

Annual Comprehensive Financial Report

For the Fiscal Years Ended March 31, 2024 and 2023
Raleigh, North Carolina



Raleigh-Durham
Airport Authority

RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, North Carolina

Annual Comprehensive Financial Report

For the Fiscal Years Ended March 31, 2024 and 2023

Prepared by the Finance Department



Patrick Hannah
City of Durham



Nina Szlosberg-Landis
Secretary, City of Raleigh



Shelley Winters
City of Raleigh



David Morgan
Durham County



RDUAA Board Members



David Kushner
Wake County



Ellis Hankins
Chair, Wake County



Yesenia Polanco-Galdamez
Treasurer, Durham County



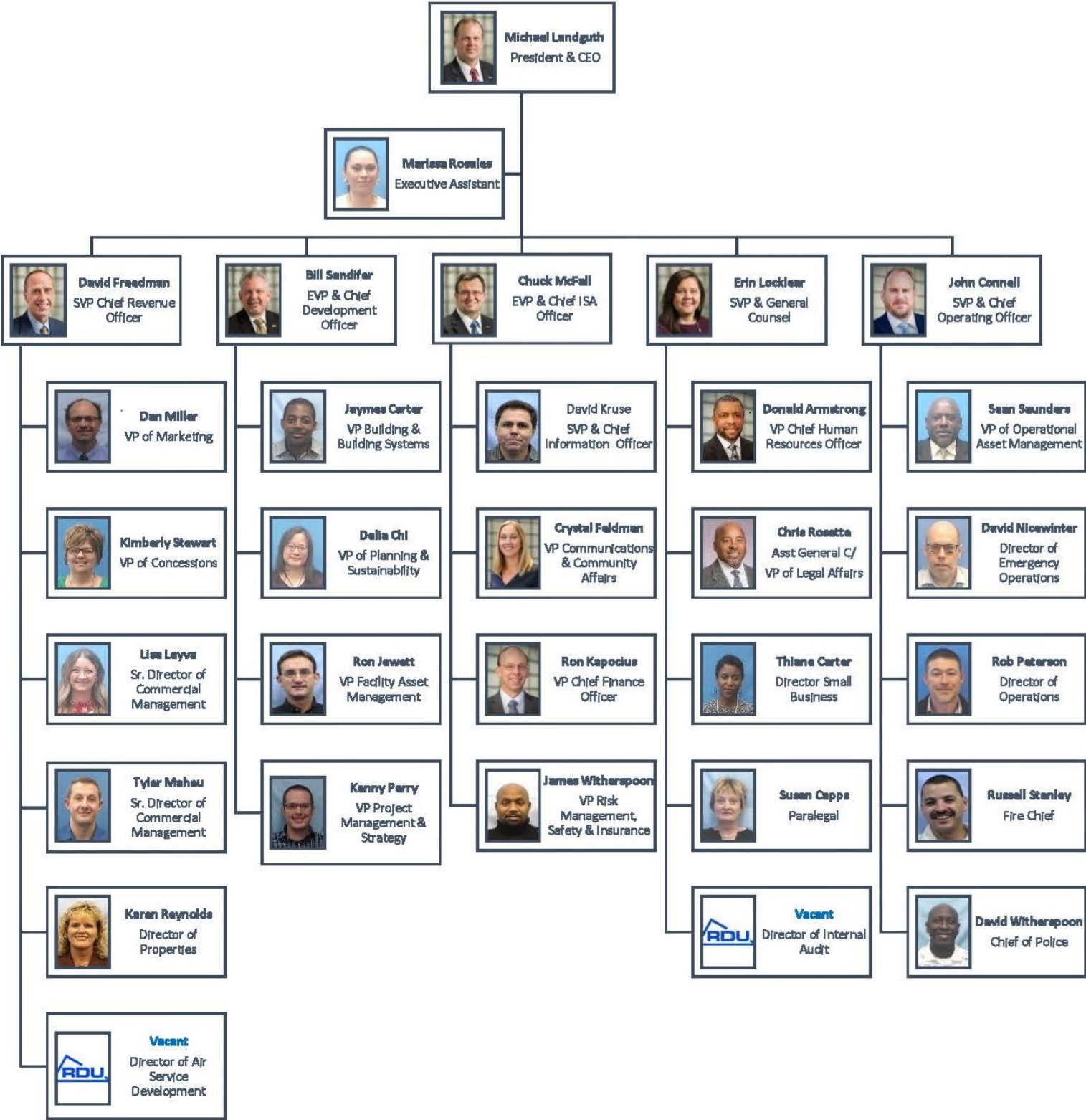
Tammie Hall-Roberts
Vice Chair, City of Durham

RALEIGH-DURHAM AIRPORT AUTHORITY
TABLE OF CONTENTS
Years Ended March 31, 2024 and 2023

	<u>Page</u>
INTRODUCTORY SECTION:	
Title Page	i
Authority Board Members	ii
Table of Contents	iii
Organizational Structure	iv
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting	v
Letter of Transmittal	vi
FINANCIAL SECTION:	
Report of Independent Auditor	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	14
Statements of Cash Flows	15
Notes to Basic Financial Statements	17
Required Supplemental Information:	
Schedule of Changes in the Total OPEB Liability and Related Ratios	49
Schedule of Changes in Total Pension Liability - LEO	50
Schedule of Total Pension Liability as a Percentage of covered Payroll - LEO	51
Schedule of Proportionate Share of Net Pension Liability (Asset) – LGERS	52
Schedule of Employer Contributions – LGERS	53
STATISTICAL SECTION:	
Net Position by Component – Last Ten Fiscal Years	56
Statements of Revenues, Expenses and Changes in Net Position – Last Ten Fiscal Years	57
Key Performance Indicators – Last Ten Years	58
RDU Cash/Investment Balances vs Operating Reserve Policy – Last Ten Fiscal Years	59
Operating Revenue by Source	60
Operating Expenses by Source	61
Airline Derived Revenue by Carrier	62
Debt Service Schedule – Ten Years Projection	63
Debt Details and Amounts Outstanding	64
RDU Demographic Information – Last Ten Years	66
Principal Employers – Current Year and Nine Years Ago	67
Activity Statistics – Last Ten Years	68
Enplaned Passengers by Airline – Last Ten Years	69
Enplaned Passengers by Month – Last Ten Years	70
Aircraft Landed Weights by Airline – Last Ten Years	71
Capital Assets and Other Airport information	72
Grant Expenditures History – Last Ten Years	73
Employee Headcounts – Last Ten Years	74

RALEIGH DURHAM AIRPORT AUTHORITY

2024-2025 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, 2023

Christopher P. Morrell

Executive Director/CEO



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

June 6, 2024

To the Residents of Wake and Durham Counties, City of Raleigh and Durham, and 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, 2024. 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, 2023 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, 2024 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 the 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

WAKE COUNTY
Ellis Hankins, Chair
David Kushner

CITY OF DURHAM
Tammie Hall-Roberts, Vice Chair
Patrick Hannah

CITY OF RALEIGH
Nina Szlosberg-Landis, Secretary
Shelley Winters

DURHAM COUNTY
Yesenia Polanco-Galdamez, Treasurer
David Morgan



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

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. RDU set a record for passenger traffic in fiscal year 2023-2024 by serving more than 14.7 million travelers during a year in which it also added four new airlines, 49 new routes and 25 new 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 the 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 one of the region's most influential economic engines. The North Carolina Division of Aviation's *The State of Aviation* report, released in January 2023, determined that the airport contributes \$17.1 billion annually to the regional economy, supports 85,000 local and regional jobs, and generates \$887 million in state and local taxes.

RDU is classified by the Federal Aviation Administration (FAA) as a medium hub, as of May 2024. 18 airlines serve more than 60 nonstop destinations, including nine international routes – the most in RDU history.

There were major developments in air service at RDU in fiscal year 2023-2024:

- Avelo, Breeze, and Frontier expanded operations to existing routes and announced several new destinations.
- Icelandair expanded its service to Reykjavik due to the route's success since it launched in 2022.
- Air France began operating at RDU, taking over Delta's route to Paris and announcing it will expand to daily service on a larger aircraft.
- Three international airlines announced new nonstop routes, set to launch in Summer 2024, including Lufthansa to Frankfurt, Germany, Copa Airlines to Panama City and Aeromexico to Mexico City
- RDU ended the fiscal year with 69 non-stop destinations for sale including 10 international routes on 17 airlines.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY
Ellis Hankins, *Chair*
David Kushner

CITY OF DURHAM
Tammie Hall-Roberts, *Vice Chair*
Patrick Hannah

CITY OF RALEIGH
Nina Szlosberg-Landis, *Secretary*
Shelley Winters

DURHAM COUNTY
Yesenia Polanco-Galdamez, *Treasurer*
David Morgan



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

FY 2023-24 Major Events and Initiatives

The fiscal year brought a record increase in passenger traffic to RDU, a signal that rapid growth and expansion would continue. The airport added new nonstop domestic and international destinations at a rapid pace and four new airlines came on board while capital projects came to life across the campus. RDU invested in additional technology and amenities to provide guests with a world-class travel experience and maintained its place in the Top Five on the J.D. Power list for Customer Satisfaction among North American airports.

Momentum continued to build for capital projects. During the fiscal year the Authority broke ground on the signature project in its Vision 2040 master plan, the replacement of RDU's longest runway. The runway will be the most important two miles of pavement in the Research Triangle when it opens, connecting the region with economic development opportunities around the world. A new West Remain Overnight aircraft parking area opened to allow planes that arrive late at night and depart early the next day to park closer to Terminal 2, fulfilling another Vision 2040 milestone.

The Authority also began work on expanding Park Economy 3 to create an additional 7,000 spaces and offer new amenities for airport guests. RDU made travel even more convenient when it began installing a parking guidance system in the deck to help guests find a space faster.

The Airport also began implementation of its first Sustainability Management Plan (SMP), to help meet its goal of achieving a more sustainable future at RDU. Developed with input from the public and the business community, the multi-year plan provides guidance for integrating sustainability into planning, design, construction, operations, maintenance, and business practices. The plan identifies nine focus areas:

- Business Continuity and Resiliency
- Sustainable Buildings & Infrastructure
- Energy
- Sustainable Transportation
- Greenhouse Gas Emissions
- Community, Customers & Employees
- Land Use & Natural Resources
- Materials & Waste
- Water & Stormwater

The SMP complements the sustainable practices RDU already employs, including operating a fleet of electric shuttle buses becoming the first public body in the Research Triangle region to operate zero-emission electric buses in 2019; earning Leadership in Energy and Environmental Design (LEED) certification for Terminal 1 in 2014 using Building Management Systems for HVAC, lighting and temperature controls; using daylight and occupancy sensors in the terminals installing low flow water fixtures recycling materials for airfield construction projects using eco-

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY
Ellis Hankins, Chair
David Kushner

CITY OF DURHAM
Tammie Hall-Roberts, Vice Chair
Patrick Hannah

CITY OF RALEIGH
Nina Szlosberg-Landis, Secretary
Shelley Winters

DURHAM COUNTY
Yesenia Polanco-Galdamez, Treasurer
David Morgan



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

friendly cleaning products in airport buildings; installing rain sensors on irrigation systems and deploying recycling programs in the terminals.

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, 2024 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, 2024 and 2023.

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, 2023. This was the fifteenth 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.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY
Ellis Hankins, Chair
David Kushner

CITY OF DURHAM
Tammie Hall-Roberts, Vice Chair
Patrick Hannah

CITY OF RALEIGH
Nina Szlosberg-Landis, Secretary
Shelley Winters

DURHAM COUNTY
Yesenia Polanco-Galdamez, Treasurer
David Morgan



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

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

WAKE COUNTY
Ellis Hankins, **Chair**
David Kushner

CITY OF DURHAM
Tammie Hall-Roberts, **Vice Chair**
Patrick Hannah

CITY OF RALEIGH
Nina Szlosberg-Landis, **Secretary**
Shelley Winters

DURHAM COUNTY
Yesenia Polanco-Galdamez, **Treasurer**
David Morgan

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, 2024 and 2023 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, 2024 and 2023, 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.

Change in Accounting Principle

As discussed in Note 10 to the financial statements, as of April 1, 2022, the Authority adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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 12 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. cbh.com

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
June 6, 2024

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2024 and 2023

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, 2024 and March 31, 2023. 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, Statement of Revenues, Expenses, and Changes in Net Position, and Statement 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 financial statements of the Authority 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 47 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 US 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 consists of approximately 5,100 acres, approximately 2,075 of which are developed. The Airport has two active terminals: 1 and 2. The \$573 million Terminal 2 common-use facility consists of approximately 920,000 square feet of floor space, including 36 passenger gates. The North Concourse of Terminal 2 opened October 26, 2008, while the final phase, or the South Concourse of Terminal 2, opened January 23, 2011. In addition, in April 2014, the Authority completed a \$68 million renovation of Terminal 1 which operates with 9 gates.

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2024 and 2023

Background (continued)

The Airport has two primary runways and one secondary runway. In the fiscal years ended March 31, 2024 and 2023, 14.8 million and 12.5 million annual passengers, respectively, used the Airport.

Financial Highlights and Analysis

Net Position

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 million in cash flows used for capital and financing activities. In addition to the increase, the ending balances for unrestricted cash shifted towards short-term investments, which increased \$142.3 million or 38.5%, and was offset by a decrease in cash and cash equivalents of \$70.1 million or 55.9%. For the fiscal year ending March 31, 2023, current assets increased \$122.3 million or 30.8% from the prior fiscal year due primarily to an increase in cash and cash equivalents in the amount of \$49.8 million or 65.8% and an increase in short-term investments of \$68.7 million or 22.8%.

For the fiscal year ending March 31, 2024, the net for airport and facilities assets grew to \$849.5 million, an increase of \$35.3 million or 4.3% from the prior fiscal year. Non-depreciable assets increased by \$36.5 million or 32.7% as a result of an increase in capital projects, and were offset by a decrease in depreciable net airport and facilities of \$1.2 million or 0.2%. For the fiscal year ending March 31, 2023, airport and facilities, net, decreased \$5.6 million or 0.7% versus the fiscal year ending March 31, 2022, due to a decrease in non-depreciable airport and facilities of \$5.5 million or 4.7%, and a decrease in depreciable net airport and facilities of \$0.2 million or 0.0%.

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% increase from the prior year. See Note 6 for additional details. For the fiscal year ending March 31, 2023, unrestricted non-current assets increased \$26.3 million or 79.2% versus the fiscal year ending March 31, 2022, due to an increase in lease receivable non-current of \$26.3 million.

For the fiscal year ending March 31, 2024, restricted non-current assets totals \$217.1 million, representing an increase of \$35.9 million or 19.8% from the fiscal year. The increases were the result of higher passenger facility funds, up \$5.2 million or 9.3%, an increase in unexpended state grant funds of \$11.2 million or 183.0%, an increase in customer facility funds of \$16.0 million or 21.4%, an increase in customer facility receivables of \$2.0 million or 135.9% and an increase in Parity reserve funds of \$1.4 million or 3.6%. For the fiscal year ending March 31, 2023, restricted non-current assets increased by \$32.1 million or 21.5% versus the fiscal year ending March 31, 2022 due to an increase in passenger facility charge cash of \$9.5 million or 20.6%, an increase in unexpended state grant funds of \$6.1 million, and an increase in customer facility charge cash of \$13.2 million or 21.6%.

For the fiscal year ending March 31, 2024, total assets grew to \$1.7 billion, an increase of \$160.1 million or 10.2% from the prior year. For the fiscal year ending March 31, 2023, total assets were \$1.6 billion, an increase of \$177.2 million or 12.7% increase from the fiscal year ending March 31, 2022.

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. This was offset by the decrease of \$0.7 million or 21.0% in the Authority's Other Post-employment Benefits liability. For the fiscal year ending March 31, 2023, deferred outflows of resources increased by \$3.7 million or 30.0% due to an increase of \$4.5 million or 55.9% in the

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2024 and 2023

Net Position (continued)

Authority's Local Governmental Employees' Retirement System Pension net liability offset by a decrease of \$0.7 million or 17.5% in the Authority's Other Post-employment Benefits liability relative to the fiscal year ending March 31, 2022.

For the fiscal year ending March 31, 2024, current liabilities increased by \$30.1 million or 57.7% due to an increase in unearned state grants of \$17.3 million or 760.7% and an increase in accounts payable and related accrued liabilities of \$10.9 million or 82.8%. For the fiscal year ending March 31, 2023, current liabilities increased by \$2.9 million or 5.9% due to an increase in accounts payable and accrued liabilities of \$2.5 million or 23.5% and an increase in current maturities of long term debt of \$1.2 million or 5.1% offset by a decrease in accrued employee compensation of \$1.0 million or 19.4% compared to the fiscal year ending March 31, 2022.

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, 2023, total non-current liabilities decreased by \$17.4 million or 3.8% from the prior fiscal year, due to a decrease in long-term debt of \$30.1 million or 6.9% and an increase in Net Pension Liability of \$14.1 million or 247.2%.

For the fiscal year ending March 31, 2024, deferred inflows of resources increased by \$6.4 million or 10.4% due to a \$6.7 million increase in deferred inflow for leases. See Note 6 for additional details. For the fiscal year ending March 31, 2023, deferred inflows of resources increased by \$22.9 million or 59.7% from the prior fiscal year, due to a \$6.3 million decrease in deferred inflows pension offset by a \$29.2 million increase in deferred inflow leases.

The combined effect of these items was an increase in net position of \$151.7 million or 14.6% for the fiscal year ending March 31, 2024. For the fiscal year ending March 31, 2023, net position increased \$170.4 million or 19.7%. For the fiscal year ending March 31, 2022, net position increased \$85.0 million or 10.9%.

Net position at March 31, 2024, March 31, 2023, and March 31, 2022 are presented in the following table:

(Remainder of page intentionally left blank)

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2024 and 2023

Net Position (continued)

Condensed Statements of Net Position

	March 31, 2024	March 31, 2023	March 31, 2022
Current assets	\$ 602,761,472	\$ 519,845,455	\$ 397,576,222
Unrestricted, non-current assets			
Airport and facilities, net	849,490,932	814,190,874	817,675,966
Other unrestricted, non-current assets	65,607,337	59,584,022	33,243,935
Restricted non-current assets	217,078,558	181,224,445	38,557,642
Total assets	<u>1,734,938,299</u>	<u>1,574,844,796</u>	<u>1,287,053,765</u>
Total deferred outflows of resources	<u>17,919,771</u>	<u>16,099,388</u>	<u>12,384,762</u>
Current liabilities	82,313,934	52,207,988	48,653,664
Non-current liabilities	413,884,468	440,153,796	456,308,476
Total liabilities	<u>496,198,402</u>	<u>492,361,784</u>	<u>504,962,140</u>
Total deferred inflows of resources	<u>67,623,930</u>	<u>61,245,663</u>	<u>38,353,604</u>
Net investment in capital assets	434,062,828	373,869,652	351,649,776
Restricted net position	217,078,558	181,224,445	149,146,651
Unrestricted net position	537,894,352	482,242,641	365,915,365
Net position	<u>\$ 1,189,035,738</u>	<u>\$ 1,037,336,738</u>	<u>\$ 866,711,792</u>

Revenues, Expenses, and Change in Net Position

For the fiscal year ended March 31, 2024, the Authority reported an 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 a parking revenue increase of \$21.7 million or 27.4%, an airfield revenue increase of \$3.7 million or 21.0%, and an terminal revenue increase of \$4.0 million or 6.6%. For the fiscal year ended March 31, 2023, the operating revenue increase from the prior year was \$49.1 million, or 33.1%, due to a parking revenue increase of \$29.2 million or 58.5%, an increase in airfield revenue of \$3.9 million or 27.8%, an increase in terminal revenue of \$5.0 million or 8.9%, an increase in rental car revenue of \$2.9 million or 18.3%, and an increase in other revenue of \$8.1 million or 97.3%.

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, up \$11.5 million or 23.8%, an increase in costs for material and supplies up \$2.7 million or 60.2%, and higher 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, 2023, operating expenses increased \$17.4 million or 22.5%, compared to the prior fiscal year. This increase was due to a \$9.0 million increase, or 22.8%, in personnel expenses, a \$2.8 million increase, or 89.5%, in professional service expenses, a \$1.8 million increase, or 64.9%, in materials and supplies expenses, a \$1.9 million, or 105.1%, increase in general and administrative expenses, and a \$0.8 million, or 12.4% increase in utility expenses. Depreciation expense

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2024 and 2023

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

decreased \$0.4 million or 0.7% during the fiscal year ending March 31, 2023. Thus, total operating expenses (including depreciation) increased \$17.0 million or 12.8%.

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 fiscal year ending March 31, 2023, operating income was \$47.6 million which represented a \$32.1 million increase from the prior fiscal year.

For the period ending March 31, 2024, total non-operating revenues (expenses) decreased \$30.6 million or 32.1% mostly due to less available relief from federal and state agencies of \$49.6 million or 91.0%. This decrease was offset by an increase in interest income of \$15.8 million or 127.3%, an increase in PFC revenue of \$3.4 million or 12.7%, and an increase in CFC revenue of \$4.1 million or 29.5%. For the period ending March 31, 2023, total non-operating revenues (expenses) increased \$52.9 million or 124.8% due to increases in payments from federal and state agencies of \$31.4 million or 136.6%, increases in interest income of \$11.4 million or 1,100.7%, an increase in PFC revenue of \$6.5 million or 32.0%, and an increase in CFC revenue of \$3.5 million or 33.3%, versus the period ending March 31, 2022.

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, 2023, capital contributions, mainly from federal and state grants received for capital project expenditures, decreased \$0.8 million or 2.8% compared to the prior fiscal year.

For the fiscal year ending March 31, 2024, net position for period beginning April 01, 2023 was restated by \$0.2 million for the adoption of GASB 96. The Authority's net position for the fiscal year ending March 31, 2024, increased \$151.7 million or 14.6% compared to the previous fiscal year. Net position for the fiscal year ending March 31, 2023, increased \$170.4 million or 19.7% versus the previous fiscal year.

A condensed representation of revenues, expenses, and change in net position for the fiscal years ending March 31, 2024, 2023, and 2022 are presented in the following table:

(Remainder of page intentionally left blank)

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2024 and 2023

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

Condensed Statement of Revenues, Expenses, and Change in Net Position			
	March 31, 2024	March 31, 2023	March 31, 2022
Operating revenues			
Parking	\$ 100,840,632	\$ 79,136,788	\$ 49,918,119
Airfield	21,572,482	17,834,852	13,959,542
Terminals	64,651,097	60,625,787	55,664,297
Rental car	20,398,136	19,007,878	16,071,235
Ground Transportation	9,354,925	7,227,600	3,330,797
Other	14,784,539	13,512,616	9,290,357
Total operating revenues	231,601,811	197,345,521	148,234,347
Operating expenses			
Personnel	60,002,889	48,455,784	39,451,457
Professional Services	6,061,352	5,923,588	3,125,689
Contractual Labor	24,327,985	23,335,886	22,428,922
Utilities	7,428,015	7,076,033	6,298,052
Material and Supplies	7,174,010	4,478,995	2,715,702
General and Administrative	6,802,450	5,353,321	3,212,057
Depreciation	59,658,579	55,115,148	55,528,068
Total operating expenses	171,455,280	149,738,755	132,759,947
Operating income (loss)	60,146,531	47,606,766	15,474,400
Non-operating revenues (expenses)			
Investment interest income	28,298,236	12,451,480	1,037,026
Passenger facility charges	30,114,728	26,712,536	20,230,983
Customer facility charges	17,990,548	13,895,911	10,424,494
Bond interest expense, net	(12,708,384)	(12,804,375)	(12,857,209)
Payments from federal and state agencies	4,874,450	54,433,932	23,011,072
Other non-operating revenue (expense)	(3,895,499)	535,014	511,093
Total non-operating revenues (expenses)	64,674,079	95,224,498	42,357,459
Income (Loss) before capital contributions & special items	124,820,610	142,831,264	57,831,859
Capital contributions	26,878,390	27,558,227	28,352,004
Special items	—	—	(1,138,270)
Increase (decrease) in net position	151,699,000	170,389,491	85,045,593
Net position, beginning restated	—	235,455	—
Net position, beginning of year	1,037,336,738	866,711,792	781,666,199
Net position, end of year	<u>\$ 1,189,035,738</u>	<u>\$ 1,037,336,738</u>	<u>\$ 866,711,792</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2024 and 2023

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

Capital Assets

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 a net increase in depreciation and amortization of \$59.7 million. As of March 31, 2023, the Authority had \$814.2 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 \$54.6 million offset by a net increase in depreciation and amortization of \$55.1 million.

This year's major asset additions were primarily landing field & grounds. More detailed information about the Airport's capital assets is presented in Note 4 to the financial statements.

Economic Outlook and Capital Development

The economic outlook for North Carolina's Research Triangle region continues to be favorable, with the Raleigh Metropolitan Statistical Area enjoying a 25% growth rate since 2014. North Carolina's population has increased by 9% over the past 10 years and is now the ninth most populated state in the U.S. North Carolina remains a top destination to live and is the third best performing state for job growth. A diverse industry base, top-tier research universities, and a talented and highly educated workforce are major factors in the area's continued growth.

For the fiscal year ended March 31, 2024, the Authority's enplaned passengers increased year-over-year to \$7.4 million, which represented a 18.3% increase compared to the prior fiscal year. For the fiscal year ended March 31, 2023, the Authority's enplaned passengers increased year-over-year to 6.3 million, which represented a 24.5% increase compared to the prior fiscal year.

More than 1.2 million people flew through RDU in March 2024, an increase of 7% over March 2023, as travelers took to the skies for spring break getaways. The average number of daily departures was 216, an increase of 20% over 2023.

Debt Activity

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 the fiscal year ending March 31, 2023, the Authority's outstanding debt totaled \$378.1 million, which was comprised of 86.9% fixed rate revenue bonds and 13.1% variable rate revenue bonds. The weighted average interest cost of this debt portfolio was 2.7% at March 31, 2023.

For more information on debt activity please refer to Note 5 to the financial statements.

Budget Information for the Fiscal Year Ending March 31, 2025

For comparison purposes, the fiscal year ending March 31, 2025 budgeted operating revenues of \$254.0 million is \$22.4 million or 9.7% greater than actual fiscal year ended March 31, 2024 operating revenues of \$231.6 million.

RALEIGH-DURHAM AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended March 31, 2024 and 2023

Budget Information for the Fiscal Year Ending March 31, 2025 continued

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 increased parking revenue of \$6.4 million, increased landing fee revenue of \$2.5 million, and increased Terminals related revenue of \$9.2 million. For the fiscal year ending March 31, 2024 relative to the prior fiscal year budget, total budgeted operating revenues increased \$86.7 million or 59.8%. Significant drivers of budgeted revenue increases include increased parking revenue of \$54.7 million, increased landing fee revenue of \$4.8 million, and increased rental car revenue of \$7.9 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, 2024 relative to the prior fiscal year budget, total operating expenses (including depreciation) are budgeted to increase \$20.0 million or 13.0%. The increase is predominantly driven by increased personnel expenses of \$10.6 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 increased PFC revenues of \$3.9 million and increased Capital contributions of \$50.2 million. For the fiscal year ending March 31, 2024 relative to the prior fiscal year budget, non-operating revenues (expenses) decreased \$6.4 million or 6.9% due to increased PFC revenues of \$8.6 million and decreased grant contributions and other financial assistance of \$32.9 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. The combined net effect of these items for the fiscal year ending March 31, 2024 will increase budgeted net position by \$142.8 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.

(Remainder of page intentionally left blank)

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 55,295,415	\$ 125,370,513
Short-term investments	512,033,062	369,703,327
Accounts receivable, net	16,583,200	10,186,795
Lease receivable	9,195,473	9,692,623
Grants receivable	1,312,395	2,473,299
Other current assets	8,341,927	2,418,898
Total current assets	<u>602,761,472</u>	<u>519,845,455</u>
Non-current assets		
Restricted assets		
DEA/ICE forfeitures cash	795,610	1,165,427
Passenger facility charge cash	60,815,447	55,627,941
Passenger/customer facility charge receivable	7,292,955	4,839,327
Customer facility charge cash & investments	90,390,187	74,426,045
State grant funds cash	17,371,305	6,139,100
Parity reserve fund investment	40,413,054	39,026,605
Total restricted assets	<u>217,078,558</u>	<u>181,224,445</u>
Unrestricted assets		
Lease receivable, non-current	65,607,337	59,584,022
Total unrestricted assets	<u>65,607,337</u>	<u>59,584,022</u>
Airport and facilities		
Airport and facilities, non-depreciable	148,205,708	111,709,251
Airport and facilities, depreciable net	701,285,224	702,481,623
Airport and facilities, net	<u>849,490,932</u>	<u>814,190,874</u>
Total non-current assets	<u>1,132,176,827</u>	<u>1,054,999,341</u>
TOTAL ASSETS	<u>1,734,938,299</u>	<u>1,574,844,796</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows - pensions/OPEB	17,919,771	16,099,388
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>17,919,771</u>	<u>16,099,388</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	21,915,414	12,267,648
Other accrued liabilities	2,072,787	854,311
Short-term subscription liability	930,521	689,604
Unearned revenue	19,536,554	2,269,970
Accrued employee compensation	5,203,335	4,262,069
Accrued bond interest payable	6,330,323	6,799,386
Current maturities of long-term debt	26,325,000	25,065,000
Total current liabilities	<u>82,313,934</u>	<u>52,207,988</u>
Non-current liabilities		
Long-term debt		
General airport revenue bonds	375,981,734	407,327,664
	<u>375,981,734</u>	<u>407,327,664</u>
Other non-current liabilities		
Total OPEB retiree health care liability	10,588,651	10,482,132
Total Separation allowance liability	1,780,275	1,280,592
Long-term subscription liability	794,989	1,205,017
Net pension liability	24,738,819	19,858,391
	<u>37,902,734</u>	<u>32,826,132</u>
Total non-current liabilities	<u>413,884,468</u>	<u>440,153,796</u>
TOTAL LIABILITIES	<u>496,198,402</u>	<u>492,361,784</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows - leases	65,662,442	58,975,437
Deferred inflows - pensions/OPEB	1,961,488	2,270,226
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>67,623,930</u>	<u>61,245,663</u>
<u>NET POSITION</u>		
Net investment in capital assets	434,062,828	373,869,652
Restricted for:		
Debt service	40,413,054	39,026,605
DEA/ICE forfeitures	795,610	1,165,427
State grant funds	17,371,305	6,139,100
Passenger facility charges	64,591,013	58,976,285
Customer facility charges	93,907,576	75,917,028
Unrestricted net position	537,894,352	482,242,641
TOTAL NET POSITION	<u>\$ 1,189,035,738</u>	<u>\$ 1,037,336,738</u>

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended March 31, 2024 and 2023

	2024	2023
Operating revenues		
Parking	\$ 100,840,632	\$ 79,136,788
Airfield	21,572,482	17,834,852
Terminals	64,651,097	60,625,787
Rental car	20,398,136	19,007,878
Ground Transportation	9,354,925	7,227,600
Other	14,784,539	13,512,616
Total operating revenues	<u>231,601,811</u>	<u>197,345,521</u>
Operating expenses		
Personnel	60,002,889	48,455,784
Professional Services	6,061,352	5,923,588
Contractual Labor	24,327,985	23,335,886
Utilities	7,428,015	7,076,033
Material and Supplies	7,174,010	4,478,995
General and Administrative	6,802,450	5,353,321
Depreciation	59,658,579	55,115,148
Total operating expenses	<u>171,455,280</u>	<u>149,738,755</u>
Operating income (loss)	<u>60,146,531</u>	<u>47,606,766</u>
Non-operating revenues (expenses)		
Interest income	28,298,236	12,451,480
Passenger facility charges	30,114,728	26,712,536
Customer facility charges	17,990,548	13,895,911
Bond interest expense, net	(12,708,384)	(12,804,375)
Payments from federal and state agencies	4,874,450	54,433,932
Other, net	(3,895,499)	535,014
Total non-operating revenues, net	<u>64,674,079</u>	<u>95,224,498</u>
Income (loss) before capital contributions	<u>124,820,610</u>	<u>142,831,264</u>
Capital contributions	26,878,390	27,558,227
Increase in net position	<u>151,699,000</u>	<u>170,389,491</u>
Net position, beginning	<u>1,037,336,738</u>	<u>866,711,792</u>
Restatement	—	235,455
Net position, beginning restated	<u>1,037,336,738</u>	<u>866,947,247</u>
Net position, end of year	<u><u>\$ 1,189,035,738</u></u>	<u><u>\$ 1,037,336,738</u></u>

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Cash received from operations	\$ 232,710,337	\$ 196,069,505
Other, net	(3,464,112)	577,091
Cash paid to employees	(34,723,204)	(44,455,661)
Cash paid to suppliers	(54,082,165)	(47,250,593)
Net cash from operating activities	<u>140,440,856</u>	<u>104,940,342</u>
Cash flows from investing activities		
Purchases of short-term investments	(986,057,717)	(658,729,181)
Proceeds from short-term investments	804,595,000	606,601,262
Interest on cash deposits	19,571,912	5,620,253
Net cash from investing activities	<u>(161,890,805)</u>	<u>(46,507,666)</u>
Cash flows from capital and related financing activities		
Payments of long-term debt	(25,065,000)	(23,855,000)
Other capital and financing costs		
Purchase of airport and facilities	(91,726,790)	(48,223,639)
Bond interest paid on long-term debt	(18,227,427)	(18,307,376)
Passenger facility charges collected	29,687,506	24,496,888
Customer facility charges collected	17,267,340	13,587,974
Contributions from governmental agencies	28,062,108	34,199,517
Net cash from capital and related financing activities	<u>(60,002,263)</u>	<u>(18,101,636)</u>
Cash flows from non-capital and related financing activities		
Payments from Federal and State Agencies	4,874,450	54,433,932
Net cash from non-capital and related financing activities	<u>4,874,450</u>	<u>54,433,932</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(76,577,764)	94,764,972
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>256,562,780</u>	<u>161,797,809</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 179,985,016</u>	<u>\$ 256,562,780</u>

(Continued on next page)

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2024 and 2023

	2024	2023
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 60,146,531	\$ 47,606,766
Other, net	(3,889,265)	554,774
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	59,658,579	55,514,361
Changes in operating assets and liabilities		
Accounts receivable	(2,228,994)	(1,992,460)
Lease receivable	3,442,242	(147,146)
Subscription Liability	1,725,510	1,894,621
Other current assets	(5,483,429)	40,068
OPEB retiree health care liability	705,180	(11,270,913)
Net pension liability	2,477,938	14,428,902
Separation allowance liability	174,395	(454,774)
Accounts payable and other accrued liabilities	5,504,317	1,224,117
Accrued employee compensation	941,267	(1,027,730)
Unearned revenue	17,266,584	628,137
Net cash provided by operating activities	\$ 140,440,855	\$ 106,998,723

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current assets		
Cash and cash equivalents	\$ 55,295,415	\$ 125,370,513
Restricted cash and cash equivalents:		
DEA/ICE forfeitures cash	795,610	1,165,427
State grant funds	17,371,305	6,139,100
Passenger facility charge cash	60,815,447	55,627,941
Customer facility charge cash	5,294,185	28,997,741
Parity reserve fund investment	40,413,054	39,026,605
	\$ 179,985,016	\$ 256,327,327

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 1 - The Authority

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

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, 2024 and 2023

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, 2024 and March 31, 2023, the Authority had an allowance for uncollectible accounts of \$37.3 thousand and \$3.2 thousand. 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

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 liability plus qualified implementation costs. Subscription-based assets are amortized over the shorter of the subscription term or the useful life of the software.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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, 2024 and 2023, the combined balance of deferred outflows of resources are as follows:

Deferred Outflows of Resources	2024	2023
Pensions:		
Differences between expected and actual experience	\$ 2,756,637	\$ 855,680
Changes of assumptions	1,051,257	1,981,422
Net difference between projected and actual earnings on pension plan investments	6,621,191	6,563,406
Changes in proportion and differences between employer contributions and proportionate share of contributions	517,288	210,058
Employer contributions subsequent to the measurement date	3,882,387	2,989,623
Separation Allowance:		
Differences between expected and actual experience	396,930	99,466
Changes of assumptions	213,936	253,601
Benefit payments subsequent to the measurement date	19,212	31,493
Other Postemployment Benefits (OPEB):		
Differences between expected and actual experience	1,391,557	1,844,117
Changes of assumptions	645,806	852,201
Benefit payments and administrative costs made subsequent to the measurement date	423,570	418,321
Total Deferred Outflows of Resources	\$ 17,919,771	\$ 16,099,388

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, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Deferred Inflows of Resources	2024	2023
Pensions:		
Differences between expected and actual earnings on pension plan investments	\$ 59,345	\$ 83,895
Changes in proportion and differences between employer contributions and proportionate share of contributions	272,526	421,895
Separation Allowance:		
Differences between expected and actual experience	105,030	136,289
Changes of assumptions	161,325	209,840
Other Post-Employment Benefits (OPEB):		
Changes of assumptions	947,831	1,088,353
Difference between expected and actual experience	415,431	329,954
Leases	65,662,442	58,975,437
Total Deferred Inflows of Resources	\$ 67,623,930	\$ 61,245,663

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.

Vacation and sick leave compensation - The Authority allows full-time employees to accumulate up to 30 days earned vacation leave, and such leave is fully vested when earned provided the employee has completed a mandatory six-month probationary period. 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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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:

	2024	2023
Airport and facilities, net	\$ 849,490,932	\$ 814,190,874
General airport revenue bonds (current and long term)	(402,306,734)	(432,392,664)
Subscription Based Liability (current and long term)	(1,725,510)	(1,894,621)
Construction payable and retainage	(11,395,860)	(6,033,937)
Total net investment in capital assets	<u>\$ 434,062,828</u>	<u>\$ 373,869,652</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.

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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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, 2024 and 2023 were \$426.5 million and \$395.4 million, respectively. Total PFC funds of \$24.5 million and \$15.0 million were transferred from the restricted fund to the operating fund during the fiscal years ended March 31, 2024 and 2023, 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.

New pronouncements - During the fiscal year ended March 31, 2024 and beyond, the Authority has or will implement several new pronouncements of the GASB. These pronouncements are as follows:

GASB Statement No. 96 "Subscription-Based Information Technology Arrangements"

The purpose of Statement No. 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA's). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority adopted this Statement in fiscal year ending March 31, 2024.

GASB Statement No. 97 "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans"

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. The Authority adopted this Statement in fiscal year ending March 31, 2023. The Statement did not have a material effect on the Authority's financial position or results of operation.

GASB Statement No. 99, Omnibus 2022

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of non-monetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic. The Authority adopted this Statement in fiscal year ending March 31, 2023. The Statement did not have a material effect on the Authority's financial position or results of operation.

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Authority is currently evaluating the effect this Statement will have on the Authority's financial position or results of operations.

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Authority is currently evaluating the effect this Statement will have on the Authority's financial position or results of operations.

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. Earlier application is encouraged. The Authority is currently evaluating the effect this Statement will have on the Authority's financial position or results of operations.

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 Authority's financial position or results of operations.

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, 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, 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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 3 - Deposits and Investments (continued)

On March 31, 2023, the Authority's deposits had a carrying amount of \$217.3 million and a bank balance of \$218.4 million. Of this bank balance, \$250.0 thousand was covered by federal depository insurance while the balance of \$218.1 million was covered by collateral held under the Pooling Method. The Authority is required to maintain a minimum balance of \$250.0 thousand in its checking account.

Investments

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

On March 31, 2023, 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	\$ 235,114,604	\$ 156,983,231	\$ 78,131,373	\$ —
US Government Agencies	Fair Value-Level 1	94,123,989	69,122,489	25,001,500	—
NC Capital Management Trust: Government Portfolio	Fair Value-Level 1	28,695,212	28,695,212	—	—
Commercial Paper	Fair Value-Level 1	96,224,431	96,224,431	—	—
Total		\$ 454,158,236	\$ 351,025,363	\$ 103,132,873	\$ —

*As of March 31, 2024 the NCCMT had a weighted average maturity of less than 90 days. As such it is presented as an investment of less than 6 months.

The classification of investments between current and non-current assets on the statements of net position is due to the underlying restrictions.

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

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 3 - Deposits and Investments (continued)

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, 2024 and 2023. 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, 2024 and 2023.

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, 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.

On March 31, 2023, the Authority's investments are 6% NCCMT, 21% Commercial Paper, 52% US Treasuries, and 21% in government agencies, consisting of 100% in Federal Home Loan Bank securities and 0% Federal Farm Credit Bank. Of the 6% invested in the NCCMT, 100% represents Authority debt service reserves.

(Remainder of page intentionally left blank)

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 4 - Airport and Facilities, Net

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.

*March 31, 2023 balance has been restated due to the adoption of GASB 96.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 4 - Airport and Facilities, Net (continued)

Changes in airport and facilities are as follows for the year ended March 31, 2023:

	<u>April 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2023</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 46,413,018	\$ 205,759	\$ (83,718)	\$ 46,535,059
Construction in progress	70,749,575	54,615,575	(60,190,959)	65,174,191
Total capital assets not being depreciated	<u>117,162,593</u>	<u>54,821,334</u>	<u>(60,274,677)</u>	<u>111,709,251</u>
<u>Other capital assets & SBITAs</u>				
Landing field and grounds	526,333,138	48,503,967	—	574,837,105
Terminal buildings	732,739,444	4,459,544	—	737,198,988
Other buildings	237,672,220	—	—	237,672,220
Utilities	3,628,237	—	—	3,628,237
Equipment	59,475,936	1,989,812	—	61,465,748
Subscription Based Assets*	—	2,529,288	—	2,529,288
Total other capital assets & SBITAs	<u>1,559,848,975</u>	<u>57,482,611</u>	<u>—</u>	<u>1,617,331,586</u>
Total airport and facilities	<u>1,677,011,568</u>	<u>112,303,945</u>	<u>(60,274,677)</u>	<u>1,729,040,837</u>
<u>Accumulated depreciation</u>				
Landing field and grounds	(346,877,055)	(20,839,048)	—	(367,716,103)
Terminal buildings	(276,547,724)	(21,402,001)	—	(297,949,725)
Other buildings	(197,465,160)	(6,435,163)	—	(203,900,323)
Utilities	(3,260,738)	(48,524)	—	(3,309,262)
Equipment	(35,184,925)	(6,390,412)	—	(41,575,337)
Subscription Based	—	(399,213)	—	(399,213)
Total accumulated depreciation	<u>(859,335,602)</u>	<u>(55,514,361)</u>	<u>—</u>	<u>(914,849,963)</u>
Airport and facilities, net	<u>\$ 817,675,966</u>	<u>\$ 56,789,584</u>	<u>\$ (60,274,677)</u>	<u>\$ 814,190,874</u>

For the year ended March 31, 2023, construction in progress increased \$54.6 million, offset by a \$60.2 million decrease which was primarily driven by \$55.0 million completed projects moved to capital assets.

Depreciation and amortization expense was \$55.5 million for the fiscal year ending March 31, 2023.

Subscription-Based Information Technology Arrangements

For the year ended March 31, 2024, the Authority implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The Statement provides a definition of a subscription based asset to be a right to use asset and provides guidance for the accounting and financial reporting for such transactions. Subscription based assets in effect at the end of the prior fiscal year had their

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 4 - Airport and Facilities, Net (continued)

assets and liabilities initially measured at the net present value of the subscription payments expected over the remaining term of the subscription. The Authority used the incremental borrowing rate of 3.5%.

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.

For the year ending March 31, 2024 the change for the liabilities were as follows:

Years Ending March 31	Beginning Payables	Additions	Reductions	Ending Payables
2023	\$ —	\$ 2,564,283	\$ 669,662	\$ 1,894,621
2024	1,894,621	2,671,927	946,417	1,725,510

The future subscription-based obligations are as follows:

Years Ending March 31	Principal Payment	Interest Payment	Total
2025	\$ 930,521	\$ 39,278	\$ 969,799
2026	575,193	12,696	587,889
2027	79,290	6,203	85,493
2028	84,027	3,347	87,375
2029	56,479	660	57,139
	<u>\$ 1,725,510</u>	<u>\$ 62,184</u>	<u>\$ 1,787,695</u>

(Remainder of page intentionally left blank)

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 5 - Debt Activity (continued)

Long-Term Debt

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

<u>Amounts due to trustee</u>	<u>April 1, 2023</u>	<u>Reductions</u>	<u>Additions</u>	<u>March 31, 2024</u>
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, 2024 and 2023

Note 5 - Debt Activity (continued)

Changes of long-term debt for the year ended March 31, 2023 consist of the following:

<u>Amounts due to trustee</u>	<u>April 1, 2022</u>	<u>Reductions</u>	<u>Additions</u>	<u>March 31, 2023</u>
Series 2008C 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	\$ 51,855,000	\$ 2,440,000	\$ —	\$ 49,415,000
Series 2015A 3.07% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030 (Refunded 2005A Bonds)	29,070,000	2,625,000	—	26,445,000
Series 2015B 3.00% General Airport Revenue Bonds, maturing in varying installments beginning 2016 to 2029 (Refunded 2005A Bonds)	25,425,000	2,655,000	—	22,770,000
Series 2017A 3.56% General Airport Revenue Bonds, maturing in varying installments beginning 2018 to 2037 (Refunded 2007 Bonds)	99,275,000	4,195,000	—	95,080,000
Series 2020A 2.14% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2036 (Refunded 2010 Bonds)	134,305,000	7,040,000	—	127,265,000
Series 2020B 1.31% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2031 (Refunded 2010 Bonds)	62,025,000	4,900,000	—	57,125,000
Total bond obligations	401,955,000	23,855,000	—	378,100,000
Less current maturities	23,855,000	—	1,210,000	25,065,000
Total long-term bond obligations	378,100,000	23,855,000	(1,210,000)	353,035,000
Unamortized premium (discount), net	59,313,594	5,020,930	—	54,292,664
Total long-term debt	\$ 437,413,594	\$ 28,875,930	\$ (1,210,000)	\$ 407,327,664

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

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	Interest
2025	\$ 2,680,000	\$ 2,900,000	\$ 2,930,000	\$ 4,615,000	\$ 7,780,000	\$ 5,420,000	\$ 16,401,058
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	13,709,826
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
2030-2034	18,650,000	7,630,000	3,745,000	32,595,000	45,320,000	21,960,000	32,974,054
2035-2038	13,480,000	—	—	32,600,000	33,155,000	—	6,504,958
	\$ 46,865,000	\$ 23,690,000	\$ 19,980,000	\$ 90,665,000	\$ 119,865,000	\$ 51,970,000	\$ 107,693,355

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, 2024, the actual rate on these bonds was 3.5%.

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, 2024 and 2023

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 market 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, 2024, the Authority's arbitrage rebate liability is \$908.1 thousand.

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, 2024 with this 25% transfer is 11.86. The debt service coverage ratio at March 31, 2024 without this 25% transfer is calculated as follows:

Net revenues	\$ 153,034,971
Annual debt service	13,177,699
Calculated debt service coverage ratio without transfer	<u>11.61</u>

For the fiscal year ended March 31, 2023, the Authority had debt service coverage ratios of 9.60 without transfer and 9.85 with transfer.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2019 and 2018

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 are regulated, and leases that transfer ownership of the underlying asset.

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.

The Authority reported lease receivable of \$74.8 million for the year ending March 31, 2024. For the fiscal year ended March 31, 2024, the Authority reported lease revenue of \$8.7 million and interest revenue of \$2.3 million related to lease payments received. For the fiscal year ended March 31, 2023, the Authority reported lease receivable of \$69.3 million, lease revenue of \$8.9 million and interest revenue of \$2.5 million related to lease payments received.

A summary of future lease revenue is as follows:

Years Ending March 31	Principal	Interest	Total
2025	\$ 9,195,473	\$ 2,436,065	\$ 11,631,538
2026	9,634,273	2,108,188	11,742,461
2027	8,371,729	1,795,662	10,167,391
2028	8,500,598	1,499,025	9,999,623
2029	6,316,723	1,233,519	7,550,242
2030-2034	18,394,041	3,607,395	22,001,436
2035-2039	5,766,492	2,030,201	7,796,693
2040-2044	7,535,348	838,898	8,374,246
2045-2049	1,016,663	71,135	1,087,798
2050-2054	52,011	7,989	60,000
2055-2059	19,457	543	20,000
	\$ 74,802,810	\$ 15,628,620	\$ 90,431,430

Regulated leases

Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, such as requirements from the U.S. Department of Transportation and the FAA. All regulated leases between the Authority and air carriers or other aeronautical users are month-to-month agreements, therefore the Authority does not recognize a lease receivable and deferred inflow of resources for regulated leases.

(Remainder of page intentionally left blank)

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

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 12.9% and 14.0% of annual covered payroll respectively. The Authority's contributions to LGERS for the fiscal years ended March 31, 2024 and 2023 were \$4.9 million and \$3.9 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, 2024 and 2023

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, 2024, the Authority reported a liability of \$24.7 million for its proportionate share of the net pension liability that was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2023, the Authority's proportion was 0.37352%, which was an increase of 0.02151% from its proportion measured as of June 30, 2022.

As of March 31, 2024, the Authority has recognized life to date pension expense of \$7.3 million. On March 31, 2024 and March 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,756,637	\$ 59,345	\$ 855,680	\$ 83,895
Changes of assumptions	1,051,257	—	1,981,422	
Net difference between projected and actual earnings on pension plan investments	6,621,191	—	6,563,406	
Changes in proportion and differences between employer contributions and proportionate share of contributions	517,288	272,526	210,058	421,895
Employer contributions subsequent to the measurement date	3,882,387	—	2,989,623	—
Total	\$ 14,828,760	\$ 331,871	\$ 12,600,189	\$ 505,790

\$3.9 million reported as deferred outflows of resources related to pensions 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, 2025. 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>
2025	\$ 3,863,386
2026	1,935,335
2027	4,529,079
2028	286,702
2029	—
Thereafter	—
Total	\$ 10,614,502

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 7 - Employee Retirement Plans (continued)

Actuarial assumptions - The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Inflation	2.25%	3.05%
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, 2022 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, 2023 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, 2024 and 2023

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 2.25%. 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 2024 and 2023 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)						
	2024			2023		
	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)	\$23,378	\$24,739	\$26,594	\$18,766	\$19,858	\$21,348

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, 2024 were \$0.44 million, which consisted of \$0.20 million from the Authority and \$0.24 million from the law

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 7 - Employee Retirement Plans (continued)

enforcement officers. Contributions for the year ended March 31, 2023 were \$0.55 million, which consisted of \$0.19 million from the Authority and \$0.36 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, 2022, the Separation Allowance's membership consisted of:

<u>Category</u>	<u>Number</u>
Retirees receiving benefits	5
Active plan members	40
Total	45

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 GAAP.

Actuarial assumptions:

The entry age normal actuarial cost method was used in the December 31, 2022 valuation. The total pension liability in the December 31, 2022 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	4.00%

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, 2024 and 2023

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, 2024, the Authority reported a total pension liability of \$1.8 million. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended March 31, 2024, 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:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 396,930	\$ 105,030	\$ 99,466	\$ 136,289
Changes of assumptions	213,936	161,325	253,601	209,840
Benefit payments subsequent to the measurement date	19,212	—	31,493	—
Total	\$ 630,078	\$ 266,355	\$ 384,560	\$ 346,129

\$19.2 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, 2025. 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>
2025	\$ 105,912
2026	71,209
2027	51,419
2028	51,748
2029	64,223
Thereafter	—
Total	\$ 344,511

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 4.00%, 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 (3.00%) or 1 percentage point higher (5.00%) than the current rate:

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 7 - Employee Retirement Plans (continued)

(Dollar amounts in thousands)

	2024			2023		
	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$1,953	\$1,780	\$1,623	\$1,399	\$1,281	\$1,174

The following table shows the changes in total pension liability by source as of March 31, 2024 and 2023:

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

	2024	2023
Balance, beginning of year	\$ 1,280,592	\$ 1,696,935
Changes for the year:		
Service cost at end of year	84,254	88,667
Interest	52,970	36,865
Change in benefit terms	—	—
Difference between expected and actuarial experience	415,336	(167,548)
Changes of assumptions and other inputs	50,307	(257,353)
Benefit payments	(103,184)	(116,974)
Other	—	—
Net changes	499,683	(416,343)
Balance, end of year	\$ 1,780,275	\$ 1,280,592

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, 2024 and 2023

Note 7 - Employee Retirement Plans (continued)

At March 31, 2024 and 2023, the Authority reported defined benefit pension plans as follows:

	2024			2023		
	LGERS	LEOSSA	Total	LGERS	LEOSSA	Total
Pension expense	\$ 7,335,207	\$ 265,294	\$ 7,600,501	\$ 5,728,055	\$ 189,992	\$ 5,918,047
Pension liability	24,738,819	1,780,275	26,519,094	19,858,391	1,280,592	21,138,983
Proportionate share of the pension liability	0.37 %	N/A	N/A	0.35 %	N/A	N/A

Deferred outflow of resources:

Differences between expected and actual experience	\$ 2,756,637	\$ 396,930	\$ 3,153,567	\$ 855,680	\$ 99,466	\$ 955,146
Changes of assumptions	1,051,257	213,936	1,265,193	1,981,422	253,601	2,235,023
Net difference between projected and actual earnings on pension plan investments	6,621,191	—	6,621,191	6,563,406	—	6,563,406
Changes in proportion and differences between employer contributions and proportionate share of contributions	517,288	—	517,288	210,058	—	210,058
Employer contributions subsequent to the measurement date	3,882,387	19,212	3,901,599	2,989,623	31,493	3,021,116
Total deferred outflow of resources	\$ 14,828,760	\$ 630,078	\$ 15,458,838	\$ 12,600,189	\$ 384,560	\$ 12,984,749

Deferred inflow of resources

Net difference between projected and actual earnings on pension plan investments	\$ 59,345	\$ 105,030	\$ 164,375	\$ 83,895	\$ 136,289	\$ 220,184
Changes in proportion and differences between employer contributions and proportionate share of contributions	272,526	—	272,526	\$ 421,895	—	421,895
Changes of assumptions	—	161,325	161,325	\$ —	209,840	209,840
Total deferred inflow of resources	\$ 331,871	\$ 266,355	\$ 598,226	\$ 505,790	\$ 346,129	\$ 851,919

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

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, 2022, the date of the last actuarial valuation:

<u>Category</u>	<u>Number</u>
Retirees and dependents receiving benefits	140
Terminated plan members entitled to but not yet receiving benefits	—
Active plan members	293
Total	<u>433</u>

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, 2024 and 2023

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, 2023 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions and other inputs:

The total OPEB liability in the June 30, 2022 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	3.65%
Healthcare cost trend rates	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032

The discount rate is based on the June 2022 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>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 10,482,132	\$ 11,478,094
Changes for the year:		
Service Cost	498,011	720,141
Interest	380,111	257,475
Changes of benefit terms	—	(6,559)
Differences between expected and actual experience	(178,747)	(294,849)
Changes in assumptions or other inputs	(103,532)	(1,113,015)
Benefit payments	(489,324)	(559,155)
Net Changes	<u>106,519</u>	<u>(995,962)</u>
Balance, end of the year	<u>\$ 10,588,651</u>	<u>\$ 10,482,132</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.65%.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 7 - Employee Retirement Plans (continued)

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 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, 2022 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2022 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 (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

(Dollar amounts in thousands)

	2024			2023		
	1% Decrease	Current Discount Rate (3.65%)	1% Increase	1% Decrease	Current Discount Rate (3.54%)	1% Increase
Total OPEB liability	\$11,586	\$10,589	\$9,711	\$11,478	\$10,482	\$9,607

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)

	2024			2023		
	1% Decrease	Healthcare Cost Trend	1% Increase	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB liability	\$9,603	\$10,589	\$11,745	\$9,585	\$10,482	\$11,532

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:

For the year ended March 31, 2024 the Authority recognized OPEB expense of \$1.2 million. On March 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2024 and 2023

Note 7 - Employee Retirement Plans (continued)

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,391,557	\$ 415,431	\$ 1,844,117	\$ 329,954
Changes of assumptions	645,806	947,831	852,201	1,088,353
Benefit payments and administrative costs made subsequent to the measurement date	423,570	—	418,321	—
Total	\$ 2,460,933	\$ 1,363,262	\$ 3,114,639	\$ 1,418,307

\$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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending March 31</u>	<u>Amounts</u>
2025	\$ 321,631
2026	327,226
2027	253,160
2028	(134,891)
2029	(85,246)
Thereafter	(7,779)
Total:	\$ 674,101

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, in accordance with NC General Statute 159-29, maintains Public Official Bonds on those designated as Finance Officer or Deputy Finance Officer. Currently, the Vice President, Chief Financial Officer, and the Director of Accounting each carry coverage at the statutory requirement of \$50,000. In addition, the Authority carries blanket dishonesty coverage for all employees in the amount of \$1.0 million.

Construction commitments - On March 31, 2024 and 2023, the Authority has contractual commitments for Authority capital programs of approximately \$111.8 million and \$57.1 million, respectively.

Note 9 - Subsequent Events

The Authority has evaluated subsequent events through June 6, 2024 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.

RALEIGH-DURHAM AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Years Ended March 31, 2020 and 2019

Note 10 - Change in Accounting Principle/Restatement

The Authority implemented Governmental Accounting Standards Board (GASB) Statement 96, subscription-based information technology (SBITAs) in the year ending March 31, 2024. The implementation of the statement required the Authority to record a beginning subscription asset, liability, and the effects on net position for the year ended March 31, 2023. As a result, net position for the Authority was restated \$0.2 Million.

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, 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	\$ 498,011	\$ 720,141	\$ 783,649	\$ 473,791	\$ 445,449	\$ 453,432
Interest	380,111	257,475	258,203	258,600	250,247	227,642
Changes in benefit terms	—	(6,559)	—	—	—	—
Differences between expected and actual experience	(178,747)	(294,849)	(115,917)	2,731,582	418,206	152,630
Changes of assumptions or other inputs	(103,532)	(1,113,015)	(131,609)	1,255,420	250,856	(202,291)
Net benefit payments	(489,324)	(559,155)	(429,565)	(1,032,768)	(735,274)	(453,289)
Net change in total OPEB liability	106,519	(995,962)	364,761	3,686,625	629,484	178,124
Total OPEB liability - beginning	10,482,132	11,478,094	11,113,333	7,426,708	6,797,224	6,619,100
Total OPEB liability - ending	\$ 10,588,651	\$ 10,482,132	\$ 11,478,094	\$ 11,113,333	\$ 7,426,708	\$ 6,797,224
 Covered-employee payroll	 \$ 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	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, 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	3.65%	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, 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	\$ 84,254	\$ 88,667	\$ 89,171	\$ 64,603	\$ 62,505	\$ 61,657	\$ 47,739
Interest	52,970	36,865	24,863	36,133	37,288	32,572	36,344
Changes in benefit terms	—	—	—	—	—	—	—
Difference between expected and actual experience	415,336	(167,548)	71,828	59,314	68,079	136,396	—
Changes of assumptions or other inputs	50,307	(257,353)	282,230	139,514	33,655	(6,926)	18,909
Net benefit payments	(103,184)	(116,974)	(118,811)	(120,569)	(114,536)	(119,111)	(134,953)
Other	—	—	—	—	—	—	—
Net change in total pension liability	499,683	(416,343)	349,281	178,995	86,991	104,588	(31,961)
Total pension liability - beginning	1,280,592	1,696,935	1,347,654	1,168,659	1,081,668	977,080	1,009,041
Total pension liability - ending	\$ 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, 2023 Measurement Date: The Municipal Bond Index Rate decreased from 4.31% to 4.00%.

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

	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Total pension liability - ending	\$ 1,780,275	\$ 1,280,592	\$ 1,696,935	\$ 1,347,654	\$ 1,168,659	\$ 1,081,668	\$ 977,080
Covered-employee payroll	\$ 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	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 Years Ended March 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportionate share of net pension liability (asset)	0.37352 %	0.35201 %	0.37297 %	0.3781 %	0.34424 %	0.33277 %	0.31162 %	0.31228 %	0.28507 %	0.28433 %
Proportionate share of net pension liability (asset) (\$)	\$ 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	\$ (1,569,268)
Covered payroll - measurement period	\$ 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	\$ 17,154,583
Proportionate share of net pension liability (asset) as a percentage of covered payroll	74.70 %	72.31 %	21.64 %	48.45 %	38.99 %	35.24 %	23.51 %	32.98 %	7.06 %	(9.15)%
Plan fiduciary net position as a percentage of the total pension liability	82.49 %	84.14 %	95.51 %	88.61 %	90.86 %	91.63 %	94.18 %	91.47 %	98.09 %	102.64 %

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 Years Ended March 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$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	\$1,221,836
Contributions in relation to the contractually required contribution	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	1,221,836
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll - fiscal year	\$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	\$18,128,137
Contributions as a percentage of covered payroll	12.57 %	11.84 %	10.47 %	9.88 %	8.73 %	7.72 %	7.45 %	7.00 %	6.31 %	6.74 %

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, 2024

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net position										
Net investment in capital assets	\$ 434,062,828	\$ 373,869,652	\$351,649,776	\$360,059,904	\$363,556,801	\$256,701,290	\$256,188,985	\$261,637,368	\$251,985,469	\$265,808,612
Restricted For:										
State of North Carolina underground storage tank trust deductible	—	—	—	—	—	—	—	—	220,000	220,000
Debt service	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	47,245,044
DEA/ICE forfeitures	795,610	1,165,427	1,165,251	1,091,093	291,152	226,159	115,634	79,610	82,029	39,851
State grant funds	17,371,305	6,139,100	—	—	—	14,560,117	—	—	—	—
Passenger facility charges	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	4,325,108
Customer facility charges	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	537,894,352	482,242,641	365,915,365	301,189,967	273,320,387	258,351,966	169,431,556	123,685,528	131,974,693	108,720,984
Total net position	<u>\$1,189,035,738</u>	<u>\$1,037,336,738</u>	<u>\$866,711,792</u>	<u>\$781,666,198</u>	<u>\$758,395,502</u>	<u>\$641,904,612</u>	<u>\$515,647,605</u>	<u>\$459,413,779</u>	<u>\$432,965,556</u>	<u>\$426,359,599</u>

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.
Due to Raleigh-Durham Airport Authority's required adoption of GASB 68 during FY2016, the Net Position for FY2015 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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues										
Parking	\$ 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	\$ 43,796,914
Airfield	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	11,361,874
Terminals	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	31,649,941
Rental car	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	14,191,508
Ground Transportation	9,354,925	7,227,600	3,330,797	1,168,195	6,583,969	5,754,817	4,573,444	1,871,464	1,281,969	717,476
Other	14,784,539	13,512,616	9,290,357	7,177,426	10,242,381	8,215,179	7,572,265	6,368,863	6,474,025	5,752,521
Total operating revenues	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	107,470,234
Operating expenses										
Personnel	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	24,140,715
Professional Services	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	1,356,318
Contractual Labor	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	15,359,927
Utilities	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	6,366,010
Material and Supplies	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	2,483,498
General and Administrative	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	3,900,931
Subtotal	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	53,607,399
Depreciation	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	49,623,986
Total operating expenses	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	103,231,385
Operating income (loss)	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	4,238,849
Non-operating revenues (expenses)										
Investment interest income	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	1,895,410
Passenger facility charges	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	19,113,463
Customer facility charges	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	(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)	(26,763,852)
Payments from federal and state agencies	4,874,450	54,433,932	23,011,072	48,495,064	—	—	—	—	—	—
Other	(3,895,499)	535,014	511,093	787,122	(1,000,626)	735,380	272,403	(636,118)	91,847	580,360
Termination Income	—	—	—	—	8,227,000	—	—	—	—	—
Total non-operating revenues (exp)	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	(5,174,619)
Income (loss) before contributions	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	(935,770)
Capital contributions	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	2,459,419
Write down of discontinued projects	—	—	(1,138,270)	(6,004,241)	—	—	—	—	—	—
Increase (decrease) in net position	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	1,523,649
Net position, beginning restated	—	235,455	—	3,447,192	—	(1,963,862)	(104,245)	—	(1,279,076)	—
Net position, beginning of year	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	424,835,950
Net position, end 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

Note:

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

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

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

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

Due to Raleigh-Durham Airport Authority's required adoption of GASB 68 during FY2016, the Net Position for FY2015 has been re-stated for comparative financial statements.

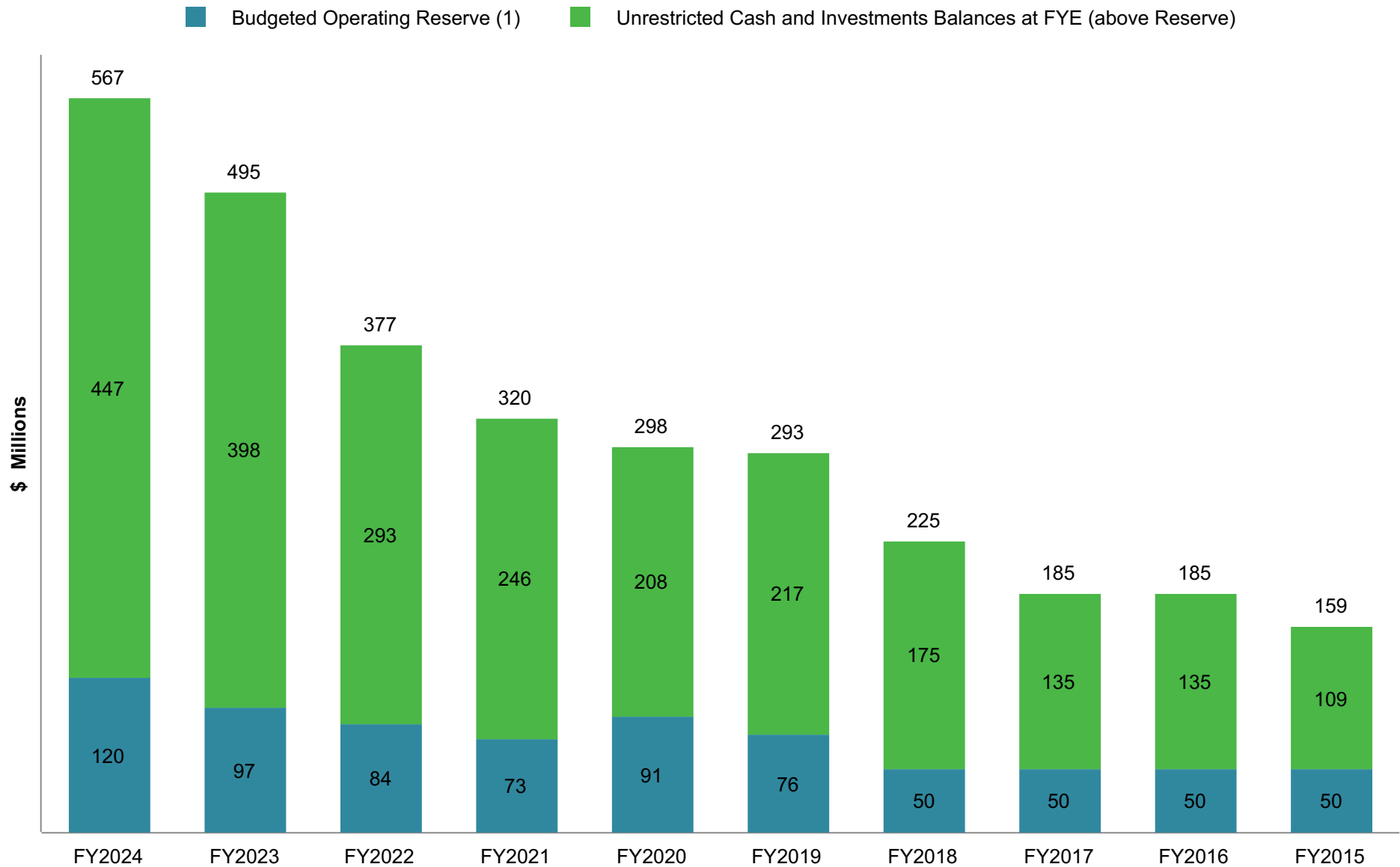
RALEIGH-DURHAM AIRPORT AUTHORITY
KEY PERFORMANCE INDICATORS
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Airline cost per enplanement (CPE)	\$ 8.88	\$ 9.14	\$ 9.98	\$ 19.92	\$ 8.12	\$ 8.59	\$ 8.68	*\$ 7.28	\$ 7.02	\$ 6.91
Airline cost per airline operation	405.26	427.27	417.77	541.76	346.89	360.75	352.13	286.04	266.43	247.87
Terminal concession revenue per enplanement	2.20	2.10	2.54	1.41	1.80	1.77	1.51	1.67	1.61	1.60
Terminal concession revenue per airline operation	102.96	98.08	106.37	38.40	76.78	74.43	61.09	65.51	61.24	57.52
Rental car revenue per enplanement	2.76	3.04	3.20	4.80	2.60	2.67	2.72	2.98	2.88	2.95
Rental car revenue per airline operation	129.00	142.06	133.88	130.53	110.88	111.97	110.11	117.16	109.31	105.95
Parking revenue per enplanement	14.89	13.80	10.59	8.26	10.39	10.12	10.01	10.27	9.37	9.26
Parking revenue per airline operation	696.68	645.11	443.29	224.73	443.74	425.10	405.97	403.47	355.77	332.28
Non-aeronautical revenue per enplanement	20.64	19.80	17.18	16.81	15.51	15.01	14.65	15.05	14.14	14.10
Non-aeronautical revenue per airline operation	966.15	926.01	719.04	457.28	662.62	630.51	593.88	591.36	536.97	505.68
Total operating revenue per enplanement	31.30	31.54	29.50	42.03	25.15	25.35	25.51	23.84	22.58	22.46
Total operating revenue per airline operation	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	805.71
Total operating revenue per total operation	1,104.47	1,027.62	805.49	650.42	792.07	756.85	753.68	691.41	632.05	592.95
Total operating expenses per enplanement	15.11	15.13	15.37	39.71	12.79	11.21	12.17	11.63	11.59	11.16
Total operating expenses per airline operation	707.01	707.20	643.40	1,080.01	546.59	470.90	493.40	456.82	440.09	400.21
Total operating expenses per total operation	533.14	492.72	419.67	614.45	402.90	334.80	359.47	337.31	324.44	294.53
Number of days unrestricted cash on hand	1,910	1,966	1,801	1,675	1,234	1,460	1,135	1,036	1,131	1,084

*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

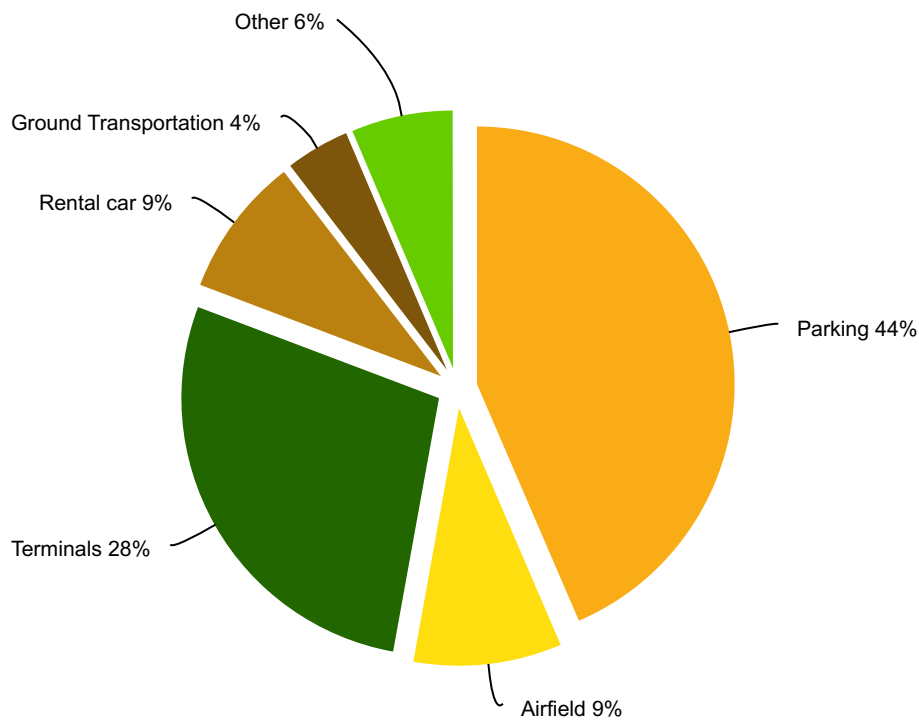


(1) The Authority formally adopted an operating reserve policy to maintain an operating reserve of about one times the current fiscal year's annual operating budgeted expenses (excluding depreciation).

RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2024 Operating Revenue by Source (000s)

	<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>	<u>2015</u>
Parking	\$ 100,841	\$ 79,137	\$ 49,918	\$ 13,338	\$ 65,169	\$ 60,544	\$ 54,975	\$ 55,843	\$ 47,058	\$ 43,796
Airfield	21,572	17,835	13,960	6,881	17,783	18,809	16,614	15,058	12,853	11,362
Terminals	64,651	60,626	55,664	36,705	55,900	55,102	51,771	37,930	33,821	31,650
Rental car	20,398	19,008	16,071	8,413	17,913	17,446	16,142	16,742	14,831	14,191
Ground Transportation	9,355	7,228	3,331	1,168	6,584	5,755	4,573	1,871	1,282	717
Other	14,785	13,513	9,290	7,178	10,242	8,216	7,573	6,370	6,474	5,754
Total	<u>\$ 231,602</u>	<u>\$ 197,347</u>	<u>\$ 148,234</u>	<u>\$ 73,683</u>	<u>\$ 173,591</u>	<u>\$ 165,872</u>	<u>\$ 151,648</u>	<u>\$ 133,814</u>	<u>\$ 116,319</u>	<u>\$ 107,470</u>

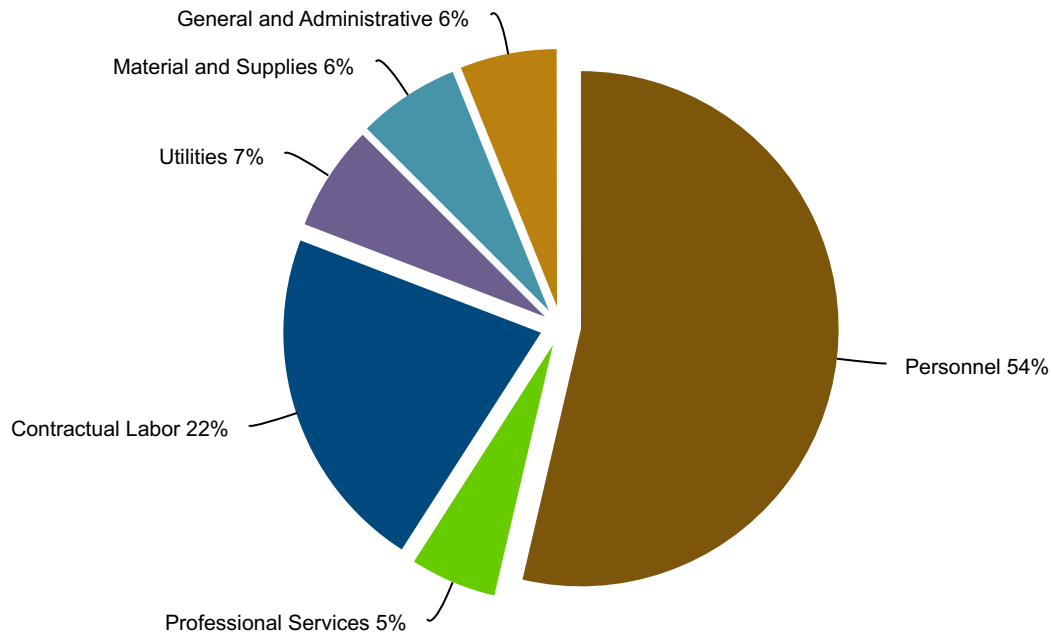
FYE March 31, 2024 Operating Revenue by Source



RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2024 Operating Expenses before Depreciation by Source (000s)

	<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>	<u>2015</u>
Personnel	\$ 60,003	\$ 48,456	\$ 39,451	\$ 40,172	\$ 39,803	\$ 33,877	\$ 31,052	\$ 27,170	\$ 25,890	\$ 24,141
Professional Services	6,061	5,924	3,126	2,897	6,800	2,789	7,577	7,434	1,627	1,356
Contractual Labor	24,328	23,336	22,429	16,388	25,268	22,285	18,400	17,439	18,219	15,360
Utilities	7,428	7,076	6,298	5,647	6,581	6,974	6,235	6,368	6,509	6,366
Material and Supplies	7,174	4,479	2,716	2,123	5,675	3,640	3,558	2,250	1,846	2,484
General and Administrative	6,802	5,354	3,212	2,383	4,173	3,810	5,509	4,621	5,617	3,901
Total	\$ 111,797	\$ 94,624	\$ 77,232	\$ 69,610	\$ 88,300	\$ 73,375	\$ 72,331	\$ 65,282	\$ 59,708	\$ 53,608

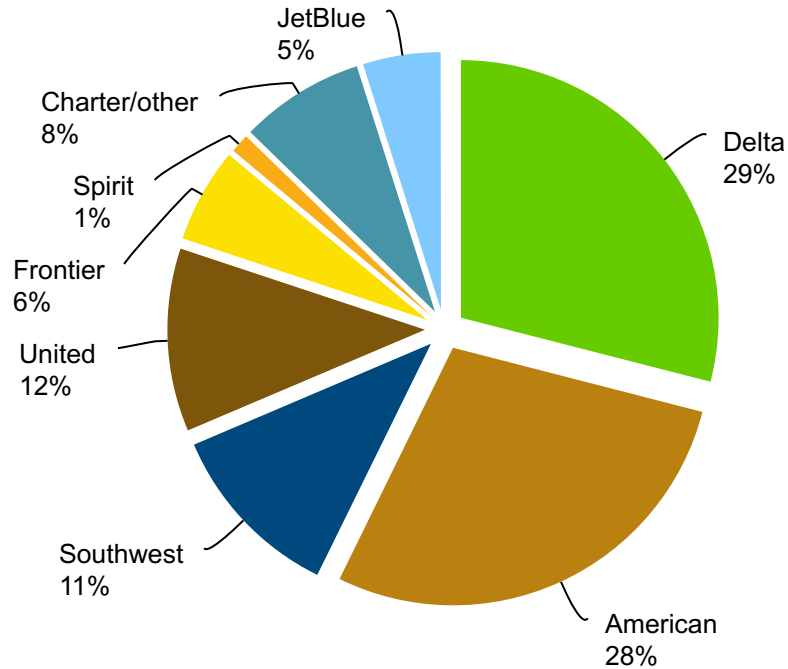
FYE March 31, 2024 Operating Expenses before Depreciation by Source



RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2024 Airline Derived Revenue by Carrier (000s)

	<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>	<u>2015</u>
Delta	\$ 18,586	\$ 17,381	\$ 14,605	\$ 9,422	\$ 17,434	\$ 17,566	\$ 18,427	\$ 11,571	\$ 10,598	\$ 9,840
American	18,116	15,699	13,009	7,928	14,088	15,004	15,653	11,651	11,152	11,184
Southwest	7,266	7,568	7,823	5,686	8,021	9,027	8,528	6,458	6,278	5,753
United	7,375	6,398	5,873	3,665	6,490	6,819	6,658	5,070	4,822	4,017
Frontier	3,808	2,800	2,069	1,818	3,208	2,919	1,064	579	343	159
JetBlue	3,139	3,459	3,468	1,754	2,458	2,820	2,627	1,805	1,854	1,566
Spirit	780	959	1,591	1,788	2,431	—	—	—	—	—
Charter/other	5,013	2,906	1,711	2,858	1,910	2,055	1,783	1,182	1,100	685
Total	\$ 64,083	\$ 57,170	\$ 50,149	\$ 34,919	\$ 56,040	\$ 56,210	\$ 54,740	\$ 38,316	\$ 36,147	\$ 33,204

FYE March 31, 2024 Airline Derived Revenue by Carrier



RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT SERVICE SCHEDULE
Ten Years Projection

RDU BOND ISSUES	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<u>2008C (Non-AMT) - \$72.295M Variable Rate - PFC</u>											
Principal (May Only)	\$ 2,550,000	\$ 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
Interest (12 Months)	1,883,100	1,776,333	1,664,550	1,547,400	1,424,667	1,295,967	1,160,900	1,019,433	871,200	715,800	552,833
Total	<u>4,433,100</u>	<u>4,456,333</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>2015A (Non-AMT) - \$34.060M (3.07%) Fixed Rate</u>											
Principal (May Only)	\$ 2,755,000	\$ 2,900,000	\$ 3,045,000	\$ 3,205,000	\$ 3,370,000	\$ 3,540,000	\$ 3,725,000	\$ 3,905,000	\$ —	\$ —	\$ —
Interest (May)	651,750	582,875	510,375	434,250	354,125	269,875	181,375	88,250	—	—	—
Interest (November)	582,875	510,375	434,250	354,125	269,875	181,375	88,250	—	—	—	—
Total	<u>3,989,625</u>	<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>2015B (AMT) - \$48.685M (3.00%) Fixed Rate - PFC</u>											
Principal (May Only)	\$ 2,790,000	\$ 2,930,000	\$ 3,085,000	\$ 3,235,000	\$ 3,405,000	\$ 3,580,000	\$ 3,745,000	\$ —	\$ —	\$ —	\$ —
Interest (May)	554,250	484,500	411,250	334,125	253,250	168,125	78,625	—	—	—	—
Interest (November)	484,500	411,250	334,125	253,250	168,125	78,625	—	—	—	—	—
Total	<u>3,828,750</u>	<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>2017A (AMT) - \$115.230M (3.56%) Fixed Rate - PFC</u>											
Principal (May Only)	4,415,000	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
Interest (May)	2,343,513	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
Interest (November)	2,233,138	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
Total	<u>8,991,651</u>	<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>2020A (AMT) - \$141.005M (2.14%) Fixed Rate - PFC</u>											
Principal (May Only)	7,400,000	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
Interest (May)	3,181,625	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
Interest (November)	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
Total	<u>13,578,250</u>	<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>2020B (NON-AMT) - \$69.610M (1.31%) Fixed Rate</u>											
Principal (May Only)	5,155,000	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)	1,428,125	1,299,250	1,163,750	1,021,375	871,750	714,375	549,000	375,125	192,250	—	—
Interest (November)	1,299,250	1,163,750	1,021,375	871,750	714,375	549,000	375,125	192,250	—	—	—
Total	<u>7,882,375</u>	<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>
FY Principal Total	25,065,000	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
FY Interest Total	17,638,751	16,401,059	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
Total Principal and Interest	<u>\$42,703,751</u>	<u>\$42,726,059</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>
Total principal outstanding at end of FY	<u>\$353,035,000</u>	<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>
PFC offsets to annual debt service	(30,114,728)										
DEBT SERVICE P&I NET OF PFC OFFSET	<u>\$12,589,023</u>	<u>\$42,726,059</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>

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, 2024 were 3.5%. 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, 2024

Series	Final Maturity	Use of Funds	Original Issue		Call Date	Current Issue	
			Amount	Rate		Amount	Rate
2008C	5/1/2036	Refunded 2008C variable bonds to non-AMT -T2	\$ 75,000,000	4.7%	Any Time	\$ 46,865,000	3.41%
2015A	5/1/2030	Refunded 2005A-Operation Center, G/A Term, 75% of Taxiway D	34,060,000	4.7%	5/1/2025	23,690,000	3.1%
2015B	5/1/2029	Refunded 2005B-Terminal 2 project, 25% of Taxiway D	48,685,000	4.7%	5/1/2025	19,980,000	3.0%
2017A	5/1/2037	Refunded 2007-Terminal 2 project	115,230,000	4.8%	5/1/2027	90,665,000	3.6%
2020A	5/1/2036	Refunded 2010A bonds Terminal 2 project for PV savings	141,005,000	4.1%	5/1/2030	119,865,000	2.1%
2020B	5/1/2031	Refunded 2010B & B-1 Parking Garage Bonds for PV savings	69,610,000	4.1%	5/1/2030	51,970,000	1.3%
Total			\$ 483,590,000	4.46%		\$ 353,035,000	2.66%

Unamortized bond premium (discount), net 49,271,734

Total Debt Outstanding **\$ 402,306,734**

Fixed versus Variable Debt

	Amount	Percent
Fixed rate \$	306,170,000	86.7%
Variable rate	46,865,000	13.3%
\$	353,035,000	100.0%

RALEIGH-DURHAM AIRPORT AUTHORITY
General Airport Revenue Bonds
Ratios of Outstanding Debt
March 31, 2024

Fiscal Year	Principal Outstanding	Principal Payment	Interest Payment	Total Debt Service	Debt Per Enplanement ¹
2024	\$353,035,000	\$25,065,000	\$17,638,751	\$42,703,751	\$48
2023	378,100,000	23,855,000	17,769,213	41,624,213	60
2022	401,955,000	22,725,000	17,914,894	40,639,894	80
2021	424,680,000	21,085,000	15,314,718	36,399,718	242
2020	445,765,000	22,685,000	29,948,132	52,633,132	65
2019	531,275,000	22,760,000	24,400,149	47,160,149	81
2018	554,035,000	17,640,000	22,962,714	40,602,714	93
2017	571,675,000	24,600,000	29,790,258	54,390,258	102
2016	610,665,000	19,740,000	27,350,396	47,090,396	119
2015	642,015,000	18,890,000	28,330,450	47,220,450	134

Notes:

¹Does not include unamortized premium

RALEIGH-DURHAM AIRPORT AUTHORITY
RDU DEMOGRAPHIC INFORMATION
Last Ten Years (000s)

Year	Population*	Median Household Income**	Per Capita Income***	Median Age****	Unemployment Rate*****
2023	1,508	\$87.5	Unavailable	36.7	3.2%
2022	1,478	\$85.83	\$67.7	38.1	3.1%
2021	1,451	\$77.70	\$65.8	37.2	5.4%
2020	1,444	\$73.10	\$60.9	37.5	6.1%
2019	1,413	\$69.30	\$58.1	37.1	3.5%
2018	1,381	\$65.09	\$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%
2014	1,258	\$56.6	\$46.3	35.2	4.9%

Sources:

*ACFR Demographic and Economic 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

The Authority primarily serves the Research Triangle; officially named the Raleigh-Durham-Cary CSA (combined statistical area). Major employers of the region include:

	2023			2014		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Duke University & Duke Health Systems	42,566	1	4.30%	35,998	1	4.46%
State of North Carolina	24,083	2	2.43%	24,083	2	2.98%
Wake County Public School System	17,000	3	1.72%	18,554	3	2.30%
Wal-Mart	16,800	4	1.70%			
WakeMed Health & Hospitals	10,307	5	1.04%	8,422	6	1.04%
Food Lion	9,037	6	0.91%			
North Carolina State University	9,019	7	0.91%	7,876	7	0.97%
Target Corporation	8,400	8	0.85%			
International Business Machines (IBM)	8,000	9	0.81%	17,000	4	2.10
UNC Rex Healthcare	7,700	10	0.78%	5,300	9	0.66%
GlaxoSmithKline, Inc.				8,650	5	1.07%
Cisco Systems, Inc.				5,500	8	0.68%
SAS Institute, Inc.				5,232	10	0.65%
Total	152,912		15.45%	136,615		16.91%

Sources:

Wake County 2023 ACFR - Greater Raleigh Chamber of Commerce

Durham County 2023 ACFR - Durham Chamber of Commerce

Wake County Economic Development (WCED) - Greater Raleigh Chamber of Commerce

RALEIGH-DURHAM AIRPORT AUTHORITY
ACTIVITY STATISTICS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Passengers</u>	<u>Aircraft Operations</u>	<u>Enplaned Cargo Volume (tons)</u>	<u>Deplaned Cargo Volume (tons)</u>
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
2015	9,591,249	182,013	37,915	46,045

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
AIR CANADA	57,971	55,330	9,227	—	52,367	43,299	44,552	38,318	32,536	28,603
AIR FRANCE	14,896	—	—	—	—	—	—	—	—	—
ALASKA	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	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	761,538
AVELO AIRLINES	146,241	39,109	—	—	—	—	—	—	—	—
BAHAMASAIR	2,734	1,665	—	—	—	—	—	—	—	—
BREEZE	98,459	4,461	—	—	—	—	—	—	—	—
CHARTER/ UNSCHEDULED	179	2,564	2,322	1,514	3,189	3,398	2,990	3,210	4,133	7,802
DELTA	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	1,433,435
FRONTIER	561,266	417,878	275,089	81,605	474,413	427,903	146,020	145,730	104,111	44,655
ICELANDAIR	30,731	19,162	—	—	—	—	—	—	—	—
JETBLUE	338,716	316,855	330,060	77,904	280,812	281,335	270,297	256,777	253,654	239,660
SOUTHWEST	1,095,338	889,664	777,671	383,714	1,235,654	1,269,849	1,205,695	1,168,889	1,132,726	1,075,156
SPIRIT	85,261	51,098	71,399	51,487	225,811	—	—	—	—	—
SUN COUNTRY	19,136	14,112	6,126	—	—	—	—	—	—	—
UNITED	877,825	728,837	540,342	217,183	789,091	835,533	749,557	708,999	595,913	479,055
USAIR	—	—	—	—	—	—	—	—	—	735,199
TOTAL	<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>	<u>4,805,103</u>

Source: Raleigh-Durham Airport Authority Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY
ENPLANED PASSENGERS BY MONTH
 Last Ten Fiscal Years
 Source: Raleigh-Durham Airport Authority Finance Department

	Avg %	Monthly Avg	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
April	7.7%	426,735	590,981	502,310	299,246	20,070	571,694	538,150	487,023	447,366	408,738	401,769
May	8.7%	480,018	653,429	550,056	388,029	49,232	653,769	586,622	519,125	514,217	449,653	436,051
June	9.2%	507,656	687,147	559,694	449,640	106,216	679,418	614,545	545,573	518,973	464,691	450,658
July	9.2%	511,383	689,152	548,871	485,936	154,859	675,168	597,868	532,289	508,317	476,967	444,405
August	8.8%	486,277	651,926	526,292	431,105	159,085	648,192	582,829	518,712	481,903	440,297	422,424
September	7.9%	439,526	618,338	477,900	401,532	156,164	570,542	461,017	463,363	457,284	404,968	384,148
October	9.1%	502,304	678,455	567,210	469,039	184,104	638,582	573,640	530,014	493,170	457,164	431,658
November	8.7%	482,197	632,037	539,169	476,257	182,604	597,131	575,067	517,244	480,508	431,732	390,220
December	8.8%	487,700	611,066	526,844	482,517	191,805	636,388	562,881	507,048	481,271	461,445	415,732
January	6.8%	377,889	473,827	433,164	308,671	145,058	492,115	455,329	405,358	385,261	351,758	328,348
February	6.9%	381,042	494,566	448,656	347,740	152,498	482,598	443,374	405,430	374,588	358,049	302,921
March	8.2%	456,823	619,487	575,915	484,362	251,404	256,939	553,137	513,415	470,764	446,039	396,769
TOTAL		<u>5,539,550</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>	<u>4,805,103</u>
Increase (Decrease) over Prior Period			18.3 %	24.5 %	186.6 %	(74.6)%	5.5 %	10.1 %	5.9 %	9.0 %	7.2 %	1.2 %

Source: Raleigh-Durham Airport Authority Finance Department

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Airlines</u>										
AIR CANADA	74,177	80,281	14,535	—	81,713	54,050	54,896	49,068	47,047	44,979
AIRFRANCE	27,625	—	—	—	—	—	—	—	—	91,000
ALASKA	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	2,329,480	2,128,470	1,641,427	672,001	1,900,525	1,829,047	1,806,337	1,775,281	1,569,356	889,370
AVELO	174,590	47,855	—	—	—	—	—	—	—	—
BAHAMASAIR	5,039	4,910	—	—	—	—	—	—	—	—
BREEZE	128,178	5,246	—	—	—	—	—	—	—	—
DELTA	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	1,776,474
FRONTIER	614,847	412,940	299,736	97,022	459,601	417,784	137,204	141,610	105,682	50,447
JETBLUE	304,716	378,512	417,071	152,079	343,715	329,451	307,300	284,781	285,029	264,781
SOUTHWEST	937,051	901,986	830,692	666,256	1,374,832	1,403,967	1,324,040	1,285,108	1,283,654	1,168,858
SPIRIT	87,690	57,442	76,892	59,324	286,623	—	—	—	—	—
UNITED AIRLINES	959,162	793,155	626,785	321,716	941,200	978,432	866,777	809,007	646,950	507,034
SUN COUNTRY AIRLINES	20,628	15,947	9,656	—	—	—	—	—	—	—
ICELANDAIR	35,166	22,915	—	—	—	—	—	—	—	874,493
CHARTER/OTHER	8,736	5,798	5,034	4,682	6,813	6,976	6,454	6,704	7,465	13,315
<u>Cargo</u>										
FEDERAL EXPRESS	296,916	345,893	357,435	320,112	294,925	302,775	319,470	299,700	294,116	290,774
UPS	276,618	369,259	357,114	278,054	248,957	203,676	178,221	157,182	144,829	142,946
OTHERS	89,790	26,247	25,966	26,500	26,370	16,990	8,125	7,938	8,118	8,797
TOTAL	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	6,123,268

Source: Raleigh-Durham Airport Authority Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY CAPITAL ASSETS AND OTHER AIRPORT INFORMATION

About the Airport:

Raleigh-Durham International Airport (the Airport or RDU) is owned and operated by the Raleigh-Durham Airport Authority (the Authority). The General Assembly of North Carolina 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 act 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.

In the fiscal year 2024, RDU served 14.8 million passengers on 15 airlines and served 66 international and domestic nonstop destinations with an average of 216 daily departures. 97% of all passengers at the airport enplaned on domestic flights and 3% enplaned on international flights.

Location:

The Airport is located midway between the cities of Raleigh and Durham, primarily in Wake County, approximately 10 miles southeast of Durham and 10 miles northwest of Raleigh. The Airport encompasses approximately 5,100 acres, of which approximately 2,075 acres are developed.

Terminals:

Passenger terminal facilities at the Airport are located in two separate buildings known as Terminal 1 and Terminal 2.

The Authority completed a project to renovate and modernize Terminal 1. Construction on this \$68 million project was completed on April 13, 2014. Terminal 1 is home to Southwest Airlines, Spirit, Avelo and potentially other carriers and operates with 9 gates.

Terminal 2 is a \$573 million state-of-the-art, common use, passenger terminal that opened on October 26, 2008. The second phase of the Terminal, the South Concourse, opened January 23, 2011. The completed Terminal consists of approximately 920,000 square feet, with a total of 36 gates. Terminal 2 currently serves Air Canada, Alaska, American Airlines, Bahamasair, Breeze, Delta Airlines, Frontier, Icelandair, JetBlue Airways, Sun Country Airlines, United Airlines and Charter Express.

Runways:

RDU has two primary runways and one secondary runway
Runway One: 5L/23R 10,000' L, 150' W; CAT II (5L), CAT III (23R)
Runway Two: 5R/23L 7,500' L, 150' W; CAT I (5R), CAT II (23L)
Runway Three: 14/32 3,550' L, 100' W; not equipped to handle most commercial aircraft

Parking Spaces:

The airports total parking capacity is approximately 19,740 vehicles.

4 - Parking Garages	11,272 spaces approximately
3 - Park & Ride Parking Lots	8,241 spaces approximately
General Aviation Parking Lot	227 spaces approximately

RALEIGH-DURHAM AIRPORT AUTHORITY
GRANT EXPENDITURES HISTORY
Last Ten Fiscal Years

Fiscal Year Ended	State		Federal		Total
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
2015		985,122		1,861,900	2,847,022
Total	\$	<u>134,718,694</u>	\$	<u>198,866,723</u>	<u>\$ 333,585,417</u>

Source: Schedule of Expenditures of Federal and State Awards

RALEIGH-DURHAM AIRPORT AUTHORITY
EMPLOYEE HEADCOUNT
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Number of Employees</u>
2024	388
2023	341
2022	306
2021	298
2020	344
2019	329
2018	318
2017	288
2016	286
2015	272

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, 2024

And Reports of Independent Auditor

RALEIGH-DURHAM AIRPORT AUTHORITY
TABLE OF CONTENTS

**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* 1-2**

**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 3-5**

**REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE FOR THE
MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE
STATE SINGLE AUDIT IMPLEMENTATION ACT 6-8**

COMPLIANCE SECTION

Schedule of Findings and Questioned Costs 9-10

Schedule of Prior Audit Findings 11

Schedule of Expenditures of Federal and State Awards 12

Notes to Schedule of Expenditures of Federal and State Awards 13

**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, 2024, 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, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cherry Bekaert LLP

Raleigh, North Carolina
June 6, 2024

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, 2024. 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, 2024.

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 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*, 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, 2024 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, 2024, 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

Raleigh, North Carolina
June 6, 2024

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

To the Board Members and Management
Raleigh-Durham Airport Authority

Report on Compliance for the Major State Program

Opinion on the Major State Program

We have audited the Raleigh-Durham Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Authority's major state program for the year ended March 31, 2024. The Authority's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended March 31, 2024.

Basis for Opinion on the Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's state 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*, the Uniform Guidance, and State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the financial statements of the Authority as of and for the year ended March 31, 2024 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, 2024, 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.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Raleigh, North Carolina
June 6, 2024

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2024

Section I—Summary of auditor's results

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

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over federal program:

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

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

Unmodified

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

Identification of major federal programs:

Federal Assistance Listing Numbers

Names of Federal Program or Cluster

20.106

Airport Improvement Program

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

\$789,088

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

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

YEAR ENDED MARCH 31, 2024

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

State Award

Internal control over state program:

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

Noncompliance material to state award _____ Yes X No

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

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

Identification of major state program:

Program Name

State Aid to Airports

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, 2024

None noted.

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

YEAR ENDED MARCH 31, 2024

Grantor / Program Type	Federal Assistance		
Federal Awards	Listing Number	Grant Number	Expenditures
<u>United States Department of Transportation - Federal Aviation Administration</u>			
Airport Improvement Program (AIP)	20.106	3-37-0056-051-2019	\$ 466,681
Airport Rescue Plan (ARP) Act	20.106	3-37-0056-057-2022	315,199
Airport Rescue Plan (ARP) Act	20.106	3-37-0056-058-2022	4,559,251
Airport Improvement Program (AIP)	20.106	3-37-0056-059-2022	382,837
Airport Improvement Program (AIP)	20.106	3-37-0056-060-2022	10,536,432
Airport Improvement Program (AIP)	20.106	3-37-0056-062-2023	6,291,420
Airport Improvement Program (AIP)	20.106	3-37-0056-063-2023	3,009,794
Total U.S. Department of Transportation - Federal Aviation Administration			25,561,614
<u>United States Department of Homeland Security - Transportation Security Administration</u>			
Law Enforcement Officer Reimbursement Program (LEORP)	97.090	70T02021T6114N152	322,586
<u>United States Department of the Treasury</u>			
Asset Forfeiture Program - Immigration & Customs Enforcement (ICE)	21.016	N/A	418,730
Total Expenditures of Federal Awards			26,302,929
<u>North Carolina Department of Transportation</u>			
State Aid to Airports	N/A	36244.54.21.1	12,518,138
Total North Carolina Department of Transportation			12,518,138
Total Expenditures of State Awards			12,518,138
Total Expenditures of Federal and State Awards			\$ 38,821,068

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

YEAR ENDED MARCH 31, 2024

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, 2024. 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

As of and for the Year Ended March 31, 2024

And Reports of Independent Auditor

RALEIGH-DURHAM AIRPORT AUTHORITY
TABLE OF CONTENTS

**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* 1-2**

**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..... 3-5**

COMPLIANCE SECTION

Schedule of Findings and Questioned Costs 6

Schedule of Prior Audit Findings 7

Schedule of Passenger Facility Charges Revenues and Expenditures 8

Note to Schedule of Passenger Facility Charges 9

**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"), as of and for the year ended March 31, 2024, 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, 2024.

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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
June 6, 2024

**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, 2024.

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, 2024.

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 as of and for the year ended March 31, 2024 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, 2024, 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

Raleigh, North Carolina
June 6, 2024

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2024

Section I—Summary of auditor's results

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

Unmodified

Internal control over financial reporting:

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

Passenger Facility Charge Program

Internal control over passenger facility charge program:

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

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

Unmodified

Section II—Financial statement findings

None reported.

Section III—Passenger facility charge findings and questioned costs

None reported.

RALEIGH-DURHAM AIRPORT AUTHORITY
SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED MARCH 31, 2024

Prior Year Audit Findings

None reported.

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

YEAR ENDED MARCH 31, 2024

	Quarter Ended				Year Ended March 31, 2024
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	
Revenues					
Receipts	\$ 8,761,301	\$ 6,075,531	\$ 7,522,174	\$ 6,531,739	\$ 28,890,745
Interest	132,152	185,774	227,029	251,806	796,761
Total Revenues	8,893,453	6,261,305	7,749,203	6,783,545	29,687,506
Expenditures					
04-02-C-01-RDU					
02-002 Terminal C Renovation & Expansion	24,500,000	-	-	-	24,500,000
Total Application 04-02-C-01-RDU	24,500,000	-	-	-	24,500,000
Total Expenditures	24,500,000	-	-	-	24,500,000
Net PFC Inflows (Outflows)	\$ (15,606,547)	\$ 6,261,305	\$ 7,749,203	\$ 6,783,545	\$ 5,187,506

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

YEAR ENDED MARCH 31, 2024

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	\$ 28,890,745
Less prior year accrual	(3,348,344)
Add current year accrual	3,775,566

Passenger Facility Charges Interest:

Cash collections per Schedule of Passenger Facility Charges	796,761
Amount per Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 30,114,728</u>