

Comprehensive Annual Financial Report

Raleigh-Durham Airport Authority

For the Fiscal Years Ended March 31, 2011 and 2010



Raleigh-Durham Airport Authority

Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Comprehensive Annual Financial Report

For the fiscal years March 31, 2011 and 2010

Prepared by the Finance Department

Comprehensive Annual Financial Report

2009-2011 Raleigh-Durham Airport Authority Board Members



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City of Durham



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Wake County



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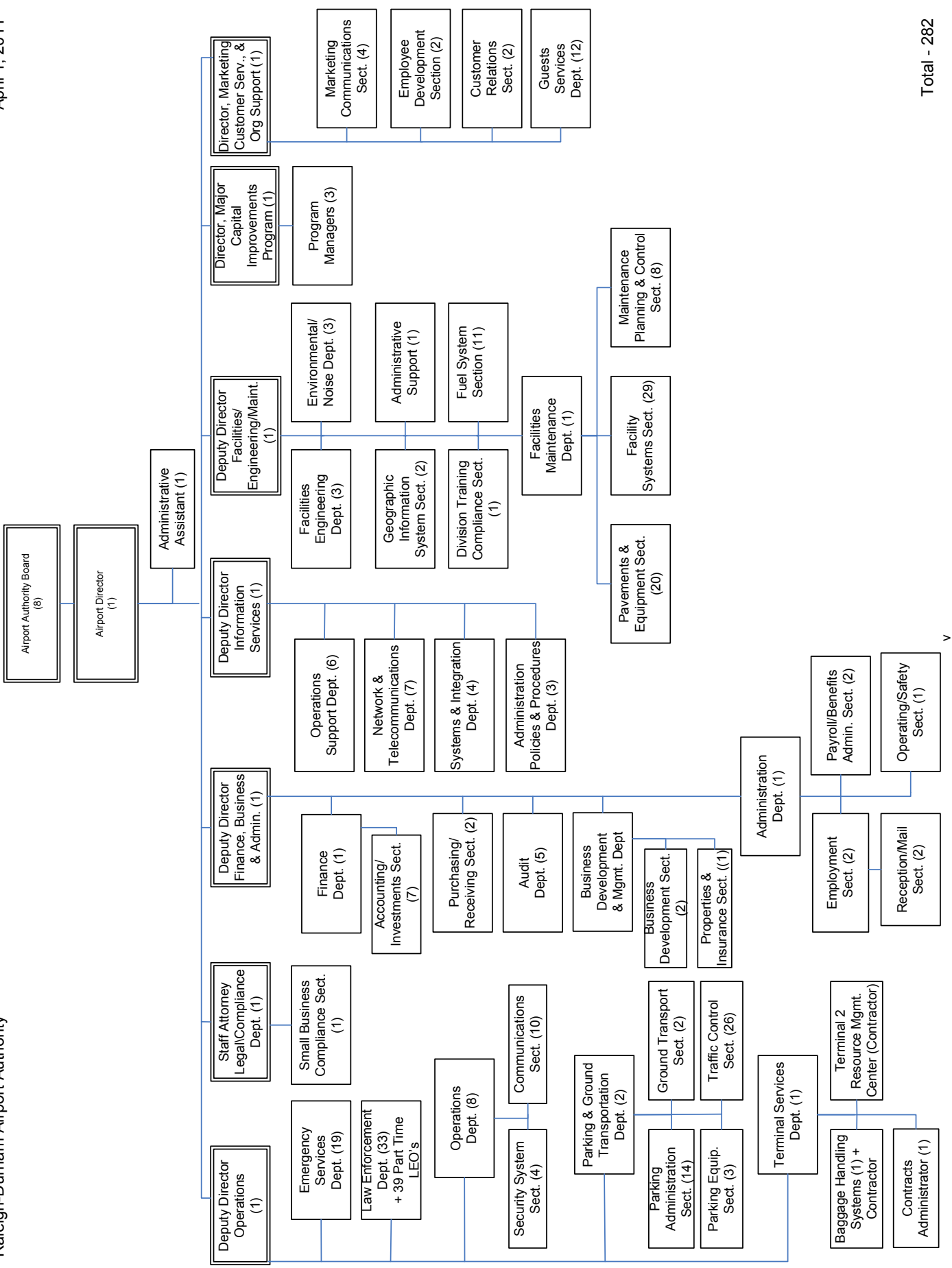
Michael A. Weeks
Wake County

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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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



John C. Brantley, Airport Director

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July 7, 2011

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, 2011. 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 year FY2009-2010 submission. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information, and Supplemental Information. The Statistical Section includes selected financial trends, debt service, key performance indicators ("KPIs") and other operating statistics, and economic demographic information, presented on a multi-year basis.

This Letter should be read in conjunction with the accompanying Management Discussion & Analysis ("MD&A") in order to gather a more complete financial and business picture of the Authority. It is our intent to submit the FY2010-2011 Comprehensive Annual Report to the Government Finance Officers Association for their review and seek the award for the 3rd 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.

Reporting Entity (continued)

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

Economy

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.

Wake, Durham, and Orange counties are part of the larger region known as the Research Triangle Region and provide the primary economic base for air transportation at the Airport. These three counties together with five additional nearby counties – Chatham, Franklin, Johnston, Harnett, and Person – comprise the Raleigh-Durham-Cary Combined Statistical Area (CSA). The population of the Raleigh-Durham-Cary CSA in 2009 was approximately 1,743,000. The Raleigh-Cary Metropolitan Statistical Area (MSA) population was estimated at 1,125,827, making it the nation's fastest growing metropolitan area in the United States.

Based on 2009 population estimates by the U.S. Department of Commerce (NCDOC), Bureau of the Census, North Carolina was the 10th largest state in the nation, and also ranked 8th in percentage population growth between 2000 and 2009. Early data from the 2010 Census reveals that North Carolina continues to be one of the fastest growing states in the U.S. Between 2000 and 2010, the state's population grew by 18.5%, almost twice the national increase rate of 9.7%.

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

Anchored by leading technology firms, government, and world-class universities and medical centers, the area's economy has performed exceptionally well. Significant increases in employment, earnings, personal income and retail sales are projected over the next 15 years.

RDU is a very busy commercial service airport served by nine major airlines and their regional partners offering service from RDU to 40 destinations. The airlines include Air

Canada, AirTran, American, Continental, Delta, JetBlue, Southwest Airlines, United, and U.S. Airways. Major cargo carriers at RDU include Federal Express, UPS, and DHL. The airport processed over 9 million passengers and over 98,000 tons of air cargo in 2010. It is the second largest airport in the State of North Carolina and recognized by the FAA as a medium hub.

General Aviation facilities at RDU include the 22,000-square foot General Aviation (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.

The airport serves a large economic area and is estimated to have over a \$12.6 billion economic impact on the 12-county Research Triangle Region. The airport's total impact on regional employment involves an estimated 47,760 jobs with payrolls of \$2.5 billion.

Operating Revenues and enplaned passenger counts at RDU are on an upward trend having increased from the previous fiscal year. Enplanements increased by 1.2% which helped drive an Operating Revenue budget surplus of \$3.3 million for FY 2011. This follows the previous years' 3.6% reduction in enplanements and an Operating Revenue budget deficit of approximately \$773,000.

FY 2010-11 Major Events and Initiatives

The Board, its Audit Committee, the Airport Director, senior staff and financial management continued to closely monitor and respond to the continuing financial and business uncertainties facing the global, national and local economy, the airline industry and the Authority itself during fiscal 10-11. A detailed financial review process with the Board (began July 2009) continues to occur on a quarterly basis.

The Authority is committed to continuing proactive management of the issues brought on by the continuing economic turbulence of recent years. Headcount continues to be managed with no growth in number of positions for the last four years. For the Fiscal Year ending March 31, 2012, the number of authorized full time positions of the Authority was 281. This represented the elimination of 9 frozen positions from the prior year total of 290 authorized positions. In addition, the Authority employs up to 39 part-time law enforcement officers (in addition to its full time force) to provide law enforcement presence at the Security Checkpoints. The cost of this checkpoint security force is reimbursable from the Transportation Security Administration.

With the successful launch of the 1st phase of Terminal 2, the Authority senior staff and Board devoted significant time and energy to development of Strategic Planning Goals and related Objectives, even as phase two Terminal 2 planning and construction proceeded. Seven key Goal statements –around airport safety & efficiency, air, ground & support services, environmental best practices, fiscal soundness, customer service, high-performing organization, and business partnership- have been articulated, and an even dozen related Objectives were selected for further analysis. Strategic action plans for six initiatives were developed during FY2011 for FY2012 implementation. These actions plans include 1) a re-engineered new employee orientation program, 2) a formal employee input/feedback system, 3) an airport-wide solid-waste recycling program, 4) expanded wi-fi service offering, 5) an improved proposal/bid and contracting process,

FY 2010-11 Major Events and Initiatives (continued)

and 6) an expanded air service development program. Planning teams have given way to implementation teams during FY2012.

In January of 2011, the Authority opened the second phase of Terminal 2, in total a 900,000 square foot, state of the art, common use passenger terminal currently occupied by all of the airlines other than Southwest and AirTran. This completed, on time and on budget, the \$573 million Terminal 2 project began nearly a decade ago.

Additionally, a \$60 million reconstruction and renovation of Terminal 1 is now underway. Subsequently to fiscal year-end, JetBlue also relocated its operations to Terminal 2 on an interim basis and AirTran relocated within Terminal 1 contiguous to Southwest. These relocations will ultimately support the renovation of the central portion of Terminal 1 (the "blue box"). Terminal 1 renovation efforts in FY2011 consisted of preliminary cost estimate and preliminary design plans. The preliminary design includes an automated inline bag handling system, a larger and more navigable security checkpoint, pre-security concession space, new exterior, modernized restroom facilities, higher ceilings and extensive use of glass and translucent material to enhance the natural lighting inside the terminal.

The Authority substantially increased its investment and commitment in both time and dollars to its company-wide wellness program, forming a cross-functional wellness committee, expanded its program offerings, and competing and ultimately replacing both its healthcare benefits broker and primary healthcare insurance carrier during the year. The Authority was pleased to receive recognition in the form of winning an American Institute of Healthcare and Fitness award as one of the "Healthiest Companies in the Triangle" as well as being invited to present at the Airport Council International – North America Human Resources Roundtable.

The Authority also conducted its bi-annual Employee Opinion Survey, a comprehensive assessment and feedback process the Authority originally committed to during FY 2009 as part of its Strategic goal to value and develop employees. We are pleased to report that distinct improvement was noted in 13 of the 15 measurement categories and that overall job satisfaction increased by 7 points or approximately 10% with even greater increases against statewide company norms. As the Authority indeed values the knowledge and experience of its workforce, an employee focus group process was undertaken subsequent to year-end to more fully articulate employee feedback in order to continue to drive both employee productivity and job satisfaction.

Also undertaken during FY2011 was an initial land use study of six of the Authority's undeveloped parcels. The primary purpose of this study to determine suitability for a future consolidated rental car center (CONRAC). This was a preliminary study with further effort planned in FY2012 to determine both suitability and potential timing for a CONRAC. No definitive decision has been made as to either need or timing of the CONRAC as of the end of FY2011. Planned discussions are slated to take place with the existing rental car operators during FY2012.

With regard to financing or debt related transactions, on August 6th, 2010 the authority elected to terminate all three of its interest rate swap positions having a collective notational value of \$216.87 million. At this time, these swaps had a collective market

FY 2010-11 Major Events and Initiatives (continued)

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), funded the termination payments, and converted these bonds 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 these instruments considering such risks had increased materially from 2005 when the Authority had entered into these swap agreements. Prior to these swap terminations, the Authority and the North Carolina Local Government Commission placed a present value dis-savings cap of 3.0% on the termination of these swap transactions. The Authority achieved this goal with associated present value dis-savings of 2.36% on these swap terminations on August 6, 2010. As of August 6, 2010 and additionally at March 31, 2011, the Authority had no interest rate swaps or derivatives in its debt portfolio.

During August 2010, the Authority also was able to advance refund for savings the 2001A bonds with the series 2010B and 2010B-1 bonds in the amounts of \$94,080,000 and \$38,235,000, respectively. Upon issuance of these bonds, the Authority officially defeased its 2001A bond obligations.

In combination with present value savings from the 2010B and 2010B-1 refunding's coupled with the swap termination dis-savings, the Authority achieved overall net present value savings of \$5.2 million on the collective transactions. Subsequent to these debt transactions, the Authority's debt portfolio consisted of approximately 90% fixed rate and 10% variable rate bond obligations.

In March 2011, in accordance with its financial plan, the Authority paid off (defeased) all its remaining 2001B bond obligations by cash funding with the trustee the required payoff amount. Thus, all \$10.395 million of the 2001B bonds were defeased in March 2011. All of these debt related events are discussed in more detail in Note 5, Long Term Debt.

The Authority is justly proud of its industry-exceptional AA-/Aa3 bond ratings (Fitch and Moody's respectively) and considers maintaining these ratings a top strategic priority.

In light of continuing economic uncertainties, the Authority has developed an austere budget for fiscal 2011-12. It curtailed non-Terminal 2 capital activities, with a 2.7% increase in projected operating expenses in comparison to the prior year budget in spite of the operating spending increases driven by the opening of the South Concourse Terminal 2 in early 2011.

Financial Information

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

Internal Controls – Internal Audit Department

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

Budgetary Controls

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

Subsequent Events

For the 6th year in a row, RDU was recognized by the Air Transport Research Society (ATRS) as one of the top three airports in North America for both overall financial operating efficiency and cost competitiveness. For this most recent year, RDU was #1 overall in the category of less than 15 million passenger enplanements as it received the 2011 ATRS Airport Efficiency Excellence Award. This reinforces the Authority's efforts to maintain low operating costs for the airlines that serve the Airport and its success in doing so.

Recent airline carrier actions announced included over a dozen new flights by Delta Airlines to cities such as Columbus, Orlando, St. Louis and Tampa as well as increasing frequencies to existing routes. Also, Delta resumed daily, non-stop service to Los Angeles in the Spring of 2011. In May, JetBlue and Southwest also added two daily flights to Boston, and Southwest launched service to St. Louis. Vision Airlines, on June 29, 2011, announced twice weekly service between RDU and Freeport, Bahamas, beginning in November 2011.

Finally, the Authority's Airport Director for the past 29 years, John C. Brantley, publicly announced his impending retirement on March 24th, 2011 at the last Board meeting of the fiscal year. His retirement is planned to be effective July 31st, 2011. Immediately following, the Board formed a committee of the whole to begin the search for Mr. Brantley's successor. A national search firm specializing in the airport industry was subsequently chosen to aid the Board in its effort. Additional consulting resources were also engaged and a formal schedule developed which is expected to result in the selection and hire of a new Airport Director prior to the conclusion of calendar year-end 2011.

Independent Audit

The Authority's independent auditor, Cherry, Bekaert & Holland, has performed the annual audit as of and for the fiscal period ended March 31, 2011, and rendered an unqualified opinion as to the Authority's financial statements. The audit is conducted in a manner consistent with the requirements of the Single Audit Act and the Office of Management and Budget Circular A-133. The report and opinion are contained herein, and found that the Authority's financial statements presented fairly, in all material respects, the financial position of the Authority as of March 31, 2011 and 2010.

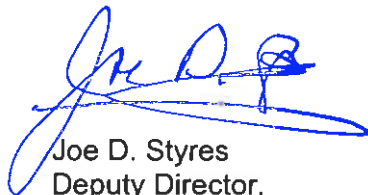
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended March 31, 2010. This was the 2nd consecutive year of award. In order to be awarded 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 Airport Director's commitments to continuous improvement of the corporate governance and financial reporting function. In addition, key members of the Finance department played a major role in bringing this expanded report to the Authority.

Respectfully submitted,



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



Tom D. Barritt
Director of Finance

Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Financial Section

Prepared by the Finance Department

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Statements of Net Assets of the Raleigh-Durham Airport Authority (the "Authority") as of and for the years ended March 31, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

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

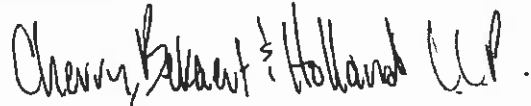
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2011 and 2010 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2011, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

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

We did not audit the Introductory Section as listed in the table of contents and, accordingly, we express no opinion on such data.

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

A handwritten signature in black ink that reads "Cherry, Bekaert & Holland LLP." The signature is written in a cursive, flowing style.

Raleigh, North Carolina
June 27, 2011

RALEIGH–DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Overview

The management discussion and analysis ("MD&A") provides an overview of the Raleigh-Durham Airport Authority's (the "Authority") activities during the fiscal years ended March 31, 2011 and March 31, 2010. The Authority's basic financial statements consist of three components; 1) Management's Discussion and Analysis, 2) financial statements, and 3) notes to the financial statements. In addition to the management's discussion and analysis, management has prepared the accompanying Statements of Net Assets, Statements of Revenues, Expenses and Changes in Net Assets, and Statements of Cash Flows.

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

Required Financial Statements

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

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 21 to 43 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.

RALEIGH–DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Background (Continued)

The Airport consists of approximately 5,100 acres, approximately 2,075 of which are developed. The Airport at year end had two active terminals, 1 and 2. Terminal 1 consists of approximately 296,000 square feet of floor space, including 23 passenger contact gates. Terminal 2 currently consists of approximately 900,000 square feet of floor space, including 36 passenger gates. The South Concourse of Terminal 2 was open January 23, 2011. The Airport has two primary runways and one secondary runway. In the fiscal years ended March 31, 2011 and 2010, 9.1 and 9.0 million passengers, respectively, used the Airport.

Passenger Facility Charges

In February 2003, the Authority received final approval from the Federal Aviation Administration (FAA) to begin charging a \$3 passenger facility charge ("PFC") effective May 1st, 2003. In fiscal year 2004-2005, the Authority received approval from the FAA to increase this charge from \$3.00 to \$4.50 per eligible enplanement effective October 1st, 2004. PFC cash balances decreased 72.0% or \$51 million for the fiscal year ending March 31, 2011 versus the prior year. This was primarily the result of the planned contribution of \$47 million in PFC's to directly fund the Terminal 2 project during the fiscal year 2010-2011. These PFC balances are restricted for use on FAA approved projects as reimbursement of capital costs or to offset PFC eligible debt service.

Annual PFC revenue of \$18.8 million decreased \$121 thousand or .6% for FY 2010-2011, relative to the prior year. In addition, a portion of PFCs are irrevocably committed to offset Authority debt service beginning FY 2005-2006. This irrevocable commitment for the fiscal years ending March 31, 2011, 2010, and 2009, was \$22,442,000, \$20,074,167, and \$13,981,935 respectively. Irrevocable commitments to the extent not applied to debt service are carried forward for future application.

Financial Highlights and Analysis

Net Assets

Current assets increased 7.8%, or \$11.0 million from the prior year due to increases in short term investments of \$29.8 million and Grants receivable of \$2.0 million. Offsetting these increases was a \$20.8 million decrease in cash and cash equivalents, due to increased investment activity. Current assets increased 13.3%, or \$16.6 million from March 2009 to March 2010 due to increases in cash and cash equivalents offset by a decrease in short-term investments. The primary reason for this increase in cash and cash equivalents was due to decreases in non-bond funded capital cash flow requirements. See Cash Flows for a detailed explanation of this increase.

Non-current assets consisting of restricted assets, airport and facilities, and debt premiums/issue costs in total decreased 3.4% or \$37.5 million. This decrease was related to the reduction of PFC pay-as-you-go financing of \$47 million, and a \$21.3 million reduction in bond proceeds both related to the construction of Terminal 2. Non-current assets, consisting of restricted assets, decreased 42.1% or \$98.4 million from March 2009 to March 2010. This decrease was related to the spend down of bond proceeds related to the construction of Terminal 2.

RALEIGH–DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Net Assets (Continued)

Restricted assets decreased \$65.5 million or 48.5% primarily due to a \$50.9 million decrease in Passenger Facility Charge cash and cash equivalents and a \$21.3 million decrease in bond proceeds. Both of these decreases related to the completion of Terminal 2. Offsetting these decreases was an increase in Parity debt service reserve funds of \$6.4 million or 16.1%. Restricted assets decreased \$1.1 million or 1.5% from March 2009 to March 2010.

Airport and facilities, net increased \$28.1 million or 2.9% primarily due to completion of construction of the Terminal 2 South Concourse. Airport and facilities, net increased \$73.5 million or 8.3% from March 2009 to March 2010 primarily due to continued construction costs related to Terminal 2 South Concourse.

The combined effect of the above items was to decrease total assets \$26.5 million or 2.1% for the fiscal year ended March 2011 and \$8.3 million or .7% for the fiscal year ended March 2010.

Current liabilities decreased by \$4.4 million or 9.6% primarily due to a decrease in retainage and construction accounts payable. Offsetting this decrease was a \$4.9 million increase in current maturities of long term debt. Current liabilities increased by \$14 thousand or .03% from March 2009 to March 2010 due to a slight increase in current maturities of long-term debt.

Non-current liabilities increased by \$20.2 million or 2.9% primarily due to debt premiums of \$25.8 million, associated with the 2010 bond issuance, offset by decreases in long term debt of \$6.9 million. Non-current liabilities decreased by \$15.5 million or 2.2% from March 2009 to March 2010 primarily due to the reductions in long-term debt related to scheduled principal payments (\$15.8 million).

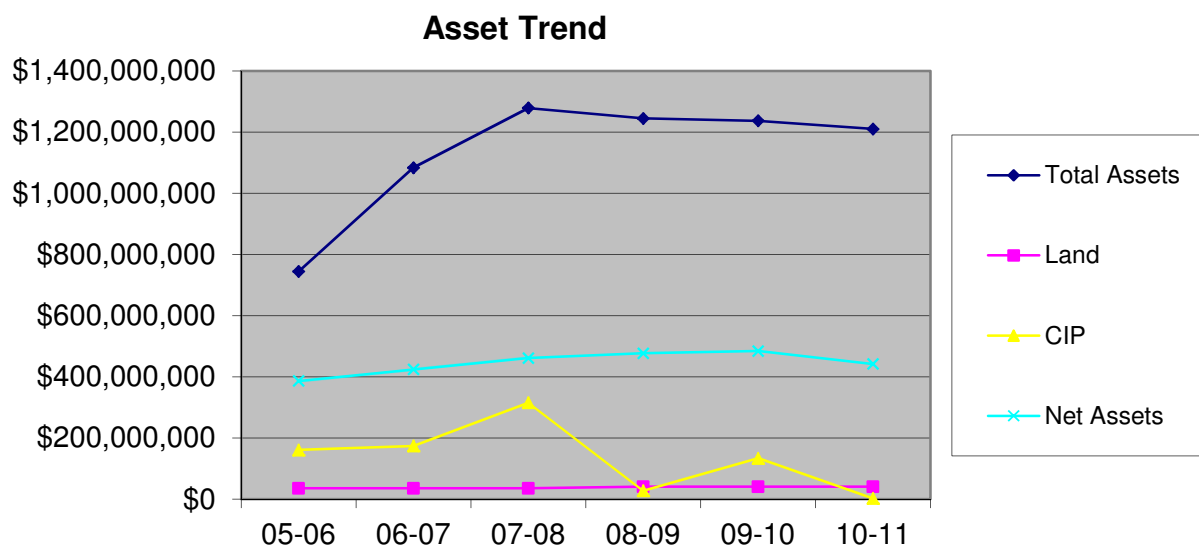
The combined effect of these items was to decrease net assets during the fiscal year ended March 2011 by \$42.2 million or 8.7% and \$7.3 million or 1.5% for the fiscal year ended March 2010. Net assets at March 31, 2011, March 31, 2010, and March 31, 2009 are presented in the following table:

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Years Ended March 31, 2011 and 2010

Condensed Statement of Net Assets

	March 31, 2011	March 31, 2010	March 31, 2009
Current Assets	\$ 152,799,849	\$ 141,783,809	\$ 125,190,123
Airport and facilities, net	987,977,823	959,918,360	886,440,114
Other noncurrent assets	69,483,442	135,068,795	233,399,073
Total assets	<u>1,210,261,114</u>	<u>1,236,770,964</u>	<u>1,245,029,310</u>
Current liabilities	41,825,680	46,266,012	46,252,012
Noncurrent liabilities	726,304,472	706,128,320	721,665,763
Total liabilities	<u>768,130,152</u>	<u>752,394,332</u>	<u>767,917,775</u>
Invested in capital assets, net of related debt	321,369,827	302,289,837	310,905,473
Restricted Assets	22,891,438	73,514,625	74,648,717
Unrestricted assets	97,869,697	108,572,170	91,557,348
Net assets	<u>\$ 442,130,962</u>	<u>\$ 484,376,632</u>	<u>\$ 477,111,538</u>

The following graph depicts the trend in net assets, airport and facilities, land and construction in progress ("CIP"). Airport and facilities assets include land, construction in progress, and depreciable capital assets, net of accumulated depreciation. Total assets fell 2.1% or \$26.5 million during the fiscal year. CIP decreased \$131.1 million or 98.0% due to the completion of the South Concourse phase of the Terminal 2 project. Net assets decreased \$42.2 million or 8.7% for the reasons aforementioned.



RALEIGH–DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Revenues, Expenses, and Change in Net Assets

For the fiscal year ended March 31, 2011, the Authority experienced a \$2.5 million increase (2.8%) in operating revenue, due primarily to an increase in parking revenue of \$1.2 million and terminal revenue of \$1.3 million, compared to the prior year. This overall increase in operating revenue was realized with an increase in enplaned passengers of 56 thousand (1.3%) for the fiscal year ended March 31, 2011, relative to the prior fiscal year. The Authority's rates and charges to air carriers remained at the low end of comparable airports. In addition, the Authority's airline derived revenue remained diversified with no carrier accounting for more than 9% of operating revenue for the fiscal year ended March 31, 2011.

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

Operating expenses (excluding depreciation) increased \$4.0 million, or 9.1% for the fiscal year ended March 31, 2011, relative to the prior year. This increase was primarily due to increases in airport facilities costs associated with the full year operation of Terminal 2 and an increase in associated administrative costs. Depreciation expense decreased .9% or \$428 thousand during the fiscal year ended March 31, 2011. This decrease was due primarily to a change in the useful life estimate of Terminal 2 from 30 years to 40 years offset by the addition of the Terminal 2 South Concourse. Thus, total operating expenses (including depreciation), increased 3.9%, or \$3.6 million. The combined effect of the above items was a 25.3%, or \$1.1 million decrease in operating income, relative to the prior period.

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

RALEIGH–DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

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

Non-operating revenues (expenses) in total decreased \$43.6 million due to the following: loss on swap terminations of \$34.4 million and \$5.4 million amortization of deferred refunding expenses for the period ending March 31, 2011, compared to the prior year. Both of these losses were related to the Authority's 2010 bond transactions which overall resulted in \$5.2 million in present value savings on debt cost.

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

Capital Contributions decreased \$4.8 million or 42.1% compared to the prior year due to decreased Federal Grant revenue. The Authority PFC program collection level of \$4.50 requires a corresponding reduction of 75% in federal entitlement grant revenue. The decrease in change in net assets of \$49.5 million for the period ending March 31, 2011 represented a decrease of \$40.9 million or 474% from the prior year decrease. The following table depicts these changes for the fiscal years ended March 31, 2011, March 31, 2010, and March 31, 2009:

Capital Contributions increased \$5.8 million or 103% compared to the prior year due to increased Federal Grant revenue. The Authority PFC program collection level of \$4.50 requires a corresponding reduction of 75% in federal entitlement grant revenue. Thus, the increase in Net Assets of \$7.26 million for the period ending March 31, 2010 represented a decrease of \$8.6 million or 54% from the prior year increase. The following table depicts these changes for the fiscal years ended March 31, 2010, March 31, 2009, and March 31, 2008:

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Condensed Statement of Revenues, Expenses, and Change in Net Assets

	<u>March 31, 2011</u>	<u>March 31, 2010</u>	<u>March 31, 2009</u>
Operating revenues			
Parking	\$ 35,150,897	\$ 33,998,195	\$ 36,572,511
Terminals	24,632,442	23,283,910	20,459,651
Rental Car	11,967,229	11,604,879	12,788,821
Other	17,869,210	18,281,933	16,411,207
Total operating revenues	<u>89,619,778</u>	<u>87,168,917</u>	<u>86,232,190</u>
Operating expenses	47,992,595	44,009,519	42,129,717
Depreciation	47,095,977	47,523,955	39,245,679
Total operating expense	<u>95,088,572</u>	<u>91,533,474</u>	<u>81,375,396</u>
Operating income	<u>(5,468,794)</u>	<u>(4,364,557)</u>	<u>4,856,794</u>
Total non-operating revenues(expenses)	(43,446,224)	110,725	5,356,378
Capital contributions	<u>6,669,348</u>	<u>11,518,926</u>	<u>5,677,385</u>
Increase in net assets	<u><u>\$ (42,245,670)</u></u>	<u><u>\$ 7,265,094</u></u>	<u><u>\$ 15,890,557</u></u>

Cash Flows

The Authority's overall liquidity position improved during FY 2010-2011 year with an increase in unrestricted cash and investments of \$9.1 million or 6.7%. This increase was primarily due to net cash flow from operations exceeding the amount of capital cash requirements, thus producing a cash surplus. Cash balances also increased in FY 2009-2010 by \$18.1 million while cash decreased during FY 2008-2009 by \$16.5 million (decrease due to cash payoff of \$22.5 million of the 2002 bonds).

Restricted cash decreased \$65.9 million or 49.8% due to two factors: the spend down of PFCs (\$47.0 million) and a reduction in bond proceeds (\$21.3 million), both used to fund Terminal 2 construction costs. For FY 2009-2010 relative to FY 2008-2009, cash also decreased \$98.4 million or 42.1% due almost entirely to the spend down of Terminal 2 bond proceeds (\$96.2 million). Both current PFC cash balances and bond proceeds are restricted for use on the Terminal 2 or related debt service.

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Cash Flow (continued)

With regard to the statement of cash flows, cash provided by operating activities (\$43.9 million) decreased slightly (\$646 thousand or 1.5%) from the prior fiscal year. For FY 2009-2010 cash provided by operating activities (\$44.1 million) decreased slightly (\$447 thousand, 1.0%). Cash provided by investing activities decreased \$45.0 million or 259.7%, 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 2009-2010 cash provided by investing activities increased \$2.3 million or 15.7%.

Cash used by capital and related financing activities for FY 2010-2011 was \$102.9 million. In the preceding year, cash used by capital and financing activities was \$128.1 million. This resulted in a reduction of approximately \$25.2 million in cash used in capital and related activities between the two years presented. Primary contributors to this decrease were a reduction in additions to Airport and Facilities (\$36.5 million), a loss on swap terminations and refunding bond issues (\$39.7 million), and a reduction in contributed capital (\$7.8 million). Offsetting this decrease in capital and related financing activities was an increase in debt issuance premiums (\$25.9 million).

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

Positive operating cash activities (\$43.9 million) offset by increased cash used in investment activities (\$27.7 million) coupled with cash used by capital and related financing activities (\$102.9 million) combined to produce an overall decrease in cash and cash equivalents of \$86.7 million. This compared to an overall decrease of \$66.2 million in the prior year and a decrease of \$125.0 million during FY 2008-2009. These decreases in the years presented have primarily been the result of the spend down of bond proceeds related to the Terminal 2 project. The following is a summary of the change in cash and cash equivalents for the fiscal years ended March 31, 2011, March 31, 2010, and March 31, 2009:

Condensed Statement of Cash Flows

	March 31, 2011	March 31, 2010	March 31, 2009
Net cash provided from:			
Operating activities	\$ 43,916,053	\$ 44,562,103	\$ 44,521,075
Capital and related financing activities	(102,895,192)	(128,137,870)	(184,535,146)
Investing activities	(27,693,948)	17,333,111	14,984,787
Net increase	(86,673,087)	(66,242,656)	(125,029,284)
Cash and cash equivalents at beginning of year	209,987,904	276,230,560	401,259,844
Cash and cash equivalents at end of year	<u>\$ 123,314,817</u>	<u>\$ 209,987,904</u>	<u>\$ 276,230,560</u>

RALEIGH–DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Cash Flow (continued)

During the year, the Authority continued 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). For 2008-2009 and FY 2009-2010, this cash reserve was maintained at the policy cap of \$35 million. For 2010-2011 and beyond, the Authority has revised this policy to maintain a cash reserve 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 bond rating agencies that maintain bond ratings for the Authority.

Economic Outlook and Capital Development

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

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

Thus, the Authority turned its attention to a major redevelopment of Terminal C under a preliminary project budget of \$350 million in 2003 dollars. With the additional redevelopment of the South Concourse, the project was subsequently revised to \$570 million. In addition, these project costs were the result of extensive modeling and cost projections to incorporate a costing strategy to maintain the lowest possible cost per enplanement passenger to the airlines thereby retaining the Airport's competitive cost structure. The Authority's cost per passenger is projected to remain within the target range of 4-6% of average one way fares through 2016.

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

RALEIGH–DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Economic Outlook and Capital Development (Continued)

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

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

The financing for the Terminal 2 project was completed in 2007 with the issuance of \$152 million of fixed rate bonds on May 31, 2007. In connection with this financing, the Authority's underlying credit rating was upgraded to AA- (from A+) and Aa3 (from A3) by Fitch Ratings and Moody's Investor Service, respectively. A stable outlook was assigned in both cases.

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

Thus, the remaining \$75 million became un-hedged variable debt at that time. In addition, the Authority also offset termination transaction costs and the market premium associated with a failed Debt Service Reserve fund investment agreement with Lehman. As such, these additional offsets reduced the net cash flow to the Authority of the termination of the Lehman swap to \$3.1 million. Lehman has challenged the Authority's calculations regarding these transactions and the Authority is currently responding with the assistance of its counsel and financial advisors.

RALEIGH–DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Economic Outlook and Capital Development (Continued)

On August 6th, 2010 the authority elected to terminate all three of its interest rates 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 million 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, 2011, 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 2001A bonds with the series 2010B and 2010B-1 bonds in the amounts of \$94,080,000 and \$38,235,000, respectively. These bonds achieved present value savings of 7.80% and 6.70%, respectively. Thus, with these refunding issues, the Authority officially defeased its 2001A bond obligations.

Prior to the swap terminations, the Authority and the North Carolina Local Government Commission placed a present value dis-savings cap of 3.0% on these transactions. 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 2010B and 2010B-1 refundings, the Authority achieved overall present value savings of \$5.2 million on the collective transactions.

The Authority's bond ratings were affirmed, AA- and Aa3 by Fitch Ratings and Moody's Investor Service respectively, in conjunction with the 2010 bond transactions. Moody's affirmed with a stable outlook while Fitch Ratings affirmed with a negative outlook, where these ratings remain today.

In March 2011, in accordance with its financial plan, the Authority paid off (defeased) all its remaining 2001B bond obligations by cash funding with the trustee the required payoff amount. The 2001B bonds were paid off in May 2011 in the amount of approximately \$10.4 million. Thus, the 2001B bonds were defeased in March 2011.

On October 26, 2008, the Authority opened phase 1 of Terminal 2. The South Concourse or phase 2 of the Terminal 2 project opened on January 23, 2011, thus completing Terminal 2 on time and on budget. The Terminal 2 Project now substantially complete, has a Project budget of \$573 million.

For the fiscal year ended March 31, 2011, the Authority's enplaned passengers increased to 4.6 million which represented a 1.2% increase relative to the prior year. For the fiscal year ended March 31, 2010, the Authority's enplaned passengers decreased to 4.5 million which represented a 3.6% reduction, relative to the prior period. In the fiscal year ended March 31, 2009, 4.7 million passengers were enplaned at the Airport.

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2011 and 2010

Budget Information for the Fiscal Year Ending March 31, 2012

The Authority, as it typically does, has elected to forecast conservatively, especially with respect to revenue generation for the fiscal year ended March 31, 2012. For comparison purposes, FY 2011-2012 budgeted operating revenue of \$90,588,818 was 1.0% (\$928 thousand) higher than actual FY 2010-2011 operating revenue of \$89,660,697. For FY 2011-2012 relative to the prior year budget, total budgeted operating revenue increased \$4.3 million or 5.0% due to increased estimated: parking revenue (up \$1.5 million or 4.5%), rental car revenue (up \$868 thousand or 7.6%), terminal revenue increased (\$1.6 million or 6.8%), and landing fee revenue up (\$307 thousand or 2.6%). In addition, budgeted non-operating revenue increased \$4.3 million or 16.3% due to increased Federal and State Grant revenue (\$3.6 million) and PFC revenue of (\$409 thousand).

Budgeted operating expenses (excluding depreciation) increased \$2.0 million, or 4.4% for the year ended March 31, 2012 relative to the prior year. Inclusive of depreciation, total budgeted operating expenses increased \$6.8 million or 7.2% relative to the prior year. Total budgeted non-operating expenses increased \$8.6 million or 39.2% due to increased debt service interest expense. This increase was the result of a \$10.7 million decrease in the amount of required GAAP capitalization of construction period interest. Thus, this change in accounting treatment resulted in the increase in interest expense during the current period.

The combined net effect of these items was to decrease budgeted net assets \$6.8 million or 201.7% with regard to the Authority's FY 2011-2012 budgeted projections versus the prior year. This decrease in net assets was primarily the result of increased depreciation (\$4.8 million) related to the Terminal 2 South Concourse completion.

Requests for Information

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

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF NET ASSETS

March 31, 2011 and 2010

	2011	2010
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 55,212,362	\$ 75,972,007
Short-term investments	89,280,338	59,434,509
Collateral for SEB loan program	1,500,000	1,500,000
Accounts receivable for fees and rentals	3,829,128	3,980,526
Grants receivable	2,180,625	82,410
Other current assets	797,396	814,357
Total current assets	152,799,849	141,783,809
Non-current assets		
Restricted assets		
State of North Carolina Underground Storage Tank		
Trust Fund Deductible	220,000	220,000
Passenger Facility Charge Cash and cash equivalents	19,790,451	70,784,420
Passenger Facility Charge receivable	2,880,987	2,510,205
Aeronautical Facilities Revenue Bonds		
Cash and cash equivalents - Bond Series 2001A, 2007 and 2008	429,582	21,758,189
Parity Reserve Fund	46,162,422	39,753,288
Total restricted assets	69,483,442	135,026,102
Airport and facilities		
Airport and facilities, non depreciable	43,915,637	175,025,704
Airport and facilities depreciable, net	944,062,186	784,892,656
Airport and facilities, net	987,977,823	959,918,360
Debt premium/issue costs, net	-	42,693
Total non-current assets	1,057,461,265	1,094,987,155
TOTAL ASSETS	1,210,261,114	1,236,770,964

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

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF NET ASSETS

March 31, 2011 and 2010

	2011	2010
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 3,233,449	\$ 4,272,257
Other accrued liabilities	1,750,000	949,219
Retainage and construction accounts payable	5,528,313	14,886,261
Accrued employee compensation	1,861,620	1,628,047
Accrued bond interest payable	12,662,298	8,705,228
Current maturities of long-term debt		
General Airport Revenue Bonds-Series 2001A	-	3,645,000
General Airport Revenue Bonds-Series 2001B	-	3,220,000
General Airport Revenue Bonds-Series 2005B	3,585,000	3,415,000
General Airport Revenue Bonds-Series 2007	2,755,000	-
General Airport Revenue Bonds-Series 2008A	-	2,310,000
General Airport Revenue Bonds-Series 2008B	-	1,850,000
General Airport Revenue Bonds-Series 2008C	1,450,000	1,385,000
General Airport Revenue Bonds-Series 2010A	5,040,000	-
General Airport Revenue Bonds-Series 2010B	3,960,000	-
Total current liabilities	41,825,680	46,266,012
Noncurrent liabilities		
Long-term debt		
General Airport Revenue Bonds-Series 2001A, B	-	147,925,000
General Airport Revenue Bonds-Series 2005A, B	110,570,000	114,155,000
General Airport Revenue Bonds-Series 2007	149,315,000	152,070,000
General Airport Revenue Bonds-Series 2008A, B	-	216,870,000
General Airport Revenue Bonds-Series 2008C	70,845,000	72,295,000
General Airport Revenue Bonds-Series 2010A, B, B-1	365,680,000	-
	696,410,000	703,315,000
Other liabilities		
Debt premium/issue costs, net	25,773,665	-
Unearned rent credit	1,862,500	2,162,500
OPEB retiree health care liability	2,164,060	650,820
Separation Allowance Liability	94,247	-
	29,894,472	2,813,320
Total noncurrent liabilities	726,304,472	706,128,320
TOTAL LIABILITIES	768,130,152	752,394,332

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

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF NET ASSETS

March 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Net Assets		
Invested in capital assets, net of related debt	\$ 321,369,827	\$ 302,289,837
Restricted		
State of North Carolina Underground Storage Tank		
Trust Fund Deductible	220,000	220,000
Passenger Facility Charges	22,671,438	73,294,625
Unrestricted net assets	<u>97,869,697</u>	<u>108,572,170</u>
TOTAL NET ASSETS	<u><u>\$ 442,130,962</u></u>	<u><u>\$ 484,376,632</u></u>

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Years Ended March 31, 2011 and 2010

	2011	2010
Operating revenues		
Parking	\$ 35,150,897	\$ 33,998,195
Airfield	11,865,742	12,499,790
General aviation	1,400,643	1,398,821
Terminals	24,632,442	23,283,910
Air cargo	2,016,233	2,004,795
Fuel Farm	972,544	961,740
Rental car	11,967,229	11,604,879
Other	1,614,048	1,416,787
Total operating revenues	89,619,778	87,168,917
Operating expenses		
Airport facilities	19,122,793	17,956,239
Administrative	9,438,549	8,201,857
Fuel farm	978,378	903,815
Law enforcement	3,253,639	2,848,365
Airport maintenance	5,176,960	4,828,437
Parking	2,829,332	2,416,808
Emergency services	1,614,092	1,523,960
Visitor services	758,323	689,040
Communications	808,140	727,856
Operations	1,069,994	984,061
Ground transportation	2,685,399	2,701,382
Terminal services	256,996	227,699
Subtotal	47,992,595	44,009,519
Depreciation	47,095,977	47,523,955
Total operating expenses	95,088,572	91,533,474
Operating loss	(5,468,794)	(4,364,557)
Non-operating revenues (expenses)		
Investment interest income	2,500,267	3,750,839
Passenger Facility Charges	18,818,814	18,940,075
Net increase in fair value of investments	(404,171)	(404,147)
Bond interest expense, net	(25,491,187)	(22,663,862)
Loss on swap termination	(34,350,297)	-
Amortization of deferred expenses related to 2001A refunding	(5,392,913)	-
Other, net	873,263	487,820
Total non-operating revenues (expenses)	(43,446,224)	110,725
Loss before capital contributions	(48,915,018)	(4,253,832)
Capital contributions	6,669,348	11,518,926
Increase (decrease) in net assets	(42,245,670)	7,265,094
Net Assets, beginning of year	484,376,632	477,111,538
Net Assets, end of year	\$ 442,130,962	\$ 484,376,632

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Cash received from operations	\$ 89,432,352	\$ 87,261,956
Other, non-operating revenue	880,983	488,403
Other, non-operating expenses	(7,720)	(583)
Cash paid to employees	(19,217,639)	(19,383,924)
Cash paid to suppliers	(27,171,923)	(23,803,749)
Net cash provided by operating activities	<u>43,916,053</u>	<u>44,562,103</u>
Investing activities		
Purchases of short-term investments	(127,095,829)	(60,849,393)
Proceeds from maturities of short-term investments	97,250,000	74,550,000
Investment gain on valuation account	(404,171)	(404,147)
Interest on cash deposits	2,556,052	4,036,651
Net cash provided by (used in) investing activities	<u>(27,693,948)</u>	<u>17,333,111</u>
Capital and related financing activities		
Proceeds from issuance of Long-Term Debt		
General Airport Revenue Bonds-Series 2008 A and B	7,660,000	-
Payments of Long-Term Debt and Capital Lease Obligations		
General Airport Revenue Bonds-Series 2001 A and B	(154,790,000)	(6,605,000)
General Airport Revenue Bonds-Series 2005 A and B	(3,415,000)	(3,250,000)
General Airport Revenue Bonds-Series 2007	(2,755,000)	-
General Airport Revenue Bonds-Series 2008 A, through C	(218,320,000)	(5,290,000)
General Airport Revenue Bonds-Series 2010 A, through B-1	365,680,000	-
Other capital and financing costs		
Debt issuance costs	25,816,358	(105,956)
Additions to airport and facilities	(84,513,388)	(120,993,874)
Bond interest paid on long-term debt	(21,534,117)	(23,509,212)
Passenger facility charges collected	18,448,032	19,229,420
Loss on swap termination	(39,743,210)	-
Contributed capital	4,571,133	12,386,752
Net cash used in capital and related financing activities	<u>(102,895,192)</u>	<u>(128,137,870)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(86,673,087)	(66,242,656)
Cash and cash equivalents - beginning of year	<u>209,987,904</u>	<u>276,230,560</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 123,314,817</u>	<u>\$ 209,987,904</u>
(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, 2011 and 2010

	2011	2010
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ (5,468,794)	\$ (4,364,557)
Other, non-operating revenue	880,983	488,403
Other, non-operating expenses	(7,720)	(583)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	47,095,977	47,523,955
Changes in operating assets and liabilities		
Accounts receivable	95,613	532,826
Other current assets	16,961	(139,787)
OPEB Retiree Health Care Liability	1,513,240	650,820
Seperation Allowance Liability	94,247	-
Accounts payable	(238,027)	362,972
Accrued employee compensation	233,573	(191,946)
Unearned Rent Credit	(300,000)	(300,000)
Net cash provided by operating activities	\$ 43,916,053	\$ 44,562,103

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current Assets		
Cash and cash equivalents	55,212,362	75,972,007
Collateral for SEB loan program	1,500,000	1,500,000
Noncurrent Assets		
Restricted assets		
State of North Carolina Underground Storage Tank Trust Fund Deductible	220,000	220,000
Passenger Facility Charge Cash and cash equivalents	19,790,451	70,784,420
Aeronautical Facilities Revenue Bonds		
Cash and cash equivalents - Bond Series 2001A, 2007 and 2008	429,582	21,758,189
Debt Service Reserve Fund - Bond Series 2001A, 2005, 2007 and 2008	46,162,422	39,753,288
	\$ 123,314,817	\$ 209,987,904

Supplemental Cash Flow Information

Cash investing, capital and financing activities		
Cash paid for interest	\$ 27,249,328	\$ 33,616,766
Capitalized interest paid	\$ 5,715,211	\$ 10,107,554

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 1 – The Authority

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

Note 2 – Summary of significant accounting policies

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

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

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

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 2 – Summary of significant accounting policies (continued)

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

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

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

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

Depreciation expense was \$47,095,977 and \$47,523,955 for the fiscal years ended 2011 and 2010, respectively.

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

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

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

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

The estimated lives by general classifications are as follows:

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

The Authority's net assets are classified as follows:

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 2 – Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

Concentration of credit risk – For the years ended March 31, 2011 and 2010, no air carrier accounted for more than 9% of the Authority's operating revenues.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 2 – Summary of significant accounting policies (continued)

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

Change in accounting estimate - Effective April 1, 2010 the Authority implemented a revised policy for useful lives of capital assets based on historical experience. The revised schedule was implemented on a prospective basis with fiscal year 2011 being the first year of implementation. Approximate depreciation impact for 2011 is a decrease of \$3.2 million. Differences resulted from changed service lives for Terminal 2 (from 30 to 40 years).

Reclassifications – Certain 2010 amounts have been reclassified in order to conform to 2011 presentation.

Passenger facility charges – The Federal Aviation Administration (FAA) authorized the Authority to collect Passenger Facility Charges (PFCs) of \$3 per qualifying enplaned passenger commencing May 1, 2003. Effective October 1, 2004, the FAA authorized the Authority to collect PFCs of \$4.50 per qualifying enplaned passenger. The net receipts from PFCs are accounted for on the accrual basis of accounting and are restricted to use on FAA approved projects. Aggregate collections and interest thereon from inception through March 31, 2011 and 2010 were \$146,892,159 and \$128,444,127 respectively. Total PFC funds of \$69,442,000 (includes \$47,000,000 pay go financing for Terminal 2 Project) and \$20,074,167 were expended during the fiscal years ended March 31, 2011 and 2010, respectively, on FAA approved uses. Beginning in the fiscal year 2005-2006, 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, 2011 was \$22,442,000. Irrevocable commitments to the extent not applied to debt service are carried forward for future application. Net assets related to PFCs are restricted for projects that are approved by the FAA.

New pronouncements – During the fiscal year ended March 31, 2011 and beyond, the Authority will implement several new pronouncements of the Governmental Accounting Standards Board (GASB). These pronouncements are as follows:

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 2 – Summary of significant accounting policies (continued)

New pronouncements (continued)

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

GASB Statement No. 53 “Accounting and Financial Reporting for Derivative Instruments” This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Much of this Statement describes the methods of evaluating effectiveness. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, are reported at fair value. For many derivative instruments, historical prices are zero because their terms are developed so that the instruments may be entered into without a payment being received or made. The changes in fair value of derivative instruments that are used for investment purposes or that are reported as investment derivative instruments because of ineffectiveness are reported within the investment revenue classification. Alternatively, the changes in fair value of derivative instruments that are classified as hedging derivative instruments are reported in the statement of net assets as deferrals. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. As of March 31, 2011, the Authority has no derivative instruments having terminated its two interest rate swap agreements during the fiscal year.

GASB Statement No. 58 “Accounting and Financial Reporting for Chapter 9 Bankruptcies” The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. For governments that are not expected to emerge from bankruptcy as going concerns, this Statement requires remeasurement of assets to a value that represents the amount expected to be received. This Statement classifies gains or losses resulting from remeasurement of liabilities and assets as an extraordinary item. Governments that have filed for bankruptcy are required to disclose information regarding, among other things, the pertinent conditions and events giving rise to the petition for bankruptcy, the expected gain, and the effects upon services. The requirements in this Statement will improve financial reporting by providing more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. In addition, these requirements will provide financial statement users with better information regarding the effects of bankruptcy upon governments that file for Chapter 9 protection. This Statement is effective for reporting periods beginning after June 15, 2009 and did not have a material effect on the Authority’s financial position or results of operations.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

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, 2011, the Authority's deposits had a carrying amount of \$70,012,008 and a statement balance of \$75,091,918. Of this bank balance, \$6,421,827 was covered by federal depository insurance while the balance of \$68,670,091 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, 2010, the Authority's deposits had a carrying amount of \$137,727,591 and a statement balance of \$148,307,383. Of this bank balance, \$7,586,977 was covered by federal depository insurance while the balance of \$140,720,406 was covered by collateral held under the Pooling Method. The Authority is required to maintain a minimum balance of \$250,000 in its checking account.

Investments –At March 31, 2011, the Authority had the following investments and maturities:

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1 Year - 30
Repurchase Agreements	\$ 8,137,800	\$ -	\$ -	\$ 8,137,800
US Government Agencies	89,280,338	23,972,418	1,012,340	64,295,579
NC Capital Management Trust- Cash Portfolio	53,302,809	N/A	N/A	N/A
Total:	\$ 150,720,947	\$ 23,972,418	\$ 1,012,340	\$ 72,433,379

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 3 – Deposits and investments (continued)

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

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1 Year - 30 Months
US Government Agencies	\$ 59,434,509	\$ 2,003,760	\$ 10,123,430	\$ 47,307,319
NC Capital Management Trust- Cash Portfolio	72,260,312	N/A	N/A	N/A
Total:	\$ 131,694,821	\$ 2,003,760	\$ 10,123,430	\$ 47,307,319

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

Credit Risk State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). Direct investments made by the Authority by policy are limited to U.S. Treasury Bills and Notes, U.S. Government Agency obligations and bank Certificates of Deposit, all with maximum maturity of 30 months. Only indirect investments in Commercial Paper and Repurchase Agreements are permitted in relation to bond proceed and debt service reserve fund investments which are designed to maximum investment income as permitted under US Treasury arbitrage regulations. As of March 31, 2011 and 2010, the Authority's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The Authority's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of March 31, 2011 and 2010. The Authority's investments in US Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

Concentration of Credit Risk The Authority places no limit on the amount that the Authority may invest in any one issuer. More than 74% of the Authority's investments are in government agencies. At March 31, 2011, the Authority's investments consisted of 23% in Federal Home Loan Bank securities, 20% in Federal Home Loan Mortgage Corporation securities, 24% in Federal National Mortgage Association securities, 2% Federal Farm Credit Bank, 5% Guaranteed Investment Contract, 6% Repurchase Agreement, and 20% in NCCMT. Of this 20% invested in the NCCMT, 74% represents Authority debt service reserve and 26% represents Authority bond proceeds. At March 31, 2010, the Authority's investments consisted of 16% in Federal Home Loan Bank securities, 9% in Federal Home Loan Mortgage Corporation securities, 21% in Federal National Mortgage Association securities, and 54% in NCCMT. Of this 54% invested in the NCCMT, 91% represents Authority bond proceeds.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 4 – Airport and facilities, net

Changes in airport and facilities are as follows for the year ended March 31, 2011:

	<u>March 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>March 31, 2011</u>
<u>Capital assets not being depreciated</u>					
Land	\$ 41,193,383	\$ -	\$ -	\$ -	\$ 41,193,383
Construction in progress	133,832,321	75,155,440		(206,265,507)	2,722,254
Total capital assets not being depreciated	<u>175,025,704</u>	<u>75,155,440</u>	<u>-</u>	<u>(206,265,507)</u>	<u>43,915,637</u>
<u>Other capital assets</u>					
Landing field and grounds	523,502,823	-	-	9,512,741	533,015,564
Terminal buildings	505,473,231	-	-	191,521,884	696,995,115
Other buildings	171,360,889	-	-	1,839,407	173,200,296
Utilities	4,230,632	-	-	1,186,804	5,417,436
Equipment	23,004,243	-	-	2,204,671	25,208,914
Total other capital assets	<u>1,227,571,818</u>	<u>-</u>	<u>-</u>	<u>206,265,507</u>	<u>1,433,837,325</u>
Total airport and facilities	<u>1,402,597,522</u>	<u>75,155,440</u>	<u>-</u>	<u>-</u>	<u>1,477,752,962</u>
<u>Accumulated depreciation</u>					
Landing field and grounds	(274,976,893)	(16,811,410)	-	-	(291,788,303)
Terminal buildings	(90,426,415)	(18,390,598)	-	-	(108,817,013)
Other buildings	(56,493,791)	(9,575,716)	-	-	(66,069,507)
Utilities	(3,747,016)	(321,527)	-	-	(4,068,543)
Equipment	(17,035,047)	(1,996,726)	-	-	(19,031,773)
Total accumulated depreciation	<u>(442,679,162)</u>	<u>(47,095,977)</u>	<u>-</u>	<u>-</u>	<u>(489,775,139)</u>
Airport and facilities, net	<u>\$ 959,918,360</u>	<u>\$ 28,059,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 987,977,823</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 4 – Airport and facilities, net (continued)

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

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

During March 31, 2011 and 2010, interest costs of approximately \$5,721,746 and \$10,416,393, net of interest earned of approximately \$6,535 and \$308,839, were capitalized as part of the cost of construction in progress, respectively.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 5 – Long-term debt

Changes of long-term debt for the year ended March 31, 2011 consist of the following:

<u>Amounts due to trustee</u>	<u>March 31, 2010</u>	<u>Principal Repayments</u>	<u>New Debt</u>	<u>March 31, 2011</u>
Series 2001A 4.00 – 5.50% General Airport Revenue Bonds, maturing in varying installments beginning in 2005 to 2031	\$ 141,175,000	\$ 141,175,000	\$ -	\$ -
Series 2001B 4.00 – 4.375% General Airport Revenue Bonds, maturing in varying installments beginning in 2002 to 2015	13,615,000	13,615,000	-	-
Series 2005A 4.00-5.00% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030	39,805,000	-	-	39,805,000
Series 2005B 3.00-5.00% General Airport Revenue Bonds, maturing in varying installments beginning 2006 to 2029	77,765,000	3,415,000	-	74,350,000
Series 2007 4.750% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2037	152,070,000	-	-	152,070,000
Series 2008ABC 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	294,710,000	222,415,000	-	72,295,000
Series 2010A 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2036 (Refunded 2008AB Bonds)	-	-	242,365,000	242,365,000
Series 2010B 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2027 (Refunded 2001A Bonds)	-	-	94,080,000	94,080,000
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	719,140,000	380,620,000	374,680,000	713,200,000
Less current maturities	15,825,000	-	-	16,790,000
	<u>\$ 703,315,000</u>	<u>\$ 380,620,000</u>	<u>\$ 374,680,000</u>	<u>\$ 696,410,000</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 5 – Long-term debt (continued)

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

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 5 – Long-term debt (continued)

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

Year Ending March 31	General Airport Revenue Bond Series 2005A	General Airport Revenue Bond Series 2005B	General Airport Revenue Bond Series 2007	General Airport Revenue Bond Series 2008C	General Airport Revenue Bond Series 2010A	General Airport Revenue Bond Series 2010B,B-1	Interest
2012	\$ -	\$ 3,585,000	\$ 2,755,000	\$ 1,450,000	\$ 5,040,000	\$ 3,960,000	\$ 33,029,230
2013	-	3,760,000	2,885,000	1,520,000	5,165,000	4,075,000	32,407,824
2014	-	3,950,000	3,035,000	1,595,000	5,320,000	4,200,000	31,726,979
2015	-	4,150,000	3,190,000	1,670,000	5,510,000	4,370,000	30,948,054
2016	-	4,355,000	3,355,000	1,750,000	5,740,000	4,540,000	30,111,171
2017-2021	3,250,000	22,080,000	19,525,000	10,125,000	33,255,000	25,695,000	135,532,488
2022-2026	16,055,000	16,355,000	25,060,000	12,805,000	42,705,000	32,060,000	104,765,002
2027-2031	20,500,000	16,115,000	32,035,000	16,190,000	54,400,000	43,210,000	65,620,598
2032-2036	-	-	40,870,000	20,480,000	69,190,000	10,205,000	26,066,167
2037-2038	-	-	19,360,000	4,710,000	16,040,000	-	1,360,750
	<u>\$39,805,000</u>	<u>\$74,350,000</u>	<u>\$152,070,000</u>	<u>\$72,295,000</u>	<u>\$242,365,000</u>	<u>\$132,315,000</u>	<u>\$491,568,263</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.

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

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

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

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

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 5 – Long-term debt (continued)

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

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

On March 1, 2005, the Authority issued \$39,805,000 Airport Revenue Bond Series 2005A under the Master Trust Indenture. The proceeds were used for the 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.

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 5 – Long-term debt (continued)

The Series 2006 Bonds, and later the Series 2008 Bonds, were issued as variable interest rate bonds, but the swaps converted the interest rate to a synthetic fixed rate. If the floating receipts from the swap counterparties 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 Airport Authority of \$9.1 million. Simultaneously with terminating the swap agreement, the Authority entered into two new swap agreements for an aggregate notional amount of \$75 million with Barclays Bank, Plc and Morgan Keegan Financial Products, Inc. as swap counterparties. Performance by Morgan Keegan Financial Products, Inc. under its swap agreement 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 Airport Authority's interest cost on the hedged \$75 million by approximately \$128,000 per year. The remaining \$75 million of Series 2008 Bonds became un-hedged variable debt upon the termination of the Lehman swap. In connection with the termination of the Lehman swap, the Authority offset termination transaction costs and the market premium associated with a failed Debt Service Reserve fund investment agreement with Lehman. As such, these additional offsets reduced the net cash payment by the Authority in connection with the termination of the Lehman swap termination to \$3.1 million.

Each series of the Series 2008 Bonds 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 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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 5 – Long-term debt (continued)

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 operationally. In addition, this facility was now fully funded and was completed on time and under its budget of \$570 million.

On August 6th, 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, 2011, 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. 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.

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 5 – Long-term debt (continued)

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 1st, 2011 in the amount of approximately \$10.7million. 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 these financial statements.

The Authority's bonds are subject to federal arbitrage regulations, and are reviewed for potential for arbitrage liability annually on the bond issue dates. The arbitrage rebate payments are payable on the fifth anniversary of the bond issue date and every fifth year subsequent to that date. Annual calculations are performed for all applicable bond issues and the Authority is in compliance with regard to arbitrage regulations on all bond issues. In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the Authority must rebate to the federal government "arbitrage profits" earned on the governmental bonds after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At March 31, 2011 the Authority had no bond arbitrage rebate liability.

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, 2011 with this 25% transfer is 287%. The debt service coverage ratio at March 31, 2011 without this 25% transfer is calculated as follows:

Net revenues	\$ 44,127,450
Annual debt service	<u>16,847,486</u>
Calculated debt service coverage ratio without transfer	<u>262%</u>

For the fiscal year ending March 31, 2010, the Authority had debt service coverage ratios of 177% without transfer and 202% with transfer.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 6 – Leases

The Authority leases land, buildings and terminal space with a cost of approximately \$716 million and a carrying value of approximately \$596 million to the airlines, car rental agencies, restaurant and other businesses located at the airport. Revenues from these leases, which are included in buildings and grounds and general aviation revenue, were approximately 41% and 40% of airport operating revenues for fiscal years ended March 31, 2011 and 2010, 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, 2011 and 2010, contingent rentals comprised \$17.5 and \$16.6 million of the total rental revenues, respectively.

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

Year Ending March 31	Amount
2012	\$ 6,835,000
2013	10,054,000
2014	9,772,000
2015	9,313,000
2016	8,859,000
	<u>\$ 44,833,000</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 six percent of their annual covered salary. The Authority is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 6.43% and 6.41% of annual covered payroll. The contribution requirements of members are established and may be amended by the North Carolina General Assembly. The Authority's contributions to LGERS for the years ended March 31, 2011, 2010 and 2009 were \$1,870,263, 1,741,464 and \$1,678,340 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, 2011 and 2010

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, 2011 were \$175,266, which consisted of \$98,049 from the Authority, and \$77,217 from the law enforcement officers. Contributions for the year ended March 31, 2010 were \$137,568, which consisted of \$84,022 from the Authority, and \$53,546 from the law enforcement officers.

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, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	<u>27</u>
Total	<u>32</u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies

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

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
 March 31, 2011 and 2010

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 for the current year were as follows:

Employer annual required contribution	\$ 88,614
Interest on net pension obligation	76,628
Adjustment to annual required contribution	<u>(66,580)</u>
Annual pension cost	98,662
Employer contributions made for current fiscal year	<u>59,826</u>
Increase in net pension obligation	38,836
Net pension obligation beginning of fiscal year	<u>1,056,934</u>
Net pension obligation end of fiscal year	<u>\$ 1,095,770</u>

Annual required contribution for the current year was determined part of the December 31, 2009 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 4.5% to 12.3% per year. Item (b) included an inflation component of 3.75%. The assumptions did 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, 2009 was 21 years.

The trend information is as follows:

Funding Status:

Fiscal Year Ending March	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation End of Year
2009	\$ 98,645	24.91%	\$ 981,734
2010	99,769	24.63%	1,056,934
2011	98,662	60.64%	1,095,770

Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2009	\$ -	\$ 1,044,827	\$ 1,044,827	0%	\$ 1,387,487	75.30%

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

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, 2009, the date of the last actuarial valuation:

Retirees receiving benefits	39
Active plan members	<u>276</u>
Total	<u>315</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 6.21% of annual covered payroll. For the current year, the Authority contributed \$200,929 (retiree claims paid less premiums received) or 1.31% of annual covered payroll. The Authority provides health care coverage through a minimum premium plan. The Authority's required contribution for employees and retirees is the actual expense incurred. Contributions (premiums) made by employees and retirees were 3.21% 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.

Life Insurance Benefit

Plan Description:

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
 March 31, 2011 and 2010

Other Post-Employment Benefits (continued)

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:

	March 31, 2011	March 31, 2010
Annual required contribution	\$ 854,455	\$ 854,455
Interest on net OPEB obligation	34,178	-
Adjustment to annual required contribution	(825,536)	-
Annual OPEB cost	1,714,169	854,455
Contributions made	200,929	203,635
Increase in net OPEB obligation	1,513,240	650,820
Net OPEB obligation beginning of the year	650,820	-
Net OPEB obligation end of the year	<u>\$ 2,164,060</u>	<u>\$ 650,820</u>

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

For Year Ended March	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 854,455	23.8%	\$ 650,820
2011	1,714,169	11.7%	2,164,060

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Other Post-Employment Benefits (continued)

Funded Status and Funding Progress:

As of December 31, 2009, 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 \$7,591,229. The covered payroll (annual payroll of active employees covered by the Plan) was \$15,311,651, and the ratio of the UAAL to the covered payroll was 49.6%. 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, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.5 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

Note 8 – Commitments and contingencies

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

Construction commitments – At March 31, 2011 and 2010, the Authority has contractual commitments for Authority expansion programs of approximately \$13 million and \$63 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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2011 and 2010

Note 8 – Commitments and contingencies

Contingent liabilities (continued)

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

Note 9 – Subsequent Events

The Authority has evaluated subsequent events through June 27, 2011 in connection with the preparation of these financial statements which is the date the financial statements were available to be issued. No subsequent events are noted.

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 Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b - a)</u>	<u>(a / b)</u>	<u>(c)</u>	<u>((b - a) / c)</u>
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%

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

Fiscal Year Ended March 31,	Annual Required Contribution	Actual Contribution	Percentage Contribution
2010	\$ 854,455	\$ 203,635	23.8%
2011	859,146	200,929	23.4%

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	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level Percentage of Pay, open
Remaining amortization period	30 years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment Rate of Return*	4.00%
Medical cost trend rate	10.50% - 5.00%
Year of Ultimate trend rate	2017
*Includes inflation at	3.75%

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 Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll <u>((b - a) / c)</u>
12/31/2009	\$ -	\$ 1,044,827	\$ 1,044,827	0.0%	\$ 1,387,487	75.30%

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

Fiscal Year Ended March 31	Annual Pension Cost	Amount Contributed	Percentage of APC Contributed
2009	\$ 98,645	24,569	24.91%
2010	99,769	59,826	59.96%
2011	98,662	87,200	88.38%

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	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	5.00%
Projected salary increase	4.5 - 12.3%
Includes inflation at	3.75%
Cost of living adjustments	N/A



**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL INFORMATION**

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

Our audits were conducted for the purpose of forming opinions on the basic financial statements as of and for the years ended March 31, 2011 and 2010 taken as a whole. The following supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Authority. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the statistical section as listed in the table of contents and, accordingly, we express no opinion on such data.

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

A handwritten signature in black ink that reads "Cherry Bekaert & Holland L.L.P." in a cursive script.

Raleigh, North Carolina
June 27, 2011

RALEIGH-DURHAM AIRPORT AUTHORITY
SUMMARY OF OPERATING REVENUES AND EXPENSES
COMPARED WITH BUDGET
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Operating revenues			
Parking	\$ 35,150,897	\$ 33,500,000	104.9%
Airfield	11,865,742	11,657,555	101.8%
General aviation	1,400,643	1,474,365	95.0%
Terminals	24,632,442	23,716,725	103.9%
Air cargo	2,016,233	2,036,456	99.0%
Fuel Farm	972,544	961,400	101.2%
Rental car	11,967,229	11,448,954	104.5%
Other	1,614,048	1,500,397	107.6%
Total operating revenues	89,619,778	86,295,852	103.9%
Operating expenses			
Complex expenses	19,122,793	19,318,182	99.0%
Department expenses	28,869,802	29,119,511	99.1%
Subtotal	47,992,595	48,437,693	99.1%
Depreciation Expense	47,095,977	47,273,715	99.6%
Total operating expenses	95,088,572	95,711,408	99.3%
NET OPERATING LOSS	\$ (5,468,794)	\$ (9,415,556)	58.1%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
PARKING REVENUES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Parking revenues			
Parking fees	\$ 35,153,340	\$ 33,500,000	104.9%
Contra revenue	(2,443)	-	N/A
TOTAL PARKING REVENUES	<u>\$ 35,150,897</u>	<u>\$ 33,500,000</u>	<u>104.9%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIRFIELD REVENUES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Landing fees			
Commercial/Commuter airlines			
Air Wisconsin	\$ 288,708	\$ 325,285	88.8%
Airtran Airways	266,830	276,869	96.4%
American Airlines	1,176,747	1,195,381	98.4%
American Eagle	773,570	840,167	92.1%
Atlantic Southeast/Delta Connection	22,768	18,612	122.3%
Chataqua Airlines/USAirways Express	76,276	69,852	109.2%
Chataqua Airlines/Delta Connection	85,801	78,067	109.9%
Chataqua Airlines/American Connection	713	37,442	1.9%
Chataqua Airlines/Continental Express	62,905	84,361	74.6%
Colgan Airways/Continental	208,353	181,045	115.1%
Comair/Delta Connection	403,310	564,306	71.5%
Compass	86,413	-	N/A
Continental Airlines	203,428	221,835	91.7%
Continental Express	151,039	117,792	128.2%
Delta Airlines	1,476,901	1,416,971	104.2%
Express Jet	23,923	-	N/A
Freedom Airlines/Mesa	4,655	1,023	455.0%
Jazz Air LP	103,280	87,418	118.1%
Jetblue Airways	479,841	424,463	113.0%
Mesa Airlines/USAirways Express	35,447	17,184	206.3%
Mesa Airlines/United Express	107,971	33,769	319.7%
Mesaba Airlines	160,047	-	N/A
Midwest Connect/Skyway	86,169	100,077	86.1%
Northwest Airlines	5,741	-	N/A
Piedmont Aviation/USAirways Express	316	-	N/A
Pinnacle/Delta	182,862	225,224	81.2%
PSA Airlines/USAirways Express	32,589	69,556	46.9%
Republic/USAirways	157,842	102,058	154.7%
Skywest	11,646	-	N/A
Shuttle America	115,178	200,154	57.5%
Shuttle America/Delta Airlines	34,266	-	N/A
Southwest Airlines	2,316,988	2,412,536	96.0%
Trans State Airlines/USAirways Express	71,528	69,142	103.5%
United Airlines	383,319	293,722	130.5%
USAirways	1,003,133	938,613	106.9%
Non-Scheduled Carriers	1,227	37,862	3.2%
Charter Express	31,377	-	N/A
Total Commercial/Commuter airlines	10,633,106	10,440,786	101.8%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIRFIELD REVENUES
 Year Ended March 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
Cargo carriers			
Air Transport International/BAX Global	\$ 128,691	\$ 132,162	97.4%
Federal Express	481,179	454,738	105.8%
Martinaire/DHL	15,842	17,648	89.8%
Mountain Air Cargo	69	-	N/A
United Parcel Service	259,198	290,771	89.1%
Total Cargo carriers	<u>884,979</u>	<u>895,319</u>	<u>98.8%</u>
 Total landing fees	 <u>11,518,085</u>	 <u>11,336,105</u>	 <u>101.6%</u>
 Other			
Fuel flowage fees	338,847	304,000	111.5%
Other airfield revenues	8,810	17,450	50.5%
Total other	<u>347,657</u>	<u>321,450</u>	<u>108.2%</u>
 TOTAL AIRFIELD REVENUES	 <u><u>\$ 11,865,742</u></u>	 <u><u>\$ 11,657,555</u></u>	 <u><u>101.8%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
GENERAL AVIATION REVENUES
 Year Ended March 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
General Aviation-General			
Fixed space rents			
Bellefonte, Inc.	\$ 16,952	\$ 15,501	109.4%
Bellsouth	31,737	31,737	100.0%
Civil Air Patrol	1,356	-	N/A
Jetcraft	9,108	9,102	100.1%
Lichtin Corp.	9,109	9,102	100.1%
Martin Marietta	9,110	9,102	100.1%
NC DOT Aviation	236,930	236,930	100.0%
Landmark	221,228	281,052	78.7%
PK Enterprises	9,108	9,102	100.1%
Progress Energy	17,926	22,363	80.2%
SAS Institute, Inc.	33,647	32,187	104.5%
TAC Air	621,179	617,818	100.5%
Telecommunication Services	11,330	11,932	95.0%
Total Fixed space rents	<u>1,228,720</u>	<u>1,285,928</u>	<u>95.6%</u>
Percentage rents			
Landmark-Catering	9,833	7,100	138.5%
TAC Air-Catering	2,491	2,700	92.3%
Hertz Corporation	28,328	39,900	71.0%
Immaculate Flight	3,329	3,600	92.5%
Enterprise Rental Car	8,783	-	N/A
Total Percentage rents	<u>52,764</u>	<u>53,300</u>	<u>99.0%</u>
 Total General Aviation-General	 <u>1,281,484</u>	 <u>1,339,228</u>	 <u>95.7%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
GENERAL AVIATION REVENUES
 Year Ended March 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
General Aviation-Terminal			
Fixed space rents			
Delta Airport Consultants	\$ 19,816	\$ 19,877	99.7%
Jetcraft	42,745	40,081	106.6%
JQ Enterprises/Crosswinds Café	3,758	6,281	59.8%
Telecommunication Services	5,406	7,698	70.2%
Total Fixed space rents	<u>71,725</u>	<u>73,937</u>	<u>97.0%</u>
Percentage rents			
JQ Enterprises/Crosswinds Café	4,295	10,700	40.1%
CLS Management	16,405	21,500	76.3%
Hertz Corporation	1,835	3,900	47.1%
Employee Parking	22,272	23,000	96.8%
Enterprise Rental Car	452	-	N/A
Total Percentage rents	<u>45,259</u>	<u>59,100</u>	<u>76.6%</u>
Total General Aviation-Terminal	<u>116,984</u>	<u>133,037</u>	<u>87.9%</u>
Other			
Charter Security Screening	<u>2,175</u>	<u>2,100</u>	<u>103.6%</u>
TOTAL GENERAL AVIATION REVENUES	<u><u>\$ 1,400,643</u></u>	<u><u>\$ 1,474,365</u></u>	<u><u>95.0%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Terminal 1 Complex			
Fixed space rents			
AirTran Airways	\$ 348,308	\$ 356,039	97.8%
Air Wisconsin	47,909	52,700	90.9%
Comair	8,333	-	N/A
Continental Airlines	726,088	802,056	90.5%
Jetblue Airways	420,590	360,560	116.6%
Southwest Airlines	1,454,158	1,482,677	98.1%
US Airways	1,132,185	1,247,184	90.8%
Aeronautical Radio	600	600	100.0%
Anton Airfood	76,181	76,181	100.0%
Accentials, Inc.	2,723	-	N/A
DAL Global Services	1,200	1,200	100.0%
Sandhills Delivery Service	7,564	17,710	42.7%
Globe Airport Security	17,974	21,569	83.3%
Network Communications	6,000	6,000	100.0%
Passur Aerospace	528	528	100.0%
State Employee's Credit Union	6,661	6,000	111.0%
Superior Aircraft Services	5,236	5,236	100.0%
Superior Shine	-	9,000	-
Paradies Shops	18,916	18,916	100.0%
Transportation Security Administration	132,383	115,129	115.0%
RDU Taxi	9,526	9,500	100.3%
Super Shuttle	14,897	18,016	82.7%
Wham Aviation	-	1,200	-
Total fixed space rents	4,437,960	4,608,001	96.3%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Terminal 1 Complex			
Percentage rents			
Anton's Airfood:			
AJ Tavern/Greenleaf's	\$ 364,200	\$ 323,600	112.5%
Carolina Varsity Bar	192,565	217,400	88.6%
Food Court 1:			
Godfather's	16,409	17,400	94.3%
Popeye's Chicken	70,747	81,200	87.1%
Food Court 2:			
A&W All American Food	32,860	37,700	87.2%
Cinnabon	84,081	73,900	113.8%
Great American Bagel	53,651	60,000	89.4%
Starbucks - A3	79,617	79,000	100.8%
Freshens	17,888	26,600	67.2%
Borders, Inc.	79,632	84,400	94.4%
Checkpoint Mailers	1,087	800	135.9%
Classic Food Services	12,213	9,300	131.3%
Interspace Airport Advertising	472,229	351,700	134.3%
J.Q. Enterprises			
The Corner Café	12,077	13,200	91.5%
National Aviation Services	25,408	17,300	146.9%
Redbox	1,882	3,500	53.8%
SBC Internet Services	167,687	30,000	559.0%
Smarte Carte	1,980	6,300	31.4%
Superior Shine	9,000	-	N/A
Telephones - Kellee Communications	2,744	6,500	42.2%
RDU Currency	11,403	11,900	95.8%
Universal Parking Resources	1,418	-	N/A
XpressSpa	22,089	30,300	72.9%
The Paradies Shops:			
A Southern Season	31,553	37,300	84.6%
Brighton Shops	84,316	74,300	113.5%
Brooks Brothers	9,727	-	N/A
PGA Tour Shop	6,772	17,700	38.3%
RDU Press Plus	471,498	454,400	103.8%
The Book Cellar	5,817	7,800	74.6%
24-Hour Flower	2,277	1,500	151.8%
Total percentage rents	2,344,827	2,075,000	113.0%
Miscellaneous rents			
Janitorial	164,912	185,000	89.1%
Telecommunication Services	16,419	13,515	121.5%
Miscellaneous	75	-	N/A
Total miscellaneous rents	181,406	198,515	91.4%
Total Terminal 1 Complex revenues	6,964,193	6,881,516	101.2%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Terminal 2 Complex			
Fixed space rents			
Airport Management Services	\$ 9,635	\$ 8,936	107.8%
American Airlines	3,798,057	3,875,664	98.0%
American Eagle Airlines	621,335	694,466	89.5%
Air Wisconsin	10,391	5,925	175.4%
Borders Book	383	-	N/A
Charter Express	17,311	16,922	102.3%
Continental Airlines	140,684	123,948	113.5%
Delta Airlines	3,917,142	3,799,629	103.1%
G2 Secure Staffing	12,999	-	N/A
Host International	21,505	21,505	100.0%
Jazz Air LP	44,885	41,905	107.1%
JQ Enterprises	11,868	11,265	105.4%
Mesa	70,821	73,533	96.3%
Midwest Airlines	54,190	-	N/A
SSP America	10,658	10,658	100.0%
Skytanking	612	7,348	8.3%
State Employees' Credit Union - ATM	6,661	6,000	111.0%
Super Shuttle	3,236	-	N/A
Superior Shine	3,000	3,000	100.0%
The Paradies Shops	10,998	10,664	103.1%
Transportation Security Administration	56,012	56,012	100.0%
United Airlines	1,187,021	1,178,298	100.7%
US Airways	222,059	182,459	121.7%
Total fixed space rents	10,231,463	10,128,137	101.0%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Terminal 2 Complex			
Percentage rents			
24 Hour Flower	\$ 466	\$ 1,400	33.3%
2nd Edition Book Sellers	14,274	6,300	226.6%
ABM/Onesource	13,868	16,200	85.6%
Airport Management Services, LLC			
AeroMart	154,589	132,100	117.0%
Shaw News	164,911	117,800	140.0%
Hudson News	24,926	12,200	204.3%
Kids Works	5,989	7,400	80.9%
Life is Good	10,594	7,400	143.2%
Pylones	1,231	3,100	39.7%
Borders	204,000	204,000	100.0%
Checkpoint Mailers	67	400	16.8%
Classic Food Services	3,323	4,900	67.8%
Interspace Airport Advertising	427,990	284,500	150.4%
EJE Retail	52,232	57,700	90.5%
G2 Secure Staffing	21,596	-	N/A
Host International, Inc.			
42nd Street Oyster Bar	283,421	224,600	126.2%
Brookwoods Farms	83,683	95,100	88.0%
California Pizza Kitchen	82,606	80,600	102.5%
Carolina Ale House	205,808	225,700	91.2%
Gordon Biersch	120,944	78,800	153.5%
Starbucks	194,757	159,900	121.8%
Vintage NC Wine Bar	18,729	27,900	67.1%
JQ Enterprises, Inc.			
A&W All American Food/KFC Express	78,483	89,000	88.2%
Bruegger's Bagels	118,124	112,800	104.7%
Kelee Communications	1,848	3,000	61.6%
RDU Currency Exchange	88,736	70,000	126.8%
Redbox	2,080	3,500	59.4%
SBC Internet Services	223,490	75,000	298.0%
Smarte Carte	7,956	9,100	87.4%
SSP America			
Camden Food Company	165,215	154,400	107.0%
Five Guys	18,672	5,000	373.4%
Flavours	15,924	-	N/A
Jason's Deli	27,159	13,300	204.2%
Panopolis	61,183	121,500	50.4%
Techshowcase	85,121	84,000	101.3%

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Terminal 2 Complex			
Percentage rents (continued)			
The Paradies Shops			
Brighton	\$ 20,850	\$ 8,200	254.3%
Brooks Brothers	12,235	7,700	158.9%
CNBC	19,479	18,200	107.0%
OTC Drugs and More	99,636	98,600	101.1%
PGA Tour Shop	5,849	4,200	139.3%
Taxco Sterling	50,958	62,700	81.3%
University Kids	14,336	18,300	78.3%
University Market	205,746	237,400	86.7%
XpressSpa	39,602	37,200	106.5%
Zoom Systems			
Best Buy Express	12,522	-	N/A
Rosetta Stone	1,591	13,800	11.5%
Skymall	1,065	1,400	76.1%
Total percentage rents	<u>3,467,864</u>	<u>2,996,300</u>	<u>115.7%</u>
Miscellaneous rents			
FIS international passenger deplaning fee	834,255	780,000	107.0%
Janitorial Revenues	267,480	229,500	116.5%
Gate Usage Fees	428,325	200,000	214.2%
Special Promotional Fees	25	-	N/A
Telecommunication Services	104,314	83,858	124.4%
Total miscellaneous rents	<u>1,634,399</u>	<u>1,293,358</u>	<u>126.4%</u>
Total Terminal 2 Complex revenues	<u>15,333,726</u>	<u>14,417,795</u>	<u>106.4%</u>
Terminal Security			
Security- Checkpoint/Space- Terminals 1 & 2	1,612,159	1,644,882	98.0%
Security-L/E Cost Recovery - Terminals 1 & 2	147,760	147,896	99.9%
Total Terminal Security	<u>1,759,919</u>	<u>1,792,778</u>	<u>98.2%</u>
Terminal Miscellaneous			
Colonial Pipeline	15,960	15,960	100.0%
Skychefs M&O	28,888	28,889	100.0%
U.S. Postal Service	24,987	24,987	100.0%
Wireless:DAS fees	108,000	108,000	100.0%
Skychefs	396,769	446,800	88.8%
Total Terminal Miscellaneous	<u>574,604</u>	<u>624,636</u>	<u>92.0%</u>
TOTAL TERMINAL REVENUES	<u><u>\$ 24,632,442</u></u>	<u><u>\$ 23,716,725</u></u>	<u><u>103.9%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIR CARGO REVENUES
 Year Ended March 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
North Cargo Complex			
Fixed space rents			
ABX Air, Inc.	\$ 116,645	\$ 116,645	100.0%
Emery Worldwide	176,203	178,558	98.7%
Federal Express	322,088	322,088	100.0%
United Parcel Service	217,150	235,761	92.1%
Worldwide Flight Services	101,744	101,744	100.0%
Total North Cargo Complex revenues	<u>933,830</u>	<u>954,796</u>	<u>97.8%</u>
South Cargo Complex			
Fixed space rents			
American Airlines	456,983	456,983	100.0%
Aviation Repair Technologies	10,918	6,007	181.8%
Anton Airfood	101,952	99,159	102.8%
BAX Global	64,987	64,987	100.0%
Cingular Wireless	28,365	28,365	100.0%
Delta Airlines	29,267	29,267	100.0%
Elite Line Services	58,949	58,949	100.0%
Jet Logistics, Inc.	21,310	21,310	100.0%
Paradies	93,750	101,010	92.8%
Southwest Airlines	57,749	57,749	100.0%
Telecommunications Services	7,444	7,142	104.2%
Worldwide Flight Services	145,640	145,639	100.0%
USO of North Carolina	5,089	5,093	99.9%
Total South Cargo Complex revenues	<u>1,082,403</u>	<u>1,081,660</u>	<u>100.1%</u>
TOTAL AIR CARGO REVENUES	<u><u>\$ 2,016,233</u></u>	<u><u>\$ 2,036,456</u></u>	<u><u>99.0%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
FUEL FARM REVENUES
 Year Ended March 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
Fuel Farm			
License Fee - Worldwide	\$ 1,200	\$ 1,200	100.0%
License Fee - Skytanking	1,200	1,200	100.0%
Jet A Fuel Thru Put	966,435	957,000	101.0%
Glycol Thru Put	1,594	2,000	79.7%
Mo Gas Thru Put	1,064	-	N/A
Diesel Fuel Thru Put	1,051	-	N/A
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUEL FARM REVENUES	<u><u>\$ 972,544</u></u>	<u><u>\$ 961,400</u></u>	<u><u>101.2%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
RENTAL CAR REVENUES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Fixed space rents			
Alamo Rent-A-Car	\$ 44,673	\$ 44,329	100.8%
Avis Rent-A-Car	111,366	110,510	100.8%
Budget Rent-A-Car	64,288	63,793	100.8%
Dollar Rent-A-Car	32,215	31,967	100.8%
Enterprise Car Rental	42,505	37,560	113.2%
The Hertz Corporation	139,207	138,137	100.8%
National Car Rental	75,168	74,590	100.8%
Thrifty Rent-A-Car	25,262	25,068	100.8%
Total fixed space rents	<u>534,684</u>	<u>525,954</u>	<u>101.7%</u>
Percentage rents			
Alamo Rent-A-Car	861,353	935,000	92.1%
Advantage Rent-A-Car	19,772	-	N/A
Avis Rent-A-Car	1,893,719	1,975,000	95.9%
Budget Rent-A-Car	1,188,649	1,097,000	108.4%
Dollar Rent-A-Car	680,407	733,000	92.8%
Enterprise Car Rental	1,553,993	1,283,000	121.1%
The Hertz Corporation	3,092,386	2,813,000	109.9%
National Car Rental	1,585,189	1,462,000	108.4%
Thrifty Rent-A-Car	557,077	625,000	89.1%
Total percentage rents	<u>11,432,545</u>	<u>10,923,000</u>	<u>104.7%</u>
TOTAL RENTAL CAR REVENUES	<u><u>\$ 11,967,229</u></u>	<u><u>\$ 11,448,954</u></u>	<u><u>104.5%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
OTHER REVENUES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Fixed space rents			
NC Department of Transportation	\$ 37,648	\$ 37,648	100.0%
Research Triangle Regional Partnership	37,370	37,371	100.0%
Total fixed rents	75,018	75,019	100.0%
Percentage rents			
Sheetz-Aviation Station	166,969	166,968	100.0%
Off airport - Pre-flight parking	160,098	175,500	91.2%
Off airport - Airport Fast Park	127,025	87,400	145.3%
Total percentage rents	454,092	429,868	105.6%
Other miscellaneous rents			
ID badges	48,502	50,000	97.0%
Authority conference rooms	18,880	9,000	209.8%
FAA	3,850	3,850	100.0%
Fingerprinting	29,562	30,000	98.5%
Innovata, LLC	1,978	-	N/A
Skytanking	36,000	36,000	100.0%
UNC Hospitals	7,168	7,168	100.0%
AVI Fees	253,053	207,700	121.8%
RDU Taxi concession fees	212,088	203,320	104.3%
Employee parking	422,233	415,000	101.7%
Super Shuttle	9,075	7,600	119.4%
Telecommunication services	6,669	5,872	113.6%
Traffic ordinance violations	35,805	-	N/A
Miscellaneous	75	20,000	0.4%
Total miscellaneous rents	1,084,938	995,510	109.0%
TOTAL OTHER REVENUES	<u>\$ 1,614,048</u>	<u>\$ 1,500,397</u>	<u>107.6%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
COMPARATIVE SUMMARIES OF OPERATING EXPENSES BY COST CENTER
Years Ended March 31, 2011 and 2010

	Amount		Percent of Total Operating Expenses	
	2011	2010	2011	2010
Operating expenses				
Airport facilities	\$ 19,122,793	\$ 17,956,239	20.1%	19.6%
Administrative	9,438,549	8,201,857	9.9%	9.0%
Visitor services	758,323	689,040	0.8%	0.8%
Fuel Farm	978,378	903,815	1.0%	1.0%
Airport maintenance	5,176,960	4,828,437	5.4%	5.3%
Law enforcement	3,253,639	2,848,365	3.4%	3.1%
Emergency services	1,614,092	1,523,960	1.7%	1.7%
Operations	1,069,994	984,061	1.1%	1.1%
Communications	808,140	727,856	0.8%	0.8%
Parking	2,829,332	2,416,808	3.0%	2.6%
Ground transportation division	2,685,399	2,701,382	2.8%	3.0%
Terminal services	256,996	227,699	0.3%	0.2%
Depreciation	47,095,977	47,523,955	49.5%	51.9%
Total operating expenses	\$ 95,088,572	\$ 91,533,474	100.0%	100.0%

RALEIGH-DURHAM AIRPORT AUTHORITY
SUMMARY OF OPERATING EXPENSES BY COST CENTER
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Operating expenses (excluding depreciation)			
Airport facilities	\$ 19,122,793	\$ 19,318,182	99.0%
Administrative	9,438,549	9,639,551	97.9%
Visitor services	758,323	789,509	96.0%
Fuel Farm	978,378	986,470	99.2%
Airport maintenance	5,176,960	5,067,291	102.2%
Law enforcement	3,253,639	3,415,845	95.3%
Emergency services	1,614,092	1,583,509	101.9%
Operations	1,069,994	1,090,341	98.1%
Communications	808,140	738,483	109.4%
Parking	2,829,332	2,791,716	101.3%
Ground transportation	2,685,399	2,763,529	97.2%
Terminal Services	256,996	253,267	101.5%
Total operating expenses (excluding depreciation)	47,992,595	48,437,693	99.1%
Depreciation			
Airport facilities	36,256,999	36,568,000	99.1%
Administrative	1,052,537	1,001,956	105.0%
Law enforcement	33,489	32,752	102.3%
Airport maintenance	148,509	128,857	115.3%
Parking	9,389,901	9,347,693	100.5%
Emergency services	100,739	82,896	121.5%
Communications	83,957	83,378	100.7%
Operations	29,846	28,183	105.9%
Total depreciation	47,095,977	47,273,715	99.6%
TOTAL OPERATING EXPENSES	\$ 95,088,572	\$ 95,711,408	99.3%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Airport facilities			
Airfield complex			
Contracted services	\$ 226,757	\$ 180,000	126.0%
Contracted Services - Leased Employees	97,090	97,100	100.0%
Electricity	102,401	126,300	81.1%
Natural Gas	3,850	6,300	61.1%
Telecommunications	9,966	16,350	61.0%
Fuel - vehicles and equipment	1,122	1,125	99.7%
Supplies	110,091	111,176	99.0%
Liability Insurance	128,900	128,900	100.0%
Repairs and maintenance			
Equipment	25,774	26,574	97.0%
General	746	2,935	25.4%
Snow Removal	99,785	-	N/A
Total Airfield complex	806,482	696,760	115.7%
Terminal 1 complex			
Contracted Services-BHS &PBB	351,088	356,475	98.5%
Contracted services - Security	17,135	21,600	79.3%
Contracted services	750	1,950	38.5%
Electricity	898,340	890,900	100.8%
Fuel - natural gas	121,598	142,300	85.5%
Telecommunications	20,394	20,800	98.0%
Cable Television	-	3,600	-
Fuel - vehicles and equipment	921	922	99.9%
Promotional Supplies	-	250	-
Supplies	54,507	77,455	70.4%
Liability Insurance	89,500	89,500	100.0%
Insurance claim	9,706	5,600	173.3%
Repairs and maintenance/buildings and grounds			
Public address and music system rental	188	188	100.0%
Elevators/escalators	70,529	75,000	94.0%
Equipment	4,500	4,500	100.0%
General	49,894	49,900	100.0%
HVAC	69,856	80,300	87.0%
Janitorial	1,522,570	1,524,000	99.9%
Loading Bridges/Bag Belts	-	-	N/A
Permit administration	2,280	3,050	74.8%
Total Terminal 1 complex	3,283,756	3,348,290	98.1%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Terminal 2 complex			
Contracted Services-Ramp Tower	\$ 967,403	\$ 967,400	100.0%
Contracted Services-BHS &PBB	1,442,668	1,462,225	98.7%
Contracted Services-AOIS	859,700	816,000	105.4%
Contracted Services-Other	43,299	58,730	73.7%
Electricity	1,461,876	1,394,100	104.9%
Telecommunications	26,727	32,700	81.7%
Cable Television	14,565	14,400	101.1%
Computer Hardware	1,801	1,950	92.4%
Small Equipment	23,750	36,745	64.6%
Supplies	344,266	365,995	94.1%
Liability Insurance	515,119	513,400	100.3%
Insurance claim	7,591	5,600	135.6%
Repairs and maintenance			
Computer Hardware	259	-	N/A
Public address and music system rental	2,241	2,241	100.0%
Elevators/escalators	228,640	230,100	99.4%
Equipment	32,475	32,475	100.0%
General	93,151	114,130	81.6%
HVAC	59,684	60,920	98.0%
Janitorial	2,048,761	2,078,500	98.6%
Permit administration	-	5,125	-
Total Terminal 2 complex	8,173,976	8,192,736	99.8%
Central Energy Plant			
Electricity	627,460	615,800	101.9%
Fuel - natural gas	259,704	236,700	109.7%
Telecommunications	1,306	1,275	102.4%
Fuel - vehicles and equipment	13,610	13,610	100.0%
Supplies	975	1,000	97.5%
Liability Insurance	37,200	37,200	100.0%
Repairs and maintenance			
Equipment	1,350	1,350	100.0%
General	24,816	39,229	63.3%
HVAC	81,610	83,746	97.4%
Janitorial	17,086	22,500	75.9%
Permit administration	90	325	27.7%
Total Central Energy Plant complex	1,065,207	1,052,735	101.2%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Cargo complex			
North Cargo			
Contracted Services - Other	\$ 36,437	\$ 30,600	119.1%
Electricity	26,286	24,800	106.0%
Telecommunications	27	50	54.0%
Supplies	133	133	100.0%
Liability Insurance	16,700	16,700	100.0%
Insurance claim	2,600	1,500	173.3%
Repairs and maintenance			
General	-	3,167	-
Total North Cargo	<u>82,183</u>	<u>76,950</u>	<u>106.8%</u>
South Cargo 1 & 2			
Electricity	13,993	15,000	93.3%
Fuel-Natural Gas	20,227	32,400	62.4%
Telecommunications	1,541	2,850	54.1%
Supplies	1,071	1,072	99.9%
Liability Insurance	12,000	12,000	100.0%
Insurance Claim	1,040	600	173.3%
Repairs and maintenance			
Equipment	2,650	2,650	100.0%
HVAC	2,151	2,152	100.0%
Total South Cargo 1 & 2	<u>54,673</u>	<u>68,724</u>	<u>79.6%</u>
South Cargo 3			
Electricity	57,241	57,200	100.1%
Telecommunications	2,230	1,850	120.5%
Supplies	260	263	98.9%
Insurance	19,576	19,300	101.4%
Insurance Claim	1,284	900	142.7%
Repairs and maintenance			
Elevators/Escalators	1,607	1,700	94.5%
Equipment	2,200	2,200	100.0%
General	1,257	1,355	92.8%
HVAC	14,646	16,955	86.4%
Janitorial	4,263	4,500	94.7%
Permit Administration	175	325	53.8%
Total South Cargo 3	<u>104,739</u>	<u>106,548</u>	<u>98.3%</u>
Total Cargo complex	<u>241,595</u>	<u>252,222</u>	<u>95.8%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Fuel Farm complex			
Contracted Services-Other	\$ 25,000	\$ 25,000	100.0%
Electricity	70,131	71,600	97.9%
Fuel-Natural Gas	4,444	11,800	37.7%
Telecommunications	4,453	5,975	74.5%
Fuel - vehicles and equipment	282	287	98.3%
Supplies	2,965	3,127	94.8%
Insurance	20,900	20,900	100.0%
Repairs and maintenance			
Equipment	600	600	100.0%
General	1,584	1,920	82.5%
Janitorial	12,571	15,600	80.6%
Total Fuel Farm complex	<u>142,930</u>	<u>156,809</u>	<u>91.1%</u>
General Aviation complex			
General Aviation-General			
Electricity	9,652	7,000	137.9%
Telecommunications	6	50	12.0%
Fuel - vehicles and equipment	113	113	100.0%
Supplies	2,609	2,605	100.2%
Liability Insurance	11,200	11,200	100.0%
Insurance claim	2,946	1,700	173.3%
Repairs and maintenance			
Elevators/Escalators	1,607	1,650	97.4%
General	1,225	1,283	95.5%
HVAC	65,733	71,743	91.6%
Janitorial	2,274	6,800	33.4%
Permit Administration	235	250	94.0%
Total General Aviation-General	<u>97,600</u>	<u>104,394</u>	<u>93.5%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
General Aviation-Terminal			
Contracted services-Building Manager	\$ 158,643	\$ 160,000	99.2%
Contracted services	1,800	3,000	60.0%
Electricity	51,360	51,300	100.1%
Fuel - Natural Gas	31,260	34,600	90.3%
Telecommunications	5,598	5,850	95.7%
Supplies	1,264	1,490	84.8%
Liability Insurance	10,300	10,300	100.0%
Insurance claim	2,080	1,200	173.3%
Repairs and maintenance			
Elevators/escalators	2,348	2,400	97.8%
Equipment	2,075	2,075	100.0%
General	13,009	14,185	91.7%
HVAC	1,564	15,420	10.1%
Janitorial	54,416	62,900	86.5%
Permit administration	235	250	94.0%
Total General Aviation-Terminal	335,952	364,970	92.0%
Total General Aviation complex	433,552	469,364	92.4%
Rental Car complex			
Electricity	3,586	3,800	94.4%
Telecommunications	27	50	54.0%
Liability Insurance	14,100	14,100	100.0%
Insurance claim	1,387	800	173.4%
Total Rental Car complex	19,100	18,750	101.9%
Office & Other Buildings complex			
Electricity	248,492	233,000	106.6%
Fuel - natural gas	99,427	99,450	100.0%
Telecommunications	106,920	134,750	79.3%
Fuel - vehicle and equipment	4,595	4,605	99.8%
Small Equipment	-	75	-
Supplies	19,959	20,098	99.3%
Liability Insurance	65,200	65,200	100.0%
Insurance claim	1,907	1,100	173.4%
Repairs and maintenance			
Elevators/escalators	7,045	7,200	97.8%
Equipment	12,936	12,935	100.0%
General	74,219	115,295	64.4%
HVAC	38,062	53,395	71.3%
Janitorial	242,840	254,050	95.6%
Waste disposal	118,558	119,500	99.2%
Permit administration	1,307	1,350	96.8%
Total Office & Other complex	1,041,467	1,122,003	92.8%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Utilities complex			
Electricity	\$ 6,285	\$ 6,400	98.2%
Water and sewer	843,792	860,000	98.1%
Telecommunications	27	50	54.0%
Fuel - vehicle and equipment	250	250	100.0%
Supplies	12,907	13,750	93.9%
Liability Insurance	1,100	1,100	100.0%
Repairs and maintenance			
General	32,116	39,200	81.9%
Water system	-	-	N/A
Total Utilities complex	<u>896,477</u>	<u>920,750</u>	<u>97.4%</u>
Parking complex			
Contracted Services - Other	87,001	71,975	120.9%
Electricity	723,756	797,100	90.8%
Telecommunications	25,273	27,725	91.2%
Fuel - Vehicles & Equipment	4,224	4,223	100.0%
Supplies	89,346	98,170	91.0%
Liability Insurance	243,600	243,600	100.0%
Insurance claim	19,066	11,000	173.3%
Repairs and maintenance			
Elevators/Escalators	98,183	100,000	98.2%
Equipment	4,600	4,600	100.0%
General	44,562	45,100	98.8%
HVAC	2,827	2,945	96.0%
Janitorial	201,528	204,500	98.5%
Permit administration	3,050	3,975	76.7%
Total Parking complex	<u>1,547,016</u>	<u>1,614,913</u>	<u>95.8%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Ground Transportation complex			
Taxi Operation			
Telecommunications	\$ 1,251	\$ 1,175	106.5%
Supplies	38	990	3.8%
Liability Insurance	1,100	1,100	100.0%
Repairs and maintenance			
Equipment	200	200	100.0%
General	880	960	91.7%
Janitorial	25,017	27,775	90.1%
Total Taxi Operation	<u>28,486</u>	<u>32,200</u>	<u>88.5%</u>
Ground Transportation Other			
Contracted services-landscaping	985,133	994,000	99.1%
Other contracted Services	314,775	356,450	88.3%
Electricity	8,837	22,600	39.1%
Telecommunications	27	50	54.0%
Supplies	13,846	14,870	93.1%
Insurance claim	600	600	100.0%
Repairs and maintenance			
Equipment	27,700	28,650	96.7%
General	12,927	23,430	55.2%
Snow Removal	78,904	-	N/A
Total Ground Transportation	<u>1,442,749</u>	<u>1,440,650</u>	<u>100.1%</u>
Total Ground Transportation Complex	<u>1,471,235</u>	<u>1,472,850</u>	<u>99.9%</u>
TOTAL AIRPORT FACILITIES	<u><u>\$ 19,122,793</u></u>	<u><u>\$ 19,318,182</u></u>	<u><u>99.0%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Administrative			
Airport Director's Office			
Salaries	\$ 1,055,482	\$ 1,039,294	101.6%
Health insurance	49,499	53,225	93.0%
Retirement	99,897	111,826	89.3%
Social security	62,049	62,333	99.5%
Retiree Health Care Expense-OPEB	41,892	41,569	100.8%
Professional/Education	75,304	73,000	103.2%
Unemployment compensation	18,410	5,000	368.2%
Advertising	-	200	-
Legal fees	603,530	605,478	99.7%
Contracted Services - Other	9,030	-	N/A
Copiers	1,415	1,300	108.8%
Promotional	-	1,000	-
Supplies	1,665	1,500	111.0%
Liability Insurance	121,203	127,900	94.8%
Travel	21,890	16,000	136.8%
Postage	692	850	81.4%
Total Airport Director's Office	<u>2,161,958</u>	<u>2,140,475</u>	<u>101.0%</u>
 Customer Service and Organizational Support			
Salaries	608,509	601,620	101.1%
Health insurance	54,734	58,508	93.5%
Retirement	61,235	64,411	95.1%
Social security	43,288	45,042	96.1%
Retiree Health Care Expense-OPEB	41,981	41,614	100.9%
Professional/Education	5,021	6,000	83.7%
Tuition assistance	14,580	18,000	81.0%
Printing	12,794	13,000	98.4%
Contracted services	85,222	86,000	99.1%
Copiers	1,415	1,300	108.8%
Computer Software	801	2,400	33.4%
Promotional	44,503	44,000	101.1%
Small Equipment	6,784	6,800	99.8%
Supplies	1,905	2,400	79.4%
Travel	3,070	3,200	95.9%
Postage	108	200	54.0%
Total Customer Service and Organ. Support	<u>985,950</u>	<u>994,495</u>	<u>99.1%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Administration			
Salaries	\$ 490,534	\$ 486,132	100.9%
Health insurance	54,427	58,135	93.6%
Retirement	50,127	49,285	101.7%
Social security	35,005	37,190	94.1%
Retiree Health Care Expense-OPEB	41,981	41,614	100.9%
Professional/Education	13,879	13,725	101.1%
Employee assistance program	4,299	8,000	53.7%
Advertising	5,928	8,000	74.1%
Legal fees	37,106	75,000	49.5%
Printing	1,415	1,750	80.9%
Contracted services	164,299	175,000	93.9%
Copiers	2,980	2,800	106.4%
Software	6,269	6,275	99.9%
Promotional	12,704	13,000	97.7%
Supplies	2,170	2,000	108.5%
Travel	5,097	5,250	97.1%
Postage	1,477	1,600	92.3%
Total Administration	<u>929,697</u>	<u>984,756</u>	<u>94.4%</u>
Business Development			
Salaries	241,597	235,448	102.6%
Health insurance	20,590	21,972	93.7%
Retirement	22,051	22,553	97.8%
Social security	17,197	18,011	95.5%
Retiree Health Care Expense-OPEB	15,743	15,605	100.9%
Professional/education	2,271	2,271	100.0%
Legal fees	21,080	5,000	421.6%
Contracted Services	8,485	-	N/A
Copying	2,980	2,800	106.4%
Promotional	1,791	1,875	95.5%
Supplies	992	820	121.0%
Travel	4,353	4,329	100.6%
Postage	309	400	77.3%
Total Business Development	<u>359,439</u>	<u>331,084</u>	<u>108.6%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
Audit			
Salaries	\$ 268,781	\$ 295,711	90.9%
Health insurance	33,900	36,308	93.4%
Retirement	23,163	27,816	83.3%
Social security	19,944	22,621	88.2%
Retiree Health Care Expense-OPEB	28,816	28,587	100.8%
Professional/Education	3,765	3,900	96.5%
Printing	35	150	23.3%
Copiers	2,980	2,800	106.4%
Supplies	618	400	154.5%
Travel	886	900	98.4%
Postage	233	200	116.5%
Total Audit	<u>383,121</u>	<u>419,393</u>	<u>91.4%</u>
Finance			
Salaries	683,025	666,567	102.5%
Health insurance	68,086	72,860	93.4%
Retirement	56,743	58,592	96.8%
Social security	47,972	50,181	95.6%
Retiree Health Care Expense-OPEB	49,897	49,439	100.9%
Professional/Education	2,556	6,100	41.9%
Audit	41,592	42,975	96.8%
Oracle ASP services	158,717	158,717	100.0%
Printing	3,472	4,300	80.7%
Contracted services	14,594	15,200	96.0%
Copiers	2,980	2,800	106.4%
Software	375	2,950	12.7%
Small equipment	701	2,100	33.4%
Supplies	4,892	4,000	122.3%
Travel	67	900	7.4%
Postage	4,802	5,000	96.0%
Total Finance	<u>1,140,471</u>	<u>1,142,681</u>	<u>99.8%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Information Technology			
Salaries	\$ 1,268,750	\$ 1,327,827	95.6%
Health insurance	129,019	138,631	93.1%
Retirement	122,731	132,945	92.3%
Social security	91,940	101,582	90.5%
Retiree Health Care Expense-OPEB	99,703	98,832	100.9%
Uniforms	743	750	99.1%
Physical Examinations	46	47	97.9%
Professional Education	20,671	20,933	98.7%
Contracted services	232,911	254,783	91.4%
Copiers	2,764	2,500	110.6%
Computer Hardware	6,531	7,525	86.8%
Software	10,167	11,900	85.4%
Printer supplies	3,640	3,650	99.7%
Small equipment	12,870	14,875	86.5%
Supplies	7,662	7,000	109.5%
Media and documentation	495	500	99.0%
Repairs and Maintenance			
Computer Hardware	1,780	3,371	52.8%
Travel	1,644	2,500	65.8%
Postage	374	300	124.7%
Total Information Technology	<u>2,014,441</u>	<u>2,130,451</u>	<u>94.6%</u>
Major Capital Improvements Program			
Salaries	161,727	165,677	97.6%
Health insurance	27,797	29,793	93.3%
Retirement	51,407	53,400	96.3%
Social security	30,107	32,739	92.0%
Retiree Health Care Expense-OPEB	20,990	20,807	100.9%
Professional/Education	2,037	2,000	101.9%
Copiers	1,415	1,300	108.8%
Supplies	603	350	172.3%
Liability Insurance	7,000	7,000	100.0%
Travel	5,233	1,500	348.9%
Postage	28	50	56.0%
Total Major Capital Improvements Program	<u>308,344</u>	<u>314,616</u>	<u>98.0%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Facilities and Environmental			
Salaries	\$ 601,252	\$ 594,745	101.1%
Health insurance	61,233	65,560	93.4%
Retirement	57,604	59,858	96.2%
Social security	42,537	45,566	93.4%
Retiree Health Care Expense-OPEB	47,228	46,815	100.9%
Professional/Education	7,477	8,650	86.4%
Legal fees	4,425	13,250	33.4%
Printing	-	350	-
Contracted services	60,899	61,990	98.2%
Copiers	1,415	1,300	108.8%
Printer supplies	3,380	4,300	78.6%
Small equipment	1,316	1,450	90.8%
Supplies	1,726	1,900	90.8%
Liability Insurance	56,500	56,500	100.0%
Repairs and maintenance			
Equipment	160	160	100.0%
Computer Software	11,311	16,800	67.3%
Travel	1,449	1,750	82.8%
Permit administration	5,915	6,275	94.3%
Postage	289	500	57.8%
Total Facilities and Environmental	<u>966,116</u>	<u>987,719</u>	<u>97.8%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
Noise			
Salaries	\$ 65,128	\$ 63,693	102.3%
Health insurance	6,873	7,276	94.5%
Retirement	6,964	7,287	95.6%
Social security	3,736	4,873	76.7%
Retiree Health Care Expense-OPEB	5,247	5,202	100.9%
Professional/Education	798	1,550	51.5%
Legal fees	-	500	-
Contracted services	50,819	50,850	99.9%
Copiers	1,415	1,300	108.8%
Electricity	1,935	1,500	129.0%
Small equipment	646	750	86.1%
Supplies	323	500	64.6%
Liability Insurance	1,800	1,800	100.0%
Repairs and maintenance			
Equipment	-	2,100	-
Computer Software	42,262	43,000	98.3%
Travel	1,047	1,650	63.5%
Postage	19	50	38.0%
Total Noise	<u>189,012</u>	<u>193,881</u>	<u>97.5%</u>
TOTAL ADMINISTRATIVE	<u><u>\$ 9,438,549</u></u>	<u><u>\$ 9,639,551</u></u>	<u><u>97.9%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
VISITOR SERVICES EXPENSES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Visitor Services			
Salaries	\$ 471,383	\$ 488,933	96.4%
Health insurance	87,486	93,494	93.6%
Accident insurance	-	350	-
Retirement	43,799	47,558	92.1%
Social security	34,568	37,402	92.4%
Retiree Health Care Expense-OPEB	68,218	67,622	100.9%
Uniforms	5,411	5,500	98.4%
Professional/Education	875	1,450	60.3%
Advertising	1,800	1,800	100.0%
Printing	421	1,350	31.2%
Software	2,590	2,600	99.6%
Contracted services	2,953	2,450	120.5%
Copiers	3,817	3,900	97.9%
Promotional	6,376	6,300	101.2%
Small equipment	2,637	2,650	99.5%
Supplies	2,891	3,000	96.4%
Liability Insurance	22,800	22,800	100.0%
Travel	268	300	89.3%
Postage	30	50	60.0%
TOTAL VISITOR SERVICES	\$ 758,323	\$ 789,509	96.0%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
FUEL FARM EXPENSES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Fuel Farm			
Salaries	\$ 569,672	\$ 565,091	100.8%
Health insurance	80,724	86,670	93.1%
Retirement/ 401K Match	46,742	51,485	90.8%
Social security	42,202	43,225	97.6%
Retiree Health Care Expense-OPEB	65,550	64,999	100.8%
Uniforms	2,858	3,165	90.3%
Physical Examinations	-	75	-
Professional/Education	5,052	4,845	104.3%
ASP Services	24,000	24,000	100.0%
Contracted services	48,331	49,975	96.7%
Copiers	3,022	3,000	100.7%
Small equipment	1,030	1,030	100.0%
Supplies	33,953	33,214	102.2%
Liability Insurance	30,400	30,400	100.0%
Repairs and maintenance			
Equipment	22,399	22,610	99.1%
Travel	2,272	2,586	87.9%
Postage	171	100	171.0%
TOTAL FUEL FARM	<u><u>\$ 978,378</u></u>	<u><u>\$ 986,470</u></u>	<u><u>99.2%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT MAINTENANCE EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Airport Maintenance			
Salaries	\$ 2,549,719	\$ 2,495,186	102.2%
Health insurance	345,236	368,658	93.6%
Retirement/ 401K Match	252,470	250,053	101.0%
Social security	188,482	190,853	98.8%
Retiree Health Care Expense-OPEB	285,674	283,333	100.8%
Uniforms	22,014	23,540	93.5%
Physical examinations	143	1,050	13.6%
Professional/Education	5,982	7,500	79.8%
CMMS ASP Services	14,389	14,389	100.0%
Contracted services	1,468	1,400	104.9%
Copiers	4,735	4,500	105.2%
Computer Software	39,090	43,590	89.7%
Small equipment	18,911	19,031	99.4%
Supplies	16,509	15,710	105.1%
Liability Insurance	167,000	167,000	100.0%
Repairs and maintenance			
Equipment	581	806	72.1%
Travel	-	194	-
Postage	559	600	93.2%
Total Airport Maintenance	<u>3,912,962</u>	<u>3,887,393</u>	<u>100.7%</u>
Fleet Maintenance			
Salaries	360,414	353,703	101.9%
Health insurance	40,834	43,565	93.7%
Retirement/ 401K Match	38,094	38,075	100.0%
Social security	28,566	27,060	105.6%
Retiree Health Care Expense-OPEB	31,485	31,210	100.9%
Uniforms	2,003	2,500	80.1%
Professional/Education	213	325	65.5%
Copiers	1,958	2,000	97.9%
Fuel - vehicles and equipment	480,726	375,000	128.2%
Small equipment	2,014	2,160	93.2%
Supplies	229,622	230,000	99.8%
Liability Insurance	14,300	14,300	100.0%
Repairs and maintenance			
Equipment	33,769	60,000	56.3%
Total Fleet Maintenance	<u>1,263,998</u>	<u>1,179,898</u>	<u>107.1%</u>
TOTAL AIRPORT MAINTENANCE	<u><u>\$ 5,176,960</u></u>	<u><u>\$ 5,067,291</u></u>	<u><u>102.2%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
LAW ENFORCEMENT EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Law Enforcement			
Salaries	\$ 2,174,007	\$ 2,346,780	92.6%
Health insurance	231,697	246,777	93.9%
Retirement/ 401K Match	199,488	195,954	101.8%
Social security	162,267	179,490	90.4%
Retiree Health Care Expense-OPEB	178,417	176,858	100.9%
Retiree Separation Allowance	94,247	38,836	242.7%
Uniforms	17,375	17,950	96.8%
Physical examinations	15,222	19,600	77.7%
Professional/Education	15,345	13,000	118.0%
Printing	212	900	23.6%
DCI access fee	2,700	2,700	100.0%
Contracted Services	1,407	13,700	10.3%
Copiers	6,445	6,400	100.7%
Small equipment	2,467	2,500	98.7%
Supplies	19,634	20,000	98.2%
Liability Insurance	124,000	124,000	100.0%
Repairs and maintenance			
Equipment	410	1,000	41.0%
Travel	4,180	4,000	104.5%
Postage	300	400	75.0%
K-9 program	3,819	5,000	76.4%
TOTAL LAW ENFORCEMENT	\$ 3,253,639	\$ 3,415,845	95.3%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
EMERGENCY SERVICES EXPENSES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Emergency Services			
Salaries	\$ 1,076,429	\$ 1,017,127	105.8%
Health insurance	128,710	137,630	93.5%
Retirement/ 401K Match	108,424	109,536	99.0%
Social security	76,225	77,812	98.0%
Retiree Health Care Expense-OPEB	99,703	98,832	100.9%
Uniforms	20,336	23,400	86.9%
Physical examinations	6,530	9,825	66.5%
Professional/Education	18,300	20,000	91.5%
Copiers	1,688	4,024	41.9%
Small Equipment	11,519	13,322	86.5%
Supplies	9,055	11,500	78.7%
Liability Insurance	44,700	44,700	100.0%
Repairs and maintenance			
Equipment	7,759	8,001	97.0%
Waste disposal	85	1,200	7.1%
Travel	4,573	6,500	70.4%
Postage	56	100	56.0%
TOTAL EMERGENCY SERVICES	\$ 1,614,092	\$ 1,583,509	101.9%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
OPERATIONS EXPENSES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Operations			
Salaries	\$ 706,974	\$ 710,428	99.5%
Health insurance	81,539	87,142	93.6%
Retirement/ 401K Match	71,705	76,204	94.1%
Social security	51,222	54,347	94.2%
Retiree Health Care Expense-OPEB	62,971	62,420	100.9%
Professional/Education	985	2,000	49.3%
Printing	1,413	2,000	70.7%
Contracted services	3,417	3,425	99.8%
Copiers	4,146	3,800	109.1%
Small equipment	2,762	3,625	76.2%
Supplies	2,737	3,500	78.2%
Supplies-ID System	43,920	44,950	97.7%
Liability Insurance	30,500	30,500	100.0%
Repairs and maintenance			
Equipment	250	1,650	15.2%
Travel	5,337	3,950	135.1%
Postage	116	400	29.0%
TOTAL OPERATIONS	\$ 1,069,994	\$ 1,090,341	98.1%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
COMMUNICATIONS EXPENSES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Communications			
Salaries	\$ 491,378	\$ 418,018	117.5%
Health insurance	67,426	72,053	93.6%
Retirement/ 401K Match	46,726	42,816	109.1%
Social security	34,860	31,979	109.0%
Retiree Health Care Expense-OPEB	52,475	52,017	100.9%
Physical examinations	93	350	26.6%
DCI Access Fees	900	900	100.0%
Contracted Services	29,952	30,350	98.7%
Copiers	977	950	102.8%
Small equipment	6,896	8,300	83.1%
Supplies	1,250	1,200	104.2%
Liability Insurance	17,500	17,500	100.0%
Repairs and maintenance			
Equipment	57,705	62,000	93.1%
Postage	2	50	4.0%
TOTAL COMMUNICATIONS	\$ 808,140	\$ 738,483	109.4%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
PARKING EXPENSES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Parking			
Salaries	\$ 875,197	\$ 803,073	109.0%
Health insurance	121,826	129,862	93.8%
Retirement/ 401K Match	87,425	81,759	106.9%
Social security	63,561	61,438	103.5%
Retiree Health Care Expense-OPEB	97,034	96,209	100.9%
Uniforms	2,178	2,950	73.8%
Physical examinations	-	50	-
Professional/Education	770	1,200	64.2%
Advertising	-	1,500	-
Printing	64,869	69,000	94.0%
Credit Card Fees	709,618	700,800	101.3%
Contracted services-labor	548,352	550,000	99.7%
Copiers	23,442	22,500	104.2%
Computer Hardware	1,300	3,125	41.6%
Computer Software	-	475	-
Printer supplies	1,235	2,600	47.5%
Small equipment	570	1,975	28.9%
Supplies	8,802	10,700	82.3%
Liability Insurance	46,500	46,500	100.0%
Repairs and maintenance			
Computer Hardware	174,122	195,000	89.3%
Equipment	-	550	-
Travel	1,323	7,000	18.9%
Abandoned vehicles	-	1,850	-
Postage	1,208	1,600	75.5%
TOTAL PARKING	\$ 2,829,332	\$ 2,791,716	101.3%

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
GROUNDS TRANSPORTATION DIVISION EXPENSES
Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Ground Transportation			
Salaries	\$ 151,089	\$ 149,189	101.3%
Health insurance	20,531	21,694	94.6%
Retirement/ 401K Match	14,594	15,026	97.1%
Social security	10,764	11,413	94.3%
Retiree Health Care Expense-OPEB	18,321	18,183	100.8%
Uniforms	204	250	81.6%
Physical examinations	64	125	51.2%
Professional/Education	450	450	100.0%
Printing	2,238	2,550	87.8%
Contracted services - Bus Drivers	903,495	925,000	97.7%
Copiers	977	950	102.8%
Small equipment	6,294	7,199	87.4%
Supplies	1,978	2,450	80.7%
Liability Insurance	33,500	33,500	100.0%
Repairs and maintenance			
Equipment	17,318	19,950	86.8%
Computer Software	25,840	25,850	100.0%
Travel	1,325	1,326	99.9%
Postage	404	500	80.8%
Total Ground Transportation	<u>1,209,386</u>	<u>1,235,605</u>	<u>97.9%</u>
Traffic Control			
Salaries	928,248	952,851	97.4%
Health insurance	181,690	193,976	93.7%
Retirement/ 401K Match	78,969	84,599	93.3%
Social security	67,776	72,895	93.0%
Retiree Health Care Expense-OPEB	146,841	145,603	100.9%
Uniforms	16,959	17,200	98.6%
Physical examinations	247	2,925	8.4%
Professional/Education	395	1,350	29.3%
Printing	1,939	2,325	83.4%
Copiers	977	950	102.8%
Small equipment	1,474	2,075	71.0%
Supplies	2,875	3,375	85.2%
Liability Insurance	47,300	47,300	100.0%
Repairs and maintenance			
Equipment	323	500	64.6%
Total Traffic Control	<u>1,476,013</u>	<u>1,527,924</u>	<u>96.6%</u>
TOTAL GROUND TRANSPORTATION DIVISION	<u><u>\$ 2,685,399</u></u>	<u><u>\$ 2,763,529</u></u>	<u><u>97.2%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
TERMINAL SERVICES DIVISION EXPENSES
 Year Ended March 31, 2011

	Actual	Budget	Percent of Budget
Terminal Services			
Salaries	\$ 191,555	\$ 185,725	103.1%
Health insurance	13,797	14,742	93.6%
Retirement/ 401K Match	12,349	11,960	103.3%
Social security	13,686	14,208	96.3%
Retiree Health Care Expense-OPEB	13,073	12,982	100.7%
Professional Education	55	-	N/A
Other Contracted Services	4,609	4,750	97.0%
Copiers	2,265	2,200	103.0%
Supplies	207	1,300	15.9%
Liability Insurance	5,400	5,400	100.0%
TOTAL TERMINAL SERVICES	<u><u>\$ 256,996</u></u>	<u><u>\$ 253,267</u></u>	<u><u>101.5%</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
DETAILS OF AIRPORT AND FACILITIES
March 31, 2011

	<u>Total</u>	<u>Authority Funds</u>	<u>Federal and State Funds</u>
Land	\$ 41,193,383	\$ 35,702,262	\$ 5,491,121
Landing field and grounds	533,015,564	420,968,455	112,047,109
Terminal buildings	696,995,115	696,718,845	276,270
Other buildings	173,200,296	138,194,994	35,005,302
Utilities	5,417,436	5,211,923	205,513
Equipment	25,208,914	25,208,914	-
Construction in progress	<u>2,722,254</u>	<u>2,722,254</u>	<u>-</u>
TOTAL DETAILS OF AIRPORT AND FACILITIES	<u><u>\$ 1,477,752,962</u></u>	<u><u>\$ 1,324,727,647</u></u>	<u><u>\$ 153,025,315</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
SUMMARY OF DEPRECIATION
March 31, 2011

Departmental	
Administrative	\$ 423,484
Parking	9,389,901
Emergency services	100,739
Airport maintenance	148,509
Law enforcement	33,489
Facilities and environmental	376,188
Operations	29,846
Communications	83,957
Ground transportation	252,865
Total departmental	<u>10,838,978</u>
 Nondepartmental	
Airfield complex	<u>5,949,287</u>
 Terminal 1 complex	
Buildings and improvements	<u>2,911,962</u>
 Terminal 2 complex	
Buildings and improvements	<u>15,482,954</u>
 Central Energy Plant	<u>554,593</u>
 General Aviation complex	
Buildings and improvements	<u>3,055,425</u>
 Cargo complex	
Buildings and improvements	<u>1,193,322</u>
 Ground Transportation complex	
Roadways	<u>2,718,026</u>
 Fuel Farm complex	<u>668,213</u>
 Office & Other Buildings complex	<u>3,453,682</u>
 Utilities complex	<u>269,535</u>
 Rental Car complex	<u>-</u>
 TOTAL DEPRECIATION	<u><u>\$ 47,095,977</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
STATISTICAL TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2011

Statistical Section (Unaudited)	Page
Financial Trends These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	92
Revenue Capacity These schedules contain information to help the reader assess the Authority's most significant revenue source.	97
Debt Capacity These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.	99
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	101
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	103

Raleigh-Durham Airport Authority

Net Assets by Component

Last Eight Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004
Net Assets								
Invested in capital assets, net of related debt	\$ 321,369,827	\$ 302,289,837	\$ 310,905,473	\$ 298,851,847	\$ 283,069,756	\$ 272,120,858	\$ 253,926,968	\$ 109,870,086
Restricted For:								
Collateral for General Obligation Bond Debt	-	-	-	-	-	-	-	2,075,358
Aeronautical Facilities Revenue Bond Reserves	-	-	-	-	-	-	-	69,081,671
State of north Carolina Underground Storage Tank Trust Fund Deductible	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Passenger Facility Charges	22,671,438	73,294,625	74,428,717	73,609,528	54,433,797	39,088,582	19,243,564	11,320,732
Unrestricted Net Asstes	97,869,697	108,572,170	91,557,348	88,539,606	86,543,100	75,110,876	66,073,395	107,470,285
Total Net Assets	\$ 442,130,962	\$ 484,376,632	\$ 477,111,538	\$ 461,220,981	\$ 424,266,653	\$ 386,540,316	\$ 339,463,927	\$ 300,038,132

Note:

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating revenues								
Parking	\$ 35,150,897	\$ 33,998,195	\$ 36,572,511	\$ 39,500,251	\$ 37,118,422	\$ 35,102,368	\$ 32,764,711	\$ 24,801,450
Airfield	11,865,742	12,499,790	10,614,546	11,308,179	10,931,805	6,852,766	7,033,600	11,805,279
General aviation	1,400,643	1,398,821	1,387,739	1,342,211	817,917	1,017,201	884,339	956,604
Terminals	24,632,442	23,283,910	20,459,651	18,845,460	17,692,618	16,323,512	16,427,603	16,612,556
Air cargo	2,016,233	2,004,795	1,989,512	1,959,833	1,911,283	1,741,380	1,667,054	1,701,728
Fuel Farm	972,544	961,740	927,232	565,893	1,170,945	1,166,326	1,204,611	1,069,616
Rental car	11,967,229	11,604,879	12,788,821	13,628,529	12,793,354	11,109,594	9,438,239	9,102,698
Other	1,614,048	1,416,787	1,492,178	1,208,407	1,186,009	1,079,832	1,059,597	1,024,216
Total operating revenues	89,619,778	87,168,917	86,232,190	88,358,763	83,622,353	74,392,979	70,479,754	67,074,147
Operating expenses								
Airport facilities	19,122,793	17,956,239	15,499,047	12,290,026	12,670,053	12,624,529	10,166,095	9,397,740
Administrative	9,438,549	8,201,857	8,274,367	6,684,641	5,468,321	5,212,159	4,558,154	4,100,417
Fuel Farm	978,378	903,815	932,042	739,965	-	-	-	-
Law enforcement	3,253,639	2,848,365	3,008,371	2,987,660	2,685,681	2,710,370	2,573,268	2,659,697
Airport maintenance	5,176,960	4,828,437	4,821,408	4,247,141	3,986,311	3,711,178	3,511,927	3,147,746
Parking	2,829,332	2,416,808	2,756,988	2,644,350	2,729,983	2,586,436	2,519,168	2,622,633
Emergency services	1,614,092	1,523,960	1,461,996	1,508,453	1,313,139	1,413,059	1,337,302	1,235,362
Visitor services	758,323	689,040	611,002	543,024	558,204	565,644	536,617	461,741
Communications	808,140	727,856	814,682	741,821	648,163	651,726	595,018	477,917
Operations	1,069,994	984,061	1,004,747	919,665	938,333	906,909	923,735	987,559
Ground transportation	2,685,399	2,701,382	2,722,685	2,771,980	2,586,828	2,850,381	3,360,378	3,822,417
Terminal Services	256,996	227,699	222,382	123,352	-	-	-	-
Subtotal	47,992,595	44,009,519	42,129,717	36,202,078	33,585,016	33,232,391	30,081,662	28,913,229
Depreciation	47,095,977	47,523,955	39,245,679	33,505,153	32,581,129	28,548,381	25,845,025	21,404,074
Total operating expenses	95,088,572	91,533,474	81,375,396	69,707,231	66,166,145	61,780,772	55,926,687	50,317,303
Operating income	(5,468,794)	(4,364,557)	4,856,794	18,651,532	17,456,208	12,612,207	14,553,067	16,756,844
Non-operating revenues (expenses)								
Investment interest income	2,500,267	3,750,839	5,592,912	8,507,396	5,484,164	4,015,127	1,931,286	1,721,408
Passenger Facility Charges	18,818,814	18,940,075	19,710,529	24,006,372	20,965,795	20,632,549	15,324,824	11,300,707
Net decrease in fair value of investments	(404,171)	(404,147)	(40,516)	771,553	718,703	160,248	(1,119,050)	(47,236)
Bond interest expense, net	(25,491,187)	(22,663,862)	(15,989,551)	(15,239,195)	(9,556,465)	(9,878,616)	(9,727,743)	(3,078,837)
Loss on disposal of airport facilities	-	-	-	-	-	-	(219,042)	-
Loss on swap termination	(34,350,297)	-	(4,543,541)	-	-	-	-	-
Amortization of deferred expenses related to 2001A refunding	(5,392,913)	-	-	-	-	-	-	-
Other, net	873,263	487,820	626,545	206,670	372,260	314,989	852,613	408,037
Total non-operating revenues (expenses)	(43,446,224)	110,725	5,356,378	18,252,796	17,984,457	15,244,297	7,042,888	10,304,079
Income before capital contributions	(48,915,018)	(4,253,832)	10,213,172	36,904,328	35,440,665	27,856,504	21,595,955	27,060,923
Capital contributions	6,669,348	11,518,926	5,677,385	50,000	2,285,672	19,219,885	17,829,840	11,193,427
Increase in net assets	(42,245,670)	7,265,094	15,890,557	36,954,328	37,726,337	47,076,389	39,425,795	38,254,350
Net Assets, beginning of year	484,376,632	477,111,538	461,220,981	424,266,653	386,540,316	339,463,927	300,038,132	261,783,782
Net Assets, end of year	\$ 442,130,962	\$ 484,376,632	\$ 477,111,538	\$ 461,220,981	\$ 424,266,653	\$ 386,540,316	\$ 339,463,927	\$ 300,038,132

Note:

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

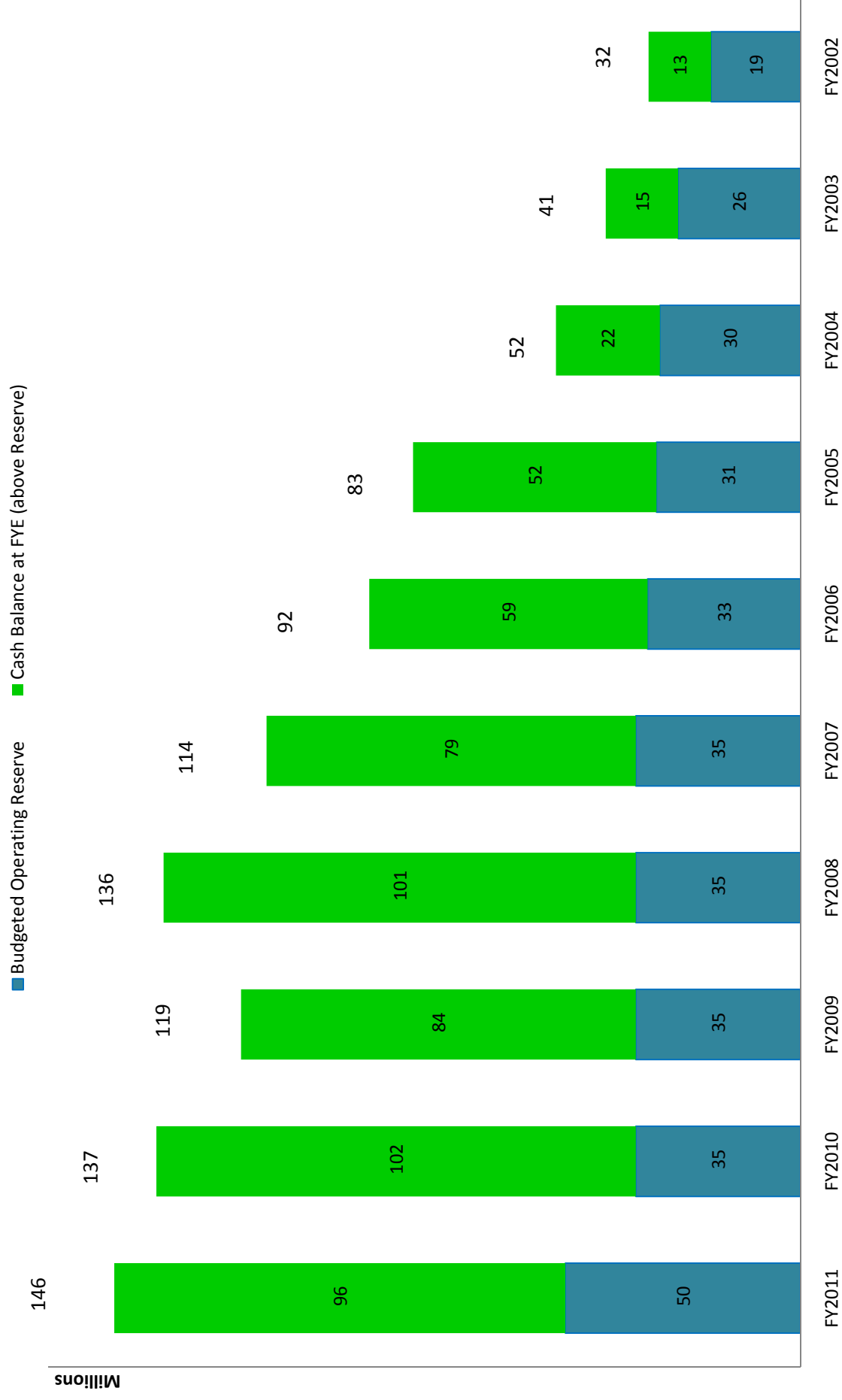
RALEIGH-DURHAM AIRPORT AUTHORITY
KEY PERFORMANCE INDICATORS
Last Eight Fiscal Years

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Airline Revenue per Enplanement	\$ 6.29	\$ 6.24	\$ 5.09	\$ 4.50	\$ 4.62	\$ 3.80	\$ 4.05	\$ 5.70
Airline Revenue per Airline Operation	191.23	186.94	145.35	120.55	120.81	96.22	94.58	135.24
Total Aeronautical Revenue per Total Operation	178.95	171.91	132.04	110.81	110.80	90.68	88.99	114.00
Concession Revenue per Enplanement	1.43	1.39	1.25	1.19	1.11	1.04	1.05	1.15
Concession Revenue per Airline Operation	43.52	41.80	35.58	31.91	28.94	26.47	24.57	27.29
Rental Car Revenue per Enplanement	2.62	2.57	2.73	2.69	2.68	2.36	2.09	2.50
Rental Car Revenue per Airline Operation	79.84	77.00	77.93	71.96	70.08	59.91	48.85	59.38
Parking Revenue per Enplanement	7.95	7.76	7.99	7.87	7.85	7.53	7.40	6.59
Parking Revenue per Airline Operation	241.89	232.63	228.18	210.62	205.17	190.76	173.04	156.42
Non-Aeronautical Revenue per Enplanement	12.09	11.82	12.16	11.92	11.80	11.09	10.61	10.31
Non-Aeronautical Revenue per Airline Operation	367.65	354.43	347.08	319.05	308.42	281.06	247.99	244.51
Non-Airline Operating Revenue per Enplanement	13.43	13.18	13.32	12.92	12.91	12.03	11.56	11.09
Non-Airline Operating Revenue per Total Operation	314.97	298.45	281.39	259.97	249.71	230.23	205.89	195.02
Total Operating Revenue per Enplanement	19.72	19.41	18.41	17.43	17.53	15.83	15.60	16.79
Total Operating Revenue per Airline Operation	599.76	581.97	525.44	466.52	458.07	401.15	364.78	398.25
Total Operating Revenue per Total Operation	462.41	439.68	389.00	350.56	339.16	302.88	277.96	295.30
Total Operating Expenses per Enplanement	10.49	9.74	8.99	7.14	7.04	7.07	6.66	7.24
Total Operating Expenses per Airline Operation	319.14	292.01	256.71	191.14	183.97	179.20	155.69	171.67
Total Operating Expenses per Total Operation	246.05	220.62	190.05	143.63	136.22	135.30	118.64	127.29
Number of Days Unrestricted Cash On Hand	1,162	1,135	1,029	1,364	1,232	1,006	997	654

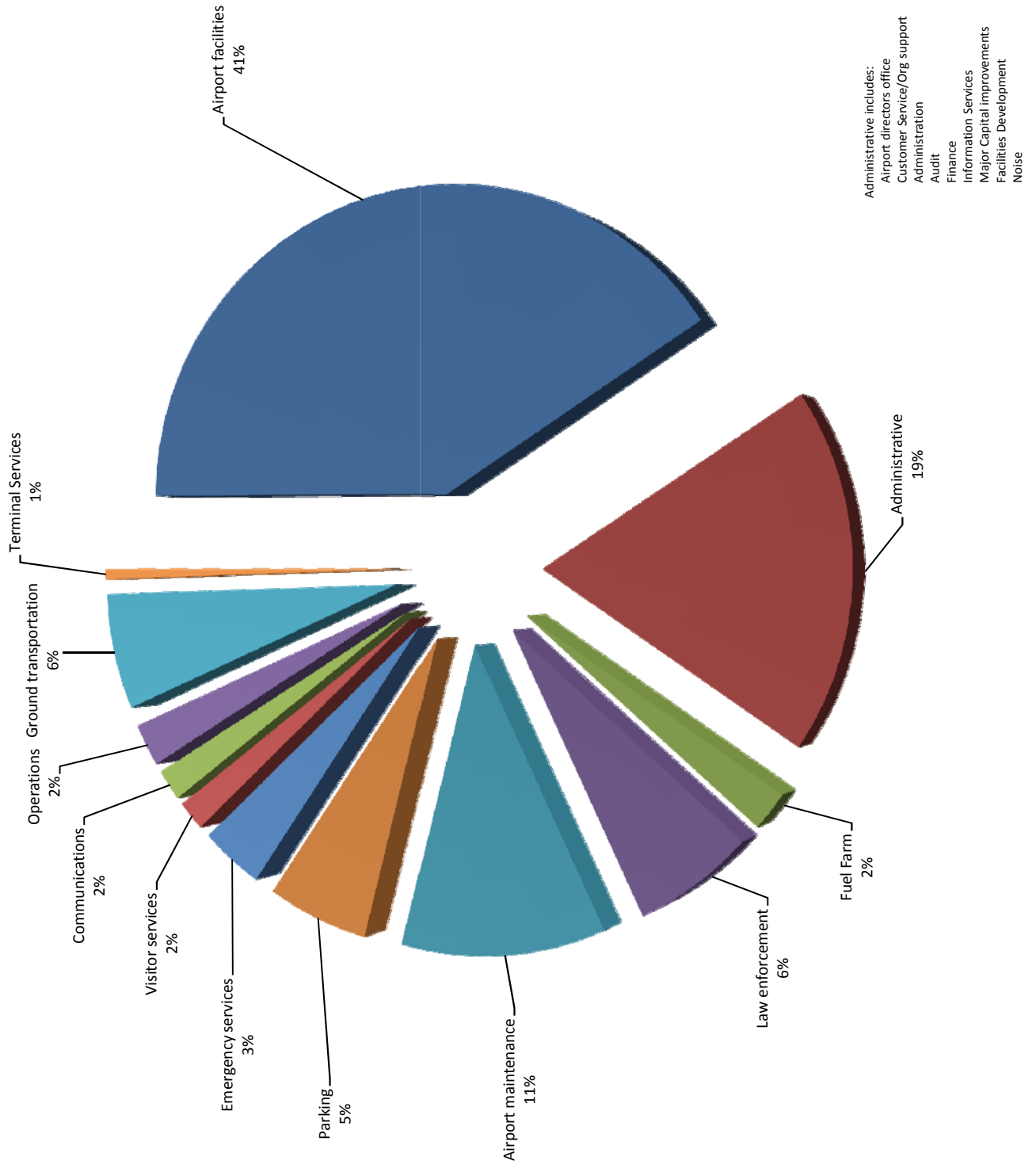
Note:

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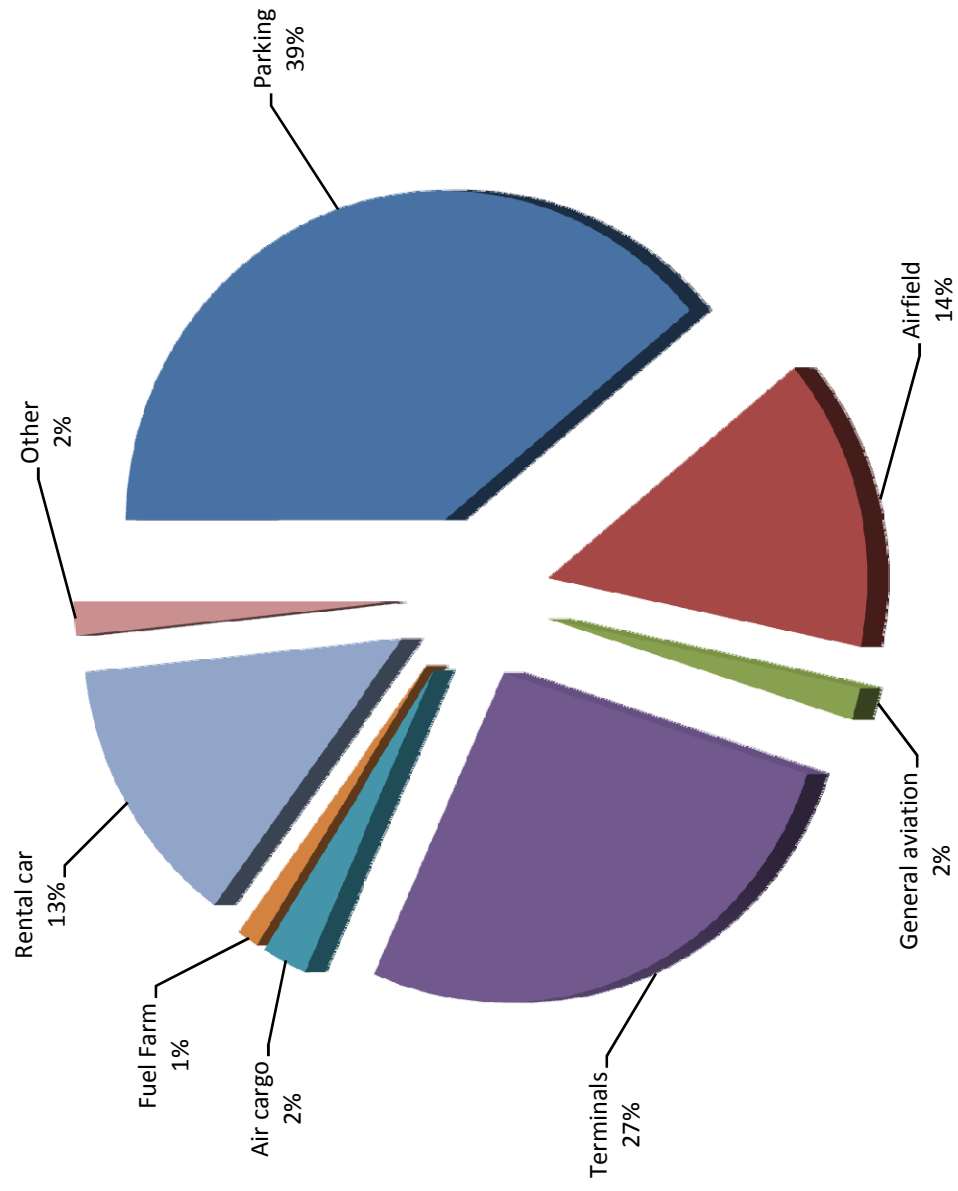
RDU Cash/Investment Balances vs Operating Reserve Policy (Excluding PFC Cash Balance & Bond Proceeds)



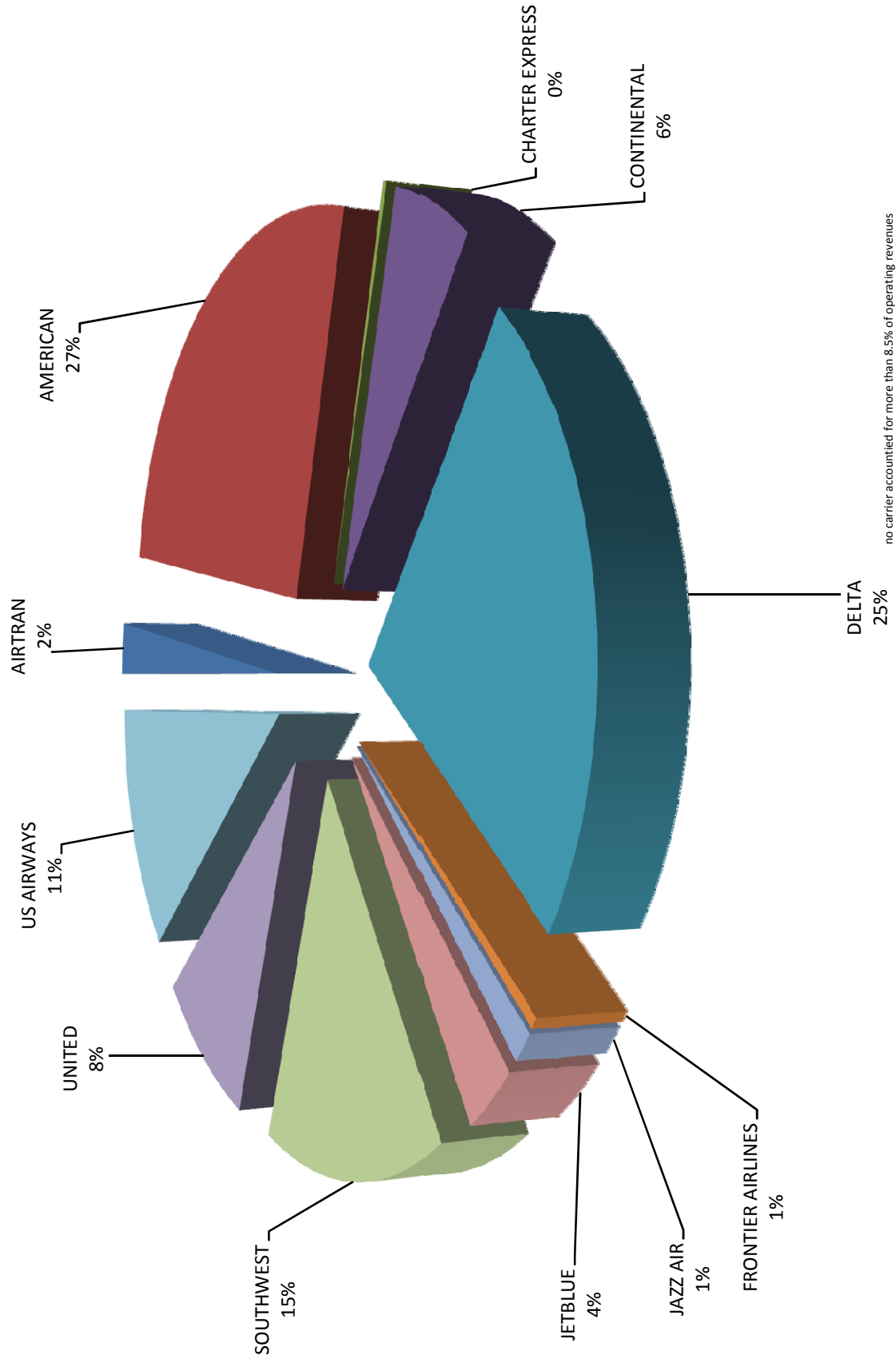
FYE March 31, 2011 Operating Expenses by Business Unit



FYE March 31, 2011 Operating Revenue by Source



FYE March 31, 2011 Airline Derived Revenue by Carrier



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

	RDU BONDS ISSUES										
	FY 2020/2021	FY 2019/2020	FY 2018/2019	FY 2017/2018	FY 2016/2017	FY 2015/2016	FY 2014/2015	FY 2013/2014	FY 2012/2013	FY 2011/2012	
2005 A (Non-AMT) - \$39.805 mill (4.66%)											
Principal (May Only)	\$ 2,760,000	\$ 490,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Interest (May)	971,094	980,894	980,894	980,894	980,894	980,894	980,894	980,894	980,894	980,894	
Interest (November)	902,094	971,094	980,894	980,894	980,894	980,894	980,894	980,894	980,894	980,894	
Total	\$ 4,633,188	\$ 2,441,988	\$ 1,961,788	\$ 1,961,788	\$ 1,961,788	\$ 1,961,788	\$ 1,961,788	\$ 1,961,788	\$ 1,961,788	\$ 1,961,788	
2005 B (AMT) - \$85.49 mill (4.66%)											
Principal (May Only) PFC Application of Funds:	\$ 2,820,000	\$ 4,820,000	\$ 5,055,000	\$ 4,810,000	\$ 4,575,000	\$ 4,355,000	\$ 4,150,000	\$ 3,950,000	\$ 3,760,000	\$ 3,585,000	
Interest (May) PFC Application of Funds	836,431	956,931	1,083,307	1,203,556	1,317,931	1,420,156	1,522,656	1,619,156	1,712,676	1,799,895	
Interest (November) PFC Application of Funds	765,931	836,431	956,932	1,083,306	1,203,556	1,317,931	1,420,156	1,522,656	1,619,156	1,712,676	
Total	\$ 4,422,362	\$ 6,613,362	\$ 7,095,239	\$ 7,095,862	\$ 7,096,487	\$ 7,093,087	\$ 7,092,812	\$ 7,091,812	\$ 7,091,832	\$ 7,097,571	
2007 (AMT) - \$152.070 mill (4.75%)											
Principal (May Only) PFC Application of Funds	\$ 4,305,000	\$ 4,095,000	\$ 3,895,000	\$ 3,705,000	\$ 3,525,000	\$ 3,355,000	\$ 3,190,000	\$ 3,035,000	\$ 2,885,000	\$ 2,755,000	
Interest (May) PFC Application of Funds	2,981,763	3,084,138	3,181,513	3,274,138	3,362,263	3,445,138	3,524,888	3,600,513	3,672,638	3,733,938	
Interest (November) PFC Application of Funds	2,874,138	2,981,763	3,084,138	3,181,513	3,274,138	3,362,263	3,445,138	3,524,888	3,600,513	3,672,638	
Total	\$ 10,160,901	\$ 10,160,901	\$ 10,160,651	\$ 10,160,651	\$ 10,161,401	\$ 10,162,401	\$ 10,160,026	\$ 10,160,401	\$ 10,158,151	\$ 10,161,576	
2008 C (Non-AMT) - \$72.295 mill Variable rate											
Principal (May Only) PFC Application of Funds	\$ 2,220,000	\$ 2,120,000	\$ 2,020,000	\$ 1,925,000	\$ 1,840,000	\$ 1,750,000	\$ 1,670,000	\$ 1,595,000	\$ 1,520,000	\$ 1,450,000	
Interest (12 Monthly Payments) PFC Application of Funds	2,174,800	2,263,267	2,347,733	2,428,217	2,504,933	2,578,233	2,647,967	2,714,517	2,778,067	2,838,633	
Total	\$ 4,394,800	\$ 4,383,267	\$ 4,367,733	\$ 4,353,217	\$ 4,344,933	\$ 4,328,233	\$ 4,317,967	\$ 4,309,517	\$ 4,298,067	\$ 4,288,633	
2010A (Non-AMT) - \$242.365 mill (4.11%) Fixed Rate											
Principal (May Only)	\$ 7,330,000	\$ 6,975,000	\$ 6,635,000	\$ 6,310,000	\$ 6,005,000	\$ 5,740,000	\$ 5,510,000	\$ 5,320,000	\$ 5,165,000	\$ 5,040,000	
Interest (May)	4,645,131	4,819,506	4,985,381	5,143,131	5,293,256	5,408,056	5,518,256	5,598,056	5,675,531	5,725,931	
Interest (November)	4,461,881	4,645,131	4,819,506	4,985,381	5,143,131	5,293,256	5,408,056	5,518,256	5,598,056	5,675,531	
Total	\$ 16,437,012	\$ 16,439,637	\$ 16,439,887	\$ 16,438,512	\$ 16,441,387	\$ 16,441,312	\$ 16,436,312	\$ 16,436,312	\$ 16,438,587	\$ 16,441,462	
2010B - (Non-AMT) - \$94.08 mill (4.11%) Fixed Rate											
Principal (November Only)	\$ 5,630,000	\$ 5,365,000	\$ 5,110,000	\$ 4,865,000	\$ 4,725,000	\$ 4,540,000	\$ 4,370,000	\$ 4,200,000	\$ 4,075,000	\$ 3,960,000	
Interest (May)	1,265,450	1,399,575	1,527,325	1,648,950	1,719,825	1,810,625	1,898,025	1,982,025	2,043,150	2,102,550	
Interest (November)	1,265,450	1,399,575	1,527,325	1,648,950	1,719,825	1,810,625	1,898,025	1,982,025	2,043,150	2,102,550	
Total	\$ 8,160,900	\$ 8,164,150	\$ 8,164,650	\$ 8,162,900	\$ 8,164,650	\$ 8,161,250	\$ 8,166,050	\$ 8,164,050	\$ 8,161,300	\$ 8,165,100	
2010B-1 (Non-AMT) - \$38.235 mill (4.18%) Fixed Rate											
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	
FY Principal Total											
FY Interest Total											
Total Principal and Interest											
\$	25,065,000	\$ 23,865,000	\$ 22,715,000	\$ 21,615,000	\$ 20,670,000	\$ 19,740,000	\$ 18,890,000	\$ 18,100,000	\$ 17,405,000	\$ 16,790,000	
	24,847,263	26,041,405	27,178,048	28,262,030	29,203,746	30,111,171	30,948,055	31,726,980	32,407,825	33,029,230	
\$	49,912,263	\$ 49,906,405	\$ 49,893,048	\$ 49,877,030	\$ 49,873,746	\$ 49,851,171	\$ 49,838,055	\$ 49,826,980	\$ 49,812,825	\$ 49,819,230	
Total Principal Outstanding at end of FY											
\$	508,345,000	\$ 533,410,000	\$ 557,275,000	\$ 579,990,000	\$ 601,605,000	\$ 622,275,000	\$ 642,015,000	\$ 660,905,000	\$ 679,005,000	\$ 696,410,000	
PFC Offsets to Annual Debt Service											
Irrevocable Commitment of PFC's											
DEBT SERVICE P & I NET OF PFC OFFSET											
\$	49,912,263	\$ 49,906,405	\$ 49,893,048	\$ 49,877,030	\$ 49,873,746	\$ 44,850,171	\$ 44,837,055	\$ 25,480,980	\$ 26,178,825	\$ 26,873,230	

Notes:

- 1 This schedule represents Cashflow Scheduled Debt Service. Accrual Basis interest expense will differ slightly.
- 2 Note 2008 interest costs are based on weekly variable rates of 4.0%. The actual average variable rates for the FY 2010-2011 was 26 basis points or .26%. This interest cost excludes program costs such as liquidity and remarketing fees which total 77.5 basis points.

RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT PROFILE
3/31/2011

<u>Type of Debt</u> <u>General Airport Revenue Bonds</u> <u>(GARBS):</u>	<u>Series</u>	<u>Original</u> <u>Term</u>	<u>Tax Exempt</u> <u>Status</u>	<u>Use of Funds</u>	<u>Original Issue Size</u>	<u>3/31/2011</u> <u>Amount Outstanding</u>
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
Fixed Rate	Series 2005B	25	AMT	Terminal 2 Project, 25% of Taxiway D	85,490,000	74,350,000
Variable Rate swapped to Fixed	Series 2006ABCDE	30	AMT	Terminal 2 Project- \$300 mill (refunded by 2008ABC)	300,000,000	-
Fixed Rate	Series 2007	30	AMT	Terminal 2 Project	152,070,000	152,070,000
Variable Rate swapped to Fixed	Series 2008A	28	AMT	Terminal 2 Project (refunded 2010A)	125,000,000	-
Variable Rate swapped to Fixed	Series 2008B	28	AMT	Terminal 2 Project (refunded 2010A)	100,000,000	-
Variable Rate swapped to Fixed	Series 2008C	30	AMT	Terminal 2 Project (refunded 2008C to Non-AMT)	75,000,000	-
Variable Rate	Series 2008C	27	Non-AMT	Terminal 2 Project	73,680,000	72,295,000
Fixed Rate	Series 2010A	26	Non-AMT	Terminal 2 Project	242,365,000	242,365,000
Fixed Rate	Series 2010B	16	Non-AMT	Terminal 2 Project	94,080,000	94,080,000
Fixed Rate	Series 2010B-1	21	Non-AMT	Terminal 2 Project	38,235,000	38,235,000
				Total Debt Issued	\$ 1,630,270,000	
				Total Outstanding Debt at 3/31/11		\$ 713,200,000
				<u>Fixed versus Variable Debt</u>		
				Fixed Rate Debt		89.9%
				Variable Rate Debt (2008C bonds)		10.1%
				Total Outstanding Debt at 3/31/11		100.0%
				Weighted Average Rates of Debt Portfolio at 3/31/11		
Series 2005A					<u>Current Rates</u>	<u>Current</u> <u>Wgt. Avg. Rates</u>
Series 2005B				\$ 39,805,000	4.66%	0.26%
Series 2007				\$ 74,350,000	4.66%	0.49%
Series 2008C				\$ 152,070,000	4.75%	1.01%
Series 2010A				\$ 72,295,000	0.25% *1, *2	0.03%
Series 2010B				\$ 242,365,000	4.11%	1.40%
Series 2010B-1				\$ 94,080,000	4.11%	0.54%
				\$ 38,235,000	4.18%	0.22%
				\$ 713,200,000		
				Weighted Average Rate of Debt at March 31, 2011		3.95%

*1 Excludes Program Costs such as LOC and Remarketing Fees.

*2 Weekly rate for variable bonds at March 31, 2011

**RALEIGH-DURHAM AIRPORT AUTHORITY
RDU DEMOGRAPHIC INFORMATION
2010, 2009, and 2008 (\$ in thousands)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Population*	2,000	1,779	1,730
Median Household Income**	Unavailable	\$55.5	\$55.9
Per Capita Income***	Unavailable	\$38.2	\$39.5
Personal Income***	Unavailable	\$66,528,638	\$66,888,951
Median Age****	34.9	34.7	34.8
Unemployment Rate*****	8.5	8.4	9.7

Sources:

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

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

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

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

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

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

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

	2010			2001		
			<u>% of Total</u>			<u>% of Total</u>
	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>
Duke University	32,848	1	5.94%	21,000	3	4.20%
State of North Carolina	24,739	2	4.48%	23,230	2	4.64%
International Business Machines	21,300	3	3.85%	27,000	1	5.40%
Wake County Public Schools	16,755	4	3.03%	12,500	5	2.50%
Glaxosmithkline	11,000	5	1.99%	10,350	6	2.07%
N C State University at Raleigh	7,500	6	1.36%	7,787	7	1.56%
Wake Med	7,100	7	1.28%	5,000	8	1.00%
Durham Public Schools	5,489	8	0.99%	4,500	9	0.90%
Research Triangle Institute	5,200	9	0.94%	1,550	17	0.31%
Rex Healthcare	4,400	10	0.80%	3,779	10	0.76%
Nortel Networks, Inc.	0		0.00%	13,348	4	2.67%
Total	<u>136,331</u>		24.66%	<u>130,044</u>		26.01%

Source - Wake County 2010 CAFR - Greater Raleigh Chamber of commerce
Durham county 2010 CAFR - Durham Chamber of Commerce

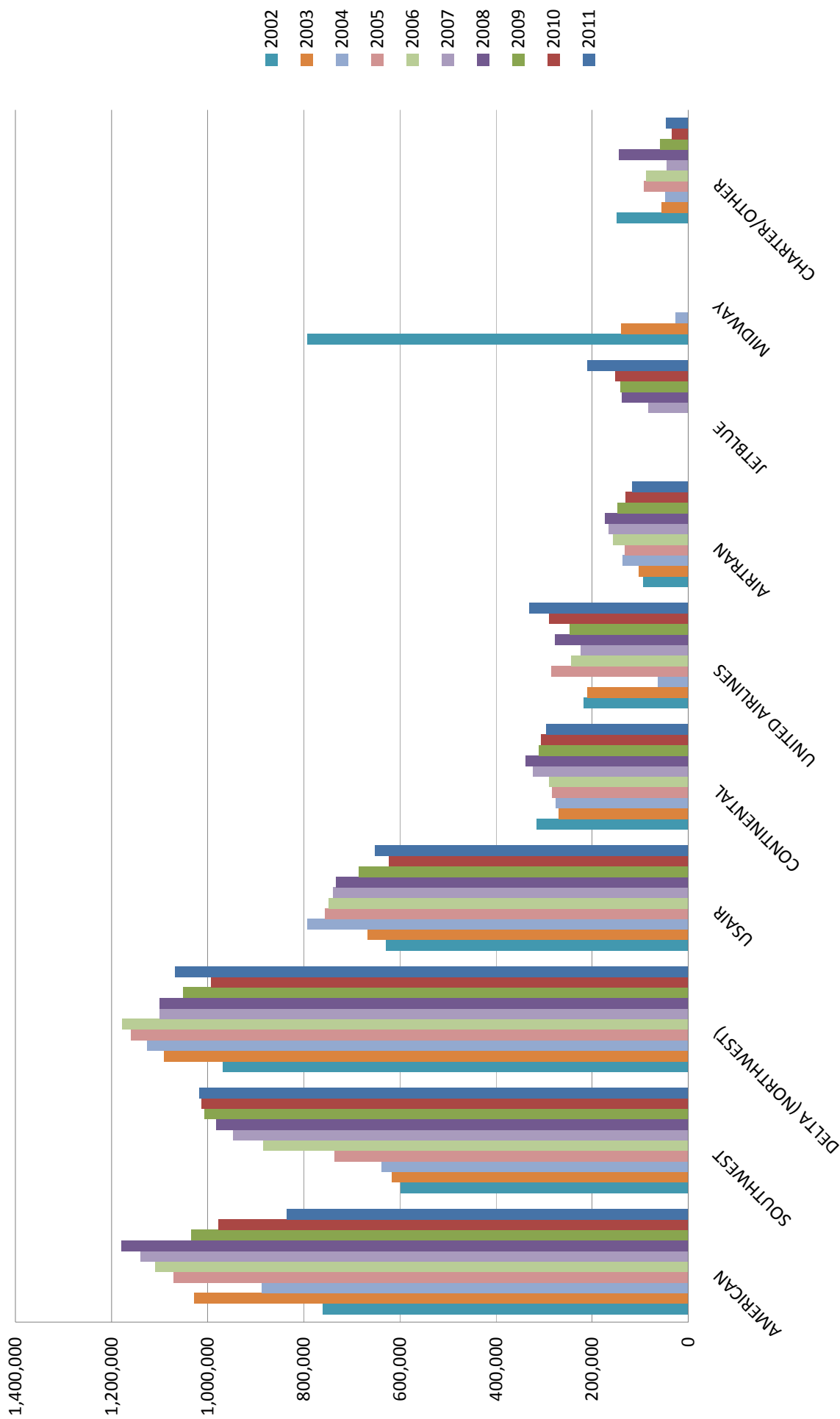
RALEIGH-DURHAM AIRPORT AUTHORITY
ACTIVITY STATISTICS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Passengers</u>	<u>Aircraft Operations</u>	<u>Cargo Volume (lbs)</u>
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
2004	7,964,067	227,140	212,777,512
2003	8,346,005	235,413	220,903,449
2002	9,007,590	259,161	230,207,206

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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
AMERICAN	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%	1,071,109 23.7%	887,862 22.2%	1,028,836 24.6%	759,704 16.8%
SOUTHWEST	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%	735,767 16.3%	638,921 16.0%	616,580 14.7%	597,824 13.2%
DELTA (NORTHWEST)	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%	1,159,475 25.7%	1,125,996 28.2%	1,090,005 26.1%	969,382 21.4%
USAIR	652,031 14.3%	623,142 13.8%	685,798 14.6%	732,835 14.5%	739,632 15.5%	749,050 15.9%	755,734 16.7%	792,541 19.8%	667,310 16.0%	629,254 13.9%
CONTINENTAL	295,864 6.5%	306,178 6.8%	311,410 6.6%	339,065 6.7%	323,886 6.8%	290,413 6.2%	284,350 6.3%	276,543 6.9%	269,934 6.5%	315,420 7.0%
UNITED AIRLINES	330,210 7.2%	289,275 6.4%	247,776 5.3%	277,971 5.5%	224,345 4.7%	243,139 5.2%	285,439 6.3%	63,829 1.6%	209,750 5.0%	218,281 4.8%
AIRTRAN	117,280 2.6%	130,365 2.9%	147,364 3.1%	173,880 3.4%	166,071 3.5%	156,488 3.3%	132,538 2.9%	136,542 3.4%	103,606 2.5%	94,430 2.1%
JETBLUE	210,642 4.6%	152,583 3.4%	141,066 3.0%	139,057 2.7%	83,762 1.8%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%
MIDWAY	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	25,881 0.6%	140,004 3.3%	792,407 17.5%
CHARTER/OTHER	46,946 1.0%	33,687 0.7%	58,717 1.3%	144,989 2.9%	44,996 0.9%	87,470 1.9%	92,387 2.0%	47,388 1.2%	55,946 1.3%	149,847 3.3%
TOTAL	4,574,777	4,518,322	4,684,698	5,069,994	4,770,798	4,698,922	4,516,799	3,995,503	4,181,971	4,526,549

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

	Avg %	Monthly Avg	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
April	8.59%	391,078	378,833	386,257	418,666	418,819	392,703	380,756	367,706	316,146	370,963	479,928
May	9.12%	415,354	400,240	395,931	449,221	448,600	417,233	433,395	386,862	346,042	402,223	473,788
June	9.51%	432,842	421,754	413,735	462,195	476,806	434,149	437,868	389,541	370,063	414,192	508,121
July	9.59%	436,803	427,675	429,806	454,330	469,881	425,489	434,254	421,211	376,007	403,917	525,463
August	8.87%	404,143	399,923	399,927	422,091	463,413	414,456	408,259	379,669	342,706	378,158	432,828
September	7.41%	337,564	365,295	354,093	354,490	391,222	365,120	367,430	346,150	297,683	305,888	228,269
October	8.64%	393,449	411,232	403,843	410,727	437,609	414,758	415,225	407,289	357,733	363,537	312,532
November	8.16%	371,544	393,364	374,480	364,782	423,622	412,364	398,876	380,453	334,362	323,578	309,558
December	8.37%	381,099	391,540	386,585	394,997	408,355	411,925	389,339	392,727	363,908	352,328	319,282
January	6.70%	305,234	312,767	309,391	301,606	344,556	344,263	322,342	310,198	269,291	266,453	271,474
February	6.69%	304,463	299,202	291,670	298,697	356,028	329,166	309,689	310,045	287,321	276,774	286,034
March	8.35%	380,262	372,952	372,604	352,896	431,083	409,172	401,489	424,948	334,241	323,960	379,272
TOTAL		<u>4,553,833</u>	<u>4,574,777</u>	<u>4,518,322</u>	<u>4,684,698</u>	<u>5,069,994</u>	<u>4,770,798</u>	<u>4,698,922</u>	<u>4,516,799</u>	<u>3,995,503</u>	<u>4,181,971</u>	<u>4,526,549</u>
Increase (Decrease) over Prior Period			1.25%	-3.55%	-7.60%	6.27%	1.53%	4.03%	13.05%	-4.46%	-7.61%	-15.34%

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Airlines									
AIRTRAN	138,872.00	151,096.00	180,448.00	205,139.50	198,704.40	187,720.00	173,347.00	178,093.01	143,470.00
AMERICAN	1,015,421.03	1,199,345.76	1,379,141.10	1,607,897.87	1,523,329.49	1,505,417.37	1,645,876.05	1,582,094.78	1,758,843.42
CONTINENTAL	325,660.65	340,284.20	373,257.38	384,852.43	362,923.19	344,040.62	385,542.22	349,358.04	340,581.30
DELTA (NORTHWEST)	1,281,754.58	1,161,039.90	1,003,810.20	1,359,023.24	1,375,437.80	1,516,711.35	1,573,666.02	1,433,254.90	1,464,426.10
FRONTIER	44,847.02								
JAZZ AIR	53,752.30	45,646.20	53,016.00	56,440.20	50,440.00	47,199.10	50,937.60	53,460.82	54,364.39
JETBLUE	249,735.30	190,769.30	191,153.00	181,688.29	111,472.05	-	-	-	-
SOUTHWEST	1,205,886.00	1,237,984.00	1,347,980.00	1,341,806.00	1,252,454.00	1,153,776.00	961,466.00	812,617.99	853,094.00
UNITED AIRLINES	484,409.56	473,476.75	338,950.28	500,564.32	277,076.37	302,447.09	326,738.88	282,718.87	282,714.70
USAIR	716,733.08	658,321.50	1,089,778.74	916,638.79	979,503.06	934,136.28	1,022,003.89	760,329.26	943,511.43
CHARTER/OTHER	16,968.50	17,939.83	18,950.42	52,098.00	17,555.00	76,643.00	161,340.60	116,885.61	272,195.50
Cargo									
UPS	134,900.60	131,023.68	134,318.30	135,892.78	137,229.12	141,256.62	132,010.20	213,666.35	131,313.00
FEDERAL EXPRESS	250,699.30	239,169.60	237,093.50	248,939.35	255,424.55	253,415.45	234,744.70	224,017.81	238,730.60
OTHERS	75,258.66	79,123.00	118,319.30	129,820.35	139,504.31	182,545.56	222,102.00	122,596.85	164,434.79
TOTAL	5,994,898.58	5,925,219.72	6,466,216.22	7,120,801.12	6,681,053.34	6,645,308.44	6,889,775.16	6,129,094.29	6,647,679.23
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

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 about 9 million passengers on 8 major airlines and serves 27 domestic cities nonstop with an average of 175 daily flights. In the fiscal year 2011 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 (previously called Terminal A), was placed in service in January 1982 and consists of approximately 296,000 square feet of floor space and provides 23 contact gates served by loading bridges. Terminal 1 currently serves Southwest Airlines and Air Tran Airways.

Terminal 2 (replacement for Terminal C), is a 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 900,000 square feet, with a total of 36 gates. Terminal 2 currently serves Air Canada, American Airlines, Continental Airlines, Delta Airlines, jetBlue Airways, Midwest Airlines, 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 Year	PURPOSE OF GRANT		
	<u>Security</u>	<u>Construction</u>	<u>Total</u>
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
2005	675,532	17,510,647	18,186,179
2004	261,298	10,836,199	11,097,497
2003	-	4,506,528	4,506,528
2002	-	5,899,314	5,899,314
Total	<u>\$ 4,954,422</u>	<u>\$ 84,478,684</u>	<u>\$ 89,433,106</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>
2011	271
2010	271
2009	273
2008	261
2007	233
2006	236
2005	228
2004	224
2003	229
2002	194