

RALEIGH-DURHAM AIRPORT AUTHORITY

RDU Airport, North Carolina

General Purpose Financial Statements

and

Supplemental Information

Years Ended March 31, 2003 and 2002

RALEIGH-DURHAM AIRPORT AUTHORITY
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Years Ended March 31, 2003 and 2002

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INDEPENDENT AUDITORS' REPORT

To the Members
Raleigh-Durham Airport Authority
RDU Airport, 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, 2003 and 2002, 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, 2003 and 2002 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 3, 2003 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
July 3, 2003

RALEIGH-DURHAM AIRPORT AUTHORITY
BALANCE SHEETS
 March 31, 2003 and 2002

<u>ASSETS</u>	2003	2002
Current assets		
Cash and cash equivalents	\$ 6,570,062	\$ 8,112,636
Cash and cash equivalents-Bond Series 2001A and B reimbursements	4,781,875	-
Short-term investments	29,776,933	23,946,923
Accounts receivable for fees and rentals, less allowance for doubtful accounts of \$310,404 and \$17,470 in 2003 and 2002, respectively	3,100,584	2,825,574
Grants receivable	1,379,491	753,808
Other current assets	407,997	290,763
Total current assets	46,016,942	35,929,704
Restricted assets		
Collateral for general obligation bonds		
Short-term investments	2,075,325	4,868,000
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 2002B	81,496,963	104,401,164
Total restricted assets	83,792,288	109,489,164
Airport and facilities, net	419,048,807	388,545,591
Debt issue costs, net	2,473,015	2,506,186
 TOTAL ASSETS	 \$ 551,331,052	 \$ 536,470,645

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

RALEIGH-DURHAM AIRPORT AUTHORITY
BALANCE SHEETS
 March 31, 2003 and 2002

LIABILITIES AND EQUITY

	2003	2002
Current liabilities		
Accounts payable	\$ 4,940,101	\$ 2,744,895
Retainage and construction accounts payable	12,601,919	14,559,029
Accrued employee compensation	1,192,977	985,569
Accrued bond interest payable	4,137,273	4,172,221
Current maturities of long-term debt		
Bond Anticipation Note-Series 2002B	35,000,000	-
General Airport Revenue Bonds-Series 2001B	3,615,000	4,610,000
Other long-term debt	1,820,000	4,420,000
General Airport Revenue Bonds-Series 2002A	1,300,000	-
Special Facilities Revenue Bonds	-	3,500,000
Total current liabilities	64,607,270	34,991,714
Long-term debt		
General Airport Revenue Bonds-Series 2001A and B	191,315,000	194,930,000
General Airport Revenue Bonds-Series 2002A	28,700,000	-
Other long-term debt	1,925,000	3,745,000
Special Facility Revenue Bonds	-	74,708,556
	221,940,000	273,383,556
Deferred revenue		
Deferred rent credit	3,000,000	-
Rents paid in advance	-	26,985,044
	3,000,000	26,985,044
Total liabilities	289,547,270	335,360,314
Equity		
Contributed capital	90,478,106	90,478,106
Retained earnings	171,305,676	110,632,225
Total equity	261,783,782	201,110,331
TOTAL LIABILITIES AND EQUITY	\$ 551,331,052	\$ 536,470,645

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, 2003 and 2002

	2003	2002
Operating revenues		
Parking	\$ 22,364,712	\$ 23,162,078
Airfield	10,267,762	6,864,368
General aviation	983,279	963,384
Terminals	14,914,537	10,562,847
Air cargo	1,537,324	1,301,970
Rental car	9,269,750	9,334,756
Other	2,091,484	1,573,802
Total operating revenues	<u>61,428,848</u>	<u>53,763,205</u>
Operating expenses		
Airport facilities	7,600,242	4,396,847
Administrative	3,861,780	3,336,299
Law enforcement	3,092,642	1,964,529
Airport maintenance	2,935,763	2,524,409
Parking	2,688,337	2,521,081
Emergency services	1,146,471	1,173,952
Visitor services	440,341	347,319
Communications	470,381	395,277
Operations	901,934	682,430
Ground transportation	4,206,882	4,113,072
Subtotal	<u>27,344,773</u>	<u>21,455,215</u>
Depreciation	19,980,933	17,706,754
Total operating expenses	<u>47,325,706</u>	<u>39,161,969</u>
Operating income	<u>14,103,142</u>	<u>14,601,236</u>
Non-operating revenues (expenses)		
Investment interest income	1,874,491	2,020,628
Net increase (decrease) in fair value of investments	165,718	(160,039)
Loss on retirement of fixed assets	-	(262,704)
Bond interest expense, net	(2,759,383)	(2,621,673)
Total non-operating revenues (expenses)	<u>(719,174)</u>	<u>(1,023,788)</u>
Income before capital contributions	<u>13,383,968</u>	<u>13,577,448</u>
Capital contributions	3,623,952	5,949,316
Net earnings before cost associated with financing and termination of Terminal C Complex agreement	17,007,920	19,526,764
Income associated with financing Terminal C Complex	-	639,108
Net settlement of Terminal C transaction	43,665,531	-
Net earnings	<u>60,673,451</u>	<u>20,165,872</u>
Retained earnings at beginning of year	<u>110,632,225</u>	<u>90,466,353</u>
Retained earnings at end of year	<u>\$ 171,305,676</u>	<u>\$ 110,632,225</u>

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CONTRIBUTED CAPITAL
Years Ended March 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
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	<u>32,134</u>	<u>32,134</u>
	<u>\$ 90,478,106</u>	<u>\$ 90,478,106</u>

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, 2003 and 2002

	2003	2002
Operating activities		
Operating income	\$ 14,103,142	\$ 14,601,236
Adjustments to reconcile operating income to net cash provided by operating activities		
Amortization	183,643	118,021
Bad debts	292,934	-
Depreciation	19,980,933	17,706,754
Loss on retirement of fixed assets	-	262,704
Changes in operating assets and liabilities		
Accounts receivable	(567,944)	406,504
Other current assets	(117,234)	45,060
Accounts payable	2,195,206	690,053
Retainage and construction accounts payable	(1,957,110)	6,163,696
Accrued employee compensation	207,408	76,397
Net cash provided by operating activities	<u>34,320,978</u>	<u>40,070,425</u>
Investing activities		
Purchases of short-term investments	(31,401,552)	(30,888,256)
Proceeds from maturities of short-term investments	29,901,824	33,916,491
Investment income (loss) on valuation account	165,718	(160,039)
Interest on cash deposits	336,881	561,395
Net cash provided by (used in) investing activities	<u>(997,129)</u>	<u>3,429,591</u>
Capital and related financing activities		
Financing activities associated with Terminal C Complex		
Principal payments	-	(3,550,000)
Interest paid	-	(1,687,751)
Proceeds received from American Airlines	-	5,237,751
Other capital and financing costs		
Debt issuance costs	(559,800)	-
Additions to airport and facilities	(103,031,878)	(87,132,263)
Bond interest paid on long-term debt	(8,365,340)	(7,431,174)
Principal payments on long-term debt	(9,030,000)	(9,267,303)
Proceeds from debt issuance	65,000,000	-
Contributed capital	2,998,269	5,308,677
Net cash used in capital and related financing activities	<u>(52,988,749)</u>	<u>(98,522,063)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(19,664,900)	(55,022,047)
Cash and cash equivalents - beginning of year	<u>112,513,800</u>	<u>167,535,847</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 92,848,900</u>	<u>\$ 112,513,800</u>

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2003 and 2002

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 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 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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2003 and 2002

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 and 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 \$19,980,933 and \$20,282,878 for 2003 and 2002, respectively; of which \$1,284,304 and \$2,576,124 related to the Terminal C complex prior to acquisition.

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2003 and 2002

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, 2003, no air carrier accounted for more than 9% of the Authority's operating revenues.

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 \$37,655,810 and a bank balance of \$42,408,267. Of this bank balance, \$401,174 was covered by federal depository insurance while the balance of \$42,007,093 was covered by collateral held under the Pooling Method. Approximately \$30,000,000 of the bank balance is the Series 2002B Bond Anticipation Note restricted deposit. The Authority is required to maintain a minimum balance of \$250,000 in its cash concentration account.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 March 31, 2003 and 2002

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 \$177,250 and \$337,167 for 2003 and 2002, 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.

	<u>A</u>	<u>B</u>	<u>C</u>	<u>Cost (1)</u>	<u>Fair Value (1)</u>
<u>Unrestricted Funds</u>					
U. S. Government Agencies	<u>\$ 29,631,977</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 29,631,977	\$ 29,776,933
North Carolina Capital Management Trust	N/A	N/A	N/A	<u>4,233,738</u>	<u>4,233,738</u>
				<u>\$ 33,865,715</u>	<u>\$ 34,010,671</u>

Restricted Funds

G/O Bond Collateral

U. S. Government Agencies	\$ 2,075,325	\$ -	\$ -	\$ 2,075,325	\$ 2,075,325
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General Airport Revenue Bonds

2001A - Proceeds

North Carolina Capital Management Trust	N/A	N/A	N/A	5,802,014	5,802,014
Forward Purchase Agreements	44,832,214	-	-	44,832,214	44,832,214

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 March 31, 2003 and 2002

Note 3 – Deposits and investments (continued)

	A	B	C	Cost (1)	Fair Value (1)
General Airport Revenue Bond					
2002 - Proceeds					
North Carolina Capital Management Trust	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>536,174</u>	<u>536,174</u>
	<u>\$ 46,907,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,245,727</u>	<u>\$ 53,245,727</u>

(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	2003	2002
Land	-	\$ 35,067,464	\$ 35,067,464
Landing field and grounds	5 to 20 Years	297,049,489	285,584,756
Terminal buildings	5 to 45 Years	60,013,434	149,355,439
Other buildings	5 to 30 Years	59,512,805	37,959,108
Utilities	5 to 20 Years	3,924,926	3,924,925
Equipment	3 to 20 Years	<u>11,469,955</u>	<u>11,276,421</u>
		467,038,073	523,168,113
Construction in progress		<u>180,171,142</u>	<u>126,991,700</u>
		647,209,215	650,159,813
Less accumulated depreciation		<u>228,160,408</u>	<u>261,614,222</u>
		<u>\$ 419,048,807</u>	<u>\$ 388,545,591</u>

During 2003 and 2002, interest costs of approximately \$5,720,387 and \$7,997,404, net of interest earned of approximately \$1,522,225 and \$4,285,954, were capitalized as part of the cost of construction in progress.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 March 31, 2003 and 2002

Note 5 – Long-term debt

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

	2003	2002
Amounts due to trustee		
Special Facility Refunding Revenue Bonds, Series 1995, (varying interest rates, adjusted daily), maturing in installments from 2002 to 2015.	\$ -	\$ 78,300,000
Unamortized bond discount	-	(91,444)
	-	78,208,556
Series 2001A 4.00 – 5.50% General Airport Revenue Bonds, maturing in varying installments beginning in 2005 to 2031.	156,975,000	156,975,000
Series 2001B 4.00 – 4.375% General Airport Revenue Bonds, maturing in varying installments beginning in 2002 to 2014.	37,955,000	42,565,000
Series 2002A 1.15% Adjustable Rate Airport Revenue Bonds, maturing in varying installments beginning in 2003.	30,000,000	-
Series 2002B 1.91% Bond Anticipation Note, maturing in 2004.	35,000,000	-
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.	3,745,000	8,165,000
Total bond obligations	263,675,000	285,913,556
Less current maturities	41,735,000	12,530,000
	\$ 221,940,000	\$ 273,383,556

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 March 31, 2003 and 2002

Note 5 – Long-term debt (continued)

Debt maturities for the next five years and 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	Bond Anticipation Note Series 2002B	Amounts Due Special District GO Bond Series 1992
2004	\$ -	\$ 3,615,000	\$ 1,300,000	\$ 35,000,000	\$ 1,820,000
2005	2,840,000	3,295,000	1,400,000	-	1,925,000
2006	2,985,000	3,425,000	1,500,000	-	-
2007	3,150,000	3,565,000	1,600,000	-	-
2008	3,320,000	3,710,000	1,700,000	-	-
thereafter	<u>144,680,000</u>	<u>20,345,000</u>	<u>22,500,000</u>	<u>-</u>	<u>-</u>
	<u>\$156,975,000</u>	<u>\$ 37,955,000</u>	<u>\$ 30,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 3,745,000</u>

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 month ending March 31, 2002 was 1.38%.

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. As a result of the above events, the Authority eliminated certain asset and liability account balances that had been established to account for the original lease and financing transaction. The financial statement effect is reported in the statement of operations under the caption “Net Settlement of Terminal C Transaction.”

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 March 31, 2003 and 2002

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 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.

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, 2003 is calculated as follows:

Net revenues	\$ 35,958,566
Annual debt service	<u>11,546,138</u>
Calculated debt service coverage ratio	<u><u>311%</u></u>

On June 13, 2002, the Authority issued the \$30,000,000 Adjustable Rate Airport Revenue Bonds Series 2002 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, 2003 was 1.15%. 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 Series 2002B under the Master Trust Indenture. The Note is a obligation of the Authority, secured by and payable from the Net Revenues of the Authority, and the proceeds from the Authority's General Airport Revenue Bond Issue, Series 2003 proposed 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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 March 31, 2003 and 2002

Note 5 – Long-term debt (continued)

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, 2003 and 2002, \$2,075,325 and \$4,868,000, 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.

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. The Authority made its final payment on the 1993 Series bonds in March 2003.

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 20% and 18% of airport operating revenues for 2003 and 2002. The 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, 2003 and 2002, contingent rentals comprised \$12,451,000 and \$9,619,290, respectively, of the total rental revenues.

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

Year Ending March 31	Amount
2004	\$ 8,423,000
2005	8,299,000
2006	7,701,000
2007	6,796,000
2008	5,848,000
	\$ 37,067,000

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2003 and 2002

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 4.91% 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, 2003, 2002 and 2001 were \$1,086,950, \$941,035 and \$828,811, respectively.

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, 2003 and 2002 were \$107,803 and \$87,031 respectively, which consisted of \$79,326 and \$63,106 from the Authority, and \$28,477 and \$23,925 from the law enforcement officers, respectively.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2003 and 2002

Note 7 – Employee retirement plans (continued)

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, 2003, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>33</u>
Total	<u>34</u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies

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

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

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2003 and 2002

Note 7 – Employee retirement plans (continued)

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, 2003, the Authority made contributions to the State for death benefits of \$22,026. 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.

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2003 and 2002

Note 8 – Commitments and contingencies (continued)

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, 2003, the Authority has contractual commitments for Authority expansion programs of approximately \$70,200,000.

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 Transportation Security Administration (TSA), an agency of the Department of Homeland Security, 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” and GASB Statement 38 “Certain Financial Statements Note Disclosures.” These statements will require the Authority to provide a management and discussion analysis of its operating results. The Authority does not anticipate any other significant changes to its financial statements as a result of the adoption of these statements.

Note 11 – Subsequent event

In February 2003, the Authority received final approval from the FAA to begin charging a \$3 passenger facility charge (“PFC”). This charge became effective May 1, 2003.



INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL INFORMATION

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

Our audits were conducted for the purpose of forming an opinion on the general purpose financial statements as of and for the years ended March 31, 2003 and 2002 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 C.P.A.

Greensboro, North Carolina
July 3, 2003

RALEIGH - DURHAM AIRPORT AUTHORITY
SUMMARY OF OPERATING REVENUES AND EXPENSES
COMPARED WITH BUDGET
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Operating revenues			
Parking	\$ 22,364,712	\$ 24,000,000	93.2%
Airfield	10,267,762	11,599,716	88.5%
General aviation	983,279	928,715	105.9%
Terminals	14,914,537	15,735,326	94.8%
Air cargo	1,537,324	1,710,970	89.9%
Rental car	9,269,750	8,268,775	112.1%
Other	2,091,484	1,261,789	165.8%
Total operating revenues	<u>61,428,848</u>	<u>63,505,291</u>	<u>96.7%</u>
Operating expenses			
Complex expenses	22,422,439	26,734,133	83.9%
Department expenses	24,903,267	25,431,935	97.9%
Total operating expenses	<u>47,325,706</u>	<u>52,166,068</u>	<u>90.7%</u>
NET OPERATING INCOME	<u><u>\$ 14,103,142</u></u>	<u><u>\$ 11,339,223</u></u>	<u><u>124.4%</u></u>

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
PARKING REVENUES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Parking revenues			
Parking fees	\$ 22,661,938	\$ 24,000,000	94.4%
Contra revenue	(297,226)	-	N/A
TOTAL PARKING REVENUES	\$ 22,364,712	\$ 24,000,000	93.2%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIRFIELD REVENUES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Landing fees			
Commercial airlines	\$ 6,035,362	\$ 6,804,180	88.7%
Commuters and others	2,448,534	2,708,336	90.4%
Total landing fees	<u>8,483,896</u>	<u>9,512,516</u>	89.2%
Other			
Fuel flowage fees	421,610	300,000	140.5%
Fuel farm uplift fees	801,334	800,000	100.2%
DCA Flight Security Charge	557,442	980,000	56.9%
Other airfield revenues	3,480	7,200	48.3%
Total other	<u>1,783,866</u>	<u>2,087,200</u>	85.5%
TOTAL AIRFIELD REVENUES	<u><u>\$ 10,267,762</u></u>	<u><u>\$ 11,599,716</u></u>	<u>88.5%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
GENERAL AVIATION REVENUES
Year Ended March 31, 2003

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
General Aviation			
Fixed space rents	\$ 958,231	\$ 909,715	105.3%
Percentage rents	<u>25,048</u>	<u>19,000</u>	<u>131.8%</u>
TOTAL GENERAL AVIATION REVENUES	<u><u>\$ 983,279</u></u>	<u><u>\$ 928,715</u></u>	<u><u>105.9%</u></u>

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
 Year Ended March 31, 2003

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
Terminal A Complex			
Fixed space rents			
AirTran Airways	\$ 219,110	\$ 237,254	92.4%
Anton Airfood	49,660	49,660	100.0%
Aeronautical Radio	600	600	100.0%
Air Canada	107,166	97,720	109.7%
Air Midwest	7,115	-	N/A
Atlantic Coast Airlines	375,017	319,414	117.4%
America West	232,658	208,272	111.7%
CC Air	-	6,600	-
CLS Management	3,000	-	N/A
The Book Cellar	-	150	-
Continental Airlines	848,094	843,916	100.5%
Delta Airlines	1,225,686	1,216,725	100.7%
DAL Global Services	1,200	1,200	100.0%
Gearbuck Aviation Services	1,200	1,200	100.0%
Elizabeth Chapel Church	300	300	100.0%
Talent Source	3,506	10,520	33.3%
Globe Airport Security	26,320	26,320	100.0%
Iskcon	300	300	100.0%
Lee Airport Concessions	4,197	6,280	66.8%
Northwest Airlines	531,729	535,255	99.3%
Paradies Shops	20,394	20,394	100.0%
Rampco	-	1,200	-
Southwest Airlines	954,538	954,690	100.0%
State Employee's Credit Union	1,579	1,579	100.0%
US Airways	1,123,805	1,319,835	85.1%
Transportation Security Administration	33,393	-	N/A
Wachovia	1,315	1,315	100.0%
Total fixed space rents	<u>5,771,882</u>	<u>5,860,699</u>	<u>98.5%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Percentage rents			
Airport Channel	12,750	12,500	102.0%
AJ Tavern/Greenleaf's	158,101	62,000	255.0%
A&W All American Food	45,548	100,600	45.3%
ACC Shop	52,535	62,000	84.7%
A Southern Season	109,412	51,600	212.0%
Anton US Air Club	738	-	N/A
Brooks Brothers	46,037	62,400	73.8%
Business Traveler Services	1,794	-	N/A
CLS Management	32,857	20,000	164.3%
Carolina Varsity Bar	311,326	84,600	368.0%
Classic Food Services	12,890	-	N/A
Gelato Amare/Jazzy Juice	10,192	13,400	76.1%
Godfather's	37,406	51,500	72.6%
Golden Corral	67,858	50,400	134.6%
WH Smith Books Company	71,510	58,700	121.8%
Interspace Airport Advertising	513,843	580,000	88.6%
Jump	16,908	36,000	47.0%
Lee Airport Concessions:			
Gourmet Bean	38,128	25,700	148.4%
Gelato	6,427	-	N/A
Jersey Mike's	21,775	8,300	262.3%
Natural Snacks	25,527	-	N/A
Lone Wolf Publishing	4,387	2,500	175.5%
Majestic Terminal Services	1,189	-	N/A
PGA Tour Shop	6,448	-	N/A
Paradies Airport Shops	62,365	-	N/A
Popeye's Chicken	92,472	133,100	69.5%
Rapido's	40,097	60,900	65.8%
RDU Press Plus	482,508	271,200	177.9%
Seattle's Best Coffee	-	16,500	-
Smarte Cart	12,376	12,800	96.7%
Superior Shine	10,102	5,700	177.2%
The Book Cellar	28,945	25,000	115.8%
Telephones - AT&T	45,054	40,000	112.6%
Telephones - Kellee Communications	44,442	30,000	148.1%
24-Hour Flower	3,466	3,000	115.5%
World Duty Free	37,500	-	N/A
Total percentage rents	2,464,913	1,880,400	131.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Miscellaneous rents			
Security - checkpoint A	558,201	522,284	106.9%
Security - law enforcement	110,123	98,387	111.9%
Utilities	81,473	50,000	162.9%
Janitorial	120,490	-	N/A
Conference room	4,377	13,500	32.4%
Total miscellaneous rents	<u>874,664</u>	<u>684,171</u>	<u>127.8%</u>
Total Terminal A Complex revenues	<u>9,111,459</u>	<u>8,425,270</u>	<u>108.1%</u>
Terminal C Complex			
Fixed space rents			
Aeronautical Radio	7,267	-	N/A
American Airlines	3,462,514	3,836,691	90.2%
American Eagle Airlines	88,096	-	N/A
Charter Express	9,249	-	N/A
CLS Management	1,500	-	N/A
Colonial Pipeline	12,068	12,068	100.0%
Fleet Delivery Service	1,829	-	N/A
Iskcon	125	-	N/A
Midway Airlines	212,444	1,804,050	11.8%
Sky Chefs	-	161,911	-
State Employees Credit Union	2,070	-	N/A
Transportation Security Administration	13,921	-	N/A
U.S. Postal Service	17,778	17,779	100.0%
Total fixed space rents	<u>3,828,861</u>	<u>5,832,499</u>	<u>65.6%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Percentage rents			
24-Hour Flower	1,208	1,650	73.2%
Anton's Airfood:			
Cyber Café	222,166	53,600	414.5%
Jersey Mike's	33,319	17,300	192.6%
A&W All American Food	23,520	37,100	63.4%
Pinehurst Microbrewery	8,183	20,500	39.9%
Maui Taco	17,553	19,800	88.7%
Airport Channel	-	11,500	-
CLS Management	4,823	-	N/A
Cash Plaae	2,137	2,750	77.7%
Classic Food Service	378	-	N/A
Interspace Airport Advertising	300,613	275,000	109.3%
Lee Airport Concessions:			
Gelato Amare/Jazzy Juice	-	11,000	-
Seattle's Best Coffee	14,979	30,200	49.6%
Vie De France	28,811	-	N/A
Lone Wolf Publishing	-	2,500	-
RDU Air Ventures:			
WH Smith Books Company	16,886	36,200	46.6%
WH Smith Gifts	18,129	46,300	39.2%
WH Smith News	114,434	43,900	260.7%
Smarte Cart	2,439	5,000	48.8%
Travelex	-	2,400	-
The Paradies Shops:			
A Southern Season	9,397	47,900	19.6%
ACC Shop	-	30,000	-
The Book Cellar	-	7,100	-
RDU Press Plus	47,023	17,600	267.2%
PGA Tour Shop	-	28,000	-
Telephones - AT&T	-	30,000	-
Telephones - Kellee Communications	24,444	27,700	88.2%
Sky Chefs	496,498	350,000	141.9%
Total percentage rents	1,386,940	1,155,000	120.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
 Year Ended March 31, 2003

	<u>Actual</u>	<u>Budget</u>	Percent of <u>Budget</u>
Miscellaneous rents			
Midway employee parking	2,763	13,440	20.6%
FIS international passenger deplaning fee	372,585	-	N/A
Security check point	172,974	257,794	67.1%
Security law enforcement cost recovery	38,955	51,323	75.9%
Total miscellaneous rents	<u>587,277</u>	<u>322,557</u>	<u>182.1%</u>
Total Terminal C Complex revenues	<u>5,803,078</u>	<u>7,310,056</u>	<u>79.4%</u>
TOTAL TERMINAL REVENUES	<u><u>\$ 14,914,537</u></u>	<u><u>\$ 15,735,326</u></u>	<u><u>94.8%</u></u>

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIR CARGO REVENUES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
North Cargo Complex			
Fixed space rents			
Airborne Express	\$ 121,554	\$ 121,553	100.0%
BAX Global	135,023	135,023	100.0%
Emery Worldwide	184,131	184,132	100.0%
Federal Express	334,637	334,637	100.0%
United Parcel Service	246,115	246,115	100.0%
Total North Cargo Complex revenues	<u>1,021,460</u>	<u>1,021,460</u>	<u>100.0%</u>
South Cargo Complex			
Fixed space rents			
American Airlines	199,425	245,508	81.2%
Anton Airfood	21,881	7,064	309.8%
Delta Airlines	67,113	70,494	95.2%
Gate Gourmet	4,557	8,923	51.1%
Kellee Communications Group, Inc.	1,065	-	N/A
Midway Airlines	5,890	-	N/A
Quantem Aviation	114,644	121,489	94.4%
Southwest Airlines	42,277	45,141	93.7%
Swissport CFE, Inc.	1,200	1,200	100.0%
WH Smith Books Company	9,692	9,691	100.0%
Total fixed space rents	<u>467,744</u>	<u>509,510</u>	<u>91.8%</u>
Percentage rents			
Gategourmet	48,120	180,000	26.7%
Total percentage rents	<u>48,120</u>	<u>180,000</u>	<u>26.7%</u>
Total South Cargo Complex revenues	<u>515,864</u>	<u>689,510</u>	<u>74.8%</u>
TOTAL AIR CARGO REVENUES	<u>\$ 1,537,324</u>	<u>\$ 1,710,970</u>	<u>89.9%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
RENTAL CAR REVENUES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Fixed space rents			
Alamo Rent-A-Car	\$ 21,327	\$ -	N/A
Avis Rent-A-Car	45,689	45,690	100.0%
Budget Rent-A-Car	29,119	29,119	100.0%
Dollar Rent-A-Car	13,216	13,216	100.0%
Enterprise Car Rental	10,363	10,363	100.0%
The Hertz Corporation	81,120	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	256,119	234,775	109.1%
Percentage rents			
Alamo Rent-A-Car	660,007	492,000	134.1%
Avis Rent-A-Car	1,816,173	1,567,000	115.9%
Budget Rent-A-Car	827,620	888,000	93.2%
Dollar Rent-A-Car	544,996	450,000	121.1%
Enterprise Car Rental	460,338	388,000	118.6%
The Hertz Corporation	2,766,291	2,654,000	104.2%
National Car Rental	1,200,970	1,022,000	117.5%
Triangle Rent-A-Car	226,095	200,000	113.0%
Off Airport - Thrifty	511,141	373,000	137.0%
Total percentage rents	9,013,631	8,034,000	112.2%
TOTAL RENTAL CAR REVENUES	\$ 9,269,750	\$ 8,268,775	112.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
OTHER REVENUES
Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Fixed space rents			
First Flight Centennial	\$ 800	\$ 4,800	16.7%
Telephones - Kellee Communications	4,217	-	N/A
NC Department of Transportation	31,019	31,019	100.0%
RTRP (RDU Center Tenant)	37,371	37,370	100.0%
Off airport businesses	72,225	68,000	106.2%
Airport Express	1,094	9,600	11.4%
Total fixed rents	<u>146,726</u>	<u>150,789</u>	<u>97.3%</u>
Percentage rents			
Off airport - Thrifty parking	46,831	20,000	234.2%
Off airport - other	194,055	136,000	142.7%
Total percentage rents	<u>240,886</u>	<u>156,000</u>	<u>154.4%</u>
Other miscellaneous rents			
ID badges	93,679	43,500	215.4%
Taxi licenses and trip fees	236,038	321,500	73.4%
FAA Security Grant	711,486	-	N/A
Employee parking lot	373,616	290,000	128.8%
Total miscellaneous rents	<u>1,414,819</u>	<u>655,000</u>	<u>216.0%</u>
Utilities complex revenue	<u>289,053</u>	<u>300,000</u>	<u>96.4%</u>
TOTAL OTHER REVENUES	<u>\$ 2,091,484</u>	<u>\$ 1,261,789</u>	<u>165.8%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
COMPARATIVE SUMMARIES OF OPERATING EXPENSES BY COST CENTER
 Year Ended March 31, 2003 and 2002

	Amount		Percent of Total Operating Expenses	
	2003	2002	2003	2002
Operating expenses				
Airport facilities	\$ 22,422,439	\$ 17,131,977	47.4%	43.7%
Administrative	4,089,662	3,616,776	8.6%	9.2%
Law enforcement	3,144,804	2,012,167	6.6%	5.1%
Airport maintenance	3,169,753	2,764,851	6.7%	7.1%
Parking	6,954,586	6,540,056	14.7%	16.7%
Emergency services	1,349,928	1,379,681	2.9%	3.5%
Visitor services	440,341	347,319	0.9%	0.9%
Communications	622,328	555,470	1.3%	1.4%
Operations	924,983	700,600	2.0%	1.8%
Grounds transportation division	4,206,882	4,113,072	8.9%	10.5%
Total operating expenses	\$ 47,325,706	\$ 39,161,969	100.0%	100.0%

RALEIGH - DURHAM AIRPORT AUTHORITY
COMPARATIVE SUMMARIES OF OPERATING EXPENSES BY COST CENTER
Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Operating expenses (excluding depreciation)			
Airport facilities	\$ 7,600,242	\$ 8,132,275	93.5%
Administrative	3,861,780	4,330,325	89.2%
Law enforcement	3,092,642	2,432,875	127.1%
Airport maintenance	2,935,763	2,975,975	98.6%
Parking	2,688,337	2,416,925	111.2%
Emergency services	1,146,471	1,153,325	99.4%
Visitor services	440,341	451,050	97.6%
Communications	470,381	424,625	110.8%
Operations	901,934	917,925	98.3%
Ground transportation	4,206,882	4,110,750	102.3%
Total operating expenses (excluding depreciation)	<u>27,344,773</u>	<u>27,346,050</u>	<u>100.0%</u>
Depreciation			
Airport facilities	14,822,197	16,033,249	92.4%
Administrative	227,882	219,471	103.8%
Law enforcement	52,162	42,205	123.6%
Airport maintenance	233,990	199,405	117.3%
Parking	4,266,249	5,382,962	79.3%
Emergency services	203,457	201,183	101.1%
Communications	151,947	156,076	97.4%
Operations	23,049	16,858	136.7%
Total depreciation	<u>19,980,933</u>	<u>22,251,409</u>	<u>89.8%</u>
TOTAL OPERATING EXPENSES	<u>\$ 47,325,706</u>	<u>\$ 49,597,459</u>	<u>95.4%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Airport facilities			
Airfield complex			
Contracted services	\$ 156,403	\$ 159,100	98.3%
Fuel farm operation	762,134	800,000	95.3%
Electricity	81,150	72,500	111.9%
Fuel - natural gas	893	-	N/A
Fuel - vehicles and equipment	1,565	1,000	156.5%
Repairs and maintenance			
Equipment	15,010	10,000	150.1%
General	6,904	20,000	34.5%
Snow removal	79,198	104,000	76.2%
Permit administration	200	225	88.9%
Supplies	148,856	185,000	80.5%
Telephone	1,568	1,250	125.4%
Insurance	215,351	190,475	113.1%
Depreciation	3,229,745	3,771,982	85.6%
Total airfield complex	4,698,977	5,315,532	88.4%
Terminal A complex			
Electricity	778,468	660,000	117.9%
Flight video display	1,700	1,000	170.0%
Fuel - natural gas	102,964	108,000	95.3%
Fuel - vehicles and equipment	-	1,000	-
Insurance	98,362	87,000	113.1%
Insurance claim	2,015	10,000	20.2%
Permit administration	1,888	1,900	99.4%
Public address and music system rental	1,260	1,000	126.0%
Elevators/escalators	75,402	66,750	113.0%
Repairs and maintenance/buildings and grounds			
General	44,624	70,000	63.7%
HVAC	32,907	70,000	47.0%
Janitorial	1,155,398	881,200	131.1%
Waste disposal	99,079	93,350	106.1%
Supplies	83,487	105,000	79.5%
Telephone	2,352	2,000	117.6%
Depreciation	2,995,680	3,730,289	80.3%
Total Terminal A complex	5,475,586	5,888,489	93.0%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Terminal C complex			
Contracted services	473	-	N/A
Electricity	745,687	1,065,000	70.0%
Flight video display	766	-	N/A
Fuel - natural gas	130,732	125,000	104.6%
Fuel - vehicles and equipment	-	2,500	-
Insurance	89,828	79,450	113.1%
Insurance claim	2,015	10,000	20.2%
Permit administration	1,658	3,400	48.8%
Public address and music system rental	1,445	5,000	28.9%
Elevators/escalators	44,807	56,000	80.0%
Repairs and maintenance/buildings and grounds			
Equipment	1,440	-	N/A
General	39,054	75,000	52.1%
HVAC	97,915	67,600	144.8%
Janitorial	458,557	712,000	64.4%
Waste disposal	46,292	110,700	41.8%
Supplies	120,429	185,600	64.9%
Telephone	606	-	N/A
Depreciation	762,727	2,568,609	29.7%
Total Terminal C complex	2,544,431	5,065,859	50.2%
Cargo complex			
General repairs and maintenance	865	5,500	15.7%
Electricity	55,131	94,500	58.3%
Fuel - natural gas	41,289	45,000	91.8%
Insurance	40,592	35,900	113.1%
Insurance claim	1,007	5,000	20.1%
Permit administration	318	350	90.9%
Elevators/escalators	1,380	1,700	81.2%
Repairs and maintenance/HVAC	140	2,000	7.0%
Waste disposal	897	39,400	2.3%
Supplies	1,161	10,000	11.6%
Depreciation	1,733,985	1,922,338	90.2%
Total cargo complex	1,876,765	2,161,688	86.8%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
General aviation complex			
Telephone	3,136	2,550	123.0%
Electricity	6,542	5,300	123.4%
Elevator/escalator repairs and maintenance	2,350	1,800	130.6%
General repairs and maintenance	414	1,000	41.4%
HVAC repairs and maintenance	2,969	2,825	105.1%
Janitorial	2,817	2,625	107.3%
Supplies	655	1,000	65.5%
Insurance	23,852	21,100	113.0%
Insurance claim	1,007	5,000	20.1%
Permit administration	118	125	94.4%
Depreciation	1,401,319	1,967,841	71.2%
Total general aviation complex	1,445,179	2,011,166	71.9%
Rental car complex			
Insurance	3,053	2,700	113.1%
Insurance claim	302	1,500	20.1%
Depreciation	74,864	74,864	100.0%
Total rental car complex	78,219	79,064	98.9%
Other locations complex			
Electricity	18,063	15,700	115.1%
Fuel - natural gas	3,614	1,600	225.9%
Fuel - vehicle and equipment	-	50	-
Permit administration	318	350	90.9%
Elevators/escalators	2,864	1,700	168.5%
Repairs and maintenance			
Equipment	2,222	-	N/A
General	17,721	43,800	40.5%
Janitorial	12,423	15,600	79.6%
Waste disposal	22,969	22,000	104.4%
HVAC	10,211	4,200	243.1%
Supplies	16,251	20,000	81.3%
Insurance	10,012	8,850	113.1%
Insurance claim	403	2,000	20.2%
Telephone	3,123	3,050	102.4%
Depreciation	1,223,105	1,117,023	109.5%
Total other location complex	1,343,299	1,255,923	107.0%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Ground transportation complex			
Electricity	538,035	474,000	113.5%
Taxi buyout	55,799	-	N/A
Fuel - vehicles and equipment	498	300	166.0%
Contracted services-Code Orange requirement	40,124	-	N/A
AVSEC supplies	504	-	N/A
Permit administration	1,446	1,450	99.7%
Repairs and maintenance			
HVAC	1,044	1,000	104.4%
General	18,994	38,500	49.3%
Equipment	2,210	20,000	11.1%
Janitorial	25,984	15,600	166.6%
Snow removal	16,822	6,750	249.2%
Elevators/escalators	46,367	78,500	59.1%
Waste disposal	2,051	2,300	89.2%
Supplies	54,714	70,000	78.2%
Telephone	3,560	3,850	92.5%
Insurance	111,644	98,750	113.1%
Insurance claim	4,030	20,000	20.2%
Depreciation	3,284,757	3,343,147	98.3%
Total ground transportation complex	4,208,583	4,174,147	100.8%
Utilities complex			
Contracted services	1,774	1,200	147.8%
Electricity	4,794	4,300	111.5%
Fuel - vehicles and equipment	-	50	-
Insurance	963	850	113.3%
Permit administration	450	450	100.0%
Supplies	7,754	19,500	39.8%
Water and sewer	603,259	600,000	100.5%
Repairs and maintenance			
General	14,635	16,050	91.2%
Water system	973	30,350	3.2%
Telephone	784	3,750	20.9%
Depreciation	116,014	105,765	109.7%
Total utilities complex	751,400	782,265	96.1%
TOTAL AIRPORT FACILITIES	\$ 22,422,439	\$ 26,734,133	83.9%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Administrative			
Major Capital Improvements Program			
Salaries	\$ 108,575	\$ 360,575	30.1%
Health insurance	18,299	17,350	105.5%
Retirement	36,182	35,800	101.1%
Social security	25,379	25,275	100.4%
	<u>188,435</u>	<u>439,000</u>	<u>42.9%</u>
Less amount capitalized as airport development	<u>188,435</u>	<u>-</u>	<u>N/A</u>
Total major capital improvements program	<u>-</u>	<u>439,000</u>	<u>-</u>
Facilities and Environmental			
Salaries	298,122	414,350	71.9%
Retirement	40,306	39,225	102.8%
Health insurance	28,910	27,700	104.4%
Social security	31,222	31,700	98.5%
Contracted services	9,019	9,000	100.2%
Fuel - natural gas	1,909	1,600	119.3%
Professional dues and education	2,407	4,000	60.2%
Uniforms	-	400	-
Travel	1,673	5,500	30.4%
Electricity	14,377	14,000	102.7%
Telephone	16,044	13,025	123.2%
Small equipment	1,092	1,000	109.2%
Repairs and maintenance			
Equipment	453	200	226.5%
Janitorial	61,133	33,150	184.4%
Supplies	5,457	2,700	202.1%
Printer supplies	-	500	-
Printing	149	350	42.6%
Postage	866	1,400	61.9%
Copying	3,137	3,000	104.6%
Insurance	25,723	22,750	113.1%
Legal fees	14,590	5,000	291.8%
Media and documentation	25	-	N/A
Permit administration	715	700	102.1%
Depreciation	79,119	79,119	100.0%
Total facilities and environmental	<u>636,448</u>	<u>710,369</u>	<u>89.6%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Airport director's office			
Salaries	460,934	527,250	87.4%
Retirement	51,442	50,425	102.0%
Health insurance	20,471	19,825	103.3%
Social security	30,440	31,100	97.9%
Professional dues and education	53,783	51,600	104.2%
Travel	18,433	17,550	105.0%
Electricity	29,190	28,500	102.4%
Telephone	5,371	3,650	147.2%
Advertising	239	200	119.5%
Promotional	4,315	8,000	53.9%
Fuel - natural gas	1,909	1,600	119.3%
Repairs and maintenance			
Janitorial	30,042	55,250	54.4%
Supplies	2,264	2,400	94.3%
Printing	-	100	-
Postage	1,825	2,750	66.4%
Copying	3,136	2,700	116.1%
Insurance	26,347	23,300	113.1%
Legal fees	183,945	150,000	122.6%
Authority per diem	4,410	3,600	122.5%
Unemployment compensation	20,742	10,000	207.4%
Special moving expenses	19,120	10,000	191.2%
Depreciation	148,763	140,352	106.0%
Total airport director's office	1,117,121	1,140,152	98.0%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Customer service and organizational support			
Salaries	376,811	393,375	95.8%
Retirement	32,473	34,625	93.8%
Health insurance	24,649	23,950	102.9%
Social security	27,040	29,525	91.6%
Tuition assistance	6,411	10,000	64.1%
Contracted services	29,744	55,000	54.1%
Copying	4,705	4,000	117.6%
Postage	4,029	3,700	108.9%
Professional education	4,014	7,200	55.8%
Travel	5,492	6,800	80.8%
Telephone	10,005	7,850	127.5%
Promotional	16,929	16,300	103.9%
Printing	23,031	27,500	83.7%
Supplies	3,349	6,500	51.5%
Total customer service and organizational support	568,682	626,325	90.8%
Noise			
Salaries	56,643	43,075	131.5%
Retirement	3,535	4,275	82.7%
Health insurance	4,846	4,575	105.9%
Social security	3,020	3,300	91.5%
Advertising	9,178	8,500	108.0%
Contracted services	42,125	40,000	105.3%
Professional dues and education	1,369	1,800	76.1%
Repairs and maintenance - equipment	-	3,000	-
Travel	1,041	2,000	52.1%
Supplies	1,128	600	188.0%
Copying	1,046	1,500	69.7%
Legal fees	-	1,000	-
Postage	222	3,000	7.4%
Printing	-	4,000	-
Small equipment	-	1,000	-
Insurance	624	550	113.5%
Total noise	124,777	122,175	102.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Administration			
Salaries	267,576	296,000	90.4%
Retirement	21,796	23,200	93.9%
Health insurance	30,498	29,775	102.4%
Social security	18,808	22,650	83.0%
Employee assistance program	1,800	1,000	180.0%
Legal fees	126,039	20,000	630.2%
Settlement claim	30,000	-	N/A
Professional dues and education	5,363	5,000	107.3%
Travel	1,801	3,750	48.0%
Telephone	7,817	5,400	144.8%
Supplies	2,311	2,000	115.6%
Printing	2,861	4,750	60.2%
Copying	3,659	3,000	122.0%
Postage	2,061	3,000	68.7%
Contracted services	48,133	60,000	80.2%
Promotional	7,377	10,000	73.8%
Advertising	24,443	25,000	97.8%
Total public affairs	602,343	514,525	117.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Finance			
Salaries	608,282	588,675	103.3%
Retirement	54,415	55,925	97.3%
Health insurance	47,960	46,425	103.3%
Social security	43,182	45,025	95.9%
Advertising	-	300	-
Professional dues and education	5,348	9,500	56.3%
Oracle ASP services	30,000	-	N/A
Travel	2,304	8,100	28.4%
Telephone	16,110	12,225	131.8%
Repairs and maintenance - equipment	327	150	218.0%
Small equipment	924	1,400	66.0%
Supplies	6,814	7,250	94.0%
Printing	925	5,000	18.5%
Copying	7,319	6,000	122.0%
Software	-	500	-
Hardware maintenance	1,479	1,500	98.6%
Media and documentation	698	900	77.6%
Printer supplies	2,918	10,000	29.2%
Postage	3,433	4,400	78.0%
Audit	21,866	28,000	78.1%
Contracted services	24,239	10,000	242.4%
Total finance	878,543	841,275	104.4%
Business development			
Salaries	124,049	117,150	105.9%
Retirement	12,041	11,625	103.6%
Health insurance	7,353	7,200	102.1%
Social security	8,699	8,950	97.2%
Copying	1,568	1,500	104.5%
Postage	381	500	76.2%
Professional/education	1,208	2,000	60.4%
Supplies	1,708	1,300	131.4%
Telephone	3,122	2,250	138.8%
Travel	1,619	3,500	46.3%
Total business development	161,748	155,975	103.7%
TOTAL ADMINISTRATIVE	\$ 4,089,662	\$ 4,549,796	89.9%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
OPERATIONS EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Operations			
Salaries	\$ 394,346	\$ 446,025	88.4%
Retirement	29,270	27,550	106.2%
Health insurance	41,694	40,175	103.8%
Social security	31,718	34,125	92.9%
Contracted services	315,661	279,075	113.1%
Physical examinations	80	375	21.3%
Professional dues and education	6,737	10,000	67.4%
Travel	8,929	10,000	89.3%
Telephone	16,231	13,625	119.1%
Repairs and maintenance - equipment	6,111	5,000	122.2%
Small equipment	1,945	5,000	38.9%
Supplies	17,824	20,000	89.1%
Printer supplies	580	300	193.3%
Copying	1,568	1,300	120.6%
Postage	882	1,200	73.5%
Insurance	19,957	17,650	113.1%
Permit administration	-	25	-
Printing	1,709	4,000	42.7%
AVSEC	6,277	-	N/A
Uniforms	415	2,500	16.6%
Depreciation	23,049	16,858	136.7%
TOTAL OPERATIONS	\$ 924,983	\$ 934,783	98.95%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
LAW ENFORCEMENT EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Law enforcement			
Salaries	\$ 2,402,138	\$ 1,787,275	134.4%
Retirement	146,041	162,575	89.8%
Health insurance	120,403	119,200	101.0%
Social security	177,833	131,750	135.0%
Contracted services	-	60,000	-
Professional dues and education	9,292	10,000	92.9%
AVSEC	82,220	-	N/A
K-9 program	1,687	5,000	33.7%
Travel	8,537	10,000	85.4%
Physical examinations	9,568	15,400	62.1%
Telephone	19,868	21,675	91.7%
Repairs and maintenance - equipment	5,756	4,000	143.9%
Small equipment	5,684	5,300	107.2%
Supplies	24,449	25,000	97.8%
Uniforms	32,111	35,000	91.7%
Printing	2,749	3,000	91.6%
Copying	6,796	5,700	119.2%
Postage	381	750	50.8%
Insurance	35,329	31,250	113.1%
Police identification systems	1,800	-	N/A
Depreciation	52,162	42,205	123.6%
TOTAL LAW ENFORCEMENT	\$ 3,144,804	\$ 2,475,080	127.1%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT MAINTENANCE EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Airport maintenance			
Salaries	\$ 1,462,681	\$ 1,572,675	93.0%
Retirement	118,105	130,075	90.8%
Health insurance	142,712	141,425	100.9%
Social security	106,796	112,075	95.3%
Advertising	228	-	N/A
Contracted services	521	500	104.2%
Professional dues and education	3,658	6,000	61.0%
Physical examinations	1,720	3,600	47.8%
Telephone	19,094	16,550	115.4%
Postage	912	1,000	91.2%
Travel	3,548	2,000	177.4%
Hardware/computer	244	700	34.9%
Electricity	51,612	39,000	132.3%
Repairs and maintenance			
Janitorial	36,631	54,700	67.0%
Waste disposal	2,012	2,300	87.5%
Snow Removal	1,312	-	N/A
Equipment	1,453	1,350	107.6%
Fuel	22,808	20,000	114.0%
Small equipment	3,110	4,000	77.8%
Supplies	18,700	20,000	93.5%
Copying	4,307	3,550	121.3%
Insurance	73,032	64,600	113.1%
Uniforms	17,190	20,000	86.0%
Depreciation	226,889	194,398	116.7%
Total airport maintenance	<u>2,319,275</u>	<u>2,410,498</u>	<u>96.2%</u>
Fleet maintenance			
Salaries	290,457	261,625	111.0%
Health insurance	19,719	19,850	99.3%
Social security	21,153	18,550	114.0%
Retirement	26,013	21,450	121.3%
Fuel - vehicles and equipment	263,297	245,000	107.5%
Professional dues and education	-	500	-
Physical examinations	-	250	-
Repairs and maintenance - equipment	22,041	30,000	73.5%
Supplies	189,954	150,000	126.6%
Uniforms	2,418	3,500	69.1%
Insurance	7,910	7,000	113.0%
Small equipment	1,047	2,150	48.7%
Travel	(633)	-	N/A
Depreciation	7,102	5,007	141.8%
Total fleet maintenance	<u>850,478</u>	<u>764,882</u>	<u>111.2%</u>
TOTAL AIRPORT MAINTENANCE	<u>\$ 3,169,753</u>	<u>\$ 3,175,380</u>	<u>99.8%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
PARKING EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Parking			
Salaries	\$ 1,044,954	\$ 811,950	128.7%
Retirement	74,512	57,625	129.3%
Health insurance	78,375	77,750	100.8%
Social security	73,869	59,050	125.1%
Abandoned vehicles	530	1,500	35.3%
Advertising	74	-	N/A
Professional dues and education	1,271	10,000	12.7%
Travel	4,414	5,000	88.3%
Electricity	4,649	9,300	50.0%
Telephone	42,467	32,550	130.5%
Repairs and maintenance			
General	18	-	N/A
Janitorial	50,496	36,200	139.5%
Waste disposal	2,279	900	253.2%
Equipment	7,041	850	828.4%
Supplies	25,258	30,000	84.2%
Physical examinations	192	350	54.9%
Small equipment	6,703	32,850	20.4%
Software	-	17,500	-
Printing	1,752	1,500	116.8%
Postage	1,209	500	241.8%
Copying	6,398	5,100	125.5%
Insurance	22,386	19,800	113.1%
Contracted services	1,184,823	1,030,000	115.0%
Hardware/computer	19,498	70,650	27.6%
Hardware/maintenance	17,899	75,000	23.9%
Printer supplies	16,032	25,000	64.1%
Uniforms	1,238	6,000	20.6%
Depreciation	4,266,249	5,382,962	79.3%
TOTAL PARKING	\$ 6,954,586	\$ 7,799,887	89.2%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
EMERGENCY SERVICES EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Emergency services			
Salaries	\$ 845,680	\$ 854,625	99.0%
Retirement	69,500	64,700	107.4%
Health insurance	69,853	68,500	102.0%
Social security	62,777	60,800	103.3%
Professional dues and education	10,501	13,100	80.2%
Travel	5,798	8,800	65.9%
Telephone	16,156	10,950	147.5%
Fuel	4,754	3,500	135.8%
Physical examinations	-	7,100	-
Repairs and maintenance - equipment	7,001	8,000	87.5%
Waste disposal	440	400	110.0%
Supplies	17,474	18,000	97.1%
Uniforms	7,321	8,000	91.5%
Small equipment	3,790	4,300	88.1%
Printing	215	500	43.0%
Copying	3,659	3,000	122.0%
Postage	129	100	129.0%
Insurance	21,423	18,950	113.1%
Depreciation	203,457	201,183	101.1%
TOTAL EMERGENCY SERVICES	\$ 1,349,928	\$ 1,354,508	99.7%

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
VISITOR SERVICES EXPENSES
 Year Ended March 31, 2003

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
Visitor services			
Salaries	\$ 320,429	\$ 315,300	101.6%
Retirement	30,510	26,150	116.7%
Health insurance	34,842	34,875	99.9%
Accident insurance	300	300	100.0%
Social security	23,624	24,125	97.9%
Advertising	481	500	96.2%
Contracted services	574	13,300	4.3%
Professional dues and education	1,147	2,200	52.1%
Promotional	5,767	8,000	72.1%
Travel	2,044	2,000	102.2%
Telephone	7,509	8,200	91.6%
Small equipment	682	2,400	28.4%
Supplies	2,576	2,100	122.7%
Uniforms	983	2,400	41.0%
Printing	224	1,800	12.4%
Copying	1,045	600	174.2%
Postage	197	250	78.8%
Insurance	7,407	6,550	113.1%
TOTAL VISITOR SERVICES	<u>\$ 440,341</u>	<u>\$ 451,050</u>	<u>97.6%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
COMMUNICATIONS EXPENSES
 Year Ended March 31, 2003

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>
Communications			
Salaries	\$ 289,624	\$ 266,950	108.5%
Retirement	22,113	14,825	149.2%
Health insurance	28,241	27,625	102.2%
Social security	21,120	18,900	111.7%
ID system	1,800	-	N/A
Professional dues and education	142	1,100	12.9%
Travel	144	3,000	4.8%
Telephone	55,206	36,125	152.8%
Repairs and maintenance - equipment	31,027	41,300	75.1%
Supplies	1,170	1,400	83.6%
Physical examinations	266	650	40.9%
Postage	88	100	88.0%
Printing	-	300	-
Small equipment	8,055	5,050	159.5%
Uniforms	4,601	1,300	353.9%
Insurance	6,784	6,000	113.1%
Depreciation	151,947	156,076	97.4%
TOTAL COMMUNICATIONS	<u>\$ 622,328</u>	<u>\$ 580,701</u>	<u>107.2%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
GROUNDS TRANSPORTATION DIVISION EXPENSES
 Year Ended March 31, 2003

	Actual	Budget	Percent of Budget
Ground transportation			
Salaries	\$ 324,099	\$ 301,650	107.4%
Health insurance	28,074	27,725	101.3%
Retirement	24,324	20,775	117.1%
Social security	23,986	21,925	109.4%
Copying	4,182	3,200	130.7%
Insurance	35,668	31,550	113.1%
Physical examinations	1,096	2,300	47.7%
Postage	1,853	3,000	61.8%
Printing	7,490	12,600	59.4%
Professional dues and education	1,827	2,150	85.0%
Contracted services	1,727,090	1,717,450	100.6%
Repairs and maintenance - equipment	24,238	20,500	118.2%
Repairs and maintenance - janitorial	3,373	-	N/A
Shuttle van rental	823,410	853,100	96.5%
Small equipment	401	500	80.2%
Supplies	9,393	11,000	85.4%
Telephone	15,289	9,300	164.4%
Travel	2,825	3,000	94.2%
Uniforms	12,654	14,000	90.4%
Total ground transportation	<u>3,071,272</u>	<u>3,055,725</u>	<u>100.5%</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
GROUNDS TRANSPORTATION DIVISION EXPENSES
 Year Ended March 31, 2003

	<u>Actual</u>	<u>Budget</u>	Percent of <u>Budget</u>
Traffic control			
Salaries	871,605	808,425	107.8%
Health insurance	88,653	87,450	101.4%
Retirement	65,380	55,650	117.5%
Social security	63,508	57,250	110.9%
Contracted services	10,210	7,000	145.9%
Professional dues and education	250	900	27.8%
Insurance	16,008	14,150	113.1%
Physical exam	200	3,450	5.8%
Printing	2,029	2,150	94.4%
Repairs and maintenance - equipment	65	500	13.0%
Small equipment	1,395	1,100	126.8%
Supplies	2,049	2,100	97.6%
Travel	171	500	34.2%
Uniforms	14,087	14,400	97.8%
Total traffic control	<u>1,135,610</u>	<u>1,055,025</u>	<u>107.6%</u>
 TOTAL GROUNDS TRANSPORTATION DIVISION	 <u><u>\$ 4,206,882</u></u>	 <u><u>\$ 4,110,750</u></u>	 <u><u>102.3%</u></u>

RALEIGH - DURHAM AIRPORT AUTHORITY
DETAILS OF AIRPORT AND FACILITIES
Year Ended March 31, 2003

	Total	Authority Funds	Federal and State Funds
Land			
Land	\$ 688,099	\$ 665,002	\$ 23,097
Land for proposed expansion	34,379,365	32,623,115	1,756,250
Total land	35,067,464	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	87,253,085	53,595,184	33,657,901
Lighting and marking	8,482,017	6,318,460	2,163,557
Aircraft parking and fencing	2,186,671	252,307	1,934,364
Roads, walks, fencing and landscaping	186,313,863	162,383,895	23,929,968
Total landing field and grounds	285,363,252	222,591,353	62,771,899
Terminal buildings			
Terminal A/B			
Building and improvements	50,406,838	50,130,568	276,270
Leasehold improvements	2,100,362	2,100,362	-
	52,507,200	52,230,930	276,270
Terminal C			
Acquisition costs	30,509,088	30,509,088	-
Total terminal buildings	83,016,288	82,740,018	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	7,099,311	7,099,311	-
RDU Maintenance Facility	11,518,579	11,518,579	-
Total other buildings	49,510,617	42,929,453	6,581,164

RALEIGH - DURHAM AIRPORT AUTHORITY
DETAILS OF AIRPORT AND FACILITIES
Year Ended March 31, 2003

	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	<u>3,924,925</u>	<u>3,719,412</u>	<u>205,513</u>
Equipment			
Airfield equipment	55,907	55,907	-
Buildings and grounds	3,847,274	3,793,788	53,486
Emergency services	2,390,987	2,390,987	-
Law enforcement equipment	461,772	461,772	-
Facilities development equipment	560,212	560,212	-
Operations equipment	1,724,842	1,724,842	-
Administrative equipment	934,764	934,764	-
Other equipment	179,770	179,770	-
Total equipment	<u>10,155,528</u>	<u>10,102,042</u>	<u>53,486</u>
Construction in progress			
Non-program projects	3,316,343	3,316,343	-
Other terminal area projects	19,762,857	19,762,857	-
General airport revenue bond projects	116,502,235	116,502,235	-
Other non-terminal area projects	40,589,706	22,111,343	18,478,363
Total construction in progress	<u>180,171,141</u>	<u>161,692,778</u>	<u>18,478,363</u>
TOTAL DETAILS OF AIRPORT AND FACILITIES	<u>\$ 647,209,215</u>	<u>\$ 557,063,173</u>	<u>\$ 90,146,042</u>

RALEIGH - DURHAM AIRPORT AUTHORITY
SUMMARY OF DEPRECIATION
 Years Ended March 31, 2003 and 2002

	2003	2002
Departmental		
Administrative	\$ 148,763	\$ 184,312
Parking	4,266,249	4,018,975
Emergency services	203,457	205,729
Airport maintenance	233,991	240,442
Law enforcement	52,162	47,638
Facilities and environmental	79,119	96,166
Operations	23,049	18,170
Communications	151,947	160,193
Total departmental	<u>5,158,737</u>	<u>4,971,625</u>
Nondepartmental		
Airfield complex	<u>3,229,745</u>	<u>3,523,470</u>
Terminal A complex		
Buildings and improvements	<u>2,995,680</u>	<u>2,791,508</u>
Terminal C complex		
Buildings and improvements	<u>762,727</u>	<u>2,576,124</u>
General aviation		
Buildings and improvements	<u>1,401,319</u>	<u>242,240</u>
Cargo complex		
Buildings and improvements	<u>1,733,985</u>	<u>1,684,751</u>
Ground transportation complex	<u>3,284,757</u>	<u>3,290,648</u>
Other locations complex	<u>1,223,105</u>	<u>925,795</u>
Utilities complex	<u>116,014</u>	<u>105,765</u>
Rental Car complex	<u>74,864</u>	<u>170,952</u>
TOTAL DEPRECIATION	<u><u>\$ 19,980,933</u></u>	<u><u>\$ 20,282,878</u></u>

RALEIGH - DURHAM AIRPORT AUTHORITY
SUMMARY OF CAPITAL PROJECTS FUNDS
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
 Year Ended March 31, 2003

	Budget	Expenditures			Unexpended Budget March 31, 2003
		Prior Year	Current Year	Total	
General Airport Projects	\$ 27,882,200	\$ 22,239,489	\$ 2,207,513	\$ 24,447,002	\$ 3,435,198
Terminal Area Projects	63,825,000	33,012,665	12,233,119	45,245,784	18,579,216
Non-Terminal Area Projects	93,700,000	46,842,566	12,984,511	59,827,077	33,872,923
Aeronautical Facilities Bond Projects	59,350,000	57,427,672	1,485,010	58,912,682	437,318
General Airport Revenue Bond Projects	168,100,000	58,939,320	47,488,756	106,428,076	61,671,924
TOTAL CAPITAL PROJECTS	\$ 412,857,200	\$ 218,461,712	\$ 76,398,909	\$ 294,860,621	\$ 117,996,579