

CAPITAL REGION AIRPORT COMMISSION | VIRGINIA

A long-term vision takes flight.

MOVING WITH PURPOSE

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

2025

YEARS ENDED JUNE 30, 2025 AND 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Years Ended
June 30, 2025 and 2024

CAPITAL REGION AIRPORT COMMISSION
Richmond International Airport
Virginia

Prepared by:

Finance Department

Basil O. Dosunmu, C.P.A., C.I.A., A.A.E.
Chief Financial Officer

Richard Greatti, MBA, C.M.
Director of Finance



RICHMOND
INTERNATIONAL AIRPORT.

Capital Region Airport Commission
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Years Ended June 30, 2025 and 2024

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INTRODUCTION

This section introduces members of the Commission and executive team, an organizational chart, graphs charting air cargo performance and enplanements performance, the GFOA Certificate of Achievement, and the letter of transmittal.

Capital Region Airport Commission
MEMBERS OF THE COMMISSION AND EXECUTIVE TEAM
June 30, 2025

OFFICERS

James M. Holland	Chairman
Charles S. Macfarlane	Vice Chairman
Susan P. Dibble	Secretary
Tyrone E. Nelson	Treasurer

COMMISSIONERS

BK Fulton	City of Richmond
Grant J. Heston	City of Richmond
Charles S. Macfarlane	City of Richmond
Stephanie A. Lynch	City of Richmond
Kevin P. Carroll	County of Chesterfield
James M. Holland	County of Chesterfield
Mark S. Miller Ph.D.	County of Chesterfield
Jessica L. Schneider	County of Chesterfield
Susan P. Dibble	County of Hanover
Wayne T. Hazzard	County of Hanover
Roscoe D. Cooper, III	County of Henrico
Tyrone E. Nelson	County of Henrico
Robert S. Ukrop	County of Henrico
Misty D. Roundtree	County of Henrico

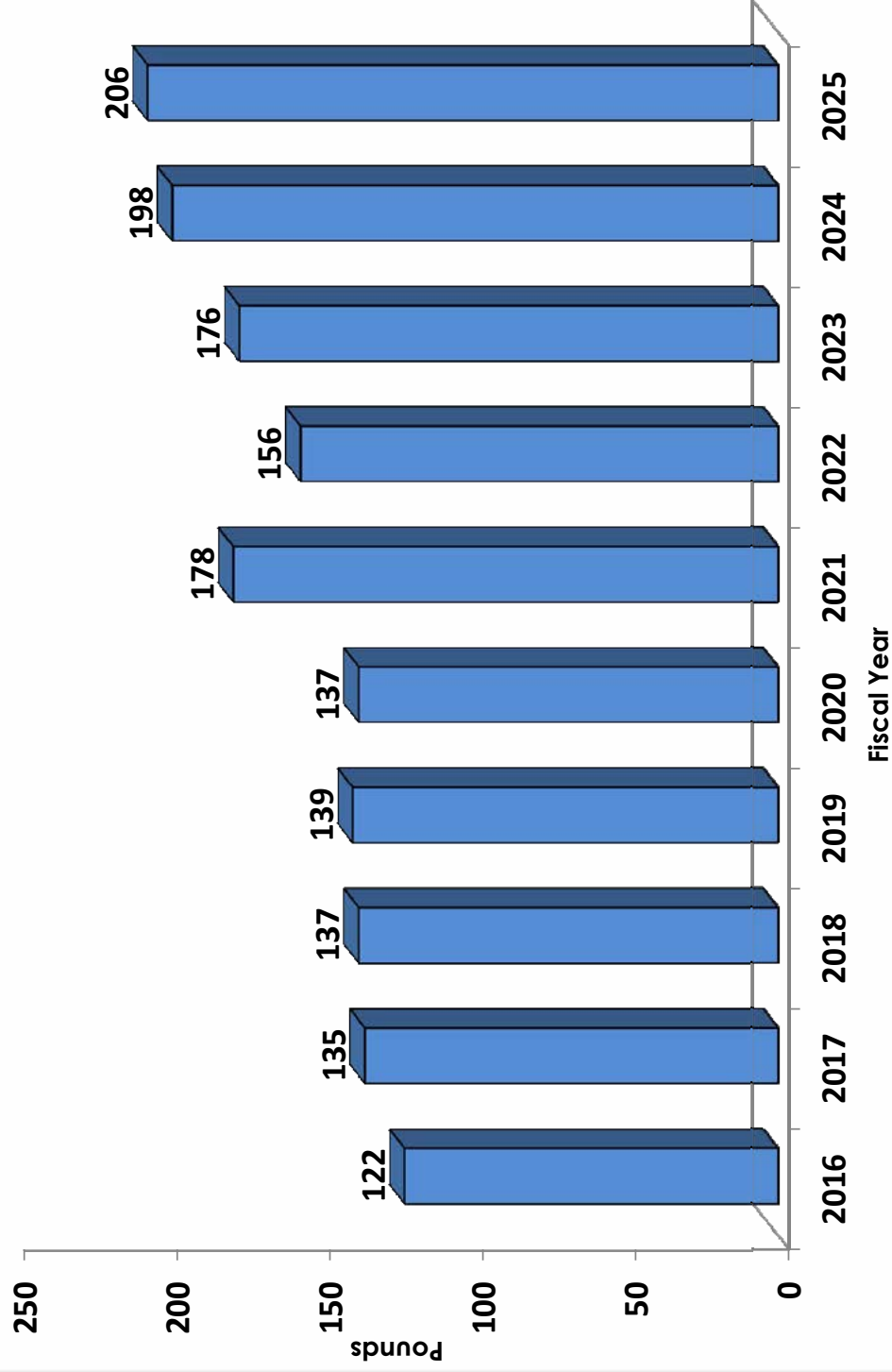
EXECUTIVE TEAM

Perry J. Miller, Ph.D., A.A.E., I.A.P.	President and Chief Executive Officer
John B. Rutledge, P.E, C.M.	Chief Operating Officer
Basil O. Dosunmu, C.P.A., C.I.A., A.A.E.	Chief Financial Officer
Uday Nethula, SHRM-CP, CEC, CDE®	Chief Human Resources Officer
Martin A. Rubinstein, MBA	Chief Growth Officer

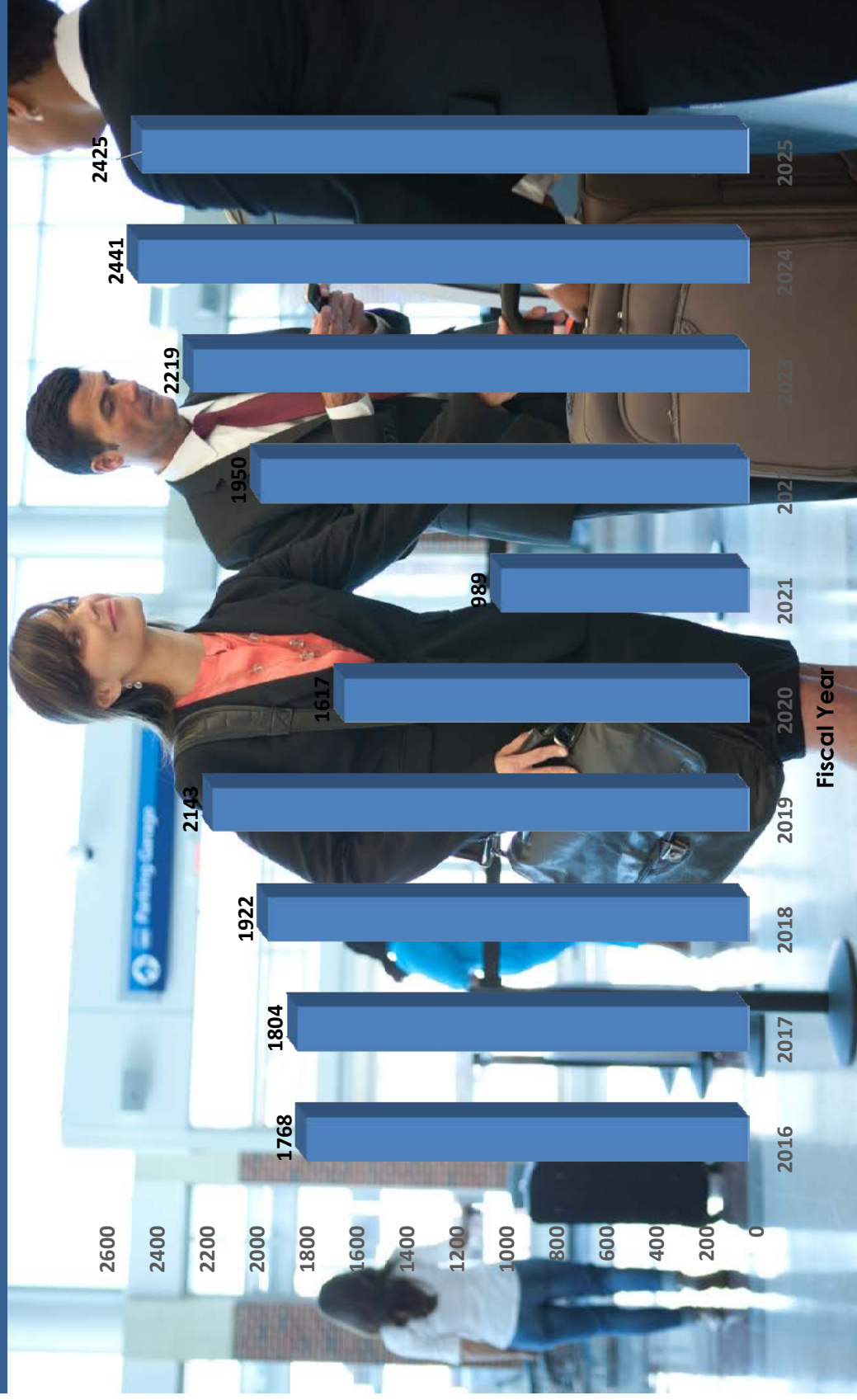
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Richmond International Airport
Air Cargo Performance
Fiscal Years 2015 – 2025
(in millions)



Richmond International Airport Enplaned Passenger Performance Fiscal Years 2015-2025 (in thousands)





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Capital Region Airport Commission
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

December 23, 2025

The Commissioners and Stakeholders
Capital Region Airport Commission
Richmond International Airport, Virginia

Members of the Commission and Stakeholders:

We are pleased to submit for your information the Annual Comprehensive Financial Report (ACFR) of the Capital Region Airport Commission (the "Commission"), for the fiscal year ended June 30, 2025, prepared by the Commission's Finance Department. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe the data, as presented, is accurate in all material respects; that it is reported in a manner designed to fairly set forth the financial position and results of the operations of the Commission and that all disclosures necessary to enable the reader to gain an understanding of the Commission's financial affairs have been included.

Management has provided a narrative introduction, overview, and analysis to accompany the financial statements which are included in the Management Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A which can be found in the Financial Section of this report.

ORGANIZATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Commission applies the Government Finance Officers Association (GFOA) recommended presentation in financial reporting.

THE COMMISSION

The Commission was created in 1975 as a political subdivision of the Commonwealth of Virginia by an Act of the Virginia General Assembly (the "Act") allowing the Commission to own and operate one or more airports to serve the Richmond metropolitan area. Under the Act, any of the city of Richmond (the "City") and the counties of Henrico, Charles City, Chesterfield, Goochland, Hanover, New Kent, Powhatan, and the Town of Ashland may join the Commission as a "participating political subdivision" subject to making a satisfactory capital contribution to the Commission. On January 1, 1976, the Commission assumed ownership and control of Richmond International Airport (the "Airport") from the City. The City and the county of Henrico became the first political subdivisions to participate in the Commission. Subsequently, the counties of Chesterfield and Hanover also became participants in the Commission. The current political subdivisions are the four most populous jurisdictions in the metropolitan area of Richmond.

According to the Act, the City and the counties of Chesterfield and Henrico may appoint four Commissioners to the Commission and the county of Hanover may appoint two Commissioners. The governing body of each jurisdiction appoints Commissioners to four-year terms; however, the governing bodies retain the right to remove a Commissioner at any time and appoint a successor. The Commissioners' responsibilities include approving capital and operating budgets, issuing bonds as needed, and administering, managing, and directing the activities of the Commission.

THE REPORTING ENTITY

Capital Region Airport Commission is an independent political subdivision where all fourteen board members are appointed by local governmental jurisdictions and is comprised of the City, and the counties of Chesterfield, Hanover and Henrico.

The Commission manages all the business activities of the Airport and produces the financial statements as well as being responsible for the Airport's capital improvements. The Commission currently is comprised of 21 departments: Utilities/Ground Maintenance, Electrical Maintenance, Building Maintenance, Baggage Handling Systems, Electronic Systems, Maintenance HVAC, Environmental Services, Equipment/Automotive Maintenance, Police and Communications, Aircraft Rescue and Fire Fighting (ARFF), Operations, Safety, Landside Operations, Finance and Procurement, Properties and Concessions, Capital Development, Information Systems, Executive Division, Human Capital, Marketing, and Customer Service Experience.

AIRPORT OPERATIONS

On October 15, 1927, Richard E. Byrd Airport, named after the Virginia explorer-aviator, Admiral Richard Evelyn Byrd, was dedicated. Present at the opening ceremony was Col. Charles Lindbergh and his famous aircraft, The Spirit of St. Louis. The Airport's construction was initiated earlier as the city purchased 100 acres of land for \$30,000 and leased 300 more. Presently the Airport owns 3,078 acres.

Today the Airport is called Richmond International Airport (RIC). The Airport has evolved into one of the most modern and well-equipped airports in the eastern United States. The Airport is currently served by nine major airlines, ten regional carriers, and occasional charter operations which serve the needs of the area's citizens with about 150 daily flights. The community's air cargo needs are met by four all-cargo carriers; two fixed base operators on the grounds offer fuel and maintenance services for corporate aircraft and the Airport has been designated as Foreign- Trade Zone #207 with the Commission serving as grantee. The total enplaned passengers in fiscal year 2025 (FY25) was 2.43 million which was a -0.7% decrease from the fiscal year 2024 (FY24) level of 2.44 million enplanements. The decrease in enplanements was due to consumer and business uncertainty, a decrease in international traveler volume, and reduced capacity in some price-sensitive leisure markets. The Airport also handled 206 million pounds of cargo in FY25, an annual record for RIC.

The Airport also handled 198 million pounds of cargo in FY24, an annual record for RIC.

According to the most recent evaluation by the Virginia Department of Aviation, the Airport is an economic engine with activity generating an impact of about \$2.1 billion annually and approximately 16,000 jobs across the Richmond region, including about 2,500 direct jobs at the facility.

ECONOMIC CONDITIONS

The Airport is conveniently located approximately seven miles from the City's central business district, providing air service to 4.89 million passengers this fiscal year. The Airport is geographically located within 750 miles of approximately 60% of the nation's population.

The 2025 FAA terminal area forecast (TAF) calls for RIC enplanements growth over the next ten years to increase by over 21%. The FAA expects U.S. carriers to remain profitable over the next few years as rising demand – despite higher fares – more than offsets higher costs for labor and fuel. As carriers continue to moderate capacity growth, pay down debt, innovate their products and maintain pricing power, consistent profitability should emerge. Over the long term, they see a competitive and profitable aviation industry characterized by increasing demand for air travel and airfares growing more slowly than overall inflation, reflecting growing U.S. and global economies.

https://www.faa.gov/data_research/aviation/aerospace_forecasts

In FY25, the Airport experienced a slight decrease (-0.6%) in passenger traffic, largely due to consumer and business uncertainty particularly during the period of February 2025 through May 2025, a decrease in international traveler volume (a portion of RIC's customer base is travelers using the airport as a domestic portion of an international journey) and reduced capacity in some price-sensitive leisure markets due to service reductions by Spirit as it exited bankruptcy and Allegiant as it retreated from expanded competition in some markets. Traffic began to see stabilization and growth at the end of the fiscal year with multiple factors contributing:

- new routes included two from Breeze, Sarasota/Bradenton (SRQ – seasonal) and New Haven (HVN) plus RIC's first international route in more than a decade: Hamilton, Bermuda (BDA), with BermudAir.
- As FY25 wrapped up, the airport received FY26 service notifications from Breeze for Palm Beach (PBI, starting in September) and from new entrant Frontier as it announced Richmond-Atlanta and Richmond-Denver service, both to begin in October.
- For the fifth consecutive year, the Capital Region Airport Commission earned Great Place to Work Certification™. This prestigious award is based entirely on what current employees say about their experience working at Capital Region Airport Commission. Great Place to Work® is the global authority on workplace culture, employee experience, and leadership behaviors proven to deliver market-leading revenue, employee retention and increased innovation. In 2025, 85 percent of Commission employees said Richmond International Airport (RIC) was a great place to work.
- Also, for the sixth consecutive year, the Airport earned GBAC® STAR Facility accreditation from the Global Biorisk Advisory Council. GBAC® STAR is an important indicator of a facility's thoroughness with cleaning, disinfection, and prevention, demonstrating a commitment to maintaining a safe and healthy environment. In 2021, RIC was the first airport in Virginia to earn GBAC® STAR accreditation and one of the first 30 in the U.S. to be accredited.
- The Small Community Air Service Development Grant (SCASDP) awarded to the airport by the U.S. Department of Transportation support service between Richmond and Seattle remains available and the Commission has been actively engaging airlines that could offer this route.
- Additional community accolades may be found on the websites of [Chamber RVA](#), the [Greater Richmond Partnership](#), and [Richmond Region Tourism](#), among others.

DEMOGRAPHICS AND EMPLOYMENT

The population of the Richmond-Petersburg MSA (2003 definition) is roughly 1.4 million according to a U.S. Census Bureau report and, as noted earlier, continues to report steady population growth. The median household income across the Richmond metro area rose 3.6% between 2022 and 2023, per new Census Bureau data. Richmond-area median income was \$84,332 in 2023, compared with \$81,388 in 2022, adjusted for inflation.

The Richmond Metro area's unemployment rate was 3.7% in June 2025, higher than the 3.1% reported in June 2024; for the U.S., unemployment was 4.1% in June 2025 and 4.1% in June 2024 per the U.S. Bureau of Labor Statistics.

Twelve Richmond region enterprises are Fortune 1000 companies, including seven ranked among the Fortune 500:

Performance Food Group	\$54,681M	CarMax	\$28,213M
Altria Group	\$20,444M	Markel	\$16,621M
Dominion Energy	\$16,070M	Owens & Minor	\$10,701M
ARKO Corporation	\$ 7,571M		

Greater Richmond Fortune 1000 companies:

Genworth Financial	\$7,295M	Brinks	\$5,012M
ASGN Inc	\$4,100M	NewMarket	\$2,787M
Universal	\$2,749M		

COMMISSION WEBSITE

The Commission has a website that offers a wide variety of current information to users, including financial information and operational statistics. Users have the capability to access the airlines serving the Airport, flight arrival and departure information, and download flight schedules directly onto their smart phones along with information about ground transportation, parking, and maps.

In recent years, the Commission has introduced real-time data for TSA screening wait times (each concourse, regular and PreCheck), and parking space availability data. Further enhancements are planned with a redeveloped flyrichmond.com website expected to arrive in an update scheduled for fiscal year 2026.

The Commission's Annual Comprehensive Financial Report (ACFR) is posted on the website. The web address is www.flyrichmond.com.

FINANCIAL INFORMATION

The Commission's management is responsible for establishing and maintaining internal controls sufficient to ensure safeguarding of Commission assets. In developing and evaluating the Commission's accounting system, consideration is given to the adequacy of internal controls.

Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of cost and benefits requires estimates and judgments by management.

FINANCIAL INFORMATION (continued)

All internal control evaluations occur within the above framework. We believe that the Commission's internal controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

In addition to the internal controls described above, budgetary controls are also established to ensure compliance with annual operating and capital budgets approved by the Commission. Monthly reports containing comparisons between actual and budget and current and prior year amounts are prepared and presented to the Commission. The Commission approves significant capital budget adjustments.

FINANCIAL HIGHLIGHTS

In fiscal year 2025, the Airport experienced a similar number of passenger enplanements when compared to fiscal year 2024, resulting in total fiscal year 2025 enplanements of 2.42 million. The slight decline in passenger traffic was mirrored in the Commission's parking and concession revenues, decreasing by approximately (0.7%).

The Commission adopted the fiscal year 2026 budget which includes \$72.9 million in operating revenue a 3.3% increase compared to fiscal year 2025 actual revenues of \$70.6 million. The Commission's budgeted operating expenses for fiscal year 2026 are \$ 47.7 million, a 15.7% increase when compared to fiscal year 2025 actual expenses of \$41.2 million. The Commission continues to evaluate the impact that any potential economic headwinds will have on the fiscal year 2026 passenger traffic and will adjust the fiscal year 2026 budget plan as required.

INDEPENDENT AUDIT

The Commission's enabling legislation requires an annual audit of its financial statements by independent certified public accountants that are selected by the Commission. This requirement has been met and the auditors' opinion is included in the Financial Section of this report. In addition, the annual audit complied with the requirements of the U.S. Office of Management and Budget Uniform Guidance and the applicable reports are included in the Compliance Section.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Capital Region Airport Commission for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the thirty-fifth consecutive year that the Commission has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

The preparation of the annual comprehensive financial report on a timely and efficient basis is achieved by the efficient and dedicated services contributed by the entire Finance department staff. We wish to express our appreciation for their continuing efforts in maintaining the highest standards for managing the financial operations of the Commission. We would also like to express our appreciation to all the members of the Commission, which includes the Commissioners, for their continued support and guidance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Perry J. Miller". The signature is fluid and cursive, with a long horizontal stroke at the end.

Perry J. Miller, Ph.D., A.A.E., I.A.P.
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Basil O. Dosunmu". The signature is cursive and somewhat stylized, with a large initial "B".

Basil O. Dosunmu, C.P.A., C.I.A., A.A.E.
Chief Financial Officer

FINANCIAL SECTION

Report of the independent auditor, management's discussion and analysis, financial statements, and required and supplemental information.



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities Capital Region Airport Commission, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Capital Region Airport Commission, as of June 30, 2025 and 2024, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Capital Region Airport Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Note 18 to the financial statements, in 2025, the Commission adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 18 to the financial statements, in 2025, the Commission restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Capital Region Airport Commission's basic financial statements. The accompanying supplemental information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplemental information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of Capital Region Airport Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Capital Region Airport Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital Region Airport Commission's internal control over financial reporting and compliance.



Charlottesville, Virginia
December 23, 2025

MANAGEMENT'S DISCUSSION & ANALYSIS

Provides an introduction and overview
to the financial statement package.

**Capital Region Airport Commission
Management's Discussion and Analysis
June 30, 2025 and 2024**

The Capital Region Airport Commission's ("Commission") Management's Discussion and Analysis ("MD&A") section provides a review of the key financial events and items impacting Richmond International Airport's (the "Airport") operations and financial statements. This discussion and analysis provides an overall view of how the Airport deals with both current and future conditions.

The preparation of this report was performed by the Commission's management team and we recommend that the Management Discussion and Analysis be read in conjunction with the Commission's financial statements and the supplemental schedules included in the financial report. Following this MD&A are the basic financial statements of the Commission together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

The Commission's financial statements are prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP") applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (the "GASB"). The financial statements are prepared on the accrual basis, recognizing revenue when earned and expenses when incurred, and include all the business activities of the Airport. Assets are designated as restricted and unrestricted in accordance with indentures and other agreements. See notes to financial statements for a summary of significant accounting policies.

The Commission's operations are self-supported using aircraft apron fees, landing fees, fees from the terminal and other rental as well as revenues from concession and non-aviation revenues such as parking and food establishments to fund operating expenses. The Commission is not taxpayer funded. The capital program is funded by bonds, federal and state grants, customer and passenger facility charges and net remaining revenue after operating and debt service costs.

The Commission's fiscal year is from July 1 to June 30. The following MD&A of the Commission's financial performance is for the years ended June 30, 2025, and 2024. Information for the preceding fiscal year ended June 30, 2023, has been included to provide a better insight into the overall financial performance of the Commission. All dollar amounts are provided in thousands.

COMMISSION ACTIVITIES & HIGHLIGHTS

The Airport experienced a slight decrease in passenger traffic in fiscal year 2025 when compared to fiscal year 2024. The number of enplaned passengers was (0.7%) lower than in fiscal year 2024. The decrease from fiscal year 2024 is primarily driven by consumer uncertainty and international visitor loss due to market adjustments to new federal trade policies.

Passenger airline landed weights decreased by (1.0%) in fiscal year 2025 from the prior year; cargo airline landed weight increased by 5.4% from the prior year. The decrease in passenger landed weights is mainly attributed to a modest remix of aircraft gauges serving the airport. FedEx, UPS, and Air Transport International continued to represent most of the cargo landed weights in fiscal year 2025. Aircraft operations represent landings and takeoffs for air carriers (passenger and cargo), air taxi and commuter, general aviation, and military operations. This activity increased 1.5% over the prior fiscal year primarily attributable to an increase in in cargo activity and gauge mix optimization by passenger carriers.

**Capital Region Airport Commission
Management's Discussion and Analysis (Continued)
June 30, 2025 and 2024**

COMMISSION ACTIVITIES & HIGHLIGHTS (continued)

The Commission ended fiscal year 2025 with a 6.4% increase in revenues when compared to the 2025 approved budgeted revenues and a 3.2% increase when compared to fiscal year 2024 revenues. This was primarily due to a 12.5% increase in concession revenue when compared to the 2025 budgeted concession revenue and a 4.1% increase in parking revenue when compared to the 2025 budgeted parking revenue. Concession revenue decreased (4.2%) when compared to fiscal year 2024 concession revenue, and parking revenue increased 1.5% when compared to fiscal year 2024 parking revenue. The increase in concession revenue versus budget is primarily due to improved profit sharing revenues in retail sales and rental car which is an increase of 45.5% and 9.7%. The increase in parking revenue is attributed to higher utilization of premium parking options and increased length of stay.

The Commission's revenues are derived primarily from airline rates and charges for the use of the Airport's facilities in the form of landing fees, terminal rents, and apron fees received from airlines using the airport; concession fees from the vendors serving the passengers including food, retail and rental cars; public parking fees including surface and garage parking; and fixed based operator activities from general aviation activities. The average monthly enplaned passengers were 202,048 in fiscal year 2025, 203,376 in fiscal year 2024 and 184,936 in fiscal year 2023. Despite the decrease in passengers, when compared to fiscal year 2024, the Commission's main revenue stream, parking, experienced 1.5% growth as a result of an increase in premium product utilization and a 2.7% increase in average length of stay.

Aircraft operations increased to 105 thousand, a 1.5% increase when compared to fiscal year 2024 operations of 103 thousand which was a (1.1%) decrease when compared to FY 2023. Aircraft operations are comprised of air carriers, the military, air taxi, and general aviation.

Cargo landed weight in 1,000-pound units increased by 28.6% in fiscal year 2025 to 904 million pounds compared to fiscal year 2024, increased by 7.4% in fiscal year 2024 to 703 million pounds compared to fiscal year 2023, and remained the same in fiscal year 2023 at 652 million pounds compared to fiscal year 2022.

The Airport's parking revenue increased 1.5% in fiscal year 2025 when compared to fiscal year 2024 and increased 10.4% in fiscal year 2024 when compared to fiscal year 2023. Parking revenue increased driven by higher utilization of premium parking options and increased length of stay. Parking revenue per enplaned passenger increased 3.9% when compared to fiscal year 2024 parking revenue per enplaned passenger. Parking rates were essentially the same as fiscal year 2024.

Capital Region Airport Commission
Management's Discussion and Analysis (Continued)
June 30, 2025 and 2024

COMMISSION ACTIVITIES & HIGHLIGHTS (continued)

The parking revenue accounted for 43.3% of the Airport's operating revenue in fiscal year 2025 compared to 44.1% in fiscal year 2024 and 44.2% in fiscal year 2023. Parking revenue is the airport's largest source of operating income, and because it is expected to fund most upcoming upgrades and operational needs, the Commission approved its first parking rate increase in roughly 22 years, effective in FY26. This increase did not impact FY25 financial results.

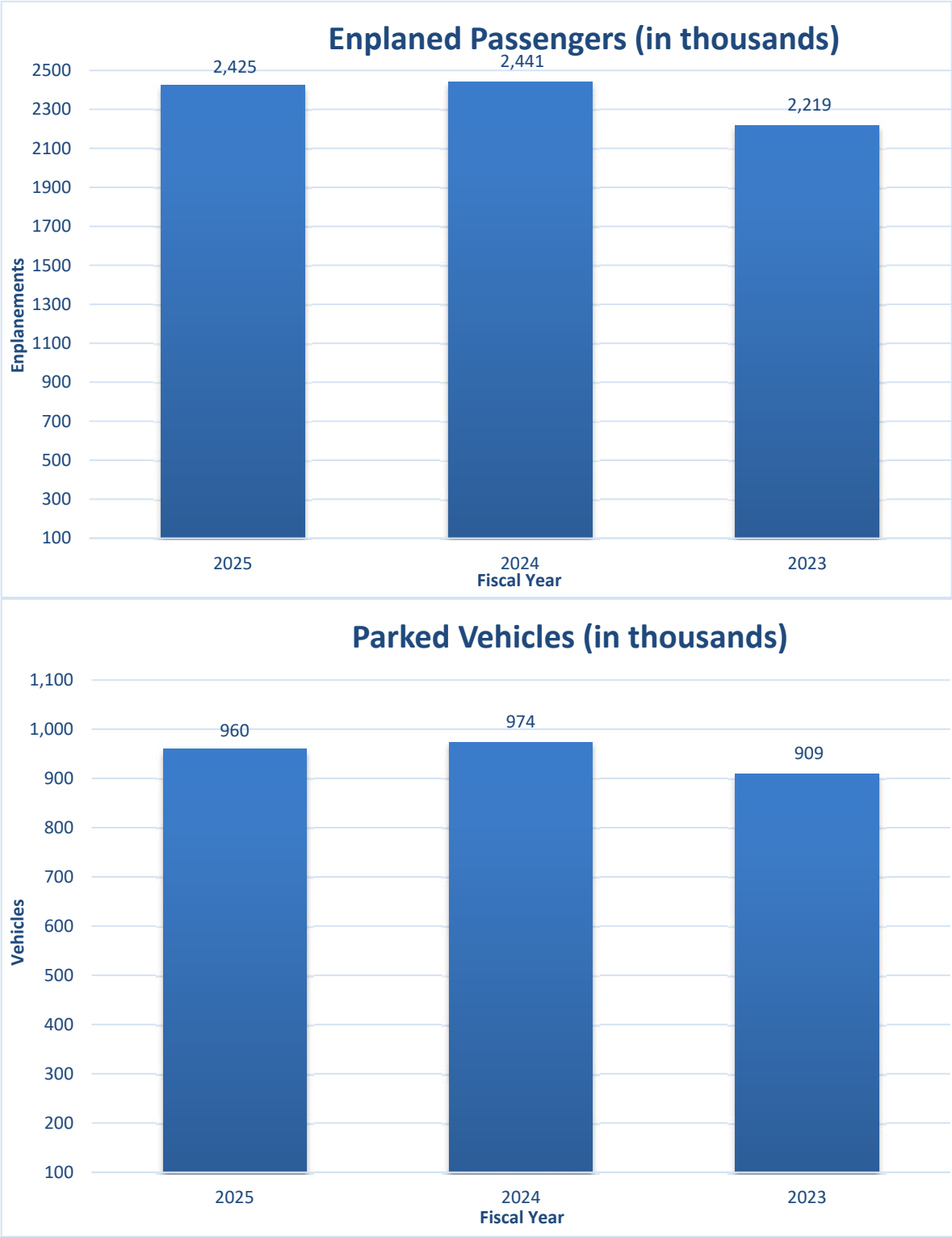
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Parking Revenue per Enplanement	\$12.62	\$12.36	\$12.31
Percent Increase (Decrease)	2.1	0.4	7.0

As of June 30, 2025, the Airport is served by ten airlines and their regional affiliates offering about 150 daily flights between Richmond and 38 nonstop (year-round and seasonal) destinations. RIC reported 4.85 million passengers in fiscal year 2025.

	FY 2025	FY 2024	FY 2023
Enplanements	2,425	2,441	2,219
% increase / (decrease)	(0.7%)	10.0%	13.8%
Aircraft Operations (total take-offs and landings)	105	103	104
% increase / (decrease)	1.9%	(1.1%)	9.5%
Airline's Landed Weight (1,000 pound units)	2,800	2,827	2,605
% increase / (decrease)	(1.0%)	8.5%	14.0%
Air Cargo Carrier Activity (pounds)	205,699	198,098	176,124
% increase / (decrease)	3.8%	12.5%	0.1
Parked Vehicles	960	974	909
% increase / (decrease)	(1.4%)	7.2%	18.2%

Note: The numbers presented above are in thousands.

COMMISSION ACTIVITIES & HIGHLIGHTS (continued)



Capital Region Airport Commission
Management's Discussion and Analysis (Continued)
June 30, 2025 and 2024

COMMISSION ACTIVITIES & HIGHLIGHTS (continued)

The below selected financial data comparison represents the Commission's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2025, 2024, and 2023.

SELECTED FINANCIAL DATA
(in thousands)

	FY 2025	FY 2024	FY 2023
Assets			
Unrestricted current	\$ 77,827	\$ 62,289	\$ 61,587
Restricted current	197,232	160,665	122,886
Other noncurrent assets	39,023	11,599	11,481
Capital assets, net	425,637	422,907	432,983
Total assets	739,719	657,460	628,937
Deferred outflows of resources	6,197	5,567	6,315
Liabilities			
Current unrestricted	3,696	3,562	2,823
Current restricted	11,087	10,750	9,987
Long-term debt, net of current maturities	63,532	37,984	44,429
Subscription Liability, net of current	-	59	93
Net Pension Liability	1,330	948	1,033
Net OPEB Liabilities	1,749	1,865	1,783
Total liabilities	81,394	55,168	60,148
Deferred inflows of resources	47,361	19,418	20,203
Net position			
Net investment in capital assets	359,758	383,483	388,480
Restricted	186,504	150,141	114,712
Unrestricted	70,899	54,817	51,537
Total net position	\$ 617,161	\$ 588,441	\$ 554,729

The Commission experienced an increase in total assets of approximately \$82.2 million or 12.5% during fiscal year 2025 when compared to fiscal year 2024 and a \$28.5 million or 4.5% increase during fiscal year 2024 when compared to fiscal year 2023. The increase in fiscal year 2025 can be attributed primarily to a \$36.6 million increase in restricted cash and cash equivalents, a \$27.4 million increase in lease receivable and a \$15.5 million increase in unrestricted cash and cash equivalents.

Total liabilities increased \$26.2 million or 47.5% in fiscal year 2025 when compared to fiscal year 2024 and decreased (\$5.0) million or (8.3%) in fiscal year 2024 when compared to fiscal year 2023. In fiscal year 2025, this change is primarily attributable to a \$27.4 million increase in deferred inflow related to leases and a \$25.5 million increase in long term debt, net of current maturities when compared to fiscal year 2024.

Capital Region Airport Commission
Management's Discussion and Analysis (Continued)
June 30, 2025 and 2024

COMMISSION ACTIVITIES & HIGHLIGHTS (continued)

The increase in net financial position for fiscal year 2025 was \$28.7 million when compared to fiscal year 2024. Net financial position increased \$33.7 million in fiscal year 2024 and increased \$40.8 million in fiscal year 2023. Fiscal year 2025 resulted in a gain from operations of \$2.4 million, a decrease of (\$1.2) million versus the prior year. The decrease is primarily attributed to \$2.2 million growth in operating revenue versus the prior year offset by a \$5.5 million increase in operating expenses. In fiscal year 2024, the increase is primarily attributed to \$6.6 million growth in operating revenue versus the prior year offset by a \$4.4 million increase in operating expenses. Net nonoperating income for fiscal year 2025 reflected an increase in net revenues of \$0.6 million relative to fiscal year 2024. This is attributed to an \$0.9 million increase in interest income, partially offset by an (\$0.2) million decrease in customer facility charges. Net nonoperating income for fiscal year 2024 reflected an decrease in net revenues of (\$9.5) million relative to fiscal year 2023. This is attributed to a decrease of (\$15.9) million in federal grant revenue offset by an increase of \$794 thousand in PFC revenue and \$136 thousand increase in CFC revenue and a \$4.0 million increase in interest income.

Capital contributions decreased to \$6.6 million in fiscal year 2025, a \$4.3 million or (39.8%) decrease when compared to fiscal year 2024. Capital contributions decreased to \$10.9 million in fiscal year 2024, a (\$276) thousand or (2.5%) decrease when compared to fiscal year 2023.

The below chart shows revenues, expenses, and the change in net position for the three years ended June 30, 2025, 2024, and 2023.

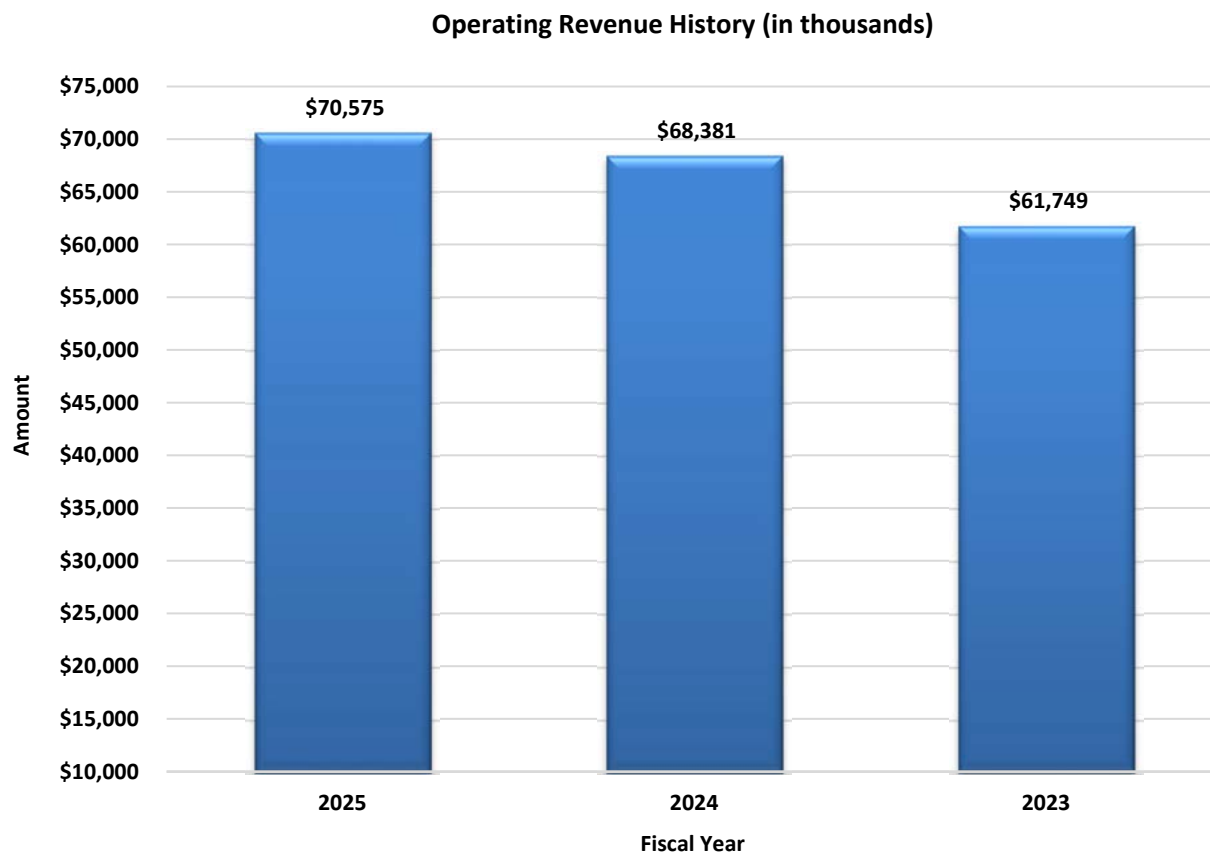
	FY 2025	FY 2024	FY 2023
Operating revenues	\$ 70,575	\$ 68,381	\$ 61,749
Operating expenses	41,091	35,590	31,197
Operating income before depreciation	29,484	32,791	30,552
Depreciation and Amortization	27,054	29,149	29,353
Operating income (loss)	2,430	3,642	1,199
Nonoperating income, net	19,728	19,126	28,622
Income (loss) before capital contributions	22,158	22,768	29,821
Capital contributions	6,562	10,902	11,178
Change in net position	28,720	33,670	40,999
Beginning net position	588,441	554,729	513,902
Effect of accounting change	-	42	(172)
Ending net position	\$ 617,161	\$ 588,441	\$ 554,729

Operating income before depreciation for fiscal year 2025 decreased by \$3.3 million or (10.1%) compared to fiscal year 2024, fiscal year 2024 operating income before depreciation increased by \$2.2 million or 7.3% compared to fiscal year 2023. Depreciation and amortization expense decreased by (7.2%) between fiscal year 2025 and 2024 and decreased by (0.7%) between fiscal year 2024 and 2023. The weighted average yield on investments was approximately 3.72% for fiscal year 2025, 0.95% for fiscal year 2024, and 0.01% for fiscal year 2023.

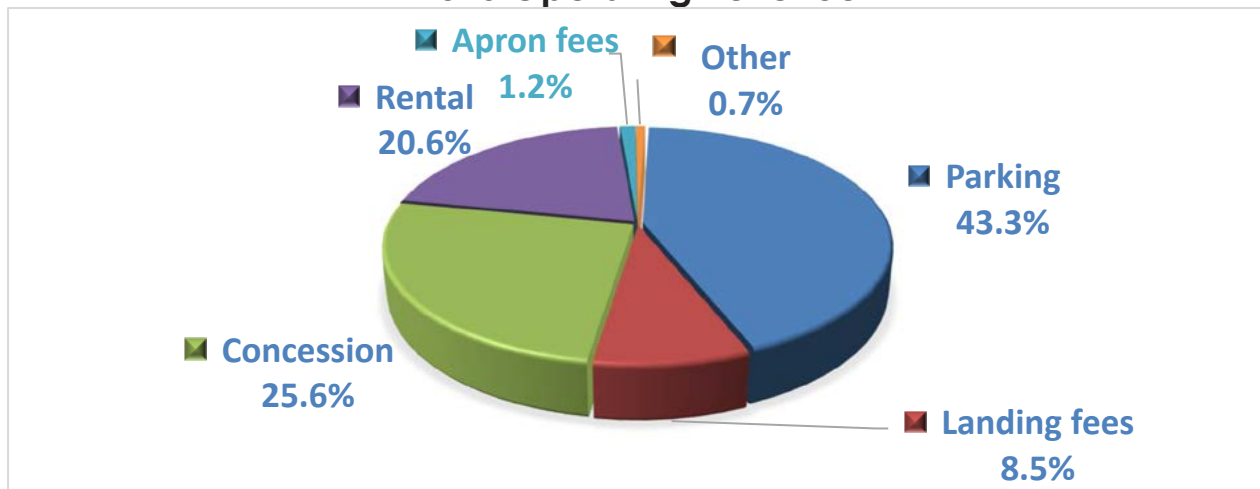
**Capital Region Airport Commission
Management's Discussion and Analysis (Continued)
June 30, 2025 and 2024**

REVENUES

The following graphs illustrate the operating revenues for the three fiscal years ended June 30, 2025, 2024, and 2023 and main sources of revenues for the Airport and each source's percentage of total operating revenues for the fiscal year ended June 30, 2025.



2025 Operating Revenue



Parking revenues at the Airport for fiscal year 2025 were \$30.6 million, which represented a 1.5% increase compared to fiscal year 2024; parking revenues for fiscal year 2024 were \$30.2 million, which represented a 10.4% increase compared to fiscal year 2023. The increase in parking revenue in fiscal year 2025 is attributed to increases in premium product utilization and average length of stay. Concession revenues for fiscal year 2025 were \$18.1 million which represents a (4.2%) decrease when compared to fiscal year 2024 concession revenue. Concession revenues for fiscal year 2024 were \$18.9 million which represents a 9.8% increase when compared to fiscal year 2023 concession revenue.

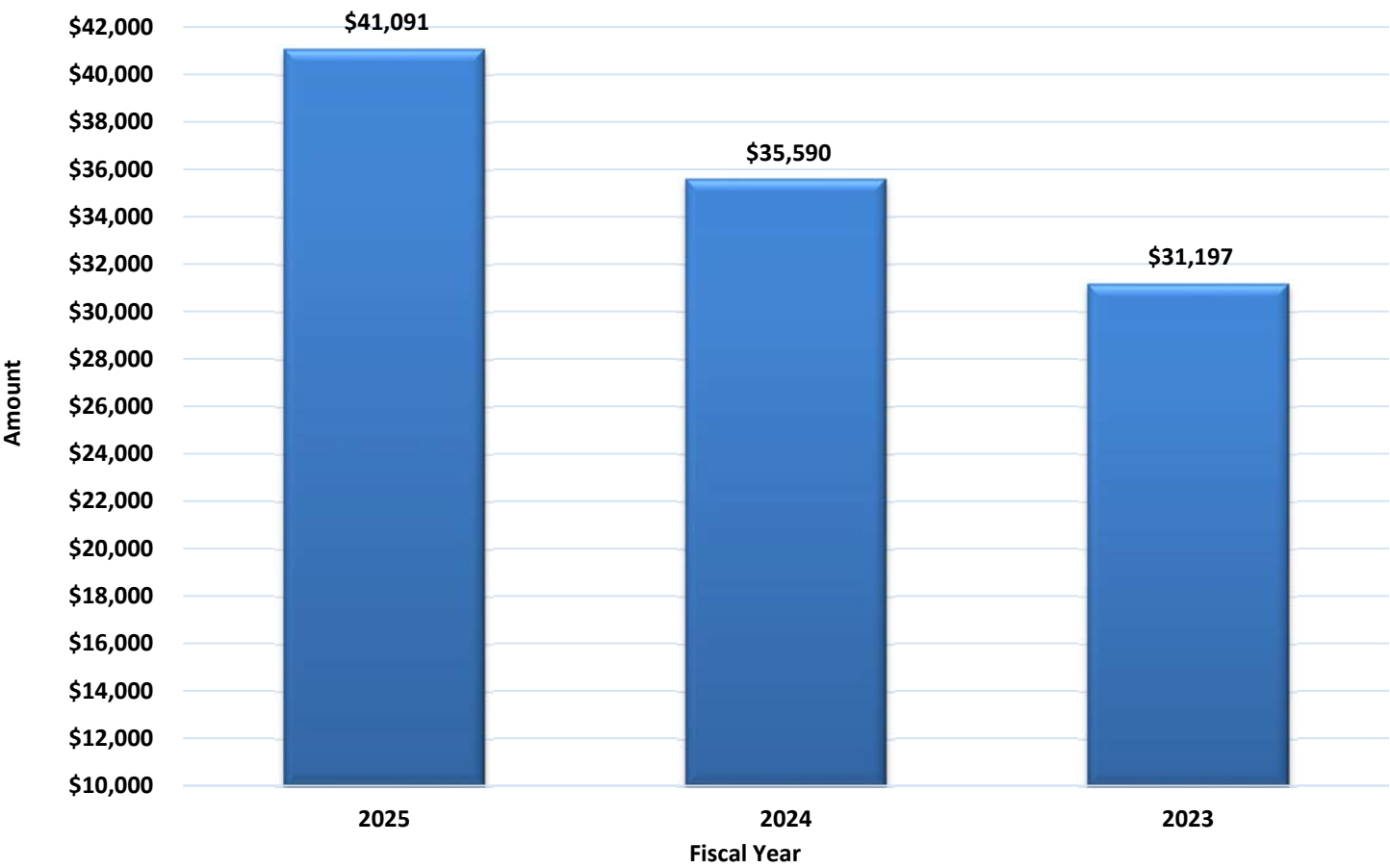
Below is a summary of revenues and nonoperating income stated in thousands, for the three fiscal years ended June 30, 2025, 2024, and 2023:

	FY 2025	FY 2024	FY 2023
Operating Revenues			
Parking	\$ 30,589	\$ 30,157	\$ 27,317
Landing fees	6,027	5,141	4,386
Concession	18,099	18,884	17,196
Rental	14,512	13,123	12,089
Apron fees	857	782	328
Other	491	294	433
Total Operating	<u>70,575</u>	<u>68,381</u>	<u>61,749</u>
Nonoperating Income			
Interest income	8,490	7,586	3,589
Federal grant revenue	-	-	15,876
Passenger Facility Charges	9,802	10,023	9,229
Customer Facility Charges	2,673	2,820	2,684
Total nonoperating	<u>20,965</u>	<u>20,429</u>	<u>31,378</u>
Total	<u>\$ 91,540</u>	<u>\$ 88,810</u>	<u>\$ 93,127</u>

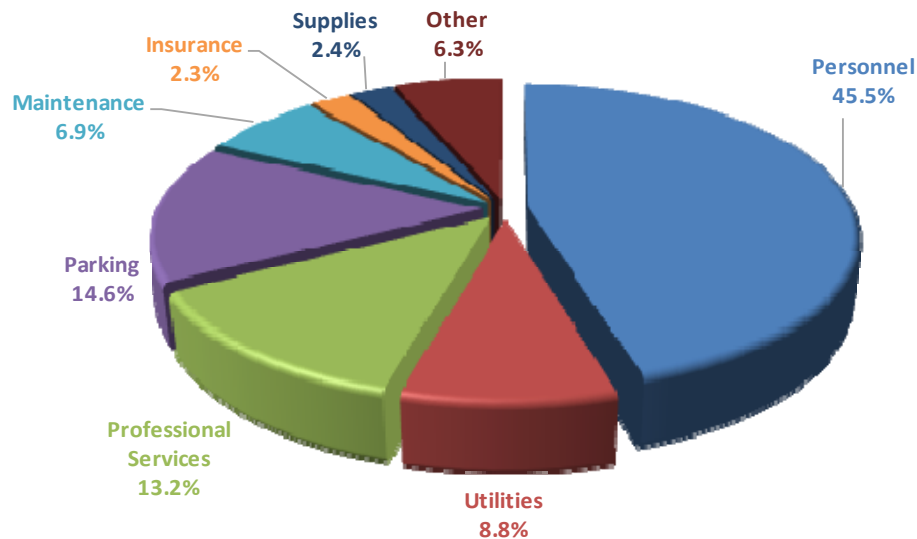
EXPENSES

The following graphs illustrate operating expenses for the three fiscal years ended June 30, 2025, 2024, and 2023 and main sources of expenses for the Airport and each source's percentage of total operating expense for the fiscal year ended June 30, 2025.

Operating Expense History (in thousands)



2025 Operating Expenses



Operating expenses, exclusive of depreciation, totaled \$41.1 million for fiscal year 2025, \$35.6 million for fiscal year 2024 and \$31.3 million for fiscal year 2023. The largest expense category for fiscal year 2025 was personnel expense, which increased by \$2.9 million when compared to fiscal year 2024. Fiscal year 2024 personnel expense increased by \$1.4 million when compared to fiscal year 2023. Parking expense increased by \$325 thousand or 5.7% when compared to fiscal year 2024 parking expense. Fiscal year 2024 parking expense increased by \$665 thousand or 13.3% when compared to fiscal year 2023 parking expense. The increase in parking expense in fiscal year 2025 was primarily due to higher utilization and shuttle operations related to economy lots.

Below is a summary of expenses stated in thousands, for the three fiscal years ended June 30, 2025, 2024, and 2023:

	FY 2025	FY 2024	FY 2023
Operating Expenses			
Personnel	\$ 18,692	\$ 15,818	\$ 14,465
Utilities	3,620	3,371	3,438
Professional services	5,409	4,808	3,644
Parking	5,994	5,670	5,004
Maintenance	2,846	2,806	2,277
Insurance	962	880	869
Supplies	979	982	929
Other	2,589	1,254	742
Total Operating	<u>41,091</u>	<u>35,589</u>	<u>31,368</u>
Depreciation and Amortization	<u>27,054</u>	<u>29,149</u>	<u>29,353</u>
Nonoperating Expense			
Interest expense	1,260	1,453	1,668
Other, net	1,991	126	59
Airline rates and charges adjustment	-	-	1,029
Total nonoperating	<u>3,251</u>	<u>1,579</u>	<u>2,756</u>
Total	<u>\$ 71,396</u>	<u>\$ 66,317</u>	<u>\$ 63,477</u>

Capital Region Airport Commission
Management's Discussion and Analysis (Continued)
June 30, 2025 and 2024

CASH FLOW ACTIVITIES

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

	FY 2025	FY 2024	FY 2023
Cash flows provided by operating activities	\$ 31,599	\$ 30,362	\$ 28,322
Cash flows provided by investing activities	7,929	7,153	2,954
Cash flows provided by noncapital financing activities	298	(212)	14,832
Cash flows used in capital and related financing activities	<u>12,491</u>	<u>(4,399)</u>	<u>(5,172)</u>
Net (decrease) increase in cash and cash equivalents	52,317	32,905	40,937
Cash and cash equivalents			
Beginning of year	<u>199,000</u>	<u>166,095</u>	<u>125,158</u>
End of year	\$ 251,317	\$ 199,000	\$ 166,095

Cash flow from operating activities for 2025 increased by \$1.2 million or 4.1% compared to fiscal year 2024. Cash flow from operating activities for 2024 increased by \$2.0 million or 7.2% compared to fiscal year 2023. In fiscal year 2025, the change is primarily due to a \$4.5 million increase in cash received from operations offset by a \$2.6 million increase in cash paid to employees and a \$0.7 million increase in cash paid to suppliers when compared to fiscal year 2024. Cash flow from noncapital financing activities for 2025 increased by \$0.5 million when compared to fiscal year 2024.

Cash and cash equivalents for fiscal year 2025 amounted to \$251.3 million representing a \$52.3 million increase from fiscal year 2024. Cash and cash equivalents for fiscal year 2024 amounted to \$199.0 million representing a \$32.9 million increase when compared to fiscal year 2023. The increase in cash and cash equivalents in fiscal year 2025 when compared to fiscal year 2024 is primarily attributed to the \$2.2 million increase in operating revenue compared to fiscal year 2024 along with the \$2.9 million increase in nonoperating income when compared to fiscal year 2024 nonoperating income.

AIRLINE RATES AND CHARGES

The 5-year extension of the airline operating and terminal building agreement between the Commission and certain airlines was effective on July 1, 2022. This agreement establishes the methods to be used in determining airline rates and charges at the Airport. The Commission has a non signatory fee policy that adds a 15% surcharge to the signatory landing fee.

**Capital Region Airport Commission
Management's Discussion and Analysis (Continued)
June 30, 2025 and 2024**

AIRLINE RATES AND CHARGES (continued)

Rental fees increased from fiscal year 2024 to 2025 in the amount of \$1.4 million and increased from fiscal year 2023 to 2024 in the amount of \$1.0 million. The increase in fiscal year 2025 when compared to fiscal year 2024 is primarily attributed to a \$1.3 million increase related to terminal building rental income. The apron fees increased \$75 thousand from fiscal year 2024 to 2025 and increased \$455 thousand from fiscal year 2023 to 2024. Rates and charges for the signatory airlines were as follows:

Signatory Airline Rates and Charges	Rate Effective FY 2025	Rate Effective FY 2024	Rate Effective FY 2023
Apron fees (square foot)	\$ 1.31	\$ 1.48	\$ 1.15
Landing fees (1,000 lb. unit)	1.56	1.51	1.56
Terminal rental (square foot)	49.00	44.93	37.18

Note: The rates and charges for 2025 are estimates.

PASSENGER FACILITY CHARGES

The Commission collects \$4.50 per qualifying enplaned passenger. Passenger Facility Charges ("PFC") totaled \$9.8 million for fiscal year 2025 which was a decrease of (2.2%) when compared to fiscal year 2024. PFC revenue for fiscal year 2024 increased 8.6% when compared to fiscal year 2023. The PFC revenue increased by 43.5% when compared to fiscal year 2025 budgeted amount based on the conservative budgeted enplaned passenger increase.

CUSTOMER FACILITY CHARGES

The CFC funds collected can be used to pay for the costs to construct and maintain the rental car ready/return garage and the office/administrative kiosks for each of the rental car companies as well as the construction and maintenance of other rental car facilities agreed to by the rental car companies that have entered into the on-airport car rental concession agreement. CFC charges remained at \$2.00 for the fiscal year 2025. Collections for the year ended June 30, 2025 were \$2.7 million, 5.2% less than the year ended June 30, 2024 collections of \$2.8 million. Total rental vehicle transaction days for fiscal year 2025 were 1.4 million compared to 1.4 million in fiscal year 2024.

The Commission announced, effective July 1, 2025 or fiscal year 2026, an increase to \$8.25. The revenue generated from the revised CFC will be allocated to financing key projects necessary to the successful goal of providing a high-quality experience for all customers.

CAPITAL AND DEBT ACTIVITY

Capital Assets

Investments in capital assets include land, land improvements, buildings, construction in progress, furniture and fixtures, machinery and equipment, paved facilities, and subscriptions. Capital assets, before accumulated depreciation and retirements, increased \$18.8 million for fiscal year 2025 when compared to fiscal year 2024 and increased \$19.1 million for fiscal year 2024 from 2023. The increase in capital assets in fiscal year 2025 when compared to fiscal 2024 is primarily attributed to a \$13.6 million increase in construction in progress. Depreciation expense for fiscal year 2025 was \$27.5 million compared to \$29.1 million in fiscal year 2024, and \$29.4 million in fiscal year 2023.

See Note 4 of Notes to Financial Statements.

Major capital projects that have started or are planned to begin in the next 5 years include:

- ➔ Rental Car Garage Connector & Pocket Park
- ➔ New ARFF Station
- ➔ Passenger Boarding Bridge Replacements
- ➔ Centralized Receiving and Distribution Facility
- ➔ Consolidated Security Checkpoint

Long-Term Debt

As of June 30, 2025, the Commission had principal debt outstanding of \$63,181 as follows (in thousands):

Airport Revenue Bonds	\$ 63,116
Subscription Liabilities	59
Total	<u>\$ 63,175</u>

See Note 5 of Notes to Financial Statements.

ECONOMIC FACTORS AND FISCAL 2026 BUDGET

The passenger enplanement number for fiscal year 2025 was 2.4 million, a (0.7%) decrease versus fiscal year 2024.

Campbell-Hill Aviation Group provided an enplanement forecast and outlook scenario for fiscal year 2026 through fiscal year 2030. The forecast takes into consideration several factors including:

- RIC Enplanement Data
- Airline Cancellation Trends
- Historical U.S. Department of Transportation, T-100 Data
- Historical, Current, and Future monthly schedule data
- Campbell-Hill assessment of the evolving service patterns and information from airlines
- Past recoveries (especially Post 9-11 and Post natural disasters)
- The key statistic estimated is enplaned passengers. They also estimated monthly onboard passengers (both directions combined) and flights operated by scheduled passenger carriers.

The Commission intentionally took a conservative approach by going below the low forecast provided by Campbell Hill and slightly conservative to the Federal Aviation Administration (FAA) Terminal Area Forecast (TAF) of 2.5%. The forecast anticipates passenger traffic to continue to increase during fiscal year 2026. The low forecast projects that the enplanements for fiscal year 2026 would be 2.5 million which would be 2.1% higher than fiscal year 2025 actual enplanements.

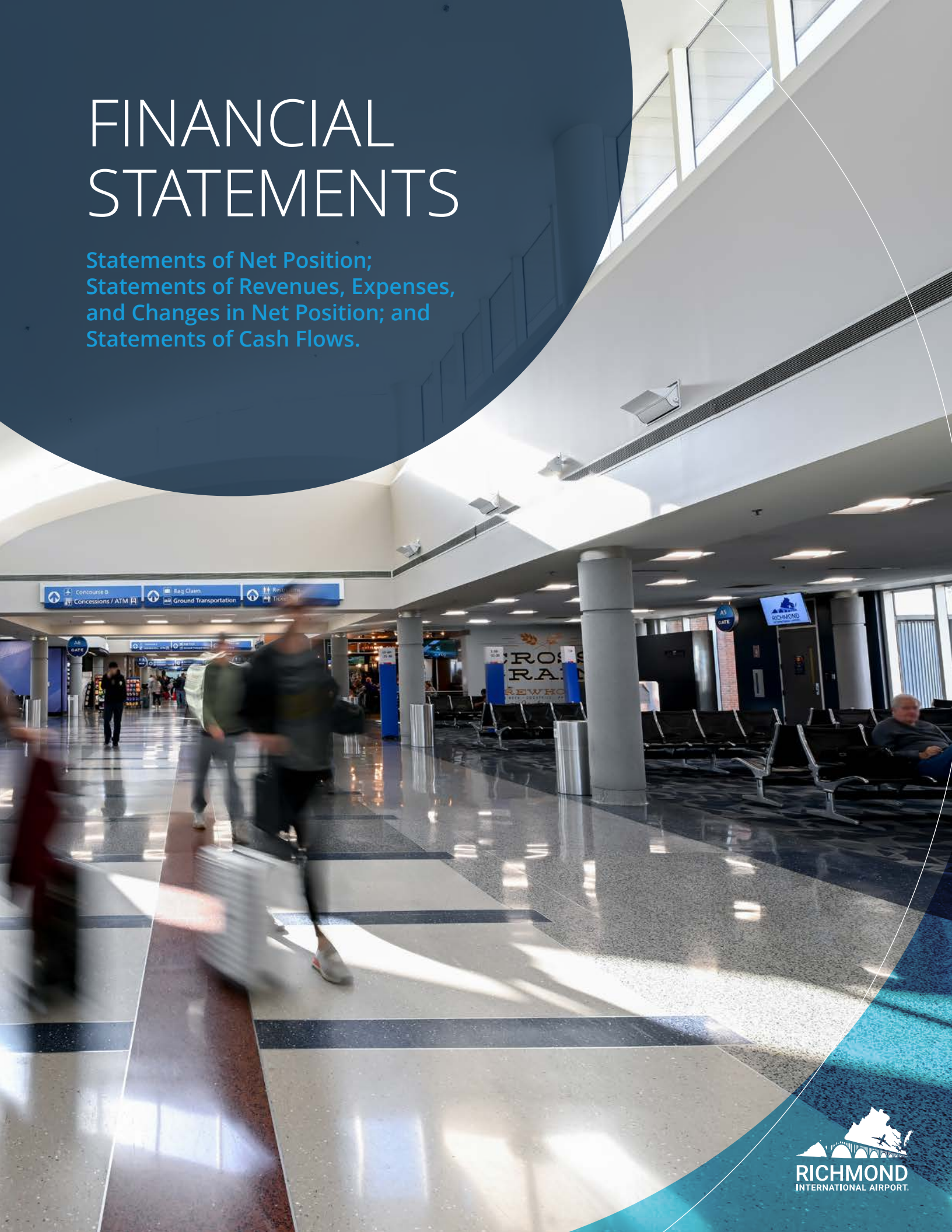
The Commission took a conservative approach to the fiscal year 2026 budget which was based on 2.5 million enplanements, slightly below the Campbell-Hill low projection. The fiscal year 2026 budget includes \$72.9 million in operating revenue; a 3.3% increase compared to the fiscal year 2025 actual revenues of \$70.6 million. Parking, concession, and rental revenues are expected to provide the main source of income for fiscal year 2026. Operating expenses of \$47.7 million are budgeted for fiscal year 2026; an increase of 15.7% compared to fiscal year 2025 actual expenses of \$41.2 million. Most of the increase in operating expenses is attributed to an increase in personnel costs. The Commission's fiscal year 2026 approved capital budget allotted \$70.6 million for new projects, equipment, and studies.

REQUEST FOR INFORMATION

This financial report is designed to provide interested parties with a general overview of the Commission's finances. Should you have any questions about this report or need additional information, please contact the Chief Financial Officer, 1 Richard E. Byrd Terminal Drive, Richmond International Airport, VA 23250-2400. Also, interested parties wishing to obtain updated information at Richmond International Airport can visit on our website at www.flyrichmond.com.

FINANCIAL STATEMENTS

Statements of Net Position;
Statements of Revenues, Expenses,
and Changes in Net Position; and
Statements of Cash Flows.



Capital Region Airport Commission
STATEMENTS OF NET POSITION
June 30, 2025 and 2024

		2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	CURRENT ASSETS		
	Unrestricted Current Assets:		
	Cash and cash equivalents	\$ 64,588,198	\$ 48,920,759
	Accounts receivable, less allowance for doubtful accounts (2025-\$618,075,2024-\$480,613)	5,332,742	5,538,360
	Leases receivable	7,492,808	7,479,112
	Interest receivable	28,798	31,018
	Other	384,255	319,816
	Total Unrestricted Current Assets	77,826,801	62,289,065
	Restricted Current Assets:		
	Cash and cash equivalents	186,729,062	150,079,060
	Investments	3,103,618	3,383,986
	Customer and Passenger Facility Charges receivable	1,691,917	1,684,489
	Due from federal and state governments	5,707,459	5,517,637
	Total Restricted Current Assets	197,232,056	160,665,172
	Total Current Assets	275,058,857	222,954,237
	NONCURRENT ASSETS		
	Net OPEB asset	20,572	8,153
	Leases receivable, net of current	39,002,654	11,590,937
	Capital assets		
	Depreciable assets, net	285,433,521	307,669,679
	Non-depreciable assets	140,204,287	115,237,573
	Net Capital Assets	425,637,808	422,907,252
	Total Noncurrent Assets	464,661,034	434,506,342
	Total Assets	739,719,891	657,460,579
	DEFERRED OUTFLOWS OF RESOURCES		
	Deferred loss on refunding	3,254,807	3,855,947
	Deferred outflows related to pension	2,373,304	1,078,432
	Deferred outflows related to OPEB	568,529	632,916
	Total Deferred Outflows of Resources	6,196,640	5,567,295

Capital Region Airport Commission
STATEMENTS OF NET POSITION (continued)
June 30, 2025 and 2024

		2025	2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	CURRENT LIABILITIES		
	Liabilities From Unrestricted Assets:		
	Accounts payable	210,325	502,541
	Accrued expenses	3,423,407	2,866,494
	Unearned revenue	-	92,274
	Subscription liability	59,218	94,245
	Retiree Medical Plan	2,882	6,670
	Total Liabilities From Unrestricted Assets	3,695,832	3,562,224
	Liabilities From Restricted Assets:		
	Accounts payable	6,652,615	4,401,227
	Accrued interest payable	502,387	593,202
	Current maturities of long-term debt	3,932,213	5,755,697
	Total Liabilities From Restricted Assets	11,087,215	10,750,126
	Total Current Liabilities	14,783,047	14,312,350
	NONCURRENT LIABILITIES		
	Subscription liability, noncurrent	-	59,219
	Net pension liability	1,330,077	948,099
	Net OPEB liabilities	1,749,223	1,865,177
	Noncurrent portion of long-term obligations (Note 5)	63,531,650	37,984,342
	Total Noncurrent Liabilities	66,610,950	40,856,837
	Total Liabilities	81,393,997	55,169,187
	DEFERRED INFLOWS OF RESOURCES		
	Deferred inflows related to pension	1,265,358	747,639
	Deferred inflows related to OPEB	843,687	843,383
	Deferred inflows related to Leases	45,252,363	17,826,951
	Total Deferred Inflows of Resources	47,361,408	19,417,973
	NET POSITION		
	Net investment in capital assets	359,757,742	383,483,171
	Restricted		
	Restricted for OPEB	20,572	8,153
	Debt service	151,061,339	129,330,955
	Customer and Passenger Facility Charges	29,191,573	16,180,192
	Entitlement funds	6,230,855	4,621,685
	Unrestricted	70,899,045	54,816,557
	Total Net Position	\$ 617,161,126	\$ 588,440,713

See Notes to Financial Statements.

Capital Region Airport Commission
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Parking	\$ 30,589,133	\$ 30,157,346
Landing fees	6,026,601	5,141,011
Concession	18,098,673	18,883,500
Rental	14,511,782	13,123,012
Apron fees	857,403	782,458
Other	491,607	293,790
Total Operating Revenues	70,575,199	68,381,117
OPERATING EXPENSES		
Personnel	18,691,684	15,817,451
Utilities	3,620,425	3,371,601
Professional services	5,408,688	4,807,711
Parking	5,994,498	5,669,693
Maintenance	2,845,506	2,806,691
Insurance	962,071	880,148
Supplies	979,460	982,038
Other	2,588,551	1,254,612
Total Operating Expenses	41,090,883	35,589,945
Operating Income Before Depreciation	29,484,316	32,791,172
DEPRECIATION	27,053,684	29,148,602
Operating Income (Loss)	2,430,632	3,642,570
NONOPERATING INCOME (EXPENSES)		
Interest income	8,490,217	7,585,810
Interest expense	(1,260,474)	(1,452,535)
Other, net	(1,990,974)	441,463
Federal grant revenue	2,013,208	-
Airline rates and charges adjustment	-	(291,509)
Passenger Facility Charges	9,802,210	10,022,762
Customer Facility Charges	2,673,335	2,820,035
Total Nonoperating Income (Expenses), Net	19,727,522	19,126,026
Increase/(Decrease) in Net Position Before		
Capital Grants and Contributions	22,158,154	22,768,596
CAPITAL GRANTS AND CONTRIBUTIONS	6,562,258	10,902,411
CHANGE IN NET POSITION	28,720,412	33,671,007
NET POSITION, BEGINNING	588,620,309	554,901,396
RESTATEMENT	(179,595)	(131,690)
TOTAL NET POSITION, ENDING	\$ 617,161,126	\$ 588,440,713

See Notes to Financial Statements.

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Capital Region Airport Commission
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations	\$ 70,644,709	\$ 66,127,731
Cash paid to and for employees	(18,553,581)	(15,953,135)
Cash paid to suppliers	(20,492,043)	(19,812,377)
Cash used in operating activities	(39,045,624)	(35,765,512)
Net cash provided by operating activities	\$ 31,599,085	\$ 30,362,219
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	-	-
Interest income received	7,929,174	7,152,846
Net cash provided by investing activities	7,929,174	7,152,846
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State and federal grant revenue	2,013,208	80,033
Airlines rates and charges	(1,715,144)	(291,509)
Net cash provided by noncapital financing activities	298,064	(211,476)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payment of long-term debt	(5,856,544)	(5,954,902)
Issuance of long-term debt	30,175,000	-
Payment of interest on long-term debt	(1,351,289)	(1,554,785)
Capital contributions received	6,372,436	8,592,870
Passenger Facility Charges collected	9,794,782	9,367,514
Customer Facility Charges collected	2,673,335	2,816,935
Additions to capital assets	(29,784,240)	(18,120,888)
Interest income on leased assets	508,888	501,784
Payments related to investments and bonds	(41,250)	(47,107)
Net cash used in capital and related financing activities	12,491,118	(4,398,579)
Net (decrease) increase in cash and cash equivalents	52,317,441	32,905,009
CASH AND CASH EQUIVALENTS		
Balances - beginning of year	198,999,819	166,094,810
Balances - end of year	\$ 251,317,260	\$ 198,999,819
Current Assets		
	\$ 64,588,198	\$ 48,920,759
Restricted Assets		
	186,729,062	150,079,060
	\$ 251,317,260	\$ 198,999,819

Capital Region Airport Commission
STATEMENTS OF CASH FLOWS (Continued)
Years Ended June 30, 2025 and 2024

	2025	2024
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 2,430,630	\$ 3,690,474
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and Amortization	27,053,684	29,148,602
Asset Forfeiture activity	-	-
Nonoperating receipts	-	275,809
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	205,618	(2,490,005)
Decrease (increase) in other current assets	(52,020)	51,008
Decrease (increase) in lease receivable	(27,425,413)	(167,516)
Decrease (increase) in net pension asset	-	-
Decrease (increase) in net OPEB asset	(12,419)	(5,542)
Decrease (increase) in deferred outflows of resources - pension	(1,294,872)	114,401
Decrease (increase) in deferred outflows of resources - OPEB	64,387	32,458
Increase (decrease) in trade accounts payable	1,959,178	(90,891)
Increase (decrease) in accrued expenses	596,961	627,178
Increase (decrease) in net pension liability	381,978	(84,735)
Increase (decrease) in net OPEB liabilities	(115,954)	85,308
Increase (decrease) in deferred inflows of resources - pension	517,719	(840,166)
Increase (decrease) in deferred inflows of resources - OPEB	304	(112,492)
Increase (decrease) in deferred inflows of resources - leases	27,425,412	167,516
Increase (decrease) in unearned revenue	(136,110)	(39,190)
Net cash provided by operating activities	\$ 31,599,085	\$ 30,362,219
Supplemental Cash Flow Information		
Non-cash investing, capital and financing activities		
Net increase (decrease) in fair value of investments	\$ 113,848	\$ 122,084
Non-cash capital contributions	\$ (189,822)	\$ (2,309,541)
Non-cash PFC and CFC collections	\$ (7,428)	\$ (658,349)
Capital assets included in accounts payable	\$ 1,020,487	\$ 814,990
Acquisition of subscription asset	\$ 29,992	\$ 194,846
Airline rates and charges adjustment	\$ -	\$ -

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NOTES TO FINANCIAL STATEMENTS

Explanatory notes providing
support to the financial
statements.

N O R T H
G A R A G E

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Capital Region Airport Commission ("Commission") is a political subdivision of the Commonwealth of Virginia. Commissioners are appointed by participating subdivisions, which currently include the City of Richmond, Virginia and the Counties of Chesterfield, Hanover and Henrico, Virginia. The Commissioners are responsible for addressing broad policy matters and approving the operating and capital budgets. The financial statements of the Commission are presented in the fund of a single enterprise fund; which includes all business activities of the Richmond International Airport (the "Airport"), which the Commission oversees. The Commission, as the owner and operator of the Airport, maintains and enhances facilities to better serve the air transportation needs of Central Virginia. Major functional areas include Executive, Finance, Marketing & Air Service Development, Planning & Engineering, Public Safety and Real Estate. The Airport is currently served by nine major airlines and ten regional airlines.

In December 2022, the Commission created the Capital Region Airport Commission Foundation for the purpose of raising funds to support the Commission. The Foundation is a 501(c)(3) corporation with a December year-end and is considered a blended component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and so data from these units are combined with data of the primary government. The Foundation's calendar year 2024 activity included donations of \$3,900 and an ending cash balance of \$8,891, which are not reflected in the Commission's financial statements. Inclusion of the Foundation's financial activity will be assessed going forward.

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

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are presented on the accrual basis of accounting, recognizing revenue when it is earned and expenses when they are incurred.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosures of commitments and contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Commission considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Investments

Investments, principally money market accounts, and certificates of deposit, are carried at amortized cost. Federal and municipal obligations and money market funds are reported at fair value. Fair values of investments are based on quoted market prices at year end. All investment income, including changes in the fair value of investments, is reported in the Statements of Revenues, Expenses, and Changes in Net Position.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt Issuance Costs and Original Issuance Premiums

Debt issuance costs are expensed when they are incurred. Original issuance premiums are amortized using the effective interest method and included on the Statements of Net Position as a reduction or addition to long-term debt.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission has multiple items that qualify for reporting in this category. The accounting loss on debt refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt as a component of interest expense. The other items are comprised of certain items related to pension and other postemployment benefits (OPEB). For more detailed information on these items, reference the related notes.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has multiple items that qualify for reporting in this category. Certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

Capital Assets

Capital assets acquired by the Commission, including assets purchased with designated contributions, are recorded at cost (except for intangible right-to-use subscription assets, the measurement of which is discussed in more detail below). Contributed capital assets are recorded at acquisition value at the date of contribution.

Depreciation is determined using the straight-line method applied over the following estimated useful lives:

Category	Years
Land improvements	5-20
Buildings	40
Paved facilities	20
Furniture and fixtures	5-20
Machinery and equipment	3-15
Subscription assets	1-5

The cost of maintenance and repairs is charged to expense as incurred. Expenses, that significantly increase property lives, are capitalized. Capital assets having a cost in excess of \$7,500 and a useful life greater than one year are capitalized.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue is recognized when earned. Parking revenue is recognized when the customer vehicle exits the parking facility. Landing and apron fees are recognized as revenue when the Airport facilities are utilized. Concession revenue is recognized based on reported concessionaire revenue. Rental revenue is recognized over the life of the respective leases. All other revenue is recognized when earned.

Revenue and Expense Classifications

Revenues from airlines, concessions, rental cars and parking are reported as operating revenues. Transactions, which are financing or investing related and customer and passenger facility charges, are reported as nonoperating revenues.

All expenses related to operating the Commission are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

Customer Facility Charges

As of December 1, 2000, the Commission entered into a Rental Car Customer Facility Charge Agreement with the on-site airport rental car companies. In accordance with the bond indenture for the rental car garage facility, the Commission determines the amount of the Customer Facility Charge ("CFC") for each rental vehicle transaction day to be collected by the rental car companies. The amount collected is remitted directly to the Commission for deposit in trust accounts restricted for use in connection with the rental car garage facility. Beginning February 1, 2001, the CFC was set at \$2 per day. The rate fluctuated downward over the years to a low of \$.40 on May 1, 2014, but increased to \$3.00 during fiscal year 2015. On June 1, 2016 the rate was changed to \$2.00. Collections during fiscal year 2025 were \$2.7 million (2024 - \$2.8 million).

Passenger Facility Charges

The Federal Aviation Administration (the "FAA") authorized the Commission Passenger Facility Charges ("PFC") rate of \$4.50 per qualifying enplaned passenger, effective January 1, 2005, with the net receipts restricted to use on FAA approved projects. The Commission has been authorized to collect PFC plus interest thereon in the aggregate amount of \$224.1 million. Collections during fiscal year 2025 were \$10.6 million (2024 - \$10.0 million) and aggregate collections and interest thereon from inception through June 30, 2025 were \$194.1 million. Net position related to PFC is restricted for projects that are approved by the FAA.

Federal and State Grants

The Commission receives grants for airport projects funded through the Airport Improvement Program ("AIP") of the FAA and Federal Emergency Management Agency ("FEMA") with certain matching funds and other funds provided by the Commonwealth of Virginia. Capital grants are reported in the statements of revenues, expenses and changes in net position as capital grants and contributions.

State Entitlement Funds

The Commission receives annual entitlement fund allocations from the Virginia Department of Aviation which are required to be maintained in a separate, interest-bearing account. The use of the funds is restricted for purposes established by the Virginia Aviation Board. In addition, the Commission is allowed to apply for PFC Funds that are reimbursements of State Entitlement Funds. Once the application is approved, the funds collected are considered State Entitlement Funds and are restricted for purposes established by the Virginia Aviation Board.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Net Position

The Commission reports restricted net position for net pension and OPEB benefits, certain required debt service funds, and for the CFC, PFC, and state entitlement programs. When both restricted and unrestricted assets are available for use, the Commission applies restricted assets first and then applies unrestricted assets as needed.

Salaries and Wages

Accrued salaries and wages include regular salaries and wages and accumulated vacation and sick leave. Vacation and sick leave are accumulated based on formulas applied to months of service during a calendar year. Vacation carryover beyond fiscal year end is limited to two times the annual vacation accrual with a maximum of 336 hours per employee. Sick leave accumulates indefinitely; however, the Commission is obligated to pay only 25% of the accumulated liability upon retirement or termination up to a maximum of \$5,000 per employee. Vested vacation and sick leave unpaid at year end is included in accrued expenses and amounted to \$1.830 million at June 30, 2025, and \$1.465 thousand (restated for GASB 101 implementation) at June 30, 2024. The net increase for fiscal year 2025 amounted to \$365 thousand. For fiscal year 2024, the net increase amounted to \$271 thousand.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Retirement Plan and the additions to/deductions from the Commission's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the VRS related OPEB net asset, net liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, LODA, and VLDP OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Budgets

Operating and capital budgets are adopted annually by the Commission and are amended as necessary during the fiscal year. The accrual basis of accounting is applied to the development of these budgets.

Risk Management

The Commission carries commercial insurance for risks of loss including property, workers' compensation, theft, auto liability, general liability and construction insurance. The Commission also carries coverage for public officials and employer's liability under the Virginia State Police Officials' Self-Insurance Pool. There have been no significant reductions in insurance coverage in comparison to coverage in prior years and settled claims resulting from these risks have not exceeded commercial insurance coverage for each of the three past fiscal years.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for Doubtful Accounts

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

	2025	2024
Balance, beginning of period	\$ 480,613	\$ 433,842
Charged to costs and other write-offs	-	-
Bad debt expense	137,462	46,771
Balance, end of period	<u>\$ 618,075</u>	<u>\$ 480,613</u>

Leases and Subscription-Based IT Arrangements (SBITAs)

The Commission has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lessor

The Commission recognizes leases receivable and deferred inflows of resources. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Lessee

The Commission recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$7,500, individually or in the aggregate. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Subscriptions

The Commission recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$7,500, individually or in the aggregate. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases and Subscription-Based IT Arrangements (SBITAs): (continued)

Key Estimates and Judgments

Lease and SBITA accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease and subscription payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

- The Commission uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Commission uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

The Commission monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The Commission will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

Regulated Leases

The leases between the Commission and air carriers and other aeronautical users are subject to external laws, regulations, or legal rulings. The Commission recognizes inflows of resources (revenue) based on the payment provisions of the lease contract.

Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 2. FORMATION OF THE COMMISSION

As of January 1, 1976, under an agreement among the City of Richmond, Virginia (the "City"), the County of Henrico, Virginia and the Commission; the City transferred to the Commission the property then constituting the Airport. Consideration for the transfer was \$3,000,000 plus the Commission's agreement to reimburse the City \$7,484,954 for the portion of the City's debt service related to the Airport property (City has been fully reimbursed). The Commission valued the property at \$64,924,072, based on independent appraisals, and recorded the property on its books at this amount. The \$54,439,118 difference between the recorded amount and the consideration was treated as a contribution of assets.

Note 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consisted of the following:

	2025	2024
Petty cash	\$ 576	\$ 4
Deposits at financial institutions	95,862,679	68,038,143
Cash equivalents and investments	158,557,623	134,345,658
	<u>\$ 254,420,878</u>	<u>\$ 202,383,805</u>
Summary:		
Unrestricted assets	\$ 64,588,198	\$ 48,920,759
Restricted assets	189,832,680	153,463,046
	<u>\$ 254,420,878</u>	<u>\$ 202,383,805</u>

Deposits

At June 30, 2025, the carrying value of the Commission's deposits with banks was \$95,862,679 with corresponding bank balances of \$96,215,812. At June 30, 2024, the carrying value of the Commission's deposits with banks was \$68,038,143 with corresponding bank balances of \$67,540,661. Bank balances are covered by Federal Depositary Insurance Corporation ("FDIC") in accordance with the Virginia Security for Public Deposits Act.

The remainder of money markets and cash deposits maintained by trustees is \$156,124,187.

Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Deposits are considered insured as the State Treasury Board has the ability to assess additional collateral of the participating banks, if necessary. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loan associations.

Credit Risks

The Commission's policy is to follow the statutes of the Commonwealth of Virginia and invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank) and Asian Development Bank, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool ("LGIP") and the Commonwealth of Virginia State Non-Arbitrage Program ("SNAP").

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

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

Interest and credit risk: Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Commission currently has no formal policy relating to interest rate risk. The Commission's cash equivalents and investments at June 30, 2025, except for those relating to money market funds, are categorized below to give an indication of the level of risk assumed by the Commission at year-end:

Investment Maturities and Ratings for 2025

Investment Type	Fair Value	Less Than 12		Moody's Quality Ratings
		months	Over 12 months	
Federal Home Loan Banks	\$ 736,689	\$ -	\$ 736,689	Aa1
Federal Home Loan Mortgage Corp	1,988,655	-	1,988,655	Aa1
Federal Farm Credit Banks Funding Corp	378,274	-	378,274	Aa1
	<u>\$ 3,103,618</u>	<u>\$ -</u>	<u>\$ 3,103,618</u>	

Investment Maturities and Ratings for 2024

Investment Type	Fair Value	Less Than 12		Quality Ratings
		months	Over 12 months	
Federal National Mortgage Association	\$ 424,274	\$ -	\$ 424,274	Aaa
Federal Home Loan Banks	704,427	-	704,427	Aaa
Federal Home Loan Mortgage Corp	1,898,831	-	1,898,831	Aaa
Federal Farm Credit Banks Funding Corp	356,454	-	356,454	Aaa
	<u>\$ 3,383,986</u>	<u>\$ -</u>	<u>\$ 3,383,986</u>	

Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Commission maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date.
- Level 2 are directly or indirectly observable inputs for the asset or liability other than quoted prices.
- Level 3 are unobservable inputs that are supported by little or no market activity for the asset or liability.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

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

Fair Value Measurements: (continued)

The Commission has the following recurring fair value measurements as of June 30, 2025 and 2024:

Investment	6/30/2025	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Home Loan Banks		\$ 736,689		
Federal Home Loan Mortgage Corp		1,988,655		
Federal Farm Credit Banks Funding Corp		378,274		
Money Market Mutual Funds		153,020,569		
		<u>\$ 156,124,187</u>		

Investment	6/30/2024	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal National Mortgage Association		\$ 424,274		
Federal Home Loan Banks		704,427		
Federal Home Loan Mortgage Corp		1,898,831		
Federal Farm Credit Banks Funding Corp		356,454		
Money Market Mutual Funds		130,961,672		
		<u>\$ 134,345,658</u>		

Custodial credit risk: The risk that in the event of the failure of the counter party, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission's investment policy requires the use of a third-party custodial safekeeping agreement for all purchased securities and requires that securities be held in the name of the Commission. As of June 30, 2025, all of the Commission's investment securities held by third parties were in the name of the Commission.

Concentration of credit risk: The Commission places no limit on the amount that may be invested in any one issuer.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 4. CAPITAL ASSETS

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 56,520,313	\$ -	\$ -	\$ 56,520,313
Construction in progress	58,717,260	27,919,357	(2,952,643)	83,683,974
Total Non Depreciable Capital Assets	115,237,573	27,919,357	(2,952,643)	140,204,287
Other capital assets:				
Land improvements	23,682,642	30,214	-	23,712,856
Buildings	379,624,266	113,184	-	379,737,450
Paved Facilities	302,392,239	136,838	-	302,529,077
Furniture and fixtures	3,242,054	12,710	-	3,254,764
Machinery and Equipment	47,558,221	4,494,588	-	52,052,809
Subscription assets	458,276	29,992	-	488,268
Total Other Capital Assets	756,957,698	4,817,526	-	761,775,224
Total Capital Assets	872,195,271	32,736,883	(2,952,643)	901,979,511
Accumulated depreciation:				
Land improvements	(17,128,895)	(978,269)	-	(18,107,164)
Buildings	(205,131,213)	(12,095,934)	-	(217,227,147)
Paved Facilities	(195,291,999)	(10,000,049)	-	(205,292,048)
Furniture and fixtures	(2,476,000)	(142,985)	-	(2,618,985)
Machinery and Equipment	(29,034,289)	(3,706,118)	-	(32,740,407)
Subscription assets	(225,623)	(130,329)	-	(355,952)
Total Accumulated Depreciation	(449,288,019)	(27,053,684)	-	(476,341,703)
Capital Assets, Net	\$ 422,907,252	\$ 5,683,199	\$ (2,952,643)	\$ 425,637,808

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 56,520,313	\$ -	\$ -	\$ 56,520,313
Construction in progress	44,992,461	16,690,146	(2,965,347)	58,717,260
Total Non Depreciable Capital Assets	101,512,774	16,690,146	(2,965,347)	115,237,573
Other capital assets:				
Land improvements	23,428,531	254,111	-	23,682,642
Buildings	379,374,229	250,037	-	379,624,266
Paved Facilities	301,264,007	1,128,232	-	302,392,239
Furniture and fixtures	3,217,854	24,200	-	3,242,054
Machinery and Equipment	44,003,722	3,554,499	-	47,558,221
Subscription assets	337,242	194,826	(73,792)	458,276
Total Other Capital Assets	751,625,585	5,405,905	(73,792)	756,957,698
Total Capital Assets	853,138,359	22,096,051	(3,039,139)	872,195,271
Accumulated depreciation:				
Land improvements	(15,902,205)	(1,226,690)	-	(17,128,895)
Buildings	(192,859,151)	(12,272,062)	-	(205,131,213)
Paved Facilities	(183,884,479)	(11,407,520)	-	(195,291,999)
Furniture and fixtures	(2,330,321)	(145,679)	-	(2,476,000)
Machinery and Equipment	(25,082,250)	(3,952,039)	-	(29,034,289)
Subscription assets	(96,655)	(144,612)	15,644	(225,623)
Total Accumulated Depreciation	(420,155,061)	(29,148,602)	15,644	(449,288,019)
Capital Assets, Net	\$ 432,983,298	\$ (7,052,551)	\$ (3,023,495)	\$ 422,907,252

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS

Changes in long-term obligations for the years ended June 30, 2025 and 2024 consist of:

	Balance 6/30/2024	Increase	Decrease	Balance 6/30/2025	Current Maturities
General obligation bonds					
Airport Revenue Bonds:					
Series 2013A Airport Refunding (b)	\$ 4,670,000	\$ -	\$ (2,560,000)	\$ 2,110,000	\$ 2,110,000
Series 2016A Airport Refunding (c)	18,205,000	-	(1,570,000)	16,635,000	1,645,000
Series 2021A Airport Refunding (d)	13,615,000	-	-	13,615,000	-
Series 2021B Airport Refunding (d)	500,000	-	(45,000)	455,000	45,000
Total	36,990,000	-	(4,175,000)	32,815,000	3,800,000
Notes from direct borrowings and direct placements					
Airport Revenue Bonds:					
Series 2001A&B (a)	1,712,911	-	(1,580,698)	132,213	132,213
Series 2024 Airport	-	30,175,000	(6,600)	30,168,400	-
Total	1,712,911	30,175,000	(1,587,298)	30,300,613	132,213
Add: Bond premium paid, net	5,037,128	-	(688,878)	4,348,250	-
Total Bonds	43,740,039	30,175,000	(6,451,176)	67,463,863	3,932,213
Subscription liabilities	153,464	-	(94,246)	59,218	59,218
Total Long-Term Debt	\$ 43,893,503	\$ 30,175,000	\$ (6,545,422)	\$ 67,523,081	\$ 3,991,431
	Balance 6/30/2023	Increase	Decrease	Balance 6/30/2024	Current Maturities
General obligation bonds					
Airport Revenue Bonds:					
Series 2013A Airport Refunding (b)	\$ 7,270,000	\$ -	\$ (2,600,000)	\$ 4,670,000	\$ 2,560,000
Series 2016A Airport Refunding (c)	19,695,000	-	(1,490,000)	18,205,000	1,570,000
Series 2021A Airport Refunding (d)	13,615,000	-	-	13,615,000	-
Series 2021B Airport Refunding (d)	545,000	-	(45,000)	500,000	45,000
Total	41,125,000	-	(4,135,000)	36,990,000	4,175,000
Notes from direct borrowings and direct placements					
Airport Revenue Bonds:					
Series 2001A&B (a)	3,282,821	-	(1,569,910)	1,712,911	1,580,697
Total	3,282,821	-	(1,569,910)	1,712,911	1,580,697
Add: Bond premium paid, net	5,726,008	-	(688,880)	5,037,128	-
Total Bonds	50,133,829	-	(6,393,790)	43,740,039	5,755,697
Subscription liabilities	208,630	194,826	(249,992)	153,464	94,245
Total Long-Term Debt	\$ 50,342,459	\$ 194,826	\$ (6,643,782)	\$ 43,893,503	\$ 5,849,942

* Includes adjustment of beginning balances for implementation of GASB 96.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS (continued)

The aggregate amount of debt service on long-term debt following June 30, 2025, is as follows:

Long-Term Debt

Year	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Total Bonds		Subscription Liabilities		Total Debt	
	Revenue		Revenue							
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,800,000	\$ 1,192,228	\$ 132,213	\$ 1,191,988	\$ 3,932,213	\$ 2,384,216	\$ 59,218	\$ 1,981	\$ 3,991,431	\$ 4,770,413
2027	1,745,000	1,109,706	-	1,191,912	1,745,000	2,301,618	-	-	1,745,000	4,603,236
2028	1,775,000	1,048,969	1,820,000	1,155,968	3,595,000	2,204,937	-	-	3,595,000	4,409,874
2029	1,840,000	977,856	1,892,000	1,082,656	3,732,000	2,060,512	-	-	3,732,000	4,121,024
2030	1,920,000	903,687	1,967,000	1,006,440	3,887,000	1,910,127	-	-	3,887,000	3,820,254
2031-2035	10,895,000	3,293,975	11,066,000	3,779,044	21,961,000	7,073,019	-	-	21,961,000	14,146,038
2036-2040	10,840,000	888,800	13,423,400	1,367,292	24,263,400	2,256,092	-	-	24,263,400	4,512,184
Total	<u>\$ 32,815,000</u>	<u>\$ 9,415,221</u>	<u>\$ 30,300,613</u>	<u>\$ 10,775,300</u>	<u>\$ 63,115,613</u>	<u>\$ 20,190,521</u>	<u>\$ 59,218</u>	<u>\$ 1,981</u>	<u>\$ 63,174,831</u>	<u>\$ 40,383,023</u>

(a) Airport Revenue Bonds, Series 2001A (Non-AMT) and Series 2001B (AMT)

On January 30, 2001, the Commission adopted the Sixth Supplemental Bond Resolution Authorizing Airport Revenue Bonds \$26,995,000, Series 2001A (Non-AMT) and \$22,065,000 Airport Revenue Bond, Series 2001B (AMT). The bonds were issued on February 8, 2001 to the Virginia Resources Authority (the "VRA"), which is organized and exists as a public body corporate and a political subdivision of the Commonwealth of Virginia. The VRA has been designated by the Commonwealth of Virginia to direct the distribution of loans from the Virginia Airports Revolving Fund to certain local governments to finance airport infrastructure projects at government-owned facilities.

The proceeds of the bonds were used along with other money to finance the construction of a new 1900 space public parking garage, a concourse extension, the refurbishment of the existing terminal and concourses as well as refinance the purchase of 12 acres of land for satellite public parking. Through February 29, 2004, proceeds from the bonds were requisitioned from VRA to reimburse the Commission for the above projects. Beginning March 1, 2004, VRA allowed the remaining 2001A and B proceeds (\$611,756 and \$4,440,957, respectively) to be transferred to SNAP project funds. All of the 2001A and B SNAP project funds have been used as of April 2005. The bonds are dated the date of delivery to the account of VRA and mature on January 1, 2027. The Series 2001A bear interest at 4.36% (Series 2001B at 4.53%) on the unpaid principal from the date of each advance until payment of the entire principal amount.

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS (continued)

(a) Airport Revenue Bonds, Series 2001A (Non-AMT) and Series 2001B (AMT) (continued)

In November 2010, the Commission approved a resolution for the interest rate reduction agreement of the 2001A and the 2001B Series Bonds issued through the VRA. The bonds were refinanced effective August 23, 2011. The 2001A Series Bonds bear interest at 3.11% and the 2001B Series Bonds bear interest at 3.28%. Total savings in interest over the remaining life of the bonds will be approximately \$2.8 million. The monthly principal and interest payments on the Series 2001A and Series 2001B are respectively \$138,908 and \$115,275.

In March 2021, the Commission approved a resolution for the interest rate reduction agreement of the 2001A and the redemption of the 2001B Series Bonds issued through the VRA. The 2001A Series bonds were refinanced effective June 24, 2021. The bonds bear interest at 0.685%. Total savings in interest over the remaining life of the 2001A Series bonds will be approximately \$321 thousand. The monthly principal and interest payments on the Series 2001A bonds are \$132,290. On June 24, 2021, the Series 2001B bonds were paid off with a payment of \$5,891,466 (\$5,879,146 principal and \$12,320 interest). Total savings in interest is \$461,000.

(b) Revenue Refunding Bonds, Series 2013A

On April 24, 2013, the Commission issued Airport Revenue Refunding Bonds Series 2013A in the amount of \$21,870,000, secured by an Airport Revenue Bond Resolution adopted by the Commission November 21, 1984, as amended and supplemented, including a Twelfth Supplemental Bond Resolution adopted by the Commission on February 26, 2013. The net proceeds of the bonds were combined with other available resources to establish an irrevocable trust to effectively defease the outstanding principal amount of the 2005A Revenue Bonds maturing on July 1 in the years 2016 through 2025 totaling \$22,955,000. Principal payments are due each year on July 1 starting in 2014 through 2025. Interest on the bonds is payable semi-annually each January 1 and July 1. The estimated net present value savings is \$1,929,000. As a result of the refunding, total debt service payments decreased by \$2,181,934 resulting in an economic gain of \$1,929,376. On August 11, 2021, \$500,000 of the 2013A bonds was refunded with the issuance of 2021B refunding bonds.

(c) Airport Revenue Bonds, Series 2016A

The Commission issued Airport Revenue Refunding Bond Series 2016A on June 1, 2016, in the amount of \$39,305,000. The bonds were issued under and secured by the Airport Revenue Bond Resolution adopted by the Commission on November 21, 1984 (the "Master Resolution"), as amended and supplemented from time to time, including a Thirteenth Supplemental Bond Resolution adopted by the Commission on April 26, 2016 (the "Thirteenth Supplemental Resolution," and together with the Master Resolution, the "Bond Resolution"). The Commission used the net proceeds of the Series 2016A Bonds, together with other funds of the Commission, to refund a portion of its Airport Revenue Bonds, Series 2008A, to fund a debt service reserve subaccount for the Series 2016A Bonds, and to pay certain costs of their issuance. The Series 2016A Bonds bear a variable interest rate from 3% to 5%. Interest is payable on each January 1 and July 1 until maturity or earlier redemption. Principal payments began on July 1, 2019. The

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS (continued)

(c) Airport Revenue Bonds, Series 2016A (continued)

Series 2016A Bonds were issued in fully registered form and in denominations of \$5,000 or integral multiples thereof. The reacquisition price exceeded the net carrying amount of the old debt by \$4,329,914. This amount is reported as the deferred charge on refunding and amortized over the remaining life of the refunded debt. The refunding will reduce total debt service payments over 22 years by \$7,192,885, resulting in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$5,358,514.

On August 11, 2021, \$14,200,000 of the 2016A bonds were refunded with the issuance of 2021A refunding bonds. A proportionate share of the deferred loss and premiums on the 2016A bonds was written off as part of the refunding.

(d) Airport Revenue Refunding Bonds, Series 2021A (Non-AMT) and Series 2021B (Taxable)

On August 11, 2021, the Commission issued Airport Revenue Refunding Bonds Series 2021A in the amount of \$13,615,000 and 2021B in the amount of \$545,000. The net proceeds of the 2021A bonds combined with other available resources were placed in the existing debt service fund to current refund \$14,200,000 of the 2016A Bonds maturing on July 1 in the years 2028 through 2034. The net proceeds of the 2021B bonds were placed in an irrevocable trust to effectively defease \$500,000 of the outstanding principal amount of the 2013A Revenue Bonds maturing on July 1, 2022. Principal payments are due each year on July 1 starting in 2022 through 2033. Interest on the bonds is payable semi-annually each January 1 and July 1. The refunding will result in a cash savings of \$1,058,182, resulting in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,172,361.

(e) Restricted Assets

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

	2025	2024
Cost of issuance	\$ 134,168	\$ 134,168
Debt service	37,927,497	11,048,918
Equipment and capital outlay	94,663,755	100,923,389
Operation and maintenance	25,832,203	22,239,183
	<u>\$ 158,557,623</u>	<u>\$ 134,345,658</u>

(f) Bond Covenants

The bond resolutions contain restrictive covenants with respect to incurring additional indebtedness, sale, lease, or encumbrance of property, maintenance of facility, agreements with airlines and other matters common to such bond issues.

The covenants require that net revenues shall at all times not be less than the greater of 1.0 times the sum of the aggregate debt service and 1.25 times the aggregate debt service on bonds. CARES Act funds are not permitted to be included in the net revenues calculation. The Commission was in compliance with the covenant for the years ended June 30, 2025 and 2024.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 5. CERTAIN DISCLOSURES RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT PLACEMENTS (continued)

(g) Arbitrage

The Commission is subject to arbitrage rebate liability in accordance with Section 148(f) of the Internal Revenue Code of 1986, as amended, and the Final U.S. Treasury Regulations 1.148-1 through 1.148-11 issued on June 19, 1993 and amended on May 9, 1997. There was no accrued arbitrage liability for the years ended June 30, 2025 and June 30, 2024.

Note 6. MAJOR CUSTOMERS

Due to the nature of the Commission's operations, the majority of its operating revenues are from several large customers. The operating revenues from the largest two major customers were \$3,287,527 (4.6%) and \$3,252,732 (4.6%) for the year ended June 30, 2025, and \$2,938,070 (4.3%) and \$2,803,905 (4.1%) for the year ended June 30, 2024.

Note 7. LEASES

The Commission leases space within the terminal building, other buildings, and the rental of Airport land property to air carriers and other tenants under various leases, a majority of which are non-cancellable and terminate no later than January 2056. Lease provisions provide for fixed and variable rental payments, and all are generally designed to allow the Commission to meet its debt service requirements and recover certain operating and maintenance costs. In addition, concession income is derived from various concession agreements from food and beverage, retail sales and rental car companies. The agreements under which the Commission receives revenue from the operation of concessions provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum. The Commission had rental and concession income of \$32,610,455 and \$32,006,512 in 2025 and 2024, respectively, which is included in operating revenues.

For the years ended June 30, 2025 and 2024, the Commission recognized the following balances related to the non-cancellable leases:

	2025	2024
	Fixed	Fixed
	Payments	Payments
Rentals, Building, and Ground Area	\$ 1,597,867	\$ 889,874
Concessions	\$ 5,400,774	\$ 6,108,766
Interest Revenue	\$ 463,062	\$ 494,080

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 7. LEASES (continued)

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2025 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,492,808	\$ 1,345,548	\$ 8,838,356
2027	7,405,041	1,197,447	8,602,488
2028	7,593,226	948,808	8,542,034
2029	7,748,995	694,863	8,443,858
2030	7,776,514	438,443	8,214,957
2031-2035	1,819,015	1,349,501	3,168,516
2036-2040	2,445,658	998,955	3,444,613
2041-2045	1,424,495	665,683	2,090,178
2046-2050	1,593,359	450,214	2,043,573
2051-2055	971,182	187,801	1,158,983
2056	225,169	2,493	227,662
Total	<u>\$ 46,495,462</u>	<u>\$ 8,279,756</u>	<u>\$ 54,775,218</u>

Airport Use and Lease agreements (Regulated Leases)

The Commission has entered into regulated leases with its Signatory Air Carriers (American, Delta, JetBlue, Southwest, Spirit, and United) for usage of facilities for the purpose of conducting air transportation business. The existing two-year extension of the airline operating and terminal building agreement between the Commission and the signatory air carriers expired on June 30, 2022. This agreement establishes the methods to be used in determining airline rates and charges at the Airport. In early fiscal year 2023, the Commission negotiated a new 5-year extension of the operating agreement, which has been signed by American, Delta, Southwest, Spirit, and United, with the final signature expected prior to year-end. These agreements are non-cancellable and will terminate no later than 2028, with option to negotiate an extension, or month-to-month and cancellable with 30 days' notice. Under the terms of these agreements, Signatory Air Carriers and affiliate airlines make monthly payments to the Commission based on the annual rental rates and charges schedule. Rate calculations are based on total estimates of costs and expenses, estimates of passengers and total landed weight per 1,000 lbs., and other factors. Following the end of each fiscal year, the Commission calculates the actual Signatory Airline Landing Fees based on actual costs and actual Total Landed Weight. Any overages or deficits are credited or recovered the following year. Non-signatory airlines are billed an additional 15% surcharge on the signatory landing fee.

Under the agreements with American, Delta, and United, each air carrier has exclusive and preferential use of certain space and facilities of the terminal and preferential use of certain apron areas. Exclusive use is granted for ticket counter areas, ticket counter offices, concourse operations, and baggage service areas. Preferential use is granted for the hold room area, ramp service area, and outbound baggage area. Aircraft gates at the terminal building are assigned on a preferential use basis. Each Signatory Air Carrier has priority in using its gates, but the Commission may temporarily assign gates to other airlines under certain conditions. A Signatory Air Carrier's use of its gates is subject to the certain conditions. If the usage conditions are not met, the Commission may cancel the Signatory Air Carrier's right to use one or more of its gates. No other airlines have exclusive or preferential use of more than ten (10) percent of terminal space or other areas as of June 30, 2025.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 7. LEASES (continued)

Exclusive and preferential use of space are summarized as follows:

	<u>American</u>	<u>Delta</u>	<u>United</u>	<u>Total</u>
Terminal areas - airline space	13,887 sq. ft.	15,892 sq. ft.	9,918 sq. ft.	55,730 sq. ft.
Apron - airline space	123,895 sq. ft.	140,459 sq. ft.	105,735 sq. ft.	468,309 sq. ft.

For the years ended June 30, 2025 and 2024, the Commission recognized the following balances related to Regulated Leases:

<u>2025</u>	<u>Fixed Payments</u>	<u>Variable Payments</u>
American	\$ 1,021,326	\$ 1,091,675
Delta	\$ 985,946	\$ 1,099,629
United	\$ 645,790	\$ 503,882
Other Signatory Air Carriers	\$ 1,140,113	\$ 1,413,967
<u>2024</u>	<u>Fixed Payments</u>	<u>Variable Payments</u>
American	\$ 973,755	\$ 1,008,383
Delta	\$ 930,557	\$ 817,068
United	\$ 623,399	\$ 478,687
Other Signatory Air Carriers	\$ 933,275	\$ 943,611

Expected future minimum lease payments from Regulated Leases at June 30, 2025, are as follows:

<u>Fiscal Year*</u>	<u>Amount</u>
2026	\$ 8,871,400

* Rates are determined as part of the annual budget process and unknown for a period beyond one year.

Note 8. PENSION PLAN

Plan Description

All full-time, salaried permanent employees of the Commission are automatically covered by a VRS Retirement Plan upon employment. This plan is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees – Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 8. PENSION PLAN (continued)

Average Final compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2023 and June 30, 2022 actuarial valuations, the following employees were covered by the benefit terms of the pension plan:

	2023 Valuation	2022 Valuation
Inactive members or their beneficiaries currently receiving benefits	142	136
Inactive members:		
Vested inactive members	57	56
Non-vested inactive members	143	131
Long-term disability (LTD)	1	1
Inactive members active elsewhere in VRS	80	71
Total inactive members	281	259
Active members	151	133
Total covered employees	574	528

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 8. PENSION PLAN (continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.0% of their compensation toward their retirement.

The Commission's contractually required employer contribution rate for the years ended June 30, 2025 and 2024, was 10.90% and 10.90%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were \$1,393,251 and \$1,000,005 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$55,355 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$35,488 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$5,535,484 for the year ended June 30, 2025.

Net Pension Liability (Asset)

The net pension liability (asset) (NPL(A)) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Commission's net pension liability was measured as of June 30, 2024 and June 30, 2023. The total pension liability used to calculate the net pension liability was determined by actuarial valuations performed as of June 30, 2023 and June 30, 2022, rolled forward to the measurement date of June 30, 2024 and June 30, 2023.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Commission's Retirement Plan was based on actuarial valuations as of June 30, 2023 and June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024 and June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 8. PENSION PLAN (continued)

Actuarial Assumptions – General Employees

Mortality rates:

All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount rate	No change

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 8. PENSION PLAN (continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Commission's Retirement Plan was based on actuarial valuation as of June 30, 2023 and 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024 and June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

All Others (Non-10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 8. PENSION PLAN (continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits (continued)

The actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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Note 8. PENSION PLAN (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges 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 asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations, whichever was greater. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 8. PENSION PLAN (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 46,216,290	\$ 45,268,191	\$ 948,099
Changes for the year:			
Service cost	\$ 1,102,941	\$ -	\$ 1,102,941
Interest	3,107,155	-	3,107,155
Differences between expected and actual experience	1,950,402	-	1,950,402
Contributions - employer	-	998,632	(998,632)
Contributions - employee	-	455,904	(455,904)
Net investment income	-	4,352,353	(4,352,353)
Benefit payments, including refunds of employer contributions	(2,574,621)	(2,574,621)	-
Administrative expenses	-	(29,255)	29,255
Other changes	-	886	(886)
Net changes	\$ 3,585,877	\$ 3,203,899	\$ 381,978
Balances at June 30, 2024	\$ 49,802,167	\$ 48,472,090	\$ 1,330,077

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 44,622,113	\$ 43,589,279	\$ 1,032,834
Changes for the year:			
Service cost	\$ 826,256	\$ -	\$ 826,256
Interest	2,987,532	-	2,987,532
Differences between expected and actual experience	157,646	-	157,646
Contributions - employer	-	888,832	(888,832)
Contributions - employee	-	406,514	(406,514)
Net investment income	-	2,787,744	(2,787,744)
Benefit payments, including refunds of employer contributions	(2,377,257)	(2,377,257)	-
Administrative expenses	-	(28,022)	28,022
Other changes	-	1,101	(1,101)
Net changes	\$ 1,594,177	\$ 1,678,912	\$ (84,735)
Balances at June 30, 2023	\$ 46,216,290	\$ 45,268,191	\$ 948,099

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 8. PENSION PLAN (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Commission using the discount rate of 6.75%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

		Rate		
		1% Decrease	Current Discount	1% Increase
Capital Region Airport Commission	2024	\$ 7,095,006	\$ 1,330,077	\$ (3,460,803)
Net Pension Liability(Asset)	2023	6,682,917	948,099	(3,793,300)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the Commission recognized pension expense of 996,703. At June 30, 2025, the Commission 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	\$ 980,053	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,265,358
Employer contributions subsequent to the measurement date	1,393,251	-
Total	\$ 2,373,304	\$ 1,265,358

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 8. PENSION PLAN (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2024, the Commission recognized pension expense of \$190,495. At June 30, 2024, the Commission 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	\$ 78,427	\$ 53,050
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	694,589
Employer contributions subsequent to the measurement date	<u>1,000,005</u>	<u>-</u>
Total	<u><u>\$ 1,078,432</u></u>	<u><u>\$ 747,639</u></u>

\$1,393,251 and \$1,000,005 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal years ended June 30, 2026 and June 30, 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	2025	Year ended June 30	2024
2026	\$ (144,667)	2025	\$ (472,262)
2027	370,145	2026	(847,914)
2028	(243,681)	2027	627,543
2029	(267,102)	2028	23,421
2030	-	2029	-
Thereafter	-	Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Employees Covered by Benefit Terms

As of the June 30, 2023 and June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	2023 Valuation	2022 Valuation
Inactive members or their beneficiaries currently receiving benefits	37	35
Inactive members:		
Vested inactive members	2	6
Long-term disability (LTD)	1	1
Non-vested inactive members	0	0
Inactive members active elsewhere in VRS	52	72
Total inactive members	92	114
Active members	151	132
Total covered employees	243	246

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Commission's contractually required employer contribution rate for the year ended June 30, 2025 was .42% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The Commission contractually required employer contribution rate for the year ended June 30, 2024 was .42% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Commission to the HIC Plan were \$48,304 and \$42,009 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

The Commission net Health Insurance Credit OPEB liability was measured as of June 30, 2024 and June 30, 2023. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2023 and June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024 and June 30, 2023.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023 and June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement dates of June 30, 2024 and June 30, 2023.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Non-Largest Ten Locality Employers – General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges 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 asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 338,155	\$ 82,864	\$ 255,291
Changes for the year:			
Service cost	\$ 5,621	\$ -	\$ 5,621
Interest	22,593	-	22,593
Difference between expected and actual experience	(26,292)	-	(26,292)
Contributions - employer	-	42,014	(42,014)
Net investment income	-	9,229	(9,229)
Benefit payments, including refunds of employee contributions	(18,120)	(18,120)	-
Administrative expenses	-	(137)	137
Net changes	\$ (16,198)	\$ 32,986	\$ (49,184)
Balances at June 30, 2024	\$ 321,957	\$ 115,850	\$ 206,107

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 357,311	\$ 59,244	\$ 298,067
Changes for the year:			
Service cost	\$ 4,610	\$ -	\$ 4,610
Interest	23,844	-	23,844
Difference between expected and actual experience	(30,255)	-	(30,255)
Contributions - employer	-	36,778	(36,778)
Net investment income	-	3,641	(3,641)
Benefit payments, including refunds of employee contributions	(17,355)	(17,355)	-
Administrative expenses	-	(82)	82
Other changes	-	638	(638)
Net changes	\$ (19,156)	\$ 23,620	\$ (42,776)
Balances at June 30, 2023	\$ 338,155	\$ 82,864	\$ 255,291

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

Sensitivity of the Commission's HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the Commission's HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the Commission's net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

		Rate		
		1% Decrease	Current Discount	1% Increase
Commission's	2024	\$ 240,301	\$ 206,107	\$ 177,095
Net HIC OPEB Liability	2023	292,697	255,291	223,672

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2025, the Commission recognized HIC Plan OPEB expense of \$34,212. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to the Commission's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,929	\$ 36,335
Changes of assumptions	9,870	-
Net difference between projected and actual earnings on HIC OPEB plan investments	-	1,539
Employer contributions subsequent to the measurement date	48,304	-
Total	\$ 80,103	\$ 37,874

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Note 9. HEALTH INSURANCE CREDIT (HIC) PLAN (continued)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (continued)

For the year ended June 30, 2024, the Commission recognized HIC Plan OPEB expense of \$41,437. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to the Commission's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,634	\$ 22,982
Changes of assumptions	14,067	1,079
Net difference between projected and actual earnings on HIC OPEB plan investments	667	-
Employer contributions subsequent to the measurement date	42,009	-
Total	\$ 101,377	\$ 24,061

\$48,304 and \$42,009 reported as deferred outflows of resources related to the HIC OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal years ending June 30, 2026 and June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	2025	Year Ended June 30	2024
2026	\$ 7,503	2025	\$ 18,489
2027	(6,321)	2026	13,736
2028	(3,382)	2027	(88)
2029	(3,875)	2028	2,851
2030	-	2029	319
Thereafter	-	Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN)

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of July 30, 2025.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation for 2022 and 2021. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the years ended June 30, 2025 and June 30, 2024 was 0.47% and 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the Commission were \$54,371 and \$54,010 for the years ended June 30, 2025 and June 30, 2024, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2025 and June 30, 2024, the entity reported a liability of \$431,881 and \$446,984, respectively for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and June 30, 2023. The total GLI OPEB liability used to calculate the June 30, 2024 Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The Commission's proportion of the Net GLI OPEB Liability was based on the Commission's actuarially determined employer contributions to the GLI Plan for the years ended June 30, 2024 and June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the Commission's proportion was .03896% as compared to .03727% at June 30, 2023 and .03400% at June 30, 2022.

For the years ended June 30, 2025 and June 30, 2024, the Commission recognized GLI OPEB expense of (\$3,790) and \$6,810 respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (continued)

At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 68,572	\$ 10,620
Net difference between projected and actual earnings on GLI OPEB plan investments	-	36,646
Change in assumptions	2,478	21,546
Changes in proportionate share	45,587	58,763
Employer contributions subsequent to the measurement date	<u>54,371</u>	<u>-</u>
Total	\$ <u><u>171,008</u></u>	\$ <u><u>127,575</u></u>

At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 44,643	\$ 13,568
Net difference between projected and actual earnings on GLI OPEB plan investments	-	17,962
Change in assumptions	9,554	30,969
Changes in proportionate share	38,886	87,073
Employer contributions subsequent to the measurement date	<u>54,010</u>	<u>-</u>
Total	\$ <u><u>147,093</u></u>	\$ <u><u>149,572</u></u>

Capital Region Airport Commission
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Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (continued)

\$54,371 and \$54,010 reported as deferred outflows of resources related to the GLI OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal years ending June 30, 2026 and June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>2025</u>	<u>Year Ended June 30</u>	<u>2024</u>
2026	\$ (36,538)	2025	\$ (21,128)
2027	(5,236)	2026	(39,430)
2028	5,931	2027	(9,302)
2029	15,127	2028	2,166
2030	9,778	2029	11,205
Thereafter	-	Thereafter	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023 and June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024 and June 30, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Non-Largest Ten Locality Employers-General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

Actuarial Assumptions: (continued)

Mortality Rates – Non-Largest Ten Locality Employers-General Employees (continued)

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

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Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

Actuarial Assumptions: (continued)

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees (continued)

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	\$ 1,115,922
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

NET GLI OPEB Liability (continued)

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges 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 asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 10. GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN) (continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the Commission for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2024, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the Commission's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

		Rate		
		1% Decrease	Current Discount	1% Increase
Commission's proportionate				
share of the GLI Plan	2024 \$	676,113	\$ 431,881	\$ 239,784
Net OPEB Liability	2023	662,570	446,984	272,681

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varefire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 11. LINE OF DUTY ACT (LODA) PROGRAM

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

The specific information for LODA OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date (the benefit will be \$75,000 for approved presumptive deaths occurring on or after January 1, 2025); or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA eligible disabled individuals, survivors and family members.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2025 and June 30, 2024 was \$1,015 and \$830, respectively per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$38,570 and \$29,085 for the years ended June 30, 2025 and June 30, 2024, respectively.

Capital Region Airport Commission
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Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Contributions (continued)

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB

At June 30, 2025 and June 30, 2024, the entity reported a liability of \$758,459 and \$803,322, respectively for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2024 and June 30, 2023. The total LODA OPEB liability used to calculate the June 30, 2024 Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the years ended June 30, 2024 and June 30, 2023 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2024, the entity's proportion was .19272% as compared to .20040% at June 30, 2023 and .19410% at June 30, 2022.

For the years ended June 30, 2025 and June 30, 2024, the entity recognized LODA OPEB expense of \$77,874 and \$93,507, respectively. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,390	\$ 185,269
Net difference between projected and actual earnings on LODA OPEB program investments	-	2,507
Change in assumptions	139,815	152,757
Change in proportionate share	66,610	194,283
Employer contributions subsequent to the measurement date	38,570	-
Total	<u>\$ 271,385</u>	<u>\$ 534,816</u>

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Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB (continued)

At June 30, 2024, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 42,850	\$ 151,265
Net difference between projected and actual earnings on LODA OPEB program investments	-	2,350
Change in assumptions	178,427	165,649
Change in proportionate share	87,253	197,580
Employer contributions subsequent to the measurement date	<u>29,085</u>	<u>-</u>
Total	<u>\$ 337,615</u>	<u>\$ 516,844</u>

\$38,570 and \$29,085 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2026 and June 30, 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>2025</u>	<u>Year Ended June 30</u>	<u>2024</u>
2026	\$ (30,493)	2025	\$ (18,137)
2027	(24,276)	2026	(18,064)
2028	(31,129)	2027	(11,758)
2029	(44,292)	2028	(18,742)
2030	(48,107)	2029	(32,188)
Thereafter	(123,704)	Thereafter	(109,426)

Capital Region Airport Commission
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Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.25%-4.25%
Ages 65 and older	6.50%-4.25%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2034
Ages 65 and older	Fiscal year ended 2034
Investment rate of return	3.97%, including inflation*

*Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return. The assumed annual rate of return of 3.86% was used in the 2023 measurement since it approximated the risk-free rate of return.

Mortality Rates – Non-Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Capital Region Airport Commission
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Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Net LODA OPEB Liability

The net OPEB liability (NOL) for the Line of Duty Act Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of measurement date of June 30, 2024, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

	LODA Program
Total LODA OPEB Liability	\$ 398,395
Plan Fiduciary Net Position	4,841
LODA Net OPEB Liability (Asset)	\$ 393,554
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.22%

The total LODA OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.97% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of the measurement date of June 30, 2024.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.97% and 3.86% at 2024 and 2023, respectively. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of the Commission's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net LODA OPEB liability using the 2024 discount rate of 3.97%, as well as what the Commission's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current rate. The 2023 share is presented using the discount rate of 3.86%, as well as the one percentage point decrease (2.86%) and one percentage point increase of 4.86%.

		Discount Rate		
		1% Decrease	Current	1% Increase
Commission's proportionate				
share of the LODA	2024	\$ 840,810	\$ 758,459	\$ 687,645
Net OPEB Liability	2023	900,715	803,322	720,929

Sensitivity of the Commission's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the Commission's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.25% decreasing to 4.25%, as well as what the Commission's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.25% decreasing to 3.25%) or one percentage point higher (8.25% decreasing to 5.25%) than the current rate.

Note 11. LINE OF DUTY ACT (LODA) PROGRAM (continued)

Sensitivity of the Commission's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate (continued)

		Health Care Trend Rates		
		1% Decrease	Current	1% Increase
Commission's proportionate				
share of the LODA	2024	\$ 646,106	\$ 758,459	\$ 896,317
Net OPEB Liability	2023	681,244	803,322	954,595

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varefire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP)

Plan Description

Political subdivisions are required by Title 51.1 of the Code of Virginia, as amended, to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the Virginia Local Disability Program (VLDP). This is a multiple-employer, cost-sharing plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia.

The specific information for the VLDP OPEB, including eligibility, coverage, and benefits is described below:

Eligible Employees

The Political Subdivision VLDP was implemented January 1, 2014 to provide benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits. All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision VLDP.

Benefit Amounts

The VLDP provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer. During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability. Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.

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Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

Benefit Amounts (continued)

The VLDP provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week. Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

VLDP Notes

Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible. VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

Contributions

The contribution requirements for active hybrid plan employees is governed by §51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the years ended June 30, 2025 and June 30, 2024 was 0.74% and 0.85%, respectively, of covered employee compensation for employees in the VRS Political Subdivision Employee VDLP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023 and June 30, 2022, respectively. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Commission to the VRS Political Subdivision Employee VDLP were \$41,021 and \$37,491 for the years ended June 30, 2025 and June 30, 2024, respectively.

VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB

At June 30, 2025 and June 30, 2024, the Commission reported a liability (asset) of \$(20,572) and \$(8,153), respectively for its proportionate share of the VLDP Net OPEB Liability. The Net VLDP OPEB Liability was measured as of June 30, 2024 and June 30, 2023, respectively. The total VLDP OPEB liability used to calculate the June 30, 2024 Net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The Commission's proportion of the Net VLDP OPEB Liability was based on the Commission's actuarially determined employer contributions to the VLDP OPEB plan for the years ended June 30, 2024 and June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the Commission's proportion of the VLDP was 0.57027% as compared to 0.50670% at June 30, 2023 and 0.44410% at June 30, 2022.

For the years ended June 30, 2025 and June 30, 2024, the Commission recognized VLDP OPEB expense of \$27,462 and \$20,476, respectively. Since there was a change in proportionate share between measurement dates a portion of the VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

Capital Region Airport Commission
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Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB: (continued)

At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,444	\$ 4,335
Net difference between projected and actual earnings on VLDP OPEB program investments	-	1,861
Change in assumptions	-	478
Changes in proportionate share	25	1,432
Employer contributions subsequent to the measurement date	41,021	-
Total	<u>\$ 43,490</u>	<u>\$ 8,106</u>

At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,061	\$ 5,079
Net difference between projected and actual earnings on VLDP OPEB program investments	20	-
Change in assumptions	54	747
Changes in proportionate share	31	586
Employer contributions subsequent to the measurement date	37,491	-
Total	<u>\$ 40,657</u>	<u>\$ 6,412</u>

Capital Region Airport Commission
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Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB: (continued)

\$41,021 and \$37,491 reported as deferred outflows of resources related to the VLDP OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net VLDP OPEB Liability in the fiscal year ending June 30, 2026 and June 30, 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>2025</u>	<u>Year Ended June 30</u>	<u>2024</u>
2026	\$ (2,268)	2025	\$ (445)
2027	(466)	2026	(1,491)
2028	(867)	2027	118
2029	(1,211)	2028	(238)
2030	(821)	2029	(538)
Thereafter	(4)	Thereafter	(652)

Actuarial Assumptions

The total VLDP OPEB liability for the VLDP was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50%-5.35%
Investment rate of return	6.75%, net of program investment expenses, including inflation

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

VLDP OPEB Liabilities, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB: (continued)

Actuarial Assumptions (continued)

Mortality Rates – Non-Largest Ten Locality Employers – General and Non-Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

Net VLDP OPEB Liability

The net OPEB liability (NOL) for the Political Subdivision Employee VLDP represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Political Subdivision Employee VLDP is as follows (amounts expressed in thousands):

	Political Subdivision VLDP OPEB Plan	
	<hr/>	
Total Political Subdivision VLDP OPEB Liability	\$	12,230
Plan Fiduciary Net Position		15,837
Political Subdivision VLDP net OPEB Liability (Asset)	\$	<hr/> <hr/> (3,607)
Plan Fiduciary Net Position as a Percentage of the		
Total Political Subdivision VLDP OPEB Liability		129.49%

The total Political Subdivision Employee VLDP OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Political Subdivision Employee VLDP OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

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Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on VRS System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS System investment expense and inflation) are developed for each major asset class. These ranges 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 asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total VLDP OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the Commission for the VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VLDP OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total VLDP OPEB liability.

Note 12. VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (continued)

Sensitivity of the Commission's Proportionate Share of the VLDP Net OPEB Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net VLDP OPEB liability using the discount rate of 6.75%, as well as what the Commission's proportionate share of the net VLDP OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

		Rate		
		1% Decrease	Current Discount	1% Increase
Commission's				
proportionate share of the	2024 \$	(14,960) \$	(20,572) \$	(25,511)
VLDP Net OPEB Liability	2023	(4,272)	(8,153)	(11,554)

Political Subdivision Employee VLDP OPEB Fiduciary Net Position

Detailed information about the VRS Political Subdivision Employee Virginia Local Disability Program's Fiduciary Net Position is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13. PRE-65 MEDICAL PLAN FOR RETIREES

Plan Description

In addition to the benefits provided through VRS, the Commission administers a single-employer defined benefit healthcare plan, The Capital Region Airport Commission Pre-65 Medical Plan for Retirees. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Commission's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits provided to eligible retirees include medical, dental, and vision coverage. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the Commission with a minimum of 15 years of continuous service that retire on or after July 1, 2019, are eligible to enroll in Commission sponsored medical plan at full cost of medical plan premiums until retiree reaches age 65. Retirees who have at least 15 years of service credit in VRS and who are participating in an acceptable health insurance plan are eligible for a health insurance credit to assist with the cost of their health insurance premiums. Disabled retirees are eligible for the full credit regardless of their length of service. The health insurance credit payment cannot exceed the amount of the health insurance premium for the retiree-only coverage. The plan does not include a pre-retirement death benefit.

Capital Region Airport Commission
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June 30, 2025 and 2024

Note 13. PRE-65 MEDICAL PLAN FOR RETIREES (continued)

Plan Membership

At June 30, 2025 and 2024 (measurement date), the following employees were covered by the benefit terms:

	2025	2024
	Measurement	Measurement
Total active employees with coverage	169	127
Total retirees with coverage	-	-
Total spouses of retirees with coverage	-	-
Total	169	127

Contributions

The Commission does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Commission. There is no amount paid by the Commission for OPEB as 100% of premiums are paid directly by retirees.

Total OPEB Liability

The Commission's total OPEB liability was measured as of June 30, 2025 and June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of the valuation date, using updated actuarial assumptions, applied to all periods included in the measurement and projected forward to the measurement dates of June 30, 2025 and June 30, 2024. Any significant changes during this period have been reflected as prescribed by GASB 74 and GASB 75.

Actuarial Assumptions

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2025 2.50% per year as of June 30, 2024
Salary Increases	The salary increase rate starts at 5.35% and 4.75% salary increase for 1 year of service for general and public safety employees, respectively and gradually declines to 3.50% salary increase for 20 or more years of service.
Discount Rate	5.20% as of June 30, 2025 3.93% as of June 30, 2024

Capital Region Airport Commission
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Note 13. PRE-65 MEDICAL PLAN FOR RETIREES (continued)

Actuarial Assumptions (continued)

Mortality rates for Active employees and healthy retirees were based on Pub-2010 Amount Weighted General Employee Rates projected generationally and for public safety employees, Pub-2010 Amount Weighted Safety Employee Rates projected generationally. For more detailed information on mortality rates, reference the previous notes for VRS plans.

The date of the most recent actuarial experience study for which significant assumptions were based covered the period from July 1, 2016 to June 30, 2020. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 20, 2021.

The Long-Term Expected Rate of Return on OPEB Plan investments is 5.20 % as of June 30, 2025 and 3.93% as of June 30, 2024.

Discount Rate

The discount rates are based on the Bond Buyer General Obligation 20-Bond Municipal Index as of their respective measurement dates.

Changes in Total OPEB Liability

	Total OPEB Liability 2025	Total OPEB Liability 2024
Balances at July 1	\$ 366,250	\$ 344,339
Changes for the year:		
Service cost	29,239	23,956
Interest	15,487	13,321
Difference between expected and actual experience	(12,013)	-
Changes in assumptions	(43,305)	(8,696)
Benefit payments	(2,882)	(6,670)
Net changes	(13,474)	21,911
Balances at June 30	\$ <u>352,776</u>	\$ <u>366,250</u>

Capital Region Airport Commission
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Note 13. PRE-65 MEDICAL PLAN FOR RETIREES (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current discount rate (5.20%). The 2024 discount rate was 3.93%:

	Rate		
	1% Decrease	Current Discount	1% Increase
Total OPEB Liability			
2025	\$ 387,479	\$ 352,776	\$ 321,741
2024	398,423	366,250	337,087

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Commission, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates (7.10% decreasing to an ultimate rate of 4.50%) that are one percentage point lower (6.10% decreasing to an ultimate rate of 3.50%) or one percentage point higher (8.10% decreasing to an ultimate rate of 5.50%) than the current healthcare cost trend rates. The 2023 healthcare cost trend rates were (7.10% decreasing to an ultimate rate of 4.50%).

	Rates		
	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB Liability			
2025	\$ 310,798	\$ 352,776	\$ 402,310
2024	322,810	366,250	417,518

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, the Commission recognized OPEB expense in the amount of (\$18,139). At June 30, 2025, the Commission 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	\$ -	\$ 85,184
Changes in assumptions	2,543	50,132
Total	\$ 2,543	\$ 135,316

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 13. PRE-65 MEDICAL PLAN FOR RETIREES (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

For the year ended June 30, 2024, the Commission recognized OPEB expense in the amount of \$10,611. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 117,920
Changes in assumptions	6,174	28,574
Total	<u>\$ 6,174</u>	<u>\$ 146,494</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>2025</u>	<u>Year Ended June 30</u>	<u>2024</u>
2026	\$ (56,904)	2025	\$ (53,160)
2027	(43,006)	2026	(47,199)
2028	(16,365)	2027	(33,301)
2029	(9,705)	2028	(6,660)
2030	(6,793)	2029	-
Thereafter	-	Thereafter	-

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

Capital Region Airport Commission
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Note 14. OPEB PLANS SUMMARY

The below tables summarize the OPEB plans aggregate totals of net OPEB liabilities, deferred outflows of resources, deferred inflows of resources, OPEB expense, and changes in the liability:

	Net OPEB Asset	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
2025					
VRS OPEB Plans:					
Health Insurance Credit Plan (Note 9)	\$ -	\$ 80,103	\$ (37,874)	\$ (206,107)	\$ 34,212
Group Life Insurance Plan (Note 10)	-	171,008	(127,575)	(431,881)	(3,790)
Line of Duty Act Program (Note 11)	-	271,385	(534,816)	(758,459)	77,874
Virginia Local Disability Program (Note 12)	20,572	43,490	(8,106)	-	27,462
Retiree Medical Plan (Note 13)	-	2,543	(135,316)	(352,776)	(18,139)
Totals at June 30, 2025	<u>\$ 20,572</u>	<u>\$ 568,529</u>	<u>\$ (843,687)</u>	<u>\$ (1,749,223)</u>	<u>\$ 117,619</u>

2024					
VRS OPEB Plans:					
Health Insurance Credit Plan (Note 9)	\$ -	\$ 101,377	\$ (24,061)	\$ (255,291)	\$ 41,437
Group Life Insurance Plan (Note 10)	-	147,093	(149,572)	(446,984)	6,810
Line of Duty Act Program (Note 11)	-	337,615	(516,844)	(803,322)	93,507
Virginia Local Disability Program (Note 12)	8,153	40,657	(6,412)	-	20,476
Retiree Medical Plan (Note 13)	-	6,174	(146,494)	(366,250)	10,611
Totals at June 30, 2024	<u>\$ 8,153</u>	<u>\$ 632,916</u>	<u>\$ (843,383)</u>	<u>\$ (1,871,847)</u>	<u>\$ 172,841</u>

	Beginning Balance	Increase	Decrease	Ending Balance
2025				
VRS OPEB Plans:				
Health Insurance Credit Plan (Note 9)	\$ 255,291	\$ 90,072	\$ (139,256)	\$ 206,107
Group Life Insurance Plan (Note 10)	446,984	262,452	(277,555)	431,881
Line of Duty Act Program (Note 11)	803,322	827,533	(872,396)	758,459
Virginia Local Disability Program (Note 12)	(8,153)	36,343	(48,762)	(20,572)
Retiree Medical Plan (Note 13)	366,250	44,726	(58,200)	352,776
Totals at June 30, 2024	<u>\$ 1,863,694</u>	<u>\$ 1,261,126</u>	<u>\$ (1,396,169)</u>	<u>\$ 1,728,651</u>

2024				
VRS OPEB Plans:				
Health Insurance Credit Plan (Note 9)	\$ 298,067	\$ 28,536	\$ (71,312)	\$ 255,291
Group Life Insurance Plan (Note 10)	409,513	297,334	(259,863)	446,984
Line of Duty Act Program (Note 11)	734,620	955,660	(886,958)	803,322
Virginia Local Disability Program (Note 12)	(2,611)	31,003	(36,545)	(8,153)
Retiree Medical Plan (Note 13)	344,339	37,277	(15,366)	366,250
Totals at June 30, 2023	<u>\$ 1,783,928</u>	<u>\$ 1,349,810</u>	<u>\$ (1,270,044)</u>	<u>\$ 1,863,694</u>

Capital Region Airport Commission
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Note 15. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, the Commission entered into various recurring transactions with certain municipalities relating primarily to water and sewer fees, other utilities, roadway maintenance and advertising contracts.

Note 16. DEFERRED COMPENSATION PLAN

The Commission offers an approved deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All Commission employees are eligible to participate and may defer their gross income not to exceed a maximum of \$23,500 for the year 2025; with participants age 50 and older allowed to defer a maximum of \$31,000. The compensation deferred is not available to employees until termination, retirement, death or an unforeseeable emergency. All plan assets are held in a custodial account for the exclusive benefit of participants and beneficiaries under the Plan. Accordingly, the related assets and liabilities associated with the plan are not reported as part of the Commission's financial information.

Note 17. COMMITMENTS AND CONTINGENCIES

In the normal course of its operations, the Commission has commitments, contingent liabilities, lawsuits and claims. Commission management does not expect that any amount it may have to pay in connection with any of these matters would have a material adverse effect on the financial position of the Commission. The Commission has a standby letter of credit in the amount of \$750,000 with First Virginia Bank for the control of sedimentation and/or erosion. As of June 30, 2025, the Commission had construction commitments of approximately \$44.8 million, of which approximately \$15.5 million will be paid from federal and state grants, including PFC funds.

Note 18. ADOPTION OF ACCOUNTING PRINCIPLE

The Commission implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Commission now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The change in accounting principle resulted in the following restatement of net position:

	<u>2024</u>	<u>2023</u>
Net position as of July 1, previously reported	\$ 588,620,309	\$ 554,901,396
Implementation of GASB Statement No. 101	<u>(179,595)</u>	<u>219,915</u>
Net position as of July 1, as restated	<u>\$ 588,440,714</u>	<u>\$ 555,121,311</u>

REQUIRED SUPPLEMENTARY INFORMATION

Schedules focusing on changes in net pension liability (asset) and related ratios of the VRS pension plan as well as net OPEB assets and liabilities and related ratios of the various OPEB plans.

Capital Region Airport Commission
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
VRS PENSION PLAN
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 1,102,941	\$ 826,256	\$ 844,817	\$ 919,009	\$ 1,108,776
Interest	3,107,155	2,987,532	2,926,563	2,683,630	2,569,899
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,950,402	157,646	(535,332)	(17,415)	210,416
Assumption changes	-	-	-	1,549,853	-
Benefit payments	(2,574,621)	(2,377,257)	(2,251,206)	(2,510,586)	(1,897,777)
Net change in total pension liability	\$ 3,585,877	\$ 1,594,177	\$ 984,842	\$ 2,624,491	\$ 1,991,314
Total pension liability - beginning	46,216,290	44,622,113	43,637,271	41,012,780	39,021,466
Total pension liability - ending (a)	\$ 49,802,167	\$ 46,216,290	\$ 44,622,113	\$ 43,637,271	\$ 41,012,780
Plan fiduciary net position					
Contributions - employer	\$ 998,632	\$ 888,832	\$ 666,100	\$ 682,971	\$ 684,049
Contributions - employee	455,904	406,514	346,527	434,039	424,956
Net investment income	4,352,353	2,787,744	(33,360)	9,793,990	693,824
Benefit payments	(2,574,621)	(2,377,257)	(2,251,206)	(2,510,586)	(1,897,777)
Administrative expense	(29,255)	(28,022)	(28,115)	(25,031)	(23,977)
Other	886	1,101	1,024	921	(823)
Net change in plan fiduciary net position	\$ 3,203,899	\$ 1,678,912	\$ (1,299,030)	\$ 8,376,304	\$ (119,748)
Plan fiduciary net position - beginning	45,268,191	43,589,279	44,888,309	36,512,005	36,631,753
Plan fiduciary net position - ending (b)	\$ 48,472,090	\$ 45,268,191	\$ 43,589,279	\$ 44,888,309	\$ 36,512,005
Commission's net pension liability (asset) - ending (a) - (b)	\$ 1,330,077	\$ 948,099	\$ 1,032,834	\$ (1,251,038)	\$ 4,500,775
Plan fiduciary net position as a percentage of the total pension liability	97.33%	97.95%	97.69%	102.87%	89.03%
Covered payroll	\$ 9,999,206	\$ 8,747,241	\$ 7,335,023	\$ 7,502,119	\$ 8,889,384
Commission's net pension liability (asset) as a percentage of covered payroll	13.30%	10.84%	14.08%	-16.68%	50.63%

Capital Region Airport Commission
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
VRS PENSION PLAN
For the Measurement Dates of June 30, 2015 through June 30, 2024
(Continued)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 1,027,458	\$ 951,396	\$ 914,853	\$ 947,517	\$ 867,611
Interest	2,440,776	2,360,261	2,289,579	2,166,414	2,103,636
Changes in benefit terms	-	402,011	-	-	-
Differences between expected and actual experience	352,766	(1,116,875)	(470,663)	139,420	(733,014)
Assumption changes	1,086,066	-	(313,362)	-	-
Benefit payments	<u>(1,507,664)</u>	<u>(1,385,500)</u>	<u>(1,435,808)</u>	<u>(1,551,901)</u>	<u>(1,130,913)</u>
Net change in total pension liability	\$ 3,399,402	\$ 1,211,293	\$ 984,599	\$ 1,701,450	\$ 1,107,320
Total pension liability - beginning	<u>35,622,064</u>	<u>34,410,771</u>	<u>33,426,172</u>	<u>31,724,722</u>	<u>30,617,402</u>
Total pension liability - ending (a)	<u>\$ 39,021,466</u>	<u>\$ 35,622,064</u>	<u>\$ 34,410,771</u>	<u>\$ 33,426,172</u>	<u>\$ 31,724,722</u>
Plan fiduciary net position					
Contributions - employer	\$ 695,507	\$ 820,043	\$ 725,003	\$ 823,513	\$ 818,481
Contributions - employee	427,764	410,902	379,833	387,582	378,639
Net investment income	2,320,346	2,409,834	3,564,329	508,986	1,284,659
Benefit payments	(1,507,664)	(1,385,500)	(1,435,808)	(1,551,901)	(1,130,913)
Administrative expense	(22,798)	(20,544)	(20,502)	(18,229)	(17,267)
Other	<u>(1,462)</u>	<u>(2,155)</u>	<u>(3,175)</u>	<u>(215)</u>	<u>(271)</u>
Net change in plan fiduciary net position	\$ 1,911,693	\$ 2,232,580	\$ 3,209,680	\$ 149,736	\$ 1,333,328
Plan fiduciary net position - beginning	<u>34,720,060</u>	<u>32,487,480</u>	<u>29,277,800</u>	<u>29,128,064</u>	<u>27,794,736</u>
Plan fiduciary net position - ending (b)	<u>\$ 36,631,753</u>	<u>\$ 34,720,060</u>	<u>\$ 32,487,480</u>	<u>\$ 29,277,800</u>	<u>\$ 29,128,064</u>
Commission's net pension liability (asset) - ending (a) - (b)	\$ 2,389,713	\$ 902,004	\$ 1,923,291	\$ 4,148,372	\$ 2,596,658
Plan fiduciary net position as a percentage of the total pension liability	93.88%	97.47%	94.41%	87.59%	91.82%
Covered payroll	\$ 8,888,823	\$ 8,509,044	\$ 7,819,559	\$ 7,318,266	\$ 7,739,286
Commission's net pension liability (asset) as a percentage of covered payroll	26.88%	10.60%	24.60%	56.69%	33.55%

Capital Region Airport Commission
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VRS PENSION PLAN
For the Years Ended June 30, 2016 through June 30, 2025

Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)		
	(1)*	(2)*	(3)	(4)	(5)
2025	\$ 1,393,251	\$ 1,393,251	\$ -	\$ 11,489,333	12.13%
2024	1,000,005	1,000,005	-	9,999,206	10.00%
2023	887,842	887,842	-	8,747,241	10.15%
2022	665,239	665,239	-	7,335,023	9.07%
2021	682,944	682,944	-	7,502,119	9.10%
2020	693,622	693,622	-	8,889,384	7.80%
2019	695,525	695,525	-	8,888,823	7.82%
2018	837,690	837,690	-	8,509,044	9.84%
2017	740,837	740,837	-	7,819,559	9.47%
2016	810,132	810,132	-	7,318,266	11.07%

* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Capital Region Airport Commission
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
VRS PENSION PLAN
Year Ended June 30, 2025

Changes of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of Assumptions

The actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non-10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Capital Region Airport Commission
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
VRS HEALTH INSURANCE CREDIT (HIC) PROGRAM
Measurement Dates of June 30, 2017 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total HIC OPEB Liability				
Service cost	\$ 5,621	\$ 4,610	\$ 5,968	\$ 7,340
Interest	22,593	23,844	22,444	20,026
Differences between expected and actual experience	(26,292)	(30,255)	323	16,924
Changes in assumptions	-	-	12,752	6,680
Benefit payments	(18,120)	(17,355)	(21,423)	(20,793)
Net change in total HIC OPEB liability	\$ (16,198)	\$ (19,156)	\$ 20,064	\$ 30,177
Total HIC OPEB Liability - beginning	338,155	357,311	337,247	307,070
Total HIC OPEB Liability - ending (a)	\$ 321,957	\$ 338,155	\$ 357,311	\$ 337,247
Plan fiduciary net position				
Contributions - employer	\$ 42,014	\$ 36,778	\$ 22,809	\$ 23,343
Net investment income	9,229	3,641	(16)	9,013
Benefit payments	(18,120)	(17,355)	(21,423)	(20,793)
Administrative expense	(137)	(82)	(98)	(118)
Other	-	638	11,978	-
Net change in plan fiduciary net position	\$ 32,986	\$ 23,620	\$ 13,250	\$ 11,445
Plan fiduciary net position - beginning	82,864	59,244	45,994	34,549
Plan fiduciary net position - ending (b)	\$ 115,850	\$ 82,864	\$ 59,244	\$ 45,994
Commission's net HIC OPEB liability - ending (a) - (b)	\$ 206,107	\$ 255,291	\$ 298,067	\$ 291,253
Plan fiduciary net position as a percentage of the total HIC OPEB liability	35.98%	24.50%	16.58%	13.64%
Covered payroll	\$ 10,002,873	\$ 8,755,042	\$ 7,357,824	\$ 7,529,919
Commission's net HIC OPEB liability as a percentage of covered payroll	2.06%	2.92%	4.05%	3.87%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Capital Region Airport Commission
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
VRS HEALTH INSURANCE CREDIT (HIC) PROGRAM
Measurement Dates of June 30, 2017 through June 30, 2024
(Continued)

	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total HIC OPEB Liability					
Service cost	\$ 8,701	\$ 8,701	\$ 8,076	\$ 7,363	\$ 7,515
Interest	19,114	19,114	10,103	9,655	9,551
Differences between expected and actual experience	5,418	5,418	128,810	533	-
Changes in assumptions	-	-	7,333	-	(10,627)
Benefit payments	(18,680)	(18,680)	(12,265)	(10,044)	117
Net change in total HIC OPEB liability	\$ 14,553	\$ 14,553	\$ 142,057	\$ 7,507	\$ 6,556
Total HIC OPEB Liability - beginning	292,517	\$	150,460	142,953	136,397
Total HIC OPEB Liability - ending (a)	\$ 307,070	\$ 14,553	\$ 292,517	\$ 150,460	\$ 142,953
Plan fiduciary net position					
Contributions - employer	\$ 18,667	\$ 18,667	\$ 18,732	\$ 17,946	\$ 15,147
Net investment income	603	603	1,982	1,611	928
Benefit payments	(18,680)	(18,680)	(12,265)	(10,044)	117
Administrative expense	(67)	(67)	(45)	(46)	(35)
Other	-	-	(2)	-	-
Net change in plan fiduciary net position	\$ 523	\$ 523	\$ 8,402	\$ 9,467	\$ 16,157
Plan fiduciary net position - beginning	34,026	\$	25,624	16,157	-
Plan fiduciary net position - ending (b)	\$ 34,549	\$ 523	\$ 34,026	\$ 25,624	\$ 16,157
Commission's net HIC OPEB liability - ending (a) - (b)	\$ 272,521	\$ 14,030	\$ 258,491	\$ 124,836	\$ 126,796
Plan fiduciary net position as a percentage of the total HIC OPEB liability	11.25%	3.59%	11.63%	17.03%	11.30%
Covered payroll	\$ 8,889,384	\$ 8,889,384	\$ 8,920,207	\$ 8,545,428	\$ 7,196,592
Commission's net HIC OPEB liability as a percentage of covered payroll	3.07%	0.16%	2.90%	1.46%	1.76%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Capital Region Airport Commission
SCHEDULE OF COMMISSION'S SHARE OF NET OPEB LIABILITY (ASSET)
VRS COST-SHARING PLANS
Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net OPEB Liability (Asset) (3)	Employer's Covered Payroll* (4)	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll* (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (6)
Group Life Insurance (GLI) Plan					
2024	0.03896%	\$ 431,881	\$ 10,002,873	4.32%	73.41%
2023	0.03727%	446,984	8,780,377	5.09%	69.30%
2022	0.03400%	409,513	7,398,204	5.54%	67.21%
2021	0.03660%	425,774	7,550,347	5.64%	67.45%
2020	0.04339%	724,108	8,930,161	8.11%	52.64%
2019	0.04570%	743,661	8,959,555	8.30%	52.00%
2018	0.04539%	689,000	8,637,145	7.98%	51.22%
2017	0.04295%	647,000	7,921,717	8.17%	48.86%
Line of Duty Act (LODA) Program					
2024	0.19272%	\$ 758,459	\$ 2,480,162	30.58%	1.22%
2023	0.20040%	803,322	2,381,649	33.73%	1.31%
2022	0.19410%	734,620	2,003,289	36.67%	1.87%
2021	0.24490%	1,079,856	1,895,001	56.98%	1.68%
2020	0.23889%	1,000,508	2,590,710	38.62%	1.02%
2019	0.25241%	905,612	2,667,315	33.95%	0.79%
2018	0.23438%	735,000	2,446,312	84.69%	0.60%
2017	0.20517%	539,000	2,136,055	62.08%	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

Virginia Local Disability Program (VLDP)					
2024	0.57027%	\$ (20,572)	\$ 4,410,701	-0.47%	129.49%
2023	0.50670%	(8,153)	3,101,246	-0.26%	116.89%
2022	0.44410%	(2,611)	2,080,455	-0.13%	107.99%
2021	0.49424%	(5,003)	1,985,479	-0.25%	119.59%
2020	0.52367%	5,228	1,951,422	0.27%	76.84%
2019	0.53970%	10,933	1,667,813	0.66%	49.19%
2018	0.59935%	5,000	1,455,262	0.34%	51.39%
2017	0.58804%	3,000	1,094,433	0.27%	38.40%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Capital Region Airport Commission
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VRS OPEB PLANS
Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll* (4)	Contributions as a % of Covered Payroll* (5)
Health Insurance Credit (HIC) Plan					
2025	\$ 48,304	\$ 48,304	\$ -	\$ 11,500,978	0.42%
2024	42,009	42,009	-	10,002,873	0.42%
2023	36,752	36,752	-	8,755,042	0.42%
2022	22,809	22,809	-	7,357,824	0.31%
2021	23,342	23,342	-	7,529,919	0.31%
2020	18,667	18,667	-	8,889,384	0.21%
2019	18,732	18,732	-	8,920,207	0.21%
2018	17,946	17,946	-	8,545,428	0.21%
2017	15,147	15,147	-	7,196,592	0.21%

Schedule is intended to show information for 10 years. HIC participation was effective August 1, 2016 therefore no prior information. However, additional years will be included as they become available.

Group Life Insurance (GLI) Plan					
2025	\$ 54,371	\$ 54,371	\$ -	\$ 11,568,204	0.47%
2024	54,010	54,010	-	10,002,873	0.54%
2023	47,417	47,417	-	8,780,377	0.54%
2022	39,948	39,948	-	7,398,204	0.54%
2021	40,772	40,772	-	7,550,347	0.54%
2020	46,504	46,504	-	8,930,161	0.52%
2019	46,590	46,590	-	8,959,555	0.52%
2018	44,885	44,885	-	8,637,145	0.52%
2017	41,192	41,192	-	7,921,717	0.52%
2016	36,527	36,527	-	7,605,435	0.48%

Line of Duty Act (LODA) Program					
2025	\$ 38,570	\$ 38,570	\$ -	\$ 2,480,308	1.56%
2024	29,085	29,085	-	2,480,162	1.17%
2023	26,592	26,592	-	2,381,649	1.12%
2022	26,540	26,540	-	2,003,289	1.32%
2021	33,714	33,714	-	1,895,001	1.78%
2020	32,465	32,465	-	2,590,710	1.25%
2019	33,877	33,877	-	2,677,315	1.27%
2018	24,964	24,964	-	2,446,312	1.02%
2017	22,000	22,000	-	2,136,055	1.03%
2016	23,348	23,348	-	1,845,002	1.27%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

Virginia Local Disability Program (VLDP)					
2025	\$ 41,021	\$ 41,021	\$ -	\$ 5,543,391	0.74%
2024	37,491	37,491	-	4,410,701	0.85%
2023	26,323	26,323	-	3,101,246	0.85%
2022	17,215	17,215	-	2,080,455	0.83%
2021	16,479	16,479	-	1,985,479	0.83%
2020	14,031	14,031	-	1,951,422	0.72%
2019	12,008	12,008	-	1,667,813	0.72%
2018	8,732	8,732	-	1,455,262	0.60%
2017	6,570	6,570	-	1,094,433	0.60%
2016	4,019	4,019	-	669,772	0.60%

Capital Region Airport Commission
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
VRS OPEB PLANS
Year Ended June 30, 2025

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2023 and June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Health Insurance Credit (HIC), Group Life Insurance (GLI), and Virginia Local Disability Program (VLDP) Plans

Non-Largest Ten Locality Employers - General Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - Hazardous Duty Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Line of Duty Act (LODA) Program

Employees in the Non-Largest Ten Locality Employers with Public Safety Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Capital Region Airport Commission
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
PRE-65 MEDICAL PLAN FOR RETIREES
Measurement Date of June 30, 2020 through June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability						
Service cost	\$ 29,239	\$ 23,956	\$ 27,476	\$ 30,998	\$ 28,769	\$ 26,651
Interest	15,487	13,321	17,380	11,500	12,984	14,297
Differences between expected and actual experience	(12,013)	-	(157,492)	-	(70,418)	117,207
Changes in assumptions	(43,305)	(8,696)	(4,907)	(52,337)	20,698	41,759
Benefit payments	(2,882)	(6,670)	(3,164)	(52,622)	(46,281)	-
Net change in total OPEB liability	\$ (13,474)	\$ 21,911	\$ (120,707)	\$ (62,461)	\$ (54,248)	\$ 199,914
Total OPEB liability - beginning	366,250	344,339	465,046	527,507	581,755	381,841
Total OPEB liability - ending	<u>\$ 352,776</u>	<u>\$ 366,250</u>	<u>\$ 344,339</u>	<u>\$ 465,046</u>	<u>\$ 527,507</u>	<u>\$ 581,755</u>
 Covered-employee payroll	 \$ 11,295,722	 \$ 8,343,815	 \$ 8,343,815	 \$ 6,849,298	 \$ 6,849,298	 \$ 8,780,176
 Commission's total OPEB liability as a percentage of covered-employee payroll	 3.12%	 4.39%	 4.13%	 6.79%	 7.70%	 6.63%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Capital Region Airport Commission
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PRE-65 MEDICAL PLAN FOR RETIREES
Year Ended June 30, 2025

Valuation Date: 1/1/2025
Measurement Date: 6/30/2025

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.93% as of June 30, 2024; 5.20% as of June 30, 2025
Inflation	2.50% per year as of June 30, 2024; 2.50% per year as of June 30, 2025
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.90% in 2025 and gradually declines to 3.90% by the year 2073.
Salary Increase Rates	The salary increase rate starts at 5.35% and 4.75% salary increase for 1 year of service for general and public safety employees, respectively and gradually declines to 3.50% salary increase for 20 or more years of service.
Disability Rates	25% of disability cases are assumed to be service related for general employees and 35% for public safety employees.
Mortality Rates - General Employees	Used rates consistent with those used in the June 30, 2021 actuarial valuation of the Virginia Retirement System.
Mortality Rates - Public Safety Employees	Used rates consistent with those used in the June 30, 2021 actuarial valuation of the Virginia Retirement System.

SUPPLEMENTAL INFORMATION

Schedules of Operating Revenues
and Expenses comparing year-over-
year budget and actual.



Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES
Years Ended June 30, 2025 and 2024

	2025	2024
Parking Income		
Terminal	\$ 25,503,355	\$ 25,243,094
Economy and shuttle	4,451,510	4,358,138
Valet	634,268	548,965
	30,589,133	30,150,197
Landing Fees		
Major	3,585,642	2,782,068
Regional	1,233,301	1,899,731
Scheduled freighter	789,349	719,614
Other	418,309	(260,402)
	6,026,601	5,141,011
Concession Income		
Rental car	2,535,693	3,169,069
Food and Beverage	2,066,807	2,274,131
Ground Transportation Fees	1,588,962	1,465,870
In-flight catering, etc.	3,115	5,768
Retail sales	3,388,205	3,918,547
Off Airport Concession Fees	59,322	60,619
Terminal Building Advertising	1,374,029	1,663,618
Fuel Flowage Fee	174,304	167,397
Lease Revenue-RAC	6,849,722	6,108,766
Other	58,514	49,715
	18,098,673	18,883,500
Rental Income		
Airline terminal	9,015,260	7,845,036
Land	1,267,323	880,034
Lease Revenue	888,699	889,874
Other building	3,340,500	3,508,068
	14,511,782	13,123,012
Apron Fees Direct Charges	857,403	782,458
Other		
Utilities	38,828	40,724
Other	452,779	260,215
	491,607	300,939
Total	\$ 70,575,199	\$ 68,381,117

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES
Years Ended June 30, 2025 and 2024

	2025	2024
Personnel		
Salaries		
Regular	\$ 13,574,306	\$ 11,795,836
Overtime	795,382	779,876
Fringe benefits		
Payroll taxes	1,011,169	881,748
Group insurance, life and health	2,195,623	1,994,672
Retirement & disability	1,074,357	305,993
Other personnel expense	40,847	59,326
	18,691,684	15,817,451
Utilities		
Electricity	2,810,756	2,771,742
Heating fuel	205,400	107,820
Telephone	168,173	122,552
Water and sewer	436,096	369,487
	3,620,425	3,371,601
Professional Services		
Legal and accounting	1,381,308	1,368,045
Consulting services	2,538,376	1,288,786
Marketing and promotion	1,489,004	2,150,880
	5,408,688	4,807,711
Parking		
Terminal	3,573,780	3,394,104
Economy and shuttle	2,420,718	2,275,589
	5,994,498	5,669,693
Maintenance		
Building	1,047,150	944,255
Equipment	471,499	828,248
Other	1,326,857	1,034,188
	2,845,506	2,806,691
Insurance	962,071	880,148
Supplies	979,460	982,038
Other		
Conference and travel	353,286	221,086
Snow removal	301,195	26,324
Other	1,934,070	1,007,202
	2,588,551	1,254,612
Total	\$ 41,090,883	\$ 35,589,945

Capital Region Airport Commission
SCHEDULE OF OPERATING REVENUES, BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance with Budget Positive (Negative)
Parking Income			
Terminal	\$ 24,464,800	\$ 25,503,355	\$ 1,038,555
Economy and shuttle	4,387,600	4,451,510	63,910
Valet	537,500	634,268	96,768
	29,389,900	30,589,133	1,199,233
Landing Fees			
Major	3,172,100	3,585,642	413,542
Regional	1,164,799	1,233,301	68,502
Scheduled freighter	1,091,300	789,349	(301,951)
Other	200,000	418,309	218,309
	5,628,199	6,026,601	398,402
Concession			
Rental car	8,554,000	2,535,693	(6,018,307)
Food and beverage	1,853,000	2,066,807	213,807
Ground transportation fees	1,415,300	1,588,962	173,662
In-flight catering, etc.	7,100	3,115	(3,985)
Retail sales	2,329,200	3,388,205	1,059,005
Off airport concession fees	60,900	59,322	(1,578)
Terminal advertising	1,650,100	1,374,029	(276,071)
Fuel flowage fees	175,000	174,304	(696)
Lease Revenue-RAC	-	6,849,722	6,849,722
Other	48,700	58,514	9,814
	16,093,300	18,098,673	2,005,373
Rental Income			
Airline terminal	8,871,400	9,015,260	143,860
Land	2,212,800	1,267,323	(945,477)
Lease Revenue	-	888,699	888,699
Other building	3,095,100	3,340,500	245,400
	14,179,300	14,511,782	332,482
Apron Fees	659,100	857,403	198,303
Other			
Utilities	45,200	38,828	(6,372)
Other	354,900	452,779	97,879
	400,100	491,607	91,507
Total	\$ 66,349,899	\$ 70,575,199	\$ 4,225,300

Capital Region Airport Commission
SCHEDULE OF OPERATING EXPENSES, BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance with Budget Positive (Negative)
Personnel			
Salaries			
Regular	\$ 17,268,090	\$ 13,574,306	\$ 3,693,784
Overtime	704,351	795,382	(91,031)
Fringe benefits			
Payroll taxes	1,094,845	1,011,169	83,676
Group insurance, life and health	2,100,965	2,195,623	(94,658)
Retirement & disability	1,881,377	1,074,357	807,020
Other personnel expense	141,000	40,847	100,153
	23,190,628	18,691,684	4,498,944
Utilities			
Electricity	3,170,479	2,810,756	359,723
Heating fuel	206,000	205,400	600
Telephone	150,735	168,173	(17,438)
Water and sewer	350,000	436,096	(86,096)
	3,877,214	3,620,425	256,789
Professional Services			
Legal and accounting	1,946,000	1,381,308	564,692
Consulting services	2,037,163	2,538,376	(501,213)
Marketing and promotion	1,853,100	1,489,004	364,096
	5,836,263	5,408,688	427,575
Parking			
Terminal	3,980,674	3,573,780	406,894
Economy and shuttle	2,114,245	2,420,718	(306,473)
	6,094,919	5,994,498	100,421
Maintenance			
Building	1,055,400	1,047,150	8,250
Equipment	706,939	471,499	235,440
Other	1,473,083	1,326,857	146,226
	3,235,422	2,845,506	389,916
Insurance	879,865	962,071	(82,206)
Supplies	1,022,905	979,460	43,445
Other			
Conference and travel	316,400	353,286	(36,886)
Snow removal	145,000	301,195	(156,195)
Other	1,698,076	1,934,070	(235,994)
	2,159,476	2,588,551	(429,075)
Total	\$ 46,296,692	\$ 41,090,883	\$ 5,205,809

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2025

	2016 Bonds						
	Revenue		Equipment	Operation and	Operation and	Subordinated	Surplus
	Account	Debt Service	and Capital	Maintenance	Maintenance	Indebtedness	Surplus
			Outlay Account	Account	Reserve Account	Fund	Account
BEGINNING BALANCE	\$ -	\$ 5,109,402	\$ 100,923,388	\$ 21,147,826	\$ 3,578,626	\$ 67,057	\$ 4,771,645
RECEIPTS							
Deposits from Commission	48,348,006	-	-	-	-	-	-
Interest earned	2,455,455	2,519	-	-	-	-	118,003
	50,803,461	2,519	-	-	-	-	118,003
DISBURSEMENTS							
Disbursements to Commission	-	-	-	231,727	-	-	-
Disbursements to others	-	8,074,734	13,083,336	520	-	-	520
	-	8,074,734	13,083,336	232,247	-	-	520
TRANSFERS							
Transfer of deposited revenue to designated accounts per resolution	(48,348,006)	8,460,361	6,823,703	6,600,736	441,540	-	-
Discount (premium) amortized on bonds held as an investment	-	-	-	-	-	-	-
	(48,348,006)	8,460,361	6,823,703	6,600,736	441,540	-	-
ENDING BALANCE	\$ 2,455,455	\$ 5,497,548	\$ 94,663,755	\$ 27,516,315	\$ 4,020,166	\$ 67,057	\$ 4,889,128

Note: The Operation and Maintenance Account for the 2016 Bonds is available to support operations and is included in unrestricted assets. The Surplus Account may be used for any legal purpose of the Commission and is also included in unrestricted assets. The remaining \$102,042,287 is reflected as restricted assets.

Capital Region Airport Commission
SCHEDULE OF TRANSACTIONS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2025
(Continued)

	2013 Rev Bonds	2016 Rev Bonds	PFC Bonds	2025 PFC Bonds	CFC Bonds	
	Debt Service Reserve	Debt Service Reserve	Cost of Issuance	General Purpose Fund	SNAP	General Purpose Fund
						Total
BEGINNING BALANCE	\$ 2,793,747	\$ 2,220,958	\$ 134,168	\$ 1,133,402	\$ -	\$ 18,660,556
RECEIPTS						
Deposits from Commission	-	-	-	-	30,175,000	-
Interest earned	29,209	-	-	57	889,323	706,934
	29,209	-	-	57	31,064,323	706,934
DISBURSEMENTS						
Disbursements to Commission	-	-	-	-	4,586,872	-
Disbursements to others	-	-	-	-	-	10,908
	-	-	-	-	4,586,872	10,908
TRANSFERS						
Transfer of deposited revenue to designated accounts per resolution	-	-	-	-	-	-
Discount (premium) amortized on bonds held as an investment	-	(3,082)	-	-	-	-
	-	(3,082)	-	-	-	-
ENDING BALANCE	\$ 2,822,956	\$ 2,217,877	\$ 134,168	\$ 1,133,459	\$ 26,477,451	\$ 19,356,582

Capital Region Airport Commission
SCHEDULE OF CASH, CASH EQUIVALENTS, AND INVESTMENTS
IN ACCOUNTS CREATED BY BOND RESOLUTIONS
Year Ended June 30, 2025

Account	Description	Interest Rate	Cash, Cash Equivalents and Investments
2016 Bonds			
Bond account-debt service	Money market fund	3.85	\$ 5,497,547
Equipment and capital outlay	Money market fund	3.85	94,663,755
Operation and maintenance account	Cash deposits	2.10	27,516,314
Operation and maintenance reserve	Money market fund	3.85	4,020,166
Subordinated indebtedness	Money market fund	3.85	67,058
Surplus, issuer discretionary	Cash deposits	2.10	4,889,127
			<u>136,653,967</u>
2013 Rev Bonds			
Debt service reserve	Federal obligations	0.38	1,988,655
Debt service reserve	Money Market Fund	3.85	829,957
			<u>2,818,612</u>
2016 Rev Bonds			
Debt service reserve	Federal obligations	1.97	1,114,963
Debt service reserve	Money Market Fund	0.00	1,015,425
Cost of Issuance	Money Market Fund	0.00	134,168
			<u>2,264,556</u>
PFC Bonds			
General purpose fund	Money market fund	0.00	1,133,459
SNAP	Money market fund	4.46	26,455,433
			<u>27,588,892</u>
CFC Bonds			
General purpose fund	Money market fund	3.96	19,356,583
			<u>19,356,583</u>
Revenue Fund			
	Money market fund	3.85	2,455,455
			<u>2,455,455</u>
			<u>\$ 191,138,065</u>

Summary of cash, cash equivalents and investments created by bond resolution are included in the statements of net position as follows:

Current assets:	
Cash and cash equivalents	\$ 32,405,441
Restricted assets:	
Cash and cash equivalents	155,629,006
Investments	3,103,618
	<u>\$ 191,138,065</u>

Note: Includes fair market value adjustment of (\$113,848).

Capital Region Airport Commission
SCHEDULE OF STATE ENTITLEMENT FUNDS
Year Ended June 30, 2025

State Entitlement Funding For Open Projects Prior Periods	\$ 8,332,123	
Less: Prior Period Expenditures	<u>3,710,439</u>	
Begining Balance Open Projects Prior Periods		<u>4,621,684</u>
FY 2025 Project Funding	2,103,614	
Less: FY 2025 Expenditures	<u>494,443</u>	
State Entitlement Funds Balance 6/30/2025		<u><u>\$ 6,230,855</u></u>

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STATISTICS

Statistical information often presents non-accounting data such as demographic, economic, and operating information to help readers understand our primary business activities and emerging trends. Moreover, the Commission's debt burden is presented, which may provide insights about its ability to finance major capital projects.



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This schedule includes information for an understanding of the Airport's financial position.

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Capital Region Airport Commission
NET POSITION AND CHANGES IN NET POSITION
Ten Years Ended June 30, 2025
(dollars in thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating revenues										
Apron fees	\$ 857	\$ 782	\$ 328	\$ 464	\$ 505	\$ 756	\$ 759	\$ 648	\$ 558	\$ 562
Concession	18,099	18,884	17,196	14,706	6,539	10,165	12,916	11,105	10,478	9,518
Landing fees	6,027	5,141	4,386	4,950	3,262	4,067	4,667	4,023	3,462	3,338
Other	491	301	433	357	524	346	391	315	284	317
Parking	30,589	30,150	27,317	22,437	9,926	17,561	23,288	20,821	20,292	20,009
Rental	14,512	13,123	12,089	12,059	11,624	11,473	11,071	10,892	10,244	10,119
Total operating revenues	70,575	68,381	61,749	54,973	32,380	44,368	53,092	47,804	45,318	43,863
Nonoperating revenues										
Customer Facility Charges	2,673	2,820	2,684	2,213	1,526	1,921	2,508	2,324	2,326	3,975
Interest income	8,490	7,586	3,589	632	123	1,284	1,523	626	206	143
State grant revenue	-	-	-	-	-	67	-	-	-	-
Federal grant revenue	-	-	15,876	7,460	13,481	5,432	-	-	-	-
Passenger Facility Charges	9,802	10,023	9,229	8,154	4,728	6,473	8,940	7,876	7,518	7,022
Total nonoperating revenues	20,965	20,429	31,378	18,459	19,858	15,177	12,971	10,826	10,050	11,140
Total Revenues	91,540	88,810	93,127	73,432	52,238	59,545	66,063	58,630	55,368	55,003
Operating expenses										
Depreciation and Amortization	27,054	29,149	29,353	28,160	27,000	27,529	27,036	24,426	23,400	24,063
Insurance	962	880	869	791	751	756	764	747	710	745
Maintenance	2,846	2,807	2,277	1,900	1,562	2,034	1,976	1,677	1,726	1,527
Other	2,589	1,254	742	940	486	779	730	633	619	445
Parking	5,994	5,670	5,004	3,670	1,956	3,958	4,158	3,949	3,291	3,044
Personnel	18,692	15,818	14,465	12,364	13,028	13,867	13,009	12,457	11,293	10,470
Professional services	5,409	4,808	3,644	2,413	1,769	2,023	1,749	1,672	1,752	1,615
Supplies	979	982	929	682	443	567	597	602	588	590
Utilities	3,620	3,371	3,438	2,874	2,470	2,717	2,910	2,774	2,602	2,503
Total operating expenses	68,145	64,739	60,721	53,794	49,465	54,230	52,929	48,937	45,981	45,002
Nonoperating expenses										
Interest expense	1,260	1,453	1,668	1,780	2,532	2,783	3,033	2,564	2,758	2,625
Other, net	(22)	(441)	59	714	120	8	(136)	95	478	599
Airline rates and charges adjustment	-	292	1,029	469	2,237	2,435	-	-	-	-
Total nonoperating expenses	1,238	1,304	2,756	2,963	4,889	5,226	2,897	2,659	3,236	3,224
Total Expenses	69,383	66,043	63,477	56,757	54,354	59,456	55,826	51,596	49,217	48,226
Capital grants and contributions	6,562	10,902	11,178	13,692	13,521	9,841	8,785	6,681	11,136	16,295
Increase (decrease) in Net Position	\$ 28,719	\$ 33,669	\$ 40,828	\$ 30,367	\$ 11,405	\$ 9,930	\$ 19,022	\$ 13,715	\$ 17,287	\$ 23,072
Net Position at Year-End										
Net investment in capital assets	\$ 359,758	\$ 383,483	\$ 388,480	\$ 386,427	\$ 397,525	\$ 381,713	\$ 356,384	\$ 349,515	\$ 345,759	\$ 328,487
Restricted	186,504	150,141	114,712	86,256	63,667	72,086	88,258	75,610	73,773	72,742
Unrestricted	70,899	54,817	51,578	41,219	22,343	18,331	17,940	18,434	11,777	12,794
Total Net Position	\$ 617,161	\$ 588,441	\$ 554,770	\$ 513,902	\$ 483,535	\$ 472,130	\$ 462,582	\$ 443,559	\$ 431,309	\$ 414,023

Fiscal year 2017 SCASDP funds not included in this schedule. The Commission was the administrator for this Federal Grant program and no Commission funds were used. Fiscal year 2017 balances were not restated to reflect GASB 75 implementation in FY2018. Fiscal year 2019 balances were not restated to reflect the new retiree medical plan valued in FY2020. Fiscal year 2023 balances have been restated to reflect GASB 101 implementation in FY2025. Fiscal year 2024 balances have been restated to reflect GASB 101 implementation in FY2025.

Capital Region Airport Commission
PRINCIPAL REVENUE SOURCES AND REVENUES PER ENPLANED PASSENGER
Ten Years Ended June 30, 2025
(dollars in thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Airline revenues										
Landing fees	\$ 6,027	\$ 5,141	\$ 4,386	\$ 4,950	\$ 3,262	\$ 4,067	\$ 4,667	\$ 4,023	\$ 3,462	\$ 3,338
Apron fees	857	782	328	464	505	756	759	648	558	562
Total airline revenues	6,884	5,923	4,714	5,414	3,767	4,823	5,426	4,671	4,020	3,900
Percentage of total revenues	7.5%	6.7%	5.1%	7.4%	7.2%	8.1%	8.2%	8.0%	7.3%	7.1%
Nonairline revenues										
Parking	25,071	23,008	27,317	22,437	9,926	17,561	23,288	20,821	20,292	20,009
Rental	14,512	13,123	12,089	12,059	11,624	11,473	11,071	10,892	10,244	10,119
Concession	18,099	18,884	17,196	14,706	6,539	10,165	12,916	11,105	10,478	9,518
Other	6,011	7,443	433	357	524	346	391	315	284	317
Total nonairline revenues	63,693	62,458	57,035	49,559	28,613	39,545	47,666	43,133	41,298	39,963
Percentage of total revenues	69.6%	70.3%	61.2%	67.5%	54.8%	66.4%	72.2%	73.6%	74.6%	72.7%
Nonoperating revenues										
Passenger Facility Charges	9,802	10,023	9,229	8,154	4,728	6,473	8,940	7,876	7,518	7,022
Customer Facility Charges	2,673	2,820	2,684	2,213	1,526	1,921	2,508	2,324	2,325	3,975
Interest Income	8,490	7,586	3,589	632	123	1,284	1,523	626	206	143
State grant revenue	-	-	-	-	-	67	-	-	-	-
Federal grant revenue	-	-	15,876	7,460	13,481	5,432	-	-	-	-
Total nonoperating revenues	20,965	20,429	31,378	18,459	19,858	15,177	12,971	10,826	10,049	11,140
Percentage of total revenues	22.9%	23.0%	33.7%	25.1%	38.0%	25.5%	19.6%	18.5%	18.1%	20.3%
Total revenues	\$ 91,542	\$ 88,810	\$ 93,127	\$ 73,432	\$ 52,238	\$ 59,545	\$ 66,063	\$ 58,630	\$ 55,367	\$ 55,003
Enplaned passengers (excluding charters)	2,424,571	2,440,506	2,219,229	1,944,942	951,871	1,570,317	2,090,430	1,887,230	1,763,939	1,744,438
Total revenue per enplaned passengers	\$ 37.76	\$ 36.39	\$ 41.96	\$ 37.76	\$ 54.88	\$ 37.92	\$ 31.60	\$ 31.07	\$ 31.39	\$ 31.53

Fiscal year 2017 SCASDP funds not included in this schedule. The Commission was the administrator for this Federal Grant program and no Commission funds were used.
Fiscal year 2020 federal grant revenue represents the \$5.4 million CARES Act funding.
Fiscal year 2021 federal grant revenue represents the \$13.4 million CARES Act funding.
Fiscal year 2022 federal grant revenue represents the \$7.5 million CRRSA and ARPA funding.
Fiscal year 2023 federal grant revenue represents the \$15.8 million ARPA funding.

**Capital Region Airport Commission
LARGEST OWN-SOURCE REVENUE
Ten Years Ended June 30, 2025
(dollars in thousands)**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Parking:										
Terminal	\$ 25,503,355	\$ 25,243,094	\$ 23,102,716	\$ 20,631,113	\$ 9,784,309	\$ 13,727,337	\$ 18,054,134	\$ 16,142,803	\$ 15,781,372	\$ 15,559,847
Economy and shuttle	4,451,510	4,358,138	3,717,045	1,410,085	1,653	3,354,740	4,572,154	4,078,927	3,899,428	3,862,348
Valet	634,268	548,965	486,705	383,060	131,868	459,065	633,290	584,400	581,778	576,964
Parking meter and violations	5,519	7,149	10,300	12,786	8,010	19,646	28,545	14,559	29,194	9,443
	\$ 30,594,652	\$ 30,157,346	\$ 27,316,766	\$ 22,437,044	\$ 9,925,840	\$ 17,560,787	\$ 23,288,122	\$ 20,820,688	\$ 20,291,772	\$ 20,008,602

LARGEST OWN-SOURCE REVENUE RATES
Ten Years Ended June 30, 2025

	Rate			Rate			Rate			Rate			Rate			Rate			Rate				
	Maximum	Hourly	Per Day	Maximum	Hourly	Per Day	Maximum	Hourly	Per Day	Maximum	Hourly	Per Day	Maximum	Hourly	Per Day	Maximum	Hourly	Per Day	Maximum	Hourly	Per Day		
Lot:																							
Garage/long-term	\$	3	\$ 12	\$ 3	\$ 12	\$ 12	\$ 3	\$ 12	\$ 3	\$ 12	\$ 3	\$ 12	\$ 3	\$ 12	\$ 3	\$ 12	\$ 3	\$ 12	\$ 3	\$ 12	\$ 3	\$ 12	
Short-term hourly		2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	24	2	24
Economy A		1	7	1	7	1	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7
Economy B		1	7	1	7	1	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7
Economy C		1	7	1	7	1	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7	2	7
Valet	N/A	N/A	25	N/A	25	N/A	25	N/A	21	N/A	21	N/A	21	N/A	21	N/A	21	N/A	20	N/A	20	N/A	20

Note: Rates are subject to change during year. Public parking is the only source of parking revenue.

REVENUE RATES
Ten Years Ended June 30, 2025

	Fiscal Year										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Apron fees (per square foot)	\$1.31	\$1.48	\$1.15	\$1.13	\$1.15	\$1.13	\$1.17	\$1.14	\$1.10	\$1.11	
Landing Fees (per 1,000 lbs unit)	1.56	1.51	1.56	1.57	1.52	1.52	1.38	1.34	1.32	1.32	
Terminal Rental (square foot)	49.00	44.93	37.18	36.92	37.77	37.72	37.12	35.10	32.81	32.48	

Capital Region Airport Commission
REVENUE BOND COVERAGE
Ten Years Ended June 30, 2025

Per the rate covenant in the bond indenture net revenues shall at all times not be less than the greater of 1.0 times the sum of the aggregated debt service and 1.25 times the aggregate debt service on bonds. The indenture states that the commission cannot be in default of this requirement for two consecutive fiscal years.

The fiscal year 2025 budget provides for net revenues that exceed 1.0 times the sum of the aggregated debt service and 1.25 times the aggregate debt service on bonds.

Fiscal Year	Revenue	Expense	Net Revenue Available	Debt Service on Bonds	Coverage	
					Debt Service on Bonds	Debt Service
2025	\$ 80,653,039	\$ 38,870,405	\$ 41,782,634	\$ 6,637,840	\$ 13,713,878	6.29 3.05
2024	\$ 70,953,227	\$ 36,028,733	\$ 34,924,494	\$ 7,193,025	\$ 14,269,063	4.86 2.45
2023	62,783,547	31,200,002	31,583,545	7,256,006	14,332,044	4.35 2.27
2022	53,611,346	27,987,391	25,623,955	6,453,330	11,574,271	3.97 2.21
2021	31,411,524	21,691,828	9,719,696	8,772,230	12,312,480	1.11 0.79
2020	45,027,780	25,658,407	19,369,373	8,772,929	14,130,059	2.21 1.37
2019	54,238,186	25,489,367	28,748,819	8,784,679	15,028,679	3.27 1.91
2018	47,107,174	26,684,371	20,422,803	8,815,280	16,401,780	2.32 1.25
2017	44,393,303	23,725,872	20,667,431	8,842,830	16,429,330	2.34 1.26
2016	44,388,482	19,387,414	25,001,068	9,107,280	15,159,280	2.75 1.65
2015	41,520,397	21,164,337	20,356,060	8,997,379	13,489,704	2.26 1.51

Note: The amounts above are determined in accordance with applicable provisions of the Commission's Master Revenue Bond Resolution (the "Resolution"). Revenue and expense as reported in the statements of revenues, expenses and net position have been adjusted as required by the Resolution. Pursuant to the Resolution, debt service on bonds include only debt service on airport revenue bonds increased by a multiple of 1.00 times, whereas, debt service includes debt service on all debt and certain deposits required to be made by the Resolution.

Capital Region Airport Commission
OUTSTANDING DEBT
Ten Years Ended June 30, 2025
(dollars in thousands)

	Fiscal Year										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Airport Revenue Bonds:											
Series 2001 A&B	\$ 132	\$ 1,713	\$ 3,282	\$ 4,842	\$ 6,384	\$ 14,877	\$ 17,409	\$ 19,861	\$ 22,236	\$ 24,537	
Series 2005 A	-	-	-	-	-	-	-	-	-	-	
Series 2008 A	-	-	-	-	-	-	-	1,245	2,445	3,590	
Series 2013 A	2,110	4,670	7,270	8,980	11,710	13,855	15,935	17,955	19,940	21,780	
Series 2016 A	16,635	18,205	19,695	21,120	36,690	38,020	39,305	39,305	39,305	39,305	
PFC Revenue Bonds:											
Series 2005 A	-	-	-	-	-	-	-	-	-	-	
Series 2005 B	-	-	-	-	-	-	-	-	-	-	
Series 2016 A	-	-	-	-	-	-	1,826	3,629	5,408	7,165	
Series 2016 B	-	-	-	-	-	-	1,513	3,006	4,480	5,935	
Series 2024 A	30,175	-	-	-	-	-	-	-	-	-	
2021A Revenue Refunding Bonds	13,615	13,615	13,615	13,615	-	-	-	-	-	-	
2021B Revenue Refunding Bonds	455	500	545	545	-	-	-	-	-	-	
Car Rental Garage Revenue Bond	-	-	-	-	-	-	-	-	-	-	
Line of Credit	-	-	-	-	-	-	-	-	-	-	
	63,122	38,703	44,407	49,102	54,784	66,752	75,988	85,001	93,814	102,312	
Add: Bond premium, net	4,348	5,037	5,726	6,415	5,805	6,336	6,866	7,397	7,928	8,328	
Add Subscription liabilities	59	154	209	-	-	-	-	-	-	-	
Total Long-Term Debt	\$ 67,529	\$ 43,894	\$ 50,342	\$ 55,517	\$ 60,589	\$ 73,088	\$ 82,854	\$ 92,398	\$ 101,742	\$ 110,640	
Enplaned passengers (excluding charters)	2,411	2,427	2,211	1,945	989	1,570	2,090	1,887	1,764	1,744	
Total Long-Term Debt per enplaned passenger	\$28.01	\$18.09	\$22.77	\$28.54	\$61.26	\$46.55	\$39.64	\$48.97	\$57.68	\$63.44	

**Capital Region Airport Commission
ANNUAL DEBT SERVICE REQUIREMENTS**

Fiscal Year	Series	Unrefunded	Unrefunded	Refunding	Refunding	Unrefunded	Total	Subscription	Total
Ending	2001A Bonds	Series	Series	2013A Bonds	2016A Bonds	2021A Bonds	2021B Bonds	2024A Bonds	Bonds
June-30									
2026	132,289	2,141,650	2,252,325	544,600	54,019	1,191,913	6,316,796	59,218	6,376,014
2027	-	-	2,252,225	2,269,600	58,288	1,191,913	5,772,026	-	5,772,026
2028	-	-	531,800	2,265,600	57,475	2,975,968	5,830,843	-	5,830,843
2029	-	-	531,800	2,274,000	56,662	2,974,656	5,837,118	-	5,837,118
2030	-	-	531,800	2,269,200	55,850	2,973,440	5,830,290	-	5,830,290
2031	-	-	531,800	2,266,600	54,725	2,972,203	5,825,328	-	5,825,328
2032	-	-	531,800	2,266,000	53,600	2,970,826	5,822,226	-	5,822,226
2033	-	-	531,800	2,267,200	57,475	2,969,190	5,825,665	-	5,825,665
2034	-	-	531,800	-	56,238	2,967,177	3,555,215	-	3,555,215
2035	-	-	2,937,700	-	-	2,965,648	5,903,348	-	5,903,348
2036	-	-	2,932,600	-	-	2,963,466	5,896,066	-	5,896,066
2037	-	-	2,933,500	-	-	2,961,491	5,894,991	-	5,894,991
2038	-	-	2,930,200	-	-	2,959,567	5,889,767	-	5,889,767
2039	-	-	2,932,500	-	-	2,957,534	5,890,034	-	5,890,034
2040	-	-	-	-	-	2,955,236	2,955,236	-	2,955,236
Total	\$ 132,289	\$ 2,141,650	\$ 22,893,650	\$ 16,422,800	\$ 504,332	\$ 40,950,225	\$ 83,044,946	\$ 59,218	\$ 83,104,164

**Capital Region Airport Commission
MAJOR CUSTOMERS**

Year Ended June 30, 2025		
Company	Revenue	Percent of Operating Revenue
Delta Airlines, Inc.	\$ 3,287,527	4.7%
American Airlines, Inc.	3,252,732	4.6
The Hudson Group	1,879,455	2.7
Enterprise Rent A Car	1,730,358	2.5
Budget Rent A Car	1,709,302	2.4

Year Ended June 30, 2016		
Company	Revenue	Percent of Operating Revenue
Delta Airlines, Inc.	\$ 2,344,528	5.3%
National / Alamo Rent A Car, Inc.	1,549,681	3.5
American Airlines, Inc.	1,464,206	3.3
The Hertz Corporation	1,358,782	3.1
Delaware North Company	1,162,278	2.6

Capital Region Airport Commission
MONTHLY ENPLANEMENTS
Ten Years Ended June 30, 2025

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Jul	218,349	220,070	186,878	177,713	60,471	193,669	186,836	166,912	163,638	162,883
Aug	210,820	208,257	178,221	162,928	60,949	198,447	190,449	168,796	161,392	159,785
Sep	195,348	194,759	175,100	147,425	59,780	175,991	161,303	149,983	151,361	145,123
Oct	214,035	219,164	193,219	175,933	68,784	197,072	190,655	171,575	161,353	159,592
Nov	200,992	211,100	182,961	172,221	68,459	187,766	187,158	159,079	150,802	145,242
Dec	217,183	202,922	180,587	168,598	70,978	196,302	173,899	148,317	145,024	143,795
Jan	160,923	156,490	149,578	108,601	53,350	159,587	146,841	129,270	126,410	114,382
Feb	151,396	165,262	151,678	121,703	52,626	156,776	145,695	127,391	120,049	119,898
Mar	200,447	208,207	194,039	167,197	85,878	87,351	184,664	163,464	149,179	145,590
Apr	199,071	200,502	194,946	174,297	106,197	7,279	183,667	168,917	147,993	146,857
May	226,242	228,716	214,179	186,835	139,862	17,664	197,056	179,402	158,486	161,045
Jun	229,765	225,057	217,843	186,939	161,936	39,097	194,617	189,322	168,558	163,332
Total	2,424,571	2,440,506	2,219,229	1,950,390	989,270	1,617,001	2,142,840	1,922,428	1,804,245	1,767,524

Capital Region Airport Commission
ENPLANEMENT TRENDS
RICHMOND, SMALL HUBS, UNITED STATES
Ten Years Ended June 30, 2025

Year	Annual Percent Change in Enplanements		
	Richmond	Small Hubs	United States
2025	(0.65%)	N/A	0.5%
2024	10.0	5.81%	6.6
2023	13.8	11.7	9.9
2022	97.2	47.0	80.4
2021	(38.8)	15.8	(33.6)
2020	(24.5)	(58.1)	(24.4)
2019	11.5	8.0	4.6
2018	6.6	7.3	4.1
2017	2.1	4.6	2.7
2016	2.8	3.3	5.3

Notes: Fiscal year data except for 2025, which is calendar year data.

As defined by the FAA, a small hub enplanes .05 to .249 percent of the total U.S. passengers.

Sources: Bureau of Transportation Statistics, Research and Innovative Technology Administration (RTA), TranStats, Airport Records

N/A: Not available update

Capital Region Airport Commission
ENPLANED PASSENGERS
Ten Years Ended June 30, 2025

	Share of		Share of									
	2025	Total 2025	2024	Total 2024	2023	2022	2021	2020	2019	2018	2017	2016
Major Airlines												
American Airlines	503,452	20.8	538,921	22.1	473,923	375,304	189,017	247,585	332,083	252,754	272,104	277,391
Delta Airlines	439,065	18.1	432,797	17.7	403,960	371,069	185,641	327,700	438,633	414,231	410,604	401,455
JetBlue Airways	198,900	8.2	181,835	7.5	190,697	149,755	90,038	160,897	237,812	230,124	207,612	187,185
Southwest Airlines	243,027	10.0	211,770	8.7	180,477	160,832	83,800	102,178	120,796	122,807	125,335	151,463
Spirit Airlines	122,041	5.0	172,786	7.1	117,357	89,492	60,388	68,314	93,206	24,262	-	-
United Airlines	92,092	3.8	148,045	6.1	143,544	95,706	31,383	39,120	62,261	70,026	43,740	39,778
Total Major Airlines	1,598,577	65.9	1,686,154	69.1	1,509,958	1,242,158	640,267	945,794	1,284,791	1,114,204	1,059,395	1,057,272
Regional Airlines												
Air Wisconsin	3,566	0.2	7,277	0.3	7,645	11,928	3,346	23,267	27,364	34,161	21,604	66,503
Allegiant Air	32,213	1.3	46,430	1.9	46,128	45,396	-	-	-	-	-	-
Breeze Airways	127,914	5.3	129,312	5.3	100,798	42,106	-	-	-	-	-	-
Chautauqua	-	-	-	-	-	-	-	-	-	-	-	-
CommuntAir	12,703	0.5	14,610	0.6	16,785	8,923	9,198	43,403	51,759	43,385	23,705	35,082
Endeavor Airlines	138,935	5.7	151,098	6.2	158,591	147,796	35,339	61,309	98,072	54,254	28,123	5,098
Envoy Air	16,522	0.7	12,868	0.5	19,770	18,763	10,646	69,669	85,037	72,643	70,052	71,254
Express Jet	-	-	-	-	-	-	-	48,263	76,470	242,721	267,564	262,672
GoJet	121,111	5.0	129,321	5.3	117,203	100,673	30,799	18,788	46,012	15,774	9,256	8,453
Mesa	33,781	1.4	5,954	0.2	11,048	27,165	7,710	30,989	40,485	7,775	12,660	743
Piedmont	81,169	3.4	62,233	2.6	53,282	78,594	58,960	56,418	80,154	66,394	63,006	31,007
PSA	41,974	1.7	15,483	0.6	15,350	51,857	57,264	58,173	69,917	110,510	74,469	71,017
Republic	155,097	6.4	131,891	5.4	130,961	105,795	73,105	86,143	59,943	69,375	38,029	36,604
Shuttle America	-	-	-	-	-	-	-	-	-	150	8,389	39,822
SkyWest	44,395	1.9	34,309	1.4	23,777	63,788	25,187	127,951	165,860	39,929	39,273	17,723
Trans States	-	-	-	-	-	-	50	150	4,566	15,955	48,414	41,188
Total Regional Airlines	809,380	33.5	740,786	30.3	701,338	702,784	311,604	624,523	805,639	773,026	704,544	687,166
Charters												
Totals	16,614	0.6	13,566	0.6	7,933	5,448	37,399	46,684	52,410	35,198	40,306	23,086
	2,424,571	100.00%	2,440,506	100.00%	2,219,229	1,950,390	989,270	1,617,001	2,142,840	1,922,428	1,804,245	1,767,524

Capital Region Airport Commission
AIRLINE MARKET SHARES
Ten Years Ended June 30, 2025
Landed Weight (1,000 Pound Units)

	Share of		Share of									
	2025	Total 2025	2024	Total 2024	2023	2022	2021	2020	2019	2018	2017	2016
Major Airlines												
American Airlines	545,639	19.5	578,899	20.5	511,444	416,214	226,740	320,696	383,848	301,507	328,171	336,932
Delta Airlines	495,934	17.7	485,936	17.2	458,962	395,376	289,488	373,038	475,892	452,206	444,476	430,890
JetBlue Airways	208,938	7.5	214,124	7.6	221,189	186,974	139,067	217,475	300,362	276,795	235,580	216,026
Southwest Airlines	294,048	10.5	251,723	8.9	216,368	193,184	129,352	144,400	136,102	138,757	136,222	166,260
Spirit Airlines	130,755	4.7	182,173	6.4	113,203	90,897	65,067	81,035	102,976	29,728	-	-
United Airlines	107,615	3.8	170,959	6.0	166,673	113,714	48,474	52,999	79,427	80,874	47,746	47,261
Total Major Airlines	1,782,929	63.7	1,883,814	66.6	1,687,839	1,396,359	898,188	1,189,643	1,478,607	1,279,867	1,192,195	1,197,369
Regional Airlines												
Air Wisconsin	3,619	0.1	13,959	0.5	9,588	14,053	3,807	27,495	29,751	38,681	29,610	109,745
Allegiant Airlines	33,111	1.2	49,461	1.7	50,554	50,701	51,025	48,477	47,646	29,750	35,993	20,955
Breeze	160,770	5.7	181,497	6.4	116,746	58,309	-	-	-	-	-	-
CommotAir	12,848	0.5	14,168	0.5	16,192	9,196	9,812	47,916	51,392	51,080	28,344	39,652
Endeavor Air	172,824	6.2	185,113	6.5	210,306	224,921	58,076	95,491	141,379	72,562	37,884	7,128
Envoy Air	20,111	0.7	16,153	0.6	24,356	21,858	13,667	93,490	118,528	94,466	83,990	71,730
Express Jet	-	-	-	-	-	-	44	59,649	90,133	310,580	354,876	345,343
GoJet Airlines	177,464	6.3	181,231	6.4	167,691	151,646	48,556	28,766	60,054	19,519	10,734	10,275
Interjet Vacation Express	-	-	-	-	-	-	-	-	-	-	-	852
Mesa Airlines	54,755	2.0	8,175	0.3	12,600	34,200	12,645	36,563	50,403	9,703	22,565	7,217
OneJet	-	-	-	-	-	-	-	-	-	3,095	1,870	-
Piedmont Airlines	84,157	3.0	64,471	2.3	55,348	83,590	71,368	70,233	91,359	73,808	75,303	43,986
PSA Airlines	49,087	1.8	18,394	0.7	18,453	56,322	68,672	70,253	86,384	127,768	85,437	102,572
Republic Airlines	195,333	7.0	170,613	6.0	207,849	101,208	113,981	151,171	87,893	98,799	46,440	65,928
Shuttle America	-	-	-	-	-	-	-	-	-	364	10,998	49,746
SkyWest Airlines	53,269	1.9	40,277	1.4	27,573	82,856	37,474	161,036	221,202	46,619	42,465	19,953
Trans States Airlines	-	-	-	-	-	-	-	298	4,730	18,574	54,985	188,926
Total Regional Airlines	1,017,348	36.3	943,512	33.4	917,256	888,860	489,127	890,838	1,080,854	995,368	921,494	1,084,008
Total Airline Weight	2,800,277	100.0%	2,827,326	100.0%	2,605,095	2,285,219	1,387,315	2,080,481	2,559,461	2,275,235	2,113,689	2,281,377

Capital Region Airport Commission
AIRLINE MARKET SHARES-CARGO
Ten Years Ended June 30, 2025
Landed Weight (1,000 Pound Units)

	Share of		Share of									
	2025	Total 2025	2024	Total 2024	2023	2022	2021	2020	2019	2018	2017	2016
Cargo Carriers												
ABX Air	2,077,000	0.3	1,643,000	0.2	1,195,000	3,095,000	566,000	283,000	-	849,000	-	-
Air Transport International	227,273,000	25.2	138,316,000	19.8	72,513,000	310,000	2,880,000	-	-	-	-	-
Ameriflight	-	-	11,300	-	14,000	-	46,500	-	-	620,300	2,261,600	2,913,276
Atlas Air	-	-	20,941,600	3.0	13,785,600	12,176,300	-	-	-	-	-	-
DHL Express	75,929,600	8.4	52,486,400	7.5	36,361,600	58,342,400	62,441,600	82,048,000	66,912,000	71,536,000	43,248,000	-
Federal Express	261,927,000	29.1	214,429,600	30.6	229,394,400	256,377,400	225,861,000	215,817,400	221,335,000	227,030,800	228,513,000	231,232,500
Mountain Air Cargo	-	-	-	-	-	-	-	-	-	-	-	47,068
Sun Country	32,771,200	3.6	62,470,100	8.9	78,855,700	77,246,400	104,897,100	1,901,900	-	-	-	-
UPS	301,104,940	33.4	209,655,920	30.0	219,872,640	244,562,260	228,761,040	225,374,720	221,722,240	217,636,800	198,852,800	184,282,160
Total Cargo Weight	901,082,740	100.0%	699,953,920	100.0%	651,991,940	652,109,760	625,453,240	525,425,020	509,969,240	517,672,900	472,875,400	418,475,004
Total Landed Weight	903,883,017		702,781,246		654,597,035	654,394,979	626,840,555	527,505,501	512,528,701	519,948,135	474,989,089	420,756,381

Capital Region Airport Commission
PRIMARY ORIGIN AND DESTINATIONS PASSENGER MARKETS
Calendar Years 2024 and 2023

2024					
Rank	Market	Trip Length	O&D Passengers	Market Share	
1	Orlando	MH	290,888	9.6%	
2	Atlanta	SH	260,987	8.6%	
3	Boston	SH	235,026	7.8%	
4	Fort Lauderdale	MH	232,590	7.7%	
5	New York	SH	224,254	7.4%	
6	Chicago	MH	173,297	5.7%	
7	Dallas/Fort Worth	MH	151,458	5.0%	
8	Las Vegas	LH	138,290	4.6%	
9	Denver	MH	127,317	4.2%	
10	Tampa	MH	126,239	4.2%	
11	Houston	MH	105,048	3.5%	
12	Nashville	SH	104,190	3.4%	
13	Los Angeles	LH	102,297	3.4%	
14	Newark	SH	87,677	2.9%	
15	Phoenix	LH	86,377	2.8%	
16	San Francisco	LH	74,364	2.5%	
17	New Orleans	MH	71,741	2.4%	
18	Miami	MH	71,508	2.4%	
19	Minneapolis/St Paul	MH	61,938	2.0%	
20	Detroit	MH	57,197	1.9%	
21	Charlotte	SH	52,250	1.7%	
22	Austin	MH	51,760	1.7%	
23	Seattle	LH	48,953	1.6%	
24	San Diego	LH	48,321	1.6%	
25	Salt Lake City	LH	46,899	1.5%	
Total			3,030,866	100%	

SH- Short Haul
MH-Medium Haul
LH-Long Haul

2023					
Rank	Market	Trip Length	O&D Passengers	Market Share	
1	Atlanta	SH	287,349	9.5%	
2	Orlando	MH	273,556	9.1%	
3	Boston	SH	236,046	7.8%	
4	New York	SH	213,941	7.1%	
5	Fort Lauderdale	MH	194,734	6.4%	
6	Chicago	MH	188,052	6.2%	
7	Las Vegas	LH	159,178	5.3%	
8	Denver	MH	143,630	4.8%	
9	Tampa	MH	139,109	4.6%	
10	Dallas/Fort Worth	MH	137,058	4.5%	
11	Houston	MH	112,824	3.7%	
12	Los Angeles	LH	92,692	3.1%	
13	Nashville	SH	90,295	3.0%	
14	Newark	SH	85,295	2.8%	
15	New Orleans	MH	83,465	2.8%	
16	Miami	MH	78,929	2.6%	
17	Phoenix	LH	75,139	2.5%	
18	San Francisco	LH	73,903	2.4%	
19	Detroit	MH	60,866	2.0%	
20	Minneapolis/St Paul	MH	56,553	1.9%	
21	Austin	MH	52,175	1.7%	
22	San Diego	LH	51,605	1.7%	
23	Charlotte	SH	47,962	1.6%	
24	Seattle	LH	45,864	1.5%	
25	Salt Lake City	LH	41,163	1.4%	
Total			3,021,383	100%	

**Capital Region Airport Commission
POPULATION IN THE AIR TRADE AREA
Calendar Years 2021-2024**

Primary Trade Area	CALENDAR YEAR				Percentage Change			
	2024	2023	2022	2021	2023	2024	2023	2022
United States	340,110,988	334,914,895	333,287,557	331,893,745	1.6		0.4	0.4
Virginia total	8,811,195	8,715,698	8,683,619	8,642,274	1.1		0.5	0.5
Richmond MSA*	1,455,813	1,349,732	1,339,182	1,403,923	7.9		(4.7)	(4.6)
Richmond-Petersburg MSA	1,370,165	1,433,287	1,421,001	1,275,198	(4.4)		11.7	11.4
Amelia County	13,716	13,480	13,455	13,268	1.8		1.4	1.4
Caroline County	33,477	32,640	31,957	31,332	2.6		2.0	2.0
Charles City County	6,564	6,610	6,605	6,594	(0.7)		0.2	0.2
Chesterfield County	389,793	383,876	378,408	370,688	1.5		2.2	2.2
Colonial Heights City	18,674	18,393	18,294	18,273	1.5		0.1	0.1
Cumberland County	10,062	9,878	9,746	9,681	1.9		0.7	0.7
Dinwiddie County	28,576	28,343	28,161	27,912	0.8		0.9	0.9
Goochland County	28,223	27,197	26,109	25,488	3.8		2.6	2.6
Hanover County	115,309	114,148	112,938	111,603	1.0		1.2	1.2
Henrico County	338,696	334,760	333,962	333,554	1.2		0.1	0.1
Hopewell City	22,970	22,752	22,962	23,140	1.0		(0.8)	(0.8)
King and Queen County	6,747	6,720	6,718	6,662	0.4		0.8	0.8
King William County	19,232	19,030	18,492	18,171	1.1		1.9	1.9
Louisa County	42,109	41,037	40,116	38,848	2.6		3.4	3.4
New Kent County	27,218	26,134	24,986	23,897	4.1		4.7	4.7
Petersburg City	34,058	33,309	33,394	33,429	2.2		(0.1)	(0.1)
Powhatan County	32,392	32,105	31,489	31,136	0.9		1.2	1.2
Prince George County	43,589	42,871	43,134	42,880	1.7		0.7	0.7
Richmond City	233,655	229,247	229,395	226,604	1.9		1.2	1.2
Sussex County	10,753	10,757	10,680	10,763	0.0		(0.7)	(0.7)

Sources: Estimates by Census Bureau, July 1, 2024

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

Capital Region Airport Commission
PERSONAL INCOME (in millions)
Calendar Years 2014-2023

Millions of Dollars	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
United States	\$ 23,380,269	\$ 21,820,248	\$ 21,288,709	\$ 19,607,447	\$ 18,542,262	\$ 17,813,035	\$ 16,878,800	\$ 15,912,777	\$ 15,463,981	\$ 14,683,147
Virginia	643,579	599,042	573,028	532,256	509,201	492,313	466,743	445,462	436,350	419,185
Richmond-Petersburg MSA	96,903	91,339	87,168	79,704	75,742	73,485	70,660	66,245	64,152	59,326
Annual growth rate	5.7%	4.5%	9.4%	5.2%	3.5%	4.7%	6.7%	2.3%	5.1%	3.6%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 2025

PER CAPITA INCOME
Calendar Years 2013-2022

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
United States	\$ 69,418	\$ 65,473	\$ 64,117	\$ 59,147	\$ 56,474	\$ 54,526	\$ 51,869	\$ 49,204	\$ 48,190	\$ 46,049
Virginia	73,681	69,021	66,190	61,661	59,509	57,910	55,137	52,941	52,148	50,345
Richmond-Petersburg MSA	71,794	68,205	65,834	61,148	58,628	57,301	51,475	51,685	50,460	47,083
Percent of national average	103.4%	104.2%	102.7%	103.4%	103.8%	105.1%	99.2%	105.0%	104.7%	102.2%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 2025

**Capital Region Airport Commission
EMPLOYMENT DATA WITHIN VIRGINIA**

Major Public Employers	Average Number of Employees
Local Governments	57,200
Commonwealth of Virginia	38,100
Federal Government	18,600

Source: Virginia Employment Commission, Current Employment Statistics Program, 2024 Annual Averages

**EMPLOYMENT BY INDUSTRY
(Non-Agricultural)**

	Annual Average 2024	2014	Percent Change 2014	Percent Total 2024	Percent Total 2014
Total Employment	719,700	627,900	14.6%	100.0%	100.0%
By Industry:					
Government	113,900	108,500	5.0	15.8	17.3
Wholesale and retail trade	92,300	94,700	(4.9)	12.8	15.1
Manufacturing	31,900	30,800	3.6	4.4	4.9
Financial activities	57,800	47,500	21.7	8.0	7.6
Construction and mining	42,900	33,800	26.9	6.0	5.4
Transportation and utilities	39,800	21,700	83.4	5.5	3.5
Information	6,400	7,900	(19.0)	0.9	1.3
Professional and business services	124,500	102,300	21.7	17.3	16.3
Educational and health services	108,500	92,800	16.9	15.1	14.8
Leisure and hospitality services	68,600	59,300	15.7	9.5	9.4
Other services	33,300	28,900	15.2	4.6	4.6

Source: Virginia Employment Commission, Current Employment Statistics Program

**UNEMPLOYMENT RATES
Calendar Years 2014-2023**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
United States	4.0%	3.6%	3.6%	5.4%	8.1%	3.7%	3.9%	4.4%	4.9%	5.3%
Virginia	2.9	2.9	2.8	3.9	6.2	2.8	3.0	3.8	4.0	4.4
Richmond-Petersburg MSA	3.0	3.0	3.0	4.2	6.7	2.9	3.2	3.9	4.1	4.6

Source: Virginia Employment Commission, Local Area Unemployment Statistics Program.

**Capital Region Airport Commission
COMMISSION EMPLOYEES
Ten Years Ended June 30, 2025**

	Full Time Equivalent Employees									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Environmental Services	36	43	40	34	36	41	48	47	48	45
Police	21	23	19	21	22	29	32	29	27	27
Aircraft Rescues & Fire Fighting	19	18	17	14	14	15	18	17	18	15
Communications/ Operations	17	17	15	14	13	16	20	21	20	15
Utilities/Ground Maintenance	15	14	14	9	14	13	18	18	16	15
Executive Division	6	5	8	8	7	7	9	9	9	9
Finance and Procurement	9	8	8	7	8	9	9	8	9	9
Baggage Handling System	9	9	6	8	9	9	11	11	11	11
Equipment/Automotive Maintenance	6	6	6	5	5	5	6	6	6	6
Electronic Systems	4	4	4	1	2	3	5	5	5	4
HVAC	2	3	3	2	3	3	3	3	3	3
Ground Transportation	3	3	3	2	1	1	1	1	1	1
Building Maintenance	3	3	2	2	2	2	2	2	2	2
Electrical Maintenance	4	4	2	2	3	3	3	3	2	2
Human Capital	4	3	2	2	-	-	-	-	-	-
Information Systems	3	2	2	3	3	3	3	3	3	3
Marketing	2	2	-	-	-	-	-	-	-	-
Properties and Concessions	3	3	-	-	-	-	-	-	-	-
Capital Development	2	1	-	-	-	-	-	-	-	-
Safety	1	1	-	-	-	-	-	-	-	-
Total Employees	169	172	151	134	142	159	188	183	180	167

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Capital Region Airport Commission
CARGO CARRIER
Ten Years Ended June 30, 2025

		Pounds of Cargo									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cargo Carrier:											
ABX	622,297	583,542	78,652	-	-	-	-	-	-	-	-
Air Net Systems	-	-	-	-	-	-	-	-	-	6,750,000	-
AmeriFlight	-	-	-	-	-	-	-	440,000	420,255	480,772	149,181
ATI	99,807,692	48,646,239	22,257,131	-	-	-	-	-	-	-	-
Atlas Air	-	7,772,374	2,918,825	2,245,888	-	-	-	-	-	-	-
DHL	4,421,700	8,082,162	8,464,706	7,439,740	9,069,327	7,523,013	7,890,000	7,890,000	7,890,000	-	-
Federal Express	43,379,464	68,196,585	68,408,588	75,110,938	81,222,509	75,012,020	80,914,220	79,247,203	82,317,990	74,625,547	-
Sun Country	9,446,799	20,327,357	27,232,647	21,754,435	32,683,051	695,505	-	-	-	-	-
UPS	48,021,212	44,489,394	46,763,941	49,322,556	55,137,162	53,422,006	49,409,333	49,024,371	45,916,736	46,726,830	-
Total	205,699,164	198,097,653	176,124,490	155,873,557	178,112,049	136,652,544	138,653,553	136,581,829	135,465,498	121,501,558	-
Percentage change	3.8%	12.5%	13.0%	(12.5%)	30.3%	(1.4%)	1.5%	0.8%	11.5%	5.8%	-

**Capital Region Airport Commission
TAKEOFF AND LANDING OPERATIONS SUMMARY
Ten Years Ended June 30, 2025**

Fiscal Year	Air Carrier	Air Taxi/ Commuter	General Aviation	Military	Total
2025	53,520	15,822	27,408	8,065	104,815
2024	52,729	15,602	27,857	7,065	103,253
2023	50,453	14,172	31,757	7,990	104,372
2022	48,938	12,459	26,920	6,446	94,763
2021	29,827	9,823	27,839	6,672	74,161
2020	38,411	18,327	28,547	4,712	89,997
2019	45,671	23,090	30,556	4,786	104,103
2018	41,729	22,935	28,729	5,923	99,316
2017	36,942	24,922	26,380	5,327	93,571
2016	34,998	27,478	28,418	6,433	97,327
Average Annual Change	6.3%	(3.2%)	(0.2%)	3.8%	1.4%

Capital Region Airport Commission
INSURANCE COVERAGE
Year Ended June 30, 2025

Type/Carrier	Coverage	Limit
Airport liability/ACE/ Lloyd's	Public liability including aircraft products/completed operations	\$ 200,000,000.00
Automobile liability/VACorp	Bodily injury or property damage resulting from ownership maintenance or use of any automobile	\$2,000,000 combined single limit bodily injury and property damage
VACorp	Excess auto liability(off premises)	\$50,000,000
Cyber/Federal Insurance Company	Cyber liability	\$1,000,000
Workers' compensation and employer's liability/Starr Speciality Insurance Campny	Worker's compensation	Statutory and \$1,000,000 employer's liability
	Excess employees liability (excluding disease)	\$100,000,000
Public officials and employer's liability/ACE American Insurance Company	Civil claims for wrongful acts	\$5,000,000 each loss unlimited aggregate \$25,000 deductible
Property/Great Northern Insurance Co.	Blanket real and personal property including business income and personal property of others	\$543,587,007 blanket real and personal property including EDP, mobile radios and valuable papers \$35,000,000 business income
Equipment/Federal Insurance Company	Scheduled equipment	\$3,609,480 scheduled equipment \$300,000 miscellaneous equipment \$100,000 unscheduled equipment \$100,000 leased/rental equipment \$100,000 newly acquired equipment
Blanket crime/Federal Insurance Company	Employee dishonesty Employee Theft ERISA Forgery & Alteration Inside Outside Computer Fraud	\$1,000,000 limit /\$2,500 deductible

Note: The insurance coverage was provided by USI Insurance Services, with exception of Public Officials policy.

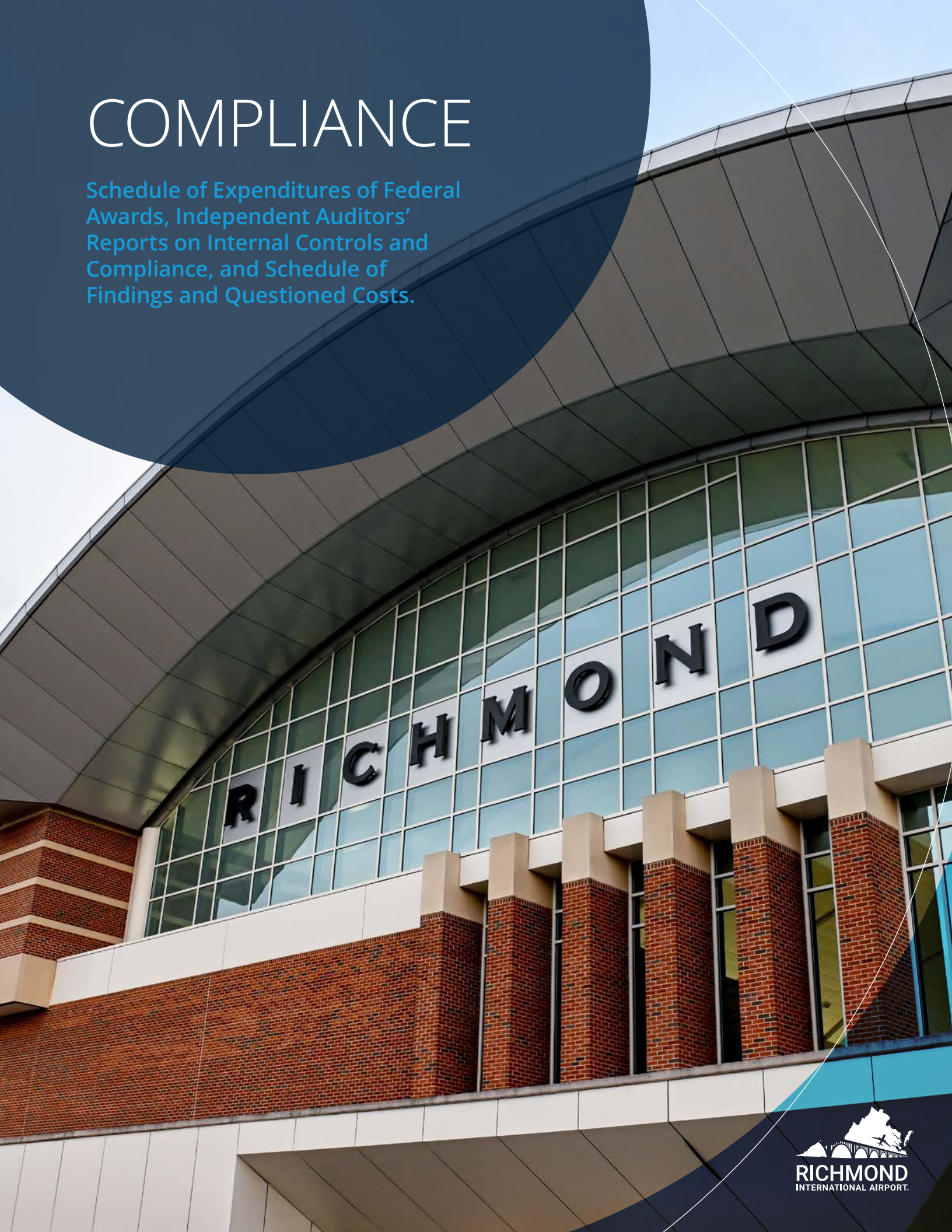
Capital Region Airport Commission
CAPITAL ASSET INFORMATION
As of June 30, 2025

Richmond International Airport

Location:	6 miles east of downtown Richmond, the capital of Virginia				
Elevation:	168 ft.				
Airport Code:	RIC				
Runways:	16/34	North/South	9,000 x 150 HIRL/CL/TDZ/VOR		
	2/20	North/South	6,600 x 150 HIRL		
Terminal:	Airlines	85,789 SF			
	Tenants	97,351 SF			
	Public/common	206,559 SF			
	Mechanical	58,948 SF			
	Other	154,378 SF			
	Number of passenger gates		28		
	Number of loading bridges		28		
	Number of concessionaires in terminal		2		
	Number of rental car agencies in terminal		7		
Apron:	Leased:		707,530 SF		
Ramp:	Leased:		23,375 SF		
Parking:	Spaces assigned:		Garage	6,173	
			Short-term	280	
			Long-term	1,283	
			Economy	2,766	
			Rental cars	546	
		Employees	602		
International:	Customs/Immigration Federal Inspection Service Facility				
Tower:	TRACON 24/7-365				
FBOs	MillionAir, Richmond Jet Center				

COMPLIANCE

Schedule of Expenditures of Federal Awards, Independent Auditors' Reports on Internal Controls and Compliance, and Schedule of Findings and Questioned Costs.



Capital Region Airport Commission
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor/ALN Grantor's Program Title	Federal AL Number	Project Number	Total Federal Expenditures
Department of Transportation:			
FAA Direct Payments:			
Airport Improvement Program	20.106	3-51-0043-68	313,279
Airport Improvement Program	20.106	3-51-0043-74	1,876,941
Airport Improvement Program	20.106	3-51-0043-75	4,009,157
Total Airport Improvement Program			\$ 6,199,377
Total Expenditures of Federal Awards			\$ 6,199,377

Basis of Presentation

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Commission under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting not the accrual basis as the Commission's financial statements. The Commission uses the cash basis of accounting, wherein revenues are recognized when cash is received, and expenses are recognized when paid. The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Commission's portion, may be more than shown.

The Commission has not elected to use the 15% minimis indirect cost rate.

Contingent Liabilities-Grants

The Commission received grant funds, from the Federal Government, for construction projects, operating, and debt service expenditures. Expenditures from these grants are subject to audit by the grantor, and the Commission is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the Commission, no material refunds will be required as a result of expenditures disallowed by the grantors.

Subrecipients

No awards were passed through to subrecipients.



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**Independent Auditors' 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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Capital Region Airport Commission as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Capital Region Airport Commission's basic financial statements and have issued our report thereon dated December 23, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in cursive script that reads "Robinson, Farmer, Cox, Associates".

Charlottesville, Virginia

December 23, 2025



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Capital Region Airport Commission's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Capital Region Airport Commission's major federal programs for the year ended June 30, 2025. Capital Region Airport Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Capital Region Airport Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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

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

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.

A handwritten signature in cursive script that reads "Robinson, Farmer, Cox, Associates".

Charlottesville, Virginia
December 23, 2025

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CAPITAL REGION AIRPORT COMMISSION

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
Identification of major programs:	

AL #	Name of Federal Program or Cluster	
20.106	Airport Improvement Program	
Dollar threshold used to distinguish between Type A and Type B programs		\$750,000
Auditee qualified as low-risk auditee?		No

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings and Questioned Costs

There were no prior year findings reported.

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