

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2010

CAPITAL REGION AIRPORT COMMISSION

Richmond International Airport

Virginia

Prepared by

Finance Department

Douglas E. Blum
Chief Financial Officer

Steven C. Owen
Director Finance



Capital Region Airport Commission

MEMBERS OF THE COMMISSION

June 30, 2010

OFFICERS

Aubrey M. Stanley, Jr.
Robert M. Attack
Arthur S. Warren
Lynda Sharp Anderson

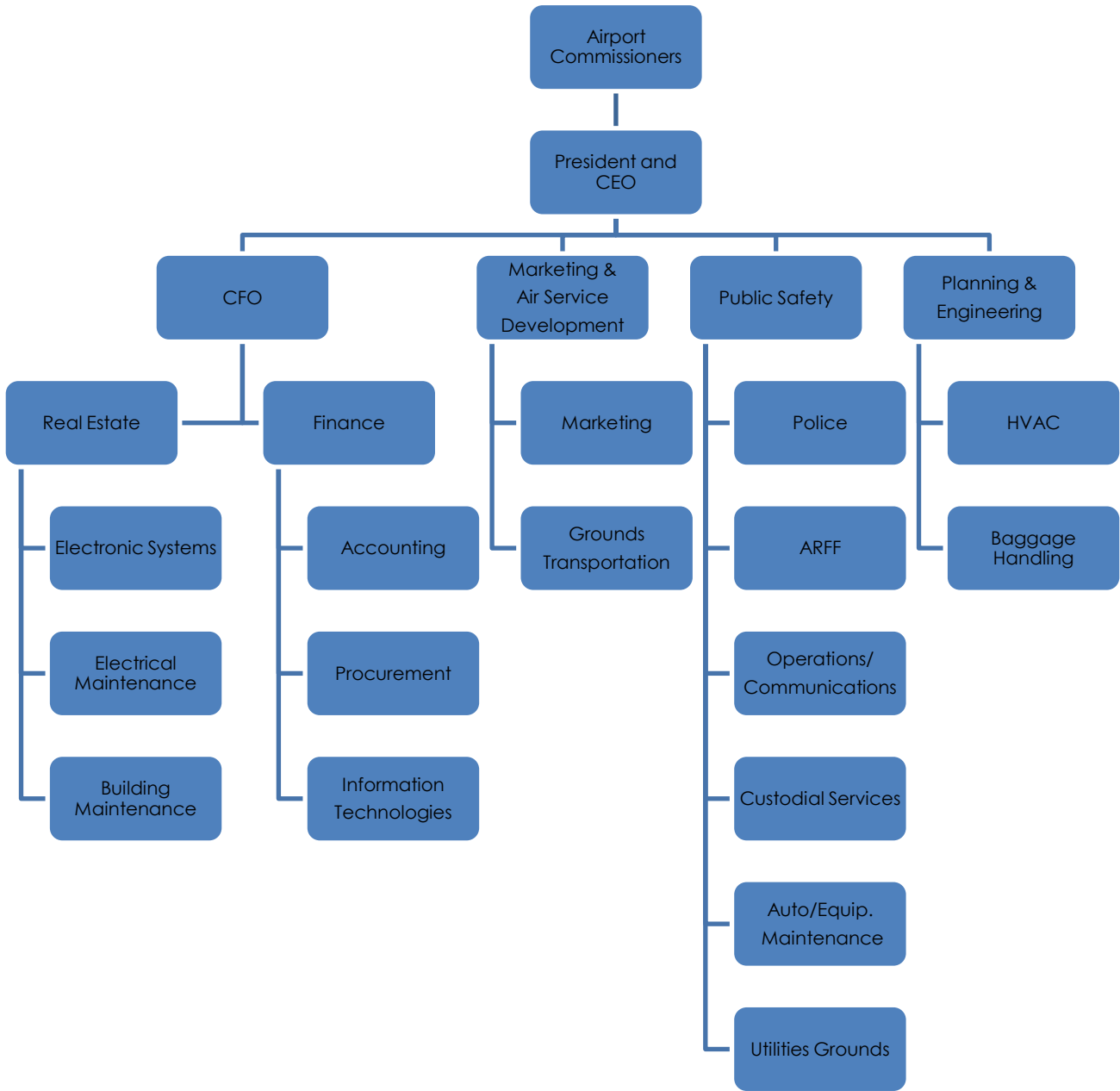
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Secretary
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Aubrey M. Stanley, Jr.
J.T. "Jack" Ward
Arthur S. Warren

City of Richmond
City of Richmond
County of Henrico
City of Richmond
County of Henrico
County of Chesterfield
County of Chesterfield
County of Henrico
County of Chesterfield
City of Richmond
County of Henrico
County of Hanover
County of Hanover
County of Chesterfield

Capital Region Airport Commission





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Capital Region Airport Commission
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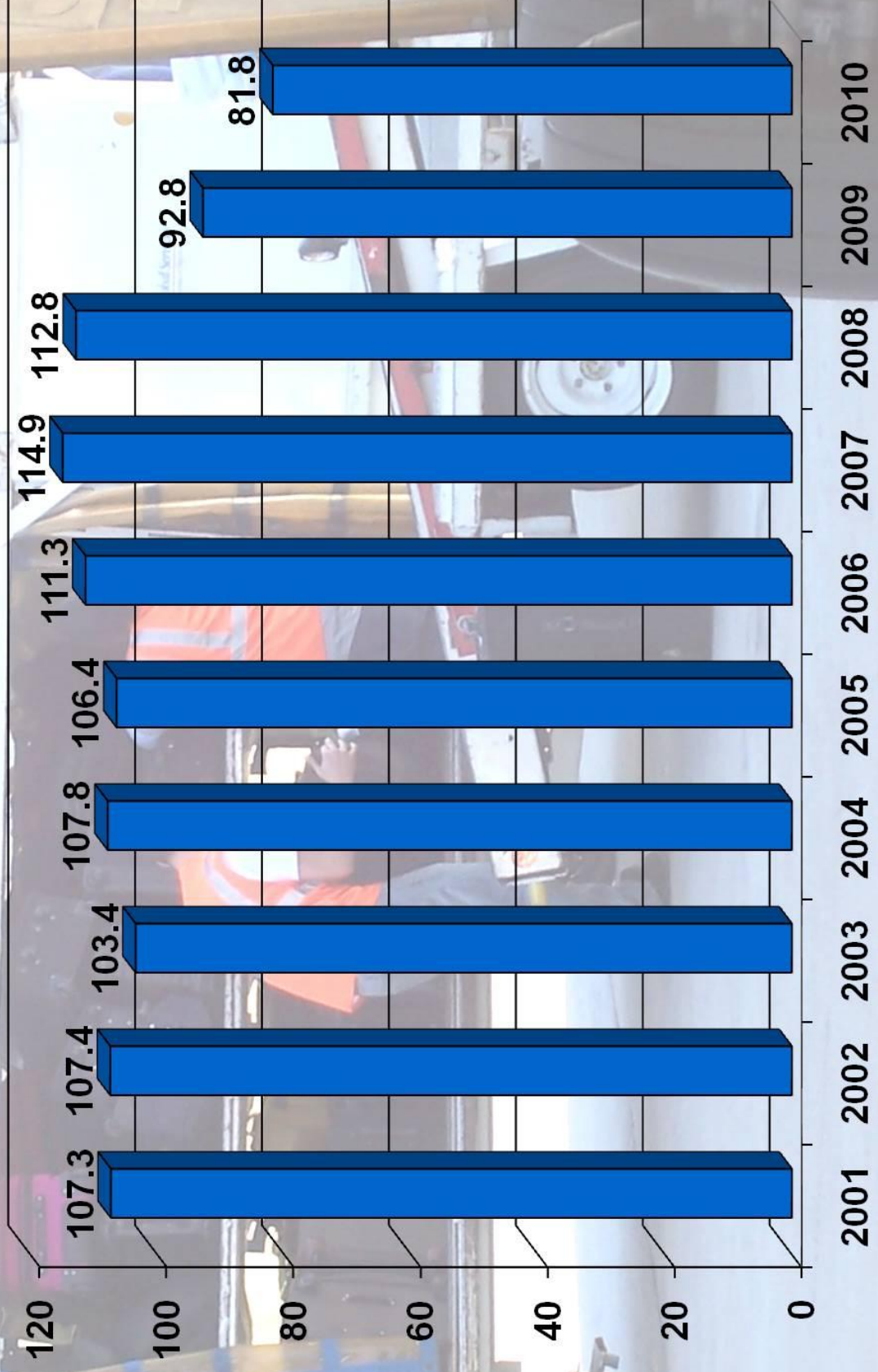
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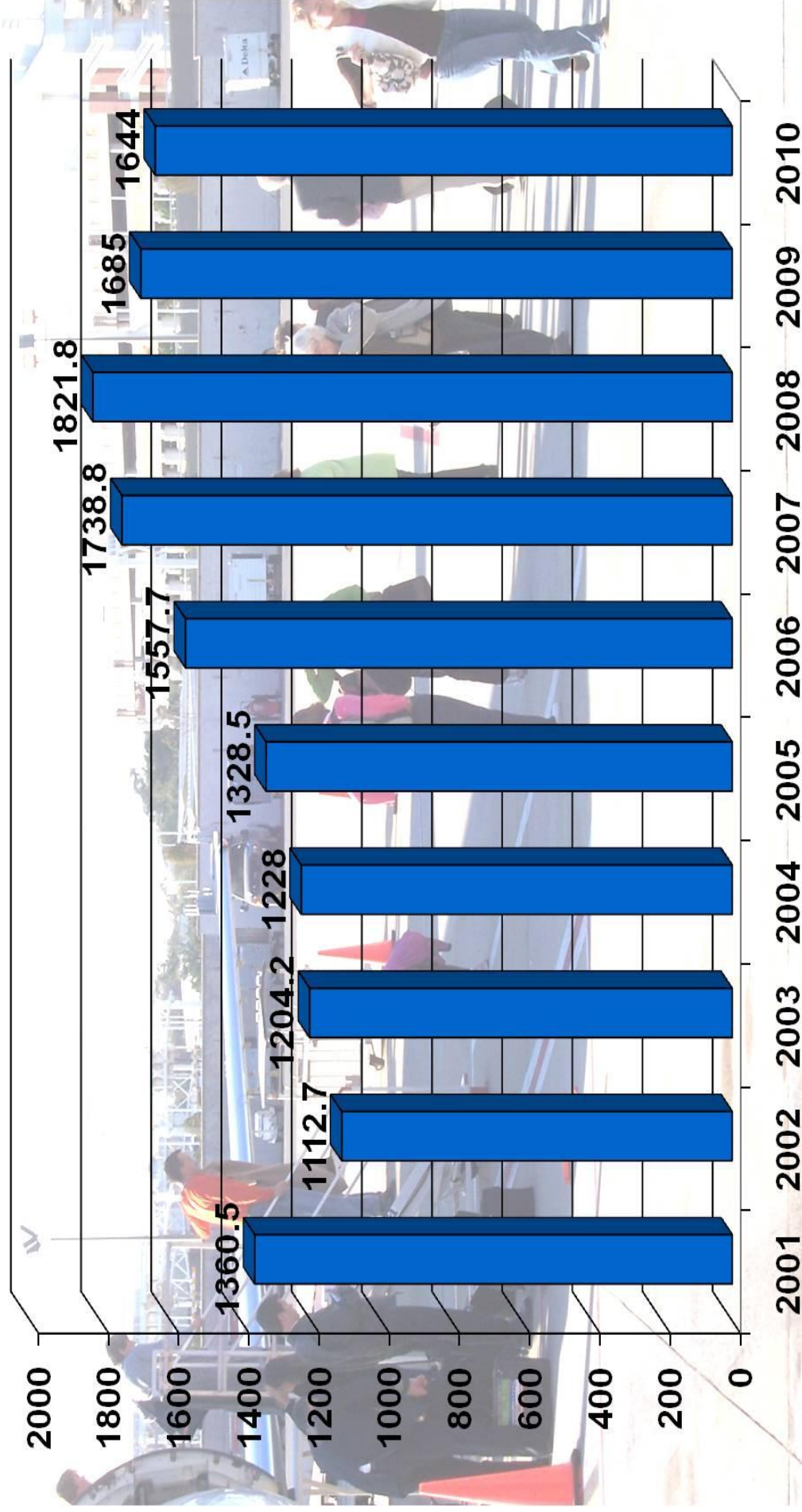
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Richmond International Airport
Air Cargo Performance
Fiscal Years 2001-2010



**Richmond International Airport
Enplaned Passenger Performance
Fiscal Years 2001-2010**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capital Region Airport
Commission, Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

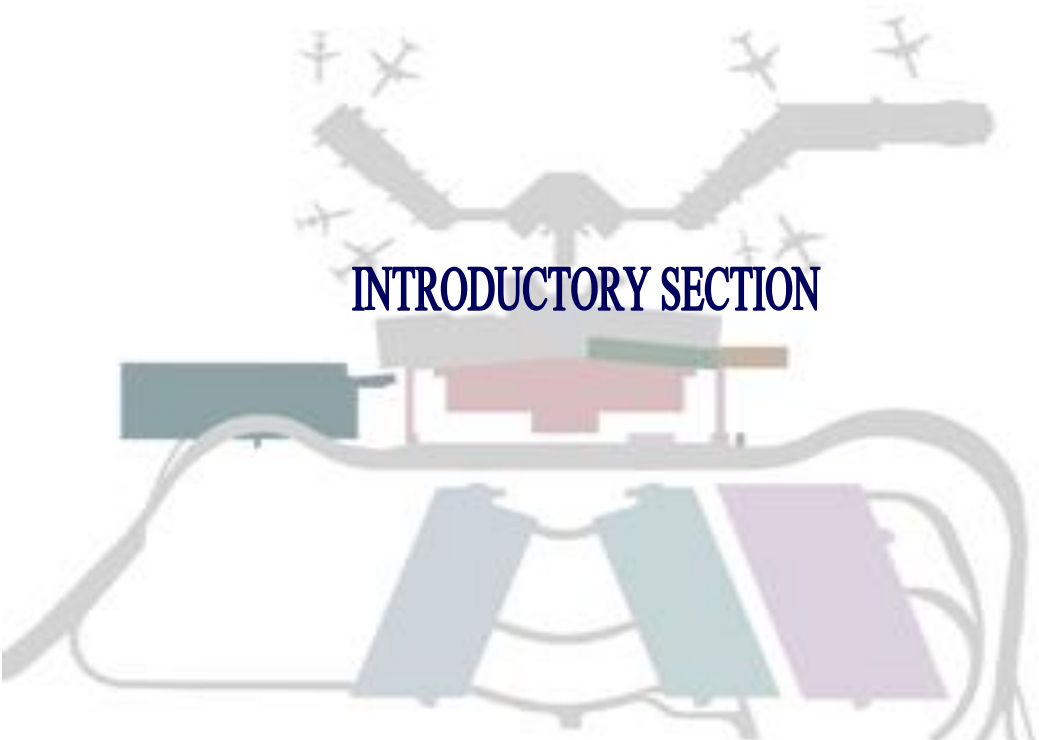
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

INTRODUCTORY SECTION



December 17, 2010

The Commissioners
Capital Region Airport Commission
Richmond International Airport, Virginia

Members of the Commission:

We are pleased to submit for your information the Comprehensive Annual Financial Report of the Capital Region Airport Commission (the "Commission"), for the fiscal year ended June 30, 2010 prepared by the Commission's Finance Department. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe the data, as presented, is accurate in all material respects; that it is reported in a manner designed to fairly set forth the financial position and results of the operations of the Commission and that all disclosures necessary to enable the reader to gain an understanding of the Commission's financial affairs have been included.

Management has provided a narrative introduction, overview and analysis to accompany the financial statements which is included in the Management Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A which can be found in the Financial Section of this report.

ORGANIZATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Commission applies the Government Finance Officers Association (GFOA) recommended presentation in financial reporting.

THE COMMISSION

The Commission was created in 1975 as a political subdivision of the Commonwealth of Virginia by an Act of the Virginia General Assembly (the "Act") allowing the Commission to own and operate one or more airports to serve the Richmond metropolitan area. Under the Act, any of the City of Richmond and the Counties of Henrico, Charles City, Chesterfield, Goochland, Hanover, New Kent, Powhatan and the Town of Ashland may join the Commission as a "participating political subdivision" subject to making a satisfactory capital contribution to the Commission. On January 1, 1976, the Commission assumed ownership and control of Richmond International Airport (the "Airport") from the City of Richmond. The City of Richmond and the County of Henrico became the first political subdivisions to participate in the Commission. Subsequently, the County of Chesterfield and the County of Hanover also became participants in the Commission. The current political subdivisions are the four most populous jurisdictions in the metropolitan area of Richmond.

According to the Act, the City of Richmond and the Counties of Chesterfield and Henrico may appoint four Commissioners to the Commission and the County of Hanover may appoint two commissioners. The governing body of each jurisdiction appoints Commissioners to four-year terms; however, the governing bodies retain the right to remove a Commissioner at any time

and appoint a successor. The Commissioners' responsibilities include approving capital and operating budgets, issuing bonds as needed, and administering, managing and directing the activities of the Commission.

THE REPORTING ENTITY

Capital Region Airport Commission is an independent authority where all fourteen board members are appointed by local governmental jurisdictions and is comprised of the City of Richmond, and the counties of Chesterfield, Hanover and Henrico.

The Commission manages all the business activities of the Airport and produces all the financial statements as well as being responsible for all the Airport's capital improvements. The commission is comprised of six departments: Executive, Finance, Marketing & Air Service Development, Planning & Engineering, Public Safety and Real Estate.

AIRPORT OPERATIONS

On October 15, 1927, Richard E. Byrd Airport, named after the Virginia explorer-aviator, Admiral Richard Evelyn Byrd, was dedicated. Present at the opening ceremony was Col. Charles Lindbergh and his famous aircraft, The Spirit of St. Louis. The Airport's construction was initiated earlier as the City of Richmond purchased 100 acres of land for \$30,000 and leased 300 more. Presently the Airport owns 3,068 acres.

Today the Airport is called Richmond International Airport. The Airport has evolved into one of the most modern and well-equipped airports in the eastern United States. The Airport is currently served by eight major airlines, seventeen regional or commuter airlines and several scheduled passenger charter operations which serves the needs of the area's citizens with over 180 daily flights. The Airport's cargo needs are met by three all-cargo carriers; three fixed base operators on the grounds offer fuel and maintenance services for corporate aircraft and the Airport has a Foreign Trade Zone. The total enplaned passengers in the fiscal year 2010 decreased by (2.4%) to 1.6 million passengers compared to 1.7 million in 2009.

ECONOMIC CONDITIONS

The Airport is conveniently located approximately seven miles from the City of Richmond's business district, providing air service to over 3.2 million passengers, and with over 81.0 million pounds of cargo passing through the Airport this year. The Airport is geographically located within seven hundred and fifty miles of approximately 60% of the nation's population.

Recent economic conditions have presented many challenges for our community and have significantly impacted the aviation industry. The financial condition of the Commission is primarily dependent upon the number of passengers using Richmond International Airport. Passenger levels, in turn, are dependent upon several factors, including: the economic conditions of the airline industry which influences the airlines' willingness to provide service; the local economy which influences the willingness of consumers to purchase air travel; and the cost of air travel. A balance among manufacturing, education and health services, government, technology, retail, research and financial activities has helped the Richmond economy to survive this period of slow growth. Also, some major construction projects and recent work force expansion

announcements in the Richmond MSA will help to reduce the local effects of the softening national economy:

- A more than \$1.2 billion surge in construction at Fort Lee in the Richmond, Virginia area with a mandatory completion deadline of September 2011. Over 20 construction projects consisting of 40 major facilities include headquarters, dining halls, general and specialized instruction, field training, dormitories (barracks), retail and athletic complexes, medical and military offices, site infrastructure and bridges. It will likely more than double the on-base population from 17,000 to more than 42,000 by 2011.
- A \$500 million airplane components factory in Prince George County by Rolls-Royce North America. Eventually, the British-based aerospace giant expects to employ up to 500 people at the new plant, situated on more than 1,000 acres in the Crosspointe Centre business park. That makes Crosspointe the largest Rolls-Royce plant, in terms of area, in North America, company officials say.
- Capital One, the 2nd largest private employer in the Richmond MSA, recently announced that it would add 700 additional employees to its Henrico County location (1,000 jobs Statewide). The jobs are in all areas of their operations: financial services, banking, and credit cards.

The global economic downturn arrived in the Richmond area during calendar year 2008. This resulted in a decrease in business and leisure travel. As a result, airlines reduced system capacity by 7.4% in 2009. U.S. commercial air carriers removed 323 aircraft from their fleet, a 4.3% reduction from 2008, and flew 9.9% fewer aircraft operations (Federal Aviation Administration, 2010, March 11 aerospace forecasts/2010-2030). In anticipation of declining traffic in FY 2009 the Commission implemented a freeze on new hires and on vacant positions, reduced capital expenditures, implemented an operational spending watch and reduced existing staff. These policies were carried over to FY 2010 and the budget was adjusted accordingly.

The Commission anticipates a slow but steady recovery in the national economy and subsequently in airline passenger traffic. The Commission took a conservative approach to the FY 2011 budget which reflects a slight decrease (.3%) in total revenue when compared to FY 2010 actual revenue. The Commission continues to monitor national and local economic conditions and will make the necessary changes to ensure the financial stability of the airport.

National Accolades about the Richmond Metro area and the State of Virginia:

- Two localities in the Richmond MSA, Glen Allen in Henrico County and Mechanicsville in Hanover County are among the nation's 100 Best Places to Live (Money Magazine, August 2009 and CNNMoney.com).
- Virginia slipped one place from first place to second place as Forbes.com's "Best State for Business." Virginia was ranked number one for the prior four consecutive years.

DEMOGRAPHICS AND EMPLOYMENT

Forty-four percent of Richmond's population falls within the prime working ages of 25-54. The Richmond Metro area's unemployment rate rose to 8.0% in July 2010, higher than the State unemployment rate of 7.1% and below the national rate of 9.7%.

The population of the Richmond MSA has reached 1.2 million and is projected to reach 1.4 million by 2020. Per capita income in the area is \$42,309 which is higher than the national average of \$40,166.

Six Richmond Metropolitan area businesses are listed Fortune 500 companies

Dominion Resources
Genworth Financial
Altria Group

MeadWestvaco
CarMax
Owens & Minor

Four Richmond Metropolitan area businesses are listed Fortune 1000 companies:

Brink's
Universal

Markel
Massey Energy

MAJOR INITIATIVES

The airport's portion of the connection to the I-895 Corridor has been completed. The construction project widened Airport drive from Clarkson Road to Charles City Road in order to improve traffic flow from one lane in each direction to two lanes in each direction. The private toll road is currently in the process of building its portion of the connector road. When completed, the connector road will provide an exit from I-895 with direct access to airport drive.

Construction of a new North Parking Garage is near completion. The four story garage will provide 2,600 parking spaces for the general public. The estimated cost for this project is \$48 million.

COMMISSION INTERNET WEB SITE

The Commission has an Internet web site offering a wide variety of current information to users, including financial information and operational statistics. Users have the capability to access the airlines serving the Airport, flight arrival and departure information, and download flight schedules directly onto their Personal Digital Assistant (PDA's). The Commission's Comprehensive Annual Financial Report (CAFR) is posted on the web site. The web address is www.FlyRichmond.com.

FINANCIAL INFORMATION

The Commission's management is responsible for establishing and maintaining internal controls sufficient to ensure safeguarding of Commission assets. In developing and evaluating the Commission's accounting system, consideration is given to the adequacy of internal controls.

Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Commission's internal controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

In addition to the internal controls described above, budgetary controls are also established to ensure compliance with annual operating and capital budgets approved by the Commission. Monthly reports containing comparisons between actual and budget and current and prior year amounts are prepared and presented to the Commission. The Commission approves significant capital budget variances.

FINANCIAL HIGHLIGHTS

The Commission anticipated that passenger traffic would remain flat in fiscal year 2010 as compared to FY 2009 actual passenger traffic. The contributing factor was a result of the nationwide recession and its effects on both business and leisure travel. The Commission implemented a freeze on new hires and on vacant positions, reduced capital expenditures, implemented an operational spending watch and reduced existing staff in FY 2009. These policies were continued in FY 2010 and resulted in a \$1 million (5%) reduction in operating expenses when compared to FY 2009 actual expenses.

During the fiscal year ended June 30, 2010 the Commission paid down \$4.0 million of PFC bonds. The funds to pay down the PFC bonds came from the excess funds in the PFC collections account.

INDEPENDENT AUDIT

The Commission's enabling legislation requires an annual audit of its financial statements by independent certified public accountants that are selected by the Commission. This requirement has been complied with and the auditors' opinion has been included in the Financial Section of this report. In addition, the annual audit complied with the requirements of the U.S. Office of Management and Budget Circular A-133 and the applicable reports are included in the Compliance Section.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Capital Region Airport Commission for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This was the twentieth consecutive year that the Commission has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This


report must satisfy both generally accepted accounting principles and applicable legal requirements.

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


ACKNOWLEDGMENTS

The preparation of the comprehensive annual financial report on a timely and efficient basis is achieved by the efficient and dedicated services contributed by the entire Finance department staff. We wish to express our appreciation for their continuing efforts in maintaining the highest standards for managing the financial operations of the Commission. We would also like to express our appreciation to all the members of the Commission for their continued support and guidance.

Respectfully submitted,



Jon E. Mathiasen, A.A.E.
President and Chief Executive Officer

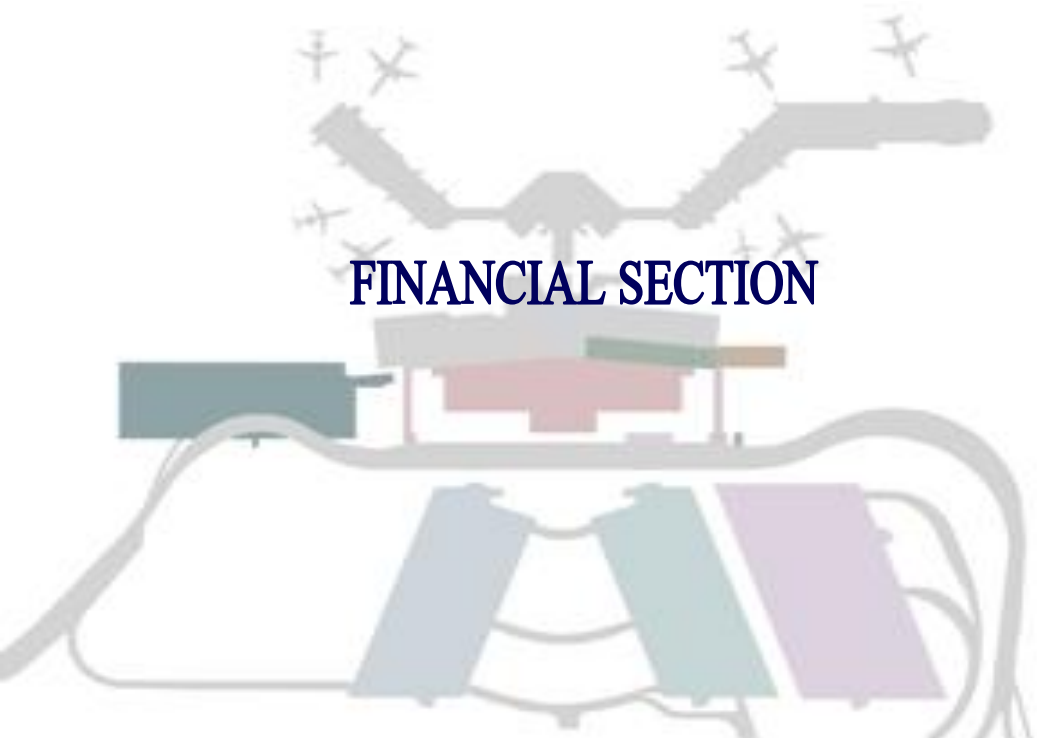


Douglas E. Blum
Chief Financial Officer



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FINANCIAL SECTION



FINANCIAL SECTION



Independent Auditors' Report

To the Commissioners
Capital Region Airport Commission
Richmond International Airport, Virginia

We have audited the accompanying basic financial statements of the Capital Region Airport Commission (the "Commission") as of and for the years ended June 30, 2010 and 2009, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Commission. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2010 and 2009, and the respective changes in its financial position 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 our report dated October 29, 2010 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Management's Discussion and Analysis and the Schedule of Funding Progress for a Defined Benefit Pension Plan are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, supplemental information, and statistical section, which are also the responsibility of the management of the Capital Region Airport Commission, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The supplemental information, including the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Richmond, Virginia
October 29, 2010



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Capital Region Airport Commission's (the "Commission") Management's Discussion and Analysis (MD&A) section provides a complete review of the key financial events and items impacting Richmond International Airport's (the "Airport") operations and financial statements. This discussion and analysis provides an overall view of how the Airport deals with both current and future conditions.

The preparation of this report was performed by the Commission's management team and we recommend that the Management Discussion and Analysis be read in conjunction with the Commission's financial statements and the supplemental schedules included in the financial report. Following this MD&A are the basic financial statements of the Commission together with the notes thereto which are essential to a full understanding of the data contained in the financial statements.

The Commission's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units, as prescribed by the Governmental Accounting Standards Board ("GASB"). The financial statements are prepared on the accrual basis, recognizing revenue when earned and expenses when incurred, and include all of the business activities of the Airport. Assets are designated as restricted and unrestricted in accordance with indentures and other agreements. See notes to financial statements for a summary of significant accounting policies.

The Commission is self-supported using aircraft apron fees, landing fees, fees from the terminal and other rental as well as revenues from concession and non-aviation revenues such as parking and food establishments to fund operating expenses. The Commission is not taxpayer funded. The capital program is funded by bonds, federal and state grants, customer and passenger facility charges and net remaining revenue after operating and debt service costs.

The Commission's fiscal year is from July 1 to June 30. The following MD&A of the Commission's financial performance is for the year ended June 30, 2010. Information for the two preceding fiscal years ended June 30, 2009 and 2008 has been included to provide a better insight into the overall financial performance of the Commission. All dollar amounts are provided in thousands.

COMMISSION ACTIVITIES & HIGHLIGHTS

The Airport ended its fiscal year of 2010 with slightly higher than budgeted enplaned passengers. The total passengers enplaned for fiscal year 2010 was 1.6 million compared to fiscal year 2009 which was 1.7 million a (2.4%) decrease and a (9.8%) decrease compared to fiscal year 2008. The contributing factor to this decrease was a result of the global economic downturn that arrived in the Richmond area during calendar year 2008 in the form of plant closings, rising unemployment, home foreclosures and uncertainty in the financial markets. This resulted in a decrease in business and leisure travel. Concurrently, airlines reduced system capacity by 7.4% in 2009. U.S. commercial air carriers removed 323 aircraft from their fleet, a 4.3% reduction from 2008, and flew 9.9% fewer aircraft operations (Federal Aviation Administration, 2010, March 11 aerospace forecasts/2010-2030). In anticipation of declining traffic in FY 2009 the Commission implemented a freeze on new hires and on vacant positions, reduced capital expenditures, implemented an operational spending watch and reduced existing staff. These policies were carried over to FY 2010 and the budget was adjusted accordingly.

Management's Discussion and Analysis (continued)
June 30, 2010

The Commission's revenues are derived primarily from Airline rates and charges for the use of the Airport's facilities in the form of landing fees, terminal rents and apron fees received from airlines using the airport; concession fees from the vendors serving the passengers including food, retail and rental cars; public parking fees including surface and garage parking; and fixed based operator activities from general aviation activities. The contributing factor of the slowdown in the US economy and the effects on travel decreased the average monthly enplaned passengers from 151,807 in 2008 to 140,417 in 2009 and 136,982 in 2010. The decrease in passengers had negative effects on most of the Commission's revenue streams in FY 2009 and FY 2010. The decrease in enplanements contributed directly to the performance in parking, concessions, and rental fees. Parking revenue is slightly higher, .02%, than FY 2009 but down \$1.9 million (9.5%) when compared to FY 2008, concession revenue is down \$515 thousand (6.8%) compared to FY 2009 and down \$994 thousand (12.3%) when compared to FY 2008, and rental fees revenue is down \$160 thousand (1.7%) compared to FY 2009 and down \$352 thousand (3.6%) compared to FY 2008.

Aircraft operations decreased to 102 thousand in fiscal year 2010 a (8.1%) decrease as compared to FY 2009 and a (18.4%) decrease when compared to FY 2008. Aircraft operations are comprised of air carrier, the military, air taxi, and general aviation.

Cargo landed weight in 1,000 pound units decreased by (14.4%) in fiscal year 2010 to 313 million pounds compared to fiscal year 2009 landed weight of 365 million pounds and decreased (20.1%) when compared to FY 2008. The decrease was a result of the loss of two carriers, Airborne Express and DHL Express.

The Airport's parking revenue increased .02% in fiscal year 2010 when compared to fiscal year 2009. The effect of the decrease in enplaned passengers was offset by higher parking revenue per enplaned passenger (parking rates were the same as FY 2009). The parking revenue accounts for over 47.4% of the Airport's revenue in fiscal year 2010 compared to 45.6% in fiscal year 2009 and 47.2% in fiscal year 2008.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Parking Revenue per Enplanement	\$10.94	\$10.68	\$10.92
Percent Increase (Decrease)	2.5%	(2.2%)	12.0%

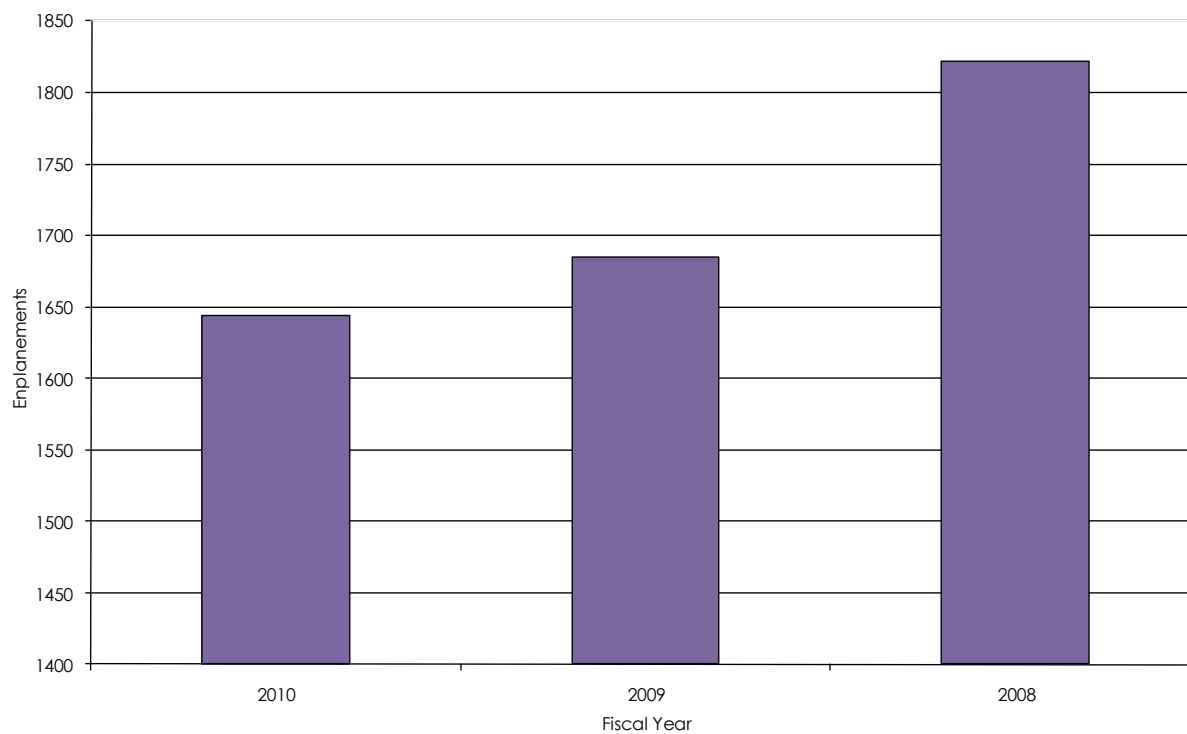
As of June 30, 2010 the Airport is currently served by eight major airlines, with more than 180 daily flights to 19 non-stop destinations and more than 3.2 million travelers per year.

	FY 2010	FY 2009	FY 2008
Enplanements	1,644	1,685	1,822
% increase / (decrease)	(2.4%)	(7.5%)	4.8%
Aircraft Operations (total take-offs and landings)	102	111	125
% increase / (decrease)	(8.1%)	(11.2%)	7.8%
Airline's Landed Weight (1,000 pound units)	2,020	2,601	2,294
% increase / (decrease)	(22.3%)	13.4%	1.5%
Air Cargo Carrier Activity (pounds)	81,803	92,787	112,880
% increase / (decrease)	(11.8%)	(17.8%)	(1.7%)
Parked Vehicles	923	949	1014
% increase / (decrease)	(2.7%)	(6.4%)	4.0%

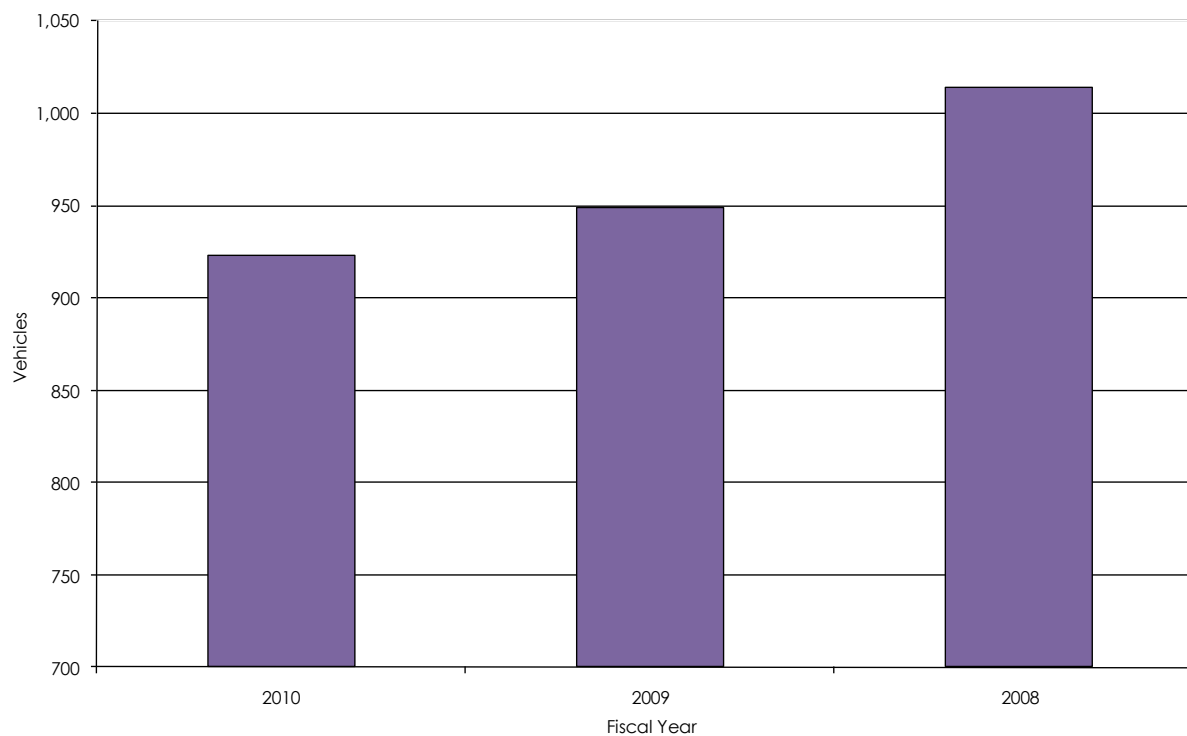
Note: The numbers presented above are in thousands.

Management's Discussion and Analysis (continued)
June 30, 2010

Enplaned Passengers (in Thousands)



Parked Vehicles (in Thousands)



Management's Discussion and Analysis (continued)
June 30, 2010

The below selected financial data comparison represents the Commission's assets, liabilities and net assets at June 30, 2010, 2009 and 2008.

SELECTED FINANCIAL DATA
(in thousands)

	2010	2009	2008
Assets			
Unrestricted current	\$ 22,099	\$ 21,693	\$ 17,380
Restricted current	58,239	72,978	113,643
Capital assets, net	425,335	416,484	385,841
Total assets	505,673	511,155	516,864
Liabilities			
Current unrestricted	2,849	3,029	3,260
Current restricted	11,312	16,310	28,872
Long-term debt, net of current maturities	158,487	169,154	179,667
Total liabilities	172,648	188,493	211,799
Net assets			
Invested in capital assets net of related debt	274,025	271,544	241,895
Restricted	41,370	31,247	39,742
Unrestricted	17,630	19,871	23,428
Total net assets	\$ 333,025	\$ 322,662	\$ 305,065

The below chart shows operating revenues and expenses for the three years ended June 30, 2010, 2009, and 2008.

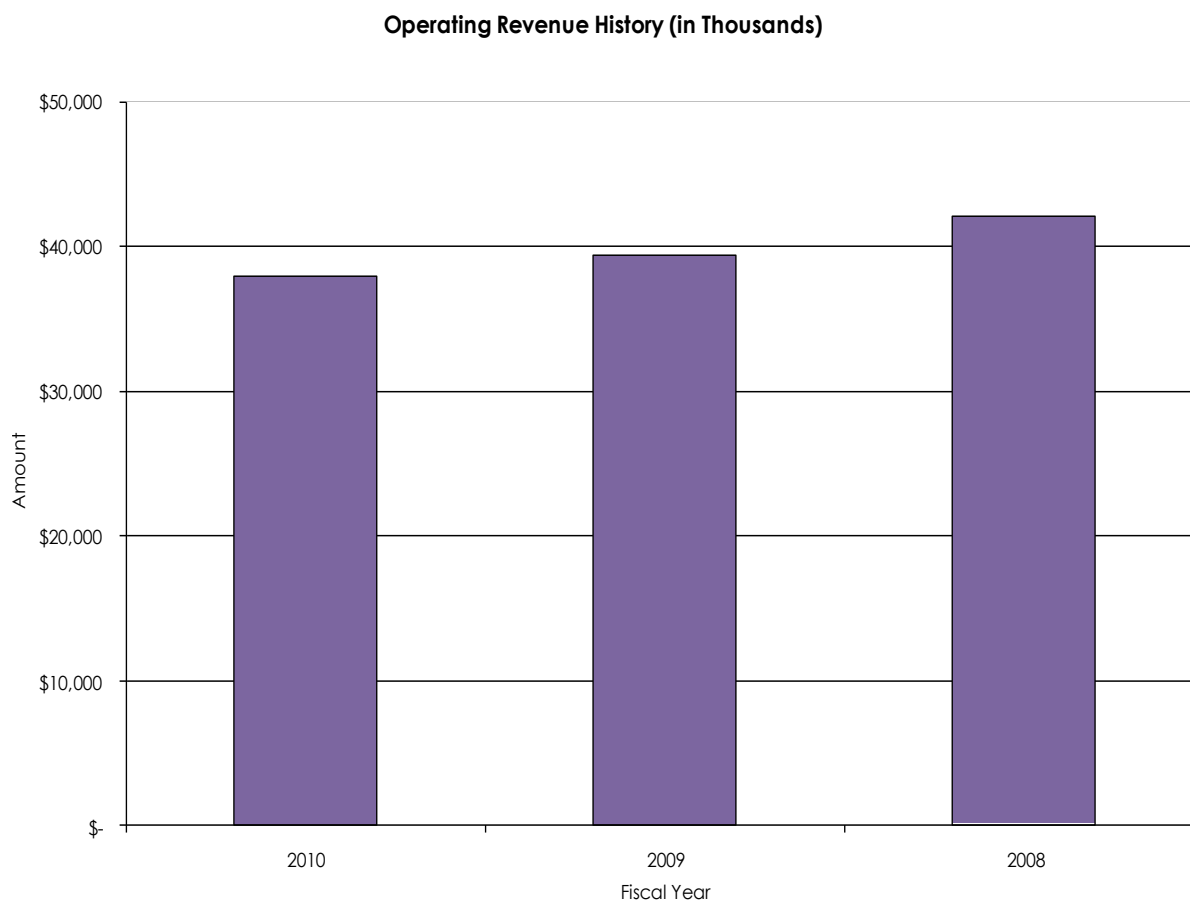
	2010	2009	2008
Operating revenue	\$ 37,999	\$ 39,444	\$ 42,143
Operating expenses	19,112	20,120	21,013
Operating income before depreciation	18,887	19,324	21,130
Depreciation	18,492	17,151	16,364
Operating Income	395	2,173	4,766
Nonoperating income (expenses)	4,089	2,943	5,348
Income before capital contributions	4,484	5,116	10,114
Capital contributions	5,879	12,481	23,859
Change in net assets	10,363	17,597	33,973
Beginning net assets	322,662	305,065	271,092
Ending net assets	\$ 333,025	\$ 322,662	\$ 305,065

Management's Discussion and Analysis (continued)
June 30, 2010

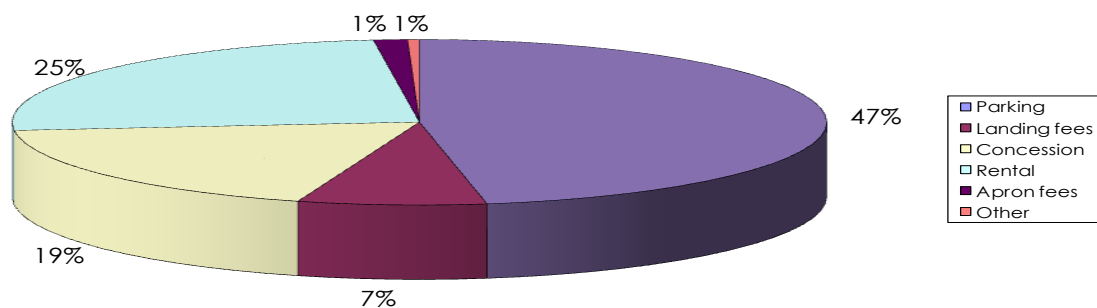
Operating income before depreciation for fiscal year 2010 decreased by \$437 thousand or (2.3%) compared to fiscal year 2009 and decreased \$2.2 million or (10.6%) compared to fiscal year 2008. Depreciation expense increased by 7.8% between fiscal year 2010 and 2009 and increased by 13% when compared to fiscal year 2008. This is a result primarily of the completion new terminal building expansion in 2009 and the completion of other major projects. Nonoperating income increased by \$1.1 million in fiscal year 2010 compared with fiscal year 2009 and decreased by \$1.3 million when compared to fiscal year 2008. The increase in nonoperating income was attributed to a decrease in interest expense. The weighted average yield on investments was approximately .41% for fiscal year 2010, 1.3% for fiscal year 2009 and 3.9% for fiscal year 2008.

REVENUES

The graphs below illustrate the operating revenue for the three fiscal years ended June 30, 2010, 2009 and 2008 and main sources of revenue for the Airport and each source's percentage of total operating revenue for the fiscal year ended June 30, 2010.



2010 Operating Revenue



Parking revenues at the Airport, for fiscal year 2010 were \$17,993 which represented a .02% increase over fiscal year 2009 and a (9.5%) decrease over fiscal year 2008.

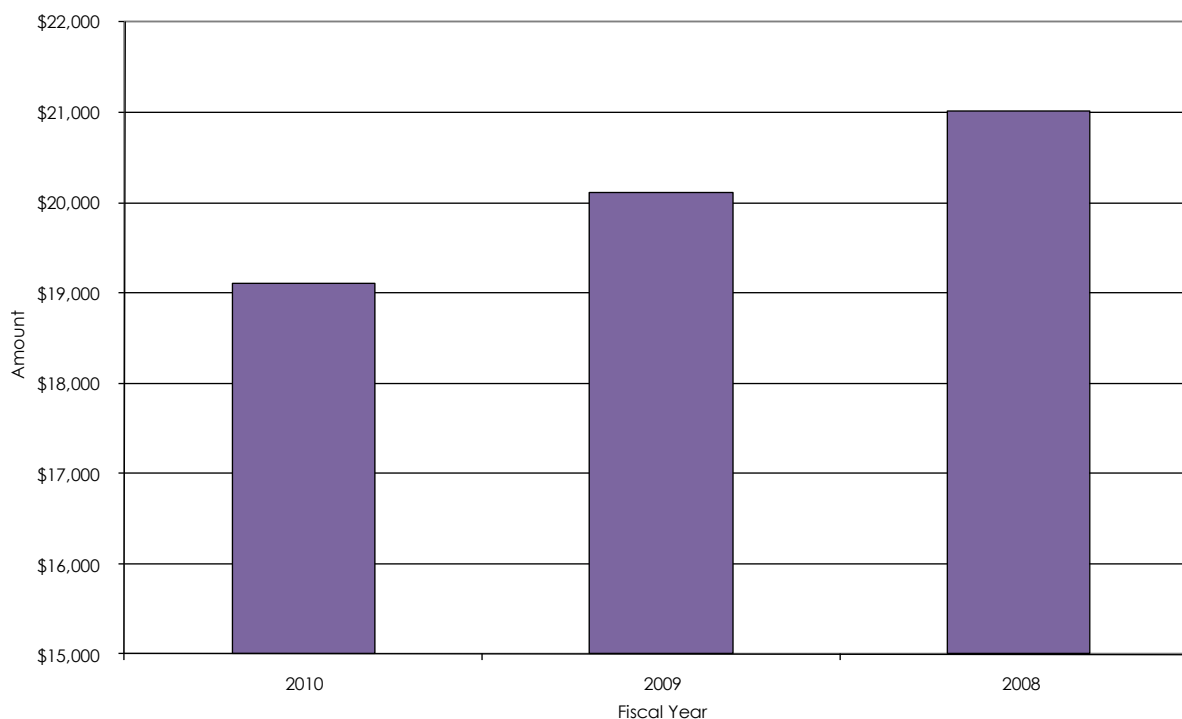
Below is a summary of revenue stated in thousands, for the three fiscal years ended June 30, 2010, 2009 and 2008:

	2010	2009	2008
Operating Revenues			
Parking	\$ 17,993	\$ 17,989	\$ 19,892
Landing fees	2,837	3,332	3,496
Concession	7,055	7,569	8,048
Rental	9,428	9,588	9,780
Apron fees	509	755	674
Other	177	211	253
Total Operating	<u>37,999</u>	<u>39,444</u>	<u>42,143</u>
Nonoperating Income			
Interest income	338	1,152	2,608
Passenger Facility Charges	6,949	6,929	7,328
Customer Facility Charges	1,380	1,492	1,744
Total nonoperating	<u>8,667</u>	<u>9,573</u>	<u>11,680</u>
TOTAL	\$ 46,666	\$ 49,017	\$ 53,823

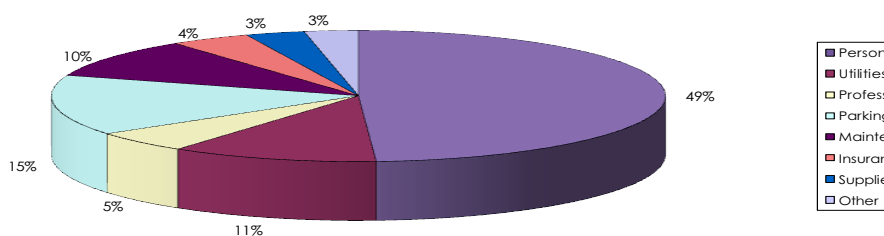
EXPENSES

The graphs below illustrate the main sources of operating expenses for the Airport and each source's percentage of total operating expenses for the three fiscal years ended June 30, 2010.

Operating Expense History (in Thousands)



2010 Operating Expenses



Operating expenses, exclusive of depreciation, totaled \$19,112 for fiscal year 2010, \$20,120 for fiscal year 2009 and \$21,013 for fiscal year 2008. Personnel and utilities expenses were primarily

Management's Discussion and Analysis (continued)
June 30, 2010

responsible for this decrease. Below is a summary of expenses stated in thousands, for the three fiscal years ended June 30, 2010, 2009, and 2008:

	2010	2009	2008
Operating Expenses			
Personnel	\$ 9,380	\$ 10,121	\$ 10,343
Utilities	2,081	2,555	2,361
Professional services	1,001	1,207	1,544
Parking	2,834	3,070	2,896
Maintenance	1,864	1,424	1,928
Insurance	810	664	625
Supplies	597	685	800
Other	545	394	516
Total Operating	<u>19,112</u>	<u>20,120</u>	<u>21,013</u>
Depreciation	<u>18,492</u>	<u>17,151</u>	<u>16,364</u>
Nonoperating Expense			
Interest expense	3,793	5,555	5,666
Other, net	785	1,075	666
Total nonoperating	<u>4,578</u>	<u>6,630</u>	<u>6,332</u>
TOTAL	<u>\$ 42,182</u>	<u>\$ 43,901</u>	<u>\$ 43,709</u>

CASH FLOW ACTIVITIES

A summary of the major sources and uses of cash and cash equivalents are as follows:

	2010	2009	2008
Cash flows provided from operating activities	\$ 18,361	\$ 19,273	\$ 21,911
Cash flows from (used in) investing activities	(8,167)	1,847	2,653
Cash flows from (used in) capital and related financing activities	(30,487)	(49,196)	28,697
Net increase (decrease) in cash and cash equivalents	(20,293)	(28,077)	53,261
Cash and cash equivalents			
Beginning of year	83,249	111,326	58,064
End of year	\$ 62,956	\$ 83,249	\$ 111,326

Cash flow from operating activities for 2010 decreased by \$912 thousand or (4.7%) compared to fiscal year 2009; and \$3.6 million or (16.2%) compared to 2008. The decrease resulted primarily from the decrease in enplanements.

Cash and cash equivalents for fiscal 2010 amounted to \$63.0 million representing a \$20.3 million decrease over 2009. This decrease in cash and cash equivalents resulted primarily from the draw down of the 2008A&B revenue bond proceeds to fund the construction of the new parking deck.

AIRLINE RATES AND CHARGES

A new airline operating and terminal building agreement between the Commission and certain airlines was effective March 1, 2010. This agreement extends to February 28, 2013 with two one year renewal periods. This agreement establishes the methods to be used in determining airline rates and charges at the Airport. The Commission has a nonsignatory fee policy that adds a 15% surcharge to the signatory landing fee.

The rental fees decreased from fiscal year 2009 to 2010 in the amount of \$160 thousand and decreased \$352 thousand when compared to fiscal year 2008. The apron fees decreased \$246 thousand from fiscal year 2009 to 2010 and decreased \$165 thousand when compared to fiscal year 2008. Rates and charges for the signatory airlines were as follows:

Signatory Airline Rates and Charges	Rate Effective for 2010	Rate Effective for 2009	Rate Effective for 2008
Apron fees (square foot)	\$ 1.21	\$ 1.34	\$ 1.31
Landing fees (1,000 lb. unit)	1.22	1.25	1.24
Terminal rental (square foot)	33.50	34.93	43.01

Note: The rates and charges for 2010 are estimates.

PASSENGER FACILITY CHARGES

The Commission collects \$4.50 per qualifying enplaned passenger, which totaled \$6.9 million for fiscal year 2010 which was a slight increase over fiscal year 2009 of .3% and a decrease of (5.2%) when compared to fiscal year 2008.

CUSTOMER FACILITY CHARGES

The Commission collects \$1.70 per each rental vehicle transaction day. Collections for the year ended June 30, 2010 were \$1.4 million compared with \$1.5 million for 2009 and \$1.7 million for 2008.

CAPITAL AND DEBT ACTIVITY

Capital Assets

Investments in capital assets include land and land improvements, buildings, construction in progress, furniture and fixture, machinery and equipment and paved facilities. Capital assets, before accumulated depreciation, increased \$27.3 million for fiscal year 2010 from 2009. The increase for the year was primarily the result of new construction mainly represented by the north parking garage (\$13.9 million) and runway 2/20 rehabilitation (\$4.7 million). Depreciation expense for fiscal year 2010 was \$18.5 million as compared to fiscal year 2009 of \$17.2 million. The \$1,341 thousand increase in depreciation expense resulted primarily from the completion of the terminal building and other major projects. See Note 4 of notes to the financial statements.

Management's Discussion and Analysis (continued)
June 30, 2010

The current 20 year Master Plan includes the following projects:

- ➔ Construction of a new 9,000 foot long by 200 foot wide runway (16R-34L) with 35 foot wide shoulders and a new parallel 75 foot wide taxiway with associated high-speed exits.
- ➔ Construction of a 1,200 foot runway and taxiway extension to runway 34R.
- ➔ Construction of approximately 600,000 square feet of a Deicing and Diversion Apron.
- ➔ The expansion of approximately 47,200 square feet at Concourse A and apron area, adding additional gates and associated holdroom space.
- ➔ The expansion of approximately 56,400 square feet at Concourse B and apron area, adding 11 gates and associated holdroom space.

Long-Term Debt

As of June 30, 2010, the Commission had debt outstanding of \$168,593 as follows (in thousands):

Airport Revenue Bonds	\$ 124,698
PFC Revenue Bonds	37,615
CFC Revenue Bonds	<u>6,280</u>
Total	<u>\$ 168,593</u>

See Note 5 of notes to financial statements.

ECONOMIC FACTORS AND FISCAL 2010 BUDGET

In his statements to Congress in July 2010 the Federal Reserve Chairman Ben Bernanke described the national economy as "fragile", he went on to say that he anticipates positive but slow growth in real domestic product. Because of its diverse economy that includes 10 Fortune 1000 headquarters (6 Fortune 500); pharmaceutical, chemical, biotech and other 21st century manufacturers; Fifth District Federal Reserve, Fourth Circuit U.S. Court of Appeals, and state capital; financial and information technology services; and higher education it is anticipated that the Richmond MSA's economy will also improve at the same slow but positive rate. Because of this economic outlook, the Commission anticipates a slow but steady increase in passenger traffic.

The Commission adopted the FY 2011 budget which includes a \$37.9 million in operating revenue a slight (.3%) decrease compared to the FY 2010 actual revenues of \$38.0 million. Parking, concession and rental revenues are expected to provide the main source of income for fiscal year 2011. Operating expenses of \$19.5 million are budgeted for 2011; an increase of 2% compared to fiscal year 2010 actual expenses of \$19.1 million. The Commission's fiscal year 2011 approved capital budget allotted \$31.2 million for new projects, equipment, and studies

REQUEST FOR INFORMATION

This financial report is designed to provide interested parties with a general overview of the Commission's finances. Should you have any questions about this report or need additional information, please contact the Chief Financial Officer, 1 Richard E. Byrd Terminal Drive, Richmond International Airport, VA 23250-2400. Also, interested parties wishing to obtain daily updated information at Richmond International Airport can visit on our web-site at www.FlyRichmond.com.

Capital Region Airport Commission
STATEMENTS OF NET ASSETS
Years Ended June 30, 2010 and 2009

		2010	2009
ASSETS	CURRENT ASSETS		
	Unrestricted Assets:		
	Cash and cash equivalents	\$ 19,576,422	\$ 19,516,683
	Accounts receivable, less allowance for doubtful accounts (2010-\$142,164; 2009-\$149,973)	1,527,939	1,430,004
	Other	994,792	746,238
	Total Unrestricted Current Assets	22,099,153	21,692,925
	Restricted Current Assets:		
	Cash and cash equivalents	43,379,894	63,732,340
	Investments	12,848,623	4,354,672
	Customer and Passenger Facility Charges receivable	1,168,690	1,047,851
	Due from federal and state governments	841,862	3,843,030
	Total Restricted Current Assets	58,239,069	72,977,893
	Total Current Assets	80,338,222	94,670,818
	NONCURRENT ASSETS		
	Depreciable assets, net	306,059,420	310,876,310
	Non-depreciable assets	119,275,493	105,608,387
	Total Noncurrent Assets	425,334,913	416,484,697
	Total Assets	505,673,135	511,155,515
LIABILITIES AND NET ASSETS	CURRENT LIABILITIES		
	Liabilities From Unrestricted Assets:		
	Accounts payable	1,563,540	1,880,574
	Accrued expenses	1,285,380	1,147,905
	Total Liabilities From Unrestricted Assets	2,848,920	3,028,479
	Liabilities From Restricted Assets:		
	Accounts payable	1,958,850	6,773,570
	Accrued interest payable	2,462,243	2,546,455
	Current maturities of long-term debt	6,891,322	6,899,821
	Other liabilities	-	90,346
	Total Liabilities From Restricted Assets	11,312,415	16,310,192
	Total Current Liabilities	14,161,335	19,338,671
	Noncurrent Liabilities:		
	Noncurrent portion of long-term obligations (Note 5)	158,486,907	169,154,403
	Total Liabilities	172,648,242	188,493,074
	NET ASSETS		
	Invested in capital assets, net of related debt	274,025,254	271,544,042
	Restricted		
	Debt service	39,276,636	29,338,837
	Customer and Passenger Facility Charges	2,093,152	1,908,888
	Unrestricted	17,629,851	19,870,674
	Total Net Assets	\$ 333,024,893	\$ 322,662,441

See Notes to Financial Statements.

Capital Region Airport Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Parking	\$ 17,992,998	\$ 17,988,969
Landing fees	2,836,798	3,331,871
Concession	7,054,589	7,569,234
Rental	9,427,861	9,588,294
Apron fees	509,227	754,996
Other	177,587	210,885
Total Operating Revenues	37,999,060	39,444,249
OPERATING EXPENSES		
Personnel	9,380,249	10,121,017
Utilities	2,081,399	2,555,115
Professional services	1,000,832	1,206,864
Parking	2,834,409	3,070,036
Maintenance	1,863,585	1,423,821
Insurance	810,205	663,704
Supplies	597,093	685,315
Other	544,252	394,125
Total Operating Expenses	19,112,024	20,119,997
Operating Income Before Depreciation	18,887,036	19,324,252
DEPRECIATION	18,492,308	17,150,779
Operating Income	394,728	2,173,473
NONOPERATING INCOME (EXPENSES)		
Interest income	337,994	1,151,948
Interest expense	(3,793,354)	(5,555,348)
Passenger Facility Charges	6,949,250	6,929,091
Customer Facility Charges	1,380,245	1,492,101
Other, net	(785,517)	(1,075,254)
Total Nonoperating Income (Expenses)	4,088,618	2,942,538
Income Before Capital Grants and Contributions	4,483,346	5,116,011
CAPITAL GRANTS AND CONTRIBUTIONS	5,879,106	12,481,102
CHANGE IN NET ASSETS	10,362,452	17,597,113
TOTAL NET ASSETS, BEGINNING	322,662,441	305,065,328
TOTAL NET ASSETS, ENDING	\$ 333,024,893	\$ 322,662,441

See Notes to Financial Statements.

Capital Region Airport Commission
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations	\$ 37,901,125	\$ 39,581,769
Cash paid to employees	(6,999,030)	(7,623,147)
Cash paid to suppliers	(12,541,107)	(12,686,093)
Cash used in operating activities	(19,540,137)	(20,309,240)
Net cash provided from operating activities	18,360,988	19,272,529
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	2,559,336	6,708,336
Purchase of Investments	(11,076,776)	(5,984,294)
Interest income received (includes \$32,051 of capitalized earnings from tax-exempt borrowing for 2010; 2009 - \$444,604)	350,336	1,123,157
Net cash provided (used) by investing activities	(8,167,104)	1,847,199
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt, net of issuance cost	200,000	3,500,000
Payment of long-term debt	(11,190,166)	(29,064,986)
Payment of interest on long-term debt (includes \$2,448,887 of capitalized interest for 2010; 2009 - \$2,571,826)	(6,501,227)	(7,531,373)
Capital contributions received	8,880,274	19,987,991
Passenger Facility Charges collected	6,868,663	7,045,668
Customer Facility Charges collected	1,339,993	1,514,981
Additions to capital assets	(29,740,409)	(44,154,158)
Payments to other organizations	(343,719)	(494,515)
Net cash provided (used) by capital and related financing activities	(30,486,591)	(49,196,392)
Net increase (decrease) in cash and cash equivalents	(20,292,707)	(28,076,664)
CASH AND CASH EQUIVALENTS		
Balances - beginning of year	83,249,023	111,325,687
Balances - end of year	\$ 62,956,316	\$ 83,249,023
Current Assets		
	\$ 19,576,422	\$ 19,516,683
Restricted Assets		
	43,379,894	63,732,340
	\$ 62,956,316	\$ 83,249,023
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 394,728	\$ 2,173,473
Adjustments to reconcile operating income to net cash provided by operations		
Depreciation	18,492,308	17,150,779
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	(97,935)	137,520
Decrease (increase) in other current assets	(248,554)	(176,655)
Increase (decrease) trade accounts payable	(317,034)	(74,976)
Increase (decrease) in accrued expenses	137,475	62,388
Net cash provided by operating activities	\$ 18,360,988	\$ 19,272,529
Supplemental Cash Flow Information		
Non-cash investing, capital and financing activities		
Net increase (decrease) in fair value of investments	\$ (11,147)	\$ 26,970
Non-cash capital contributions	\$ 841,862	\$ 3,843,030

See Notes to Financial Statements.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Commission is a political subdivision of the Commonwealth of Virginia. Commissioners are appointed by participating subdivisions, which currently include the City of Richmond, and the Counties of Chesterfield, Hanover and Henrico. The Commissioners are responsible for addressing broad policy matters and approving the operating and capital budgets. The financial statements of the Commission include all business activities of the Richmond International Airport (the "Airport") which the Commission oversees. All funds are included in this report. The Commission, as the owner and operator of the Airport, maintains and enhances facilities to better serve the air transportation needs of Central Virginia. Major functional areas include administrative services, executive, finance, human resources, maintenance and public safety. The Airport is currently served by eight major airlines and seventeen regional airlines.

The financial statements presented for the Capital Region Airport Commission (the "Commission") are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB Statement No. 20 requires proprietary activities to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board ("FASB") pronouncements, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs") issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. In accordance with GASB No. 20, management has elected not to apply FASB pronouncements issued after November 30, 1989.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are presented on the accrual basis of accounting, recognizing revenue when it is earned and expenses when they are incurred.

Estimates

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

Cash and Cash Equivalents

The Commission considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

Investments

Investments, principally money market funds, federal and municipal obligations, and certificate of deposits, are carried at fair value which approximates amortized cost. Fair values of investments are based on quoted market prices at year end. All investment income, including changes in the fair value of investments, is reported in the statements of revenues, expenses, and changes in net assets.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt Issuance Costs and Original Issuance Premium

Debt issuance costs and original issuance premium are amortized using the effective interest method. These items are included on the statements of net assets as a reduction or addition to long-term debt.

Capital Assets

Capital assets acquired by the Commission, including assets purchased with designated contributions, are recorded at cost. Contributed capital assets are recorded at estimated fair value at the date of contribution.

Depreciation is determined using the straight-line method applied over the following estimated useful lives:

Category	Years
Land improvements	5-20
Buildings	40
Paved facilities	20
Furniture and fixtures	5-20
Machinery and equipment	3-15

The cost of maintenance and repairs is charged to expense as incurred. Expenditures, that significantly increase property lives, are capitalized. Capital assets having a cost in excess of \$7,500 are capitalized.

Capitalized Interest

The Commission capitalizes interest costs that relate to the construction of Airport projects. Interest costs of projects acquired with tax exempt borrowings are reduced by interest earned on invested debt proceeds over the same construction period. Interest costs on Commission funded projects are calculated using the average interest rate on all borrowings over the same construction period.

Revenue Recognition

Revenue is recognized when earned. Parking revenue is recognized when the customer vehicle exits the parking facility. Landing and apron fees are recognized as revenue when the Airport facilities are utilized. Concession revenue is recognized based on reported concessionaire revenue. Rental revenue is recognized over the life of the respective leases. All other revenue is recognized when earned.

Revenue and Expense Classifications

Revenues from airlines, concessions, rental cars and parking are reported as operating revenues. Transactions which are financing or investing related and customer and passenger facility charges are reported as nonoperating revenues.

All expenses related to operating the Commission are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Customer Facility Charges

As of December 1, 2000, the Commission entered into a Rental Car Customer Facility Charge Agreement with the on-site airport rental car companies. In accordance with the bond indenture for the rental car garage facility, the Commission determines the amount of the Customer Facility Charge (CFC) for each rental vehicle transaction day to be collected by the rental car companies. The amount collected is remitted directly to the Commission for deposit in trust accounts restricted for use in connection with the rental car garage facility. Beginning February 1, 2001, the CFC was set at \$2 per day, changed to \$2.10 effective September 1, 2002; reduced to \$1.80 effective July 1, 2006; and reduced to \$1.70 effective July 1, 2007. Collections during fiscal year 2010 were \$1.4 million (2009 - \$1.5 million).

Passenger Facility Charges

The Federal Aviation Administration (FAA) authorized the Commission Passenger Facility Charges (PFC) rate of \$4.50 per qualifying enplaned passenger, effective January 1, 2005. The net receipts from PFC are accounted for on the accrual basis of accounting and are restricted to use on FAA approved projects. The Commission has been authorized to collect PFC plus interest thereon in the aggregate amount of \$137 million. Collections during fiscal year 2010 were \$6.9 million (2009 - \$6.9 million) and aggregate collections and interest thereon from inception through June 30, 2010 were \$80 million. Net assets related to PFC are restricted for projects that are approved by the FAA.

Federal and State Grants

The Commission receives grants for airport projects funded through the Airport Improvement Program (AIP) of the FAA and Federal Emergency Management Agency (FEMA) with certain matching funds and other funds provided by the Commonwealth of Virginia. Capital grants are reported in the statements of revenues, expenses and changes in net assets as capital grants and contributions.

Restricted Net Assets

The Commission restricts net assets for certain required debt service funds and for the CFC and PFC programs. When both restricted and unrestricted assets are available for use, the Commission applies restricted assets first, and then applies unrestricted assets as needed.

Salaries and Wages

Accrued salaries and wages include regular salaries and wages and accumulated vacation and sick leave. Vacation and sick leave are accumulated based on formulas applied to months of service during a calendar year. Vacation carryover beyond fiscal year end is limited to two times the annual vacation accrual with a maximum of 336 hours per employee. Sick leave accumulates indefinitely; however, the Commission is obligated to pay only 25% of the accumulated liability upon retirement or termination up to a maximum of \$2,500 per employee. Vested vacation and sick leave unpaid at year end is included in accrued expenses and amounted to \$781 thousand at June 30, 2010 and \$700 thousand at June 30, 2009. The net increase for fiscal year 2010 amounted to \$81 thousand, represented by payments of \$623 thousand to vested employees and additional accrued vacation and sick leave of \$704 thousand. For fiscal year 2009, the net increase amounted to \$10 thousand.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets

Operating and capital budgets are adopted annually by the Commission and are amended as necessary during the fiscal year. The accrual basis of accounting is applied to the development of these budgets.

Risk Management

The Commission carries commercial insurance for risks of loss including property, workers' compensation, theft, auto liability, general liability and construction insurance. The Commission also carries coverage for public officials and employer's liability under the Virginia State Police Officials' Self-Insurance Pool. Settled claims resulting from these risks have not exceeded commercial insurance coverage for each of the four past fiscal years.

Note 2. FORMATION OF THE COMMISSION

As of January 1, 1976, under an agreement among the City of Richmond, the County of Henrico and the Commission, the City of Richmond transferred to the Commission the property then constituting the Airport. Consideration for the transfer was \$3,000,000 plus the Commission's agreement to reimburse the City \$7,484,954 for the portion of the City's debt service related to the Airport property (City of Richmond has been fully reimbursed). The Commission valued the property at \$64,924,072, based on independent appraisals, and recorded the property on its books at this amount. The \$54,439,118 difference between the recorded amount and the consideration was treated as a contribution of assets.

Note 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consisted of the following:

	2010	2009
Petty cash	\$ 1,320	\$ 1,320
Deposits at financial institutions	24,238,029	23,370,551
Cash equivalents and investments	51,565,590	64,231,824
	<u>\$75,804,939</u>	<u>\$87,603,695</u>
Summary:		
Unrestricted assets	\$19,576,422	\$19,516,683
Restricted assets	56,228,517	68,087,012
	<u>\$75,804,939</u>	<u>\$87,603,695</u>

Deposits

At June 30, 2010, the carrying value of the Commission's deposits with banks was \$24,238,029 with corresponding bank balances of \$24,380,592. At June 30, 2009, the carrying value of the Commission's deposits with banks was \$23,370,551 with corresponding bank balances of \$26,510,518. Bank balances are covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Deposits are considered insured as the State Treasury Board has the ability

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

to assess additional collateral of the participating banks if necessary. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loan associations.

Credit Risks

The Commission's policy is to follow the statutes of the Commonwealth of Virginia and invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank) and Asian Development Bank, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP) and the Commonwealth of Virginia State Non-Arbitrage Program (SNAP).

The Commission has invested a portion of the proceeds from the Airport Revenue Refunding Bonds Series 2005A in the SNAP Fund (the "Fund") which is a component of the Commonwealth Cash Reserve Fund, Inc. ("CCRF"). CCRF was organized as a Virginia corporation on December 8, 1986 and was registered under the Investment Company Act of 1940 as a diversified open-end investment company. The Fund is a money market mutual fund that invests in short-term, high quality debt instruments issued by the U.S. government or its agencies or instrumentalities, by U.S. municipalities, and by financial institutions and other U.S. companies. The fair value of the Commission's investment in the Fund is the same as the value of the Fund shares.

Interest and credit risk: Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Commission's cash equivalents and investments at June 30, 2010, except for those relating to money market funds, are categorized below to give an indication of the level of risk assumed by the Commission at year-end:

Investment Maturities and Ratings

Investment Type	Fair Value	Less Than 12		Quality Ratings
		months	Over 12 months	
Atlanta, GA Development Authority Revenue	\$ 674,910	\$ -	\$ 674,910	BBB
Federal Home Loan Banks	6,043,713	-	6,043,713	AAA
US Bank Certificates of Deposit	6,130,000	-	6,130,000	A-1+
Virginia State Non-Arbitrage Program	55,379	55,379	-	AAAm
	<u>\$ 12,904,002</u>	<u>\$ 55,379</u>	<u>\$ 12,848,623</u>	

Custodial credit risk: The Commission's investment policy requires the use of a third party custodial safekeeping agreement for all purchased securities, and requires that securities be held in the name of the Commission. As of June 30, 2010 all of the Commission's investment securities held by third parties are in the name of the Commission.

Concentration of credit risk: The Commission places no limit on the amount that may be invested in any one issuer.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 4. CAPITAL ASSETS

	Balance 6/30/2009	Additions	Reductions	Transfers	Balance 6/30/2010
Capital assets not being depreciated:					
Land	\$ 52,853,785	\$ 10,397	\$ -	\$ -	\$ 52,864,182
Construction in progress	52,754,602	26,876,644	-	(13,219,935)	66,411,311
	<u>105,608,387</u>	<u>26,887,041</u>	<u>-</u>	<u>(13,219,935)</u>	<u>119,275,493</u>
Other capital assets:					
Land improvements	11,485,754	16,222	-	1,916,145	13,418,121
Buildings	271,028,763	36,400	-	(3,277,799)	267,787,364
Paved Facilities	193,478,680	29,666	-	7,645,074	201,153,420
Furniture and fixtures	3,959,577	36,988	-	-	3,996,565
Machinery and Equipment	40,106,774	336,206	-	6,936,515	47,379,496
Total Other Capital Assets	<u>520,059,548</u>	<u>455,483</u>	<u>-</u>	<u>13,219,935</u>	<u>533,734,966</u>
Total Capital Assets	<u>625,667,935</u>	<u>27,342,524</u>	<u>-</u>	<u>-</u>	<u>653,010,459</u>
Accumulated depreciation:					
Land improvements	(7,183,916)	(529,254)	-	-	(7,713,170)
Buildings	(68,960,172)	(8,026,139)	-	-	(76,986,311)
Paved Facilities	(100,297,138)	(7,439,722)	-	-	(107,736,860)
Furniture and fixtures	(1,927,558)	(282,427)	-	-	(2,209,985)
Machinery and Equipment	(30,814,453)	(2,214,766)	-	-	(33,029,219)
Total Accumulated Depreciation	<u>(209,183,237)</u>	<u>(18,492,308)</u>	<u>-</u>	<u>-</u>	<u>(227,675,545)</u>
Capital Assets, Net	<u>\$ 416,484,697</u>	<u>\$ 8,850,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,334,914</u>

	Balance 6/30/2008	Additions	Reductions	Transfers	Balance 6/30/2009
Capital assets not being depreciated:					
Land	\$ 52,330,797	\$ -	\$ -	\$ 522,988	\$ 52,853,785
Construction in progress	63,066,958	47,094,008	-	(57,406,364)	52,754,602
	<u>115,397,755</u>	<u>47,094,008</u>	<u>-</u>	<u>(56,883,376)</u>	<u>105,608,387</u>
Other capital assets:					
Land improvements	11,253,857	224,498	-	7,399	11,485,754
Buildings	238,578,654	(80,372)	-	32,530,481	271,028,763
Paved Facilities	171,326,293	474,643	-	21,677,744	193,478,680
Furniture and fixtures	3,255,158	66,504	-	637,915	3,959,577
Machinery and Equipment	38,061,686	15,251	-	2,029,837	40,106,774
Total Other Capital Assets	<u>462,475,648</u>	<u>700,524</u>	<u>-</u>	<u>56,883,376</u>	<u>520,059,548</u>
Total Capital Assets	<u>577,873,403</u>	<u>47,794,532</u>	<u>-</u>	<u>-</u>	<u>625,667,935</u>
Accumulated depreciation:					
Land improvements	(6,692,504)	(491,412)	-	-	(7,183,916)
Buildings	(61,360,445)	(7,599,727)	-	-	(68,960,172)
Paved Facilities	(93,546,244)	(6,750,894)	-	-	(100,297,138)
Furniture and fixtures	(1,703,605)	(223,953)	-	-	(1,927,558)
Machinery and Equipment	(28,729,662)	(2,084,791)	-	-	(30,814,453)
Total Accumulated Depreciation	<u>(192,032,460)</u>	<u>(17,150,777)</u>	<u>-</u>	<u>-</u>	<u>(209,183,237)</u>
Capital Assets, Net	<u>\$ 385,840,943</u>	<u>\$ 30,643,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,484,697</u>

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 5. LONG-TERM DEBT

Long-term debt at June 30, 2010 and 2009 consists of:

	Balance 6/30/2009	Increase	Decrease	Balance 6/30/2010	Current Maturities
Airport Revenue Bonds:					
Series 2001A&B (a)	\$ 38,307,852	\$ -	\$ (1,634,820)	36,673,032	\$ 1,711,322
Series 2004A (b)	11,335,000	-	(1,665,000)	9,670,000	1,750,000
Series 2005A Airport Refunding (c)	27,485,000	-	(440,000)	27,045,000	450,000
Series 2008A (d)	51,310,000	-	-	51,310,000	915,000
PFC Revenue Bonds:					
Series 2005A (e)	21,570,000	-	(4,630,000)	16,940,000	645,000
Series 2005B (f)	21,200,000	-	(525,000)	20,675,000	540,000
Car Rental Garage Revenue					
Bonds, Series 2000 (g)	7,100,000	-	(820,000)	6,280,000	880,000
Line of Credit (h)	1,185,000	200,000	(1,385,000)	-	-
	179,492,852	200,000	(11,099,820)	168,593,032	6,891,322
Add: Bond premium paid, net	1,424,424	-	(206,827)	1,217,597	-
Less: Debt issuance costs, net	(4,863,052)	-	430,652	(4,432,400)	-
Total Long-Term Debt	\$ 176,054,224	\$ 200,000	\$ (10,875,995)	\$ 165,378,229	\$ 6,891,322

The aggregate amount of debt service on long-term debt following June 30, 2010 is as follows:

Year	Revenue		PFC		CFC		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	4,826,322	5,678,134	1,185,000	124,369	880,000	437,840	6,891,322	6,240,343
2012	5,033,785	5,460,921	1,225,000	120,351	940,000	378,000	7,198,785	5,959,272
2013	5,259,755	5,233,226	1,265,000	116,196	1,005,000	312,200	7,529,755	5,661,622
2014	5,494,393	4,994,025	1,310,000	111,905	1,075,000	241,850	7,879,393	5,347,780
2015	5,737,862	4,734,743	1,360,000	107,461	1,150,000	166,600	8,247,862	5,008,804
2016 - 2020	27,318,107	20,245,532	7,515,000	464,980	1,230,000	86,100	36,063,107	20,796,612
2021 - 2025	34,134,450	13,292,682	8,885,000	328,515	-	-	43,019,450	13,621,197
2026 - 2030	13,173,358	7,211,529	9,255,000	167,742	-	-	22,428,358	7,379,271
2031 - 2035	11,885,000	4,502,375	5,615,000	50,256	-	-	17,500,000	4,552,631
2036 - 2040	11,835,000	1,219,625	-	-	-	-	11,835,000	1,219,625
	<u>124,698,032</u>	<u>72,572,792</u>	<u>37,615,000</u>	<u>1,591,775</u>	<u>6,280,000</u>	<u>1,622,590</u>	<u>168,593,032</u>	<u>75,787,157</u>

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 5. LONG-TERM DEBT (continued)

(a) Airport Revenue Bonds – Series 2001A (Non-AMT) and Series 2001B (AMT)

On January 30, 2001, the Commission adopted the Sixth Supplemental Bond Resolution Authorizing Airport Revenue Bonds \$26,995,000, Series 2001A (Non-AMT) and \$22,065,000 Airport Revenue Bond, Series 2001B (AMT). The bonds were issued on February 8, 2001 to the Virginia Resources Authority (the "VRA") which is organized and exists as a public body corporate and a political subdivision of the Commonwealth of Virginia. The VRA has been designated by the Commonwealth of Virginia to direct the distribution of loans from the Virginia Airports Revolving Fund to certain local governments to finance airport infrastructure projects at government-owned facilities.

The proceeds of the bonds were used along with other money to finance the construction of a new 1900 space public parking garage, a concourse extension, the refurbishment of the existing terminal and concourses as well as refinance the purchase of 12 acres of land for satellite public parking. Through February 29, 2004, proceeds from the bonds were requisitioned from VRA to reimburse the Commission for the above projects. Beginning March 1, 2004, VRA allowed the remaining 2001A and B proceeds (\$611,756 and \$4,440,957, respectively) to be transferred to SNAP project funds. All of the 2001A and B SNAP project funds have been used as of April 2005. The bonds are dated the date of delivery to the account of VRA and mature on January 1, 2027. The Series 2001A bear interest at 4.36% (Series 2001B at 4.53%) on the unpaid principal from the date of each advance until payment of the entire principal amount. Monthly principal and interest payments on the Series 2001A in the amount of \$150,338 (Series 2001B of \$125,015) began August 1, 2002.

(b) Revenue Refunding Bonds – Series 2004A

On April 7, 2004, Series 2004A Bonds were issued in the amount of \$17,380,000 to refund the Airport Revenue Refunding Bonds Series 1994. The Bonds are term bonds requiring redemption at various dates through 2015, at par, and bear interest of 4%. Principal payments are due July 1 with interest payable July 1 and January 1.

(c) Airport Revenue Refunding Bonds Series 2005A

On May 19, 2005, the Commission issued Airport Revenue Refunding Bonds Series 2005A in the amount of \$28,725,000, secured by an Airport Revenue Bond Resolution adopted by the Commission on November 21, 1984, as amended and supplemented, including an Eight Supplemental bond Resolution adopted by the Commission on March 29, 2005. The Bonds were issued along with other funds of the Commission for the purpose of refunding on a current basis Airport Revenue Bond Series 1995A in the amount of \$28,725,000, leaving outstanding the scheduled maturity payment on July 1, 2005 of \$305,000. Principal payments are due each year through July 1, 2025. Interest on the bonds is payable semi-annually each January and July 1.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 5. LONG-TERM DEBT (continued)

(d) Airport Revenue Bonds, Series 2008A

The Commission issued Airport Revenue Bonds, Series 2008A on March 27, 2008, in the amount of \$51,310,000. The Series 2008A bonds are served by an Airport Revenue Bond Resolution adopted by the Commission on November 21, 1984, as amended and supplemented, including a Ninth Supplemental Bond Resolution adopted by the Commission on January 29, 2008. The Bonds were issued together with other funds of the Commission, to finance in part the costs of construction and equipping a new structured public parking facility of approximately 2,600 spaces and related improvements, to fund a debt service reserve subaccount for the Series 2008A Bonds and to pay certain cost of their issuance. Starting July 1, 2010 principal payments are due each year and continue through July 1, 2038. Interest on the bonds is payable semi-annually each January 1 and July 1, starting July 1, 2008 at fixed rates ranging from 3.5% to 5% depending on maturity dates.

(e) Passenger Facility Charge Revenue Bonds, Series 2005A (AMT)

On March 31, 2005 the Commission issued Passenger Facility Charge Revenue Bonds, 2005 Series A (AMT) in the amount of \$27,885,000, under the Master Indenture of Trust dated March 1, 2005, as amended and pursuant to provisions of Chapter 380 of the Acts of Assembly of Commonwealth of Virginia of 1980, as amended. The bonds were issued for the purpose of refinancing the Passenger Facility Charge Revenue Bonds, Series 1999A in the amount of \$3,260,000 and to finance certain costs of the terminal project. The proceeds were invested in Federal Home Loan and Federal National Mortgage Association bonds and U.S. Treasury obligations which were held by a trustee.

The bonds bear interest payable monthly at a weekly variable rate. The bonds are secured by and payable from PFC revenues which have been assigned to the Trustee to secure payment along with funds that may be drawn under a direct-pay letter of credit issued by Wachovia Bank, National Association. The amount available to the Trustee under the letter of credit cannot exceed the aggregate principal amount of bonds outstanding and accrued and unpaid interest. The letter of credit will expire on March 31, 2011, and can be extended or terminated by certain events. The bonds are subject to optional redemption prior to maturity. Principal payments are due each year on June 1.

(f) Passenger Facility Charge Revenue Bonds, 2005 Series B (Non-AMT)

On March 31, 2005, the Commission issued Passenger Facility Charge Revenue Bonds, 2005 Series B (Non-AMT) in the amount of \$23,115,000, under a Master Indenture of Trust dated March 1, 2005, as amended, and pursuant to provisions of Chapter 380 of the Acts of Assembly of the Commonwealth of Virginia of 1980, as amended. The Bonds were issued for the purpose of refinancing the Passenger Facility Charge Revenue Bonds, 1999 Series B, in the amount of \$17,000,000. The remaining proceeds were used to finance certain costs of the terminal project. The bonds bear interest

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 5. LONG-TERM DEBT (continued)

payable monthly at a weekly variable rate.

The proceeds of the Bonds were invested in U.S. Treasury obligations held by a Trustee.

The bonds are secured by and payable from PFC revenues which have been assigned to a Trustee to secure payment along with funds that may be drawn under a direct-pay letter of credit issued by Wachovia Bank, National Association. The amount available to the Trustee under the letter of credit cannot exceed the aggregate principal amount of bonds outstanding and accrued and unpaid interest. The letter of credit will expire on March 31, 2011 and can be extended or terminated by certain events. The Bonds are subject to optional redemption prior to maturity. Principal payments are due each year on June 1.

(g) Taxable Car Rental Garage Facilities Revenue Bonds, Series 2000

On December 1, 2000, the Commission issued Taxable Car Rental Garage Facilities Revenue Bonds Series 2000 pursuant to an Indenture of Trust dated December 1, 2000 in the amount of \$11,305,000. The Bonds are limited special revenue obligations of the Commission payable solely from and secured by a pledge of customer facility charges established by the Commission to be charged, collected and remitted by the on-airport rental car companies and other funds pledged under the indenture starting February 1, 2001. The Bonds require redemption each year starting July 1, 2002 through July 1, 2015. Interest is payable each January 1 and July 1 at fixed rates ranging from 6.3% to 7% depending on maturity dates.

(h) Line of Credit

The Commission entered into an Exempt Facility Credit Agreement with a bank as of December 1, 2009, whereby the Commission may borrow the aggregate maximum principal amount not to exceed \$10,000,000. Interest on the note is payable monthly at a rate per annum equal to the sum of one month LIBOR, plus 2.25% per annum. There were no outstanding borrowings under the agreement as of June 30, 2010. Outstanding borrowings at June 30, 2009 were \$1,185,000.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 5. LONG-TERM DEBT (continued)

(i) Restricted Assets

Certain cash and investments are restricted by bond resolutions for the following purposes:

	2010	2009
Construction	\$ 5,908,921	\$ 22,336,980
Cost of issuance	343	343
Debt service	28,045,620	25,390,266
Equipment and capital outlay	12,998,487	11,834,611
Operation and maintenance	4,705,462	4,751,721
	<u>\$ 51,658,833</u>	<u>\$ 64,313,921</u>

The bond resolutions contain restrictive covenants with respect to incurring additional indebtedness, sale, lease or encumbrance of property, maintenance of facility, agreements with airlines and other matters common to such bond issues.

The Commission is subject to arbitrage rebate liability in accordance with Section 148(f) of the Internal Revenue Code of 1986, as amended, and the Final U.S. Treasury Regulations 1.148-1 through 1.148-11 issued on June 19, 1993 and amended on May 9, 1997. The total accrued arbitrage rebate liability for the year ended June 30, 2009 was \$90,346. There was no accrued arbitrage liability for the year ended June 30, 2010.

Note 6. MAJOR CUSTOMERS

Due to the nature of the Commission's operations, the majority of its operating revenues are from several large customers. The operating revenues from two major customers were \$1,698,191 (4.5%) and \$1,405,713 (3.7%) for the year ended June 30, 2010 and \$1,635,116 (4.1%) and \$1,631,735 (4.1%) for the year ended June 30, 2009.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 7. FUTURE RENTAL AND CONCESSION INCOME UNDER OPERATING LEASES

The following is a schedule by years of minimum future rental and concession income under non-cancelable operating leases with tenants and concessionaires as of June 30, 2010:

Fiscal Year	Amount
2011	\$ 8,632,153
2012	8,475,979
2013	8,130,934
2014	7,597,187
2015	6,423,699
2016-2020	3,866,452
2021-2025	2,100,469
2026-2030	581,847
2031-2035	3,404
	<u>\$45,812,124</u>

The Commission had rental and concession income of \$16,482,450 and \$17,157,528 in 2010 and 2009, respectively, which is included in operating revenues. Rental income is derived from various lease space within the terminal building, other buildings, and the rental of Airport land property.

Note 8. DEFINED BENEFIT PENSION PLAN

Plan Description

The Commission participates in the Virginia Retirement System (VRS), a mixed agent and cost-sharing multiple-employer defined pension plan administered by the VRS. All full-time employees of the Commission participate in the Plan. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating law enforcement officers and firefighters) or at age 50 with 30 years of service for participating employees (age 50 with 25 years of service for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. AFC is defined as the highest consecutive 36 months of reported compensation.

Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. Retirement is based on age at retirement, years of service, and AFC. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. COLA is limited to 5% per year. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended (the "Code"), assigns the authority to establish and amend benefit provisions to the General assembly of Virginia.

VRS issues a publicly comprehensive annual financial report that includes financial statements and required supplementary information. A copy of the report may be obtained by writing VRS, P.O. Box 2500, Richmond, VA 23218-2500 or downloaded from VRS web site at <http://www.varetire.org>.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 8. DEFINED BENEFIT PENSION PLAN (continued)

Funding Policy

In accordance with the Code, plan members are required to contribute 5% of their annual reported compensation to the VRS. The Commission has elected to assume the member contribution and, in addition, is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code and approved by the VRS Board of Trustees. For the years ended June 30, 2010 and 2009, the Commission contributed 11.6% of the annual covered payroll. The contribution rate for the years ended June 30, 2010 and June 30, 2009 includes the Commission's share of 6.6% and the plan members' share of 5% for both years.

Annual Pension Cost

For the year ended June 30, 2010, the Commission's annual pension cost of \$758,722 (2009 - \$815,166), including the plan members' share, was equal to its required and actual contribution. The required contribution rates for the years ended June 30, 2010 and 2009 were determined using the entry age normal actuarial cost method as part of the actuarial valuations for June 30, 2007.

Significant actuarial assumptions used per year include a 7.5% rate of return on investments; projected salary increases of 3.75% to 5.60%; cost of living adjustment of 2.5% per year; an inflation rate of 2.5% for both investments and projected salary increase.

The five year smoothed market value method was used to determine the actuarial value of assets. The Commission's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis over a period of 20 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	\$758,722	100%	None
June 30, 2009	815,166	100	None
June 30, 2008	865,618	100	None

Funding Progress (Unaudited)

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2009	\$ 20,798,906	\$ 22,040,970	\$ 1,242,064	94.36%	\$ 6,756,606	18.38%

The schedule of funding progress, included in the required supplemental information section, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing as compared to the actuarial accrued liability for benefits.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 9. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2010 and 2009, the Commission entered into various recurring transactions with certain municipalities relating primarily to water and sewer fees, other utilities, roadway maintenance and advertising contracts.

Note 10. DEFERRED COMPENSATION PLAN

The Commission offers an approved deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All Commission employees are eligible to participate and may defer their gross income not to exceed a maximum of \$16,500 for the year 2010. However, participants age 50 and older may defer a maximum of \$22,000. The compensation deferred is not available to employees until termination, retirement, death or an unforeseeable emergency.

The plan was amended as of January 1, 1997, to provide for all plan assets to be transferred to and held in a custodial account or the exclusive benefit of participants and beneficiaries under the Plan. In 1999, the Commission adopted GASB Statement No. 32 *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and, accordingly the related assets and liabilities associated with the plan are not reported as part of the Commission's financial information.

Note 11. COMMITMENTS AND CONTINGENCIES

In the normal course of its operations, the Commission has commitments, contingent liabilities, lawsuits and claims. Management of the Commission does not expect that any amount it may have to pay in connection with any of these matters would have a material adverse effect on the financial position of the Commission. As of June 30, 2010, the Commission had construction commitments of approximately \$13.9 million, of which approximately \$7.6 million will be paid from federal and state grants.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION





Now you're going places.

Capital Region Airport Commission
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2010 and 2009

Wachovia Retirement Services, actuary for the VRS, prepared the actuarial valuation results as of June 30, 2009. Independent auditors have not audited this information. The funding progress and the Commission's contributions are as follows:

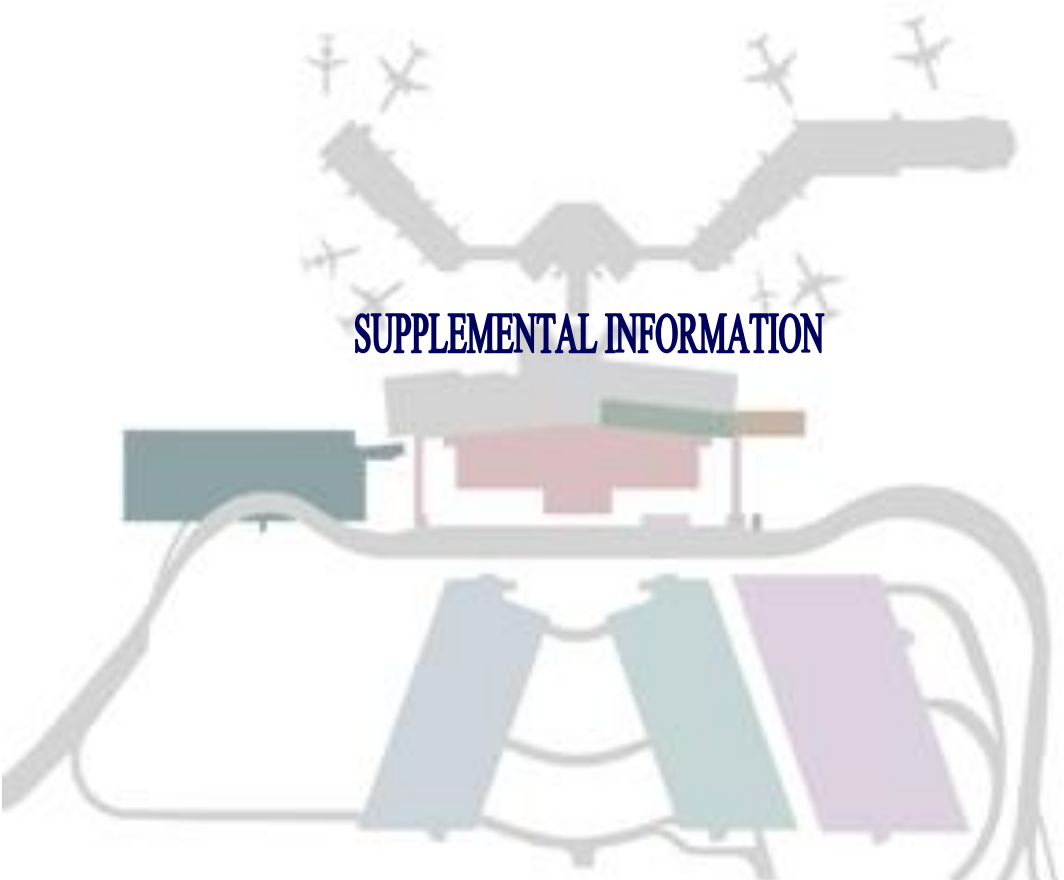
Virginia Retirement System
Funding Progress (Unaudited)

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2009	\$ 20,798,906	\$ 22,040,970	\$ 1,242,064	94.36%	\$ 6,756,606	18.38%
June 30, 2008	20,047,623	20,295,181	247,558	98.78	7,051,270	3.51
June 30, 2007	17,741,670	17,891,726	150,056	99.16	6,616,547	2.27



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SUPPLEMENTAL INFORMATION



SUPPLEMENTAL INFORMATION

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES
Years Ended June 30, 2010 and 2009

	2010	2009
Parking		
Terminal	\$ 13,808,197	\$ 13,490,156
Economy and shuttle	3,607,957	3,885,764
Valet	572,419	611,691
Parking meter and violations	4,425	1,358
	17,992,998	17,988,969
Landing Fees		
Major	1,838,921	2,047,436
Regional	643,599	757,961
Scheduled freighter	394,898	454,882
Other	(40,620)	71,592
	2,836,798	3,331,871
Concession		
Rental car	4,365,404	4,512,301
Food and beverage	823,297	901,628
Ground transportation fees	344,047	330,332
In-flight catering, etc.	6,097	8,459
Retail sales	799,548	839,511
Off-airport concession fees	58,931	60,457
Terminal advertising	542,841	804,848
Fuel flowage fees	110,594	106,918
Other	3,830	4,780
	7,054,589	7,569,234
Rental		
Airline terminal	6,452,816	6,988,870
Land	2,188,997	1,604,080
Other buildings	786,048	995,344
	9,427,861	9,588,294
Apron Fees	509,227	754,996
Other		
Utilities	71,211	118,700
Other	106,376	92,185
	177,587	210,885
	\$ 37,999,060	\$ 39,444,249

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES
Years Ended June 30, 2010 and 2009

	2010	2009
Personnel		
Salaries		
Regular	\$ 7,040,205	\$ 7,587,262
Overtime	96,300	98,272
Fringe benefits		
Payroll taxes	535,053	570,584
Group insurance, life and health	775,566	777,686
Retirement	758,722	815,166
Other	174,403	272,047
	9,380,249	10,121,017
Utilities		
Electricity	1,639,579	2,044,214
Heating fuel	147,666	182,855
Telephone	69,854	62,834
Water and sewer	224,300	265,212
	2,081,399	2,555,115
Professional Services		
Legal and accounting	327,500	426,481
Consulting services	335,325	317,759
Marketing and promotion	338,007	462,624
	1,000,832	1,206,864
Parking		
Terminal	1,599,651	1,591,471
Economy and shuttle	1,234,758	1,478,565
	2,834,409	3,070,036
Maintenance		
Building	636,006	414,950
Equipment	444,456	326,514
Other	783,123	682,357
	1,863,585	1,423,821
Insurance	810,205	663,704
Supplies	597,093	685,315
Other		
Conference and travel	38,594	42,174
Snow removal	280,324	51,990
Other	225,334	299,961
	544,252	394,125
	\$ 19,112,024	\$ 20,119,997

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES, BUDGET AND ACTUAL
Year Ended June 30, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
Parking			
Terminal	\$13,272,000	\$13,808,197	\$ 536,197
Economy and shuttle	3,678,000	3,607,957	(70,043)
Valet	607,000	572,419	(34,581)
Parking meter and violations	1,000	4,425	3,425
	17,558,000	17,992,998	434,998
Landing Fees			
Major	1,484,740	1,838,921	354,181
Regional	1,264,408	643,599	(620,809)
Scheduled freighter	474,903	394,898	(80,005)
Other	59,508	(40,620)	(100,128)
	3,283,559	2,836,798	(446,761)
Concession			
Rental car	4,350,400	4,365,404	15,004
Food and beverage	804,700	823,297	18,597
Ground transportation fees	315,500	344,047	28,547
In-flight catering, etc.	8,100	6,097	(2,003)
Retail sales	808,000	799,548	(8,452)
Off airport concession fees	60,700	58,931	(1,769)
Terminal advertising	980,000	542,841	(437,159)
Fuel flowage fees	104,600	110,594	5,994
Other	4,800	3,830	(970)
	7,436,800	7,054,589	(382,211)
Rental			
Airline terminal	6,614,385	6,452,816	(161,569)
Land	2,180,264	2,188,997	8,733
Other buildings	720,351	786,048	65,697
	9,515,000	9,427,861	(87,139)
Apron Fees	621,588	509,227	(112,361)
Other			
Utilities	91,800	71,211	(20,589)
Other	89,600	106,376	16,776
	181,400	177,587	(3,813)
	\$38,596,347	\$37,999,060	\$ (597,287)

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES, BUDGET AND ACTUAL
Year Ended June 30, 2010

	Budget	Actual	Variance with Budget Positive (Negative)
Personnel			
Salaries			
Regular	\$ 7,070,940	\$ 7,040,205	\$ 30,735
Overtime	150,000	96,300	53,700
Fringe benefits			
Payroll taxes	547,457	535,053	12,404
Group insurance, life and health	754,710	775,566	(20,856)
Retirement	823,419	758,722	64,697
Other personnel expense	137,000	174,403	(37,403)
	9,483,526	9,380,249	103,277
Utilities			
Electricity	2,165,000	1,639,579	525,421
Heating fuel	190,000	147,666	42,334
Telephone	65,300	69,854	(4,554)
Water and sewer	338,000	224,300	113,700
	2,758,300	2,081,399	676,901
Professional Services			
Legal and accounting	315,000	327,500	(12,500)
Consulting services	320,000	335,325	(15,325)
Marketing and promotion	443,800	338,007	105,793
	1,078,800	1,000,832	77,968
Parking			
Terminal	1,607,600	1,599,651	7,949
Economy and shuttle	1,230,000	1,234,758	(4,758)
	2,837,600	2,834,409	3,191
Maintenance			
Building	693,350	636,006	57,344
Equipment	397,100	444,456	(47,356)
Other	732,750	783,123	(50,373)
	1,823,200	1,863,585	(40,385)
Insurance	706,500	810,205	(103,705)
Supplies	691,400	597,093	94,307
Other			
Conference and travel	44,400	38,594	5,806
Snow removal	75,000	280,324	(205,324)
Other	226,250	225,334	916
	345,650	544,252	(198,602)
	\$19,724,976	\$19,112,024	\$ 612,952

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2010

2004 Bonds									
	Revenue Account	Debt Service Account	Equipment and Capital Outlay Account	Operation and Maintenance Account	Operation and Maintenance Reserve Account	Subordinated Indebtedness Fund	Surplus Account		
BEGINNING BALANCE	\$ -	\$ 4,857,566	\$ 11,834,611	\$ 5,839,472	\$ 1,862,390	\$ 35,627	\$ 5,112,757		
RECEIPTS									
Deposits from Commission	40,213,286	-	-	-	-	-	-		
Deposits from Commission-collections	-	-	-	-	-	-	-		
Gain (loss) on sale of investments	-	-	-	-	-	-	-		
Interest earned	-	-	-	42,287	30,000	-	33,079		
	40,213,286	-	-	42,287	30,000	-	33,079		
DISBURSEMENTS									
Disbursements to Commission	-	-	6,964,616	21,453,143	-	1,184,978	591,991		
Principal curtailment on long-term debt	-	-	-	-	-	-	-		
Interest payments on long-term debt	-	-	-	-	-	-	-		
Disbursements to others	-	9,653,505	-	-	-	-	-		
	-	9,653,505	6,964,616	21,453,143	-	1,184,978	591,991		
TRANSFERS									
Transfer of interest earned to revenue account	35,935	-	-	(35,117)	-	-	-		
Transfer of deposited revenue to designated accounts per resolution	(40,249,221)	10,615,284	8,128,492	19,724,976	-	1,216,380	564,090		
Discount (premium) amortized on bonds held as an investment	-	-	-	-	(586)	-	-		
	(40,213,286)	10,615,284	8,128,492	19,689,859	(586)	1,216,380	564,090		
ENDING BALANCE	\$ -	\$ 5,819,345	\$ 12,998,487	\$ 4,118,475	\$ 1,891,804	\$ 67,029	\$ 5,117,935		

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS IN ACCOUNTS CREATED BY BOND RESOLUTIONS (continued)
Year Ended June 30, 2010

	1995 Bonds			2005 Rev Bonds			2008 Rev Bonds			PFC Bonds		
	Debt Service Reserve			Debt Service Reserve			Debt Service Reserve			Cost of Issuance		General Purpose Fund
BEGINNING BALANCE	\$	4,634	\$	3,391,905	\$	3,429,549	\$	22,336,980	\$	343	\$	11,473,890
RECEIPTS												
Deposits from Commission	-	-	-	-	-	-	-	-	-	-	-	-
Deposits from Commission-collections	-	-	-	-	-	-	-	-	-	-	-	6,770,500
Gain (loss) on sale of investments	-	-	114	-	-	-	-	-	-	-	-	-
Interest earned	-	-	112,653	-	32,051	5	-	-	-	-	-	1,708
	-	-	112,767	-	32,051	5	-	-	-	-	-	6,772,208
DISBURSEMENTS												
Disbursements to Commission	-	-	-	-	-	16,428,064	-	-	-	-	-	-
Principal curtailment on long-term deb	-	-	-	-	-	-	-	-	-	-	-	5,155,000
Interest payments on long-term debt	-	-	-	-	-	-	-	-	-	-	-	120,421
Disbursements to others	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	16,428,064	-	-	-	-	-	5,275,421
TRANSFERS												
Transfer of interest earned to revenue account	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of deposited revenue to designated accounts per resolution	-	-	-	-	-	-	-	-	-	-	-	-
Discount (premium) amortized on bonds held as an investment	-	-	(3,535)	-	(8,222)	-	-	-	-	-	-	-
	-	-	(3,535)	-	(8,222)	-	-	-	-	-	-	-
ENDING BALANCE	\$	4,634	\$	3,501,137	\$	3,453,378	\$	5,908,921	\$	343	\$	12,970,677

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS IN ACCOUNTS CREATED BY BOND RESOLUTIONS (continued)
Year Ended June 30, 2010

CFC Bonds									
	Revenue Account	Debt		Interest Fund	Operating Fund	Principal Fund	Repair Fund	General	
		Service Reserve	Fund					Purpose Fund	Total
BEGINNING BALANCE	\$ -	\$ 1,130,500	\$ 246,595	\$ 32,043	\$ 820,000	\$ -	\$ -	\$ 2,857,288	\$ 75,266,150
RECEIPTS									
Deposits from Commission	-	-	-	-	-	-	-	-	40,213,286
Deposits from Commission-collections	1,525,300	-	-	-	-	-	-	-	8,295,800
Gain (loss) on sale of investments	-	-	-	-	-	-	-	-	114
Interest earned	-	44,861	19	4	57	18	362	297,104	
	1,525,300	44,861	19	4	57	18	362	48,806,304	
DISBURSEMENTS									
Disbursements to Commission	-	-	-	150,763	-	177,692	-	-	46,951,247
Principal curtailment on long-term debt	-	-	-	-	820,000	-	-	-	5,975,000
Interest payments on long-term debt	-	-	465,515	-	-	-	-	-	585,936
Disbursements to others	-	-	-	-	-	-	-	-	9,653,505
	-	-	465,515	150,763	820,000	177,692	-	-	63,165,688
TRANSFERS									
Transfer of interest earned to revenue account	-	-	-	-	-	-	-	-	818
Transfer of deposited revenue to designated accounts per resolution	(1,525,300)	(44,861)	437,821	150,761	879,943	222,305	(120,668)	2	
Discount (premium) amortized on bonds held as an investment	-	-	-	-	-	-	-	-	(12,343)
	(1,525,300)	(44,861)	437,821	150,761	879,943	222,305	(120,668)	(11,523)	
ENDING BALANCE	\$ -	\$ 1,130,500	\$ 218,920	\$ 32,045	\$ 880,000	\$ 44,631	\$ 2,736,982	\$ 60,895,243	

Note: The Operation and Maintenance Account for the 2004 Bonds is available to support operations and is included in current assets. The Surplus Account may be used for any legal purpose of the Commission and is also included in current assets. The remaining \$51,658,833 is reflected as restricted assets.

Capital Region Airport Commission
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS IN
ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2010

Account	Description	Interest Rate	Cash, Cash Equivalents and Investments
2004 Bonds			
Bond account - debt service	Money market fund	0.1%	\$ 5,819,345
Equipment and capital outlay	Money market fund	0.0	12,998,487
Operation and maintenance account	Cash deposits	0.0	4,118,475
Operation and maintenance reserve	Money market fund	0.0	1,136,908
Operation and maintenance reserve	Municipal obligation	4.4	674,910
Subordinated indebtedness	Money market fund	0.0	67,029
Surplus, issuer discretionary	Cash deposits	0.0	5,117,935
			<u>29,933,089</u>
1995 Bonds			
Debt service reserve	Money market fund	0.0	4,634
2005 Bonds			
Debt service reserve	Money market fund	0.0	858,951
Debt service reserve	Federal obligations	3.2	2,625,619
			<u>3,484,570</u>
2008 Bonds			
Construction fund	Money market fund	0.0	5,908,921
Debt service reserve	Money market fund	0.0	38,593
Debt service reserve	Federal obligations	2.6	3,418,094
Cost of issue	Money market fund	0.0	343
			<u>9,365,951</u>
PFC Bonds			
General purpose fund	Money market fund	0.1	7,970,677
General purpose fund	Certificate of deposit	0.4	5,000,000
			<u>12,970,677</u>
CFC Bonds			
Debt service reserve	Money market fund	0.0	500
Debt service reserve	Certificate of deposit	4.0	1,130,000
Interest fund	Money market fund	0.0	218,920
Operating fund	Money market fund	0.0	32,045
Principal fund	Money market fund	0.0	880,000
Repair fund	Money market fund	0.0	44,631
General purpose fund	Money market fund	0.0	2,736,982
			<u>5,043,078</u>
			<u>\$ 60,801,999</u>

Summary of cash, cash equivalents and investments created by bond resolution are included in the statements of net assets as follows:

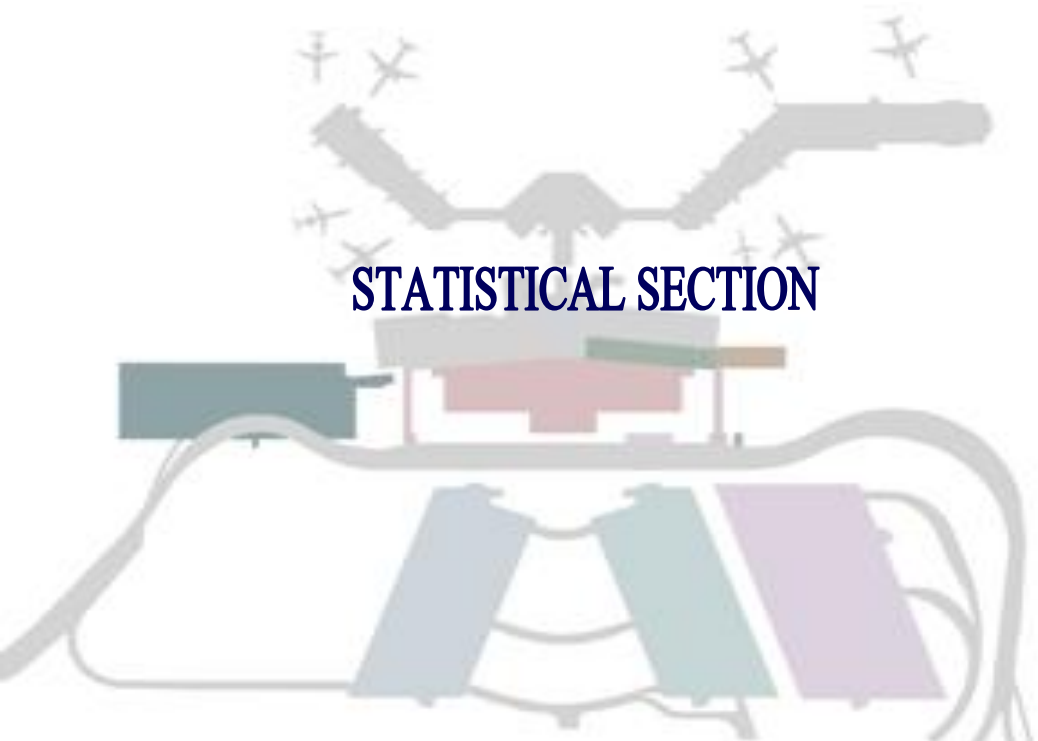
Current assets:	
Cash and cash equivalents	\$ 9,236,410
Restricted assets:	
Cash and cash equivalents	38,716,966
Investments	12,848,623
	<u>\$ 60,801,999</u>

Capital Region Airport Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

Grantor/CFDA Grantor's Program Title	Federal CFDA Number	Project Number	Expenditures
Major Federal Assistance Program			
FAA Direct Payments:			
Airport Improvement	20.106	3-51-0043-49	\$ 80,151
Airport Improvement	20.106	3-51-0043-50	199,313
Airport Improvement	20.106	3-51-0043-51	3,405,729
Airport Improvement	20.106	3-51-0043-52	98,585
Airport Improvement	20.106	3-51-0043-53	64,903
Airport Improvement	20.106	3-51-0043-54	227,134
Transportation Security Administration	97.XXX	HSTS04-06-A-DEP480	159,799
Total Federal Assistance Expended			<u><u>\$ 4,235,614</u></u>

Note: The above schedule is presented on the accrual basis of accounting and presents only a selected portion of the activities of the Commission; it is not intended to and does not present all of the expenditures of the Commission.

STATISTICAL SECTION



STATISTICAL SECTION



Now you're going places.

**Capital Region Airport Commission
Statistical Section**

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Capital Region Airport Commission
NET ASSETS AND CHANGES IN NET ASSETS
Ten Years Ended June 30, 2010
(dollars in thousands)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Operating revenues										
Apron fees	\$ 509	\$ 755	\$ 674	\$ 585	\$ 609	\$ 679	\$ 696	\$ 704	\$ 782	\$ 881
Concession	7,055	7,569	8,048	7,812	7,037	7,053	6,249	5,821	5,681	5,965
Landing fees	2,837	3,332	3,496	3,333	3,400	3,212	3,107	3,274	3,454	3,983
Other	177	211	253	250	173	157	334	235	287	333
Parking	17,993	17,989	19,892	16,956	15,034	12,760	11,506	11,011	10,700	13,242
Rental	9,428	9,588	9,779	8,798	8,260	8,377	8,109	7,595	7,662	7,381
Total operating revenues	37,999	39,444	42,142	37,734	34,513	32,238	30,001	28,640	28,566	31,785
Nonoperating income										
Customer Facility Charges	1,380	1,492	1,744	1,846	2,061	2,094	1,814	1,442	1,249	526
Interest income	338	1,152	2,608	3,330	3,052	1,538	684	912	1,450	3,396
Other	-	-	-	-	-	-	-	-	-	69
Passenger Facility Charges	6,949	6,929	7,328	7,549	6,546	4,247	3,279	3,100	2,902	3,734
Total nonoperating revenues	8,667	9,573	11,680	12,725	11,659	7,879	5,777	5,454	5,601	7,725
Total Revenues	46,666	49,017	53,822	50,459	46,172	40,117	35,778	34,094	34,167	39,510
Operating expenses										
Depreciation	18,492	17,151	16,364	15,802	14,344	13,706	11,828	10,227	8,945	10,377
Insurance	810	664	625	738	678	604	606	504	395	371
Maintenance	1,864	1,424	1,928	1,672	1,400	1,373	1,350	1,235	839	946
Other	545	394	516	468	638	615	575	704	1,388	613
Parking	2,834	3,070	2,896	2,366	2,344	2,149	1,922	1,912	1,991	2,301
Personnel	9,380	10,121	10,343	9,419	8,490	7,681	7,036	6,930	7,144	7,820
Professional services	1,001	1,207	1,544	1,407	1,381	1,583	1,578	1,529	1,356	1,607
Supplies	597	685	800	730	678	618	415	478	381	456
Utilities	2,081	2,555	2,361	2,191	1,974	1,719	1,774	1,678	1,448	1,550
Total operating expenses	37,604	37,271	37,377	34,793	31,927	30,048	27,084	25,197	23,887	26,041
Nonoperating expenses										
Interest expense	3,793	5,555	5,666	6,177	6,022	5,743	5,885	4,534	4,389	4,998
Other, net	786	1,075	666	810	794	519	608	330	255	-
Total nonoperating expenses	4,579	6,630	6,332	6,987	6,816	6,262	6,493	4,864	4,644	4,998
Total Expenses	42,183	43,901	43,709	41,780	38,743	36,310	33,577	30,061	28,531	31,039
Capital grants and contributions	5,879	12,481	23,860	8,895	15,471	6,658	8,481	14,761	18,681	7,814
Special item-transfer to governmental agency	-	-	-	-	-	-	(12,731)	-	-	-
Increase (decrease) in Net Assets	\$ 10,362	\$ 17,597	\$ 33,973	\$ 17,574	\$ 22,900	\$ 10,465	\$ (2,049)	\$ 18,794	\$ 24,317	\$ 16,285
Net Assets at Year-End										
Invested in capital assets, net										
of related debt	\$ 274,025	\$ 271,544	\$ 241,895	\$ 222,570	\$ 209,638	\$ 172,289	\$ 171,847	\$ 181,046	\$ 161,785	\$ 145,716
Restricted	41,370	31,247	39,742	34,568	27,394	42,511	36,781	27,544	23,168	22,240
Unrestricted	17,630	19,871	23,428	13,954	16,486	15,818	11,525	13,611	18,454	11,134
Total Net Assets	\$ 333,025	\$ 322,662	\$ 305,065	\$ 271,092	\$ 253,518	\$ 230,618	\$ 220,153	\$ 222,201	\$ 203,407	\$ 179,090

Capital Region Airport Commission
PRINCIPAL REVENUE SOURCES AND REVENUES
Ten Years Ended June 30, 2010
(dollars in thousands)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Airline revenues										
Landing fees	\$ 2,837	\$ 3,332	\$ 3,496	\$ 3,333	\$ 3,400	\$ 3,212	\$ 3,107	\$ 3,274	\$ 3,454	\$ 3,983
Apron fees	509	755	674	585	609	679	697	704	782	881
Total airline revenues	3,346	4,087	4,172	3,918	4,009	3,891	3,804	3,978	4,236	4,864
Percentage of total revenues	7.1%	8.4%	7.8%	7.8%	8.7%	9.7%	10.6%	11.7%	12.4%	12.3%
Nonairline revenues										
Parking	17,993	17,989	19,891	16,956	15,034	12,760	11,506	11,011	10,700	13,242
Rental	9,428	9,588	9,779	8,798	8,260	8,377	8,109	7,595	7,662	7,381
Concession	7,055	7,569	8,048	7,812	7,037	7,053	6,285	5,821	5,682	5,965
Other	178	211	253	250	172	157	334	235	287	333
Total nonairline revenues	34,654	35,357	37,971	33,816	30,503	28,347	26,234	24,662	24,331	26,921
Percentage of total revenues	74.3%	72.1%	70.5%	67.0%	66.1%	70.7%	73.2%	72.3%	71.2%	68.3%
Nonoperating revenues										
Passenger Facility Charges	6,949	6,929	7,327	7,549	6,546	4,247	3,279	3,100	2,902	3,734
Customer Facility Charges	1,380	1,492	1,744	1,846	2,061	2,094	1,814	1,442	1,249	527
Interest Income	338	1,152	2,608	3,330	3,052	1,538	684	912	1,450	3,396
Total nonoperating revenues	8,667	9,573	11,679	12,725	11,659	7,879	5,777	5,454	5,601	7,657
Percentage of total revenues	18.6%	19.5%	21.7%	25.2%	25.3%	19.6%	16.1%	16.0%	16.4%	19.4%
Total revenues	\$ 46,667	\$ 49,017	\$ 53,822	\$ 50,459	\$ 46,171	\$ 40,117	\$ 35,815	\$ 34,094	\$ 34,168	\$ 39,442
Enplaned passengers (excluding charters)	1,640,314	1,675,186	1,813,158	1,734,523	1,554,675	1,321,863	1,213,571	1,187,509	1,098,494	1,340,787
Total revenue per enplaned passengers	\$ 28.45	\$ 29.26	\$ 29.69	\$ 29.02	\$ 29.71	\$ 30.35	\$ 29.53	\$ 28.72	\$ 31.09	\$ 23.91

**Capital Region Airport Commission
LARGEST OWN-SOURCE REVENUE
Ten Years Ended June 30, 2010**

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Parking:										
Terminal	\$ 13,808,197	\$ 13,490,156	\$ 15,536,039	\$ 13,054,241	\$ 11,729,209	\$ 10,094,309	\$ 8,942,714	\$ 8,428,279	\$ 7,884,671	\$ 9,832,476
Economy and shuttle	3,607,957	3,885,764	3,658,456	3,118,025	2,606,678	2,092,189	2,054,783	2,127,846	2,327,855	2,679,662
Valet	572,419	611,691	688,525	776,112	691,069	563,733	488,905	437,182	446,927	544,178
Parking meter and violations	4,425	1,358	8,408	8,114	7,537	9,547	19,805	17,890	40,754	185,715
	<u>\$ 17,992,998</u>	<u>\$ 17,988,969</u>	<u>\$ 19,891,428</u>	<u>\$ 16,956,492</u>	<u>\$ 15,034,493</u>	<u>\$ 12,759,778</u>	<u>\$ 11,506,207</u>	<u>\$ 11,011,197</u>	<u>\$ 10,700,207</u>	<u>\$ 13,242,031</u>

**LARGEST OWN-SOURCE REVENUE RATES
Ten Years Ended June 30, 2010**

	2010		2009		2008		2007		2006		2005		2004		2003		2002		2001	
	Maximum Hourly	Per Day	Maximum Hourly	Per Day	Maximum Hourly	Per Day	Maximum Hourly	Per Day	Maximum Hourly	Per Day	Maximum Hourly	Per Day	Maximum Hourly	Per Day	Maximum Hourly	Per Day	Maximum Hourly	Per Day	Maximum Hourly	Per Day
Lot:																				
Garage/long term	\$ 3	\$ 12	\$ 3	\$ 12	\$ 3	\$ 12	\$ 3	\$ 10	\$ 3	\$ 10	\$ 3	\$ 10	\$ 3	\$ 10	\$ 3	\$ 10	\$ 3	\$ 10	\$ 3	\$ 10
Short-term hourly	2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	16	2	16
Express	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	9	2	9
Economy A	2	6	2	6	2	6	1	6	1	6	1	7	1	7	1	7	1	7	1	7
Economy B	2	6	2	6	2	6	1	6	1	6	1	7	1	7	1	7	1	6	1	6
Economy C	2	6	2	6	2	6	1	6	1	6	1	6	1	6	1	6	-	-	-	-
Valet	N/A	20	N/A	20	N/A	20	6	15	6	15	6	15	6	15	6	16	6	13	6	13

Note: Rates are subject to change during year.
Public parking is the only source of parking revenue.
Economy Lot C opened in 2003.

Capital Region Airport Commission
REVENUE RATES
Ten Years Ended June 30, 2010

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Apron fees	\$1.21	\$1.34	\$1.31	\$1.34	\$1.34	\$1.49	\$1.51	\$1.49	\$1.72	\$1.71
Landing Fees (per 1,000 lbs unit)	1.22	1.25	1.24	1.20	1.16	1.21	1.21	1.21	1.28	1.25
Terminal Rental (square foot)	33.50	34.93	43.01	40.95	40.66	41.52	41.04	39.35	46.82	48.57

REVENUE BOND COVERAGE
Ten Years Ended June 30, 2010

Fiscal Year	Revenue	Expense	Net Revenue Available	Debt Service on Bonds	Debt Service	Coverage	
						Debt Service on Bonds	Debt Service
2010	\$37,757,074	\$ 21,008,694	\$ 16,748,379	\$ 10,615,280	\$ 14,728,529	1.58	1.14
2009	39,352,774	18,505,734	20,847,040	9,951,531	12,839,714	2.09	1.62
2008	43,227,749	18,696,653	24,531,096	8,436,487	16,950,357	2.91	1.45
2007	39,163,871	19,890,028	19,273,843	7,793,118	16,489,821	2.47	1.17
2006	34,813,516	17,651,002	17,162,514	7,631,672	15,473,983	2.25	1.11
2005	32,585,580	16,516,915	16,068,665	7,366,097	13,183,282	2.18	1.22
2004	29,811,296	16,059,893	13,751,403	7,169,402	12,736,501	1.92	1.08
2003	29,359,910	14,284,498	15,075,412	8,156,867	14,066,114	1.85	1.07
2002	28,475,092	14,739,523	13,735,569	4,942,755	10,655,801	2.78	1.29
2001	32,988,540	15,110,233	17,878,307	5,142,498	11,020,259	3.48	1.62

Note: The amounts above are determined in accordance with applicable provisions of the Commission's Master Revenue Bond Resolution (the "Resolution"). Revenue and expense as reported in the statements of revenues, expenses and net assets have been adjusted as required by the Resolution. Pursuant to the Resolution, debt service on bonds include only debt service on airport revenue bonds increased by a multiple of 1.00 times, whereas, debt service includes debt service on all debt and certain deposits required to be made by the Resolution.

Capital Region Airport Commission
OUTSTANDING DEBT
Ten Years Ended June 30, 2010
(dollars in thousands)

	Fiscal Year										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Airport Revenue Bonds:											
Series 1994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,105	\$ 19,505	\$ 20,455	\$ 21,330	
Series 1995 A,B&C	-	-	15,880	15,880	15,880	16,405	46,295	46,570	47,835	48,090	
Series 2001 A&B	36,673	38,308	39,874	41,373	42,806	44,180	45,492	40,825	33,269	5,838	
Series 2004 A	9,670	11,335	12,935	14,475	15,955	17,380	17,380	-	-	-	
Series 2005A	27,045	27,485	27,910	28,325	28,725	28,725	-	-	-	-	
Series 2008A	51,310	51,310	51,310	-	-	-	-	-	-	-	
PFC Revenue Bonds:											
Series 1999 A	-	-	-	-	-	-	3,260	-	4,000	6,495	
Series 1999 B	-	-	-	-	-	-	17,000	-	17,000	17,000	
Series 2005 A	16,940	21,570	26,175	26,765	27,335	27,885	-	3,640	-	-	
Series 2005 B	20,675	21,200	21,705	22,190	22,660	23,115	-	17,000	-	-	
Car Rental Garage Revenue Bond	6,280	7,100	7,870	8,595	9,275	9,910	10,510	11,075	11,305	11,305	
The Warehouse Company Note	-	-	1,493	1,691	1,874	2,043	2,197	2,331	2,444	2,542	
Line of Credit	-	1,185	-	1,450	-	-	1,119	-	5,458	3,823	
	168,593	179,493	205,152	160,744	164,510	169,643	144,358	140,946	141,766	116,423	
Add: Bond premium, net	1,218	1,424	1,650	1,891	2,147	2,393	1,081	-	-	-	
Less: Debt issuance costs, net	(4,433)	(4,863)	(5,565)	(4,032)	(4,433)	(4,666)	(3,147)	(2,325)	(2,571)	(2,874)	
Total Long Term Debt	\$ 165,378	\$ 176,054	\$ 201,237	\$ 158,603	\$ 162,224	\$ 167,370	\$ 142,292	\$ 138,621	\$ 139,195	\$ 113,549	
Enplaned passengers (excluding charters)	1,640	1,675	1,813	1,735	1,555	1,322	1,214	1,188	1,098	1,341	
Total Long Term Debt per enplaned passenger	\$100.84	\$105.11	\$111.00	\$91.41	\$104.32	\$126.60	\$117.21	\$116.68	\$126.77	\$84.67	

Capital Region Airport Commission
MAJOR CUSTOMERS
Year Ended June 30, 2010

Company	Revenue	Percent of Operating Revenue
Delta Airlines, Inc.	\$ 1,698,191	4.5%
US Airways, Inc	1,405,713	3.7
Hertz Corporation, Inc.	1,344,601	3.5
National / Alamo Rent A Car, Inc.	958,174	2.5
Avis Rent A Car Company	934,687	2.5

ENPLANEMENT TRENDS
RICHMOND, SMALL HUBS, UNITED STATES
Ten Years Ended June 30, 2010

Year	Annual Percent Change in Enplanements		
	Richmond	Small Hubs	United States
2010	(2.5%)	N/A	N/A
2009	(7.5)	N/A	(5.1%)
2008	4.8	(5.2%)	(4.0)
2007	11.6	4.5	3.1
2006	13.2	3.2	0.1
2005	16.2	5.2	1.2
2004	4.3	3.0	9.9
2003	1.2	3.0	3.3
2002	(1.8)	(7.3)	(3.5)
2001	(10.6)	(9.3)	(6.9)

Note: Calendar year data except for 2010, which is fiscal year data.

As defined by the FAA, a small hub enplanes .05 to .249 percent of the total U.S. passengers.

Sources: Bureau of Transportation Statistics, Research and Innovative Technology Administration (RITA), Tables 1-41 and 3-1-4. Airport records.

N/A: Not available

Capital Region Airport Commission
ENPLANED PASSENGERS
Ten Years Ended June 30, 2010

	Share of		Share of									
	2010	Total 2010	2009	Total 2009	2008	2007	2006	2005	2004	2003	2002	2001
Majors:												
AirTran Airways	152,852	9.3%	170,372	10.1%	172,770	147,658	137,411	2,960	-	-	-	-
American Airlines	113,082	6.9	104,165	6.2	116,805	115,244	106,789	87,196	105,235	129,884	102,556	78,121
Continental Airlines	123,513	7.6	119,820	7.1	129,014	132,724	113,434	100,856	95,311	80,119	66,570	106,900
Delta Airlines	270,066	16.4	232,326	13.8	240,723	227,925	221,489	243,800	229,351	254,184	253,204	317,052
JetBlue Airways	160,784	9.8	152,318	9.0	148,052	137,536	36,894	-	-	-	-	-
Northwest Airlines	107	-	70,007	4.2	10,488	19,997	14,240	39,425	44,552	57,095	52,275	62,342
SkyBus Airlines	-	-	-	-	29,793	4,473	-	-	-	-	-	-
United Airlines	47,922	2.9	52,430	3.1	56,980	59,898	60,870	55,035	59,163	76,420	80,868	97,152
US Airways	103,443	6.3	122,451	7.3	137,069	122,747	145,018	180,443	191,477	223,145	278,295	409,693
Total Major	971,769	59.1	1,023,889	60.8	1,041,694	968,202	836,145	709,715	725,089	820,847	833,768	1,071,260
Regionals:												
Air Canada	6,564	0.4	6,903	0.4	1,821	-	-	-	-	3,211	11,151	13,614
Air Wisconsin	113,190	6.9	76,002	4.5	86,360	64,525	43,229	18,091	50,836	8,728	-	-
American Eagle	64,187	3.9	45,026	2.7	61,952	63,103	70,709	82,715	55,974	46,228	40,916	37,592
Atlantic Coast	-	-	-	-	-	-	-	3,509	27,519	44,594	31,461	52,221
Atlantic Coast Jet	-	-	-	-	-	-	-	-	-	5,622	14,381	-
Atlantic Southeast	21,211	1.3	33,967	2.0	41,706	31,358	36,185	11,607	-	-	-	3,098
Chautauqua	71,793	4.4	71,237	4.2	70,858	134,892	106,948	84,362	62,137	85,443	53,924	28,618
ComAir/Delta Connection	53,106	3.2	58,263	3.5	85,373	102,462	99,709	72,469	66,278	49,223	24,094	24,116
CommotAir	-	-	-	-	-	-	-	-	-	10,585	-	3,733
Compass	7,229	0.4	-	-	-	-	-	-	-	-	-	-
GoJet	23,957	1.5	13,599	0.8	12,391	2,229	-	-	-	-	-	-
Mesa	27,893	1.7	54,807	3.3	76,854	78,014	56,606	38,820	24,053	6,274	-	-
Mesaba	20,397	1.2	-	-	-	-	-	-	-	-	-	-
Piedmont	18,063	1.1	21,057	1.2	21,695	12,930	5,603	5,851	14,648	26,243	4,096	7,728
Pinnacle	30,123	1.8	12,364	0.7	72,249	54,659	71,560	67,382	46,356	7,146	-	-
PSA	31,725	1.9	30,449	1.8	41,579	57,499	34,578	25,707	11,281	64,401	4,378	5,636
Republic	84,493	5.1	84,651	5.0	47,366	2,516	347	-	-	-	-	-
Shuttle America	19	-	14,666	0.9	-	-	521	4,803	-	-	-	-
SkyWest	-	-	-	-	-	-	1,070	-	-	-	-	-
Trans States	94,595	5.8	128,306	7.6	151,260	162,134	191,465	193,070	124,345	-	62,770	46,749
TWA	-	-	-	-	-	-	-	-	-	-	17,555	42,366
USA 3000	-	-	-	-	-	-	-	3,762	5,055	8,509	-	-
US Airways Express	-	-	-	-	-	-	-	-	8,678	16,665	-	13,955
Total Regionals	668,545	40.7	651,297	38.7	771,464	766,321	718,530	612,148	497,160	382,872	264,726	279,426
Charters												
Totals	1,643,780	100.0%	1,685,006	100.0%	1,821,687	1,738,833	1,557,710	1,328,568	1,236,776	1,220,921	1,112,693	1,370,358

Capital Region Airport Commission
AIRLINE MARKET SHARES
Ten Years Ended June 30, 2010
Landed Weight (1,000 Pound Units)

	Share of		2009	Share of Total 2009	2008	2007	2006	2005	2004	2003	2002	2001
	2010	Total 2010										
Major Airlines												
AirTran Airways	183,712	9.1%	240,928	9.3%	212,656	196,632	220,792	4,992	-	-	-	-
American Airlines	134,180	6.7	134,590	5.2	135,370	132,614	133,808	128,589	175,943	235,775	217,518	143,812
Continental Airlines	89,000	4.4	146,750	5.6	152,133	156,277	154,396	153,118	146,851	138,855	168,521	235,840
Delta Airlines	319,496	16.0	286,572	11.0	287,074	274,715	296,066	339,027	329,080	396,205	586,861	510,597
JetBlue Airways	208,769	10.3	224,064	8.6	203,415	204,773	51,606	-	-	-	-	-
Northwest Airlines*	961	-	374,481	14.4	13,896	33,601	27,917	69,772	75,358	120,177	128,692	120,568
SkyBus Airlines	-	-	-	-	41,749	7,027	-	-	-	-	-	-
United Airlines	76,006	3.8	78,635	3.0	82,037	81,216	84,523	86,915	93,352	138,652	196,687	217,219
US Airways	155,556	7.7	182,515	7.0	211,407	206,784	310,410	379,899	367,808	440,347	735,991	780,412
Total Major Airlines	1,167,680	57.8	1,668,535	64.2	1,339,737	1,293,639	1,279,518	1,162,312	1,188,392	1,470,011	2,034,270	2,008,448

Regional Airlines												
Air Canada	17,687	0.9	18,417	0.7	3,390	-	-	-	-	5,115	28,705	32,177
Air Wisconsin	135,266	6.7	96,068	3.7	103,447	83,284	60,160	20,949	62,889	9,588	-	-
Allegiant Airlines	3,835	0.2	4,408	0.2	1,477	837	837	-	-	-	-	-
American Eagle	67,051	3.3	52,730	2.0	68,586	72,455	88,973	115,106	85,644	80,444	102,508	87,683
Atlantic Coast	-	-	-	-	-	-	-	4,227	35,197	58,249	85,462	77,943
Atlantic Coast Jet	-	-	-	-	-	-	-	-	-	-	4,501	-
Atlantic Southeast	25,145	1.2	36,206	1.4	48,942	36,961	39,331	12,126	-	-	-	12,784
Chautauqua	81,915	4.1	88,856	3.4	88,531	171,207	140,818	115,227	88,528	153,061	134,753	52,840
Colgan Air	-	-	12,214	0.5	1,178	-	-	-	-	-	-	-
ComAir/Delta Connection	69,560	3.4	89,059	3.4	113,686	149,103	143	119,709	127,276	88,548	42,676	34,310
CommutAir	-	-	-	-	-	-	-	-	-	-	-	14,133
Compass Airlines	8,539	0.4	17,465	0.7	2,024	-	-	-	-	-	-	-
Express Jet	58,114	2.9	-	-	-	-	-	-	-	-	-	-
Freedom Airlines	15,045	0.7	51,085	2.0	52,530	39,653	34	-	-	-	-	-
GoJet Airlines	37,185	1.8	25,058	1.0	24,522	9,246	-	-	-	-	-	-
Mesa Airlines	12,856	0.6	17,736	0.7	39,291	43,071	37,777	54,708	35,824	14,916	-	-
Mesaba Airlines	21,853	1.1	32,636	1.3	-	-	-	-	-	-	-	-
Piedmont	23,402	1.2	26,689	1.0	26,074	15,505	6,806	8,308	26,075	5,724	4,902	15,968
Pinnacle Airlines	36,720	1.8	45,043	1.7	79,375	65,471	94,047	108,429	70,688	37,647	2,820	-
PSA	34,304	1.7	35,857	1.4	48,724	64,926	48,097	41,372	18,688	9,596	10,850	18,200
Republic Airlines	104,077	5.2	111,722	4.3	64,787	3,543	1,229	-	-	-	-	-
Shuttle America	217	-	17,944	0.7	-	-	898	28,179	-	-	-	-
SkyWest Airlines	-	-	1,717	0.1	-	-	1,316	-	-	-	-	-
Trans States	99,905	5.0	151,075	5.8	187,356	210,528	297,240	291,520	196,199	119,256	145,451	89,896
TWA	-	-	-	-	-	-	-	-	-	-	35,926	66,558
USA 3000	-	-	-	-	-	-	-	6,683	-	-	-	-
US Airways Express	-	-	-	-	-	-	-	-	8,678	16,665	-	9,899
Total Regional Airlines	852,676	42.2	931,985	35.8	953,920	965,790	817,706	926,543	755,686	598,809	598,554	512,391

Total Airline Weight	2,020,356	100.0%	2,600,520	100.0%	2,293,657	2,259,429	2,097,224	2,088,855	1,944,078	2,068,820	2,632,824	2,520,839
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Capital Region Airport Commission
AIRLINE MARKET SHARES-CARGO
Ten Years Ended June 30, 2010
Landed Weight (1,000 Pound Units)

	2010	Share of Total 2010	2009	Share of Total 2009	2008	2007	2006	2005	2004	2003	2002	2001
Cargo Carriers												
Airborne Express	-	-	6,745,200	1.9%	25,806,200	25,763,000	25,891,700	48,669,200	51,796,600	51,697,100	51,599,000	51,561,000
AirNet Systems	4,675,800	1.5%	5,388,000	1.5	7,299,100	8,868,800	10,105,604	11,227,336	10,183,552	9,253,672	5,151,468	5,942,500
Airtrain/Emery Worldwide	-	-	-	-	-	-	-	-	-	-	14,448,000	87,086,500
Ameriflight	756,600	0.2	653,870	0.2	67,088	82,588	-	4,004,000	2,349,000	155,000	450,700	1,849,000
BAX Global	-	-	-	-	-	-	-	-	-	-	-	30,393,500
DHL Express	-	-	10,498,000	2.9	-	-	-	-	-	-	-	-
Emery Worldwide	-	-	-	-	-	-	-	-	-	-	-	-
Federal Express	144,392,100	46.5	172,706,450	47.5	182,858,050	183,266,200	185,593,950	183,839,450	185,484,450	181,046,100	173,956,850	135,337,250
Mountain Air Cargo	187,140	0.1	53,160	-	59,500	8,500	8,500	42,500	25,500	126,000	714,000	721,000
UPS	160,848,720	51.7	166,685,040	46.0	173,015,360	175,649,920	171,104,680	165,935,000	165,813,500	162,638,500	162,638,000	137,852,000
Total Cargo Weight	310,860,360	100.0%	362,729,720	100.0%	389,105,298	393,639,008	392,704,434	413,717,486	415,652,602	404,916,372	426,322,018	538,314,250
Total Landed Weight	312,880,716		365,330,240		391,398,955	395,898,437	394,801,658	415,806,341	417,596,680	406,985,192	428,954,842	540,835,089

Capital Region Airport Commission
PRIMARY ORIGIN AND DESTINATIONS PASSENGER MARKETS
Calendar Years 2009 and 2008

2009				2008			
Rank	Market	Trip Length	O&D Passengers	Rank	Market	Trip Length	O&D Passengers
1	New York/Newark	SH	351,870	1	New York/Newark	SH	388,050
2	Atlanta	SH	237,760	2	Atlanta	SH	257,730
3	Orlando	MH	157,600	3	Boston	SH	157,060
4	Boston	SH	141,310	4	Chicago	MH	143,250
5	Chicago	MH	138,060	5	Orlando	MH	141,220
6	Dallas/Fort Worth	MH	98,770	6	Dallas/Fort Worth	MH	113,790
7	Fort Lauderdale	MH	81,840	7	Fort Lauderdale	MH	82,760
8	Los Angeles	LH	70,240	8	Houston	MH	71,710
9	Houston	MH	68,700	9	Las Vegas	LH	71,340
10	Las Vegas	LH	68,300	10	Los Angeles	LH	63,260
11	Denver	MH	58,470	11	Denver	MH	60,660
12	Tampa	MH	54,460	12	Tampa	MH	56,420
13	San Francisco	LH	49,480	13	St Louis	MH	52,330
14	Phoenix	LH	48,740	14	Phoenix	LH	47,680
15	St Louis	MH	47,630	15	Detroit	SH	46,470
16	San Diego	LH	44,820	16	San Diego	LH	46,370
17	Cleveland	SH	43,550	17	San Francisco	LH	45,010
18	Detroit	SH	42,280	18	Minneapolis/St Paul	MH	42,980
19	Seattle/Tacoma	LH	42,040	19	Cleveland	SH	41,240
20	Nashville	SH	38,140	20	Seattle/Tacoma	LH	40,580
21	Minneapolis/St Paul	MH	38,020	21	Miami	MH	39,530
22	New Orleans	MH	35,950	22	Nashville	SH	36,830
23	Philadelphia/Cam	SH	34,090	23	Charlotte	SH	36,710
24	Jacksonville	SH	32,880	24	Philadelphia/Cam	SH	36,550
25	Miami	MH	31,940	25	Austin	MH	35,490
Total			2,056,940	Total			2,155,020

Capital Region Airport Commission
POPULATION IN THE AIR TRADE AREA
Calendar Years 2006-2009

Primary Trade Area	CALENDAR YEAR				Percentage Change		
	2009	2008	2007	2006	2008-2009	2007-2008	2006-2007
United States	307,006,550	304,059,724	301,621,157	299,398,484	1.0	0.8	0.7
Virginia total	7,882,590	7,769,089	7,712,091	7,642,884	1.5	0.7	0.9
Richmond MSA*	1,238,187	1,225,626	1,212,977	1,194,008	1.0	1.0	1.6
Richmond-Petersburg MSA	1,119,459	1,107,782	1,096,629	1,079,551	1.1	1.0	1.6
Richmond City	204,451	202,002	200,123	192,913	1.2	0.9	3.7
Henrico County	296,415	292,599	289,822	284,399	1.3	1.0	1.9
Chesterfield County	306,670	303,469	299,689	296,718	1.1	1.3	1.0
Hanover County	99,933	99,716	98,946	98,983	0.2	0.8	-
Petersburg City	32,986	32,916	32,885	32,445	0.2	0.1	1.4
Hopewell City	23,123	23,142	23,028	22,731	(0.1)	0.5	1.3
Colonial Heights City	17,823	17,768	17,796	17,676	0.3	(0.2)	0.7
Charles City County	7,217	7,212	7,166	7,221	0.1	0.6	(0.8)
Dinwiddie County	26,338	26,082	25,747	25,695	1.0	1.3	0.2
Goochland County	21,311	20,956	20,615	20,085	1.7	1.7	2.6
New Kent County	18,112	17,825	17,109	16,852	1.6	4.2	1.5
Powhatan County	27,964	28,006	27,817	27,649	(0.1)	0.7	0.6
Prince George County	37,116	36,089	35,886	36,184	2.8	0.6	(0.8)
Amelia County	12,886	12,808	12,686	12,502	0.6	1.0	1.5
Caroline County	27,870	27,632	27,282	26,731	0.9	1.3	2.1
Cumberland County	9,757	9,670	9,626	9,465	0.9	0.5	1.7
King & Queen County	6,796	6,830	6,882	6,903	(0.5)	(0.8)	(0.3)
King William County	16,225	16,040	15,689	15,381	1.2	2.2	2.0
Louisa County	33,078	32,716	31,961	31,226	1.1	2.4	2.4
Sussex County	12,116	12,148	12,222	12,249	(0.3)	(0.6)	(0.2)

Source: (a) Estimates by Census Bureau, April 2010

*December 2003 Office of Management and Budget (OMB) metropolitan definition

PERSONAL INCOME
Calendar Years 2004-2008

Millions of Dollars	2008	2007	2006	2005	2004
United States	\$12,225,589	\$11,634,322	\$10,978,053	\$10,252,973	\$ 9,711,363
Virginia	343,580	321,245	306,918	286,685	267,521
Richmond-Petersburg MSA	51,918	48,790	46,457	43,399	40,608
Annual growth rate	2.3%	5.0%	7.0%	6.9%	7.2%

Note: 2008 is the most recent year available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, April 22, 2010

Capital Region Airport Commission
PER CAPITA INCOME
Calendar Years 2004-2008

	2008	2007	2006	2005	2004
United States	\$40,166	\$38,615	\$36,794	\$34,690	\$33,157
Virginia	44,075	41,727	40,234	37,988	35,886
Richmond-Petersburg MSA*	42,309	40,286	38,913	36,995	35,186
Percent of national average	105.3%	104.3%	105.8%	106.6%	106.1%

Note: 2008 is the most recent year available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, April 22, 2010

PRINCIPAL EMPLOYERS IN THE PRIMARY AIR TRADE AREA
Calendar Year 2010

Major Private Employers	City/County	Full-Time Employees	Percentage of 50	
			Total Employers	Product or Service
Virginia Commonwealth University Health System	Richmond	7,244	7.6%	Hospitals
Capital One Financial Corp.	Goochland	6,828	7.2	Credit Cards
HCA Inc.	Richmond	6,679	7.0	Hospitals
Dominion Resources Inc.	Richmond	5,721	6.0	Energy
Bon Secours Richmond Health Systems	Richmond	5,626	5.9	Hospitals
Altria Group Inc.	Henrico	4,613	4.9	Tobacco
SunTrust Banks Inc.	Richmond	3,815	4.0	Banking
Ukrop's Super Markets Inc.*	Richmond	3,331	3.5	Retail Grocery
WellPoint Inc.	Richmond	3,050	3.2	Health Care
Bank of America Corp	Richmond	2,900	3.1	Banking
Wells Fargo and Company	Richmond	2,858	3.0	Banking
Verizon Communications Inc.	Richmond	2,789	2.9	Communications

Note: This table lists the top twelve private employers in the Richmond region. (As of January 1, 2010)

*Ukrop's was sold to Ahold in February 2010. FTE number does not reflect the sale.

Source: Richmond Times-Dispatch, April 2010

Capital Region Airport Commission
EMPLOYMENT DATA WITHIN VIRGINIA

Major Public Employers	Average Number of Employees
Local Governments	57,300
Commonwealth of Virginia	38,900
Federal Government	15,600

Source: Virginia Employment Commission, Current Employment Statistics Program, 2009 Annual Averages

EMPLOYMENT BY INDUSTRY
(Non-Agricultural)

	Annual Average		Percent Change	Percent Total	
	2009	1999	From 1999	2009	1999
Richmond-Petersburg MSA					
Total Employment	604,100	573,200	5.4%	100.0%	100.0%
By Industry:					
Government	111,800	104,900	6.6	18.5	18.3
Wholesale and retail trade	91,600	89,100	10.4	15.2	15.5
Manufacturing	34,100	56,900	(40.1)	5.6	9.9
Financial activities	43,000	43,700	(1.6)	7.1	7.6
Construction and mining	35,800	38,200	(6.3)	5.9	6.7
Transportation and utilities	19,500	21,000	(7.1)	3.2	3.7
Information	10,100	12,000	(15.8)	1.7	2.1
Professional and business services	92,800	88,500	5.0	15.4	15.4
Educational and health services	83,200	51,600	61.2	13.8	9.0
Leisure and hospitality services	51,700	43,300	19.4	8.6	7.6
Other services	30,800	24,000	28.3	5.1	4.2

Source: Virginia Employment Commission, Current Employment Statistics Program

UNEMPLOYMENT RATES
Calendar Years 2005-2009

	2009	2008	2007	2006	2005
United States	9.3%	5.8%	4.6%	4.6%	5.1%
Virginia	6.7	4.0	3.0	3.0	3.5
Richmond-Petersburg MSA*	7.5	4.3	3.1	3.2	3.7

Note: The most current year available is 2009.

Source: Virginia Employment Commission, Local Area Unemployment Statistics Program

**Capital Region Airport Commission
COMMISSION EMPLOYEES
Ten Years Ended June 30, 2010**

	Full Time Equivalent Employees										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Police	24	23	29	30	30	30	30	41	39	31	
Communications	12	12	13	15	12	13	12	N/A	N/A	N/A	
Aircraft Rescues & Fire Fighting	19	19	21	19	19	19	18	19	19	18	
Custodial Services	46	45	45	46	31	31	27	30	29	28	
Utilities/Ground Maintenance	14	12	12	12	12	12	9	6	9	14	
Equipment/Automotive Maintenance	5	6	6	6	5	5	4	4	5	5	
Building Maintenance	2	1	6	8	8	9	9	10	14	14	
Electronic Systems	4	4	4	4	4	4	3	4	N/A	N/A	
HVAC	3	3	4	4	4	20	N/A	N/A	N/A	N/A	
Electrical Maintenance	2	3	4	4	5	15	5	5	5	4	
Finance and Administrative Services	11	11	12	11	12	10	11	10	9	13	
Ground Transportation	1	2	2	2	1	1	1	1	1	1	
Information Systems	3	3	3	3	2	2	2	2	2	2	
Executive Marketing	5	5	5	4	4	4	4	5	3	3	
Human Resources	-	3	4	4	4	4	4	4	5	4	
Baggage System	10	10	10	7	4	N/A	N/A	N/A	N/A	N/A	
Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Total Employees	161	162	180	179	157	179	139	141	140	145	

Note: A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor hours by 2088.
Several departments have been reclassified which resulted in variances.

Capital Region Airport Commission
CARGO CARRIER
Ten Years Ended June 30, 2010

Pounds of Cargo										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Cargo Carrier:										
Airborne	-	3,660,614	7,275,287	7,227,257	6,035,741	4,501,947	4,362,193	5,060,314	5,183,761	6,417,569
Air Net Systems	795,955	816,348	1,038,124	1,178,060	1,394,396	1,093,160	779,011	700,208	429,832	574,780
Airtrain/Emery Worldwide	-	-	-	-	-	-	-	-	1,187,824	7,370,566
Air Transport	-	-	-	-	-	-	-	-	-	5,842,106
AmeriFlight	219,970	174,964	5,199	11,473	253	1,040,716	2,439,475	3,804,072	3,382,018	2,456,434
Emery	-	-	-	-	-	-	-	-	3,363,331	15,443,741
Federal Express	56,575,502	60,794,140	67,546,025	71,357,645	69,948,418	65,749,853	65,198,840	66,359,216	62,942,348	44,744,925
Mountain Air Cargo	-	-	-	-	-	5,912	2,490	2,152	53,905	46,153
UPS	24,211,667	27,341,043	37,016,959	35,101,104	33,890,613	34,082,119	35,050,794	27,564,147	30,870,889	24,424,972
Total	81,803,094	92,787,109	112,881,594	114,875,539	111,269,421	106,473,707	107,832,803	103,490,109	107,413,908	107,321,246
Percentage change	(11.8%)	(18.0%)	(1.7%)	3.2%	4.5%	(1.3%)	4.2%	(3.7%)	0.1%	(16.0%)

TAKEOFF AND LANDING OPERATIONS SUMMARY
Ten Years Ended June 30, 2010

Fiscal Year	Air Carrier	General			Air Taxi/ Commuter		Military		Total
		Aviation	Aviation	Aviation	Commuter	Military	Military	Military	
2010	27,491	41,102	26,498	6,921	102,012				
2009	30,696	28,457	45,267	6,127	110,547				
2008	29,977	37,426	51,450	6,451	125,304				
2007	26,474	22,892	58,646	8,042	116,054				
2006	32,735	24,536	64,526	11,463	133,260				
2005	24,760	31,354	67,273	12,377	135,764				
2004	24,759	31,991	63,834	13,686	134,270				
2003	30,112	35,206	47,220	12,471	125,009				
2002	36,030	47,745	40,583	11,805	136,163				
2001	49,871	51,804	37,056	12,733	151,464				
Average Annual Change	(2.7%)	2.6%	(4.9%)	(8.8%)	(3.8%)				

Capital Region Airport Commission
INSURANCE COVERAGE
As of June 30, 2010

Type/Carrier	Coverage	Limit
Airport liability/ACE/ Lloyd's	Public liability including aircraft products/completed operations	\$200,000,000
Automobile liability/Federal Insurance Company	Bodily injury or property damage resulting from ownership maintenance or use of any automobile	\$1,000,000 combined single limit bodily injury and property damage
Workers' compensation and employer's liability/ACE	Worker's compensation	Statutory and \$1,000,000 employer's liability
Public officials and employer's liability/Virginia State Public Officials self-insurance pool	Civil claims for wrongful acts	\$1,000,000 each loss \$1,000,000 annual aggregate \$3,500 deductible
Property/Great Northern Insurance Co.	Blanket real and personal property including business income and personal property of others	\$389,028,000 blanket real and personal property including EDP, mobile radios and valuable papers \$35,000,000 business income
Equipment/Federal Insurance Company	Scheduled equipment	\$4,111,642 scheduled equipment \$300,000 miscellaneous equipment \$10,000 unscheduled equipment \$100,000 leased/rental equipment \$100,000 newly acquired equipment
Boiler and machinery/Great Northern Insurance Company	Accident damage	\$100,000,000
Blanket crime/Federal Insurance Company	Employee dishonesty	\$1,000,000 limit \$2,500 deductible

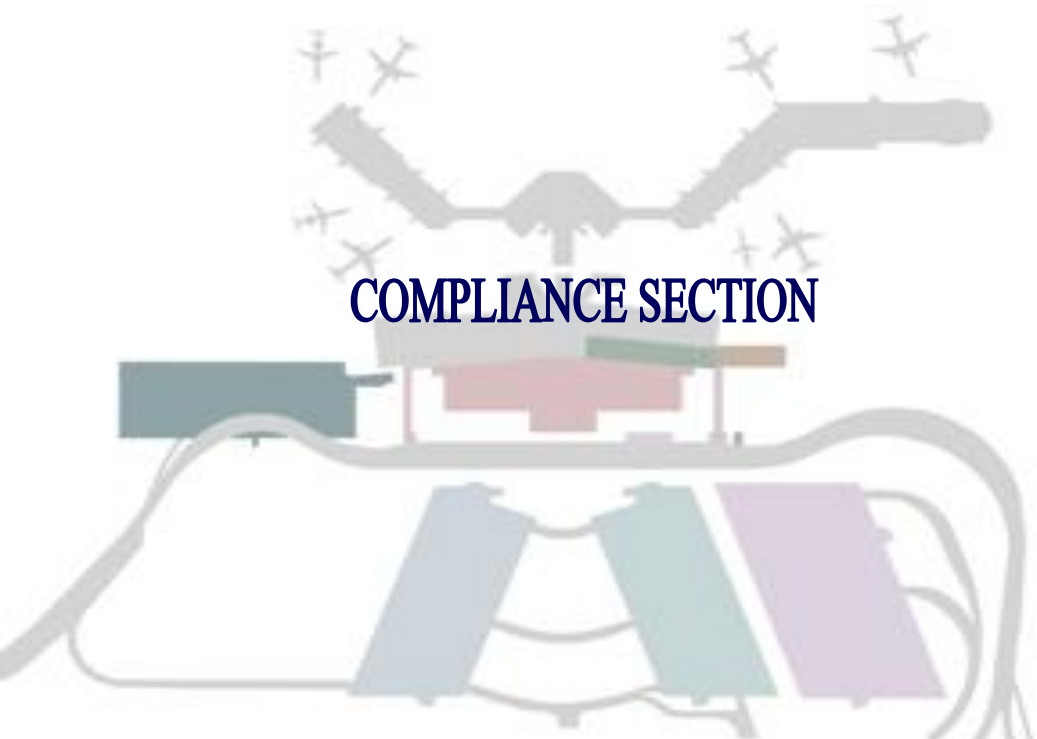
Note: The insurance coverage was provided by USI Insurance Services, with exception of Worker's Compensation and Public Officials policies.

Capital Region Airport Commission
CAPITAL ASSET INFORMATION
As of June 30, 2010

Richmond International Airport

Location:	6 miles east of downtown Richmond, the capital of Virginia		
Elevation:	168 ft.		
Airport Code:	RIC		
Runways:	16/34	North/South	9,000 x 150 HIRL/CL/TDZ/VOR
	2/20	North/South	6,600 x 150 HIRL
	7/25	East/West	5,300 x 100 HIRL
Terminal:	Airlines		76,783 SF
	Tenants		40,597 SF
	Public/common		62,845 SF
	Mechanical		15,946 SF
	Other		193,797 SF
	Number of passenger gates		22
	Number of loading bridges		22
	Number of concessionaires in terminal		2
	Number of rental car agencies in terminal		7
Apron:	Leased:		457,806 SF
Ramp:	Leased:		21,949 SF
Parking:	Spaces assigned:	Garage	6,548
		Short-term	280
		Long-term	0
		Economy	2,235
		Rental cars	490
		Employees	600
International:	Customs/Immigration Federal Inspection Service Facility		
Tower:	TRACON 24/7-365		
FBOs	Aero Industries, MillionAir, Richmond Jet Center		

COMPLIANCE SECTION





**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Commissioners
Capital Region Airport Commission
Richmond International Airport, Virginia

We have audited the basic financial statements of the Capital Region Airport Commission (the "Commission") as of and for the year ended June 30, 2010 and 2009, and have issued our report thereon dated October 29, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material

effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, Audit Committee, management, the Auditor of Public Accounts of the Commonwealth of Virginia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Richmond, Virginia
October 29, 2010



**Independent Auditors' Report on Compliance with Requirements
that Could Have a Direct and Material Effect on Each Major Federal Program
and Internal Control Over Compliance in Accordance with OMB Circular A-133**

To the Commissioners
Capital Region Airport Commission
Richmond International Airport, Virginia

Compliance

We have audited the compliance of the Capital Region Airport Commission (the "Commission") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2010. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Directors, Audit Committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Richmond, Virginia
October 29, 2010

CAPITAL REGION AIRPORT COMMISSION

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

A. Summary of Auditors' Results

1. The type of report issued on the basic financial statements: **Unqualified opinion**
2. Significant deficiencies in internal control disclosed by the audit of the financial statements: **No**
3. Noncompliance, which is material to the financial statements: **No**
4. Significant Deficiencies in internal control over major programs: **No**

Material weaknesses: **No**

5. The type of report issued on compliance for major programs: **Unqualified opinion**
6. Any audit findings which are required to be reported under Section 510(1) of OMB Circular A-133: **No**
7. The programs tested as major programs were:

<u>Name of Program</u>	<u>CFDA #</u>
Airport Improvement Program	20.106

8. Dollar threshold to distinguish between Type A and Type B Programs: **\$300,000**
9. The Capital Region Airport Commission was determined to be a low risk auditee.

B. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

None

C. Findings and Questioned Costs Relating to Federal Awards:

None

D. Resolution of Prior Year Audit Findings

There were no findings resulting from the prior year audit.

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Our Values At Work

Be Safe

- Take actions to ensure safety comes first
- Keep all areas clean
- Follow all safety policies and procedures

Be Respectful

- Always be honest and trustworthy
- Treat others as you would have them treat you
- Create supportive relationships built on mutual respect

Be Hard Working

- Serve your co-workers and customers through a strong work ethic
- Continue to learn, be innovative, and provide feedback
- Take pride in a job well done

Be Courteous

- Be courteous to all customers including the public, tenants, and other departments
- Respond to requests promptly
- Remember — a smile can make a difference in someone's day

Be Positive

- Deliver the best customer service possible through a positive attitude
- Contribute to a positive workplace by being friendly and helpful to others



VALUES AT WORK

Richmond International Airport