



Raleigh-Durham
Airport Authority
Raleigh-Durham, North Carolina



Annual Comprehensive Financial Report

For the Fiscal Years Ended March 31, 2025 and 2024

RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, North Carolina

Annual Comprehensive Financial Report

For the Fiscal Years Ended March 31, 2025 and 2024

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

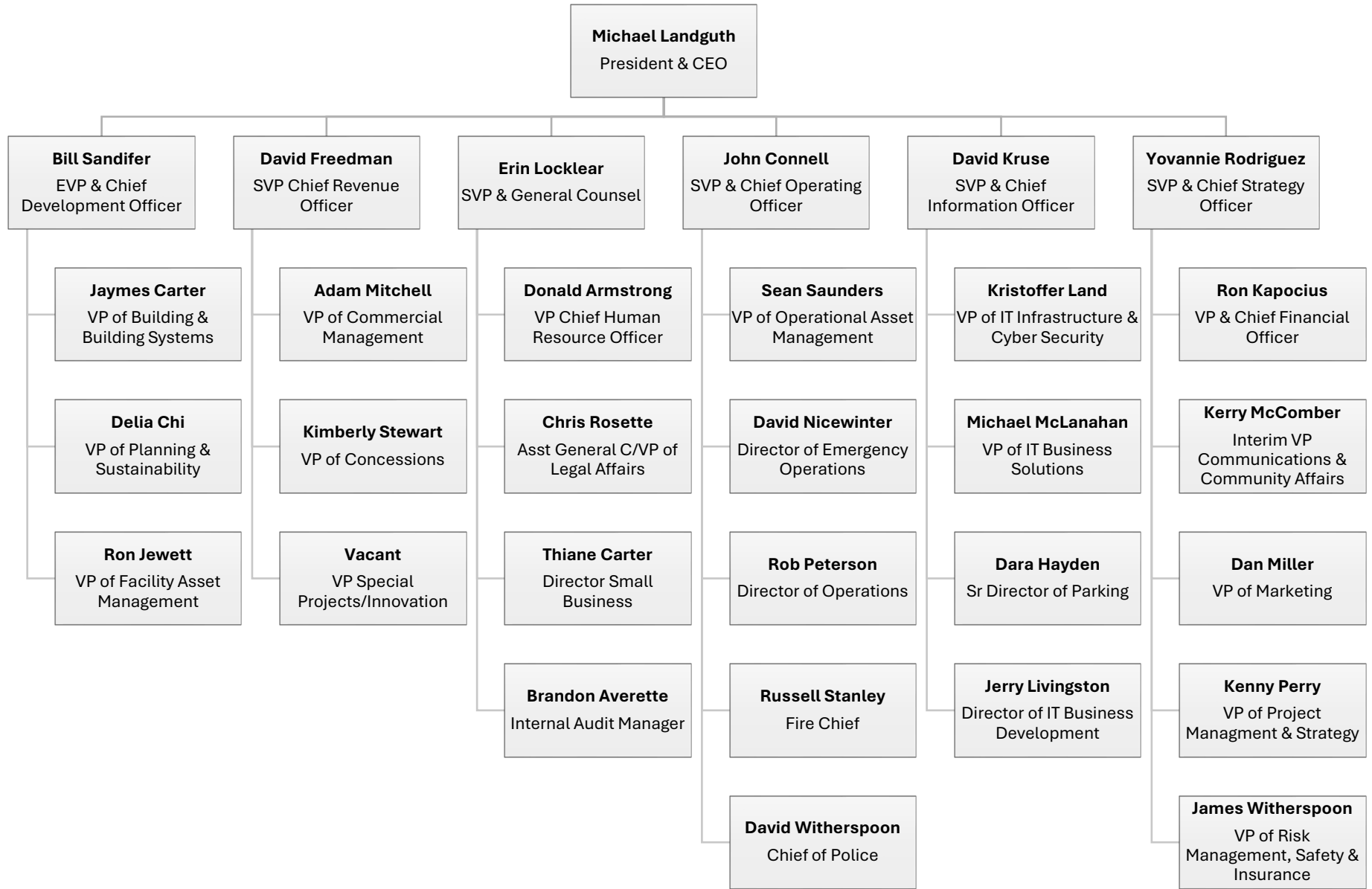


David Kushner

RALEIGH-DURHAM AIRPORT AUTHORITY
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RALEIGH DURHAM AIRPORT AUTHORITY 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, 2024

Christopher P. Merrill

Executive Director/CEO



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

June 6, 2025

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 hereby submitted for the fiscal year ended March 31, 2025. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Finance Department of the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority.

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 depiction of the Authority Board Members, the Authority's Organizational Chart, and the Government Finance Officers Association's (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* awarded to the Authority for its prior fiscal year ended March 31, 2024, ACFR submission. This Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government finance reports. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplemental Information, and Supplemental Information. The Statistical section includes selected financial trends, debt service, key performance indicators (KPIs), other operating statistics, and economic demographic information, presented on a multi-year basis.

This letter should be read in conjunction with the accompanying MD&A in order to gather a more complete financial and business picture of the Authority. It is our intent to submit the fiscal year ended March 31, 2025 ACFR to the GFOA for their review and certification.

Reporting Entity

The Authority is a special joint agency of the Cities of Raleigh and Durham, North Carolina, and the Counties of Wake and Durham, North Carolina, created for the development, operation, and maintenance of Raleigh-Durham International Airport ('RDU' or 'the Airport'). The Authority was created and exists pursuant to a special act enacted by the General Assembly of North Carolina in 1939, as amended, and by action taken by the sponsoring governmental units pursuant to that act. The Authority is governed by an eight-member board appointed by the sponsoring governmental units.

The Authority has many of the same powers of any North Carolina local government unit with some notable exceptions. It has no power to impose any taxes. In order to finance the Airport's development, operation, and maintenance, it charges fees to those who use or operate businesses at the Airport. Annually, the Authority receives \$12,500 from each of the four governmental units that appoint its members. This total of \$50,000 is less than one-tenth of one percent of the Authority's annual operating revenue.

Raleigh-Durham Airport 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



Michael J. Landguth, A.A.E.
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Economy, Region, and Air Service

Raleigh-Durham International Airport (RDU) is the second-largest airport in the state and one of the fastest-growing airports in the U.S., drawing travelers from central and eastern North Carolina and beyond. In 2024, a record 15.5 million people traveled through RDU, and the airport grew to partner with 19 airlines serving nearly 75 nonstop destinations, including 14 international destinations.

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 more than 140,000 jobs and generates \$1.3 billion annually in tax revenue.

The airport is classified by the Federal Aviation Administration (FAA) as a medium hub as of May 2024. Nineteen airlines serve nearly 80 nonstop destinations, including 14 international routes the most in RDU history.

There were major developments in air service at RDU in fiscal year 2024-2025:

- Canadian airline WestJet announced nonstop service to Calgary, offering travelers a seasonal route to the Rocky Mountains and an easy connection to Canada, Europe, and Asia.
- Four international airlines launched new nonstop routes, including Avelo to Montego Bay, Copa Airlines to Panama City, BermudAir to Bermuda, and Aeromexico to Mexico City.
- AirCanada, Lufthansa, and other airlines also expanded routes to provide access to several new destinations.

Major Events and Initiatives

The fiscal year brought record growth in passenger traffic to RDU and a robust capital program to address that growth. RDU's signature capital project - construction of a replacement for Runway 5L-23R - is currently underway. The runway will be the most important two miles of pavement in the Research Triangle when it is complete, servicing as the region's gateway to the West Coast and transatlantic destinations. The existing 5L-23R is due for replacement after four decades of use.

A multi-year effort to preserve Runway 5L-23R continued in 2024. Through the preservation process, concrete panels identified to be in a deteriorated condition are completely removed and replaced with the aim of extending the useful life of the existing runway until the new 5L-23R opens.

Construction continued on the expansion of the Park Economy 3 lot on National Guard Drive. The existing lot is being expanded to create approximately 7,000 additional spaces and add a customer amenity building for airport guests who are shuttled to and from the terminals.

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RDU published its first Sustainability Program Annual Report, highlighting its commitment to integrating sustainable practices into every aspect of airport development and operations. The Authority's sustainability efforts include completing an Environmental Compliance Review of the Park Economy 3 expansion project and reusing construction materials to divert waste from landfills.

The airport also started construction on a sustainable stormwater management system that will be the largest of its kind in the state. The innovative submerged gravel wetland system will treat stormwater from the Park Economy 3 expansion project and is expected to be more effective than traditional systems in removing pollutants from stormwater runoff.

RDU welcomed three new restaurants in 2024, including Crawford's Genuine, Carolina Craft, and Black and White Coffee Roasters. These are the first of more than a dozen new dining concepts slated to open in Terminals 1 and 2. More concepts from celebrated local and national chefs are planned for 2025 as RDU reimagines the airport dining experience.

Financial Information

The Board of Directors and Authority management are responsible for establishing and maintaining internal controls designed to ensure that the assets of the Authority are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with Generally Accepted Accounting Principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the Board and management are also responsible for certifying that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by management and the internal audit staff.

The Authority maintains extensive budgetary controls to guarantee that expenditures are made in compliance with the approved budget ordinances. There were no significant changes to the Authority's financial policies that had an impact on the financial statements during the last year.

Independent Audit

Cherry Bekaert LLP performed the annual audit as of and for the fiscal period ended March 31, 2025 and rendered an unmodified opinion as to the Authority's financial statements. The audit was conducted in a manner consistent with the requirements of the Single Audit Act, Subpart F of the U.S. CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the U.S. Office of Management and Budgets (OMB) Compliance Supplement. The report and opinion are contained herein, and found that the Authority's financial statements presented fairly, in all material respects, the financial position of the Authority as of March 31, 2025 and 2024.

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The GFOA awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Authority for its ACFR for the fiscal year ended March 31, 2024. This was the sixteenth consecutive year of award. To earn this award, a government entity must publish an easily readable and efficiently organized ACFR. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

Acknowledgments

The completion of this report would not have been possible without the dedication and efforts of all the team members of the Finance and Accounting Department. We also express our appreciation to the Authority's Board of Directors for their continued support of our mission and strategic vision.

Respectfully submitted,

Michael J. Landguth

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

Ronald Kapocius

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

Raleigh-Durham Airport Authority Board Members

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RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, 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, 2025 and 2024 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, 2025 and 2024, 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 audit. 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.

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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.

Cherry Bekaert LLP

Charlotte, North Carolina
June 6, 2025

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

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, 2025 and 2024. 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 17 to 46 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, 2025 and 2024, 15.5 million and 14.8 million annual passengers, respectively, used the Airport.

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

Financial Highlights and Analysis

Net Position

For the fiscal year ending 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 \$59.1 million, passenger facility charges \$31.2 million, and non-operating interest \$30.2 million that were offset by \$189.7 million in capital investments and \$43.5 debt financing activities. For the fiscal year ending March 31, 2024, current assets totaled \$602.8 million representing an increase of \$82.9 million or 16.0% from the prior fiscal year. The increase was the result of cash flows from operations providing \$140.4 million that were offset by \$60.0 million in cash flows used for capital and financing activities.

For the fiscal year ending 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 ending March 31, 2024, the net airport and facilities assets increased to \$849.5 million, an increase of \$35.3 million or 4.3% from the prior fiscal year. This is due to a net increase in non-depreciable airport and facilities assets of \$36.5 million or 32.7%, and a net decrease in depreciable airport and facilities assets of \$1.2 million or 0.2%. For the year, the Authority completed and transferred \$57.8 million in capital projects to fixed assets.

For the fiscal year ending 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 year. For the fiscal year ending March 31, 2024, unrestricted non-current assets for leases totaled \$65.6 million an increase of \$6.0 million or 10.1% versus the fiscal year ending March 31, 2023.

For the fiscal year ending March 31, 2025, restricted non-current assets totals \$242.1 million, representing an increase of \$25.1 million or 11.5% from the prior fiscal year. The increase is primarily driven by customer facility funds of \$19.6 million or 21.7%, and state grant funds of \$3.5 million or 20.3%. For the fiscal year ending March 31, 2024, restricted non-current assets totaled \$217.1 million, representing an increase of \$35.9 million or 19.8% from the prior fiscal year. The increase was primarily driven by customer facility funds of \$16.0 million or 21.4%, state grant funds of \$11.2 million or 183.0%, passenger facility funds of \$5.2 million or 9.3%.

For the fiscal year ending March 31, 2025, total assets grew to \$1.9 billion, an increase of \$206.0 million or 11.9% from the prior year. For the fiscal year ending March 31, 2024, total assets grew to \$1.7 billion, an increase of \$160.1 million or 10.2%.

For the fiscal year ending March 31, 2025, deferred outflows of resources associated with the Authority's share in the North Carolina Local Governmental Employees' Retirement System Pension net liability remained relatively unchanged. For the fiscal year ending March 31, 2024, deferred outflows of resources increased by \$1.8 million or 11.3% due to an increase of \$2.2 million or 17.7% in the Authority's share in the North Carolina Local Governmental Employees' Retirement System Pension net liability.

For the fiscal year ending March 31, 2025, current liabilities increased by \$39.1 million or 47.1% due to an increase in accounts payable and related accrued liabilities of \$33.1 million or 105.8% and an increase in unearned revenue of \$3.2 million or 16.5%. For the fiscal year ending March 31, 2024, current liabilities increased by \$30.1 million or 57.7% due to an increase in unearned revenue of \$17.3 million or 760.7% and an

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

Net Position (continued)

increase in accounts payable and related accrued liabilities of \$10.9 million or 82.8% compared to fiscal year ending March 31, 2023.

For the fiscal year ending 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 ending March 31, 2024, total non-current liabilities decreased by \$26.3 million or 6.0% due to a decrease in long-term debt of \$31.3 million or 7.7%. This was offset by an increase in Net Pension Liability of \$4.9 million or 24.6%.

For the fiscal year ending March 31, 2025, deferred inflows of resources decreased by \$1.1 million or 1.6% due to a \$0.7 million decrease in deferred inflow for leases and a \$0.4 million decrease in deferred inflow for pension. For the fiscal year ending March 31, 2024, deferred inflows of resources increased by \$6.4 million or 10.4% compared to fiscal year ending March 31, 2023, due to a \$6.7 million increase in deferred inflow for leases.

The combined effect of these items was an increase in net position of \$194.0 million or 16.3% for the fiscal year ending March 31, 2025. For the fiscal year ending March 31, 2024, net position increased \$151.7 million or 14.6%. For the fiscal year ending March 31, 2023, net position increased \$170.4 million or 19.7%.

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RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

Net Position (continued)

Net position at March 31, 2025, 2024, and 2023 are presented in the following table:

Condensed Statements of Net Position

	March 31, 2025	March 31, 2024	March 31, 2023
Current assets	\$ 642,520,943	\$ 602,761,472	\$ 519,845,455
Unrestricted, non-current assets			
Airport and facilities, net	992,906,076	849,490,932	814,190,874
Other unrestricted, non-current assets	63,364,684	65,607,337	59,584,022
Restricted non-current assets	242,144,731	217,078,558	181,224,445
Total assets	<u>1,940,936,434</u>	<u>1,734,938,299</u>	<u>1,574,844,796</u>
Total deferred outflows of resources	<u>17,919,612</u>	<u>17,919,771</u>	<u>16,099,388</u>
Current liabilities	122,027,820	82,936,600	52,855,881
Non-current liabilities	387,272,919	413,261,802	439,505,903
Total liabilities	<u>509,300,739</u>	<u>496,198,402</u>	<u>492,361,784</u>
Total deferred inflows of resources	<u>66,567,491</u>	<u>67,623,930</u>	<u>61,245,663</u>
Net investment in capital assets	579,305,451	429,201,222	373,869,652
Restricted net position	221,245,969	199,707,253	181,224,445
Unrestricted net position	582,436,396	560,127,263	482,242,641
Net position	<u>\$ 1,382,987,816</u>	<u>\$ 1,189,035,738</u>	<u>\$ 1,037,336,738</u>

Revenues, Expenses, and Change in Net Position

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, 2024, the Authority reported operating revenues of \$231.6 million, an increase of \$34.3 million, or 17.4%, from the prior year. The increase was the result of parking revenue increase of \$21.7 million or 27.4%, terminal revenue increase of \$4.0 million or 6.6%, and airfield revenue increase of \$3.7 million or 21.0%.

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 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, 2024, operating expenses were \$171.5 million, which represents an increase from the prior fiscal year of \$21.7 million or 14.5%. The increase was primarily due to higher personnel expense of \$11.5 million or 23.8%, material and supplies of \$2.7 million or

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

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

60.2%, and general and administrative expenses of \$1.4 million, or 27.1%. Depreciation expense increased \$4.5 million or 8.2%.

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 from the prior year. For the fiscal year ended March 31, 2024, the combined operational results for revenue and expenses generated operating income of \$60.1 million, an increase of \$12.5 million from the prior year.

For the period ending March 31, 2025, total non-operating revenues (expenses) increased \$5.0 million or 7.7% mostly due to an increase in Customer Facility Charges revenue of \$2.2 million or 12.2%, and Passenger Facility Charges revenue of \$2.1 million or 6.8%. For the period ending March 31, 2024, total non-operating revenues (expenses) decreased \$30.6 million or 32.1% mostly due to a \$49.6 million or 91% decline in federal relief funding. This decrease was offset by an increase in interest income of \$15.8 million or 127.3%, an increase in Customer Facility Charge revenue of \$4.1 million or 29.5%, and an increase in Passenger Facility Charge revenue of \$3.4 million or 12.7%.

For the fiscal year ending March 31, 2025, capital contributions received 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 ending March 31, 2024, capital contributions received from federal and state agencies were \$26.9 million reflecting a slight decrease of \$0.7 million or 2.5% from the prior fiscal year.

For the fiscal year ending March 31, 2025, the Authority's net position increased \$194.0 million or 16.3% compared to the previous fiscal year. Net position for the fiscal year ending March 31, 2024, increased \$151.7 million or 14.6% versus the previous fiscal year, for period beginning April 1, 2023 was restated by \$0.2 million for the adoption of GASB 96 Subscription -Based Information Technology Arrangements.

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RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

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

A condensed representation of revenues, expenses, and change in net position for the fiscal years ending March 31, 2025, 2024, and 2023 are presented in the following table:

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

	March 31, 2025	March 31, 2024	March 31, 2023
Operating revenues			
Parking	\$ 104,564,327	\$ 100,840,632	\$ 79,136,788
Airfield	24,128,041	21,572,482	17,834,852
Terminals	74,404,177	64,651,097	60,625,787
Rental car	22,306,293	20,398,136	19,007,878
Ground transportation	11,359,022	9,354,925	7,227,600
General aviation	4,978,877	4,396,936	4,233,572
Other	12,405,738	10,387,603	9,279,044
Total Operating revenues	254,146,475	231,601,811	197,345,521
Operating expenses			
Personnel	66,886,854	60,002,889	48,455,784
Professional services	5,873,617	6,061,352	5,923,588
Contractual labor	31,321,597	24,327,985	23,335,886
Utilities	7,967,816	7,428,015	7,076,033
Material and supplies	7,475,756	7,174,010	4,478,995
General and administrative	9,861,827	6,802,450	5,353,321
Depreciation	62,190,827	59,658,579	55,115,148
Total Operating expenses	191,578,294	171,455,280	149,738,755
Operating income (loss)	62,568,181	60,146,531	47,606,766
Non-operating revenues (expenses)			
Investment interest income	28,881,927	28,298,236	12,451,480
Passenger facility charges	32,173,213	30,114,728	26,712,536
Customer facility charges	20,190,272	17,990,548	13,895,911
Bond interest expense, net	(11,675,311)	(12,708,384)	(12,804,375)
Payments from federal and state agencies	88,800	4,874,450	54,433,932
Other non-operating revenue (expense)	(18,977)	(3,895,499)	535,014
Non-operating revenues (expenses)	69,639,924	64,674,079	95,224,498
Income (Loss) before capital contributions	132,208,105	124,820,610	142,831,264
Capital contributions	61,743,973	26,878,390	27,558,227
Change in Net Position	193,952,078	151,699,000	170,389,491
Net position, beginning restated	—	—	235,455
Net position, beginning of year	1,189,035,738	1,037,336,738	866,711,792
Net position, end of year	<u>\$ 1,382,987,816</u>	<u>\$ 1,189,035,738</u>	<u>\$ 1,037,336,738</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

Capital Assets

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 process, as well as, depreciable capital assets relating to the landing field, terminals, other buildings, and equipment. For the year construction in progress increased by \$201.5 million and decreased \$66.8 million for projects completed and placed in service. Total depreciation and amortization for the year increased by \$62.2 million. As of March 31, 2024, the Authority had \$849.5 million (net of depreciation and amortization) in capital assets consisting primarily of land, buildings, and runways. This amount represents increases in construction in progress of \$101.4 million offset by an increase in depreciation and amortization of \$59.7 million.

Economic Outlook and Capital Development

The economic outlook for North Carolina's Research Triangle region remains strong, with both Wake County and Durham County continuing to experience steady growth. According to the U.S. Census Bureau, the population increase between April 2020 and July 2023 for Wake County was 5.4% reaching an estimated 1.19 million residents. During the same time frame, Durham County grew by about 3.7% with a current population of approximately 336,900. This growth reflects broader trends in North Carolina, which continues to be one of the fastest-growing states in the U.S.

The region's economy is anchored by world-class research institutions like Duke University, NC State, and UNC-Chapel Hill that provides and supports a highly educated workforce. The presence of the Research Triangle Park (RTP)—one of the largest and most prominent research parks in the United States—has fostered innovation and attracted major employers such as IBM, Cisco, SAS Institute, and GlaxoSmithKline. Startups and tech companies continue to thrive in the area, supported by a strong entrepreneurial ecosystem and a pipeline of talent from nearby universities. Additionally, the healthcare sector remains a key driver of employment and investment, with major institutions like Duke Health and UNC Health providing world-class medical research and care.

For the fiscal year ended March 31, 2025, the Authority reached its highest enplaned passenger total of 7.8 million, which represented a 5.2% year-over-year increase. For the fiscal year ended March 31, 2024, the Authority's enplaned passengers totaled 7.4 million, which represented a 18.3% increase compared to the prior fiscal year.

To accommodate more flights and travelers in the years ahead, the Authority is making important investments in airport infrastructure. RDU's Vision 2040 master plan for growth guides decisions about major capital projects to meet the community's demand for aviation. Phase 1 of the plan includes \$2.5 billion of projects over the next 10 years and another \$500 million investment to maintain current infrastructure. Major projects include the replacement of RDU's primary runway 5L/23R, the expansion of Park Economy 3, the expansion of the landside areas of Terminal 2, and the extension and widening of the airport's main roadway. These capital improvements will help provide greater economic opportunities for the region, allow for future air service growth, and enhance the guest experience at RDU.

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2025 and 2024

Debt Activity

For the fiscal year ending 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 the fiscal year ending March 31, 2024, the Authority's outstanding debt totaled \$353.0 million, which was comprised of 86.7% fixed rate revenue bonds and 13.3% variable rate revenue bonds. The weighted average interest cost of this debt portfolio was 2.7% at March 31, 2024. For more information on debt activity please refer to Note 5 to the financial statements.

Budget Information for the Fiscal Year Ending March 31, 2026

For comparison purposes, the fiscal year ending March 31, 2026 budgeted operating revenues of \$264.7 million is \$10.5 million or 4.1% greater than actual fiscal year ended March 31, 2025 operating revenues of \$254.1 million.

For the fiscal year ending March 31, 2026 relative to the prior fiscal year budget, total budgeted operating revenues increased \$10.7 million or 4.2%. Significant drivers of budgeted revenue increases include Terminals related revenue of \$8.4 million and landing fee revenue of \$3.8 million, this is offset by a decrease in parking revenue of \$4.8 million. For the fiscal year ending March 31, 2025 relative to the prior fiscal year budget, total budgeted operating revenues increased \$22.5 million or 9.7%. Significant drivers of budgeted revenue increases include Terminals related revenue of \$9.2 million, parking revenue of \$6.4 million, and landing fee revenue of \$2.5 million.

For the fiscal year ending March 31, 2026 relative to the prior fiscal year budget, total operating expenses (including depreciation) are budgeted to increase \$15.7 million or 8.1%. The increase is predominantly driven by increase in personnel expenses of \$7.0 million, and increase in contractual labor expenses of \$4.5 million. For the fiscal year ending March 31, 2025 relative to the prior fiscal year budget, total operating expenses (including depreciation) are budgeted to increase \$18.0 million or 10.3%. The increase is predominantly driven by increased personnel expenses of \$5.7 million and increased General and Administrative expenses of \$4.6 million.

For the fiscal year ending March 31, 2026 relative to the prior fiscal year budget, non-operating revenues (expenses) increase \$1.1 million or 0.7% due to increase in Investment Interest income of \$1.6 million. For the fiscal year ending March 31, 2025 relative to the prior fiscal year budget, non-operating revenues (expenses) increased \$57.7 million or 67.1% due to increases in Capital contributions of \$50.2 million and PFC revenues of \$3.9 million.

The combined net effect of these items for the fiscal year ending March 31, 2026 will increase budgeted net position by \$201.1 million. The combined net effect of these items for the fiscal year ending March 31, 2025 will increase budgeted net position by \$205.1 million.

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 66,613,118	\$ 55,295,415
Short-term investments	536,221,782	512,033,062
Accounts receivable, net	14,905,303	16,583,200
Lease receivable	10,737,501	9,195,473
Grants receivable	3,984,481	1,312,395
Other current assets	10,058,758	8,341,927
Total current assets	<u>642,520,943</u>	<u>602,761,472</u>
Non-current assets		
Restricted assets		
DEA/ICE forfeitures cash	788,513	795,610
Passenger facility charge cash	61,873,824	60,815,447
Passenger/customer facility charge receivable	8,224,166	7,292,955
Customer facility charge cash & investments	110,025,000	90,390,187
State grant funds cash	20,898,762	17,371,305
Parity reserve fund investment	40,334,466	40,413,054
Total restricted assets	<u>242,144,731</u>	<u>217,078,558</u>
Unrestricted assets		
Lease receivable, non-current	63,364,684	65,607,337
Total unrestricted assets	<u>63,364,684</u>	<u>65,607,337</u>
Airport and facilities		
Airport and facilities, non-depreciable	282,920,321	148,205,708
Airport and facilities, depreciable net	709,985,755	701,285,224
Airport and facilities, net	<u>992,906,076</u>	<u>849,490,932</u>
Total non-current assets	<u>1,298,415,491</u>	<u>1,132,176,827</u>
TOTAL ASSETS	<u>1,940,936,434</u>	<u>1,734,938,299</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows - pensions/OPEB	17,919,612	17,919,771
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>17,919,612</u>	<u>17,919,771</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	58,031,984	28,245,737
Other accrued liabilities	6,272,880	3,003,308
Separation allowance & OPEB liabilities	625,991	622,666
Unearned revenue	22,764,957	19,536,554
Accrued employee compensation	6,692,008	5,203,335
Current maturities of long-term debt	27,640,000	26,325,000
Total current liabilities	<u>122,027,820</u>	<u>82,936,600</u>
Non-current liabilities		
Long-term debt		
General airport revenue bonds	343,320,803	375,981,734
	<u>343,320,803</u>	<u>375,981,734</u>
Other non-current liabilities		
Separation allowance & OPEB liabilities, net of current	12,105,474	11,746,260
Long-term subscription liability	2,771,284	794,989
Net pension liability	29,075,358	24,738,819
	<u>43,952,116</u>	<u>37,280,068</u>
Total non-current liabilities	<u>387,272,919</u>	<u>413,261,802</u>
TOTAL LIABILITIES	<u>509,300,739</u>	<u>496,198,402</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows - pension/OPEB	1,591,497	1,961,488
Deferred inflows - leases	64,975,994	65,662,442
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>66,567,491</u>	<u>67,623,930</u>
<u>NET POSITION</u>		
Net investment in capital assets	579,305,451	429,201,222
Restricted for:		
Debt service	40,334,466	40,413,054
DEA/ICE forfeitures	788,513	795,610
Passenger facility charges	66,649,506	64,591,013
Customer facility charges	113,473,484	93,907,576
Unrestricted net position	582,436,396	560,127,263
TOTAL NET POSITION	<u><u>\$ 1,382,987,816</u></u>	<u><u>\$ 1,189,035,738</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended March 31, 2025 and 2024

	2025	2024
Operating revenues		
Parking	\$ 104,564,327	\$ 100,840,632
Airfield	24,128,041	21,572,482
Terminals	74,404,177	64,651,097
Rental car	22,306,293	20,398,136
Ground transportation	11,359,022	9,354,925
General aviation	4,978,877	4,396,936
Other	12,405,738	10,387,603
Total operating revenues	<u>254,146,475</u>	<u>231,601,811</u>
Operating expenses		
Personnel	66,886,854	60,002,889
Professional services	5,873,617	6,061,352
Contractual labor	31,321,597	24,327,985
Utilities	7,967,816	7,428,015
Material and supplies	7,475,756	7,174,010
General and administrative	9,861,827	6,802,450
Depreciation	62,190,827	59,658,579
Total operating expenses	<u>191,578,294</u>	<u>171,455,280</u>
Operating income (loss)	<u>62,568,181</u>	<u>60,146,531</u>
Non-operating revenues (expenses)		
Interest income	28,881,927	28,298,236
Passenger facility charges	32,173,213	30,114,728
Customer facility charges	20,190,272	17,990,548
Bond interest expense, net	(11,675,311)	(12,708,384)
Payments from federal and state agencies	88,800	4,874,450
Other, net	(18,977)	(3,895,499)
Total non-operating revenues, net	<u>69,639,924</u>	<u>64,674,079</u>
Income (loss) before capital contributions	<u>132,208,105</u>	<u>124,820,610</u>
Capital contributions	61,743,973	26,878,390
Increase in net position	<u>193,952,078</u>	<u>151,699,000</u>
Net position, beginning	<u>1,189,035,738</u>	<u>1,037,336,738</u>
Net position, end of year	<u><u>\$ 1,382,987,816</u></u>	<u><u>\$ 1,189,035,738</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Cash received from operations	\$ 253,232,970	\$ 232,710,337
Other, net	111,858	(3,464,112)
Cash paid to employees	(52,611,081)	(34,723,204)
Cash paid to suppliers	(48,647,322)	(54,082,165)
Net cash from operating activities	<u>152,086,425</u>	<u>140,440,856</u>
Cash flows from investing activities		
Purchases of short-term investments	(1,458,165,613)	(986,057,717)
Proceeds from short-term investments	1,413,836,877	804,595,000
Interest on cash deposits	30,157,323	19,571,912
Net cash from investing activities	<u>(14,171,413)</u>	<u>(161,890,805)</u>
Cash flows from capital and related financing activities		
Payments of long-term debt	(26,325,000)	(25,065,000)
Other capital and financing costs		
Purchase of airport and facilities	(189,719,952)	(91,726,790)
Bond interest paid on long-term debt	(17,207,319)	(18,227,427)
Passenger facility charges collected	31,173,097	29,687,506
Customer facility charges collected	20,708,122	17,267,340
Contributions from governmental agencies	59,071,887	28,062,108
Net cash from capital and related financing activities	<u>(122,299,165)</u>	<u>(60,002,263)</u>
Cash flows from non-capital and related financing activities		
Payments from federal and state agencies	88,800	4,874,450
Net cash from non-capital and related financing activities	<u>88,800</u>	<u>4,874,450</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,704,647	(76,577,764)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>179,985,016</u>	<u>256,562,780</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 195,689,663</u></u>	<u><u>\$ 179,985,016</u></u>

(Continued on next page)

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 62,568,181	\$ 60,146,530
Other, net	18,728	(3,889,263)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	62,190,827	59,658,579
Changes in operating assets and liabilities		
Accounts receivable	(3,465,727)	(2,228,994)
Lease receivable	2,637,587	3,442,242
Subscription liability	2,622,136	1,725,510
Other current assets	(528,961)	(5,483,429)
OPEB retiree health care liability	585,474	705,180
Net pension liability	3,472,841	2,477,938
Separation allowance liability	270,927	174,395
Accounts payable and other accrued liabilities	16,997,335	5,504,317
Accrued employee compensation	1,488,672	941,267
Unearned revenue	3,228,405	17,266,584
Net cash provided by operating activities	<u><u>\$ 152,086,425</u></u>	<u><u>\$ 140,440,856</u></u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current assets		
Cash and cash equivalents	\$ 66,613,118	\$ 55,295,415
Restricted cash and cash equivalents:		
DEA/ICE forfeitures cash	788,513	795,610
State grant funds	20,898,762	17,371,305
Passenger facility charge cash	61,873,824	60,815,447
Customer facility charge cash	5,180,980	5,294,185
Parity reserve fund investment	40,334,466	40,413,054
	<u><u>\$ 195,689,663</u></u>	<u><u>\$ 179,985,016</u></u>

SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES:

Right-to-use assets obtained in exchange for new lease liabilities	<u><u>\$ 4,078,965</u></u>	<u><u>\$ 710,371</u></u>
Property, equipment, and construction included in accounts payable	<u><u>\$ (38,292,176)</u></u>	<u><u>\$ (16,257,466)</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

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, 2025 and 2024

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 recorded in the period that all eligibility requirements have been met. The actual amount of payment on these grants is subject to final audit by the applicable agency.

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 bases 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, 2025 and 2024, the Authority had an allowance for uncollectible accounts of \$43.7 thousand and \$37.3 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 the lease payments expected to be received during the lease term. Under the lease agreement, the Authority may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized on a straight-line basis over the term of the lease.

Airport and facilities - Airport and facilities are defined by the Authority as assets and subscription-based assets with an initial individual cost of more than \$25,000 and an economic useful life greater than of one year.

All capital projects are budgeted under project ordinances, which span more than one year. These appropriations continue until the related project is complete.

Depreciation of airport and facilities is computed under the straight-line method at various rates considered adequate to allocate the cost over the estimated useful lives of such 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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Subscription based assets are arrangements that convey to the Authority the right to use software for a period greater than 12 months. The costs of subscription-based assets are measured at an amount equal to the present value of the payments plus qualified implementation costs expected to be paid during the subscription term. Subscription-based assets are amortized over the shorter of the subscription term or the useful life of the software. A subscription liability is measured at the present value of the subscription payments expected during the subscription term using the incremental borrowing rate of 3.5%.

Deferred outflows/inflows of resources - In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflow of Resources, represents a consumption of net assets that applies to future periods and will not be recognized as an expense until then. The Authority has two items that meet this criterion: pension deferrals and OPEB deferrals.

As of March 31, 2025 and 2024, the combined balance of deferred outflows of resources are as follows:

Deferred Outflows of Resources	2025	2024
Pensions:		
Differences between expected and actual experience	\$ 5,095,104	\$ 2,756,637
Changes of assumptions	—	1,051,257
Net difference between projected and actual earnings on pension plan investments	3,952,778	6,621,191
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,902,439	517,288
Employer contributions subsequent to the measurement date	4,563,642	3,882,387
Separation Allowance:		
Differences between expected and actual experience	494,445	396,930
Changes of assumptions	128,193	213,936
Benefit payments subsequent to the measurement date	10,110	19,212
Other Postemployment Benefits (OPEB):		
Differences between expected and actual experience	938,997	1,391,557
Changes of assumptions	454,144	645,806
Benefit payments and administrative costs made subsequent to the measurement date	379,760	423,570
Total Deferred Outflows of Resources	\$ 17,919,612	\$ 17,919,771

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to future periods and will not be recognized as revenue until then. The Authority has three items that meet the criterion for this category: pensions, OPEB, and leases.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

<u>Deferred Inflows of Resources</u>	<u>2025</u>	<u>2024</u>
Pensions:		
Differences between expected and actual earnings on pension plan investments	\$ 34,257	\$ 59,345
Changes in proportion and differences between employer contributions and proportionate share of contributions	119,119	272,526
Separation Allowance:		
Differences between expected and actual experience	73,771	105,030
Changes of assumptions	164,372	161,325
Other Post-Employment Benefits (OPEB):		
Difference between expected and actual experience	496,201	415,431
Changes of assumptions	703,777	947,831
Leases	64,975,994	65,662,442
Total Deferred Inflows of Resources	<u>\$ 66,567,491</u>	<u>\$ 67,623,930</u>

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 the purpose of measuring the net OPEB liability, deferred outflow of resources and deferred inflow of resources related to OPEB, and OPEB expense, is determined based on the assumptions and results of the biennial actuarial valuation of the Plan. The Authority has chosen to fund the OPEB plan on a pay-as-you-go basis.

Compensated employee compensation - The Authority recognizes a liability for compensated absences for leave that has not been used and leave that has been used but not yet paid or settled. Leave is generally recognized for amounts that are accumulated, attributable to service already rendered and are more likely than

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

not to be used for time off or otherwise paid in cash or settled through non cash means. Based on the criteria listed, Vacation and sick leave absences qualify for liability recognition.

Full-time employees can accumulate up to 30 days earned vacation leave, and such leave is fully vested when earned provided the employee has completed a mandatory six-month probationary period. An employee will forfeit any unused vacation days beyond thirty days remaining after the end of the final pay period of the calendar year, and those excess vacation days will be converted to sick leave on an hour-for-hour basis. Accumulated vacation pay is recorded as a current liability and reflected in accrued employee compensation.

Employees can accumulate an unlimited amount of sick leave. Unused sick leave accumulated at the time of retirement may be used in determining length of service for retirement benefit purposes. If an employee retires with more than 30 days of accrued sick leave, the days over 30 (up to a maximum of 30 days) may be paid out as sick days. This payout of sick leave will not be considered by the Local Government Retirement System in its final compensation calculation.

The compensated absences liability is included in accrued employee compensation on the statements of net position, and is due within one year. The following summarizes the changes in the compensated absences liability at March 31:

	2025	2024
Balance-Beginning of year	\$ (4,232,001)	\$ (3,682,211)
Compensated Absences earned during year	(4,075,933)	(3,619,284)
Compensated Absences used during year	3,362,141	3,069,494
Balance-End of year	<u>\$ (4,945,793)</u>	<u>\$ (4,232,001)</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 - This represents the Authority's total investment in airport and facilities, net of outstanding debt obligations related to those airport and facilities. To the extent debt has been incurred but not yet expended for airport and facilities, such amounts are not included as a component of net investment in capital assets. On the statements of net position, the net investment in capital assets is composed of the following:

	2025	2024
Airport and facilities, net	\$ 992,906,076	\$ 849,490,932
General airport revenue bonds (current and long term)	(370,960,803)	(402,306,734)
Subscription Based Liability (current and long term)	(4,347,646)	(1,725,510)
Construction payable and retainage	(38,292,176)	(16,257,466)
Total net investment in capital assets	<u>\$ 579,305,451</u>	<u>\$ 429,201,222</u>

Restricted net position - Restricted net position include 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, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues and expenses classifications - Revenues from airlines, concessions, rental cars, and parking are reported as operating revenues. Transactions which are financing or investing related, customer facility charges, and passenger facility charges are reported as non-operating revenues. All expenses related to operating the Authority are reported as operating expenses. Interest expense and 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, 2025 and 2024 were \$456.2 million and \$426.5 million, respectively. Total PFC funds of \$31.2 million and \$24.5 million were transferred from the restricted fund to the operating fund during the fiscal years ended March 31, 2025 and 2024, 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 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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

New pronouncements - During the fiscal year ended March 31, 2025 and beyond, the Authority has or will implement several new pronouncements of the GASB. These pronouncements are as follows:

GASB Statement No. 101, Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Authority adopted this Statement in fiscal year ending March 31, 2025.

GASB Statement No. 102, Certain Risk Disclosures

The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Authority adopted this Statement in fiscal year ending March 31, 2025.

GASB Statement No. 103, Financial Reporting Model Improvements

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The Authority is currently evaluating the effect this Statement will have on the financial position or results of operations. The Authority plans to adopt this Statement in fiscal year ending March 31, 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Disclosures should include the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The Statement also requires that capital assets held for sale be evaluated each reporting period. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority plans to adopt this Statement in fiscal year ending March 31, 2026.

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 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,

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 3 - Deposits and Investments (continued)

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, 2025, the Authority's deposits had a carrying amount of \$155.4 million and a 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 was covered by collateral held under the Pooling Method. The Authority maintains a minimum balance of \$250.0 thousand in its checking account.

On March 31, 2024, the Authority's deposits had a carrying amount of \$139.6 million and a bank balance of \$152.1 million. Of this bank balance, \$250.0 thousand was covered by federal depository insurance while the balance of \$151.8 million was covered by collateral held under the Pooling Method. The Authority maintains a minimum balance of \$250.0 thousand in its checking account.

Investments

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 1	345,847,100	—	28,474,635	317,372,465
NC Capital Management Trust: Government Portfolio*	Fair Value-Level 1	30,008,048	30,008,048	—	—
Commercial Paper	Fair Value-Level 1	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.

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 3 - Deposits and Investments (continued)

On March 31, 2024, 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	\$236,041,697	\$236,041,697	\$—	\$—
US Government Agencies	Fair Value-Level 1	257,822,600	49,993,000	—	207,829,600
NC Capital Management Trust: Government Portfolio*	Fair Value-Level 1	30,086,325	30,086,325	—	—
Commercial Paper	Fair Value-Level 1	113,591,496	113,591,496	—	—
Total		\$637,542,118	\$429,712,518	\$—	\$207,829,600

*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 Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of March 31, 2025 and 2024. The Authority's investments in U.S. Agencies are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service as of March 31, 2025 and 2024.

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 North Carolina Capital Management Trust (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, 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 and 0% Federal Farm Credit Bank. Of the 4% invested in the NCCMT, 100% represents Authority debt service reserves.

On March 31, 2024, the Authority's investments are 5% NCCMT, 18% Commercial Paper, 37% US Treasuries, and 40% in government agencies, consisting of 100% in Federal Home Loan Bank securities and 0% Federal Farm Credit Bank. Of the 5% invested in the NCCMT, 100% represents Authority debt service reserves.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 4 - Airport and Facilities, Net

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	<u>\$ 849,490,932</u>	<u>\$ 210,244,549</u>	<u>\$ (66,829,405)</u>	<u>\$ 992,906,076</u>

For the year ended March 31, 2025, construction in progress increased \$201.5 million, offset by \$66.8 million completed projects moved to capital assets. Depreciation and amortization expense totaled \$62.2 million for the fiscal year ending March 31, 2025. Accumulated depreciation for subscription based assets was reduced by \$0.3 million for the modification of certain subscription based agreements.

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 4 - Airport and Facilities, Net (continued)

Changes in airport and facilities are as follows for the year ended March 31, 2024:

	<u>April 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2024</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 46,535,059	\$ —	\$ —	\$ 46,535,059
Construction in progress	65,174,191	101,421,793	(64,925,336)	101,670,648
Total capital assets not being depreciated	111,709,251	101,421,793	(64,925,336)	148,205,707
<u>Other capital assets</u>				
Landing field and grounds	574,837,105	56,745,519	—	631,582,624
Terminal buildings	737,198,988	863,888	—	738,062,876
Other buildings	237,672,220	—	—	237,672,220
Utilities	3,628,237	—	—	3,628,237
Equipment	61,465,748	142,363	—	61,608,111
Subscription Based Assets	2,529,288	710,371	—	3,239,659
Total other capital assets	1,617,331,586	58,462,141	—	1,675,793,727
Total airport and facilities	1,729,040,837	159,883,934	(64,925,336)	1,823,999,434
<u>Accumulated depreciation</u>				
Landing field and grounds	(367,716,103)	(25,778,486)	—	(393,494,589)
Terminal buildings	(297,949,725)	(20,847,453)	—	(318,797,178)
Other buildings	(203,900,323)	(5,892,304)	—	(209,792,627)
Utilities	(3,309,262)	(48,524)	—	(3,357,786)
Equipment	(41,575,337)	(6,183,848)	—	(47,759,185)
Subscription Based	(399,213)	(907,924)	—	(1,307,137)
Total accumulated depreciation	(914,849,963)	(59,658,539)	—	(974,508,502)
Airport and facilities, net	<u>\$ 814,190,874</u>	<u>\$ 100,225,395</u>	<u>\$ (64,925,336)</u>	<u>\$ 849,490,932</u>

For the year ended March 31, 2024, construction in progress increased \$101.4 million, offset by a \$64.9 million decrease which was primarily driven by \$57.8 million completed projects moved to capital assets

Depreciation expense was \$59.7 million for the fiscal year ending March 31, 2024.

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 5 - Debt Activity

Subscription-Based Liability

Subscription-based information technology agreements that provide for a right to use asset have corresponding liability which represent the terms of the agreement. The Authority has entered into several SBITAs agreements with subscription terms ranging from 2 to 5 years. The total subscription liability as of March 31, 2025, is \$4.3 million, with \$1.6 million due within one year.

For the year ending March 31, 2025 the change for the liabilities were as follows:

Fiscal Year Ending March 31	Beginning Payables	Additions	Reductions	Ending Payables
2024	\$ 1,894,621	\$ 710,371	\$ 879,482	\$ 1,725,510
2025	1,725,510	4,051,164	1,429,028	4,347,646

The future subscription-based obligations are as follows:

Fiscal Year Ending March 31	Principal	Interest	Total
2026	\$1,576,362	\$111,885	\$1,688,247
2027	753,075	82,489	835,564
2028	742,029	55,781	797,810
2029	778,399	29,143	807,542
2030	497,781	4,992	502,773
	\$4,347,646	\$284,290	\$4,631,936

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 5 - Debt Activity (continued)

Long-Term Debt

Changes of long-term debt for the fiscal 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

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NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 5 - Debt Activity (continued)

Changes of long-term debt for the year ended March 31, 2024 consist of the following:

Amounts due to trustee	April 1, 2023	Reductions	Additions	March 31, 2024
Series 2008C 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	\$ 49,415,000	\$ 2,550,000	\$ —	\$ 46,865,000
Series 2015A 3.07% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030 (Refunded 2005A Bonds)	26,445,000	2,755,000	—	23,690,000
Series 2015B 3.00% General Airport Revenue Bonds, maturing in varying installments beginning 2016 to 2029 (Refunded 2005A Bonds)	22,770,000	2,790,000	—	19,980,000
Series 2017A 3.56% General Airport Revenue Bonds, maturing in varying installments beginning 2018 to 2037 (Refunded 2007 Bonds)	95,080,000	4,415,000	—	90,665,000
Series 2020A 2.14% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2036 (Refunded 2010 Bonds)	127,265,000	7,400,000	—	119,865,000
Series 2020B 1.31% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2031 (Refunded 2010 Bonds)	57,125,000	5,155,000	—	51,970,000
Total bond obligations	378,100,000	25,065,000	—	353,035,000
Less current maturities	25,065,000	—	1,260,000	26,325,000
Total long-term bond obligations	353,035,000	25,065,000	(1,260,000)	326,710,000
Unamortized premium (discount), net	54,292,664	5,020,930	—	49,271,734
Total long-term debt	\$ 407,327,664	\$ 30,085,930	\$ (1,260,000)	\$ 375,981,734

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

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
2026	\$ 2,805,000	\$ 3,045,000	\$ 3,085,000	\$ 4,830,000	\$ 8,180,000	\$ 5,695,000	\$ 15,100,350
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
2031-2035	19,540,000	3,905,000	—	34,245,000	47,645,000	15,005,000	26,948,745
2036-2038	9,200,000	—	—	25,050,000	22,650,000	—	3,286,317
	<u>\$ 44,185,000</u>	<u>\$ 20,790,000</u>	<u>\$ 17,050,000</u>	<u>\$ 86,050,000</u>	<u>\$ 112,085,000</u>	<u>\$ 46,550,000</u>	<u>\$ 91,292,296</u>

For the table above, interest was calculated for the 2008C variable rate bonds using an estimated rate of 4.0% for their remaining term. On March 31, 2025, the actual rate on these bonds was 3.1%.

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.

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.

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.

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 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.

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 5 - Debt Activity (continued)

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.

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.

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, 2025, the Authority's arbitrage rebate liability is \$1.9 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, 2025 with this 25% transfer is 13.03. The debt service coverage ratio at March 31, 2025 without this 25% transfer is calculated as follows:

Net revenues	\$ 157,987,265
Annual debt service	<u>12,359,222</u>
Calculated debt service coverage ratio without transfer	<u><u>12.78</u></u>

For the fiscal year ended March 31, 2024, the Authority had debt service coverage ratios of 11.61 without transfer and 11.86 with transfer.

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

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 investment, leases that provide both parties with cancellation rights, leases that transfer ownership of the underlying asset, and leases that are regulated.

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. 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 with deferred inflow of resources.

Lease Receivables

Lease payments received are based on terms that specify payments that are fixed, variable based on business performance, or a combination of fixed and variable. The lease receivable is measured at the present value of the fixed lease payments expected to be received during the lease term. Variable based payments are not included in the calculation of the lease receivable. The deferred inflow of resources is measured in 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 have an implicit rate of return, therefore the Authority used the incremental borrowing rate of 3.5% to discount the lease revenue to the net present value.

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. For the fiscal year ended March 31, 2024, the Authority reported lease receivable of \$74.8 million, lease revenue of \$8.7 million and interest revenue of \$2.3 million related to lease payments received.

A summary of future lease revenue is as follows:

Years Ending March 31	Principal	Interest	Total
2026	\$10,737,501	\$2,383,936	\$13,121,437
2027	9,432,873	2,033,558	11,466,431
2028	9,539,145	1,700,061	11,239,206
2029	7,352,579	1,398,760	8,751,339
2030	6,163,886	1,171,612	7,335,498
2031-2035	14,773,879	3,601,150	18,375,029
2036-2040	7,453,388	2,187,752	9,641,140
2041-2045	7,856,637	704,625	8,561,262
2046-2050	730,517	41,035	771,552
2051-2055	53,861	6,139	60,000
2056-2060	7,919	81	8,000
	\$74,102,185	\$15,228,709	\$89,330,894

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans

Local Governmental Employees' Retirement System

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

Benefits provided - LGERS provides retirement benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members 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. Plan members are eligible to retire with 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). LGERS plan members who are law enforcement officers (LEO) are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an 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 also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions - Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Authority employees are required to contribute 6.0% of their annual covered salary. The Authority is required to contribute at an actuarially determined rate and set 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 13.6% and 15.1% of annual covered payroll respectively. The Authority's contributions to LGERS for the fiscal years ended March 31, 2025 and 2024 were \$5.8 million and \$4.9 million, respectively. The contributions made by the Authority 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 have terminated service as a contributing member of LGERS may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

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

On March 31, 2025, the Authority reported a liability of \$29.1 million for its proportionate share of the net pension liability that was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating actuarial assumptions. The Authority's actuarially determined proportion of the net pension liability was based on a projection of the Authority's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers. On June 30, 2024, the Authority's proportion was 0.43129%, which was an increase of 0.05777% from its proportion measured as of June 30, 2023.

As of March 31, 2025, the Authority has recognized life to date pension expense of \$9.2 million. On March 31, 2025 and March 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,095,104	\$ 34,257	\$ 2,756,637	\$ 59,345
Changes of assumptions	—	—	1,051,257	—
Net difference between projected and actual earnings on pension plan investments	3,952,778	—	6,621,191	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,902,439	119,119	517,288	272,526
Employer contributions subsequent to the measurement date	4,563,642	—	3,882,387	—
Total	\$ 15,513,963	\$ 153,376	\$ 14,828,760	\$ 331,871

Deferred outflow of resources of \$4.6 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, 2026. 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>
2026	\$ 3,351,372
2027	6,856,060
2028	1,125,042
2029	(535,529)
2030	—
Thereafter	—
Total	\$ 10,796,945

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

Actuarial assumptions - The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	2025	2024
Inflation	2.50%	2.25%
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, 2023 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, 2024 are summarized in the following tables:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100.0%	

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

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 ending 2025 and 2024 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)					
	2025			2024		
	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)	\$27,476	\$29,075	\$31,256	\$23,378	\$24,739	\$26,594

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.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding policy - Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to 5 percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended March 31, 2025 were \$0.51 million, which consisted of \$0.22 million from the Authority and \$0.29 million from the law

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

enforcement officers. Contributions for the year ended March 31, 2024 were \$0.44 million, which consisted of \$0.20 million from the Authority and \$0.24 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 the Authority's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2023, the Separation Allowance's membership consisted of:

<u>Category</u>	<u>Number</u>
Retirees receiving benefits	3
Active plan members	49
Total	52

Summary of significant accounting policies:

Basis of accounting - The Authority has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from operating accounts, which are maintained on the accrual basis of accounting. The Separation Allowance has no assets accumulated in a trust that meets the criteria in Generally Accepted Accounting Principals.

Actuarial assumptions:

The entry age normal actuarial cost method was used in the December 31, 2023 valuation. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25%-7.75%, including inflation factor
Discount rate	4.28%

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

Contributions - The Authority is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the operating budget. The Authority's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The Authority paid \$0.1 million as benefits came due for the reporting period.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

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

On March 31, 2025, the Authority reported a total pension liability of \$2.1 million. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended March 31, 2025, the Authority recognized pension expense of \$0.3 million. In addition, the Authority reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 494,445	\$ 73,771	\$ 396,930	\$ 105,030
Changes of assumptions	128,193	164,372	213,936	161,325
Benefit payments subsequent to the measurement date	10,110	—	19,212	—
Total	\$ 632,748	\$ 238,143	\$ 630,078	\$ 266,355

\$10.1 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, 2026. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending March 31</u>	<u>Amounts</u>
2026	\$ 97,497
2027	77,707
2028	78,036
2029	90,511
2030	26,288
Thereafter	14,456
Total	\$ 384,495

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 4.28%, 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 (3.28%) or 1 percentage point higher (5.28%) than the current rate:

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

(Dollar amounts in thousands)

	2025			2024		
	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$2,288	\$2,082	\$1,896	\$1,953	\$1,780	\$1,623

The following table shows the changes in total pension liability by source as of March 31, 2025 and 2024:

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

	2025	2024
Balance, beginning of year	\$ 1,780,275	\$ 1,280,592
Changes for the year:		
Service cost at end of year	118,496	84,254
Interest	70,033	52,970
Change in benefit terms	—	—
Difference between expected and actuarial experience	232,445	415,336
Changes of assumptions and other inputs	(60,261)	50,307
Benefit payments	(58,900)	(103,184)
Other	—	—
Net changes	301,813	499,683
Balance, end of year	<u>\$ 2,082,088</u>	<u>\$ 1,780,275</u>

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

At March 31, 2025 and 2024, the Authority reported defined benefit pension plans as follows:

	2025			2024		
	LGERS	LEOSSA	Total	LGERS	LEOSSA	Total
Pension expense	\$9,236,901	\$ 320,729	\$ 9,557,630	\$7,335,207	\$ 265,294	\$ 7,600,501
Pension liability	29,075,358	2,082,088	31,157,446	24,738,819	1,780,275	26,519,094
Proportionate share of the pension liability	0.43 %	N/A	N/A	0.37 %	N/A	N/A

Deferred outflow of resources:

Differences between expected and actual experience	\$5,095,104	\$ 494,445	\$ 5,589,549	\$2,756,637	\$ 396,930	\$ 3,153,567
Changes of assumptions	—	128,193	128,193	1,051,257	213,936	1,265,193
Net difference between projected and actual earnings on pension plan investments	3,952,778	—	3,952,778	6,621,191	—	6,621,191
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,902,439	—	1,902,439	517,288	—	517,288
Employer contributions subsequent to the measurement date	4,563,642	10,110	4,573,752	3,882,387	19,212	3,901,599
Total	\$15,513,963	\$ 632,748	\$16,146,711	\$14,828,760	\$ 630,078	\$15,458,838

Deferred inflow of resources

Net difference between projected and actual earnings on pension plan investments	\$ 34,257	\$ 73,771	\$ 108,028	\$ 59,345	\$ 105,030	\$ 164,375
Changes in proportion and differences between employer contributions and proportionate share of contributions	119,119	—	119,119	\$ 272,526	—	272,526
Changes of assumptions	—	164,372	164,372	\$ —	161,325	161,325
Total	\$ 153,376	\$ 238,143	\$ 391,519	\$ 331,871	\$ 266,355	\$ 598,226

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

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, provided they participate in the North Carolina Local Governmental Employees' Retirement System ('System'). While eligibility to draw retirement benefits from the System vests at 5 years, eligibility for post-retirement health benefits from the Authority requires: (1) all requirements for retirement from LGERS are met and (2) the final 5 years of service are worked with the Authority. The Authority pays the cost of the individual and dependent premiums (on same portion of the cost as it pays for non-retired employees) for the qualified retiree's health coverage through the Authority's group health insurance plan. When the retiree reaches age 65, the Authority's post-retirement benefits cease. At that time, the retiree is no longer covered by the Authority's group health insurance program. The Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or a report of 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	393

Funding policy:

As noted above, the Authority pays its share of the cost of coverage (premiums) for the healthcare benefits provided to qualified retirees. The Authority's members pay their share of the premiums. The Authority has chosen to fund the health care benefits on a pay as you go basis, and no funds are set aside to pay these benefits.

Life Insurance Benefit

Plan description:

Under the terms of an Authority resolution, the Authority administers a single-employer life insurance benefit. The life insurance benefit provides post-employment life insurance coverage to retirees of the Authority in the amount of \$10,000. When the retiree reaches age 99, the Authority's post-retirement benefits cease. At that time, the retiree is no longer covered by the Authority's life insurance policy.

Funding policy:

The Authority pays the full cost of life insurance premiums. The Authority has chosen to fund the life insurance benefits on a pay-as-you-go basis, and no funds are set aside to pay these benefits. The Authority's obligation to contribute to the life insurance benefit is established and may be amended by the Authority's Board of Directors.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

Summary of significant accounting policies:

Post-employment expenditures for the Authority's portion of the premiums are from the Authority's enterprise fund, which is maintained on the full accrual basis of accounting. No funds are set aside to pay benefits and administrative costs. These expenditures are paid as they come due.

Total OPEB liability:

The Authority's total liability of \$10.6 million, was measured as of June 30, 2024 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	3.93%
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 2024 average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the total OPEB liability:

	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 10,588,651	\$ 10,482,132
Changes for the year:		
Service Cost	504,569	498,011
Interest	393,291	380,111
Changes of benefit terms	—	—
Differences between expected and actual experience	(213,150)	(178,747)
Changes in assumptions or other inputs	18,044	(103,532)
Benefit payments	(642,028)	(489,324)
Net Changes	<u>60,726</u>	<u>106,519</u>
Balance, end of the year	<u><u>\$ 10,649,377</u></u>	<u><u>\$ 10,588,651</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% to 3.93%.

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

Note 7 - Employee Retirement Plans (continued)

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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

(Dollar amounts in thousands)

	2025			2024		
	1% Decrease	Discount Rate (3.93%)	1% Increase	1% Decrease	Discount Rate (3.65%)	1% Increase
Total OPEB liability	\$11,644	\$10,649	\$9,771	\$11,586	\$10,589	\$9,711

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)

	2025			2024		
	1% Decrease	Healthcare Cost Trend	1% Increase	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB liability	\$9,727	\$10,649	\$11,725	\$9,603	\$10,589	\$11,745

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

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, 2025 the Authority recognized OPEB expense of \$1.2 million. On March 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 938,997	\$ 496,201	\$ 1,391,557	\$ 415,431
Changes of assumptions	454,144	703,777	645,806	947,831
Benefit payments and administrative costs made subsequent to the measurement date	379,760	—	423,570	—
Total	\$ 1,772,901	\$ 1,199,978	\$ 2,460,933	\$ 1,363,262

\$0.4 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, 2026. 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
2026	\$ 291,427
2027	217,361
2028	(170,690)
2029	(121,045)
2030	(23,890)
Thereafter	—
Total:	\$ 193,163

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RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2025 and 2024

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. Settled claims from these risks have been far less than commercial insurance coverage.

The Authority maintains Public Official Bonds for the individual designated as the Finance Officer. As of March 31, 2025, the Vice President, Chief Financial Officer is the designated Finance Officer with coverage of \$50.0 thousand. Effective June 1, 2025, the coverage for the Finance Officer has increased to \$1.0 million each, in accordance with the new requirements of NC General Statute 159-29.

Construction commitments - On March 31, 2025 and 2024, the Authority has contractual commitments for Authority capital programs of approximately \$163.5 million and \$111.8 million, respectively.

Note 9 - Subsequent Events

The Authority has evaluated subsequent events through June 6, 2025 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. No subsequent events are noted.

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RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, North Carolina

Required Supplemental Information

Prepared by the Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY
OTHER POST EMPLOYMENT BENEFIT HEALTH CARE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
UNAUDITED

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2019
Total OPEB liability							
Service cost at end of year	\$ 504,569	\$ 498,011	\$ 720,141	\$ 783,649	\$ 473,791	\$ 445,449	\$ 453,432
Interest	393,291	380,111	257,475	258,203	258,600	250,247	227,642
Changes in benefit terms	—	—	(6,559)	—	—	—	—
Differences between expected and actual experience	(213,150)	(178,747)	(294,849)	(115,917)	2,731,582	418,206	152,630
Changes of assumptions or other inputs	18,044	(103,532)	(1,113,015)	(131,609)	1,255,420	250,856	(202,291)
Net benefit payments	(642,028)	(489,324)	(559,155)	(429,565)	(1,032,768)	(735,274)	(453,289)
Net change in total OPEB liability	60,726	106,519	(995,962)	364,761	3,686,625	629,484	178,124
Total OPEB liability - beginning	10,588,651	10,482,132	11,478,094	11,113,333	7,426,708	6,797,224	6,619,100
Total OPEB liability - ending	\$ 10,649,377	\$ 10,588,651	\$ 10,482,132	\$ 11,478,094	\$ 11,113,333	\$ 7,426,708	\$ 6,797,224
Covered-employee payroll	\$ 28,103,995	\$ 26,832,790	\$ 26,832,790	\$ 27,088,278	\$ 27,088,278	\$ 21,268,476	\$ 21,268,476
Total OPEB liability as a percentage of covered-employee payroll	37.89%	39.46%	39.06%	42.37%	41.03%	34.92%	31.96%

Notes to the required schedules:

The schedules are intended to show information for ten years, additional years' information will be displayed as it becomes 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 of each period. The following are the discount rates used in each period:

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2019
Discount Rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.89%

RALEIGH-DURHAM AIRPORT AUTHORITY
LAW ENFORCEMENT OFFICER'S SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
UNAUDITED

Pension Liability	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2018
Service cost at end of year	\$ 118,496	\$ 84,254	\$ 88,667	\$ 89,171	\$ 64,603	\$ 62,505	\$ 61,657	\$ 47,739
Interest	70,033	52,970	36,865	24,863	36,133	37,288	32,572	36,344
Changes in benefit terms	—	—	—	—	—	—	—	—
Difference between expected and actual experience	232,445	415,336	(167,548)	71,828	59,314	68,079	136,396	—
Changes of assumptions or other inputs	(60,261)	50,307	(257,353)	282,230	139,514	33,655	(6,926)	18,909
Net benefit payments	(58,900)	(103,184)	(116,974)	(118,811)	(120,569)	(114,536)	(119,111)	(134,953)
Other	—	—	—	—	—	—	—	—
Net change in total pension liability	301,813	499,683	(416,343)	349,281	178,995	86,991	104,588	(31,961)
Total pension liability - beginning	1,780,275	1,280,592	1,696,935	1,347,654	1,168,659	1,081,668	977,080	1,009,041
Total pension liability - ending	\$ 2,082,088	\$ 1,780,275	\$ 1,280,592	\$ 1,696,935	\$ 1,347,654	\$ 1,168,659	\$ 1,081,668	\$ 977,080

Notes to the required schedules:

December 31, 2024 Measurement Date: The Municipal Bond Index Rate increased from 4.00% to 4.28%.

The pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes 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
 LAW ENFORCEMENT OFFICER'S SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
 UNAUDITED

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2018
Total pension liability - ending	\$ 2,082,088	\$ 1,780,275	\$ 1,280,592	\$ 1,696,935	\$ 1,347,654	\$ 1,168,659	\$ 1,081,668	\$ 977,080
Covered-employee payroll	\$ 4,292,263	\$ 3,624,507	\$ 2,751,593	\$ 3,066,936	\$ 2,781,507	\$ 2,824,481	\$ 2,799,339	\$ 2,388,016
Total pension liability as a percentage of covered-employee payroll	48.51%	49.12%	46.54%	55.33%	48.45%	41.38%	38.64%	40.92%

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
 LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 UNAUDITED

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2016
Proportionate share of net pension liability (asset)	0.43129%	0.37352%	0.35201%	0.37297%	0.3781%	0.34424%	0.33277%	0.31162%	0.31228%	0.28507%
Proportionate share of net pension liability (asset) (\$)	\$29,075,358	\$24,738,819	\$19,858,391	\$5,719,853	\$13,511,124	\$9,400,926	\$7,894,448	\$4,760,696	\$6,627,632	\$1,279,381
Covered payroll - measurement period	\$40,078,501	\$33,117,152	\$27,464,576	\$26,436,846	\$27,884,011	\$24,109,407	\$22,402,704	\$20,252,627	\$20,098,008	\$18,128,137
Proportionate share of net pension liability (asset) as a percentage of covered payroll	72.55%	74.70%	72.31%	21.64%	48.45%	38.99%	35.24%	23.51%	32.98%	7.06%
Plan fiduciary net position as a percentage of the total pension liability	83.3%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

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
 LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 UNAUDITED

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2016
Contractually required contribution	\$5,796,555	\$4,875,463	\$3,893,157	\$2,902,275	\$2,680,838	\$2,368,895	\$1,818,909	\$1,621,300	\$1,410,750	\$1,267,243
Contributions in relation to the contractually required contribution	5,796,555	4,875,463	3,893,157	2,902,275	2,680,838	2,368,895	1,818,909	1,621,300	1,410,750	1,267,243
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll - fiscal year	\$43,227,351	\$38,788,596	\$32,880,988	\$27,721,936	\$27,129,726	\$27,140,518	\$23,559,475	\$21,771,497	\$20,140,459	\$20,098,008
Contributions as a percentage of covered payroll	13.41 %	12.57 %	11.84 %	10.47 %	9.88 %	8.73 %	7.72 %	7.45 %	7.00 %	6.31 %

RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, 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, 2025

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Revenue Capacity These schedules contain information to help the reader assess the Authority's most significant revenue source.	59
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.	62
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.	65
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.	67

RALEIGH-DURHAM AIRPORT AUTHORITY
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net position										
Net investment in capital assets	\$ 579,305,451	\$ 429,201,222	\$ 373,869,652	\$351,649,776	\$360,059,904	\$363,556,801	\$256,701,290	\$256,188,985	\$261,637,368	\$251,985,469
Restricted For:										
State of North Carolina underground storage tank trust deductible	—	—	—	—	—	—	—	—	—	220,000
Debt service	40,334,466	40,413,054	39,026,605	38,557,642	38,558,845	39,224,174	47,527,257	46,059,554	45,098,046	45,853,319
DEA/ICE forfeitures	788,513	795,610	1,165,427	1,165,251	1,091,093	291,152	226,159	115,634	79,610	82,029
State grant funds	—	—	6,139,100	—	—	—	14,560,117	—	—	—
Passenger facility charges	66,649,506	64,591,013	58,976,285	47,263,749	29,032,766	33,121,903	32,288,882	27,635,490	25,529,873	2,850,046
Customer facility charges	113,473,484	93,907,576	75,917,028	62,160,009	51,733,623	48,881,085	32,248,941	16,216,386	3,383,354	—
Unrestricted net position	582,436,396	560,127,263	482,242,641	365,915,365	301,189,967	273,320,387	258,351,966	169,431,556	123,685,528	131,974,693
Total net position	\$ 1,382,987,816	\$ 1,189,035,738	\$1,037,336,738	\$866,711,792	\$781,666,198	\$758,395,502	\$641,904,612	\$515,647,605	\$459,413,779	\$432,965,556

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating revenues										
Parking	\$ 104,564,327	\$ 100,840,632	\$ 79,136,788	\$ 49,918,119	\$ 13,338,265	\$ 65,169,221	\$ 60,543,954	\$ 54,975,271	\$ 55,843,209	\$ 47,058,255
Airfield	24,128,041	21,572,482	17,834,852	13,959,542	6,881,328	17,782,634	18,808,634	16,614,473	15,058,135	12,852,933
Terminals	74,404,177	64,651,097	60,625,787	55,664,297	36,705,396	55,900,285	55,102,240	51,770,857	37,929,957	33,821,356
Rental car	22,306,293	20,398,136	19,007,878	16,071,235	8,412,962	17,912,819	17,446,412	16,142,255	16,742,662	14,830,467
Ground Transportation	11,359,022	9,354,925	7,227,600	3,330,797	1,236,852	6,583,969	5,754,817	4,573,444	1,871,464	1,571,615
General Aviation	4,978,877	4,396,936	4,233,572	2,185,429	1,910,235	1,904,083	1,654,755	1,857,961	1,721,514	1,706,871
Other	12,405,738	10,387,603	9,279,044	7,104,928	5,198,534	8,338,298	6,560,424	5,714,304	4,647,349	4,477,508
Total operating revenues	254,146,475	231,601,811	197,345,521	148,234,347	73,683,572	173,591,309	165,871,236	151,648,565	133,814,290	116,319,005
Operating expenses										
Personnel	66,886,854	60,002,889	48,455,784	39,451,457	40,172,242	39,802,797	33,876,609	31,051,920	27,170,380	25,890,007
Professional Services	5,873,617	6,061,352	5,923,588	3,125,689	2,897,343	6,800,376	2,789,318	7,577,131	7,433,558	1,627,047
Contractual Labor	31,321,597	24,327,985	23,335,886	22,428,922	16,387,903	25,268,209	22,284,959	18,399,409	17,439,029	18,218,854
Utilities	7,967,816	7,428,015	7,076,033	6,298,052	5,646,350	6,580,766	6,973,557	6,235,356	6,367,814	6,508,761
Material and Supplies	7,475,756	7,174,010	4,478,995	2,715,702	2,122,752	5,675,046	3,640,242	3,558,309	2,249,811	1,846,403
General and Administrative	9,861,827	6,802,450	5,353,321	3,212,057	2,383,122	4,173,129	3,810,173	5,508,189	4,620,518	5,616,852
Subtotal	129,387,467	111,796,701	94,623,607	77,231,879	69,609,712	88,300,323	73,374,858	72,330,314	65,281,110	59,707,924
Depreciation and amortization	62,190,827	59,658,579	55,115,148	55,528,068	53,202,700	50,382,473	47,889,122	48,199,789	49,734,592	51,800,974
Total operating expenses	191,578,294	171,455,280	149,738,755	132,759,947	122,812,412	138,682,796	121,263,980	120,530,103	115,015,702	111,508,898
Operating income (loss)	62,568,181	60,146,531	47,606,766	15,474,400	(49,128,840)	34,908,513	44,607,256	31,118,462	18,798,588	4,810,107
Non-operating revenues (expenses)										
Investment interest income	28,881,927	28,298,236	12,451,480	1,037,026	1,537,087	8,674,588	7,229,938	3,007,736	2,258,957	2,432,278
Passenger facility charges	32,173,213	30,114,728	26,712,536	20,230,983	5,910,863	27,833,021	26,653,392	23,815,980	22,679,826	20,525,728
Customer facility charges	20,190,272	17,990,548	13,895,911	10,424,494	5,870,783	16,632,180	16,578,862	15,065,790	3,147,074	—
Bond interest expense, net	(11,675,311)	(12,708,384)	(12,804,375)	(12,857,209)	(15,600,053)	(4,645,836)	(21,404,408)	(21,890,713)	(22,575,341)	(21,768,920)
Payments from federal and state agencies	88,800	4,874,450	54,433,932	23,011,072	48,495,064	—	—	—	—	—
Other	(18,977)	(3,895,499)	535,014	511,093	787,122	(1,000,626)	735,380	272,403	(636,118)	91,847
Termination Income	—	—	—	—	—	8,227,000	—	—	—	—
Total non-operating revenues (exp)	69,639,924	64,674,079	95,224,498	42,357,459	47,000,866	55,720,327	29,793,164	20,271,196	4,874,398	1,280,933
Income (loss) before contributions	132,208,105	124,820,610	142,831,264	57,831,859	(2,127,974)	90,628,840	74,400,420	51,389,658	23,672,986	6,091,040
Capital contributions	61,743,973	26,878,390	27,558,227	28,352,004	27,955,720	25,862,050	53,820,449	4,948,413	2,775,237	1,793,993
Write down of discontinued projects	—	—	—	(1,138,270)	(6,004,241)	—	—	—	—	—
Increase (decrease) in net position	193,952,078	151,699,000	170,389,491	85,045,593	19,823,505	116,490,890	128,220,869	56,338,071	26,448,223	7,885,033
Net position, beginning restated	—	—	235,455	—	3,447,192	—	(1,963,862)	(104,245)	—	(1,279,076)
Net position, beginning of year	1,189,035,738	1,037,336,738	866,711,792	781,666,199	758,395,502	641,904,612	515,647,605	459,413,779	432,965,556	426,359,599
Net position, end of year	\$1,382,987,816	\$1,189,035,738	\$1,037,336,738	\$866,711,792	\$781,666,199	\$758,395,502	\$641,904,612	\$515,647,605	\$459,413,779	\$432,965,556

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
KEY PERFORMANCE INDICATORS
Last Ten Fiscal Years

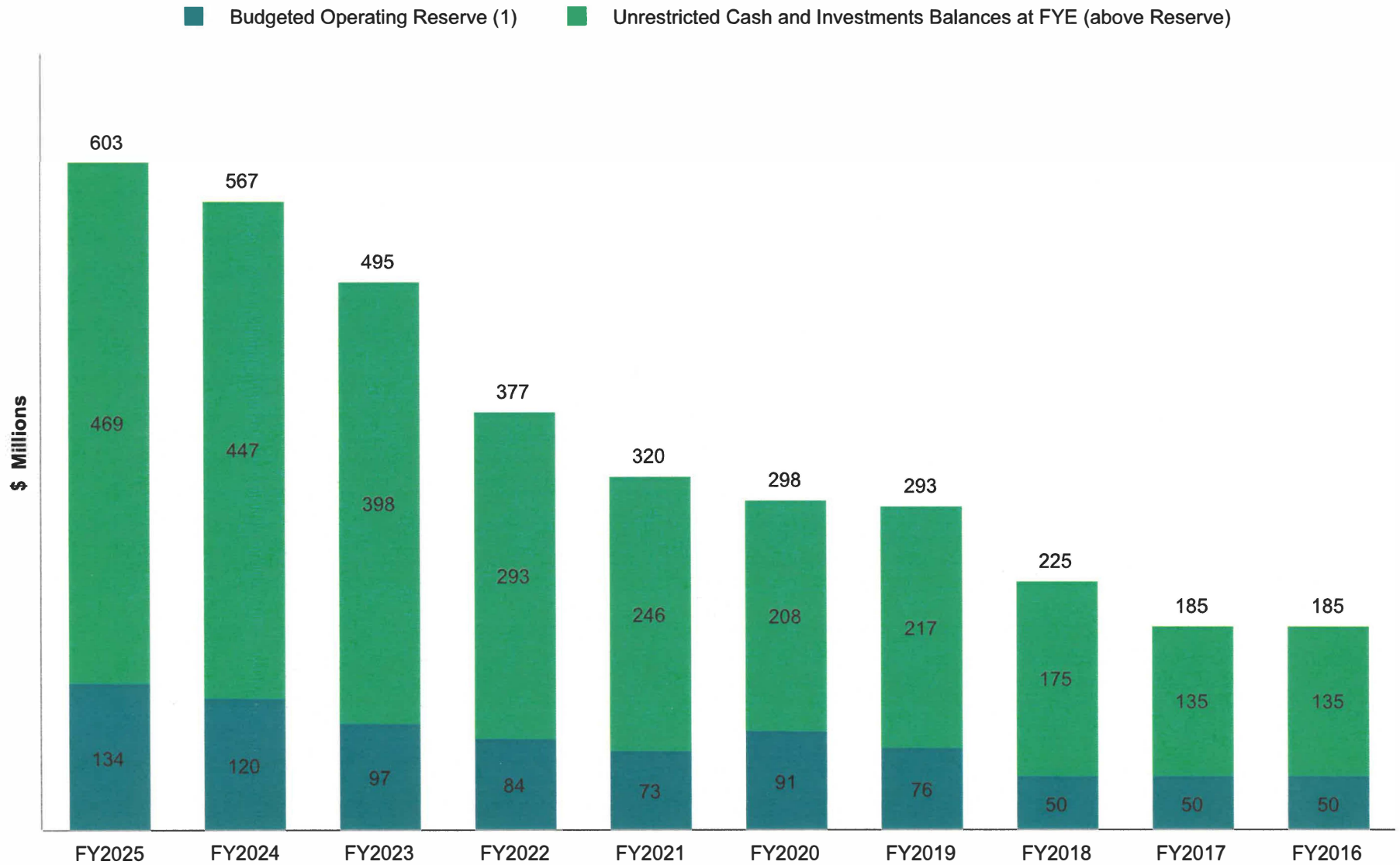
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Airline cost per enplanement (CPE)	\$ 9.26	\$ 8.88	\$ 9.14	\$ 9.98	\$ 19.92	\$ 8.12	\$ 8.59	\$ 8.68	\$ 7.28	\$ 7.02
Airline cost per airline operation	438.99	405.26	427.27	417.77	541.76	346.89	360.75	352.13	286.04	266.43
Terminal concession revenue per enplanement	2.43	2.20	2.10	2.54	1.41	1.80	1.77	1.51	1.67	1.61
Terminal concession revenue per airline operation	119.79	102.96	98.08	106.37	38.40	76.78	74.43	61.09	65.51	61.24
Rental car revenue per enplanement	2.87	2.76	3.04	3.20	4.80	2.60	2.67	2.72	2.98	2.88
Rental car revenue per airline operation	141.07	129.00	142.06	133.88	130.53	110.88	111.97	110.11	117.16	109.31
Parking revenue per enplanement	14.90	14.89	13.80	10.59	8.26	10.39	10.12	10.01	10.27	9.37
Parking revenue per airline operation	733.10	696.68	645.11	443.29	224.73	443.74	425.10	405.97	403.47	355.77
Non-aeronautical revenue per enplanement	21.16	20.64	19.80	17.18	16.81	15.51	15.01	14.65	15.05	14.14
Non-aeronautical revenue per airline operation	1,041.15	966.15	926.01	719.04	457.28	662.62	630.51	593.88	591.36	536.97
Total operating revenue per enplanement	32.66	31.30	31.54	29.50	42.03	25.15	25.35	25.51	23.84	22.58
Total operating revenue per airline operation	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	857.36
Total operating revenue per total operation	1,181.98	1,104.47	1,027.62	805.49	650.42	792.07	756.85	753.68	691.41	632.05
Total operating expenses per enplanement	16.63	15.11	15.13	15.37	39.71	12.79	11.21	12.17	11.63	11.59
Total operating expenses per airline operation	818.25	707.01	707.20	643.40	1,080.01	546.59	470.90	493.40	456.82	440.09
Total operating expenses per total operation	601.75	533.14	492.72	419.67	614.45	402.90	334.80	359.47	337.31	324.44
Number of days unrestricted cash on hand	1,759	1,910	1,966	1,801	1,675	1,234	1,460	1,135	1,036	1,131

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

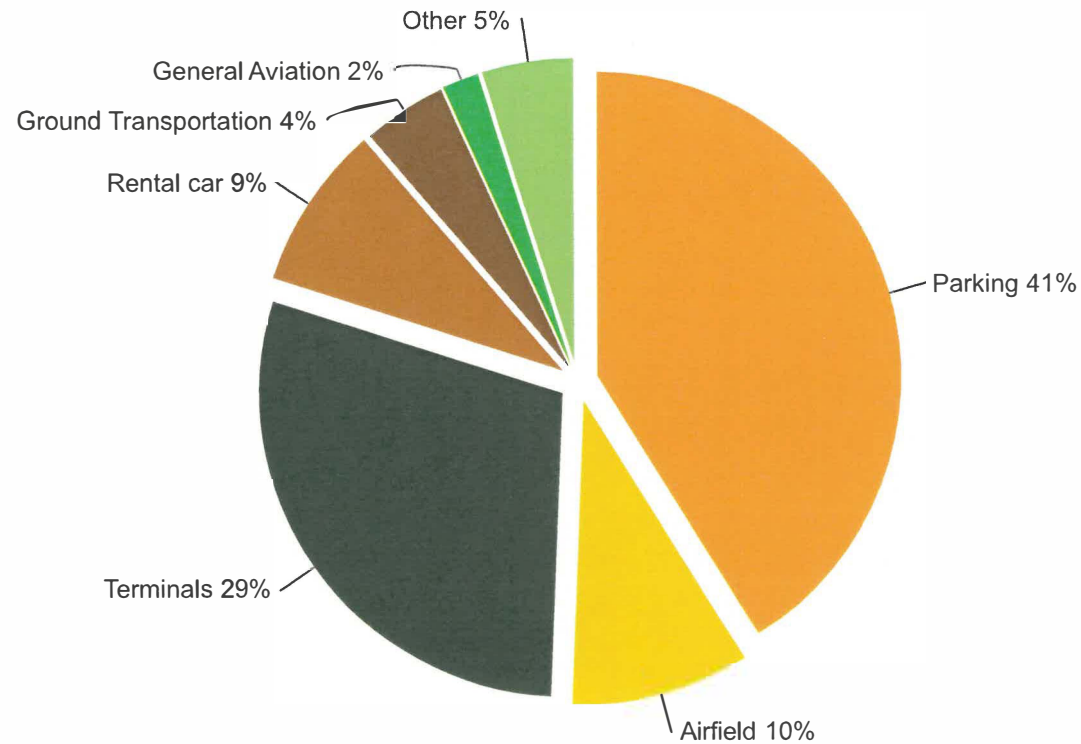


Note:
 (1) The Authority formally adopted an operating reserve policy to maintain an operating reserve of about one times the current fiscal year's annual operating budgeted expenses (excluding depreciation).

RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2025 Operating Revenue by Source (000s)

	<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>	<u>2016</u>
Parking	\$ 104,564	\$ 100,130	\$ 79,137	\$ 49,918	\$ 13,338	\$ 65,169	\$ 60,544	\$ 54,975	\$ 55,843	\$ 47,058
Airfield	24,128	21,573	17,835	13,960	6,881	17,783	18,809	16,615	15,058	12,853
Terminals	74,404	64,651	60,626	55,664	36,705	55,900	55,102	51,771	37,930	33,821
Rental car	22,306	20,398	19,008	16,071	8,413	17,913	17,446	16,142	16,743	14,830
Ground Transportation	11,359	10,037	7,228	3,331	1,237	6,584	5,755	4,573	1,871	1,572
General Aviation	4,979	4,397	4,233	2,185	1,910	1,904	1,655	1,858	1,722	1,707
Other	12,406	10,416	9,279	7,105	5,199	8,338	6,560	5,714	4,647	4,478
Total	\$ 254,146	\$ 231,602	\$ 197,346	\$ 148,234	\$ 73,683	\$ 173,591	\$ 165,871	\$ 151,648	\$ 133,814	\$ 116,319

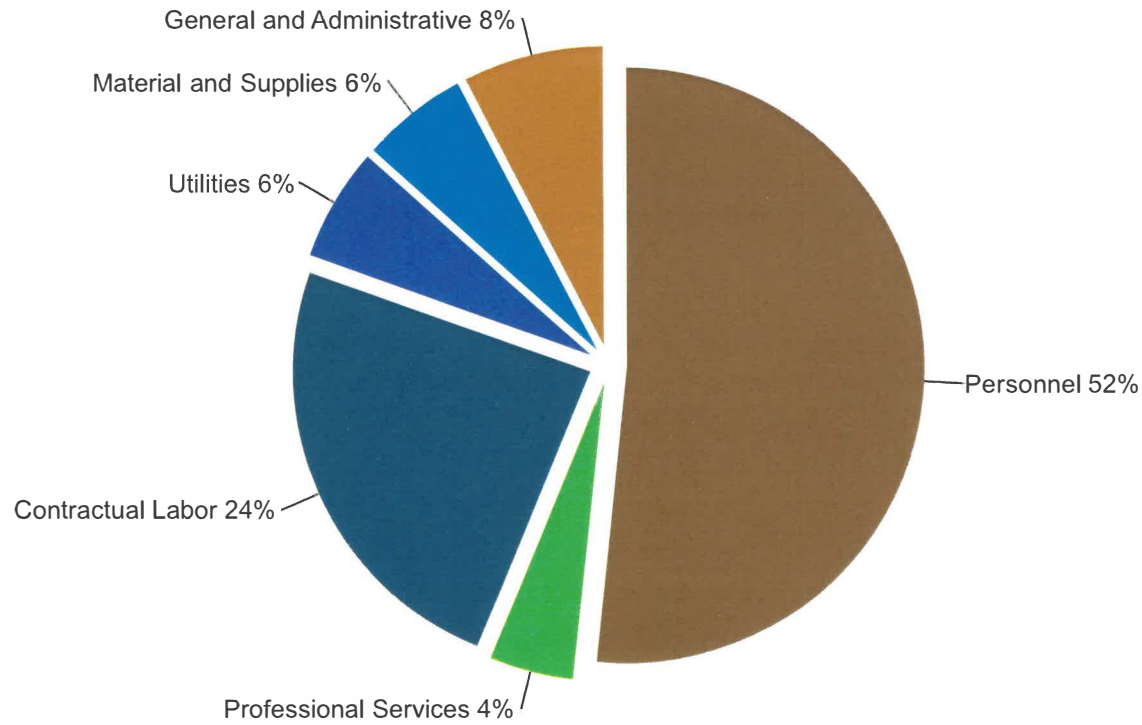
FYE March 31, 2025 Operating Revenue by Source



RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2025 Operating Expenses before Depreciation and Amortization by Source (000s)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Personnel	\$ 66,887	\$ 60,003	\$ 48,456	\$ 39,451	\$ 40,172	\$ 39,803	\$ 33,877	\$ 31,052	\$ 27,170	\$ 25,890
Professional Services	5,873	6,061	5,923	3,126	2,897	6,800	2,789	7,577	7,434	1,627
Contractual Labor	31,321	24,328	23,336	22,429	16,388	25,268	22,285	18,400	17,439	18,219
Utilities	7,968	7,428	7,076	6,298	5,647	6,581	6,974	6,235	6,368	6,509
Material and Supplies	7,476	7,174	4,479	2,716	2,123	5,675	3,640	3,558	2,250	1,846
General and Administrative	9,862	6,802	5,354	3,212	2,383	4,173	3,810	5,509	4,621	5,617
Total	\$129,387	\$111,796	\$ 94,624	\$ 77,232	\$ 69,610	\$ 88,300	\$ 73,375	\$ 72,331	\$ 65,282	\$ 59,708

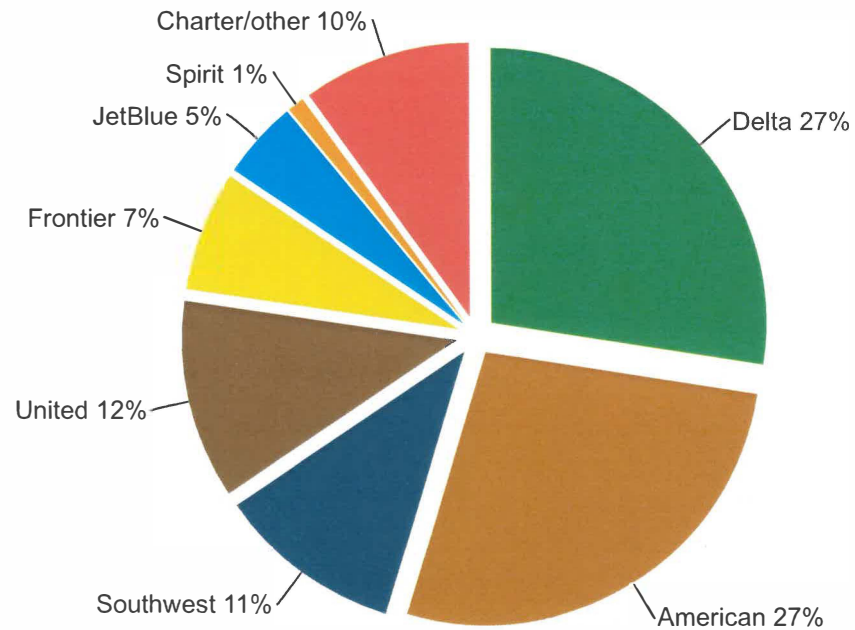
FYE March 31, 2025 Operating Expense before Depreciation by Source



RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2025 Airline Derived Revenue by Carrier (000s)

	<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>	<u>2016</u>
Delta	\$ 19,061	\$ 18,586	\$ 17,381	\$ 14,605	\$ 9,422	\$ 17,434	\$ 17,566	\$ 18,427	\$ 11,571	\$ 10,598
American	18,870	18,116	15,699	13,009	7,928	14,088	15,004	15,653	11,651	11,152
Southwest	7,620	7,266	7,568	7,823	5,686	8,021	9,027	8,528	6,458	6,278
United	8,132	7,375	6,398	5,873	3,665	6,490	6,819	6,658	5,070	4,822
Frontier	4,923	3,808	2,800	2,069	1,818	3,208	2,919	1,064	579	343
JetBlue	3,206	3,139	3,459	3,468	1,754	2,458	2,820	2,627	1,805	1,854
Spirit	697	780	959	1,591	1,788	2,431	—	—	—	—
Charter/other	6,907	5,013	2,906	1,711	2,858	1,910	2,055	1,783	1,182	1,100
Total	\$ 69,416	\$ 64,083	\$ 57,170	\$ 50,149	\$ 34,919	\$ 56,040	\$ 56,210	\$ 54,740	\$ 38,316	\$ 36,147

FYE March 31, 2025 Airline Derived Revenue by Carrier



**RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT SERVICE SCHEDULE
Ten Years Projection**

RDU BOND ISSUES	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<u>2008C (Non-AMT) - \$72.295M Variable Rate - PFC</u>											
Principal (May Only)	\$ 2,680,000	\$ 2,805,000	\$ 2,940,000	\$ 3,080,000	\$ 3,230,000	\$ 3,390,000	\$ 3,550,000	\$ 3,720,000	\$ 3,900,000	\$ 4,090,000	\$ 4,280,000
Interest (12 Months)	1,394,013	1,664,550	1,547,400	1,424,667	1,295,967	1,160,900	1,019,433	871,200	715,800	552,833	382,267
Total	<u>4,074,013</u>	<u>4,469,550</u>	<u>4,487,400</u>	<u>4,504,667</u>	<u>4,525,967</u>	<u>4,550,900</u>	<u>4,569,433</u>	<u>4,591,200</u>	<u>4,615,800</u>	<u>4,642,833</u>	<u>4,662,267</u>
<u>2015A (Non-AMT) - \$34.060M (3.07%) Fixed Rate</u>											
Principal (May Only)	2,900,000	3,045,000	3,205,000	3,370,000	3,540,000	3,725,000	3,905,000	—	—	—	—
Interest (May)	582,875	510,375	434,250	354,125	269,875	181,375	88,250	—	—	—	—
Interest (November)	510,375	434,250	354,125	269,875	181,375	88,250	—	—	—	—	—
Total	<u>3,993,250</u>	<u>3,989,625</u>	<u>3,993,375</u>	<u>3,994,000</u>	<u>3,991,250</u>	<u>3,994,625</u>	<u>3,993,250</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>2015B (AMT) - \$48.685M (3.00%) Fixed Rate - PFC</u>											
Principal (May Only)	2,930,000	3,085,000	3,235,000	3,405,000	3,580,000	3,745,000	—	—	—	—	—
Interest (May)	484,500	411,250	334,125	253,250	168,125	78,625	—	—	—	—	—
Interest (November)	411,250	334,125	253,250	168,125	78,625	—	—	—	—	—	—
Total	<u>3,825,750</u>	<u>3,830,375</u>	<u>3,822,375</u>	<u>3,826,375</u>	<u>3,826,750</u>	<u>3,823,625</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>2017A (AMT) - \$115.230M (3.56%) Fixed Rate - PFC</u>											
Principal (May Only)	4,615,000	4,830,000	5,075,000	5,340,000	5,610,000	5,900,000	6,190,000	6,495,000	6,830,000	7,180,000	7,550,000
Interest (May)	2,233,138	2,140,838	2,020,088	1,893,213	1,759,713	1,619,463	1,471,963	1,327,625	1,165,250	994,500	815,000
Interest (November)	2,140,838	2,020,088	1,893,213	1,759,712	1,619,463	1,471,963	1,327,625	1,165,250	994,500	815,000	626,250
Total	<u>8,988,976</u>	<u>8,990,926</u>	<u>8,988,301</u>	<u>8,992,925</u>	<u>8,989,176</u>	<u>8,991,426</u>	<u>8,989,588</u>	<u>8,987,875</u>	<u>8,989,750</u>	<u>8,989,500</u>	<u>8,991,250</u>
<u>2020A (AMT) - \$141.005M (2.14%) Fixed Rate - PFC</u>											
Principal (May Only)	7,780,000	8,180,000	8,600,000	9,045,000	7,785,000	8,180,000	8,600,000	9,040,000	9,505,000	9,995,000	10,505,000
Interest (May)	2,996,625	2,802,125	2,597,625	2,382,625	2,156,500	1,961,875	1,757,375	1,542,375	1,316,375	1,078,750	828,875
Interest (November)	2,802,125	2,597,625	2,382,625	2,156,500	1,961,875	1,757,375	1,542,375	1,316,375	1,078,750	828,875	566,250
Total	<u>13,578,750</u>	<u>13,579,750</u>	<u>13,580,250</u>	<u>13,584,125</u>	<u>11,903,375</u>	<u>11,899,250</u>	<u>11,899,750</u>	<u>11,898,750</u>	<u>11,900,125</u>	<u>11,902,625</u>	<u>11,900,125</u>
<u>2020B (NON-AMT) - \$69.610M (1.31%) Fixed Rate</u>											
Principal (May Only)	5,420,000	5,695,000	5,985,000	6,295,000	6,615,000	6,955,000	7,315,000	7,690,000	—	—	—
Interest (May)	1,299,250	1,163,750	1,021,375	871,750	714,375	549,000	375,125	192,250	—	—	—
Interest (November)	1,163,750	1,021,375	871,750	714,375	549,000	375,125	192,250	—	—	—	—
Total	<u>7,883,000</u>	<u>7,880,125</u>	<u>7,878,125</u>	<u>7,881,125</u>	<u>7,878,375</u>	<u>7,879,125</u>	<u>7,882,375</u>	<u>7,882,250</u>	<u>—</u>	<u>—</u>	<u>—</u>
FY Principal Total	26,325,000	27,640,000	29,040,000	30,535,000	30,360,000	31,895,000	29,560,000	26,945,000	20,235,000	21,265,000	22,335,000
FY Interest Total	16,018,739	15,100,351	13,709,826	12,248,217	10,754,893	9,243,951	7,774,396	6,415,075	5,270,675	4,269,958	3,218,642
Total Principal and Interest	<u>\$ 42,343,739</u>	<u>\$ 42,740,351</u>	<u>\$ 42,749,826</u>	<u>\$ 42,783,217</u>	<u>\$ 41,114,893</u>	<u>\$ 41,138,951</u>	<u>\$ 37,334,396</u>	<u>\$ 33,360,075</u>	<u>\$ 25,505,675</u>	<u>\$ 25,534,958</u>	<u>\$ 25,553,642</u>
Total principal outstanding at end of FY	<u>\$326,710,000</u>	<u>\$299,070,000</u>	<u>\$270,030,000</u>	<u>\$239,495,000</u>	<u>\$209,135,000</u>	<u>\$177,240,000</u>	<u>\$147,680,000</u>	<u>\$ 120,735,000</u>	<u>\$100,500,000</u>	<u>\$ 79,235,000</u>	<u>\$ 56,900,000</u>
PFC offsets to annual debt service	(31,173,097)										
DEBT SERVICE P&I NET OF PFC OFFSET	<u>\$ 11,170,642</u>	<u>\$ 42,740,351</u>	<u>\$ 42,749,826</u>	<u>\$ 42,783,217</u>	<u>\$ 41,114,893</u>	<u>\$ 41,138,951</u>	<u>\$ 37,334,396</u>	<u>\$ 33,360,075</u>	<u>\$ 25,505,675</u>	<u>\$ 25,534,958</u>	<u>\$ 25,553,642</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, 2025 were 3.1%. This interest cost excludes program costs such as liquidity and remarketing fees, which total 18.2 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, 2025**

Series	Final Maturity	Use of Funds	Original Issue			Current Issue	
			Amount	Rate	Call Date	Amount	Rate
2008C	5/1/2036	Refunded 2008C variable bonds to non-AMT -T2	\$ 75,000,000	4.7%	Any Time	\$ 44,185,000	3.1%
2015A	5/1/2030	Refunded 2005A-Operation Center, G/A Term, 75% of Taxiway D	34,060,000	4.7%	5/1/2025	20,790,000	3.1%
2015B	5/1/2029	Refunded 2005B-Terminal 2 project, 25% of Taxiway D	48,685,000	4.7%	5/1/2025	17,050,000	3.0%
2017A	5/1/2037	Refunded 2007-Terminal 2 project	115,230,000	4.8%	5/1/2027	86,050,000	3.6%
2020A	5/1/2036	Refunded 2010A bonds Terminal 2 project for PV savings	141,005,000	4.1%	5/1/2030	112,085,000	2.1%
2020B	5/1/2031	Refunded 2010B & B-1 Parking Garage Bonds for PV savings	69,610,000	4.1%	5/1/2030	46,550,000	1.3%
Total			<u>\$ 483,590,000</u>	<u>4.46%</u>		<u>\$ 326,710,000</u>	<u>2.63%</u>
			Unamortized bond premium (discount), net			44,250,803	
			Total Debt Outstanding			<u>\$ 370,960,803</u>	

	Percentage of Fixed and Variable Debt	
	Amount	Percent
Fixed rate	\$ 282,525,000	86.5%
Variable rate	44,185,000	13.5%
	<u>\$ 326,710,000</u>	<u>100.0%</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
General Airport Revenue Bonds
Ratios of Outstanding Debt
March 31, 2025

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			
2025	\$ 326,710,000	\$ 26,325,000	\$ 16,018,739	\$ 42,343,739	\$ 44,250,803	\$ 4,347,646	\$ 375,308,449	\$48
2024	353,035,000	25,065,000	17,638,751	42,703,751	49,271,734	1,725,510	404,032,244	55
2023	378,100,000	23,855,000	17,769,213	41,624,213	54,292,664	1,894,621	434,287,285	69
2022	401,955,000	22,725,000	17,914,894	40,639,894	59,313,594	—	461,268,594	92
2021	424,680,000	21,085,000	15,314,718	36,399,718	64,334,525	—	489,014,525	279
2020	445,765,000	22,685,000	29,948,132	52,633,132	69,355,455	—	515,120,455	75
2019	531,275,000	22,760,000	24,400,149	47,160,149	—	—	531,275,000	81
2018	554,035,000	17,640,000	22,962,714	40,602,714	—	—	554,035,000	93
2017	571,675,000	24,600,000	29,790,258	54,390,258	—	—	571,675,000	102
2016	610,665,000	19,740,000	27,350,396	47,090,396	—	—	610,665,000	119

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

RALEIGH-DURHAM AIRPORT AUTHORITY
DEMOGRAPHIC INFORMATION
Last Ten Years

Year	Population* (000s)	Median Household Income** (\$000s)	Per Capita Income*** (\$000s)	Median Age**** (Years)	Unemployment Rate***** (%)
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%
2015	1,290	\$59.5	\$46.0	36.1	4.7%

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	2024			2015		
	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

Fiscal Year	Total Passengers	Aircraft Operations	Enplaned Cargo Volume (tons)	Deplaned Cargo Volume (tons)
2025	15,541,973	215,018	33,476	65,198
2024	14,791,056	209,695	37,081	64,289
2023	12,485,243	192,042	43,873	69,673
2022	9,997,802	184,030	39,825	63,318
2021	3,479,449	113,287	44,146	69,507
2020	13,800,098	219,161	40,610	62,279
2019	13,070,284	212,388	42,600	64,505
2018	11,848,878	201,212	41,423	59,113
2017	11,211,410	193,538	34,829	51,333
2016	10,264,233	184,034	38,208	47,240

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
AEROMEXICO	20,147	—	—	—	—	—	—	—	—	—
AIR CANADA	54,901	57,971	55,330	9,227	—	52,367	43,299	44,552	38,318	32,536
AIR FRANCE	68,891	14,896	—	—	—	—	—	—	—	—
ALASKA	83,909	70,763	71,928	58,774	30,371	83,047	97,223	73,305	54,308	25,191
ALLEGiant	—	—	5,419	11,065	9,543	30,435	66,303	61,375	44,809	37,763
AMERICAN	1,948,845	2,009,350	1,829,495	1,376,659	482,746	1,573,398	1,527,807	1,553,847	1,509,127	1,443,316
AVELO AIRLINES	126,925	146,241	39,109	—	—	—	—	—	—	—
BAHAMASAIR	467	2,734	1,665	—	—	—	—	—	—	—
BREEZE	194,178	98,459	4,461	—	—	—	—	—	—	—
CHARTER/ UNSCHEDULED	167	179	2,564	2,322	1,514	3,189	3,398	2,990	3,210	4,133
COPA AIRLINES	20,874	—	—	—	—	—	—	—	—	—
DELTA	2,011,424	1,991,545	1,808,504	1,565,340	417,032	2,154,319	1,991,809	1,836,956	1,683,455	1,522,158
ENVOY AIR	76,293	—	—	—	—	—	—	—	—	—
FRONTIER	667,484	561,266	417,878	275,089	81,605	474,413	427,903	146,020	145,730	104,111
ICELANDAIR	39,822	30,731	19,162	—	—	—	—	—	—	—
JETBLUE	361,637	338,716	316,855	330,060	77,904	280,812	281,335	270,297	256,777	253,654
LUFTHANSA	34,368	—	—	—	—	—	—	—	—	—
SOUTHWEST	1,109,884	1,095,338	889,664	777,671	383,714	1,235,654	1,269,849	1,205,695	1,168,889	1,132,726
SPIRIT	77,679	85,261	51,098	71,399	51,487	225,811	—	—	—	—
SUN COUNTRY	25,011	19,136	14,112	6,126	—	—	—	—	—	—
UNITED	858,983	877,825	728,837	540,342	217,183	789,091	835,533	749,557	708,999	595,913
TOTAL	<u>7,781,889</u>	<u>7,400,411</u>	<u>6,256,081</u>	<u>5,024,074</u>	<u>1,753,099</u>	<u>6,902,536</u>	<u>6,544,459</u>	<u>5,944,594</u>	<u>5,613,622</u>	<u>5,151,501</u>

Source: Raleigh-Durham Airport Authority Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY
ENPLANED PASSENGERS BY MONTH
Last Ten Fiscal Years

	Avg %	Monthly Avg	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
April	7.7%	449,346	627,885	590,981	502,310	299,246	20,070	571,694	538,150	487,023	447,366	408,738
May	8.7%	507,593	711,801	653,429	550,056	388,029	49,232	653,769	586,622	519,125	514,217	449,653
June	9.2%	536,798	742,086	687,147	559,694	449,640	106,216	679,418	614,545	545,573	518,973	464,691
July	9.3%	540,074	731,310	689,152	548,871	485,936	154,859	675,168	597,868	532,289	508,317	476,967
August	8.8%	513,179	691,448	651,926	526,292	431,105	159,085	648,192	582,829	518,712	481,903	440,297
September	8.0%	464,443	633,322	618,338	477,900	401,532	156,164	570,542	461,017	463,363	457,284	404,968
October	9.0%	527,980	688,420	678,455	567,210	469,039	184,104	638,582	573,640	530,014	493,170	457,164
November	8.7%	507,511	643,358	632,037	539,169	476,257	182,604	597,131	575,067	517,244	480,508	431,732
December	8.8%	515,014	688,874	611,066	526,844	482,517	191,805	636,388	562,881	507,048	481,271	461,445
January	6.8%	395,724	506,696	473,827	433,164	308,671	145,058	492,115	455,329	405,358	385,261	351,758
February	6.8%	398,922	481,720	494,566	448,656	347,740	152,498	482,598	443,374	405,430	374,588	358,049
March	8.2%	480,643	634,969	619,487	575,915	484,362	251,404	256,939	553,137	513,415	470,764	446,039
TOTAL		<u>5,837,227</u>	<u>7,781,889</u>	<u>7,400,411</u>	<u>6,256,081</u>	<u>5,024,074</u>	<u>1,753,099</u>	<u>6,902,536</u>	<u>6,544,459</u>	<u>5,944,594</u>	<u>5,613,622</u>	<u>5,151,501</u>
Increase (Decrease) over Prior Period			5.2 %	18.3 %	24.5 %	186.6 %	(74.6)%	5.5 %	10.1 %	5.9 %	9.0 %	1.2 %

Source: Raleigh-Durham Airport Authority Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY
LANDED WEIGHTS BY AIRLINE (in 000's)
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Airlines</u>										
AEROMEXICO	25,975	—	—	—	—	—	—	—	—	—
AIR CANADA	21,919	74,177	80,281	14,535	—	81,713	54,050	54,896	49,068	47,047
AIRFRANCE	109,225	27,625	—	—	—	—	—	—	—	—
ALASKA	80,546	67,840	69,246	60,768	64,647	86,306	108,502	84,840	64,382	27,394
ALLEGiant	—	—	5,367	12,692	19,117	34,598	69,473	62,026	45,527	37,743
AMERICAN	2,302,744	2,329,480	2,128,470	1,641,427	672,001	1,900,525	1,829,047	1,806,337	1,775,281	1,569,356
AVELO	151,196	174,590	47,855	—	—	—	—	—	—	—
BAHAMASAIR	2,196	5,039	4,910	—	—	—	—	—	—	—
BREEZE	261,526	128,178	5,246	—	—	—	—	—	—	—
COPA	24,007	—	—	—	—	—	—	—	—	—
DELTA	2,271,302	2,022,404	2,138,139	1,904,306	848,759	2,541,595	2,330,006	2,149,363	2,057,116	1,808,812
ENVOY AIR	88,492	—	—	—	—	—	—	—	—	—
FRONTIER	728,140	614,847	412,940	299,736	97,022	459,601	417,784	137,204	141,610	105,682
JETBLUE	417,169	304,716	378,512	417,071	152,079	343,715	329,451	307,300	284,781	285,029
LUFTHANSA	69,628	—	—	—	—	—	—	—	—	—
SOUTHWEST	1,262,583	937,051	901,986	830,692	666,256	1,374,832	1,403,967	1,324,040	1,285,108	1,283,654
SPIRIT	74,517	87,690	57,442	76,892	59,324	286,623	—	—	—	—
UNITED AIRLINES	958,417	959,162	793,155	626,785	321,716	941,200	978,432	866,777	809,007	646,950
SUN COUNTRY AIRLINES	30,284	20,628	15,947	9,656	—	—	—	—	—	—
ICELANDAIR	44,049	35,166	22,915	—	—	—	—	—	—	—
CHARTER/OTHER	875	8,736	5,798	5,034	4,682	6,813	6,976	6,454	6,704	7,465
<u>Cargo</u>										
FEDERAL EXPRESS	252,378	296,916	345,893	357,435	320,112	294,925	302,775	319,470	299,700	294,116
UPS	263,812	276,618	369,259	357,114	278,054	248,957	203,676	178,221	157,182	144,829
OTHER	77,949	89,790	26,247	25,966	26,500	26,370	16,990	8,125	7,938	8,118
TOTAL	9,518,929	8,460,653	7,809,608	6,640,109	3,530,269	8,627,773	8,051,129	7,305,053	6,983,404	6,266,195

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	4,781 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

Fiscal Year	State Funding	Federal Funding	Total Funding
2025	\$ 14,646,336	\$ 47,171,680	\$ 61,818,016
2024	12,518,138	26,302,929	38,821,067
2023	12,540,221	63,288,299	75,828,520
2022	18,550,530	33,217,521	51,768,051
2021	35,806,943	40,505,140	76,312,083
2020	14,560,117	9,527,531	24,087,648
2019	38,420,576	15,349,872	53,770,448
2018	746,928	4,425,422	5,172,350
2017	590,119	2,441,097	3,031,216
2016	—	1,947,012	1,947,012
Total	\$ 148,379,908	\$ 244,176,503	\$ 392,556,411

Source: Schedule of Expenditures of Federal and State Awards

RALEIGH-DURHAM AIRPORT AUTHORITY
EMPLOYEE HEADCOUNT
Last Ten Fiscal Years

Fiscal Year Ended	Number of Employees
2025	403
2024	388
2023	341
2022	306
2021	298
2020	344
2019	329
2018	318
2017	288
2016	286

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, 2025

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, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 6, 2025.

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 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.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The script is cursive and fluid, with the letters "Cherry" and "Bekaert" being more prominent than "LLP".

Charlotte, North Carolina
June 6, 2025

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, 2025. 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, 2025.

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, 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 6, 2025, 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
June 6, 2025

Report of Independent Auditor on Compliance for each 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 each Major State Program

Opinion on each 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 programs for the year ended March 31, 2025. The Authority's major state programs are 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 programs for the year ended March 31, 2025.

Basis for Opinion on each 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 each 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 each 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, 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 6, 2025, 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
June 6, 2025

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2025

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:

<u>Federal Assistance Listing Numbers</u>	<u>Names of Federal Program or Cluster</u>
--	---

20.106	Airport Improvement Program
--------	-----------------------------

Dollar threshold used to distinguish between Type A and Type B Programs	\$1,415,151
---	-------------

- | | | |
|--|---|-----------------------------|
| Auditee qualified as low-risk auditee? | ☒ Yes | ☐ No |
|--|---|-----------------------------|

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

YEAR ENDED MARCH 31, 2025

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

State Award

Internal control over state 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 state award ☐ Yes ☒ 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 *Audit Manual for Governmental Auditors in North Carolina* ☐ Yes ☒ No

Identification of major state programs:

Program Name

State Aid to Airports

State Transportation 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, 2025

None noted.

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

YEAR ENDED MARCH 31, 2025

Grantor / Program Type	Federal Assistance Listing Number	Grant Number	Expenditures
Federal Awards			
<u>United States Department of Transportation - Federal Aviation Administration</u>			
Airport Improvement Program (AIP)	20.106	3-37-0056-059-2022	\$ 174,125
Airport Improvement Program (AIP)	20.106	3-37-0056-060-2022	847,861
Airport Improvement Program (AIP)	20.106	3-37-0056-063-2023	1,990,206
Airport Improvement Program (AIP)	20.106	3-37-0056-064-2023	10,000,000
Airport Improvement Program (AIP)	20.106	3-37-0056-065-2023	4,278,378
Airport Improvement Program (AIP)	20.106	3-37-0056-066-2024	13,170,648
Airport Terminal Program (ATP)	20.106	3-37-0056-068-2024	9,002,641
Airport Improvement Program (AIP)	20.106	3-37-0056-070-2024	3,844,815
Airport Improvement Program (AIP)	20.106	3-37-0056-071-2024	3,827,763
Total U.S. Department of Transportation - Federal Aviation Administration			47,136,437
<u>United States Department of Homeland Security - Transportation Security Administration</u>			
Law Enforcement Officer Reimbursement Program (LEORP)	97.090	70T02021T6114N152	29,326
<u>United States Department of Justice</u>			
Asset Forfeiture Program - Immigration & Customs Enforcement (ICE)	16.922	N/A	5,917
Total Expenditures of Federal Awards			47,171,680
<u>North Carolina Department of Transportation</u>			
State Aid to Airports	N/A	36244.54.21.1	14,057,536
State Transportation Improvement Program (STIP)	N/A	46315.1.1	500,000
Total North Carolina Department of Transportation			14,557,536
<u>North Carolina Department of Public Safety</u>			
State and Local Cybersecurity Grant Program (SLCGP)	N/A	EMW-2022-CY-00006	88,800
Total North Carolina Department of Public Safety			88,800
Total Expenditures of State Awards			14,646,336
Total Expenditures of Federal and State Awards			\$ 61,818,016

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, 2025

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, 2025. 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 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, 2025

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, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon June 6, 2025.

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
June 6, 2025

**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, 2025.

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, 2025.

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, 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 6, 2025, 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
June 6, 2025

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED MARCH 31, 2025

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

Passenger Facility Charge Program

Internal control over passenger facility charge program:

- | | | |
|--|-----------|------------------------------|
| • Material weakness(es) identified? | _____ Yes | _____ <u>x</u> No |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses | _____ Yes | _____ <u>x</u> None reported |
| Noncompliance material to passenger facility charge program | _____ 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, 2025

Prior Year Audit Findings

None reported.

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

FOR THE YEAR ENDED MARCH 31, 2025

	Quarter Ended				Year Ended March 31, 2025
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	
Revenues					
Receipts	\$ 7,986,819	\$ 7,954,945	\$ 7,531,219	\$ 6,792,018	\$ 30,265,001
Interest	237,492	193,443	152,329	324,830	908,094
Total Revenues	8,224,311	8,148,388	7,683,548	7,116,848	31,173,095
Expenditures					
04-02-C-01-RDU					
02-002 Terminal C Renovation & Expansion	30,114,720	-	-	-	30,114,720
Total Application 04-02-C-01-RDU	30,114,720	-	-	-	30,114,720
Total Expenditures	30,114,720	-	-	-	30,114,720
Net PFC Inflows (Outflows)	\$ (21,890,409)	\$ 8,148,388	\$ 7,683,548	\$ 7,116,848	\$ 1,058,375

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, 2025

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	\$ 30,265,001
Less prior year accrual	(3,775,564)
Add current year accrual	4,775,682

Passenger Facility Charges Interest:

Interest per Schedule of Passenger Facility Charges	<u>908,094</u>
Amount per Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 32,173,213</u></u>