RALEIGH-DURHAM AIRPORT AUTHORITY

Raleigh, North Carolina

General Purpose Financial Statements
and
Supplemental Information

Years Ended March 31, 2002 and 2001

RALEIGH-DURHAM AIRPORT AUTHORITY

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Years Ended March 31, 2002 and 2001

CHERRY BEKAERT& HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Raleigh-Durham Airport Authority as of and for the years ended March 31, 2002 and 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general purpose 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 audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Raleigh-Durham Airport Authority as of March 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* as of March 31, 2002.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2002 on our consideration of the Raleigh-Durham Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Cherry, Bekaert & Holland, L.L.P.

Greensboro, North Carolina
June 25, 2002

RALEIGH-DURHAM AIRPORT AUTHORITY

BALANCE SHEETS

March 31, 2002 and 2001

ASSETS

		2002		2001
Current assets				
Cash and cash equivalents	$	8,112,636	$	10,766,432
Cash and cash equivalents-Bond Series 2001A reimbursement		-		6,840,973
Short-term investments		23,946,923		25,598,737
Accounts receivable for fees and rentals, less allowance for doubtful accounts of $17,470 in 2002 and 2001		2,825,574		3,232,078
Grants receivable		753,808		113,169
Other current assets		290,763		335,823
Total current assets		35,929,704		46,887,212
Restricted assets				
Collateral for general obligation bonds				
Short-term investments		4,868,000		4,785,188
State of North Carolina Underground Storage Tank Trust Fund Deductible		220,000		220,000
Aeronautical Facilities Revenue Bonds				
Cash and cash equivalents - Bond Series 2001A and B		104,401,164		149,928,442
Total restricted assets		109,489,164		154,933,630
Airport and facilities, net		388,545,591		314,224,210
Debt issue costs, net		2,506,186		2,653,444
TOTAL ASSETS	$	536,470,645	$	518,698,496

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

RALEIGH-DURHAM AIRPORT AUTHORITY

BALANCE SHEETS

March 31, 2002 and 2001

LIABILITIES AND EQUITY

	2002	2001
Current liabilities		
Accounts payable	$ 2,744,895	$ 2,054,842
Retainage and construction accounts payable	14,559,029	8,395,333
Accrued employee compensation	985,569	909,172
Accrued bond interest payable	4,172,221	1,257,724
Current maturities of long-term debt		
Special Facilities Revenue Bonds	3,500,000	3,550,000
General Airport Revenue Bonds	4,610,000	5,005,000
Other long-term debt	4,420,000	4,262,303
Total current liabilities	34,991,714	25,434,374
Long-term debt		
Special Facility Revenue Bonds	74,708,556	78,202,024
General Airport Revenue Bonds	194,930,000	199,540,000
Other long-term debt	3,745,000	8,165,000
	273,383,556	285,907,024
Deferred revenue		
Rents paid in advance	26,985,044	26,412,639
Total liabilities	335,360,314	337,754,037
Equity		
Contributed capital	90,478,106	90,478,106
Retained earnings	110,632,225	90,466,353
Total equity	201,110,331	180,944,459
TOTAL LIABILITIES AND EQUITY	$ 536,470,645	$ 518,698,496

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

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Years Ended March 31, 2002 and 2001

	2002	2001
Operating revenues		
Parking	$ 23,162,078	$ 21,861,006
Airfield	6,864,368	8,195,701
General aviation	963,384	659,069
Terminals	10,562,847	8,788,957
Air cargo	1,301,970	1,252,319
Rental car	9,334,756	10,333,283
Other	1,573,802	1,969,106
Total operating revenues	53,763,205	53,059,441
Operating expenses		
Airport facilities	4,396,847	3,479,727
Administrative	3,336,299	2,531,051
Law enforcement	1,964,529	1,591,882
Airport maintenance	2,524,409	2,290,203
Parking	2,521,081	1,988,096
Emergency services	1,173,952	976,163
Visitor services	347,319	365,630
Communications	395,277	410,200
Operations	682,430	531,472
Ground transportation	4,113,072	2,653,353
Subtotal	21,455,215	16,817,777
Depreciation	17,706,754	16,307,078
Total operating expenses	39,161,969	33,124,855
Operating income	14,601,236	19,934,586
Non-operating revenues (expenses)		
Investment interest income	2,020,628	2,944,151
Capital contributions	5,949,316	-
Net increase (decrease) in fair value of investments	(160,039)	728,256
Gain (loss) on retirement of fixed assets	(262,704)	47,344
Loss on retirement of debt	-	(551,284)
Bond interest expense, net	(2,621,673)	(3,235,039)
Total non-operating revenues (expenses)	4,925,528	(66,572)
Net earnings before cost associated with financing Terminal C Complex	19,526,764	19,868,014
Income (costs) associated with financing Terminal C Complex	639,108	(880,804)
Net earnings	20,165,872	18,987,210
Retained earnings at beginning of year	90,466,353	71,479,143
Retained earnings at end of year	$ 110,632,225	$ 90,466,353

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

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF CHANGES IN CONTRIBUTED CAPITAL

Years Ended March 31, 2002 and 2001

	Balance at Beginning of Year	Annual Appropriations	Capital Projects Grants	Balance at End of Year
Year ended March 31, 2002				
City of Durham	$ 796,500	$ -	$ -	$ 796,500
City of Raleigh	796,500	-	-	796,500
Durham County	796,500	-	-	796,500
Wake County	796,500	-	-	796,500
State of North Carolina	7,592,167	-	-	7,592,167
Federal Government	79,667,805	-	-	79,667,805
Other Contributed Capital	32,134	-	-	32,134
	$ 90,478,106	$ -	$ -	$ 90,478,106
Year ended March 31, 2001				
City of Durham	$ 784,000	$ 12,500	$ -	$ 796,500
City of Raleigh	784,000	12,500	-	796,500
Durham County	784,000	12,500	-	796,500
Wake County	784,000	12,500	-	796,500
State of North Carolina	7,592,167	-	-	7,592,167
Federal Government	79,317,978	-	349,827	79,667,805
Other Contributed Capital	32,134	-	-	32,134
	$ 90,078,279	$ 50,000	$ 349,827	$ 90,478,106

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

RALEIGH-DURHAM AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2002 and 2001

	2002	2001
Operating activities		
Operating income	$ 14,601,236	$ 19,934,586
Adjustments to reconcile operating income to net cash provided by operating activities		
Amortization	118,021	133,018
Depreciation	17,706,754	16,307,078
Loss (gain) on retirement of fixed assets	262,704	(47,344)
Changes in operating assets and liabilities		
Accounts receivable	406,504	8,065
Other current assets	45,060	(200,488)
Accounts payable	690,053	254,059
Retainage and construction accounts payable	6,163,696	3,286,649
Accrued employee compensation	76,397	30,602
Net cash provided by operating activities	40,070,425	39,706,225
Investing activities		
Purchases of short-term investments	(30,888,256)	(14,722,779)
Proceeds from maturities of short-term investments	33,916,491	32,124,330
Investment income (loss) on valuation account	(160,039)	728,256
Interest on cash deposits	561,395	497,196
Net cash provided by investing activities	3,429,591	18,627,003
Capital and related financing activities		
Financing activities associated with Terminal C Complex		
Principal payments	(3,550,000)	(3,550,000)
Interest paid	(1,687,751)	(3,983,380)
Proceeds received from American Airlines	5,237,751	7,533,380
Other capital and financing costs		
Debt issuance costs	-	(2,214,879)
Additions to airport and facilities	(87,132,263)	(41,640,989)
Bond interest paid on long-term debt	(7,431,174)	(3,022,135)
Principal payments on long-term debt	(9,267,303)	(53,511,197)
Loss on retirement of debt	-	(551,284)
Proceeds from debt issuance	-	204,545,000
Contributed capital	5,308,677	286,658
Net cash provided by (used in) capital and related financing activities	(98,522,063)	103,891,174
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(55,022,047)	162,224,402
Cash and cash equivalents - beginning of year	167,535,847	5,311,445
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 112,513,800	$ 167,535,847

The accompanying notes are an integral part of these general purpose 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 in the year ended March 31, 2002 was 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 its balance sheets. Enterprise fund equity is segregated into contributed capital and retained earnings components. As required for periods beginning after June 15, 2000 by Statement 33 of the Government Accounting Standards Board, *Accounting and Financial Reporting for Nonexchange Transactions*, the Authority has begun recognizing capital contributions as revenue in the current year, rather than as contributed capital. Nonexchange transactions for the Authority include Federal and State grants and contributions by the Authority's four owning bodies. No adjustment to the balance of the contributed capital account is required. 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.

Note 2 – Summary of significant accounting policies (continued)

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. Appropriations under this ordinance lapse at year end.

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 estimated fair value except for money market investments (including U.S. Treasury and Agency obligations) having a remaining maturity at purchase of one year or less.

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 $20,282,878 and $18,917,935 for 2002 and 2001, respectively; of which $2,576,124 and $2,610,857 related to the Terminal C complex.

The majority 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.

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.

Note 2 – Summary of significant accounting policies (continued)

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 year ended March 31, 2002, no air carrier accounted for more than 6% of the Authority's operating revenues.

Reclassifications – Certain items in the March 31, 2001 statements have been reclassified to conform to the March 31, 2002 presentation. There was no effect on net earnings or equity as previously reported.

Note 3 – Deposits and investments

Deposits – All deposits of the Authority are made in board-designated official depositories and are collateralized as required by North Carolina General Statute 159-31.

Depositories must collateralize public deposits in excess of federal depository insurance coverage by using one of two options. The Authority's depository uses the Pooling Method, which is a collateral pool, under which 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 agent in the Authority's name. 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 amount 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.

At year-end, the Authority's deposits had a carrying amount of $4,155,174 and a bank balance of $9,509,161. Of this bank balance, $400,000 was covered by federal depository insurance while the balance of $9,109,161 was covered by collateral held under the Pooling Method. The Authority is required to maintain a minimum balance of $400,000 in its operating checking accounts and a minimum balance of $100,000 in its cash concentration accounts.

Note 3 – Deposits and investments (continued)

Investments – North Carolina General Statute 159-30(c) authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Cash Management Trust, an SEC registered mutual fund. The carrying value of investments approximates fair value and excludes accrued interest receivable of $337,167 and $310,625 for 2002 and 2001, respectively.

The Authority's investments are categorized to give an indication of level of risk assumed by the Authority at year-end. In the following table, Column A includes investments for which the securities are held by the Authority or its agent in the Authority's name. Column B includes investments for which the securities are held by the counterparty's trust department or agent in the Authority's name. Column C includes investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the Authority's name. Column C investments would be in violation of the custodial arrangements as defined in North Carolina General Statutes. Both column A and column B investments are in compliance with said Statutes and differ only in the nature of the custodial relationship. Investments in the North Carolina Cash Management Trust are exempt because the Authority does not own any identifiable securities, but is a shareholder of a percentage of the fund.

	A	B	C	Cost (1)	Fair Value (1)
Unrestricted Funds					
U. S. Government Agencies	$ 23,972,984	$ -	$ -	$ 23,972,984	$ 23,946,923
North Carolina Capital Management Trust	N/A	N/A	N/A	4,185,926	4,185,926
				$ 28,158,910	$ 28,132,849
Restricted Funds					
G/O Bond Collateral					
U. S. Government Agencies	$ 4,862,700	$ -	$ -	$ 4,862,700	$ 4,868,000

Note 3 – Deposits and investments (continued)

	A	B	C	Cost (1)	Fair Value (1)
General Airport Revenue Bond					
2001A - Proceeds					
North Carolina Capital Management Trust	N/A	N/A	N/A	103,991,079	103,991,079
	$ 4,862,700	$ -	$ -	$ 108,853,779	$ 108,859,079

(1) The difference between cost and fair value results from changes in market interest rates, creating a net increase in fair value. The Authority generally holds its investments to maturity. Accordingly at the maturity, net increase or decrease in fair value, if any, will reverse.

Note 4 – Airport and facilities, net

Airport and facilities consists of the following at March 31:

	Estimated Useful Lives	2002	2001
Land	-	$ 35,067,464	$ 34,388,119
Landing field and grounds	5 to 20 Years	285,584,756	282,945,890
Terminal buildings	5 to 45 Years	149,355,439	136,440,859
Other buildings	5 to 30 Years	37,959,108	39,649,962
Utilities	5 to 20 Years	3,924,925	3,924,925
Equipment	3 to 20 Years	11,276,421	10,739,980
		523,168,113	508,089,735
Construction in progress		126,991,700	48,926,336
		650,159,813	557,016,071
Less accumulated depreciation		261,614,222	242,791,861
		$ 388,545,591	$ 314,224,210

During 2002 and 2001, interest costs of approximately $7,997,404 and $671,034, net of interest earned of approximately $4,285,954 and $842,491, were capitalized as part of the cost of construction in progress.

Note 5 – Long-term debt

Long-term debt consists of the following at March 31:

	2002	2001
Amounts due to trustee		
Special Facility Revenue Bonds, Series 1985, (varying interest rates, 7.75% to 9.625%), partially refunded by Special Facility Refunding Revenue Bonds, Series 1996.	$ -	$ 3,550,000
Special Facility Refunding Revenue Bonds, Series 1995, (varying interest rates, adjusted daily), maturing in installments from 2002 to 2015.	78,300,000	78,300,000
Unamortized bond discount	(91,444)	(97,976)
	78,208,556	81,752,024
Series 2001A 4.00 – 5.50% General Airport Revenue Bond, maturing in varying installments beginning in 2005 to 2031	156,975,000	156,975,000
Series 2001B 4.00 – 4.375% General Airport Revenue Bond, maturing in varying installments beginning in 2002 to 2014	42,565,000	47,570,000
Amounts due to the Special Airport District of Durham and Wake Counties		
Series 1992 5.75% and Series 1993 4.97% General Obligation Bonds maturing in varying installments beginning in 1994 to 2005	8,165,000	12,370,000
Total bond obligations	285,913,556	298,667,024
Amounts due for capital lease		
6.79% capital lease due in monthly installments of $5,388 including interest	-	57,303
	285,913,556	298,724,327
Less current maturities	12,530,000	12,817,303
	$ 273,383,556	$ 285,907,024

Note 5 – Long-term debt (continued)

Debt maturities for the next five years and thereafter are as follows:

Year Ending March 31	Special Facility Revenue Bonds	General Airport Revenue Bond Series 2001A	General Airport Revenue Bond Series 2001B	Amounts Due Special District GO Bond Series 1992 and 1993
2003	$ 3,500,000	$ -	$ 4,610,000	$ 4,420,000
2004	3,500,000	-	3,615,000	1,820,000
2005	3,500,000	2,840,000	3,295,000	1,925,000
2006	3,500,000	2,985,000	3,425,000	-
2007	4,500,000	3,150,000	3,565,000	-
2008 and thereafter	59,800,000	148,000,000	24,055,000	-
	$ 78,300,000	$ 156,975,000	$ 42,565,000	$ 8,165,000

The Special Facility Revenue Refunding Bonds, Series 1995 (SFRRBs), were issued in October 1995 to partially refund the Special Facilities Revenue Bonds, Series 1985. They are limited obligations of the Authority and are payable solely from, and secured by, a pledge of revenues to be received by the Authority pursuant to the Financing Agreement between the Authority and American Airlines, Inc. ("American"). American will make payments sufficient to pay, when due, the principal amount and interest on the SFRRBs. The SFRRBs are not secured by the general revenues of the Authority. The interest rates on the bonds, adjusted daily, are established by the Remarketing Agent as the minimum rate necessary, in the judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to sell the bonds at a price equal to the principal amount plus accrued interest. The average interest rate for the months ending March 31, 2002 and 2001 was 1.38% and 2.93%, respectively.

The Special Facility Revenue Bonds (SFRBs), Series 1985, are limited obligations of the Authority and are payable solely from, and secured by, a pledge of revenues to be received by the Authority pursuant to the Financing Agreement between the Authority and American. American will make payments sufficient to pay, when due, the principal and interest on the SFRBs. The SFRBs are not secured by the general revenues of the Authority.

Note 5 – Long-term debt (continued)

Payment of the principal and interest on the SFRBs is made over 30 years. Facilities financed by the SFRBs are leased to American for a 40-year period. Those facilities consist of Terminal Building C, the Terminal C aircraft parking apron, an air cargo building, a flight-catering kitchen, a bulk fuel storage farm and fuel hydrant distribution system and an employee parking lot. The income received in consideration for the use of those facilities is recognized over 40 years while the debt service is recognized over the maximum term of the SFRBs (30 years). All of the American occupied facilities are owned by the Authority and will continue to be owned by the Authority at the lease expiration.

The costs associated with financing the Terminal C Complex at March 31 are as follows:

	2002	2001
Interest expense	$ (1,687,751)	$ (3,983,380)
Rental revenue from Terminal C Complex	4,938,753	5,749,203
	3,251,002	1,765,823
Depreciation	(2,576,124)	(2,610,857)
Amortization of bond issue costs and discounts	(35,770)	(35,770)
Net income (costs) associated with financing Terminal C Complex	$ 639,108	$ (880,804)

American is paying directly to the bond trustee the total debt service on the SFRBs in addition to paying the Authority ground rent for the leased premises and reimbursing the Authority for any maintenance and/or operating expenses incurred. Therefore, there is no negative or positive cash flow for the Special Facility Revenue Bonds sustained by the Authority.

Cash flows related to Terminal C Complex at March 31 are as follows:

	2002	2001
American payments applied to debt service	$ 5,237,751	$ 7,533,380
Debt service payments	(5,237,751)	(7,533,380)
Net cash flows	$ -	$ -

The General Obligation Bonds were issued by the Special Airport District of Durham and Wake Counties (the "Special District") to provide funds for construction of a new air carrier runway and parking and roadway improvements. The financing agreement calls for the Authority to present, as of March 31 of each year, reasonable evidence to the Special District of its ability to meet these obligations during the Special District's upcoming fiscal year. At March 31, 2002 and 2001, $4,868,000 and $4,785,188, respectively, were held in short-term investments to comply with this requirement. These investments are reported under restricted assets as collateral for General Obligation Bonds in the balance sheets.

Note 5 – Long-term debt (continued)

On February 27, 2001, the Authority issued the $156,975,000 Airport Revenue Bonds Series 2001A under the Master Indenture. The Bonds are special 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 Indenture. The Bonds are special 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.

During the year ended March 31, 2000, the Authority entered into a lease agreement for the lease of computer equipment. This lease qualifies as a capital lease for accounting purposes. It requires thirty-six monthly payments of $5,388 and the Authority does not receive title to the computer equipment at the end of the lease term, but may at its option, return the equipment or lease at fair market value.

On May 12, 1992 and on January 6, 1993, the Special District issued $18,380,000 and $21,940,000 of General Obligation Refunding Bonds, Series 1992 and 1993, respectively. The Series 1992 and 1993 bonds were issued to advance refund $38,360,651 of outstanding General Obligation Bonds, Series 1983 and 1985. The Series 1992 and 1993 bonds have average interest rates of 5.75% and 4.97%, respectively. The net proceeds of $38,225,877 (after payment of $134,774 in issuance costs) plus an additional $2,000,000 of Series 1983 debt service reserve funds were deposited into an irrevocable trust to provide all future debt service payments on the Series 1983 and 1985 Bonds. As a result, the Series 1983 and 1985 Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Note 6 – Leases

The Authority leases land, buildings and terminal space with a cost of approximately $164 million and a carrying value of approximately $92 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 18% and 16% of airport operating revenues for 2002 and 2001. The leases cover periods ranging up to 40 years and contain provisions for fixed and contingent rentals based on revenues. For the years ended March 31, 2002 and 2001, contingent rentals comprised $9,619,290 and $8,238,952, respectively, of the total rental revenues.

Note 6 – Leases (continued)

Minimum future rentals on noncancelable operating leases including Terminal C deferred rental revenue, for the next five fiscal years are approximately:

Year Ending March 31	Amount
2003	$ 8,479,000
2004	8,197,000
2005	8,172,000
2006	7,607,000
2007	6,713,000
	$ 39,168,000

Note 7 – Employee retirement plans

Local Governmental Employees' Retirement System

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

Funding Policy – Plan members are required to contribute six percent of their annual covered salary. The Authority is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 4.93% and 4.78%, respectively, 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, 2002, 2001 and 2000 were $941,035, $828,811 and $734,339, respectively. The contributions equaled the required contributions for each year, except for the contributions for March 31, 2002, which were $2,500 less than the required amount.

Note 7 – Employee retirement plans (continued)

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy – Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended March 31, 2002 and 2001 were $87,031 and $82,627 respectively, which consisted of $63,106 and $60,789 from the Authority, and $23,925 and $21,838 from the law enforcement officers, respectively.

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, 2002, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	26
Total	27

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.

Note 7 – Employee retirement plans (continued)

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.

Other Postemployment Benefits

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 year ended March 31, 2002, the Authority made contributions to the State for death benefits of $9,875. The Authority's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.11% 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 8 – Commitments and contingencies

Subsequent to the opening of the Terminal C Complex and the commencement of American Airlines North-South hub operations, various parties filed claims against the Authority for alleged adverse condemnation of real property by reason of aircraft operations in the vicinity of the claimants' property. In early 1991, most of the parties agreed to a binding arbitration of all claims before a panel of three arbitrators. As of March 31, 1999, all claims have been settled through arbitration, negotiation or dismissal. The costs for settling these claims totaled approximately $3.65 million. The Authority has capitalized these costs, as they will be included in future landing and fuel flowage fees charged to airport users.

Note 8 – Commitments and contingencies (continued)

The Authority is also 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, 2002, the Authority has contractual commitments for Authority expansion programs of approximately $194,600,000.

Note 9 – September 11th impact

The terrorist attacks of September 11, 2001 significantly adversely affected the North American transportation system, including operations of the Authority. Specifically, since September 11, 2001,enplanements at the Airport and the receipt of revenues have been adversely affected and may continue to be negatively affected by restrictions on the Airport and the financial condition of the air travel industry. Like many airport operators, the Authority has experienced increased operating costs due to compliance with federally mandated and other security and operating changes. In addition, the FAA may, require further enhanced security measures and impose additional restrictions on the Airport, which may affect future Authority results. The Authority cannot predict the likelihood of future incidents similar to September 11, 2001, the likelihood of future air transportation disruptions or the impact on airports or airlines from such incidents or disruptions.

Note 10 – Future pronouncements

During the year ended March 31, 2004, the Authority will be required to implement GASB Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments."

Note 11 – Subsequent events

On May 1, 2002, all remaining $78,300,000 Special Facility Revenue Bonds issued by the Authority were prepaid and retired by American Airlines. See Note 5 to these financial statements describing this indebtedness.

Note 11 – Subsequent events (continued)

On June 13, 2002, the Authority issued Adjustable Rate Airport Revenue Bonds, Series 2002 (AMT) in the amount of $30,000,000. The proceeds were used primarily to finance a portion of the cost of acquiring and purchasing certain rights and interests of American Airlines under the Raleigh-Durham Airport Facilities Lease and Use Agreement dated November 1, 1985, between the Authority and American Airlines and to rehabilitate certain buildings and equipment related to the lease and use agreement, and to make certain other capital improvements. The bonds are subject to mandatory redemption in part on November 1, in the years 2003 through 2017 through a sinking fund requirement that commences November 1, 2003. The final maturity of the bonds is November 1, 2017.

CHERRY
BEKAERT&
HOLLAND
CERTIFIED PUBLIC
ACCOUNTANTS &
CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL INFORMATION

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

Our audits were conducted for the purpose of forming an opinion on the general purpose financial statements as of and for the years ended March 31, 2002 and 2001 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 general purpose financial statements of the Authority. Such information has been subjected to the auditing procedures applied in our audits of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Cherry, Bekaert & Holland, L.L.P.

Greensboro, North Carolina
June 25, 2002

RALEIGH - DURHAM AIRPORT AUTHORITY

SUMMARY OF OPERATING REVENUES AND EXPENSES

COMPARED WITH BUDGET

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Operating revenues			
Parking	$ 23,162,078	$ 25,000,000	92.6%
Airfield	6,864,368	7,854,590	87.4%
General aviation	963,384	781,712	123.2%
Terminals	10,562,847	10,658,307	99.1%
Air cargo	1,301,970	1,265,555	102.9%
Rental car	9,334,756	10,878,101	85.8%
Other	1,573,802	1,243,190	126.6%
Total operating revenues	53,763,205	57,681,455	93.2%
Operating expenses			
Complex expenses	17,131,976	18,864,331	90.8%
Department expenses	22,029,992	19,687,160	111.9%
Budget adjustment for AVSEC (1)	-	1,146,900	-
Total operating expenses	39,161,968	39,698,391	98.6%
NET OPERATING INCOME	$ 14,601,237	$ 17,983,064	81.2%

(1) Aviation Security ("AVSEC") expenses are included in various line items of complex and department expenses. No actual expenses for AVSEC are presented as identifying these expenses within various areas was not cost effective.

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

PARKING REVENUES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Parking revenues			
Parking fees	$ 23,471,547	$ 25,000,000	93.9%
Contra revenue	(309,469)	-	N/A
TOTAL PARKING REVENUES	$ 23,162,078	$ 25,000,000	92.6%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

AIRFIELD REVENUES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Landing fees			
Commercial airlines	$ 5,461,059	$ 6,824,940	80.0%
Commuters and others	965,759	750,650	128.7%
Total landing fees	6,426,818	7,575,590	84.8%
Fuel flowage fees	337,599	279,000	121.0%
Other airfield revenues	99,951	-	N/A
TOTAL AIRFIELD REVENUES	$ 6,864,368	$ 7,854,590	87.4%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

GENERAL AVIATION REVENUES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
General Aviation			
Fixed space rents	$ 939,632	$ 765,712	122.7%
Percentage rents	23,752	16,000	148.5%
TOTAL GENERAL AVIATION REVENUES	$ 963,384	$ 781,712	123.2%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Terminal A Complex			
Fixed space rents			
AirTran Airways	$ 216,051	$ 217,383	99.4%
Anton Airfood	49,660	49,660	100.0%
Aeronautical Radio	600	600	100.0%
Air Canada	97,720	97,720	100.0%
Atlantic Coast Airlines	126,502	2,700	4685.3%
CC Air	6,040	6,600	91.5%
The Book Cellar	6,810	1,800	378.3%
Continental Airlines	743,353	691,247	107.5%
Delta Airlines	1,088,052	1,068,120	101.9%
Dal Global Services	1,200	-	N/A
Gearbuck Aviation Services	1,200	1,200	100.0%
Elizabeth Chapel Church	300	300	100.0%
Talent Source	7,198	-	N/A
Globe Airport Security	27,838	23,304	119.5%
Midwest Express	-	85,597	-
Iskcon	350	300	116.7%
Lee Airport Concessions	6,280	7,383	85.1%
Orion Aviation	-	6,272	-
Northwest Airlines	481,777	468,666	102.8%
Paradies Shops	20,394	20,394	100.0%
Rampco	1,200	1,200	100.0%
Southwest Airlines	830,684	864,246	96.1%
State Employee's Credit Union	1,579	1,579	100.0%
USAirways	1,261,162	1,334,924	94.5%
Trans World Airlines	84,723	245,389	34.5%
United Airlines	201,252	350,937	57.3%
Wachovia	1,315	1,315	100.0%
Total fixed space rents	5,263,240	5,548,836	94.9%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

TERMINAL REVENUES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Percentage rents			
Airport Channel	16,329	30,000	54.4%
AJ Tavern/Greenleaf's	-	81,000	-
A&W All American Food	-	47,300	-
ACC Shop	-	66,000	-
A Southern Season	-	42,000	-
Anton Temporary Stores	622,499	-	N/A
Brooks Brothers	-	41,000	-
Business Traveler Services	7,848	11,500	68.2%
Carolina Varsity Bar	-	67,300	-
Classic Food Services	3,583	-	N/A
Gelato Amare/Jazzy Juice	4,369	20,600	21.2%
Kellee Communications	26,463	-	N/A
WH Smith Books Company	91,914	33,100	277.7%
Interspace Airport Advertising	587,143	577,200	101.7%
Lee Concessions			
Hot Dogs	10,490	2,800	374.6%
Gourmet Bean	36,284	4,200	863.9%
Gelato	6,014	-	N/A
Jersey Mike's	73,249	6,200	1181.4%
Natural Snacks	4,949	-	N/A
Lone Wolf Publishing	3,917	2,900	135.1%
Mutual of Omaha	30,888	27,500	112.3%
Paradies Airport Shops	524,876	-	N/A
Poppye's Chicken	-	180,300	-
RDU Press Plus	-	283,900	-
Seattle's Best Coffee	-	14,900	-
Smarte Cart	12,987	12,800	101.5%
Superior Shine	7,191	8,300	86.6%
The Book Cellar	25,943	19,000	136.5%
Telephones - AT&T	55,653	75,000	74.2%
Telephones - Bell South	1,040	-	N/A
24-Hour Flower	3,236	3,200	101.1%
World Duty Free	-	31,900	-
Total percentage rents	2,156,865	1,689,900	127.6%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Miscellaneous rents			
Security - checkpoint A	289,516	286,660	101.0%
Security - law enforcement	97,568	99,121	98.4%
Utilities	79,432	33,400	237.8%
Lockers - Smart Cart	222	600	37.0%
Conference room	13,632	12,500	109.1%
Total miscellaneous rents	480,370	432,281	111.1%
Total Terminal A Complex revenues	7,900,475	7,671,017	103.0%
Terminal C Complex			
Fixed space rents			
American Airlines	1,853,332	1,853,332	100.0%
Colonial Pipeline	10,494	10,494	100.0%
U.S. Postal Service	17,516	17,463	100.3%
Total fixed space rents	1,881,342	1,881,289	100.0%
Percentage rents			
Sky Chefs	615,442	750,000	82.1%
Miscellaneous rents			
Midway Employee Parking	54,221	195,750	27.7%
RDU Concession Management Fee	69,116	118,000	58.6%
Security	42,251	42,251	100.0%
Total miscellaneous rents	165,588	356,001	46.5%
Total Terminal C Complex revenues	2,662,372	2,987,290	89.1%
TOTAL TERMINAL REVENUES	$ 10,562,847	$ 10,658,307	99.1%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

AIR CARGO REVENUES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
North Cargo Complex			
Fixed space rents			
Airborne Express	$ 111,736	$ 111,736	100.0%
BAX Global	126,770	126,770	100.0%
Emery Worldwide	172,985	172,986	100.0%
Federal Express	309,538	309,538	100.0%
United Parcel Service	225,406	225,407	100.0%
Total North Cargo Complex revenues	946,435	946,437	100.0%
South Cargo Complex			
Fixed space rents			
Anton Airfood	21,811	7,064	308.8%
Delta Airlines	31,950	31,950	100.0%
Gate Gourmet	8,923	8,923	100.0%
Kellee Communications Group Inc.	5,325	-	N/A
Quantem Aviation	70,290	38,340	183.3%
Southwest Airlines	18,002	19,170	93.9%
Swissport CFE, Inc.	1,200	1,200	100.0%
WH Smith Books Company	9,958	9,691	102.8%
United Airlines	9,585	12,780	75.0%
Total fixed space rents	177,044	129,118	137.1%
Percentage rents			
Gearbuck Aviation Services	6,615	-	N/A
Gategourmet	171,876	190,000	90.5%
Total percentage rents	178,491	190,000	93.9%
Total South Cargo Complex revenues	355,535	319,118	111.4%
TOTAL AIR CARGO REVENUES	$ 1,301,970	$ 1,265,555	102.9%

RALEIGH - DURHAM AIRPORT AUTHORITY

REVENUES COMPARED WITH BUDGET

RENTAL CAR REVENUES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Fixed space rents			
Alamo Rent-A-Car	$ 19,800	$ 21,327	92.8%
Avis Rent-A-Car	45,689	45,689	100.0%
Budget Rent-A-Car	29,119	29,119	100.0%
Dollar Rent-A-Car	12,545	13,216	94.9%
Enterprise Car Rental	10,687	10,363	103.1%
The Hertz Corporation	81,102	81,102	100.0%
National Car Rental	42,837	42,837	100.0%
Triangle Rent-A-Car	12,448	12,448	100.0%
Total fixed space rents	254,227	256,101	99.3%
Percentage rents			
Alamo Rent-A-Car	661,355	823,000	80.4%
Avis Rent-A-Car	1,704,720	2,003,000	85.1%
Budget Rent-A-Car	1,095,484	1,082,000	101.2%
Dollar Rent-A-Car	493,067	587,000	84.0%
Enterprise Car Rental	403,232	229,000	176.1%
The Hertz Corporation	2,851,525	3,295,000	86.5%
National Car Rental	1,223,461	1,741,000	70.3%
Triangle Rent-A-Car	227,547	318,000	71.6%
Off Airport - Thrifty	420,138	544,000	77.2%
Total percentage rents	9,080,529	10,622,000	85.5%
TOTAL RENTAL CAR REVENUES	$ 9,334,756	$ 10,878,101	85.8%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
OTHER REVENUES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Fixed space rents			
First Flight Centennial	$ 4,800	$ 4,800	100.0%
NC Department of Transportation	31,019	31,019	100.0%
RTRP (RDU Center Tenant)	37,371	37,371	100.0%
Off airport businesses	72,021	67,000	107.5%
Airport Express	7,360	6,000	122.7%
Total fixed rents	152,571	146,190	104.4%
Percentage rents			
Off airport - VIP parking	157,033	127,000	123.6%
Off airport - other	42,092	42,000	100.2%
Total percentage rents	199,125	169,000	117.8%
Other miscellaneous rents			
ID badges	64,176	30,000	213.9%
Taxi licenses and trip fees	343,006	382,000	89.8%
Employee parking lot	326,446	90,000	362.7%
Total miscellaneous rents	733,628	502,000	146.1%
Utilities complex revenue	488,478	426,000	114.7%
TOTAL OTHER REVENUES	$ 1,573,802	$ 1,243,190	126.6%

RALEIGH - DURHAM AIRPORT AUTHORITY

COMPARATIVE SUMMARIES OF OPERATING EXPENSES BY COST CENTER

Year Ended March 31, 2002 and 2001

	Amount		Percent of Total Operating Expenses	
	2002	2001	2002	2001
Operating expenses				
Airport facilities	$ 17,131,976	$ 16,289,092	43.7%	49.2%
Administrative	3,616,776	2,780,248	9.2%	8.4%
Law enforcement	2,012,167	1,636,486	5.1%	4.9%
Airport maintenance	2,764,851	2,517,512	7.1%	7.6%
Parking	6,540,056	4,649,302	16.7%	14.0%
Emergency services	1,379,681	1,107,419	3.5%	3.3%
Visitor services	347,319	365,630	0.9%	1.1%
Communications	555,470	567,680	1.4%	1.7%
Operations	700,600	558,133	1.8%	1.7%
Grounds transportation division	4,113,072	2,653,353	10.5%	8.0%
Total operating expenses	$ 39,161,968	$ 33,124,855	100.0%	100.0%

RALEIGH - DURHAM AIRPORT AUTHORITY

SUMMARIES OF OPERATING EXPENSES BY COST CENTER

COMPARED WITH BUDGET

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Operating expenses (excluding depreciation)			
Airport facilities	$ 4,396,847	$ 4,084,819	107.6%
Administrative	3,336,298	3,510,597	95.0%
Law enforcement	1,964,529	1,836,569	107.0%
Airport maintenance	2,524,409	2,458,584	102.7%
Parking	2,521,081	2,201,642	114.5%
Emergency services	1,173,952	1,176,548	99.8%
Visitor services	347,319	345,800	100.4%
Communications	395,277	396,462	99.7%
Operations	682,430	526,694	129.6%
Grounds transportation division	4,113,072	3,771,175	109.1%
Budget adjustment for AVSEC [1]	-	1,146,900	-
Total operating expenses (excluding depreciation)	21,455,214	21,455,790	100.0%
Depreciation			
Airport facilities	12,735,129	14,779,512	86.2%
Administrative	280,478	205,835	136.3%
Law enforcement	47,638	44,873	106.2%
Airport maintenance	240,442	217,836	110.4%
Parking	4,018,975	2,557,438	157.1%
Emergency services	205,729	201,828	101.9%
Visitor services	-	-	N/A
Communications	160,193	203,840	78.6%
Operations	18,170	31,439	57.8%
Grounds transportation division	-	-	N/A
Total depreciation	17,706,754	18,242,601	97.1%
TOTAL OPERATING EXPENSES	$ 39,161,968	$ 39,698,391	98.6%

(1) Aviation Security ("AVSEC") expenses are included in various line items of complex and department expenses. No actual expenses for AVSEC are presented as identifying these expenses within various areas was not cost effective.

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Airport facilities			
Airfield complex			
Contracted services	$ -	$ 5,000	-
AVSEC	11,526	-	N/A
Electricity	73,172	73,200	100.0%
Fuel - natural gas	1,125	-	N/A
Fuel - vehicles and equipment	-	1,000	-
Repairs and maintenance			
Equipment	4,316	12,500	34.5%
General	5,627	40,000	14.1%
Snow removal	111,764	-	N/A
Permit administration	200	200	100.0%
Relocation/gates	9,125	18,000	50.7%
Supplies	131,433	163,850	80.2%
Telephone	1,277	1,300	98.2%
Insurance	115,090	96,166	119.7%
Depreciation	3,523,470	3,804,760	92.6%
Total airfield complex	3,988,125	4,215,976	94.6%
Terminal A complex			
Electricity	654,093	654,100	100.0%
Flight video display	1,547	1,500	103.1%
Fuel - natural gas	107,916	83,900	128.6%
Fuel - vehicles and equipment	1,254	500	250.8%
Hardware/computer	-	5,000	-
Insurance	94,888	79,284	119.7%
Insurance claim	10,426	3,400	306.6%
Permit administration	390	900	43.3%
Public address and music system rental	1,056	3,000	35.2%
Elevators/escalators	53,539	50,000	107.1%
Repairs and maintenance/buildings and grounds			
General	52,486	48,000	109.3%
HVAC	73,745	78,500	93.9%
Janitorial	800,624	718,100	111.5%
Waste disposal	94,242	80,000	117.8%
Small equipment	270	-	N/A
Software	16,750	15,000	111.7%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Supplies	77,726	95,000	81.8%
Telephone	2,010	1,800	111.7%
Depreciation	2,791,508	3,855,366	72.4%
Total Terminal A complex	4,834,470	5,773,350	83.7%
Terminal C complex			
Electricity	600	300	200.0%
Insurance	93,401	78,044	119.7%
Permit administration	-	2,100	-
Repairs and maintenance/buildings and grounds			
Equipment	668	-	N/A
General	-	21,250	-
Janitorial	3,029	5,200	58.3%
Waste disposal	2,700	3,600	75.0%
Supplies	8,166	7,600	107.4%
Total Terminal C complex	108,564	118,094	91.9%
Cargo complex			
General repairs and maintenance	1,343	5,000	26.9%
Electricity	54,602	54,600	100.0%
Fuel - natural gas	8,517	4,150	205.2%
Insurance	26,536	22,167	119.7%
Insurance claim	5,520	1,800	306.7%
Permit administration	230	300	76.7%
Elevators/escalators	520	1,550	33.5%
Repairs and maintenance/HVAC	-	400	-
Supplies	1,265	750	168.7%
Depreciation	1,684,751	1,684,751	100.0%
Total cargo complex	1,783,284	1,775,468	100.4%
General Aviation complex			
Telephone	2,555	2,400	106.5%
Electricity	5,768	3,900	147.9%
Elevator/escalator repairs and maintenance	1,500	1,800	83.3%
General repairs and maintenance	487	1,000	48.7%
HVAC repairs and maintenance	979	9,000	10.9%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Supplies	209	2,000	10.5%
Insurance	21,176	17,691	119.7%
Insurance claim	5,520	1,800	306.7%
Permit administration	30	50	60.0%
Depreciation	242,240	245,880	98.5%
Total general aviation complex	280,464	285,521	98.2%
Rental Car Complex			
Insurance	1,612	1,348	119.6%
Insurance claim	2,146	700	306.6%
Depreciation	170,952	74,864	228.4%
Total rental car complex	174,710	76,912	227.2%
Other locations complex			
Electricity	15,769	13,686	115.2%
Fuel - natural gas	2,291	1,400	163.6%
Fuel - vehicle and equipment	334	50	668.0%
Permit administration	230	300	76.7%
Elevators/escalators	1,311	1,550	84.6%
Repairs and maintenance			
Equipment	145	500	29.0%
General	13,994	22,500	62.2%
Janitorial	15,311	13,000	117.8%
Waste disposal	22,734	20,000	113.7%
HVAC	7,648	9,750	78.4%
Supplies	23,951	12,500	191.6%
Insurance	11,044	9,223	119.7%
Insurance claim	2,760	900	306.7%
Telephone	3,035	3,800	79.9%
Depreciation	925,795	1,390,699	66.6%
Total other location complex	1,046,352	1,499,858	69.8%
Ground transportation complex			
Electricity	479,614	479,700	100.0%
AVSEC	7,787	-	N/A
Fuel - vehicles and equipment	441	500	88.2%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Permit administration	430	1,100	39.1%
Repairs and maintenance			
HVAC	581	500	116.2%
General	14,050	57,500	24.4%
Equipment	7,680	40,000	19.2%
Janitorial	24,911	29,000	85.9%
Snow removal	43,897	5,000	877.9%
Elevators/escalators	29,812	64,700	46.1%
Waste disposal	2,194	2,000	109.7%
Supplies	85,545	65,000	131.6%
Small equipment	-	2,400	-
Telephone	3,846	4,300	89.4%
Insurance	131,408	109,810	119.7%
Insurance claim	32,505	10,600	306.7%
Depreciation	3,290,648	3,617,427	91.0%
Total ground transportation complex	4,155,349	4,489,537	92.6%
Utilities complex			
Contracted services	1,192	2,450	48.7%
Fuel - natural gas	66	-	N/A
Electricity	4,439	4,000	111.0%
Fuel - vehicles and equipment	-	50	-
Permit administration	450	450	100.0%
Supplies	17,450	10,000	174.5%
Water and sewer	611,806	480,000	127.5%
Repairs and maintenance			
General	-	2,600	-
Water system	15,991	22,500	71.1%
Telephone	3,499	1,800	194.4%
Depreciation	105,765	105,765	100.0%
Total utilities complex	760,658	629,615	120.8%
TOTAL AIRPORT FACILITIES	$ 17,131,976	$ 18,864,331	90.8%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Administrative			
Major Capital Improvements Program			
Salaries	$ 130,147	$ 130,147	100.0%
Health insurance	12,572	12,572	100.0%
Retirement	36,612	36,612	100.0%
Social security	19,985	19,985	100.0%
	199,316	199,316	100.0%
Less amount capitalized as airport development	178,772	-	-
Total major capital improvements program	20,544	199,316	10.3%
Facilities and Environmental			
Salaries	220,339	220,339	100.0%
Retirement	40,245	40,245	100.0%
Health insurance	30,022	30,022	100.0%
Social security	26,883	26,883	100.0%
Contracted services	74,635	22,500	331.7%
Fuel - natural gas	1,550	1,800	86.1%
Professional dues and education	2,637	4,500	58.6%
Uniforms	64	400	16.0%
Travel	4,207	5,500	76.5%
Electricity	13,781	13,300	103.6%
Telephone	15,399	12,900	119.4%
Small equipment	188	200	94.0%
Repairs and maintenance			
Equipment	94	200	47.0%
Janitorial	16,090	12,400	129.8%
Hardware	-	100	-
Supplies	2,995	2,700	110.9%
Printer supplies	-	1,200	-
Printing	385	400	96.3%
Postage	1,231	1,200	102.6%
Copying	2,530	3,300	76.7%
Insurance	40,866	34,141	119.7%
Legal fees	3,533	5,000	70.7%
Media and documentation	64	200	32.0%
Permit administration	721	700	103.0%
Physical examinations	44	-	N/A
Depreciation	96,166	93,855	102.5%
	594,669	533,985	111.4%
Less amount capitalized as airport development	186,406	-	-
Total facilities and environmental	408,263	533,985	76.5%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Airport director's office			
Salaries	458,706	458,706	100.0%
Retirement	46,525	46,525	100.0%
Health insurance	18,687	18,686	100.0%
Social security	31,226	31,226	100.0%
Contracted services	21,456	-	N/A
Professional dues and education	51,191	54,500	93.9%
Travel	75,855	20,800	364.7%
Electricity	27,980	26,900	104.0%
Telephone	5,238	5,800	90.3%
Advertising	281	200	140.5%
Promotional	8,730	10,000	87.3%
Fuel - natural gas	1,550	2,100	73.8%
Repairs and maintenance			
Janitorial	35,425	21,000	168.7%
Supplies	2,693	1,700	158.4%
Printing	103	100	103.0%
Postage	2,767	2,000	138.4%
Copying	2,514	3,000	83.8%
Insurance	27,311	22,814	119.7%
Legal fees	176,998	100,000	177.0%
Triangle J-Core program	10,000	10,000	100.0%
Authority per diem	3,710	4,200	88.3%
Unemployment compensation	11	20,000	0.1%
CIAL moving expenses	14,351	15,000	95.7%
Depreciation	184,312	111,980	164.6%
Total airport director's office	1,207,620	987,237	122.3%
Customer service and organizational support			
Salaries	351,131	351,131	100.0%
Retirement	28,715	28,714	100.0%
Health insurance	21,229	21,229	100.0%
Social security	25,053	25,053	100.0%
Tuition assistance	6,696	10,000	67.0%
Contracted services	49,619	54,000	91.9%
Copying	3,779	5,100	74.1%
Postage	2,989	5,500	54.3%
Professional education	4,733	9,250	51.2%
Travel	6,931	8,800	78.8%
Telephone	9,252	8,700	106.3%
Promotional	9,756	11,250	86.7%
Printing	21,775	29,000	75.1%
Supplies	7,986	6,500	122.9%
Total customer service and organizational support	549,644	574,227	95.7%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Noise			
Salaries	48,381	48,381	100.0%
Retirement	2,021	2,021	100.0%
Health insurance	3,916	3,916	100.0%
Social security	2,828	2,828	100.0%
Advertising	9,043	8,500	106.4%
Contracted services	35,383	45,000	78.6%
Professional dues and education	624	2,000	31.2%
Repairs and maintenance - equipment	2,793	3,000	93.1%
Travel	3	2,500	0.1%
Supplies	946	300	315.3%
Copying	1,143	1,500	76.2%
Postage	621	1,000	62.1%
Printing	175	300	58.3%
Small equipment	-	1,000	-
Insurance	775	647	119.8%
Total noise	108,652	122,893	88.4%
Administration			
Salaries	222,290	222,290	100.0%
Retirement	16,010	16,010	100.0%
Health insurance	21,709	21,709	100.0%
Social security	15,727	15,727	100.0%
Employee assistance program	850	2,000	42.5%
Legal fees	13,588	20,000	67.9%
Physical examinations	371	150	247.3%
Professional dues and education	3,521	5,400	65.2%
Travel	(340)	5,150	-6.6%
Telephone	6,724	5,800	115.9%
Supplies	2,235	1,700	131.5%
Printing	2,200	7,600	28.9%
Copying	2,761	3,000	92.0%
Postage	3,079	1,650	186.6%
Contracted services	104,266	50,750	205.5%
Promotional	10,195	10,000	102.0%
Advertising	24,638	25,000	98.6%
Total public affairs	449,824	413,936	108.7%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Finance			
Salaries	515,742	515,742	100.0%
Retirement	41,242	41,242	100.0%
Health insurance	39,159	39,159	100.0%
Social security	36,607	36,607	100.0%
Advertising	-	500	-
Professional dues and education	4,649	9,200	50.5%
Promotional	221	-	N/A
Travel	3,062	8,700	35.2%
Telephone	14,763	12,200	121.0%
Repairs and maintenance - equipment	94	150	62.7%
Small equipment	-	800	-
Supplies	9,361	6,000	156.0%
Printing	3,054	5,000	61.1%
Copying	5,949	6,600	90.1%
Software	2,211	-	N/A
Hardware/computer	732	-	N/A
Hardware maintenance	431	2,000	21.6%
Media and documentation	232	500	46.4%
Printer supplies	8,495	10,000	85.0%
Postage	4,985	3,900	127.8%
Audit	21,866	25,500	85.7%
Contracted services	11,947	6,700	178.3%
Total finance	724,802	730,500	99.2%
Business development			
Salaries	112,307	112,307	100.0%
Retirement	12,009	12,009	100.0%
Health insurance	9,000	9,000	100.0%
Social security	7,922	7,922	100.0%
Copying	1,234	2,000	61.7%
Postage	419	750	55.9%
Printing	103	-	N/A
Professional/education	399	1,950	20.5%
Supplies	1,343	1,300	103.3%
Telephone	2,691	3,100	86.8%
Travel	-	4,000	-
Total business development	147,427	154,338	95.5%
TOTAL ADMINISTRATIVE	$ 3,616,776	$ 3,716,432	97.3%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

OPERATIONS EXPENSES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Operations			
Salaries	$ 336,690	$ 336,690	100.0%
Retirement	21,269	21,269	100.0%
Health insurance	30,641	30,641	100.0%
Social security	21,847	21,847	100.0%
Contracted services	65,452	27,500	238.0%
Physical examinations	560	250	224.0%
Professional dues and education	2,763	11,000	25.1%
Travel	7,702	10,000	77.0%
Telephone	16,724	12,300	136.0%
Repairs and maintenance - equipment	38,208	7,000	545.8%
Small equipment	6,968	7,100	98.1%
Supplies	41,622	20,000	208.1%
Printer supplies	-	700	-
Copying	1,249	1,250	99.9%
Postage	1,005	800	125.6%
Insurance	18,714	13,322	140.5%
Permit administration	-	25	-
Printing	3,905	2,500	156.2%
AVSEC	66,725	-	N/A
Uniforms	386	2,500	15.4%
Depreciation	18,170	31,439	57.8%
TOTAL OPERATIONS	$ 700,600	$ 558,133	125.53%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

LAW ENFORCEMENT EXPENSES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Law enforcement			
Salaries	$ 1,355,963	$ 1,355,963	100.0%
Retirement	124,261	124,261	100.0%
Health insurance	96,525	96,525	100.0%
Social security	97,286	97,286	100.0%
Professional dues and education	6,671	15,000	44.5%
AVSEC	141,013	-	N/A
K-9 program	11,852	15,000	79.0%
Travel	12,168	15,000	81.1%
Physical examinations	5,959	11,850	50.3%
Telephone	22,613	13,400	168.8%
Repairs and maintenance - equipment	3,758	4,500	83.5%
Small equipment	3,154	3,500	90.1%
Software	-	2,000	-
Supplies	16,058	20,000	80.3%
Uniforms	20,176	20,000	100.9%
Printing	2,418	3,000	80.6%
Copying	5,476	5,400	101.4%
Postage	647	350	184.9%
Insurance	35,831	29,934	119.7%
Police identification systems	2,700	3,600	75.0%
Depreciation	47,638	44,873	106.2%
TOTAL LAW ENFORCEMENT	$ 2,012,167	$ 1,881,442	106.9%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

AIRPORT MAINTENANCE EXPENSES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Airport maintenance			
Salaries	$ 1,256,508	$ 1,256,508	100.0%
Retirement	104,716	104,716	100.0%
Health insurance	105,730	105,730	100.0%
Social security	91,386	91,386	100.0%
Contracted services	312	600	52.0%
Professional dues and education	112	6,000	1.9%
Physical examinations	3,126	7,200	43.4%
Telephone	16,730	14,700	113.8%
Postage	1,314	600	219.0%
Travel	3,371	4,000	84.3%
Hardware/computer	599	400	149.8%
Electricity	18,866	17,400	108.4%
Repairs and maintenance			
Janitorial	6,065	3,500	173.3%
Waste disposal	2,195	2,000	109.8%
Equipment	785	2,500	31.4%
Fuel	10,972	12,400	88.5%
Small equipment	8,863	12,000	73.9%
Supplies	21,508	25,000	86.0%
Copying	3,363	3,400	98.9%
Insurance	73,462	61,378	119.7%
Uniforms	18,799	19,750	95.2%
Depreciation	233,452	215,050	108.6%
Total airport maintenance	1,982,234	1,966,218	100.8%
Fleet maintenance			
Salaries	256,400	256,400	100.0%
Health insurance	17,313	17,313	100.0%
Social security	19,471	19,471	100.0%
Retirement	22,531	22,531	100.0%
Fuel - vehicles and equipment	243,031	220,000	110.5%
Professional dues and education	425	1,000	42.5%
Physical examinations	-	250	-
Repairs and maintenance - equipment	29,112	17,750	164.0%
Supplies	172,623	140,000	123.3%
Uniforms	3,513	3,000	117.1%
Insurance	9,033	7,551	119.6%
Small equipment	1,386	2,150	64.5%
Travel	789	-	N/A
Depreciation	6,990	2,786	250.9%
Total fleet maintenance	782,617	710,202	110.2%
TOTAL AIRPORT MAINTENANCE	$ 2,764,851	$ 2,676,420	103.3%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

PARKING EXPENSES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Parking			
Salaries	$ 909,590	$ 735,260	123.7%
Retirement	63,610	57,350	110.9%
Health insurance	74,128	78,180	94.8%
Social security	66,543	58,390	114.0%
Abandoned vehicles	1,321	1,500	88.1%
Professional dues and education	3,410	4,000	85.3%
Travel	7,112	8,000	88.9%
Electricity	8,905	10,300	86.5%
Telephone	39,898	22,800	175.0%
Repairs and maintenance			
Janitorial	15,524	9,500	163.4%
Waste disposal	12,620	13,600	92.8%
Equipment	387	350	110.6%
Supplies	34,445	20,000	172.2%
Physical examinations	519	200	259.5%
Small equipment	23,130	29,500	78.4%
Printing	1,417	1,000	141.7%
Postage	1,169	250	467.6%
Copying	5,220	5,000	104.4%
Insurance	33,754	22,372	150.9%
Contracted services	1,096,041	923,090	118.7%
Hardware/computer	33,808	90,000	37.6%
Hardware/maintenance	57,878	75,000	77.2%
Printer supplies	25,308	30,000	84.4%
Uniforms	5,344	6,000	89.1%
Depreciation	4,018,975	2,557,438	157.1%
TOTAL PARKING	$ 6,540,056	$ 4,759,080	137.4%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
EMERGENCY SERVICES EXPENSES
Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Emergency services			
Salaries	$ 872,373	$ 872,373	100.0%
Retirement	67,449	67,449	100.0%
Health insurance	60,045	60,045	100.0%
Social security	62,399	62,399	100.0%
Professional dues and education	16,059	11,400	140.9%
Travel	7,211	9,000	80.1%
Telephone	12,165	19,000	64.0%
Fuel	3,594	4,000	89.9%
Physical examinations	4,786	6,750	70.9%
Repairs and maintenance - equipment	5,437	8,900	61.1%
Waste disposal	359	300	119.7%
Supplies	16,474	16,000	103.0%
Uniforms	10,527	8,400	125.3%
Small equipment	5,292	5,600	94.5%
Printing	739	200	369.5%
Copying	2,977	3,000	99.2%
Postage	117	50	234.0%
Insurance	25,949	21,682	119.7%
Depreciation	205,729	201,828	101.9%
TOTAL EMERGENCY SERVICES	$ 1,379,681	$ 1,378,376	100.1%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

VISITOR SERVICES EXPENSES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Visitor services			
Salaries	$ 242,914	$ 242,914	100.0%
Retirement	20,514	20,514	100.0%
Health insurance	27,412	27,412	100.0%
Accident insurance	300	200	150.0%
Social security	19,128	19,128	100.0%
Tuition assistance	286	-	N/A
Advertising	1,645	1,400	117.5%
Contracted services	4,240	2,495	169.9%
Professional dues and education	2,657	2,000	132.9%
Promotional	5,593	8,000	69.9%
Travel	1,633	1,500	108.9%
Telephone	6,846	5,400	126.8%
Repairs and maintenance - equipment	193	200	96.5%
Small equipment	537	400	134.3%
Supplies	2,232	2,800	79.7%
Uniforms	(178)	2,100	-8.5%
Printing	3,440	2,500	137.6%
Copying	554	700	79.1%
Postage	202	150	134.7%
Insurance	7,171	5,987	119.8%
TOTAL VISITOR SERVICES	$ 347,319	$ 345,800	100.4%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

COMMUNICATIONS EXPENSES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Communications			
Salaries	$ 257,151	$ 257,151	100.0%
Retirement	16,914	16,914	100.0%
Health insurance	26,725	26,725	100.0%
Social security	17,781	17,781	100.0%
Professional dues and education	100	750	13.3%
Travel	145	3,000	4.8%
Telephone	40,670	39,700	102.4%
Repairs and maintenance - equipment	28,185	20,000	140.9%
Supplies	1,389	2,000	69.5%
Physical examinations	556	550	101.1%
Postage	51	-	N/A
Printing	158	300	52.7%
Small equipment	2,397	6,600	36.3%
Uniforms	1,054	1,000	105.4%
Insurance	2,001	3,991	50.1%
Depreciation	160,193	203,840	78.6%
TOTAL COMMUNICATIONS	$ 555,470	$ 600,302	92.5%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

GROUNDS TRANSPORTATION DIVISION EXPENSES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Ground transportation			
Salaries	$ 263,035	$ 261,900	100.4%
Health insurance	23,290	24,580	94.8%
Retirement	21,043	17,540	120.0%
Social security	22,162	20,560	107.8%
Copying	3,466	3,200	108.3%
Insurance	36,144	30,203	119.7%
Physical examinations	1,501	1,800	83.4%
Postage	3,134	1,100	284.9%
Printing	7,688	14,100	54.5%
Professional dues and education	1,900	2,450	77.6%
Contracted services	1,531,600	1,531,620	100.0%
Repairs and maintenance - equipment	32,693	26,000	125.7%
Repairs and maintenance - janitorial	6,971	3,500	199.2%
Shuttle van rental	830,769	830,800	100.0%
Small equipment	2,466	2,000	123.3%
Supplies	11,579	5,550	208.6%
Telephone	9,502	3,300	287.9%
Travel	3,740	3,000	124.7%
Uniforms	12,550	10,000	125.5%
Total ground transportation	2,825,233	2,793,203	101.1%

RALEIGH - DURHAM AIRPORT AUTHORITY

EXPENSES COMPARED WITH BUDGET

GROUNDS TRANSPORTATION DIVISION EXPENSES

Year Ended March 31, 2002

	Actual	Budget	Percent of Budget
Traffic control			
Salaries	751,082	751,082	100.0%
Health insurance	68,906	68,906	100.0%
Retirement	56,840	56,840	100.0%
Social security	55,130	55,130	100.0%
Contracted services	47,276	5,000	945.5%
AVSEC dispatch	268,543	-	N/A
Professional dues and education	350	500	70.0%
Insurance	18,275	15,264	119.7%
Physical exam	468	2,750	17.0%
Printing	1,790	2,000	89.5%
Repairs and maintenance - equipment	360	500	72.0%
Small equipment	4,622	1,250	369.8%
Supplies	2,116	1,250	169.3%
Travel	779	500	155.8%
Uniforms	11,302	17,000	66.5%
Total traffic control	1,287,839	977,972	131.7%
TOTAL GROUNDS TRANSPORTATION DIVISION	$ 4,113,072	$ 3,771,175	109.1%

RALEIGH - DURHAM AIRPORT AUTHORITY

DETAILS OF AIRPORT AND FACILITIES

Year Ended March 31, 2002

	Total	Authority Funds	Federal and State Funds
Land			
Land	$ -	$ 665,002	$ 23,097
Land for proposed expansion	34,379,365	32,623,115	1,756,250
Total land	34,379,365	33,288,117	1,779,347
Landing field and grounds			
Land reclamation and improvements	1,127,616	41,507	1,086,109
Runways, taxiways and aprons	103,944,511	67,152,926	36,791,585
Lighting and marking	4,765,462	2,601,905	2,163,557
Aircraft parking and fencing	2,186,671	252,307	1,934,364
Roads, walks, fencing and landscaping	173,560,496	149,630,528	23,929,968
Total landing field and grounds	285,584,756	219,679,173	65,905,583
Terminal buildings			
Terminal A/B			
Building and improvements	50,559,228	50,282,958	276,270
Leasehold improvements	2,100,362	2,100,362	-
	52,659,590	52,383,320	276,270
Terminal C			
Building and improvements	96,695,849	92,695,849	4,000,000
Total terminal buildings	149,355,439	145,079,169	4,276,270
Other buildings			
Hangars	3,374,678	3,359,278	15,400
North Cargo buildings	18,864,319	12,764,319	6,100,000
North Ramp buildings and improvements	517,781	516,767	1,014
North Ramp leasehold improvements	870,853	870,853	-
South Cargo buildings and improvements	2,183,508	2,183,508	-
South Cargo leasehold improvements	846,431	846,431	-
Crash, fire and rescue building	723,176	258,426	464,750
Parking manager's office	190,034	190,034	-
Taxicab lounge facility	249,521	249,521	-
EMS station	674,192	674,192	-
North Carolina DOT hangar/offices	2,398,234	2,398,234	-
RDU Center and other building improvements	7,066,381	7,066,381	-
Total other buildings	37,959,108	31,377,944	6,581,164

RALEIGH - DURHAM AIRPORT AUTHORITY

DETAILS OF AIRPORT AND FACILITIES

Year Ended March 31, 2002

	Total	Authority Funds	Federal and State Funds
Utilities			
Pipeline and wells	185,553	96,973	88,580
Water and sewer system	2,694,833	2,577,900	116,933
Electrical improvements	4,690	4,690	-
North Cargo wastewater system	1,039,849	1,039,849	-
Total utilities	3,924,925	3,719,412	205,513
Equipment			
Airfield equipment	109,393	55,907	53,486
Buildings and grounds	4,980,849	4,980,849	-
Emergency services	2,390,987	2,390,987	-
Law enforcement equipment	416,106	416,106	-
Facilities development equipment	560,212	560,212	-
Operations equipment	1,704,340	1,704,340	-
Administrative equipment	934,764	934,764	-
Other equipment	179,770	179,770	-
Total equipment	11,276,421	11,222,935	53,486
Construction in progress			
Non-program projects	1,336,291	1,336,291	-
Other terminal area projects	12,723,926	12,723,926	-
Other non-terminal area projects	112,931,483	98,908,161	14,023,322
Total construction in progress	126,991,700	112,968,378	14,023,322
TOTAL DETAILS OF AIRPORT AND FACILITIES	$ 650,159,813	$ 557,335,128	$ 92,824,685

RALEIGH - DURHAM AIRPORT AUTHORITY
SUMMARY OF DEPRECIATION
Years Ended March 31, 2002 and 2001

	2002	2001
Departmental		
Administrative	$ 184,312	$ 185,380
Parking	4,018,975	2,661,206
Emergency services	205,729	131,256
Airport maintenance	240,442	227,309
Law enforcement	47,638	44,604
Facilities and environmental	96,166	78,182
Operations	18,170	12,296
Communications	160,193	157,480
Total departmental	4,971,625	3,497,713
Nondepartmental		
Airfield complex	3,523,470	3,588,307
Terminal A complex		
Buildings and improvements	2,791,508	2,794,071
Terminal C complex		
Buildings and improvements	2,576,124	2,610,857
General aviation		
Buildings and improvements	242,240	128,820
Leasehold improvements	-	4,667
Total general aviation	242,240	133,487
Cargo complex		
Buildings and improvements	1,684,751	1,684,751
Grounds transportation complex	3,290,648	3,444,868
Other locations complex	925,795	858,296
Utilities complex	105,765	105,765
Rental Car complex	170,952	199,820
TOTAL DEPRECIATION	$ 20,282,878	$ 18,917,935

RALEIGH - DURHAM AIRPORT AUTHORITY

SUMMARY OF CAPITAL PROJECTS FUNDS

SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET

Year Ended March 31, 2002

		Expenditures			Unexpended
	Budget	Prior Year	Current Year	Total	Budget March 31, 2002
General Airport Projects	$ 31,003,500	$ 20,170,254	$ 2,069,235	$ 22,239,489	$ 8,764,011
Terminal Area Projects	49,525,000	22,052,544	10,960,121	33,012,665	16,512,335
Non-Terminal Area Projects	82,125,000	25,625,571	21,216,995	46,842,566	35,282,434
Aeronautical Facilities Bond Projects	57,950,000	53,319,549	4,108,123	57,427,672	522,328
General Airport Revenue Bond Projects	140,600,000	6,906,923	52,032,397	58,939,320	81,660,680
TOTAL CAPITAL PROJECTS	$ 361,203,500	$ 128,074,841	$ 90,386,871	$ 218,461,712	$ 142,741,788