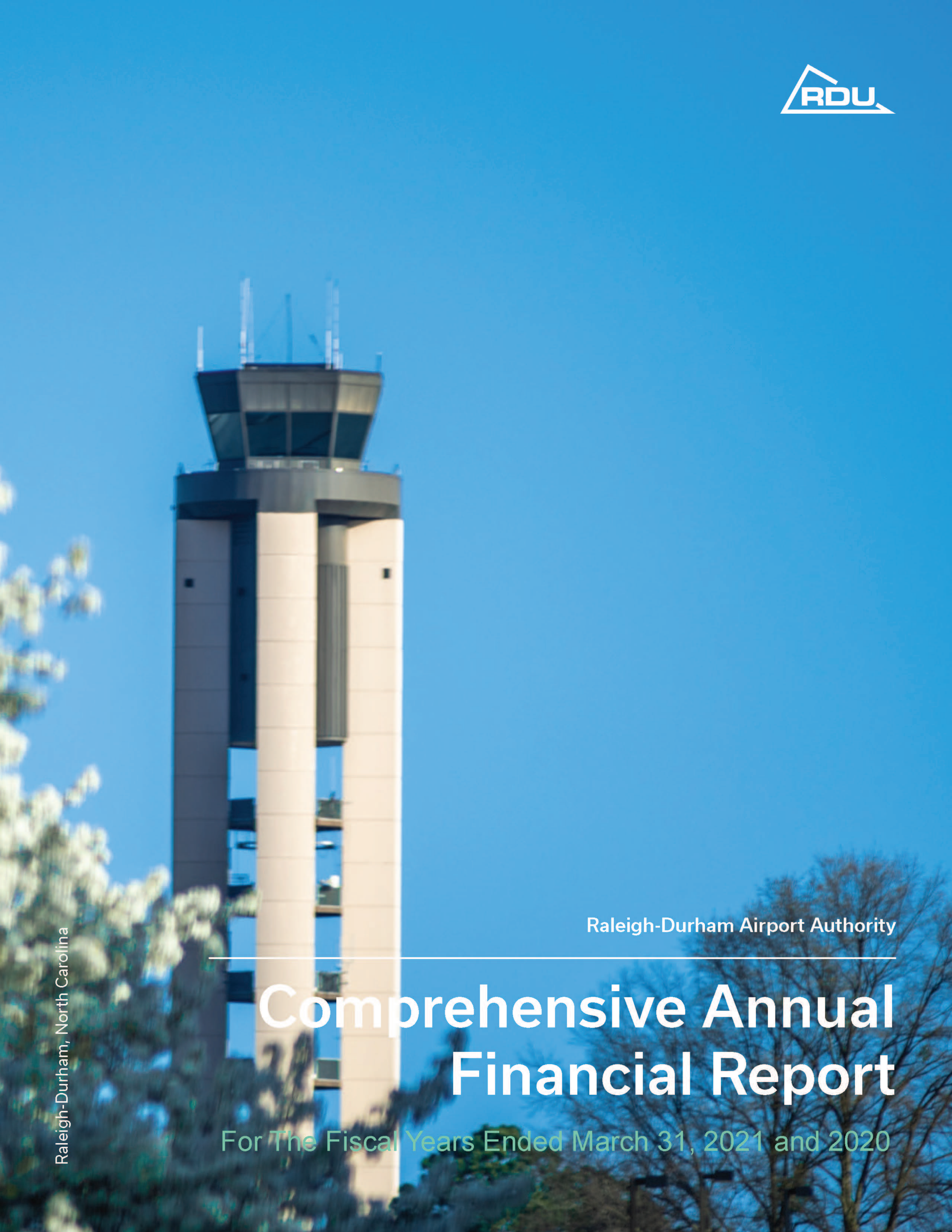


Raleigh-Durham Airport Authority

Comprehensive Annual Financial Report

For The Fiscal Years Ended March 31, 2021 and 2020

Raleigh-Durham, North Carolina

RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Years Ended March 31, 2021 and 2020

Prepared by the Finance Department

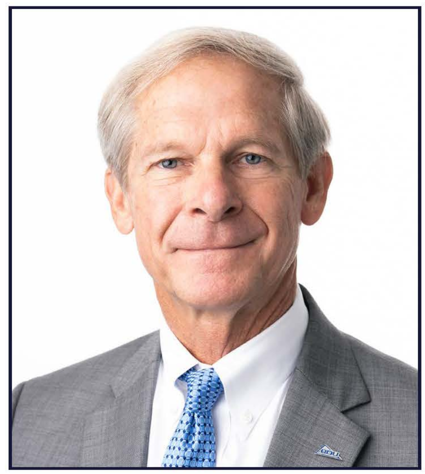
Patrick Hannah, Esq.
Chairman, Durham County

Sepideh Saidi
Vice Chair, City of Raleigh

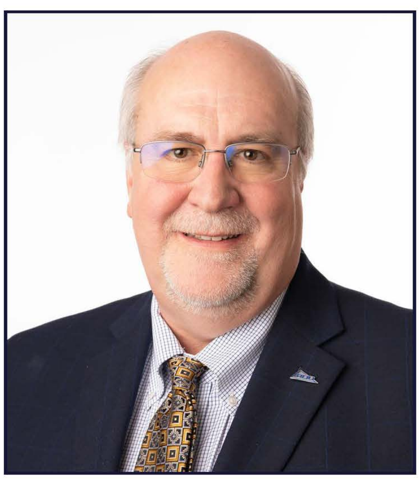
David Kushner
Secretary, Wake County

Tammie Hall
Treasurer, City of Durham

RDUAA
Board Members



Richard Thompson
City of Raleigh



David Morgan
Durham County

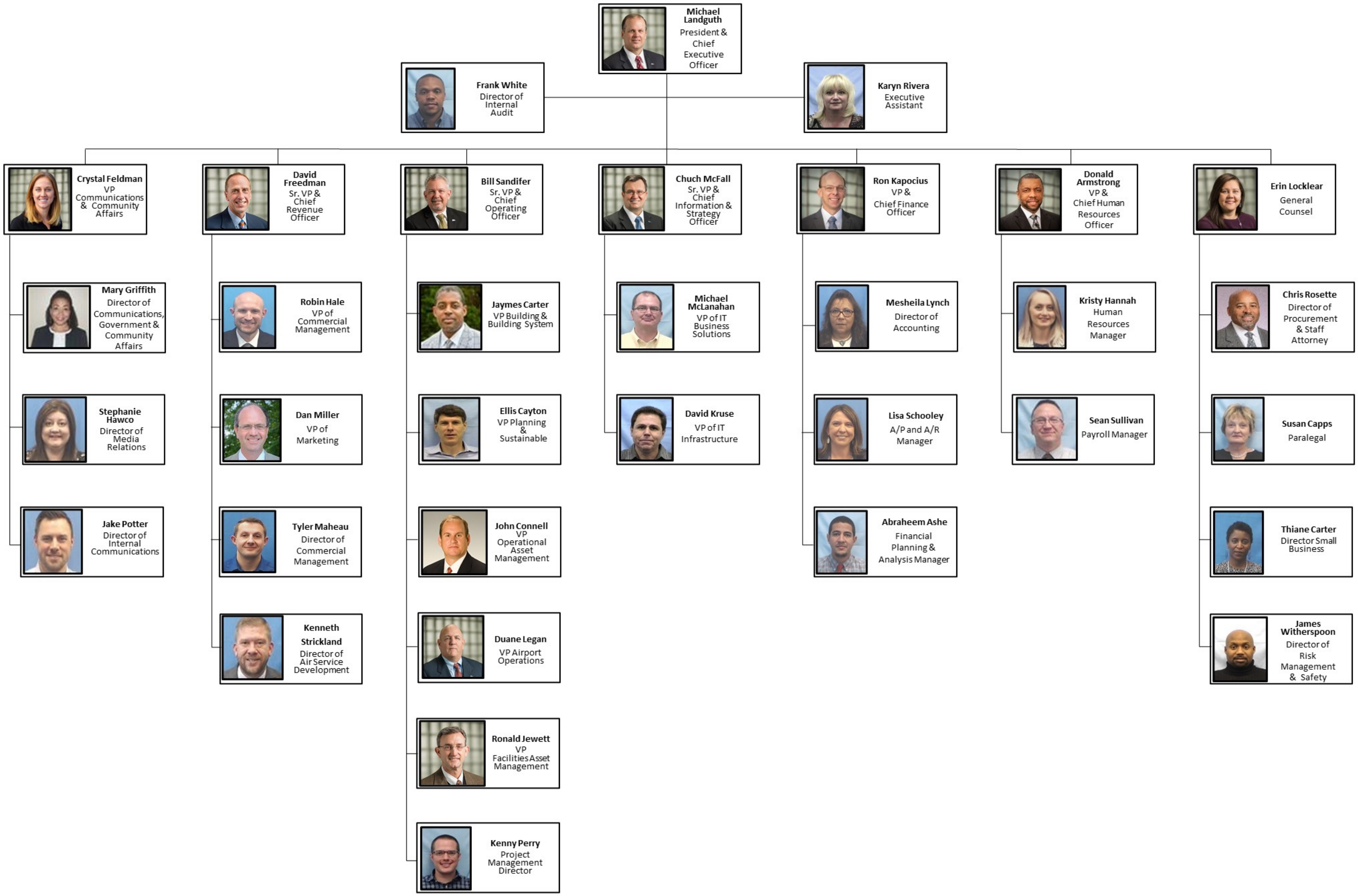
Ellis Hankins
Wake County

Yesenia Polanco-Galdamez
City of Durham

RALEIGH-DURHAM AIRPORT AUTHORITY
TABLE OF CONTENTS
Years Ended March 31, 2021 and 2020

STATISTICAL SECTION:

RALEIGH-DURHAM AIRPORT AUTHORITY
2020-2021 ORGANIZATIONAL STRUCTURE



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Raleigh-Durham Airport Authority
North Carolina

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

March 31, 2020

Christopher P. Morrill

Executive Director/CEO

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

Raleigh-Durham Airport Authority

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June 17, 2021

To the Board of the Raleigh-Durham Airport Authority,

This Comprehensive Annual Financial Report of the Raleigh-Durham Airport Authority (the "Authority") is hereby submitted for the fiscal year ended March 31, 2021. 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 Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report 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 Organization Chart and the Certificate of Achievement for Excellence in Financial Reporting awarded to the Authority for its prior fiscal year ended March 31, 2020 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 Management Discussion & Analysis ("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, 2021 Comprehensive Annual Financial Report to the Government Finance Officers Association for their review and seek the award for the thirteenth consecutive year.

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). 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 Airport development, operation and maintenance it charges fees to those who use or operate

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Reporting Entity (continued)

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.

Economy, Region & Air Service

Located in Morrisville, N.C., RDU is the second largest airport in North Carolina and draws guests from the eastern half of the state, which includes the Research Triangle area.

The core of RDU's service area is the Research Triangle region, which consists of a 13-county zone that features multiple major universities in Raleigh, Durham and Chapel Hill and the Research Triangle Park, a major research and technological economic development area. This 7,000-acre research park employs about 50,000 people. Beyond this region, RDU serves as the main airport for residents from the Atlantic coast westward to about U.S. 220 and from southern Virginia southward to the South Carolina state line. RDU is the primary international hub for nearly half the State 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, determined that the airport contributes $15.1 billion to the regional economy annually, supports more than 99,000 regional jobs and generates $518 million in state and local taxes.

Classified by the Federal Aviation Administration (FAA) as a medium hub, 11 airlines serve 38 nonstop destinations from RDU – down from 57 prior to COVID-19, but up from the pandemic low of 22 destinations served. In recent years, Delta, American, United and Southwest have served as RDU's largest airline partners by volume, with Delta maintaining its "focus city" classification in 2021. As the airport's customer mix sees an increase in leisure flyers, low-cost carriers (LCC) and ultra-low-cost carriers (ULCC) continue to invest in the market. This spring RDU welcomed its 11th carrier, Sun Country Airlines. RDU seeks to restore its international connectivity as it emerges from the pandemic, celebrating the launch of nonstop service to Cancun and Montego Bay as it awaits the return of popular daily service to London via American and Paris via Delta.

Despite the pandemic's impacts, almost 114,000 tons of cargo traveled through RDU during the past fiscal year, reflecting a 10.7 percent increase over last fiscal year. Meanwhile, general and corporate aviation at the airport continue to operate and grow. TAC Air and Signature Flight Support operate facilities at the airport, and corporate hangar space will expand further as Western LLC has announced plans to develop a corporate aviation campus of up to 21 new hangars on 48 acres.

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FY 2020-21 Major Events and Initiatives

At the onset of the COVID-19 pandemic, passenger traffic at RDU swiftly declined – bottoming out in April 2020 at 96.5% below pre-COVID levels with 22 nonstop routes served and zero international destinations. As the pandemic continued throughout the year, the Authority closely monitored passenger volume week-by-week, surveyed ParkRDU guests, and partnered with global analytics software company SAS Institute to more accurately predict changing air service trends. The Authority also implemented two incentive programs to recruit nonstop air service.

The COVID-19 pandemic forced many operational adjustments at RDU. The Authority announced comprehensive new health and safety measures to protect airport guests and employees, including enhanced cleaning and disinfecting measures; signs, seat covers and floor decals that encourage physical distancing; acrylic barriers between employees and passengers; hand sanitizing stations throughout the terminals and a mask requirement. Travelers can also pay for parking online or with a smart phone as part of RDU's touchless experience, and many terminal restaurants and stores offer digital menus and touchless checkout.

With parking occupancy rates at historic lows, the Authority temporarily closed its remote parking lots to consolidate parking operations into the terminal parking deck and offered discounted daily maximum rates. The Authority also established a new Terminal Operations Team to ensure that rigorous new cleaning and disinfecting protocols and other public health requirements are being met. Many of the Shops of RDU temporarily closed at the onset of the pandemic and have since re-opened under modified hours.

The Authority launched the "Fly Confident. Fly RDU." health and safety campaign that details the airport's new cleaning and disinfecting procedures, guidance from public health agencies, and information about operational changes due to the pandemic.

Aviation industry forecasts have become increasingly unreliable due to the impact of the health pandemic on air travel. The Authority's recent partnership with Cary, N.C.-based SAS Institute has led to the development of more precise forecasts that drive important business and planning decisions. The Authority's passenger confidence surveys in late 2020 revealed that those who have flown during the COVID-19 pandemic feel more confident about flying again. Travelers said social distancing, the cleanliness of RDU's facilities and the requirement that all passengers and airport employees wear a mask contributed to their enhanced feelings of safety. 81% of respondents agree RDU is taking the necessary steps to keep them safe.

Prior to the pandemic, during a period of continued growth, the Authority identified a number of critical infrastructure projects to meet the region's growing aviation demands, accomplishing completion or progress on capital improvement work around the entire campus. RDU's Vision 2040 25-year master plan, approved in 2017, calls for improvements to runways, terminals, ground transportation and general aviation. The major projects are triggered by enplanement

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FY 2020-21 Major Events and Initiatives (continued)

levels and tied to the Authority's competitive strategies – Customer Experience, Fiscal Responsibility and Operational Excellence.

Despite the pandemic's financial and operational impacts, the Authority completed a few capital infrastructure projects during the past fiscal year, including annual preservation work on its primary runway, 5L/23R, and pavement repairs to 5R/23L. The Authority also completed a four-gate activation project in Terminal 1, and successfully modernized elevators, moving walkways and other mechanical systems in the airport's central parking garage.

Going forward, the Authority plans to continue major capital improvements, including pavement preservation to 5L/23R, and undertaking an environmental assessment for the replacement of that runway and Taxiway B. RDU also will deploy a new mobile common use technology to offer guests a more contactless experience. Other business programs to be deployed include the second phase of RDU's sustainability master plan and a renewed focus on diversity, inclusion and equity.

In recognition of these improvements, J.D. Power & Associates named RDU one of North America's 10 best large airports for customer satisfaction.

Financial Information

The Board of Directors and 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.

Raleigh-Durham Airport Authority

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Independent Audit

Elliott Davis, PLLC performed the annual audit as of and for the fiscal period ended March 31, 2021, 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, 2021 and 2020.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended March 31, 2020. This was the twelfth consecutive year of award. To be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized CAFR. 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 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,

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

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

RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, North Carolina

Financial Section

Prepared by the Finance Department

Independent Auditor's Report

To the Members
Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Raleigh-Durham Airport Authority (the "Authority"), which comprise the statements of net position as of March 31, 2021 and 2020, and the related statements of revenues, expenses and changes in net position, the statements of cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 11, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 47, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a percentage of Covered Payroll on pages 48 through 49 and the Local Government Employees' Retirement System's Schedule of the Proportionate Share of Net Pension Liability (Asset) and Employer Contributions, on pages 50 through 51, respectively, be presented to supplement the basic financial statements. Such information, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The introductory section, supplemental information to include the Summary of Operating Revenues and Expenses Compared with Budget, Revenues and Expenses Compared with Budget by category, Comparative Summaries of Operating Expenses by Cost Center, Summary of Operating Expenses by Cost Center, Summary of Depreciation, Details of Airport and Facilities, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Summary of Operating Revenues and Expenses Compared with Budget, Operating Revenue and Expenses Compared with budget by category, Comparative Summaries of Operating Expenses by Cost Center, Summary of Operating Expenses by Cost Center and the Summary of Depreciation, Detain of Airport and Facilities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Elliott Davis, PLLC

Raleigh, North Carolina
June 17, 2021

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, 2021 and March 31, 2020. The Authority's basic financial statements consist of three components; 1) Management's Discussion and Analysis, 2) Financial Statements, and 3) Notes to the Financial Statements. In addition to the Management's Discussion and Analysis, management has prepared the accompanying Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows.

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

Required Financial Statements

The 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 include all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). 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 Statements 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 Statements of Cash Flows. The primary purpose of these statements is to provide information about the Authority's cash receipts and cash payments during the reporting period. These statements report cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the 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 45 of this report.

Background

The Raleigh-Durham International Airport (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 40, a major thoroughfare, is located immediately to the southwest of the Airport and US Highway 70, another major thoroughfare, is located immediately to the northeast of the Airport. William B. Umstead State Park is located to the immediate east of the Airport. 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

Background (continued)

$68 million renovation of Terminal 1. This terminal is home to Southwest Airlines and potentially other carriers. It operates with 9 gates.

The Airport has two primary runways and one secondary runway. In the fiscal years ended March 31, 2021 and 2020, 3.5 million and 13.8 million annual passengers, respectively, used the Airport.

Financial Highlights and Analysis

Net Position

For the fiscal year ending March 31, 2021, current assets increased $23.8 million or 7.7% from the prior fiscal year due primarily to an increase in cash and cash equivalents in the amount of $28.2 million or 97.5% and an increase in grants receivable of $6.8 million or 601.4%, offset by a decrease in short-term investments of $7.3 million or 2.7%. For the fiscal year ending March 31, 2020, current assets decreased $0.7 million from the prior fiscal year due primarily to a decrease in short-term investments of $16.6 million, a decrease in accounts receivable of $1.6 million, and a decrease in grants receivable of $2.7 million, offset by an increase in cash and cash equivalents in the amount of $21.7 million.

For the fiscal year ending March 31, 2021, airport and facilities, net, decreased $37.1 million or 4.2% versus the fiscal year ending March 31, 2020, due to a decrease in non-depreciable airport and facilities of $45.7 million or 29.4%, offset by an increase in depreciable net airport and facilities of $8.6 million or 1.2%. For the fiscal year ending March 31, 2020, airport and facilities, net, increased $52.0 million or 6.2% versus the fiscal year ending March 31, 2019, due to an increase in non-depreciable airport and facilities of $31.7 million or 25.6%, along with an increase in depreciable net airport and facilities of $20.4 million or 2.9%.

For the fiscal year ending March 31, 2021, other non-current assets decreased by $1.1 million or 0.9% versus the fiscal year ending March 31, 2020 due to a decrease in passenger facility charge cash of $3.6 million or 11.4% and a decrease in parity reserve of $0.7 million or 1.7%, offset by an increase in customer facility charge cash of $3.1 million or 6.4%. For the fiscal year ending March 31, 2020, other non-current assets decreased by $5.3 million or 4.2% versus the fiscal year ending March 31, 2019 due to a decrease in state grant funds of $14.6 million or 100.0%, and a decrease in parity reserve of $8.3 million or 17.5%, offset by an increase in customer facility charge cash of $17.2 million or 56.0%.

The combined effect of the above items was an decrease to total assets of $14.5 million or 1.1% for the fiscal year ending March 31, 2021, $46.0 million or 3.6% for the fiscal year ending March 31, 2020, and $128.7 million or 11.3% for the fiscal year ending March 31, 2019.

For the fiscal year ending March 31, 2021, deferred outflows of resources increased by $5.0 million or 72.9% due to an increase in the Authority's Other Post Employment Benefits net liability relative to the fiscal year ending March 31, 2020. For the fiscal year ending March 31, 2020, deferred outflows of resources increased by $0.3 million or 4.9% due to an increase in the Authority's proportionate share of the Local Government Employees' Retirement System's net pension liability relative to the fiscal year ending March 31, 2019.

For the fiscal year ending March 31, 2021, current liabilities decreased by $9.5 million or 17.8% due to a decrease in accounts payable and accrued liabilities of $14.9 million or 67.1%, offset by an increase in accrued bond interest of $3.3 million or 76.4% compared to the fiscal year ending March 31, 2020. For the fiscal year ending March 31, 2020, current liabilities decreased by $18.1 million or 25.4% due to a decrease in deferred revenue of $13.6 million or 93.5%, and a decrease in accrued bond interest of $5.2 million or 54.5%, offset by

Net Position (continued)

an increase in accounts payable and accrued liabilities of $0.9 million or 4.2% compared to the fiscal year ending March 31, 2019.

For the fiscal year ending March 31, 2021, total non-current liabilities decreased by $19.8 million or 3.9% from the prior fiscal year, due to a decrease in long-term debt of $27.7 million or 5.6%. For the fiscal year ending March 31, 2020, total non-current liabilities decreased by $52.0 million or 9.2% from the prior fiscal year, due to a decrease in long-term debt of $54.2 million or 9.9%.

The combined effect of these items was an increase in net position of $19.8 million or 2.6% for the fiscal year ending March 31, 2021. For the fiscal year ending March 31, 2020, net position increased $116.5 million or 18.1%. For the fiscal year ending March 31, 2019, net position increased by $126.3 million or 24.5%. Airport and facilities, net for March 31, 2019 was restated as $835.3 million, refer to Note 10 for details. Net position at March 31, 2021, March 31, 2020, and March 31, 2019 are presented in the following table:

Condensed Statements of Net Position

	March 31, 2021	March 31, 2020	March 31, 2019
Current assets	$ 331,888,213	$ 308,094,220	$ 308,824,235
Airport and facilities, net	850,162,278	887,310,146	835,276,139
Other non-current assets	120,416,327	121,518,314	126,851,356
Total assets	1,302,466,818	1,316,922,680	1,270,951,730
Total deferred outflows of resources	11,891,562	6,876,022	6,551,822
Current liabilities	43,756,784	53,221,079	71,366,786
Non-current liabilities	492,261,636	512,031,748	564,011,494
Total liabilities	536,018,420	565,252,827	635,378,280
Total deferred inflows of resources	120,953	150,373	220,660
Net investment in capital assets	360,059,904	363,556,801	256,701,290
Restricted net position	120,416,327	121,518,314	126,851,356
Unrestricted net position	297,742,776	273,320,387	258,351,966
Net position	$ 778,219,007	$ 758,395,502	$ 641,904,612

Revenues, Expenses, and Change in Net Position

For the fiscal year ended March 31, 2021, the Authority experienced a $99.9 million decrease, or 57.6%, in operating revenues due mainly to a decrease of $51.8 million or 79.5% in parking revenue, a decrease in airfield revenue of $10.9 million or 61.3%, a decrease in terminal of $19.2 million or 34.3%, and a decrease in rental car of $9.5 million or 53.0% compared to the prior fiscal year. This decrease was driven by the material impact of the COVID-19 pandemic on passenger travel.

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

For the fiscal year ended March 31, 2020, the Authority experienced a $7.7 million increase, or 4.7%, in operating revenues due mainly to an increase of $4.6 million or 7.6% in parking revenue and an increase of $2.6 million or 36.4% in other revenue, offset by a decrease in airfield revenue of $1.0 million or 5.5% compared to the prior fiscal year.

Operating expenses (excluding depreciation) decreased $18.7 million or 21.2% for the fiscal year ending March 31, 2021, compared to the prior fiscal year. This decrease was due to a $8.5 million decrease, or 26.7%, in airport facilities expenses, a $1.6 million or 6.6% decrease in administrative expenses, and a $6 million or 51.7% decrease in parking and ground transportation expenses. Depreciation expense increased $2.8 million or 5.6% during the fiscal year ending March 31, 2021. Thus, total operating expenses (including depreciation) decreased $15.9 million or 11.4%.

Operating expenses (excluding depreciation) increased $14.9 million or 20.3% for the fiscal year ending March 31, 2020, compared to the prior fiscal year. This increase was due to a $6.4 million increase, or 25.5%, in airport facilities expenses, a $4.3 million or 22.6% increase in administrative expenses, a $1.8 million or 25.9% increase in airport maintenance expenses, and a $1.5 million or 37.4% increase in ground transportation expenses. Depreciation expense increased $2.5 million or 5.2% during the fiscal year ending March 31, 2020. Thus, total operating expenses (including depreciation) increased $17.4 million or 14.4%.

The combined effect of the above items was a decrease in operating income of $84.0 million, with a fiscal year ending March 31, 2021 operating income of $49.1 million. For the fiscal year ending March 31, 2019, the combined effect of the above items was a decrease in operating income of $9.7 million, with a fiscal year ending March 31, 2020 operating income of $34.9 million.

For the period ending March 31, 2021, total non-operating revenues (expenses) decreased $8.7 million or 15.6% due to decreases in investment interest income of $7.1 million or 82.3%, decreases in PFC revenue of $21.9 million or 78.8%, a decrease in bond interest expenses of $11.0 million or 235.8%, a decrease in CFC revenue of $10.8 million or 64.7%, and a decrease of $8.2 million or 100.00%, in termination income (refer to note 5 for details), offset by an increase in payments from federal and state agencies of $48.5 million or 100% versus the period ending March 31, 2020.

For the period ending March 31, 2020, total non-operating revenues (expenses) increased $25.9 million or 87.0% due to increases in investment interest income of $1.9 million or 31.3%, increases in PFC revenue of $1.2 million or 4.4%, a decrease in bond interest expenses of $16.8 million or 78.3%, and an increase of $8.2 million or 100%, in termination income (refer to note 5 for details) versus the period ending March 31, 2019.

For the fiscal year ending March 31, 2021, capital contributions, mainly from federal and state grants received for capital project expenditures, increased $2.1 million or 8.1% compared to the prior fiscal year. For the fiscal year ending March 31, 2020, capital contributions, mainly from federal and state grants received for capital project expenditures, decreased $28.0 million or 51.9% versus the prior fiscal year.

Net position serves as a useful indicator of the Authority's financial condition. The Authority's net position for the fiscal year ending March 31, 2021, increased $19.8 million or 2.6% compared to the previous fiscal year. Net position for the fiscal year ending March 31, 2020, increased $116.5 million or 18.1% versus the previous fiscal year. A condensed representation of revenues, expenses and change in net position for the fiscal years ending March 31, 2021, 2020, and 2019 are presented in the following table:

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

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

	March 31, 2021	March 31, 2020	March 31, 2019
Operating revenues			
Parking	$ 13,338,265	$ 65,169,221	$ 60,543,954
Airfield	6,881,328	17,782,634	18,808,634
Terminals	36,705,396	55,900,285	55,102,240
Rental car	8,412,962	17,912,819	17,446,412
Other	8,345,621	16,826,350	13,969,996
Total operating revenues	73,683,572	173,591,309	165,871,236
Operating expenses	69,609,712	88,300,323	73,374,858
Depreciation	53,202,700	50,382,473	47,889,122
Total operating expenses	122,812,412	138,682,796	121,263,980
Operating income (loss)	(49,128,840)	34,908,513	44,607,256
Non-operating revenues (expenses)			
Investment interest income	1,537,087	8,674,588	6,096,998
Passenger facility charges	5,910,863	27,833,021	26,653,392
Customer facility charges	5,870,783	16,632,180	16,578,862
Bond interest expense, net	(15,600,053)	(4,645,836)	(20,271,468)
Payments from federal and state agencies	48,495,064	—	—
Other non-operating revenue (expense)	787,122	7,226,374	735,380
Total non-operating revenues (expenses)	47,000,866	55,720,327	29,793,164
Income (Loss) before capital contributions & special items	(2,127,974)	90,628,840	74,400,420
Capital contributions	27,955,720	25,862,050	53,820,449
Special items	(6,004,241)	—	—
Increase (decrease) in net position	19,823,505	116,490,890	128,220,869
Net position, beginning restated	—	—	(1,963,862)
Net position, beginning of year	758,395,502	641,904,612	515,647,605
Net position, end of year	$ 778,219,007	$ 758,395,502	$ 641,904,612

Cash Flows

For fiscal year ending March 31, 2021, cash provided by operating activities was $2.6 million. This was a decrease of $89.8 million or 97.2% from the prior fiscal year. For fiscal year ending March 31, 2020, cash provided by operating activities was $92.4 million and reflected a decrease of $7.6 million or 7.6% from the prior fiscal year.

For the fiscal year ending March 31, 2021, cash provided by investing activities of $6.8 million represented an increase of $10.9 million or 61.7% relative to the prior fiscal year. This increase in investing activity cash was due to an increase in net proceeds from short-term investments. For the fiscal year ending March 31, 2020, cash provided by investing activities of $17.7 million represented an increase of $105.0 million or 120.3% relative to the prior fiscal year. This increase in investing activity cash was due to an increase in net proceeds from short-term investments.

For the fiscal year ending March 31, 2021, cash used in capital and related financing activities of $33.0 million represented a decrease in cash used of $74.2 million or 69.2% from the prior fiscal year. The primary contributor to this was a decrease in capital expenditures of $71.8 million throughout fiscal year 2021 and an increase in payments of long-term debt of $242.3 million, offset by a decrease in the issuance of long-term debt of $210.6 million. For the fiscal year ending March 31, 2020, cash used in capital and related financing activities of $107.2 million represented an increase in cash used of $104.4 million or 3,735.1% from the prior fiscal year. The primary contributor to this was an increase in capital expenditures of $35.7 million throughout fiscal year 2020 and an increase in payments of long-term debt of $240.7 million, offset by an increase in the issuance of long-term debt of $210.6 million.

For the fiscal year ending March 31, 2021, Non-capital and related financing activities of $48.5 million represented an increase in cash not previously received by the Authority. These funds were received as a result of Coronavirus Aid, Relief, and Economic Security Act (CARES) and the North Carolina Airport Improvement program.

For the fiscal year ending March 31, 2021, cash provided by operating activities of $2.6 million and cash provided by investment activities of $6.8 million, offset by cash used in capital and related financing activities of $33.0 million produced an overall increase in cash and cash equivalents of $24.9 million. For the fiscal year ending March 31, 2020, cash provided by operating activities of $92.4 million and cash provided by investment activities of $17.7 million, offset by cash used in capital and related financing activities of $107.2 million produced an overall increase in cash and cash equivalents of $3.0 million.

The following is a summary of the change in cash and cash equivalents for the fiscal years ended March 31, 2021, March 31, 2020, and March 31, 2019:

Cash Flows (continued)

Condensed Statement of Cash Flows

	March 31, 2021	March 31, 2020	March 31, 2019
Net cash provided by (used in):			
Operating activities	$ 2,591,819	$ 92,441,809	$ 100,078,782
Investing activities	6,780,969	17,701,312	(87,310,444)
Capital and related financing activities	(32,983,121)	(107,153,675)	(2,794,014)
Non-capital and related financing activities	48,495,064	—	—
Net increase (decrease)	24,884,731	2,989,446	9,974,324
Cash and cash equivalents at beginning of year	103,521,969	100,532,523	90,558,199
Cash and cash equivalents at end of year	$ 128,406,700	$ 103,521,969	$ 100,532,523

The Authority continues to maintain its cash reserve policy to set aside and reserve an operating cash reserve of about one times the current fiscal year's annual operating budgeted expenses (excluding depreciation). Authority policy requires that this reserve not be expended, encumbered, or budgeted for any purpose in executing Authority fiscal policy without Board approval and notification of bond rating agencies that maintain bond ratings for the Authority.

Capital Assets

As of March 31, 2021, the Authority had $850.2 million (net of depreciation) in capital assets consisting primarily of land, buildings and runways. This amount represents increases in construction in progress of $23.1 million offset by a net increase in depreciation of $53.3 million. As of March 31, 2020, the Authority had $887.3 million (net of depreciation) in capital assets consisting primarily of land, buildings and runways. This amount represents increases in construction in progress of $97.2 million offset by a net increase in depreciation of $2.5 million over the prior fiscal year.

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

Economic Outlook and Capital Development

With the continued decline in daily COVID-19 infections and increasing vaccination rate, the economic outlook for North Carolina's Research Triangle region is beginning to return to its pre-COVID-19 expansion. In 2021, Google, Apple, Fidelity Investments, Red Hat and Fujifilm Diosynth have all announced plans to open offices or create a significant number of jobs in the area, highlighting the business world's favorable view of the area. A diverse industry base, top-tier research universities, and a talented and highly-educated workforce are major factors in the area's continued growth. Through the pandemic, the region's population grew by an additional 2.2% in 2020 with an unemployment rate of 4.7%, a rate below the national average and North Carolina as a whole.

For the fiscal year ended March 31, 2021, the Authority's enplaned passengers decreased year-over-year to 1.8 million, which represented a 74.6% decrease compared to the prior fiscal year, underscoring the impact of COVID-19 on RDU and the aviation industry at large. For the fiscal year ended March 31, 2020, the Authority's enplaned passengers increased year-over-year to 6.9 million, which represented a 5.5% increase compared to the prior fiscal year.

Economic Outlook and Capital Development (continued)

In 2017 the FAA approved RDU's Airport Layout Plan and Vision 2040 -- a 25-year master plan calling for improvements to runways, terminals, ground transportation and general aviation. Vision 2040 ensures that RDU has the essential infrastructure in place to keep pace with the region's continued growth.

Debt Activity

For the fiscal year ending March 31, 2021, the Authority's outstanding debt totaled $424.7 million, which was comprised of 87.2% fixed rate revenue bonds and 12.8% variable rate revenue bonds. The weighted average interest cost of this debt portfolio was 2.2% at March 31, 2021.

For the fiscal year ending March 31, 2020, the Authority's outstanding debt totaled $445.8 million, which was comprised of 87.3% fixed rate revenue bonds and 12.7% variable rate revenue bonds. The weighted average interest cost of this debt portfolio was 2.7% at March 31, 2020.

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

Budget Information for the Fiscal Year Ending March 31, 2022

The Authority budgets conservatively, especially with respect to revenues. For comparison purposes, the fiscal year ending March 31, 2022 budgeted operating revenues of $84.1 million is $10.4 million or 14.1% greater than actual fiscal year ended March 31, 2021 operating revenues of $73.7 million.

For the fiscal year ending March 31, 2022 relative to the prior fiscal year budget, total budgeted operating revenues increased $18.7 million or 28.6%. Significant drivers of budgeted revenue increases include increased terminal related revenue of $17.9 million and increased rental car revenue of $5.3 million, offset by decreased parking revenue of $2.8 million. For the fiscal year ending March 31, 2021 relative to the prior fiscal year budget, total budgeted operating revenues increased $20.2 million or 12.2%. Significant drivers of budgeted revenue increases include increased parking revenue of $10.8 million, increased terminal related revenue of $1.9 million, and increased ground transportation revenue of $2.7 million.

For the fiscal year ending March 31, 2022 relative to the prior fiscal year budget, total operating expenses (including depreciation) are budgeted to decrease $1.0 million or 0.7%. The decrease is predominantly driven by decreased salaries, benefits, and related expenses of $1.5 million. For the fiscal year ending March 31, 2021 relative to the prior fiscal year budget, total operating expenses (including depreciation) are budgeted to increase $5.1 million or 3.6%. The increase is predominantly driven by increased salaries, benefits, and related expenses of $5.2 million.

For the fiscal year ending March 31, 2022 relative to the prior fiscal year budget, non-operating revenues (expenses) decreased $27.5 million or 37.4% due to decreased PFC revenues of $5.2 million and decreased grant contributions of $21.7 million. For the fiscal year ending March 31, 2021 relative to the prior fiscal year budget, non-operating revenues (expenses) increased $2.1 million or 4.1% due to increased PFC revenues of $3.0 million offset by decreased grant contributions of $0.8 million.

The combined net effect of these items for the fiscal year ending March 31, 2022 will increase budgeted net position by $1.8 million. The combined net effect of these items for the fiscal year ending March 31, 2021 increased budgeted net position by $94.0 million.

Requests for Information

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
March 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 57,085,385	$ 28,902,889
Short-term investments	262,343,290	269,624,965
Accounts receivable, net	3,135,796	5,070,702
Grants receivable	7,921,005	1,129,373
Other current assets	1,402,737	3,366,291
Total current assets	331,888,213	308,094,220
Non-current assets		
Restricted assets		
DEA/ICE forfeitures cash	1,091,093	291,152
Passenger facility charge cash	27,558,619	31,121,903
Passenger/customer facility charge receivable	2,105,182	2,868,334
Customer facility charge cash & investments	51,102,588	48,012,751
Parity reserve fund investment	38,558,845	39,224,174
Total restricted assets	120,416,327	121,518,314
Airport and facilities		
Airport and facilities, non-depreciable	109,743,530	155,453,991
Airport and facilities, depreciable net	740,418,748	731,856,155
Airport and facilities, net	850,162,278	887,310,146
Total non-current assets	970,578,605	1,008,828,460
TOTAL ASSETS	1,302,466,818	1,316,922,680
DEFFERRED OUTFLOWS OF RESOURCES		
Deferred outflows	11,891,562	6,876,022
TOTAL DEFFERRED OUTFLOWS OF RESOURCES	11,891,562	6,876,022

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
March 31, 2021 and 2020

	2021	2020
LIABILITIES		
Current liabilities		
Accounts payable	2,820,190	20,243,922
Other accrued liabilities	4,514,415	2,027,084
Unearned revenue	1,686,465	945,130
Accrued employee compensation	4,357,016	4,580,060
Accrued bond interest payable	7,653,698	4,339,883
Current maturities of long-term debt	22,725,000	21,085,000
Total current liabilities	43,756,784	53,221,079
Non-current liabilities		
Long-term debt		
General airport revenue bonds	466,289,525	494,035,455
	466,289,525	494,035,455
Other non-current liabilities		
OPEB retiree health care liability	11,113,333	7,426,708
Separation allowance liability	1,347,654	1,168,659
Net pension liability	13,511,124	9,400,926
	25,972,111	17,996,293
Total non-current liabilities	492,261,636	512,031,748
TOTAL LIABILITIES	536,018,420	565,252,827
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows	120,953	150,373
TOTAL DEFERRED INFLOWS OF RESOURCES	120,953	150,373
NET POSITION		
Net investment in capital assets	360,059,904	363,556,801
Restricted for:		
Debt service	38,558,845	39,224,174
DEA/ICE forfeitures	1,091,093	291,152
State grant funds	—	—
Passenger facility charges	29,032,766	33,121,903
Customer facility charges	51,733,623	48,881,085
Unrestricted net position	297,742,776	273,320,387
TOTAL NET POSITION	$ 778,219,007	$ 758,395,502

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended March 31, 2021 and 2020

	2021	2020
Operating revenues		
Parking	$ 13,338,265	$ 65,169,221
Airfield	6,881,328	17,782,634
General aviation	1,910,235	1,904,083
Terminals	36,705,396	55,900,285
Air cargo	2,495,845	2,795,669
Rental car	8,412,962	17,912,819
Other	3,939,541	12,126,598
Total operating revenues	73,683,572	173,591,309
Operating expenses		
Airport facilities	23,218,168	31,671,162
Administrative	22,652,224	24,254,629
Fueling systems	1,333,166	1,461,502
Law enforcement	4,700,570	5,382,115
Airport maintenance	7,169,119	8,901,316
Parking and ground transportation	5,315,838	11,000,369
Airport fire - rescue	2,046,191	2,142,533
Communications and operations	3,174,436	3,486,697
Depreciation	53,202,700	50,382,473
Total operating expenses	122,812,412	138,682,796
Operating income (loss)	(49,128,840)	34,908,513
Non-operating revenues (expenses)		
Investment interest income	1,537,087	8,674,588
Passenger facility charges	5,910,863	27,833,021
Customer facility charges	5,870,783	16,632,180
Bond interest expense, net	(15,600,053)	(4,645,836)
Payments from federal and state agencies	48,495,064	—
Other, net	787,122	(1,000,626)
Termination Income	—	8,227,000
Total non-operating revenues, net	47,000,866	55,720,327
Income (loss) before capital contributions	(2,127,974)	90,628,840
Capital contributions	27,955,720	25,862,050
Special items		
Write down of discontinued projects	(6,004,241)	—
Increase in net position	19,823,505	116,490,890
Net position, beginning	758,395,502	641,904,612
Net position, end of year	$ 778,219,007	$ 758,395,502

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Cash received from operations	$ 75,789,662	$ 175,867,998
Other, net	25,457	217,045
Cash paid to employees	(35,491,400)	(34,601,080)
Cash paid to suppliers	(37,731,900)	(49,042,154)
Net cash provided by operating activities	2,591,819	92,441,809
Investing activities		
Purchases of short-term investments	(486,248,413)	(831,020,635)
Proceeds from short-term investments	489,996,534	840,515,312
Interest on cash deposits	3,032,848	8,206,635
Net cash provided by (used in) investing activities	6,780,969	17,701,312
Capital and related financing activities		
Payments of long-term debt	(21,085,000)	(263,432,529)
Issuance of long-term debt	—	210,615,000
Other capital and financing costs		
Purchase of airport and facilities	(29,604,115)	(101,435,285)
Bond interest paid on long-term debt	(17,346,943)	(14,214,136)
Passenger facility charges collected	6,436,716	29,924,644
Customer facility charges collected	6,627,007	17,212,690
Contributions from governmental agencies	21,989,214	14,175,941
Net cash used in capital and related financing activities	(32,983,121)	(107,153,675)
Non-capital and related financing activities		
Payments from Federal and State Agencies	48,495,064	—
Net cash used in non- capital and related financing activities	48,495,064	—
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	24,884,731	2,989,446
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	103,521,969	100,532,523
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 128,406,700	$ 103,521,969

(Continued on page 16)

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

RALEIGH-DURHAM AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2021 and 2020

	2021	2020
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (45,985,857)	$ 34,908,513
Other, net	1,771	113,000
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	53,202,700	50,382,473
Changes in operating assets and liabilities		
Accounts receivable	1,364,756	1,331,559
Inventories	—	2,295,900
Other current assets	1,093,644	(754,015)
OPEB retiree health care liability	256,548	629,484
Net pension liability	—	1,506,478
Separation allowance liability	4,692	86,991
Deferred outflows	—	(324,200)
Deferred inflows	(4)	(70,287)
Accounts payable and other accrued liabilities	(7,411,833)	(73,667)
Accrued employee compensation	(675,933)	1,360,405
Unearned rent	741,335	945,130
Net cash provided by operating activities	$ 2,591,819	$ 92,337,764

	2021	2020
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Current assets		
Cash and cash equivalents	$ 57,085,385	$ 28,902,889
Restricted cash and cash equivalents:		
DEA/ICE forfeitures cash	1,091,093	291,152
State grant funds	—	—
Passenger facility charge cash	27,558,619	31,121,903
Customer facility charge cash	4,112,758	3,981,851
Parity reserve fund investment	38,558,845	39,224,174
	$ 128,406,700	$ 103,521,969

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

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, which is accounted for as nonexchange transactions in accordance with Statement No. 33 of the Government Accounting Standards Board ("GASB").

Note 2 - Summary of Significant Accounting Policies and New Pronouncements

Basis of presentation, basis of accounting - The accounts of the Raleigh-Durham Airport 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 statement 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. As required for periods beginning after June 15, 2000 by Statement 33 of GASB, Accounting and Financial Reporting for Nonexchange Transactions, the Authority recognizes capital contributions as revenue, rather than as contributed capital. Nonexchange transactions for the Authority include federal and state grants and contributions by the Authority's four governing bodies. The enterprise fund of the Authority is presented in the financial statements on the accrual basis of accounting. Under this basis, 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.

Note 2 - Summary of Significant Accounting Policies and New Pronouncements (continued)

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.

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 actual costs are incurred. The actual amount of payment on these grants is subject to final audit by the applicable agency.

Allowance for doubtful accounts - 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.

Airport and facilities - The airport and facilities are recorded at cost. A provision for depreciation has been made to amortize the cost of the assets over their estimated useful lives by the straight-line method.

A portion of internal engineering costs are capitalized in connection with related capital projects.

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

Airport and facilities are defined by the Authority as assets with an initial individual cost of more than $25,000 and an economic useful life of 3 years or more.

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:

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

Note 2 - Summary of Significant Accounting Policies and New Pronouncements (continued)

Deferred outflows/inflows of resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflow of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Authority has five items that meet this criterion: differences between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on pension plan investments, contributions that were made to the pension plan subsequent to the measurement date and pension deferrals resulting from changes in proportion and the proportionate share of contributions.

As of March 31, 2021 and 2020, the combined balance of deferred outflows of resources are as follows:

Deferred Outflows of Resources	**2021**	**2020**
Pensions:		
Differences between expected and actual experience	$ 1,706,218	$ 1,609,677
Changes of assumptions	1,005,493	1,532,195
Net difference between projected and actual earnings on pension plan investments	1,901,329	229,302
Changes in proportion and differences between employer contributions and proportionate share of contributions	735,647	328,185
Employer contributions subsequent to the measurement date	2,003,975	1,822,899
Separation Allowance:		
Differences between expected and actual experience	151,030	141,092
Changes of assumptions	139,368	36,119
Benefit payments subsequent to the measurement date	27,824	30,142
Other Post-Employment Benefits (OPEB):		
Differences between expected and actual experience	2,749,237	470,215
Changes of assumptions	1,264,991	215,966
Benefit payments and administrative costs made subsequent to the measurement date	206,450	460,230
Total Deferred Outflows of Resources	$ 11,891,562	$ 6,876,022

In addition to liabilities, the statement 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 position that applies to a future period and so will not be recognized as revenue until then. The Authority has two items that meet the criterion for this category: Differences between expected and actual experience and changes of assumptions.

Note 2 - Summary of Significant Accounting Policies and New Pronouncements (continued)

Deferred Inflows of Resources	**2021**	**2020**
Pensions:		
Differences between expected and actual experience	$ —	$ —
Separation Allowance:		
Changes of assumptions	3,071	4,352
Other Post-Employment Benefits (OPEB):		
Changes of assumptions	117,886	146,021
Total Deferred Inflows of Resources	$ 120,957	$ 150,373

Unearned revenue - Unearned revenue consists of tenant rental payments made in advance of their due dates as well as other prepayments of federal and state grants for airport improvement programs.

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 Statement of Net Position, the Net investment in capital assets is composed of the following:

Airport and facilities, net	$ 850,162,278
General airport revenue bonds (current and long term)	(489,014,525)
Construction payable and retainage	(1,087,849)
Total net investment in capital assets	$ 360,059,904

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.

Pensions - For purposes of measuring the net pension asset, 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.

Note 2 - Summary of Significant Accounting Policies and New Pronouncements (continued)

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 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 resigns 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.

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.

Concentration of credit risk - For the years ended March 31, 2021 and 2020, no air carrier accounted for more than approximately 13% of the Authority’s operating revenues.

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

Customer facility charges - This is 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. Customer Facility Charges became effective January 1, 2017.

Passenger facility charges - This is 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 Passenger Facility Charges (“PFCs”) of $3 per qualifying enplaned passenger commencing May 1, 2003. Effective October 1, 2004, 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 and are restricted to use on FAA approved projects. Aggregate collections and interest thereon from inception through March 31, 2021 and 2020 were $350.3 million and $343.9 million, respectively. Total

PFC funds of $10.0 million and $27.0 million were transferred from the restricted fund to the operating fund during the fiscal years ended March 31, 2021 and 2020, respectively.

Note 2 - Summary of Significant Accounting Policies and New Pronouncements (continued)

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 purposed 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 will be $38,278,550, which is 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, 2021 and beyond, the Authority has or will implement several new pronouncements of the GASB. These pronouncements are as follows:

GASB Statement No. 84 "Fiduciary Activities"
The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement were effective for reporting periods beginning after December 15, 2018. However, GASB Statement No.95 postponed its effective date by 12 months. The Authority adopted the statement as of April 1, 2019. The statement did not have a material effect on the Authority's financial position or results of operations.

GASB Statement No. 87 "Leases"
The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement were effective for reporting periods beginning after December 15, 2019. However, GASB Statement No.95 postponed its effective date by 18 months. The Authority is currently evaluating the effect this statement will have on the Authority's financial position or results of operations.

GASB Statement No. 91 "Conduit Debt Obligations"
The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a

Note 2 - Summary of Significant Accounting Policies and New Pronouncements (continued)

conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement were effective for reporting periods beginning after December 15, 2020. However, GASB Statement No.95 postponed its effective date by 12 months

GASB Statement No. 92 "Omnibus 2020"

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement are effective as follows:

a. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
b. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
c. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
d. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition were effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. However, GASB Statement No.95 postponed its effective date by 12 months.

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

GASB Statement No. 93 "Replacement of Interbank Offered Rates"

Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. However, GASB Statement No.95 postponed its effective date by 12 months. The Authority is currently evaluating the effect this statement will have on the Authority's financial position or results of operations.

Note 2 - Summary of Significant Accounting Policies and New Pronouncements (continued)

GASB Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements"
The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, 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. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance"
The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

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. 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.

Note 2 - Summary of Significant Accounting Policies and New Pronouncements (continued)

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 perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (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. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. 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.

All investments are measured using the market approach: using 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 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt 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, 2021, the Authority's deposits had a carrying amount of $89.8 million and a bank balance of $90.5 million. Of this bank balance, $250 thousand was covered by federal depository insurance while the

Note 3 - Deposits and Investments (continued)

balance of $90.3 million was covered by collateral held under the Pooling Method. The Authority is required to maintain a minimum balance of $250 thousand in its checking account.

On March 31, 2020, the Authority's deposits had a carrying amount of $64.3 million and a bank balance of $68.4 million. Of this bank balance, $250 thousand was covered by federal depository insurance while the balance of $68.2 million was covered by collateral held under the Pooling Method.

Investments

On March 31, 2021, 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	$ 164,813,043	$ 114,836,960	$ 49,976,083	$ —
US Government Agencies	Fair Value-Level 1	77,447,125	39,984,500	12,491,625	24,971,000
NC Capital Management Trust: Government Portfolio*	Fair Value-Level 1	28,195,949	28,195,949	—	—
Commercial Paper	Fair Value-Level 1	77,435,849	77,435,849	—	—
Cash Portfolio	Fair Value-Level 1	—	—	—	—
Total		$ 347,891,966	$ 260,453,258	$ 62,467,708	$ 24,971,000

On March 31, 2020, 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	$ 110,075,753	$ 110,075,753	$ —	$ —
US Government Agencies	Fair Value-Level 1	170,260,890	—	43,526,535	126,734,355
NC Capital Management Trust: Government Portfolio*	Fair Value-Level 1	16,179,871	16,179,871	—	—
Commercial Paper	Fair Value-Level 1	55,842,807	55,842,807	—	—
Cash Portfolio	Fair Value-Level 1	520,718	520,718	—	—
Total		$ 352,880,039	$ 182,619,149	$ 43,526,535	$ 126,734,355

*As of June 30, 2020 the NCCMT had a weighted average maturity of less than 90 days. As such it is presented as an investment of less that 6 months.

The classification of investments between current and non-current assets on the Statement of Net Position is due to the underlying restrictions.

Note 3 - Deposits and Investments (continued)

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 ("NRSROs"). Direct investments made by the Authority by policy are limited to U.S. Treasury Bills and Notes, U.S. Government Agency obligations, bank Certificates of Deposit and Commercial Paper, all with maximum maturity of 30 months. Only indirect investments in Repurchase Agreements are permitted in relation to bond proceeds and debt service reserve fund investments which are designed to maximize investment income as permitted under U.S. Treasury arbitrage regulations. The Authority's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of March 31, 2021 and 2020. 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, 2021 and 2020.

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, 2021, the Authority's investments are 8% NCCMT, 22% Commercial Paper, 47% US Treasuries and 22% in government agencies, consisting of 23% in Federal Home Loan Bank securities, 45% in Federal Home Loan Mortgage Corporation securities, and 32% Federal Farm Credit Bank. Of the 8% invested in the NCCMT, 100% represents Authority debt service reserves.

On March 31, 2020, the Authority's investments are 5% NCCMT, 16% Commercial Paper, 31% US Treasuries and 48% in government agencies, consisting of 28% in Federal Home Loan Bank securities, 35% in Federal Home Loan Mortgage Corporation securities, and 37% Federal Farm Credit Bank. Of the 5% invested in the NCCMT, 100% represents Authority debt service reserves.

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Note 4 - Airport and Facilities, Net

Changes in airport and facilities are as follows for the year ended March 31, 2021:

	March 31, 2020	Increases	Decreases	Reclassifications	March 31, 2021
Capital assets not being depreciated					
Land	$ 46,432,298	$ —	$ —	$ (19,280)	$ 46,413,018
Construction in progress	109,021,693	23,118,721	(68,809,902)	—	63,330,512
Total capital assets not being depreciated	155,453,991	23,118,721	(68,809,902)	(19,280)	109,743,530
Other capital assets					
Landing field and grounds	630,552,194	24,898,005	(71,751,626)	(59,890,827)	523,807,746
Terminal buildings	783,682,479	22,118,813	(72,728,991)	—	733,072,301
Other buildings	181,875,940	9,350,198	(13,784,228)	59,910,107	237,352,017
Utilities	5,417,436	39,436	(1,828,635)	—	3,628,237
Equipment	63,666,783	6,427,059	(23,257,248)	—	46,836,594
Total other capital assets	1,665,194,832	62,833,511	(183,350,728)	19,280	1,544,696,895
Total airport and facilities	1,820,648,823	85,952,232	(252,160,630)	—	1,654,440,425
Accumulated depreciation					
Landing field and grounds	(438,388,125)	(20,071,452)	71,591,164	59,831,916	(327,036,497)
Terminal buildings	(304,715,698)	(22,008,414)	72,487,342	—	(254,236,770)
Other buildings	(138,937,133)	(5,774,947)	13,503,457	(59,831,916)	(191,040,539)
Utilities	(4,935,670)	(61,532)	1,784,987	—	(3,212,215)
Equipment	(46,362,051)	(5,372,203)	22,982,127	—	(28,752,127)
Total accumulated depreciation	(933,338,677)	(53,288,548)	182,349,077	—	(804,278,148)
Airport and facilities, net	$ 887,310,146	$32,663,684	$(69,811,553)	$ —	$ 850,162,277

For the year ended March 31, 2021, construction in progress increased $23.1 million, offset by $68.8 million decrease, $62.8 million were completed assets which moved to fixed assets and approximately $6.0 million were discontinued construction projects as a result of the impact of COVID-19 on airport operations. The discontinued construction projects of $6.0 million are included as a special item on the Statement of Net Position for the year ending March 31, 2021. In addition, the Authority initiated a fixed asset review program which resulted in net book value retirements of $1.0 million ($183.4 million reduction in assets offset by $182.3 million in accumulated depreciation), and category reclassifications of $59.9 million.

Note 4 - Airport and Facilities, Net (continued)

Changes in airport and facilities are as follows for the year ended March 31, 2020:

	March 31, 2019	Increases	Decreases	March 31, 2020
Capital assets not being depreciated				
Land	$ 41,193,383	$ 5,238,915	$ —	$ 46,432,298
Construction in progress	82,598,147	97,177,564	(70,754,018)	109,021,693
Total capital assets not being depreciated	123,791,530	102,416,479	(70,754,018)	155,453,991
Other capital assets				
Landing field and grounds	573,134,219	57,417,975	—	630,552,194
Terminal buildings	777,062,445	6,620,034	—	783,682,479
Other buildings	180,974,749	901,191	—	181,875,940
Utilities	5,417,436	—	—	5,417,436
Equipment	57,851,964	5,814,819	—	63,666,783
Total other capital assets	1,594,440,813	70,754,019	—	1,665,194,832
Total airport and facilities	1,718,232,343	173,170,498	(70,754,018)	1,820,648,823
Accumulated depreciation				
Landing field and grounds	(421,295,282)	(17,092,843)	—	(438,388,125)
Terminal buildings	(290,124,142)	(14,591,556)	—	(304,715,698)
Other buildings	(125,677,533)	(13,259,600)	—	(138,937,133)
Utilities	(4,866,875)	(68,795)	—	(4,935,670)
Equipment	(40,992,372)	(5,369,679)	—	(46,362,051)
Total accumulated depreciation	(882,956,204)	(50,382,473)	—	(933,338,677)
Airport and facilities, net	$ 835,276,139	$ 122,788,025	$ (70,754,018)	$ 887,310,146

Depreciation expense was $53.2 million and $50.4 million for the fiscal years ending March 31, 2021 and 2020, respectively.

Note 5 - Debt Activity

Changes of long-term debt for the fiscal year ended March 31, 2021 consist of the following:

Amounts due to trustee	March 31, 2020	Reductions	Additions	March 31, 2021
Series 2008C 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	$ 56,405,000	$ 2,220,000	$ —	$ 54,185,000
Series 2010A 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2036 (Refunded 2008AB Bonds)	7,330,000	7,330,000	—	—
Series 2015A 3.07% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030 (Refunded 2005A Bonds)	33,940,000	2,375,000	—	31,565,000
Series 2015B 3.00% General Airport Revenue Bonds, maturing in varying installments beginning 2016 to 2029 (Refunded 2005A Bonds)	30,345,000	2,400,000	—	27,945,000
Series 2017A 3.56% General Airport Revenue Bonds, maturing in varying installments beginning 2018 to 2037 (Refunded 2007 Bonds)	107,130,000	3,840,000	—	103,290,000
Series 2020A 2.14% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2036 (Refunded 2010 Bonds)	141,005,000	—	—	141,005,000
Series 2020B 1.31% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2031 (Refunded 2010 Bonds)	69,610,000	2,920,000	—	66,690,000
Total bond obligations	445,765,000	21,085,000	—	424,680,000
Less current maturities	21,085,000	—	1,640,000	22,725,000
Total long-term bond obligations	424,680,000	21,085,000	(1,640,000)	401,955,000
Unamortized premium (discount), net	69,355,455	5,020,930	—	64,334,525
Total long-term debt	$ 494,035,455	$ 26,105,930	$ (1,640,000)	$ 466,289,525

Note 5 - Debt Activity (continued)

Changes of long-term debt for the year ended March 31, 2020 consist of the following:

Amounts due to trustee	March 31, 2019	Reductions	Additions	March 31, 2020
Series 2008C 4.72% General Airport Revenue Bonds, maturing in varying installments beginning 2009 to 2036 (Refunded 2006 Bonds)	$ 58,525,000	$ 2,120,000	$ —	$ 56,405,000
Series 2010A 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2036 (Refunded 2008AB Bonds)	196,640,000	189,310,000	—	7,330,000
Series 2010B 4.11% General Airport Revenue Bonds, maturing in varying installments beginning 2011 to 2027 (Refunded 2001A Bonds)	58,235,000	58,235,000	—	—
Series 2010B-1 4.18% General Airport Revenue Bonds, maturing in varying installments beginning 2028 to 2031 (Refunded 2001A Bonds)	38,235,000	38,235,000	—	—
Series 2015A 3.07% General Airport Revenue Bonds, maturing in varying installments beginning 2019 to 2030 (Refunded 2005A Bonds)	34,060,000	120,000	—	33,940,000
Series 2015B 3.00% General Airport Revenue Bonds, maturing in varying installments beginning 2016 to 2029 (Refunded 2005A Bonds)	34,765,000	4,420,000	—	30,345,000
Series 2017A 3.56% General Airport Revenue Bonds, maturing in varying installments beginning 2018 to 2037 (Refunded 2007 Bonds)	110,815,000	3,685,000	—	107,130,000
Series 2020A 2.14% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2036 (Refunded 2010 Bonds)			141,005,000	141,005,000
Series 2020B 1.31% General Airport Revenue Bonds, maturing in varying installments beginning 2020 to 2031 (Refunded 2010 Bonds)			69,610,000	69,610,000
Total bond obligations	531,275,000	296,125,000	210,615,000	445,765,000
Less current maturities	22,685,000	1,600,000	—	21,085,000
Total long term bond obligations	508,590,000	294,525,000	210,615,000	424,680,000
Unamortized premium (discount), net	39,648,154	19,610,872	49,318,173	69,355,455
Total long-term debt	$ 548,238,154	$ 314,135,872	$ 259,933,173	$ 494,035,455

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
2022	$ 2,330,000	$ 2,495,000	$ 2,520,000	$ 4,015,000	$ 6,700,000	$ 4,665,000	$ 19,961,042
2023	2,440,000	2,625,000	2,655,000	4,195,000	7,040,000	4,900,000	18,838,633
2024	2,550,000	2,755,000	2,790,000	4,415,000	7,400,000	5,155,000	17,638,750
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
2027-2031	16,190,000	17,745,000	13,965,000	28,115,000	42,210,000	33,165,000	53,731,279
2032-2036	20,480,000	—	—	35,990,000	50,085,000	7,690,000	21,288,342
2037-2038	4,710,000	—	—	17,115,000	11,610,000	—	1,172,325
	$ 54,185,000	$ 31,565,000	$ 27,945,000	$ 103,290,000	$ 141,005,000	$ 66,690,000	$164,131,779

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, 2021, the actual rate on these bonds was 0.03%.

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.

Note 5 - Debt Activity (continued)

On March 14, 2017, the Authority issued $115.2 million of Series 2017A Bonds to advance refund its Series 2007 Bonds. The Series 2007 Bond proceeds were used for the development of the new Terminal 2. This advance refunding resulted in future debt service savings of $23.0 million and net present value economic gain of $15.0 million. The proceeds of the 2017A bonds were deposited in an escrow fund pending the call date of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority's statement 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 statement 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, 2021, the Authority's arbitrage rebate liability is $513.5 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, 2021 with this 25% transfer is 194%. The debt service coverage ratio at March 31, 2021 without this 25% transfer is calculated as follows:

Net revenues	$	58,214,910
Annual debt service		34,399,719
Calculated debt service coverage ratio without transfer		169 %

For the fiscal year ended March 31, 2020, the Authority had debt service coverage ratios of 489% without transfer and 514% with transfer.

Note 6 - Leases

The Authority leases land, buildings, and terminal space with a cost of approximately $311.2 million and a carrying value of approximately $163.6 million to the airlines, car rental agencies, restaurants and other businesses located at the airport. Revenues from these leases, which are included in general aviation, terminals, air cargo and rental car revenue, were approximately 51.9% and 43.8% of airport operating

Note 6 - Leases (continued)

revenues for fiscal years ended March 31, 2021 and 2020, respectively. These leases cover periods ranging up to a maximum of 34 years and contain provisions for fixed and contingent rentals based on revenues. For the years ended March 31, 2021 and 2020, contingent rentals comprised $10.5 million and $30.7 million of the total rental revenues, respectively.

Minimum future rentals on non-cancelable operating leases for the next five fiscal years are approximately:

Years Ending March 31	Amounts
2022	$ 8,066,000
2023	3,785,000
2024	2,892,000
2025	2,477,000
2026	2,477,000
Thereafter	2,197,000
	$ 21,894,000

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. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report ("CAFR") for the state of North Carolina. The state's CAFR 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 LEOs 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.

Note 7 - Employee Retirement Plans (continued)

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 10.2% and 10.8% of annual covered payroll respectively. The Authority's contributions to LGERS for the fiscal years ended March 31, 2021 and 2020 were $2.7 million and $2.4 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.

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

On March 31, 2021, the Authority reported a liability of $13.5 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension asset 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, actuarially determined. On June 30, 2020, the Authority's proportion was 0.3781%, which was an increase of 0.03386% from its proportion measured as of June 30, 2019.

For the fiscal year ended March 31, 2021, the Authority recognized pension expense of $4.9 million. On March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,706,218	$ —
Changes of assumptions	1,005,493	—
Net difference between projected and actual earnings on pension plan investments	1,901,329	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	735,647	—
Employer contributions subsequent to the measurement date	2,003,975	—
Total	**$ 7,352,662**	**$ —**

Note 7 - Employee Retirement Plans (continued)

$2.0 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending March 31	Amounts
2022	$ 1,301,435
2023	1,731,910
2024	1,016,998
2025	930,520
2026	367,824
Thereafter	

Actuarial assumptions - The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5% to 8.1%, including inflation and productivity factor
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

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, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2019 through December 31, 2019.

Future ad hoc COLA 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, 2020 are summarized in the following table:

Note 7 - Employee Retirement Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	**100.0%**	

The information above is based on 30 year expectations developed with the consulting actuary 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 3.0%. 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 7.0%. 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 7.0%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease	Current Discount Rate (7.0%)	1% Increase
Employer's proportionate share of the net pension liability (asset)	$12,700,456	$13,511,124	$14,592,014

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) 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 ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The

Note 7 - Employee Retirement Plans (continued)

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, 2021 were $0.4 million, which consisted of $0.1 million from the Authority and $0.3 million from the law enforcement officers. Contributions for the year ended March 31, 2020 were $0.4 million, which consisted of $0.1 million from the Authority and $0.2 million from the law enforcement officers.

Law Enforcement Officer's Special Separation Allowance

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, 2019, the Separation Allowance's membership consisted of:

Category	Number
Retirees receiving benefits	7
Active plan members	38
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 which are outlined in GASB Statement 73.

Actuarial assumptions:

The entry age normal actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50-7.35%, including inflation factor
Discount rate	1.93%

Note 7 - Employee Retirement Plans (continued)

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.

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

On March 31, 2021, the Authority reported a total pension liability of $1.3 million. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended March 31, 2021, the Authority recognized pension expense of $0.2 million.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 151,030	$ —
Changes of assumptions	139,368	3,071
Benefit payments subsequent to the measurement date	27,824	—
Total	$ 318,222	$ 3,071

$27.8 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, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending March 31	Amounts
2022	$ 84,356
2023	83,003
2024	66,329
2025	44,171
2026	9,468
Thereafter	—

Note 7 - Employee Retirement Plans (continued)

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 1.93%, 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 (0.93%) or 1 percentage point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	**Current Discount Rate (1.93%)**	**1% Increase (2.93%)**
Total pension liability	$1,464,945	$1,347,654	$1,241,069

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

		Total Pension Liability
Balance at December 31, 2019	$	1,168,659
Changes for the year:		
Service cost at end of year		64,603
Interest		36,133
Change in benefit terms		—
Difference between expected and actuarial experience		59,314
Changes of assumptions and other inputs		139,514
Benefit payments		(120,569)
Other		—
Net changes		178,995
Balance at December 31,2020	$	1,347,654

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): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

DEATHS BEFORE RETIREMENT: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

DEATHS AFTER RETIREMENT (BENEFICIARY): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Note 7 - Employee Retirement Plans (continued)

DEATHS AFTER RETIREMENT (DISABLED): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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, 2020, the date of the last actuarial valuation:

Category	Number
Retirees and dependents receiving benefits	102
Terminated plan members entitled to but not yet receiving benefits	—
Active plan members	341
Total	443

Funding policy:
As noted above, the Authority pays its share of the cost of coverage (premiums) for the health care 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.

Note 7 - Employee Retirement Plans (continued)

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.

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 $11.1 million was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs:

The total OPEB liability in the June 30, 2020 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	3.50%-7.75%, average, including inflation
Discount rate	2.21%
Healthcare cost trend rates	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030

The discount rate is based on the June 2018 average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the total OPEB liability:

		Total OPEB Liability
Balance at June 30, 2019	$	7,426,708
Changes for the year:		
Service Cost		473,791
Interest		258,600
Changes of benefit terms		—
Differences between expected and actual experience		2,731,582
Changes in assumptions or other inputs		1,255,420
Benefit payments		(1,032,768)
Net Changes		3,686,625
Balance at June 30, 2020	$	11,113,333

Note 7 - Employee Retirement Plans (continued)

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2020 valuation were based on a review of the recent plan experience performed concurrently with the June 30, 2019 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 (1.2%) or 1-percentage-point higher (3.2%) than the current discount rate:

	1% Decrease	Discount Rate (2.21%)	1% Increase
Total OPEB liability	$12,205,600	$11,113,333	$10,153,850

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:

	1% Decrease	Current	1% Increase
Total OPEB liability	$10,073,297	$11,113,333	$12,342,753

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

For the year ended March 31, 2021 the Authority recognized OPEB expense of $1.4 million. On March 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,749,237	$ —
Changes of assumptions	1,264,991	117,886
Benefit payments and administrative costs made subsequent to the measurement date	206,450	—
Total	$ 4,220,678	$ 117,886

$206,450 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, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Note 7 - Employee Retirement Plans (continued)

Years Ending March 31	Amounts
2022	$ 630,820
2023	630,820
2024	630,820
2023	630,820
2024	636,415
Thereafter	736,647

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 worker's 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, 2021 and 2020, the Authority has contractual commitments for Authority capital programs of approximately $27.5 million and $67.0 million, respectively.

Contingent liabilities - The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Authority's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

Note 9 - Subsequent Events

The Authority has evaluated subsequent events through June 17, 2021 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. The following subsequent events pertain: The World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Authority operates. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Authority. On April 28th, the governor of North Carolina lifted the outdoor mask requirement and increased the indoor mass gathering limits, effective April 30th. These orders are expected to further promote the return of passenger traffic. In April 2021, the Authority witnessed a 22.6% increase in total passenger traffic compared to March 2021, and a 1,414.8% compared to April 2020.

Note 10 - Restatements

Accounts Payable - During 2020, it was discovered that as of March 31, 2019 airport and facilities, non-depreciable and other accrued payables were understated by $7,651,695. The March 31, 2019 airport and facilities, non-depreciable and other accrued payables on the Statement of Net Position have been restated to reflect this change. There was no effect to Authority's net position as of March 31, 2020 as a result.

Note 11 - Reclassifications

Certain amounts in the prior-year financial statements have been reclassified in order to be comparable with the current year presentation.

RALEIGH-DURHAM AIRPORT AUTHORITY
RDU Airport, North Carolina

Required Supplemental Information

Prepared by the Finance Department

	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	$ 473,791	$ 445,449	$ 453,432
Interest	258,600	250,247	227,642
Changes in benefit terms	—	—	—
Differences between expected and actual experience	2,731,582	418,206	152,630
Changes of assumptions or other inputs	1,255,420	250,856	(202,291)
Net benefit payments	(1,032,768)	(735,274)	(453,289)
Net change in total OPEB liability	3,686,625	629,484	178,124
Total OPEB liability - beginning	7,426,708	6,797,224	6,619,100
Total OPEB liability - ending	$ 11,113,333	$ 7,426,708	$ 6,797,224
Covered payroll	$ 27,088,278	$ 21,268,476	$ 21,268,476
Total OPEB liability as a percentage of covered payroll	41.03%	34.92%	31.96%

Notes to the required schedules:

The Raleigh-Durham Airport Authority does not have a special funding situation.

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

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	Rate
2021	2.21%
2020	3.50%
2019	3.89%

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

	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2018
Total pension liability				
Service cost at end of year	$ 64,603	$ 62,505	$ 61,657	$ 47,739
Interest	36,133	37,288	32,572	36,344
Changes in benefit terms	—	—	—	—
Difference between expected and actual experience	59,314	68,079	136,396	—
Changes of assumptions or other inputs	139,514	33,655	(6,926)	18,909
Net benefit payments	(120,569)	(114,536)	(119,111)	(134,953)
Other	—	—	—	—
Net change in total pension liability	178,995	86,991	104,588	(31,961)
Total pension liability - beginning	1,168,659	1,081,668	977,080	1,009,041
Total pension liability - ending	$ 1,347,654	$ 1,168,659	$ 1,081,668	$ 977,080

Notes to the required schedules:

The Raleigh-Durham Airport Authority does not have a special funding situation.

December 31, 2020 Measurement Date: The Municipal Bond Index Rate decreased from 3.26% to 1.93%.

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

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, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Total pension liability - ending	$ 1,347,654	$ 1,168,659	$ 1,081,668	$ 977,080
Covered payroll	$ 2,781,507	$ 2,824,481	$ 2,799,339	$ 2,388,016
Total pension liability as a percentage of covered payroll	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 that meets the criteria in paragraph 4 of GASB 73 to 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

	2021	2020	2019	2018	2017	2016	2015
Proportionate share of net pension liability (asset)	0.3781 %	0.34424 %	0.33277 %	0.31162 %	0.31228 %	0.28507 %	0.28433 %
Proportionate share of net pension liability (asset) ($)	$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	$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	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	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.

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 EMPLOYER CONTRIBUTIONS
UNAUDITED

Fiscal Years Ended March 31

	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution	$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	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	$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	9.88 %	8.73 %	7.72 %	7.45 %	7.00 %	6.31 %	6.74 %

Notes to the required schedules:

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
RDU Airport, North Carolina

Supplemental Information

Prepared by the Finance Department

RALEIGH-DURHAM AIRPORT AUTHORITY
SUMMARY OF OPERATING REVENUES AND EXPENSES
COMPARED WITH BUDGET
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Operating Revenues			
Parking	$ 13,338,265	$ 16,215,157	82.3 %
Airfield	6,881,328	9,165,717	75.1 %
General aviation	1,910,235	2,082,884	91.7 %
Terminals	36,705,396	27,731,287	132.4 %
Air cargo	2,495,845	2,886,997	86.5 %
Rental car	8,412,962	3,215,612	261.6 %
Other	3,939,541	4,093,886	96.2 %
Total Operating Revenues	73,683,572	65,391,540	112.7 %
Operating Expenses			
Airport facilities	23,218,168	30,979,101	74.9 %
Department expenses	46,391,544	49,105,501	94.5 %
Subtotal	69,609,712	80,084,602	86.9 %
Depreciation expense	53,202,700	49,161,900	108.2 %
Total Operating Expenses	122,812,412	129,246,502	95.0 %
Net Operating Income (Loss)	$ (49,128,840)	$ (63,854,962)	76.9 %

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
PARKING REVENUES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Parking Revenues			
RDU Parking			
Public parking fees	$ 12,361,484	$ 15,793,673	78.3 %
Tenant employee parking fees	422,851	421,488	100.3 %
Ground rental	223,440	—	n/a
Parking other	236,485	1	n/a
Telecommunications services	—	(5)	— %
Total RDU Parking	13,244,260	16,215,157	81.7 %
Off-Airport Parking			
Percentage rent off airport	94,005	—	n/a
Total Off-Airport Parking	94,005	—	n/a
TOTAL PARKING REVENUES	$ 13,338,265	$ 16,215,157	82.3 %

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIRFIELD REVENUES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Landing Fees			
Domestic landing fees Terminal 1	$ 1,205,879	$ 1,704,192	70.8 %
Domestic landing fees Terminal 2	4,058,498	5,705,339	71.1 %
International landing fees Terminal 2	—	—	n/a
Landing fees cargo	1,249,592	1,098,240	113.8 %
Total Landing Fees	6,513,969	8,507,771	76.6 %
G/A Fuel Flowage			
Fuel flowage fees	363,759	653,002	55.7 %
Total G/A Fuel Flowage	363,759	653,002	55.7 %
Other Airfield Revenues			
Miscellaneous aeronautical revenue	3,600	4,944	72.8 %
Total Other Airfield Revenues	3,600	4,944	72.8 %
TOTAL AIRFIELD REVENUES	$ 6,881,328	$ 9,165,717	75.1 %

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
GENERAL AVIATION REVENUES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
General Aviation - General			
Fixed Space Rents			
Fixed rents	$ 1,382,559	$ 926,110	149.3 %
Ground rents	158,085	185,821	85.1 %
Maintenance and operating expense recovery	309,156	511,512	60.4 %
Telecommunications services	16,537	17,309	95.5 %
Miscellaneous rents	3,427	—	n/a
Total Fixed Space Rents	1,869,764	1,640,752	114.0 %
Percentage Rents			
Percentage rents	36,056	—	n/a
Total Percentage Rents	36,056	—	n/a
Total General Aviation - General	1,905,820	1,640,752	116.2 %
General Aviation - Terminal			
Fixed Space Rents			
Fixed rents	—	440,122	— %
Tenant employee parking fees	300	—	n/a
Telecommunications services	1,843	2,010	91.7 %
Total Fixed Space Rents	2,143	442,132	0.5 %
Percentage Rents			
Percentage rents	2,272	—	n/a
Total Percentage Rents	2,272	—	n/a
Total General Aviation - Terminal	4,415	442,132	1.0 %
TOTAL GENERAL AVIATION REVENUES	$ 1,910,235	$ 2,082,884	91.7 %

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Terminal 1 Complex			
Fixed Space Rents			
Fixed rents aeronautical	$ 2,541,937	$ 1,671,201	152.1 %
Fixed rents non-aeronautical	275,504	185,820	148.3 %
Total Fixed Space Rents	2,817,441	1,857,021	151.7 %
Percentage Rents			
Percentage rents	23,269	3,986	583.8 %
Percentage rent - food and beverage	223,129	148,082	150.7 %
Percentage rent - retail	93,177	49,913	186.7 %
Percentage rent - other terminal services	138,993	31,572	440.2 %
Total Percentage Rents	478,568	233,553	204.9 %
Miscellaneous Rents			
Telecommunications services	35,303	14,202	248.6 %
Bag claim recovery	1,801,164	1,517,464	118.7 %
Airport Operation Information System (AOIS) recovery	137,712	106,654	129.1 %
Maintenance and operating expense recovery	7,263	4,832	150.3 %
Gate usage fees	111,800	—	n/a
Miscellaneous rents	(33,985)	616	(5,517.0)%
Total Miscellaneous Rents	2,059,257	1,643,768	125.3 %
Total Terminal 1 Complex Revenues	$ 5,355,266	$ 3,734,342	143.4 %

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
TERMINAL REVENUES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Terminal 2 Complex			
Fixed Space Rents			
Fixed rents aeronautical	$ 11,610,710	$ 11,291,125	102.8 %
Fixed rents non-aeronautical	867,563	1,003,309	86.5 %
Total Fixed Space Rents	12,478,273	12,294,434	101.5 %
Percentage Rents			
Percentage rents	169,625	27,340	620.4 %
Percentage rent - food and beverage	744,709	584,231	127.5 %
Percentage rent - retail	1,369,208	444,378	308.1 %
Percentage rent - duty free	—	7,512	— %
Percentage rent - other terminal services	622,928	81,570	763.7 %
Total Percentage Rents	2,906,470	1,145,031	253.8 %
Miscellaneous Rents			
Telecommunications services	158,159	72,420	218.4 %
Bag claim recovery	8,465,074	6,558,506	129.1 %
Airport Operation Information System (AOIS) recovery	1,497,876	1,788,330	83.8 %
Ramp tower recovery	772,449	—	n/a
Maintenance and operating expense recovery	28,467	35,366	80.5 %
Gate usage fees	768,400	—	n/a
Miscellaneous rents	100,604	2,640	3,810.8 %
Total Miscellaneous Rents	11,791,029	8,457,262	139.4 %
Total Terminal 2 Complex Revenues	27,175,772	21,896,727	124.1 %
Terminal Security			
Security checkpoint	3,540,721	1,617,736	218.9 %
Transportation Security Administration (TSA) reimbursement	251,450	277,400	90.6 %
Federal Inspection Services (FIS) international fee	94,479	—	n/a
Miscellaneous rents	88,623	135,396	65.5 %
Total Terminal Security	3,975,273	2,030,532	195.8 %
Terminal Miscellaneous			
Telecommunications services terminal miscellaneous	198,485	69,458	285.8 %
Miscellaneous rents	600	228	263.2 %
Total Terminal Miscellaneous	199,085	69,686	285.7 %
TOTAL TERMINAL REVENUES	$ 36,705,396	$ 27,731,287	132.4 %

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
AIR CARGO REVENUES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
North Cargo Complex			
Fixed Space Rents			
Fixed rents aeronautical	$ 363,818	$ 363,859	100.0 %
Fixed rents non-aeronautical	253,064	247,839	102.1 %
Ground rents	338,851	336,189	100.8 %
Telecommunications services	555	—	n/a
Maintenance and operating expense recovery	193,511	266,136	72.7 %
Total North Cargo Complex Revenues	1,149,799	1,214,023	94.7 %
South Cargo 1 Complex			
Fixed Space Rents			
Fixed rents non-aeronautical	153,767	188,855	81.4 %
Telecommunications services	3,273	3,571	91.7 %
Maintenance and operating expense recovery	167,926	286,560	58.6 %
Miscellaneous rents	158,508	60,396	262.4 %
Total South Cargo 1 Complex Revenues	483,474	539,382	89.6 %
South Cargo 2 Complex			
Fixed Space Rents			
Fixed rents aeronautical	141,429	106,056	133.4 %
Fixed rents non-aeronautical	18,450	171,596	10.8 %
Telecommunications services	1,284	1,401	91.6 %
Maintenance and operating expense recovery	186,867	191,040	97.8 %
Miscellaneous rents	1,900	1,056	179.9 %
Total South Cargo 2 Complex Revenues	349,930	471,149	74.3 %
South Cargo 3 Complex			
Fixed Space Rents			
Fixed rents aeronautical	211,504	307,705	68.7 %
Fixed rents non-aeronautical	8,325	21,078	39.5 %
Maintenance and operating expense recovery	291,913	333,660	87.5 %
Miscellaneous rents	900	—	n/a
Total South Cargo 3 Complex Revenues	512,642	662,443	77.4 %
TOTAL AIR CARGO REVENUES	$ 2,495,845	$ 2,886,997	86.5 %

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
RENTAL CAR REVENUES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Fixed Space Rents			
Fixed rents	$ 1,038,644	$ 1,043,232	99.6 %
Ground rents	533,024	553,224	96.3 %
Maintenance and operating expense recovery	654,152	427,848	152.9 %
Total Fixed Space Rents	2,225,820	2,024,304	110.0 %
Percentage Rents			
Percentage rents	6,187,142	1,191,308	519.4 %
Total Percentage Rents	6,187,142	1,191,308	519.4 %
TOTAL RENTAL CAR REVENUES	$ 8,412,962	$ 3,215,612	261.6 %

RALEIGH-DURHAM AIRPORT AUTHORITY
REVENUES COMPARED WITH BUDGET
OTHER REVENUES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Office and Other Buildings			
Aviation Station			
Ground rents	$ 165,000	$ 165,000	100.0 %
Maintenance and operating expense recovery	113,126	96,804	116.9 %
Total Aviation Station Revenues	278,126	261,804	106.2 %
Other Miscellaneous Rents			
Conference rooms	—	54,022	— %
Fixed rents non-aeronautical other buildings	236,669	236,514	100.1 %
Ground rents other buildings	321,371	249,607	128.8 %
Percentage rents other buildings	235,691	182,455	129.2 %
Percentage rents off airport	448,670	230,013	195.1 %
Security authorization badges	271,680	299,460	90.7 %
Maintenance and operating expense recovery	98,708	118,753	83.1 %
Miscellaneous revenue	10,550	—	n/a
Total Other Miscellaneous Rents	1,623,339	1,370,824	118.4 %
Fueling Systems			
Fuel throughput fees	868,467	727,769	119.3 %
Miscellaneous rents	1,413	1,176	120.2 %
Total Fueling Systems Revenues	869,880	728,945	119.3 %
Ground Transportation			
Taxi Operation			
Percentage rents	58,915	130,081	45.3 %
Maintenance and operating expense recovery	2,583	38,424	6.7 %
Telecommunications services	755	2,376	31.8 %
Total Taxi Operation Revenues	62,253	170,881	36.4 %
AVI Transportation Fees			
AVI-trip fees	1,083,932	1,561,432	69.4 %
Total AVI Transportation Fees	1,083,932	1,561,432	69.4 %
Total Ground Transportation Revenues	1,146,185	1,732,313	66.2 %
General Grounds			
Traffic ordinance violation fees	22,011	—	n/a
Total General Grounds Revenues	22,011	—	n/a
TOTAL OTHER REVENUES	$ 3,939,541	$ 4,093,886	96.2 %

RALEIGH-DURHAM AIRPORT AUTHORITY
COMPARATIVE SUMMARIES OF OPERATING EXPENSES BY COST CENTER
Years Ended March 31, 2021 and 2020

	Amount		Percent of Total Operating Expenses	
	2021	2020	2021	2020
Operating Expenses				
Airport facilities	$ 23,218,168	$ 31,671,162	18.9 %	22.8 %
Administrative	22,652,224	24,254,629	18.4 %	17.5 %
Fueling systems	1,333,166	1,461,502	1.1 %	1.1 %
Law enforcement	4,700,570	5,382,115	3.8 %	3.9 %
Airport maintenance	7,169,119	8,901,316	5.8 %	6.4 %
Parking and ground transportation	5,315,838	11,000,369	4.3 %	7.9 %
Airport fire - rescue	2,046,191	2,142,533	1.7 %	1.5 %
Communications and operations	3,174,436	3,486,697	2.6 %	2.5 %
Depreciation	53,202,700	50,382,473	43.3 %	36.3 %
TOTAL OPERATING EXPENSES	$ 122,812,412	$ 138,682,796	100.0 %	100.0 %

RALEIGH-DURHAM AIRPORT AUTHORITY
SUMMARY OF OPERATING EXPENSES BY COST CENTER
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Operating Expenses (excluding depreciation)			
Airport facilities	$ 23,218,168	$ 30,979,101	74.9 %
Administrative	22,652,224	22,042,827	102.8 %
Fueling systems	1,333,166	1,360,725	98.0 %
Law enforcement	4,700,570	4,931,518	95.3 %
Airport maintenance	7,169,119	7,872,956	91.1 %
Parking and ground transportation	5,315,838	7,366,056	72.2 %
Airport fire - rescue	2,046,191	2,218,978	92.2 %
Communications and operations	3,174,436	3,312,441	95.8 %
Total Operating Expenses (excluding depreciation)	69,609,712	80,084,602	86.9 %
Depreciation			
Airport facilities	41,024,357	35,630,028	115.1 %
Administrative	3,969,887	5,515,968	72.0 %
Fueling systems	—	—	n/a
Law enforcement	3,473	—	n/a
Airport maintenance	464,694	—	n/a
Parking and ground transportation	7,555,689	8,015,904	94.3 %
Airport fire - rescue	86,702	—	n/a
Communications and operations	97,898	—	n/a
Total Depreciation	53,202,700	49,161,900	108.2 %
TOTAL OPERATING EXPENSES	$122,812,412	$129,246,502	95.0 %

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FACILITIES OPERATING EXPENSES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Airport Facilities			
Salaries and overtime	$ —	$ —	n/a
Employee benefits	—	—	n/a
Employee related expense	—	—	n/a
Professional services	99,776	316,858	31.5 %
Contractual labor	15,165,841	21,531,401	70.4 %
Utilities	5,640,438	6,624,603	85.1 %
Materials and supplies	1,472,824	1,616,657	91.1 %
Insurance	825,989	873,212	94.6 %
General and administrative expenses	13,300	16,370	81.2 %
TOTAL AIRPORT FACILITIES EXPENSES	$ 23,218,168	$ 30,979,101	74.9 %

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
ADMINISTRATIVE EXPENSES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Administrative			
Salaries and overtime	$ 12,368,260	$ 12,442,452	99.4 %
Employee benefits	6,138,572	3,741,852	164.1 %
Employee related expense	208,494	292,816	71.2 %
Professional services	2,402,955	2,167,739	110.9 %
Contractual labor	811,047	981,665	82.6 %
Utilities	3,754	53,905	7.0 %
Materials and supplies	91,200	106,330	85.8 %
Insurance	125,535	132,216	94.9 %
General and administrative expenses	502,407	2,123,852	23.7 %
TOTAL ADMINISTRATIVE EXPENSES	$ 22,652,224	$ 22,042,827	102.8 %

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
FUELING SYSTEMS EXPENSES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Fueling Systems			
Salaries and overtime	$ 814,530	$ 810,228	100.5 %
Employee benefits	304,798	287,940	105.9 %
Employee related expense	4,485	5,615	79.9 %
Professional services	—	—	n/a
Contractual labor	126,825	177,033	71.6 %
Utilities	—	—	n/a
Materials and supplies	66,455	62,360	106.6 %
Insurance	16,073	16,800	95.7 %
General and administrative expenses	—	749	— %
TOTAL FUELING SYSTEMS EXPENSES	$ 1,333,166	$ 1,360,725	98.0 %

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
LAW ENFORCEMENT EXPENSES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Law Enforcement			
Salaries and overtime	$ 3,210,186	$ 3,581,352	89.6 %
Employee benefits	1,357,487	1,164,504	116.6 %
Employee related expense	16,735	21,670	77.2 %
Professional services	—	—	n/a
Contractual labor	—	2,420	— %
Utilities	—	—	n/a
Materials and supplies	10,480	45,221	23.2 %
Insurance	90,513	94,596	95.7 %
General and administrative expenses	15,169	21,755	69.7 %
TOTAL LAW ENFORCEMENT EXPENSES	$ 4,700,570	$ 4,931,518	95.3 %

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT MAINTENANCE EXPENSES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Airport Maintenance			
Salaries and overtime	$ 4,712,900	$ 4,746,384	99.3 %
Employee benefits	1,786,039	1,712,832	104.3 %
Employee related expense	60,482	88,894	68.0 %
Professional services	—	—	n/a
Contractual labor	51,105	198,721	25.7 %
Utilities	—	—	n/a
Materials and supplies	403,556	923,964	43.7 %
Insurance	154,329	161,292	95.7 %
General and administrative expenses	708	40,869	1.7 %
TOTAL AIRPORT MAINTENANCE EXPENSES	$ 7,169,119	$ 7,872,956	91.1 %

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
PARKING AND GROUND TRANSPORTATION EXPENSES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Parking and Ground Transportation			
Salaries and overtime	$ 3,064,493	$ 3,137,172	97.7 %
Employee benefits	1,225,781	1,198,440	102.3 %
Employee related expense	14,354	19,910	72.1 %
Professional services	344,372	670,776	51.3 %
Contractual labor	183,204	984,600	18.6 %
Utilities	—	—	n/a
Materials and supplies	360	11,971	3.0 %
Insurance	86,586	90,492	95.7 %
General and administrative expenses	396,688	1,252,695	31.7 %
TOTAL PARKING AND GROUND TRANSPORTATION EXPENSES	$ 5,315,838	$ 7,366,056	72.2 %

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
AIRPORT FIRE - RESCUE
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Airport Fire - Rescue			
Salaries and overtime	$ 1,382,404	$ 1,541,124	89.7 %
Employee benefits	537,744	527,520	101.9 %
Employee related expense	27,387	43,905	62.4 %
Professional services	—	—	n/a
Contractual labor	20,003	21,750	92.0 %
Utilities	2,158	3,100	69.6 %
Materials and supplies	39,315	44,325	88.7 %
Insurance	31,770	33,204	95.7 %
General and administrative expenses	5,410	4,050	133.6 %
TOTAL AIRPORT FIRE - RESCUE EXPENSES	$ 2,046,191	$ 2,218,978	92.2 %

RALEIGH-DURHAM AIRPORT AUTHORITY
EXPENSES COMPARED WITH BUDGET
COMMUNICATIONS AND OPERATIONS EXPENSES
Year Ended March 31, 2021

	Actual	Budget	Percent of Budget
Communications and Operations			
Salaries and overtime	$ 2,165,506	$ 2,151,252	100.7 %
Employee benefits	767,301	732,552	104.7 %
Employee related expense	4,304	5,004	86.0 %
Professional services	50,239	35,297	142.3 %
Contractual labor	29,879	81,150	36.8 %
Utilities	—	—	n/a
Materials and supplies	38,562	64,032	60.2 %
Insurance	35,503	37,104	95.7 %
General and administrative expenses	83,142	206,050	40.4 %
TOTAL COMMUNICATIONS CENTER AND OPERATIONS	$ 3,174,436	$ 3,312,441	95.8 %

RALEIGH-DURHAM AIRPORT AUTHORITY
SUMMARY OF DEPRECIATION
Year Ended March 31, 2021

	Actual
Departmental	
Administrative	$ 3,969,887
Law enforcement	3,473
Airport maintenance	464,694
Parking and ground transportation	7,555,689
Airport fire - rescue	86,702
Communications and operations	97,898
Total Departmental	12,178,343
Nondepartmental	
Airfield Complex	12,156,278
Terminal 1 Complex	
Buildings and improvements	3,737,486
Terminal 2 Complex	
Buildings and improvements	18,889,514
Central Energy Plant	554,593
General Aviation Complex	
Buildings and improvements	3,013,932
Cargo Complex	
Buildings and improvements	197,593
Ground Transportation Complex	
Roadways	285,470
Fueling Systems Complex	606,701
Office and Other Buildings Complex	1,525,163
Utilities Complex	57,564
Rental Car Complex	63
TOTAL DEPRECIATION EXPENSE	$ 53,202,700

RALEIGH-DURHAM AIRPORT AUTHORITY
DETAILS OF AIRPORT AND FACILITIES
Year Ended March 31, 2021

	Total	Authority Funds	Federal and State Funds
Land	$ 46,413,018	$ 39,766,043	$ 6,646,974
Land improvements	99,941,076	96,443,154	3,497,923
Airfield	351,310,397	351,310,396	—
Airfield improvements	72,556,275	22,160,593	50,395,682
Terminal buildings	755,689,944	753,301,842	2,388,102
Other buildings	199,263,624	199,263,624	—
Building improvements	15,470,749	15,470,749	—
Utilities	3,628,237	3,628,237	—
Equipment	22,965,381	16,580,579	6,384,802
Vehicles heavy	10,602,893	8,969,593	1,633,300
Vehicles light	1,644,966	1,644,966	—
Computer hardware	8,851,663	8,851,663	—
Computer software	2,771,690	2,771,690	—
Construction in progress	63,330,512	63,330,512	—
TOTAL DETAILS OF AIRPORT AND FACILITIES	$ 1,654,440,425	$ 1,583,493,641	$ 70,946,783

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, 2021

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net position										
Net investment in capital assets	$360,059,904	$363,556,801	$256,701,290	$256,188,985	$261,637,368	$251,985,469	$265,808,612	$285,457,715	$267,072,356	$259,241,304
Restricted For:										
State of North Carolina underground storage tank trust deductible	—	—	—	—	—	220,000	220,000	220,000	220,000	220,000
Debt service	38,558,845	39,224,174	47,527,257	46,059,554	45,098,046	45,853,319	47,245,044	45,142,059	46,535,241	47,866,205
DEA/ICE forfeitures	1,091,093	291,152	226,159	115,634	79,610	82,029	39,851	—	—	—
State grant funds	—	—	14,560,117	—	—	—	—	—	—	—
Passenger facility charges	29,032,766	33,121,903	32,288,882	27,635,490	25,529,873	2,850,046	4,325,108	7,212,645	13,239,327	18,149,465
Customer facility charges	51,733,623	48,881,085	32,248,941	16,216,386	3,383,354	—	—	—	—	—
Unrestricted net position	297,742,776	273,320,387	258,351,966	169,431,556	123,685,528	131,974,693	108,720,984	86,803,531	93,733,389	96,036,491
Total net position	$778,219,007	$758,395,502	$641,904,612	$515,647,605	$459,413,779	$432,965,556	$426,359,599	$424,835,950	$420,800,313	$421,513,465

Note:

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.
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Due to Raleigh-Durham Airport Authority's required adoption of GASB 63 & 65 during FY2013, the Net Position for FY2012 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating revenues										
Parking	$ 13,338,265	$ 65,169,221	$ 60,543,954	$ 54,975,271	$ 55,843,209	$ 47,058,255	$ 43,796,914	$ 41,427,389	$ 41,266,707	$ 37,166,800
Airfield	6,881,328	17,782,634	18,808,634	16,614,473	15,058,135	12,852,933	11,361,874	12,158,127	11,366,233	11,930,074
General aviation	1,910,235	1,904,083	1,654,755	1,857,961	1,721,515	1,706,871	1,632,938	1,475,959	1,539,352	1,399,599
Terminals	36,705,396	55,900,285	55,102,240	51,770,857	37,929,957	33,821,356	31,649,941	26,230,425	27,022,756	27,020,695
Air cargo	2,495,845	2,795,669	2,854,505	2,574,929	2,309,639	2,290,621	2,186,712	2,032,561	2,000,218	2,300,134
Rental car	8,412,962	17,912,819	17,446,412	16,142,255	16,742,662	14,830,467	14,191,508	13,126,408	12,875,772	12,305,766
Other	3,939,541	12,126,598	9,460,736	7,712,819	4,209,173	3,758,502	2,650,347	2,246,640	1,973,698	2,261,480
Total operating revenues	**73,683,572**	**173,591,309**	**165,871,236**	**151,648,565**	**133,814,290**	**116,319,005**	**107,470,234**	**98,697,509**	**98,044,736**	**94,384,548**
Operating expenses										
Airport facilities	23,218,168	31,671,162	25,231,535	27,218,332	22,633,404	21,241,939	20,771,149	21,427,418	19,852,701	19,742,281
Administrative	22,652,224	24,254,628	19,828,781	20,038,633	20,576,514	18,604,734	13,874,726	12,243,454	10,841,740	10,366,217
Fueling systems	1,333,166	1,461,502	2,050,425	1,250,501	1,137,855	1,072,207	974,962	988,781	962,410	954,405
Law enforcement	4,700,570	5,382,115	5,249,412	4,957,943	4,004,081	3,958,846	3,083,883	2,621,284	3,276,244	3,352,166
Airport maintenance	7,169,119	8,901,316	7,072,745	6,289,429	5,541,078	5,317,196	5,752,900	5,682,924	5,582,380	5,147,431
Parking and ground transportation	5,315,838	11,000,370	8,866,100	7,855,743	7,327,570	5,553,071	5,374,764	5,391,727	5,269,781	5,360,969
Airport fire - rescue	2,046,191	2,142,533	2,083,912	1,943,232	1,647,814	1,649,329	1,630,311	1,687,521	1,588,000	1,601,134
Communications and operations	3,174,436	3,486,697	2,991,948	2,776,501	2,412,794	2,310,602	2,032,818	1,999,650	1,988,953	1,879,716
Terminal services	—	—	—	—	—	—	111,886	129,396	237,313	334,352
Subtotal	**69,609,712**	**88,300,323**	**73,374,858**	**72,330,314**	**65,281,110**	**59,707,924**	**53,607,399**	**52,172,155**	**49,599,522**	**48,738,671**
Depreciation	53,202,700	50,382,473	47,889,122	48,199,789	49,734,592	51,800,974	49,623,986	47,901,680	48,678,489	49,359,167
Total operating expenses	**122,812,412**	**138,682,796**	**121,263,980**	**120,530,103**	**115,015,702**	**111,508,898**	**103,231,385**	**100,073,835**	**98,278,011**	**98,097,838**
Operating income (loss)	**(49,128,840)**	**34,908,513**	**44,607,256**	**31,118,462**	**18,798,588**	**4,810,107**	**4,238,849**	**(1,376,326)**	**(233,275)**	**(3,713,290)**
Non-operating revenues (expenses)										
Investment interest income	1,537,087	8,674,588	7,229,938	3,007,736	2,258,957	2,432,278	1,895,410	1,897,541	2,835,467	2,389,169
Passenger facility charges	5,910,863	27,833,021	26,653,392	23,815,980	22,679,826	20,525,728	19,113,463	18,323,327	18,734,688	18,424,026
Customer facility charges	5,870,783	16,632,180	16,578,862	15,065,790	3,147,074	—	—	—	—	—
Bond interest expense, net	(15,600,053)	(4,645,836)	(21,404,408)	(21,890,713)	(22,575,341)	(21,768,920)	(26,763,852)	(25,801,032)	(27,933,517)	(29,077,558)
Payments from federal and state agencies	48,495,064	—	—	—	—	—	—	—	—	—
Other	787,122	(1,000,626)	735,380	272,403	(636,118)	91,847	580,360	344,365	408,133	(735,753)
Termination Income	—	8,227,000	—	—	—	—	—	—	—	—
Total non-operating revenues (exp)	**47,000,866**	**55,720,327**	**29,793,164**	**20,271,196**	**4,874,398**	**1,280,933**	**(5,174,619)**	**(5,235,799)**	**(5,955,229)**	**(9,000,116)**
Income (loss) before contributions	**(2,127,974)**	**90,628,840**	**74,400,420**	**51,389,658**	**23,672,986**	**6,091,040**	**(935,770)**	**(6,612,125)**	**(6,188,504)**	**(12,713,406)**
Capital contributions	27,955,720	25,862,050	53,820,449	4,948,413	2,775,237	1,793,993	2,459,419	10,647,762	5,475,352	644,240
Write down of discontinued projects	(6,004,241)	—	—	—	—	—	—	—	—	—
Increase (decrease) in net position	**19,823,505**	**116,490,890**	**128,220,869**	**56,338,071**	**26,448,223**	**7,885,033**	**1,523,649**	**4,035,637**	**(713,152)**	**(12,069,166)**
Net position, beginning restated	—	—	(1,963,862)	(104,245)	—	(1,279,076)	—	—	—	(8,548,331)
Net position, beginning of year	758,395,502	641,904,612	515,647,605	459,413,779	432,965,556	426,359,599	424,835,950	420,800,313	421,513,465	442,130,962
Net position, end of year	**$778,219,007**	**$758,395,502**	**$641,904,612**	**$515,647,605**	**$459,413,779**	**$432,965,556**	**$426,359,599**	**$424,835,950**	**$420,800,313**	**$421,513,465**

Note:

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.

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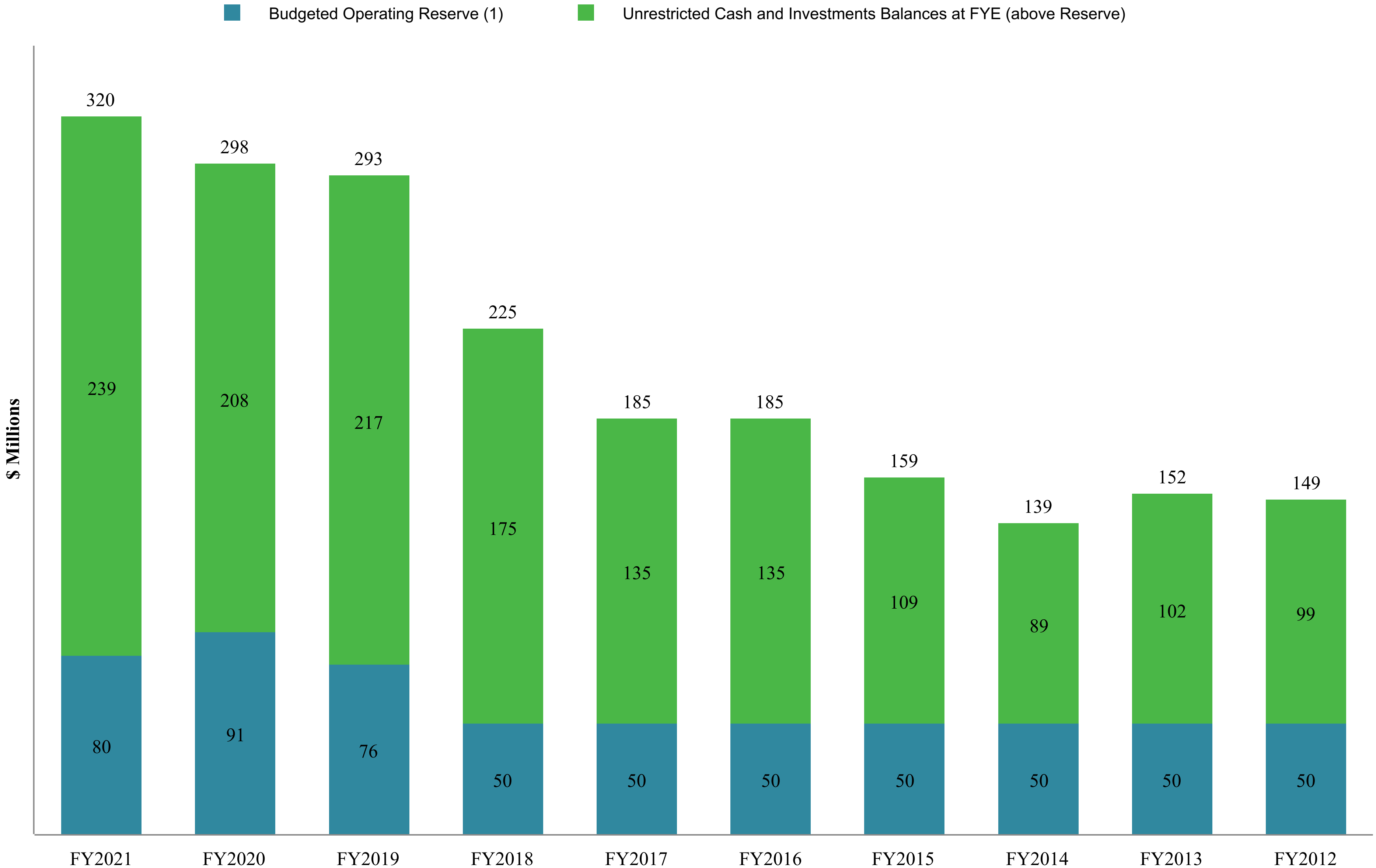
RALEIGH-DURHAM AIRPORT AUTHORITY
KEY PERFORMANCE INDICATORS
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Airline cost per enplanement (CPE)	$ 19.92	$ 8.12	$ 8.59	$ 8.68 *	$ 7.28	$ 7.02	$ 6.91	$ 6.45	$ 6.35	$ 6.48
Airline cost per airline operation	541.76	346.89	360.75	352.13	286.04	266.43	247.87	218.82	215.93	206.77
Terminal concession revenue per enplanement	1.41	1.80	1.77	1.51	1.67	1.61	1.60	1.49	1.44	1.49
Terminal concession revenue per airline operation	38.40	76.78	74.43	61.09	65.51	61.24	57.52	50.64	48.96	47.62
Rental car revenue per enplanement	4.80	2.60	2.67	2.72	2.98	2.88	2.95	2.86	2.78	2.68
Rental car revenue per airline operation	130.53	110.88	111.97	110.11	117.16	109.31	105.95	96.84	94.53	85.35
Parking revenue per enplanement	8.26	10.39	10.12	10.01	10.27	9.37	9.26	9.13	9.01	8.18
Parking revenue per airline operation	224.73	443.74	425.10	405.97	403.47	355.77	332.28	309.53	306.46	260.80
Non-aeronautical revenue per enplanement	16.81	15.51	15.01	14.65	15.05	14.14	14.10	13.73	13.49	12.66
Non-aeronautical revenue per airline operation	457.28	662.62	630.51	593.88	591.36	536.97	505.68	465.46	458.76	404.01
Total operating revenue per enplanement	42.03	25.15	25.35	25.51	23.84	22.58	22.46	21.55	21.14	20.53
Total operating revenue per airline operation	1,143.21	1,074.55	1,064.53	1,034.47	936.39	857.36	805.71	730.87	718.97	655.08
Total operating revenue per total operation	650.42	792.07	756.85	753.68	691.41	632.05	592.95	535.84	531.13	485.88
Total operating expenses per enplanement	39.71	12.79	11.21	12.17	11.63	11.59	11.16	11.35	10.71	10.57
Total operating expenses per airline operation	1,080.01	546.59	470.90	493.40	456.82	440.09	400.21	384.88	364.16	337.16
Total operating expenses per total operation	614.45	402.90	334.80	359.47	337.31	324.44	294.53	282.17	269.02	250.08
Number of days unrestricted cash on hand	1,675	1,234	1,460	1,135	1,036	1,131	1,084	976	1,118	1,112

*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



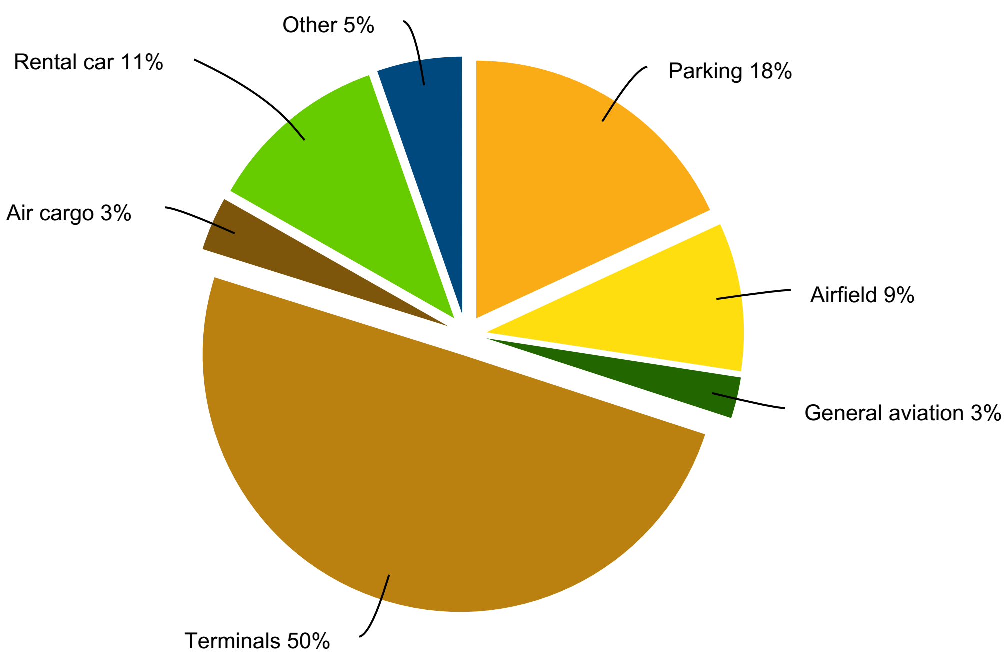
(1) The Authority formally adopted an operating reserve policy to maintain an operating reserve of about one times the current fiscal year's annual operating budgeted expenses (excluding depreciation).

RALEIGH-DURHAM AIRPORT AUTHORITY

FYE March 31, 2021 Operating Revenue by Source (000s)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Parking	$ 13,338	$ 65,169	$ 60,544	$ 54,975	$ 55,843	$ 47,058	$ 43,796	$ 41,427	$ 41,267	$ 37,167
Airfield	6,881	17,783	18,809	16,614	15,058	12,853	11,362	12,158	11,366	11,930
General aviation	1,910	1,904	1,655	1,858	1,722	1,707	1,633	1,476	1,539	1,399
Terminals	36,705	55,900	55,102	51,771	37,930	33,821	31,650	26,230	27,023	27,021
Air cargo	2,496	2,796	2,855	2,575	2,310	2,291	2,187	2,033	2,000	2,300
Rental car	8,413	17,913	17,446	16,142	16,742	14,831	14,191	13,128	12,876	12,306
Other	3,940	12,127	9,461	7,713	4,209	3,758	2,651	2,246	1,974	2,262
Total	$ 73,684	$ 173,591	$ 165,872	$ 151,648	$ 133,814	$ 116,319	$ 107,470	$ 98,698	$ 98,045	$ 94,385

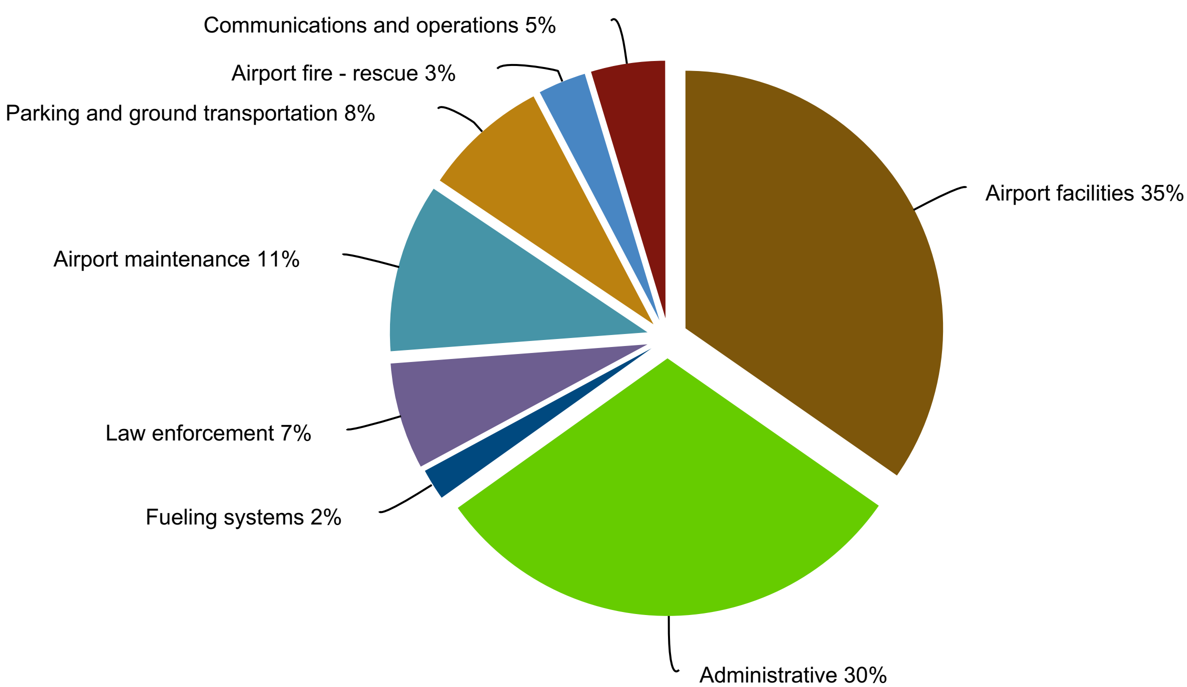
FYE March 31, 2021 Operating Revenue by Source



RALEIGH-DURHAM AIRPORT AUTHORITY
FYE March 31, 2021 Operating Expense by Business Unit (000s)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Airport facilities	$ 23,218	$ 31,671	$ 25,232	$ 27,218	$ 22,633	$ 21,242	$ 20,771	$ 21,427	$ 19,853	$ 19,742
Administrative	22,652	24,255	19,829	20,039	20,577	18,605	13,875	12,243	10,842	10,366
Fueling systems	1,333	1,462	2,050	1,251	1,138	1,072	975	989	962	954
Law enforcement	4,701	5,382	5,249	4,958	4,004	3,959	3,084	2,621	3,276	3,352
Airport maintenance	7,169	8,901	7,073	6,289	5,541	5,317	5,753	5,683	5,582	5,147
Parking and ground transportation	5,316	11,000	8,866	7,856	7,328	5,553	5,375	5,392	5,270	5,361
Airport fire - rescue	2,046	2,143	2,084	1,943	1,648	1,649	1,630	1,688	1,588	1,601
Communications and operations	3,174	3,487	2,992	2,777	2,413	2,311	2,033	2,000	1,989	1,880
Terminal services	—	—	—	—	—	—	112	129	237	334
Total	$ 69,610	$ 88,300	$ 73,375	$ 72,331	$ 65,282	$ 59,708	$ 53,608	$ 52,172	$ 49,599	$ 48,737

FYE March 31, 2021 Operating Expense by Business Unit

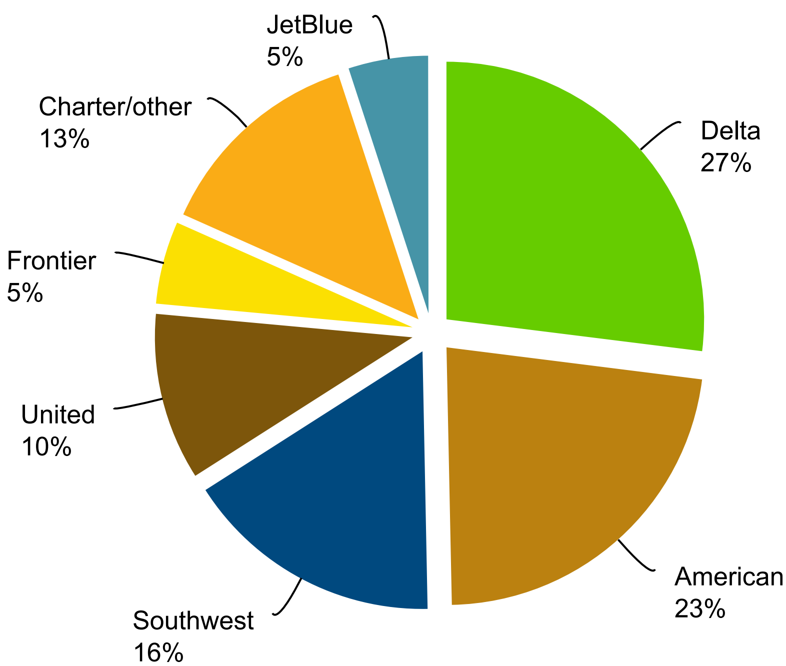


RALEIGH-DURHAM AIRPORT AUTHORITY

FYE March 31, 2021 Airline Derived Revenue by Carrier (000s)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Delta	$ 9,422	$ 17,434	$ 17,566	$ 18,427	$ 11,571	$ 10,598	$ 9,840	$ 8,580	$ 7,894	$ 7,590
American	7,928	14,088	15,004	15,653	11,651	11,152	11,184	11,070	11,495	11,399
Southwest	5,686	8,021	9,027	8,528	6,458	6,278	5,753	4,573	4,659	4,756
United	3,665	6,490	6,819	6,658	5,070	4,822	4,017	3,816	3,988	4,525
Frontier	1,818	3,208	2,919	1,064	579	343	159	80	—	25
JetBlue	1,754	2,458	2,820	2,627	1,805	1,854	1,566	1,098	1,040	1,066
Charter/other	4,646	4,341	2,055	1,783	1,182	1,100	685	444	333	530
Total	$ 34,919	$ 56,040	$ 56,210	$ 54,740	$ 38,316	$ 36,147	$ 33,204	$ 29,661	$ 29,409	$ 29,891

FYE March 31, 2021 Airline Derived Revenue by Carrier



RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT SERVICE SCHEDULE
Ten Years Projection

RDU BOND ISSUES	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2008 C (Non-AMT) - $72.295M Variable Rate - PFC											
Principal (May Only) PFC Application of Funds	$ 2,220,000	$ 2,330,000	$ 2,440,000	$ 2,550,000	$ 2,680,000	$ 2,805,000	$ 2,940,000	$ 3,080,000	$ 3,230,000	$ 3,390,000	$ 3,550,000
Interest C Series Not swapped (12 Months) PFC	2,174,800	2,081,967	1,984,733	1,883,100	1,776,333	1,664,550	1,547,400	1,424,667	1,295,967	1,160,900	1,019,433
Total	4,394,800	4,411,967	4,424,733	4,433,100	4,456,333	4,469,550	4,487,400	4,504,667	4,525,967	4,550,900	4,569,433
2010A (Non-AMT) - $242.365M (4.11%) Fixed Rate - PFC	Refunded by 2020A Bonds										
Principal (May Only) PFC Application of Funds	7,330,000	—	—	—	—	—	—	—	—	—	—
Interest (May) PFC Application of Funds	183,250	—	—	—	—	—	—	—	—	—	—
Interest (November) PFC Application of Funds	—	—	—	—	—	—	—	—	—	—	—
Total	7,513,250	—	—	—	—	—	—	—	—	—	—
2015A (Non-AMT) - $34.060M (3.07%) Fixed Rate											
Principal (May Only)	2,375,000	2,495,000	2,625,000	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)	839,125	779,750	717,375	651,750	582,875	510,375	434,250	354,125	269,875	181,375	88,250
Interest (November)	779,750	717,375	651,750	582,875	510,375	434,250	354,125	269,875	181,375	88,250	—
Total	3,993,875	3,992,125	3,994,125	3,989,625	3,993,250	3,989,625	3,993,375	3,994,000	3,991,250	3,994,625	3,993,250
2015B (AMT) - $48.685M (3.00%) Fixed Rate - PFC											
Principal (May Only) PFC Application of Funds	2,400,000	2,520,000	2,655,000	2,790,000	2,930,000	3,085,000	3,235,000	3,405,000	3,580,000	3,745,000	—
Interest (May) PFC Application of Funds	743,625	683,625	620,625	554,250	484,500	411,250	334,125	253,250	168,125	78,625	—
Interest (November) PFC Application of Funds	683,625	620,625	554,250	484,500	411,250	334,125	253,250	168,125	78,625	—	—
Total	3,827,250	3,824,250	3,829,875	3,828,750	3,825,750	3,830,375	3,822,375	3,826,375	3,826,750	3,823,625	—
2017A (AMT) - $115.230M (3.56%) Fixed Rate - PFC											
Principal (May Only) PFC Application of Funds	3,840,000	4,015,000	4,195,000	4,415,000	4,615,000	4,830,000	5,075,000	5,340,000	5,610,000	5,900,000	6,190,000
Interest (May) PFC Application of Funds	2,624,688	2,528,688	2,448,388	2,343,513	2,233,138	2,140,838	2,020,088	1,893,213	1,759,713	1,619,463	1,471,963
Interest (November) PFC Application of Funds	2,528,687	2,448,387	2,343,513	2,233,138	2,140,838	2,020,088	1,893,213	1,759,712	1,619,463	1,471,963	1,327,625
Total	8,993,375	8,992,075	8,986,901	8,991,651	8,988,976	8,990,926	8,988,301	8,992,925	8,989,176	8,991,426	8,989,588
2020A (AMT) - $141.005M (2.14%) Fixed Rate - PFC											
Principal (May Only) PFC Application of Funds	—	6,700,000	7,040,000	7,400,000	7,780,000	8,180,000	8,600,000	9,045,000	7,785,000	8,180,000	8,600,000
Interest (May) PFC Application of Funds	1,116,290	3,525,125	3,357,625	3,181,625	2,996,625	2,802,125	2,597,625	2,382,625	2,156,500	1,961,875	1,757,375
Interest (November) PFC Application of Funds	3,525,125	3,357,625	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
Total	4,641,415	13,582,750	13,579,250	13,578,250	13,578,750	13,579,750	13,580,250	13,584,125	11,903,375	11,899,250	11,899,750
2020B (NON-AMT) - $69.610M (1.31%) Fixed Rate											
Principal (May Only)	2,920,000	4,665,000	4,900,000	5,155,000	5,420,000	5,695,000	5,985,000	6,295,000	6,615,000	6,955,000	7,315,000
Interest (May)	551,079	1,667,250	1,550,625	1,428,125	1,299,250	1,163,750	1,021,375	871,750	714,375	549,000	375,125
Interest (November)	1,667,250	1,550,625	1,428,125	1,299,250	1,163,750	1,021,375	871,750	714,375	549,000	375,125	192,250
Total	5,138,329	7,882,875	7,878,750	7,882,375	7,883,000	7,880,125	7,878,125	7,881,125	7,878,375	7,879,125	7,882,375
FY Principal Total	21,085,000	22,725,000	23,855,000	25,065,000	26,325,000	27,640,000	29,040,000	30,535,000	30,360,000	31,895,000	29,560,000
FY Interest Total	17,417,294	19,961,042	18,838,634	17,638,751	16,401,059	15,100,351	13,709,826	12,248,217	10,754,893	9,243,951	7,774,396
Total Principal and Interest	**$ 38,502,294**	**$ 42,686,042**	**$ 42,693,634**	**$ 42,703,751**	**$ 42,726,059**	**$ 42,740,351**	**$ 42,749,826**	**$ 42,783,217**	**$ 41,114,893**	**$ 41,138,951**	**$ 37,334,396**
Total principal outstanding at end of FY	**$ 424,680,000**	**$ 401,955,000**	**$ 378,100,000**	**$ 353,035,000**	**$ 326,710,000**	**$ 299,070,000**	**$ 270,030,000**	**$ 239,495,000**	**$ 209,135,000**	**$ 177,240,000**	**$ 147,680,000**
PFC offsets to annual debt service	2,000,000										
DEBT SERVICE P&I NET OF PFC OFFSET	**$ 36,502,294**	**$ 42,686,042**	**$ 42,693,634**	**$ 42,703,751**	**$ 42,726,059**	**$ 42,740,351**	**$ 42,749,826**	**$ 42,783,217**	**$ 41,114,893**	**$ 41,138,951**	**$ 37,334,396**

Notes:
1. This schedule represents Cashflow 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 at March 31, 2021 were 0.11% This interest cost excludes program costs such as liquidity and remarketing fees, which total 18.8 basis points.
3. There are no irrevocable commitments of PFC's beyond FY2015/2016.

RALEIGH-DURHAM AIRPORT AUTHORITY
DEBT PROFILE
March 31, 2021

Final Maturity	Use of Funds	Original Issue Amount	Original Issue Rate	Call Date	Current Issue Amount	Current Issue Rate
5/1/2036	Refunded 2008C variable bonds to non-AMT -T2	$ 73,680,000	4.7%	Any Time	$ 54,185,000	0.01%
5/1/2030	Refunded 2005A-Operation Center, G/A Term, 75% of Taxiway D	34,060,000	4.7%	5/1/2025	31,565,000	3.1%
5/1/2029	Refunded 2005B-Terminal 2 project, 25% of Taxiway D	48,685,000	4.7%	5/1/2025	27,945,000	3.0%
5/1/2037	Refunded 2007-Terminal 2 project	115,230,000	4.8%	5/1/2027	103,290,000	3.6%
5/1/2036	Refunded 2010A bonds Terminal 2 project for PV savings	141,005,000	4.1%	5/1/2030	141,005,000	2.1%
5/1/2031	Refunded 2010B & B-1 Parking Garage Bonds for PV savings	69,610,000	4.1%	5/1/2030	66,690,000	1.3%
	Total	**$ 482,270,000**	**4.5%**		**$ 424,680,000**	**2.2%**

Unamortized bond premium (discount), net	64,334,525
Total Debt Outstanding	**$ 489,014,525**

Fixed versus Variable Debt

	Amount	Percent
Fixed rate	$ 370,495,000	87.2%
Variable rate	54,185,000	12.8%
	$ 424,680,000	100.0%

Debt outstanding per enplanement $242.25

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

Year	Population*	Median Household Income**	Per Capita Income***	Median Age****	Unemployment Rate*****
2020	1,444	Unavailable	Unavailable	37.5	6.1%
2019	1,413	$69.3	$56.1	37.1	3.5%
2018	1,381	$65.1	$54.5	37.0	3.4%
2017	1,348	$62.3	$52.4	36.7	4.0%
2016	1,318	$59.8	$50.4	36.4	4.4%
2015	1,290	$59.5	$46.0	36.1	4.7%
2014	1,258	$56.6	$46.3	35.2	4.9%
2013	1,230	$58.9	$42.5	35.4	6.4%
2012	1,205	$60.3	$41.4	35.1	7.7%
2011	1,172	$60.7	$40.2	34.4	8.6%

Sources:

*CAFR 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-Chapel Hill, NC CSA - Profile Data - Census Reporter
*****U.S. Department of Labor, Bureau of Labor Statistics

RALEIGH-DURHAM AIRPORT AUTHORITY
RALEIGH-DURHAM TRIANGLE TOP 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:

	2020			2011		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Duke University & Health System	41,206	1	5.46%	33,750	1	5.61%
State of North Carolina	24,083	2	3.19%	24,739	2	4.11%
Wake County Public Schools	17,000	3	2.25%	17,572	3	2.92%
Wal-Mart	16,200	4	2.15%			
WakeMed Health & Hospitals	9,773	5	1.29%	7,607	6	1.26%
NC State University at Raleigh	9,019	6	1.19%	7,730	5	1.28%
Food Lion	8,600	7	1.14%			
Target	8,000	8	1.06%			
International Business Machines	8,000	9	1.06%	10,500	4	1.75%
UNC Rex Healthcare	6,900	10	0.91%	4,800	9	0.80%
Durham Public Schools				5,440	7	0.90%
GlaxoSmithKline				4,900	8	0.81%
SAS Institute				4,742	10	0.79%
Total	148,781		19.70%	121,780		20.23%

Sources:

Wake County 2020 CAFR - Greater Raleigh Chamber of Commerce
Durham County 2020 CAFR - Durham Chamber of Commerce

RALEIGH-DURHAM AIRPORT AUTHORITY
ACTIVITY STATISTICS
Last Ten Fiscal Years

Fiscal Year	Total Passengers	Aircraft Operations	Enplaned Cargo Volume (tons)	Deplaned Cargo Volume (tons)
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
2014	9,165,624	184,893	36,941	45,944
2013	9,234,825	184,370	35,622	49,713
2012	9,199,631	194,895	36,862	48,446

Source: Raleigh Durham Airport Authority Activity Reports

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
AIR CANADA	—	52,367	43,299	44,552	38,318	32,536	28,603	28,893	27,849	29,885
AIRTRAN	—	—	—	—	—	—	—	179,787	119,079	115,128
ALASKA	30,371	83,047	97,223	73,305	54,308	25,191	—	—	—	—
ALLEGIANT	9,543	30,435	66,303	61,375	44,809	37,763	—	—	—	—
AMERICAN	482,746	1,573,398	1,527,807	1,553,847	1,509,127	1,443,316	761,538	822,556	792,398	796,502
CHARTER/ UNSCHEDULED	1,514	3,189	3,398	2,990	3,210	4,133	7,802	4,504	5,770	2,040
CONTINENTAL	—	—	—	—	—	—	—	—	139,311	243,467
DELTA	417,032	2,154,319	1,991,809	1,836,956	1,683,455	1,522,158	1,433,435	1,301,608	1,252,801	1,213,745
FRONTIER	81,605	474,413	427,903	146,020	145,730	104,111	44,655	26,028	—	6,146
JETBLUE	77,904	280,812	281,335	270,297	256,777	253,654	239,660	225,960	227,676	234,131
SOUTHWEST	383,714	1,235,654	1,269,849	1,205,695	1,168,889	1,132,726	1,075,156	881,332	1,001,494	980,621
SPIRIT	51,487	225,811	—	—	—	—	—	—	—	—
UNITED	217,183	789,091	835,533	749,557	708,999	595,913	479,055	461,097	364,127	248,920
USAIR	—	—	—	—	—	—	735,199	665,133	702,779	740,900
TOTAL	1,753,099	6,902,536	6,544,459	5,944,594	5,613,622	5,151,501	4,805,103	4,596,898	4,633,284	4,611,485

Source: Raleigh-Durham Airport Authority Activity Reports

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

	Avg %	Monthly Avg	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
April	8.0%	**403,909**	20,070	571,694	538,150	487,023	447,366	408,738	401,769	384,101	394,240	385,934
May	8.8%	**445,288**	49,232	653,769	586,622	519,125	514,217	449,653	436,051	417,581	411,004	415,626
June	9.2%	**465,724**	106,216	679,418	614,545	545,573	518,973	464,691	450,658	426,151	428,277	422,735
July	9.2%	**464,259**	154,859	675,168	597,868	532,289	508,317	476,967	444,405	410,540	414,839	427,336
August	8.8%	**445,331**	159,085	648,192	582,829	518,712	481,903	440,297	422,424	396,153	411,880	391,839
September	7.9%	**399,535**	156,164	570,542	461,017	463,363	457,284	404,968	384,148	359,375	369,095	369,392
October	9.0%	**453,382**	184,104	638,582	573,640	530,014	493,170	457,164	431,658	406,059	406,522	412,907
November	8.6%	**433,070**	182,604	597,131	575,067	517,244	480,508	431,732	390,220	374,721	392,065	389,412
December	8.8%	**443,798**	191,805	636,388	562,881	507,048	481,271	461,445	415,732	414,239	383,896	383,279
January	7.0%	**351,882**	145,058	492,115	455,329	405,358	385,261	351,758	328,348	317,903	323,135	314,555
February	6.8%	**343,816**	152,498	482,598	443,374	405,430	374,588	358,049	302,921	293,120	311,865	313,715
March	8.0%	**405,664**	251,404	256,939	553,137	513,415	470,764	446,039	396,769	396,955	386,466	384,755
TOTAL		**5,055,658**	1,753,099	6,902,536	6,544,459	5,944,594	5,613,622	5,151,501	4,805,103	4,596,898	4,633,284	4,611,485

Source: Raleigh-Durham Airport Authority Activity Reports

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Airlines										
AIR CANADA	—	81,713	54,050	54,896	49,068	47,047	44,979	46,540	50,752	60,364
AIRTRAN	—	—	—	—	—	—	91,000	215,944	138,728	145,040
ALASKA	64,647	86,306	108,502	84,840	64,382	27,394	—	—	—	—
ALLEGIANT	19,117	34,598	69,473	62,026	45,527	37,743	—	—	—	—
AMERICAN	672,001	1,900,525	1,829,047	1,806,337	1,775,281	1,569,356	889,370	986,671	919,159	945,196
CONTINENTAL	—	—	—	—	—	—	—	—	162,018	270,259
DELTA	848,759	2,541,595	2,330,006	2,149,363	2,057,116	1,808,812	1,776,474	1,641,586	1,503,387	1,453,247
FRONTIER	97,022	459,601	417,784	137,204	141,610	105,682	50,447	28,369	—	21,676
JETBLUE	152,079	343,715	329,451	307,300	284,781	285,029	264,781	266,987	256,643	269,025
SOUTHWEST	666,256	1,374,832	1,403,967	1,324,040	1,285,108	1,283,654	1,168,858	1,058,200	1,239,454	1,226,814
SPIRIT	59,324	286,623	—	—	—	—	—	—	—	—
UNITED AIRLINES	321,716	941,200	978,432	866,777	809,007	646,950	507,034	517,665	396,819	516,571
USAIR	—	—	—	—	—	—	874,493	797,467	818,146	752,766
CHARTER/OTHER	4,682	6,813	6,976	6,454	6,704	7,465	13,315	11,814	17,455	24,926
Cargo										
FEDERAL EXPRESS	320,112	294,925	302,775	319,470	299,700	294,116	290,774	269,512	251,156	244,371
UPS	278,054	248,957	203,676	178,221	157,182	144,829	142,946	137,312	132,418	133,430
OTHERS	26,500	26,370	16,990	8,125	7,938	8,118	8,797	8,202	8,287	33,463
TOTAL	3,530,269	8,627,773	8,051,129	7,305,053	6,983,404	6,266,195	6,123,268	5,986,269	5,894,422	6,097,148

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 2021, RDU served 3.5 million passengers on 10 airlines and served 38 international and domestic nonstop destinations with an average of 88 daily departures. 100% of all passengers at the airport enplaned on domestic flights and 0% 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 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, Allegiant, American Airlines, Delta Airlines, Frontier, JetBlue Airways, Spirit, 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 19,057 vehicles.

4 - Parking Garages	11,272 spaces approximately
3 - Park & Ride Parking Lots	7,558 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
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
2014	48,374	10,843,575	10,891,949
2013	628,069	5,048,573	5,676,642
2012	84,891	1,061,497	1,146,388
Total	$ 91,871,139	$ 93,011,619	$ 184,882,758

Source: Schedule of Expenditures of Federal and State Awards

RALEIGH-DURHAM AIRPORT AUTHORITY
EMPLOYEE HEADCOUNT
Last Ten Fiscal Years

Fiscal Year Ended	**Number of Employees**
2021	298
2020	344
2019	329
2018	318
2017	288
2016	286
2015	272
2014	273
2013	270
2012	273

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

Report on Schedule of Expenditures of Federal and State Awards and Reports on Compliance and Internal Control

For the fiscal year ended March 31, 2021

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board Members and Management
of the Raleigh-Durham Airport Authority
RDU Airport, North Carolina

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 business-type activities of Raleigh-Durham Airport Authority (the Authority), as of and for the year ended March 31, 2021, 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 17, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Elliott Davis, PLLC

Raleigh, North Carolina
June 17, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal and State Awards in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

The Board Members and Management
of the Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Raleigh-Durham Airport Authority's (the Authority's) compliance with the types of compliance requirements described 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 on each of the Authority's major federal programs for the year ended March 31, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

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 each of its major federal programs for the year ended March 31, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

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

We have audited the financial statements of the business-type activities of Raleigh-Durham Airport Authority as of and for the year ended March 31, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 17, 2021, 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 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 expenditure of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Elliott Davis, PLLC

Raleigh, North Carolina
June 17, 2021

Independent Auditor's Report on Compliance For Each Major State Program and on Internal Control over Compliance; Report on the Schedule of Expenditures of Federal and State Awards in Accordance with the Uniform Guidance and the State Single Audit Implementation Act

The Board Members and Management
of the Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Report on Compliance for Each Major State Program

We have audited Raleigh-Durham Airport Authority's (the Authority's) compliance with the types of compliance requirements described 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 each of the Authority's major state programs for the year ended March 31, 2021. The Authority's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*; and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major State Program

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 each of its major state programs for the year ended March 31, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance. A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the business-type activities of the Raleigh Durham Airport Authority, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We have issued our report thereon dated June 17, 2021, 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 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In in our opinion, schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Elliott Davis, PLLC

Raleigh, North Carolina
June 17, 2021

Raleigh-Durham Airport Authority

Schedule of Expenditures of Federal and State Awards

For the year ended March 31, 2021

Grantor / Program Type	Federal CFDA Number	Grantor's Number	Expenditures
Federal Awards			
United States Department of Transportation			
Federal Aviation Administration			
Airport and Airway Improvement Act of 1982-			
Airport Improvement Program	20.106	3-37-0056-48	$ 828
Airport Improvement Program	20.106	3-37-0056-50	1,252,787
Airport Improvement Program	20.106	3-37-0056-52	6,881,956
Airport Coronavirus Response Grant Program	20.106		1,511,600
Coronavirus Aid Relief Economic Security Act (CARES) Airport Grants	20.106	3-37-0056-53	30,591,593
Total Department of Transportation			40,238,764
United States Department of Homeland Security			
Transportation Security Administration			
Law Enforcement Officer Reimbursement Agreement Program	97.090		251,450
United States Department of Justice			
Asset Forfeiture Program	16.922		1,700
United States Department of the Treasury			
Asset Forfeiture Program	21.016		13,226
Total Federal Awards			$ 40,505,140
State Awards			
North Carolina Department of Transportation			
State Aid to Airports Program, Airport Improvement Program (AIP) Award		36244.54.19.1	$ 17,903,471
State Aid to Airports Program, Airport Improvement Program (AIP) Award and Debt Service		36244.54.19.1	17,903,472
Total Department of Transportation			35,806,943
Total State Awards			35,806,943
Total Federal and State Awards			$ 76,312,083

*No Awards were passed through to subrecipients

A. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant activity of the Authority under programs of the federal government for the year ended March 31, 2021. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance and the State Single Audit Implementation Act. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart F of Title 2 U.S CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards; and the U.S. Office of Management and Budget (OMB) Compliance Supplement wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. Prior Year Expenditures

Where allowed by grant agreement, prior year expenditures that have not been previously tested may be included in the schedule of expenditures of federal awards at March 31, 2020. Generally this occurs when grants are awarded after the related project or program has started incurring expenses and retroactive reimbursement is allowed per the funding agreement or when corrections are made due to previous years' omissions.

D. Donated Personal Protective Equipment (PPE) - Unaudited

During the fiscal year ended March 31, 2021, the Authority received donated PPE with a fair market value of $325,000 at the time of receipt.

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
• Material weakness identified?	______	yes	X	no
• Significant deficiency(s) identified that are not considered to be material weaknesses?	______	yes	X	none reported
Noncompliance material to financial statements noted?	______	yes	X	no

Federal Awards

Internal control over major federal programs:				
• Material weakness identified?	______	yes	X	no
• Significant deficiency(s) identified that are not considered to be material weaknesses?	______	yes	X	none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance	______	yes	X	no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Department of Transportation: Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B Programs	$1,215,154			
Auditee qualified as low-risk auditee?	______	yes	X	no

State Awards

Internal control over major State programs:				
• Material weakness identified?	______	yes	X	no
• Significant deficiency(s) identified that are not considered to be material weaknesses?	______	yes	X	none reported
Type of auditor's report issued on compliance for major State programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act	______	yes	X	no

Identification of major State programs:

Program Name

State Aid to Airports Program

Section I. Financial Statement Findings
None

Section II. Federal and State Award Findings
None

Prior year audit findings:

2020-001 Accounts Payable Cut-off

Condition: Costs for certain construction services that occurred within 30 to 60 days prior to fiscal year-end were recorded in the fiscal year in which the vendor invoice was received rather than when the services were provided.

Status: This finding has been resolved.

Raleigh-Durham Airport Authority

Compliance Section Related to
Passenger Facility Charge Program

For the fiscal year ended March 31, 2021

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board Members and Management
of the Raleigh-Durham Airport Authority
RDU Airport, North Carolina

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 business-type activities of Raleigh-Durham Airport Authority (the Authority), as of and for the year ended March 31, 2021, 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 17, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Elliott Davis, PLLC

Raleigh, North Carolina
June 17, 2021

Independent Auditor's Report on Compliance for the Passenger Facility Charge Program and on Internal Control Over Compliance in Accordance with the Passenger Facility Charge Program Audit Guide

The Board Members and Management
of the Raleigh-Durham Airport Authority
RDU Airport, North Carolina

Report on Compliance for the Passenger Facility Charge Program

We have audited Raleigh-Durham Airport Authority (the Authority)'s compliance with the types of compliance requirements described in *the Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), that could have a direct and material effect on the Authority's passenger facilities charge program for the year ended March 31, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's passenger facility charge program based on our audit of the type of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Authority's passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the passenger facilities charge program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Passenger Facility Charge Program

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 passenger facilities charge program for the year ended March 31, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Authority's passenger facility charge program. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of the passenger facility charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Passenger Facility Charges

We have audited the financial statements of the Authority as of and for the years ended March 31, 2021 and have issued our report thereon date June 17, 2021. Our audit was performed for the purpose of forming an opinion on those financial statements as a whole. The accompanying schedule of passenger facility charges is presented for the purpose of additional analysis as specified by the Guide and is not a required part of the 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 the relation to the 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 *the Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.

Elliott Davis, PLLC

Raleigh, North Carolina
June 17, 2021

Raleigh-Durham Airport Authority

Schedule of Passenger Facility Charges

For the year ended March 31, 2021

	Beginning Net Program Activity	PFC Charges Received	Interest Earned	Total Received	Expenditures on Approved Projects	Ending Net Program Activity
06/30/2020		$1,555,381	$22,955	$1,578,336	$(10,000,000)	$(8,421,664)
09/30/2020		815,594	20,292	835,886	-	$835,886
12/31/2020		2,041,218	21,738	2,062,956	-	$2,062,956
03/31/2021		1,936,533	23,004	1,959,537	-	$1,959,537
Current year accrual		1,474,147	-	1,474,147	-	$1,474,147
Reversal of prior year accrual		(2,000,000)	-	(2,000,000)	-	$(2,000,000)
Fiscal year ending March 31, 2021	$ 33,121,904	$ 5,822,873	$ 87,989	$ 5,910,862	$ (10,000,000)	$ 29,032,766

Expenditures on Approved Projects

Project	Expenditures
02-002 Terminal C Renovation and Expansion	$ 10,000,000

Note 1 – Basis of presentation

The accompanying schedule of passenger facility charges is presented on the accrual basis of accounting. The information in this schedule if presented in accordance with the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Passenger facility charges collected represents cash collected through quarter end as reported to the FAA in accordance with 14 CFR Part 158.

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
• Material weakness identified?	____	yes	X	no
• Significant deficiency(s) identified that are not considered to be material weaknesses?	____	yes	X	none reported
Noncompliance material to financial statements noted?	____	yes	X	no

Passenger Facility Charge Program

Internal control over passenger facility charge program:				
• Material weakness identified?	____	yes	X	no
• Significant deficiency(s) identified that are not considered to be material weaknesses?	____	yes	X	none reported
Type of auditor's report issued on compliance for passenger facility charge program:	Unmodified			
Noncompliance material to passenger facility charge program	____	yes	X	no

Section I. Financial Statement Findings
None

Section II. Passenger facility charge findings and questioned costs
None

Summary of prior year audit findings:

2020-001 Accounts Payable Cut-off

Condition: Costs for certain construction services that occurred within 30 to 60 days prior to fiscal year-end were recorded in the fiscal year in which the vendor invoice was received rather than when the services were provided.

Status: This finding has been resolved.