Rhode Island Airport Corporation

(a component unit of the State of Rhode Island)

Financial Report

with Supplementary Information

June 30, 2026

Rhode Island Airport Corporation

Contents

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-23
Basic Financial Statements	
Statement of Net Position	24-25
Statement of Revenue, Expenses, and Changes in Net Position	26
Statement of Cash Flows	27-28
Notes to Financial Statements	29-59
Required Supplementary Information	60
Schedule of RIAC's Proportionate Share of the Net Pension Liability	61
Schedule of Pension Contributions	62
Schedule of RIAC's Proportionate Share of the Net OPEB Liability	63
Schedule of OPEB Contributions	64
Schedule of Changes in the Total OPEB Liability and Related Ratios - Executive Level Plan	65
Schedule of OPEB Contributions - Executive Level Plan	66
Notes to Required Supplementary Information	67-70
Supplementary Information	71
State of Rhode Island Attachment B - Statement of Net Position	72-73
State of Rhode Island Attachment C - Statement of Activities	74
State of Rhode Island Attachment D - Schedule of Debt Service to Maturity - Long-Term Debt	75
State of Rhode Island Attachment E - Schedule of Changes in Long-Term Debt	76
Schedule of Travel and Business Development Expenses	77
Schedule of Expenditures of Federal Awards	78
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*	79-81

Plante & Moran, PLLC
Suite 360
4444 W. Bristol Road
Flint, MI 48507
Tel: 810.767.5350
Fax: 810.767.8150
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Rhode Island Airport Corporation

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Rhode Island Airport Corporation (RIAC), a component unit of the State of Rhode Island, as of and for the fiscal years ended June 30, 2026 and 2025 and the related notes to the financial statements, which collectively comprise RIAC's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RIAC as of June 30, 2026 and 2025 and the changes in its financial position and its 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of RIAC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RIAC's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

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

PRAXITY™
Empowering Business Globally

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 RIAC'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 RIAC'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified 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, which 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise RIAC's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Directors
Rhode Island Airport Corporation

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026 on our consideration of RIAC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 RIAC'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 RIAC's internal control over financial reporting and compliance.

Plante & Moran, PLLC

September 30, 2026

1. OVERVIEW OF THE FINANCIAL STATEMENTS

The following Management's Discussion & Analysis (MD&A) of Rhode Island Airport Corporation (RIAC) serves as an introduction and overview to the reader of the audited financial statements for the fiscal years ended June 30, 2026 and June 30, 2025. The information contained in the MD&A should be considered in conjunction with the audited financial statements.

RIAC engages in business type activities, that is, activities that are financed in whole or in part by charges to external entities for goods or services rendered. As a result, RIAC's basic financial statements include the statements of net position, statements of revenues, expenses and change in net position, statements of cash flows and notes to the financial statements. These basic financial statements are designed to provide readers with a broad overview of RIAC's finances in a manner similar to that of the private sector.

RHODE ISLAND AIRPORT CORPORATION

RIAC was created by the Rhode Island Economic Development Corporation now known as the Rhode Island Commerce Corporation (Commerce RI), on December 9, 1992, as a public corporation, governmental agency and public instrumentality, having a distinct legal existence from the State of Rhode Island (State) and Commerce RI, yet having many of the same powers and purposes as Commerce RI. RIAC is a component unit of the State. RIAC is empowered, pursuant to its Articles of Incorporation and Rhode Island law, to undertake the planning, development, management, acquisition, ownership, operation, repair, construction, reconstruction, rehabilitation, renovation, improvement, maintenance, development, sale, lease, or other disposition of any "airport facility", as defined in Title 42, Chapter 64 of the Rhode Island General Laws, as amended (the "Act"). "Airport facility" is defined in the Act in part as "developments consisting of runways, hangars, control towers, ramps, wharves, bulkheads, buildings, structures, parking areas, improvements, facilities, or other real or personal property, necessary, convenient, or desirable for the landing, takeoff, accommodation, and servicing of aircraft of all types, operated by carriers engaged in the transportation of passengers or cargo, or for the loading, unloading, interchange, or transfer of the passengers or their baggage, or the cargo, or otherwise for the accommodation, use or convenience of the passengers or the carriers or their employees (including related facilities and accommodations at sites removed from landing fields or other areas), or for the landing, taking off, accommodation, and servicing of aircraft owned or operated by persons other than carriers".

Pursuant to the State Lease Agreement, RIAC leases Rhode Island T.F. Green International Airport (Airport or PVD) and five general aviation airports (collectively, Airports) from the State for a term ending June 30, 2046, at a rental of $1.00 per year. RIAC has also acquired all personal property and other assets of the State located at or relating to the Airports. In consideration of RIAC's assumption of the Rhode Island Department of Transportation's (RIDOT) responsibilities with respect to the Airports, the State and RIDOT have assigned to RIAC all of their rights to the revenues of the Airports, the proceeds of State General Obligation (GO) Bonds related to the Airports, Federal Aviation Administration (FAA) grant agreements, a Federal Highway Administration grant, insurance proceeds, all contracts including concession agreements and the prior airline agreements, and all licenses and permits.

RIAC operates on a fiscal year basis beginning on July 1st and continuing through the following June 30th of each year. RIAC was created to operate as a self-sustaining entity. RIAC has utilized State GO Bonds issued on behalf of RIAC for the intended use at the Airports. Per the Lease Agreement, RIAC is obligated to repay to the State the principal and interest on any GO Bonds issued for airport purposes.

RIAC does not have the authority to issue bonds, notes, or to borrow money without the approval of Commerce RI. In addition, RIAC does not have the power of eminent domain with respect to real property. RIAC does have certain contractual rights under the Lease Agreement to require the State to exercise powers of eminent domain for the benefit of RIAC.

The Board of Directors of RIAC, consisting of seven members, annually approves an operating and maintenance budget, as well as a capital budget for the fiscal year. The Board of Directors relies upon the advice and recommendation of RIAC's Finance & Audit Committee, which consists of three members of the Board of Directors.

Rhode Island T.F. Green International Airport

RIAC operates Rhode Island T. F. Green International Airport, which is Rhode Island's only certified Part 139 commercial airport. The Airport is primarily an origin–destination airport. In recent years, approximately 99% of the passengers at the Airport either began or ended their journeys at the Airport.

The terminal building is named the Bruce Sundlun Terminal at Rhode Island T.F. Green International Airport (Terminal). The Terminal has passenger concourses, with a capacity of twenty jet gates and one commuter gate for a total of twenty-one gates, which extend to the north and south of the central terminal area. Facilities for departing passengers are located on the second level where ticket counters, baggage checks, departure lounges and concessions (such as restaurants and news/gift stands) are located. On the second level, passengers pass through the central terminal area and then through the security checkpoint. From there, departing passengers take the concourse to the appropriate hold room and gate. Arriving international passengers utilize a Customs and Border Protection (CBP) facility which is conveniently located on the first level of the Terminal. As of June 30, 2026, airlines serving the Airport lease approximately 73,000 square feet of exclusive and preferential use area and approximately 60,000 square feet of common use area.

Approximately 4,576 public parking spaces are currently available on Airport property across the Airport's parking garages and surface lots. RIAC continues to advance landside parking and access improvements designed to increase parking capacity, improve traffic circulation, modernize landside operations, and enhance the customer experience. Planned and ongoing improvements include the expansion and reconfiguration of existing parking areas and the development of dedicated areas to support passenger pick-up, rideshare, and other landside activities. Upon completion, these improvements are expected to increase overall public parking capacity by approximately 15%, while providing greater operational flexibility to accommodate current and future demand.

Public vehicular access is provided by a roadway system that directs vehicular traffic from Post Road and Interstate Route 95 to the Terminal curb fronts. These roads connect to a dual-level curb front system accommodating arriving and departing passengers. When approaching the Terminal, the roadway divides into an upper level for departing passengers and a lower level for arriving passengers. The upper level includes a curb front to provide an unloading area for private vehicles and various commercial vehicles such as taxis, limousines, rental car companies, transportation network companies (TNC's) and hotel shuttles. The lower level includes an inner roadway designated as loading zones for private vehicles and an outer roadway for various commercial vehicles such as buses, courtesy vans, taxis, TNC's, and limousines.

The present airfield configuration consists of two intersecting runways, Runway 5-23 and Runway 16-34. Other facilities at the Airport include fuel storage areas, facilities for fixed base operators, certain rental car service facilities, air freight and air cargo facilities, various hangars, fire and police stations, and other aviation-related facilities.

Air Carriers Serving the Airport

In fiscal year 2026, the Airport had scheduled passenger service provided by ten mainline carriers, and nine affiliate carriers. Three additional airlines provided all-cargo service.

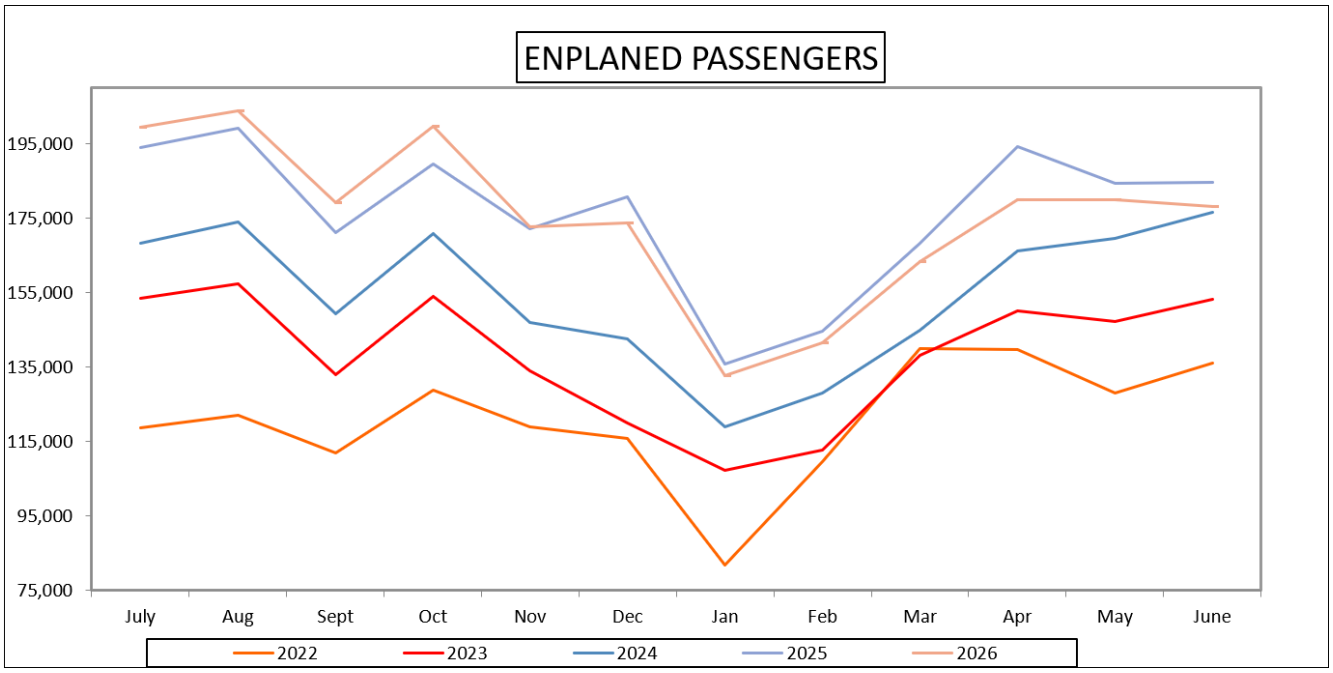
AIRLINES SERVING THE AIRPORT

Mainline Carriers (10)	**Doing Business As:**
Allegiant Air	
American Airlines	
BermudAir	
Breeze Airways	
Cabo Verde Airlines	
Delta Air Lines	
JetBlue Airways	
Southwest Airlines	
Sun Country Airlines	
United Airlines	
Domestic Affiliate Carriers (9)	
CommutAir	United Express
Endeavor Air	Delta Connection
Envoy Airlines	American Express
GoJet	United Express
Mesa Airlines	United Express
Piedmont Airlines	American Express
PSA Airlines	American Express
Republic Airlines	American Express and United Express, Delta Airlines
SkyWest Airlines	American Express and United Express, Delta Connection
All Cargo Carriers (3)	
Federal Express	
United Parcel Service	
Mountain Air Cargo (a)	

(a) Mountain Air Cargo delivered on behalf of FedEx

Historical Enplanement Data

The Airport was ranked as the 71st busiest airport in the country according to the latest data produced by Department of Transportation as of March 31, 2026. This remains constant with the ranking in calendar year 2025. Actual enplaned passengers for fiscal year 2026 were 14,046 below 2025 resulting in a decrease of 0.7%. The following chart and table depicts the five-year historical trend of enplaned passenger traffic at the Airport for the fiscal years 2022 through 2026.



Year	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
2022	118,614	122,012	111,857	128,872	118,883	115,944	81,828	109,632	140,039	139,654	127,964	136,088	1,451,387
2023	153,519	157,318	133,060	154,055	133,888	119,926	107,150	112,802	138,196	149,979	147,122	153,296	1,660,311
2024	168,337	173,865	149,248	170,773	147,020	142,493	118,840	128,052	144,964	166,275	169,496	176,586	1,855,949
2025	193,872	199,108	171,034	189,594	172,279	180,729	135,800	144,634	168,218	194,247	184,398	184,595	2,118,508
2026	199,561	203,762	179,133	199,783	172,749	173,661	132,735	141,623	163,256	179,963	179,975	178,261	2,104,462

Airport Use and Lease Agreements

RIAC established Signatory Airline Agreements with American Airlines, Breeze Airways, Delta Air Lines, Federal Express Corporation (FedEx), JetBlue Airways, Southwest Airlines, United Airlines, and United Parcel Service Co. (UPS). Affiliates of Signatory Airlines operate under the terms and conditions of the Signatory Airline Agreements. Allegiant Air, Cabo Verde Airlines and Sun Country Airlines operate as non-signatory carriers.

The term of the Signatory Airline Agreement extends through June 30, 2028. A Cost Center Residual Rate Methodology is utilized to establish the Landing Fee and Apron Rental Rates. The Terminal Rental Rate Methodology is Commercial Compensatory. A Majority-in-Interest approval is not required for Capital Improvement Projects. The Signatory Agreement incorporates an Airline Net Revenue Sharing methodology for Signatory Passenger Airlines. Distribution of each Signatory Passenger Airline's portion of the revenue-sharing is based on enplanements. Under this process, RIAC retains the first $1,000,000 and Signatory Passenger Airlines share the next $600,000. If there are remaining funds after the $1,600,000, the Signatory Airlines share is 40% and RIAC retains 60%. Non-Signatory Airlines' landing fees, apron fees and terminal rental rates are 125% of Signatory Airlines' rates.

GENERAL AVIATION AIRPORTS

There are five General Aviation Airports operated and managed by RIAC, each of these airports is briefly described below. Effective July 1, 2018, RIAC entered into a Full-Service Fixed Base Operator (FBO) Agreement with Flight Level Aviation for the General Aviation Airports through June 30, 2028.

North Central State Airport (SFZ)

Located approximately 15 miles north of the Airport, North Central Airport is classified as a reliever airport by the FAA located in Smithfield.

Quonset State Airport (OQU)

This airport is located in North Kingstown, approximately 10 miles south of the Airport. The Rhode Island Air National Guard and the Rhode Island Army National Guard maintain presence at Quonset State Airport. Quonset State Airport has additional industrial facilities which are leased to several companies. Quonset State Airport is classified by the FAA as a reliever airport.

Westerly State Airport (WST)

This airport is located in Westerly, approximately 35 miles southwest of the Airport. Westerly State Airport is classified as a commercial service airport and enplaned approximately 11,486 commuter passengers in fiscal year 2026.

Newport State Airport (UUU)

This airport is located in Middletown, approximately 17 miles southeast of the Airport. Newport State Airport is classified as a general aviation airport.

Block Island State Airport (BID)

Situated on Block Island just off the southern coast of Rhode Island, Block Island State Airport is approximately 25 miles from the Airport. Block Island State Airport is classified as a commercial service airport and enplaned approximately 11,138 commuter passengers in fiscal year 2026.

FINANCIAL STATEMENTS

RIAC's financial statements are carefully prepared on the accrual basis of accounting, adhering to accounting principles generally accepted in the United States of America (U.S. GAAP) as established by the Governmental Accounting Standards Board (GASB). As a single enterprise fund, RIAC recognizes revenues when they are earned and expenses when they are incurred, providing a clear and accurate depiction of financial activity regardless of when cash is received or paid. Capital assets, excluding land, are systematically capitalized and depreciated over their estimated useful lives, ensuring that the financial statements reflect the ongoing value and utility of these assets.

The foundational financial statements presented by RIAC include the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows. Each statement offers a distinct perspective on RIAC's financial health and performance, yet they are interrelated and together provide a comprehensive financial picture.

The statement of net position serves as a snapshot at a specific point in time, detailing all of RIAC's assets, liabilities, deferred outflows, and deferred inflows. The difference between these amounts is reported as net position, representing the residual value that can be used as an indicator of overall financial health. Over time, increases or decreases in net position may signal whether RIAC's financial situation is improving or deteriorating. However, it is important to recognize that such changes should be interpreted alongside non-financial factors, such as operational developments, economic conditions, and industry trends, to gain a fuller understanding of RIAC's position.

The statement of revenues, expenses and changes in net position complements the statement of net position by illustrating the financial dynamics over the course of a fiscal year. It highlights how RIAC's net position has changed, detailing the sources of revenue, such as operating income and non-operating income and the expenses incurred. This statement demonstrates the flow of resources and provides insight into operational performance and the impact of financial decisions.

The statement of cash flows, while not always presented in summary overviews, is a critical companion to the other statements. It traces the actual movement of cash in and out of RIAC, categorizing transactions by operating, investing, and financing activities. This statement provides essential information about liquidity and the ability to meet obligations, which may not be fully evident from the accrual-based figures in the other statements.

Together, these financial statements provide a multi-faceted view of RIAC's financial condition. The statement of net position focuses on the static financial balances, while the statement of revenues, expenses and changes in net position emphasizes the dynamic flow of financial activity. The statement of cash flows adds a layer of transparency around liquidity and cash management. Understanding the relationships and distinctions among these statements is essential for interpreting RIAC's financial health and making informed decisions.

2. FINANCIAL SUMMARY

FINANCIAL POSITION SUMMARY

	2026	2025	2024
ASSETS			
Current assets	$ 124,215,141	$ 150,039,353	$ 158,691,602
Noncurrent assets	130,804,890	122,103,819	68,625,119
Capital assets, net	638,848,561	568,117,358	509,347,179
Total assets	893,868,592	840,260,530	736,663,900
DEFERRED OUTFLOWS	94,516	117,734	163,244
LIABILITIES			
Current liabilities	55,371,348	56,169,962	49,775,323
Long term obligations	168,560,558	183,061,754	195,052,514
Total liabilities	223,931,906	239,231,716	244,827,837
DEFERRED INFLOWS	56,616,574	56,894,074	16,546,489
NET POSITION			
Net investment in capital assets	475,481,604	392,485,782	315,932,193
Restricted	65,338,645	57,105,729	52,401,250
Unrestricted	72,594,379	94,660,963	107,119,375
TOTAL NET POSITION	$ 613,414,628	$ 544,252,474	$ 475,452,818

SUMMARY OF OPERATIONS AND CHANGE IN NET POSITION

	2026	2025	2024*
Operating Revenues - Airports	$ 76,086,553	$ 71,372,091	$ 59,896,372
Operating Revenues - Interlink	11,518,734	10,968,188	9,270,190
Operating Expenses - Airports	(53,827,386)	(44,818,884)	(40,444,106)
Operating Expenses - Interlink	(3,640,054)	(3,812,953)	(3,700,133)
Operating Income (Before Depreciation)	30,137,847	33,708,442	25,022,323
Depreciation and Amortization Expense - Airports	(26,989,468)	(23,835,560)	(22,900,718)
Depreciation and Amortization Expense - Interlink	(4,365,640)	(4,381,553)	(4,374,046)
Operating Income (Loss)	(1,217,261)	5,491,329	(2,252,441)
Non-operating Revenues (Expenses), total	70,379,415	63,308,327	13,182,302
Income (Loss) Before Capital Contributions			10,929,861
Capital Contributions, net			26,308,490
Change in Net Position	69,162,154	68,799,656	37,238,351
Net Position - Beginning of Year	544,252,474	475,452,818	438,214,467
Net Position - End of Year	$ 613,414,628	$ 544,252,474	$ 475,452,818

*2024 has not been restated due to the adoption of GASB 103

3. DETAILED ANALYSES

Total assets increased approximately $53,608,000 for fiscal year 2026 primarily due to another year of significant capital expenditures. These increases were slightly offset by decreases in current assets reflecting payments on long-term debt. For fiscal year 2025, total assets increased approximately $103,597,000 primarily due to capital expenditures, increases in future interest and principal payments associated with GASB 87 lease receivable, relating to new client lease arrangements, and increases in restricted cash balances.

Deferred outflows of resources are comprised of deferred pension and other post-employment benefits (OPEB) costs. Deferred outflows decreased in fiscal years 2026 and 2025 by $23,000 and $46,000, respectively due to overall population attrition under the State's retirement system.

Deferred inflows of resources are comprised of expected pension and OPEB cost reductions and deferred lease revenues associated with RIAC's Business Development operation. Similar to the reduction associated with pension and OPEB in deferred outflows, deferred inflows are also decreasing in these categories, offset by a modest increase in the deferred lease revenue amount associated with a few key leases during the fiscal year.

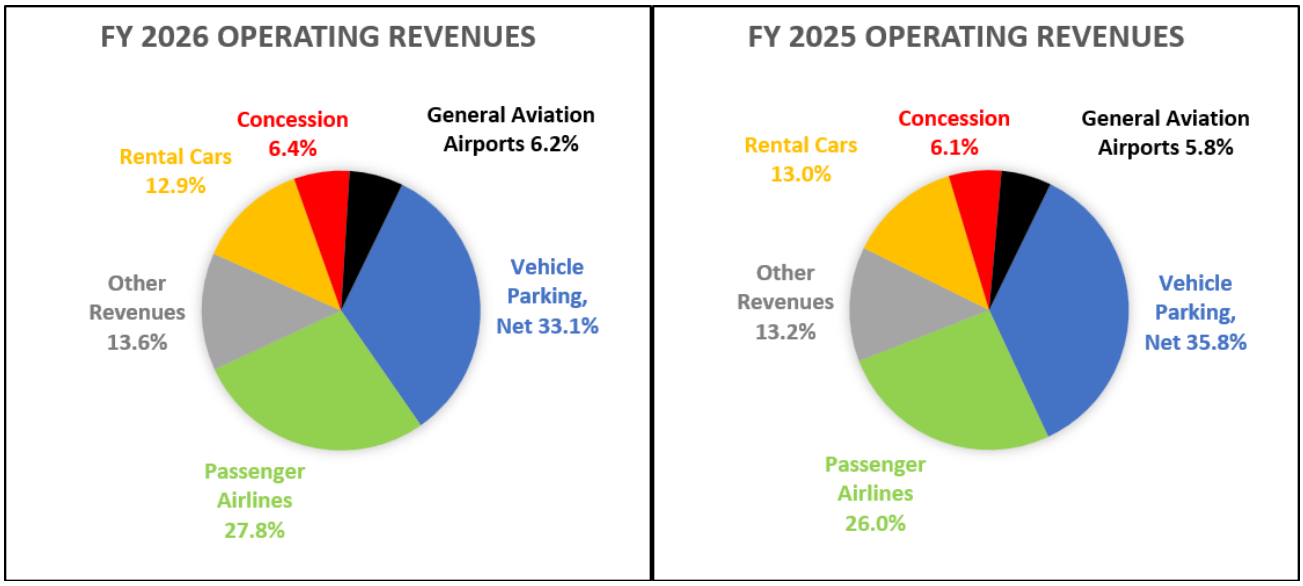
Total liabilities decreased in both fiscal years 2026 and 2025 by approximately $15,300,000 and $5,596,000 almost entirely due to a reduction in total debt service obligations.

Net position for fiscal year 2026 increased by approximately $69,162,000 primarily driven by another year of strong capital contributions. In fiscal year 2025, the increase of $68,800,000 reflected benefits from both operating income and capital contributions.

OPERATING REVENUES - AIRPORTS

The following chart shows the major sources and the percentage of total operating revenues for the fiscal years ended June 30, 2026, 2025 and 2024.

	2026	% of Total Revenues	2025	% of Total Revenues	2024	% of Total Revenues
OPERATING REVENUES						
Vehicle Parking, Net	$ 22,786,091	33.1%	$ 23,930,775	35.8%	$ 18,383,484	32.9%
Passenger Airlines	19,111,187	27.8%	17,379,726	26.0%	16,056,816	28.7%
Rental Cars	8,876,824	12.9%	8,710,807	13.0%	7,784,044	13.9%
Concession	4,434,028	6.4%	4,063,672	6.1%	2,789,634	5.0%
General Aviation Airports	4,298,426	6.2%	3,874,139	5.8%	3,774,366	6.8%
Off Airport Access Fees	2,803,792	4.1%	2,404,355	3.6%	1,662,813	3.0%
Tiedown & Hangar Rent	2,151,789	3.1%	2,142,433	3.2%	1,998,925	3.6%
Fuel Flowage Fees	1,369,080	2.0%	1,424,408	2.1%	1,160,488	2.1%
General Aviation, PVD & Cargo	1,257,511	1.8%	1,191,884	1.8%	955,533	1.7%
Non-Airline Rent	934,839	1.4%	847,267	1.3%	536,596	1.0%
Advertising	518,694	0.8%	479,212	0.7%	475,939	0.9%
Other Revenues	310,878	0.5%	349,275	0.5%	299,637	0.5%
TOTAL OPERATING REVENUES	**$ 68,853,139**	100.0%	**$ 66,797,953**	100.0%	**$ 55,878,275**	100.0%



Overall operating revenues increased by approximately $2,055,000, resulting from increased Airline revenues, GA Airport revenues, and Off Airport Access Fees offset by a reduction in net Vehicle Parking Revenues primarily due to increased parking expenses. Operating revenue variances were primarily due to the new State of Rhode Island 7% parking surcharge levied on parking statewide and the impacts from Blizzard Hernando. These impacts were offset by overperformance in concession revenues, off airport access fees, and increases at the General Aviation locations due to refreshed concession offerings, higher utilization of transportation network companies and increased general aviation leases. In fiscal years 2025 and 2024, RIAC utilized federal operating stimulus funds of approximately $5,038,000 and $6,609,351, respectively, from Coronavirus Aid Relief and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSA) and American Rescue Plan Act of 2021 (ARPA) grants received.

The following commentary includes revenue categories greater than 5% of total revenues and other line items to provide additional information.

Vehicle Parking net revenues decreased by approximately $1,145,000 in fiscal year 2026, compared with an increase of approximately $5,500,000 in fiscal year 2025. The fiscal year 2026 decrease was primarily attributable to higher operating expenses, including the new State of Rhode Island 7% parking surcharge and increased snow removal costs associated with Blizzard Hernando. The fiscal year 2025 increase was primarily driven by higher passenger volumes.

Passenger Airline revenues include landing fees, terminal rentals, and apron rentals, net of an airline net revenue share and incentives. Passenger Airline revenues increased by $1,731,000 and $1,323,000 for fiscal years 2026 and 2025, primarily due to increased maintenance costs in fiscal year 2026 and increased passenger volumes in fiscal year 2025. Passenger Airline revenue divided by fiscal year enplanements is the basis for the Airport's Cost Per Enplanement (CPE). The calculated CPE for fiscal years 2026, 2025, and 2024 are $9.03, $8.20, and $8.65, respectively. The increase in CPE is primarily a result of increased maintenance costs over the course of the fiscal year, and flat passenger volumes driven by the operational constraints from the Runway 5-23 project.

Rental Car revenues increased by approximately $166,000 and $927,000 for fiscal years 2026 and 2025 respectively. The fiscal year 2026 increase reflects relatively stable passenger activity despite temporary operational constraints associated with the Runway 5-23 project, while the fiscal year 2025 increase was primarily driven by higher passenger volumes. These revenues represent RIAC's share of rental car transactions, space rentals at the Airport, and audit recoveries.

Concession revenues include revenues from food and retail concessionaires at the Airport. Revenues increased by $370,000 in fiscal year 2026 and by $1,300,000 in fiscal year 2025. The fiscal year 2026 increase reflects the

continued enhancement of concession offerings despite relatively stable passenger volumes associated with temporary operational constraints from the Runway 5-23 project. The fiscal year 2025 increase was primarily driven by higher passenger volumes and expanded retail capacity. For 2024, approximately $950,000 of COVID concession relief credits reduced fiscal year 2024 Concessions revenue.

General Aviation Airport revenue consists of primarily rental income, fuel flowage fees, and landing fees at the five general aviation airports. General Aviation Airport revenues increased by $424,000 in fiscal year 2026 and by $100,000 in fiscal year 2025. The fiscal year 2026 increase was primarily driven by higher revenues from facility and land leases and increased general aviation activity following the substantial completion and reopening of the reconstructed runway at Quonset State Airport. The fiscal year 2025 increase was primarily attributable to additional facility and land leases.

Off-Airport Access Fees are derived primarily from three sources: hotels, off-airport parking companies and ground transportation companies and are driven by passenger volumes.

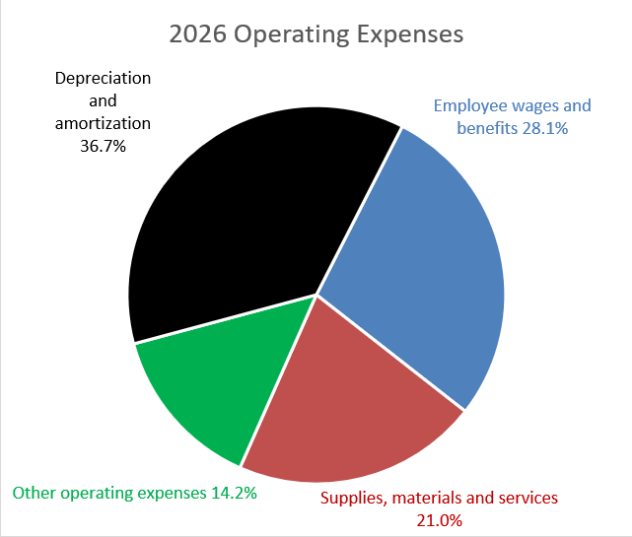
General Aviation, PVD and Cargo revenue are primarily the result of landing fees associated with non-commercial flights and cargo deliveries.

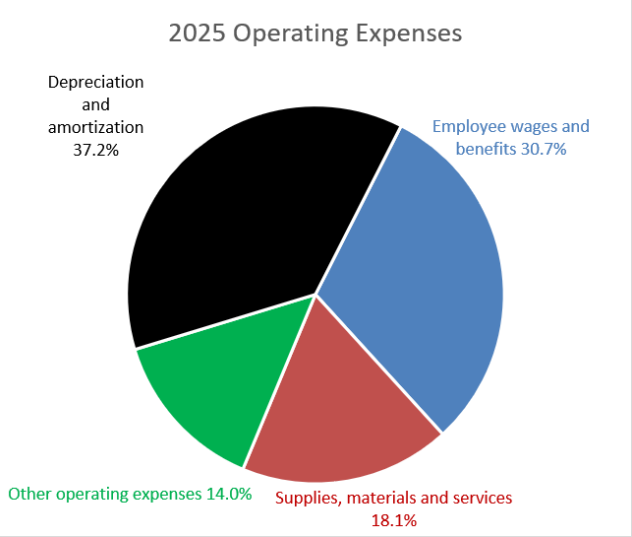
Other Revenues include operating grant revenues, utility revenues, aircraft registration fees and miscellaneous revenues.

OPERATING EXPENSES - AIRPORTS

The following chart illustrates major categories of operating expenses for the fiscal years ended June 30, 2026, 2025, and 2024:

	2026	% of Total Operating Expenses	2025	% of Total Operating Expenses	2024	% of Total Operating Expenses
OPERATING EXPENSES						
Employee wages and benefits	$ 20,661,560	28.1%	$ 19,684,250	30.7%	$ 18,701,268	31.5%
Supplies, materials and services	15,484,295	21.0%	11,573,274	18.1%	8,619,800	14.5%
Other operating expenses	10,448,115	14.2%	8,987,224	14.0%	9,100,532	15.3%
Depreciation and amortization	26,989,468	36.7%	23,835,560	37.2%	22,900,718	38.6%
TOTAL OPERATING EXPENSES	**$ 73,583,438**	100.0%	**$ 64,080,308**	100.0%	**$ 59,322,318**	100.0%





Overall operating expenses increased by approximately $9,503,000, resulting from increased supplies, materials, and services, other expenses and depreciation, primarily due to an increased focus on maintenance, unexpected contractual services related to snow removal, and significant project capitalizations.

Employee wages and benefits for fiscal year 2026 and 2025 increased approximately $977,000 and $983,000, respectively, primarily due to scheduled increases in employee wages per the approved Collective Bargaining Agreement and significant overtime associated with the heavy snow experienced in February during Blizzard Hernando.

Supplies, Materials and Services for fiscal year 2026 and 2025 increased by approximately $3,911,000 and $2,953,000, respectively, primarily due to significant snow removal services, increased contractual services across the organization, and safety and security services.

Other operating expenses for fiscal year 2026 increased by approximately $1,461,000 and, in fiscal year 2025, remained in line with 2024, with a slight decrease of approximately $113,000. The increase in fiscal year 2026 is primarily driven by increased utilities, additional marketing and advertising. The fiscal year 2025 activity is reflective of ongoing advertising and marketing campaigns.

Depreciation and Amortization expenses for fiscal year 2026 and 2025 increased by approximately $3,154,000 and $935,000, respectively primarily due to the significant completion of the Quonset Runway 16-34 reconstruction project, one of the largest capitalizations in the last ten years.

INTERLINK OPERATIONS

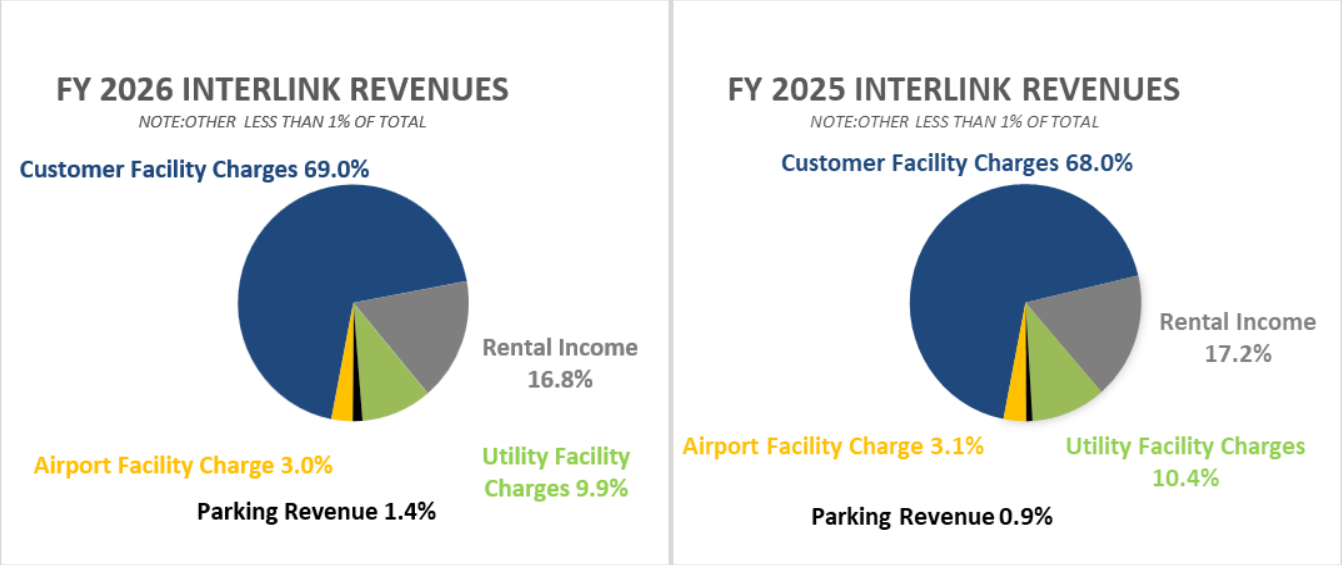
Operating revenues for the InterLink include Customer Facility Charges (CFCs), Rental Car Rental Fees, Utility Facility Charges (UFCs), Parking Revenues and Airport Facility Charges (AFC) which RIAC began collecting in January 2019. Operating expenses include utilities, contracted maintenance, insurance, and other costs associated with the InterLink. Depreciation related to the InterLink is reflected in this line item. Interest Expense includes the interest component of RIAC's debt service on the 2006 Series Special Facility Bonds, the Series 2018 Bonds (which refunded the Series 2006 Bonds), and the US Department of Transportation's (USDOT's) Transportation Infrastructure Finance and Innovation Act (TIFIA) loan and is shown after non-operating revenues/expenses in RIAC's Statement of Revenues, Expenses and Changes in Net Position. Investment Income on accounts associated with the InterLink is also included in this line item.

A breakdown of the Net Gain (loss) from the InterLink Facility is as follows:

	2026	2025	2024
Operating Revenues	$ 11,518,734	$ 10,968,188	$ 9,270,190
Operating and maintenance expense	3,640,054	3,812,953	3,700,133
InterLink operating income before depreciation and amortization	7,878,680	7,155,235	5,570,057
Depreciation and amortization	4,365,640	4,381,553	4,374,046
Operating Income (Loss)	$ 3,513,040	$ 2,773,682	$ 1,196,011
Interest Expense	(3,302,139)	(3,423,703)	(3,505,913)
Investment Income	1,156,578	1,225,926	1,340,444
Capital Contributions	(200,860)	(334,119)	(631,576)
Net Gain (Loss) InterLink Facility	$ 1,166,619	$ 242,085	$ (1,601,034)

The following chart illustrates the categories of InterLink Operating Revenues for the fiscal years ended June 30, 2026, 2025, and 2024:

	2026	% of Total Facility Revenues	2025	% of Total Facility Revenues	2024	% of Total Facility Revenues
OPERATING REVENUES						
Customer Facility Charges	$ 7,905,928	68.6%	$ 7,473,231	68.0%	$ 5,974,230	64.5%
Rental Income	1,924,444	16.7%	1,883,537	17.2%	1,846,123	19.9%
Utility Facility Charges	1,131,649	9.8%	1,127,550	10.4%	995,705	10.7%
Parking Revenue	157,398	1.4%	97,708	0.9%	121,102	1.3%
Airport Facility Charge	339,495	2.9%	338,268	3.1%	298,712	3.2%
Other	59,820	0.5%	47,894	0.4%	34,318	0.4%
TOTAL OPERATING REVENUES	$ 11,518,734	100.0%	$ 10,968,188	100.0%	$ 9,270,190	100.0%



Additional information on the InterLink operations may be found in the notes to the financial statements.

CUSTOMER FACILITY CHARGES (CFC), UTILITY FACILITY CHARGES (UFC), AND AIRPORT FACILITY CHARGES (AFC)

Since July 2001, RIAC has collected Customer Facility Charges (CFCs) on a per-transaction-day basis from rental car companies that operate at or near the Airport and serve Airport customers. CFC revenues support the consolidated rental car facility and related operations and obligations. Effective October 1, 2024, the CFC rate was increased from $6 to $7 per transaction day. The authority to collect Customer Facility Charges is pursuant to ground transportation regulations promulgated by RIAC and Section 1-2-1.1 of the Rhode Island General Laws. During fiscal year 2026, CFC revenues including audit recoveries were $7,906,000, as compared to $7,473,000 in fiscal year 2025 and $5,974,000 in fiscal year 2024 due to the full fiscal year impact of CFC rate changes in comparison to previous years and higher-than-anticipated rental car transaction days.

Effective July 1, 2017, RIAC began collecting UFCs of $1.00 per transaction day from the rental car companies that operate at, or near, the Airport and service customers who utilize the Airport. During fiscal year 2026, UFC revenues were approximately $1,132,000, compared with $1,128,000 in fiscal year 2025 and $996,000 in fiscal year 2024 primarily due to higher-than-anticipated rental car transaction days, consistent with the performance of CFC revenues.

Effective January 1, 2019, RIAC began collecting AFCs of $0.95 per transaction day from the rental car companies that operate at, or near, the Airport and service customers who utilize the Airport. The AFC is comprised of two components, $0.65 per transaction day of Airport Revenue, and $0.30 as InterLink Facility Revenue to fund an Other Improvement Account for capital repairs and improvements at the InterLink. During the fiscal year 2026, the AFC revenues were $339,000 as compared to $338,000 in fiscal year 2025, and $299,000 in fiscal year 2024 primarily due to higher-than-anticipated rental car transaction days, consistent with the performance of CFC and UFC revenues.

SIGNIFICANT CAPITAL ASSET & LONG-TERM FINANCING ACTIVITY

PASSENGER FACILITY CHARGES

Passenger Facility Charges (PFCs) are available to airports to finance specific eligible projects that (i) preserve or enhance capacity, safety or security of the National Air Transportation System, (ii) reduce noise resulting from an airport or (iii) furnish opportunities for enhanced competition among air carriers. Prior to fiscal year 2006, RIAC had received approval of its applications for authority to impose and use PFCs of $3.00 per enplaned passenger to pay for eligible components of several projects including the new Rhode Island T.F. Green Terminal as well as the payment of a portion of the debt service on certain bond issuances. During fiscal years 2006 and 2007, RIAC's PFC applications one through four were amended to increase the PFC from $3.00 to $4.50 per enplaned passenger. In fiscal year 2023, RIAC received approval of an additional application for certain airport projects in the amount of $1,292,000 to be collected at $4.50 per enplaned passenger, bringing the total PFC Authority to $281,541,000. As of June 30, 2026, RIAC has ten PFC applications associated with 52 projects.

PFC revenues were $8,174,964 in fiscal year 2026, $8,958,000 in fiscal year 2025, and $6,796,000 in fiscal year 2024. As of June 30, 2026, $236,364,000 (including interest earned) of PFCs have been collected. The authority to collect PFCs expires upon the expiration date specified by the FAA or once collections reach a maximum amount approved by the FAA, whichever occurs first.

In fiscal years 2026, 2025, and 2024 approximately $4,946,000, $5,108,000, and $6,177,000, respectively, of PFCs were expended on capital acquisition, construction and debt service payments on the 2013 Series A bonds, 2015 Series A bonds (which refunded the 2004 Series A), the 2016 Series C bonds (which refunded the 2005 Series C), and the Series 2016 D bonds.

Capital asset acquisitions and improvements exceeding $2,500 are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including federal grants with matching RIAC funds.

In fiscal year 2026, RIAC capitalized approximately $1,848,000 in leasehold improvements and $1,430,000 in machinery and equipment while $4,960,000 of equipment was disposed of in the period. Capitalized projects from construction in progress (CIP) totaled approximately $65,304,000 in leasehold improvements, $2,153,000 in machinery and equipment, and $47,000 in land purchases. Amounts in construction in progress (CIP) increased to reflect the ongoing construction activities during the fiscal year, including terminal and airfield improvements, resulting in an ending balance of approximately $139,778,000 on June 30, 2026.

In fiscal year 2025, RIAC capitalized approximately $1,300,000 in leasehold improvements, $716,000 in machinery and equipment, $113,000 in vehicles and $105,000 of land purchases. Amounts in construction in progress (CIP) increased to reflect the ongoing construction activities during the fiscal year, including terminal and airfield improvements, resulting in an ending balance of approximately $108,000,000 on June 30, 2025.

Additional information on capital assets may be found in the notes to the financial statements.

SIGNIFICANT PROJECTS

PVD South Cargo Ramp Development

In fiscal year 2026, approximately $29,580,000 was expended on the construction associated with the South Cargo Ramp Development at Rhode Island T. F. Green International Airport. The design included a shared use aircraft parking ramp meeting Federal Aviation Administration (FAA) requirements and Advisory Circulars (ACs), an access road and roundabout, and site development for a UPS building ready site. Approximately $15,031,000 and $1,730,000 were expended in 2025 and 2024, respectively.

PVD Terminal Improvements

In fiscal year 2026 approximately $21,634,000 was expended on the construction of the terminal improvements project and terminal flooring construction. This project includes upgrades to public-facing terminal areas, including new interior finishes, lighting, seating, and as well as the replacement of existing carpet with new durable hard-surface flooring throughout public areas. In 2025 and 2024, approximately $8,305,000 and $800,000 were expended, respectively.

OQU Runway 16-34 Reconstruction

In fiscal year 2026, approximately $12,153,000 was expended to substantially complete the construction of the 16-34 runway reconstruction at Quonset State Airport, including field investigations, and construction of the runway pavement, grading, lighting, and markings, as well as stormwater and electrical improvements. The amount expended in the fiscal years 2025 and 2024 totaled approximately $33,136,000 and $12,527,000 respectively.

PVD Taxiway Victor RON Pavement

In fiscal year 2026, approximately $12,119,000 was expended on the construction of the Taxiway Victor remain overnight (RON) pavement project. This project includes the development of a new parking apron to accommodate seven commercial-passenger aircraft. This new RON apron is located adjacent to the terminal building to help ease congestion of aircraft RONs at the terminal gates. In fiscal year 2025, approximately $822,000 was expended.

PVD Runway 5-23 Rehabilitation

In fiscal year 2026, approximately $6,461,000 was expended to begin the construction of the 5-23 runway rehabilitation at Rhode Island T. F. Green International Airport. This work included the rehabilitation and reconfiguration of the connecting taxiways, including electrical improvements for edge lights and signs, to facilitate the repaving of the primary 8,700-foot long by 150-foot-wide runway. The amount expended in fiscal year 2025 totaled $1,482,000.

PVD Gate 7 and 8 Renovations

In fiscal year 2026, approximately $ 5,984,000 was expended for design and construction of the Gates 7 and 8 reconfiguration project at Rhode Island T. F. Green International Airport. The project includes an approximately 3,530-square-foot addition to the existing terminal building to provide a dedicated secure corridor connecting international arrivals at Gates 7 and 8 to the Customs and Border Protection (CBP) area on the ground level all in compliance with CBP design guidelines and requirements. The amount expended in fiscal year 2025 totaled $2,597,000.

PVD Landside Parking Design

In fiscal year 2026, approximately $2,680,000 was expended on the design of new landside parking project. This project includes the expansion and rehabilitation of several parking facilities to increase overall parking capacity and support peak-demand operations, including improvements to Long-Term Parking Lot E, Lot O, Parking Lot D, the Cell Phone/Ride Share lot, and the employee parking area. The work also includes associated pavement, lighting, security, signage, and parking-control improvements. The amount expended in fiscal year 2025 totaled $478,000.

System-Wide Obstruction Removal Program

In fiscal year 2026, approximately $2,246,000 was expended for avigation easement acquisition services, land interest purchases and design services to remove obstructions (phase I) system wide. This project improves the safety and efficiency of aircraft operations by removing trees identified as obstructions and near-obstructions to protected airspace. The removal of trees is necessary to maintain clear existing airspace and to establish clear approach surfaces for all Runways. Approximately $2,207,000 and $2,200,000 were expended in fiscal year 2025

and 2024, respectively.

PVD Gate 2 and 11 Renovations

In fiscal year 2026, approximately $1,155,000 was expended on the replacement of passenger boarding bridges at Gates 2 and 11 at Rhode Island T. F. Green International Airport. The project includes removal and disposal of the existing jet bridges, as well as the purchase, installation, and commissioning of refurbished jet bridges and associated equipment at gate 2 and 11. The work also includes related electrical improvements and structural evaluation of the foundations at both gates. This project commenced in fiscal year 2026.

UUU Runway 4-22 & WST Runway 7-25 Rehabilitation

In fiscal year 2026, approximately $945,000 was expended on the design of the Runway 4-22 rehabilitation at Newport State Airport and the Runway 7-25 rehabilitation at Westerly State Airport including field investigations, design of the runway pavement, grading, and markings. The amount expended in fiscal year 2025 was $120,000.

LONG-TERM DEBT ADMINISTRATION – GENERAL

In 2013, RIAC secured funds for the Deicer Management System at Rhode Island T.F. Green International Airport under the Rhode Island Clean Water Finance Agency's State Revolving Fund for the payment of eligible project costs up to $33,500,000 at an average effective interest rate of 2.44% (2013 Series A General Airport Revenue Bonds). This bond was issued pursuant to the Ninth Supplemental Indenture and secured by general airport revenues. Eligible project costs include construction funds, costs of issuance, and the debt service reserve fund. Interest payments accrue as amounts are drawn down from this loan. The outstanding balance for the 2013 Series A bonds as of June 30, 2026 and June 30, 2025 was $17,438,000 and $19,094,000, respectively. In December 2019, Rhode Island Infrastructure Bank (formerly Rhode Island Clean Water Finance Agency), issued refunding bonds to refund the underlying bonds used to fund the Deicer Management System. RIAC received its pro-rata share of the net present value savings which equated to $817,845. The savings will be recognized over the remaining term.

In 2013, RIAC issued $30,700,000 Series B and $2,055,000 Series C Airport Revenue Refunding Bonds to enable the defeasance of $32,060,000 in 1998 Series A General Airport Revenue Bonds and $6,020,000 in 2003 Series A General Airport Revenue Bonds, respectively. The 2013 Series B refund issue matures annually from 2019 through 2028 with interest coupons from 4% to 5%. The 2013 Series C refund issue matured annually from 2014 to 2015 with interest coupons from 3% to 4%. RIAC's defeasance of the 1998 Series B Bonds and the 2003 Series A Bonds resulted in economic present value savings of $1,914,000 or 6% and $171,000 or 2.8% of the refunded bonds, respectively. The outstanding balance for the 2013 Series B as of June 30, 2026 and June 30, 2025 was $10,690,000 and $13,965,000 respectively. There was no outstanding balance on the 2013 Series C.

In 2016, RIAC issued $27,660,000 Series A Direct Placement Airport Revenue Refunding Bond, $26,970,000 Series B Direct Placement Airport Revenue Refunding Bonds and $30,930,000 Series C Direct Placement Airport Revenue Refunding Bond to enable the defeasance of $30,000,000 in 2005 Series A General Airport Revenue Bonds, $27,245,000 in 2005 Series B General Airport Revenue Bond, and $35,930,000 in 2005 Series C General Airport Revenue Refunding Bonds, respectively. The 2016 Series A refund issue matured in fiscal year 2026 with an interest rate of 2.49%. The 2016 Series B refund issue matures monthly from 2023 through 2030 with an interest rate of 3.69%. The 2016 Series C refund issue also matured in fiscal year 2026 with an interest rate of 2.24%. RIAC's defeasance of the 2005 Series A, B and C Bonds resulted in economic present value savings of $12,200,000 or 13% of the refunded bonds. The outstanding balances for the 2016 Series A, B, and C as of June 30, 2026, were $0, $19,402,048, and $0 respectively. The outstanding balances for the 2016 Series A, B, and C as of June 30, 2025, were $142,946, $22,640,843, and $565,262 respectively.

In July 2016, RIAC issued $36,885,000 Series D and $3,445,000 Series E General Airport Revenue Bonds. The 2016 Series D issue matures annually from 2026 through 2046 with interest coupons of 5%. The 2016 Series E issue matured annually from 2017 through 2021 with interest coupons from 1.95% to 2.75% and has no balance remaining. The outstanding balance for the 2016 Series D as of June 30, 2026 and June 30, 2025 was $36,885,000.

In July 2019, RIAC issued approximately $12,867,000 Series A Direct Placement Airport Revenue Refunding Bonds and approximately $11,295,000 Series B Direct Placement Airport Revenue Refunding Bonds to enable the defeasance of $14,090,000 in 2008 Series A General Airport Revenue Bonds and $12,370,000 in 2008 Series B General Airport Revenue Bonds, respectively. The 2019 Series A and Series B refund issues mature monthly from 2026 through 2038 with an interest rate of 2.98%. RIAC's defeasance of the 2008 Series A and B Bonds resulted in present value savings of approximately $4,800,000 or 18% of the refunded bonds. The outstanding balances for the 2019 Series A and B were approximately $12,867,522, and $11,295,139, respectively, for the dates June 30, 2026 and June 30, 2025.

LONG TERM DEBT ADMINISTRATION – SPECIAL FACILITY

In 2006, RIAC issued $48,765,000 Series 2006 First Lien Special Facility Bonds for the InterLink Project (2006 First Lien Bonds) dated June 14, 2006 maturing annually from 2011 through 2036 with interest coupons ranging from 4% to 5%. These bonds were refunded in February 2018.

In February 2018, RIAC issued $39,185,000 Series 2018 First Lien Special Facility Revenue Refunding Bonds to enable the defeasance of $43,340,000 in Series 2006 First Lien Special Facility Bonds for the InterLink Project. The refund issue matures annually from 2019 through 2036 with interest coupons ranging from 3.125% to 5%. RIAC's defeasance of these Series 2006 First Lien Special Facility Bonds resulted in economic present value savings of approximately $4,500,000 or 10% of the refunded bonds. The balance outstanding for the Series 2018 was $29,340,000 and $31,090,000 as of June 30, 2026 and June 30, 2025, respectively.

The Trust Estate consists of: (i) Facility Revenues (which include CFCs); (ii) monies, including investment earnings, in funds and accounts pledged under the Indenture; (iii) certain insurance proceeds required to be deposited in such funds and accounts under the Indenture; and (iv) Commerce RI's right, title and interest to receive loan payments from RIAC under the Commerce RI Loan Agreement.

As part of the financing for the InterLink Project, RIAC and Commerce RI secured additional funds under the USDOT's TIFIA for the payment of eligible project costs of the InterLink up to $42,000,000 at an interest rate of 5.26%. This TIFIA Bond is issued pursuant to the First Supplemental Indenture as a Second Lien Obligation payable from and secured by a pledge of and secondary interest in the Trust Estate under the Indenture, subject to the pledge of the Trust Estate for the security and payment of the 2006 First Lien Bonds. The 2006 TIFIA Bond is also secured by the Second Lien Debt Service Reserve Fund that was funded from CFCs on the Date of Occupancy in an amount of $3,328,000. The outstanding balance for the TIFIA Bond for the dates ended June 30, 2026 and June 30, 2025 was $37,299,593 and $37,929,590, respectively.

CREDIT RATINGS AND BOND INSURANCE

Since the inception of RIAC in 1992, there have been eight General Airport Revenue Bonds issued by Commerce RI, to finance construction and other related costs for certain capital improvements and eight Airport Revenue Refunding Bonds to defease all of the 1993 debt, a portion of the 1994 debt, all of the 1998 debt, all of the 2000 Series B debt, all of the 2003 debt, all of the 2004 debt, all of the 2005 debt, and all of the 2008 debt.

As of June 30, 2026, Commerce RI's/RIAC's General Airport Revenue Bonds (excluding the 2013 Series A Bonds) and the Airport Revenue Refunding Bonds (excluding the 2016 Series A, B, and C, 2019 Series A and B Bonds) are rated by three firms, Fitch Investor Services (Fitch), Moody's Investor Services (Moody's) and Standard & Poor's (S&P) as A with a stable outlook, A3 with a stable outlook and A with a stable outlook, respectively.

As of June 30, 2026, Commerce RI's/RIAC's Series 2018 First Lien Special Facility Revenue Refunding Bonds are rated by two firms, Moody's and S&P, as Baa1 with a stable outlook, and A with a stable outlook, respectively.

4. CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

CURRENT OPERATIONS AND FINANCIAL SITUATION

RIAC continues to experience improvements in both its financial condition and outlook resulting from favorable trends and improved performance. The more significant matters include:

In July 2026, RIAC was honored to continue with the distinction of being named the #1 airport in the United States by *Travel + Leisure* for a second year in a row. This national recognition reflects our ongoing commitment to delivering exceptional service, enhancing passenger experience, and maintaining the highest standards of operational excellence. With recent service expansions by Breeze Airways and Cabo Verde Airlines, the number of nonstop routes from PVD has grown to 41—an increase from 23 prior to the COVID-19 pandemic.

Any questions or comments concerning any of the information provided in this report, or requests for additional information, should be addressed to the Chief Financial Officer, Nicole Williams, Senior Vice President, Finance & Administration of Rhode Island Airport Corporation, Rhode Island T. F. Green International Airport, 2000 Post Road, Warwick, RI 02886.

Rhode Island Airport Corporation

Statement of Net Position

June 30, 2026 and 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	$ 72,001,879	$ 46,605,589
Restricted cash and cash equivalents (Note 2)	19,706,186	20,296,435
Investments (Note 2)	13,612,511	53,989,973
Accounts receivable - Net (Note 3)	16,607,182	25,814,401
Lease receivable (Note 14)	1,901,761	2,386,141
Due from the State of Rhode Island (Note 7)	-	71,755
Prepaid expenses and other assets	288,050	387,200
Due from other component units (Note 7)	97,572	487,859
Total current assets	124,215,141	150,039,353
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents (Note 2)	61,951,222	56,000,599
Investments (Note 2)	4,608,327	5,774,843
Accounts receivable - Net (Note 3)	2,442,047	1,932,067
Lease receivable - Net of current portion (Note 14)	56,860,538	56,003,909
Capital assets: (Note 4)		
Assets not subject to depreciation	189,044,239	157,180,788
Assets subject to depreciation - Net	449,804,322	410,936,570
Notes receivable	4,581,375	2,388,784
Prepaid insurance on bonds - Net of accumulated amortization	3,617	3,617
Due from other component units (Note 7)	357,764	-
Total noncurrent assets	769,653,451	690,221,177
Total assets	893,868,592	840,260,530
Deferred Outflows of Resources		
Deferred pension costs (Note 9)	83,416	98,081
Deferred OPEB costs (Note 10)	11,100	19,653
Total deferred outflows of resources	94,516	117,734
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses (Note 5)	26,494,770	22,560,137
Payables from restricted assets:		
Accounts payable and accrued expenses (Note 5)	1,359,228	5,207,894
Bonds payable (Note 6)	15,168,616	11,769,327
Accrued interest payable	3,178,342	3,319,214
Unearned revenue	6,645,687	9,930,150
Accrued payroll and employee benefits	2,524,705	3,383,240
Total current liabilities	55,371,348	56,169,962
Noncurrent liabilities:		
Net pension liability (Note 9)	447,429	900,063
Net OPEB liability (Note 11)	1,186,462	66,406
Bonds payable - Net of current portion (Note 6)	166,926,667	182,095,285
Total noncurrent liabilities	168,560,558	183,061,754
Total liabilities	223,931,906	239,231,716

See notes to financial statements.

Statement of Net Position (Continued)

June 30, 2026 and 2025

	2026	2025
Deferred Inflows of Resources		
Deferred pension cost reductions (Note 9)	$ 521,483	$ 336,331
Deferred OPEB cost reductions (Note 10)	148,056	154,367
Deferred lease revenue (Note 14)	55,947,035	56,403,376
Total deferred inflows of resources	56,616,574	56,894,074
Net Position		
Net investment in capital assets	475,481,604	392,485,782
Restricted:		
Capital acquisition and construction	3,006,239	1,594,518
Passenger facility charges	23,437,912	19,578,138
InterLink	27,677,913	24,775,361
Operating and maintenance reserve - Airports	6,674,833	6,674,833
Operating and maintenance reserve - InterLink	2,041,748	1,982,879
Emergency renewal and replacement reserve - InterLink	2,000,000	2,000,000
Repair and rehabilitation reserve - Airports	500,000	500,000
Unrestricted	72,594,379	94,660,963
Total net position	**$ 613,414,628**	**$ 544,252,474**

See notes to financial statements.

Rhode Island Airport Corporation

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended June 30, 2026 and 2025

	2026	2025
Operating Revenue		
Rental, concession fees, and other	$ 31,711,918	$ 29,872,892
Landing fees and airfield revenue	14,355,129	12,994,288
Parking revenue	30,019,506	28,504,911
InterLink facility revenue (Note 8)	11,518,734	10,968,188
Total operating revenue	87,605,287	82,340,279
Operating Expenses		
Employee wages and benefits	20,661,560	19,684,250
Parking operating expenses	7,233,416	4,574,136
Supplies, materials, and services	15,484,295	11,573,274
Other operating expenses	10,448,115	8,987,224
InterLink operating expenses (Note 8)	3,640,054	3,812,953
InterLink depreciation and amortization (Note 8)	4,365,640	4,381,553
Depreciation and amortization	26,989,468	23,835,560
Total operating expenses	88,822,548	76,848,950
Operating (Loss) Income	(1,217,261)	5,491,329
Other Nonoperating Revenue (Expenses)		
Investment income	6,061,467	7,227,836
InterLink investment income (Note 8)	1,156,578	1,225,925
Interest expense	(4,495,930)	(5,032,752)
InterLink interest expense	(3,302,139)	(3,423,403)
Passenger facility charges	8,174,964	8,957,730
Gain on sale of assets	1,444,845	-
Capital contributions	61,319,326	54,350,577
Other	20,304	2,414
Total other nonoperating revenue	70,379,415	63,308,327
Change in Net Position	69,162,154	68,799,656
Net Position - Beginning of year	544,252,474	475,452,818
Net Position - End of year	**$ 613,414,628**	**$ 544,252,474**

See notes to financial statements.

Rhode Island Airport Corporation

Statement of Cash Flows

Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities		
Receipts from rentals, fees, and other services	$ 70,052,354	$ 72,207,003
Payments to suppliers and other	(26,271,029)	(22,828,992)
Payments to employees and fringes	(21,590,856)	(19,766,773)
InterLink receipts from rentals, fees, and other services	10,629,259	10,890,806
InterLink payments to suppliers and other	(3,637,186)	(3,759,722)
Net cash and cash equivalents provided by operating activities	29,182,542	36,742,322
Cash Flows from Capital and Related Financing Activities		
Capital contributions and grant revenue	64,956,786	49,028,292
Collection of passenger facility charges	8,219,775	8,725,465
Proceeds from sale of capital assets	1,444,845	-
Purchase and construction of capital assets	(102,086,311)	(82,631,415)
Interest and other charges paid - Long-term obligations	(8,485,331)	(7,564,936)
Payments on long-term obligations	(11,257,969)	(17,638,292)
Interest received on leases	980,051	919,813
Other	20,304	(115,972)
Net cash and cash equivalents used in capital and related financing activities	(46,207,850)	(49,277,045)
Cash Flows from Investing Activities		
Interest received on investments	6,237,994	7,533,948
Proceeds from sale and maturities of investment securities	41,543,978	3,188,213
Net cash and cash equivalents provided by investing activities	47,781,972	10,722,161
Net Increase (Decrease) in Cash and Cash Equivalents	30,756,664	(1,812,562)
Cash and Cash Equivalents - Beginning of year	122,902,623	124,715,185
Cash and Cash Equivalents - End of year	**$ 153,659,287**	**$ 122,902,623**
Classification of Cash and Cash Equivalents		
Unrestricted cash and cash equivalents	$ 72,001,879	$ 46,605,589
Restricted cash and cash equivalents - Current	19,706,186	20,296,435
Restricted cash and cash equivalents - Noncurrent	61,951,222	56,000,599
Total cash and cash equivalents	**$ 153,659,287**	**$ 122,902,623**

See notes to financial statements.

Statement of Cash Flows (Continued)

Years Ended June 30, 2026 and 2025

	2026	2025
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents from Operating Activities		
Operating income (loss)	$ (1,217,261)	$ 5,491,329
Adjustments to reconcile operating income (loss) to net cash and cash equivalents from operating activities:		
Depreciation and amortization	31,355,108	28,217,113
Changes in assets and liabilities:		
Receivables	(6,034,199)	(1,530,945)
Prepaid expenses and deposits	489,437	(74,321)
Accounts payable and accrued expenses	5,408,589	1,602,647
Net pension and OPEB liability	667,422	(221,660)
Deferrals related to net pension and OPEB liability	202,059	104,319
Lease receivable and deferrals related to leases	(953,753)	(774,066)
Other assets and liabilities	(734,860)	3,927,906
Total adjustments	30,399,803	31,250,993
Net cash and cash equivalents provided by operating activities	**$ 29,182,542**	**$ 36,742,322**

See notes to financial statements.

Note 1 - Nature of Organization and Significant Accounting Policies

Reporting Entity

Rhode Island Airport Corporation (RIAC) is a public corporation organized in December 1992 for the purpose of assuming operating responsibility for the six airports in the State of Rhode Island (the "State"). RIAC is a subsidiary of Commerce RI, formerly the Rhode Island Economic Development Corporation, and a component unit of the State of Rhode Island. The airports are owned by the State and, prior to July 1, 1993, were managed by the Rhode Island Department of Transportation, Department of Airports (RIDOT). RIAC and the State entered into a lease and operating agreement (the "Lease Agreement") that transferred operating responsibility for the airports to RIAC effective July 1, 1993, which was amended to extend the term to June 30, 2046 (see Note 7). RIAC does not have the power to issue bonds or notes or borrow money without the approval of Commerce RI, nor does it have the power of eminent domain with respect to real property.

RIAC is governed by a board of directors, which consists of seven members who are appointed by the governor of the State and serve without compensation but are entitled to reimbursement for necessary expenses incurred in performance of their duties relating to RIAC.

RIAC is not subject to federal, state, or local income taxes.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial report structure, RIAC has adopted the provision of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards for the criteria used to evaluate the organization's activities and functions that should be included in RIAC's financial statements. No component units are reported in the accompanying financial statements based on operational or financial relationships with RIAC.

Accounting and Reporting Principles

RIAC follows accounting principles and policies generally accepted in the United States of America (GAAP), as applicable to state and local governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Report Presentation

This report includes the fund-based statements of RIAC. In accordance with government accounting principles, a government-wide presentation with program and general revenue is not applicable to special purpose governments engaged only in business-type activities.

Fund Accounting

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. RIAC reports all activity in a single enterprise fund.

Basis of Accounting

Proprietary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note 1 - Nature of Organization and Significant Accounting Policies (Continued)

RIAC distinguishes between operating and nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with operating airports and related transportation modes. The principal operating revenue of RIAC is charges to airlines, facilities tenants, passengers, and others for fees, rent, and services. Operating expenses include the cost of operating airports and related facilities, administrative expenses, and depreciation and amortization expense on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. The major components of nonoperating revenue are interest income from cash and investments, passenger facility charges, grant revenue from ARPA, the Airport Improvement Program, the National Guard, and the Noise Mitigation Program. The major components of nonoperating expense are expenditures for the Noise Mitigation Program, interest expense, and other nonoperating expenses. When both restricted and unrestricted resources are available for use, it is RIAC's policy to use restricted resources first, then unrestricted resources as they are needed.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand; demand deposits; money market funds; and short-term, highly liquid investments (including restricted assets) with a maturity of three months or less when acquired.

Investments

Investments with maturities of greater than one year are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

Receivables

Receivables are reported at the original amount billed, less an estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience, aviation industry trends, and current information regarding the creditworthiness of the debtors. RIAC requires collateral or other forms of security from certain customers.

Restricted Assets

Restricted assets consist of moneys and other resources whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like or through restrictions imposed by law through constitutional provisions or enabling legislation. The distinction between current and noncurrent cash and investments is that noncurrent cash and investments are restricted for long-term debt service, reserves, and capital expenditures. These restrictions are described below:

- Restricted for certain expenditures - These assets are restricted under RIAC's capital grants, bond indentures, and other agreements for certain capital projects and expenses. These assets include amounts collected for passenger facility charges and bond proceeds to be used for construction.
- Restricted for deposits - These assets are restricted from operations because they represent deposits that are held to ensure performance by tenants.

Note 1 - Nature of Organization and Significant Accounting Policies (Continued)

- Restricted for reserves - These assets are restricted by the Master Indenture of Trust dated October 1, 1993, which authorizes Commerce RI to issue bonds on behalf of RIAC. The operating and maintenance reserve represents resources set aside to subsidize potential deficiencies from RIAC's operations that could adversely affect debt service payments. The repair and rehabilitation reserve represents resources set aside to meet unexpected contingencies or to fund asset repairs and rehabilitation. In addition, the InterLink has assets that are restricted per the First Supplemental Indenture of Trust dated June 1, 2006. The InterLink operating and maintenance reserve represents resources set aside to subsidize potential deficiencies from the InterLink's operations that could adversely affect debt service payments. The emergency renewal and replacement reserve represents assets set aside to be used by RIAC to pay emergency renewal and replacement costs.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Assets leased from the State by RIAC are recorded at the present value of the future minimum lease payments plus the amounts expended from the funding received from the federal government. Capital assets are defined by RIAC as assets with an initial individual cost of more than $2,500 and an estimated useful life in excess of one year. Expenditures that substantially increase the useful lives of existing assets are capitalized. Routine maintenance and repairs and costs associated with the Noise Mitigation Program are expensed as incurred except for the value of the land acquired, which is capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Depreciable Life - Years
Assets leased from the State	5-25
Leasehold improvements	7-50
Machinery and equipment	3-20
Vehicles	5-10

Long-term Obligations

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. RIAC reports deferred outflows related to differences between the carrying amount of refunded debt and its reacquisition price, pension costs, and OPEB costs. See Note 9 for details on pension costs. See Note 10 for details on OPEB costs.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. RIAC reports deferred inflows related to differences between the carrying amount of refunded debt and its reacquisition price, pension cost reductions, OPEB cost reductions, and deferred lease revenue. See Note 9 for details on pension costs. See Note 10 for details on OPEB costs. See Note 14 for details on deferred lease revenue.

Note 1 - Nature of Organization and Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

It is RIAC's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick and vacation pay are accrued when earned. Both of these are reported in the accrued payroll and employee benefits line in the basic financial statements in accordance with established personnel policies using the salary rates in effect at the statement of net position date. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. At June 30, 2026 and 2025, RIAC's compensated absences liability was approximately $2,208,000 and $1,962,000, respectively. The increase of approximately $246,000 represents the net change in the liability during the year.

Pension

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System (the "System") administered by the State of Rhode Island and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Other Postemployment Benefit Costs

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Employees' and Electing Teachers OPEB System (the "OPEB System") administered by the State of Rhode Island and the Executive Level Retiree-Only Health Reimbursement Arrangement (the "HRA") and additions to/deductions from the OPEB System and the HRA's fiduciary net position have been determined on the same basis as they are reported by the OPEB System and the HRA. Benefit payments are recognized when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Net Position

Net position of RIAC is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. They represent external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Under the Master Indenture of Trust adopted in 1993, RIAC agreed to create and maintain two reserves. The operating and maintenance reserve is to be equal to two months of operating and maintenance expenses and is to be used only if RIAC does not have sufficient funds in its current operating accounts to pay these expenses on a timely basis. The repair and rehabilitation reserve is to be equal to at least $500,000 and can be used solely for emergency repairs and rehabilitation to airport facilities. Both reserves have been funded as required, and neither has been used to date. The InterLink has assets that are restricted per the First Supplemental Indenture of Trust dated June 1, 2006. The operating and maintenance reserve is to be equal to one-half of the amount set forth in the annual budget. The emergency renewal and replacement reserve is to be equal to $2,000,000. Both reserves have been funded as required, and neither has been used to date.

Note 1 - Nature of Organization and Significant Accounting Policies (Continued)

RIAC's board of directors has designated $5,100,000 of unrestricted net position for capital acquisition, construction, and operating costs as of June 30, 2026 and 2025.

Revenue Recognition

Rental, Concession Fees, and Other

Rental and concession fees are generated from airlines, food and beverage outlets, retailers, rental car agencies, advertising, and commercial tenants. Leases executed by RIAC with such parties are accounted for as operating leases. RIAC recognizes rental income on a straight-line basis over the terms of the various leases. Concession fees are recognized based on reported concessionaire revenue. Where agreements permit audits of concessionaire revenue, any additional fees resulting from such audits are recognized when such amounts become known. Other income includes federal grants, audit recoveries, and other miscellaneous items.

Landing Fees and Airfield Revenue

Landing fees are generated principally from scheduled airlines, cargo carriers, and nonscheduled commercial aviation based on the landed weight of the aircraft and/or signed contracts. Airfield revenue includes apron, tiedown and hangar rentals, fuel flowage fees, and other airfield-related revenue. Landing fees and airfield revenue are recognized as revenue as the related facilities are used.

Parking

Parking revenue is generated principally from on-site facilities managed by a third party. Revenue is based upon utilization of the facilities. Parking revenue is recognized based upon reported revenue by the management company. Additional parking revenue resulting from an audit of the management company records is recognized when such amounts become known.

Effective July 1, 2023, RIAC entered into a parking management agreement, under which the company manages parking operations and related expenses and collects remittances of gross revenue. RIAC pays an annual established flat fee for services provided.

Passenger Facility Charges

Passenger facility charges (PFC) net receipts are restricted for use on preapproved Federal Aviation Administration (FAA) projects, including related debt service. The FAA has approved PFC funding for 52 projects that compose a significant portion of RIAC's capital improvement program. RIAC has been authorized to collect PFCs in the aggregate amount of approximately $281,541,000 based on a rate of $4.50 per enplaned passenger. Aggregate collections, including interest thereon, through June 30, 2026 were approximately $236,364,000. Passenger facility charges are recorded as nonoperating revenue as earned based on enplaned passengers.

Customer, Utility, and Airport Facility Charges

Rental car agencies operating under lease agreements with RIAC are required to impose a customer facility charge (CFC), utility facility charge (UFC), and airport facility charge (AFC) per transaction day on substantially all car rentals. Effective October 1, 2024, the CFC is $7.00. Effective July 1, 2017, the UFC is $1.00. Effective January 1, 2019, the AFC is $0.95. CFC, UFC, and AFC revenue is recorded as operating revenue as earned based upon daily car rentals reported by the rental car agencies. Additional CFC, UFC, and AFC revenue resulting from audits of the rental car agency records is recognized when such amounts become known. See Note 8 for further discussion.

Note 1 - Nature of Organization and Significant Accounting Policies (Continued)

Grants and Contributions

RIAC receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose or capital acquisition are reported as either nonoperating revenue or noncapital subsidies.

Capital contributions represent federal grants (most commonly from the Federal Aviation Administration) restricted for capital acquisitions and/or improvements within airport operations. When received, contributions of capital assets by the State are also reported as capital contributions at the same net book value as previously reported by the State. Capital assets conveyed to RIAC, based on the expiration of certain concession and lease agreements, are also reported as capital contributions at acquisition value.

See below for additional information related to specific programs partially or fully funded by federal grants:

Noise Mitigation Program

The Noise Mitigation Program consists of the acquisition of properties under the 70 Day Night Level (DNL) land acquisition program and the 65 DNL sound insulation program, which are funded in part by federal grants. The noise mitigation - land acquisition program includes the purchase and demolition of homes within the 70 DNL contours, as well as related relocation costs of the occupants. The noise mitigation - sound insulation program includes the sound insulation and related measures for eligible homes and apartments within the 65 DNL contours. The acquisition and sound insulation of the homes and apartments are on a voluntary basis. Costs related to these programs are expensed as incurred, except for the value of land acquired, which is capitalized. Revenue and expenses for this program are included in grant revenue and grant expenses, respectively, in the nonoperating section of the statement of revenue, expenses, and changes in net position. Federal grants covered approximately 90 percent to 100 percent of project costs in the fiscal years ended June 30, 2026 and 2025. Amounts can fluctuate based on the value of the land capitalized and amount of federal funding.

Runway Protection Zone - Land Acquisition Program

The Land Acquisition Program consists of the voluntary acquisition of properties located in the newly defined runway protection zone (RPZ) for the Runway 5-23 extension, which is funded in part by federal grants. Costs related to this program are expensed as incurred, except for the value of land acquired, which is capitalized. Revenue and expenses for this program are included in grant revenue and grant expenses, respectively, in the nonoperating section of the statement of revenue, expenses, and changes in net position. Federal grants covered approximately 90 percent to 100 percent of project costs in fiscal years ended June 30, 2026 and 2025. Amounts can fluctuate based on the value of land capitalized and amount of federal funding.

Note 1 - Nature of Organization and Significant Accounting Policies (Continued)

COVID-19 Assistance Packages

On March 11, 2021, the president of the United States signed the American Rescue Plan Act of 2021 (ARPA), a $1.9 trillion economic stimulus package designed to help the U.S. economy recover from the adverse impacts of the COVID-19 pandemic. In addition to other economic relief, ARPA includes financial relief for certain eligible airports. For eligible airports, ARPA appropriates $8 billion to assist to prevent, prepare for, and respond to COVID-19, and such amounts remain available until September 30, 2024. ARPA requires that, of the $8 billion appropriated, no more than $6.492 billion will be made available for primary airports, such as RIAC, for "costs related to operations, personnel, cleaning, sanitation, janitorial services, combating the spread of pathogens at the airport, and debt service payments." ARPA further appropriates no more than $608 million to pay a federal share of 100 percent of the costs for any grant awarded in federal fiscal year 2021 (or in federal fiscal year 2020 with less than a 100 percent federal share) for any airport redevelopment project and provides for no more than $800 million for sponsors of primary airports to provide relief from rent and minimum annual guarantees to airport concessions. RIAC was eligible to receive funding of approximately $16,059,000, of which approximately $0, $5,038,000, $6,080,000, $3,898,000, and $1,043,000 was utilized for the years ended June 30, 2026, 2025, 2024, 2023, and 2022, respectively, to provide relief to the airport sponsor. Revenue for this grant is included in the nonoperating section of the statement of revenue, expenses, and changes in net position. All awarded funding related to ARPA was utilized as of June 30, 2025.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Leases

RIAC is a lessor for noncancelable leases of airport space and other property to airlines, concessionaires, advertisers, and other third parties. RIAC recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, RIAC initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how RIAC determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- RIAC uses its incremental borrowing rate at lease inception as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

RIAC monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1 - Nature of Organization and Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and nonrecognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the RIAC's financial statements for the year ending June 30, 2027.

Adoption of New Accounting Pronouncement

During the current year, RIAC adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The implementation of this standard established new accounting and financial reporting requirements or modified existing requirements related to management's discussion and analysis, the classification/presentation of unusual or infrequent items, the presentation of proprietary fund operating and nonoperating activities (including subsidies), major component unit presentation, and the budgetary comparison schedules reported as required supplementary information.

The implementation of this standard did not result in a change to RIAC's total net position; however, the following line item has been reclassified to conform to the new presentation requirements: capital contributions.

Note 2 - Cash, Cash Equivalents, and Investments

Components of cash, cash equivalents, and investments at June 30 are classified into the following categories:

	2026	2025
Unrestricted cash, cash equivalents, and investments:		
Deposits with financial institutions	$ 72,001,879	$ 46,605,589
U.S. Treasury securities	13,612,511	53,989,973
Total unrestricted cash, cash equivalents, and investments	85,614,390	100,595,562
Restricted cash, cash equivalents, and investments:		
Deposits with financial institutions	52,155,538	50,439,955
U.S. Treasury securities	4,608,327	5,774,843
Money market mutual funds	29,501,870	25,857,079
Total restricted cash, cash equivalents, and investments	86,265,735	82,071,877
Total	$ 171,880,125	$ 182,667,439

Note 2 - Cash, Cash Equivalents, and Investments (Continued)

RIAC's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, RIAC will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. RIAC's deposit policy for custodial credit risk is to follow Rhode Island General Laws, Chapter 35-10.1, under which an amount equal to or greater than 100 percent of the uninsured bank balances of RIAC's cash deposits is collateralized with securities held by the pledging bank's trust department or agent in RIAC's name. In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies, or governmental subdivisions of the State shall, at a minimum, insure or pledge eligible collateral equal to 100 percent of time deposits with maturities greater than 60 days. Any of these institutions that do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to 100 percent of deposits, regardless of maturity.

Eligible collateral per the agreement and Rhode Island General Laws, Chapter 35-10.1, includes the following: obligations of the United States; obligations of the State of Rhode Island; obligations of any other state with a rating no less than A by Standard & Poor's Rating Services or Moody's Investors Service, Inc.; certain one-to-four family residential mortgage loans, providing they meet certain provisions; and other marketable securities and debt instruments determined to be satisfactory for the purpose of providing liquid assets in the event of default or insolvency of a qualified depository institution, providing that this type of collateral does not exceed 10 percent of the total collateral pledged by the financial institution.

As of June 30, 2026 and 2025, RIAC had bank deposits of $123,251,759 and $96,581,776, respectively, that were uninsured but collateralized with securities held by the pledging bank's trust department or agent in RIAC's name. None of RIAC’s bank deposits were specifically required to be collateralized at June 30, 2026 and 2025 pursuant to Chapter 35-10.1 of the General Laws.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, RIAC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. RIAC does not have a policy for custodial credit risk. RIAC's investments are held by the counterparty in RIAC's name.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting exposure to fair value losses arising from rising interest rates, RIAC's investment policy limits its investments to those that provide for sufficient liquidity to meet all operating requirements, annual debt service, and a reasonable rate of return. Information about the exposure of RIAC's debt-type investments to this risk using a segmented time distribution model at June 30 is as follows:

2026	Investment Maturities (in Years)		
Type of Investment	Less Than 1 Year	1-5 Years	Total
Money market mutual funds	$ 29,501,870	$ -	$ 29,501,870
U.S. Treasury securities	18,220,838	-	18,220,838
Total	$ 47,722,708	$ -	$ 47,722,708

Note 2 - Cash, Cash Equivalents, and Investments (Continued)

2025	Investment Maturities (in Years)		
Type of Investment	Less Than 1 Year	1-5 Years	Total
Money market mutual funds	$ 25,857,079	$ -	$ 25,857,079
U.S. Treasury securities	46,212,111	13,552,705	59,764,816
Total	$ 72,069,190	$ 13,552,705	$ 85,621,895

Credit Risk

Credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

RIAC's investment policies are pursuant to the Master Indentures of Trust (the "Indentures") and Rhode Island General Laws. Rhode Island General Laws and the Indentures permit RIAC to invest in certificates of deposit; savings accounts; money market funds; obligations of the United States government or certain obligations thereof; repurchase agreements with any eligible depository for a period not to exceed 30 days; commercial paper with a rating of P-1, A-1, or higher, as approved by RIAC's board of directors; and investment-grade corporate debentures with a rating of AAA, AA by Standard & Poor's Rating Services and Aaa, Aa by Moody's Investors Service, Inc.

As of June 30, the credit quality ratings of debt-type securities are as follows:

Investment	2026	2025	Rating	Rating Organization
Money market mutual fund - First American Treasury Obligations Fund*	$ 18,341,818	$ 15,162,178	AAAm	S&P
Money market mutual fund - Dreyfus Government Cash Management Fund*	11,160,052	10,694,901	AAAm	S&P
Total	$ 29,501,870	$ 25,857,079		

*Investments are valued at amortized cost rather than fair value.

Concentration of Credit Risk

RIAC places no limit on the amount of investment in any one issuer. In accordance with GASB Statement No. 40, none of RIAC's investments require concentration of credit risk disclosures.

Fair Value Measurements

RIAC 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. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. RIAC’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 2 - Cash, Cash Equivalents, and Investments (Continued)

RIAC has the following recurring fair value measurements as of June 30, 2026 and 2025:

	Assets Measured at Carrying Value on a Recurring Basis at June 30, 2026			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2026
Investments - Debt securities - U.S. Treasury securities	$ 18,220,838	$ -	$ -	$ 18,220,838

	Assets Measured at Carrying Value on a Recurring Basis at June 30, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
Investments - Debt securities - U.S. Treasury securities	$ 59,764,816	$ -	$ -	$ 59,764,816

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Note 3 - Accounts Receivable

Accounts receivable as of June 30, 2026 and 2025 are as follows:

	2026	2025
Unrestricted accounts receivable:		
Accounts receivable - Trade	$ 5,277,913	$ 5,117,314
Due from federal government	11,656,733	21,148,966
Other receivables	140,215	15,800
Allowance for doubtful accounts	(467,679)	(467,679)
Net unrestricted accounts receivable	$ 16,607,182	$ 25,814,401

The amounts due from the federal government are based on expenditures incurred by RIAC or subrecipients under terms of grant agreements or legislation.

	2026	2025
Restricted accounts receivable:		
Due from airlines - Passenger facility charges	$ 790,278	$ 835,089
Due from car rental agencies - InterLink facility revenue	1,682,834	1,128,043
Allowance for doubtful accounts	(31,065)	(31,065)
Total restricted accounts receivable	$ 2,442,047	$ 1,932,067

Note 4 - Capital Assets

Capital asset activity of RIAC was as follows:

	Balance July 1, 2025	Reclassifications	Additions and Transfers	Disposals and Transfers	Balance June 30, 2026
Capital assets not being depreciated:					
Land	$ 49,219,036	$ 46,849	$ -	$ -	$ 49,265,885
Construction in progress	107,961,752	(67,503,464)	99,320,066	-	139,778,354
Subtotal	157,180,788	(67,456,615)	99,320,066	-	189,044,239
Capital assets being depreciated:					
Assets leased from the State	30,608,849	-	-	-	30,608,849
Leasehold improvements	902,980,098	65,303,541	1,847,953	-	970,131,592
Machinery and equipment	67,034,821	2,153,074	1,429,614	(4,959,679)	65,657,830
Vehicles	2,536,900	-	38	-	2,536,938
Subtotal	1,003,160,668	67,456,615	3,277,605	(4,959,679)	1,068,935,209
Accumulated depreciation:					
Assets leased from the State	30,608,849	-	-	-	30,608,849
Leasehold improvements	502,796,905	-	29,638,648	-	532,435,553
Machinery and equipment	56,606,273	-	2,108,576	(4,959,679)	53,755,170
Vehicles	2,212,071	-	119,244	-	2,331,315
Subtotal	592,224,098	-	31,866,468	(4,959,679)	619,130,887
Net capital assets being depreciated	410,936,570	67,456,615	(28,588,863)	-	449,804,322
Net capital assets	$ 568,117,358	$ -	$ 70,731,203	$ -	$ 638,848,561

	Balance July 1, 2024	Reclassifications	Additions and Transfers	Disposals and Transfers	Balance June 30, 2025
Capital assets not being depreciated:					
Land	$ 49,091,179	$ 23,096	$ 104,761	$ -	$ 49,219,036
Construction in progress	39,863,260	(17,166,488)	85,264,980	-	107,961,752
Subtotal	88,954,439	(17,143,392)	85,369,741	-	157,180,788
Capital assets being depreciated:					
Assets leased from the State	30,608,849	-	-	-	30,608,849
Leasehold improvements	885,403,528	16,277,105	1,299,465	-	902,980,098
Machinery and equipment	65,452,346	866,287	716,188	-	67,034,821
Vehicles	2,423,643	-	113,257	-	2,536,900
Subtotal	983,888,366	17,143,392	2,128,910	-	1,003,160,668
Accumulated depreciation:					
Assets leased from the State	30,608,849	-	-	-	30,608,849
Leasehold improvements	476,353,146	-	26,443,759	-	502,796,905
Machinery and equipment	54,404,782	-	2,201,491	-	56,606,273
Vehicles	2,128,849	-	83,222	-	2,212,071
Subtotal	563,495,626	-	28,728,472	-	592,224,098
Net capital assets being depreciated	420,392,740	17,143,392	(26,599,562)	-	410,936,570
Net capital assets	$ 509,347,179	$ -	$ 58,770,179	$ -	$ 568,117,358

Note 4 - Capital Assets (Continued)

Construction Commitments

RIAC has active construction projects expected to be funded from available resources and future operations that relate to certain airport improvements. As of June 30, 2026 and 2025, RIAC's commitments with contractors were approximately $124,155,000 and $75,949,000, respectively. These commitments are primarily federally funded.

Note 5 - Accounts Payable

Accounts payable and accrued expenses as of June 30, 2026 and 2025 are as follows:

	2026	2025
Payable from unrestricted assets:		
Accounts payable and accrued expenses - Trade	$ 7,864,049	$ 4,069,886
Accounts payable and accrued expenses - Capital assets, grant expenses, and other	18,630,721	18,490,251
Total	$ 26,494,770	$ 22,560,137

	2026	2025
Payable from restricted assets:		
Accounts payable and accrued expenses - InterLink	$ 204,627	$ 201,759
Accounts payable and accrued expenses - Deposits	691,673	592,470
Accounts payable and accrued expenses - Capital assets, grant expenses, and other	462,928	4,413,665
Total	$ 1,359,228	$ 5,207,894

Note 6 - Long-term Obligations

Long-term obligations activity for the years ended June 30, 2026 and 2025 can be summarized as follows:

	2026				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Direct borrowings and direct placements - Revenue bonds	$ 66,605,712	$ -	$ (5,602,973)	$ 61,002,739	$ 7,659,122
Other debt:					
Revenue bonds	50,850,000	-	(3,275,000)	47,575,000	4,450,000
InterLink special facility bonds and TIFIA loan	69,019,590	-	(2,379,998)	66,639,592	2,548,136
Unamortized bond premiums	7,389,310	-	(511,358)	6,877,952	511,358
Total other debt outstanding	127,258,900	-	(6,166,356)	121,092,544	7,509,494
Total long-term obligations	$ 193,864,612	$ -	$ (11,769,329)	$ 182,095,283	$ 15,168,616

Note 6 - Long-term Obligations (Continued)

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Direct borrowings and direct placements - Revenue bonds	$ 79,479,004	$ -	$ (12,873,292)	$ 66,605,712	$ 5,602,971
Other debt:					
Revenue bonds	53,990,000	-	(3,140,000)	50,850,000	3,275,000
InterLink special facility bonds and TIFIA loan	70,644,590	-	(1,625,000)	69,019,590	2,379,998
Unamortized bond premiums	7,900,668	-	(511,358)	7,389,310	511,358
Total other debt outstanding	132,535,258	-	(5,276,358)	127,258,900	6,166,356
Total long-term obligations	$ 212,014,262	$ -	$ (18,149,650)	$ 193,864,612	$ 11,769,327

Revenue Bonds Payable

Revenue bonds are issued by Commerce RI on behalf of RIAC. The proceeds from these bonds are used to finance construction and related costs of certain capital improvements. These bonds are secured by the net revenue derived from the operation of the airports. As required by the Master Indenture of Trust, RIAC must attain a debt service coverage ratio of 1.25 and meet other nonfinancial covenants. As of June 30, 2026, RIAC was in compliance with all financial covenants. See Note 8 for information related to the InterLink special facility bonds and TIFIA loan.

Revenue bonds payable consist of the following bond issues as of June 30, 2026 and 2025:

Description	Maturity Date	Interest Rate	2026	2025
2013 Series A bonds	09/01/2034	0.51%-2.73%	$ 17,438,000	$ 19,094,000
2013 Series B bonds	07/01/2028	4.1%-5.0%	10,690,000	13,965,000
2016 Series A bonds	07/01/2025	2.49%	-	142,946
2016 Series B bonds	07/01/2030	3.69%	19,402,078	22,640,843
2016 Series C bonds	07/01/2025	2.24%	-	565,262
2016 Series D bonds	07/01/2046	5.0%	36,885,000	36,885,000
2019 Series A bonds	12/01/2038	2.98%	12,867,522	12,867,522
2019 Series B bonds	12/01/2038	2.98%	11,295,139	11,295,139
Total revenue bonds payable			$ 108,577,739	$ 117,455,712

Note 6 - Long-term Obligations (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Direct Borrowings and Direct Placements		Other Debt		
Years Ending June 30	Principal	Interest	Principal	Interest	Total
2027	$ 7,659,122	$ 1,869,179	$ 4,450,000	$ 2,213,869	$ 16,192,170
2028	8,021,215	1,598,871	4,645,000	2,010,425	16,275,511
2029	8,298,857	1,311,740	4,855,000	1,793,338	16,258,935
2030	8,610,829	1,017,009	1,195,000	1,651,375	12,474,213
2031	4,113,450	786,470	1,255,000	1,590,125	7,745,045
2032-2036	17,865,761	2,137,852	7,285,000	6,918,125	34,206,738
2037-2041	6,433,505	214,206	9,290,000	4,856,750	20,794,461
2042-2046	-	-	11,860,000	2,225,500	14,085,500
2047-2049	-	-	2,740,000	68,500	2,808,500
Total	$ 61,002,739	$ 8,935,327	$ 47,575,000	$ 23,328,007	$ 140,841,073

See Note 8 for annual debt service requirements to maturity for RIAC's InterLink special facility bonds and TIFIA loan.

Revenue Pledged from Airport Operations

Per the Master Indenture of Trust and supplemental indentures, RIAC has pledged net revenue derived from the operation by RIAC of the airport and certain general aviation airports to repay approximately $108,578,000 in airport revenue and special facility bonds, including approximately $32,263,000 of related interest as of June 30, 2026. Proceeds from the bonds were used for various airport improvement projects. Amounts available to pay debt service per the Master Indenture of Trust, including passenger facility charges, were approximately $51,434,000 and $54,778,000 for the years ended June 30, 2026 and 2025, respectively. Principal and interest debt service per the terms of the Master Indenture of Trust for the years ended June 30, 2026 and 2025 was approximately $12,689,000 and $20,343,000, respectively.

TIFIA Loan

In June 2006, RIAC, Commerce RI, and the Rhode Island Department of Transportation executed a secured loan agreement (the "Agreement"), agreement number TIFIA - No. 2006-1001, which provides for borrowings of up to $42,000,000 with the United States Department of Transportation (U.S. DOT) under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA). The purpose of the Agreement is to reimburse Commerce RI and RIDOT and to provide funding to RIAC for a portion of eligible project costs related to the InterLink. RIAC was permitted under the Agreement to make requisitions of funds for eligible project costs through fiscal year 2013. RIAC began making payments of interest in fiscal year 2012, with interest at a rate of 5.26 percent. Payments are made on behalf of Commerce RI (the borrower per the Agreement), and debt service payments commenced in fiscal year 2012 with a final maturity in fiscal year 2042. Such repayments are payable solely from the net revenue derived from the InterLink. As of June 30, 2026, RIAC had approximately $37,300,000 in borrowings under this Agreement. See Note 8 for a schedule of obligations to be paid from InterLink net revenue.

Note 7 - Related Party Transactions

Accounts receivable from the State totaled $0 and $71,755 as of June 30, 2026 and 2025, respectively. Amounts due from the State of Rhode Island related to capital project costs.

Note 7 - Related Party Transactions (Continued)

Net amounts due from the Quonset Development Corporation (QDC) totaled $455,336 as of June 30, 2026. Net amounts due from the Quonset Development Corporation totaled $487,859 as of June 30, 2025. Net amounts due to (from) QDC relate to capital costs incurred on construction projects and revenue from revenue-producing parcels less related operating expenses managed by QDC on behalf of RIAC. These amounts are categorized on the statement of net position as due to (from) other component unit. Additionally, RIAC (lessor) entered into a lease with QDC (lessee) resulting in a receivable balance of $42,944,292 and corresponding deferred inflow of $42,319,351 at June 30, 2025. There was an amendment to the lease in 2026 resulting in a receivable balance of $44,304,772 and corresponding deferred inflow of $44,155,258. These amounts are categorized on the statement of net position as lease receivable and deferred lease revenue, respectively.

Note 8 - Segment Information

RIAC maintains one enterprise fund that includes the InterLink facility. The InterLink facility includes consolidated facilities for airport rental car operations; a train platform to provide access for commuter rail service south to Wickford, Rhode Island and north to both Providence and Boston; and a parking garage for rental car operators and rail commuters. An elevated and enclosed skywalk system connects the InterLink facility to the airport.

Facility revenue for the InterLink includes customer facility charges, utility facility charges, airport facility charges, rental car fees, and commuter parking revenue. CFC revenue, including audit recoveries, was $7,905,928 and $7,473,231 for the years ended June 30, 2026 and 2025, respectively. Operating expenses include utilities, contracted maintenance, insurance, depreciation and amortization, and other costs associated with the InterLink. Interest expense includes the interest component of RIAC's debt service on the 2018 Series Special Facility Bonds and the U.S. DOT's TIFIA loan. Interest income on accounts associated with the InterLink is also included in this line item.

Segment income statement information for RIAC's primary airport operations and the InterLink facility for the years ended June 30, 2026 and 2025 is as follows:

	Airport Operations 2026	Airport Operations 2025	InterLink 2026	InterLink 2025
Operating Revenue - Rental, concession fees, and other	$ 76,086,553	$ 71,372,091	$ 11,518,734	$ 10,968,188
Operating Expenses				
Operational expenses	53,827,386	44,818,884	3,640,054	3,812,953
Depreciation and amortization	26,989,468	23,835,560	4,365,640	4,381,553
Total operating expenses	80,816,854	68,654,444	8,005,694	8,194,506
Operating (Loss) Income	(4,730,301)	2,717,647	3,513,040	2,773,682
Nonoperating Revenue (Expense)				
Investment income	6,061,467	7,227,836	1,156,578	1,225,925
Interest expense	(4,495,930)	(5,032,752)	(3,302,139)	(3,423,403)
Passenger facility charges	8,174,964	8,957,730	-	-
Capital contributions	61,520,186	54,684,696	(200,860)	(334,119)
Other	1,465,149	2,414	-	-
Total nonoperating revenue (expense)	72,725,836	65,839,924	(2,346,421)	(2,531,597)
Change in Net Position	$ 67,995,535	$ 68,557,571	$ 1,166,619	$ 242,085

Note 8 - Segment Information (Continued)

Pledged Revenue from the InterLink Facility

RIAC has pledged InterLink net revenue (defined below) to repay approximately $29,340,000 in Series 2018 First Lien Special Facility Bonds and approximately $37,300,000 in the TIFIA loan and related interest of approximately $32,001,000 as of June 30, 2026. Proceeds from the bonds were used for the construction of the InterLink. Net revenue, which consists of operating and interest income, was $9,035,258 and $8,381,160 for the years ended June 30, 2026 and 2025, respectively. Principal and interest debt service per the terms of the Indenture of Trust on the First Lien Special Facility Bonds (for both Series 2018 and Series 2006) for the years ended June 30, 2026 and 2025 was approximately $3,127,000 and $3,179,000, respectively. Principal and interest debt service per the terms of the Master Indenture of Trust on the TIFIA loan for the years ended June 30, 2026 and 2025 was approximately $2,592,000 and $2,625,000, respectively. As required by the First Supplemental Indenture of Trust, RIAC must attain a debt service coverage ratio of 1.25 and meet other nonfinancial covenants. As of June 30, 2026, RIAC was in compliance with all financial covenants.

Obligations supported by pledged InterLink net revenue are as follows:

Years Ending June 30	Principal	Interest	Total
2027	$ 2,548,136	$ 3,208,815	$ 5,756,951
2028	2,718,017	3,072,934	5,790,951
2029	2,904,732	2,927,718	5,832,450
2030	3,098,379	2,816,415	5,914,794
2031	3,254,059	2,653,735	5,907,794
2032-2036	19,699,448	10,476,773	30,176,221
2037-2041	22,204,095	6,031,790	28,235,885
2042-2044	10,212,726	812,667	11,025,393
Total	$ 66,639,592	$ 32,000,847	$ 98,640,439

Note 9 - Pension Plans

Plan Description

Certain employees of RIAC participate in a cost-sharing multiemployer defined benefit plan, the Employees' Retirement System plan, administered by the Employees' Retirement System of the State of Rhode Island. Under a cost-sharing plan, pension obligations for employees of all employers are pooled, and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at http://www.ersri.org.

Note 9 - Pension Plans (Continued)

Membership and Benefits Provided

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates, and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80 percent or 75 percent. For those hired after June 30, 2012, the benefit accrual rate is 1 percent per year, with a maximum benefit accrual of 40 percent. For members retiring after July 1, 2024, retiree benefit amounts are based on the average highest 3 consecutive years of compensation. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security normal retirement age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service-connected death and certain lump-sum benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, 25 percent (or one-fourth) of the cost of living adjustment is computed annually until the plan reaches a 75 percent funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75 percent funded status.

The plan also provides non-service-connected disability benefits after 5 years of service and service-connected disability benefits with no minimum service requirement.

Contributions

The funding policy, as set forth in the General Laws, Section 36-10-2, provides for actuarially determined periodic contributions to the plan. For the fiscal year ended June 30, 2026, employees with less than 20 years of service as of July 1, 2012 were required to contribute 3.75 percent of their annual covered salary. Employees with more than 20 years of service as of July 1, 2012 were required to contribute 11 percent of their annual covered salary. RIAC is required to contribute at an actuarially determined rate; the rate was 30.90 percent of annual covered payroll for the fiscal year ended June 30, 2026. RIAC contributed $62,101, $70,442, and $117,164 for the fiscal years ended June 30, 2026, 2025, and 2024, respectively, equal to 100 percent of the required contributions for each year.

Net Pension Liability

At June 30, 2026, RIAC reported a liability of $447,429 for its proportionate share of the net pension liability related to its participation in the System. The net pension liability was measured as of June 30, 2025, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025. RIAC's proportion of the net pension liability was based on its share of contributions to the Employees' Retirement System for the fiscal year ended June 30, 2025 relative to the total contributions of all participating employers for that fiscal year. At the June 30, 2025 and 2024 measurement dates, RIAC's proportion was 0.02493 percent and 0.04656 percent, respectively.

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

For the years ended June 30, 2026 and 2025, RIAC recognized pension recovery of $190,375 and $5,936, respectively.

Note 9 - Pension Plans (Continued)

At June 30, 2026 and 2025, RIAC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 21,315	$ 10	$ 27,639	$ 141
Changes in assumptions	-	84	-	1,099
Net difference between projected and actual earnings on pension plan investments	-	11,991	-	32,655
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	-	509,398	-	302,436
Employer contributions to the plan subsequent to the measurement date	62,101	-	70,442	-
Total	$ 83,416	$ 521,483	$ 98,081	$ 336,331

Contributions of $62,101 are reported as deferred outflows of resources related to pensions resulting from RIAC's contributions in the fiscal year ended June 30, 2026 subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the fiscal year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2027	$ (181,958)
2028	(146,130)
2029	(117,426)
2030	(54,654)
Total	$ (500,168)

Actuarial Methods and Assumptions

The total pension liability was determined using the following actuarial methods and assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry age normal - Individual entry age actuarial cost
Amortization method	Level percent of payroll - Closed
Inflation	2.50%
Salary increases	3.00% to 7.00%
Investment rate of return	7.00%

Mortality rates for plan members were based on variants of the Pub-2010 Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP-2021.

The actuarial assumptions used in the June 30, 2024 valuation rolled forward to June 30, 2025, and the calculation of the total pension liability at June 30, 2025 was based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022, as approved by the System's board on May 17, 2023.

Note 9 - Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at statutorily required rates, actuarially determined.

Based on those assumptions, and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The long-term expected rate of return best estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best estimate future expected real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class based on a collective summary of capital market expectations from multiple sources. The June 30, 2025 expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity:		
U.S. equity	25.75 %	6.02 %
International developed equity	10.08	6.37
Emerging markets equity	4.17	7.80
Private growth:		
Private equity	12.50	9.26
Noncore real estate	2.50	5.13
Income:		
Equity options	2.00	5.78
Liquid credit	5.00	4.35
Private credit	3.00	4.35
Collateralized loan obligations (CLO)	2.00	4.35
Crisis protection class:		
Treasury duration	5.00	1.20
Systematic trend	5.00	4.12
Inflation protection:		
Core real estate	4.00	5.13
Private infrastructure	4.00	6.07
Volatility protection:		
IG corp credit	3.25	2.87
Securitized credit	3.25	2.87
Absolute return	6.50	4.12
Cash	2.00	1.20

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best estimate on an arithmetic basis.

Note 9 - Pension Plans (Continued)

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

The following presents the net pension liability of RIAC, calculated using the discount rate of 7.00 percent, as well as what RIAC's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.00%)	Current Discount Rate (7.00%)	1 Percentage Point Increase (8.00%)
RIAC's proportionate share of the net pension liability of the Employees' Retirement System	$ 576,329	$ 447,429	$ 330,312

Pension Plan Fiduciary Net Position

As noted earlier, the System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at http://www.ersri.org. The report contains detailed information about the pension plan's fiduciary net position.

Defined Contribution Plan Description

Certain employees participating in the defined benefit plan (those with less than 20 years of service as of July 1, 2012), as described above, also participate in a defined contribution plan of the Employees' Retirement System, as authorized by General Laws Chapter 36-10.3. The defined contribution plan is established under IRS Section 401(a) and is administered by TIAA-CREF. The retirement board is the plan administrator and plan trustee. The employees may choose among various investment options available to plan participants. The State Investment Commission is responsible for implementing the investment policy of the plan and selecting the investment options available to members.

Certain employees (those with less than 20 years of service as of July 1, 2012) contribute 5 percent of their annual covered salary, and employers contribute at the following percentages of annual covered salary for these employees based on their years of service as of July 1, 2012:

Years of Service as of July 1, 2012	Employer Contribution Rate
15-20	1.50%
10-15	1.25
0-10	1.00

Employee contributions are immediately vested, while employer contributions are vested after three years of contributory service. Contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

There were no required contributions for the fiscal years ended June 30, 2026 and 2025.

Plan Vesting and Contribution Forfeiture Provisions

The total amount contributed by the member, including associated investment gains and losses, shall immediately vest in the member's account and is nonforfeitable. The total amount contributed by the employer, including associated investment gains and losses, vests with the member and is nonforfeitable upon completion of three years of contributory service. Nonvested employer contributions are forfeited upon termination of employment. Such forfeitures can be used by employers to offset future remittances to the plan.

Note 9 - Pension Plans (Continued)

Retirement Benefits

Benefits may be paid to a member after severance from employment, death, plan termination, or upon a deemed severance from employment for participants performing qualified military service. At a minimum, retirement benefits must begin no later than April 1 of the calendar year following the year in which the member attains age 70½ or terminates employment, if later.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the System. The report may be obtained at http://ersri.org.

Money Purchase Pension Plan

Employees hired by RIAC on or after July 1, 1993 are eligible to participate in the Money Purchase Pension Plan, a defined contribution plan administered by RIAC. The number of RIAC employees covered by this plan throughout the year averaged 129 in 2026 and 132 in 2025. RIAC's total payroll for the year ended June 30, 2026 was approximately $16,766,000, of which $13,119,000 was covered under the plan. RIAC's total payroll for the year ended June 30, 2025 was approximately $16,674,000, of which $13,332,000 was covered under the plan.

In order to participate in the plan, covered employees must contribute 8 percent of their base pay to the plan. Participants are 100 percent vested in the amounts they contribute. Withdrawals of these contributed amounts are not permitted prior to termination of employment. RIAC matches 100 percent of participants' required contributions under a five-year vesting schedule. Total contributions for the year ended June 30, 2026 were approximately $1,049,000 by the employer and $1,057,000 by the employees. Total contributions for the year ended June 30, 2025 were approximately $1,067,000 by the employer and $1,075,000 by the employees.

The board of directors of RIAC has the authority to establish and/or amend the plan's provisions and the plan's contribution requirements.

The assets of the Money Purchase Pension Plan are not the assets of RIAC, and RIAC has no fiduciary responsibility; thus, they are not included in these financial statements.

Note 10 - Other Postemployment Benefit Plan

Plan Description - State Employees' and Electing Teachers OPEB System

Certain employees of RIAC participate in a cost-sharing multiple-employer defined benefit other postemployment benefits (OPEB) plan included within the Rhode Island State Employees' and Electing Teachers OPEB System. RIAC participates in the State Employees' plan within the OPEB System.

Under a cost-sharing plan, OPEB obligations for employees of all employers are pooled, and plan assets are available to pay the benefits of the employees of any participating employer providing OPEB benefits through the plan, regardless of the status of the employers' payment of its OPEB obligation to the plan. The plan provides health care benefits to plan members.

The OPEB System is administered by the OPEB board and was authorized, created, and established under Chapter 36-12.1 of the RI General Laws. The board was established under Chapter 36-12.1 as an independent board to hold and administer, in trust, the funds of the OPEB System. The four members of the OPEB board are the state controller, the state budget officer, the state personnel administrator, and the general treasurer, or their designees.

The OPEB System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at http://www.oag.ri.gov/reports.html.

Note 10 - Other Postemployment Benefit Plan (Continued)

Plan Description - Executive Level Retiree-Only Health Reimbursement Arrangement

RIAC provides other postemployment benefits through a single-employer defined benefit retiree-only Health Reimbursement Arrangement (the "HRA"). The HRA provides reimbursement of eligible health care premiums to certain eligible employees upon retirement from RIAC.

The HRA is funded by RIAC. Employee, participant, and beneficiary contributions are not required or permitted. Reimbursement accounts maintained under the HRA are bookkeeping accounts used after retirement to track annual reimbursement capacity, carryovers, reimbursements paid, and remaining availability. Such accounts do not represent cash accounts and do not provide participants with ownership of specific trust assets or investments.

Membership and Benefits Provided

State Employees' and Electing Teachers OPEB System

The plans within the OPEB System generally provide health care coverage to pre-Medicare eligible retirees and health reimbursement account contributions or Medicare supplement coverage for members who are Medicare eligible. Members may purchase coverage for spouses and dependents. Dental and vision coverage may be purchased by these groups with no state subsidy.

Members of the OPEB System must meet the eligibility and services requirements set forth in the RI General Laws or other governing documents. RIGL Sections 16-17.1-1 and 2, 36-10-2, 36-12.1, 36-12-2.2, and 36-12-4 govern the provisions of the OPEB System, and they may be amended in the future by action of the General Assembly.

Executive Level Retiree-Only Health Reimbursement Arrangement

The HRA provides reimbursement of eligible heath care premiums to certain eligible executive employees of RIAC upon retirement. Eligibility is based on the position held and is subject to the requirements set forth in the HRA plan documents.

Participants become vested in benefits under the HRA upon completion of 10 years of continuous qualifying service and attainment of age 60. Reimbursement rights arise only after retirement from RIAC.

Benefits under the HRA are limited to reimbursement of eligible premiums for insured health plans, including insured long-term care coverage to the extent permitted by the HRA. The HRA does not reimburse nonpremium medical expenses. Amounts available under the HRA may be used only for eligible premium reimbursements and may not be converted to cash.

Contributions

State Employees' and Electing Teachers OPEB System

The funding policy, as set forth in the General Laws and that may be amended at any time, provides for actuarially determined periodic contributions to the plans. RIAC is required to contribute at an actuarially determined rate; the rate was 3.25 percent of annual covered payroll for the fiscal year ended June 30, 2026. RIAC contributed $6,531, $9,092, and $18,280 for the fiscal years ended June 30, 2026, 2025, and 2024, respectively, equal to 100 percent of the required contributions for each year.

Active employees do not make contributions to the plan. Retired member contributions consist of the required retiree share of coverage based on the time of retirement and years of service.

Note 10 - Other Postemployment Benefit Plan (Continued)

Executive Level Retiree-Only Health Reimbursement Arrangement

The funding policy, as set forth in the Funding and Investment Policy and that may be amended at any time, provides for minimum actuarially determined contributions to the plans. RIAC is required to contribute 80 percent of the actuarially determined employer contribution or greater, with a goal of at least 100 percent of the actuarially determined employer contribution each year. Employee, participant, and beneficiary contributions are not required or permitted.

Subsequent to June 30, 2026, RIAC funded the HRA trust with a contribution of $2,000,000 to support the long-term funding of future retiree health benefits. The OPEB benefits associated with this plan represent a new arrangement; the HRA trust will begin reporting net assets next year in fiscal year 2027.

Net OPEB Liability

State Employees' and Electing Teachers OPEB System

At June 30, 2026, RIAC reported a liability of $22,455 for its proportionate share of the net OPEB liability related to its participation in the OPEB System. The net OPEB liability was measured as of June 30, 2025, the measurement date, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to the June 30, 2025 measurement date. RIAC's proportion of the net OPEB liability was based on its share of contributions to the OPEB System for fiscal year ended June 30, 2025 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2025 and 2024, RIAC's proportion was 0.02487 percent and 0.04798 percent, respectively.

Executive Level Retiree-Only Health Reimbursement Arrangement

At June 30, 2026 RIAC reported a liability of $1,164,007. The net OPEB liability was measured as of June 30, 2026, the measurement date, and the total OPEB used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2026 rolled forward to the June 30, 2026 measurement date.

Changes in the net OPEB liability during the measurement year were as follows for the HRA:

Changes in Net OPEB Liability	Total OPEB Liability
Service cost	$ 147,397
Interest	6,824
Changes in benefits	1,009,786
Balance at June 30, 2026	$ 1,164,007

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

State Employees' and Electing Teachers OPEB System

For the years ended June 30, 2026 and 2025, RIAC recognized an OPEB recovery of $35,153 and $29,130, respectively.

Note 10 - Other Postemployment Benefit Plan (Continued)

At June 30, 2026 and 2025, RIAC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 323	$ 19,376	$ 821	$ 48,808
Changes in assumptions	4,246	3,826	9,740	11,216
Changes in proportionate share or differences between amount contributed and proportionate share of contributions	-	115,633	-	83,141
Contributions subsequent to measurement date	6,531	-	9,092	-
Net difference between projected and actual investment earnings	-	9,221	-	11,202
Total	$ 11,100	$ 148,056	$ 19,653	$ 154,367

Contributions of $6,531 are reported as deferred outflows of resources related to OPEB expense resulting from RIAC's contributions in the fiscal year ended June 30, 2026 subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability for the fiscal year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	Amount
2027	$ (34,522)
2028	(32,271)
2029	(31,603)
2030	(19,123)
2031	(13,192)
Thereafter	(12,776)
Total	$ (143,487)

Actuarial Methods and Assumptions

State Employees' and Electing Teachers OPEB System

The actuarial assumptions used in the June 30, 2024 valuation and the calculation of total OPEB liability at the June 30, 2025 measurement date were consistent with the Actuarial Experience Investigative Study for the six years ended June 30, 2019 performed for the Employees' Retirement System of Rhode Island.

Executive Level Retiree-Only Health Reimbursement Arrangement

The actuarial assumptions used in the January 1, 2026 valuation and the calculation of total OPEB liability at the June 30, 2026 measurement date were consistent with Actuarial Standards of Practice issued by the Actuarial Standards Board. The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from RIAC. The HRA does not yet have credible data on which to perform an experience study, and, therefore, a full actuarial experience study is not applicable.

Note 10 - Other Postemployment Benefit Plan (Continued)

The total OPEB liabilities were determined using the following significant actuarial methods and assumptions:

	State Employees' and Electing Teachers OPEB System	Executive Level Retiree-Only Health Reimbursement Arrangement
Actuarial cost method	Entry age normal - Individual entry age actuarial cost	Entry age normal - Individual entry age actuarial cost
Amortization method	Level percent of payroll - Closed	Level percent of payroll
Inflation	2.50%	2.40%
Salary increases	3.25% to 6.25%	2.40%
Investment rate of return	5.00%	4.63%
Health care cost trend rate	6.25% to 7.00% in fiscal year 2025 to decrease annually to 3.50% in fiscal year 2038 and later	Not assumed
Healthcare cost COLA rate	N/A	5.00% in fiscal year 2026 and for all future years. Reimbursable amount must increase by 5.00% each year.

State Employees' and Electing Teachers OPEB System

Mortality rates for male plan members were based on Pub-2010 Median Table for General Healthy Retiree Males, loaded by 115 percent, projected with Scale Ultimate MP-2016. Mortality rates for female plan members were based on Pub-2010 Median Table for General Healthy Retiree Females, loaded by 111 percent, projected with Scale Ultimate MP-2016.

Executive Level Retiree-Only Health Reimbursement Arrangement

Mortality rates were based on the Pub-2016 Public Retirement Plans Mortality Tables projected with Scale MP-2021.

Discount Rate

State Employees' and Electing Teachers OPEB System

The discount rate used to measure the total OPEB liability was 5.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members, if any, will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions and the projection of cash flows as of each fiscal year ending, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Executive Level Retiree-Only Health Reimbursement Arrangement

The discount rate used to measure the total OPEB liability was 4.63 percent. Since the HRA was not funded as of June 30, 2026 measurement date, the selection of the discount rate is based on the expected long-term rate of return on the General Fund assets. As a point of reference, the GASB 74/75 financial reporting standards link the discount rate to the 20-year AA municipal bond index for unfunded OPEB plans, which as of June 30, 2026 was 4.63 percent.

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

State Employees' and Electing Teachers OPEB System

The long-term expected rate of return best estimate on OPEB plan investments was determined by the actuary using a building-block method. The actuary started by calculating best estimate future expected real rates of return (expected returns, net of OPEB plan investment expense and inflation) for each major asset class based on a collective summary of capital market expectations from multiple sources. The June 30, 2025 expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Growth:		
Global equity/Public growth	40.00 %	6.47 %
Private growth	5.00	8.82
Income:		
Equity options	4.00	5.88
Liquid credit	4.00	4.41
Emerging market debt	4.00	4.46
Collateralized loan obligations	4.00	4.41
Private credit	5.00	4.41
Stability:		
Inflation protection:		
Core real estate	4.00	5.18
Private real assets	4.00	6.24
Volatility protection - U.S Aggregate Bond	26.00	2.20

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best estimate on an arithmetic basis.

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

The following presents the net OPEB liability of RIAC, calculated using the discount rate of 5.00 percent for the State Employees' and Electing Teachers OPEB System and 4.63 percent for the Executive Level Retiree-Only Health Reimbursement Arrangement, as well as what RIAC's net OPEB liability would be for the plans if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
RIAC's proportionate share of the net OPEB liability of the State Employees' and Electing Teachers OPEB System	$ 41,118	$ 22,455	$ 6,889
Total OPEB liability of the Executive Level Retiree-Only Health Reimbursement Arrangement	1,395,102	1,164,007	984,145

Note 10 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend and COLA Rates

The following presents the net OPEB liability of RIAC, calculated using the health care cost trend and COLA rate baseline (defined in the actuarial assumptions table for both plans above), as well as what RIAC's net OPEB liability would be for the plans if it were calculated using a health care cost trend and COLA rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Lower	Baseline	1 Percentage Point Higher
RIAC's proportionate share of the net OPEB liability of the State Employees' and Electing Teachers OPEB System	$ 1,393	$ 22,455	$ 48,792
Total OPEB liability of the Executive Level Retiree-Only Health Reimbursement Arrangement	950,011	1,164,007	1,449,741

OPEB Plan Fiduciary Net Position

State Employees' and Electing Teachers OPEB System

The OPEB System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at http://www.oag.ri.gov/reports.html. The report contains detailed information about the OPEB plan's fiduciary net position.

Note 11 - Aggregate Other Postemployment Benefit-related Balances

The following table presents the aggregate balances for the net OPEB liability, deferred inflows related to OPEB, and deferred outflows related to OPEB for the year ended June 30, 2026. Detailed information for each OPEB plan can be found in Note 10.

	Net OPEB Liability	Deferred Outflows	Deferred Inflows
State Employees' and Electing Teachers OPEB System	$ 22,455	$ 11,100	$ 148,056
Executive Level Retiree-Only Health Reimbursement Arrangement	1,164,007	-	-
Total	$ 1,186,462	$ 11,100	$ 148,056

Note 12 - Risk Management

RIAC is self-insured for workers' unemployment. RIAC pays for unemployment claims as they are incurred. At June 30, 2026 and 2025, there are no material liabilities outstanding.

RIAC is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. RIAC has purchased commercial insurance for these types of claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

Note 13 - Contingent Liabilities

RIAC participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, RIAC may be required to reimburse the grantor government. As of June 30, 2026 and 2025, significant amounts of grant expenditures have not been audited by grantors, but RIAC believes that disallowed expenditures, if any, based on subsequent audits will not have a material adverse effect on the overall financial position of RIAC.

RIAC is subject to various legal proceedings and claims that arise in the ordinary course of its business. RIAC believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Note 14 - Leases

RIAC leases certain assets to various third parties. The assets leased include land, wall space for advertising, office space, terminal space for concessions, building facilities, and other. Payments for almost all leases are received monthly, and the revenue varies based on the nature of the lease. Most of the leases, which include land leases and advertising leases, are a fixed monthly fee and often contain annual or periodic escalation clauses. For some leases for which the business conducts sales, the monthly fee is a percentage of gross revenue and varies each month. For fixed-fee leases, there are often minimum annual guarantees (MAGs) contained in the lease that provide a certain amount of revenue regardless of the operational success. The length of most leases is less than 5 years; however, there are some leases over 20 years.

RIAC has adopted the following policies to assist in determining lease treatment according to the requirements of GASB Statement No. 87 (GASB 87):

- The maximum possible lease term is noncancelable by both lessee and lessor and is more than 12 months.
- The term of the lease will include possible extension periods that are deemed to be reasonably certain given all available information regarding the likelihood of renewal.
- For the fiscal years ended June 30, 2026 and 2025, all leases with associated receivables are based on fixed payments and do not have variable payment components.

During the years ended June 30, 2026 and 2025, RIAC recognized the following related to its lessor agreements:

	2026	2025
Lease revenue	$ 3,231,728	$ 3,379,068
Interest income related to its leases	980,051	919,813
Revenue from variable payments not previously included in the measurement of the lease receivable	25,636,494	23,692,139

RIAC has several bond repayments that are secured by the net revenue from its lease revenue, as described below:

- Certain revenue bonds have been issued by Commerce RI on behalf of RIAC to fund improvement and construction projects. These bonds are secured by the overall net revenue derived by airport operations.
- RIAC has specifically pledged InterLink revenue to repay First Lien Special Facility Bonds and amounts in the TIFIA loan. Proceeds from these bonds were used to construct the InterLink facility, and all InterLink revenue is used to secure these bonds.

Note 14 - Leases (Continued)

See Notes 6 and 8 for more information regarding bonds that are secured or pledged by net revenue from leases.

Most leases do not contain any early termination provisions, and the few that do can only be terminated by either the lessor or lessee but not both. In addition, they are long term in nature and expire in 30 years or less.

Future principal and interest payment requirements related to RIAC's lease receivable at June 30, 2026 are as follows:

Years Ending	Principal	Interest	Total
2027	$ 1,901,761	$ 946,188	$ 2,847,949
2028	1,807,730	908,797	2,716,527
2029	1,753,843	871,268	2,625,111
2030	1,826,630	833,325	2,659,955
2031	2,028,475	792,740	2,821,215
2032-2036	11,065,228	3,290,508	14,355,736
2037-2041	9,305,855	2,253,327	11,559,182
2042-2046	8,277,398	1,633,830	9,911,228
2047-2051	9,744,493	1,051,284	10,795,777
2052-2056	11,050,886	356,800	11,407,686
Total	$ 58,762,299	$ 12,938,067	$ 71,700,366

Regulated Leases

RIAC is party to certain regulated leases, as defined by GASB 87. The leased assets include land that the lessee uses for a skydiving landing zone, hangar construction and use, FBO operations, an airline fueling consortium, terminal space, aircraft maintenance facilities, cargo facilities, hangars, and other building facilities.

In accordance with GASB 87, RIAC does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings (e.g., the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airports and air carriers and other aeronautical users, and local regulations for fire and other).

During the year ended June 30, 2024, all signatory airline agreements were extended for five years from July 1, 2024 through June 30, 2028 and have been included in the following disclosures.

During the years ended June 30, 2026 and 2025, RIAC recognized the following from regulated leases:

	2026	2025
Lease revenue	$ 13,944,218	$ 13,722,153
Revenue from variable payments excluded from the schedule of expected future minimum payments	8,858,989	14,950,775

Note 14 - Leases (Continued)

Future expected minimum payments related to RIAC's regulated leases at June 30, 2026 are as follows:

Years Ending	Amount
2027	$ 12,159,460
2028	12,142,835
2029	2,040,153
2030	890,971
2031	907,419
2032-2036	3,214,366
2037-2041	2,399,409
2042-2046	931,544
Total	$ 34,686,157

Most of these leases do not contain any early termination provisions, and the few that do can only be terminated by either the lessor or lessee but not both. In addition, nearly all of the regulated leases are long term in nature. More than half of the leases expire in less than 5 years; however, there are a few leases whose terms are as long as 20 or 30 years.

Required Supplementary Information

Required Supplementary Information
Schedule of RIAC's Proportionate Share of the Net Pension Liability
Employees' Retirement System Plan

Last Ten Plan Years
Plan Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
RIAC's proportion of the net pension liability	0.02493 %	0.04656 %	0.05571 %	0.06027 %	0.06915 %	0.07462 %	0.79380 %	0.08566 %	0.09472 %	0.08660 %
RIAC's proportionate share of the net pension liability	$ 447,429	$ 900,063	$ 1,072,728	$ 1,189,014	$ 1,229,875	$ 1,696,882	$ 1,799,009	$ 1,928,084	$ 2,135,747	$ 1,837,970
RIAC's covered payroll (at measurement date)	$ 229,554	$ 404,433	$ 452,484	$ 418,641	$ 512,640	$ 564,171	$ 582,316	$ 597,373	$ 621,137	$ 589,865
RIAC's proportionate share of the net pension liability as a percentage of its covered payroll	194.91 %	222.55 %	237.08 %	284.02 %	239.91 %	300.77 %	308.94 %	322.76 %	343.84 %	311.59 %
Plan fiduciary net position as a percentage of total pension liability	66.50 %	63.10 %	61.30 %	59.60 %	63.20 %	52.60 %	52.80 %	52.50 %	51.83 %	51.88 %

Note: The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
Employees' Retirement System Plan

Last Ten Fiscal Years
Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 62,101	$ 70,442	$ 117,164	$ 126,741	$ 117,261	$ 141,181	$ 148,885	$ 149,946	$ 148,567	$ 157,396
Contributions in relation to the statutorily required contribution	62,101	70,442	117,164	126,741	117,261	141,181	148,885	149,946	148,567	157,396
Contribution Deficiency (Excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	$ -
RIAC's Covered Payroll	$ 200,955	$ 229,554	$ 404,433	$ 452,484	$ 418,641	$ 512,640	$ 564,171	$ 582,316	$ 597,373	$ 621,137
Contributions as a Percentage of Covered Payroll	30.90 %	30.69 %	28.97 %	28.01 %	28.01 %	27.54 %	26.39 %	25.75 %	24.87 %	25.34 %

Note: Employers participating in the State's Employees' Retirement System are required by RI General Laws, Section 36-10-2, to contribute at an actuarially determined contribution rate each year.

See notes to required supplementary information.

Required Supplementary Information
Schedule of RIAC's Proportionate Share of the Net OPEB Liability
State Employees' and Electing Teachers OPEB System

Last Nine Plan Years
Plan Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
RIAC's proportion of the net OPEB liability	0.02487 %	0.04798 %	0.05544 %	0.05907 %	0.08511 %	0.07327 %	0.07965 %	0.08518 %	0.08413 %
RIAC's proportionate share of the net OPEB liability	$ 22,455	$ 66,406	$ 115,401	$ 161,972	$ 197,429	$ 264,441	$ 347,662	$ 433,851	$ 437,010
RIAC's covered payroll (at measurement date)	$ 229,554	$ 404,433	$ 452,484	$ 418,641	$ 512,640	$ 564,171	$ 582,316	$ 597,373	$ 621,137
RIAC's proportionate share of the net OPEB liability as a percentage of its covered payroll	9.78 %	16.42 %	25.50 %	38.69 %	38.51 %	46.87 %	59.70 %	72.63 %	70.36 %
Plan fiduciary net position as a percentage of total OPEB liability	85.08 %	76.55 %	65.09 %	55.09 %	60.52 %	42.51 %	33.57 %	26.25 %	22.38 %

Notes:

1) The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.
2) Schedule is intended to show information for 10 years; additional years will be displayed as they become available.

Required Supplementary Information
Schedule of OPEB Contributions
State Employees' and Electing Teachers OPEB System

Last Nine Fiscal Years
Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily determined contribution	$ 6,531	$ 9,092	$ 18,280	$ 20,271	$ 22,104	$ 34,091	$ 37,517	$ 34,822	$ 35,723
Contributions in relation to the actuarially determined contribution	6,531	9,092	18,280	20,271	22,104	34,091	37,517	34,822	35,723
Contribution Deficiency (Excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 200,955	$ 229,554	$ 404,433	$ 452,484	$ 418,641	$ 512,640	$ 564,171	$ 582,316	$ 597,373
Contributions as a Percentage of Covered Payroll	3.25 %	3.96 %	4.52 %	4.48 %	5.28 %	6.65 %	6.65 %	5.98 %	5.98 %

Notes:

1) Employers participating in the State Employees' and Electing Teachers OPEB System are required by RI General Laws, Section 36-10-2, to contribute at an actuarially determined contribution rate each year.

2) Schedule is intended to show information for 10 years; additional years will be displayed as they become available.

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios - Executive Level Retiree-Only Health Reimbursement Arrangement

	One Fiscal Year
	2026
Total OPEB Liability	
Service cost	$ 147,397
Interest	6,824
Changes in benefit terms	1,009,786
Net Change in Total OPEB Liability	1,164,007
Total OPEB Liability - Beginning of year	-
Total OPEB Liability - End of year	**$ 1,164,007**
Covered Payroll	$ 2,015,568
Total OPEB Liability as a Percentage of Covered Payroll	57.75 %

See notes to required supplementary information.

Rhode Island Airport Corporation

Required Supplementary Information
Schedule of OPEB Contributions
Executive Level Retiree-Only Health Reimbursement Arrangement

	One Fiscal Year Year Ended June 30 2026
Actuarially determined contribution	$ -
Contributions in relation to the actuarially determined contribution	-
Contribution Excess	**$ -**
Covered Payroll	**$ 2,015,568**
Contributions as a Percentage of Covered Payroll	**- %**

*As this plan was adopted in fiscal year 2026, the contributions to the plan will begin in fiscal year 2027.

Pension Plan Information

- Schedule of RIAC's proportionate share of the net pension liability - Employees' Retirement System plan
- Schedule of pension contributions - Employees' Retirement System plan

Actuarial Methods and Assumptions Used to Calculate the Net Pension Liability of the Participating Employers

The actuarial methods and assumptions used to calculate the net pension liability of the participating employers are described in Note 9 to the financial statements. The following information is presented about factors that significantly affect trends in the amounts reported between years.

June 30, 2025 Measurement Date

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability of the plans as of the June 30, 2025 measurement date compared to the June 30, 2024 measurement date.

June 30, 2024 Measurement Date

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability of the plans as of the June 30, 2024 measurement date compared to the June 30, 2023 measurement date other than updating the mortality table scale from MP-2016 to MP-2021.

June 30, 2023 Measurement Date

As part of the 2023 actuarial experience study for the six-year period ended June 30, 2022, as approved by the System's board on May 17, 2023, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2023 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased individual salary increases and projected payroll growth for most groups. These two items mainly offset each other in calculating contribution requirements, especially as dollar amounts, but create a much lower projected annual growth rate in the dollar amounts of contributions.
- Updated the mortality projection scales to the ultimate rates of the most recently published ones; this had no material impact to the liabilities or contributions.
- Modestly increased turnover rates
- Slight modifications to the retirement rates
- Modified slightly the rates of disability

June 30, 2022 Measurement Date

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability of the plans as of the June 30, 2022 measurement date compared to the June 30, 2021 measurement date.

June 30, 2021 Measurement Date

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

June 30, 2020 Measurement Date

As part of the 2020 actuarial experience study for the six-year period ended June 30, 2019, as approved by the System's board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based Pub-2010 tables
- Slightly increased the probabilities of turnover
- Slightly decreased the probabilities of retirement
- Slightly modified the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not

June 30, 2019 Measurement Date

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 Measurement Date

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

Actuarially Determined Contributions

Actuarially determined contributions are calculated as of June 30, three years prior to the fiscal year in which the contributions are reported. For example, the contribution rate for fiscal year 2026 for the plans was based on a valuation performed as of June 30, 2023.

Other Postemployment Benefits (OPEB) Plan Information

- Schedule of RIAC's proportionate share of the net OPEB liability - State Employees' OPEB plan
- Schedule of OPEB contributions - State Employees' OPEB plan

Actuarial Assumptions and Methods Used to Calculate the Net OPEB Liability of the Participating Employers

The actuarial methods and assumptions used to calculate the net OPEB liability of the participating employers are described in Note 10 to the financial statements. The following information is presented about factors that significantly affect trends in the amounts reported between years.

June 30, 2025 Measurement Date

The net OPEB liability (asset) measured as of June 30, 2025 reflected updated assumptions for the health care trend rates compared to the June 30, 2024 measurement date.

June 30, 2024 Measurement Date

The net OPEB liability (asset) measured as of June 30, 2024 reflected updated assumptions for the health care trend rates compared to the June 30, 2023 measurement date.

June 30, 2023 Measurement Date

There were no changes in actuarial methods reflected in the calculation of the net OPEB liability (asset) of the plans as of the June 30, 2023 measurement date compared to the June 30, 2022 measurement date. Changes in actuarial assumptions were limited to the update of health care trend assumptions.

June 30, 2022 Measurement Date

- Updated inflation rate from 2.75 percent to 2.50 percent

June 30, 2021 Measurement Date

- Updated the project salary increase range from 3.00 to 6.00 percent to 3.25 to 6.25 percent
- Updated mortality tables from RP-2014 Combined Healthy for Males/Females projected with MP-2016 ultimate rates to Pub-2010 Median Table for General Healthy Retiree Males/Females projected with Scale Ultimate MP-2016
- Updated health care trend rates from starting at 8.25 percent decreasing annually to 3.50 percent to starting at 7.50 percent decreasing annually to 3.50 percent

June 30, 2020 Measurement Date

The Cadillac tax, which was a tax provision from the federal Affordable Care Act (ACA), was repealed in December 2019. As a result, liability amounts previously included for the Cadillac tax within the development of the total OPEB liability have been removed as of the June 30, 2020 measurement date.

June 30, 2019 Measurement Date

The June 30, 2018 actuarial valuation rolled forward to the June 30, 2019 measurement date reflected a change in excise tax load on pre-65 liabilities from 11.0 to 9.5 percent.

June 30, 2018 Measurement Date

There were no changes in actuarial methods or assumptions reflected in the calculation of the net OPEB liability of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

June 30, 2017 Measurement Date

Certain actuarial assumptions for state employees were updated to match the assumptions used for state employees in the pension valuation for the Employees' Retirement System of Rhode Island (ERSRI) and the results of an actuarial experience investigation performed for ERSRI at June 30, 2016. Changes were made to the following assumptions:

- Merit and longevity portion of the salary increase assumption
- Rates of separation from active membership
- Rates of retirement
- Rates of disability
- The rate of wage inflation
- The mortality assumption
- The trend assumption
- Aging factors and health and inflation trends

The excise tax load on pre-65 liabilities was changed from 13.8 to 11.0 percent. The Patient Protection and Affordable Care Act includes an excise tax on high-cost health plans beginning in 2022. The excise tax is 40 percent of costs above a threshold. The actual actuarial assumptions used in the most recent valuations assume that the plans will be subject to the excise tax in 2022.

Actuarially Determined Contributions

Actuarially determined contributions are calculated as of June 30, three years prior to the fiscal year in which the contributions are reported. For example, the contribution rate for fiscal year 2026 for the plans was based on a valuation performed as of June 30, 2023.

Other Postemployment Benefits Plan Information

- Schedule of changes in the total OPEB liability and related ratios - Executive Level Retiree-Only Health Reimbursement Arrangement
- Schedule of OPEB contributions - Executive Level Retiree-Only Health Reimbursement Arrangement

Actuarial Assumptions and Methods Used to Calculate the Net OPEB Liability of the HRA

The actuarial methods and assumptions used to calculate the net OPEB liability of the HRA are described in Note 10 to the financial statements. The following information is presented about factors that significantly affect trends in the amounts reported between years.

June 30, 2026 Measurement Date

No significant plan changes.

Supplementary Information

Rhode Island Airport Corporation

State of Rhode Island Attachment B
Statement of Net Position

June 30, 2026

Assets	
Current Assets:	
Cash and cash equivalents	$ 72,001,879
Investments	13,612,511
Receivables (net)	16,607,182
Lease receivable	1,901,761
Restricted assets:	
Cash and cash equivalents	19,706,186
Investments	
Receivables (net)	
Other assets	
Due from primary government	
Due from other component units	97,572
Due from other governments	
Inventories	
Other assets	288,050
Total current assets	124,215,141
Noncurrent Assets:	
Investments	
Receivables (net)	
Lease receivable - Net of current portion	56,860,538
Due from other govts and agencies	
Restricted assets:	
Cash and cash equivalents	61,951,222
Investments	4,608,327
Receivables (net)	2,442,047
Other assets	
Due from other component units	357,764
Net Pension Asset	
Net OPEB Asset	
Capital assets - nondepreciable	189,044,239
Capital assets - depreciable (net)	449,804,322
Other assets, net of amortization	4,584,992
Total noncurrent assets	769,653,451
Total assets	893,868,592
Deferred outflows of resources	
Deferred pension amounts	83,416
Deferred OPEB amounts	11,100
Other deferred outflows of resources	0
Total deferred outflows of resources	$ 94,516

Rhode Island Airport Corporation

State of Rhode Island Attachment B
Statement of Net Position (Continued)

June 30, 2026

Liabilities	
Current liabilities:	
Cash overdraft	
Accounts payable (unrestricted and restricted)	$ 20,398,665
Due to primary government	
Due to other component units	
Due to other governments	
Accrued expenses (unrestricted and restricted)	7,455,333
Compensated absences	2,207,629
Unearned revenue	6,645,687
Other current liabilities	3,495,418
Current portion of long-term debt	15,168,616
Total current liabilities	55,371,348
Noncurrent liabilities:	
Due to primary government	
Due to other component units	
Due to other governments	
Net pension liability	447,429
Net OPEB liability	1,186,462
Unearned revenue	
Notes payable	
Loans payable	
Lease obligations	
Compensated absences	
Bonds payable	166,926,667
Other liabilities	
Total noncurrent liabilities	168,560,558
Total liabilities	223,931,906
Deferred inflows of resources	
Deferred pension amounts	521,483
Deferred OPEB amounts	148,056
Other deferred inflows of resources	55,947,035
Total deferred inflows of resources	56,616,574
Net position	
Net investment in capital assets	475,481,604
Restricted for:	
Debt	38,762,103
Other	13,327,800
Nonexpendable	
Capital Projects	13,248,742
Unrestricted	72,594,379
Total net position	$ 613,414,628

Rhode Island Airport Corporation

State of Rhode Island Attachment C
Statement of Activities

Year Ended June 30, 2026

Total operating revenues	$	87,605,287
Total operating expenses		(88,822,548.00)
Operating income (loss)		(1,217,261.00)
Noncapital Subsidies		
Transfers in		-
Transfers out		-
Total noncapital subsidies		-
Operating income (loss) and noncapital subsidies		(1,217,261.00)
Other Nonoperating Revenues (Expenses)		
Earnings on investments		7,218,045.00
Interest expense		(7,798,069.00)
Capital contributions		61,319,326.00
Passenger facility charges		8,174,964.00
Gain on sale of assets		1,444,845.00
Other		20,304.00
Total other nonoperating revenues (expenses)		70,379,415.00
Increase (decrease) in net position		69,162,154.00
Total net position - beginning		544,252,474
Total net position - ending	$	613,414,628

State of Rhode Island Attachment D
Schedule of Debt Service to Maturity - Long-Term Debt

Fiscal Year Ending June 30	Principal	Interest
2027	$ 14,657,258	7,291,863
2028	15,384,232	6,682,230
2029	16,058,589	6,032,795
2030	12,904,208	5,484,799
2031	8,622,509	5,030,330
2032-2036	44,850,211	19,532,750
2037-2041	37,926,681	11,102,746
2042-2046	22,073,643	3,038,167
2047-2051	2,740,000	68,500
2052-2056		
2057-2061		
2062-2066		
2067-2071		
	$ 175,217,331	$ 64,264,181

Rhode Island Airport Corporation

State of Rhode Island Attachment E
Schedule of Changes in Long-Term Debt

Year Ended June 30, 2026

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Thereafter
Bonds payable	$ 119,869,590		$ 5,654,998	$ 114,214,592	$ 6,998,136	$ 107,216,456
Bonds payable - Direct Payment	66,605,712		5,602,973	61,002,739	7,659,122	53,343,617
Net unamortized premium/discount	7,389,310		511,358	6,877,952	511,358	6,366,594
Bonds payable	193,864,612		11,769,329	182,095,283	15,168,616	166,926,667
Notes payable						
Notes payable - Direct Borrowings						
Loans payable						
Lease obligations						
Net pension liability	900,063		452,634	447,429		447,429
Net OPEB liability	66,406	1,164,007	43,951	1,186,462		1,186,462
Due to primary government						
Due to component units						
Due to other governments and agencies						
Unearned revenue	9,930,150		3,284,463	6,645,687	6,645,687	
Compensated absences	1,961,786	245,843		2,207,629	2,207,629	
Arbitrage rebate						
Pollution remediation						
Funds Held for Others						
Other liabilities - include explanation						
Total other liabilities	$ 206,723,017	$ 1,409,850	$ 15,550,377	$ 192,582,490	$ 24,021,932	$ 168,560,558

Rhode Island Airport Corporation

Schedule of Travel and Business Development Expenses

Year Ended June 30, 2026

Employee	Purpose	Date	Place	Amount
A. Seabury	Travel + Leisure - World's Best Summit	07/16/25 - 07/16/25	New York, NY	$ 292
B. Collins	2025 NEC Annual Conference	08/10/25 - 08/12/25	Baltimore, MD	2,978
M. Berger	2025 Airline Airport Partner Summit	09/09/25 - 09/10/25	Salt Lake City, UT	976
B. Nast	2025 Airline Airport Partner Summit	09/09/25 - 09/10/25	Salt Lake City, UT	1,020
A. Seabury	2025 Airline Airport Partner Summit	09/09/25 - 09/10/25	Salt Lake City, UT	935
R. Rotondo	K-9 Training	09/21/25 - 12/10/25	San Antonio, TX	4,345
D. Nguyen	Airport Law Enforcement Agencies Network 2025 Fall Conference	09/22/25 - 09/25/25	San Antonio, TX	2,380
N. Persson	AAAE National Airports Conference	09/28/25 - 09/30/25	Salt Lake City, UT	2,599
N. Victor	FAA Airspace Modernization Roadmap Training	10/06/25 - 10/10/25	New Orleans, LA	1,387
D. Nguyen	FAA Airspace Modernization Roadmap Training	10/06/25 - 10/10/25	New Orleans, LA	1,624
B. Collins	FAA Airspace Modernization Roadmap Training	10/06/25 - 10/10/25	New Orleans, LA	2,269
A. Seabury	AAAE Social Media Summit 2025	10/13/25 - 10/15/25	Virginia Beach, VA	1,712
I. Ahmad	IAAE/AAAE North America/Central Europe Airport Issues Conference	10/20/25 - 10/22/25	Warsaw, Poland	3,420
A. Biondi	Basic Aircraft Rescue and Fire Fighting School/Certification	11/03/25 - 11/07/25	Columbia, SC	1,790
J. Dubois	Basic Aircraft Rescue and Fire Fighting School/Certification	11/03/25 - 11/07/25	Columbia, SC	1,790
N. Williams	Tampa International Airport (TPA) Visit	12/01/25 - 12/02/25	Tampa, FL	713
C. Donohoe	Tampa International Airport (TPA) Visit	12/01/25 - 12/02/25	Tampa, FL	460
D. Nguyen	National Transportation Safety Board - Investigations and Family Assistance Operations: A Primer for Airport Emergency Matters	01/15/26 - 01/15/26	Washington, DC	2,180
G. Martinez	AAAE Finance & Administration Conference	02/09/26 - 02/11/26	Amelia Island, FL	2,270
B. Collins	2026 NEC Annual Airport Conference	03/01/26 - 03/05/26	Hershey, PA	2,887
T. Norouziasl	2026 AAAE/ACC Airport Planning, Design and Construction Symposium	03/03/26 - 03/06/26	Indianapolis, IN	2,906
P. Day	2026 AAAE/ACC Airport Planning, Design and Construction Symposium	03/03/26 - 03/06/26	Indianapolis, IN	2,378
T. Pimental	AAAE Customer Experience Symposium	04/07/26 - 04/10/26	San Jose, CA	2,887
J. Peterssen	Eaton Crouse Hinds Lighting Training	04/28/26 - 04/28/26	Windsor, CT	170
K. Brown	Eaton Crouse Hinds Lighting Training	04/28/26 - 04/30/26	Windsor, CT	729
B. Collins	98th Annual AAAE Conference	05/03/26 - 05/07/26	Los Angeles, CA	4,666
W. Hubert	Eaton Crouse Hinds Lighting Training	06/09/26 - 06/11/26	Windsor, CT	821
Various	Airline Events	07/01/25 - 06/30/26	Warwick, RI	33,810
Various	Board Meetings	07/01/25 - 06/30/26	Warwick, RI	8,821
Various	Business Meetings	07/01/25 - 06/30/26	Warwick, RI	13,876
Various	Business Development	07/01/25 - 06/30/26	Warwick, RI	50,959
Various	Customer Service Events	07/01/25 - 06/30/26	Warwick, RI	5,798
Various	Employee Meeting & Functions	07/01/25 - 06/30/26	Warwick, RI	6,380
Total				172,230

Note: Various indicates multiple members of Rhode Island Airport Corporation

Rhode Island Airport Corporation

Schedule of Expenditures of Federal Awards*

For the Year Ended June 30, 2026

Federal Grantor Pass-Through Grantor Program Title	Assistance Listing Number	Federal Expenditures
U.S. Department of Homeland Security:		
Direct Programs:		
Office of Law Enforcement/Federal Air Marshall Service/		
National Explosives Detection Canine Team Program	97.072	$ -
Law Enforcement Officer Reimbursement Agreement Program	97.090	$ -
Total Department of Homeland Security		-
U.S. Department of Defense - National Guard Bureau		
Direct Programs:		
National Guard Military Operations and Maintenance (O&M) Projects	12.401	$ 7,070,651
Total Department of Defense		7,070,651
U.S. Department of Transportation:		
Direct Programs:		
Airport Improvement Programs	20.106	52,049,390
Total Department of Transportation		52,049,390
Total Expenditures of Federal Awards		$ 59,120,041

* The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of RIAC under programs of the Federal Government for the year ended June 30, 2026. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of RIAC, it is not intended to and does not represent the financial position, changes in net assets or cash flows of RIAC.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenses are recognized following the cost principles contained in the Uniform Guidance. RIAC has not used the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance in certain circumstances. No federal funding was passed through to subrecipients.

ALN #20.106 Airport Improvement Program and ALN #12.401 National Guard were required to be audited for grant compliance as a major program determined by the State of Rhode Island.

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*

Plante & Moran, PLLC
Suite 360
4444 W. Bristol Road
Flint, MI 48507
Tel: 810.767.5350
Fax: 810.767.8150
plantemoran.com

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*

Independent Auditor's Report

To Management and the Board of Directors
Rhode Island Airport Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rhode Island Airport Corporation (RIAC), a component unit of the State of Rhode Island as of and for the fiscal year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise RIAC's basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RIAC'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 RIAC's internal control. Accordingly, we do not express an opinion on the effectiveness of RIAC'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 RIAC's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RIAC'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*.

PRAXITY™
Empowering Business Globally

To Management and the Board of Directors
Rhode Island Airport Corporation

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

Plante & Moran, PLLC

September 30, 2026