>                               |                |                |                      |
| Salaries                                   | 64,554         | 68,734         | 93.9%                |
| Health insurance                           | 6,102          | 8,303          | 73.5%                |
| Retirement/401K Match                      | 8,009          | 8,297          | 96.5%                |
| Social security                            | 4,199          | 5,259          | 79.8%                |
| Retiree Health Care Expense - OPEB         | 1,073          | 1,200          | 89.4%                |
| Professional education                     | 1,445          | 1,550          | 93.2%                |
| Contracted Services-other                  | -              | 48,000         | -                    |
| Electricity                                | 2,997          | 3,415          | 87.8%                |
| Small equipment                            | -              | 700            | -                    |
| Supplies                                   | -              | 200            | -                    |
| Liability insurance                        | 1,307          | 1,400          | 93.4%                |
| Repairs and maintenance                    |                |                |                      |
| Equipment                                  | -              | 1,100          | -                    |
| Computer software                          | 82,313         | 88,000         | 93.5%                |
| Travel                                     | 1,747          | 1,300          | 134.4%               |
| <b>Total Noise</b>                         | <b>173,746</b> | <b>237,458</b> | <b>73.2%</b>         |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**ADMINISTRATIVE EXPENSES**  
 Year Ended March 31, 2015

|                                    | Actual                      | Budget                      | Percent of<br>Budget |
|------------------------------------|-----------------------------|-----------------------------|----------------------|
| <b>GIS</b>                         |                             |                             |                      |
| Salaries                           | \$ 130,328                  | \$ 137,542                  | 94.8%                |
| Health insurance                   | 12,377                      | 16,606                      | 74.5%                |
| Retirement/401K Match              | 15,705                      | 16,601                      | 94.6%                |
| Social security                    | 9,354                       | 10,522                      | 88.9%                |
| Retiree Health Care Expense - OPEB | 3,346                       | 3,600                       | 92.9%                |
| Professional education             | 1,250                       | 1,345                       | 92.9%                |
| Printing                           | 198                         | 250                         | 79.2%                |
| Contracted services-other          | 618                         | 63,000                      | 1.0%                 |
| Travel                             | 2,211                       | 2,778                       | 79.6%                |
| <b>Total GIS</b>                   | <u>175,387</u>              | <u>252,244</u>              | <u>69.5%</u>         |
| <b>TOTAL ADMINISTRATIVE</b>        | <u><u>\$ 13,081,431</u></u> | <u><u>\$ 12,986,153</u></u> | <u><u>100.7%</u></u> |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**GUEST SERVICES EXPENSES**  
 Year Ended March 31, 2015

|                                    | Actual            | Budget            | Percent of<br>Budget |
|------------------------------------|-------------------|-------------------|----------------------|
| <b>Guest Services</b>              |                   |                   |                      |
| Salaries                           | \$ 540,793        | \$ 551,033        | 98.1%                |
| Health insurance                   | 73,131            | 98,745            | 74.1%                |
| Accident insurance                 | 350               | 350               | 100.0%               |
| Retirement/401K Match              | 62,804            | 63,044            | 99.6%                |
| Social security                    | 39,316            | 42,154            | 93.3%                |
| Retiree Health Care Expense - OPEB | 17,676            | 19,200            | 92.1%                |
| Uniforms                           | 5,676             | 6,200             | 91.5%                |
| Professional/education             | 3,068             | 3,291             | 93.2%                |
| Printing                           | 2,984             | 3,404             | 87.7%                |
| Contracted services-other          | 6,124             | 6,030             | 101.6%               |
| Promotional                        | 19,812            | 20,792            | 95.3%                |
| Small equipment                    | 1,373             | 1,650             | 83.2%                |
| Supplies                           | 4,400             | 4,547             | 96.8%                |
| Liability insurance                | 15,781            | 16,900            | 93.4%                |
| Travel                             | 7                 | 1,580             | 0.4%                 |
| <b>TOTAL GUEST SERVICES</b>        | <b>\$ 793,295</b> | <b>\$ 838,920</b> | <b>94.6%</b>         |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**FUEL FARM EXPENSES**  
 Year Ended March 31, 2015

|                                    | Actual            | Budget              | Percent of<br>Budget |
|------------------------------------|-------------------|---------------------|----------------------|
| <b>Fuel Farm</b>                   |                   |                     |                      |
| Salaries                           | \$ 617,804        | \$ 632,779          | 97.6%                |
| Health insurance                   | 73,303            | 94,938              | 77.2%                |
| Retirement/401K Match              | 56,933            | 53,330              | 106.8%               |
| Social security                    | 45,945            | 48,410              | 94.9%                |
| Retiree Health Care Expense - OPEB | 17,676            | 19,200              | 92.1%                |
| Uniforms                           | 3,018             | 3,290               | 91.7%                |
| Physical examinations              | 107               | 107                 | 100.0%               |
| Professional education             | 736               | 772                 | 95.3%                |
| Contracted services - Other        | 45,284            | 42,686              | 106.1%               |
| Small equipment                    | 20,065            | 19,480              | 103.0%               |
| Supplies                           | 43,769            | 44,715              | 97.9%                |
| Liability insurance                | 15,781            | 16,900              | 93.4%                |
| Repairs and maintenance            |                   |                     |                      |
| Equipment                          | 34,541            | 35,258              | 98.0%                |
| <b>TOTAL FUEL FARM</b>             | <b>\$ 974,962</b> | <b>\$ 1,011,865</b> | <b>96.4%</b>         |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT MAINTENANCE EXPENSES**  
Year Ended March 31, 2015

|                                    | Actual                     | Budget                     | Percent of<br>Budget |
|------------------------------------|----------------------------|----------------------------|----------------------|
| <b>Airport Maintenance</b>         |                            |                            |                      |
| Salaries                           | \$ 2,950,290               | \$ 2,898,976               | 101.8%               |
| Health insurance                   | 336,593                    | 453,792                    | 74.2%                |
| Retirement/401K Match              | 334,698                    | 310,584                    | 107.8%               |
| Social security                    | 212,302                    | 221,772                    | 95.7%                |
| Retiree Health Care Expense - OPEB | 79,544                     | 86,400                     | 92.1%                |
| Uniforms                           | 61,029                     | 56,550                     | 107.9%               |
| Physical examinations              | 2,405                      | 2,425                      | 99.2%                |
| Professional education             | 7,018                      | 8,270                      | 84.9%                |
| Contracted services-Other          | 686                        | 1,080                      | 63.5%                |
| Small equipment                    | 30,604                     | 34,210                     | 89.5%                |
| Supplies                           | 24,441                     | 23,350                     | 104.7%               |
| Liability insurance                | 111,123                    | 119,000                    | 93.4%                |
| Repairs and maintenance            |                            |                            |                      |
| General                            | 2,089                      | 1,000                      | 208.9%               |
| HVAC                               | 689                        | 500                        | 137.8%               |
| Snow removal                       | 69,321                     | -                          | N/A                  |
| Travel                             | 19,402                     | 22,909                     | 84.7%                |
| <b>Total Airport Maintenance</b>   | <u>4,242,234</u>           | <u>4,240,818</u>           | <u>100.0%</u>        |
| <b>Fleet Maintenance</b>           |                            |                            |                      |
| Salaries                           | 408,150                    | 356,738                    | 114.4%               |
| Health insurance                   | 36,779                     | 49,636                     | 74.1%                |
| Retirement/401K Match              | 44,813                     | 36,951                     | 121.3%               |
| Social security                    | 30,175                     | 27,292                     | 110.6%               |
| Retiree Health Care Expense - OPEB | 8,838                      | 9,600                      | 92.1%                |
| Uniforms                           | 3,967                      | 3,750                      | 105.8%               |
| Professional education             | -                          | 50                         | -                    |
| Fuel - vehicles and equipment      | 537,040                    | 545,698                    | 98.4%                |
| Small equipment                    | 17,086                     | 16,970                     | 100.7%               |
| Supplies                           | 294,360                    | 288,800                    | 101.9%               |
| Liability insurance                | 10,085                     | 10,800                     | 93.4%                |
| Repairs and maintenance            |                            |                            |                      |
| General                            | 106,285                    | 116,625                    | 91.1%                |
| Snow removal                       | 13,088                     | -                          | N/A                  |
| Travel                             | -                          | 205                        | -                    |
| <b>Total Fleet Maintenance</b>     | <u>1,510,666</u>           | <u>1,463,115</u>           | <u>103.2%</u>        |
| <b>TOTAL AIRPORT MAINTENANCE</b>   | <u><u>\$ 5,752,900</u></u> | <u><u>\$ 5,703,933</u></u> | <u><u>100.9%</u></u> |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**LAW ENFORCEMENT EXPENSES**  
 Year Ended March 31, 2015

|                                    | Actual              | Budget              | Percent of<br>Budget |
|------------------------------------|---------------------|---------------------|----------------------|
| <b>Law Enforcement</b>             |                     |                     |                      |
| Salaries                           | \$ 2,287,390        | \$ 2,120,224        | 107.9%               |
| Health insurance                   | 202,876             | 272,859             | 74.4%                |
| Retirement/401K Match              | 187,670             | 211,957             | 88.5%                |
| Social security                    | 166,223             | 162,224             | 102.5%               |
| Retiree Health Care Expense - OPEB | 48,610              | 52,800              | 92.1%                |
| Retiree Separation Allowance       | (51,250)            | 24,000              | -213.5%              |
| Uniforms                           | 25,968              | 29,557              | 87.9%                |
| Physical examinations              | 36,568              | 34,495              | 106.0%               |
| Professional education             | 1,886               | 3,669               | 51.4%                |
| Contracted services - Technology   | 1,008               | 1,200               | 84.0%                |
| Printing                           | 695                 | 745                 | 93.3%                |
| DCI access fee                     | 1,920               | 4,032               | 47.6%                |
| Contracted services-other          | 913                 | 1,200               | 76.1%                |
| Small equipment                    | 56,738              | 43,671              | 129.9%               |
| Supplies                           | 12,870              | 15,641              | 82.3%                |
| Liability insurance                | 81,521              | 87,300              | 93.4%                |
| Repairs and maintenance            |                     |                     |                      |
| Equipment                          | 8,968               | 9,540               | 94.0%                |
| Snow removal                       | 1,436               | -                   | N/A                  |
| Travel                             | 6,616               | 6,575               | 100.6%               |
| K-9 program                        | 5,257               | 5,380               | 97.7%                |
| <b>TOTAL LAW ENFORCEMENT</b>       | <b>\$ 3,083,883</b> | <b>\$ 3,087,069</b> | <b>99.9%</b>         |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**AIRPORT FIRE - RESCUE**  
 Year Ended March 31, 2015

|                                    | Actual              | Budget              | Percent of<br>Budget |
|------------------------------------|---------------------|---------------------|----------------------|
| <b>Airport Fire - Rescue</b>       |                     |                     |                      |
| Salaries                           | \$ 1,119,005        | \$ 1,085,239        | 103.1%               |
| Health insurance                   | 116,495             | 157,036             | 74.2%                |
| Retirement/401K Match              | 131,289             | 126,221             | 104.0%               |
| Social security                    | 80,828              | 83,020              | 97.4%                |
| Retiree Health Care Expense - OPEB | 27,588              | 30,000              | 92.0%                |
| Uniforms                           | 21,669              | 21,880              | 99.0%                |
| Physical examinations              | 5,097               | 7,925               | 64.3%                |
| Professional education             | 6,558               | 6,761               | 97.0%                |
| Printing                           | 989                 | 1,100               | 89.9%                |
| Contracted services-other          | 1,150               | -                   | N/A                  |
| Cable television                   | 1,689               | 1,800               | 93.8%                |
| Small equipment                    | 38,652              | 6,175               | 625.9%               |
| Supplies                           | 16,464              | 16,750              | 98.3%                |
| Liability insurance                | 36,979              | 39,600              | 93.4%                |
| Repairs and maintenance            |                     |                     |                      |
| Equipment                          | 12,642              | 26,592              | 47.5%                |
| Travel                             | 13,217              | 19,500              | 67.8%                |
| <b>TOTAL AIRPORT FIRE - RESCUE</b> | <b>\$ 1,630,311</b> | <b>\$ 1,629,599</b> | <b>100.0%</b>        |



**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**OPERATIONS EXPENSES**  
 Year Ended March 31, 2015

|                                    | Actual              | Budget              | Percent of<br>Budget |
|------------------------------------|---------------------|---------------------|----------------------|
| <b>Operations</b>                  |                     |                     |                      |
| Salaries                           | \$ 952,278          | \$ 968,905          | 98.3%                |
| Health insurance                   | 80,370              | 108,183             | 74.3%                |
| Retirement/401K Match              | 111,568             | 114,511             | 97.4%                |
| Social security                    | 68,605              | 73,313              | 93.6%                |
| Retiree Health Care Expense - OPEB | 18,749              | 20,400              | 91.9%                |
| Uniforms                           | 480                 | 750                 | 64.0%                |
| Professional education             | 1,755               | 2,940               | 59.7%                |
| Printing                           | 1,352               | 1,825               | 74.1%                |
| Contracted services - Technology   | 3,458               | 3,560               | 97.1%                |
| Contracted services-other          | 1,284               | 2,550               | 50.4%                |
| Small equipment                    | 3,784               | 4,020               | 94.1%                |
| Supplies                           | 1,493               | 2,700               | 55.3%                |
| Supplies - ID System               | 44,446              | 48,858              | 91.0%                |
| Liability insurance                | 22,225              | 23,800              | 93.4%                |
| Repairs and maintenance            |                     |                     |                      |
| Equipment                          | 3,741               | 4,745               | 78.8%                |
| Snow removal                       | 2,228               | -                   | N/A                  |
| Travel                             | 8,183               | 8,700               | 94.1%                |
| <b>TOTAL OPERATIONS</b>            | <b>\$ 1,325,999</b> | <b>\$ 1,389,760</b> | <b>95.4%</b>         |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**COMMUNICATIONS EXPENSES**  
 Year Ended March 31, 2015

|                                    | Actual            | Budget            | Percent of<br>Budget |
|------------------------------------|-------------------|-------------------|----------------------|
| <b>Communications</b>              |                   |                   |                      |
| Salaries                           | \$ 474,232        | \$ 437,371        | 108.4%               |
| Health insurance                   | 60,983            | 78,151            | 78.0%                |
| Retirement/401K Match              | 52,616            | 48,666            | 108.1%               |
| Social security                    | 34,597            | 33,461            | 103.4%               |
| Retiree Health Care Expense - OPEB | 14,330            | 15,600            | 91.9%                |
| Uniforms                           | 461               | 500               | 92.2%                |
| Physical examinations              | 56                | 300               | 18.7%                |
| Professional education             | 1,043             | 1,200             | 86.9%                |
| DCI access fees                    | 1,800             | 1,800             | 100.0%               |
| Contracted services - Other        | 19,146            | 16,000            | 119.7%               |
| Small equipment                    | 28,331            | 33,800            | 83.8%                |
| Supplies                           | 414               | 1,000             | 41.4%                |
| Liability insurance                | 13,167            | 14,100            | 93.4%                |
| Repairs and maintenance            |                   |                   |                      |
| Equipment                          | 5,089             | 14,000            | 36.4%                |
| Travel                             | 554               | 600               | 92.3%                |
| <b>TOTAL COMMUNICATIONS</b>        | <b>\$ 706,819</b> | <b>\$ 696,549</b> | <b>101.5%</b>        |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**PARKING EXPENSES**  
 Year Ended March 31, 2015

|                                    | Actual              | Budget              | Percent of<br>Budget |
|------------------------------------|---------------------|---------------------|----------------------|
| <b>Parking</b>                     |                     |                     |                      |
| Salaries                           | \$ 831,876          | \$ 758,289          | 109.7%               |
| Health insurance                   | 91,570              | 119,565             | 76.6%                |
| Retirement/401K Match              | 87,020              | 76,359              | 114.0%               |
| Social security                    | 56,791              | 57,778              | 98.3%                |
| Retiree Health Care Expense - OPEB | 22,095              | 24,000              | 92.1%                |
| Uniforms                           | -                   | 1,326               | -                    |
| Physical examinations              | 56                  | 56                  | 100.0%               |
| Professional education             | 3,470               | 4,740               | 73.2%                |
| Advertising                        | 986                 | 2,500               | 39.4%                |
| Printing                           | 13,819              | 20,070              | 68.9%                |
| Credit Card Fees                   | 859,298             | 840,000             | 102.3%               |
| Contracted services-labor          | 561,870             | 561,816             | 100.0%               |
| Contracted services-other          | 68,120              | -                   | N/A                  |
| Printer supplies                   | -                   | 3,194               | -                    |
| Promotional supplies               | 5,673               | -                   | N/A                  |
| Supplies                           | 3,111               | 4,272               | 72.8%                |
| Liability insurance                | 24,092              | 25,800              | 93.4%                |
| Repairs and maintenance            |                     |                     |                      |
| Equipment                          | 8,737               | 11,600              | 75.3%                |
| General                            | 105                 | 500                 | 21.0%                |
| Snow removal                       | 151                 | -                   | N/A                  |
| Travel                             | 7,183               | 2,938               | 244.5%               |
| Abandoned vehicles                 | 615                 | 1,260               | 48.8%                |
| <b>TOTAL PARKING</b>               | <b>\$ 2,646,638</b> | <b>\$ 2,516,063</b> | <b>105.2%</b>        |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**EXPENSES COMPARED WITH BUDGET**  
**GROUNDS TRANSPORTATION DIVISION EXPENSES**  
Year Ended March 31, 2015

|                                                 | Actual                     | Budget                     | Percent of<br>Budget |
|-------------------------------------------------|----------------------------|----------------------------|----------------------|
| <b>Ground Transportation</b>                    |                            |                            |                      |
| Salaries                                        | \$ 131,659                 | \$ 132,304                 | 99.5%                |
| Health insurance                                | 12,360                     | 16,588                     | 74.5%                |
| Retirement/401K Match                           | 15,957                     | 15,969                     | 99.9%                |
| Social security                                 | 9,292                      | 10,121                     | 91.8%                |
| Retiree Health Care Expense-OPEB                | 3,346                      | 3,600                      | 92.9%                |
| Uniforms                                        | -                          | 100                        | -                    |
| Physical examinations                           | -                          | 200                        | -                    |
| Professional education                          | 995                        | 1,800                      | 55.3%                |
| Printing                                        | 1,311                      | 2,545                      | 51.5%                |
| Credit card fees                                | 1,099                      | 1,750                      | 62.8%                |
| Contracted services - Bus Drivers               | 1,073,979                  | 1,120,118                  | 95.9%                |
| Small equipment                                 | 3,135                      | 3,150                      | 99.5%                |
| Supplies                                        | 828                        | 1,000                      | 82.8%                |
| Liability insurance                             | 16,528                     | 17,700                     | 93.4%                |
| Repairs and maintenance                         |                            |                            |                      |
| Equipment                                       | 27,740                     | 28,240                     | 98.2%                |
| Travel                                          | -                          | 6,380                      | -                    |
| <b>Total Ground Transportation</b>              | <u>1,298,229</u>           | <u>1,361,565</u>           | <u>95.3%</u>         |
| <b>Traffic Control</b>                          |                            |                            |                      |
| Salaries                                        | 993,825                    | 982,228                    | 101.2%               |
| Health insurance                                | 157,875                    | 205,132                    | 77.0%                |
| Retirement/401K Match                           | 103,686                    | 98,747                     | 105.0%               |
| Social security                                 | 71,629                     | 75,143                     | 95.3%                |
| Retiree Health Care Expense - OPEB              | 38,699                     | 42,000                     | 92.1%                |
| Uniforms                                        | 17,929                     | 19,811                     | 90.5%                |
| Physical examinations                           | -                          | 396                        | -                    |
| Professional education                          | 200                        | 797                        | 25.1%                |
| Printing                                        | 3,260                      | 3,484                      | 93.6%                |
| Small equipment                                 | 4,527                      | 4,740                      | 95.5%                |
| Supplies                                        | 1,042                      | 2,100                      | 49.6%                |
| Liability insurance                             | 34,177                     | 36,600                     | 93.4%                |
| Repairs and maintenance-Equipment               | 3,048                      | 3,350                      | 91.0%                |
| Travel                                          | -                          | 160                        | -                    |
| <b>Total Traffic Control</b>                    | <u>1,429,897</u>           | <u>1,474,688</u>           | <u>97.0%</u>         |
| <b>TOTAL GROUND TRANSPORTATION<br/>DIVISION</b> | <u><u>\$ 2,728,126</u></u> | <u><u>\$ 2,836,253</u></u> | <u><u>96.2%</u></u>  |

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**EXPENSES COMPARED WITH BUDGET**  
**TERMINAL SERVICES DIVISION EXPENSES**  
 Year Ended March 31, 2015

|                                    | <u>Actual</u>            | <u>Budget</u>            | <u>Percent of<br/>Budget</u> |
|------------------------------------|--------------------------|--------------------------|------------------------------|
| <b>Terminal Services</b>           |                          |                          |                              |
| Salaries                           | \$ 89,067                | \$ 92,109                | 96.7%                        |
| Health insurance                   | 6,157                    | 8,378                    | 73.5%                        |
| Retirement/401K Match              | 7,383                    | 6,604                    | 111.8%                       |
| Social security                    | 6,152                    | 7,047                    | 87.3%                        |
| Retiree Health Care Expense - OPEB | 1,073                    | 1,200                    | 89.4%                        |
| Contracted services - Other        |                          |                          | N/A                          |
| Liability insurance                | 2,054                    | 2,200                    | 93.4%                        |
| <b>TOTAL TERMINAL SERVICES</b>     | <u><u>\$ 111,886</u></u> | <u><u>\$ 117,538</u></u> | <u><u>95.2%</u></u>          |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**DETAILS OF AIRPORT AND FACILITIES**  
March 31, 2015

|                                                    | <u>Total</u>                   | <u>Authority<br/>Funds</u>     | <u>Federal and<br/>State Funds</u> |
|----------------------------------------------------|--------------------------------|--------------------------------|------------------------------------|
| Land                                               | \$ 41,193,383                  | \$ 35,702,262                  | \$ 5,491,121                       |
| Landing field and grounds                          | 552,675,945                    | 427,183,763                    | 125,492,182                        |
| Terminal buildings                                 | 777,058,986                    | 764,821,090                    | 12,237,896                         |
| Other buildings                                    | 176,159,528                    | 141,154,226                    | 35,005,302                         |
| Utilities                                          | 5,417,436                      | 5,211,923                      | 205,513                            |
| Equipment                                          | 37,329,194                     | 37,329,194                     | -                                  |
| Construction in progress                           | <u>3,327,600</u>               | <u>3,327,600</u>               | <u>-</u>                           |
| <b>TOTAL DETAILS OF AIRPORT AND<br/>FACILITIES</b> | <u><u>\$ 1,593,162,072</u></u> | <u><u>\$ 1,414,730,058</u></u> | <u><u>\$ 178,432,014</u></u>       |

RALEIGH-DURHAM AIRPORT AUTHORITY  
**SUMMARY OF DEPRECIATION**  
 FOR THE YEAR ENDED MARCH 31, 2015

|                                             |                             |
|---------------------------------------------|-----------------------------|
| <b>Departmental</b>                         |                             |
| Administrative                              | \$ 656,375                  |
| Parking                                     | 9,481,095                   |
| Airport Fire - Rescue                       | 12,463                      |
| Airport maintenance                         | 910,068                     |
| Law enforcement                             | 12,106                      |
| Facilities and environmental                | 79,848                      |
| Operations                                  | 4,920                       |
| Communications                              | 95,877                      |
| Ground transportation                       | 1,208                       |
| <b>Total departmental</b>                   | <u>11,253,960</u>           |
| <b>Nondepartmental</b>                      |                             |
| Airfield complex                            | <u>6,171,359</u>            |
| <b>Terminal 1 complex</b>                   |                             |
| Buildings and improvements                  | <u>2,913,288</u>            |
| <b>Terminal 2 complex</b>                   |                             |
| Buildings and improvements                  | <u>18,771,648</u>           |
| <b>Central Energy Plant</b>                 | <u>554,593</u>              |
| <b>General Aviation complex</b>             |                             |
| Buildings and improvements                  | <u>3,020,305</u>            |
| <b>Cargo complex</b>                        |                             |
| Buildings and improvements                  | <u>193,392</u>              |
| <b>Ground Transportation complex</b>        |                             |
| Roadways                                    | <u>2,555,214</u>            |
| <b>Fuel Farm complex</b>                    | <u>623,694</u>              |
| <b>Office &amp; Other Buildings complex</b> | <u>3,497,738</u>            |
| <b>Utilities complex</b>                    | <u>68,795</u>               |
| <b>Rental Car complex</b>                   | <u>-</u>                    |
| <b>TOTAL DEPRECIATION</b>                   | <u><u>\$ 49,623,986</u></u> |





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.

# STATISTICAL SECTION

RALEIGH-DURHAM AIRPORT AUTHORITY  
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FOR THE FISCAL YEAR ENDED MARCH 31, 2015

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| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.                                                                          | 92          |
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Net Position by Component  
Last Ten Fiscal Years

|                                                                   | 2015                  | 2014                  | 2013                  | 2012                  | 2011                  | 2010                  | 2009                  | 2008                  | 2007                  | 2006                  |
|-------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Net Position</b>                                               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                                  | \$ 313,053,656        | \$ 330,599,774        | \$ 313,607,597        | \$ 307,107,509        | \$ 321,369,827        | \$ 302,289,837        | \$ 310,905,473        | \$ 298,851,847        | \$ 283,069,756        | \$ 272,120,858        |
| <b>Restricted For:</b>                                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| State of North Carolina Underground Storage Tank Trust Deductible | 220,000               | 220,000               | 220,000               | 220,000               | 220,000               | 220,000               | 220,000               | 220,000               | 220,000               | 220,000               |
| Passenger Facility Charges                                        | 4,325,108             | 7,212,645             | 13,239,327            | 18,149,465            | 22,671,438            | 73,294,625            | 74,428,717            | 73,609,528            | 54,433,797            | 39,088,582            |
| Unrestricted Net Position                                         | 108,760,835           | 86,803,531            | 93,733,389            | 96,036,491            | 97,869,697            | 108,572,170           | 91,557,348            | 88,539,606            | 86,543,100            | 75,110,876            |
| <b>Total Net Position</b>                                         | <b>\$ 426,359,599</b> | <b>\$ 424,835,950</b> | <b>\$ 420,800,313</b> | <b>\$ 421,513,465</b> | <b>\$ 442,130,962</b> | <b>\$ 484,376,632</b> | <b>\$ 477,111,538</b> | <b>\$ 461,220,981</b> | <b>\$ 424,266,653</b> | <b>\$ 386,540,316</b> |

**Note:**

Due to Raleigh-Durham Airport Authority's required adoption of GASB 63 & 65 during FY2013, the Net Position for FY2012 have been re-stated for comparative financial statements.

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

|                                                              | <u>2015</u>           | <u>2014</u>           | <u>2013</u>           | <u>2012</u>           | <u>2011</u>           | <u>2010</u>           | <u>2009</u>           | <u>2008</u>           | <u>2007</u>           | <u>2006</u>           |
|--------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Operating revenues                                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Parking                                                      | \$ 42,900,176         | \$ 40,634,069         | \$ 40,455,878         | \$ 36,406,284         | \$ 35,150,897         | \$ 33,998,195         | \$ 36,572,511         | \$ 39,500,251         | \$ 37,118,422         | \$ 35,102,368         |
| Airfield                                                     | 11,361,874            | 12,158,127            | 11,366,233            | 11,930,074            | 11,865,742            | 12,499,790            | 10,614,546            | 11,308,179            | 10,931,805            | 6,852,766             |
| General aviation                                             | 1,632,938             | 1,475,959             | 1,539,352             | 1,399,599             | 1,400,643             | 1,398,821             | 1,387,739             | 1,342,211             | 817,917               | 1,017,201             |
| Terminals                                                    | 31,649,941            | 26,230,425            | 27,022,756            | 27,020,695            | 24,632,442            | 23,283,910            | 20,459,651            | 18,845,460            | 17,692,618            | 16,323,512            |
| Air cargo                                                    | 2,186,712             | 2,032,561             | 2,000,218             | 2,300,134             | 2,016,233             | 2,004,795             | 1,989,512             | 1,959,833             | 1,911,283             | 1,741,380             |
| Fuel Farm                                                    | 1,493,730             | 1,260,329             | 1,033,960             | 1,041,622             | 972,544               | 961,740               | 927,232               | 565,893               | 1,170,945             | 1,166,326             |
| Rental car                                                   | 14,191,508            | 13,126,408            | 12,875,772            | 12,305,766            | 11,967,229            | 11,604,879            | 12,788,821            | 13,628,529            | 12,793,354            | 11,109,594            |
| Other                                                        | 2,053,355             | 1,779,631             | 1,750,567             | 1,980,374             | 1,614,048             | 1,416,787             | 1,492,178             | 1,208,407             | 1,186,009             | 1,079,832             |
| <b>Total operating revenues</b>                              | <b>107,470,234</b>    | <b>98,697,509</b>     | <b>98,044,736</b>     | <b>94,384,548</b>     | <b>89,619,778</b>     | <b>87,168,917</b>     | <b>86,232,190</b>     | <b>88,358,763</b>     | <b>83,622,353</b>     | <b>74,392,979</b>     |
| Operating expenses                                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Airport facilities                                           | 20,771,149            | 21,427,418            | 19,852,701            | 19,742,281            | 19,122,793            | 17,956,239            | 15,499,047            | 12,290,026            | 12,670,053            | 12,624,529            |
| Administrative                                               | 13,081,431            | 11,439,962            | 10,104,828            | 9,631,766             | 9,438,549             | 8,201,857             | 8,274,367             | 6,684,641             | 5,468,321             | 5,212,159             |
| Fuel Farm                                                    | 974,962               | 988,781               | 962,410               | 954,405               | 978,378               | 903,815               | 932,042               | 739,965               | -                     | -                     |
| Law enforcement                                              | 3,083,883             | 2,621,284             | 3,276,244             | 3,352,166             | 3,253,639             | 2,848,365             | 3,008,371             | 2,987,660             | 2,685,681             | 2,710,370             |
| Airport maintenance                                          | 5,752,900             | 5,682,924             | 5,582,380             | 5,147,431             | 5,176,960             | 4,828,437             | 4,821,408             | 4,247,141             | 3,986,311             | 3,711,178             |
| Parking                                                      | 2,646,638             | 2,734,778             | 2,695,904             | 2,752,134             | 2,829,332             | 2,416,808             | 2,756,988             | 2,644,350             | 2,729,983             | 2,586,436             |
| Emergency services                                           | 1,630,311             | 1,687,521             | 1,588,000             | 1,601,134             | 1,614,092             | 1,523,960             | 1,461,996             | 1,508,453             | 1,313,139             | 1,413,059             |
| Visitor services                                             | 793,295               | 803,492               | 736,912               | 734,451               | 758,323               | 689,040               | 611,002               | 543,024               | 558,204               | 565,644               |
| Communications                                               | 706,819               | 722,262               | 777,618               | 751,792               | 808,140               | 727,856               | 814,682               | 741,821               | 648,163               | 651,726               |
| Operations                                                   | 1,325,999             | 1,277,388             | 1,211,335             | 1,127,924             | 1,069,994             | 984,061               | 1,004,747             | 919,665               | 938,333               | 906,909               |
| Ground transportation                                        | 2,728,126             | 2,656,949             | 2,573,877             | 2,608,835             | 2,685,399             | 2,701,382             | 2,722,685             | 2,771,980             | 2,586,828             | 2,850,381             |
| Terminal Services                                            | 111,886               | 129,396               | 237,313               | 334,352               | 256,996               | 227,699               | 222,382               | 123,352               | -                     | -                     |
| <b>Subtotal</b>                                              | <b>53,607,399</b>     | <b>52,172,155</b>     | <b>49,599,522</b>     | <b>48,738,671</b>     | <b>47,992,595</b>     | <b>44,009,519</b>     | <b>42,129,717</b>     | <b>36,202,078</b>     | <b>33,585,016</b>     | <b>33,232,391</b>     |
| Depreciation                                                 | 49,623,986            | 47,901,680            | 48,678,489            | 49,359,167            | 47,095,977            | 47,523,955            | 39,245,679            | 33,505,153            | 32,581,129            | 28,548,381            |
| <b>Total operating expenses</b>                              | <b>103,231,385</b>    | <b>100,073,835</b>    | <b>98,278,011</b>     | <b>98,097,838</b>     | <b>95,088,572</b>     | <b>91,533,474</b>     | <b>81,375,396</b>     | <b>69,707,231</b>     | <b>66,166,145</b>     | <b>61,780,772</b>     |
| <b>Operating income (loss)</b>                               | <b>4,238,849</b>      | <b>(1,376,326)</b>    | <b>(233,275)</b>      | <b>(3,713,290)</b>    | <b>(5,468,794)</b>    | <b>(4,364,557)</b>    | <b>4,856,794</b>      | <b>18,651,532</b>     | <b>17,456,208</b>     | <b>12,612,207</b>     |
| Non-operating revenues (expenses)                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Investment interest income                                   | 2,465,613             | 1,419,898             | 2,054,048             | 2,148,101             | 2,500,267             | 3,750,839             | 5,592,912             | 8,507,396             | 5,484,164             | 4,015,127             |
| Passenger Facility Charges                                   | 19,113,463            | 18,323,327            | 18,734,688            | 18,424,026            | 18,818,814            | 18,940,075            | 19,710,529            | 24,006,372            | 20,965,795            | 20,632,549            |
| Net decrease in fair value of investments                    | (570,203)             | 477,643               | 781,419               | 241,068               | (404,171)             | (404,147)             | (40,516)              | 771,553               | 718,703               | 160,248               |
| Bond interest expense, net                                   | (26,763,852)          | (25,801,032)          | (27,933,517)          | (29,077,558)          | (25,491,187)          | (22,663,862)          | (15,989,551)          | (15,239,195)          | (9,556,465)           | (9,878,616)           |
| Loss on disposal of airport facilities                       | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Loss on swap termination                                     | -                     | -                     | -                     | (1,465,749)           | (34,350,297)          | -                     | (4,543,541)           | -                     | -                     | -                     |
| Amortization of deferred expenses related to 2001A refunding | -                     | -                     | -                     | -                     | (5,392,913)           | -                     | -                     | -                     | -                     | -                     |
| Other, Revenue (TSA Reimb, Late Fees, Misc)                  | 580,360               | 344,365               | 408,133               | 729,996               | 873,263               | 487,820               | 626,545               | 206,670               | 372,260               | 314,989               |
| <b>Total non-operating revenues (expenses)</b>               | <b>(5,174,619)</b>    | <b>(5,235,799)</b>    | <b>(5,955,229)</b>    | <b>(9,000,116)</b>    | <b>(43,446,224)</b>   | <b>110,725</b>        | <b>5,356,378</b>      | <b>18,252,796</b>     | <b>17,984,457</b>     | <b>15,244,297</b>     |
| <b>Income (loss) before capital contributions</b>            | <b>(935,770)</b>      | <b>(6,612,125)</b>    | <b>(6,188,504)</b>    | <b>(12,713,406)</b>   | <b>(48,915,018)</b>   | <b>(4,253,832)</b>    | <b>10,213,172</b>     | <b>36,904,328</b>     | <b>35,440,665</b>     | <b>27,856,504</b>     |
| Capital contributions                                        | 2,459,419             | 10,647,762            | 5,475,352             | 644,240               | 6,669,348             | 11,518,926            | 5,677,385             | 50,000                | 2,285,672             | 19,219,885            |
| <b>Increase (decrease) in net position</b>                   | <b>1,523,649</b>      | <b>4,035,637</b>      | <b>(713,152)</b>      | <b>(12,069,166)</b>   | <b>(42,245,670)</b>   | <b>7,265,094</b>      | <b>15,890,557</b>     | <b>36,954,328</b>     | <b>37,726,337</b>     | <b>47,076,389</b>     |
| Net position, beginning of year                              | <b>424,835,950</b>    | <b>420,800,313</b>    | <b>421,513,465</b>    | <b>433,582,631</b>    | <b>484,376,632</b>    | <b>477,111,538</b>    | <b>461,220,981</b>    | <b>424,266,653</b>    | <b>386,540,316</b>    | <b>339,463,927</b>    |
| <b>Net position, end of year</b>                             | <b>\$ 426,359,599</b> | <b>\$ 424,835,950</b> | <b>\$ 420,800,313</b> | <b>\$ 421,513,465</b> | <b>\$ 442,130,962</b> | <b>\$ 484,376,632</b> | <b>\$ 477,111,538</b> | <b>\$ 461,220,981</b> | <b>\$ 424,266,653</b> | <b>\$ 386,540,316</b> |

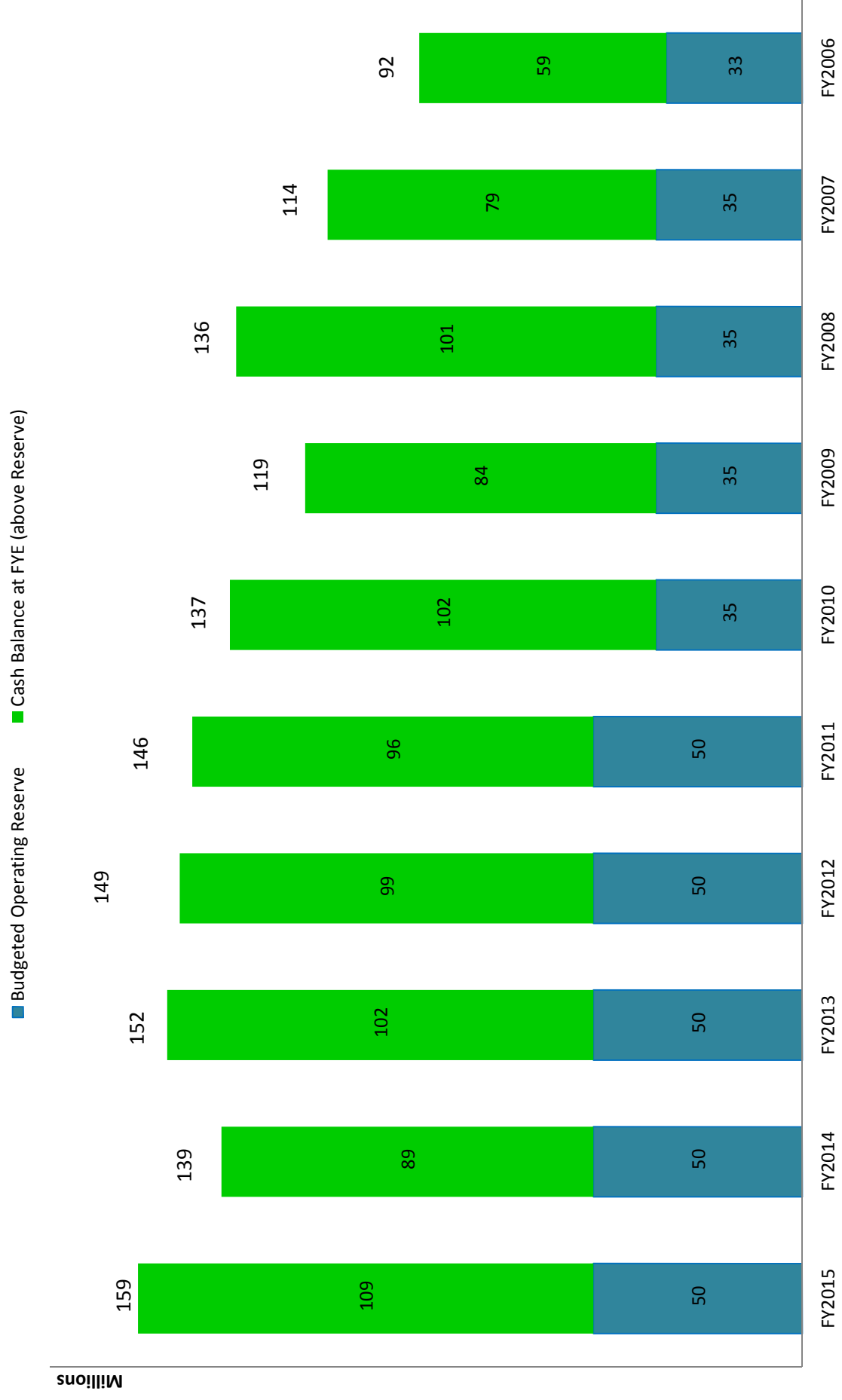
Note:

Due to Raleigh-Durham Airport Authority's required adoption of GASB 63 & 65 during FY2013, the Net Position for FY2012 have been re-stated for comparative financial statements.

**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**KEY PERFORMANCE INDICATORS**  
Last Ten Fiscal Years

|                                                   | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Airline Revenue per Enplanement                   | \$ 6.91     | \$ 6.45     | \$ 6.35     | \$ 6.48     | \$ 6.29     | \$ 6.24     | \$ 5.09     | \$ 4.50     | \$ 4.62     | \$ 3.80     |
| Airline Revenue per Airline Operation             | 247.87      | 218.82      | 215.93      | 206.77      | 191.23      | 186.94      | 145.35      | 120.55      | 120.81      | 96.22       |
| Total Aeronautical Revenue per Total Operation    | 220.80      | 194.58      | 192.23      | 186.22      | 178.95      | 171.91      | 132.04      | 110.81      | 110.80      | 90.68       |
| Concession Revenue per Enplanement                | 1.60        | 1.49        | 1.44        | 1.49        | 1.43        | 1.39        | 1.25        | 1.19        | 1.11        | 1.04        |
| Concession Revenue per Airline Operation          | 57.52       | 50.64       | 48.96       | 47.62       | 43.52       | 41.80       | 35.58       | 31.91       | 28.94       | 26.47       |
| Rental Car Revenue per Enplanement                | 2.95        | 2.86        | 2.78        | 2.68        | 2.62        | 2.57        | 2.73        | 2.69        | 2.68        | 2.36        |
| Rental Car Revenue per Airline Operation          | 105.95      | 96.84       | 94.53       | 85.35       | 79.84       | 77.00       | 77.93       | 71.96       | 70.08       | 59.91       |
| Parking Revenue per Enplanement                   | 9.26        | 9.13        | 9.01        | 8.18        | 7.95        | 7.76        | 7.99        | 7.87        | 7.85        | 7.53        |
| Parking Revenue per Airline Operation             | 332.28      | 309.53      | 306.46      | 260.80      | 241.89      | 232.63      | 228.18      | 210.62      | 205.17      | 190.76      |
| Non-Aeronautical Revenue per Enplanement          | 14.10       | 13.73       | 13.49       | 12.66       | 12.09       | 11.82       | 12.16       | 11.92       | 11.80       | 11.09       |
| Non-Aeronautical Revenue per Airline Operation    | 505.68      | 465.46      | 458.76      | 404.01      | 367.65      | 354.43      | 347.08      | 319.05      | 308.42      | 281.06      |
| Non-Airline Operating Revenue per Enplanement     | 15.55       | 15.10       | 14.79       | 14.05       | 13.43       | 13.18       | 13.32       | 12.92       | 12.91       | 12.03       |
| Non-Airline Operating Revenue per Total Operation | 410.53      | 375.41      | 371.62      | 332.51      | 314.97      | 298.45      | 281.39      | 259.97      | 249.71      | 230.23      |
| Total Operating Revenue per Enplanement           | 22.46       | 21.55       | 21.14       | 20.53       | 19.72       | 19.41       | 18.41       | 17.43       | 17.53       | 15.83       |
| Total Operating Revenue per Airline Operation     | 805.71      | 730.87      | 718.97      | 655.08      | 599.76      | 581.97      | 525.44      | 466.52      | 458.07      | 401.15      |
| Total Operating Revenue per Total Operation       | 592.95      | 535.84      | 531.13      | 485.88      | 462.41      | 439.68      | 389.00      | 350.56      | 339.16      | 302.88      |
| Total Operating Expenses per Enplanement          | 11.16       | 11.35       | 10.71       | 10.57       | 10.49       | 9.74        | 8.99        | 7.14        | 7.04        | 7.07        |
| Total Operating Expenses per Airline Operation    | 400.21      | 384.88      | 364.16      | 337.16      | 319.14      | 292.01      | 256.71      | 191.14      | 183.97      | 179.20      |
| Total Operating Expenses per Total Operation      | 294.53      | 282.17      | 269.02      | 250.08      | 246.05      | 220.62      | 190.05      | 143.63      | 136.22      | 135.30      |
| Number of Days Unrestricted Cash On Hand          | 1,084       | 976         | 1,118       | 1,112       | 1,162       | 1,135       | 1,029       | 1,364       | 1,232       | 1,006       |

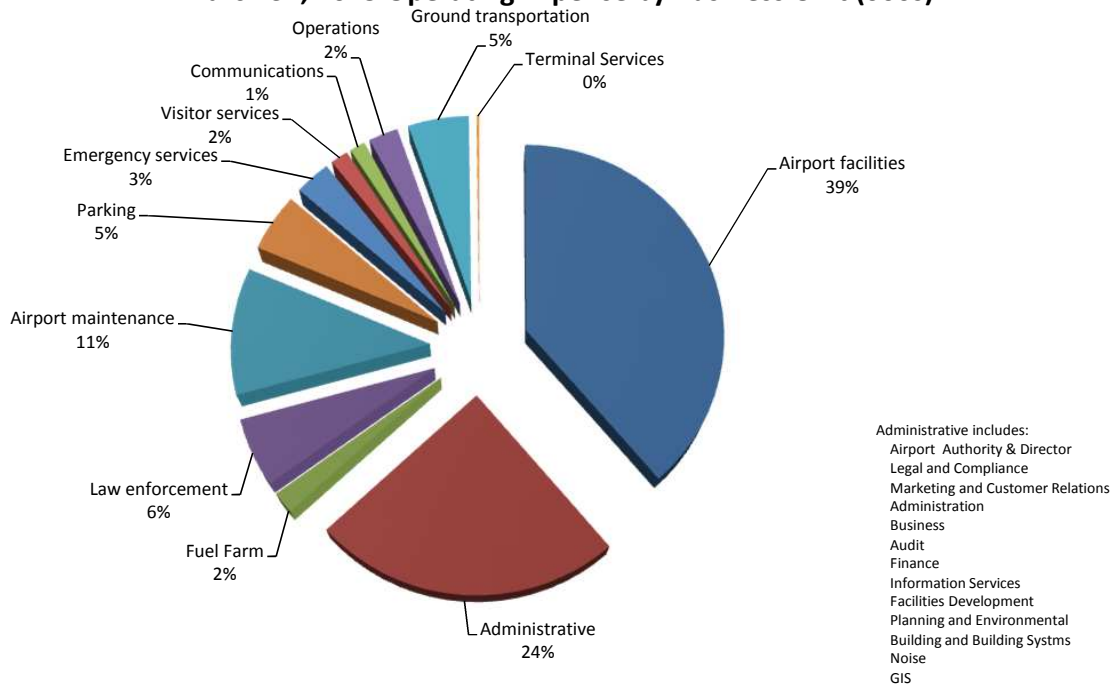
## RDU Cash/Investment Balances vs Operating Reserve Policy (Excluding PFC Cash Balance & Bond Proceeds)



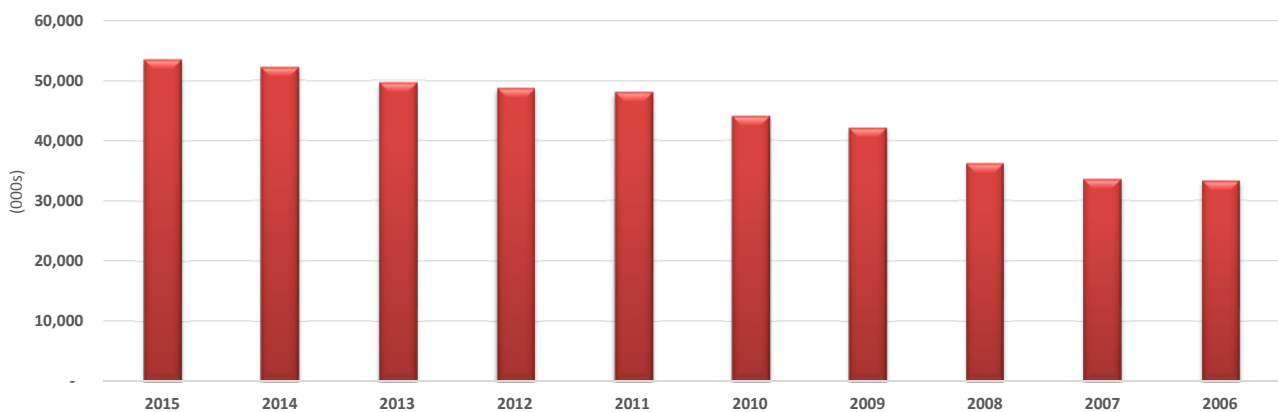
### FYE March 31, 2015 Operating Expense by Business Unit (000s)

|                       | 2015             | 2014             | 2013             | 2012             | 2011             | 2010             | 2009             | 2008             | 2007             | 2006             |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Airport facilities    | \$ 20,771        | \$ 21,427        | \$ 19,853        | \$ 19,742        | \$ 19,123        | \$ 17,956        | \$ 15,499        | \$ 12,290        | \$ 12,670        | \$ 12,625        |
| Administrative        | 13,081           | 11,440           | 10,105           | 9,632            | 9,439            | 8,202            | 8,274            | 6,685            | 5,468            | 5,212            |
| Fuel Farm             | 975              | 989              | 962              | 954              | 978              | 904              | 932              | 740              | -                | -                |
| Law enforcement       | 3,084            | 2,621            | 3,276            | 3,352            | 3,254            | 2,848            | 3,008            | 2,988            | 2,686            | 2,710            |
| Airport maintenance   | 5,753            | 5,683            | 5,582            | 5,147            | 5,177            | 4,828            | 4,821            | 4,247            | 3,986            | 3,711            |
| Parking               | 2,647            | 2,735            | 2,696            | 2,752            | 2,829            | 2,417            | 2,757            | 2,644            | 2,730            | 2,586            |
| Emergency services    | 1,630            | 1,688            | 1,588            | 1,601            | 1,614            | 1,524            | 1,462            | 1,508            | 1,313            | 1,413            |
| Visitor services      | 793              | 803              | 737              | 734              | 758              | 689              | 611              | 543              | 558              | 566              |
| Communications        | 707              | 722              | 778              | 752              | 808              | 728              | 815              | 742              | 648              | 652              |
| Operations            | 1,326            | 1,277            | 1,211            | 1,128            | 1,070            | 984              | 1,005            | 920              | 938              | 907              |
| Ground transportation | 2,728            | 2,657            | 2,574            | 2,609            | 2,685            | 2,701            | 2,723            | 2,772            | 2,587            | 2,850            |
| Terminal Services     | 112              | 129              | 237              | 334              | 257              | 228              | 222              | 123              | -                | -                |
| <b>Total</b>          | <b>\$ 53,607</b> | <b>\$ 52,172</b> | <b>\$ 49,600</b> | <b>\$ 48,739</b> | <b>\$ 47,993</b> | <b>\$ 44,010</b> | <b>\$ 42,130</b> | <b>\$ 36,202</b> | <b>\$ 33,585</b> | <b>\$ 33,232</b> |

### FYE March 31, 2015 Operating Expense by Business Unit (000s)



### Operating Expenses

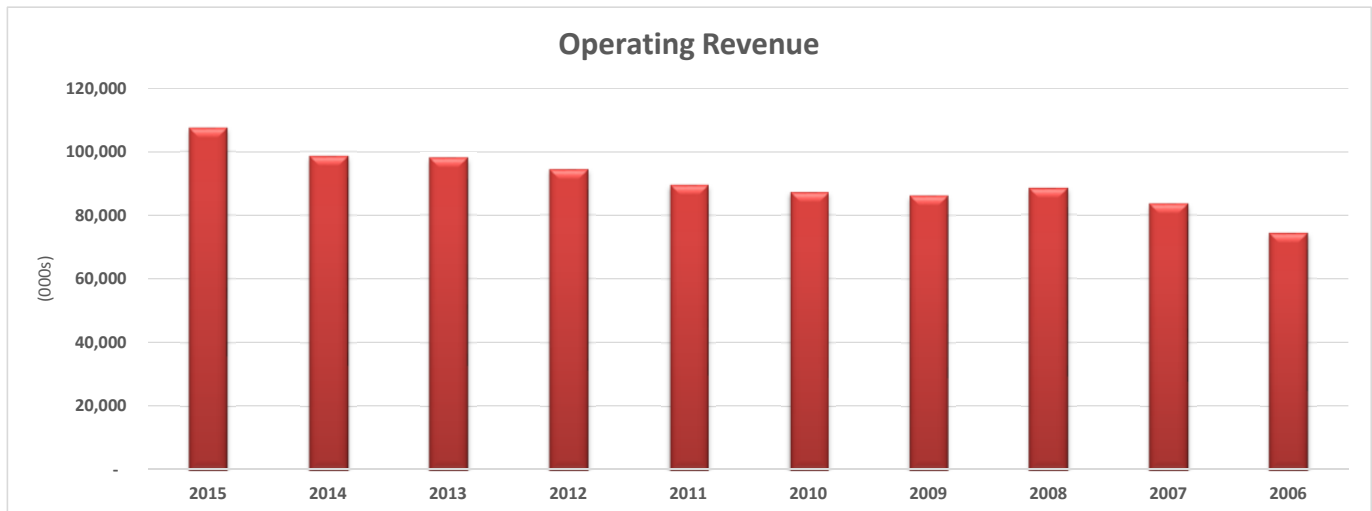
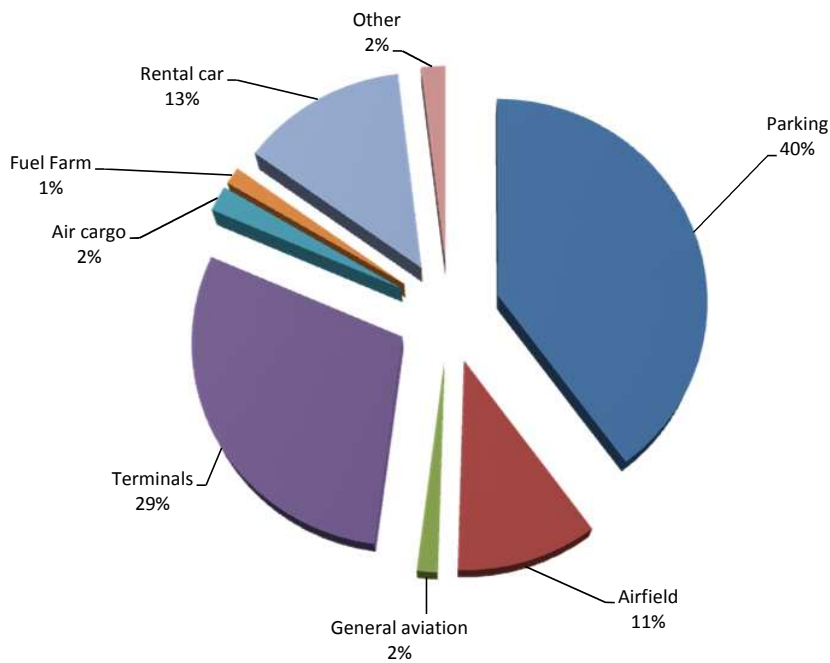




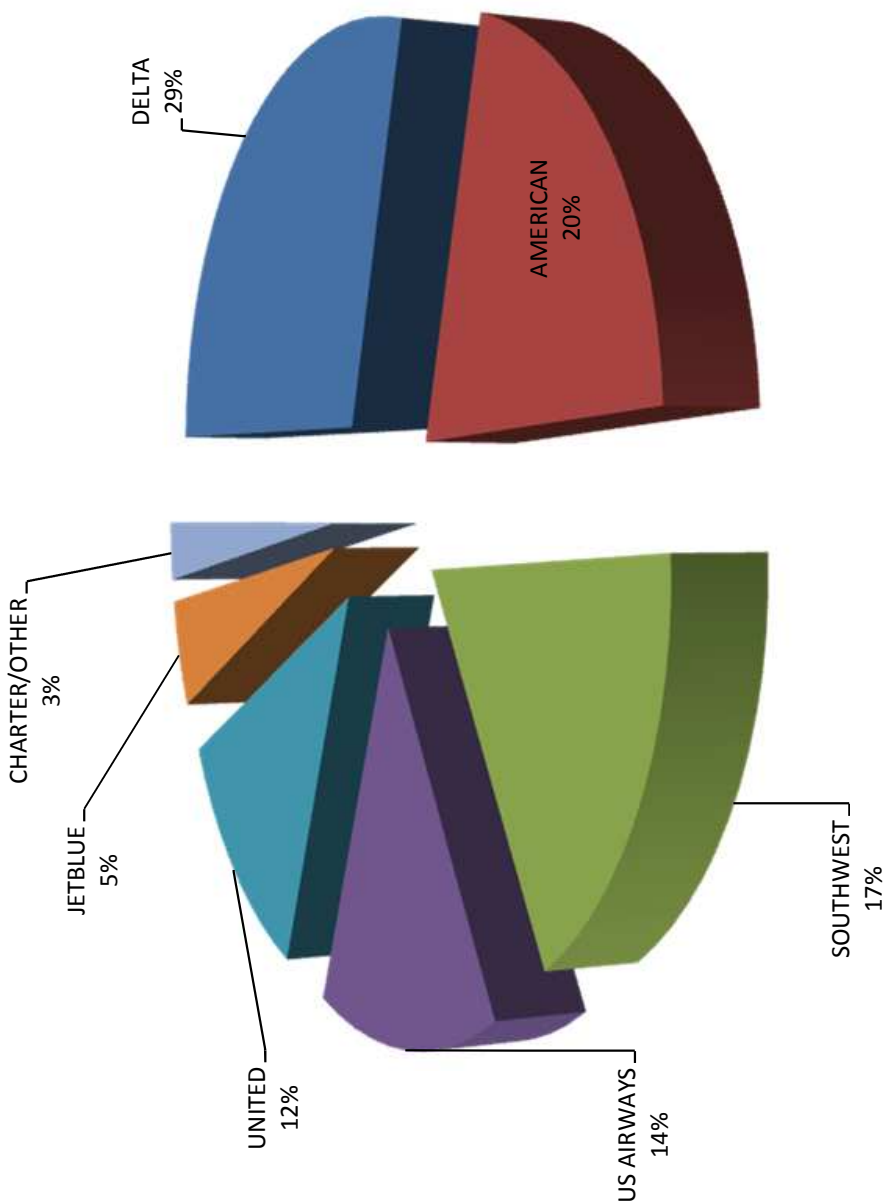
### FYE March 31, 2015 Operating Revenue by Source (000s)

|                  | 2015       | 2014      | 2013      | 2012      | 2011      | 2010      | 2009      | 2008      | 2007      | 2006      |
|------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Parking          | \$ 42,900  | \$ 40,634 | \$ 40,456 | \$ 36,406 | \$ 35,151 | \$ 33,998 | \$ 36,573 | \$ 39,500 | \$ 37,118 | \$ 35,102 |
| Airfield         | 11,362     | 12,158    | 11,366    | 11,930    | 11,866    | 12,500    | 10,615    | 11,308    | 10,932    | 6,853     |
| General aviation | 1,633      | 1,476     | 1,539     | 1,400     | 1,401     | 1,399     | 1,388     | 1,342     | 818       | 1,017     |
| Terminals        | 31,650     | 26,230    | 27,023    | 27,021    | 24,632    | 23,284    | 20,460    | 18,845    | 17,693    | 16,324    |
| Air cargo        | 2,187      | 2,033     | 2,000     | 2,300     | 2,016     | 2,005     | 1,990     | 1,960     | 1,911     | 1,741     |
| Fuel Farm        | 1,494      | 1,260     | 1,034     | 1,042     | 973       | 962       | 927       | 566       | 1,171     | 1,166     |
| Rental car       | 14,191     | 13,126    | 12,876    | 12,306    | 11,967    | 11,605    | 12,789    | 13,629    | 12,793    | 11,110    |
| Other            | 2,053      | 1,780     | 1,751     | 1,980     | 1,614     | 1,417     | 1,492     | 1,208     | 1,186     | 1,080     |
| Total            | \$ 107,470 | \$ 98,698 | \$ 98,045 | \$ 94,385 | \$ 89,620 | \$ 87,169 | \$ 86,232 | \$ 88,359 | \$ 83,622 | \$ 74,393 |

### FYE March 31, 2015 Operating Revenue by Source (000s)



FYE March 31, 2015 Airline Derived Revenue by Carrier



no carrier accounted for more than 8.04% of operating revenues

RALEIGH-DURHAM AIRPORT AUTHORITY  
DEBT SERVICE SCHEDULE

with Irrevocable PFC Offsets (as committed)

|                                                                                                                                                              | FY 2024/2025  | FY 2023/2024  | FY 2022/2023  | FY 2021/2022  | FY 2020/2021  | FY 2019/2020  | FY 2018/2019  | FY 2017/2018  | FY 2016/2017  | FY 2015/2016      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| <b>RDU BONDS ISSUES</b>                                                                                                                                      |               |               |               |               |               |               |               |               |               |                   |
| <b>2005 A (Non-AMT) - \$39,805 mill. (4.66%)</b>                                                                                                             |               |               |               |               |               |               |               |               |               |                   |
| Principal (May Only)                                                                                                                                         | \$ 3,370,000  | \$ 3,205,000  | \$ 3,050,000  | \$ 2,900,000  | \$ 2,760,000  | \$ 490,000    | n/a           | n/a           | n/a           | n/a               |
| Interest (May)                                                                                                                                               | 673,219       | 753,344       | 829,594       | 902,094       | 971,094       | 980,894       | 980,894       | 980,894       | 980,894       | 980,894           |
| Interest (November)                                                                                                                                          | 588,969       | 673,219       | 753,344       | 829,594       | 902,094       | 971,094       | 980,894       | 980,894       | 980,894       | 980,894           |
| Total                                                                                                                                                        | \$ 4,632,188  | \$ 4,631,563  | \$ 4,632,938  | \$ 4,631,688  | \$ 4,633,188  | \$ 2,441,988  | \$ 1,961,788  | \$ 1,961,788  | \$ 1,961,788  | \$ 1,961,788      |
| <b>2005 B (AMT) - \$85.49 mill. (4.56%)</b>                                                                                                                  |               |               |               |               |               |               |               |               |               |                   |
| Principal (May Only) PFC Application of Funds                                                                                                                | \$ 3,420,000  | \$ 3,270,000  | \$ 3,120,000  | \$ 2,965,000  | \$ 2,820,000  | \$ 4,820,000  | \$ 5,055,000  | \$ 4,810,000  | \$ 4,575,000  | \$ 4,355,000      |
| Interest (May) PFC Application of Funds                                                                                                                      | 540,231       | 613,806       | 691,806       | 765,931       | 836,431       | 956,931       | 1,083,306     | 1,203,556     | 1,317,931     | 1,420,156         |
| Interest (November) PFC Application of Funds                                                                                                                 | 463,281       | 540,231       | 613,806       | 691,806       | 765,931       | 836,431       | 956,931       | 1,083,306     | 1,203,556     | 1,317,931         |
| Total                                                                                                                                                        | \$ 4,423,513  | \$ 4,424,038  | \$ 4,425,613  | \$ 4,422,738  | \$ 4,422,363  | \$ 6,613,363  | \$ 7,095,238  | \$ 7,096,863  | \$ 7,096,488  | \$ 7,093,088      |
| <b>2007 (AMT) - \$152,070 mill. (4.75%)</b>                                                                                                                  |               |               |               |               |               |               |               |               |               |                   |
| Principal (May Only) PFC Application of Funds                                                                                                                | \$ 5,255,000  | \$ 5,000,000  | \$ 4,755,000  | \$ 4,525,000  | \$ 4,305,000  | \$ 4,095,000  | \$ 3,895,000  | \$ 3,705,000  | \$ 3,525,000  | \$ 3,355,000      |
| Interest (May) PFC Application of Funds                                                                                                                      | 2,517,138     | 2,642,138     | 2,761,013     | 2,874,138     | 2,981,763     | 3,084,138     | 3,181,513     | 3,274,138     | 3,362,263     | 3,445,138         |
| Interest (November) PFC Application of Funds                                                                                                                 | 2,385,763     | 2,517,138     | 2,642,138     | 2,761,013     | 2,874,138     | 2,981,763     | 3,084,138     | 3,181,513     | 3,274,138     | 3,362,263         |
| Total                                                                                                                                                        | \$ 10,157,900 | \$ 10,159,275 | \$ 10,158,150 | \$ 10,160,150 | \$ 10,160,900 | \$ 10,160,900 | \$ 10,160,650 | \$ 10,160,650 | \$ 10,161,400 | \$ 10,162,400     |
| <b>2008 C (Non-AMT) - \$72,295 mill. Variable rate</b>                                                                                                       |               |               |               |               |               |               |               |               |               |                   |
| Principal (May Only) PFC Application of Funds                                                                                                                | \$ 2,680,000  | \$ 2,550,000  | \$ 2,440,000  | \$ 2,330,000  | \$ 2,220,000  | \$ 2,120,000  | \$ 2,020,000  | \$ 1,925,000  | \$ 1,840,000  | \$ 1,750,000      |
| Interest (12 Monthly Payments) PFC Application of Funds                                                                                                      | 1,776,333     | 1,883,100     | 1,984,733     | 2,081,967     | 2,174,800     | 2,263,267     | 2,347,733     | 2,428,217     | 2,504,933     | 2,578,233         |
| Total                                                                                                                                                        | \$ 4,456,333  | \$ 4,433,100  | \$ 4,424,733  | \$ 4,411,967  | \$ 4,394,800  | \$ 4,383,267  | \$ 4,367,733  | \$ 4,353,217  | \$ 4,344,933  | \$ 4,328,233      |
| <b>2010A (Non-AMT) - \$242,365 mill. (4.11%) Fixed Rate</b>                                                                                                  |               |               |               |               |               |               |               |               |               |                   |
| Principal (May Only)                                                                                                                                         | \$ 8,955,000  | \$ 8,520,000  | \$ 8,105,000  | \$ 7,710,000  | \$ 7,330,000  | \$ 6,975,000  | \$ 6,635,000  | \$ 6,310,000  | \$ 6,005,000  | \$ 5,740,000      |
| Interest (May)                                                                                                                                               | 3,853,506     | 4,066,506     | 4,269,131     | 4,461,881     | 4,645,131     | 4,819,506     | 4,985,381     | 5,143,131     | 5,293,256     | 5,408,056         |
| Interest (November)                                                                                                                                          | 3,629,631     | 3,853,506     | 4,066,506     | 4,269,131     | 4,461,881     | 4,645,131     | 4,819,506     | 4,985,381     | 5,143,131     | 5,293,256         |
| Total                                                                                                                                                        | \$ 16,438,138 | \$ 16,440,013 | \$ 16,440,638 | \$ 16,441,013 | \$ 16,437,013 | \$ 16,439,638 | \$ 16,439,888 | \$ 16,438,513 | \$ 16,441,388 | \$ 16,441,313     |
| <b>2010B - (Non-AMT) - \$94.08 mill. (4.11%) Fixed Rate</b>                                                                                                  |               |               |               |               |               |               |               |               |               |                   |
| Principal (November Only)                                                                                                                                    | \$ 6,715,000  | \$ 6,395,000  | \$ 6,090,000  | \$ 5,805,000  | \$ 5,630,000  | \$ 5,365,000  | \$ 5,110,000  | \$ 4,865,000  | \$ 4,725,000  | \$ 4,540,000      |
| Interest (May)                                                                                                                                               | 723,750       | 883,625       | 1,035,875     | 1,181,000     | 1,265,450     | 1,399,575     | 1,527,325     | 1,648,950     | 1,719,825     | 1,810,625         |
| Interest (November)                                                                                                                                          | 723,750       | 883,625       | 1,035,875     | 1,181,000     | 1,265,450     | 1,399,575     | 1,527,325     | 1,648,950     | 1,719,825     | 1,810,625         |
| Total                                                                                                                                                        | \$ 8,162,500  | \$ 8,162,250  | \$ 8,161,750  | \$ 8,167,000  | \$ 8,160,900  | \$ 8,164,150  | \$ 8,164,650  | \$ 8,162,900  | \$ 8,164,650  | \$ 8,161,250      |
| <b>2010B-1 (Non-AMT) - \$38,235 mill. (4.18%) Fixed Rate</b>                                                                                                 |               |               |               |               |               |               |               |               |               |                   |
| Principal (November Only)                                                                                                                                    | n/a           | n/a           | n/a           | n/a           | n/a           | n/a           | n/a           | n/a           | n/a           | n/a               |
| Interest (May)                                                                                                                                               | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550           |
| Interest (November)                                                                                                                                          | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550       | 851,550           |
| Total                                                                                                                                                        | \$ 1,703,100  | \$ 1,703,100  | \$ 1,703,100  | \$ 1,703,100  | \$ 1,703,100  | \$ 1,703,100  | \$ 1,703,100  | \$ 1,703,100  | \$ 1,703,100  | \$ 1,703,100      |
| <b>FY Principal Total</b>                                                                                                                                    |               |               |               |               |               |               |               |               |               |                   |
| <b>FY Interest Total</b>                                                                                                                                     |               |               |               |               |               |               |               |               |               |                   |
| <b>Total Principal and Interest</b>                                                                                                                          | \$ 49,973,671 | \$ 49,953,338 | \$ 49,946,921 | \$ 49,937,655 | \$ 49,912,263 | \$ 49,906,405 | \$ 49,893,046 | \$ 49,877,030 | \$ 49,873,746 | \$ 49,851,171     |
| <b>Total Principal Outstanding at end of FY</b>                                                                                                              |               |               |               |               |               |               |               |               |               |                   |
| <b>\$ 395,215,000 \$ 425,610,000 \$ 454,550,000 \$ 482,110,000 \$ 508,345,000 \$ 533,410,000 \$ 557,275,000 \$ 579,990,000 \$ 601,605,000 \$ 622,275,000</b> |               |               |               |               |               |               |               |               |               |                   |
| <b>PFC Offsets to Annual Debt Service</b>                                                                                                                    |               |               |               |               |               |               |               |               |               |                   |
| <b>Irrevocable Commitment of PFC's</b>                                                                                                                       |               |               |               |               |               |               |               |               |               |                   |
| <b>DEBT SERVICE P &amp; I NET OF PFC OFFSET</b>                                                                                                              |               |               |               |               |               |               |               |               |               |                   |
|                                                                                                                                                              | \$ 49,973,671 | \$ 49,953,338 | \$ 49,946,921 | \$ 49,937,655 | \$ 49,912,263 | \$ 49,906,405 | \$ 49,893,046 | \$ 49,877,030 | \$ 49,873,746 | \$ 27,850,171     |
| <b>Irrevocable Commitments are not yet determined for the years beyond FY 2015/2016</b>                                                                      |               |               |               |               |               |               |               |               |               |                   |
|                                                                                                                                                              |               |               |               |               |               |               |               |               |               | <b>22,001,000</b> |

**Notes:**

1. This schedule represents Cashflow Scheduled Debt Service. Accrual Basis interest expense will differ slightly.
2. 2008 interest costs are based on estimated weekly variable rates of 4.0%. The actual average variable rates at March 31, 2015 was 2 basis points or .02%. This interest cost excludes program costs such as liquidity and remarketing fees which total \$2.5 basis pts.

RALEIGH-DURHAM AIRPORT AUTHORITY  
DEBT PROFILE

3/31/2014 & 3/31/2015

| <u>Type of Debt</u><br>General Airport Revenue Bonds (GARBs): |                  | Original Term | Tax Exempt Status | Use of Funds                                                  | Original Issue Size | 3/31/2014 Debt Amount Outstanding | Principal Payments made FY 14/15 | 3/31/2015 Debt Amount Outstanding |
|---------------------------------------------------------------|------------------|---------------|-------------------|---------------------------------------------------------------|---------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Fixed Rate                                                    | Series 2001A     | 30            | Non-AMT           | Parking Garage 4 (Defeased by 2010B, B-1 refunding)           | \$ 156,975,000      | \$ -                              |                                  | \$ -                              |
| Fixed Rate                                                    | Series 2001B     | 13            | Non-AMT           | Refunded Parking Rev Bonds (Cash defeased March 2011 )        | 47,570,000          | -                                 |                                  | -                                 |
| Variable Rate                                                 | Series 2002      | 15            | AMT               | Term C Lease Buyout (Paid off in August 2008)                 | 30,000,000          | -                                 |                                  | -                                 |
| Bond Anticipation Notes                                       | Series 2002B     | 1             | -                 | Terminal 2 Bond Anticipation Notes (Paid off with 2005 Bonds) | 35,000,000          | -                                 |                                  | -                                 |
| Bond Anticipation Notes                                       | Series 2003      | 1             | -                 | Terminal 2 Bond Anticipation Notes (Paid off with 2005 Bonds) | 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                        | \$ -                             | 39,805,000                        |
| Fixed Rate                                                    | Series 2005B     | 25            | AMT               | Terminal 2 Project, 25% of Taxiway D                          | 85,490,000          | 63,055,000                        | \$ 4,150,000                     | 58,905,000                        |
| Variable Rate swapped to Fixed                                | Series 2006ABCDE | 30            | AMT               | Terminal 2 Project - New Money (Refunded by 2008ABC)          | 300,000,000         | -                                 | \$ 3,190,000                     | -                                 |
| Fixed Rate                                                    | Series 2007      | 30            | AMT               | Terminal 2 Project - New Money                                | 152,070,000         | 143,395,000                       | \$ -                             | 140,205,000                       |
| Variable Rate swapped to Fixed                                | Series 2008A     | 28            | AMT               | Refunded 2006 ABCDE Bonds                                     | 125,000,000         | -                                 |                                  | -                                 |
| Variable Rate swapped to Fixed                                | Series 2008B     | 28            | AMT               | Refunded 2006 ABCDE Bonds                                     | 100,000,000         | -                                 |                                  | -                                 |
| Variable Rate swapped to Fixed                                | Series 2008C     | 28            | AMT               | Refunded 2006 ABCDE Bonds                                     | 75,000,000          | -                                 |                                  | -                                 |
| Variable Rate                                                 | Series 2008C     | 27            | Non-AMT           | Refunded 2008C Variable Bonds to to Non-AMT                   | 73,680,000          | 67,730,000                        | \$ 1,670,000                     | 66,060,000                        |
| Fixed Rate                                                    | Series 2010A     | 26            | Non-AMT           | Refunded 2008AB bonds to fixed rate and Terminate Swaps       | 242,365,000         | 226,840,000                       | \$ 5,510,000                     | 221,330,000                       |
| Fixed Rate                                                    | Series 2010B     | 16            | Non-AMT           | Refunded 2001A-Parking Garage Bonds for PV savings            | 94,080,000          | 81,845,000                        | \$ 4,370,000                     | 77,475,000                        |
| Fixed Rate                                                    | Series 2010B-1   | 21            | Non-AMT           | Refunded 2001A-Parking Garage Bonds for PV savings            | 38,235,000          | 38,235,000                        | \$ -                             | 38,235,000                        |
| Total Debt Issued                                             |                  |               |                   |                                                               | \$ 1,630,270,000    |                                   |                                  |                                   |
| Total Outstanding Debt                                        |                  |               |                   |                                                               |                     | \$ 660,905,000                    | \$ 18,890,000                    | \$ 642,015,000                    |
| Fixed versus Variable Debt                                    |                  |               |                   |                                                               |                     |                                   |                                  |                                   |
| Fixed Rate Debt                                               |                  |               |                   |                                                               |                     | \$ 593,175,000                    |                                  | \$ 575,955,000                    |
| Variable Rate Debt (2008C bonds)                              |                  |               |                   |                                                               |                     | \$ 67,730,000                     |                                  | \$ 66,060,000                     |
| Total Outstanding Debt                                        |                  |               |                   |                                                               |                     | \$ 660,905,000                    |                                  | \$ 642,015,000                    |

| Weighted Average Rates of Debt Portfolio at 3/31/15 |                | Current Wgt. Avg. Rates |
|-----------------------------------------------------|----------------|-------------------------|
| Series 2005A                                        | \$ 39,805,000  | 4.66%                   |
| Series 2005B                                        | \$ 58,905,000  | 4.66%                   |
| Series 2007                                         | \$ 140,205,000 | 4.75%                   |
| Series 2008C                                        | \$ 66,060,000  | 0.02% *1,*2             |
| Series 2010A                                        | \$ 221,330,000 | 4.11%                   |
| Series 2010B                                        | \$ 77,475,000  | 4.11%                   |
| Series 2010B-1                                      | \$ 38,235,000  | 4.18%                   |
|                                                     | \$ 642,015,000 |                         |

Weighted Average Rate of Debt at March 31, 2015

3.92%

\*1 Excludes Program Costs such as LOC and Remarketing Fees.  
\*2 Weekly rate for variable bonds at March 31, 2015

**RALEIGH-DURHAM AIRPORT AUTHORITY  
RDU DEMOGRAPHIC INFORMATION  
2014, 2013, and 2012 ( \$ in thousands)**

|                           | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---------------------------|-------------|-------------|-------------|
| Population*               | 1,950       | 1,910       | 1,860       |
| Median Household Income** | Unavailable | \$58.9      | \$60.3      |
| Per Capita Income***      | Unavailable | \$42.5      | \$41.4      |
| Personal Income***        | Unavailable | \$86,517    | \$82,841    |
| Median Age****            | 35.2        | 35.4        | 35.1        |
| Unemployment Rate*****    | 4.9         | 6.4         | 7.7         |

Sources:

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

\*\*U.S. Census Bureau, 2010-2013 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:

|                                 | 2014      |      |                       | 2005      |      |                       |
|---------------------------------|-----------|------|-----------------------|-----------|------|-----------------------|
|                                 | Employees | Rank | % of Total Employment | Employees | Rank | % of Total Employment |
| Duke University                 | 35,998    | 1    | 4.46%                 | 26,324    | 1    | 5.02%                 |
| State of North Carolina         | 24,083    | 2    | 2.98%                 | 23,639    | 3    | 4.51%                 |
| Wake County Public Schools      | 18,554    | 3    | 2.30%                 | 12,997    | 4    | 2.48%                 |
| International Business Machines | 17,000    | 4    | 2.10%                 | 24,527    | 2    | 4.68%                 |
| Wake Med                        | 8,422     | 5    | 1.04%                 | 5,000     | 9    | 0.95%                 |
| N C State University at Raleigh | 7,876     | 6    | 0.97%                 | 7,787     | 6    | 1.48%                 |
| GlaxoSmithKline                 | 8,650     | 7    | 1.07%                 | 9,979     | 5    | 1.90%                 |
| Cisco Systems, Inc.             | 5,500     | 8    | 0.68%                 | 0         |      | 0.00%                 |
| Rex Healthcare                  | 5,300     | 9    | 0.66%                 | 3,779     |      | 0.72%                 |
| SAS Institute, Inc.             | 5,232     | 10   | 0.65%                 | 4,300     | 10   | 0.82%                 |
| Durham Public Schools           | 4,600     |      | 0.57%                 | 5,076     | 8    | 0.97%                 |
| Nortel Networks, Inc.           | -         |      | -                     | 6,600     | 7    | 1.26%                 |
| Total                           | 141,215   |      | 17.48%                | 130,008   |      | 24.80%                |

Source - Wake County 2014 CAFR - Greater Raleigh Chamber of Commerce  
Durham County 2014 CAFR - Durham Chamber of Commerce

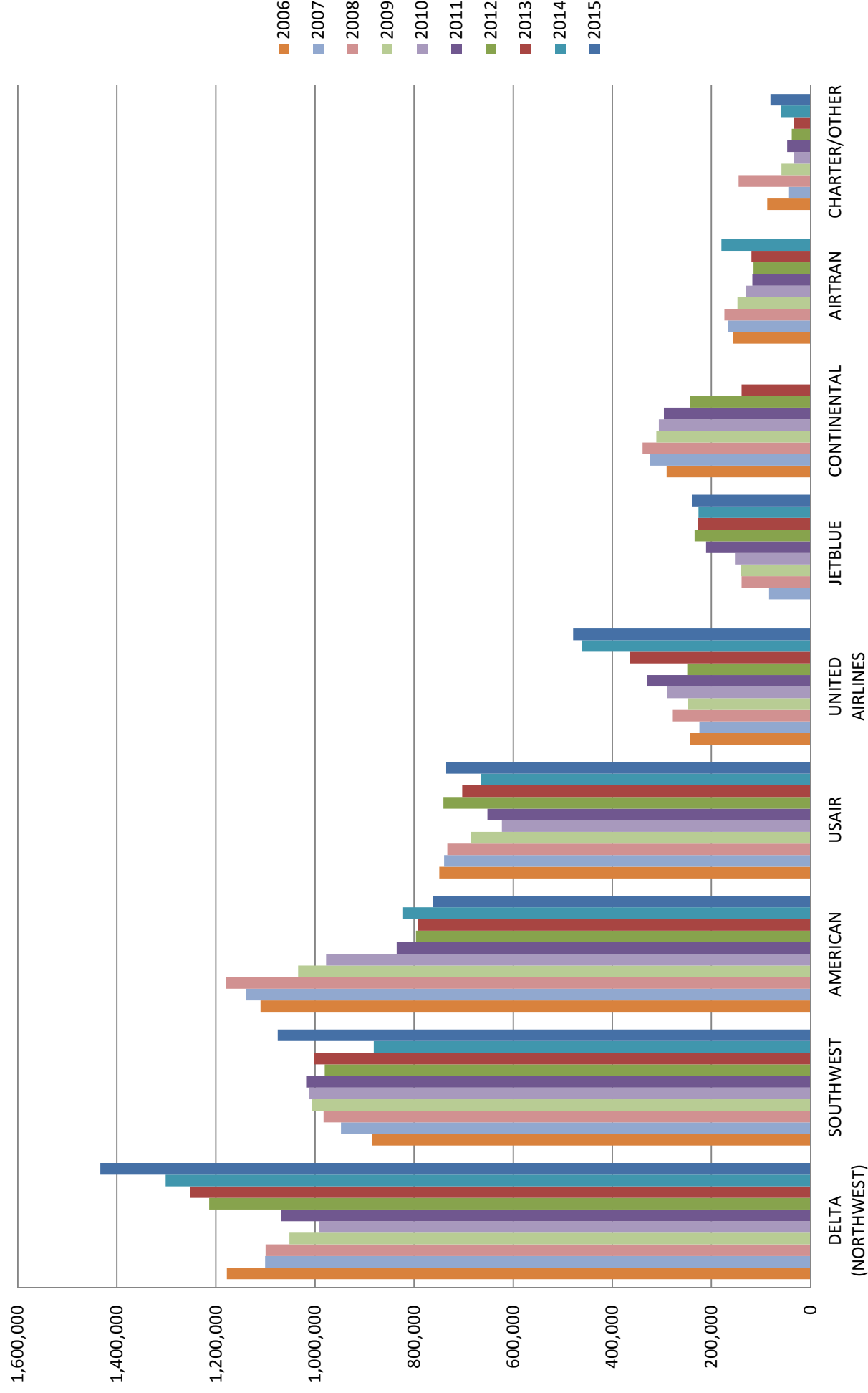
**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**ACTIVITY STATISTICS**  
**Last Ten Fiscal Years**

| <u>Fiscal<br/>Year</u> | <u>Total<br/>Passengers</u> | <u>Aircraft<br/>Operations</u> | <u>Cargo<br/>Volume (lbs)</u> |
|------------------------|-----------------------------|--------------------------------|-------------------------------|
| 2015                   | 9,591,249                   | 182,013                        | 167,921,424                   |
| 2014                   | 9,165,624                   | 184,893                        | 165,770,051                   |
| 2013                   | 9,234,825                   | 184,370                        | 170,671,119                   |
| 2012                   | 9,199,631                   | 194,895                        | 170,616,488                   |
| 2011                   | 9,147,426                   | 195,051                        | 191,632,110                   |
| 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                   |

Source: Raleigh Durham Airport Authority Activity Reports

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

# Enplaned Passengers by Airline





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

|                          | <u>2015</u>     | <u>2014</u>     | <u>2013</u>     | <u>2012</u>     | <u>2011</u>     | <u>2010</u>     | <u>2009</u>     | <u>2008</u>     | <u>2007</u>     | <u>2006</u>     |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>DELTA (NORTHWEST)</b> | 1,433,435 29.8% | 1,301,608 28.3% | 1,252,801 27.0% | 1,213,745 26.3% | 1,068,655 23.4% | 992,524 22.0%   | 1,051,656 22.4% | 1,099,792 21.7% | 1,100,558 23.1% | 1,178,088 25.1% |
| <b>SOUTHWEST</b>         | 1,075,156 22.4% | 881,332 19.2%   | 1,001,494 21.6% | 980,621 21.3%   | 1,018,029 22.3% | 1,012,673 22.4% | 1,006,841 21.5% | 982,935 19.4%   | 947,658 19.9%   | 884,222 18.8%   |
| <b>AMERICAN</b>          | 761,538 15.8%   | 822,556 17.9%   | 792,398 17.1%   | 796,502 17.3%   | 835,120 18.3%   | 977,895 21.6%   | 1,034,070 22.1% | 1,179,470 23.3% | 1,139,890 23.9% | 1,110,052 23.6% |
| <b>USAIR</b>             | 735,199 15.3%   | 665,133 14.5%   | 702,779 15.2%   | 740,900 16.1%   | 652,031 14.3%   | 623,142 13.8%   | 685,798 14.6%   | 732,835 14.5%   | 739,632 15.5%   | 749,050 15.9%   |
| <b>UNITED AIRLINES</b>   | 479,055 10.0%   | 461,097 10.0%   | 364,127 7.9%    | 248,920 5.4%    | 330,210 7.2%    | 289,275 6.4%    | 247,776 5.3%    | 277,971 5.5%    | 224,345 4.7%    | 243,139 5.2%    |
| <b>JETBLUE</b>           | 239,660 5.0%    | 225,960 4.9%    | 227,676 4.9%    | 234,131 5.1%    | 210,642 4.6%    | 152,583 3.4%    | 141,066 3.0%    | 139,057 2.7%    | 83,762 1.8%     | - 0.0%          |
| <b>CONTINENTAL</b>       | - 0.0%          | - 0.0%          | 139,311 3.0%    | 243,467 5.3%    | 295,864 6.5%    | 306,178 6.8%    | 311,410 6.6%    | 339,065 6.7%    | 323,886 6.8%    | 290,413 6.2%    |
| <b>AIRTRAN</b>           | - 0.0%          | 179,787 3.9%    | 119,079 2.6%    | 115,128 2.5%    | 117,280 2.6%    | 130,365 2.9%    | 147,364 3.1%    | 173,880 3.4%    | 166,071 3.5%    | 156,488 3.3%    |
| <b>CHARTER/OTHER</b>     | 81,060 1.7%     | 59,425 1.3%     | 33,619 0.7%     | 38,071 0.8%     | 46,946 1.0%     | 33,687 0.7%     | 58,717 1.3%     | 144,989 2.9%    | 44,996 0.9%     | 87,470 1.9%     |
| <b>TOTAL</b>             | 4,805,103       | 4,596,898       | 4,633,284       | 4,611,485       | 4,574,777       | 4,518,322       | 4,684,698       | 5,069,994       | 4,770,798       | 4,698,922       |

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

|                                       | Avg % | Monthly<br>Avg   | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---------------------------------------|-------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| April                                 | 8.39% | <b>394,208</b>   | 401,769     | 384,101     | 394,240     | 385,934     | 378,833     | 386,257     | 418,666     | 418,819     | 392,703     | 380,756     |
| May                                   | 9.00% | <b>422,488</b>   | 436,051     | 417,581     | 411,004     | 415,626     | 400,240     | 395,931     | 449,221     | 448,600     | 417,233     | 433,395     |
| June                                  | 9.31% | <b>437,433</b>   | 450,658     | 426,151     | 428,277     | 422,735     | 421,754     | 413,735     | 462,195     | 476,806     | 434,149     | 437,868     |
| July                                  | 9.24% | <b>433,856</b>   | 444,405     | 410,540     | 414,839     | 427,336     | 427,675     | 429,806     | 454,330     | 469,881     | 425,489     | 434,254     |
| August                                | 8.79% | <b>413,037</b>   | 422,424     | 396,153     | 411,880     | 391,839     | 399,923     | 399,927     | 422,091     | 463,413     | 414,456     | 408,259     |
| September                             | 7.84% | <b>367,966</b>   | 384,148     | 359,375     | 369,095     | 369,392     | 365,295     | 354,093     | 354,490     | 391,222     | 365,120     | 367,430     |
| October                               | 8.84% | <b>415,054</b>   | 431,658     | 406,059     | 406,522     | 412,907     | 411,232     | 403,843     | 410,727     | 437,609     | 414,758     | 415,225     |
| November                              | 8.33% | <b>391,391</b>   | 390,220     | 374,721     | 392,065     | 389,412     | 393,364     | 374,480     | 364,782     | 423,622     | 412,364     | 398,876     |
| December                              | 8.47% | <b>397,989</b>   | 415,732     | 414,239     | 383,896     | 383,279     | 391,540     | 386,585     | 394,997     | 408,355     | 411,925     | 389,339     |
| January                               | 6.85% | <b>321,887</b>   | 328,348     | 317,903     | 323,135     | 314,555     | 312,767     | 309,391     | 301,606     | 344,556     | 344,263     | 322,342     |
| February                              | 6.61% | <b>310,607</b>   | 302,921     | 293,120     | 311,865     | 313,715     | 299,202     | 291,670     | 298,697     | 356,028     | 329,166     | 309,689     |
| March                                 | 8.32% | <b>390,514</b>   | 396,769     | 396,955     | 386,466     | 384,755     | 372,952     | 372,604     | 352,896     | 431,083     | 409,172     | 401,489     |
| <b>TOTAL</b>                          |       | <b>4,696,430</b> | 4,805,103   | 4,596,898   | 4,633,284   | 4,611,485   | 4,574,777   | 4,518,322   | 4,684,698   | 5,069,994   | 4,770,798   | 4,698,922   |
| Increase (Decrease) over Prior Period |       |                  | 4.53%       | -0.79%      | 0.47%       | 0.80%       | 1.25%       | -3.55%      | -7.60%      | 6.27%       | 1.53%       | 4.03%       |

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

| <u>Airlines</u>           | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      | <u>2011</u>      | <u>2010</u>      | <u>2009</u>      | <u>2008</u>      | <u>2007</u>      | <u>2006</u>      |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>AIRTRAN</b>            | 91,000 1.5%      | 215,944 3.6%     | 138,728 2.4%     | 145,040 2.4%     | 138,872 2.3%     | 151,096 2.6%     | 180,448 2.8%     | 205,140 2.9%     | 198,704 3.0%     | 187,720 2.8%     |
| <b>AMERICAN</b>           | 889,370 14.5%    | 986,671 16.5%    | 919,159 15.6%    | 945,196 15.5%    | 1,015,421 16.9%  | 1,199,346 20.2%  | 1,379,141 21.3%  | 1,607,898 22.6%  | 1,523,330 22.8%  | 1,505,417 22.7%  |
| <b>CONTINENTAL</b>        | - 0.0%           | - 0.0%           | 162,018 2.7%     | 270,259 4.4%     | 325,661 5.4%     | 340,284 5.7%     | 373,258 5.8%     | 384,853 5.4%     | 362,923 5.4%     | 344,041 5.2%     |
| <b>DELTA (NORTHWEST)</b>  | 1,776,474 29.0%  | 1,641,586 27.4%  | 1,503,387 25.5%  | 1,453,247 23.8%  | 1,281,755 21.4%  | 1,161,040 19.6%  | 1,003,810 15.5%  | 1,359,023 19.1%  | 1,375,438 20.6%  | 1,516,711 22.8%  |
| <b>FRONTIER</b>           | 50,447 0.8%      | 28,369 0.5%      | - 0.0%           | 21,676 0.4%      | 44,847 0.7%      | -                | -                | -                | -                | -                |
| <b>JAZZ/IAIR GEORGIAN</b> | 44,979 0.7%      | 46,540 0.8%      | 50,752 0.9%      | 60,364 1.0%      | 53,752 0.9%      | 45,646 0.8%      | 53,016 0.8%      | 56,440 0.8%      | 50,440 0.8%      | 47,199 0.7%      |
| <b>JETBLUE</b>            | 264,781 4.3%     | 266,987 4.5%     | 256,643 4.4%     | 269,025 4.4%     | 249,735 4.2%     | 190,769 3.2%     | 191,153 3.0%     | 181,688 2.6%     | 111,472 1.7%     | - 0.0%           |
| <b>SOUTHWEST</b>          | 1,168,858 19.1%  | 1,058,200 17.7%  | 1,239,454 21.0%  | 1,226,814 20.1%  | 1,205,886 20.1%  | 1,237,984 20.9%  | 1,347,980 20.8%  | 1,341,806 18.8%  | 1,252,454 18.7%  | 1,153,776 17.4%  |
| <b>UNITED AIRLINES</b>    | 507,034 8.3%     | 517,665 8.6%     | 396,819 6.7%     | 516,571 8.5%     | 484,410 8.1%     | 473,477 8.0%     | 338,950 5.2%     | 500,564 7.0%     | 277,076 4.1%     | 302,447 4.6%     |
| <b>USAIR</b>              | 874,493 14.3%    | 797,467 13.3%    | 818,146 13.9%    | 752,766 12.3%    | 716,733 12.0%    | 658,321 11.1%    | 1,089,779 16.9%  | 916,639 12.9%    | 979,503 14.7%    | 934,136 14.1%    |
| <b>CHARTER/OTHER</b>      | 21,483 0.4%      | 20,016 0.3%      | 17,455 0.3%      | 24,926 0.4%      | 16,968 0.3%      | 17,940 0.3%      | 18,950 0.3%      | 52,098 0.7%      | 17,555 0.3%      | 76,643 1.2%      |
| <b>Cargo</b>              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| <b>UPS</b>                | 142,946 2.3%     | 137,312 2.3%     | 132,418 2.2%     | 133,430 2.2%     | 134,901 2.3%     | 131,024 2.2%     | 134,318 2.1%     | 135,893 1.9%     | 137,229 2.1%     | 141,257 2.1%     |
| <b>FEDERAL EXPRESS</b>    | 290,774 4.7%     | 269,512 4.5%     | 251,156 4.3%     | 244,371 4.0%     | 250,699 4.2%     | 239,170 4.0%     | 237,094 3.7%     | 248,939 3.5%     | 255,425 3.8%     | 253,415 3.8%     |
| <b>OTHERS</b>             | 629 0.0%         | - 0.0%           | 8,287 0.1%       | 33,463 0.5%      | 75,259 1.3%      | 79,123 1.3%      | 118,319 1.8%     | 129,820 1.8%     | 139,504 2.1%     | 182,546 2.7%     |
| <b>TOTAL</b>              | 6,123,268 100.0% | 5,986,269 100.0% | 5,894,422 100.0% | 6,097,148 100.0% | 5,994,899 100.0% | 5,925,220 100.0% | 6,466,216 100.0% | 7,120,801 100.0% | 6,681,053 100.0% | 6,645,308 100.0% |

## Raleigh-Durham Airport Authority Capital Assets and Other Airport Information

**About the Airport:** Raleigh-Durham International Airport (the Airport or RDU) is owned and operated by the Raleigh-Durham Airport Authority (the Authority). The General Assembly of North Carolina enacted legislation on March 9, 1939 enabling the Cities of Raleigh and Durham, and the Counties of Wake and Durham to jointly establish, operate and maintain an airport and to appoint members to a board to be known as the "Aeronautics Authority for the City of Raleigh, City of Durham, County of Durham and County of Wake". The enabling act further authorized the Aeronautics Authority to "act in an administrative capacity and be vested with the Authority to control, lease, maintain, improve, operate, and regulate the joint airport or landing field." In 1941, the name of the Aeronautics Authority was changed to the "Raleigh-Durham Airport Authority." Amendments to the Authority's enabling legislation have been enacted from time to time to define and expand the Authority's powers to operate the Airport.

RDU serves 9.6 million passengers on 7 major airlines and serves 38 international and nonstop destinations with an average of 168 daily flights. In the fiscal year 2015 98% of all passengers at the airport enplaned on domestic flights and 2% enplaned on international flights.

**Location:** The Airport is located midway between the cities of Raleigh and Durham, primarily in Wake County, approximately 11 miles southeast of Durham and 11 miles northwest of Raleigh. The Airport encompasses approximately 5,100 acres, of which approximately 2,075 acres are developed.

**Terminals:** Passenger terminal facilities at the Airport are located in two separate buildings known as Terminal 1 and Terminal 2. Terminal 1 (previously called Terminal A) includes an area once known as "Terminal B," which was the site of the passenger terminal originally opened in October 1955.

Terminal 1 was placed in service in January 1982 and consisted of approximately 296,000 square feet of floor space and had provided 23 contact gates served by loading bridges. The Authority completed a project to renovate and modernize Terminal 1. Construction on this \$68 million project is completed on April 13, 2014. Terminal 1 is home to Southwest Airlines and potentially other carriers and operates with 9 gates.

Terminal 2 (replacement for Terminal C), is a \$573 million state-of-the-art, common use, passenger terminal that opened on October 26, 2008. The second phase of the Terminal, the South Concourse, opened January 23, 2011. The completed Terminal consists of approximately 920,000 square feet, with a total of 36 gates. Terminal 2 currently serves Air Canada, American Airlines, Continental Airlines, Delta Airlines, JetBlue Airways, United Airlines, US Airways and Charter Express.

**Runways:** RDU has two primary runways and one secondary runway.

Runway One: 5L/23R 10,000' L, 150' W; CAT II (5L), CAT III (23R)

Runway Two: 5R/23L 7,500' L, 150' W; CAT I (5R), CAT II (23L)

Runway Three: 14/32 3,550' L, 100' W; not equipped to handle most commercial aircraft.

**Parking Spaces:** The airports total parking capacity is approximately 20,350 vehicles.

|                              |                             |
|------------------------------|-----------------------------|
| 4 - Parking Garages          | 11,000 spaces approximately |
| 4 - Park & Ride Parking Lots | 9,100 spaces approximately  |
| General Aviation Parking Lot | 250 spaces approximately    |

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

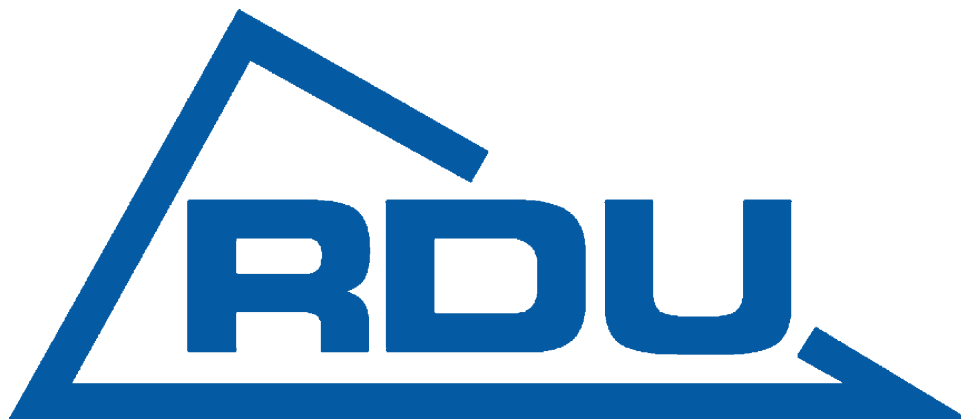
| Fiscal<br>Year | PURPOSE OF GRANT    |                      |                      |
|----------------|---------------------|----------------------|----------------------|
|                | <u>Security</u>     | <u>Construction</u>  | <u>Total</u>         |
| 2015           | \$ 453,513          | \$ 2,393,509         | \$ 2,847,022         |
| 2014           | 325,375             | 10,566,576           | 10,891,951           |
| 2013           | 389,704             | 5,286,908            | 5,676,612            |
| 2012           | 552,148             | 594,240              | 1,146,388            |
| 2011           | 573,561             | 6,619,348            | 7,192,909            |
| 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           |
| <hr/>          |                     |                      |                      |
| Total          | <u>\$ 5,738,332</u> | <u>\$ 64,567,229</u> | <u>\$ 70,305,561</u> |

Source: Schedule of Expenditures of Federal Awards

Raleigh-Durham Airport Authority  
Employee Headcount  
Last Ten Fiscal Years

| <u>Year Ending</u> | <u>Number of employees</u> |
|--------------------|----------------------------|
| 2015               | 272                        |
| 2014               | 273                        |
| 2013               | 270                        |
| 2012               | 273                        |
| 2011               | 271                        |
| 2010               | 271                        |
| 2009               | 273                        |
| 2008               | 261                        |
| 2007               | 233                        |
| 2006               | 236                        |





**RALEIGH-DURHAM AIRPORT AUTHORITY**  
**PO BOX 80001**  
**RDU AIRPORT, NC 27623**  
**919-840-7700**