COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Years Ended
June 30, 2014 and 2013

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
Richmond International Airport
Virginia

Prepared by
Finance Department

Douglas E. Blum
Chief Financial Officer

Steven C. Owen
Director Finance

RICHMOND INTERNATIONAL AIRPORT

Now you’re going places.
Capital Region Airport Commission
MEMBERS OF THE COMMISSION
June 30, 2014

OFFICERS

Robert F. Norfleet, Jr.            Chairman
Arthur S. Warren                   Vice Chairman
David A. Kaechele                 Secretary
Aubrey M. Stanley, Jr.              Treasurer

COMMISSIONERS

Algenon L Brown                    City of Richmond
Charles S. Macfarlane              City of Richmond
Robert F. Norfleet, Jr.            City of Richmond
Charles R. Samuels                 City of Richmond
Steve A. Elswick                   County of Chesterfield
Daniel A. Gecker                   County of Chesterfield
John V. Mazza, Jr.                 County of Chesterfield
Arthur S. Warren                   County of Chesterfield
Aubrey M. Stanley, Jr.             County of Hanover
G. Ed Via                          County of Hanover
David A. Kaechele                  County of Henrico
Patricia S. O’Bannon               County of Henrico
Thomas E. Pruitt                   County of Henrico
**Capital Region Airport Commission**

**TABLE OF CONTENTS**

*Years Ended June 30, 2014 and 2013*

### INTRODUCTORY SECTION

**LETTER OF TRANSMITTAL** ................................................................. i

### FINANCIAL SECTION

**REPORT OF INDEPENDENT AUDITOR** ................................................. 1

**MANAGEMENT’S DISCUSSION AND ANALYSIS** ...................................... 3

**FINANCIAL STATEMENTS**

- **STATEMENTS OF NET POSITION** .................................................. 17
- **STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION** ............................................... 18
- **STATEMENTS OF CASH FLOWS** ..................................................... 19
- **NOTES TO FINANCIAL STATEMENTS** ............................................ 20

**REQUIRED SUPPLEMENTARY INFORMATION**

- **VIRGINIA RETIREMENT SYSTEM FUNDING PROGRESS** ........................ 38
- **PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS** .................. 38

**SUPPLEMENTAL INFORMATION**

- **SCHEDULE OF OPERATING REVENUES** .......................................... 39
- **SCHEDULE OF OPERATING EXPENSES** .......................................... 40
- **SCHEDULE OF OPERATING REVENUES, BUDGET AND ACTUAL** .............. 41
- **SCHEDULE OF OPERATING EXPENSES, BUDGET AND ACTUAL** .............. 42
- **SCHEDULE OF TRANSACTIONS IN ACCOUNTS CREATED BY BOND RESOLUTIONS** .............................................. 43
- **SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS IN ACCOUNTS CREATED BY BOND RESOLUTIONS** ......................... 46

### STATISTICAL SECTION

- **NET POSITION AND CHANGES IN NET POSITION** .................................. 47
- **PRINCIPAL REVENUE SOURCES AND REVENUES PER ENPLANED PASSENGERS** ....................................................... 48
- **LARGEST OWN-SOURCE REVENUE** .................................................. 49
- **LARGEST OWN-SOURCE REVENUE RATES** ........................................ 49
- **REVENUE RATES** ........................................................................ 50
- **REVENUE BOND COVERAGE** .................................................................. 50
- **OUTSTANDING DEBT** ...................................................................... 51
- **MAJOR CUSTOMERS** ........................................................................ 52
- **ENPLANEMENT TRENDS** ..................................................................... 52
- **ENPLANED PASSENGERS** ................................................................... 53
- **AIRLINE MARKET SHARES** ............................................................... 54
- **PRIMARY ORIGIN AND DESTINATIONS PASSENGER MARKETS** .......... 56
CAPITAL REGION AIRPORT COMMISSION

TABLE OF CONTENTS

Years Ended June 30, 2014 and 2013

STATISTICAL SECTION (Continued)

POPULATION IN THE AIR TRADE AREA.................................................................57
PERSONAL INCOME ...........................................................................................57
PER CAPITA INCOME .......................................................................................58
PRINCIPAL EMPLOYERS IN THE PRIMARY AIR TRADE AREA..........................58
EMPLOYMENT DATA .........................................................................................59
COMMISSION EMPLOYEES .............................................................................60
CARGO CARRIER ..............................................................................................61
TAKEOFF AND LANDING OPERATION SUMMARY ..............................................61
INSURANCE COVERAGE ..................................................................................62
CAPITAL ASSET INFORMATION .......................................................................63

COMPLIANCE SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS ........................................64

REPORT OF INDEPENDENT AUDITOR 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 ......65

REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROLS OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 ...............67

SCHEDULE OF FINDINGS AND QUESTIONED COSTS ........................................69
Richmond International Airport
Air Cargo Performance
Fiscal Years 2005-2014
Richmond International Airport
Enplaned Passenger Performance
Fiscal Years 2005-2014
Government Finance Officers Association

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, 2013

Executive Director/CEO
INTRODUCTORY SECTION
October 31, 2014

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, 2014 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 (the “City”) 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. The City 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 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, and the counties of Chesterfield, Hanover and Henrico.

The Commission manages all the business activities of the Airport and produces the financial statements as well as being responsible for 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 purchased 100 acres of land for $30,000 and leased 300 more. Presently the Airport owns 3,076 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 six major airlines, sixteen regional or commuter airlines and several scheduled passenger charter operations which serves the needs of the area’s citizens with over 160 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 2014 of 1.63 million increased slightly from the 2013 level of 1.59 million enplaned passengers. The airport is an economic engine for the Richmond region, generating an estimated $1.1 billion annually. The airport also provides jobs for 3,000 plus local residents.

ECONOMIC CONDITIONS

The Airport is conveniently located approximately six miles from the City’s business district, providing air service to over 3.2 million passengers, and with over 100 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.

The revenues of the Commission are affected substantially by the economic health of the airline industry and the airlines serving the airport. The airlines’ continued strategy of adding ancillary passenger fees netted the industry over $6.1 billion in 2013, up 3.0% from the previous year. As a result of these and other factors, the major U.S. passenger airlines had their fourth consecutive year with a combined operating profit, at $9.6 billion for 2013, compared to a $6.0 billion operating profit for 2012. Carrier consolidations continued into early 2013 with the announcement of an agreement between US Airways and American Airlines to merge. In calendar year 2013, demand for air travel only grew by 0.4%, as the airlines showed continued constraint in expanding capacity, allowing load factors to increase by 0.5% to 83.2%, nationally. U.S. commercial air carriers removed 187 aircraft from their fleet in calendar year 2013, a 2.7% reduction. The Commission has positioned itself to continue to rely upon existing or even less airline seat capacity by holding down costs it can control. These measures include controlling operating costs and advancing capital expenditures that do not require new sources of capital funding and are generally limited to aviation related projects only. (Federal Aviation Administration. Review of 2013.http://www.faa.gov)
Future increases in passenger and cargo traffic at the Airport will be influenced by several key factors, which include, but are not limited to, the following:

- Economic and political conditions
- Airline consolidation and alliances
- Aviation security concerns
- Availability and price of aviation fuel
- Financial health of the airline industry
- Capacity of the airport
- Airline service and routes
- Airline competition and airfares
- Capacity of national air traffic control and airport systems

The Commission anticipates that the national economy and subsequently airline passenger traffic will remain relatively flat with only slight growth when compared to fiscal year 2014. The Commission took a conservative approach to the fiscal year 2015 budget which reflects a (2.8%) decrease in total revenue when compared to fiscal year 2014 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 International Airport:

Richmond International Airport (RIC) once again performed well in the annual Air Transport Research Society (ATRS) Global Airport Performance Benchmarking Project, earning a #4 ranking among all small (less than 15 million passengers) airports in North America and second-best among U.S. small hubs. The ATRS Global Airport Benchmarking Report, which first launched in 2000, is the most comprehensive independent evaluation of global airport performance. The rankings are used by airport and airlines executives, governments, consultants, institutional investors and researchers. Benchmarking factors include aircraft operations, passenger counts, cargo tonnage, non-aeronautical revenue, labor, non-capital expenses, and facilities such as runways, terminal size, and number of gates. Per the report, RIC scores high in overall operating and management efficiency, with factors such as low landing fees, low overall costs per enplaned passenger, and a high percentage of operating revenue derived from non-airline sources such as parking, non-airline leases, concessions, ground transportation, and in-terminal advertising.

Richmond Virginia made the list of Frommer’s Top Destinations for 2014.

Twenty-three companies from the Richmond region made Inc. magazine’s list of the nation’s 5,000 fastest-growing companies.

Virginia has reclaimed the top spot in Forbes magazine’s ranking for the best state in which to do business. The state returned to No. 1 in Forbes’ eighth annual Best States for Business List, where it had been for four consecutive years before losing it in 2010.
DEMOGRAPHICS AND EMPLOYMENT

Fifty-five percent of Richmond’s population falls within the prime working ages of 25-64. The Richmond Metro area’s unemployment rate fell to 5.7% in June 2014 compared to 5.9% in June 2013, higher than the state unemployment rate of 5.4% and below the national rate of 6.5%.

The population of the Richmond MSA is estimated to be 1.3 million and is projected to reach 1.4 million by 2020. The median household income for 2012 was $58,577, which is higher than the national average of $53,046. (www grpva com/doing-business/labor-workforce/labor-data)

The region is ranked 15th in the nation when looking at the number of companies per 100,000 people. Of regions with populations of 1.5 million or less, Richmond ranked number two for the total number of Fortune 1000 companies. (Source: http://www.fortune.com, May 2014)

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
- NewMarket

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 smart phones. 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 adjustments.

FINANCIAL HIGHLIGHTS

The Commission anticipated that passenger traffic would slightly increase in fiscal year 2014 as compared to fiscal year 2013 actual passenger traffic. The actual total passengers enplaned for fiscal year 2014 was 1.63 million, which was slightly higher than fiscal year 2013.

The fiscal year 2014 budget included a decrease in operating revenue (1.4%) compared to fiscal year 2013 actual revenue. The Commission ended fiscal year 2014 with a 4.3% increase in revenues when compared to the 2014 budgeted revenues and a 2.9% increase over fiscal year 2013 revenues.

The Commission recently was awarded a $750,000 federal grant to help it gain better airline access to the western United States. The Commission is targeting new air service to locations such as Denver and Salt Lake City, both hubs for airlines serving RIC now.

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, 2013. This was the twenty fourth 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,

[Signatures]

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

Douglas E. Blum
Chief Financial Officer
Report of Independent Auditor

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

Report on the Financial Statements
We have audited the accompanying financial statements of the Capital Region Airport Commission (the “Commission”) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Commission’s financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Capital Region Airport Commission, as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter
As discussed in Note 1 and Note 11 to the financial statements, in 2014 the Commission adopted new accounting guidance, Government Accounting Standards Board Statement No. 65 Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.
Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3-16 and the pension trend information on page 38 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission’s financial statements. The Introductory, Supplemental Information, and Statistical Sections are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements.

The Supplemental Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2014, on our consideration of the Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission’s internal control over financial reporting and compliance.

Chery Bebeu, CPA
Richmond, Virginia
October 31, 2014
The Capital Region Airport Commission’s (“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 (“GAAP”) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (the “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’s operations are 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 years ended June 30, 2014 and 2013. Information for the preceding fiscal year ended June 30, 2012 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

Passenger and air carrier activity was higher at the Airport in fiscal year 2014 compared to fiscal year 2013. The total passengers enplaned for fiscal year 2014 were 1.63 million, which was higher than fiscal year 2013 enplanements of 1.59 million and 1.7% higher than the fiscal year 2014 budgeted enplaned passengers. Fiscal year 2013 enplanements were slightly lower than fiscal year 2012 enplanements of 1.60 million. The financial condition of the Commission is primarily dependent upon the number of passengers using the Airport. Passenger levels, in turn, are dependent upon several factors, including: the economic conditions of the airline industry, which influences willingness and ability of the airlines’ to provide service, the local economy, which influences the willingness and ability of travelers to purchase tickets, and the cost of that ticket. After sputtering in the early part of fiscal year 2014, both the U.S. and global economies began to show improvement in the second half of fiscal year 2014. Over the long term, the Federal Aviation Administration ("FAA") forecasts a competitive and profitable aviation industry characterized by increasing demand for air travel and airfares growing more slowly than inflation, reflecting over the long term a growing U.S. economy. Specifically, the FAA’s forecast calls for U.S. carrier passenger growth over the next 20 years to average 2.9 percent per year, compared to last year’s forecast growth of 2.2 percent per year. (www.faa.gov/about/office_org/headquarters_offices/apl/aviation_forecasts)
The Commission ended fiscal year 2014 with a 4.3% increase in revenues when compared to the 2014 budgeted revenues and a 2.9% increase over fiscal year 2013 revenues. This was primarily due to a 6.0% increase in parking revenue when compared to the 2014 budgeted parking revenue and a 3.5% increase over fiscal year 2013 parking revenue. The increase in parking revenue is primarily attributed to a 1.7% increase in enplanements when compared to the 2014 budgeted enplanements and a 0.6% increase in parking revenue per enplaned passenger.

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 average monthly enplaned passengers decreased from 133,443 in fiscal year 2012 to 132,267 in fiscal year 2013 and then increased to 136,086 in fiscal year 2014. The increase in passengers, when compared to 2013, had positive effects on the Commission's main revenue stream, parking revenue, in fiscal year 2014.

Aircraft operations decreased to 96 thousand a (1.0%) decrease when compared to fiscal year 2013 operations of 97 thousand which was a (3.0%) decrease when compared to FY 2012. Aircraft operations are comprised of air carrier, the military, air taxi, and general aviation. The decrease in aircraft operations is attributed to the air carriers switching to larger aircrafts.

Cargo landed weight in 1,000 pound units increased by 5.9% in fiscal year 2014 to 403 million pounds compared to fiscal year 2013 and increased 5.7% in fiscal year 2013 to 381 million pounds compared to fiscal year 2012 landed weight of 360 million pounds.

The Airport’s parking revenue increased 3.5% in fiscal year 2014 when compared to fiscal year 2013 and decreased (0.9%) in fiscal year 2013 when compared to fiscal year 2012. Parking revenue increased due to the effect of higher than budgeted enplanements and higher parking revenue per enplaned passenger (parking rates were the same as FY 2013). The parking revenue accounts for 45.5% of the airports revenue in fiscal year 2014 compared to 45.2% in fiscal year 2013 and 45.9% in fiscal year 2012.

<table>
<thead>
<tr>
<th>Parking Revenue per Enplanement</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Increase (Decrease)</td>
<td>0.6%</td>
<td>0.1%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

As of June 30, 2014, the Airport is currently served by six major airlines, with more than 160 daily flights to 18 non-stop destinations and more than 3.2 million travelers per year.
<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2013</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enplanements</td>
<td>1,633</td>
<td>1,587</td>
<td>1,601</td>
</tr>
<tr>
<td>% increase / (decrease)</td>
<td>2.9%</td>
<td>(0.1%)</td>
<td>(2.6%)</td>
</tr>
<tr>
<td>Aircraft Operations (total take-offs and landings)</td>
<td>96</td>
<td>97</td>
<td>100</td>
</tr>
<tr>
<td>% increase / (decrease)</td>
<td>(1.0%)</td>
<td>(3.0%)</td>
<td>(5.6%)</td>
</tr>
<tr>
<td>Airline's Landed Weight (1,000 pound units)</td>
<td>1,972</td>
<td>1,902</td>
<td>1,996</td>
</tr>
<tr>
<td>% increase / (decrease)</td>
<td>3.7%</td>
<td>(5.0%)</td>
<td>(1.5%)</td>
</tr>
<tr>
<td>Air Cargo Carrier Activity (pounds)</td>
<td>112,535</td>
<td>113,946</td>
<td>100,400</td>
</tr>
<tr>
<td>% increase / (decrease)</td>
<td>(1.2)%</td>
<td>13.5%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Parked Vehicles</td>
<td>792</td>
<td>791</td>
<td>816</td>
</tr>
<tr>
<td>% increase / (decrease)</td>
<td>0.1%</td>
<td>(3.1%)</td>
<td>(4.5%)</td>
</tr>
</tbody>
</table>

Note: The numbers presented above are in thousands.
Capital Region Airport Commission
Management’s Discussion and Analysis (continued)
June 30, 2014 and 2013

Enplaned Passengers (in Thousands)

Parked Vehicles (in Thousands)
The below selected financial data comparison represents the Commission’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2014, 2013, and 2012.

<table>
<thead>
<tr>
<th></th>
<th>2014 As Restated</th>
<th>2013 As Restated</th>
<th>2012 As Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted current</td>
<td>$18,138</td>
<td>$15,747</td>
<td>$16,397</td>
</tr>
<tr>
<td>Restricted current</td>
<td>89,817</td>
<td>79,198</td>
<td>77,243</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>412,851</td>
<td>418,231</td>
<td>415,251</td>
</tr>
<tr>
<td>Total assets</td>
<td>520,806</td>
<td>513,176</td>
<td>508,891</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td>3,129</td>
<td>3,491</td>
<td>1,130</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current unrestricted</td>
<td>3,709</td>
<td>3,897</td>
<td>3,797</td>
</tr>
<tr>
<td>Current restricted</td>
<td>12,734</td>
<td>10,837</td>
<td>10,808</td>
</tr>
<tr>
<td>Long-term debt, net of current maturities</td>
<td>131,888</td>
<td>140,635</td>
<td>146,478</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>148,331</td>
<td>155,369</td>
<td>161,083</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>284,350</td>
<td>282,629</td>
<td>272,217</td>
</tr>
<tr>
<td>Restricted</td>
<td>74,244</td>
<td>66,011</td>
<td>60,776</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>17,010</td>
<td>12,658</td>
<td>15,945</td>
</tr>
<tr>
<td>Total net position</td>
<td>$375,604</td>
<td>$361,298</td>
<td>$348,938</td>
</tr>
</tbody>
</table>

Fiscal year 2013 and 2012 balances have been restated to reflect the requirements of a change in GAAP.

The Commission experienced an increase in total assets of approximately $7.6 million or 1.5% during fiscal year 2014 when compared to fiscal year 2013 and $4.3 million or 0.9% during fiscal year 2013 when compared to fiscal year 2012. This increase in fiscal year 2014 can be attributed to a number of changes in the balance sheet including the increase of $9.1 million in restricted cash and cash equivalents and a $3.1 million increase in unrestricted cash and cash equivalents offset by the ($5.4) million decrease in total noncurrent assets.

Total liabilities decreased ($6.3) million or (4.0%) in fiscal year 2014 when compared to fiscal year 2013 and decreased ($5.7) million or (3.5%) in fiscal year 2013 when compared to fiscal year 2012. This change is primarily attributable to a decrease in long term debt.
The increase in net financial position for fiscal year 2014 was $14.3 million when compared to fiscal year 2013. Net financial position increased $12.4 million in fiscal year 2013 and increased $8.7 million in fiscal year 2012. Fiscal year 2014 resulted in a loss from operations of ($2.4) million, which was a ($54) thousand decrease in the loss from operations when compared to fiscal year 2013. The decrease in the loss from operations is primarily attributed to the increase in operating income before depreciation offset by an increase in depreciation expense. In fiscal year 2013, the loss from operations was ($2.5) million, which was a $1.2 million increase in the loss from operations when compared to the fiscal year 2012 loss from operations of ($1.2) million. Net nonoperating income for fiscal year 2014 reflected an increase in net revenues of $1.1 million when compared to fiscal year 2013. This is attributed to the ($1.0) million decrease in interest expense and a ($310) thousand decrease in other net. Net nonoperating income for fiscal year 2013 reflected an increase in net revenues of $2.9 million when compared to fiscal year 2012.

Capital contributions increased to $13.4 million in fiscal year, a $778 thousand or 6.2% increase when compared to fiscal year 2013. Capital contributions increased to $12.7 million in fiscal year 2013, a $2.8 million or 28.9% increase when compared to fiscal year 2012. We have received more capital funded projects over the fiscal year.

The below chart shows operating revenues and expenses for the three years ended June 30, 2014, 2013, and 2012.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013 As Restated</th>
<th>2012 As Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$ 40,523</td>
<td>$ 39,392</td>
<td>$ 39,124</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income before depreciation</td>
<td>19,799</td>
<td>18,771</td>
<td>19,387</td>
</tr>
<tr>
<td>Depreciation</td>
<td>22,195</td>
<td>21,222</td>
<td>20,609</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(2,396)</td>
<td>(2,451)</td>
<td>(1,222)</td>
</tr>
<tr>
<td>Nonoperating income, net</td>
<td>3,263</td>
<td>2,150</td>
<td>122</td>
</tr>
<tr>
<td>Income (loss) before capital contributions</td>
<td>867</td>
<td>(301)</td>
<td>(1,100)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>13,439</td>
<td>12,661</td>
<td>9,825</td>
</tr>
<tr>
<td>Change in net position</td>
<td>14,306</td>
<td>12,360</td>
<td>8,725</td>
</tr>
<tr>
<td>Beginning net position</td>
<td>361,298</td>
<td>348,938</td>
<td>340,213</td>
</tr>
<tr>
<td>Ending net position</td>
<td>$ 375,604</td>
<td>$ 361,298</td>
<td>$ 348,938</td>
</tr>
</tbody>
</table>

Fiscal year 2013 and 2012 balances have been restated to reflect the requirements of a change in GAAP.

Operating income before depreciation for fiscal year 2014 increased by $1 million or 5.5% compared to fiscal year 2013, fiscal year 2013 operating income before depreciation decreased by ($616) thousand or (3.2%) compared to fiscal year 2012. Depreciation expense increased by 4.6% between fiscal year 2014 and 2013 and increased by 3.0% between fiscal year 2013 and 2012. This is a result primarily of the first full year of depreciation from the major projects completed in the previous fiscal year. Nonoperating income increased $1.1 million in fiscal year 2014 compared with fiscal year 2013 and increased by $2.0 million in fiscal year 2013 compared with fiscal year 2012. The increase in nonoperating income was attributed to a decrease in interest expense and a decrease in other net expense. The weighted average yield on investments was approximately .30% for fiscal year 2014, .21% for fiscal year 2013 and .28% for fiscal year 2012.
REVENUES

The following graphs illustrate the operating revenues for the three fiscal years ended June 30, 2014, 2013, and 2012 and main sources of revenues for the Airport and each source’s percentage of total operating revenues for the fiscal year ended June 30, 2014.
Parking revenues at the Airport for fiscal year 2014 were $18,424, which represented a 3.5% increase compared to fiscal year 2013; parking revenues for fiscal year 2013 were $17,799, which represented a (0.9%) decrease compared to fiscal year 2012. The increase in parking revenue in fiscal year 2014 is attributed to higher than budgeted enplaned passengers.

Below is a summary of revenues and nonoperating income stated in thousands, for the three fiscal years ended June 30, 2014, 2013, and 2012:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td>$ 18,424</td>
<td>$ 17,799</td>
<td>$ 17,959</td>
</tr>
<tr>
<td>Landing fees</td>
<td>2,885</td>
<td>2,855</td>
<td>3,007</td>
</tr>
<tr>
<td>Concession</td>
<td>8,264</td>
<td>7,956</td>
<td>7,863</td>
</tr>
<tr>
<td>Rental</td>
<td>10,034</td>
<td>9,936</td>
<td>9,476</td>
</tr>
<tr>
<td>Apron fees</td>
<td>601</td>
<td>588</td>
<td>638</td>
</tr>
<tr>
<td>Other</td>
<td>315</td>
<td>258</td>
<td>181</td>
</tr>
<tr>
<td><strong>Total Operating</strong></td>
<td>40,523</td>
<td>39,392</td>
<td>39,124</td>
</tr>
<tr>
<td><strong>Nonoperating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>187</td>
<td>136</td>
<td>198</td>
</tr>
<tr>
<td>Passenger Facility Charges</td>
<td>6,790</td>
<td>6,589</td>
<td>6,571</td>
</tr>
<tr>
<td>Customer Facility Charges</td>
<td>525</td>
<td>975</td>
<td>1,716</td>
</tr>
<tr>
<td><strong>Total nonoperating</strong></td>
<td>7,502</td>
<td>7,700</td>
<td>8,485</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$ 48,025</td>
<td>$ 47,092</td>
<td>$ 47,609</td>
</tr>
</tbody>
</table>
EXPENSES

The following graphs illustrate operating expenses for the three fiscal years ended June 30, 2014, 2013, and 2012 and main sources of expenses for the Airport and each source’s percentage of total operating expense for the fiscal year ended June 30, 2014.

Operating Expenses History (in Thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$21,000</td>
</tr>
<tr>
<td>2013</td>
<td>$18,000</td>
</tr>
<tr>
<td>2012</td>
<td>$16,000</td>
</tr>
</tbody>
</table>
Operating expenses, exclusive of depreciation, totaled $20,724 for fiscal year 2014, $20,621 for fiscal year 2013 and $19,737 for fiscal year 2012. The increase in operating expense when compared to FY 2013 is primarily attributed to an increase in snow removal costs attributed to the increased number of snow events at the airport compared to the previous year. Below is a summary of expenses stated in thousands, for the three fiscal years ended June 30, 2014, 2013, and 2012:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Restated</td>
<td>As Restated</td>
<td>As Restated</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>$10,224</td>
<td>$10,279</td>
<td>$9,484</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,524</td>
<td>2,537</td>
<td>2,509</td>
</tr>
<tr>
<td>Professional services</td>
<td>1,450</td>
<td>1,223</td>
<td>1,384</td>
</tr>
<tr>
<td>Parking</td>
<td>2,876</td>
<td>2,912</td>
<td>3,052</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,541</td>
<td>1,651</td>
<td>1,464</td>
</tr>
<tr>
<td>Insurance</td>
<td>844</td>
<td>848</td>
<td>669</td>
</tr>
<tr>
<td>Supplies</td>
<td>692</td>
<td>763</td>
<td>806</td>
</tr>
<tr>
<td>Other</td>
<td>573</td>
<td>408</td>
<td>369</td>
</tr>
<tr>
<td>Total Operating</td>
<td>20,724</td>
<td>20,621</td>
<td>19,737</td>
</tr>
<tr>
<td>Depreciation</td>
<td>22,195</td>
<td>21,222</td>
<td>20,609</td>
</tr>
<tr>
<td>Nonoperating Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,556</td>
<td>4,557</td>
<td>5,193</td>
</tr>
<tr>
<td>Other, net</td>
<td>682</td>
<td>992</td>
<td>3,170</td>
</tr>
<tr>
<td>Total nonoperating</td>
<td>4,238</td>
<td>5,549</td>
<td>8,363</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$47,157</td>
<td>$47,392</td>
<td>$48,709</td>
</tr>
</tbody>
</table>
CASH FLOW ACTIVITIES

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows provided by operating activities</td>
<td>$20,324</td>
<td>$19,465</td>
<td>$18,593</td>
</tr>
<tr>
<td>Cash flows provided by investing activities</td>
<td>170</td>
<td>874</td>
<td>148</td>
</tr>
<tr>
<td>Cash flows used in capital and related financing activities</td>
<td>(8,277)</td>
<td>(14,961)</td>
<td>(16,448)</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>12,217</td>
<td>5,378</td>
<td>2,293</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>79,939</td>
<td>74,561</td>
<td>72,268</td>
</tr>
<tr>
<td>End of year</td>
<td>$92,156</td>
<td>$79,939</td>
<td>$74,561</td>
</tr>
</tbody>
</table>

Cash flow from operating activities for 2014 increased by $859 thousand or 4.4% compared to fiscal year 2013. Cash flow from operating activities for 2013 increased by $872 thousand or 4.7% compared to fiscal year 2012. The change is primarily due to 3.5% increase in parking revenue.

Cash and cash equivalents for fiscal 2014 amounted to $92 million representing a $12 million increase over fiscal year 2013. Cash and cash equivalents for fiscal 2013 amounted to $80 million representing a $5.4 million increase over fiscal year 2012. The increase in cash and cash equivalents fiscal year 2014 resulted primarily from a $6.7 million decrease in cash used in capital and related financing activities and a $1.4 million increase in cash received from operations.

AIRLINE RATES AND CHARGES

The current airline operating and terminal building agreement between the Commission and certain airlines was effective March 1, 2010. This agreement extended to February 28, 2013 with two one year renewal periods. The agreement is currently in the second one year renewal period, which will expire on February 28, 2015. 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 increased from fiscal year 2013 to 2014 in the amount of $98 thousand and increased from fiscal year 2012 to 2013 in the amount of $459 thousand. The increase in fiscal year 2014 is attributed to an increase in warehouse rental income. The apron fees increased $12 thousand from fiscal year 2013 to 2014 and decreased ($49) thousand from fiscal year 2012 to 2013. Rates and charges for the signatory airlines were as follows:

<table>
<thead>
<tr>
<th>Signatory Airline Rates and Charges</th>
<th>Rate Effective for 2014</th>
<th>Rate Effective for 2013</th>
<th>Rate Effective for 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apron fees (square foot)</td>
<td>$1.23</td>
<td>$1.23</td>
<td>$1.21</td>
</tr>
<tr>
<td>Landing fees (1,000 lb. unit)</td>
<td>1.26</td>
<td>1.23</td>
<td>1.24</td>
</tr>
<tr>
<td>Terminal rental (square foot)</td>
<td>35.84</td>
<td>35.12</td>
<td>34.19</td>
</tr>
</tbody>
</table>

Note: The rates and charges for 2014 are estimates.
PASSENGER FACILITY CHARGES

The Commission collects $4.50 per qualifying enplaned passenger, which totaled $6.8 million for fiscal year 2014 which was an increase of 3.0% compared to fiscal year 2012. PFC revenue for fiscal year 2013 increased 0.3% compared to fiscal year 2012.

CUSTOMER FACILITY CHARGES

The Commission reduced Customer Facility Charges (CFC’s) to $.40 on May 1, 2014. It was collecting $.55 per each rental vehicle transaction day from July 1 to April 30, 2014, which was reduced from $.95 per each rental vehicle transaction day in fiscal year 2013. Collections for the year ended June 30, 2014 were $525 thousand compared to the year ended June 30, 2013 collections of $975 thousand, a decrease of (46.2%). Total rental vehicle transaction days for fiscal year 2014 were 1.2 million compared to 929 thousand in fiscal year 2013.

### Account Name FY 2014 Balances FY 2013 Balances

<table>
<thead>
<tr>
<th>Trust Funds</th>
<th>FY 2014 Balances</th>
<th>FY 2013 Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFC Bond Interest Fund</td>
<td>$ 101,907</td>
<td>$ 101,904</td>
</tr>
<tr>
<td>CFC Bond Operating Fund</td>
<td>$ 28,201</td>
<td>$ 29,448</td>
</tr>
<tr>
<td>CFC Repair and Replacement Fund</td>
<td>$ 74,216</td>
<td>$ 52,220</td>
</tr>
<tr>
<td>CFC General Purpose Fund</td>
<td>$ 2,278,678</td>
<td>$ 2,164,572</td>
</tr>
<tr>
<td>CFC Debt Service Reserve</td>
<td>$ 1,130,500</td>
<td>$ 1,130,499</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commission Accounts</th>
<th>FY 2014 Balances</th>
<th>FY 2013 Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFC Account</td>
<td>$ 63,964</td>
<td>$ 83,818</td>
</tr>
</tbody>
</table>

| Estimated Debt Service Coverage | 2.70 | 2.86 |

### CAPITAL AND DEBT ACTIVITY

Capital Assets

Investments in capital assets include land, land improvements, buildings, construction in progress, furniture and fixtures, machinery and equipment and paved facilities. Capital assets, before accumulated depreciation, increased $16.8 for fiscal year 2014 when compared to fiscal year 2012 and increased $24.2 million for fiscal year 2013 from 2012. The increase for fiscal year 2014 was primarily the result of new construction mainly represented by the runway 16-34 rehabilitation project of $10.1 million. Depreciation expense for fiscal year 2014 was $22.2 million, $21.2 million in fiscal year 2013, and $20.6 million in fiscal year 2012.
Major capital projects that are planned to begin in the next 5 years include:

- Construction of a new 34,689 sf building for snow removal equipment storage
- Relocation and reconstruction of Taxiway “M”, including connector taxiways
- Rehabilitation of taxiway ‘E’ and ‘L’
- Expansion for the rental car parking deck, adding an estimated 450 additional spaces and realignment of the access road

Long-Term Debt

As of June 30, 2014, the Commission had principal debt outstanding of $137,586 as follows (in thousands):

<table>
<thead>
<tr>
<th>Bond Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Revenue Bonds</td>
<td>$102,576</td>
</tr>
<tr>
<td>PFC Revenue Bonds</td>
<td>32,630</td>
</tr>
<tr>
<td>CFC Revenue Bonds</td>
<td>2,380</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$137,586</strong></td>
</tr>
</tbody>
</table>

See Note 5 of notes to financial statements.

**ECONOMIC FACTORS AND FISCAL 2015 BUDGET**

Shaping today’s commercial air carrier industry are three distinct trends: (1) continuing industry consolidation and restructuring; (2) continued capacity discipline in response to external shocks, and (3) the proliferation of ancillary revenues. In calendar year 2013, demand for air travel only grew by 0.4%, as the airlines showed continued constraint in expanding capacity, allowing load factors to increase by 0.5% to 83.2%, nationally. U.S. commercial air carriers removed 187 aircraft from their fleet in 2013, a 2.7% reduction from 2012. Data for calendar 2013 show that the reporting passenger carriers had a combined operating profit of $9.6 billion (compared to a $6.0 billion operating profit for fiscal year 2012). The main contributing factor is the most recent trend that has taken hold, ancillary revenues. Carriers generate ancillary revenues by selling products and services beyond that of an airplane ticket to customers.

This includes the un-bundling of services previously included in the ticket price such as checked bags and on-board meals, and by adding new services such as boarding priority. (Federal Aviation Administration. Review of 2013.,http://www.faa.gov/about/office_org/)

The Commission anticipated that the airlines constraint on increasing capacity would continue and took a conservative approach for the fiscal year 2015 budget. The Commission adopted the fiscal year 2015 budget which includes a $39.4 million in operating revenue a (2.8%) decrease compared to the FY 2014 actual revenues of $40.5 million. Parking, concession and rental revenues were expected to provide the main source of income for fiscal year 2015. Operating expenses of $21.5 million are budgeted for 2015; an increase of 3.8% compared to fiscal year 2014 actual expenses of $20.7 million. The Commission’s fiscal year 2015 approved capital budget allotted $5.5 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 updated information at Richmond International Airport can visit on our web-site at www.FlyRichmond.com.
## Capital Region Airport Commission

### STATEMENTS OF NET POSITION

**Years Ended June 30, 2014 and 2013**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2014</th>
<th>2013 As Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$15,752,710</td>
<td>$12,649,304</td>
</tr>
<tr>
<td>Accounts receivable, less allowance for doubtful accounts (2014 $162,487; 2013-$211,129)</td>
<td>1,906,176</td>
<td>2,621,099</td>
</tr>
<tr>
<td>Other</td>
<td>478,981</td>
<td>477,049</td>
</tr>
<tr>
<td><strong>Total Unrestricted Current Assets</strong></td>
<td>18,137,867</td>
<td>15,747,452</td>
</tr>
<tr>
<td>Restricted Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>76,402,937</td>
<td>67,289,796</td>
</tr>
<tr>
<td>Investments</td>
<td>7,860,506</td>
<td>7,788,692</td>
</tr>
<tr>
<td>Customer and Passenger Facility Charges receivable</td>
<td>1,250,438</td>
<td>1,250,944</td>
</tr>
<tr>
<td>Due from federal and state governments</td>
<td>4,303,376</td>
<td>2,868,317</td>
</tr>
<tr>
<td><strong>Total Restricted Current Assets</strong></td>
<td>89,817,257</td>
<td>79,197,749</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>107,955,124</td>
<td>94,945,201</td>
</tr>
</tbody>
</table>

| NONCURRENT ASSETS | | |
| Depreciable assets, net | 332,594,817 | 326,897,984 |
| Non-depreciable assets | 80,256,106 | 91,332,944 |
| **Total Noncurrent Assets** | 412,850,923 | 418,230,928 |
| **Total Assets** | 520,806,047 | 513,176,129 |

| DEFERRED OUTFLOWS OF RESOURCES | | |
| | 3,128,835 | 3,491,856 |

| LIABILITIES AND NET POSITION | | |
| **CURRENT LIABILITIES** | | |
| Liabilities From Unrestricted Assets: | | |
| Accounts payable | 2,089,136 | 2,276,680 |
| Accrued expenses | 1,619,895 | 1,620,479 |
| **Total Liabilities From Unrestricted Assets** | 3,709,031 | 3,897,159 |
| Liabilities From Restricted Assets: | | |
| Accounts payable | 2,602,975 | 1,835,185 |
| Accrued interest payable | 1,722,134 | 2,060,681 |
| Current maturities of long-term debt | 8,409,312 | 6,941,697 |
| **Total Liabilities From Restricted Assets** | 12,734,421 | 10,837,563 |
| **Total Current Liabilities** | 16,443,452 | 14,734,722 |
| **Noncurrent Liabilities:** | | |
| Noncurrent portion of long-term obligations (Note 5) | 131,887,711 | 140,635,526 |
| **Total Liabilities** | 148,331,163 | 155,370,248 |

| DEFERRED INFLOWS OF RESOURCES | | |
| | - | - |

| NET POSITION | | |
| Net invested in capital assets | 284,349,083 | 282,628,119 |
| **Restricted** | | |
| Debt service | 72,313,155 | 64,249,446 |
| Customer and Passenger Facility Charges | 1,931,405 | 1,762,241 |
| **Unrestricted** | 17,010,076 | 12,657,928 |
| **Total Net Position** | $375,603,719 | $361,297,734 |

See Notes to Financial Statements especially Note 11 for restatement.
## Capital Region Airport Commission
### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
#### Years Ended June 30, 2014 and 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>As Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td>$18,423,919</td>
<td>$17,798,387</td>
<td></td>
</tr>
<tr>
<td>Landing fees</td>
<td>2,885,179</td>
<td>2,855,240</td>
<td></td>
</tr>
<tr>
<td>Concession</td>
<td>8,263,894</td>
<td>7,955,556</td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>10,034,282</td>
<td>9,935,975</td>
<td></td>
</tr>
<tr>
<td>Apron fees</td>
<td>600,555</td>
<td>588,368</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>315,147</td>
<td>258,140</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$40,522,976</td>
<td>$39,391,666</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>10,224,255</td>
<td>10,279,335</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>2,524,049</td>
<td>2,537,480</td>
<td></td>
</tr>
<tr>
<td>Professional services</td>
<td>1,449,500</td>
<td>1,223,052</td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td>2,875,817</td>
<td>2,911,755</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,541,404</td>
<td>1,650,498</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>843,952</td>
<td>847,576</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>691,960</td>
<td>762,651</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>573,354</td>
<td>408,176</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$20,724,291</td>
<td>$20,620,523</td>
<td></td>
</tr>
<tr>
<td><strong>DEPRECIATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Loss</td>
<td>(2,396,140)</td>
<td>(2,450,905)</td>
<td></td>
</tr>
<tr>
<td><strong>NONOPERATING INCOME (EXPENSES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>186,678</td>
<td>136,230</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(3,556,452)</td>
<td>(4,557,196)</td>
<td></td>
</tr>
<tr>
<td>Passenger Facility Charges</td>
<td>6,790,459</td>
<td>6,588,574</td>
<td></td>
</tr>
<tr>
<td>Customer Facility Charges</td>
<td>524,800</td>
<td>974,879</td>
<td></td>
</tr>
<tr>
<td>Other, net</td>
<td>(682,282)</td>
<td>(992,354)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Nonoperating Income (Expenses), Net</strong></td>
<td>$3,263,203</td>
<td>2,150,133</td>
<td></td>
</tr>
<tr>
<td><strong>Increase/(Decrease) in Net Position Before Capital Grants and Contributions</strong></td>
<td>$3,263,203</td>
<td>2,150,133</td>
<td></td>
</tr>
<tr>
<td><strong>CAPITAL GRANTS AND CONTRIBUTIONS</strong></td>
<td>867,063</td>
<td>(300,772)</td>
<td></td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td>14,305,985</td>
<td>12,359,763</td>
<td></td>
</tr>
<tr>
<td><strong>NET POSITION, BEGINNING</strong></td>
<td>348,937,971</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EFFECT OF ACCOUNTING CHANGE</strong></td>
<td>(2,501,566)</td>
<td>351,439,537</td>
<td></td>
</tr>
<tr>
<td><strong>NET POSITION, BEGINNING AS RESTATED</strong></td>
<td>361,297,734</td>
<td>348,937,971</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION, ENDING</strong></td>
<td>$375,603,719</td>
<td>$361,297,734</td>
<td></td>
</tr>
</tbody>
</table>

See Notes to Financial Statements especially Note 11 for restatement.
# Capital Region Airport Commission

## STATEMENTS OF CASH FLOWS

**Years Ended June 30, 2014 and 2013**

### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from operations</td>
<td>$41,237,899</td>
<td>$39,853,669</td>
</tr>
<tr>
<td>Cash paid to employees</td>
<td>(7,689,566)</td>
<td>(7,668,509)</td>
</tr>
<tr>
<td>Cash paid to suppliers</td>
<td>(13,224,786)</td>
<td>(12,720,089)</td>
</tr>
<tr>
<td><strong>Cash used in operating activities</strong></td>
<td>(20,914,352)</td>
<td>(20,386,598)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$20,323,547</td>
<td>$19,465,071</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale and maturities of investments</td>
<td>(35,291)</td>
<td>$6,982,389</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>-</td>
<td>(6,212,317)</td>
</tr>
<tr>
<td>Interest income received</td>
<td>205,417</td>
<td>103,562</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>$170,126</td>
<td>$873,634</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issuance of long-term debt, net of issuance cost</td>
<td>-</td>
<td>$21,821,277</td>
</tr>
<tr>
<td>Payment of long-term debt</td>
<td>(6,941,697)</td>
<td>(29,636,201)</td>
</tr>
<tr>
<td>Payment of interest on long-term debt</td>
<td>(4,341,641)</td>
<td>(5,101,630)</td>
</tr>
<tr>
<td>Capital contributions received</td>
<td>12,003,863</td>
<td>15,276,265</td>
</tr>
<tr>
<td>Passenger Facility Charges collected</td>
<td>6,756,282</td>
<td>6,444,061</td>
</tr>
<tr>
<td>Customer Facility Charges collected</td>
<td>559,483</td>
<td>1,000,379</td>
</tr>
<tr>
<td>Additions to capital assets</td>
<td>(15,938,893)</td>
<td>(24,354,535)</td>
</tr>
<tr>
<td>Payments related to investments and bonds</td>
<td>(374,524)</td>
<td>(410,579)</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(8,277,127)</td>
<td>(14,960,963)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>$12,216,546</td>
<td>$3,377,742</td>
</tr>
</tbody>
</table>

### CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances - beginning of year</td>
<td>$79,939,099</td>
<td>$74,561,357</td>
</tr>
<tr>
<td><strong>Balances - end of year</strong></td>
<td>$92,155,645</td>
<td>$79,939,099</td>
</tr>
<tr>
<td>Current Assets</td>
<td>$15,752,710</td>
<td>$12,649,304</td>
</tr>
<tr>
<td>Restricted Assets</td>
<td>76,402,937</td>
<td>67,289,796</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$92,155,647</td>
<td>$79,939,100</td>
</tr>
</tbody>
</table>

### RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$ (2,396,140)</td>
<td>$ (2,450,905)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash provided by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>22,194,824</td>
<td>21,222,048</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in accounts receivable</td>
<td>714,923</td>
<td>462,003</td>
</tr>
<tr>
<td>Decrease (increase) in other current assets</td>
<td>(1,932)</td>
<td>132,116</td>
</tr>
<tr>
<td>Decrease in trade accounts payable</td>
<td>(187,544)</td>
<td>(159,141)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued expenses</td>
<td>(584)</td>
<td>258,950</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$20,323,547</td>
<td>$19,465,071</td>
</tr>
</tbody>
</table>

### Supplemental Cash Flow Information

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-cash investing, capital and financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase (decrease) in fair value of investments</td>
<td>$55,716</td>
<td>$(243,923)</td>
</tr>
<tr>
<td>Non-cash capital contributions</td>
<td>$4,303,376</td>
<td>$2,886,317</td>
</tr>
<tr>
<td>Capital assets included in accounts payable</td>
<td>$1,298,602</td>
<td>$508,018</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity
The Capital Region Airport Commission ("Commission") is a political subdivision of the Commonwealth of Virginia. Commissioners are appointed by participating subdivisions, which currently include the City of Richmond, Virginia and the Counties of Chesterfield, Hanover and Henrico, Virginia. The Commissioners are responsible for addressing broad policy matters and approving the operating and capital budgets. The financial statements of the Commission are presented in the fund of a single enterprise fund; which includes all business activities of the Richmond International Airport (the “Airport”), which the Commission oversees. 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 six major airlines and sixteen regional airlines.

The financial statements presented for the Commission are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units as prescribed by the Governmental Accounting Standards Board ("GASB").

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 GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows 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 deposit, 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 Position.

Debt Issuance Costs and Original Issuance Premium
Debt issuance costs are expensed when they are incurred. Original issuance premiums are amortized using the effective interest method and included on the Statements of Net Position as a reduction or addition to long-term debt.
Capital Region Airport Commission  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred outflows of resources  
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission has one item that qualifies for reporting in this category: accounting loss on debt refunding. These amounts are recognized as a component of interest expense over the shorter of the life of the old debt or new 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land improvements</td>
<td>5-20</td>
</tr>
<tr>
<td>Buildings</td>
<td>40</td>
</tr>
<tr>
<td>Paved facilities</td>
<td>20</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>5-20</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>3-15</td>
</tr>
</tbody>
</table>

The cost of maintenance and repairs is charged to expense as incurred. Expenses, that significantly increase property lives, are capitalized. Capital assets having a cost in excess of $7,500 and a useful life greater than one year 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.
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; reduced to $1.70 effective July 1, 2007 and reduced to $.95 effective May 1, 2012. The rate was $.55 during fiscal year 2014 and reduced to $.40 effective May 1, 2014. Collections during fiscal year 2014 were $525 thousand (2013 - $975 thousand).

Passenger Facility Charges
The Federal Aviation Administration (the “FAA”) authorized the Commission Passenger Facility Charges (“PFC”) rate of $4.50 per qualifying enplaned passenger, effective January 1, 2005, with the net receipts restricted to use on FAA approved projects. The Commission has been authorized to collect PFC plus interest thereon in the aggregate amount of $135 million. Collections during fiscal year 2014 were $6.8 million (2013 - $6.6 million) and aggregate collections and interest therefrom inception through June 30, 2014 were $107 million. Net positions 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 position as capital grants and contributions.

Restricted Net Position
The Commission restricts net position 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 $804 thousand at June 30, 2014 and $877 thousand at June 30, 2013. The net increase for fiscal year 2014 amounted to $73 thousand, represented by payments of $540 thousand to vested employees and additional accrued vacation and sick leave of $467 thousand. For fiscal year 2013, the net decrease amounted to $179 thousand.
Capital Region Airport Commission  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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. There have been no significant reductions in insurance coverage in comparison to coverage in prior years and settled claims resulting from these risks have not exceeded commercial insurance coverage for each of the three past fiscal years.

Change in Accounting Principles
Effective July 1, 2012, The Commission implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources and recognizes as expenses and revenues certain items that were previously reported as assets and liabilities. With the implementation of GASB Statement No. 65, the Commission adjusted the previously reported balances for 2013. (See Note 11)

Allowance for Doubtful Accounts
The allowance for doubtful accounts reflects management’s best estimate of probable losses inherent in the accounts receivable balance. The allowance is determined based on known troubled accounts, historical experience, and other currently available evidence. The allowance activity in the allowance for doubtful accounts was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of period</td>
<td>$211,129</td>
<td>$153,573</td>
</tr>
<tr>
<td>Charged to costs and other</td>
<td>(1,513)</td>
<td>61,816</td>
</tr>
<tr>
<td>Write - offs</td>
<td>(47,129)</td>
<td>(4,260)</td>
</tr>
<tr>
<td>Balance, end of period</td>
<td>$162,487</td>
<td>$211,129</td>
</tr>
</tbody>
</table>

Net Position
Net position represents the residual interest of all other elements presented in the statement of financial position for the Commission. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is displayed in three components: net investment in capital assets, which include capital assets funded from unrestricted and restricted sources, net of accumulated depreciation and outstanding debt attributable to acquisition of the capital assets; restricted when constraints are imposed by third parties or enabling legislation on assets or deferred outflows of resources, net of any liabilities and deferred inflows of resources, which will be liquidated with the restricted assets; or unrestricted, which includes the net effect of all remaining assets, deferred outflows of resources, liabilities and deferred inflows of resources not included in the preceding two categories.

23
Note 2. FORMATION OF THE COMMISSION

As of January 1, 1976, under an agreement among the City of Richmond, Virginia (the “City”), the County of Henrico, Virginia and the Commission; the City 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 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:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty cash</td>
<td>$ 690</td>
<td>$ 1,320</td>
</tr>
<tr>
<td>Deposits at financial institutions</td>
<td>21,375,196</td>
<td>17,357,162</td>
</tr>
<tr>
<td>Cash equivalents and investments</td>
<td>78,640,266</td>
<td>70,369,310</td>
</tr>
<tr>
<td><strong>Summary</strong></td>
<td><strong>$ 100,016,152</strong></td>
<td><strong>$ 87,727,792</strong></td>
</tr>
<tr>
<td>Unrestricted assets</td>
<td>$ 15,752,710</td>
<td>$12,649,304</td>
</tr>
<tr>
<td>Restricted assets</td>
<td>84,263,442</td>
<td>75,078,488</td>
</tr>
<tr>
<td><strong>Summary</strong></td>
<td><strong>$ 100,016,152</strong></td>
<td><strong>$ 87,727,792</strong></td>
</tr>
</tbody>
</table>

**Deposits**

At June 30, 2014, the carrying value of the Commission’s deposits with banks was $21,375,196 with corresponding bank balances of $8,341,234. At June 30, 2013, the carrying value of the Commission’s deposits with banks was $17,357,162 with corresponding bank balances of $19,450,650. Bank balances are covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

The remainder of money markets and cash deposits maintained by trustees is $70,814,347.

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

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 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 currently has no formal policy relating to interest rate risk. The Commission’s cash equivalents and investments at June 30, 2014, 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:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Less Than 12 months</th>
<th>Over 12 months</th>
<th>Quality Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta GA Development Authority Revenue</td>
<td>$751,403</td>
<td>$</td>
<td>$751,403</td>
<td>BBB</td>
</tr>
<tr>
<td>Federal Home Loan Banks</td>
<td>1,725,138</td>
<td>-</td>
<td>1,725,138</td>
<td>AAA</td>
</tr>
<tr>
<td>Federal Farm Cr Bks Cons</td>
<td>4,253,965</td>
<td>-</td>
<td>4,253,965</td>
<td>AAA</td>
</tr>
<tr>
<td>US Bank Certificate of Deposit</td>
<td>1,130,000</td>
<td>-</td>
<td>1,130,000</td>
<td>A-1+</td>
</tr>
<tr>
<td>Virginia State Non-Arbitrage Program</td>
<td>209</td>
<td>209</td>
<td>-</td>
<td>AA+</td>
</tr>
<tr>
<td></td>
<td>$7,860,715</td>
<td>$209</td>
<td>$7,860,506</td>
<td></td>
</tr>
</tbody>
</table>

Investment Maturities and Ratings for 2013

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Less Than 12 months</th>
<th>Over 12 months</th>
<th>Quality Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta, GA Development Authority Revenue</td>
<td>$736,748</td>
<td>$</td>
<td>$736,748</td>
<td>BBB</td>
</tr>
<tr>
<td>Federal Home Loan Banks</td>
<td>1,618,014</td>
<td>-</td>
<td>1,618,014</td>
<td>AA+</td>
</tr>
<tr>
<td>Federal Farm Cr Bks Cons</td>
<td>4,303,931</td>
<td>-</td>
<td>4,303,931</td>
<td>AA+</td>
</tr>
<tr>
<td>US Bank Certificates of Deposit</td>
<td>1,130,000</td>
<td>-</td>
<td>1,130,000</td>
<td>A-1</td>
</tr>
<tr>
<td>Virginia State Non-Arbitrage Program</td>
<td>209</td>
<td>209</td>
<td>-</td>
<td>AA+</td>
</tr>
<tr>
<td></td>
<td>$7,788,902</td>
<td>$209</td>
<td>$7,788,693</td>
<td></td>
</tr>
</tbody>
</table>

Custodial credit risk: The risk that in the event of the failure of the counter party, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. 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, 2014, 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, 2014 and 2013

## Note 4. CAPITAL ASSETS

### Capital assets not being depreciated:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Transfers</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 52,864,182</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 52,864,182</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>38,468,762</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>27,391,924</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 91,332,944</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>80,256,106</td>
</tr>
</tbody>
</table>

### Other capital assets:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Transfers</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land improvements</td>
<td>19,315,401</td>
<td>2,106</td>
<td>-</td>
<td>-</td>
<td>23,727,510</td>
</tr>
<tr>
<td>Buildings</td>
<td>316,544,750</td>
<td>96,139</td>
<td>-</td>
<td>-</td>
<td>337,683,889</td>
</tr>
<tr>
<td>Paved Facilities</td>
<td>222,431,045</td>
<td>75,898</td>
<td>-</td>
<td>-</td>
<td>237,326,943</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>4,989,018</td>
<td>34,223</td>
<td>-</td>
<td>-</td>
<td>5,023,241</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>52,755,192</td>
<td>577,238</td>
<td>-</td>
<td>-</td>
<td>53,332,430</td>
</tr>
<tr>
<td><strong>Total Other Capital Assets</strong></td>
<td>616,035,406</td>
<td>785,604</td>
<td>-</td>
<td>-</td>
<td>643,927,064</td>
</tr>
</tbody>
</table>

### Accumulated depreciation:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Transfers</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land improvements</td>
<td>(9,468,176)</td>
<td>(935,038)</td>
<td>-</td>
<td>-</td>
<td>(10,403,213)</td>
</tr>
<tr>
<td>Buildings</td>
<td>(105,120,625)</td>
<td>(9,787,196)</td>
<td>-</td>
<td>-</td>
<td>(114,907,821)</td>
</tr>
<tr>
<td>Paved Facilities</td>
<td>(131,836,818)</td>
<td>(9,022,997)</td>
<td>-</td>
<td>-</td>
<td>(140,859,815)</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>(3,314,391)</td>
<td>(284,023)</td>
<td>-</td>
<td>-</td>
<td>(3,598,414)</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>(39,397,412)</td>
<td>(2,165,571)</td>
<td>-</td>
<td>-</td>
<td>(41,562,983)</td>
</tr>
<tr>
<td><strong>Total Accumulated Depreciation</strong></td>
<td>(289,137,422)</td>
<td>(22,194,825)</td>
<td>-</td>
<td>-</td>
<td>(311,332,246)</td>
</tr>
</tbody>
</table>

### Capital Assets, Net:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Transfers</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>52,864,182</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 52,864,182</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>38,468,762</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>27,391,924</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 91,332,944</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>80,256,106</td>
</tr>
</tbody>
</table>

## Capital assets, net:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Transfers</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 52,864,182</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 52,864,182</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>38,468,762</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>27,391,924</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 91,332,944</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>80,256,106</td>
</tr>
</tbody>
</table>

## Accruals and Allowances:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Transfers</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 52,864,182</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 52,864,182</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>38,468,762</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>27,391,924</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 91,332,944</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>80,256,106</td>
</tr>
</tbody>
</table>

## Capital Assets, Net:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Transfers</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 52,864,182</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 52,864,182</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>38,468,762</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>27,391,924</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 91,332,944</td>
<td>16,029,216</td>
<td></td>
<td>(27,106,054)</td>
<td>80,256,106</td>
</tr>
</tbody>
</table>
Note 5. LONG-TERM DEBT

Long-term debt at June 30, 2014 and 2013 consists of:

<table>
<thead>
<tr>
<th>Airport Revenue Bonds:</th>
<th>As Restated</th>
<th>Increase</th>
<th>Decrease</th>
<th>As Restated</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2001A&amp;B (a)</td>
<td>$31,017,806</td>
<td>-</td>
<td>$(2,091,697)</td>
<td>$28,926,109</td>
<td>$2,159,312</td>
</tr>
<tr>
<td>Series 2004A (b)</td>
<td>4,155,000</td>
<td>-</td>
<td>$(2,025,000)</td>
<td>2,130,000</td>
<td>2,130,000</td>
</tr>
<tr>
<td>Series 2005A Airport Refunding (c)</td>
<td>2,695,000</td>
<td>-</td>
<td>$(500,000)</td>
<td>2,195,000</td>
<td>515,000</td>
</tr>
<tr>
<td>Series 2008A (d)</td>
<td>48,470,000</td>
<td>-</td>
<td>$(1,015,000)</td>
<td>47,455,000</td>
<td>1,050,000</td>
</tr>
<tr>
<td>Series 2013A Airport Refunding (e)</td>
<td>21,870,000</td>
<td>-</td>
<td>-</td>
<td>21,870,000</td>
<td>45,000</td>
</tr>
<tr>
<td>PFC Revenue Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2005A (f)</td>
<td>14,935,000</td>
<td>-</td>
<td>$(715,000)</td>
<td>14,220,000</td>
<td>745,000</td>
</tr>
<tr>
<td>Series 2005B (g)</td>
<td>19,005,000</td>
<td>-</td>
<td>$(595,000)</td>
<td>18,410,000</td>
<td>615,000</td>
</tr>
<tr>
<td>Car Rental Garage Revenue Bonds, Series 2000 (h)</td>
<td>2,380,000</td>
<td>-</td>
<td>-</td>
<td>2,380,000</td>
<td>-</td>
</tr>
<tr>
<td>Add: Bond premium paid, net</td>
<td>3,049,420</td>
<td>-</td>
<td>$(338,502)</td>
<td>2,710,918</td>
<td>-</td>
</tr>
<tr>
<td>Total Long-Term Debt</td>
<td>$147,577,226</td>
<td>-</td>
<td>$(7,280,199)</td>
<td>$140,297,027</td>
<td>$8,409,312</td>
</tr>
</tbody>
</table>

Loss deferred outflows $ (3,491,856) $ 363,020 $ - $ (3,128,836) $ -

<table>
<thead>
<tr>
<th>As Restated</th>
<th>Increase</th>
<th>Decrease</th>
<th>As Restated</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Revenue Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2001A&amp;B (a)</td>
<td>$33,044,007</td>
<td>-</td>
<td>$(2,026,201)</td>
<td>$31,017,806</td>
</tr>
<tr>
<td>Series 2004A (b)</td>
<td>6,085,000</td>
<td>-</td>
<td>$(1,930,000)</td>
<td>4,155,000</td>
</tr>
<tr>
<td>Series 2005A Airport Refunding (c)</td>
<td>26,130,000</td>
<td>-</td>
<td>$(23,435,000)</td>
<td>2,695,000</td>
</tr>
<tr>
<td>Series 2008A (d)</td>
<td>49,450,000</td>
<td>-</td>
<td>$(980,000)</td>
<td>48,470,000</td>
</tr>
<tr>
<td>Series 2013A Airport Refunding (e)</td>
<td>-</td>
<td>21,870,000</td>
<td>-</td>
<td>21,870,000</td>
</tr>
<tr>
<td>PFC Revenue Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2005A (f)</td>
<td>15,625,000</td>
<td>-</td>
<td>$(690,000)</td>
<td>14,935,000</td>
</tr>
<tr>
<td>Series 2005B (g)</td>
<td>19,580,000</td>
<td>-</td>
<td>$(575,000)</td>
<td>19,005,000</td>
</tr>
<tr>
<td>Car Rental Garage Revenue Bonds, Series 2000 (h)</td>
<td>2,380,000</td>
<td>-</td>
<td>-</td>
<td>2,380,000</td>
</tr>
<tr>
<td>Add: Bond premium paid, net</td>
<td>865,827</td>
<td>3,026,138</td>
<td>$(842,545)</td>
<td>3,049,420</td>
</tr>
<tr>
<td>Total Long-Term Debt</td>
<td>$153,159,834</td>
<td>$24,896,138</td>
<td>$(30,478,746)</td>
<td>$147,577,226</td>
</tr>
</tbody>
</table>

Loss deferred outflows $ (1,130,058) $ 664,340 $ (3,491,856) $ -
Note 5.  LONG-TERM DEBT (continued)

The aggregate amount of debt service on long-term debt following June 30, 2014 is as follows:

Long-Term Debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue Principal</th>
<th>Revenue Interest</th>
<th>PFC Principal</th>
<th>PFC Interest</th>
<th>CFC Principal</th>
<th>CFC Interest</th>
<th>Total Principal</th>
<th>Total Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$5,899,312</td>
<td>$3,998,632</td>
<td>$1,360,000</td>
<td>$65,609</td>
<td>$1,150,000</td>
<td>$126,350</td>
<td>$8,409,312</td>
<td>$4,190,591</td>
</tr>
<tr>
<td>2016</td>
<td>$5,059,114</td>
<td>$4,058,066</td>
<td>$1,400,000</td>
<td>$62,782</td>
<td>$1,230,000</td>
<td>$43,050</td>
<td>$7,689,114</td>
<td>$4,163,898</td>
</tr>
<tr>
<td>2017</td>
<td>$4,996,174</td>
<td>$3,795,344</td>
<td>$1,455,000</td>
<td>$59,870</td>
<td>-</td>
<td>-</td>
<td>$6,451,174</td>
<td>$3,855,214</td>
</tr>
<tr>
<td>2018</td>
<td>$3,865,565</td>
<td>$3,635,841</td>
<td>$1,500,000</td>
<td>$56,845</td>
<td>-</td>
<td>-</td>
<td>$5,365,565</td>
<td>$3,692,686</td>
</tr>
<tr>
<td>2019</td>
<td>$24,431,144</td>
<td>$14,285,862</td>
<td>$1,555,000</td>
<td>$53,726</td>
<td>-</td>
<td>-</td>
<td>$25,986,144</td>
<td>$14,339,588</td>
</tr>
<tr>
<td>2020-2024</td>
<td>$28,831,332</td>
<td>$9,846,792</td>
<td>$8,590,000</td>
<td>$117,584</td>
<td>-</td>
<td>-</td>
<td>$37,421,332</td>
<td>$9,964,376</td>
</tr>
<tr>
<td>2025-2029</td>
<td>$12,553,468</td>
<td>$5,667,340</td>
<td>$10,140,000</td>
<td>$167,483</td>
<td>-</td>
<td>-</td>
<td>$22,693,468</td>
<td>$5,834,823</td>
</tr>
<tr>
<td>2030-2034</td>
<td>$13,740,000</td>
<td>$2,582,000</td>
<td>$5,430,000</td>
<td>$39,956</td>
<td>-</td>
<td>-</td>
<td>$19,190,000</td>
<td>$2,621,956</td>
</tr>
<tr>
<td>2035-2039</td>
<td>$3,180,000</td>
<td>$79,500</td>
<td>$1,200,000</td>
<td>$1,980</td>
<td>-</td>
<td>-</td>
<td>$4,380,000</td>
<td>$81,480</td>
</tr>
<tr>
<td></td>
<td>$102,576,109</td>
<td>$47,949,377</td>
<td>$32,630,000</td>
<td>$625,835</td>
<td>$2,380,000</td>
<td>$169,400</td>
<td>$137,586,109</td>
<td>$48,744,612</td>
</tr>
</tbody>
</table>
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.

In November 2010, the Commission approved a resolution for the interest rate reduction agreement of the 2001A and the 2001B Series Bonds issued through the VRA. The bonds were refinanced effective August 23, 2011. The 2001A Series Bonds bear interest at 3.11% and the 2001B Series Bonds bear interest at 3.28%. Total savings in interest over the remaining life of the bonds will be approximately $2.8 million.

(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 January 1 and July 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
Note 5. LONG-TERM DEBT (continued)

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 1 and July 1.

The Commission issued $21,870,000 of Series 2013A revenue bonds that were combined with the premium received of $3,026,138 and other available resources to establish an irrevocable trust for certain future debt service payments of $25,738,421. As a result, $22,955,000 of the Series 2005A Revenue Bonds is considered to be defease, and the liability has been removed from the Commission’s statement of net position. The remaining principal balance of $2,695,000 will be paid according to the maturity payment schedule for July 1, 2013 – July 1, 2015.

(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) Revenue Refunding Bonds, Series 2013A

On April 24, 2013, the Commission issued Airport Revenue Refunding Bonds Series 2013A in the amount of $21,870,000, secured by an Airport Revenue Bond Resolution adopted by the Commission November 21, 1984, as amended and supplemented, including a Twelfth Supplemental Bond Resolution adopted by the Commission on February 26, 2013. The net proceeds of the bonds were combined with other available resources to establish an irrevocable trust to effectively defease the outstanding principal amount of the 2005A Revenue Bonds maturing on July 1 in the years 2016 through 2025 totaling $22,955,000. Principal payments are due each year on July 1 starting in 2014 through 2025. Interest on the bonds is payable semi-annually each January 1 and July 1. The estimated net present value savings is $1,929,000. As a result of the refunding, total debt service payments decreased by $2,181,934 resulting in an economic gain of $1,929,376.

(f) 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
Note 5. LONG-TERM DEBT (continued)

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 Wells Fargo 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 was amended on March 1, 2013 and will expire on March 31, 2016, 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) 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 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 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 Wells Fargo 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 was amended on March 1, 2013 and will expire on March 31, 2016, 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.

(h) 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 in
Note 5.  LONG-TERM DEBT (continued)

September 2011, the Commission approved a resolution for the early redemption of $2.0 million of the 2000 Series CFC Bonds. As of July 1, 2011, the outstanding bonds were $4.5 million. The Commission utilized available funds for this early redemption.

(i) Line of Credit

The Commission entered into the second one year amendment of an Exempt Facility Credit Agreement with a bank as of December 15, 2013, 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 for the years ended June 30, 2014 and June 30, 2013.

(j) Restricted Assets

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of issuance</td>
<td>$343</td>
<td>$207,718</td>
</tr>
<tr>
<td>Debt service</td>
<td>49,097,049</td>
<td>43,281,075</td>
</tr>
<tr>
<td>Equipment and capital outlay</td>
<td>25,390,270</td>
<td>22,948,058</td>
</tr>
<tr>
<td>Operation and maintenance</td>
<td>4,388,034</td>
<td>4,223,606</td>
</tr>
<tr>
<td></td>
<td>$78,875,696</td>
<td>$70,660,457</td>
</tr>
</tbody>
</table>

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. There was no accrued arbitrage liability for the years ended June 30, 2014 and June 30, 2013.

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 $2,059,430 (5.1%) and $1,466,390 (3.6%) for the year ended June 30, 2014 and $2,100,487 (5.3%) and $1,433,604 (3.6%) for the year ended June 30, 2013.
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, 2014:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$9,727,357</td>
</tr>
<tr>
<td>2016</td>
<td>2,411,762</td>
</tr>
<tr>
<td>2017</td>
<td>2,146,767</td>
</tr>
<tr>
<td>2018</td>
<td>1,483,416</td>
</tr>
<tr>
<td>2019</td>
<td>1,307,563</td>
</tr>
<tr>
<td>2020-2024</td>
<td>2,245,788</td>
</tr>
<tr>
<td>2025-2029</td>
<td>919,453</td>
</tr>
<tr>
<td>2030</td>
<td>48,239</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$20,290,345</strong></td>
</tr>
</tbody>
</table>

The Commission had rental and concession income of $18,298,176 and $17,891,531 in 2014 and 2013, 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. Members can earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS administers three different benefit plans; Plan 1, Plan 2, and Hybrid. Each plan has different eligibility and benefit structures.

Plan 1: Members hired before July 1, 2010 and were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit or age 50 with at least 10 years of service credit. The benefit is payable monthly for life in an amount equal to 1.7% of their average final compensation (AFC) for each creditable year of service. AFC is the average of 36 consecutive months of highest compensation as a covered employee.
Note 8. DEFINED BENEFIT PENSION PLAN (continued)

Plan 2: Members hired or rehired on or after July 1, 2010 and Plan 1 members, who were not vested on January 1, 2013, are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit. The benefit is payable monthly based on 1.65% of their AFC for each creditable year of service earned, purchased or granted on or before January 1, 2013, and 1.7% of their AFC for each creditable year of service earned, purchased or granted on or before January 1, 2013. AFC is the average of 60 consecutive months of highest compensation as a covered employee.

Hybrid Plan: The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2104 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election period held January 1 through April 30, 2014. If a new hire has prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must remain with the prior service plan. Under the defined benefit component of the plan, members are eligible for an unreduced retirement benefit at the same time as Plan 2. For the defined contribution component, a member is eligible to receive distributions upon leaving employment, subject to restrictions. The benefit is payable monthly using a 1.0% retirement multiplier. If a member opted into the Hybrid Plan from Plan 1 or Plan 2, the member will have multiple retirement multipliers applied to the benefit based on when service was credited to the member’s record.

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 a maximum of 5% per year for Plan 1 and limited to a maximum of 3% for Plan 2 and Hybrid Plan for the defined benefit component. 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. As a political subdivision The Commission opted to participate in the Virginia Local Disability program (VLDP) for the Hybrid members. 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.

Funding Policy

In accordance with the Code, plan members are required to contribute 5% of their annual reported compensation to the VRS. In addition, the Commission 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 year ended June 30, 2014, the Commission contributed 16.35% of the annual covered payroll. The contribution rate for the year ended June 30, 2014 includes the Commission’s share of 11.35% and the plan members’ share of 5%. For the year ended June 30, 2013, the Commission contributed the 16.35% of the annual covered payroll. The contribution rate for the year ended June 30, 2013 included the Commission’s share of 11.35% and the plan members’ share of 5%.
Note 8. DEFINED BENEFIT PENSION PLAN (continued)

Annual Pension Cost
For the year ended June 30, 2014, the Commission’s annual pension cost of $1,285,774 (2013 - $1,146,013), including the plan members’ share, was equal to its required and actual contribution. The required contribution rates for the years ended June 30, 2014 and 2013 were determined using the entry age normal actuarial cost method as part of the actuarial valuations for June 30, 2013.

Significant actuarial assumptions used per year include a 7.0% rate of return on investments; projected salary increases of 3.50% to 5.35%; 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.

Pension Plan Schedule of Employer Contributions (Unaudited)

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
<th>Net Pension Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2014</td>
<td>$1,285,774</td>
<td>100%</td>
<td>None</td>
</tr>
</tbody>
</table>

Funding Progress (Unaudited)

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Actuarial Value of Assets (AVA)</th>
<th>Actuarial Accrued Liability (AAL)</th>
<th>Unfunded Actuarial Liability (UAAL)</th>
<th>Funded Ratio (2)/(3)</th>
<th>Annual Covered Payroll (6)</th>
<th>UAAL as % of Payroll (4)/(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>$22,702,114</td>
<td>$28,825,185</td>
<td>$6,123,071</td>
<td>78.76</td>
<td>$7,155,224</td>
<td>85.57%</td>
</tr>
</tbody>
</table>

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.

Note 9. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2014 and 2013, 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 $17,500 for the year 2014; with participants age 50 and older allowed to defer a maximum of $23,000. The compensation deferred is not available to employees until termination, retirement, death or an unforeseeable emergency. All plan assets are held in a custodial account for the exclusive benefit of participants and beneficiaries under the Plan. Accordingly the related assets and liabilities associated with the plan are not reported as part of the Commission’s financial information.

Note 11. RESTATEMENT OF BEGINNING NET POSITION

The Commission has restated beginning net assets for the fund due to a change in accounting principal from the implementation of GASB 65, Items Previously Reported as Assets and Liabilities. This standard clarifies the reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Under GASB 65, gain on bond refunding is reclassified to deferred outflows of resources where previously netted into long-term liabilities, deferred financing costs, which were previously amortized over the life of the debt, are recognized as an outflow of resources in the period incurred. Accordingly, the restatement below reduces beginning net position by eliminating previously unamortized deferred financing cost.

<table>
<thead>
<tr>
<th>Statement of Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position</td>
</tr>
<tr>
<td>June 30, 2012 Balance as Previously Reported</td>
</tr>
<tr>
<td>Restatement:</td>
</tr>
<tr>
<td>Change in accounting principle</td>
</tr>
<tr>
<td>Reclass deferred losses to deferred outflows</td>
</tr>
<tr>
<td>June 30, 2012 Balance, Restated</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statement of Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position</td>
</tr>
<tr>
<td>June 30, 2013 Balance as Previously Reported</td>
</tr>
<tr>
<td>Restatement:</td>
</tr>
<tr>
<td>Change in accounting principle</td>
</tr>
<tr>
<td>Reclass deferred losses to deferred outflows</td>
</tr>
<tr>
<td>June 30, 2013 Balance, Restated</td>
</tr>
</tbody>
</table>

| June 30, 2013 Interest Expense as Previously Reported | (4,881,726) |
| Restatement due to change in accounting principle | 324,530 |
| June 30, 2013 Interest Expense as Restated | (4,557,196) |
Note 12. COMMITMENTS AND CONTINGENCIES
In the normal course of its operations, the Commission has commitments, contingent liabilities, lawsuits and claims. Commission management 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, 2014, the Commission had construction commitments of approximately $20.5 million, of which approximately $19.4 million will be paid from federal and state grants.

Note 13. SUBSEQUENT EVENTS
The Commission approved the prepayment and redemption of $2,360,000 of the Passenger Facility Charge Revenue Bonds, 2005 Series B-Non-AMT (the “PFC Bonds”) on September 1, 2014.
Cavanaugh MacDonald Consulting, actuary for the VRS, prepared the actuarial valuation results as of June 30, 2013. Independent auditors have not audited this information. The funding progress and the Commission’s contributions are as follows:

### Virginia Retirement System
#### Funding Progress (Unaudited)

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Actuarial Value of Assets (AVA)</th>
<th>Actuarial Accrued Liability (AAL)</th>
<th>Unfunded Actuarial Accrued Liability (UAAL)</th>
<th>Funded Actuarial Ratio (2)/(3)</th>
<th>Annual Covered Payroll</th>
<th>UAAL as % of Payroll (4)/(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>$22,702,114</td>
<td>$28,825,185</td>
<td>$6,123,071</td>
<td>78.76%</td>
<td>$7,155,224</td>
<td>85.57%</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>21,727,233</td>
<td>28,092,248</td>
<td>6,365,015</td>
<td>77.34%</td>
<td>6,794,782</td>
<td>93.68%</td>
</tr>
<tr>
<td>June 30, 2011</td>
<td>21,564,780</td>
<td>26,549,741</td>
<td>4,984,961</td>
<td>81.22%</td>
<td>6,739,248</td>
<td>73.97%</td>
</tr>
</tbody>
</table>

### Pension Plan Schedule of Employer Contributions (Unaudited)

<table>
<thead>
<tr>
<th>For Plan Year Ended</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
<th>Net Pension Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2014</td>
<td>$1,285,774</td>
<td>100%</td>
<td>None</td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>1,146,013</td>
<td>100%</td>
<td>None</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>870,475</td>
<td>100%</td>
<td>None</td>
</tr>
</tbody>
</table>
Capital Region Airport Commission  
SCHEDULE OF OPERATING REVENUES  
Years Ended June 30, 2014 and 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal</td>
<td>$14,258,990</td>
<td>$13,785,664</td>
</tr>
<tr>
<td>Economy and shuttle</td>
<td>3,610,241</td>
<td>3,481,463</td>
</tr>
<tr>
<td>Valet</td>
<td>549,864</td>
<td>525,664</td>
</tr>
<tr>
<td>Parking meter and violations</td>
<td>4,824</td>
<td>5,596</td>
</tr>
<tr>
<td></td>
<td>18,423,919</td>
<td>17,798,387</td>
</tr>
<tr>
<td>Landing Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major</td>
<td>1,262,994</td>
<td>1,931,224</td>
</tr>
<tr>
<td>Regional</td>
<td>1,154,695</td>
<td>422,594</td>
</tr>
<tr>
<td>Scheduled freighter</td>
<td>489,732</td>
<td>465,971</td>
</tr>
<tr>
<td>Other</td>
<td>(22,242)</td>
<td>35,451</td>
</tr>
<tr>
<td></td>
<td>2,885,179</td>
<td>2,855,240</td>
</tr>
<tr>
<td>Concession</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental car</td>
<td>5,052,906</td>
<td>4,749,098</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>880,025</td>
<td>855,988</td>
</tr>
<tr>
<td>Ground transportation fees</td>
<td>362,524</td>
<td>319,583</td>
</tr>
<tr>
<td>In-flight catering, etc.</td>
<td>6,411</td>
<td>6,903</td>
</tr>
<tr>
<td>Retail sales</td>
<td>897,153</td>
<td>1,100,468</td>
</tr>
<tr>
<td>Off-airport concession fees</td>
<td>122,508</td>
<td>103,654</td>
</tr>
<tr>
<td>Terminal advertising</td>
<td>769,074</td>
<td>661,579</td>
</tr>
<tr>
<td>Fuel flowage fees</td>
<td>148,026</td>
<td>154,028</td>
</tr>
<tr>
<td>Other</td>
<td>25,267</td>
<td>4,255</td>
</tr>
<tr>
<td></td>
<td>8,263,894</td>
<td>7,955,556</td>
</tr>
<tr>
<td>Rental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airline terminal</td>
<td>6,645,149</td>
<td>6,602,339</td>
</tr>
<tr>
<td>Land</td>
<td>1,152,975</td>
<td>1,471,916</td>
</tr>
<tr>
<td>Other buildings</td>
<td>2,236,158</td>
<td>1,861,720</td>
</tr>
<tr>
<td></td>
<td>10,034,282</td>
<td>9,935,975</td>
</tr>
<tr>
<td>Apron Fees</td>
<td>600,555</td>
<td>588,368</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>189,896</td>
<td>135,635</td>
</tr>
<tr>
<td>Other</td>
<td>125,251</td>
<td>122,505</td>
</tr>
<tr>
<td></td>
<td>315,147</td>
<td>258,140</td>
</tr>
<tr>
<td>Total</td>
<td>$40,522,976</td>
<td>$39,391,666</td>
</tr>
<tr>
<td>Category</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>$7,592,921</td>
<td>$7,611,768</td>
</tr>
<tr>
<td>Overtime</td>
<td>171,098</td>
<td>315,691</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>581,433</td>
<td>576,560</td>
</tr>
<tr>
<td>Group insurance, life and health</td>
<td>1,012,907</td>
<td>864,812</td>
</tr>
<tr>
<td>Retirement</td>
<td>827,797</td>
<td>804,546</td>
</tr>
<tr>
<td>Other</td>
<td>38,099</td>
<td>105,958</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,224,255</td>
<td>10,279,335</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>2,034,783</td>
<td>2,061,433</td>
</tr>
<tr>
<td>Heating fuel</td>
<td>141,546</td>
<td>107,250</td>
</tr>
<tr>
<td>Telephone</td>
<td>66,617</td>
<td>81,267</td>
</tr>
<tr>
<td>Water and sewer</td>
<td>281,103</td>
<td>287,530</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,524,049</td>
<td>2,537,480</td>
</tr>
<tr>
<td><strong>Professional Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and accounting</td>
<td>489,627</td>
<td>345,516</td>
</tr>
<tr>
<td>Consulting services</td>
<td>370,001</td>
<td>314,822</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>589,872</td>
<td>562,714</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,449,500</td>
<td>1,223,052</td>
</tr>
<tr>
<td><strong>Parking</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal</td>
<td>1,582,151</td>
<td>1,625,362</td>
</tr>
<tr>
<td>Economy and shuttle</td>
<td>1,293,666</td>
<td>1,286,393</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,875,817</td>
<td>2,911,755</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>463,265</td>
<td>520,366</td>
</tr>
<tr>
<td>Equipment</td>
<td>368,380</td>
<td>395,302</td>
</tr>
<tr>
<td>Other</td>
<td>709,759</td>
<td>734,830</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,541,404</td>
<td>1,650,498</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>843,952</td>
<td>847,576</td>
</tr>
<tr>
<td><strong>Supplies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>691,960</td>
<td>762,651</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference and travel</td>
<td>71,471</td>
<td>35,615</td>
</tr>
<tr>
<td>Snow removal</td>
<td>276,502</td>
<td>83,554</td>
</tr>
<tr>
<td>Other</td>
<td>225,381</td>
<td>289,007</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>573,354</td>
<td>408,176</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$20,724,291</td>
<td>$20,620,523</td>
</tr>
</tbody>
</table>
## Capital Region Airport Commission
### SCHEDULE OF OPERATING REVENUES, BUDGET AND ACTUAL
#### Year Ended June 30, 2014

<table>
<thead>
<tr>
<th>Variance with Budget</th>
<th>Budget</th>
<th>Actual</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parking</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal</td>
<td>$13,425,000</td>
<td>$14,258,990</td>
<td>$833,990</td>
</tr>
<tr>
<td>Economy and shuttle</td>
<td>3,452,999</td>
<td>3,610,241</td>
<td>157,242</td>
</tr>
<tr>
<td>Valet</td>
<td>505,000</td>
<td>549,864</td>
<td>44,864</td>
</tr>
<tr>
<td>Parking meter and violations</td>
<td>6,000</td>
<td>4,824</td>
<td>(1,176)</td>
</tr>
<tr>
<td><strong>Landing Fees</strong></td>
<td>17,388,999</td>
<td>18,423,919</td>
<td>1,034,920</td>
</tr>
<tr>
<td>Major</td>
<td>1,440,557</td>
<td>1,262,994</td>
<td>(177,563)</td>
</tr>
<tr>
<td>Regional</td>
<td>920,305</td>
<td>1,154,695</td>
<td>234,390</td>
</tr>
<tr>
<td>Scheduled freighter</td>
<td>449,587</td>
<td>489,732</td>
<td>40,145</td>
</tr>
<tr>
<td>Other</td>
<td>32,694</td>
<td>(22,242)</td>
<td>(54,936)</td>
</tr>
<tr>
<td><strong>Concession</strong></td>
<td>2,843,143</td>
<td>2,885,179</td>
<td>42,036</td>
</tr>
<tr>
<td>Rental car</td>
<td>4,684,099</td>
<td>5,052,906</td>
<td>368,807</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>814,600</td>
<td>880,025</td>
<td>65,425</td>
</tr>
<tr>
<td>Ground transportation fees</td>
<td>281,700</td>
<td>362,524</td>
<td>80,824</td>
</tr>
<tr>
<td>In-flight catering, etc.</td>
<td>7,300</td>
<td>6,411</td>
<td>(889)</td>
</tr>
<tr>
<td>Retail sales</td>
<td>856,099</td>
<td>897,153</td>
<td>41,054</td>
</tr>
<tr>
<td>Off airport concession fees</td>
<td>95,400</td>
<td>122,508</td>
<td>27,108</td>
</tr>
<tr>
<td>Terminal advertising</td>
<td>675,000</td>
<td>769,074</td>
<td>94,074</td>
</tr>
<tr>
<td>Fuel flowage fees</td>
<td>152,800</td>
<td>148,026</td>
<td>(4,774)</td>
</tr>
<tr>
<td>Other</td>
<td>4,000</td>
<td>25,267</td>
<td>21,267</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,570,998</td>
<td>8,263,894</td>
<td>692,896</td>
</tr>
<tr>
<td><strong>Rental</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airline terminal</td>
<td>6,771,769</td>
<td>6,645,149</td>
<td>(126,620)</td>
</tr>
<tr>
<td>Land</td>
<td>1,162,354</td>
<td>1,152,975</td>
<td>(9,379)</td>
</tr>
<tr>
<td>Other buildings</td>
<td>2,333,856</td>
<td>2,236,158</td>
<td>(97,698)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,267,979</td>
<td>10,034,282</td>
<td>(233,697)</td>
</tr>
<tr>
<td><strong>Apron Fees</strong></td>
<td>631,877</td>
<td>600,555</td>
<td>(31,322)</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>54,600</td>
<td>189,896</td>
<td>135,296</td>
</tr>
<tr>
<td>Other</td>
<td>98,400</td>
<td>125,251</td>
<td>26,851</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>153,000</td>
<td>315,147</td>
<td>162,147</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$38,855,996</td>
<td>$40,522,976</td>
<td>$1,666,980</td>
</tr>
</tbody>
</table>
## Capital Region Airport Commission
### SCHEDULE OF OPERATING EXPENSES, BUDGET AND ACTUAL
#### Year Ended June 30, 2014

<table>
<thead>
<tr>
<th>Variance with Budget</th>
<th>Budget</th>
<th>Actual</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>$7,756,106</td>
<td>$7,592,921</td>
<td>$163,185</td>
</tr>
<tr>
<td>Overtime</td>
<td>198,000</td>
<td>171,098</td>
<td>26,902</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>594,489</td>
<td>581,433</td>
<td>13,056</td>
</tr>
<tr>
<td>Group insurance, life and health</td>
<td>1,022,067</td>
<td>1,012,907</td>
<td>9,160</td>
</tr>
<tr>
<td>Retirement</td>
<td>866,654</td>
<td>827,797</td>
<td>38,857</td>
</tr>
<tr>
<td>Other personnel expense</td>
<td>35,500</td>
<td>38,099</td>
<td>(2,599)</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>2,122,000</td>
<td>2,034,783</td>
<td>87,217</td>
</tr>
<tr>
<td>Heating fuel</td>
<td>111,502</td>
<td>141,546</td>
<td>(30,044)</td>
</tr>
<tr>
<td>Telephone</td>
<td>78,110</td>
<td>66,617</td>
<td>11,493</td>
</tr>
<tr>
<td>Water and sewer</td>
<td>304,999</td>
<td>281,103</td>
<td>23,896</td>
</tr>
<tr>
<td><strong>Professional Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and accounting</td>
<td>363,000</td>
<td>489,627</td>
<td>(126,627)</td>
</tr>
<tr>
<td>Consulting services</td>
<td>240,000</td>
<td>370,001</td>
<td>(130,001)</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>604,800</td>
<td>589,872</td>
<td>14,928</td>
</tr>
<tr>
<td><strong>Parking</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal</td>
<td>1,675,000</td>
<td>1,582,151</td>
<td>92,849</td>
</tr>
<tr>
<td>Economy and shuttle</td>
<td>1,340,001</td>
<td>1,293,666</td>
<td>46,335</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>516,250</td>
<td>463,265</td>
<td>52,985</td>
</tr>
<tr>
<td>Equipment</td>
<td>354,200</td>
<td>368,380</td>
<td>(14,180)</td>
</tr>
<tr>
<td>Other</td>
<td>734,950</td>
<td>709,759</td>
<td>25,191</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supplies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference and travel</td>
<td>52,000</td>
<td>71,471</td>
<td>(19,471)</td>
</tr>
<tr>
<td>Snow removal</td>
<td>100,000</td>
<td>276,502</td>
<td>(176,502)</td>
</tr>
<tr>
<td>Other</td>
<td>247,150</td>
<td>225,381</td>
<td>21,769</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$20,939,178</td>
<td>$20,724,291</td>
<td>$214,887</td>
</tr>
</tbody>
</table>
## Schedule of Transactions in Accounts Created by Bond Resolutions

### Year Ended June 30, 2014

**2004 Bonds**

<table>
<thead>
<tr>
<th></th>
<th>Revenue Account</th>
<th>Debt Service</th>
<th>Equipment and Capital Outlay Account</th>
<th>Operation and Maintenance Reserve Account</th>
<th>Subordinated Indebtedness Fund</th>
<th>Surplus Account</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEGINNING BALANCE</strong></td>
<td>$ -</td>
<td>$ 5,955,141</td>
<td>$ 22,948,058</td>
<td>$ 4,869,558</td>
<td>$ 1,977,366</td>
<td>$ 67,029</td>
</tr>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from Commission</td>
<td>39,657,007</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits from Commission-collections</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest earned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,024</td>
<td>30,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>39,657,007</td>
<td>-</td>
<td>-</td>
<td>11,024</td>
<td>30,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>DISBURSEMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements to Commission</td>
<td>-</td>
<td>-</td>
<td>6,021,239</td>
<td>12,028,679</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Principal curtailment on long-term debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments on long-term debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disbursements to others</td>
<td>-</td>
<td>9,777,358</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL DISBURSEMENTS</strong></td>
<td>-</td>
<td>9,777,358</td>
<td>6,021,239</td>
<td>12,028,679</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TRANSFERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer of interest earned to revenue account</td>
<td>14,082</td>
<td>-</td>
<td>-</td>
<td>(11,024)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer of deposited revenue to designated accounts per resolution</td>
<td>(39,671,089)</td>
<td>10,176,084</td>
<td>8,463,452</td>
<td>12,404,420</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Discount (premium) amortized on bonds held as an investment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(426)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL TRANSFERS</strong></td>
<td>(39,657,007)</td>
<td>10,176,084</td>
<td>8,463,452</td>
<td>12,393,396</td>
<td>(426)</td>
<td>-</td>
</tr>
<tr>
<td><strong>ENDING BALANCE</strong></td>
<td>$ -</td>
<td>$ 6,353,867</td>
<td>$ 25,390,270</td>
<td>$ 5,245,299</td>
<td>$ 2,006,940</td>
<td>$ 67,029</td>
</tr>
</tbody>
</table>
### SCHEDULE OF TRANSACTIONS IN ACCOUNTS CREATED BY BOND RESOLUTIONS (continued)

#### Year Ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Debt Service Reserve</td>
<td>Debt Service Reserve</td>
<td>Debt Service Reserve</td>
<td>Construction Fund</td>
<td>Cost of Issue</td>
</tr>
<tr>
<td>BEGINNING BALANCE</td>
<td>$ 4,634</td>
<td>$ 269,716</td>
<td>$ 3,535,437</td>
<td>$ -</td>
<td>$ 343</td>
</tr>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from Commission</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits from Commission-collections</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain (loss) on sale of investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest earned</td>
<td>-</td>
<td>807</td>
<td>44,719</td>
<td>-</td>
<td>37,028</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>807</td>
<td>44,719</td>
<td>-</td>
<td>37,028</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements to Commission</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Principal curtailment on long-term debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments on long-term debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disbursements to others</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRANSFERS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer of interest earned to revenue account</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer of deposited revenue to designated accounts per resolution</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Discount [premium] amortized on bonds held as an investment</td>
<td>-</td>
<td>(494)</td>
<td>(18,534)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>(494)</td>
<td>(18,534)</td>
<td>-</td>
<td>217</td>
</tr>
<tr>
<td>ENDING BALANCE</td>
<td>$ 4,634</td>
<td>$ 270,029</td>
<td>$ 3,561,622</td>
<td>$ -</td>
<td>$ 343</td>
</tr>
</tbody>
</table>
Capital Region Airport Commission  
SCHEDULE OF TRANSACTIONS IN ACCOUNTS CREATED BY BOND RESOLUTIONS (continued)  
Year Ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th>CFC Bonds</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue Account</td>
<td>Debt Service Reserve</td>
<td>Interest Fund</td>
<td>Operating Fund</td>
<td>Principal Fund</td>
<td>Repair Fund</td>
<td>Purpose Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BEGINNING BALANCE</td>
<td>$</td>
<td>-</td>
<td>$ 1,130,500</td>
<td>$ 101,904</td>
<td>$ 29,448</td>
<td>$ 1,052,553</td>
<td>$ 52,219</td>
<td>$ 2,164,572</td>
<td>$ 80,039,756</td>
<td></td>
</tr>
<tr>
<td>RECEIPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from Commission</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>39,657,007</td>
<td></td>
</tr>
<tr>
<td>Deposits from Commission-collections</td>
<td>466,316</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,033,073</td>
<td></td>
</tr>
<tr>
<td>Gain (loss) on sale of investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest earned</td>
<td>-</td>
<td>44,861</td>
<td>2</td>
<td>-</td>
<td>40</td>
<td>72</td>
<td>207</td>
<td>-</td>
<td>183,960</td>
<td></td>
</tr>
<tr>
<td></td>
<td>466,316</td>
<td>44,861</td>
<td>2</td>
<td>-</td>
<td>40</td>
<td>72</td>
<td>207</td>
<td>-</td>
<td>46,874,040</td>
<td></td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements to Commission</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>163,130</td>
<td>-</td>
<td>202,943</td>
<td>-</td>
<td>18,415,991</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal curtailment on long-term debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,310,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest payments on long-term debt</td>
<td>-</td>
<td>-</td>
<td>166,600</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>195,979</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements to others</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,777,708</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>166,600</td>
<td>163,130</td>
<td>-</td>
<td>202,943</td>
<td>-</td>
<td>29,699,678</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRANSFERS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer of interest earned to revenue account</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,058</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer of deposited revenue to designated accounts per resolution</td>
<td>(466,316)</td>
<td>(44,861)</td>
<td>166,600</td>
<td>161,883</td>
<td>120,000</td>
<td>224,868</td>
<td>113,899</td>
<td>(8,258,679)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount (premium) amortized on bonds held as an investment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(19,237)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(466,316)</td>
<td>(44,861)</td>
<td>166,600</td>
<td>161,883</td>
<td>120,000</td>
<td>224,868</td>
<td>113,899</td>
<td>(8,274,859)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENDING BALANCE</td>
<td>$</td>
<td>-</td>
<td>$ 1,130,500</td>
<td>$ 101,904</td>
<td>$ 28,201</td>
<td>$ 1,172,593</td>
<td>$ 74,216</td>
<td>$ 2,278,678</td>
<td>$ 88,939,260</td>
<td></td>
</tr>
</tbody>
</table>

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 $78,875,696 is reflected as restricted assets.
### Schedule of Cash, Cash Equivalents, and Investments in Accounts Created by Bond Resolutions

**Year Ended June 30, 2014**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Rate</th>
<th>Cash, Cash Equivalents and Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2004 Bonds</strong></td>
<td>Bond account - debt service</td>
<td>Money market fund</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Equipment and capital outlay</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Operation and maintenance account</td>
<td>Cash deposits</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Operation and maintenance reserve</td>
<td>Municipal obligation</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Subordinated indebtedness</td>
<td>Municipal obligation</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Surplus, issuer discretionary</td>
<td>Cash deposits</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total 2004 Bonds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1995 Bonds</strong></td>
<td>Debt service reserve</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>2005 Bonds</strong></td>
<td>Debt service reserve</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Debt service reserve</td>
<td>Federal obligations</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Total 2005 Bonds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2008 Bonds</strong></td>
<td>Debt service reserve</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Debt service reserve</td>
<td>Federal obligations</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td>Cost of issue</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total 2008 Bonds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2013 Bonds</strong></td>
<td>Debt service reserve</td>
<td>Federal obligations</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Debt service reserve</td>
<td>Money Market Fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Cost of Issue</td>
<td>Money Market Fund</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total 2013 Bonds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PFC Bonds</strong></td>
<td>General purpose fund</td>
<td>Money market fund</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>CFC Bonds</strong></td>
<td>Debt service reserve</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Debt service reserve</td>
<td>Certificate of deposit</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Interest fund</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Operating fund</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Principal fund</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Repair fund</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>General purpose fund</td>
<td>Money market fund</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total CFC Bonds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summary of cash, cash equivalents and investments created by bond resolution are included in the Statements of Net Position as follows:

**Current assets:**
- Cash and cash equivalents: $10,063,561

**Restricted assets:**
- Cash and cash equivalents: $70,814,551
- Investments: $7,825,715

**Note:** Includes fair market value adjustment of $235,433
RICHMOND INTERNATIONAL AIRPORT

Now you’re going places.
## Contents

- **Financial Trends**
  
  These schedules include information for an understanding of the Airport’s financial position.

  Net Position and Changes in Net Position .............................................................................................................. 47

- **Revenue Capacity**
  
  These schedules contain information to help the reader understand the significant revenue trends for the Airport. If the source is not referenced, the data comes directly from the Airport.

  Principal Revenue Sources and Revenues per Enplaned Passenger .......................................................... 48
  Largest Own-Source Revenue ............................................................................................................................. 49
  Largest Own-Source Revenue Rates .................................................................................................................... 49
  Revenue Rates ....................................................................................................................................................... 50

- **Debt Capacity**
  
  These schedules present information to help the reader understand the Airport’s current level of debt. If the source is not referenced, the data comes directly from the Airport.

  Revenue Bond Coverage ........................................................................................................................................ 50
  Outstanding Debt .................................................................................................................................................... 51

- **Demographic and Economic Information**
  
  These schedules offer indicators to help the reader understand the environment in which financial activities take place. If the source is not referenced, the data comes directly from the Airport.

  Major Customers .................................................................................................................................................. 52
  Enplanement Trends ............................................................................................................................................. 52
  Enplaned Passengers ............................................................................................................................................ 53
  Airline Market Shares ........................................................................................................................................... 54
  Primary Origin and Destinations Passenger Markets ......................................................................................... 56
  Population in the Air Trade Area .......................................................................................................................... 57
  Personal Income ................................................................................................................................................... 57
  Per Capita Income ................................................................................................................................................ 58
  Principal Employers in the Primary Air Trade Area ............................................................................................ 58
  Employment Data ................................................................................................................................................ 59
  Commission Employees ........................................................................................................................................ 60
  Cargo Carrier ....................................................................................................................................................... 61
  Takeoff and Landing Operations Summary ......................................................................................................... 61
  Insurance Coverage .............................................................................................................................................. 62
  Capital Asset Information .................................................................................................................................. 63
## Capital Region Airport Commission
### NET POSITION AND CHANGES IN NET POSITION
### Ten Years Ended June 30, 2014
(dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apron fees</td>
<td>$601</td>
<td>$588</td>
<td>$638</td>
<td>$624</td>
<td>$509</td>
<td>$755</td>
<td>$674</td>
<td>$585</td>
<td>$659</td>
<td>$679</td>
</tr>
<tr>
<td>Concession</td>
<td>8,264</td>
<td>7,956</td>
<td>7,863</td>
<td>7,152</td>
<td>7,055</td>
<td>7,569</td>
<td>8,048</td>
<td>7,812</td>
<td>7,037</td>
<td>7,053</td>
</tr>
<tr>
<td>Lading fees</td>
<td>2,885</td>
<td>2,855</td>
<td>3,007</td>
<td>2,976</td>
<td>2,837</td>
<td>3,332</td>
<td>3,496</td>
<td>3,333</td>
<td>3,400</td>
<td>3,212</td>
</tr>
<tr>
<td>Other</td>
<td>315</td>
<td>258</td>
<td>181</td>
<td>166</td>
<td>177</td>
<td>211</td>
<td>253</td>
<td>250</td>
<td>173</td>
<td>157</td>
</tr>
<tr>
<td>Parking</td>
<td>18,424</td>
<td>17,799</td>
<td>17,959</td>
<td>18,330</td>
<td>17,993</td>
<td>17,989</td>
<td>19,892</td>
<td>16,956</td>
<td>15,034</td>
<td>12,740</td>
</tr>
<tr>
<td>Rental</td>
<td>10,034</td>
<td>9,936</td>
<td>9,476</td>
<td>9,630</td>
<td>9,428</td>
<td>9,588</td>
<td>9,779</td>
<td>8,798</td>
<td>8,260</td>
<td>8,377</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>40,523</td>
<td>39,392</td>
<td>39,124</td>
<td>38,668</td>
<td>37,999</td>
<td>39,444</td>
<td>42,142</td>
<td>37,734</td>
<td>34,513</td>
<td>32,238</td>
</tr>
<tr>
<td>Nonoperating income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Facility Charges</td>
<td>525</td>
<td>975</td>
<td>1,716</td>
<td>1,511</td>
<td>1,380</td>
<td>1,492</td>
<td>1,744</td>
<td>1,846</td>
<td>2,061</td>
<td>2,094</td>
</tr>
<tr>
<td>Interest income</td>
<td>187</td>
<td>136</td>
<td>198</td>
<td>250</td>
<td>338</td>
<td>1,152</td>
<td>2,638</td>
<td>3,330</td>
<td>3,052</td>
<td>1,538</td>
</tr>
<tr>
<td>Passenger Facility Charges</td>
<td>6,790</td>
<td>6,589</td>
<td>6,571</td>
<td>6,829</td>
<td>6,949</td>
<td>6,992</td>
<td>7,328</td>
<td>7,549</td>
<td>6,546</td>
<td>4,247</td>
</tr>
<tr>
<td>Total nonoperating revenues</td>
<td>7,502</td>
<td>7,700</td>
<td>8,485</td>
<td>8,590</td>
<td>8,667</td>
<td>9,573</td>
<td>11,680</td>
<td>12,725</td>
<td>11,659</td>
<td>7,879</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>48,025</td>
<td>47,092</td>
<td>47,059</td>
<td>47,458</td>
<td>46,666</td>
<td>49,017</td>
<td>53,822</td>
<td>50,459</td>
<td>46,172</td>
<td>40,117</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>22,195</td>
<td>21,222</td>
<td>20,609</td>
<td>19,644</td>
<td>18,492</td>
<td>17,151</td>
<td>16,364</td>
<td>15,802</td>
<td>14,344</td>
<td>13,706</td>
</tr>
<tr>
<td>Insurance</td>
<td>844</td>
<td>848</td>
<td>669</td>
<td>798</td>
<td>810</td>
<td>644</td>
<td>625</td>
<td>738</td>
<td>678</td>
<td>604</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,541</td>
<td>1,651</td>
<td>1,464</td>
<td>1,593</td>
<td>1,384</td>
<td>1,424</td>
<td>1,928</td>
<td>1,672</td>
<td>1,400</td>
<td>1,373</td>
</tr>
<tr>
<td>Other</td>
<td>573</td>
<td>408</td>
<td>369</td>
<td>558</td>
<td>545</td>
<td>394</td>
<td>516</td>
<td>468</td>
<td>638</td>
<td>615</td>
</tr>
<tr>
<td>Parking</td>
<td>2,876</td>
<td>2,912</td>
<td>3,052</td>
<td>3,019</td>
<td>2,834</td>
<td>3,070</td>
<td>2,896</td>
<td>2,366</td>
<td>2,344</td>
<td>2,149</td>
</tr>
<tr>
<td>Personnel</td>
<td>10,224</td>
<td>10,279</td>
<td>9,484</td>
<td>9,173</td>
<td>9,380</td>
<td>10,121</td>
<td>10,343</td>
<td>9,419</td>
<td>8,490</td>
<td>7,681</td>
</tr>
<tr>
<td>Professional services</td>
<td>1,450</td>
<td>1,223</td>
<td>1,384</td>
<td>1,658</td>
<td>1,001</td>
<td>1,207</td>
<td>1,544</td>
<td>1,407</td>
<td>1,381</td>
<td>1,583</td>
</tr>
<tr>
<td>Supplies</td>
<td>692</td>
<td>763</td>
<td>806</td>
<td>686</td>
<td>597</td>
<td>685</td>
<td>800</td>
<td>730</td>
<td>678</td>
<td>618</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,524</td>
<td>2,537</td>
<td>2,509</td>
<td>2,348</td>
<td>2,081</td>
<td>2,555</td>
<td>2,361</td>
<td>2,191</td>
<td>1,974</td>
<td>1,719</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>42,919</td>
<td>41,843</td>
<td>40,346</td>
<td>39,423</td>
<td>37,604</td>
<td>37,271</td>
<td>37,377</td>
<td>34,793</td>
<td>31,927</td>
<td>30,048</td>
</tr>
<tr>
<td>Nonoperating expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,556</td>
<td>4,557</td>
<td>5,193</td>
<td>5,580</td>
<td>3,793</td>
<td>5,555</td>
<td>5,666</td>
<td>6,177</td>
<td>6,022</td>
<td>5,743</td>
</tr>
<tr>
<td>Other, net</td>
<td>682</td>
<td>992</td>
<td>3,170</td>
<td>861</td>
<td>786</td>
<td>1,075</td>
<td>666</td>
<td>810</td>
<td>794</td>
<td>519</td>
</tr>
<tr>
<td>Total nonoperating expenses</td>
<td>4,238</td>
<td>5,549</td>
<td>8,363</td>
<td>6,441</td>
<td>4,579</td>
<td>6,630</td>
<td>6,332</td>
<td>6,987</td>
<td>6,816</td>
<td>6,262</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>47,157</td>
<td>47,392</td>
<td>48,709</td>
<td>45,864</td>
<td>42,183</td>
<td>43,901</td>
<td>43,709</td>
<td>41,780</td>
<td>38,743</td>
<td>36,310</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>13,439</td>
<td>12,660</td>
<td>9,825</td>
<td>5,594</td>
<td>5,879</td>
<td>12,481</td>
<td>23,860</td>
<td>8,895</td>
<td>15,471</td>
<td>6,658</td>
</tr>
<tr>
<td>Increase (decrease) in Net Position</td>
<td>14,307</td>
<td>12,360</td>
<td>8,725</td>
<td>7,188</td>
<td>10,342</td>
<td>17,597</td>
<td>33,973</td>
<td>17,574</td>
<td>22,900</td>
<td>10,465</td>
</tr>
</tbody>
</table>

**Net Position of Year-End**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in capital assets</td>
<td>$284,330</td>
<td>$282,629</td>
<td>$272,217</td>
<td>$268,968</td>
<td>$274,025</td>
<td>$271,544</td>
<td>$241,895</td>
<td>$222,570</td>
<td>$209,638</td>
<td>$172,289</td>
</tr>
<tr>
<td>Restricted</td>
<td>74,244</td>
<td>66,011</td>
<td>60,776</td>
<td>56,480</td>
<td>41,370</td>
<td>31,247</td>
<td>39,742</td>
<td>34,568</td>
<td>27,394</td>
<td>42,511</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>17,010</td>
<td>12,658</td>
<td>15,945</td>
<td>14,765</td>
<td>17,630</td>
<td>19,871</td>
<td>23,428</td>
<td>13,954</td>
<td>16,486</td>
<td>15,818</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$375,654</td>
<td>$361,289</td>
<td>$348,938</td>
<td>$340,213</td>
<td>$333,025</td>
<td>$322,642</td>
<td>$305,065</td>
<td>$271,092</td>
<td>$253,518</td>
<td>$230,618</td>
</tr>
</tbody>
</table>

Ratios 2013 and 2012 balances have been restated to reflect the requirements of a change in GAAP.
### Capital Region Airport Commission

**PRINCIPAL REVENUE SOURCES AND REVENUES**

Ten Years Ended June 30, 2014

(dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Airline revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landing fees</td>
<td>$2,885</td>
<td>$2,855</td>
<td>$3,007</td>
<td>$2,976</td>
<td>$2,837</td>
<td>$3,332</td>
<td>$3,496</td>
<td>$3,333</td>
<td>$3,400</td>
<td>$3,212</td>
</tr>
<tr>
<td>Apron fees</td>
<td>601</td>
<td>588</td>
<td>638</td>
<td>624</td>
<td>509</td>
<td>755</td>
<td>674</td>
<td>585</td>
<td>609</td>
<td>679</td>
</tr>
<tr>
<td><strong>Total airline revenues</strong></td>
<td>3,486</td>
<td>3,443</td>
<td>3,645</td>
<td>3,600</td>
<td>3,346</td>
<td>4,087</td>
<td>4,172</td>
<td>3,918</td>
<td>4,009</td>
<td>3,891</td>
</tr>
<tr>
<td><strong>Percentage of total revenues</strong></td>
<td>7.3%</td>
<td>7.3%</td>
<td>7.7%</td>
<td>7.6%</td>
<td>7.1%</td>
<td>8.4%</td>
<td>7.8%</td>
<td>7.8%</td>
<td>8.7%</td>
<td>9.7%</td>
</tr>
<tr>
<td><strong>Nonairline revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td>18,424</td>
<td>17,799</td>
<td>17,959</td>
<td>18,320</td>
<td>17,993</td>
<td>17,989</td>
<td>17,989</td>
<td>16,956</td>
<td>15,034</td>
<td>12,760</td>
</tr>
<tr>
<td>Rental</td>
<td>10,034</td>
<td>9,936</td>
<td>9,476</td>
<td>9,630</td>
<td>9,428</td>
<td>9,588</td>
<td>9,779</td>
<td>8,798</td>
<td>8,260</td>
<td>8,377</td>
</tr>
<tr>
<td>Concession</td>
<td>8,264</td>
<td>7,956</td>
<td>7,863</td>
<td>7,152</td>
<td>7,055</td>
<td>7,569</td>
<td>8,048</td>
<td>7,812</td>
<td>7,037</td>
<td>7,053</td>
</tr>
<tr>
<td>Other</td>
<td>315</td>
<td>258</td>
<td>181</td>
<td>166</td>
<td>178</td>
<td>211</td>
<td>253</td>
<td>250</td>
<td>172</td>
<td>157</td>
</tr>
<tr>
<td><strong>Total nonairline revenues</strong></td>
<td>37,037</td>
<td>35,949</td>
<td>35,479</td>
<td>35,268</td>
<td>34,654</td>
<td>35,357</td>
<td>37,971</td>
<td>33,816</td>
<td>30,503</td>
<td>28,347</td>
</tr>
<tr>
<td><strong>Percentage of total revenues</strong></td>
<td>77.1%</td>
<td>76.3%</td>
<td>74.5%</td>
<td>74.3%</td>
<td>74.3%</td>
<td>72.1%</td>
<td>70.5%</td>
<td>67.0%</td>
<td>66.1%</td>
<td>70.7%</td>
</tr>
<tr>
<td><strong>Nonoperating revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Facility Charges</td>
<td>6,790</td>
<td>6,589</td>
<td>6,571</td>
<td>6,829</td>
<td>6,949</td>
<td>6,929</td>
<td>7,327</td>
<td>7,549</td>
<td>6,546</td>
<td>4,247</td>
</tr>
<tr>
<td>Customer Facility Charges</td>
<td>525</td>
<td>975</td>
<td>1,716</td>
<td>1,511</td>
<td>1,380</td>
<td>1,492</td>
<td>1,744</td>
<td>1,846</td>
<td>2,061</td>
<td>2,094</td>
</tr>
<tr>
<td>Interest Income</td>
<td>187</td>
<td>136</td>
<td>198</td>
<td>250</td>
<td>338</td>
<td>1,152</td>
<td>2,608</td>
<td>3,330</td>
<td>3,052</td>
<td>1,538</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues</strong></td>
<td>7,502</td>
<td>7,700</td>
<td>8,485</td>
<td>8,590</td>
<td>8,667</td>
<td>9,573</td>
<td>11,679</td>
<td>12,725</td>
<td>11,659</td>
<td>7,879</td>
</tr>
<tr>
<td><strong>Percentage of total revenues</strong></td>
<td>15.6%</td>
<td>16.4%</td>
<td>17.8%</td>
<td>18.1%</td>
<td>18.6%</td>
<td>19.5%</td>
<td>21.7%</td>
<td>25.2%</td>
<td>25.3%</td>
<td>19.6%</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$48,025</td>
<td>$47,092</td>
<td>$47,609</td>
<td>$47,458</td>
<td>$46,667</td>
<td>$49,017</td>
<td>$53,822</td>
<td>$50,459</td>
<td>$46,171</td>
<td>$40,117</td>
</tr>
</tbody>
</table>

**Enplaned passengers (excluding charters)** | 1,627,469 | 1,581,348 | 1,595,180 | 1,640,642 | 1,640,314 | 1,675,186 | 1,813,158 | 1,734,523 | 1,554,675 | 1,321,863 |

**Total revenue per enplaned passengers** | $29.51 | $29.78 | $29.85 | $28.93 | $28.45 | $29.26 | $29.69 | $29.02 | $29.71 | $30.35 |
Capital Region Airport Commission
LARGEST OWN-SOURCE REVENUE
Ten Years Ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal</td>
<td>$14,258,972</td>
<td>$13,785,664</td>
<td>$13,931,741</td>
<td>$14,256,654</td>
<td>$13,808,197</td>
<td>$13,490,156</td>
<td>$15,536,039</td>
<td>$13,054,241</td>
<td>$11,729,209</td>
<td>$10,094,309</td>
</tr>
<tr>
<td>Valet</td>
<td>549,864</td>
<td>525,664</td>
<td>546,265</td>
<td>562,929</td>
<td>572,419</td>
<td>611,691</td>
<td>688,525</td>
<td>776,112</td>
<td>691,069</td>
<td>563,733</td>
</tr>
<tr>
<td>Parking meter and violations</td>
<td>4,824</td>
<td>5,596</td>
<td>6,311</td>
<td>7,888</td>
<td>4,425</td>
<td>1,358</td>
<td>8,408</td>
<td>8,114</td>
<td>7,537</td>
<td>9,547</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lot:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garage/long term</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
</tr>
<tr>
<td>Short-term hourly</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Economy A</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Economy B</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Economy C</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Valet</td>
<td>N/A</td>
<td>20</td>
<td>N/A</td>
<td>20</td>
<td>N/A</td>
<td>20</td>
<td>N/A</td>
<td>20</td>
<td>N/A</td>
<td>20</td>
</tr>
</tbody>
</table>

Note: Rates are subject to change during year.
Public parking is the only source of parking revenue.
### Capital Region Airport Commission

**REVENUE RATES**

Ten Years Ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Apron fees</td>
<td>$1.23</td>
<td>$1.23</td>
<td>$1.21</td>
<td>$1.21</td>
<td>$1.34</td>
<td>$1.31</td>
<td>$1.34</td>
<td>$1.34</td>
<td>$1.49</td>
<td></td>
</tr>
<tr>
<td>Landing Fees (per 1,000 lbs unit)</td>
<td>1.26</td>
<td>1.23</td>
<td>1.24</td>
<td>1.19</td>
<td>1.22</td>
<td>1.25</td>
<td>1.24</td>
<td>1.20</td>
<td>1.16</td>
<td>1.21</td>
</tr>
<tr>
<td>Terminal Rental (square foot)</td>
<td>35.84</td>
<td>35.12</td>
<td>34.19</td>
<td>34.17</td>
<td>33.50</td>
<td>34.93</td>
<td>43.01</td>
<td>40.95</td>
<td>40.66</td>
<td>41.52</td>
</tr>
</tbody>
</table>

### REVENUE BOND COVERAGE

Ten Years Ended June 30, 2014

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
<th>Expense</th>
<th>Net Revenue Available on Bonds</th>
<th>Debt Service on Bonds</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$40,671,411</td>
<td>$20,203,214</td>
<td>$20,468,197</td>
<td>$10,176,079</td>
<td>2.01</td>
</tr>
<tr>
<td>2013</td>
<td>37,911,029</td>
<td>20,871,776</td>
<td>17,039,253</td>
<td>10,036,138</td>
<td>1.70</td>
</tr>
<tr>
<td>2012</td>
<td>38,501,617</td>
<td>18,978,548</td>
<td>19,523,070</td>
<td>10,393,706</td>
<td>1.88</td>
</tr>
<tr>
<td>2011</td>
<td>38,252,195</td>
<td>19,373,169</td>
<td>18,879,026</td>
<td>10,611,131</td>
<td>1.78</td>
</tr>
<tr>
<td>2010</td>
<td>37,757,074</td>
<td>21,008,694</td>
<td>16,748,379</td>
<td>10,615,280</td>
<td>1.58</td>
</tr>
<tr>
<td>2009</td>
<td>39,352,774</td>
<td>18,505,734</td>
<td>20,847,040</td>
<td>9,951,531</td>
<td>2.09</td>
</tr>
<tr>
<td>2008</td>
<td>43,227,749</td>
<td>18,696,653</td>
<td>24,531,096</td>
<td>8,436,487</td>
<td>2.91</td>
</tr>
<tr>
<td>2007</td>
<td>39,163,871</td>
<td>19,890,028</td>
<td>19,273,843</td>
<td>7,793,118</td>
<td>2.47</td>
</tr>
<tr>
<td>2006</td>
<td>34,813,516</td>
<td>17,651,002</td>
<td>17,162,514</td>
<td>7,631,672</td>
<td>2.25</td>
</tr>
<tr>
<td>2005</td>
<td>32,585,580</td>
<td>16,516,915</td>
<td>16,068,665</td>
<td>7,366,097</td>
<td>2.18</td>
</tr>
</tbody>
</table>

**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 position 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, 2014  
(dollars in thousands)

### Airport Revenue Bonds:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 1995 A, B, &amp; C</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>15,880 $</td>
<td>15,880 $</td>
<td>15,880 $</td>
</tr>
<tr>
<td>Series 2001 A&amp;B</td>
<td>28,926 $</td>
<td>31,018 $</td>
<td>33,044 $</td>
<td>34,962 $</td>
<td>36,673 $</td>
<td>38,308 $</td>
<td>39,874 $</td>
<td>41,373 $</td>
<td>42,806 $</td>
<td>44,180 $</td>
</tr>
<tr>
<td>Series 2004 A</td>
<td>2,130 $</td>
<td>4,155 $</td>
<td>6,085 $</td>
<td>7,920 $</td>
<td>9,670 $</td>
<td>11,335 $</td>
<td>12,935 $</td>
<td>14,475 $</td>
<td>15,955 $</td>
<td>17,380 $</td>
</tr>
<tr>
<td>Series 2005A</td>
<td>2,195 $</td>
<td>2,695 $</td>
<td>26,130 $</td>
<td>26,595 $</td>
<td>27,045 $</td>
<td>27,485 $</td>
<td>27,910 $</td>
<td>28,325 $</td>
<td>28,725 $</td>
<td>28,725 $</td>
</tr>
<tr>
<td>Series 2008A</td>
<td>47,455 $</td>
<td>48,470 $</td>
<td>49,450 $</td>
<td>50,395 $</td>
<td>51,310 $</td>
<td>51,310 $</td>
<td>51,310 $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Series 2013A</td>
<td>21,870 $</td>
<td>21,870 $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
</tbody>
</table>

### PFC Revenue Bonds:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2005 A</td>
<td>14,220 $</td>
<td>14,935 $</td>
<td>15,625 $</td>
<td>16,295 $</td>
<td>16,940 $</td>
<td>21,570 $</td>
<td>26,175 $</td>
<td>26,765 $</td>
<td>27,335 $</td>
<td>27,885 $</td>
</tr>
<tr>
<td>Series 2005 B</td>
<td>18,410 $</td>
<td>19,005 $</td>
<td>19,580 $</td>
<td>20,135 $</td>
<td>20,675 $</td>
<td>21,200 $</td>
<td>21,705 $</td>
<td>22,190 $</td>
<td>22,660 $</td>
<td>23,115 $</td>
</tr>
<tr>
<td>Car Rental Garage Revenue Bond</td>
<td>2,380 $</td>
<td>2,380 $</td>
<td>2,380 $</td>
<td>5,400 $</td>
<td>6,280 $</td>
<td>7,100 $</td>
<td>7,870 $</td>
<td>8,595 $</td>
<td>9,275 $</td>
<td>9,910 $</td>
</tr>
<tr>
<td>The Warehouse Company Note</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>1,493 $</td>
<td>1,691 $</td>
<td>1,874 $</td>
<td>2,043 $</td>
<td>- $</td>
</tr>
<tr>
<td>Line of Credit</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>1,185 $</td>
<td>- $</td>
<td>1,450 $</td>
<td>- $</td>
<td>- $</td>
</tr>
</tbody>
</table>

### Total Long Term Debt

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Add: Bond premium, net</td>
<td>(2,711) $</td>
<td>(3,049) $</td>
<td>866 $</td>
<td>1,031 $</td>
<td>1,218 $</td>
<td>1,424 $</td>
<td>1,650 $</td>
<td>1,891 $</td>
<td>2,147 $</td>
<td>2,393 $</td>
</tr>
<tr>
<td>Less: Debt issuance costs, net</td>
<td>- $</td>
<td>- $</td>
<td>(4,022) $</td>
<td>(4,433) $</td>
<td>(4,863) $</td>
<td>(5,565) $</td>
<td>(4,032) $</td>
<td>(4,433) $</td>
<td>(4,666) $</td>
<td>- $</td>
</tr>
<tr>
<td>Total Long Term Debt</td>
<td>$ 134,875 $</td>
<td>$ 141,479 $</td>
<td>$ 153,160 $</td>
<td>$ 158,711 $</td>
<td>$ 165,378 $</td>
<td>$ 176,054 $</td>
<td>$ 201,237 $</td>
<td>$ 158,603 $</td>
<td>$ 162,224 $</td>
<td>$ 167,370 $</td>
</tr>
</tbody>
</table>

Enplaned passengers (excluding charters)  
1,627 | 1,581 | 1,595 | 1,641 | 1,640 | 1,675 | 1,813 | 1,735 | 1,555 | 1,322

Under GASB 65, deferred financing costs, which were previously amortized over the life of the debt, are recognized as an outflow of resources in the period incurred. Accordingly this table has been restated.
### Capital Region Airport Commission
#### MAJOR CUSTOMERS
**Year Ended June 30, 2014**

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Percent of Operating Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Airlines, Inc.</td>
<td>$2,059,430</td>
<td>5.1%</td>
</tr>
<tr>
<td>Hertz Corporation, Inc.</td>
<td>1,466,390</td>
<td>3.6</td>
</tr>
<tr>
<td>US Airways, Inc.</td>
<td>1,420,136</td>
<td>3.5</td>
</tr>
<tr>
<td>National / Alamo Rent A Car, Inc.</td>
<td>1,127,816</td>
<td>2.8</td>
</tr>
<tr>
<td>Federal Bureau of Investigations (FBI)</td>
<td>1,097,470</td>
<td>2.7</td>
</tr>
</tbody>
</table>

#### ENPLANEMENT TRENDS
**RICHMOND, SMALL HUBS, UNITED STATES**
**Ten Years Ended June 30, 2014**

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Percent Change in Enplanements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Richmond</td>
</tr>
<tr>
<td>2014</td>
<td>2.9%</td>
</tr>
<tr>
<td>2013</td>
<td>(0.9)</td>
</tr>
<tr>
<td>2012</td>
<td>(2.6)</td>
</tr>
<tr>
<td>2011</td>
<td>0.1</td>
</tr>
<tr>
<td>2010</td>
<td>(2.5)</td>
</tr>
<tr>
<td>2009</td>
<td>(7.5)</td>
</tr>
<tr>
<td>2008</td>
<td>4.8</td>
</tr>
<tr>
<td>2007</td>
<td>11.6</td>
</tr>
<tr>
<td>2006</td>
<td>13.2</td>
</tr>
<tr>
<td>2005</td>
<td>16.2</td>
</tr>
</tbody>
</table>

**Note:** Calendar year data except for 2014, which is fiscal year data.
As defined by the FAA, a small hub enplanes .05 to .24 percent of the total U.S. passengers.

**Sources:**
United States Department of Transportation, Bureau of Transportation Statistics, Research and Innovative Technology Administration (RITA), Tables 6 and 1-37. Airport records.

**N/A:** Not available
## Capital Region Airport Commission
### ENPLAINED PASSENGERS
#### Ten Years Ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Majors:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AirTran Airways/Southwest Airlines</td>
<td>155,199</td>
<td>9.5%</td>
<td>155,937</td>
<td>9.8%</td>
<td>151,031</td>
<td>147,825</td>
<td>152,852</td>
<td>170,372</td>
</tr>
<tr>
<td>American Eagle Airlines/Envoy Air</td>
<td>58,949</td>
<td>3.6</td>
<td>72,417</td>
<td>4.6</td>
<td>79,021</td>
<td>84,255</td>
<td>64,187</td>
<td>45,026</td>
</tr>
<tr>
<td>Continental Airlines</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Delta Airlines</td>
<td>344,697</td>
<td>21.1</td>
<td>337,549</td>
<td>21.3</td>
<td>324,690</td>
<td>310,789</td>
<td>270,066</td>
<td>232,326</td>
</tr>
<tr>
<td>JetBlue Airways</td>
<td>136,659</td>
<td>8.4</td>
<td>124,539</td>
<td>7.8</td>
<td>116,545</td>
<td>129,566</td>
<td>160,784</td>
<td>152,318</td>
</tr>
<tr>
<td>Northwest Airlines</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SkyBus Airlines</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>United Airlines</td>
<td>38,153</td>
<td>2.3</td>
<td>33,371</td>
<td>2.1</td>
<td>32,079</td>
<td>38,844</td>
<td>47,922</td>
<td>52,430</td>
</tr>
<tr>
<td>US Airways</td>
<td>130,948</td>
<td>8.0</td>
<td>103,197</td>
<td>6.5</td>
<td>95,599</td>
<td>88,912</td>
<td>103,443</td>
<td>122,451</td>
</tr>
<tr>
<td><strong>Total Major</strong></td>
<td>864,625</td>
<td>52.9</td>
<td>827,010</td>
<td>52.1</td>
<td>877,997</td>
<td>924,540</td>
<td>922,874</td>
<td>964,750</td>
</tr>
</tbody>
</table>

|          |                     |                     |                     |                     |                     |                     |                     |                     |
| Regionals: |                     |                     |                     |                     |                     |                     |                     |                     |
| Air Canada | - | - | - | - | - | - | - | - |
| Air Wisconsin | 105,583 | 6.5 | 81,501 | 5.1 | 144,638 | 152,087 | 113,190 | 76,002 | 86,360 | 64,525 | 43,229 | 18,091 |
| American | 117,787 | 7.2 | 111,183 | 7.0 | 118,303 | 121,523 | 113,082 | 104,165 | 116,805 | 115,244 | 106,789 | 87,196 |
| Atlantic Coast | - | - | - | - | - | - | - | - |
| Atlantic Southeast | - | - | - | - | 934 | 863 | 21,211 | 33,967 | 41,706 | 31,358 | 36,185 | 11,607 |
| Chautauqua | 57,868 | 3.5 | 62,224 | 3.9 | 35,495 | 35,387 | 71,793 | 71,237 | 70,858 | 134,892 | 106,948 | 84,362 |
| ComAir/Delta Connection | - | - | - | - | - | - | - | - |
| Compass | - | - | - | - | 7,215 | 22,176 | 7,229 | - | - | - | - |
| Express Jet | 262,836 | 16.1 | 208,385 | 13.1 | 121,025 | 20,233 | - | - | - | - | - |
| GoJet | 26,971 | 1.7 | 39,594 | 2.5 | 29,123 | 27,863 | 23,957 | 13,599 | 12,391 | 2,229 | - | - |
| Mesa | 82,056 | 5.0 | 74,682 | 4.7 | 54,432 | 45,278 | 27,893 | 54,807 | 76,854 | 78,014 | 56,606 | 38,820 |
| Mesaba | - | - | - | - | 7,514 | 6,374 | 20,397 | - | - | - | - |
| Piedmont | 17,502 | 1.1 | 33,126 | 2.1 | 6,652 | 9,994 | 18,063 | 21,057 | 21,695 | 12,930 | 5,603 | 5,851 |
| Pinnacle/Endeavor Airlines | 42,411 | 2.6 | 83,652 | 5.3 | 81,623 | 47,595 | 30,123 | 12,364 | 72,249 | 54,659 | 71,560 | 67,382 |
| PSA | 7,571 | 0.5 | 23,800 | 1.5 | 23,556 | 34,118 | 31,725 | 30,449 | 41,579 | 57,499 | 34,578 | 25,707 |
| Republic | 1,556 | 0.1 | 2,926 | 0.2 | 2,983 | 53,192 | 34,493 | 84,651 | 47,366 | 2,516 | 347 | - |
| Shuttle America | 2,063 | 0.1 | 2,981 | 0.2 | 6,2 | 2,418 | 19 | 14,666 | - | 521 | 4,803 |
| SkyWest | 62 | - | 88 | - | 653 | - | - | - | - | 1,070 | - |
| Trans States | 38,578 | 2.4 | 21,498 | 1.4 | 28,786 | 78,054 | 94,595 | 128,306 | 151,260 | 162,134 | 191,465 | 193,070 |
| USA 3000 | - | - | - | - | - | - | - | - | - | - | 3,762 |
| **Total Regionals** | 762,844 | 46.7 | 754,338 | 47.5 | 717,183 | 716,102 | 717,440 | 710,436 | 826,317 | 818,462 | 754,610 | 616,629 |

|          |                     |                     |                     |                     |                     |                     |                     |                     |
| Charters |                     |                     |                     |                     |                     |                     |                     |                     |
| Totals | 1,633,036 | 100.0% | 1,587,209 | 100.0% | 1,601,316 | 1,644,462 | 1,643,780 | 1,685,006 | 1,821,687 | 1,738,833 | 1,557,710 | 1,328,588 |
## Capital Region Airport Commission
### AIRLINE MARKET SHARES
### Ten Years Ended June 30, 2014
### Landed Weight (1,000 Pound Units)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtran Airways</td>
<td>148,664 7.5</td>
<td>181,656 9.6</td>
<td>184,792 172,888 183,712 240,928 212,656 196,632 220,792 4,992</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Eagle Airlines/Envoy Air</td>
<td>69,609 3.5</td>
<td>76,148 4.0</td>
<td>83,748 91,333 67,051 52,730 68,586 72,455 88,973 115,106</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continental Airlines</td>
<td>- - - 1.467 1,447 89,000 146,750 152,133 156,277 154,396 153,118</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Airlines</td>
<td>392,582 20.0</td>
<td>398,489 21.0</td>
<td>405,770 380,426 319,496 286,572 287,074 274,715 296,066 339,027</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JetBlue Airways</td>
<td>163,062 8.3</td>
<td>145,116 7.6</td>
<td>136,127 158,826 208,769 224,064 203,415 204,773 51,606 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northwest Airlines*</td>
<td>- - - - - 961 374 13,896 33,601 27,917 69,772</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SkyBus Airlines</td>
<td>- - - - - - - 41,749 7,027 - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwest Airlines</td>
<td>29,702 1.5 - - - - - - - 4,227</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Airlines</td>
<td>53,118 2.7</td>
<td>47,791 2.5</td>
<td>48,130 68,335 76,066 78,635 82,037 81,216 84,523 88,915</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Airways</td>
<td>170,405 8.6</td>
<td>137,273 7.2</td>
<td>143,046 134,919 155,556 182,515 211,407 206,784 310,410 379,899</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Major Airlines</strong></td>
<td><strong>1,027,142 52.1</strong></td>
<td><strong>986,473 51.9</strong></td>
<td><strong>1,003,280 1,008,174</strong></td>
<td><strong>1,100,551</strong></td>
<td><strong>1,212,568</strong></td>
<td><strong>1,272,953</strong></td>
<td><strong>1,233,480</strong></td>
<td><strong>1,234,683</strong></td>
<td><strong>1,148,629</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AeroMexico</td>
<td>- - - 968 - - - - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air Canada</td>
<td>- - - - 8,516 0.4</td>
<td>9,562 9,982 17,687 18,417 3,390 - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air Wisconsin</td>
<td>128,968 6.5</td>
<td>97,854 5.1</td>
<td>197,400 196,413 135,266 96,068 103,447 83,284 60,160 20,949</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allegiant Airlines</td>
<td>279 0.0</td>
<td>1,850 0.1</td>
<td>2,503 4,082 3,835 4,408 1,477 837 837 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American</td>
<td>130,534 6.6</td>
<td>128,100 6.7</td>
<td>135,298 137,264 134,180 134,590 135,370 132,614 133,808 128,589</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlantic Coast</td>
<td>- - - 1,488 0.1</td>
<td>2,736 0.1</td>
<td>1,872 - - - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlantic Southeast</td>
<td>- - - 71,845 3.6</td>
<td>76,163 4.0</td>
<td>43,783 43,104 81,915 88,856 88,531 171,207 140,818 115,227</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colgan Air</td>
<td>- - - - - - - 12,214 1,178 - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ComAir/Delta Connection</td>
<td>- - 4,376 0.2</td>
<td>29,061 65,644 69,560 89,059 113,686 149,103 143 119,709</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compass Airlines</td>
<td>- - - - - 33,412 8,539 17,465 2,024 - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ExpressJet</td>
<td>332,115 16.8</td>
<td>240,983 12.7</td>
<td>235,324 166,404 58,114 - - - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freedom Airlines</td>
<td>- - - - - 3,783 15,045 51,085 52,530 39,653 34 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GoJet Airlines</td>
<td>45,359 2.3</td>
<td>60,300 3.2</td>
<td>39,463 35,376 37,185 25,058 24,522 9,246 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mesa Airlines</td>
<td>90,807 4.6</td>
<td>82,489 4.3</td>
<td>60,772 43,112 12,856 17,736 39,291 43,071 37,777 54,708</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mesaba Airlines</td>
<td>- - - - 9,008 9,750 21,853 32,436 - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Piedmont</td>
<td>21,545 1.1</td>
<td>39,585 2.1</td>
<td>9,144 12,551 23,402 26,689 26,074 15,505 6,806 8,308</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSA</td>
<td>9,461 0.5</td>
<td>26,661 1.4</td>
<td>26,219 37,372 34,304 35,857 48,724 64,926 48,097 41,372</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Republic Airlines</td>
<td>3,326 0.2</td>
<td>3,292 0.2</td>
<td>33,453 63,270 104,077 111,722 64,787 3,543 1,229 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shuttle America</td>
<td>4,906 0.2</td>
<td>5,998 0.3</td>
<td>220 3,962 217 17,944 - - 898 28,179</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SkyWest Airlines</td>
<td>134 0.0</td>
<td>94 0.0</td>
<td>913 - - 1,717 - - 1,316 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransStates</td>
<td>44,934 2.3</td>
<td>27,375 1.4</td>
<td>45,259 86,794 99,905 151,075 187,356 210,528 297,240 291,520</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA3000</td>
<td>- - - - - - - - - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vision Airlines</td>
<td>- - - - - 932 - - - -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Regional Airlines</strong></td>
<td><strong>945,237 47.9</strong></td>
<td><strong>915,151 48.1</strong></td>
<td><strong>992,677 1,017,940 919,805 1,013,845 1,020,704 1,025,949 862,541 940,026</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total Airline Weight | 1,972,379 100.0% | 1,901,624 100.0% | 1,995,957 2,026,114 2,020,356 2,226,413 2,293,657 2,529,429 2,097,224 2,088,855 |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Airborne Express       |               |               |               |               |               |               |               |               |               |               |
| AirNet Systems         | 3,303,100     | 3,131,300     | 2,995,000     | 4,589,800     | 4,675,800     | 5,388,000     | 7,299,100     | 8,868,800     | 10,105,604    | 11,227,336    |
| Ameriflight            | 4,091,288     | 876,794       | 806,000       | 803,600       | 756,600       | 653,870       | 67,088        | 82,588        |               | 4,004,000     |
| DHL Express            |               |               |               |               |               |               |               |               |               |               |
| Federal Express        | 217,493,600   | 200,056,200   | 175,671,800   | 174,001,400   | 144,392,100   | 172,706,450   | 182,858,050   | 183,266,200   | 185,593,950   | 183,839,450   |
| Mountain Air Cargo     | 47,068        | 8,500         | 17,000        | 125,480       | 187,140       | 53,160        | 59,500        | 8,500         | 8,500         | 42,500        |
| UPS                    | 176,286,160   | 174,765,520   | 178,608,000   | 177,643,760   | 160,848,720   | 166,685,040   | 173,015,360   | 175,649,920   | 171,104,680   | 165,935,000   |
| **Total Cargo Weight** | 401,221,216   | 378,838,314   | 358,097,800   | 357,164,040   | 310,860,360   | 362,729,720   | 389,105,298   | 393,639,008   | 392,704,434   | 413,717,486   |
| **Total Landed Weight**| 403,193,595   | 380,739,938   | 360,093,757   | 359,190,153   | 312,880,716   | 365,330,240   | 391,398,955   | 395,898,437   | 394,801,658   | 415,806,341   |
### Capital Region Airport Commission
### PRIMARY ORIGIN AND DESTINATIONS PASSENGER MARKETS
### Calendar Years 2013 and 2012

<table>
<thead>
<tr>
<th>Rank</th>
<th>Market</th>
<th>Trip</th>
<th>O&amp;D</th>
<th>Passengers</th>
<th>Rank</th>
<th>Market</th>
<th>Trip</th>
<th>O&amp;D</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Atlanta</td>
<td>SH</td>
<td>247,110</td>
<td>247,110</td>
<td>1</td>
<td>Atlanta</td>
<td>SH</td>
<td>255,780</td>
<td>255,780</td>
</tr>
<tr>
<td>3</td>
<td>Orlando</td>
<td>MH</td>
<td>178,700</td>
<td>178,700</td>
<td>3</td>
<td>New York/Newark</td>
<td>SH</td>
<td>174,370</td>
<td>174,370</td>
</tr>
<tr>
<td>4</td>
<td>New York/Newark</td>
<td>SH</td>
<td>155,150</td>
<td>155,150</td>
<td>4</td>
<td>Orlando</td>
<td>MH</td>
<td>164,410</td>
<td>164,410</td>
</tr>
<tr>
<td>5</td>
<td>Chicago</td>
<td>MH</td>
<td>135,730</td>
<td>135,730</td>
<td>5</td>
<td>Chicago</td>
<td>MH</td>
<td>130,950</td>
<td>130,950</td>
</tr>
<tr>
<td>6</td>
<td>Dallas/Fort Worth</td>
<td>MH</td>
<td>104,160</td>
<td>104,160</td>
<td>6</td>
<td>Dallas/Fort Worth</td>
<td>MH</td>
<td>108,400</td>
<td>108,400</td>
</tr>
<tr>
<td>7</td>
<td>Fort Lauderdale</td>
<td>MH</td>
<td>98,140</td>
<td>98,140</td>
<td>7</td>
<td>Fort Lauderdale</td>
<td>MH</td>
<td>95,040</td>
<td>95,040</td>
</tr>
<tr>
<td>8</td>
<td>Los Angeles</td>
<td>LH</td>
<td>70,220</td>
<td>70,220</td>
<td>8</td>
<td>Los Angeles</td>
<td>LH</td>
<td>76,910</td>
<td>76,910</td>
</tr>
<tr>
<td>9</td>
<td>Las Vegas</td>
<td>LH</td>
<td>64,220</td>
<td>64,220</td>
<td>9</td>
<td>Las Vegas</td>
<td>LH</td>
<td>67,400</td>
<td>67,400</td>
</tr>
<tr>
<td>10</td>
<td>Houston</td>
<td>MH</td>
<td>60,310</td>
<td>60,310</td>
<td>10</td>
<td>San Francisco</td>
<td>MH</td>
<td>57,800</td>
<td>57,800</td>
</tr>
<tr>
<td>11</td>
<td>San Francisco</td>
<td>LH</td>
<td>54,750</td>
<td>54,750</td>
<td>11</td>
<td>Denver</td>
<td>MH</td>
<td>57,310</td>
<td>57,310</td>
</tr>
<tr>
<td>12</td>
<td>Denver</td>
<td>MH</td>
<td>52,680</td>
<td>52,680</td>
<td>12</td>
<td>Houston</td>
<td>MH</td>
<td>54,590</td>
<td>54,590</td>
</tr>
<tr>
<td>13</td>
<td>Phoenix</td>
<td>LH</td>
<td>50,650</td>
<td>50,650</td>
<td>13</td>
<td>Phoenix</td>
<td>LH</td>
<td>48,600</td>
<td>48,600</td>
</tr>
<tr>
<td>14</td>
<td>Charlotte</td>
<td>SH</td>
<td>46,870</td>
<td>46,870</td>
<td>14</td>
<td>Minneapolis/St Paul</td>
<td>MH</td>
<td>48,270</td>
<td>48,270</td>
</tr>
<tr>
<td>15</td>
<td>Minneapolis/St Paul</td>
<td>MH</td>
<td>46,630</td>
<td>46,630</td>
<td>15</td>
<td>Tampa</td>
<td>MH</td>
<td>48,220</td>
<td>48,220</td>
</tr>
<tr>
<td>16</td>
<td>Seattle/Tacoma</td>
<td>LH</td>
<td>43,550</td>
<td>43,550</td>
<td>16</td>
<td>San Diego</td>
<td>LH</td>
<td>42,510</td>
<td>42,510</td>
</tr>
<tr>
<td>17</td>
<td>Tampa</td>
<td>MH</td>
<td>42,920</td>
<td>42,920</td>
<td>17</td>
<td>Charlotte</td>
<td>SH</td>
<td>41,590</td>
<td>41,590</td>
</tr>
<tr>
<td>18</td>
<td>San Diego</td>
<td>LH</td>
<td>41,650</td>
<td>41,650</td>
<td>18</td>
<td>New Orleans</td>
<td>MH</td>
<td>39,900</td>
<td>39,900</td>
</tr>
<tr>
<td>19</td>
<td>Austin</td>
<td>MH</td>
<td>40,810</td>
<td>40,810</td>
<td>19</td>
<td>San Antonio</td>
<td>MH</td>
<td>39,480</td>
<td>39,480</td>
</tr>
<tr>
<td>20</td>
<td>San Antonio</td>
<td>MH</td>
<td>37,830</td>
<td>37,830</td>
<td>20</td>
<td>Seattle/Tacoma</td>
<td>LH</td>
<td>39,340</td>
<td>39,340</td>
</tr>
<tr>
<td>21</td>
<td>Nashville</td>
<td>SH</td>
<td>36,480</td>
<td>36,480</td>
<td>21</td>
<td>Detroit</td>
<td>SH</td>
<td>39,320</td>
<td>39,320</td>
</tr>
<tr>
<td>22</td>
<td>New Orleans</td>
<td>MH</td>
<td>35,880</td>
<td>35,880</td>
<td>22</td>
<td>St Louis</td>
<td>MH</td>
<td>37,190</td>
<td>37,190</td>
</tr>
<tr>
<td>23</td>
<td>Miami</td>
<td>MH</td>
<td>35,740</td>
<td>35,740</td>
<td>23</td>
<td>Miami</td>
<td>MH</td>
<td>36,300</td>
<td>36,300</td>
</tr>
<tr>
<td>24</td>
<td>Detroit</td>
<td>SH</td>
<td>35,700</td>
<td>35,700</td>
<td>24</td>
<td>Philadelphia/Camden</td>
<td>SH</td>
<td>33,750</td>
<td>33,750</td>
</tr>
<tr>
<td>25</td>
<td>St Louis</td>
<td>MH</td>
<td>33,830</td>
<td>33,830</td>
<td>25</td>
<td>Kansas City</td>
<td>MH</td>
<td>28,600</td>
<td>28,600</td>
</tr>
</tbody>
</table>

Total: 1,948,060
Total: 1,953,520
## POPULATION IN THE AIR TRADE AREA

Calendar Years 2010-2013

<table>
<thead>
<tr>
<th>Primary Trade Area</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012-2013</td>
<td>2011-2012</td>
<td>2010-2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>316,128,839</td>
<td>313,914,040</td>
<td>311,591,917</td>
<td>308,745,538</td>
<td>0.7</td>
</tr>
<tr>
<td>Virginia total</td>
<td>8,260,405</td>
<td>8,185,867</td>
<td>8,096,604</td>
<td>8,001,024</td>
<td>0.9</td>
</tr>
<tr>
<td>Richmond MSA*</td>
<td>1,245,764</td>
<td>1,231,980</td>
<td>1,271,101</td>
<td>1,258,251</td>
<td>1.1</td>
</tr>
<tr>
<td>Richmond-Petersburg MSA</td>
<td>1,175,814</td>
<td>1,162,296</td>
<td>1,150,614</td>
<td>1,138,844</td>
<td>1.2</td>
</tr>
<tr>
<td>Richmond City</td>
<td>214,114</td>
<td>210,309</td>
<td>206,238</td>
<td>204,214</td>
<td>1.8</td>
</tr>
<tr>
<td>Henrico County</td>
<td>318,611</td>
<td>314,932</td>
<td>310,742</td>
<td>306,935</td>
<td>1.2</td>
</tr>
<tr>
<td>Chesterfield County</td>
<td>327,745</td>
<td>323,856</td>
<td>319,641</td>
<td>316,236</td>
<td>1.2</td>
</tr>
<tr>
<td>Hanover County</td>
<td>101,330</td>
<td>100,668</td>
<td>100,704</td>
<td>99,863</td>
<td>0.7</td>
</tr>
<tr>
<td>Petersburg City</td>
<td>32,538</td>
<td>31,973</td>
<td>32,948</td>
<td>32,420</td>
<td>1.8</td>
</tr>
<tr>
<td>Hopewell City</td>
<td>22,163</td>
<td>22,348</td>
<td>22,779</td>
<td>22,591</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Colonial Heights City</td>
<td>17,634</td>
<td>17,479</td>
<td>17,556</td>
<td>17,411</td>
<td>0.9</td>
</tr>
<tr>
<td>Charles City County</td>
<td>7,130</td>
<td>7,157</td>
<td>7,290</td>
<td>7,256</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Dinwiddie County</td>
<td>27,904</td>
<td>27,994</td>
<td>28,018</td>
<td>28,001</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Goochland County</td>
<td>21,626</td>
<td>21,347</td>
<td>21,753</td>
<td>21,717</td>
<td>1.3</td>
</tr>
<tr>
<td>New Kent County</td>
<td>19,507</td>
<td>19,169</td>
<td>18,827</td>
<td>18,429</td>
<td>1.8</td>
</tr>
<tr>
<td>Powhatan County</td>
<td>28,259</td>
<td>28,123</td>
<td>28,290</td>
<td>28,046</td>
<td>0.5</td>
</tr>
<tr>
<td>Prince George County</td>
<td>37,253</td>
<td>36,941</td>
<td>35,828</td>
<td>35,725</td>
<td>0.8</td>
</tr>
<tr>
<td>Amelia County</td>
<td>12,745</td>
<td>12,759</td>
<td>12,841</td>
<td>12,690</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Caroline County</td>
<td>29,298</td>
<td>28,972</td>
<td>28,826</td>
<td>28,545</td>
<td>1.1</td>
</tr>
<tr>
<td>King William County</td>
<td>16,097</td>
<td>15,981</td>
<td>16,159</td>
<td>15,935</td>
<td>0.7</td>
</tr>
<tr>
<td>Sussex County</td>
<td>11,810</td>
<td>11,972</td>
<td>12,056</td>
<td>12,087</td>
<td>(1.4)</td>
</tr>
</tbody>
</table>

Source: Estimates by Census Bureau, April 2014

*February 2013 Office of Management and Budget (OMB) metropolitan definition

## PERSONAL INCOME

Calendar Years 2008-2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$13,729,063</td>
<td>$12,949,905</td>
<td>$12,353,577</td>
<td>$12,168,161</td>
<td>$12,225,589</td>
</tr>
<tr>
<td>Virginia</td>
<td>396,005</td>
<td>373,312</td>
<td>355,193</td>
<td>347,284</td>
<td>343,580</td>
</tr>
<tr>
<td>Richmond-Petersburg MSA</td>
<td>55,678</td>
<td>54,641</td>
<td>52,004</td>
<td>50,966</td>
<td>51,918</td>
</tr>
<tr>
<td>Annual growth rate</td>
<td>4.1%</td>
<td>5.8%</td>
<td>3.0%</td>
<td>(2.0%)</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Note: 2012 is the most recent year available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, March 25, 2014
PER CAPITA INCOME
Calendar Years 2008-2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$43,735</td>
<td>$41,560</td>
<td>$39,937</td>
<td>$39,635</td>
<td>$40,166</td>
</tr>
<tr>
<td>Virginia</td>
<td>48,377</td>
<td>46,107</td>
<td>44,267</td>
<td>44,057</td>
<td>44,075</td>
</tr>
<tr>
<td>Richmond-Petersburg MSA*</td>
<td>45,194</td>
<td>43,046</td>
<td>41,260</td>
<td>41,161</td>
<td>42,309</td>
</tr>
</tbody>
</table>

Percent of national average 103.3% 103.6% 103.3% 103.9% 105.3%

Note: 2012 is the most recent year available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, March 25, 2014

PRINCIPAL EMPLOYERS IN THE PRIMARY AIR TRADE AREA
Calendar Year 2014

<table>
<thead>
<tr>
<th>Major Private Employers</th>
<th>City/County</th>
<th>Full-Time Employees</th>
<th>Total Employers</th>
<th>Product or Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital One Financial Corp.</td>
<td>Goochland</td>
<td>11,309</td>
<td>10.7%</td>
<td>Credit Cards</td>
</tr>
<tr>
<td>Virginia Commonwealth University Health System</td>
<td>Richmond</td>
<td>8,491</td>
<td>8.0</td>
<td>Hospitals</td>
</tr>
<tr>
<td>HCA Virginia Health System</td>
<td>Richmond</td>
<td>7,051</td>
<td>6.6</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Bon Secours Richmond Health System</td>
<td>Richmond</td>
<td>6,646</td>
<td>6.3</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Walmart</td>
<td>Richmond</td>
<td>5,351</td>
<td>5.0</td>
<td>Retail</td>
</tr>
<tr>
<td>Dominion Resources Inc.</td>
<td>Richmond</td>
<td>5,220</td>
<td>4.9</td>
<td>Energy</td>
</tr>
<tr>
<td>SunTrust Banks Inc.</td>
<td>Richmond</td>
<td>4,432</td>
<td>4.2</td>
<td>Banking</td>
</tr>
<tr>
<td>Food Lion</td>
<td>Richmond</td>
<td>3,986</td>
<td>3.8</td>
<td>Grocer</td>
</tr>
<tr>
<td>Altria Group Inc.</td>
<td>Henrico</td>
<td>3,900</td>
<td>3.7</td>
<td>Tobacco</td>
</tr>
<tr>
<td>Amazon, Com</td>
<td>Chesterfield</td>
<td>3,127</td>
<td>2.9</td>
<td>Distribution Center</td>
</tr>
<tr>
<td>WellPoint, Inc.</td>
<td>Richmond</td>
<td>2,822</td>
<td>2.7</td>
<td>Health Insurance</td>
</tr>
<tr>
<td>Wells Fargo and Co.</td>
<td>Richmond</td>
<td>2,766</td>
<td>2.6</td>
<td>Banking</td>
</tr>
</tbody>
</table>

Note: This table lists the top twelve private employers in the Richmond region. (As of January 1, 2014)
Source: Richmond Times-Dispatch, May 2014
Major Public Employers | Average Number of Employees
--- | ---
Local Governments | 55,800
Commonwealth of Virginia | 39,800
Federal Government | 16,800


### EMPLOYMENT BY INDUSTRY
(Non-Agricultural)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment</td>
<td>632,900</td>
<td>587,900</td>
<td>7.7%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>112,400</td>
<td>111,500</td>
<td>0.8</td>
<td>17.8</td>
<td>19.0</td>
<td></td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>97,500</td>
<td>92,200</td>
<td>14.1</td>
<td>15.4</td>
<td>15.6</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>32,200</td>
<td>48,500</td>
<td>(33.6)</td>
<td>5.1</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>Financial activities</td>
<td>47,800</td>
<td>46,400</td>
<td>3.0</td>
<td>7.6</td>
<td>7.9</td>
<td></td>
</tr>
<tr>
<td>Construction and mining</td>
<td>34,400</td>
<td>40,500</td>
<td>(15.1)</td>
<td>5.4</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>Transportation and utilities</td>
<td>20,900</td>
<td>20,100</td>
<td>4.0</td>
<td>3.3</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td>7,900</td>
<td>11,800</td>
<td>(33.1)</td>
<td>1.2</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Professional and business services</td>
<td>98,900</td>
<td>83,900</td>
<td>17.9</td>
<td>15.6</td>
<td>14.3</td>
<td></td>
</tr>
<tr>
<td>Educational and health services</td>
<td>92,300</td>
<td>60,600</td>
<td>52.3</td>
<td>14.6</td>
<td>10.3</td>
<td></td>
</tr>
<tr>
<td>Leisure and hospitality services</td>
<td>57,900</td>
<td>46,100</td>
<td>25.6</td>
<td>9.1</td>
<td>7.8</td>
<td></td>
</tr>
<tr>
<td>Other services</td>
<td>30,800</td>
<td>26,400</td>
<td>16.7</td>
<td>4.9</td>
<td>4.5</td>
<td></td>
</tr>
</tbody>
</table>

Source: Virginia Employment Commission, Current Employment Statistics Program

### UNEMPLOYMENT RATES
Calendar Years 2009-2013

| | | | | | |
| United States | 7.4% | 8.1% | 8.9% | 9.8% | 9.3% |
| Virginia | 5.5 | 5.9 | 6.2 | 6.9 | 6.7 |
| Richmond-Petersburg MSA* | 5.9 | 6.4 | 6.9 | 7.7 | 7.5 |

Sources: Virginia Employment Commission, Local Area Unemployment Statistics Program
### Full Time Equivalent Employees

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>25</td>
<td>27</td>
<td>23</td>
<td>29</td>
<td>24</td>
<td>23</td>
<td>29</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Communications/ Operations</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>8</td>
<td>12</td>
<td>12</td>
<td>13</td>
<td>15</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Aircraft Rescues &amp; Fire Fighting</td>
<td>16</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>19</td>
<td>19</td>
<td>21</td>
<td>19</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Custodial Services</td>
<td>45</td>
<td>47</td>
<td>45</td>
<td>47</td>
<td>46</td>
<td>45</td>
<td>45</td>
<td>46</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Utilities/ Ground Maintenance</td>
<td>15</td>
<td>15</td>
<td>16</td>
<td>15</td>
<td>14</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Equipment/Automotive Maintenance</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>8</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>HVAC</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Electrical Maintenance</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Finance and Administrative Services</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>11</td>
<td>11</td>
<td>12</td>
<td>11</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Ground Transportation</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Information Systems</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Executive/Marketing</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Human Resources</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Baggage System</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>7</td>
<td>4</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Total Employees</strong></td>
<td><strong>161</strong></td>
<td><strong>167</strong></td>
<td><strong>162</strong></td>
<td><strong>164</strong></td>
<td><strong>161</strong></td>
<td><strong>162</strong></td>
<td><strong>180</strong></td>
<td><strong>179</strong></td>
<td><strong>157</strong></td>
<td><strong>179</strong></td>
</tr>
</tbody>
</table>

**Note:** A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2080. Several departments have been reclassified which resulted in variances.
## Capital Region Airport Commission
### CARGO CARRIER
#### Ten Years Ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Airborne</td>
<td>613,886</td>
<td>552,764</td>
<td>656,162</td>
<td>761,196</td>
<td>795,955</td>
<td>816,348</td>
<td>1,038,124</td>
<td>1,178,060</td>
<td>1,394,396</td>
<td>1,093,160</td>
</tr>
<tr>
<td>Air Net Systems</td>
<td>613,886</td>
<td>552,764</td>
<td>656,162</td>
<td>761,196</td>
<td>795,955</td>
<td>816,348</td>
<td>1,038,124</td>
<td>1,178,060</td>
<td>1,394,396</td>
<td>1,093,160</td>
</tr>
<tr>
<td>AmeriFlight</td>
<td>1,386,840</td>
<td>226,225</td>
<td>212,165</td>
<td>223,434</td>
<td>219,970</td>
<td>174,964</td>
<td>5,199</td>
<td>11,473</td>
<td>253</td>
<td>1,040,716</td>
</tr>
<tr>
<td>Federal Express</td>
<td>67,509,310</td>
<td>71,588,803</td>
<td>59,848,214</td>
<td>59,712,374</td>
<td>60,794,140</td>
<td>71,357,645</td>
<td>69,948,418</td>
<td>65,749,853</td>
<td>34,082,119</td>
<td></td>
</tr>
<tr>
<td>Mountain Air Cargo</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,912</td>
<td>11,473</td>
<td>253</td>
<td>1,040,716</td>
</tr>
<tr>
<td>UPS</td>
<td>43,024,627</td>
<td>41,578,803</td>
<td>39,683,396</td>
<td>23,780,038</td>
<td>24,211,667</td>
<td>27,341,043</td>
<td>37,016,959</td>
<td>35,101,104</td>
<td>33,890,613</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>112,534,663</td>
<td>113,946,369</td>
<td>100,399,937</td>
<td>84,477,042</td>
<td>81,803,094</td>
<td>92,787,109</td>
<td>112,881,594</td>
<td>114,875,539</td>
<td>111,269,421</td>
<td></td>
</tr>
<tr>
<td>Percentage change</td>
<td>(1.2%)</td>
<td>13.5%</td>
<td>18.8%</td>
<td>3.3%</td>
<td>(11.8%)</td>
<td>(18.0%)</td>
<td>(1.7%)</td>
<td>3.2%</td>
<td>4.5%</td>
<td>(1.3%)</td>
</tr>
</tbody>
</table>

### TAKEOFF AND LANDING OPERATIONS SUMMARY
#### Ten Years Ended June 30, 2014

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Air Carrier</th>
<th>General Aviation</th>
<th>Military</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>31,530</td>
<td>24,586</td>
<td>5,579</td>
<td>95,773</td>
</tr>
<tr>
<td>2013</td>
<td>27,551</td>
<td>24,976</td>
<td>6,747</td>
<td>97,493</td>
</tr>
<tr>
<td>2012</td>
<td>24,557</td>
<td>26,092</td>
<td>6,276</td>
<td>99,957</td>
</tr>
<tr>
<td>2011</td>
<td>26,474</td>
<td>28,577</td>
<td>8,405</td>
<td>106,350</td>
</tr>
<tr>
<td>2010</td>
<td>27,491</td>
<td>41,102</td>
<td>6,921</td>
<td>102,012</td>
</tr>
<tr>
<td>2009</td>
<td>30,696</td>
<td>28,457</td>
<td>6,127</td>
<td>110,547</td>
</tr>
<tr>
<td>2008</td>
<td>29,977</td>
<td>37,426</td>
<td>6,451</td>
<td>125,304</td>
</tr>
<tr>
<td>2007</td>
<td>26,474</td>
<td>22,892</td>
<td>8,042</td>
<td>116,054</td>
</tr>
<tr>
<td>2006</td>
<td>32,735</td>
<td>24,536</td>
<td>11,463</td>
<td>133,260</td>
</tr>
<tr>
<td>2005</td>
<td>24,760</td>
<td>31,354</td>
<td>12,377</td>
<td>135,764</td>
</tr>
<tr>
<td>Average Annual Change</td>
<td>3.4%</td>
<td>(3.3%)</td>
<td>0.9%</td>
<td>(7.2%)</td>
</tr>
<tr>
<td>Type/Carrier</td>
<td>Coverage</td>
<td>Limit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>----------</td>
<td>-------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airport liability/ACE/ Lloyd's</td>
<td>Public liability including aircraft products/completed operations</td>
<td>$200,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automobile liability/Great Northern Insurance Co.</td>
<td>Bodily injury or property damage resulting from ownership maintenance or use of any automobile</td>
<td>$1,000,000 combined single limit bodily injury and property damage</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Excess auto liability (off premises)</td>
<td>$50,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers' compensation and employer's liability/Wausau Business Insurance</td>
<td>Worker's compensation</td>
<td>Statutory and $1,000,000 employer's liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Excess employees liability (excluding disease)</td>
<td>$50,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public officials and employer's liability/Virginia State Public Officials self-insurance pool</td>
<td>Civil claims for wrongful acts</td>
<td>$1,000,000 each loss, unlimited aggregate for medical malpractice $3,500 deductible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property/Great Northern Insurance Co.</td>
<td>Blanket real and personal property including business income and personal property of others</td>
<td>$479,429,000 blanket real and personal property including EDP, mobile radios and valuable papers $35,000,000 business income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment/Federal Insurance Company</td>
<td>Scheduled equipment</td>
<td>$4,795,494 scheduled equipment $300,000 miscellaneous equipment $10,000 unscheduled equipment $100,000 leased/rental equipment $100,000 newly acquired equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blanket crime/Federal Insurance Company</td>
<td>Employee dishonesty</td>
<td>$1,000,000 limit $2,500 deductible</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The insurance coverage was provided by USI Insurance Services, with exception of Public Officials policy.
Capital Region Airport Commission  
CAPITAL ASSET INFORMATION  
As of June 30, 2014

<table>
<thead>
<tr>
<th>Richmond International Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location:</strong></td>
</tr>
<tr>
<td><strong>Elevation:</strong></td>
</tr>
<tr>
<td><strong>Airport Code:</strong></td>
</tr>
<tr>
<td><strong>Runways:</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Terminal:</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Apron:</strong></td>
</tr>
<tr>
<td><strong>Ramp:</strong></td>
</tr>
<tr>
<td><strong>Parking:</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>International:</strong></td>
</tr>
<tr>
<td><strong>Tower:</strong></td>
</tr>
<tr>
<td><strong>FBOs:</strong></td>
</tr>
</tbody>
</table>
Capital Region Airport Commission  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014

<table>
<thead>
<tr>
<th>Grantor/CFDA Grantor’s Program Title</th>
<th>Federal CFDA Number</th>
<th>Project Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Federal Assistance Program:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAA Direct Payments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airport Improvement</td>
<td>20.106</td>
<td>3-51-0043-51</td>
<td>671,584</td>
</tr>
<tr>
<td>Airport Improvement</td>
<td>20.106</td>
<td>3-51-0043-58</td>
<td>316,975</td>
</tr>
<tr>
<td>Airport Improvement</td>
<td>20.106</td>
<td>3-51-0043-59</td>
<td>47,045</td>
</tr>
<tr>
<td>Airport Improvement</td>
<td>20.106</td>
<td>3-51-0043-60</td>
<td>6,610,668</td>
</tr>
<tr>
<td><strong>Total Federal Assistance Expended</strong></td>
<td></td>
<td></td>
<td><strong>$7,646,272</strong></td>
</tr>
</tbody>
</table>

Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the Commission’s financial statements. The Commission uses the accrual basis of accounting, wherein revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Commission’s portion, may be more than shown.

Contingent Liabilities-Grants

The Commission received grant funds, principally from the Federal Government, for construction projects. Expenditures from these grants are subject to audit by the grantor, and the Commission is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the Commission, no material refunds will be required as a result of expenditures disallowed by the grantors.
Report of Independent Auditor 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, in accordance with the 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 Audits of Authorities, Boards and Commissions, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the Capital Region Airport Commission (the “Commission”), as of and for the year ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Commission’s financial statements, and have issued our report thereon dated October 31, 2014. That report recognizes that the Commission implemented a new accounting standard effective July 1, 2012.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Commission’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Commission’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or the Specifications for Audits of Authorities, Boards and Commissions.
**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richmond, Virginia
October 31, 2014
Report of Independent Auditor on Compliance for Each Major Program and on Internal Controls over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program
We have audited the Capital Region Airport Commission’s (the “Commission”) compliance with the types of compliance requirements described in the 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, 2014. The Commission’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor’s Responsibility
Our responsibility is to express an opinion on compliance for the Commission’s major federal program based on our audit of the types of compliance requirements referred to above. 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 and OMB Circular A-133 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 and 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the Commission’s compliance.

Opinion on Each Major Federal Program
In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

Report on Internal Control over Compliance
Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Richmond, Virginia
October 31, 2014
A. Summary of Auditor’s Results

1. The type of report issued on the financial statements: **Unmodified opinion**
2. Significant deficiencies in internal control disclosed by the audit of the financial statements: **No**
3. Material weaknesses: **None reported**
4. Noncompliance, which is material to the financial statements: **No**
5. Significant deficiencies in internal control over major programs: **No**
6. Material weaknesses: **None reported**
7. The type of report issued on compliance for major programs: **Unmodified opinion**
8. Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **No**
9. The programs tested as major programs were:

<table>
<thead>
<tr>
<th>Name of Program</th>
<th>CFDA #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Improvement Program</td>
<td>20.106</td>
</tr>
</tbody>
</table>

10. Dollar threshold to distinguish between Type A and Type B Programs: **$300,000**
11. 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.