



Raleigh-Durham
Airport Authority
Raleigh-Durham, North Carolina

Annual Comprehensive Financial Report

For the Fiscal Years Ended March 31, 2026 and 2025



Raleigh-Durham Airport Authority
Raleigh-Durham, North Carolina

Annual Comprehensive Financial Report

For the Fiscal Years Ended March 31, 2026 and 2025

Prepared by the Finance Department

Authority Board Members

City of Durham



Tammie Hall-Roberts
Chair



Nana Asante-Smith

City of Raleigh



Nina Szlosberg-Landis
Vice Chair



Shelley Winters
Treasurer

Durham County



Yesenia Polanco-Galdamez
Secretary



Nil Ghosh

Wake County



Ellis Hankins

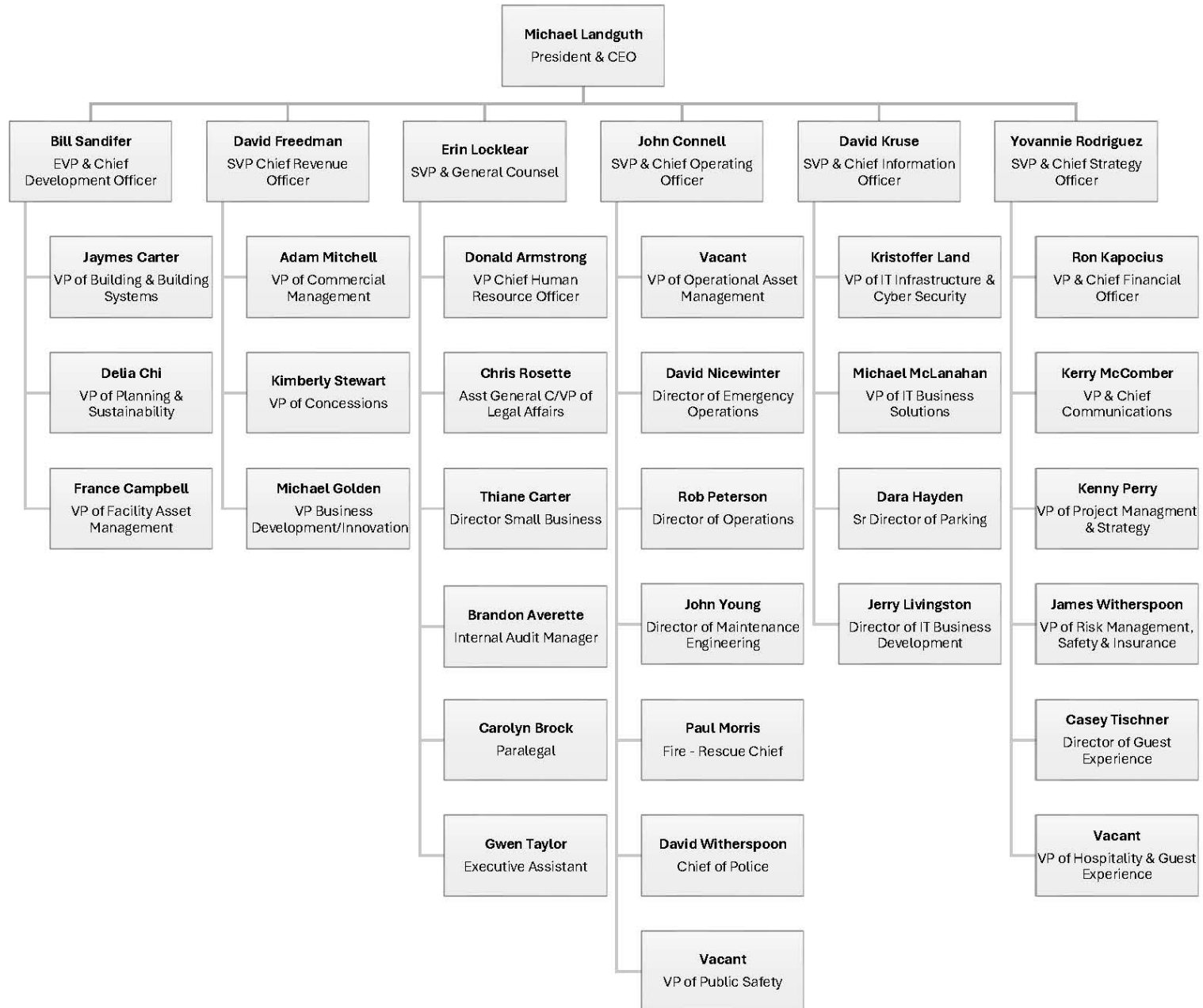


David Kushner

RALEIGH-DURHAM AIRPORT AUTHORITY
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RALEIGH DURHAM AIRPORT AUTHORITY 2025-2026 ORGANIZATIONAL STRUCTURE





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Raleigh-Durham Airport Authority
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

March 31, 2025

Christopher P. Morill

Executive Director/CEO



Michael J. Landguth, A.A.E.
President & CEO

July 16, 2026

To the Residents of Wake and Durham Counties and the Cities of Raleigh and Durham, and to the Board of the Raleigh-Durham Airport Authority;

This Annual Comprehensive Financial Report (ACFR) of the Raleigh-Durham Airport Authority (the Authority) is submitted for the fiscal year ended March 31, 2026. Responsibility for the accuracy, completeness, and fairness of the presentation, including all disclosures, rests with the Authority's management. To the best of our knowledge, the data presented is accurate in all material respects and fairly reflects the Authority's financial position and results of operations.

The Annual Comprehensive Financial Report

The ACFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this Letter of Transmittal, a listing of the Authority Board Members, the Authority's Organizational Chart, and the prior year's *Certificate of Achievement for Excellence in Financial Reporting*. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Required Supplementary Information. The Statistical section provides multi-year financial trends, operating data, and key performance indicators (KPIs).

This transmittal should be read in conjunction with the MD&A for a more comprehensive understanding of the Authority's financial and operational performance. The Authority intends to submit this ACFR to the Government Finance Officers Association for award consideration.

Reporting Entity

The Authority is a joint agency of the Cities of Raleigh and Durham and the Counties of Wake and Durham, North Carolina, established in 1939 to develop, operate, and maintain Raleigh-Durham International Airport ('RDU' or 'the Airport'). Governed by an eight-member Board, the Authority operates without taxing power and is funded primarily through user fees and operating revenues.

The Authority has many of the same powers as a North Carolina local government unit with certain exceptions, including the absence of taxing authority. To finance the Airport's development, operations, and maintenance, the Authority relies on charges to users and businesses operating at the Airport. The Authority also receives nominal annual contributions of \$12,500 from each of the four sponsoring governmental units, totaling \$50,000, which represents less than one-tenth of one percent of the annual operating revenue.

Economy, Region, and Air Service

Raleigh-Durham International Airport (RDU) is the second-largest airport in North Carolina, drawing travelers from the central and eastern parts of the state and beyond. In calendar year 2025, a record 15.7 million people traveled through RDU.

Raleigh-Durham Airport Authority Board Members

CITY OF DURHAM
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Nana Asante-Smith

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Shelley Winters, **Treasurer**

DURHAM COUNTY
Yesenia Polanco-Galdamez, **Secretary**
Nil Ghosh

WAKE COUNTY
Ellis Hankins
David Kushner



Michael J. Landguth, A.A.E.
President & CEO

Raleigh-Durham Airport Authority

1000 Trade Drive • P.O. Box 80001 • RDU Airport, NC 27623
tel: (919) 840-7700 • fax: (919) 840-0175 • www.rdu.com

The core of RDU's service area is the Research Triangle region, a 13-county zone that features prestigious universities in Raleigh, Durham, and Chapel Hill. The service area also includes Research Triangle Park, a renowned research and technology hub. Beyond the Research Triangle, RDU serves as the main airport for residents from the Atlantic coast to central North Carolina and from southern Virginia to South Carolina. RDU is the primary international hub for nearly half of North Carolina.

RDU is an economic engine for the Research Triangle. The airport has a yearly economic impact of \$24.1 billion, creates \$9.8 billion in personal income, supports nearly 140,000 jobs and generates \$1.3 billion annually in tax revenue.

RDU is classified by the Federal Aviation Administration (FAA) as a medium hub airport, with 18 airline partners currently serving a record 87 nonstop domestic and international destinations.

Major developments in air service at RDU in fiscal year 2025-2026 included:

- Aer Lingus announced nonstop service to Dublin, opening the first direct gateway between the Research Triangle and Ireland. Dublin became RDU's record fifth transatlantic destination.
- West Coast connectivity expanded with the announcement that Alaska Airlines would begin daily service to San Diego, California, connecting two dynamic tech and research hubs.
- Air Canada launched service to Vancouver, Canada, offering nonstop flights from RDU to the West Coast of Canada for the first time.
- Breeze Airways began international service at RDU with nonstop flights to Punta Cana, Dominican Republic, and announced plans to open a crew base at the airport that would create more than 200 local jobs.

Major Events and Initiatives

The 10-year, \$2.5 billion Transform RDU capital program addresses growth at the airport by building the infrastructure needed to support increasing demand for air travel. The program includes four major projects, all of which are currently under construction:

- Runway 5L-23R Replacement
- Park Economy 3 Expansion
- Terminal 2 Landside Expansion
- John Brantley Boulevard Extension

Transform RDU projects are planned, designed, and constructed with sustainability in mind. In FY2025-2026, the airport received the prestigious Envision Platinum Award from the Institute for Sustainable Infrastructure for integrating sustainable practices into the Park Economy 3 Expansion project. The Envision framework evaluates civil infrastructure projects across a range of sustainability indicators. Platinum is the highest level of recognition.

The Sustainability Program Annual Report, published in 2025, highlighted RDU's commitment to integrating sustainable practices into every aspect of airport development and operations.

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- Investing more than \$19 million in the purchase of hybrid and electric vehicles and chargers.
- Pursuit of Envision sustainability ratings, including for the runway 5L-23R replacement project.
- Establishing baselines and developing reduction strategies for the airport's Energy Management Plan and Greenhouse Gas Emissions Inventory.
- Achieving a target of reducing water consumption by 10% on a per-passenger basis and other efforts.

RDU also welcomed new restaurants and stores to its terminals in FY2025-2026, including Bongiorno & Sons, Brightleaf News & Gift, Dunkin, Five Points News & Gift, Guy's Pizza Joint, Natalie's Candy Jar, The District by Root & Branch, Puro Gusto and Raleigh Beer Garden. More are scheduled to open in the next fiscal year as RDU reimagines the airport dining experience.

For the fourth time in five years, RDU was named a Top Five Large Airport in North America in a J.D. Power passenger satisfaction study. The 2025 rankings reflect overall traveler satisfaction based on seven factors: ease of travel; terminal facilities; airport staff; level of trust in the airport; food, beverage and retail; and the experience passengers had on arrival and departure.

Financial Information

Authority management is responsible for establishing and maintaining internal controls designed to provide reasonable assurance regarding the safeguarding of assets, reliability of financial reporting, and compliance with applicable laws and regulations. These controls are periodically evaluated and are designed to balance cost with expected benefit. As a recipient of federal and state funding, the Authority also maintains controls to ensure compliance with applicable grant requirements.

The Authority maintains comprehensive budgetary controls to ensure expenditures are consistent with approved budget ordinances and aligned with strategic priorities. In accordance with North Carolina statutory requirements governing local government budgeting and fiscal control, expenditures may not exceed appropriated amounts without formal amendment. No significant changes to financial policies occurred during the fiscal year that materially impacted the financial statements.

The Authority continues to maintain a strong liquidity position, supported by prudent financial management and conservative forecasting practices. Unrestricted cash and investments provide capacity to support operations, meet debt service obligations, and fund near-term capital needs without reliance on immediate external financing. The liquidity position remains a key component of the Authority's financial strategy as it advances its long-term capital program. This approach supports the Authority's ability to strategically time future financing and maintain flexibility as capital investment needs evolve.

Independent Audit

The Authority's financial statements have been audited by Cherry Bekaert LLP, independent certified public accountants, who issued an unmodified opinion for the fiscal year ended March 31, 2026. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the requirements of the Single Audit Act and Uniform Guidance (2 CFR Part 200), including applicable compliance requirements for federal awards.

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The report of the independent auditor, included herein, provides reasonable assurance that the Authority's financial statements present fairly, in all material respects, the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

The Government Finance Officers Association previously awarded the Authority a *Certificate of Achievement for Excellence in Financial Reporting* for its ACFR for the fiscal year ended March 31, 2025. This recognition reflects the Authority's continued commitment to transparency and high standards in financial reporting. The current report will be submitted for consideration of this award.

Acknowledgments

The completion of this report reflects the dedication and professionalism of the Authority's Finance and Accounting Staff. We also acknowledge the continued leadership and support of the Authority's Board of Directors.

Respectfully submitted,

Michael J. Landguth, AAE
President and CEO
Raleigh-Durham Airport Authority

Ronald Kapocius, CPA
Vice President and CFO
Raleigh-Durham Airport Authority

Raleigh-Durham Airport Authority Board Members

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WAKE COUNTY
Ellis Hankins
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Raleigh-Durham Airport Authority
Raleigh-Durham, North Carolina

Financial Section

Prepared by the Finance Department

Report of Independent Auditor

To the Board Members and Management
Raleigh-Durham Airport Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Raleigh-Durham Airport Authority (the “Authority”) as of and for the years ended March 31, 2026 and 2025 and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2026 and 2025, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If,

based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2026, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Charlotte, North Carolina
July 16, 2026

**RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2026 and 2025**

Overview

The Management's Discussion and Analysis (MD&A) provides an overview of the Raleigh-Durham Airport Authority's ('the Authority') activities during the fiscal years ended March 31, 2026 and 2025. The Authority's basic financial statements consist of three components; 1) MD&A, 2) Financial Statements, and 3) Notes to the Financial Statements. In addition to the MD&A, management has prepared the accompanying Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows.

The MD&A is intended to aid the reader in interpreting the Authority's relative financial position as of the above referenced date. Condensed key financial and non-financial information will be highlighted for the reader.

Required Financial Statements

The Authority financial statements report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The statements of net position includes all of the Authority's assets, liabilities, and deferred inflows and outflows of resources, and provides information about the nature and amounts of investments in resources and the obligations to Authority creditors. They also provide the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. These statements can be used to measure the success of the Authority's operations over the past year, its financial position, and can be used to determine the Authority's overall profitability, financial strength, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and details the sources of cash receipts, use, and change in cash balance during the reporting period.

Notes to Basic Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 18 to 48 of this report.

Background

The Raleigh-Durham International Airport ('RDU' or 'the Airport') is located in Wake County, between the Cities of Raleigh and Durham, approximately 10 miles from the downtown areas of each of Raleigh and Durham. Interstate Highway 40, a major thoroughfare, is located immediately to the southwest of RDU, and U.S. Highway 70, another major thoroughfare, is located immediately to the northeast of RDU. William B. Umstead State Park is located to the immediate east of RDU. The airport covers approximately 4,781 acres, with about 2,075 acres currently developed. It features two primary runways and one secondary runway that support a range of aeronautical services, including commercial aviation, fixed-base operators (FBOs), and cargo carriers. The airport has two active terminals: Terminal 1, operates 9 passenger gates, and Terminal 2 operates 36 passenger gates.

In the fiscal years ended March 31, 2026 and 2025, 15.7 million and 15.5 million annual passengers, respectively, used the Airport.

**RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2026 and 2025**

Financial Highlights and Analysis

Statement of Net Position

For the fiscal year ended March 31, 2026, current assets totaled \$674.2 million representing an increase of \$31.7 million, or 4.9%, from the prior fiscal year. The growth was supported by strong operating cash flows of \$136.4 million, contributions from governmental agencies of \$62.5 million, Passenger Facility Charge (PFC) collections of \$32.3 million, and non-operating interest income totaling \$24.1 million. These increases were partially offset by approximately \$173.2 million in capital investments, and \$43.2 million associated with debt financing activities. For the fiscal year ended March 31, 2025, current assets totaled \$642.5 million, representing an increase of \$39.7 million, or 6.6%, from the prior fiscal year. The increase were the results of additional cash flow from operations providing \$152.1 million, contributions from governmental agencies of \$59.1 million, PFC of \$31.2 million, and non-operating interest \$30.2 million that were offset by \$189.7 million in capital investments and \$43.5 million in debt financing activities.

For the fiscal year ended March 31, 2026, the net airport and facilities assets totaled \$1.1 billion, an increase of \$132.7 million or 13.4% from the prior fiscal year. Non-depreciable airport and facilities assets reported a net increase of \$158.3 million relating to ongoing costs related to the capital program which were offset by a decrease in depreciable airport and facilities assets of \$25.6 million. For the fiscal year ended March 31, 2025, the net airport and facilities assets increased to \$992.9 million, an increase of \$143.4 million or 16.9% from the prior fiscal year. This is due to a net increase in non-depreciable airport and facilities assets of \$134.7 million or 90.9%, and an net increase in depreciable airport and facilities assets of \$8.7 million or 1.2%. For the year, the Authority completed and transferred \$66.8 million to depreciable airport and facilities assets.

For the fiscal year ended March 31, 2026, unrestricted non-current assets for leases totaled \$55.3 million a decrease of \$8.0 million or 12.7% from the prior year. For the fiscal year ended March 31, 2025, unrestricted non-current assets for leases totaled \$63.4 million a decrease of \$2.2 million, or 3.4%, from the prior fiscal year due primarily to the ongoing amortization of lease-related balances.

For the fiscal year ended March 31, 2026, restricted non-current assets increased to \$262.3 million, an increase of \$20.2 million or 8.3%, from the prior fiscal year. The change was primarily driven by an increase in Customer Facility Charge (CFC) funds of \$22.1 million or 20.1%. For the fiscal year ended March 31, 2025, restricted non-current assets totaled \$242.1 million, representing an increase of \$25.1 million, or 11.5%, from the prior fiscal year. The change was primarily driven by an increase in CFC funds of \$19.6 million, or 21.7%, and an increase in state grant funds of \$3.5 million, or 20.3%.

For the fiscal year ended March 31, 2026, deferred outflows of resources totaled \$15.0 million, a decrease of \$3.0 million or 16.5%, as a result of update actuarial assumptions reported by the North Carolina Local Governmental Employees' Retirement System pension plan. For the fiscal year ended March 31, 2025, deferred outflows of resources associated with the Authority's share in the North Carolina Local Governmental Employees' Retirement System pension plan net liability remained relatively unchanged.

For the fiscal year ended March 31, 2026, current liabilities totaled \$136.6 million, an increase of \$14.6 million or 12.0%, as a result accounts payable increasing due to ongoing construction and related retainage held from contractors. For the fiscal year ended March 31, 2025 current liabilities increased by \$39.2 million, or 47.8%, due to an increase in accounts payable related to accrued liabilities of \$33.1 million, or 105.8%, and an increase in unearned revenue of \$3.2 million, or 16.5%.

**RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2026 and 2025**

Statement of Net Position (continued)

For the fiscal year ended March 31, 2026, total non-current liabilities totaled \$350.0 million, a decrease of \$37.3 million or 9.6%, due to a reduction in long-term debt of \$34.1 million or 9.9%. In addition, net pension liabilities decreased by \$2.6 million or 9.0% as a result of updated actuarial assumptions. For the fiscal year ended March 31, 2025, total non-current liabilities decreased by \$26.0 million, or 6.3% due to a decrease in long-term debt of \$32.7 million, or 8.7% that was offset by an increase in net pension liability of \$4.3 million, or 17.5%.

For the fiscal year ended March 31, 2026, deferred inflows of resources totaled \$59.5 million which decreased \$7.1 million or 10.6% mostly due to reductions in deferred inflows associated with leases of \$8.8 million or 13.5%. For the fiscal year ended March 31, 2025, deferred inflows of resources decreased by \$1.1 million, or 1.6%, due to \$0.7 million decrease in deferred inflow for leases and a \$0.4 million decrease in deferred inflow for pension.

The combined effect of these activities for the fiscal year ended March 31, 2026, resulted in net position increase of \$203.3 million or 14.7%. For the fiscal year ended March 31, 2025, the combined effect of these items was an increase in net position of \$194.0 million, or 16.3%.

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**RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2026 and 2025**

Statement of Net Position (continued)

Net position at March 31, 2026, 2025, and 2024 are presented in the following table:

Condensed Statements of Net Position

	<u>March 31, 2026</u>	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Current assets	\$ 674,248,697	\$ 642,520,943	\$ 602,761,472
Unrestricted, non-current assets			
Airport and facilities, net	1,125,588,789	992,906,076	849,490,932
Other unrestricted, non-current assets	55,344,264	63,364,684	65,607,337
Restricted non-current assets	262,307,065	242,144,731	217,078,558
Capital assets, net	1,443,240,118	1,298,415,491	1,132,176,827
Total assets	<u>2,117,488,815</u>	<u>1,940,936,434</u>	<u>1,734,938,299</u>
Total deferred outflows of resources	<u>14,967,528</u>	<u>17,919,612</u>	<u>17,919,771</u>
Current liabilities	136,639,769	122,027,820	82,936,600
Non-current liabilities	349,972,197	387,272,919	413,261,802
Total liabilities	<u>486,611,966</u>	<u>509,300,739</u>	<u>496,198,402</u>
Total deferred inflows of resources	<u>59,513,431</u>	<u>66,567,491</u>	<u>67,623,930</u>
Net investment in capital assets	731,941,216	579,305,451	429,201,222
Restricted net position	242,093,784	221,245,969	199,707,253
Unrestricted net position	612,295,946	582,436,396	560,127,263
Net position	<u>\$ 1,586,330,946</u>	<u>\$ 1,382,987,816</u>	<u>\$ 1,189,035,738</u>

Statement of Revenues, Expenses, and Change in Net Position

For the fiscal year ended March 31, 2026, the Authority reported operating revenues of \$267.1 million, an increase of \$12.9 million, or 5.1%, from the prior fiscal year. The increase was primarily the result of terminal revenue increase of \$6.7 million or 9.0% , airfield revenue increase of \$3.2 million or 13.2%, and ground transportation revenue increase of \$1.4 million or 12.0%. For the fiscal year ended March 31, 2025, the Authority reported operating revenues of \$254.1 million, an increase of \$22.5 million, or 9.7%, from the prior year. The increase was primarily the result of terminal revenue increase of \$9.8 million, or 15.1%, parking revenue increase of \$3.7 million, or 3.7%, and airfield revenue increase of \$2.6 million, or 11.8%.

For the fiscal year ended March 31, 2026, operating expenses were \$198.8 million, which represents an increase of \$7.2 million or 3.7% from the prior fiscal year. The increase was primarily due to higher personnel expenses of \$3.8 million or 5.7%, professional services of \$1.7 million or 29.2%, and contractual labor of \$1.8 million or 5.9%. For the fiscal year ended March 31, 2025, operating expenses were \$191.6 million, which represents an increase from the prior fiscal year of \$20.1 million, or 11.7%. The increase was primarily due to

**RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2026 and 2025**

Statement of Revenues, Expenses, and Change in Net Position (continued)

higher contractual labor of \$7.0 million, or 28.7%, personnel expense of \$6.9 million, or 11.5%, and general and administrative expenses of \$3.1 million, or 45.0%. Additionally, depreciation and amortization expense increased \$2.5 million or 4.2%.

For the fiscal year ended March 31, 2026, the combined operational results for revenue and expenses generated operating income of \$68.3 million, an increase of \$5.8 million from the prior fiscal year. For the fiscal year ended March 31, 2025, the combined operational results for revenue and expenses generated operating income of \$62.6 million, an increase of \$2.4 million, or 4% from the prior year.

For the period ended March 31, 2026, total non-operating revenues (expenses) increased \$5.5 million or 7.9% mostly due to an increase in other non-operating revenues of \$6.0 million. For the fiscal year ended March 31, 2025, total non-operating revenues (expenses) increased \$5.0 million, or 7.7%, mostly due to an increase in CFC revenue of \$2.2 million, or 12.2%, and PFC revenue of \$2.1 million, or 6.8%.

For the fiscal year ended March 31, 2026, capital contributions received from federal and state agencies totaled \$59.9 million, a decrease of \$1.9 million or 3.0% from the prior fiscal year. For the fiscal year ended March 31, 2025, capital contributions from federal and state agencies were \$61.7 million, reflecting an increase of \$34.9 million, or 129.7%, from the prior fiscal year.

For the fiscal year ended March 31, 2026, the Authority's net position increased \$203.3 million or 14.7% compared to the previous fiscal year. For the fiscal year ended March 31, 2025, the Authority's net position increased \$194.0 million, or 16.3% compared to the previous fiscal year.

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**RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2026 and 2025**

Statement of Revenues, Expenses, and Change in Net Position (continued)

A condensed representation of revenues, expenses, and change in net position for the fiscal years ended March 31, 2026, 2025, and 2024 are presented in the following table:

Condensed Statement of Revenues, Expenses, and Change in Net Position

	<u>March 31, 2026</u>	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Operating Revenues			
Parking	\$ 105,841,768	\$ 104,564,327	\$ 100,840,632
Airfield	27,320,411	24,128,041	21,572,482
Terminals	81,130,946	74,404,177	64,651,097
Rental car	22,193,430	22,306,293	20,398,136
Ground transportation	12,716,628	11,359,022	9,354,925
General Aviation	4,622,649	4,978,877	4,396,936
Other Revenues	13,267,468	12,405,738	10,387,603
Total Operating Revenues	<u>\$ 267,093,300</u>	<u>\$ 254,146,475</u>	<u>\$ 231,601,811</u>
Operating Expenses			
Personnel	70,682,949	66,886,854	60,002,889
Professional Services	7,585,808	5,873,617	6,061,352
Contractual Labor	33,159,099	31,321,597	24,327,985
Utilities	8,320,411	7,967,816	7,428,015
Material and Supplies	8,065,902	7,475,756	7,174,010
General and Administrative	7,832,356	9,861,827	6,802,450
Depreciation and Amortization	63,108,104	62,190,827	59,658,579
Total Operating Expenses	<u>198,754,629</u>	<u>191,578,294</u>	<u>171,455,280</u>
Operating Income (loss)	<u>68,338,671</u>	<u>62,568,181</u>	<u>60,146,531</u>
Non-operating revenues (expenses)			
Investment Interest Income	26,019,484	28,881,927	28,298,236
Passenger facility charge	32,871,970	32,173,213	30,114,728
Customer facility charge	20,180,676	20,190,272	17,990,548
Bond interest expense, net	(9,967,574)	(11,675,311)	(12,708,384)
Payments from federal and state agencies	90,000	88,800	4,874,450
Other non-operating revenue (expense)	5,944,686	(18,977)	(3,895,499)
Non-operating revenues (expenses)	<u>75,139,242</u>	<u>69,639,924</u>	<u>64,674,079</u>
Income (Loss) before capital contributions	<u>143,477,913</u>	<u>132,208,105</u>	<u>124,820,610</u>
Capital contributions	<u>59,865,217</u>	<u>61,743,973</u>	<u>26,878,390</u>
Change in net position	<u>203,343,130</u>	<u>193,952,078</u>	<u>151,699,000</u>
Net position, beginning of year	<u>\$ 1,382,987,816</u>	<u>\$ 1,189,035,738</u>	<u>\$ 1,037,336,738</u>
Net position, end of the year	<u>\$ 1,586,330,946</u>	<u>\$ 1,382,987,816</u>	<u>\$ 1,189,035,738</u>

**RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2026 and 2025**

Capital Assets

As of March 31, 2026, the Authority had \$1,125.6 million (net of depreciation and amortization) in capital assets consisting of non-depreciable assets for land, construction in progress, as well as depreciable capital assets relating to the airfield, terminals, other buildings, and equipment. For the year construction in progress increased by \$192.2 million and decreased \$34.1 million for projects completed and placed in service. Total depreciation and amortization for the year increased \$63.1 million. As of March 31, 2025, the Authority had \$992.9 million (net of depreciation and amortization) in capital assets, consisting of non-depreciable assets for land and construction in progress, as well as, depreciable capital assets relating to the landing field, terminals, other buildings, and equipment. Construction in progress increased by \$201.5 million for active project and decreased \$66.8 million for projects completed and placed in service. Total depreciation and amortization for the year increased by \$62.2 million.

Capital assets placed in service for the fiscal years ended March 31, 2026, 2025, and 2024 are:

	March 31, 2026	March 31, 2025	March 31, 2024
Airfield Improvements			
Runway 5L-23R, Preservation	\$ 7,173,314	\$ 6,266,282	\$ 3,132,617
North Cargo Apron Reconstruction	2,700,881	29,430,026	—
West GA Apron Rehabilitation	—	—	36,564,686
Taxiway & GA Pavement Rehabilitation	—	—	17,048,216
Other Airfield Improvements	1,087,988	558,966	—
Building Improvements			
Fuel Farm Facility Improvement Plan	10,740,332	—	—
Terminal 2 Concessions	702,124	8,600,783	—
Other Building Improvements	1,153,139	4,120,191	863,888
Other Improvements and Equipment			
Maintenance Parking Lot	—	3,685,711	—
Parking Guidance System	—	6,387,451	—
Electric Buses and Fleet Vehicles	9,220,062	4,851,586	55,150
Operational Equipment	1,272,350	2,911,395	87,214
Total Assets Placed in Service	\$ 34,050,190	\$ 66,812,391	\$ 57,751,771

More detailed information about the Authority's capital assets is presented in Note 4 to the financial statements.

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**RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2026 and 2025**

Debt Activity

For the fiscal year ended March 31, 2026, the Authority's outstanding bond obligations totaled \$299.1 million, which was comprised of 86.2% fixed rate revenue bonds and 13.8% variable rate revenue bonds. The weighted average interest cost of this debt portfolio was 2.6% at March 31, 2026. For the fiscal year ended March 31, 2025, the Authority's outstanding bond obligations totaled \$326.7 million, which was comprised of 86.5% fixed rate revenue bonds and 13.5% variable rate revenue bonds. The weighted average interest cost of this debt portfolio was 2.6% at March 31, 2025. For more information on debt activity please refer to Note 5 to the financial statements.

Discussion of Currently Known Facts, Decisions, or Conditions

In March 2026, the Authority approved the budget for the fiscal year ended March 31, 2027. Budgeted operating revenues are \$286.4 million, and budgeted expenses are \$155.2 million. Total approved capital expenditures for capital projects are \$325.5 million, and total expenditures for CFC backed capital projects are \$9 million.

Total passengers for the fiscal year ending March 31, 2026 were approximately 15.7 million up 1.2% from last fiscal year.

Requests for Information

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Raleigh-Durham Airport Authority, P.O. Box 80001, RDU Airport, North Carolina 27623.

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RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
Years Ended March 31, 2026 and 2025

	<u>2026</u>	<u>2025</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 90,604,584	\$ 66,613,118
Short-term investments	549,864,926	536,221,782
Accounts receivable, net	16,274,170	14,905,303
Lease receivable	9,760,318	10,737,501
Grants receivable	1,310,819	3,984,481
Other current assets	6,433,880	10,058,758
Total current assets	<u>674,248,697</u>	<u>642,520,943</u>
Non-current assets		
Restricted assets		
DEA/ICE forfeitures cash	530,861	788,513
Passenger facility charge cash	63,042,196	61,873,824
Passenger/customer facility charge receivable	7,212,797	8,224,166
Customer facility charge cash & investments	132,143,681	110,025,000
State grant funds cash	20,213,281	20,898,762
Parity reserve fund investment	39,164,249	40,334,466
Total restricted assets	<u>262,307,065</u>	<u>242,144,731</u>
Unrestricted assets		
Lease receivable, non-current	55,344,264	63,364,684
Total unrestricted assets	<u>55,344,264</u>	<u>63,364,684</u>
Airport and facilities		
Airport and facilities, non-depreciable	441,171,427	282,920,321
Airport and facilities, depreciable net	684,417,362	709,985,755
Airport and facilities, net	<u>1,125,588,789</u>	<u>992,906,076</u>
Total non-current assets	<u>1,443,240,118</u>	<u>1,298,415,491</u>
TOTAL ASSETS	<u>2,117,488,815</u>	<u>1,940,936,434</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows - pensions/OPEB	14,967,528	17,919,612
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>14,967,528</u>	<u>17,919,612</u>

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
Years Ended March 31, 2026 and 2025

	2026	2025
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	72,779,561	58,031,984
Other accrued liabilities	4,122,632	6,272,880
Separation allowance & OPEB liabilities	624,425	625,991
Unearned revenue	21,186,086	22,764,957
Accrued employee compensation	8,887,065	6,692,008
Current maturities of long-term debt	29,040,000	27,640,000
Total current liabilities	136,639,769	122,027,820
Non-current liabilities		
Long-term debt		
General airport revenue bonds	309,259,873	343,320,803
	309,259,873	343,320,803
Other non-current liabilities		
Separation allowance & OPEB liabilities, net of current	11,126,270	12,105,474
Long-term subscription liability	3,123,631	2,771,284
Net pension liability	26,462,423	29,075,358
	40,712,324	43,952,116
Total non-current liabilities	349,972,197	387,272,919
TOTAL LIABILITIES	486,611,966	509,300,739
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows - pension/OPEB	3,295,846	1,591,497
Deferred inflows - leases	56,217,585	64,975,994
TOTAL DEFERRED INFLOWS OF RESOURCES	59,513,431	66,567,491
<u>NET POSITION</u>		
Net investment in capital assets	731,941,216	579,305,451
Restricted for:		
Debt service	39,164,249	40,334,466
DEA/ICE forfeitures	530,861	788,513
Passenger facility charges	68,348,379	66,649,506
Customer facility charges	134,050,295	113,473,484
Unrestricted net position	612,295,946	582,436,396
TOTAL NET POSITION	\$ 1,586,330,946	\$ 1,382,987,816

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended March 31, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Operating revenues		
Parking	\$ 105,841,768	\$ 104,564,327
Airfield	27,320,411	24,128,041
Terminals	81,130,946	74,404,177
Rental car	22,193,430	22,306,293
Ground transportation	12,716,628	11,359,022
General aviation	4,622,649	4,978,877
Other	13,267,468	12,405,738
Total operating revenues	<u>267,093,300</u>	<u>254,146,475</u>
Operating expenses		
Personnel	70,682,949	66,886,854
Professional services	7,585,808	5,873,617
Contractual labor	33,159,099	31,321,597
Utilities	8,320,411	7,967,816
Material and supplies	8,065,902	7,475,756
General and administrative	7,832,356	9,861,827
Depreciation and amortization	63,108,104	62,190,827
Total operating expenses	<u>198,754,629</u>	<u>191,578,294</u>
Operating income (loss)	<u>68,338,671</u>	<u>62,568,181</u>
Non-operating revenues (expenses)		
Interest income	26,019,484	28,881,927
Passenger facility charges	32,871,970	32,173,213
Customer facility charges	20,180,676	20,190,272
Bond interest expense, net	(9,967,574)	(11,675,311)
Payments from federal and state agencies	90,000	88,800
Other revenue	5,944,686	(18,977)
Total non-operating revenues, net	<u>75,139,242</u>	<u>69,639,924</u>
Income (loss) before capital contributions	<u>143,477,913</u>	<u>132,208,105</u>
Capital contributions	59,865,217	61,743,973
Increase in net position	<u>203,343,130</u>	<u>193,952,078</u>
Net position, beginning	<u>1,382,987,816</u>	<u>1,189,035,738</u>
Net position, end of year	<u><u>\$ 1,586,330,946</u></u>	<u><u>\$1,382,987,816</u></u>

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities		
Cash received from operations	\$ 269,025,682	\$ 253,232,970
Other revenue	6,239,963	111,858
Cash paid to employees	(63,626,439)	(52,611,081)
Cash paid to suppliers	(75,242,852)	(48,647,322)
Net cash from operating activities	<u>136,396,354</u>	<u>152,086,425</u>
Cash flows from investing activities		
Purchases of short-term investments	(1,268,702,958)	(1,458,165,613)
Proceeds from short-term investments	1,235,802,536	1,413,836,877
Interest on cash deposits	24,137,103	30,157,323
Net cash from investing activities	<u>(8,763,319)</u>	<u>(14,171,413)</u>
Cash flows from capital and related financing activities		
Payments of long-term debt	(27,640,000)	(26,325,000)
Other capital and financing costs:		
Purchase of airport and facilities	(173,232,742)	(189,719,952)
Bond interest paid on long-term debt	(15,555,087)	(17,207,319)
Passenger facility charges collected	32,341,469	31,173,097
Customer facility charges collected	20,056,760	20,708,122
Contributions from governmental agencies	62,538,879	59,071,887
Net cash from capital and related financing activities	<u>(101,490,721)</u>	<u>(122,299,165)</u>
Cash flows from non-capital and related financing activities		
Payments from federal and state agencies	90,000	88,800
Net cash from non-capital and related financing activities	<u>90,000</u>	<u>88,800</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	26,232,314	15,704,647
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>195,689,663</u>	<u>179,985,016</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 221,921,977</u></u>	<u><u>\$ 195,689,663</u></u>

(Continued on next page)

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2026 and 2025

	<u>2026</u>	<u>2025</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 68,338,671	\$ 62,568,181
Other revenue	5,993,866	18,728
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	63,108,104	62,190,827
Changes in operating assets and liabilities		
Accounts receivable	460,001	(3,465,727)
Lease receivable	2,617,763	2,637,587
Subscription liability	755,878	2,622,136
Other current assets	3,290,032	(528,961)
Separation allowance and OPEB retiree health care liability	514,014	856,401
Net pension liability	548,714	3,472,841
Accounts payable and other accrued liabilities	(9,846,876)	16,997,335
Accrued employee compensation	2,195,057	1,488,672
Unearned revenue	(1,578,870)	3,228,405
Net cash provided by operating activities	<u><u>\$ 136,396,354</u></u>	<u><u>\$ 152,086,425</u></u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current assets		
Cash and cash equivalents	\$ 90,604,584	\$ 66,613,118
Restricted cash and cash equivalents:		
Parity reserve fund investment	39,164,249	40,334,466
DEA/ICE forfeitures cash	530,861	788,513
Passenger facility charge cash	63,042,196	61,873,824
Customer facility charge cash	8,366,806	5,180,980
State grant funds	20,213,281	20,898,762
	<u><u>\$ 221,921,977</u></u>	<u><u>\$ 195,689,663</u></u>

SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES:

Right-to-use assets obtained in exchange for new lease liabilities	<u><u>\$ 3,489,526</u></u>	<u><u>\$ 4,078,965</u></u>
Property, equipment, and construction included in accounts payable	<u><u>\$ (50,244,176)</u></u>	<u><u>\$ (38,292,176)</u></u>

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 1 - The Authority

In 1939, the General Assembly of the State of North Carolina enacted legislation authorizing the governing bodies of Wake and Durham Counties and the Cities of Raleigh and Durham, to jointly acquire, establish, and operate airports. It was provided that the governing bodies would appoint a joint board to carry out the provisions of the act, and the Raleigh-Durham Airport Authority (the Authority) as the board so appointed. Legal title to all properties is vested jointly in the governing bodies. Each of the four governing bodies makes an annual appropriation of \$12,500.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation, basis of accounting - The accounts of the Authority are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses.

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

All assets and all liabilities associated with the operation of the Authority are included on the statements of net position. Net position is the result of deducting all the liabilities and deferred inflows of resources from all the assets and deferred outflows of resources. Total net position is segregated into three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Operating statements present increases and decreases in total net position. Non-exchange transactions for the Authority include federal and state grants and contributions by the Authority's four governing bodies. The financial statements are presented on the accrual basis of accounting. Accordingly, revenues are recognized in the accounting period when earned, and expenses are recognized in the period when incurred.

Budgetary control - The Authority adopts an annual budget ordinance as required by the Local Government Budget and Fiscal Control Act of the North Carolina General Statutes. The Operating Budget ordinance is prepared on the modified accrual basis of accounting as required by North Carolina law. This budget is adopted and amended at the total expense level with management control maintained on a departmental and complex basis. Operating expenses may not legally exceed the total expense level and operating budget appropriations lapse at year-end. Project ordinances are also adopted annually but do not lapse at year-end and may extend multiple years. Both operating and project ordinances are adopted by the Authority at its March meeting and are entered in the minutes within five days after adoption.

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 2 - Summary of Significant Accounting Policies (continued)

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

Grants receivable - Grants receivable from governmental agencies for capital construction projects are recognized in the period in which all eligibility requirements have been satisfied. Amounts received or receivable are subject to audit and potential adjustment by the applicable granting agencies.

Accounts receivable - Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible accounts is re-evaluated on a quarterly basis to accrue for potentially uncollectible receivable balances. When continued collection activity results in a receipt of amounts previously written off, revenue is recognized for the amount collected. For the fiscal years ended March 31, 2026 and 2025, the Authority had an allowance for uncollectible accounts of \$83.5 thousand and \$43.7 thousand, respectively. This allowance is netted against the accounts receivable balance.

Lease receivable - The Authority's lease receivable is measured at the present value of lease payments expected to be received over the term of the lease agreements. Certain lease agreements include variable payments based on the lessee's revenues. Variable lease payments are recognized as inflows of resources in the period earned. A corresponding deferred inflow of resources is recorded at the commencement of each lease in an amount equal to the initial lease receivable and is recognized as revenue on a straight-line basis over the term of the lease.

Airport and facilities - Airport and facilities assets, including subscription-based assets, are capitalized when the initial individual cost exceeds \$25,000 and the estimated useful life is greater than one year.

All capital projects are budgeted under project ordinances that may span multiple fiscal years. Project appropriations continue until the related projects are completed.

Depreciation of airport and facilities assets is computed using the straight-line method over the estimated useful lives of the related assets.

The estimated lives by general classifications are as follows:

	<u>Years</u>
Landing field and grounds	5 - 20
Terminal buildings	5 - 30
Other buildings	5 - 30
Utilities	5 - 20
Equipment	3 - 10

Subscription-Based Information Technology Arrangements (SBITAs) convey to the Authority the right to use certain software over a contractual term greater than 12 months. Subscription assets are initially measured at an amount equal to the present value of subscription payments expected to be made during the subscription term, plus qualifying implementation costs. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying software. Subscription liabilities are initially measured at

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 2 - Summary of Significant Accounting Policies (continued)

the present value of subscription payments expected to be made during the subscription term using the Authority's estimated incremental borrowing rate of 3.5%.

Deferred outflows/inflows of resources - In addition to assets, the statements of net position may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position applicable to future periods and, therefore, are not recognized as expenses until the applicable period. The Authority reports deferred outflows of resources related to pensions and other postemployment benefits (OPEB).

As of March 31, 2026 and 2025, the combined balance of deferred outflows of resources are as follows:

Deferred Outflows of Resources	2026	2025
Pensions:		
Differences between expected and actual experience	\$ 6,454,118	\$ 5,095,104
Changes of assumptions	—	—
Net difference between projected and actual earnings on pension plan investments	—	3,952,778
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,282,650	1,902,439
Employer contributions subsequent to the measurement date	5,480,904	4,563,642
 Separation Allowance:		
Differences between expected and actual experience	463,335	494,445
Changes of assumptions	64,465	128,193
Benefit payments subsequent to the measurement date	7,039	10,110
 Other Postemployment Benefits (OPEB):		
Differences between expected and actual experience	503,631	938,997
Changes of assumptions	244,438	454,144
Benefit payments and administrative costs made subsequent to the measurement date	466,948	379,760
 Total Deferred Outflows of Resources	 <u>\$ 14,967,528</u>	 <u>\$ 17,919,612</u>

In addition to liabilities, the statements of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position applicable to future periods and, therefore, are not recognized as revenues until the applicable period. The Authority reports deferred inflows of resources related to pensions, OPEB, and leases.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 2 - Summary of Significant Accounting Policies (continued)

Deferred Inflows of Resources	2026	2025
Pensions:		
Differences between expected and actual earnings on pension plan investments	\$ 788,116	\$ 34,257
Changes in proportion and differences between employer contributions and proportionate share of contributions	230,618	119,119
Separation Allowance:		
Differences between expected and actual experience	42,512	73,771
Changes of assumptions	424,920	164,372
Other Post-Employment Benefits (OPEB):		
Difference between expected and actual experience	461,352	496,201
Changes of assumptions	1,348,328	703,777
Leases	56,217,585	64,975,994
Total Deferred Inflows of Resources	\$ 59,513,431	\$ 66,567,491

Pensions and OPEB - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net pension of the Local Government Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Authority's employer contributions are recognized when due, and the Authority has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS.

The Authority administers a single-employer defined benefit pension plan that provides retirement benefits to the Authority's sworn law enforcement. This Law Enforcement Officer Special Separation Allowance (LEOSSA) Plan is funded on a pay-as-you-go basis. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Authority also administers a single-employer defined benefit Other Post-employment Benefits (OPEB) Plan. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, amounts are determined based on the assumptions and results of the biennial actuarial valuation of the Plan. The Authority funds the OPEB plan on a pay-as-you-go basis.

Compensated employee absences - The Authority recognizes a liability for compensated absences for leave that has not been used and for leave that has been used but not yet paid or settled. Leave is recognized for amounts that are attributable to services already rendered and are more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Vacation and sick leave qualify for liability recognition under these criteria.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 2 - Summary of Significant Accounting Policies (continued)

Full-time employees may accumulate up to 30 days of earned vacation leave, which becomes fully vested upon completion of a mandatory six-month probationary period. Any unused vacation leave in excess of 30 days at the end of the final pay period of the calendar year is forfeited and converted to sick leave on an hour-for-hour basis. Accumulated vacation leave is recorded as a current liability and included in accrued employee compensation.

Employees may accumulate an unlimited amount of sick leave. Upon retirement, unused sick leave may be converted to additional creditable service for retirement benefit purposes. In addition, employees retiring with more than 30 days of accrued sick leave may receive a payment for a portion of their unused sick leave. The payment is limited to sick leave accrued in excess of 30 days up to a maximum payout equal to 30 days of sick leave. Sick leave payments are not included in the Local Governmental Employees' Retirement System final compensation calculation.

The compensated absences liability is included in accrued employee compensation in the statements of net position of which \$3.9 million is estimated to be due within one year. The following summarizes changes in the compensated absences liability for the years ended March 31:

	2026	2025
Balance-Beginning of year	\$ (4,945,793)	\$ (4,232,001)
Compensated Absences earned during year	(4,784,643)	(4,075,933)
Compensated Absences used during year	3,605,460	3,362,141
Balance-End of year	<u>\$ (6,124,976)</u>	<u>\$ (4,945,793)</u>

Net position - The Authority's net position is classified into three parts: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets - Net investment in capital assets represents the Authority's investment in airport and facilities assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred but related proceeds have not yet been expended for capital assets, such amounts are excluded from net investment in capital assets.

On the statements of net position, net investment in capital assets consists of the following:

	2026	2025
Airport and facilities, net	\$ 1,125,588,789	\$ 992,906,076
General airport revenue bonds (current and long term)	(338,299,873)	(370,960,803)
Subscription Based Liability (current and long term)	(5,103,524)	(4,347,646)
Construction payable and retainage	(50,244,176)	(38,292,176)
Total net investment in capital assets	<u>\$ 731,941,216</u>	<u>\$ 579,305,451</u>

Restricted net position - Restricted net position includes resources in which the Authority is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external parties.

Unrestricted net position - Unrestricted net position includes resources without a legal or contractual spending restriction.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues and expenses classifications - The Authority distinguishes operating revenues and expenses from non-operating revenues and expenses in the statements of revenues, expenses, and changes in net position. Operating revenues are generated primarily from airport operations and consist principally of airline rates and charges, including airfield landing fees and terminal rentals for ticket counters, holdrooms, and related space, as well as concession revenues, rental car revenues, parking revenues, and other airport-related services and activities include general aviation revenues.

Airline rates and charges are established under month-to-month agreements with air carriers and are intended to recover costs associated with the operation and use of airfield and terminal facilities.

Non-operating revenues and expenses include financing and investing activities, passenger facility charges (PFCs), customer facility charges (CFCs), grant revenues, interest income, interest expense, and other financing-related costs.

Operating expenses include all costs related to the operation, maintenance, and administration of the Authority, including personnel, professional services, contractual labor, utilities, materials and supplies, general and administrative expenses, and depreciation and amortization. Interest expense and other financing costs are reported as non-operating expenses.

Income tax status - Income of the Authority is excludable from federal income tax under Section 115 of the Internal Revenue Code.

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

Customer facility charges - Unspent proceeds from Customer Facility Charges (CFCs) are restricted and presented as restricted net position based on agreements between the Authority and rental car companies whereby rental car companies collect and remit to the Authority a charge to be used for rental car related purposes. Rental car customers pay a \$5.00 facility charge for each transaction day to fund the future debt service, capital improvements of a rental car facility, and other transportation needs. CFCs became effective January 1, 2017.

Passenger facility charges - Unspent proceeds from Passenger Facility Charges (PFCs) are restricted and presented as restricted net position based on Federal Aviation Administration (FAA) regulations to be used only on FAA approved capital projects. The FAA authorized the Authority to collect PFCs of \$4.50 per qualifying enplaned passenger. The net receipts from PFCs are accounted for on the accrual basis of accounting. Aggregate collections and interest thereon from inception through March 31, 2026 and 2025 were \$456.2 million and \$426.5 million, respectively. Total PFC funds of \$32.9 million and \$30.1 million were transferred from the restricted fund to the operating fund during the fiscal years ended March 31, 2026 and 2025, respectively.

Parity reserve fund - The Authority, pursuant to its Bond Master Trust Indenture, maintains a debt service reserve fund, called the Parity Reserve Fund, for its outstanding revenue bonds (excluding the variable rate Series 2008 Bonds, for which a reserve fund is not required). The Reserve Requirement for the Parity Reserve

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 2 - Summary of Significant Accounting Policies (continued)

Fund is an amount equal to the least of (a) Maximum Aggregate Annual Debt Service for Reserve Requirement for all Series of Bonds participating in the Parity Reserve Fund, (b) 10% of the principal amount of the Series of Bonds that have been issued and participating in the Parity Reserve Fund, less the amount of original issue discount with respect to such Series of Bonds if such original issue discount exceeded 2% of such Series of Bonds at the time of their original sale, and (c) 125% of the average Aggregate Annual Debt Service for Reserve Requirement for all series of Bonds participating in the Parity Reserve Fund. For the purpose of determining the Reserve Requirement, debt service to be paid from PFC is not excluded from Aggregate Annual Debt Service.

After the issuance of the 2020 Bonds, the Reserve Requirement is \$38.3 million, which is the Maximum Aggregate Annual Debt Service for Reserve Requirement for all Series of Bonds participating in the Parity reserve Fund and the Parity Reserve Fund will be fully funded with cash and investments. The Master Indenture provides that in addition to cash and investments, the Reserve Requirement for the Parity Reserve Fund may be met by a reserve fund surety bond or insurance policy.

New pronouncements - During the fiscal year ended March 31, 2026 the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 102, Certain Risk Disclosures. This Statement requires governments to disclose certain concentrations and constraints that make the reporting entity vulnerable to the risk of a substantial impact. The adoption of this Statement did not have a material impact on the Authority's financial statements.

The following pronouncements issued by the GASB become effective in future fiscal years:

GASB Statement No. 103, Financial Reporting Model Improvements

GASB Statement No. 103 improves key components of the governmental financial reporting model, including management's discussion and analysis, proprietary fund presentation, unusual or infrequent items, and budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The Authority plans to adopt this Statement in the fiscal year ending March 31, 2027.

GASB Statement No. 104, Disclosure of Certain Capital Assets

GASB Statement No. 104 requires additional disclosures for certain capital assets, including capital assets held for sale and capital assets pledged as collateral for debt. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The Authority plans to adopt this Statement in the fiscal year ending March 31, 2027.

GASB Statement No. 105, Subsequent Events

GASB Statement No. 105 establishes accounting and financial reporting requirements for subsequent events and requires governments to disclose the date through which subsequent events have been evaluated. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026. The Authority plans to adopt this Statement in the fiscal year ending March 31, 2028.

The Authority is currently evaluating the impact these Statements may have on its financial statements.

Note 3 - Deposits and Investments

Deposits - All the deposits of the Authority are either insured or collateralized by the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 3 - Deposits and Investments (continued)

fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority has no formal policy regarding custodial credit risk for deposits. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that the deposits are properly secured.

All investments are measured using the market approach: based on prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

On March 31, 2026, the Authority's deposits had a carrying amount and bank balance of \$182.8 million. Bank balances are insured by federal depository insurance up to \$250.0 thousand with the remaining balance of \$182.6 million collateralized under North Carolina's collateral pooling method for public deposits.

On March 31, 2025, the Authority's deposits had a carrying amount and bank balance of \$155.4 million. Of this bank balance, \$250.0 thousand was covered by federal depository insurance while the balance of \$155.2 million collateralized under North Carolina's collateral pooling method for public deposits.

Investments

On March 31, 2026, the Authority had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less than 6 Months	6-12 Months	1 Year- 30 Months
US Treasuries	Fair Value-Level 1	\$ 111,709,865	\$ 25,297,490	\$ 86,412,375	\$ —
US Government Agencies	Fair Value-Level 2	396,883,700	—	229,679,650	167,204,050
NC Capital Management Trust Government Portfolio*	Amortized Cost	28,831,509	28,831,509	—	—
Commercial Paper	Fair Value-Level 2	175,380,976	151,343,146	24,037,830	—
Total		\$ 712,806,050	\$ 205,472,145	\$ 340,129,855	\$ 167,204,050

**NC Capital Management Trust maintains a weighted average maturity of less than 90 days. As such it is presented as an investment of less than 6 months.*

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 3 - Deposits and Investments (continued)

On March 31, 2025, the Authority had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less than 6 Months	6-12 Months	1 Year- 30 Months
US Treasuries	Fair Value-Level 1	\$ 168,665,076	\$ 118,439,076	\$ 50,226,000	\$ —
US Government Agencies	Fair Value-Level 2	345,847,100	—	28,474,635	317,372,465
NC Capital Management Trust: Government Portfolio*	Amortized Cost	30,008,048	30,008,048	—	—
Commercial Paper	Fair Value-Level 2	136,880,044	132,089,344	4,790,700	—
Total		\$ 681,400,268	\$ 280,536,468	\$ 83,491,335	\$ 317,372,465

*NC Capital Management Trust maintains a weighted average maturity of less than 90 days. As such it is presented as an investment of less than 6 months.

Interest rate risk - Interest rate risk is the risk that rising interest rates will adversely affect the fair value of an interest bearing investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority limits the investment portfolio to maturities of 30 months.

Credit risk - State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations. Direct investments made by the Authority by policy are limited to U.S. Treasury Bills and Notes, U.S. Government Agency obligations, bank Certificates of Deposit, and Commercial Paper, all with maximum maturity of 30 months. Only indirect investments in Repurchase Agreements are permitted in relation to bond proceeds and debt service reserve fund investments which are designed to maximize investment income as permitted under U.S. Treasury arbitrage regulations. The Authority's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of March 31, 2026 and 2025. The Authority's investments in U.S. Agencies are rated AA+ by Standard & Poor's and Aa1 by Moody's Investors Service as of March 31, 2026 and 2025.

G.S. 159-30(c) authorizes the Authority to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed by the United States; obligations of the state of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-acceptances; and the NC Capital Management Trust Government Portfolio (NCCMT), a SEC registered mutual fund, dedicated to serving North Carolina public units.

Concentration of credit risk - The Authority places no formal limit on the amount that the Authority may invest in any one issuer.

On March 31, 2026, the Authority's investment portfolio consisted of 4.0% in the NC Capital Management Trust Government Portfolio (NCCMT), 25% in commercial paper, 16% in US Treasuries, and 55% in government agency securities of which 100% consisted of Federal Home Loan Bank securities. Of the 4% invested in the NCCMT, 100% represents Authority debt service reserves.

On March 31, 2025, the Authority's investments are 4% NCCMT, 20% Commercial Paper, 25% US Treasuries, and 51% in government agencies, consisting of 100% in Federal Home Loan Bank securities. Of the 4% invested in the NCCMT, 100% represents Authority debt service reserves.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 4 - Airport and Facilities, Net

Changes in airport and facilities are as follows for the year ended March 31, 2026:

	<u>April 1, 2025</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2026</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 46,535,059	\$ —	\$ —	\$ 46,535,059
Construction in progress	236,385,262	192,248,284	(33,997,180)	394,636,366
Total capital assets not being depreciated	<u>282,920,321</u>	<u>192,248,284</u>	<u>(33,997,180)</u>	<u>441,171,425</u>
<u>Other capital assets</u>				
Landing field and grounds	671,523,609	10,962,182	—	682,485,791
Terminal buildings	746,663,658	1,074,775	—	747,738,433
Other buildings	241,792,411	11,520,818	—	253,313,229
Utilities	3,628,237	—	—	3,628,237
Equipment	75,758,544	10,492,412	—	86,250,956
Subscription Based Assets	7,054,870	3,489,526	(1,985,845)	8,558,551
Total other capital assets	<u>1,746,421,329</u>	<u>37,539,713</u>	<u>(1,985,845)</u>	<u>1,781,975,197</u>
Total airport and facilities	<u>2,029,341,650</u>	<u>229,787,997</u>	<u>(35,983,025)</u>	<u>2,223,146,622</u>
<u>Accumulated depreciation</u>				
Landing field and grounds	(421,228,255)	(27,875,008)	—	(449,103,263)
Terminal buildings	(339,981,092)	(21,344,309)	—	(361,325,401)
Other buildings	(214,759,505)	(3,923,232)	—	(218,682,737)
Utilities	(3,406,310)	(48,524)	—	(3,454,834)
Equipment	(54,557,383)	(7,374,141)	—	(61,931,524)
Subscription Based	(2,503,029)	(2,542,890)	1,985,845	(3,060,074)
Total accumulated depreciation	<u>(1,036,435,574)</u>	<u>(63,108,104)</u>	<u>1,985,845</u>	<u>(1,097,557,833)</u>
Airport and facilities, net	<u>\$ 992,906,076</u>	<u>\$ 166,679,893</u>	<u>\$ (33,997,180)</u>	<u>\$ 1,125,588,789</u>

For the year ended March 31, 2026, construction in progress increased \$192.2 million partially offset by \$34.0 million of completed projects moved to capital assets. Depreciation and amortization expense totaled \$63.1 million for the fiscal year ended March 31, 2026.

Accumulated amortization related to subscription-based information technology arrangements decreased by \$2.0 million due to modifications of certain subscription-based agreements.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 4 - Airport and Facilities, Net (continued)

Changes in airport and facilities are as follows for the year ended March 31, 2025:

	<u>April 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2025</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 46,535,059	\$ —	\$ —	\$ 46,535,059
Construction in progress	101,670,648	201,544,019	(66,829,405)	236,385,262
Total capital assets not being depreciated	148,205,707	201,544,019	(66,829,405)	282,920,321
 <u>Other capital assets</u>				
Landing field and grounds	631,582,624	39,940,985	—	671,523,609
Terminal buildings	738,062,876	8,600,782	—	746,663,658
Other buildings	237,672,220	4,120,191	—	241,792,411
Utilities	3,628,237	—	—	3,628,237
Equipment	61,608,111	14,150,433	—	75,758,544
Subscription Based Assets	3,239,659	4,078,965	(263,754)	7,054,870
Total other capital assets	1,675,793,727	70,891,356	(263,754)	1,746,421,329
Total airport and facilities	1,823,999,434	272,435,375	(67,093,159)	2,029,341,650
 <u>Accumulated depreciation</u>				
Landing field and grounds	(393,494,589)	(27,733,666)	—	(421,228,255)
Terminal buildings	(318,797,178)	(21,183,914)	—	(339,981,092)
Other buildings	(209,792,627)	(4,966,878)	—	(214,759,505)
Utilities	(3,357,786)	(48,524)	—	(3,406,310)
Equipment	(47,759,185)	(6,798,198)	—	(54,557,383)
Subscription Based	(1,307,137)	(1,459,646)	263,754	(2,503,029)
Total accumulated depreciation	(974,508,502)	(62,190,826)	263,754	(1,036,435,574)
 Airport and facilities, net	\$ 849,490,932	\$ 210,244,549	\$ (66,829,405)	\$ 992,906,076

For the year ended March 31, 2025, construction in progress increased by \$201.5 million, partially offset by \$66.8 million of projects placed into service and transferred from construction in progress to depreciable capital assets. Depreciation and amortization expense totaled \$62.2 million for the fiscal year ended March 31, 2025.

Accumulated amortization related to subscription-based information technology arrangements decreased by \$0.3 million due to modifications of certain subscription-based agreements.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 5 - Debt Activity

Subscription-Based Liability

The Authority has entered into subscription-based information technology arrangements (SBITAs) that provide a noncancelable right to use certain software and information technology systems over the contractual term of the agreements. These arrangements primarily consist of airport operational systems, payroll and human resources systems, security and access applications, parking systems, and other cloud-based software utilized in support of airport operations and administrative functions. The related subscription liabilities represent the Authority's obligation to make future payments under these arrangements.

The Authority's subscription-based information technology arrangements have contractual terms ranging from 2 to 4 years. As of March 31, 2026, the Authority reported total subscription liabilities of \$5.1 million, with \$2.0 million due within one year.

Changes in subscription liabilities for the year ended March 31, 2026 are as follows:

Fiscal Year Ending March 31	Beginning Payables	Additions	Reductions	Ending Payables
2025	\$ 1,725,510	\$ 4,051,164	\$ 1,429,028	4,347,646
2026	4,347,646	3,502,882	2,747,004	5,103,524

Future principal and interest requirements related to subscription liabilities as of March 31, 2026, are as follows:

Fiscal Year Ending March 31	Principal	Interest	Total
2027	\$ 1,979,893	\$ 135,267	\$ 2,115,160
2028	1,636,986	73,744	1,710,730
2029	941,640	32,767	974,407
2030	545,005	5,268	550,273
	<u>\$ 5,103,524</u>	<u>\$ 247,046</u>	<u>\$ 5,350,570</u>

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 5 - Debt Activity (continued)

Long-Term Debt

Changes of long-term debt for the fiscal year ended March 31, 2026 consist of the following:

Amounts due to trustee	April 1, 2025	Reductions	Additions	March 31, 2026
Series 2008C 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	\$ 44,185,000	\$ 2,805,000	\$ —	\$ 41,380,000
Series 2015A 3.07% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030 (Refunded 2005A Bonds)	20,790,000	3,045,000	—	17,745,000
Series 2015B 3.00% General Airport Revenue Bonds, maturing in varying installments beginning 2016 to 2029 (Refunded 2005A Bonds)	17,050,000	3,085,000	—	13,965,000
Series 2017A 3.56% General Airport Revenue Bonds, maturing in varying installments beginning 2018 to 2037 (Refunded 2007 Bonds)	86,050,000	4,830,000	—	81,220,000
Series 2020A 2.14% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2036 (Refunded 2010 Bonds)	112,085,000	8,180,000	—	103,905,000
Series 2020B 1.31% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2031 (Refunded 2010 Bonds)	46,550,000	5,695,000	—	40,855,000
Total bond obligations	326,710,000	27,640,000	—	299,070,000
Less current maturities	27,640,000	—	1,400,000	29,040,000
Total long-term bond obligations	299,070,000	27,640,000	(1,400,000)	270,030,000
Unamortized premium (discount), net	44,250,803	5,020,930	—	39,229,873
Total long-term debt	\$ 343,320,803	\$ 32,660,930	\$ (1,400,000)	\$ 309,259,873

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 5 - Debt Activity (continued)

Changes of long-term debt for the year ended March 31, 2025 consist of the following:

Amounts due to trustee	April 1, 2024	Reductions	Additions	March 31, 2025
Series 2008C 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	\$ 46,865,000	\$ 2,680,000	\$ —	\$ 44,185,000
Series 2015A 3.07% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030 (Refunded 2005A Bonds)	23,690,000	2,900,000	—	20,790,000
Series 2015B 3.00% General Airport Revenue Bonds, maturing in varying installments beginning 2016 to 2029 (Refunded 2005A Bonds)	19,980,000	2,930,000	—	17,050,000
Series 2017A 3.56% General Airport Revenue Bonds, maturing in varying installments beginning 2018 to 2037 (Refunded 2007 Bonds)	90,665,000	4,615,000	—	86,050,000
Series 2020A 2.14% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2036 (Refunded 2010 Bonds)	119,865,000	7,780,000	—	112,085,000
Series 2020B 1.31% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2031 (Refunded 2010 Bonds)	51,970,000	5,420,000	—	46,550,000
Total bond obligations	353,035,000	26,325,000	—	326,710,000
Less current maturities	26,325,000	—	1,315,000	27,640,000
Total long-term bond obligations	326,710,000	26,325,000	(1,315,000)	299,070,000
Unamortized premium (discount), net	49,271,734	5,020,931	—	44,250,803
Total long-term debt	\$ 375,981,734	\$ 31,345,931	\$ (1,315,000)	\$ 343,320,803

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
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Note 5 - Debt Activity (continued)

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

Years Ending March 31	General Airport Revenue Bond Series 2008C	General Airport Revenue Bond Series 2015A	General Airport Revenue Bond Series 2015B	General Airport Revenue Bond Series 2017A	General Airport Revenue Bond Series 2020A	General Airport Revenue Bond Series 2020B	Total Interest
2027	\$ 2,940,000	\$ 3,205,000	\$ 3,235,000	\$ 5,075,000	\$ 8,600,000	\$ 5,985,000	\$ 13,709,825
2028	3,080,000	3,370,000	3,405,000	5,340,000	9,045,000	6,295,000	12,248,217
2029	3,230,000	3,540,000	3,580,000	5,610,000	7,785,000	6,615,000	10,754,892
2030	3,390,000	3,725,000	3,745,000	5,900,000	8,180,000	6,955,000	9,243,950
2031	3,550,000	3,905,000	—	6,190,000	8,600,000	7,315,000	7,774,396
2032-2036	20,480,000	—	—	35,990,000	50,085,000	7,690,000	21,288,342
2036-2038	4,710,000	—	—	17,115,000	11,610,000	—	1,172,325
	<u>\$ 41,380,000</u>	<u>\$ 17,745,000</u>	<u>\$ 13,965,000</u>	<u>\$ 81,220,000</u>	<u>\$ 103,905,000</u>	<u>\$ 40,855,000</u>	<u>\$ 76,191,947</u>

For the table above, interest on the Series 2008C Variable Rate Bonds was calculated using an estimated interest rate of 4.0% over the remaining term of the bond. For the fiscal year ended March 31, 2026, the actual average interest rate on these bonds was 2.5%.

Master Trust Indenture

On February 27, 2001, the Authority entered into a Master Trust Indenture, dated as of February 1, 2001, that established the primary financing mechanism for the issuance of bonds to finance improvements to the Airport. Bonds issued under the Master Trust Indenture are obligations of the Authority, secured by and payable from the Net Revenues of the Authority, and under certain circumstances, the proceeds of the bonds, investment earnings, amounts set aside in a Debt Service Reserve Fund created under the Master Trust Indenture, and certain other funds and accounts. The occurrence of an event of default does not grant any right to accelerate payment of the bonds to either the trustee or the owners of any bonds.

Financing and Refunding Transactions

Series 2008ABC Variable Rate Airport Revenue Bonds

On May 2, 2008, the Authority issued \$300.0 million of Series 2008ABC Variable Rate Airport Revenue Bonds to refund the Series 2006ABCDE Bonds. The Series 2008 Bonds were issued as variable interest rate bonds, but the swaps converted the interest rate to a synthetic fixed rate. The Series 2006 Bond proceeds were used for the development of Terminal 2. There was no gain or loss on the refunding.

Series 2010A Refunding Bonds

On August 6, 2010, the Authority elected to terminate all three of its interest rate swap positions. In conjunction with these terminations, the Authority simultaneously issued the 2010A refunding bonds in the amount of \$242.4 million, which refunded the 2008AB variable bonds. The Authority's remaining \$72.3 million Series 2008C Bonds were converted to bear interest at the weekly interest rate on December 3, 2009. These Bonds are secured by an irrevocable, direct-pay Letter of Credit.

Series 2015AB Refunding Bonds

On June 5, 2015, the Authority issued \$82.7 million of Series 2015AB Bonds to refund its Series 2005AB Bonds. The Series 2005AB Bond proceeds were used for the development of Terminal 2, including the redevelopment of the north ramp general aviation area, an Authority Operations Center, and the relocation of

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 5 - Debt Activity (continued)

Taxiway D and ramp expansion. This refunding resulted in future debt service savings of \$16.5 million and net present value economic gain of \$11.8 million.

Series 2017A Refunding Bonds

On March 14, 2017, the Authority issued \$115.2 million of Series 2017A Bonds to advance refund its Series 2007 Bonds. The Series 2007 Bond proceeds were used for the development of the new Terminal 2. This advance refunding resulted in future debt service savings of \$23.0 million and net present value economic gain of \$15.0 million. The proceeds of the 2017A bonds were deposited in an escrow fund pending the call date of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority's statements of net position.

Series 2020A and 2020B Refunding Bonds

On March 4, 2020, the Authority issued \$141,005,000 of Series 2020A Bonds and \$69,610,000 of Series 2020B Bonds to refinance Bond Series 2010A, 2010B and 2010B-1. The Series 2010B and 2010B-1 were issued to advance refund the Series 2001A Bonds. The proceeds from 2001A Bonds were used for the design and construction of several improvements to the Airport, including the construction of a garage, two warehouse buildings to house support equipment, alterations to existing parking structures, roadways, bridges, toll plazas, walkways, and alterations to a pedestrian tunnel. The proceeds from Bond Series 2020A and 2020B were deposited into an escrow fund pending the call date of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority's statements of net position. This refunding resulted in future debt service savings of \$88.3 million and in a net present value economic gain of \$62.7 million. In conjunction with the 2020A and 2020B refunding, the Authority terminated two parity reserve investments. These investment terminations resulted in an \$8.2 million realized gain due to the increase of fair value at the time of closing.

Arbitrage and Rate Covenant Requirements

The Authority's bonds are subject to federal arbitrage regulations, and are reviewed for potential arbitrage liability annually on the bond issue dates. On March 31, 2026, the Authority's arbitrage rebate liability is \$1.6 million.

These bonds have rate covenants associated with them, whereby the Authority must maintain a debt service coverage ratio of net revenues and available fund balance to debt service. The bond documents provide for a number of technical adjustments to be followed in determining the net revenues and debt service to be used in this calculation. The rate covenant generally requires that sum of (i) the net revenues for the fiscal year and (ii) available fund balance at the end of the fiscal year in an amount up to 25% of debt service for the fiscal year (the "25% transfer") must be no less than 125% of the adjusted debt service calculated for the fiscal year. The debt service coverage ratio at March 31, 2026 with this 25% transfer is 15.71. The debt service coverage ratio at March 31, 2026 without this 25% transfer is calculated as follows:

Net revenues	\$ 159,632,198
Annual debt service	10,323,118
Calculated debt service coverage ratio without transfer	<u>15.46</u>

For the fiscal year ended March 31, 2025, the Authority had debt service coverage ratios of 12.78 without transfer and 13.03 with transfer.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 6 - Leases

The Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with the exception for leases with a term of 12 months or less, leases held as investments, leases that provide both parties with cancellation rights, leases that transfer ownership of the underlying asset, and leases that are regulated leases.

Regulated leases

Regulated leases are agreements between airports and aeronautical users that are subject to external laws, regulations, or legal rulings that regulate rates and access. These regulated leases primarily consist of month-to-month airline use agreements for terminal, airfield, and related aeronautical facilities. All regulated leases between the Authority and aeronautical users are month-to-month agreements. These short-term agreements are not recognized as a lease receivable or deferred inflow of resources.

Lease Receivables

Lease payments received are based on terms that specify fixed payments, variable payments based on business performance, or a combination of fixed and variable payments. The Authority's lease arrangements primarily relate to terminal concession space, rental car operations, cargo facilities, airline support facilities, hangars, and ground leases associated with airport operations. The lease receivable is measured at the present value of fixed lease payments expected to be received during the lease term. Variable payments are not included in the measurement of the lease receivable. The deferred inflow of resources is measured as the value of the lease receivable, in addition to any payments received at or before the commencement of the lease term that relate to future periods. The leases held by the Authority do not contain an implicit rate; therefore, the Authority used an incremental borrowing rate of 3.5% to discount lease payments to present value.

For the fiscal year ended March 31, 2026 the Authority reported lease receivable of \$65.1 million, lease revenue of \$11.0 million, and interest revenue of \$2.4 million related to lease payments received. For the fiscal year ended March 31, 2025, the Authority reported lease receivable of \$74.1 million, lease revenue of \$9.7 million, and interest revenue of \$2.6 million related to lease payments received.

A summary of future lease revenue is as follows:

Years Ending March 31	Principal	Interest	Total
2027	\$ 9,760,318	\$ 2,010,289	\$ 11,770,607
2028	9,878,669	1,680,501	11,559,170
2029	7,704,560	1,382,936	9,087,496
2030	6,528,784	1,159,547	7,688,331
2031	5,981,384	963,984	6,945,368
2031-2036	10,429,188	3,168,622	13,597,810
2036-2041	7,994,750	1,917,478	9,912,228
2041-2046	6,340,988	458,826	6,799,814
2046-2051	434,194	21,113	455,307
2051-2056	51,747	4,253	56,000
			—
	\$ 65,104,582	\$ 12,767,549	\$ 77,872,131

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans

Local Governmental Employees' Retirement System

Plan description - The Authority participates in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries.

Article 3 of Chapter 128 of the North Carolina General Statutes, assigns the Authority to establish and amend benefit provisions to the North Carolina General Assembly. LGERS is included in the State of North Carolina's Annual Comprehensive Financial Report (ACFR). The State's ACFR includes financial statements and required supplementary information for LGERS and may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits provided - LGERS provides retirement benefits to eligible members. Retirement benefits are determined using a formula equal to 1.85% of the member's average final compensation multiplied by the member's years of creditable service. Average final compensation is calculated using the member's four highest consecutive years of compensation.

Eligibility - Members of the North Carolina Local Governmental Employees' Retirement System (LGERS) are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Members are eligible for partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters).

Law enforcement officers (LEO's) participating in LGERS are eligible to retire with full retirement benefits at age 55 with five years of creditable service as a law enforcement officer or at any age with 30 years of creditable service. LEO members are eligible for partial retirement benefits at age 50 with 15 years of creditable service as a law enforcement officer.

Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who meet one of the following conditions:

- completed 20 years of creditable service regardless of age;
- completed 15 years of creditable service as a law enforcement officer and attained age 50;
- completed 5 years of creditable service as a law enforcement officer and attained age 55; or
- completed 15 years of creditable service as a law enforcement officer and were killed in the line of duty.

Eligible beneficiaries may elect to receive a lifetime monthly Survivor's Alternate Benefit or a return of the member's contributions.

Contributions - Contribution provisions are established by the North Carolina General Statute 128-30 and may be amended only by the North Carolina General Assembly. Authority employees are required to contribute 6.0% of their annual covered salary. The Authority is required to contribute at actuarially determined rates established annually by the LGERS Board of Trustees. The Authority's contractually required contribution rate for employees not engaged in law enforcement and for law enforcement officers is 14.4% and 16.1%, respectively, of annual covered payroll. The Authority's contributions to LGERS for the fiscal years ended March 31, 2026 and 2025 were \$6.9 million and \$5.8 million, respectively. Contributions made by the Authority

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

were actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year.

Refunds of contributions - Authority employees who terminate service as contributing members of LGERS may file an application for a refund of their contributions. Under state law, refunds to members with at least five years of service include 4% interest. State law also requires a 60 day waiting period after service termination before a refund may be paid. Acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

On March 31, 2026, the Authority reported a liability of \$26.5 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, based on an actuarial valuation performed as of December 31, 2024. The total pension liability was rolled forward from the valuation date to the measurement date using update procedures incorporating actuarial assumptions. The Authority's proportionate share of the net pension liability was based on the Authority's projected long-term share of future payroll covered by the pension plan, relative to the projected future payroll of all participating LGERS employers. On June 30, 2025, the Authority's proportion was 0.42823%, which was an decrease of 0.00306% from its proportion measured as of June 30, 2024.

As of March 31, 2026, the Authority has recognized life to date pension expense of \$7.4 million. On March 31, 2026 and March 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,454,118	\$ —	\$ 5,095,104	\$ —
Changes of assumptions	—	—	—	—
Net difference between projected and actual earnings on pension plan investments	—	788,116	3,952,778	34,257
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,282,650	230,618	1,902,439	119,119
Employer contributions subsequent to the measurement date	5,480,904	—	4,563,642	—
Total	\$ 13,217,672	\$ 1,018,734	\$ 15,513,963	\$ 153,376

Deferred outflow of resources of \$5.5 million resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2027.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending March 31</u>	<u>Amounts</u>
2027	\$ 6,924,949
2028	1,290,534
2029	(340,604)
2030	(1,156,845)
2031	—
Thereafter	—
Total	<u>\$ 6,718,034</u>

Actuarial assumptions - The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Actuarial Assumptions</u>	<u>2026</u>	<u>2025</u>
Inflation	2.50 %	2.50 %
Salary increases - including inflation and productivity factor	3.25% to 8.25%,	3.25% to 8.25%
Investment rate of return - net of pension plan investment expense, including inflation	6.5%	6.5 %

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e. disabled, healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost-of-living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 are summarized in the following tables:

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NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

Asset Class	Target Allocation	Long-Term Expected
		Real Rate of Return
Fixed Income	29.0 %	2.4 %
Global Equity	42.0 %	6.8 %
Real Estate	8.0 %	6.1 %
Alternatives	8.0 %	7.9 %
Credit	7.0 %	5.1 %
Inflation Protection	6.0 %	4.2 %
Total	100.0 %	

The information above is based on 30 year expectations developed with the consulting actuary firm as part of a study that was completed in early 2022, and is part of the asset liability and investment policy of the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount rate - The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the net pension asset to changes in the discount rate - The following presents the Authority's proportionate share of the net pension asset calculated using the discount rate of 6.5% and 6.5% for fiscal years ended 2026 and 2025 respectively, as well as what the Authority's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	(Dollar amounts in thousands)					
	2026			2025		
	1% Decrease	Current Discount Rate (6.50%)	1% Increase	1% Decrease	Current Discount Rate (6.50%)	1% Increase
Authority's proportionate share of the net pension liability (asset)	\$25,007	\$26,462	\$24,478	\$27,476	\$29,075	\$31,256

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

**RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025**

Note 7 - Employee Retirement Plans (continued)

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan description - The Authority contributes to the Supplemental Retirement Income Plan for Law Enforcement Officers (the Plan), a defined contribution pension plan administered by the North Carolina Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Authority. Article 5 of Chapter 135 of the North Carolina General Statutes assigns the Authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding policy - Article 12E of Chapter 143 of the North Carolina General Statutes requires the Authority to contribute monthly an amount equal to 5 percent of each officer's salary. All amounts contributed by the Authority are immediately vested. Law enforcement officers may make voluntary contributions to the Plan.

Contributions for the year ended March 31, 2026 were \$0.61 million, which consisted of \$0.26 million from the Authority and \$0.36 million from the law enforcement officers. Contributions for the year ended March 31, 2025 were \$0.51 million, which consisted of \$0.22 million from the Authority and \$0.29 million from the law enforcement officers.

Law Enforcement Officer's Special Separation Allowance (LEOSSA)

Plan description - The Authority administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to qualified sworn law enforcement officers of the Authority. Benefits are provided to officers under the age of 62 who have either completed at least 30 years of creditable service or attained age 55 with five or more years of creditable service.

The Separation Allowance benefit is determined based on 0.85% of the annual equivalent base rate of compensation most recently applicable to the officer for each year of creditable service. Retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the North Carolina General Assembly. Article 12D of Chapter 143 of the North Carolina General Statutes assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2024, the Separation Allowance's membership consisted of:

<u>Category</u>	<u>Number</u>
Retirees receiving benefits	2
Active plan members	44
Total	46

Summary of significant accounting policies:

Basis of accounting - The Authority has elected to fund the Separation Allowance on a pay-as-you-go basis through appropriations included in the operating budget. Pension expenditures are paid from operating accounts maintained on the accrual basis of accounting. The Separation Allowance does not have assets accumulated in a trust that meets the criteria established under Generally Accepted Accounting Principles for

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

purposes of reporting pension plan fiduciary net position. For the fiscal year ended March 31, 2026, the Authority paid \$0.04 million in benefits as they came due.

Actuarial assumptions: The entry age normal actuarial cost method was used in the December 31, 2024 valuation. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25%-9.50%, including inflation factor
Discount rate	4.82%

The discount rate used to measure the TPL is the Bond Buyers General Obligation 20 Year Municipal Bond Index Rate.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: As of March 31, 2026, the Authority reported a total pension liability of \$2.0 million related to Separation Allowance. The total pension liability was measured as of December 31, 2025 based on an actuarial valuation as of December 31, 2024. The total pension liability was then rolled forward to the measurement date of December 31, 2025 utilizing update procedures incorporating the actuarial assumptions.

For the year ended March 31, 2026, the Authority recognized pension expense of \$0.2 million related to Separation Allowance. In addition, the Authority reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 463,335	\$ 42,512	\$ 494,445	\$ 73,771
Changes of assumptions	64,465	424,920	128,193	164,372
Benefit payments subsequent to the measurement date	7,039	—	10,110	—
Total	\$ 534,839	\$ 467,432	\$ 632,748	\$ 238,143

\$7.0 thousand reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending March 31, 2027. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

<u>Years Ending March 31</u>	<u>Amounts</u>
2027	\$ 15,446
2028	15,775
2029	28,250
2030	(13,559)
2031	14,456
Thereafter	—
Total	\$ 60,368

Sensitivity of the Authority's total pension liability to changes in the discount rate - The following presents the Authority's total pension liability calculated using the discount rate of 4.82%, as well as what the Authority's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.82%) or 1 percentage point higher (5.82%) than the current rate:

	(Dollar amounts in thousands)						
	2026				2025		
	1% Decrease (3.82%)	Current Discount Rate (4.82%)	1% Increase (5.82%)		1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	\$2,118	\$1,956	\$1,809		\$2,288	\$2,082	\$1,896

The following table shows the changes in total pension liability by source as of March 31, 2026 and 2025:

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	2026	2025
Balance, beginning of year	\$ 2,082,088	\$ 1,780,275
Changes for the year:		
Service cost at end of year	111,930	118,496
Interest	88,319	70,033
Change in benefit terms	—	—
Difference between expected and actuarial experience	116,168	232,445
Changes of assumptions and other inputs	(405,059)	(60,261)
Benefit payments	(37,113)	(58,900)
Other	—	—
Net changes	(125,755)	301,813
Balance, end of year	\$ 1,956,333	\$ 2,082,088

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

The plan currently uses mortality tables that vary by age and health status (i.e., disabled, healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

DEATHS AFTER RETIREMENT (HEALTHY): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

DEATHS BEFORE RETIREMENT: Mortality rates are based on the Safety Mortality Table for Employees.

DEATHS AFTER RETIREMENT (BENEFICIARY): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

DEATHS AFTER RETIREMENT (DISABLED): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

At March 31, 2026 and 2025, the Authority reported defined benefit pension plans as follows:

	2026			2025		
	LGERS	LEOSSA	Total	LGERS	LEOSSA	Total
Pension expense	\$7,401,405	\$ 235,485	\$ 7,636,890	\$9,236,901	\$ 320,729	\$ 9,557,630
Pension liability	26,462,423	1,956,333	28,418,756	29,075,358	2,082,088	31,157,446
Proportionate share of the pension liability	0.43 %	N/A	N/A	0.43 %	N/A	N/A

Deferred outflow of resources:

Differences between expected and actual experience	\$6,454,118	\$ 463,335	\$ 6,917,453	\$5,095,104	\$ 494,445	\$ 5,589,549
Changes of assumptions	—	64,465	64,465	—	128,193	128,193
Net difference between projected and actual earnings on pension plan investments	—	—	—	3,952,778	—	3,952,778
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,282,650	—	1,282,650	1,902,439	—	1,902,439
Employer contributions subsequent to the measurement date	5,480,904	7,039	5,487,943	4,563,642	10,110	4,573,752
Total	\$13,217,672	\$ 534,839	\$13,752,511	\$15,513,963	\$ 632,748	\$16,146,711

Deferred inflow of resources

Net difference between projected and actual earnings on pension plan investments	\$ 788,116	\$ 42,512	\$ 830,628	\$ 34,257	\$ 73,771	\$ 108,028
Changes in proportion and differences between employer contributions and proportionate share of contributions	230,618	—	230,618	\$ 119,119	—	119,119
Changes of assumptions	—	424,920	424,920	\$ —	164,372	164,372
Total	\$1,018,734	\$ 467,432	\$ 1,486,166	\$ 153,376	\$ 238,143	\$ 391,519

**RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025**

Note 7 - Employee Retirement Plans (continued)

Other Post-Employment Benefits

Health Care Plan

Plan description: Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit Health Care Plan (the Plan). The Plan provides post-employment healthcare benefits to retirees of the Authority, who participate in the North Carolina Local Governmental Employees' Retirement System (LGERS).

Although eligibility to receive retirement benefits under LGERS vests after 5 years of service, eligibility for post-employment healthcare benefits from the Authority requires: (1) meet all requirements for retirement under LGERS and (2) complete the final 5 years of service with the Authority.

The Authority pays the same portion of healthcare premiums for qualified retirees and their dependents that is pays for active employees under the Authority's group health insurance plan. Coverage under the Authority's post-employment healthcare program ceases when the retiree reaches age 65, at which time the retiree is no longer covered by the Authority's group health insurance plan.

The Plan does not issue a stand-alone financial report and is not included in the financial statements of a public employee retirement system or another entity.

Membership in the Plan included the following at June 30, 2024, the date of the last actuarial valuation:

<u>Category</u>	<u>Number</u>
Retirees and dependents receiving benefits	150
Terminated plan members entitled to but not yet receiving benefits	—
Active plan members	243
Total	<u>393</u>

Funding policy: The Authority pays its portion of healthcare premiums for qualified retirees participating in the Plan, while the retirees are responsible for their applicable share of premium costs. The Authority has elected to fund these health care benefits on a pay-as-you-go basis, and no assets are accumulated in a trust that meets the criteria established under generally accepted accounting principles. .

Life Insurance Benefit

Plan description: Under the terms of an Authority resolution, the Authority administers a single-employer life insurance benefit program that provides post-employment life insurance coverage to eligible retirees in the amount of \$10,000. Coverage under the program ceases when the retiree reaches age 99, at which time the retiree is no longer covered under the Authority's life insurance policy.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

Funding policy: The Authority pays the full cost of life insurance premiums for eligible retirees. The Authority has elected to fund these benefits on a pay-as-you-go basis, and no assets are accumulated to pay future benefits. The Authority's obligation to contribute to the life insurance benefit program is established and may be amended by the Authority's Board of Directors.

Summary of significant accounting policies: Post-employment benefit expenditures for the Authority's share of healthcare and life insurance premiums are paid from the Authority's enterprise fund, which is maintained on the full accrual basis of accounting. No assets are accumulated in a qualifying trust to pay related benefits or administrative costs. These expenditures are paid as they come due.

Total OPEB liability: The Authority's total liability of \$9.8 million, was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2024

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases	3.25%-8.41%, average, including inflation
Discount rate	5.20%
Healthcare cost trend rates	7.00% for 2024 decreasing to an ultimate rate of 4.50% by 2034

The discount rate is based on the June 2025 average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the total OPEB liability:

	2026	2025
Balance, beginning of the year	\$ 10,649,377	\$ 10,588,651
Changes for the year:		
Service Cost	454,710	504,569
Interest	425,571	393,291
Changes of benefit terms	—	—
Differences between expected and actual experience	(119,399)	(213,150)
Changes in assumptions or other inputs	(1,059,945)	18,044
Benefit payments	(555,952)	(642,028)
Net Changes	(855,015)	60,726
Balance, end of the year	\$ 9,794,362	\$ 10,649,377

Changes in assumptions and other inputs reflect a change in the discount rate from 3.93% to 5.20%.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions used in the June 30, 2024 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2024 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

(Dollar amounts in thousands)

	2026			2025		
	1% Decrease	Discount Rate (5.20%)	1% Increase	1% Decrease	Discount Rate (3.93%)	1% Increase
Total OPEB liability	\$10,662	\$9,794	\$9,025	\$11,644	\$10,649	\$9,771

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1 percentage-point-higher than the current healthcare cost trend rates:

(Dollar amounts in thousands)

	2026			2025		
	1% Decrease	Healthcare Cost Trend	1% Increase	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB liability	\$8,913	\$9,794	\$10,819	\$9,727	\$10,649	\$11,725

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 7 - Employee Retirement Plans (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended March 31, 2026 the Authority recognized OPEB expense of \$1.0 million. On March 31, 2026 and 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 503,631	\$ 461,352	\$ 938,997	\$ 496,201
Changes of assumptions	244,438	1,348,328	454,144	703,777
Benefit payments and administrative costs made subsequent to the measurement date	466,948	—	379,760	—
Total	\$ 1,215,017	\$ 1,809,680	\$ 1,772,901	\$ 1,199,978

\$0.5 million reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended March 31, 2027. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending March 31	Amounts
2027	\$ 1,364
2028	(386,687)
2029	(337,042)
2030	(239,887)
2031	(99,359)
Thereafter	—
Total	\$ (1,061,611)

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2026 and 2025

Note 8 - Commitments and contingencies

Risk management - The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees and the general public; and natural disasters. The Authority carries commercial insurance against risks of loss, including property and public liability insurance and workers' compensation. Over the past three periods settled claims from these risks have been far less than commercial insurance coverage. The Authority maintains a self-insurance health care program for eligible employees and retirees. To limit exposure to significant losses, the Authority maintains specific stop loss insurance coverage through a commercial insurance carrier. The stop-loss policy provides reimbursement for covered individual claims that exceed a specific benefit deductible of \$200,000 per covered individual. The policy also includes an aggregate benefit maximum of \$1,000,000 during the policy period.

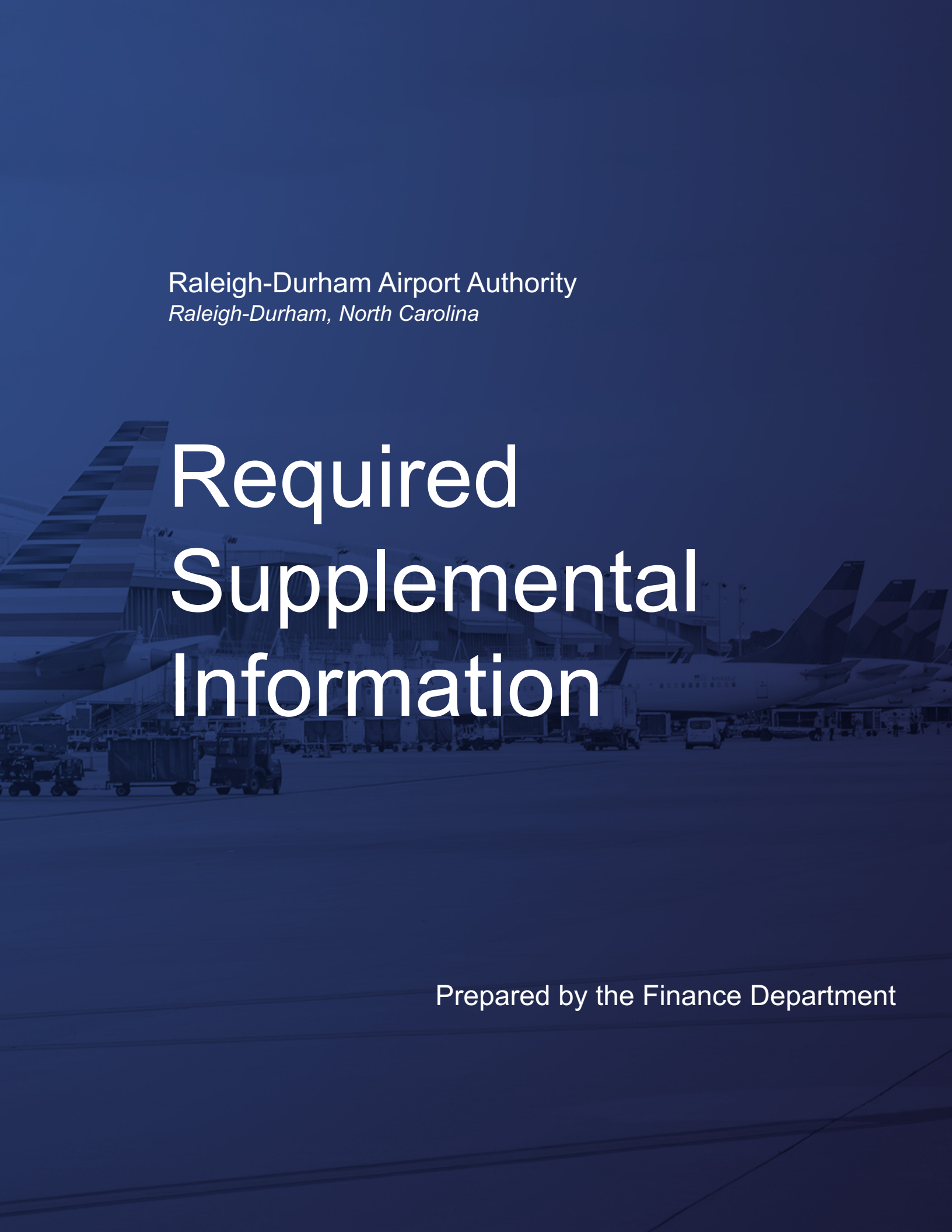
The Authority maintains Public Official Bonds for the individual designated as the Finance Officer. As of March 31, 2026, the Vice President, Chief Financial Officer is the designated Finance Officer with coverage of \$1.0 million in accordance with the NC General Statute 159-29.

Construction commitments - On March 31, 2026 and 2025, the Authority has contractual commitments for Authority capital programs of approximately \$189.6 million and \$163.5 million, respectively.

Note 9 - Subsequent Events

The Authority has evaluated subsequent events through July 16, 2026 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

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Raleigh-Durham Airport Authority
Raleigh-Durham, North Carolina

Required Supplemental Information

Prepared by the Finance Department

**RALEIGH-DURHAM AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT HEALTH CARE PLAN
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
LAST EIGHT FISCAL YEARS*
(in thousands)**

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability								
Service cost at end of year	\$ 455	\$ 505	\$ 498	\$ 720	\$ 784	\$ 474	\$ 445	\$ 453
Interest	426	393	380	257	258	259	250	228
Differences between expected and actual experience	(119)	(213)	(179)	(295)	(116)	2,732	418	153
Changes of assumptions, benefit terms, or other inputs	(1,060)	18	(104)	(1,120)	(132)	1,255	251	(202)
Net benefit payments	<u>(556)</u>	<u>(642)</u>	<u>(489)</u>	<u>(559)</u>	<u>(430)</u>	<u>(1,033)</u>	<u>(735)</u>	<u>(453)</u>
Net change in OPEB liability	(854)	61	106	(997)	364	3,687	629	179
OPEB liability - beginning	<u>10,649</u>	<u>10,589</u>	<u>10,482</u>	<u>11,478</u>	<u>11,113</u>	<u>7,427</u>	<u>6,798</u>	<u>6,619</u>
OPEB liability - ending	<u>\$ 9,795</u>	<u>\$ 10,649</u>	<u>\$ 10,589</u>	<u>\$ 10,481</u>	<u>\$ 11,478</u>	<u>\$ 11,113</u>	<u>\$ 7,427</u>	<u>\$ 6,798</u>
Covered-employee payroll	\$ 28,104	\$ 28,104	\$ 26,833	\$ 26,833	\$ 27,088	\$ 27,088	\$ 21,268	\$ 21,268
OPEB liability as a percentage of covered-employee payroll	34.85 %	37.89 %	39.46 %	39.06 %	42.37 %	41.03 %	34.92 %	31.96 %
Discount Rate	5.20 %	3.93 %	3.93 %	3.54 %	2.16 %	2.21 %	3.50 %	3.89 %

Notes to the required schedules:

*The schedules are intended to present information for ten years. Additional years will be displayed as they become available. The Authority did not have plan assets accumulated in a trust.

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate for each period. The following discount rates were used in each period:

RALEIGH-DURHAM AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
LAW ENFORCEMENT OFFICER'S SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY (UNAUDITED)
LAST NINE FISCAL YEARS*
(in thousands)

Pension Liability	2026	2025	2024	2023	2022	2021	2020	2019	2018
Service cost at end of year	\$ 112	\$ 118	\$ 84	\$ 89	\$ 89	\$ 65	\$ 63	\$ 62	\$ 48
Interest	88	70	53	37	25	36	37	33	36
Difference between expected and actual experience	116	232	415	(168)	72	59	68	136	—
Changes of assumptions, benefit terms, or other inputs	(405)	(60)	50	(257)	282	140	34	(7)	19
Net benefit payments	<u>(37)</u>	<u>(59)</u>	<u>(103)</u>	<u>(117)</u>	<u>(119)</u>	<u>(121)</u>	<u>(115)</u>	<u>(119)</u>	<u>(135)</u>
Net change in pension liability	(126)	301	499	(416)	349	179	87	105	(32)
Pension liability - beginning	<u>2,082</u>	<u>1,780</u>	<u>1,281</u>	<u>1,697</u>	<u>1,348</u>	<u>1,169</u>	<u>1,082</u>	<u>977</u>	<u>1,009</u>
Pension liability - ending	<u>\$ 1,956</u>	<u>\$ 2,082</u>	<u>\$ 1,780</u>	<u>\$ 1,281</u>	<u>\$ 1,697</u>	<u>\$ 1,348</u>	<u>\$ 1,169</u>	<u>\$ 1,082</u>	<u>\$ 977</u>

Notes to the required schedules:

December 31, 2025 Measurement Date: The Municipal Bond Index Rate increased from 4.28% to 4.82%.

*The schedules are intended to show information for ten years. Additional years will be displayed as they become available. The Authority did not have plan assets accumulated in a trust. The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

RALEIGH-DURHAM AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
LAW ENFORCEMENT OFFICER'S SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL (UNAUDITED)
LAST NINE FISCAL YEARS*
(in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total pension liability - ending	\$ 1,956	\$ 2,082	\$ 1,780	\$ 1,281	\$ 1,697	\$ 1,348	\$ 1,169	\$ 1,082	\$ 977
Covered-employee payroll	4,525	4,292	3,625	2,752	3,067	2,782	2,824	2,799	2,388
Total pension liability as a percentage of covered-employee payroll	43%	49%	49%	47%	55%	48%	41%	39%	41%

Notes to the required schedules:

The Raleigh-Durham Airport Authority has no assets accumulated in a trust nor does the Plan provides pay related benefits.

*The pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

**RALEIGH-DURHAM AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
LAST TEN FISCAL YEARS
(in thousands)**

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportionate share of net pension liability (asset)	0.4282 %	0.4313 %	0.3735 %	0.3520 %	0.3730 %	0.3781 %	0.3442 %	0.3328 %	0.3116 %	0.3123 %
Proportionate share of net pension liability (asset) (\$)	\$ 26,462	\$ 29,075	\$ 24,739	\$ 19,858	\$ 5,720	\$ 13,511	\$ 9,401	\$ 7,894	\$ 4,761	\$ 6,628
Covered payroll - measurement period	\$ 43,960	\$ 40,079	\$ 33,117	\$ 27,465	\$ 26,437	\$ 27,884	\$ 24,109	\$ 22,403	\$ 20,253	\$ 20,098
Proportionate share of net pension liability (asset) as a percentage of covered payroll	60.20%	72.54%	74.70%	72.31%	21.64%	48.45%	38.99%	35.24%	23.51%	32.98%
Plan fiduciary net position as a percentage of the total pension liability	85.68 %	83.30 %	82.49 %	84.14 %	95.51 %	88.61 %	90.86 %	91.63 %	94.18 %	91.47 %

Notes to the required schedules:

The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**RALEIGH-DURHAM AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST TEN FISCAL YEARS
(in thousands)**

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$6,878	\$5,797	\$4,875	\$3,893	\$2,902	\$2,681	\$2,369	\$1,819	\$1,621	\$1,411
Contributions in relation to the contractually required contribution	6,878	5,797	4,875	3,893	2,902	2,681	2,369	1,819	1,621	1,411
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll - fiscal year	\$48,539	\$43,227	\$38,789	\$32,881	\$27,722	\$27,130	\$27,141	\$23,559	\$21,771	\$20,140
Contributions as a percentage of covered payroll	14.17 %	13.41 %	12.57 %	11.84 %	10.47 %	9.88 %	8.73 %	7.72 %	7.45 %	7.00 %



Raleigh-Durham Airport Authority
Raleigh-Durham, North Carolina

Statistical Section

Prepared by the Finance Department

The ***Statistical Section*** presents detailed information on financial trends, revenue capacity, debt capacity, demographic, and economic information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

**RALEIGH-DURHAM AIRPORT AUTHORITY
STATISTICAL TABLE OF CONTENTS
For the Fiscal Year Ended March 31, 2026**

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Financial Trends These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	56
Revenue Capacity These schedules contain information to help the reader assess the Authority's most significant revenue source.	60
Debt Capacity These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.	63
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	66
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	68

RALEIGH-DURHAM AIRPORT AUTHORITY
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net position										
Net investment in capital assets	\$ 731,941	\$ 579,305	\$ 429,201	\$ 373,870	\$ 351,650	\$ 360,060	\$ 363,557	\$ 256,701	\$ 256,189	\$ 261,637
Restricted For:										
Debt service	39,164	40,334	40,413	39,027	38,558	38,559	39,224	47,527	46,060	45,098
DEA/ICE forfeitures	531	789	796	1,165	1,165	1,091	291	226	116	80
State grant funds			17,371	6,139	—	—	—	14,560	—	—
Passenger facility charges	68,348	66,650	64,591	58,976	47,264	29,033	33,122	32,289	27,635	25,530
Customer facility charges	134,050	113,473	93,908	75,917	62,160	51,734	48,881	32,249	16,216	3,383
Unrestricted net position	612,296	582,436	542,756	482,243	365,915	301,190	273,320	258,352	169,432	123,686
Total net position	\$ 1,586,330	\$ 1,382,987	\$ 1,189,036	\$ 1,037,337	\$ 866,712	\$ 781,667	\$ 758,395	\$ 641,904	\$ 515,648	\$ 459,414

Note:

Due to Raleigh-Durham Airport Authority's required adoption of GASB 96 during FY2024, the Net Position for FY2023 has been re-stated for comparative financial statements.

Due to Raleigh-Durham Airport Authority's required adoption of GASB 87 during FY2022, the Net Position for FY2021 has been re-stated for comparative financial statements.

Due to Raleigh-Durham Airport Authority's required adoption of GASB 75 during FY2019, the Net Position for FY2018 has been re-stated for comparative financial statements.

Due to Raleigh-Durham Airport Authority's required adoption of GASB 73 during FY2018, the Net Position for FY2017 has been re-stated for comparative financial statements.

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Last Ten Fiscal Years
(in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating revenues										
Parking	\$ 105,842	\$ 104,564	\$ 100,841	\$ 79,137	\$ 49,918	\$ 13,338	\$ 65,169	\$ 60,544	\$ 54,975	\$ 55,843
Airfield	27,320	24,128	21,572	17,835	13,960	6,881	17,783	18,809	16,614	15,058
Terminals	81,131	74,404	64,651	60,626	55,664	36,705	55,900	55,102	51,771	37,930
Rental car	22,193	22,306	20,398	19,008	16,071	8,413	17,913	17,446	16,142	16,743
Ground Transportation	12,717	11,359	9,355	7,228	3,331	1,237	6,584	5,755	4,573	1,871
General Aviation	4,623	4,979	4,397	4,234	2,185	1,910	1,904	1,655	1,858	1,722
Other	13,267	12,406	10,388	9,279	7,105	5,199	8,338	6,560	5,714	4,647
Total operating revenues	267,093	254,146	231,602	197,347	148,234	73,683	173,591	165,871	151,647	133,814
Operating expenses										
Personnel	70,683	66,887	60,003	48,456	39,451	40,172	39,803	33,877	31,052	27,170
Professional Services	7,586	5,874	6,061	5,924	3,126	2,897	6,800	2,789	7,577	7,434
Contractual Labor	33,159	31,322	24,328	23,336	22,429	16,388	25,268	22,285	18,399	17,439
Utilities	8,320	7,968	7,428	7,076	6,298	5,646	6,581	6,974	6,235	6,368
Material and Supplies	8,066	7,476	7,174	4,479	2,716	2,123	5,675	3,640	3,558	2,250
General and Administrative	7,832	9,862	6,802	5,353	3,212	2,383	4,173	3,810	5,508	4,621
Subtotal	135,646	129,389	111,796	94,624	77,232	69,609	88,300	73,375	72,329	65,282
Depreciation and amortization	63,108	62,191	59,659	55,115	55,528	53,203	50,382	47,889	48,200	49,735
Total operating expenses	198,754	191,580	171,455	149,739	132,760	122,812	138,682	121,264	120,529	115,017
Operating income (loss)	68,339	62,566	60,147	47,608	15,474	(49,129)	34,909	44,607	31,118	18,797
Non-operating revenues (expenses)										
Investment interest income	26,019	28,882	28,298	12,451	1,037	1,537	8,675	7,230	3,008	2,259
Passenger facility charges	32,872	32,173	30,115	26,713	20,231	5,911	27,833	26,653	23,816	22,680
Customer facility charges	20,181	20,190	17,991	13,896	10,424	5,871	16,632	16,579	15,066	3,147
Bond interest expense, net	(9,968)	(11,675)	(12,708)	(12,804)	(12,857)	(15,600)	(4,646)	(21,404)	(21,891)	(22,575)
Other	6,035	70	979	54,969	23,522	49,282	7,226	735	272	(636)
Total non-operating revenues (exp)	75,139	69,640	64,675	95,225	42,357	47,001	55,720	29,793	20,271	4,875
Income (loss) before contributions	143,478	132,206	124,822	142,833	57,831	(2,128)	90,629	74,400	51,389	23,672
Capital contributions	59,865	61,744	26,878	27,558	28,352	27,956	25,862	53,820	4,948	2,775
Write down of discontinued projects	—	—	—	—	(1,138)	(6,004)	—	—	—	—
Increase (decrease) in net position	203,343	193,952	151,700	170,391	85,045	19,824	116,491	128,220	56,337	26,447
Net position, beginning restated				235	—	3,447	—	(1,964)	(104)	—
Net position, beginning of year	1,382,987	1,189,036	1,037,336	866,710	781,665	758,394	641,903	515,647	459,414	432,967
Net position, end of year	\$ 1,586,330	\$ 1,382,987	\$ 1,189,036	\$ 1,037,336	\$ 866,710	\$ 781,665	\$ 758,394	\$ 641,903	\$ 515,647	\$ 459,414

Note:

Due to Raleigh-Durham Airport Authority's required adoption of GASB 96 during FY2024, the Net Position for FY2023 has been re-stated for comparative financial statements.

Due to Raleigh-Durham Airport Authority's required adoption of GASB 87 during FY2022, the Net Position for FY2021 has been re-stated for comparative financial statements.

Due to Raleigh-Durham Airport Authority's required adoption of GASB 75 during FY2019, the Net Position for FY2018 has been re-stated for comparative financial statements.

Due to Raleigh-Durham Airport Authority's required adoption of GASB 74 during FY2018, the Net Position for FY2017 has been re-stated for comparative financial statements.

RALEIGH-DURHAM AIRPORT AUTHORITY
KEY PERFORMANCE INDICATORS
Last Ten Fiscal Years
(in thousands)

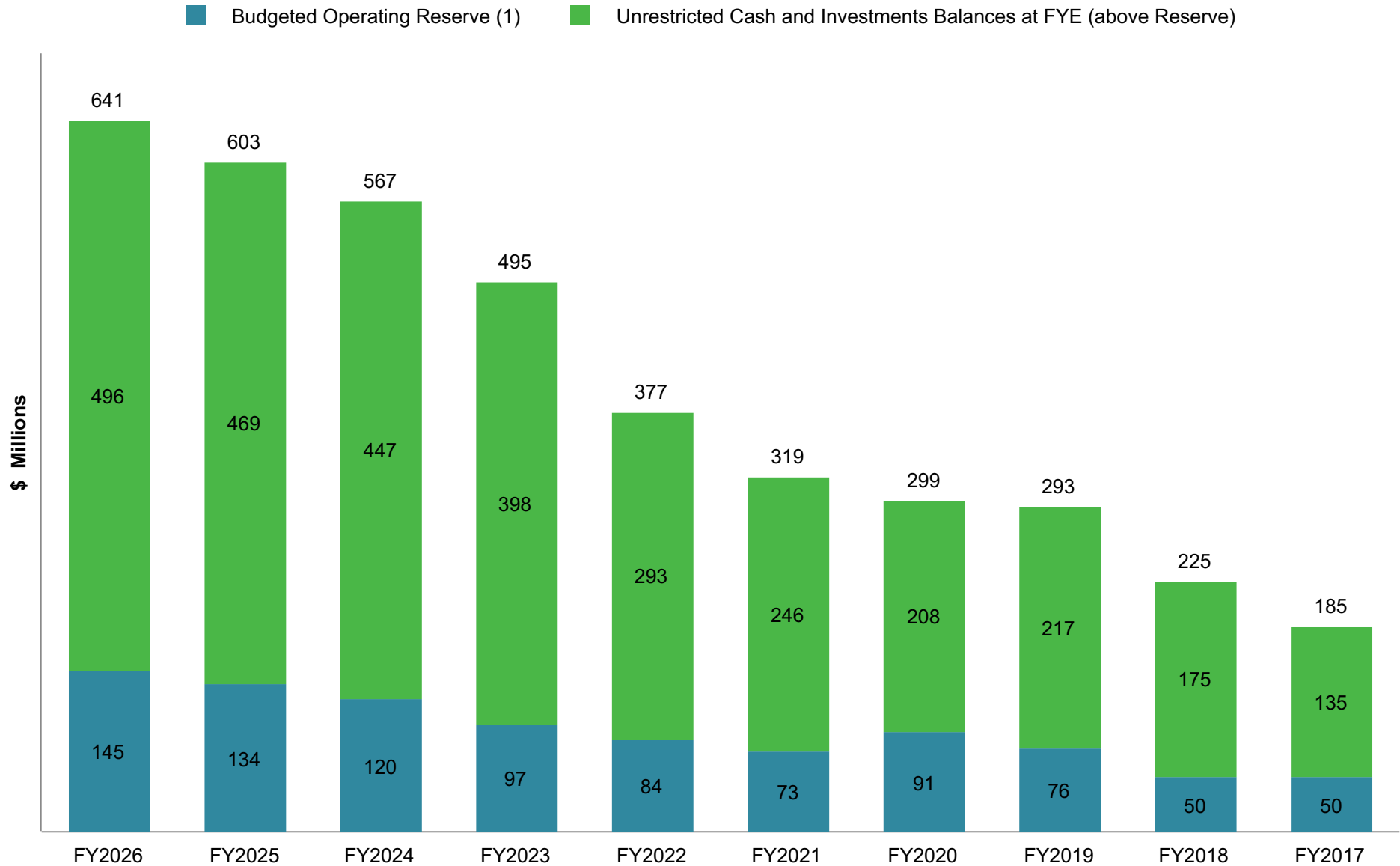
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Airline cost per enplanement (CPE)*	\$ 10.28	\$ 9.26	\$ 8.88	\$ 9.14	\$ 9.98	\$ 19.92	\$ 8.12	\$ 8.59	\$ 8.68	\$ 7.28
Airline cost per airline operation	558.31	438.99	405.26	427.27	417.77	541.76	346.89	360.75	352.13	286.04
Terminal concession revenue per enplanement	2.70	2.43	2.20	2.10	2.54	1.41	1.80	1.77	1.51	1.67
Terminal concession revenue per airline operation	146.87	119.79	102.96	98.08	106.37	38.40	76.78	74.43	61.09	65.51
Rental car revenue per enplanement	2.82	2.87	2.76	3.04	3.20	4.80	2.60	2.67	2.72	2.98
Rental car revenue per airline operation	153.76	141.07	129.00	142.06	133.88	130.53	110.88	111.97	110.11	117.16
Parking revenue per enplanement	15.13	14.90	14.89	13.80	10.59	8.26	10.39	10.12	10.01	10.27
Parking revenue per airline operation	824.05	733.10	696.68	645.11	443.29	224.73	443.74	425.10	405.97	403.47
Non-aeronautical revenue per enplanement	21.67	21.16	20.64	19.80	17.18	16.81	15.51	15.01	14.65	15.05
Non-aeronautical revenue per airline operation	1,179.93	1,041.15	966.15	926.01	719.04	457.28	662.62	630.51	593.88	591.36
Total operating revenue per enplanement	33.98	32.66	31.30	31.54	29.50	42.03	25.15	25.35	25.51	23.84
Total operating revenue per airline operation	1,850.42	1,607.23	1,464.66	1,474.93	1,234.90	1,143.21	1,074.55	1,064.53	1,034.47	936.39
Total operating revenue per total operation	1,217.47	1,181.98	1,104.47	1,027.62	805.49	650.42	792.07	756.85	753.68	691.41
Total operating expenses per enplanement	17.26	16.63	15.11	15.13	15.37	39.71	12.79	11.21	12.17	11.63
Total operating expenses per airline operation	939.76	818.25	707.01	707.20	643.40	1,080.01	546.59	470.90	493.40	456.82
Total operating expenses per total operation	618.31	601.75	533.14	492.72	419.67	614.45	402.90	334.80	359.47	337.31
Number of days unrestricted cash on hand	1,736.99	1,759.46	1,909.59	1,966.00	1,801.00	1,674.93	1,234.00	1,459.83	1,135.00	1,036.00

Note:

*2018 and forward CPE calculation includes deduction for airline incentives

Source: Raleigh-Durham Airport Authority Finance Department

**RALEIGH-DURHAM AIRPORT AUTHORITY
RDU UNRESTRICTED CASH AND INVESTMENT BALANCES
Last Ten Fiscal Years**

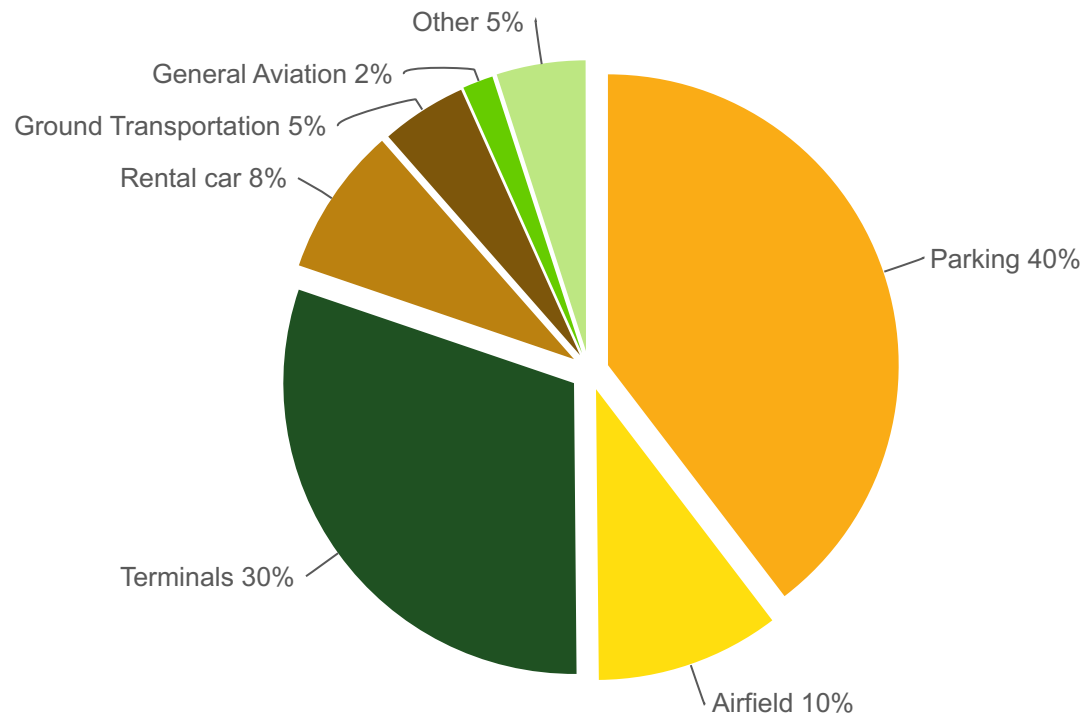


Note:

(1) The Authority formally adopted an operating reserve policy to maintain an operating reserve of about one times the current fiscal year's annual operating budgeted expenses (excluding depreciation).

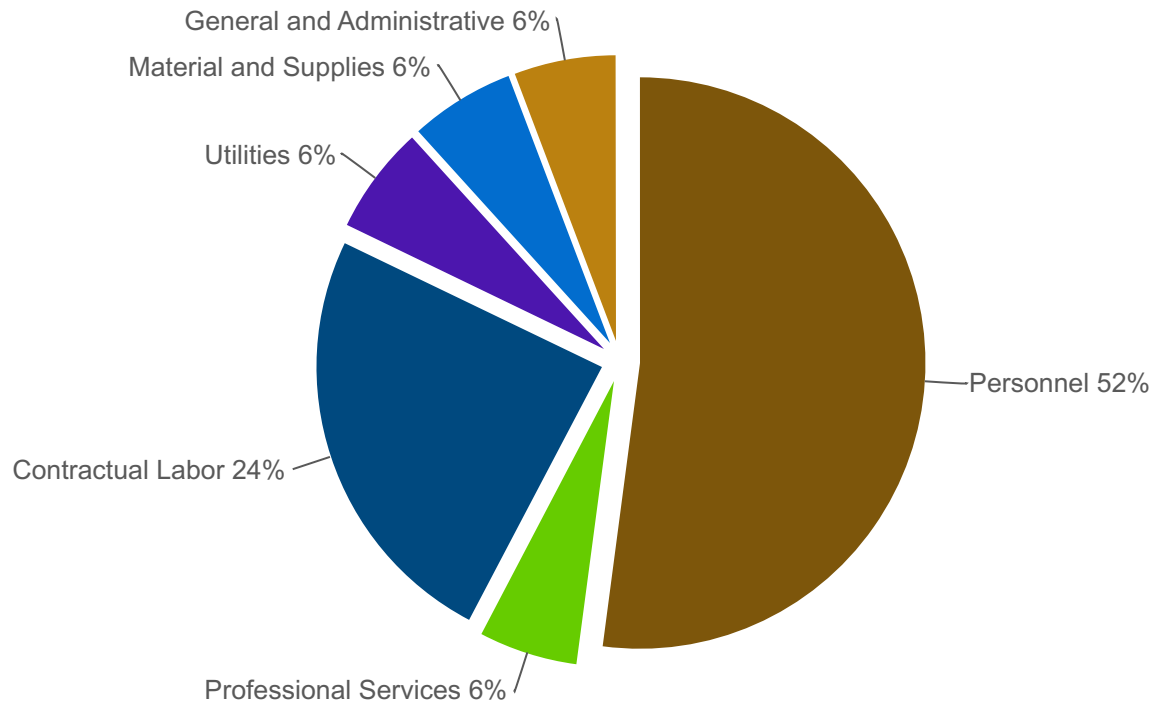
RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2026 Operating Revenue by Source
(in thousands)

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Parking	\$ 105,842	\$ 104,564	\$ 100,130	\$ 79,137	\$ 49,918	\$ 13,338	\$ 65,169	\$ 60,544	\$ 54,975	\$ 55,843
Airfield	27,320	24,128	21,573	17,835	13,960	6,881	17,783	18,809	16,615	15,058
Terminals	81,131	74,404	64,651	60,626	55,664	36,705	55,900	55,102	51,771	37,930
Rental car	22,193	22,306	20,398	19,008	16,071	8,413	17,913	17,446	16,142	16,743
Ground Transportation	12,717	11,359	10,037	7,228	3,331	1,237	6,584	5,755	4,573	1,871
General Aviation	4,623	4,979	4,397	4,233	2,185	1,910	1,904	1,655	1,858	1,722
Other	13,267	12,406	10,416	9,279	7,105	5,199	8,338	6,560	5,714	4,647
Total	\$ 267,093	\$ 254,146	\$ 231,602	\$ 197,346	\$ 148,234	\$ 73,683	\$ 173,591	\$ 165,871	\$ 151,648	\$ 133,814



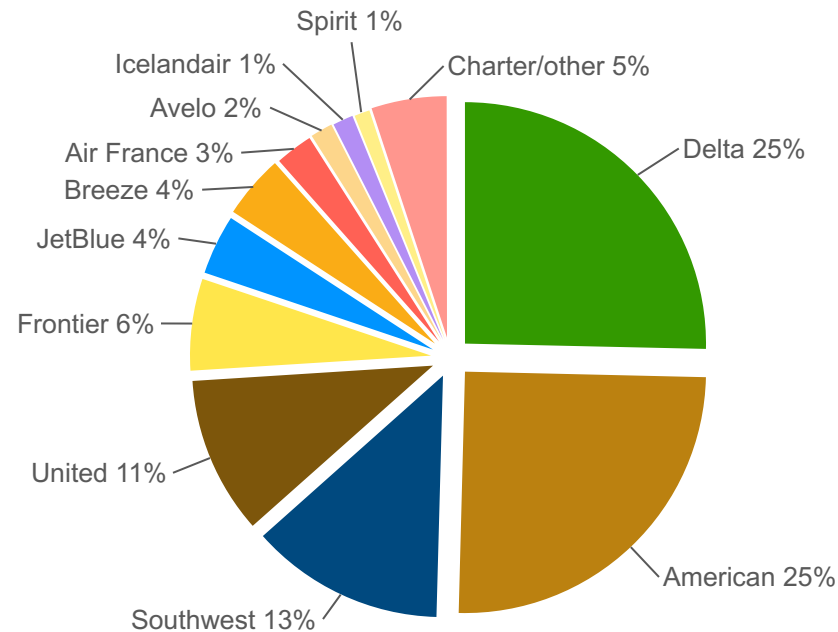
RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2026 Operating Expenses before Depreciation and Amortization by Source
(in thousands)

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Personnel	\$ 70,683	\$ 66,887	\$ 60,003	\$ 48,456	\$ 39,451	\$ 40,172	\$ 39,803	\$ 33,877	\$ 31,052	\$ 27,170
Professional Services	7,586	5,873	6,061	5,923	3,126	2,897	6,800	2,789	7,577	7,434
Contractual Labor	33,159	31,321	24,328	23,336	22,429	16,388	25,268	22,285	18,400	17,439
Utilities	8,320	7,968	7,428	7,076	6,298	5,647	6,581	6,974	6,235	6,368
Material and Supplies	8,066	7,476	7,174	4,479	2,716	2,123	5,675	3,640	3,558	2,250
General and Administrative	7,832	9,862	6,802	5,354	3,212	2,383	4,173	3,810	5,509	4,621
Total	\$135,646	\$129,387	\$111,796	\$ 94,624	\$ 77,232	\$ 69,610	\$ 88,300	\$ 73,375	\$ 72,331	\$ 65,282



RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2026 Airline Derived Revenue by Carrier
(in thousands)

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Delta	\$ 20,448	\$ 19,061	\$ 18,586	\$ 17,381	\$ 14,605	\$ 9,422	\$ 17,434	\$ 17,566	\$ 18,427	\$ 11,571
American	20,194	18,870	18,116	15,699	13,009	7,928	14,088	15,004	15,653	11,651
Southwest	10,496	7,620	7,266	7,568	7,823	5,686	8,021	9,027	8,528	6,458
United	8,497	8,132	7,375	6,398	5,873	3,665	6,490	6,819	6,658	5,070
Frontier	4,965	4,923	3,808	2,800	2,069	1,818	3,208	2,919	1,064	579
Breeze	3,437	1,077	709	72	—	—	—	—	—	—
JetBlue	3,245	3,206	3,139	3,459	3,468	1,754	2,458	2,820	2,627	1,805
Air France	2,041	1,692	422	—	—	—	—	—	—	—
Avelo	1,225	882	1,247	326	—	—	—	—	—	—
Icelandair	1,108	1,076	704	449	—	—	—	—	—	—
Spirit	853	697	780	959	—	—	—	—	—	—
Charter/other	4,080	2,180	1,931	2,059	3,302	4,646	4,341	2,055	1,783	1,182
Total	\$ 80,589	\$ 69,416	\$ 64,083	\$ 57,170	\$ 50,149	\$ 34,919	\$ 56,040	\$ 56,210	\$ 54,740	\$ 38,316



RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT SERVICE SCHEDULE
Current Year and Ten Years Projection
(in thousands)

RDU BOND ISSUES	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<u>2008C (Non-AMT) - \$72.295M Variable Rate - PFC</u>											
Principal (May Only)	\$ 2,805	\$ 2,940	\$ 3,080	\$ 3,230	\$ 3,390	\$ 3,550	\$ 3,720	\$ 3,900	\$ 4,090	\$ 4,280	\$ 4,490
Interest (12 Months)	1,047	1,547	1,425	1,296	1,161	1,019	871	716	553	382	203
Total	<u>3,852</u>	<u>4,487</u>	<u>4,505</u>	<u>4,526</u>	<u>4,551</u>	<u>4,569</u>	<u>4,591</u>	<u>4,616</u>	<u>4,643</u>	<u>4,662</u>	<u>4,693</u>
<u>2015A (Non-AMT) - \$34.060M (3.07%) Fixed Rate</u>											
Principal (May Only)	3,045	3,205	3,370	3,540	3,725	3,905	—	—	—	—	—
Interest (May)	510	434	354	270	181	88	—	—	—	—	—
Interest (November)	434	354	270	181	88	—	—	—	—	—	—
Total	<u>3,989</u>	<u>3,993</u>	<u>3,994</u>	<u>3,991</u>	<u>3,994</u>	<u>3,993</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>2015B (AMT) - \$48.685M (3.00%) Fixed Rate - PFC</u>											
Principal (May Only)	3,085	3,235	3,405	3,580	3,745	—	—	—	—	—	—
Interest (May)	411	334	253	168	79	—	—	—	—	—	—
Interest (November)	334	253	168	79	—	—	—	—	—	—	—
Total	<u>3,830</u>	<u>3,822</u>	<u>3,826</u>	<u>3,827</u>	<u>3,824</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>2017A (AMT) - \$115.23M (3.56%) Fixed Rate - PFC</u>											
Principal (May Only)	4,830	5,075	5,340	5,610	5,900	6,190	6,495	6,830	7,180	7,550	7,935
Interest (May)	2,141	2,020	1,893	1,760	1,619	1,472	1,328	1,165	995	815	626
Interest (November)	2,020	1,893	1,760	1,619	1,472	1,328	1,165	995	815	626	428
Total	<u>8,991</u>	<u>8,988</u>	<u>8,993</u>	<u>8,989</u>	<u>8,991</u>	<u>8,990</u>	<u>8,988</u>	<u>8,990</u>	<u>8,990</u>	<u>8,991</u>	<u>8,989</u>
<u>2020A (AMT) - \$141.005M (2.14%) Fixed Rate - PFC</u>											
Principal (May Only)	8,180	8,600	9,045	7,785	8,180	8,600	9,040	9,505	9,995	10,505	11,040
Interest (May)	2,802	2,598	2,383	2,157	1,962	1,757	1,542	1,316	1,079	829	566
Interest (November)	2,598	2,383	2,157	1,962	1,757	1,542	1,316	1,079	829	566	290
Total	<u>13,580</u>	<u>13,581</u>	<u>13,585</u>	<u>11,904</u>	<u>11,899</u>	<u>11,899</u>	<u>11,898</u>	<u>11,900</u>	<u>11,903</u>	<u>11,900</u>	<u>11,896</u>
<u>2020B (NON-AMT) - \$69.610M (1.31%) Fixed Rate</u>											
Principal (May Only)	5,695	5,985	6,295	6,615	6,955	7,315	7,690	—	—	—	—
Interest (May)	1,164	1,021	872	714	549	375	192	—	—	—	—
Interest (November)	1,021	872	714	549	375	192	—	—	—	—	—
Total	<u>7,880</u>	<u>7,878</u>	<u>7,881</u>	<u>7,878</u>	<u>7,879</u>	<u>7,882</u>	<u>7,882</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FY Principal Total	27,640	29,040	30,535	30,360	31,895	29,560	26,945	20,235	21,265	22,335	23,465
FY Interest Total	14,482	13,709	12,249	10,755	9,243	7,773	6,414	5,271	4,271	3,218	2,113
Total Principal and Interest	<u>\$ 42,122</u>	<u>\$ 42,749</u>	<u>\$ 42,784</u>	<u>\$ 41,115</u>	<u>\$ 41,138</u>	<u>\$ 37,333</u>	<u>\$ 33,359</u>	<u>\$ 25,506</u>	<u>\$ 25,536</u>	<u>\$ 25,553</u>	<u>\$ 25,578</u>
Total principal outstanding at end of FY	<u>\$ 299,070</u>	<u>\$ 270,030</u>	<u>\$ 239,495</u>	<u>\$ 209,135</u>	<u>\$ 177,240</u>	<u>\$ 147,680</u>	<u>\$ 120,735</u>	<u>\$ 100,500</u>	<u>\$ 79,235</u>	<u>\$ 56,900</u>	<u>\$ 33,435</u>
PFC offsets to annual debt service	(32,872)	—	—	—	—	—	—	—	—	—	—
DEBT SERVICE P&I NET OF PFC OFFSET	<u>\$ 9,250</u>	<u>\$ 42,749</u>	<u>\$ 42,784</u>	<u>\$ 41,115</u>	<u>\$ 41,138</u>	<u>\$ 37,333</u>	<u>\$ 33,359</u>	<u>\$ 25,506</u>	<u>\$ 25,536</u>	<u>\$ 25,553</u>	<u>\$ 25,578</u>

Notes:

1. This schedule represents Cash flow Scheduled Debt Service. Accrual Basis interest expense will differ slightly.
2. 2008C interest costs are based on estimated weekly variable rates of 4.0%. Actual average variable rates for fiscal year ended March 31, 2026 were 2.5%. This interest cost excludes program costs such as liquidity and remarketing fees, which total 19.6 basis points.
3. There are no irrevocable commitments of PFC's beyond FY2015/2016.

RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT DETAILS AND AMOUNTS OUTSTANDING
March 31, 2026
(in thousands)

Series	Final Maturity	Use of Funds	Original Issue		Call Date	Current Issue		%
			Amount	Rate		Amount	Rate	Fixed/ Variable
Variable Rate								
2008C	5/1/2036	Refunded 2008C variable bonds to non-AMT -T2	\$ 75,000	4.7%	Any Time	\$ 41,380	2.5%	13.8%
		Sub-Total	75,000			41,380		13.8%
Fixed Rate								
2015A	5/1/2030	Refunded 2005A-Operation Center, G/A Term, 75% of Taxiway D	34,060	4.7%	5/1/2025	17,745	3.1%	5.9%
2015B	5/1/2029	Refunded 2005B-Terminal 2 project, 25% of Taxiway D	48,685	4.7%	5/1/2025	13,965	3.0%	4.7%
2017A	5/1/2037	Refunded 2007-Terminal 2 project	115,230	4.8%	5/1/2027	81,220	3.6%	27.2%
2020A	5/1/2036	Refunded 2010A bonds Terminal 2 project for PV savings	141,005	4.1%	5/1/2030	103,905	2.1%	34.7%
2020B	5/1/2031	Refunded 2010B & B-1 Parking Garage Bonds for PV savings	69,610	4.1%	5/1/2030	40,855	1.3%	13.7%
		Sub-Total	408,590			257,690		86.20%
		Total	\$ 483,590	4.46%		\$ 299,070	2.55%	100.00%
Unamortized bond premium (discount), net						39,230		
Total Debt Outstanding						\$ 338,300		

RALEIGH-DURHAM AIRPORT AUTHORITY
General Airport Revenue Bonds
Ratios of Outstanding Debt
March 31, 2026
(in thousands)

Fiscal Year	Bond Obligations						Subscription Based Agreements ¹	Total Outstanding Debt	Debt Per Enplanement
	Principal Outstanding	Principal Outstanding	Interest Outstanding	Total Debt Service	Unamortized Premium				
2026	\$ 299,070	\$ 29,040	\$ 13,709	\$ 42,749	\$ 39,230	\$ 5,104	\$ 343,404	\$ 44	
2025	326,710	27,640	15,100	42,740	44,251	4,348	375,309	48	
2024	353,035	25,065	17,639	42,704	49,272	1,726	404,033	55	
2023	378,100	23,855	17,769	41,624	54,293	1,895	434,288	69	
2022	401,955	22,725	17,915	40,640	59,314	—	461,269	92	
2021	424,680	21,085	15,315	36,400	64,335	—	489,015	279	
2020	445,765	22,685	29,948	52,633	69,355	—	515,120	75	
2019	531,275	22,760	24,400	47,160	—	—	531,275	81	
2018	554,035	17,640	22,963	40,603	—	—	554,035	93	
2017	571,675	24,600	29,790	54,390	—	—	571,675	102	

Note: ¹The Authority implemented GASB No. 96, Subscription-Based Information Technology Arrangements in FY23.

RALEIGH-DURHAM AIRPORT AUTHORITY
DEMOGRAPHIC INFORMATION
Last Ten Years
(in thousands)

Year	Population*	Median Household Income**	Per Capita Income***	Median Age**** (Years)	Unemployment Rate***** (%)
2025	1,604	\$95.6	\$54.4	37.0	3.4%
2024	1,576	92.2	Unavailable	36.9	3.3%
2023	1,508	87.5	55.2	36.7	3.2%
2022	1,478	85.8	67.7	38.1	3.1%
2021	1,451	77.7	65.8	37.2	5.4%
2020	1,444	73.1	60.9	37.5	6.1%
2019	1,413	69.3	58.1	37.1	3.5%
2018	1,381	65.1	54.5	37.0	3.4%
2017	1,348	62.3	52.4	36.7	4.0%
2016	1,318	59.8	50.4	36.4	4.4%

Sources:

- *U.S. Census Bureau Statistics for Wake County and Durham County
- **U.S. Census Bureau - American Community Survey
- ***U.S. Department of Commerce, Bureau of Economic Analysis
- ****Raleigh-Durham-Cary, NC CSA - Profile Data - Census Reporter
- *****U.S. Department of Labor, Bureau of Labor Statistics

RALEIGH-DURHAM AIRPORT AUTHORITY
RALEIGH-DURHAM TRIANGLE PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Major employers of the region include:

Employer	2025			2016		
	Employees	Rank	% to Total Employment	Employees	Rank	% to Total Employment
Duke University & Duke Health Systems	43,108	1	4.28%	35,998	1	4.46%
State of North Carolina	24,083	2	2.39%	24,083	2	2.98%
Wake County Public School System	17,000	3	1.69%	18,554	3	2.30%
Wal-Mart	16,800	4	1.67%	N/A	N/A	N/A
WakeMed Health & Hospitals	10,307	5	1.02%	8,422	5	1.04%
Food Lion	9,037	6	0.90%	N/A	N/A	N/A
North Carolina State University	9,019	7	0.90%	7,876	7	0.97%
International Business Machines (IBM)	9,000	8	0.89%	17,000	4	2.10
Target Corporation	8,400	9	0.83%	N/A	N/A	N/A
UNC Rex Healthcare	7,700	10	0.76%	5,300	9	0.66%
Cisco System, Inc	5,000	N/A	0.50%	5,500	8	1.07%
SAS Institute, Inc.	4,024	N/A	0.40%	5,232	10	0.68%
GlaxoSmithKline (GSK)	3,000	N/A	0.30%	8,350	6	0.65%
Total	166,478		16.53%	136,315		16.91%

Note: The Authority primarily serves the Research Triangle; officially named the Raleigh-Durham-Cary CSA (combined statistical area).

Source: Wake County Economic Development

RALEIGH-DURHAM AIRPORT AUTHORITY
ACTIVITY STATISTICS
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Total Passengers	Aircraft Operations	Enplaned Cargo Volume (tons)	Deplaned Cargo Volume (tons)
2026	15,721	219	30	55
2025	15,542	215	33	65
2024	14,791	210	37	64
2023	12,485	192	44	70
2022	9,998	184	40	63
2021	3,479	113	44	70
2020	13,800	219	41	62
2019	13,070	212	43	65
2018	11,849	201	41	59
2017	11,211	194	35	51

Source: Raleigh-Durham Airport Authority Finance Department
Aircraft Operations represents the total number of take-offs and landings (passenger and cargo)

RALEIGH-DURHAM AIRPORT AUTHORITY
ENPLANED PASSENGERS BY AIRLINE
Last Ten Fiscal Years
(in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
AEROMEXICO	32.70	20.15	—	—	—	—	—	—	—	—
AIR CANADA	65.54	54.90	57.97	55.33	9.23	—	52.37	43.30	44.55	38.32
AIR FRANCE	75.88	68.89	14.90	—	—	—	—	—	—	—
ALASKA	84.62	83.91	70.76	71.93	58.77	30.37	83.05	97.22	73.31	54.31
ALLEGiant	—	—	—	5.42	11.07	9.54	30.44	66.30	61.38	44.81
AMERICAN	1,940.58	2,025.14	2,009.35	1,829.50	1,376.66	482.75	1,573.40	1,527.81	1,553.85	1,509.13
AVELO	114.31	126.93	146.24	39.11	—	—	—	—	—	—
BAHAMASAIR	—	0.47	2.73	1.67	—	—	—	—	—	—
BREEZE	387.47	194.18	98.46	4.46	—	—	—	—	—	—
CHARTER/ UNSCHEDULED	8.15	0.17	0.18	2.56	2.32	1.51	3.19	3.40	2.99	3.21
COPA AIRLINES	30.13	20.87	—	—	—	—	—	—	—	—
DELTA	2,032.97	2,011.42	1,991.55	1,808.50	1,565.34	417.03	2,154.32	1,991.81	1,836.96	1,683.46
FRONTIER	603.96	667.48	561.27	417.88	275.09	81.61	474.41	427.90	146.02	145.73
ICELANDAIR	42.53	39.82	30.73	19.16	—	—	—	—	—	—
JETBLUE	351.97	361.64	338.72	316.86	330.06	77.90	280.81	281.34	270.30	256.78
LUFTHANSA	44.94	34.37	—	—	—	—	—	—	—	—
SOUTHWEST	1,041.61	1,109.88	1,095.34	889.66	777.67	383.71	1,235.65	1,269.85	1,205.70	1,168.89
SPIRIT	93.45	77.68	85.26	51.10	71.40	51.49	225.81	—	—	—
SUN COUNTRY	22.91	25.01	19.14	14.11	6.13	—	—	—	—	—
UNITED	885.67	858.98	877.83	728.84	540.34	217.18	789.09	835.53	749.56	709.00
TOTAL	<u>7,859.39</u>	<u>7,781.89</u>	<u>7,400.43</u>	<u>6,256.09</u>	<u>5,024.08</u>	<u>1,753.09</u>	<u>6,902.54</u>	<u>6,544.46</u>	<u>5,944.62</u>	<u>5,613.64</u>

Source: Raleigh-Durham Airport Authority Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY
ENPLANED PASSENGERS BY MONTH
Last Ten Fiscal Years
(in thousands)

	Avg %	Monthly Avg	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
April	7.7%	472	639	628	591	502	299	20	572	538	487	447
May	8.7%	534	715	712	653	550	388	49	654	587	519	514
June	9.2%	564	738	742	687	560	450	106	679	615	546	519
July	9.3%	566	740	731	689	549	486	155	675	598	532	508
August	8.8%	538	689	691	652	526	431	159	648	583	519	482
September	8.0%	488	637	633	618	478	402	156	571	461	463	457
October	9.1%	554	716	688	678	567	469	184	639	574	530	493
November	8.7%	529	642	643	632	539	476	183	597	575	517	481
December	8.8%	538	695	689	611	527	483	192	636	563	507	481
January	6.7%	410	494	507	474	433	309	145	492	455	405	385
February	6.8%	414	511	482	495	449	348	152	483	443	405	375
March	8.2%	500	643	635	619	576	484	251	257	553	513	471
TOTAL		6,107	7,859	7,781	7,399	6,256	5,025	1,752	6,903	6,545	5,943	5,613
Increase (Decrease) over Prior Period			1.0 %	5.2 %	18.3 %	24.5 %	186.8 %	(74.6)%	5.5 %	10.1 %	5.9 %	1.2 %

Source: Raleigh-Durham Airport Authority Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY
LANDED WEIGHTS BY AIRLINE
Last Ten Fiscal Years
(in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>Airlines</u>										
AEROMEXICO	42.44	25.98	—	—	—	—	—	—	—	—
AIR CANADA	91.78	21.92	74.18	80.28	14.54	—	81.71	54.05	54.90	49.07
AIR FRANCE	125.05	109.23	27.63	—	—	—	—	—	—	—
ALASKA	87.10	80.55	67.84	69.25	60.77	64.65	86.31	108.50	84.84	64.38
ALLEGiant	—	—	—	5.37	12.69	19.12	34.60	69.47	62.03	45.53
AMERICAN	2,310.80	2,391.24	2,329.48	2,128.47	1,641.43	672.00	1,900.53	1,829.05	1,806.34	1,775.28
AVELO	141.83	151.20	174.59	47.86	—	—	—	—	—	—
BAHAMASAIR	—	2.20	5.04	4.91	—	—	—	—	—	—
BREEZE	573.25	261.53	128.18	5.25	—	—	—	—	—	—
CHARTER/OTHER	1.42	0.88	8.74	5.80	5.03	4.68	6.81	6.98	6.45	6.70
COPA	32.97	24.01	—	—	—	—	—	—	—	—
DELTA	2,345.54	2,271.30	2,022.40	2,138.14	1,904.31	848.76	2,541.60	2,330.01	2,149.36	2,057.12
FRONTIER	620.41	728.14	614.85	412.94	299.74	97.02	459.60	417.78	137.20	141.61
ICELANDAIR	46.63	44.05	35.17	22.92	—	—	—	—	—	—
JETBLUE	388.99	417.17	304.72	378.51	417.07	152.08	343.72	329.45	307.30	284.78
LUFTHANSA	87.55	69.63	—	—	—	—	—	—	—	—
SOUTHWEST	1,289.91	1,262.58	937.05	901.99	830.69	666.26	1,374.83	1,403.97	1,324.04	1,285.11
SPIRIT	103.13	74.52	87.69	57.44	76.89	59.32	286.62	—	—	—
SUN COUNTRY AIRLINES	28.38	30.28	20.63	15.95	9.66	—	—	—	—	—
UNITED AIRLINES	1,014.08	958.42	959.16	793.16	626.79	321.72	941.20	978.43	866.78	809.01
<u>Cargo</u>										
FEDERAL EXPRESS	215.45	252.38	296.92	345.89	357.44	320.11	294.93	302.78	319.47	299.70
UPS	214.45	263.81	276.62	369.26	357.11	278.05	248.96	203.68	178.22	157.18
OTHER	40.63	77.95	89.79	26.25	25.97	26.50	26.37	16.99	8.13	7.94
TOTAL	<u>9,801.79</u>	<u>9,518.97</u>	<u>8,460.68</u>	<u>7,809.64</u>	<u>6,640.13</u>	<u>3,530.27</u>	<u>8,627.79</u>	<u>8,051.14</u>	<u>7,305.06</u>	<u>6,983.41</u>

Source: Raleigh-Durham Airport Authority Finance Department

**RALEIGH-DURHAM AIRPORT AUTHORITY
CAPITAL ASSETS AND OTHER AIRPORT INFORMATION**

About the Airport:

Raleigh-Durham International Airport (RDU) is owned and operated by the Raleigh-Durham Airport Authority (Authority). The North Carolina General Assembly enacted legislation on March 9, 1939, enabling the cities of Raleigh and Durham and the counties of Wake and Durham to jointly establish, operate and maintain an airport and to appoint members to a board to be known as the "Aeronautics Authority for the City of Raleigh, City of Durham, County of Durham, and County of Wake". The enabling legislation further authorized the Aeronautics Authority to "act in an administrative capacity and be vested with the authority to control, lease, maintain, improve, operate, and regulate the joint airport or landing field." In 1941, the name of the Aeronautics Authority was changed to the Raleigh-Durham Airport Authority. Amendments to the Authority's enabling legislation have been enacted from time to time to define and expand the Authority's powers to operate the Airport.

Category	Details
Location	10 miles Southwest of the City of Durham and 10 miles Northwest of the City of Raleigh
Area Total	4,789 acres
Airport Code	RDU
Runways	Runway One (5L/23R): 10,000 ft L, 150 ft W, CAT I (5L) CAT III (23R)
	Runway Two (5R/23L): 7,500 ft L, 100 ft W, CAT II (5R), CAT I (23L)
	Runway Three (14/32) 3,550 ft L, 100 ft W, Not equipped for most commercial aircraft
Aircraft Overnight Parking	512,408 sq. ft.
Cargo Buildings	North Cargo: 105,762.26 sq. ft.
	South Cargo: 118,619.46 sq. ft.
Cargo Ramps	North Cargo Ramp: 1,010,515 sq. ft.
	South Cargo Ramp: 76,619 sq. ft.
Fixed Base Operators	Signature Flight Support & Atlantic Aviation
Terminals	Terminal 1: 791,762 sq. ft., 9 gates, service Alaska, Avelo, Breeze, Southwest, Spirit, and Sun Country
	Terminal 2: 920,000 sq. ft., 36 gates, service Aeromexico, Air Canada, Air France, American Airlines, BermudAir, Copa, Delta Airlines, Frontier, Icelandair, JetBlue Airways, Lufthansa, United Airlines, and West Jet
International	One international arrival concourse located in Terminal 2
Parking Spaces	Parking Garages: 11,272 spaces (approximately)
	Park & Ride Lots: 8,331 spaces (approximately)

RALEIGH-DURHAM AIRPORT AUTHORITY
GRANT EXPENDITURES HISTORY
Last Ten Fiscal Years
(in thousands)

Fiscal Year	State Funding	Federal Funding	Total Funding
2026	\$ 32,882	\$ 26,676	\$ 59,558
2025	14,646	47,172	61,818
2024	12,518	26,303	38,821
2023	12,540	63,288	75,828
2022	18,551	33,218	51,769
2021	35,807	40,505	76,312
2020	14,560	9,528	24,088
2019	38,421	15,350	53,771
2018	747	4,425	5,172
2017	590	2,441	3,031
Total	\$ 181,262	\$ 268,906	\$ 450,168

Source: Schedule of Expenditures of Federal and State Awards

**RALEIGH-DURHAM AIRPORT AUTHORITY
EMPLOYEE HEADCOUNT
Last Ten Fiscal Years**

<u>Fiscal Year Ended</u>	<u>Number of Employees</u>
2026	407
2025	403
2024	388
2023	341
2022	306
2021	298
2020	344
2019	329
2018	318
2017	288

Source: Raleigh-Durham Airport Authority Human Resources & Payroll Department



RALEIGH-DURHAM AIRPORT AUTHORITY
PO BOX 80001
RDU AIRPORT, NC 27623
919-840-7700

RALEIGH-DURHAM AIRPORT AUTHORITY

COMPLIANCE REPORT

As of and for the Fiscal Year Ended March 31, 2026

And Reports of Independent Auditor

RALEIGH-DURHAM AIRPORT AUTHORITY
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**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 Board Members and Management
Raleigh-Durham Airport Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Raleigh-Durham Airport Authority (the "Authority") as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statement. 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*.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
July 16, 2026

Report of Independent Auditor on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

To the Board Members and Management
Raleigh-Durham Airport Authority

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Raleigh-Durham Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect the Authority's major federal program for the year ended March 31, 2026. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority 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 March 31, 2026.

Basis for Opinion on the Major Federal Program

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended March 31, 2026 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated July 16, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

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 the Uniform Guidance and State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
July 16, 2026

Report of Independent Auditor on Compliance for the Major State Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

To the Board Members and Management
Raleigh-Durham Airport Authority

Report on Compliance for the Major State Program

Opinion on the Major State Program

We have audited the Raleigh-Durham Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Authority's major state program for the year ended March 31, 2026. The Authority's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority 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 state program for the year ended March 31, 2026.

Basis for Opinion on the Major State Program

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 state 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 state 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended March 31, 2026 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated July 16, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

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 the Uniform Guidance and State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
July 16, 2026

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2026

Section I—Summary of auditor's results

Type of auditor's report issued on whether the financial Statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted ☐ Yes ☒ No

Federal Awards

Internal control over federal program:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses ☐ Yes ☒ None reported
- Noncompliance material to federal program ☐ Yes ☒ No

Type of auditor's report issued on compliance for passenger facility charge program:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 20.516(a) ☐ Yes ☒ No

Identification of major federal programs:

Federal Assistance Listing Numbers

Names of Federal Program or Cluster

20.106

Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B Programs

\$1,000,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED MARCH 31, 2026

Section I—Summary of auditor's results (continued)

State Award

Internal control over state program:

- | | | |
|--|-----------|-----------------|
| • Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses | Yes | X None reported |

Noncompliance material to state award _____ Yes X No

Type of auditor's report issued on compliance for major state programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with the <i>Audit Manual for Governmental Auditors in North Carolina</i>	Yes	X	No
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Identification of major state programs:

Program Name

State Airport Improvement Program

Section II—Financial statement findings

None reported.

Section III—Federal awards findings and questioned costs

None reported.

Section IV—State award findings and questioned costs

None reported.

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED MARCH 31, 2026

None noted.

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED MARCH 31, 2026

Grantor / Program Type	Federal Assistance		
Federal Awards	Listing Number	Grant Number	Expenditures
<u>United States Department of Transportation - Federal Aviation Administration</u>			
Airport Improvement Program (AIP)	20.106	3-37-0056-061-2022	\$ 1,387,279
Airport Improvement Program (AIP)	20.106	3-37-0056-065-2023	515,974
Airport Improvement Program (AIP)	20.106	3-37-0056-066-2024	817,397
Airport Improvement Program (AIP)	20.106	3-37-0056-067-2024	2,978,730
Airport Terminal Program (ATP)	20.106	3-37-0056-068-2024	1,907,903
Airport Improvement Program (AIP)	20.106	3-37-0056-069-2025	1,016,279
Airport Infrastructure Grant (AIG)	20.106	3-37-0056-070-2024	10,507,055
Airport Improvement Program (AIP)	20.106	3-37-0056-071-2024	3,488,239
Airport Terminal Program (ATP)	20.106	3-37-0056-074-2025	4,056,706
Total U.S. Department of Transportation - Federal Aviation Administration			26,675,562
<u>United States Department of Justice</u>			
Asset Forfeiture Program - Immigration & Customs Enforcement (ICE)	16.922	N/A	276,663
Total Expenditures of Federal Awards			26,952,225
<u>North Carolina Department of Transportation</u>			
State Airport Improvement Program	N/A	36244.54.22.1	11,227,662
State Airport Improvement Program	N/A	36244.54.23.1	21,653,893
Total North Carolina Department of Transportation			32,881,555
<u>North Carolina Department of Public Safety</u>			
State and Local Cybersecurity Grant Program (SLCGP)	N/A	EMW-2023-CY-00066	90,000
Total North Carolina Department of Public Safety			90,000
Total Expenditures of State Awards			32,971,555
Total Expenditures of Federal and State Awards			\$ 59,923,780

See Notes to the Schedule of Expenditures of Federal and State Awards.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED MARCH 31, 2026

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal and state awards ("SEFSA") includes the federal and state grant activity of the Raleigh-Durham Airport Authority (the "Authority") under the programs of the federal government and the state of North Carolina for the year ended March 31, 2026. The information in this SEFSA is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles*, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the Authority, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Authority.

Note 2—Summary of significant accounting policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Authority has elected not to use the 10% de minimis indirect cost rate for grants beginning prior to October 1, 2024 or 15% de minimis indirect cost rate for grants beginning after October 1, 2024 as followed under the Uniform Guidance.

Note 3—Subrecipients

The Authority has not contracted or made awards to any subrecipients.

RALEIGH-DURHAM AIRPORT AUTHORITY

COMPLIANCE SECTION RELATED TO PASSENGER FACILITY CHARGE PROGRAM

For the Year Ended March 31, 2026

And Reports of Independent Auditor

RALEIGH-DURHAM AIRPORT AUTHORITY
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**REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE FOR THE
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**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 Board Members and Management
Raleigh-Durham Airport Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Raleigh-Durham Airport Authority (the "Authority"), for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon July 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. 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*.

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.

Cherry Bekaert LLP

Charlotte, North Carolina
July 16, 2026

**Report of Independent Auditor on Compliance for the Passenger Facility Charge
Program and on Internal Control over Compliance Required by the
*Passenger Facility Charge Audit Guide for Public Agencies***

To the Board Members and Management
Raleigh-Durham Airport Authority

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the Raleigh-Durham Airport Authority's (the "Authority") compliance with the types of compliance requirements identified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by Federal Aviation Administration (the "Guide"), that could have a direct and material effect on the Authority's Passenger Facility Charge Program for the year ended March 31, 2026.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge Program for the year ended March 31, 2026.

Basis for Opinion on the Passenger Facility Charge Program

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 the Guide. Our responsibilities under those standards and the Guide are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Passenger Facility Charge program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Authority's Passenger Facility Charge program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 the passenger facility charge 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 the passenger facility charge 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Passenger Facility Charges

We have audited the financial statements of the Authority for the year ended March 31, 2026 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated July 16, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of passenger facility charges is presented for purposes of additional analysis as specified by the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 schedule of passenger facility charges is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 the Guide. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
July 16, 2026

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED MARCH 31, 2026

Section I—Summary of auditor's results

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- | | | |
|--|-------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> x </u> No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses | <u> </u> Yes | <u> x </u> None reported |
| Noncompliance material to financial statements noted | <u> </u> Yes | <u> x </u> No |

Passenger Facility Charge Program

Internal control over passenger facility charge program:

- | | | |
|--|-------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> x </u> No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses | <u> </u> Yes | <u> x </u> None reported |
| Noncompliance material to passenger facility charge program | <u> </u> Yes | <u> x </u> No |

Type of auditor's report issued on compliance for passenger facility charge program:

Unmodified

Section II—Financial statement findings

None reported.

Section III—Passenger facility charge findings and questioned costs

None reported.

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED MARCH 31, 2026

Prior Year Audit Findings

None reported.

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF PASSENGER FACILITY CHARGES REVENUES AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2026

	Quarter Ended				Year Ended March 31, 2026
	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	
Revenues					
Receipts	\$ 8,090,400	\$ 7,967,559	\$ 7,993,909	\$ 7,026,902	\$ 31,078,770
Interest	286,070	276,799	324,431	375,399	1,262,699
Total Revenues	8,376,470	8,244,358	8,318,340	7,402,301	32,341,469
Expenditures					
04-02-C-01-RDU					
02-002 Terminal C Renovation & Expansion	31,173,097	-	-	-	31,173,097
Total Application 04-02-C-01-RDU	31,173,097	-	-	-	31,173,097
Total Expenditures	31,173,097	-	-	-	31,173,097
Net PFC Inflows (Outflows)	\$ (22,796,627)	\$ 8,244,358	\$ 8,318,340	\$ 7,402,301	\$ 1,168,372

See Notes to Schedule of Passenger Facility Charges.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTE TO SCHEDULE OF PASSENGER FACILITY CHARGES

FOR THE YEAR ENDED MARCH 31, 2026

Note 1—Basis of presentation

The accompanying Schedule of Passenger Facility Charges Revenues and Expenditures is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration.

Note 2—Reconciliation to the statement of revenues, expenses, and changes in net position

Passenger facility charges are reported on an accrual basis in the Raleigh-Durham Airport Authority's revenues, expenses, and changes in net position in the Annual Comprehensive Financial Report. Reporting standards adopted by the FAA require for purposes of the Schedule of Passenger Facility Charges Revenues and Expenditures such charges to be reported on a cash basis. A reconciliation between cash collections and revenue reported on the accrual basis is as follows:

Passenger Facility Charges:

Cash collections per Schedule of Passenger Facility Charges	\$ 31,078,770
Less prior year accrual	(4,775,682)
Add current year accrual	5,306,183

Passenger Facility Charges Interest:

Interest per Schedule of Passenger Facility Charges	<u>1,262,699</u>
Amount per Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 32,871,970</u></u>