RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, North Carolina

Basic Financial Statements

Years Ended March 31, 2007 and 2006

RALEIGH-DURHAM AIRPORT AUTHORITY

TABLE OF CONTENTS

Years Ended March 31, 2007 and 2006

RALEIGH-DURHAM AIRPORT AUTHORITY
TABLE OF CONTENTS
Years Ended March 31, 2007 and 2006

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Statements of Net Assets of the Raleigh-Durham Airport Authority (the "Authority") as of and for the years ended March 31, 2007 and 2006, and the related statements of revenues, expenses and changes in fund 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 the 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2007 and 2006 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 7, 2007 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 audit.

Management's Discussion and Analysis 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.

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

Cherry Bekaert & Holland LLP

Raleigh, North Carolina
June 7, 2007

Overview

The 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, 2007 and March 31, 2006. 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 Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets, and Statement 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 Fund Net Assets. This statement measures the success of the Authority's operations over the past year and can be used to determine the Authority's overall profitability 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 15 to 33 of this report.

Background

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

Background (Continued)

The Airport consists of approximately 5,100 acres, approximately 2,075 of which are developed. The Airport has two active terminals, A and C. Terminal A consists of approximately 296,000 square feet of floor space, including 22 passenger contact gates. Terminal C, prior to partial demolition as part of its redevelopment, had consisted of approximately 330,000 square feet of floor space, including 26 passenger gates. At present, Terminal C consists of 223,600 square feet and 13 passenger contact gates. The Airport has two primary runways and one secondary runway. In the fiscal years ended March 31, 2007 and 2006, 9.6 and 9.4 million passengers, respectively, used the Airport.

Passenger Facility Charges

In February 2003, the Authority received final approval from the Federal Aviation Administration (FAA) to begin charging a $3 passenger facility charge ("PFC") effective May 1st, 2003. In fiscal year 2004-2005, the Authority received approval from the FAA to increase this charge from $3.00 to $4.50 per eligible enplanement effective October 1st, 2004. With 1.4% growth in passenger enplanements, PFC revenue increased 1.6% or $.33 million for FY 2006-2007, relative to the prior year. For FY 2005-2006, PFC revenue increased 34.6% or $5.3 million relative to FY 2004-2005 due to increased enplanements and the increase to $4.50 being effective for the full fiscal year. PFC revenues are restricted for use on only FAA approved capital projects. 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, 2008, 2007, and 2006 is $9,249,487, $4,055,263, and $1,763,988, respectively.

Financial Highlights, and Analysis

Net Assets

Current assets increased 20.2%, or $20.0 million from the prior year due to increases in cash and cash equivalents and short-term investments. Representing an offsetting part of this increase was a $2.3 million reduction in Grants receivable. See **Cash Flows** for a detailed explanation of this increase.

Non-current assets, consisting of restricted assets and debt issue costs, increased 322.1% or $223.4 million. This increase was due primarily to two factors: the $300 million issuance of Series 2006A-E Revenue bonds during June 2006, and an increase in PFCs balances of $16.6 million.

Airport and facilities, net increased $95.8 million mainly due to increased capital spending related to the Terminal C Redevelopment and Expansion Project. The combined effect of the above items was to increase Total Assets for the year by 45.6% or $339.2 million.

Current liabilities increased by $11.8 million or 37.3% due to increased Accounts Payables and Construction payables. Non-current liabilities increased by $289.7 million or 89.5% due to the issuance of $300 million Series 2006A-E bonds issued June 13, 2006.

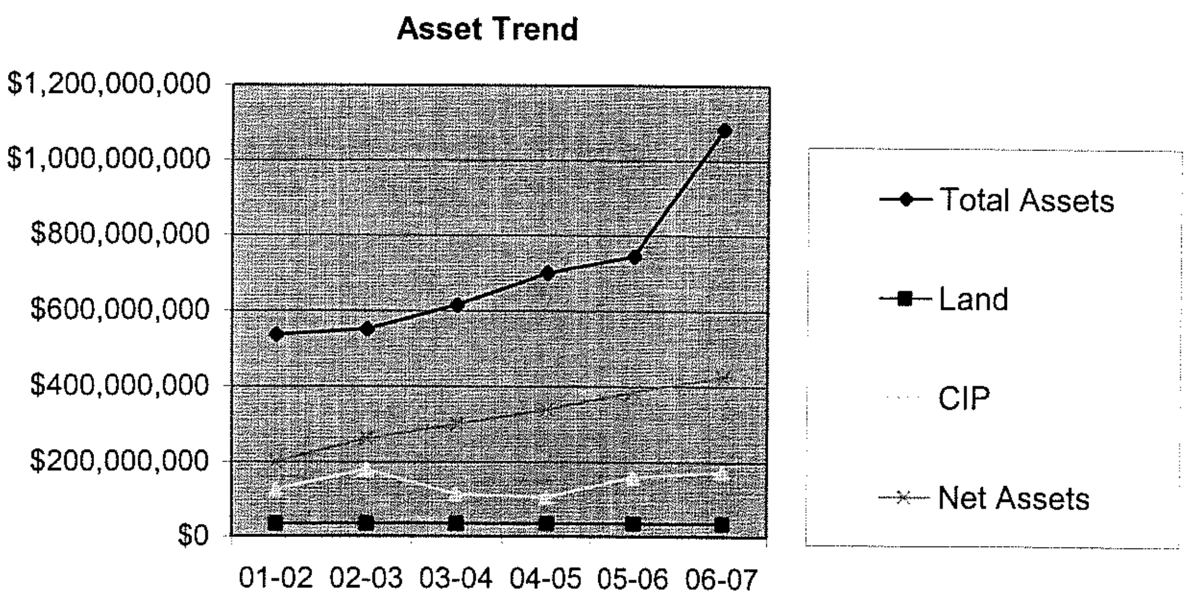
Net Assets (Continued)

The combined effect of these items was to increase net assets during the fiscal year by $37.7 million or 9.8%. Net assets at March 31, 2007 and March 31, 2006 are presented in the following table:

Condensed Statement of Net Assets

	March 31, 2007	March 31, 2006
Current assets	$ 118,976,610	$ 99,017,400
Airport and facilities, net	672,055,992	576,206,124
Other non-current assets	292,757,000	69,361,301
Total assets	1,083,789,602	744,584,825
Current liabilities	43,312,949	31,541,670
Non-current liabilities	616,210,000	326,502,839
Total liabilities	659,522,949	358,044,509
Net assets	$ 424,266,653	$ 386,540,316

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 rose 45.6% or $339.2 million during the fiscal year. CIP increased $13.0 million or 8.1% primarily due to the increased capital spending related to the Terminal C Redevelopment and Expansion project. Net assets increased $37.7 million or 9.8% for the reasons aforementioned with regard to Total Assets.



Revenues, Expenses, and Change in Fund Net Assets

For the fiscal year ended March 31, 2007, the Authority experienced a 12.4% increase, or $9.2 million, in operating revenues due primarily to increases in parking and rental car revenues compared to the prior year.

Operating Expenses (excluding depreciation) increased 1.1%, or $.35 million, for the fiscal year ended March 31, 2007 relative to the prior year. Depreciation expense increased 14.1% or $4.0 million during the same period. Thus, total Operating expenses (including depreciation), increased 7.1%, or $4.4 million. The combined effect of the above items was a 38.4% or $4.8 million increase in Operating Income relative to the prior period. This increase in Operating Income was primarily due to strong revenue growth coupled with flat operating expense growth, offset by an increase in depreciation expense.

Non-operating revenues (expenses) increased $2.7 million primarily due to increased investment interest income of $1.5 million. Capital Contributions also decreased $16.9 million compared to the prior year due to decreased Federal Grant funding during the current period. The Authority PFC program collection level of $4.50 requires a corresponding reduction of 75% in federal entitlement grant revenue, which is largely responsible for the large reduction in grant revenues. Thus, Net Assets decreased $9.4 million from the prior year increase. The following table depicts these changes for the fiscal years ended March 31st, 2007 and March 31st, 2006:

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

	March 31, 2007	March 31, 2006
Operating revenues	$ 83,622,353	$ 74,392,979
Operating expenses	33,585,016	33,232,391
Depreciation	32,581,129	28,548,381
Total operating expense	66,166,145	61,780,772
Operating income	17,456,208	12,612,207
Total non-operating revenues(expenses)	17,984,457	15,244,297
Capital contributions	2,285,672	19,219,885
Increase in net assets	$ 37,726,337	$ 47,076,389

Cash Flows

The Authority's overall liquidity position improved significantly during the fiscal year with a combined increase in unrestricted cash, cash equivalents and short term investments of $21.85 million or 23.9%. These increases were due in part to the Authority's positive operating results for FY 2006-2007 as actual operating revenues exceeded forecast by $6.1 million or 7.9%, while operating expenses were held under budget. In addition, the use of bond proceeds to fund the majority of our capital cash requirements helped reduce the amount of internal cash flow typically required to fund the Authority's ongoing capital program.

Capital and related financing activities cash provided by (cash used in) increased $182.9 million during FY 2006-2007 due primarily to a bond issuance (Series 2006A-E, $300 million) during the period. As a result of positive operating results and the 2006 bond issue, cash and cash equivalents at the end of FY 2006-0007 increased $239.8 million or 313.7%. For the year ended March 31, 2006, Cash and Cash Equivalents decreased $40.1 million during the fiscal year due to the increased Capital spending ($40.8 million), the majority of which was funded from bond proceeds. The following is a summary of the change in cash and cash equivalents for the fiscal years ended March 31, 2007 and March 31, 2006:

	March 31, 2007	March 31, 2006
Net cash provided from (used for):		
Operating activities	$ 54,541,351	$ 42,343,040
Capital and related financing activities	182,989,819	(75,860,569)
Investing activities	2,231,824	(6,545,778)
Net increase (decrease)	239,762,994	(40,063,307)
Cash and cash equivalents at beginning of year	76,437,186	116,500,493
Cash and cash equivalents at end of year	$316,200,180	$76,437,186

During the year, the Authority continued to maintain its cash reserve policy to set aside and reserve an operating cash reserve of one times the current fiscal year's annual Operating Budgeted Expenses (excluding depreciation). For FY 2006-2007, this cash reserve amount was approximately $34 million. For FY 2007-2008, this reserve reached the Authority's reserve policy cap, or $35.0 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 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

Economic Outlook and Capital Development (Continued)

effectively and efficiently expand and redevelop Terminal C rather than proceed with the redevelopment of Terminal A. Therefore, redevelopment of Terminal A was significantly reduced in scope and deferred until some point after the redevelopment and expansion of Terminal C.

Thus, the Authority has turned its attention to a major redevelopment of Terminal C under a preliminary project budget of $350 million in 2003 dollars. This cost ceiling was the result of extensive modeling and cost projections to incorporate a costing strategy to maintain the lowest possible cost per enplanement to the airlines thereby retaining the Airport's competitive cost structure.

The Terminal C facility, originally designed to house the American Airlines hub operation, will be reconstructed to support multiple airline operations. The project includes the redevelopment and expansion of the aircraft parking ramp and taxiways at the north end of Terminal C as well as the demolition of that terminal's North Concourse which will make room for an approximately 575-foot extension of the northern concourse that will include additional passenger boarding gates, a new Federal Inspection Service area, and additional support facilities.

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

In December 2006, the Authority added $140 million to this project for the replacement of the Terminal C South Concourse. As a result, the Terminal C Redevelopment and Expansion Project currently is budgeted at $570 million. Subsequent to the end of FY 2006-2007, the Authority finalized the financing of the Terminal C Redevelopment and Expansion Project with a $152 million fixed rate financing which closed 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. The Authority estimates that construction of the Terminal C Redevelopment and Expansion Project should be finalized in phases beginning in 2008 and complete in 2010.

The Authority's enplaned passenger growth increased 1.4% at the end of fiscal year 2006-2007, relative to the prior period. In the fiscal years ended March 31, 2007 and 2006, 4.8 and 4.7 million passengers, respectively, were enplaned at the Airport.

Budget Information for the Fiscal Year Ending March 31, 2008

The Authority, as it typically does, has elected to forecast conservatively, especially with respect to revenue generation for the fiscal year ended March 31, 2008. For this period, total budgeted operating revenue increased $6.9 million or 8.9% due to increased estimated: Parking Revenues ($3.02 million), Rental Car revenues ($1.58 million), Terminal revenues ($1.25 million), and Landing Fees ($.53 million). Non-operating revenue increased $.23 million or 1.0% due to increased PFC revenues ($1.43 million) and higher projected interest earnings ($1.0 million), offset by a reduction in federal grants of $2.2 million.

Budgeted operating expenses (excluding depreciation) increased $1.57 million, or 4.6% for the year ended March 31, 2008 relative to the prior year. Inclusive of depreciation, total budgeted operating expenses decreased $1.36 million or .3% relative to the prior year. Total budgeted non-operating expenses increased $.13 million or .8% due to slightly higher debt service requirements. Total budgeted non-operating revenues increased $.23 million or 1.0% due to slightly higher interest and PFC earnings. The combined effect of these items was to increase Net Assets $6.76 million or 38.2% with regard to the Authority's FY 2007-2008 budgeted projections vs. the prior year.

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, 2007 and 2006

ASSETS	2007	2006
Current assets		
Cash and cash equivalents	$ 28,886,182	$ 10,930,815
Short-term investments	84,462,229	80,647,847
Accounts receivable for fees and rentals, less allowance for doubtful accounts of $310,404	5,070,491	4,259,660
Grants receivable	-	2,293,219
Other current assets	557,708	967,174
Total current assets	118,976,610	99,098,715
Restricted assets		
State of North Carolina Underground Storage Tank Trust Fund Deductible	220,000	220,000
Passenger Facility Charge Cash and cash equivalents	52,577,395	35,930,032
Passenger Facility Charge Receivable	1,856,402	3,158,550
Aeronautical Facilities Revenue Bonds		
Cash and cash equivalents - Bond Series 2001A, 2005 and 2006	194,105,407	9,331,775
Debt Service Reserve Fund - Bond Series 2001A, 2005 and 2006	40,411,196	20,024,564
Total restricted assets	289,170,400	68,664,921
Airport and facilities		
Airport and facilities, non depreciable	209,690,993	196,675,540
Airport and facilities depreciable, net	462,364,999	379,530,584
Airport and facilities, net	672,055,992	576,206,124
Debt premium/issue costs, net	3,586,600	615,065
TOTAL ASSETS	$ 1,083,789,602	$ 744,584,825

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET ASSETS
March 31, 2007 and 2006

LIABILITIES AND NET ASSETS	2007	2006
Current liabilities		
Accounts payable	$ 14,652,152	$ 10,167,145
Retainage and construction accounts payable	9,641,940	3,667,197
Accrued employee compensation	1,800,020	1,536,309
Accrued bond interest payable	6,925,998	6,232,253
Current maturities of long-term debt		
General Airport Revenue Bonds-Series 2001A	3,150,000	2,985,000
General Airport Revenue Bonds-Series 2001B	3,710,000	3,565,000
General Airport Revenue Bonds-Series 2002A	1,700,000	1,600,000
General Airport Revenue Bonds-Series 2005B	1,490,000	1,440,000
Other-Capital leases	242,839	348,766
Total current liabilities	43,312,949	31,541,670
Long-term debt		
General Airport Revenue Bonds-Series 2001 A and B	168,345,000	175,205,000
General Airport Revenue Bonds-Series 2005 A and B	122,365,000	123,855,000
General Airport Revenue Bonds-Series 2002A	22,500,000	24,200,000
General Airport Revenue Bonds-Series 2006A through E	300,000,000	-
Other-Capital leases	-	242,839
	613,210,000	323,502,839
Unearned revenue		
Unearned rent credit	3,000,000	3,000,000
	3,000,000	3,000,000
TOTAL LIABILITIES	659,522,949	358,044,509
Net Assets		
Invested in capital assets, net of related debt	283,069,756	272,120,858
Restricted		
State of North Carolina Underground Storage Tank Trust Fund Deductible	220,000	220,000
Passenger Facility Charges	54,433,797	39,088,582
Unrestricted Net assets	86,543,100	75,110,876
TOTAL NET ASSETS	$ 424,266,653	$ 386,540,316

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

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

Years Ended March 31, 2007 and 2006

	2007	2006
Operating revenues		
Parking	$ 37,118,422	$ 35,102,368
Airfield	10,931,805	6,852,766
General aviation	817,917	1,017,201
Terminals	17,692,618	16,323,512
Air cargo	1,911,283	1,741,380
Fuel Farm	1,170,945	1,166,326
Rental car	12,793,354	11,109,594
Other	1,186,009	1,079,832
Total operating revenues	83,622,353	74,392,979
Operating expenses		
Airport facilities	12,670,053	12,624,529
Administrative	5,468,321	5,212,159
Law enforcement	2,685,681	2,710,370
Airport maintenance	3,986,311	3,711,178
Parking	2,729,983	2,586,436
Emergency services	1,313,139	1,413,059
Visitor services	558,204	565,644
Communications	648,163	651,726
Operations	938,333	906,909
Ground transportation	2,586,828	2,850,381
Subtotal	33,585,016	33,232,391
Depreciation	32,581,129	28,548,381
Total operating expenses	66,166,145	61,780,772
Operating income	17,456,208	12,612,207
Non-operating revenues (expenses)		
Investment interest income	5,484,164	4,015,127
Passenger Facility Charges	20,965,795	20,632,549
Net increase in fair value of investments	718,703	160,248
Bond interest expense, net	(9,556,465)	(9,878,616)
Other, net	372,260	314,989
Total non-operating revenues (expenses)	17,984,457	15,244,297
Income before capital contributions	35,440,665	27,856,504
Capital contributions	2,285,672	19,219,885
Increase in net assets	37,726,337	47,076,389
Net Assets, beginning of year	386,540,316	339,463,927
Net Assets, end of year	$ 424,266,653	$ 386,540,316

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

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2007 and 2006

	2007	2006
Cash flows from operating activities		
Cash received from operations	$ 83,377,649	$ 72,477,716
Cash paid to employees	(14,336,932)	(14,035,657)
Cash paid to suppliers	(14,499,366)	(16,099,019)
Net cash provided by operating activities	54,541,351	42,343,040
Investing activities		
Purchases of short-term investments	(86,821,830)	(35,835,665)
Proceeds from maturities of short-term investments	83,007,448	25,665,508
Investment gain on valuation account	718,703	160,248
Interest on cash deposits	5,327,503	3,464,131
Net cash provided by/(used in) investing activities	2,231,824	(6,545,778)
Capital and related financing activities		
Proceeds from issuance of Long-Term Debt		
General Airport Revenue Bonds-Series 2006 A thru E	300,000,000	-
Capital Lease Obligations	-	1,046,297
Payments of Long-Term Debt and Capital Lease Obligations		
General Airport Revenue Bonds-Series 2001 A and B	(6,550,000)	(6,265,000)
General Airport Revenue Bonds-Series 2002	(1,600,000)	(1,500,000)
General Airport Revenue Bonds-Series 2005 A and B	(1,440,000)	-
Capital Lease Obligations	(348,766)	(454,692)
Other capital and financing costs		
Debt issuance costs	(3,141,132)	(547,023)
Amortization of debt issuance costs	169,597	55,097
Additions to airport and facilities	(122,456,254)	(99,849,050)
Bond interest paid on long-term debt	(8,862,720)	(7,739,917)
Passenger facility charges collected	22,267,943	20,743,314
Other, net	372,260	314,989
Contributed capital	4,578,891	18,335,416
Net cash provided by (used in) capital and related financing activities	182,989,819	(75,860,569)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	239,762,994	(40,063,307)
Cash and cash equivalents - beginning of year	76,437,186	116,500,493
CASH AND CASH EQUIVALENTS - END OF YEAR (Including Restricted Cash and Restricted Cash Equivalents)	$ 316,200,180	$ 76,437,186

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

	2007	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 17,456,208	$ 12,612,207
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	32,581,129	28,548,381
Changes in operating assets and liabilities		
Accounts receivable	(654,170)	(1,472,047)
Other current assets	409,466	(443,216)
Accounts payable	4,485,007	2,934,677
Accrued employee compensation	263,711	163,038
Net cash provided by operating activities	$ 54,541,351	$ 42,343,040
Supplemental Cash Flow Information		
Cash investing, capital and financing activities		
Cash paid for interest	$ 25,083,418	$ 13,704,374
Capitalized interest paid	$ 16,220,698	$ 5,964,457

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

Note 1 – The Authority

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

Note 2 – Summary of significant accounting policies

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

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

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

Budgetary control – The Authority adopts an annual budget ordinance as required by the Local Government Budget and Fiscal Control Act of the North Carolina General Statutes. The 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 functional level with management control on a departmental basis. Expenditures may not legally exceed the functional levels. Appropriations under this ordinance lapse at year-end. The Budget Ordinance is adopted by the Authority at it's March meeting and is entered in the minutes within five days after adoption.

Note 2 – Summary of significant accounting policies (continued)

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

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

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

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

Depreciation expense was $32,581,129 and $28,548,381 for the fiscal years ended 2007 and 2006, 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.

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

The estimated lives by general classifications are as follows:

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

The Authority's net assets are classified as follows:

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

Note 2 – Summary of significant accounting policies (continued)

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

Passenger facility charges are presented as Restricted Net Assets for Capital Projects based on Federal Aviation Administration (FAA) regulations.

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 bond reserves represent cash and cash equivalents restricted by the Master Trust Indenture to be expended for the construction of certain airport facilities.

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, 2007 and 2006, no air carrier accounted for more than 7% and 5% of the Authority's operating revenues, respectively.

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.

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, 2007 and 2006 were $66,392,348 and $42,409,074, respectively. PFC funds of $5,571,923 and $1,742,908 were expended during the fiscal year ended March 31, 2007 and 2006, respectively, on FAA approved projects. In addition, a portion of PFCs are irrevocably committed to offset Authority debt service beginning in the fiscal year 2005-2006. This irrevocable commitment for the fiscal year ending March 31, 2008 is $9,249,487. Net assets related to PFC are restricted for projects that are approved by the FAA.

Reclassifications – Certain 2006 amounts have been reclassified in order to conform to 2007 presentation.

New pronouncements – During the fiscal year ended March 31, 2007, the Authority implemented several new pronouncements of the Governmental Accounting Standards Board (GASB). These pronouncements are as follows:

GASB Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* – Under this Statement, the Authority must report the impairment of capital assets. GASB defines impairment as a significant, unexpected decline in the service utility of a capital asset. This Statement also addresses insurance recoveries, whether connected to an impairment loss or not. This Statement had no material impact on the Authority's financial statements.

GASB Statement No. 46 *Net Assets Restricted by Enabling Legislation—an amendment of GASB Statement No. 34* – This Statement requires limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. Legally enforceable is defined in the Statement to mean "that a government can be compelled by an external party to use resources created by enabling legislation only for a specific purpose." This Statement also contains guidance on how new enabling legislations alter original enabling legislation and changes of circumstances surrounding enabling legislations. Furthermore, the Statement provides guidance on reporting when restricted revenues are used for some other purposes. This Statement had no material impact on the Authority's financial statements.

Note 2 – Summary of significant accounting policies (continued)

New pronouncements (continued)

GASB Statement No. 47 *Accounting for Termination Benefits* – This Statement requires employers to recognize a liability and expense for *voluntary* termination benefits when the offer is accepted and the amount can be estimated. An example would be early-retirement incentives. A liability and expense for *involuntary* termination benefits, such as severance benefits, should be recognized when a plan of termination has been approved by those with the authority to commit the Authority to the plan, the plan has been communicated to the employees, and the amount can be estimated. This Statement had no material impact on the Authority's financial statements.

During the fiscal year ended March 31, 2006, the Authority implemented GASB Statement No. 40 *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3.* This Statement modified disclosure requirements related to custodial risk by only requiring disclosure of deposits or investments facing substantial custodial risk. It eliminated the requirement to disclose fair value information as part of the notes disclosure, and also eliminated the requirement to report information on investments not held at year-end. The Statement required new disclosure related to credit risk, concentration risk, interest rate risk and foreign currency risk.

Note 3 – Deposits and investments

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

At March 31, 2007, the Authority's deposits had a carrying amount of $69,731,087 and a statement balance of $76,904,249. Of this bank balance, $3,282,355 was covered by federal depository insurance while the balance of $73,621,894 was covered by collateral held under the Pooling Method. The Authority is required to maintain a minimum balance of $250,000 in its checking account.

Note 3 – Deposits and investments (continued)

At March 31, 2006, the Authority's deposits had a carrying amount of $38,343,050 and a statement balance of $42,918,782. Of this bank balance, $2,126,645 was covered by federal depository insurance while the balance of $40,792,137 was covered by collateral held under the Pooling Method.

At March 31, 2007 and 2006, the Authority's petty cash funds totaled $55,644 and $77,950 respectively.

Investments – At March 31, 2007, the Authority had the following investments and maturities:

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1 Year - 30 Months
Repurchase Agreements	$ 20,387,013	$ -	$ -	$ 20,141,770
US Government Agencies	84,462,229	-	15,997,465	68,464,764
Commercial Paper	20,024,183	20,024,059	-	-
NC Capital Management Trust-Cash Portfolio	206,002,253	N/A	N/A	N/A
Total:	$ 330,875,678	$ 20,024,059	$ 15,997,465	$ 88,606,534

At March 31, 2006, the Authority had the following investments and maturities:

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1 Year - 30 Months
Repurchase Agreements	$ 10,939,921	$ -	$ -	$ 10,939,921
US Government Agencies	80,647,847	29,716,237	21,197,995	29,733,615
Commercial Paper	20,024,564	20,024,564	-	-
NC Capital Management Trust-Cash Portfolio	7,051,701	N/A	N/A	N/A
Total:	$ 118,664,033	$ 49,740,801	$ 21,197,995	$ 40,673,536

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.

Note 3 – Deposits and investments (continued)

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, 2007 and 2006, 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, 2007 and 2006. The Authority's investments in US Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Authority's investment in repurchase agreements are all collateralized by U.S. Agencies. 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 38 percent of the Authority's investments are in commercial paper, repurchase agreements, and government agencies. At March 31, 2007, the Authority's investments consisted of 15% in Federal Home Loan Bank securities, 4% in Federal Home Loan Mortgage Corporation securities, 4% in Federal Farm Credit Bank securities, 4% in ANZ commercial paper, 3% in Coral commercial paper, 3% in Federal National Mortgage Association securities, 6% in a Morgan Stanley repurchase agreement, and 61% in NCCMT. Of this 61% invested in the NCCMT, 97% represents Authority bond proceeds. At March 31, 2006, the Authority investments consisted of 45% in Federal Home Loan Bank securities, 12% in Federal Home Loan Mortgage Corporation securities, 10% in ANZ commercial paper, 11% in Federal National Mortgage Association securities, 9% in a Morgan Stanley repurchase agreement, and 7% in General Electric Capital Corporation commercial paper , and 6% in NCCMT of the total investments.

Note 4 – Airport and facilities, net

Changes in airport and facilities are as follows for the year ended March 31, 2007:

	March 31, 2006	Additions	Deletions	Transfers	March 31, 2007
Capital assets not being depreciated					
Land	$ 35,546,221	$ -	$ -	$ -	$ 35,546,221
Construction in progress	161,129,317	128,431,000	-	(115,415,545)	174,144,772
Total capital assets not being depreciated	196,675,538	128,431,000	-	(115,415,545)	209,690,993
Other capital assets					
Landing field and grounds	452,074,787	-	-	64,228,021	516,302,808
Terminal buildings	92,120,492	-	-	1,425,430	93,545,922
Other buildings	107,619,871	-	-	45,783,623	153,403,494
Utilities	4,115,389	-	-	-	4,115,389
Equipment	14,405,726	-	(36,392)	3,978,471	18,347,805
Total other capital assets	670,336,265	-	(36,392)	115,415,545	785,715,418
Total airport and facilities	867,011,803	128,431,000	(36,392)	-	995,406,411
Accumulated depreciation					
Landing field and grounds	(203,410,411)	(18,780,272)	-	-	(222,190,683)
Terminal buildings	(48,261,459)	(5,391,636)	-	-	(53,653,095)
Other buildings	(25,060,464)	(6,636,697)	-	-	(31,697,161)
Utilities	(3,408,516)	(92,441)	-	-	(3,500,957)
Equipment	(10,664,829)	(1,680,083)	36,389	-	(12,308,523)
Total accumulated depreciation	(290,805,679)	(32,581,129)	36,389	-	(323,350,419)
Airport and facilities, net	$ 576,206,124	$95,849,868	$ -	$ -	$ 672,055,992

Note 4 – Airport and facilities, net (continued)

Changes in airport and facilities are as follows for the year ended March 31, 2006:

	March 31, 2005	Additions	Deletions	Transfers	March 31, 2006
Capital assets not being depreciated					
Land	$ 35,546,221	$ -	$ -	$ -	$ 35,546,221
Construction in progress	106,406,209	98,790,467	-	(44,067,359)	161,129,317
Total capital assets not being depreciated	141,952,430	98,790,467	-	(44,067,359)	196,675,538
Other capital assets					
Landing field and grounds	440,864,655	-	-	11,210,132	452,074,787
Terminal buildings	90,197,349	-	-	1,923,143	92,120,492
Other buildings	78,770,494	-	-	28,849,377	107,619,871
Utilities	3,924,926	-	-	190,463	4,115,389
Equipment	12,670,803	-	(159,321)	1,894,243	14,405,726
Total other capital assets	626,428,227	-	(159,321)	44,067,359	670,336,265
Total airport and facilities	768,380,657	98,790,467	(159,321)	-	867,011,803
Accumulated depreciation					
Landing field and grounds	(187,026,309)	(16,384,103)	-	-	(203,410,412)
Terminal buildings	(42,791,744)	(5,469,715)	-	-	(48,261,459)
Other buildings	(19,993,626)	(5,066,838)	-	-	(25,060,464)
Utilities	(3,320,864)	(87,652)	-	-	(3,408,516)
Equipment	(9,284,076)	(1,540,073)	159,321	-	(10,664,829)
Total accumulated depreciation	(262,416,619)	(28,548,381)	159,321	-	(290,805,679)
Airport and facilities, net	$ 505,964,038	$70,242,086	$ -	$ -	$ 576,206,123

During March 31, 2007 and 2006, interest costs of approximately $16,220,000 and $5,960,000, net of interest earned of approximately $10,860,000 and $1,000,000, were capitalized as part of the cost of construction in progress, respectively.

Note 5 – Long-term debt

Changes of long-term debt for the year ended March 31, 2007 consist of the following:

	March 31, 2006	Principal Repayments	New Debt	March 31, 2007
Amounts due to trustee				
Series 2001A 4.00 – 5.50% General Airport Revenue Bonds, maturing in varying installments beginning in 2005 to 2031	$ 154,135,000	$ 2,985,000	$ -	$ 151,150,000
Series 2001B 4.00 – 4.375% General Airport Revenue Bonds, maturing in varying installments beginning in 2002 to 2015	27,620,000	3,565,000	-	24,055,000
Series 2002A Adjustable Rate Airport Revenue Bonds, maturing in varying installments beginning in 2003	25,800,000	1,600,000	-	24,200,000
Series 2005A 4.00-5.00% General Airport Revenue Bond, maturing in varying installments beginning 2019 to 2030	39,805,000	-	-	39,805,000
Series 2005B 3.00-5.00% General Airport Revenue Bond, maturing in varying installments beginning 2006 to 2029	85,490,000	1,440,000	-	84,050,000
Series 2006A-E 4.50% General Airport Revenue Bond, maturing in varying installments beginning 2009 to 2036	-	-	300,000,000	300,000,000
Total bond obligations	332,850,000	-	300,000,000	623,260,000
Less current maturities	9,590,000	-	-	10,050,000
	$ 323,260,000	$ 9,590,000	$ 300,000,000	$ 613,210,000

Note 5 – Long-term debt (continued)

Changes of long-term debt for the year ended March 31, 2006 consist of the following:

Amounts due to trustee	March 31, 2005	Principal Repayments	New Debt	March 31, 2006
Series 2001A 4.00 – 5.50% General Airport Revenue Bonds, maturing in varying installments beginning in 2005 to 2031	$ 156,975,000	$ 2,840,000	$ -	$ 154,135,000
Series 2001B 4.00 – 4.375% General Airport Revenue Bonds, maturing in varying installments beginning in 2002 to 2015	31,045,000	3,425,000	-	27,620,000
Series 2002A 1.15% Adjustable Rate Airport Revenue Bonds, maturing in varying installments beginning in 2003	27,300,000	1,500,000	-	25,800,000
Series 2005A 4.00-5.00% General Airport Revenue Bond, maturing in varying installments beginning 2019 to 2030	39,805,000	-	-	39,805,000
Series 2005B 3.00-5.00% General Airport Revenue Bond, maturing in varying installments beginning 2006 to 2029	85,490,000	-	-	85,490,000
Total bond obligations	340,615,000	-	-	332,850,000
Less current maturities	7,765,000	-	-	9,590,000
	$ 332,850,000	$ 7,765,000	$ -	$ 323,260,000

Note 5 – Long-term debt (continued)

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

Year Ending March 31	General Airport Revenue Bond Series 2001A	General Airport Revenue Bond Series 2001B	Adjustable Rate Airport Revenue Bond Series 2002	General Airport Revenue Bond Series 2005A	General Airport Revenue Bond Series 2005B	General Airport Revenue Bond Series 2006 ABCDE	Interest
2008	$ 3,150,000	$ 3,710,000	$ 1,700,000	$ -	$ 1,490,000	$ -	$ 28,323,398
2009	3,320,000	3,630,000	1,800,000	-	1,545,000	5,295,000	27,667,951
2010	3,505,000	3,100.000	1,800,000	-	3,250,000	5,545,000	26,931,414
2011	3,645,000	3,220,000	1,900,000	-	3,415,000	5,810,000	26,184,474
2012	3,790,000	3,350,000	2,100,000	-	3,585,000	6,085,000	25,400,220
2013-2017	22,105,000	7,045,000	12,100,000	-	20,790,000	35,140,000	113,528,448
2018-2022	28,535,000	-	2,800,000	6,150,000	20,470,000	44,460,000	90,342,930
2023-2027	36,505,000	-	-	16,855,000	17,135,000	56,235,000	64,014,683
2028-2032	46,595,000	-	-	16,800,000	12,370,000	71,145,000	31,466,140
2033-2037	-	-	-	-	-	70,285,000	4,927,670
	$151,150,000	$24,055,000	$24,200,000	$39,805,000	$84,050,000	$300,000,000	$438,787,328

For the table above, interest was calculated for adjustable rate issue Series 2002 using an estimated rate of 4.00% for their remaining terms.

On May 1, 2002, American prepaid and retired the 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. In June 2002, the Authority entered into an agreement with American to purchase American's remaining interest in Terminal C and the associated facilities for $30,000,000, financed by the Series 2002 Issue.

On February 27, 2001, the Authority issued the $156,975,000 Airport Revenue Bonds Series 2001A under the Master Trust Indenture. The Bonds 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 the Series 2001 Reserve Fund and certain other funds and accounts. The proceeds are being 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 issued the $47,570,000 Airport Revenue Refunding Bonds Series 2001B under the Master Trust Indenture. The Bonds 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 the Series 2001 Reserve Fund and certain other funds and accounts. The proceeds are being used to refund the Public Parking Revenue Bonds.

Note 5 – Long-term debt (continued)

On June 13, 2002, the Authority issued the $30,000,000 Adjustable Rate Airport Revenue Bonds Series 2002A under the Master Trust Indenture. The Bonds 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, investments earnings, and certain other funds and accounts. The interest rate for the Bonds is set weekly and at March 31, 2007 and 2006 was 3.65% and 3.22%, respectively. The proceeds are to be used to finance a portion of the cost of acquiring and purchasing certain rights and interests of American Airlines, Inc. under the Raleigh-Durham Airport Facilities Lease and Use Agreement dated November 1, 1985, to finance the cost of rehabilitation of certain buildings and equipment related to the forgoing acquisition and purchase, and to finance the cost of certain other capital improvements to aeronautical facilities located at the airport.

On December 18, 2002, the Authority issued the $35,000,000 Bond Anticipation Notes (BAN) Series 2002B under the Master Trust Indenture. The Note is an obligation of the Authority, secured by and payable from the Net Revenues of the Authority, and the proceeds from the Authority's next General Airport Revenue Bond Issue, which had been anticipated to be issued in 2003. The proceeds are to be 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.

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. This Note is an obligation of the Authority, secured by and payable from the Net Revenues of the Authority, and the proceeds from the Authority's 2005 General Airport Revenue Bond Issue. The proceeds are to be 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. This Series 2003 BAN was paid off on March 16, 2005 with the issuance of the Series 2005A&B bonds.

On March 1, 2005, the Authority issued the $39,805,000 Airport Revenue Bond Series 2005A under the Master Trust Indenture. The Bonds are obligations of the Authority, secured by and payable from the Net Revenues of the Airport System and, under certain circumstances, the proceeds of the Bonds, investment earnings, amounts set aside in the Series 2005 Reserve Fund and certain other funds and accounts. The proceeds are being used for the construction, redevelopment, and expansion of Terminal C.

On March 1, 2005, the Authority issued the $85,490,000 Airport Revenue Bond Series 2005B under the Master Trust Indenture. The Bonds are obligations of the Authority, secured by and payable from the Net Revenues of the Airport System and, under certain circumstances, the proceeds of the Bonds, investments earnings, amounts set aside in the Series 2005 Reserve Fund and certain other funds and accounts. The proceeds are being used for the construction, redevelopment, and expansion of Terminal C, including the redevelopment of the north ramp general aviation area, an Authority Operations Center, and the relocation of Taxiway D and ramp expansion.

Note 5 – Long-term debt (continued)

These bonds have rate covenants associated with them, whereby the Authority must maintain a debt service coverage ratio of no less than 125%. The debt service coverage ratio at March 31, 2007 is calculated as follows:

Net revenues	$ 55,521,501
Annual debt service	21,456,007
Calculated debt service coverage ratio	259%

On May 4, 2005 the Authority executed two interest rate swap agreements in anticipation of the issuance of $300 million of Series 2006 Bonds. The effective date of the swaps was June 15, 2006 and the termination date of the swaps is 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 is $300,000,000 and the terms of the swaps are substantially similar. Under the swaps, the Authority will pay the swap providers a fixed rate of 4.27% based on the notional amount of the swaps and the swap providers will pay the Authority the Bond Market Association Municipal Swap Index (BMA) rate plus 5 basis points based on the notional amount of the swaps. On the effective date of the swaps the BMA rate was 3.88%. 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 will amortize with the 2006 Bonds. The Authority continues to pay interest to the bondholders at the variable rate provided by the bonds.

If the floating receipts from the counterparties are equal to the interest due on the hedged 2006 bonds, the Authority's effective interest rate would be 4.27% - the fixed swap rate. The Authority will be exposed to additional interest expense payments if the variable interest rate on the Bonds exceeds BMA plus 5 basis points. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. Termination could result in the Authority being required to make an unanticipated termination payment.

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. Although the actual amount to be paid is not presently determinable, the Authority believes no arbitrage payable is required.

Note 6 – Leases

The Authority leases land, buildings and terminal space with a cost of approximately $111 million and a carrying value of approximately $51 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 20% and 21% of airport operating revenues for fiscal years ended March 31, 2007 and 2006, 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, 2007 and 2006, contingent rentals comprised $16.9 and $15.7 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
2008	$ 7,746,000
2009	6,858,000
2010	6,825,000
2011	5,730,000
2012	5,732,000
	$ 32,891,000

Note 7 – Capital Leases

The Authority has entered into agreements to lease buses. The lease agreements qualify as capital leases for accounting purposes, and therefore; have been recorded at the present value of the future minimum lease payments as of the date of their inception and all other incidental costs.

The first agreement, for four Thomas Built buses, requires monthly payments of approximately $19,300 until October of 2007. The second agreement, for two Blue Bird buses, requires monthly payments of approximately $12,300 until March of 2008. Under both agreements, title passes to the Authority at the end of the lease term.

At March 31, 2007, the buses were valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 1,050,321	$ 738,356	$ 311,965

Note 7 – Capital Leases (continued)

Future minimum lease obligations and the net present value of these minimum lease payments as of March 31, 2007 were as follows:

Year Ending March 31	Amount
2008	$ 282,700
Less: Amount representing interest at 6.20%	39,861
Present value of minimum lease payments	$ 242,839

Note 8 – Employee retirement plans

Local governmental employees' retirement system

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

Funding Policy – Plan members are required to contribute six percent of their annual covered salary. The Authority is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 4.90% and 4.86% of annual covered payroll. The contribution requirements of members are established and may be amended by the North Carolina General Assembly. The Authority's contributions to LGERS for the years ended March 31, 2007, 2006 and 2005 were $1,292,663, $1,090,116 and $1,153,543, respectively. The contributions made by the Authority equaled the required contributions for each fiscal year.

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.

Note 8 – Employee retirement plans (continued)

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, 2007 were $102,261, which consisted of $69,078 from the Authority, and $33,183 from the law enforcement officers. Contributions for the year ended March 31, 2006 were $99,471, which consisted of $68,292 from the Authority, and $31,179 from the law enforcement officers.

Law enforcement officers 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, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	28
Total	30

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.

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.

Note 8 – Employee retirement plans (continued)

Other Post-Employment Benefits

The Authority provides certain post-employment healthcare benefits ("OPEB") as a part of the total compensation offered to attract and retain the services of qualified employees. 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.

This benefit is available to retirees who participate in the North Carolina Local Government Employees' Retirement System (LGERS). 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.

In June 2004, the Governmental Accounting Standards Board ("GASB") released its Statement No. 45 relating to the Accounting and Financial Reporting by Employers for Post-employment Benefit Plans Other Than Pension Plans (the "GASB 45"). GASB 45 requires governments to treat OPEB for accounting purposes on an accrual basis similar to pensions. The Authority expects to evaluate and comply with the GASB 45 requirements in its fiscal year ending March 31, 2008, the period in which these requirements becomes effective for the Authority.

The Authority has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed $20,000. All death benefit payments are made from the Death Benefit Plan. The Authority has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the Authority, the Authority does not determine the number of eligible participants. For the fiscal years ended March 31, 2007 and 2006, the Authority made no contributions to the State for death benefits.

The Authority's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.10% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

Note 9 – Commitments and contingencies

The Authority is a defendant in various other legal proceedings incidental to its business. The Authority intends to defend such proceedings vigorously and, in the opinion of the management, the ultimate liability, if any, of the Authority in these proceedings is not expected to have a material adverse effect on the financial position of the Authority.

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, 2007 and 2006, the Authority has contractual commitments for Authority expansion programs of approximately $328 million and $479 million, respectively.

Note 10 – Subsequent Events

Long-Term Debt - Subsequent to the end of Fiscal Year 2006-2007, the Authority finalized the financing of the Terminal C Redevelopment and Expansion Project with a $152 million fixed rate financing which closed 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. The Authority estimates that construction of the Terminal C Redevelopment and Expansion Project should be finalized in phases beginning in 2008 and complete in 2010.

Airport Fuel Farm Operation – Effective April 1, 2007, the Authority ended its management agreement with the company it had contracted with to operate the bulk fuel storage and hydrant fuel distribution system (Fuel Farm) owned by the Authority. The Fuel Farm is currently being operated by the Authority.

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as of and for the years ended March 31, 2007 and 2006 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 audit 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.

Cherry Bekaert & Holland L.L.P.

Raleigh, North Carolina
June 7, 2007

RALEIGH - DURHAM AIRPORT AUTHORITY

SUMMARY OF OPERATING REVENUES AND EXPENSES

COMPARED WITH BUDGET

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Operating revenues			
Parking	$ 37,118,422	$ 34,000,000	109.2%
Airfield	10,931,805	10,753,318	101.7%
General aviation	817,917	1,016,756	80.4%
Terminals	17,692,618	16,746,518	105.6%
Air cargo	1,911,283	1,799,993	106.2%
Fuel Farm	1,170,945	1,151,700	101.7%
Rental car	12,793,354	10,893,822	117.4%
Other	1,186,009	1,126,573	105.3%
Total operating revenues	83,622,353	77,488,680	107.9%
Operating expenses			
Complex expenses	12,670,053	12,971,244	97.7%
Department expenses	20,914,963	21,672,112	96.5%
Subtotal	33,585,016	34,643,356	96.9%
Depreciation Expense	32,581,129	28,548,381	114.1%
Total operating expenses	66,166,145	63,191,737	104.7%
NET OPERATING INCOME	$ 17,456,208	$ 14,296,943	122.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
PARKING REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Parking revenues			
Parking fees	$ 37,123,848	$ 34,000,000	109.2%
Contra revenue	(5,426)	-	N/A
TOTAL PARKING REVENUES	$ 37,118,422	$ 34,000,000	109.2%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

AIRFIELD REVENUES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Landing fees			
Commercial/Commuter airlines			
Air Canada	$ 147	$ 6,450	2.3%
Air Midwest/USAirways Express	33,896	47,310	71.6%
Air Wisconsin	248,825	265,250	93.8%
Airtran Airways	312,344	285,100	109.6%
America West	86,715	151,250	57.3%
American Airlines	1,327,953	1,382,370	96.1%
American Eagle	968,583	1,108,060	87.4%
Atlantic Southeast/Delta Connection	10,543	90,860	11.6%
Chatauqua Airlines/USAirways Express	105,543	69,800	151.2%
Chatauqua Airlines/Delta Connection	96,845	237,140	40.8%
Chatauqua Airlines/American Connection	73,708	-	N/A
Comair/Delta Connection	396,909	356,110	111.5%
Continental Airlines	264,733	278,790	95.0%
Continental Express	305,746	282,430	108.3%
Delta Airlines	970,934	857,550	113.2%
Freedom Airlins/Mesa	112,214	48,030	233.6%
Jazz Air LP	79,139	69,180	114.4%
Jetblue Airways	175,223	-	N/A
Mesa Airlines/USAirways Express	33,857	41,480	81.6%
Mesa Airlines/United Express	304,134	64,340	472.7%
Northwest Airlines	458,836	468,020	98.0%
Piedmont Aviation/USAirways Express	6,983	9,570	73.0%
Pinnacle/Northwest	115,769	128,770	89.9%
PSA Airlines/USAirways Express	45,915	53,050	86.6%
Republic/USAirways	81,958	20,400	401.8%
Skywest	105	53,820	0.2%
Shuttle America	128,558	306,030	42.0%
Southwest Airlines	1,968,733	1,917,670	102.7%
Trans State Airlines/American Connection	24,278	-	N/A
Trans State Airlines/USAirways Express	83,068	72,040	115.3%
USAirways	815,660	775,840	105.1%
Non-Scheduled Carriers	4,010	27,638	14.5%
Charter Express	27,214	-	N/A
Total Commercial/Commuter airlines	9,669,078	9,474,348	102.1%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

AIRFIELD REVENUES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Cargo carriers			
Airbourne Express/ABX Air	73,722	81,640	90.3%
Air Now	6,524	7,200	90.6%
Air Cargo Carriers/DHL	36	-	N/A
Air Transport International/BAX Global	107,012	92,550	115.6%
UPS Chain Solution	11,131	76,300	14.6%
Federal Express	401,502	414,720	96.8%
Martinaire/DHL	8,952	6,470	138.4%
Mountain Air Cargo	114	-	N/A
United Parcel Service	215,711	214,670	100.5%
USA Jet	8,192	6,820	120.1%
Total Cargo carriers	832,896	900,370	92.5%
Total landing fees	10,501,974	10,374,718	101.2%
Other			
Fuel flowage fees	426,231	375,000	113.7%
Other airfield revenues	3,600	3,600	100.0%
Total other	429,831	378,600	113.5%
TOTAL AIRFIELD REVENUES	$ 10,931,805	$ 10,753,318	101.7%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
GENERAL AVIATION REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
General Aviation-General			
Fixed space rents			
Bellefonte, Inc.	$ 15,663	$ 14,870	105.3%
Bellsouth	29,694	4,510	658.4%
Civil Air Patrol	1,020	1,020	100.0%
Jetcraft	5,810	3,060	189.9%
Lichtin Corp.	5,810	3,060	189.9%
Martin Marietta	5,810	3,060	189.9%
NC DOT Aviation	236,930	236,930	100.0%
Piedmont Hawthorne	67,894	348,941	19.5%
PK Enterprises	5,810	3,060	189.9%
Progress Energy	16,459	16,459	100.0%
SAS Institute, Inc.	26,783	26,229	102.1%
Southern Jet	253,994	248,513	102.2%
Total Fixed space rents	671,677	909,712	73.8%
Percentage rents			
Piedmont Hawthorne-Catering	8,820	21,300	41.4%
Southern Jet-Catering	4,760	-	N/A
Total Percentage rents	13,580	21,300	63.8%
Total General Aviation-General	685,257	931,012	73.6%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
GENERAL AVIATION REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
General Aviation Terminal			
Fixed space rents			
Delta Airport Consultants	16,888	16,888	100.0%
Jetcraft	37,072	37,072	100.0%
JQ Enterprises/Crosswinds Café	2,912	2,763	105.4%
Miscellaneous	12,441	13,721	90.7%
Total Fixed space rents	69,313	70,444	98.4%
Percentage rents			
JQ Enterprises/Crosswinds Café	4,873	5,400	90.2%
CLS Management	23,682	9,900	239.2%
Hertz Corporation	24,412	-	N/A
Employee Parking	6,630	-	N/A
Total Percentage rents	59,597	15,300	389.5%
Total General Aviation-Terminal	128,910	85,744	150.3%
Charter Security Screening	3,750	-	N/A
TOTAL GENERAL AVIATION REVENUES	$ 817,917	$ 1,016,756	80.4%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Terminal A Complex			
Fixed space rents			
AirTran Airways	$ 308,850	$ 286,576	107.8%
America West	116,451	116,451	100.0%
ComAir	33,594	33,594	100.0%
Continental Airlines	881,037	885,050	99.5%
Delta Airlines	1,350,125	1,339,207	100.8%
Jetblue Airways	214,491	-	N/A
Mesa/USAirways Express	20,055	27,322	73.4%
Northwest Airlines	558,825	560,398	99.7%
Southwest Airlines	1,339,908	1,339,813	100.0%
US Airways	1,274,914	1,276,924	99.8%
Aeronautical Radio	600	600	100.0%
Anton Airfood	56,501	56,501	100.0%
CLS Management	1,300	15,600	8.3%
Corner Café	7,799	-	N/A
DAL Global Services	1,200	1,200	100.0%
Gearbuck Aviation Services	19,136	29,117	65.7%
Globe Airport Security	7,436	7,436	100.0%
Iskcon	300	300	100.0%
Kellee Communications Group	6,908	6,908	100.0%
Lee Airport Concessions	10,820	10,820	100.0%
State Employee's Credit Union	3,191	3,090	103.3%
Paradies Shops	18,916	18,916	100.0%
Hudson News Group/RDU Air Ventures	5,748	-	N/A
Transportation Security Administration	60,606	60,606	100.0%
Wachovia	3,192	3,090	103.3%
Total fixed space rents	6,301,903	6,079,519	103.7%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Terminal A Complex			
Percentage rents			
Airport Network	18,218	18,000	101.2%
Anton's Airfood:			
AJ Tavern/Greenleaf's	346,274	279,100	124.1%
A&W All American Food	34,275	32,800	104.5%
Carolina Varsity Bar	396,745	354,100	112.0%
Edy's Ice Cream	19,825	16,900	117.3%
Food Court 1:			
Godfather's	39,171	34,900	112.2%
Popeye's Chicken	106,376	102,400	103.9%
Rapido's	42,394	39,100	108.4%
Food Court 2:			
A&W All American Food	26,393	25,400	103.9%
Golden Corral	58,849	54,300	108.4%
Jump	7,895	9,000	87.7%
Vie De France	81,305	82,200	98.9%
Borders, Inc.	51,185	-	N/A
Checkpoint Mailers	1,524	3,300	46.2%
Classic Food Services	15,895	16,800	94.6%
CLS Management	64,207	40,400	158.9%
Interspace Airport Advertising	506,818	499,700	101.4%
Lone Wolf Publishing	2,600	3,000	86.7%
J.Q. Enterprises			
The Corner Café	25,996	19,200	135.4%
J.Q. Snacks	11,236	14,400	78.0%
Majestic Terminal Services	13,356	12,500	106.8%
RDU Air Ventures			
Books Co.	17,169	66,100	26.0%
Smarte Carte	10,191	12,000	84.9%
Superior Shine	12,077	12,600	95.8%
Telephones - Kellee Communications	38,522	40,500	95.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Terminal A Complex			
Percentage rents			
The Paradies Shops:			
A Southern Season	70,804	66,900	105.8%
ACC Shop	54,463	55,200	98.7%
Brighton Shops	113,385	72,100	157.3%
Brooks Brothers	62,621	63,000	99.4%
PGA Tour Shop	36,305	46,500	78.1%
RDU Press Plus	659,942	567,500	116.3%
The Book Cellar	35,967	32,500	110.7%
24-Hour Flower	2,391	2,900	82.4%
Total percentage rents	2,984,374	2,695,300	110.7%
Miscellaneous rents			
Utilities	45,789	43,000	106.5%
Janitorial	252,167	240,000	105.1%
Total miscellaneous rents	297,956	283,000	105.3%
Total Terminal A Complex revenues	9,584,233	9,057,819	105.8%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Terminal C Complex			
Fixed space rents			
Air Wisconsin	672,814	698,802	96.3%
Aeronautical Radio	6,000	6,000	100.0%
American Airlines	3,182,805	2,988,415	106.5%
American Eagle Airlines	129,315	132,498	97.6%
CLS Management - Travelex	650	7,800	8.3%
Charter Express	15,299	3,400	450.0%
Fleet Delivery Service	6,820	6,820	100.0%
Iskcon	300	300	100.0%
Jazz Air LP	7,007	-	N/A
Lee Airport Concessions	17,320	17,320	100.0%
Mesa	12,820	-	N/A
State Employees' Credit Union - ATM	3,191	3,090	103.3%
Transportation Security Administration	86,903	86,903	100.0%
Total fixed space rents	4,141,244	3,951,348	104.8%
Terminal C Complex			
Percentage rents			
24-Hour Flower	1,902	1,600	118.9%
Anton's Airfood:			
Cyber Café	181,631	170,800	106.3%
Jersey Mike's	52,816	50,300	105.0%
Pinehurst Microbrewery	133,562	99,300	134.5%
Maui Taco	58,829	50,000	117.7%
A&W C-20	76,531	60,200	127.1%
Vie De France	70,362	51,500	136.6%
Airport Network (CNN)	6,073	6,000	101.2%
Classic Food Services	5,611	4,000	140.3%
Cash Plaace	2,954	2,900	101.9%
Interspace Airport Advertising	211,257	241,300	87.5%
RDU Air Ventures:			
Hudson Books & News	306,846	233,400	131.5%
Smarte Carte	7,353	5,200	141.4%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2007

Terminal C Complex	Actual	Budget	Percent of Budget
Percentage rents			
Travelex	12,995	3,600	361.0%
The Paradies Shops:			
ACC Shop	54,625	60,200	90.7%
A Southern Season	95,589	82,500	115.9%
Telephones - Kellee Communications	11,550	5,900	195.8%
Checkpoint Mailers	325	500	65.0%
Xpress spa	22,480	-	N/A
Sky Chefs	485,296	498,900	97.3%
Total percentage rents	1,798,587	1,628,100	110.5%
Miscellaneous rents			
FIS international passenger deplaning fee	516,782	520,000	99.4%
Janitorial Revenues	169,343	140,000	121.0%
Security- Checkpoint/Space- Terminals A & C	1,171,962	1,171,962	100.0%
Security-L/E Cost Recovery - Terminals A & C	111,374	111,373	100.0%
Traffic Ordinance Violations	1,750	-	N/A
Colonial Pipeline	13,878	13,878	100.0%
U.S. Postal Service	19,850	20,038	99.1%
Wireless:WIFI license fee	28,615	24,000	119.2%
Wireless:DAS fees	135,000	108,000	125.0%
Total miscellaneous rents	2,168,554	2,109,251	102.8%
Total Terminal C Complex revenues	8,108,385	7,688,699	105.5%
TOTAL TERMINAL REVENUES	$ 17,692,618	$ 16,746,518	105.6%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIR CARGO REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
North Cargo Complex			
Fixed space rents			
Airborne Express	$ 108,313	$ 107,808	100.5%
Emery Worldwide	168,527	168,527	100.0%
Federal Express	299,498	299,498	100.0%
United Parcel Service	217,123	217,123	100.0%
Worldwide Flight Services	94,317	94,317	100.0%
Total North Cargo Complex revenues	887,778	887,273	100.1%
South Cargo Complex			
Fixed space rents			
ABX Air, Inc.	1,073	-	N/A
American Airlines	352,841	356,120	99.1%
Anton Airfood	80,475	80,475	100.0%
BAX Global	59,321	59,321	100.0%
Delta Airlines	82,966	82,966	100.0%
Jet Logistics, Inc.	12,480	-	N/A
Mesa	101,909	-	N/A
Paradies	55,391	55,391	100.0%
Quantem Aviation	138,035	138,890	99.4%
Southwest Airlines	55,049	55,049	100.0%
Swissport CFE, Inc.	657	1,200	54.8%
Cingular Wireless	27,059	27,059	100.0%
Elite Line Services	56,249	56,249	100.0%
Total South Cargo Complex revenues	1,023,505	912,720	112.1%
TOTAL AIR CARGO REVENUES	$ 1,911,283	$ 1,799,993	106.2%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
FUEL FARM REVENUES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Fuel Farm			
License Fee - Worldwide	$ 1,200	$ 1,200	100.0%
Jet A Fuel Thru Put	1,169,482	1,150,000	101.7%
Glycol Thru Put	263	500	52.6%
TOTAL FUEL FARM REVENUES	$ 1,170,945	$ 1,151,700	101.7%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

RENTAL CAR REVENUES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Fixed space rents			
Alamo Rent-A-Car	$ 32,894	$ 32,894	100.0%
Avis Rent-A-Car	74,527	74,524	100.0%
Budget Rent-A-Car	46,379	47,498	97.6%
Dollar Rent-A-Car	27,557	27,558	100.0%
Enterprise Car Rental	20,678	16,903	122.3%
The Hertz Corporation	117,156	117,144	100.0%
National Car Rental	59,300	59,301	100.0%
Total fixed space rents	378,491	375,822	100.7%
Percentage rents			
Alamo Rent-A-Car	917,232	808,000	113.5%
Avis Rent-A-Car	2,495,851	2,190,000	114.0%
Budget Rent-A-Car	1,307,541	1,129,000	115.8%
Dollar Rent-A-Car	913,047	739,000	123.6%
Enterprise Car Rental	1,064,796	822,000	129.5%
The Hertz Corporation	3,753,160	3,210,000	116.9%
National Car Rental	1,511,617	1,237,000	122.2%
Off Airport - Thrifty	451,619	383,000	117.9%
Total percentage rents	12,414,863	10,518,000	118.0%
TOTAL RENTAL CAR REVENUES	$ 12,793,354	$ 10,893,822	117.4%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

OTHER REVENUES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Fixed space rents			
NC Department of Transportation	$ 36,502	$ 36,502	100.0%
Research Triangle Regional Partnership	37,370	37,371	100.0%
Off airport businesses	82,145	100,000	82.1%
Total fixed rents	156,017	173,873	89.7%
Percentage rents			
Off airport - Thrifty parking	2,486	21,200	11.7%
Off airport - Pre-flight parking	188,182	169,600	111.0%
I-40 Park and Fly	31,510	19,300	163.3%
Total percentage rents	222,178	210,100	105.7%
Other miscellaneous rents			
ID badges	39,368	55,000	71.6%
Authority Building Conference Rooms	4,466	1,600	279.1%
Filming and Advertising Fees	450	-	N/A
Fingerprinting	37,338	-	N/A
Karl Agell	8,500	10,200	83.3%
UNC Hospitals	6,436	-	N/A
Dulles Taxi Concession Fees	116,784	92,800	125.8%
Employee parking lot	378,787	375,000	101.0%
Total miscellaneous rents	592,129	534,600	110.8%
Utilities complex revenue	215,685	208,000	103.7%
TOTAL OTHER REVENUES	$ 1,186,009	$ 1,126,573	105.3%

RALEIGH - DURHAM AIRPORT AUTHORITY
COMPARATIVE SUMMARIES OF OPERATING EXPENSES BY COST CENTER
Years Ended March 31, 2007 and 2006

	Amount		Percent of Total Operating Expenses	
	2007	2006	2007	2006
Operating expenses				
Airport facilities	$ 12,670,053	$ 12,624,529	19.2%	20.4%
Administrative	5,468,321	5,212,159	8.3%	8.4%
Visitor services	558,204	565,644	0.8%	0.9%
Airport maintenance	3,986,311	3,711,178	6.0%	6.0%
Law enforcement	2,685,681	2,710,370	4.1%	4.4%
Emergency services	1,313,139	1,413,059	2.0%	2.3%
Operations	938,333	906,909	1.4%	1.5%
Communications	648,163	651,726	1.0%	1.1%
Parking	2,729,983	2,586,436	4.1%	4.2%
Grounds transportation division	2,586,828	2,850,381	3.9%	4.6%
Depreciation	32,581,129	28,548,381	49.2%	46.2%
Total operating expenses	$ 66,166,145	$ 61,780,772	100.0%	100.0%

RALEIGH - DURHAM AIRPORT AUTHORITY
SUMMARY OF OPERATING EXPENSES BY COST CENTER
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Operating expenses (excluding depreciation)			
Airport facilities	$ 12,670,053	$ 12,971,244	97.7%
Administrative	5,468,321	5,519,871	99.1%
Visitor services	558,204	598,703	93.2%
Airport maintenance	3,986,311	3,912,061	101.9%
Law enforcement	2,685,681	2,801,545	95.9%
Emergency services	1,313,139	1,363,414	96.3%
Operations	938,333	950,817	98.7%
Communications	648,163	639,102	101.4%
Parking	2,729,983	3,016,136	90.5%
Ground transportation	2,586,828	2,870,463	90.1%
Total operating expenses (excluding depreciation)	33,585,016	34,643,356	96.9%
Depreciation			
Airport facilities	19,756,107	17,554,742	112.5%
Administrative	733,452	719,514	101.9%
Law enforcement	36,851	46,082	80.0%
Airport maintenance	206,326	204,165	101.1%
Parking	11,513,416	9,650,226	119.3%
Emergency services	215,422	205,116	105.0%
Communications	84,490	138,252	61.1%
Operations	35,065	30,284	115.8%
Total depreciation	32,581,129	28,548,381	114.1%
TOTAL OPERATING EXPENSES	$ 66,166,145	$ 63,191,737	104.7%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Airport facilities			
Airfield complex			
Contracted services	$ -	$ 1,000	-
Contracted Services - Leased Employees	149,230	150,000	99.5%
Electricity	122,144	120,000	101.8%
Natural Gas	4,185	6,400	65.4%
Fuel - vehicles and equipment	4,403	1,500	293.5%
Supplies	274,067	288,310	95.1%
Liability Insurance	196,975	204,600	96.3%
Repairs and maintenance			
Equipment	11,294	16,400	68.9%
General	92,378	43,200	213.8%
HVAC	90	90	100.0%
Total airfield complex	854,766	831,500	102.8%
Terminal A complex			
Printing	-	1,500	-
Electricity	917,077	941,000	97.5%
Fuel - natural gas	154,432	181,000	85.3%
Telecommunications	3,874	-	N/A
Fuel - vehicles and equipment	1,172	1,000	117.2%
Supplies	83,600	94,200	88.7%
Liability Insurance	108,712	112,900	96.3%
Insurance claim	11,105	5,600	198.3%
Repairs and maintenance/buildings and grounds			
Public address and music system rental	3,207	2,800	114.5%
Elevators/escalators	94,642	106,850	88.6%
Equipment	5,351	5,500	97.3%
General	89,596	102,850	87.1%
HVAC	56,350	57,500	98.0%
Janitorial	1,093,643	1,105,800	98.9%
Waste Disposal	127,445	140,700	90.6%
Loading Bridges/Bag Belts	25,261	27,959	90.4%
Permit administration	2,196	2,200	99.8%
Total Terminal A complex	2,777,663	2,889,359	96.1%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

AIRPORT FACILITIES OPERATING EXPENSES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Terminal C complex			
Printing	-	1,500	-
Electricity	743,582	769,000	96.7%
Fuel - natural gas	80,157	111,000	72.2%
Telecommunications	3,974	-	N/A
Fuel - vehicles and equipment	1,980	400	495.0%
Supplies	33,410	43,270	77.2%
Liability Insurance	91,291	94,800	96.3%
Insurance claim	11,105	5,600	198.3%
Repairs and maintenance			
Public address and music system rental	9,396	11,230	83.7%
Elevators/escalators	68,146	72,500	94.0%
Equipment	1,199	9,075	13.2%
General	124,260	123,500	100.6%
HVAC	57,433	65,000	88.4%
Janitorial	796,317	791,935	100.6%
Waste Disposal	74,219	66,550	111.5%
Permit administration	1,333	1,475	90.4%
Total Terminal C complex	2,097,802	2,166,835	96.8%
Central Energy Plant			
Electricity	8,453	52,000	16.3%
Fuel - natural gas	12,674	75,600	16.8%
Liability Insurance	15,042	15,600	96.4%
General	-	1,000	-
Janitorial	-	1,000	-
Total Central Energy Plant complex	36,169	145,200	24.9%
Cargo complex			
North Cargo			
Electricity	24,343	29,000	83.9%
Supplies	243	500	48.6%
Liability Insurance	16,936	17,600	96.2%
Insurance claim	2,791	1,400	199.4%
Repairs and maintenance			
General	-	1,005	-
Total North Cargo	44,313	49,505	89.5%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
South Cargo			
Electricity	6,222	9,100	68.4%
Fuel-Natural Gas	30,015	31,600	95.0%
Telecommunications	237	-	N/A
Supplies	217	500	43.4%
Liability Insurance	12,175	12,700	95.9%
Insurance Claim	1,009	500	201.8%
Repairs and maintenance			
Equipment	960	1,500	64.0%
Total South Cargo	50,835	55,900	90.9%
South Cargo MP4			
Electricity - MP4	49,866	50,000	99.7%
Fuel-Natural Gas	-	2,000	-
Supplies	1,456	1,500	97.1%
Insurance	19,860	20,600	96.4%
Insurance Claim	1,603	800	200.4%
Repairs and maintenance			
Elevators/Escalators	1,665	1,825	91.2%
Equipment	-	1,700	-
General	625	500	125.0%
HVAC	1,103	1,250	88.2%
Permit Administration	118	225	52.4%
Total South Cargo MP4	76,296	80,400	94.9%
Total Cargo Complex	171,444	185,805	92.3%
Fuel Farm Complex			
Operation/Management Fees	1,295,280	1,100,000	117.8%
Electricity	82,435	88,000	93.7%
Insurance	17,630	18,300	96.3%
Repairs and maintenance			
General	504,458	485,000	104.0%
Total Fuel Farm Complex	1,899,803	1,691,300	112.3%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

AIRPORT FACILITIES OPERATING EXPENSES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
General aviation complex			
General Aviation-General			
Electricity	7,654	7,500	102.1%
Fuel-Natural Gas	2,491	-	N/A
Telecommunications	1,108	2,000	55.4%
Supplies	77	2,000	3.9%
Liability Insurance	11,565	12,000	96.4%
Insurance claim	3,370	1,700	198.2%
Repairs and maintenance			
Elevators/Escalators	1,700	1,900	89.5%
Equipment	-	1,650	-
General	9,176	9,150	100.3%
HVAC	2,354	3,500	67.3%
Janitorial	3,556	3,660	97.2%
Permit Administration	178	175	101.7%
Total General Aviation-General	43,229	45,235	95.6%
General aviation terminal			
Contracted services-Building Manager	157,847	172,400	91.6%
Contracted services	1,800	1,800	100.0%
Electricity	45,561	52,000	87.6%
Fuel - Natural Gas	31,648	38,800	81.6%
Telecommunications	454	900	50.4%
Fuel - vehicle and equipment	93	200	46.5%
Supplies	4,230	6,000	70.5%
Liability Insurance	10,698	11,100	96.4%
Insurance claim	2,182	1,100	198.4%
Repairs and maintenance			
Elevators/escalators	1,923	2,000	96.2%
Equipment	480	1,550	31.0%
General	13,724	18,000	76.2%
HVAC	9,325	12,000	77.7%
Janitorial	31,456	33,000	95.3%
Waste disposal	2,940	2,950	99.7%
Permit administration	168	175	96.0%
Total general aviation terminal	314,529	353,975	88.9%
Total General Aviation complex	357,758	399,210	89.6%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Rental car complex			
Electricity	2,058	1,500	137%
Telecommunications	712	-	N/A
Liability Insurance	9,114	9,500	95.9%
Insurance claim	1,603	800	200.4%
Total rental car complex	13,487	11,800	114.3%
Office & Other Buildings complex			
Contracted services	16,805	-	N/A
Electricity	212,509	270,000	78.7%
Fuel - natural gas	104,264	79,800	130.7%
Fuel - vehicle and equipment	3,343	2,000	167.2%
Supplies	20,029	24,400	82.1%
Liability Insurance	60,805	63,100	96.4%
Insurance claim	2,194	1,100	199.5%
Repairs and maintenance			
Elevators/escalators	7,244	9,275	78.1%
Equipment	1,694	10,031	16.9%
General	165,627	175,244	94.5%
HVAC	79,849	85,375	93.5%
Janitorial	231,048	240,870	95.9%
Waste disposal	29,792	30,510	97.6%
Permit administration	474	675	70.2%
Total office & other complex	935,677	992,380	94.3%
Utilities complex			
Electricity	5,517	5,400	102.2%
Water and sewer	679,757	741,000	91.7%
Fuel - vehicles and equipment	52	-	N/A
Supplies	14,901	15,125	98.5%
Liability Insurance	983	1,000	98.3%
Repairs and maintenance			
General	35,209	69,640	50.6%
Water system	342	2,000	17.1%
Total utilities complex	736,761	834,165	88.3%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Parking complex			
Electricity	762,815	796,100	95.8%
Telecommunications	46,000	30,100	152.8%
Fuel - Vehicles & Equipment	1,700	2,000	85.0%
Supplies	52,167	55,000	94.8%
Liability Insurance	231,657	240,600	96.3%
Insurance claim	22,597	11,400	198.2%
Repairs and maintenance			
Elevators/Escalators	106,662	117,400	90.9%
Equipment	3,213	5,550	57.9%
General	324,552	341,390	95.1%
HVAC	1,412	1,415	99.8%
Janitorial	47,557	48,860	97.3%
Permit administration	2,531	2,475	102.3%
Total RDU Parking	1,602,863	1,652,290	97.0%
Ground transportation complex			
Taxi Operation			
Liability Insurance	1,063	1,100	96.6%
Repairs and maintenance			
Janitorial	3,895	5,000	77.9%
Total Taxi Operation	4,958	6,100	81.3%
Ground Transportation Other			
Contracted services-landscaping	1,087,692	1,113,125	97.7%
Electricity	18,848	7,700	244.8%
Supplies	45,541	15,015	303.3%
Repairs and maintenance			
Equipment	758	765	99.1%
General	28,063	28,695	97.8%
Total Ground Transportation	1,180,902	1,165,300	101.3%
Total Ground Transportation Complex	1,185,860	1,171,400	101.2%
TOTAL AIRPORT FACILITIES	$ 12,670,053	$ 12,971,244	97.7%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

ADMINISTRATIVE EXPENSES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Administrative			
Airport director's office			
Salaries	$ 655,753	$ 658,982	99.5%
Health insurance	36,000	41,286	87.2%
Retirement	57,532	61,257	93.9%
Social security	36,530	37,039	98.6%
Professional/Education	60,222	55,000	109.5%
Unemployment compensation	18,127	40,000	45.3%
Advertising	69	200	34.5%
Legal fees	168,926	84,000	201.1%
Printing	3	50	6.0%
Contracted Services	55,053	65,000	84.7%
Copiers	1,769	1,800	98.3%
Telecommunications	1,773	2,100	84.4%
Promotional	5,576	6,000	92.9%
Supplies	1,758	1,200	146.5%
Liability Insurance	52,810	54,800	96.4%
Travel	16,404	15,025	109.2%
Postage	824	1,000	82.4%
Total airport director's office	1,169,129	1,124,739	103.9%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Customer service and organizational support			
Salaries	472,645	486,064	97.2%
Health insurance	36,421	40,562	89.8%
Retirement	42,060	43,732	96.2%
Social security	32,453	34,992	92.7%
Professional/Education	4,298	6,450	66.6%
Tuition assistance	9,189	10,000	91.9%
Printing	16,627	20,000	83.1%
Contracted services	66,473	75,000	88.6%
Copiers	2,531	1,700	148.9%
Telecommunications	2,778	4,400	63.1%
Software	1,818	2,775	65.5%
Promotional	58,332	60,000	97.2%
Supplies	3,088	2,500	123.5%
Media & Documentation	305	-	N/A
Travel	5,231	4,025	130.0%
Postage	162	350	46.3%
Total customer service and organizational support	754,411	792,550	95.2%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Administration			
Salaries	399,704	397,882	100.5%
Health insurance	41,025	45,686	89.8%
Retirement	34,504	31,890	108.2%
Social security	27,970	29,839	93.7%
Professional/Education	7,616	13,200	57.7%
Employee assistance program	5,782	7,500	77.1%
Advertising	23,199	22,797	101.8%
Legal fees	37,632	12,000	313.6%
Printing	2,991	4,240	70.5%
Contracted services	37,587	36,515	102.9%
Copiers	3,232	3,100	104.3%
Telecommunications	2,075	3,100	66.9%
Software	2,205	2,360	93.4%
Promotional	12,694	13,000	97.6%
Small Equipment	-	800	-
Supplies	1,764	2,000	88.2%
Travel	9,223	9,200	100.3%
Postage	1,408	1,200	117.3%
Total administration	650,611	636,309	102.2%
Business development			
Salaries	245,725	215,955	113.8%
Health insurance	15,523	17,416	89.1%
Retirement	20,927	18,735	111.7%
Social security	17,263	16,197	106.6%
Professional/education	2,088	2,200	94.9%
Advertising	3,509	3,595	97.6%
Legal fees	25,345	45,000	56.3%
Printing	5	500	1.0%
Copying	808	1,200	67.3%
Telecommunications	987	1,000	98.7%
Promotional	1,602	4,405	36.4%
Supplies	1,484	1,500	98.9%
Travel	3,176	3,500	90.7%
Postage	547	400	136.8%
Total business development	338,989	331,603	102.2%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Finance			
Salaries	639,534	628,257	101.8%
Health insurance	56,702	63,160	89.8%
Retirement	52,075	53,326	97.7%
Social security	45,245	46,329	97.7%
Professional/Education	4,302	6,500	66.2%
Audit	35,500	36,500	97.3%
Oracle ASP services	120,227	129,875	92.6%
Printing	4,114	5,280	77.9%
Contracted services	13,600	14,050	96.8%
Copiers	4,411	4,000	110.3%
Telecommunications	2,257	4,000	56.4%
Printer supplies	2,660	3,000	88.7%
Small equipment	164	400	41.0%
Supplies	4,401	3,370	130.6%
Repairs and Matinenance			
Computer Hardware	250	250	100.0%
Travel	129	4,700	2.7%
Postage	3,160	4,375	72.2%
Total finance	988,731	1,007,372	98.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Information Technology			
Salaries	266,111	304,416	87.4%
Health insurance	25,834	28,789	89.7%
Retirement	21,280	19,377	109.8%
Social security	18,767	22,829	82.2%
Professional/Education	4,290	4,800	89.4%
Printing	3	100	3.0%
Contracted services	22,874	24,008	95.3%
Copiers	1,179	1,500	78.6%
Telecommunications	14,006	17,200	81.4%
Computer Hardware	4,667	4,700	99.3%
Software	2,201	2,200	100.0%
Small equipment	2,076	2,100	98.9%
Supplies	2,378	2,400	99.1%
Media and documentation	1,784	1,800	99.1%
Repairs and Matinenance			
Computer Hardware	380	380	100.0%
Travel	802	2,325	34.5%
Postage	70	250	28.0%
Total Information Technology	388,702	439,174	88.5%
Major Capital Improvements Program			
Salaries	$ 195,727	$ 195,727	100.0%
Health insurance	26,112	29,794	87.6%
Retirement	48,380	52,539	92.1%
Social security	34,611	36,110	95.8%
Professional/Education	2,735	3,000	91.2%
Copiers	1,179	1,200	98.3%
Telecommunications	987	1,700	58.1%
Supplies	208	500	41.6%
Liability Insurance	6,274	6,500	96.5%
Travel	5,099	6,750	75.5%
Postage	161	50	322.0%
Total major capital improvements program	321,473	333,870	96.3%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

ADMINISTRATIVE EXPENSES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Facilities and Environmental			
Salaries	478,449	442,911	108.0%
Health insurance	41,374	46,217	89.5%
Retirement	51,618	48,538	106.3%
Social security	39,927	39,247	101.7%
Professional/Education	3,112	4,478	69.5%
Legal fees	31,057	24,700	125.7%
Printing	237	400	59.3%
Contracted services	11,459	12,425	92.2%
Copiers	1,769	1,975	89.6%
Telecommunications	2,581	3,600	71.7%
Printer supplies	2,499	2,500	100.0%
Small equipment	79	80	98.8%
Supplies	3,172	3,172	100.0%
Liability Insurance	45,999	47,900	96.0%
Repairs and maintenance			
Equipment	636	700	90.9%
Janitorial	469	-	N/A
Computer Software	-	13,820	-
Travel	625	1,775	35.2%
Permit administration	4,365	5,150	84.8%
Postage	469	500	93.8%
Total facilities and environmental	719,896	700,088	102.8%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Noise			
Salaries	52,386	53,508	97.9%
Health insurance	5,121	5,726	89.4%
Retirement	5,199	5,194	100.1%
Social security	3,543	4,013	88.3%
Professional/Education	1,490	1,650	90.3%
Advertising	4,101	5,075	80.8%
Legal fees	-	500	-
Printing	5,278	4,000	132.0%
Contracted services	40,701	41,000	99.3%
Copiers	1,048	1,100	95.3%
Electricity	7	2,400	0.3%
Telecommunications	5,551	6,200	89.5%
Supplies	423	500	84.6%
Liability Insurance	1,260	1,300	96.9%
Repairs and maintenance			
Equipment	-	500	-
Computer Software	-	15,500	-
Travel	1,512	1,600	94.5%
Postage	8,759	4,400	199.1%
Total noise	136,379	154,166	88.5%
TOTAL ADMINISTRATIVE	$ 5,468,321	$ 5,519,871	99.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
VISITOR SERVICES EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Visitor services			
Salaries	$ 395,855	$ 420,535	94.1%
Health insurance	60,974	67,784	90.0%
Accident insurance	350	350	100.0%
Retirement	34,028	33,014	103.1%
Social security	30,006	31,570	95.0%
Uniforms	1,453	2,000	72.7%
Professional/Education	1,969	2,250	87.5%
Advertising	1,200	1,200	100.0%
Printing	1,274	2,000	63.7%
Contracted services	930	1,000	93.0%
Copiers	924	800	115.5%
Telecommunications	5,517	10,300	53.6%
Promotional	6,448	7,000	92.1%
Small equipment	1,079	1,500	71.9%
Supplies	1,650	2,000	82.5%
Liability Insurance	13,795	14,300	96.5%
Travel	641	1,000	64.1%
Postage	111	100	111.0%
TOTAL VISITOR SERVICES	$ 558,204	$ 598,703	93.2%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

AIRPORT MAINTENANCE EXPENSES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Airport maintenance			
Salaries	$ 2,137,863	$ 2,002,566	106.8%
Health insurance	245,325	272,481	90.0%
Retirement/ 401K Match	183,234	157,207	116.6%
Social security	155,403	149,943	103.6%
Uniforms	18,177	18,400	98.8%
Physical examinations	1,752	2,759	63.5%
Professional/Education	7,784	9,130	85.3%
CMMS ASP Services	39,873	39,875	100.0%
Printing	2	-	N/A
Contracted services	876	1,250	70.1%
Copiers	5,675	4,300	132.0%
Telecommunications	17,848	41,600	42.9%
Computer Hardware	190	190	100.0%
Small equipment	12,656	16,310	77.6%
Supplies	9,426	20,000	47.1%
Liability Insurance	101,977	105,900	96.3%
Repairs and maintenance			
Equipment	379	1,316	28.8%
Computer Software	-	14,000	-
Travel	1,877	2,970	63.2%
Postage	510	1,000	51.0%
Total airport maintenance	2,940,827	2,861,197	102.8%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT MAINTENANCE EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Fleet maintenance			
Salaries	355,577	294,358	120.8%
Health insurance	30,787	34,245	89.9%
Retirement/ 401K Match	31,641	26,486	119.5%
Social security	26,242	22,075	118.9%
Uniforms	3,014	2,950	102.2%
Physical examinations	-	200	-
Professional/Education	650	325	200.0%
Copiers	-	1,000	-
Telecommunications	547	1,000	54.7%
Fuel - vehicles and equipment	381,729	417,500	91.4%
Small equipment	5,375	5,450	98.6%
Supplies	176,296	192,450	91.6%
Liability Insurance	10,594	11,000	96.3%
Repairs and maintenance			
Equipment	23,032	41,825	55.1%
Total fleet maintenance	1,045,484	1,050,864	99.5%
TOTAL AIRPORT MAINTENANCE	$ 3,986,311	$ 3,912,061	101.9%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
LAW ENFORCEMENT EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Law enforcement			
Salaries	$ 2,027,066	$ 2,106,892	96.2%
Health insurance	179,035	193,873	92.3%
Retirement/ 401K Match	138,973	132,686	104.7%
Social security	149,415	158,669	94.2%
Uniforms	17,693	20,500	86.3%
Physical examinations	12,811	14,950	85.7%
Professional/Education	6,034	7,000	86.2%
Printing	57	575	9.9%
DCI access fee	2,100	3,600	58.3%
Contracted Services	13,090	13,900	94.2%
Copiers	3,319	2,800	118.5%
Telecommunications	10,641	16,200	65.7%
Small equipment	8,287	8,900	93.1%
Supplies	23,708	22,400	105.8%
Liability Insurance	79,217	82,300	96.3%
Repairs and maintenance			
Equipment	1,927	2,000	96.4%
Travel	7,738	9,000	86.0%
Postage	223	300	74.3%
K-9 program	4,347	5,000	86.9%
TOTAL LAW ENFORCEMENT	$ 2,685,681	$ 2,801,545	95.9%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
EMERGENCY SERVICES EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Emergency services			
Salaries	$ 947,347	$ 977,521	96.9%
Health insurance	97,594	108,640	89.8%
Retirement/ 401K Match	88,872	87,164	102.0%
Social security	71,363	73,314	97.3%
Uniforms	7,148	10,500	68.1%
Physical examinations	7,039	7,650	92.0%
Professional/Education	12,733	12,400	102.7%
Printing	37	50	74.0%
Copiers	480	600	80.0%
Telecommunications	10,011	11,900	84.1%
Supplies	13,776	16,000	86.1%
Liability Insurance	38,225	39,800	96.0%
Repairs and maintenance			
Equipment	11,875	10,525	112.8%
Waste disposal	783	800	97.9%
Travel	5,718	6,475	88.3%
Postage	138	75	184.0%
TOTAL EMERGENCY SERVICES	$ 1,313,139	$ 1,363,414	96.3%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

OPERATIONS EXPENSES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Operations			
Salaries	$ 674,467	$ 673,488	100.1%
Health insurance	66,779	74,353	89.8%
Retirement/ 401K Match	58,640	55,388	105.9%
Social security	48,390	50,513	95.8%
Uniforms	1,488	2,000	74.4%
Physical examinations	113	350	32.3%
Professional/Education	2,987	4,100	72.9%
Printing	2,811	3,500	80.3%
Contracted services	20,299	22,825	88.9%
Copiers	288	800	36.0%
Telecommunications	7,879	8,900	88.5%
Small equipment	5,562	1,300	427.8%
Supplies	4,231	6,000	70.5%
Supplies-ID System	15,311	15,650	97.8%
Liability Insurance	23,956	25,000	95.8%
Repairs and maintenance			
Equipment	2,232	2,500	89.3%
Travel	2,851	4,000	71.3%
Postage	49	150	32.7%
TOTAL OPERATIONS	$ 938,333	$ 950,817	98.7%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
COMMUNICATIONS EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Communications			
Salaries	$ 421,952	$ 402,243	104.9%
Health insurance	51,106	56,702	90.1%
Retirement/ 401K Match	30,366	26,587	114.2%
Social security	30,581	30,170	101.4%
Physical examinations	114	300	38.0%
Printing	-	300	-
DCI Access Fees	2,000	4,350	46.0%
Contracted Services	12,181	20,850	58.4%
Copiers	1,179	1,100	107.2%
Telecommunications	14,299	18,200	78.6%
Small equipment	8,200	9,150	89.6%
Supplies	3,049	3,500	87.1%
Liability Insurance	13,795	14,300	96.5%
Repairs and maintenance			
Equipment	58,380	50,000	116.8%
Travel	922	1,300	70.9%
Postage	39	50	78.0%
TOTAL COMMUNICATIONS	$ 648,163	$ 639,102	101.4%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

PARKING EXPENSES

Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Parking			
Salaries	$ 963,236	$ 889,751	108.3%
Health insurance	112,397	124,768	90.1%
Retirement/ 401K Match	74,554	67,056	111.2%
Social security	71,071	66,736	106.5%
Uniforms	928	1,375	67.5%
Physical examinations	290	290	100.0%
Professional/Education	14,755	24,425	60.4%
Advertising	466	600	77.7%
Printing	1,028	4,000	25.7%
Credit Card Fees	841,486	937,200	89.8%
Contracted services-labor	385,853	489,259	78.9%
Contracted services-other	741	741	100.0%
Copiers	16,796	19,225	87.4%
Telecommunications	19,416	24,100	80.6%
Computer Hardware	2,723	4,025	67.7%
Printer supplies	47,640	63,950	74.5%
Small equipment	1,234	1,950	63.3%
Supplies	9,138	18,875	48.4%
Liability Insurance	43,255	44,900	96.3%
Repairs and maintenance			
Computer Hardware	98,828	200,000	49.4%
Equipment	595	598	99.5%
General	4,476	4,775	93.7%
Janitorial	11,401	12,200	93.5%
Travel	4,262	11,062	38.5%
Abandoned vehicles	1,860	2,625	70.9%
Postage	1,554	1,650	94.2%
TOTAL PARKING	$ 2,729,983	$ 3,016,136	90.5%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
GROUNDS TRANSPORTATION DIVISION EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Ground transportation			
Salaries	$ 169,080	$ 162,783	103.9%
Health insurance	20,848	22,689	91.9%
Retirement/ 401K Match	13,409	10,958	122.4%
Social security	12,616	12,208	103.3%
Uniforms	8,154	8,425	96.8%
Physical examinations	14	100	14.0%
Professional/Education	1,060	1,100	96.4%
Printing	2,782	4,000	69.6%
Contracted services - Bus Drivers	1,038,771	1,215,700	85.4%
Copiers	4,280	2,300	186.1%
Shuttle vans	123,217	141,000	87.4%
Telecommunications	2,312	2,700	85.6%
Small equipment	8,851	9,198	96.2%
Supplies	6,607	6,802	97.1%
Liability Insurance	73,685	76,500	96.3%
Repairs and maintenance			
Equipment	21,840	21,875	99.8%
Travel	1,733	1,750	99.0%
Postage	430	600	71.7%
Total ground transportation	1,509,689	1,700,688	88.8%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
GROUNDS TRANSPORTATION DIVISION EXPENSES
Year Ended March 31, 2007

	Actual	Budget	Percent of Budget
Traffic control			
Salaries	770,931	834,616	92.4%
Health insurance	132,147	146,538	90.2%
Retirement/ 401K Match	62,489	65,876	94.9%
Social security	55,428	62,595	88.6%
Uniforms	14,052	14,800	94.9%
Physical examinations	3,062	3,230	94.8%
Professional/Education	121	300	40.3%
Printing	1,690	1,900	88.9%
Contracted services-labor	-	20	-
Contracted services-other	3,085	3,100	99.5%
Copiers	-	1,400	-
Telecommunications	1,674	1,400	119.6%
Small equipment	450	500	90.0%
Supplies	3,164	3,500	90.4%
Liability Insurance	28,846	30,000	96.2%
Total traffic control	1,077,139	1,169,775	92.1%
TOTAL GROUNDS TRANSPORTATION DIVISION	$ 2,586,828	$ 2,870,463	90.1%

RALEIGH - DURHAM AIRPORT AUTHORITY

DETAILS OF AIRPORT AND FACILITIES

Year Ended March 31, 2007

	Total	Authority Funds	Federal and State Funds
Land	$ 35,546,221	$ 33,766,874	$ 1,779,347
Landing field and grounds	516,302,808	414,992,121	101,310,687
Terminal buildings	93,545,922	93,269,652	276,270
Other buildings	153,403,494	118,398,192	35,005,302
Utilities	4,115,389	3,909,876	205,513
Equipment	18,347,805	18,347,805	-
Construction in progress	174,144,772	174,144,772	-
TOTAL DETAILS OF AIRPORT AND FACILITIES	$ 995,406,411	$ 856,829,292	$ 138,577,119

RALEIGH - DURHAM AIRPORT AUTHORITY

SUMMARY OF DEPRECIATION

Year Ended March 31, 2007

Departmental	
Administrative	$ 355,232
Parking	11,513,416
Emergency services	215,422
Airport maintenance	206,326
Law enforcement	36,851
Facilities and environmental	20,072
Operations	35,065
Communications	84,490
Ground transportation	358,148
Total departmental	12,825,022
Nondepartmental	
Airfield complex	4,266,510
Terminal A complex	
Buildings and improvements	4,015,531
Terminal C complex	
Buildings and improvements	1,447,072
Central Energy Plant	274,140
General aviation complex	
Buildings and improvements	2,938,200
Cargo complex	
Buildings and improvements	1,196,002
Ground transportation complex	
Roadways	3,480,531
Fuel Farm complex	391,310
Office & Other Buildings complex	1,692,249
Utilities complex	40,449
Rental Car complex	14,113
TOTAL DEPRECIATION	$ 32,581,129