

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2022

Reno, Nevada



**Reno-Tahoe
Airport
Authority**

RENO-TAHOE AIRPORT AUTHORITY
Reno, Nevada

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2022

**Prepared by
Finance Department**

**Randall O. Carlton
Chief Finance & Administration Officer**

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Introductory Section





November 30, 2022

Board of Trustees
Reno-Tahoe Airport Authority
Reno, Nevada

This report is the Annual Comprehensive Financial Report (ACFR) of the Reno-Tahoe Airport Authority (“RTAA” or “Authority”) for the fiscal year July 1, 2021, through June 30, 2022. The staff of the RTAA prepared this report and is responsible for the information it contains. The purpose of this report is to present fully and fairly RTAA’s financial position, operating results, and cash flows.

Management assumes full responsibility for the accuracy, completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. The design of the internal accounting controls employed by RTAA is to provide reasonable assurance that assets will be safeguarded against loss and that financial records will be reliable for use in preparing financial statements that are free of any material misstatements.

This ACFR contains financial statements and statistical data that fully disclose all the material financial operations of RTAA. A narrative overview and analysis of RTAA’s financial activities that occurred during the fiscal year ended June 30, 2022, are presented in the Management’s Discussion and Analysis (MD&A) found at the beginning of the Financial Section.

This ACFR reflects guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards a Certificate of Achievement to those entities whose annual financial reports conform to the high standards of public financial reporting, including generally accepted accounting principles issued by the Governmental Accounting Standards Board. It is our belief that the accompanying ACFR also meets these program standards and will be submitted to the GFOA for review.

REPORTING ENTITY

The RTAA is a quasi-municipal corporation created by the Nevada State Legislature and began operation on July 1, 1977. The act creating RTAA provides that it will serve a public use and will facilitate safe and convenient air travel and transport to and from the Reno-Tahoe area. RTAA is an independent entity that is not part of any other unit of local government and does not use local property or sales tax revenue to fund its operation.

The City of Reno, City of Sparks, Washoe County, and the Reno-Sparks Convention & Visitors Authority (RSCVA) appoint the nine-member Board of Trustees that governs RTAA. Four members appointed by the City of Reno, two by the City of Sparks, two by Washoe County, and a ninth board member by the RSCVA. The Board of Trustees serve a four-year term, and terms are staggered to ensure the continued presence of experienced members.

RTAA owns and operates the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS). RTS is a general aviation facility that is home to approximately 200-based aircraft, as well as the famous Reno National Championship Air Races. According to the latest available Federal Aviation Administration (FAA) statistics, RNO is the 63rd busiest commercial passenger airport in the nation. RNO also has substantial cargo activity and a vibrant general aviation community.

The geographical, or catchment area, served by RNO primarily encompasses the seven northern Nevada counties of Churchill, Douglas, Humboldt, Lyon, Pershing, Storey, and Washoe and the major cities of Reno, Sparks, and Carson City (the capital of the State of Nevada). The total catchment area for RNO also includes the Lake Tahoe area and several communities in northeastern California.

As defined by the FAA, RNO is a medium hub commercial airport which served over 1.8 million passengers in calendar year 2021. RNO is located four miles southeast of Reno's central business district. RTS is a general aviation airport located 11 miles northwest of the central business district. Carson City, the capital of Nevada, is 30 miles south of Reno. The closest competing commercial airport is 115 miles away in Sacramento, California. Commercial air service for the public is provided by Alaska Airlines, Allegiant, American Airlines, Delta Airlines, Frontier Airlines, JetBlue, Southwest Airlines, Spirit Airlines, Sun Country, United Airlines, and Volaris. Commercial cargo carriers include FedEx, United Parcel Service (UPS), and DHL. In calendar year 2022, more than 147 million pounds of air cargo was transported through RNO. Air cargo operations occupy about 25 acres north of the RNO passenger terminal with two buildings used for air cargo activities that consist of approximately 67,300 square feet. The ramp facilities can handle 14 aircraft. These facilities serve air cargo carriers including DHL, FedEx, and UPS and accommodate all types of cargo aircraft.

ECONOMIC CONDITION AND OUTLOOK

The U.S. economy has faced some recent challenges brought on by high inflation, gas prices, and labor force shortages. After a strong rebound of stock markets last year, 2022 has been a year of high volatility. The Dow Jones Industrial average hit 36,800 on January 4, 2022, a new record, and 29,900 on June 16, 2022. S&P 500 recorded 4,800 and 3,700 on the same days.

The Bureau of Labor Statistics' July report mentions the average unemployment rate of 3.5%, the lowest level since February 2020, pre-pandemic. Total nonfarm payroll employment rose by 528,000 in July, larger than the average monthly gain over the prior four months. The labor force participation rate of 62.1% has declined in recent months but exceeds the 61.7% recorded in July 2021.

According to the Congressional Budget Office's (CBO) projections in July 2022, the current and future economic impact of the COVID-19 pandemic can be summarized as follows:

- The federal budget deficit is expected to reach \$1 trillion in 2022, \$1.8 trillion less than 2021. At 3.9% of gross domestic product (GDP), the projected deficit in 2022 is much smaller than those recorded in 2020 and 2021, as federal spending in response to the coronavirus pandemic has tempered and revenues have risen sharply. Based on CBO's projections, federal deficits over the 2022–2052 period will average 7.3% of GDP, more than double the average over the past half-century. This is primarily due to the increase in interest cost.

- Federal spending in 2022 is expected to represent 23.5% of GDP, a reduction from 2021 and continuing a declining trend in 2023 and 2024 as federal spending in response to the COVID-19 pandemic diminishes.
- Federal debt held by the public is projected to reach 98% of GDP. According to the CBO debt begins to rise in 2024, surpasses its historical high in 2031 (107%), and continues to climb thereafter, rising to 185% of GDP in 2052.
- Real, inflation adjusted GDP is expected to grow by 3.1% in 2022. After 2022, economic growth is expected to slow and inflationary pressures ease.

The greater Reno area's economic picture has become far more diversified and the growth in recent years has been significant. The Reno-Tahoe regional area economy is no longer relying solely on tourism and gaming, as it was at the time of the 2008 great recession. Northern Nevada's business friendly environment, proximity to customers, availability of skilled workforce and logistics continues to attract a diverse group of businesses to the area. Companies like Tesla, Panasonic, Switch, Microsoft, Apple, Rackspace, Amazon, Zulily, Patagonia, Urban Outfitters, Thrive Market, and Petco all call Northern Nevada home for critical business functions.

The diversity of industry in Northern Nevada is expected to provide a solid foundation for recovery and long-term growth following the COVID-19 pandemic. It will also help soften the effects of a potential recession. Nevada's June unemployment rate dropped to 4.7% compared to the 29.5% reached at the height of the pandemic in April 2020 according to the Nevada Department of Employment, Training and Rehabilitation (DETR). Of the three Metropolitan Statistical Areas (MSA) in Nevada, Reno's unemployment rate was the lowest at 3.3%, while the Las Vegas area was at 5.7% and Carson at 3.7% in June 2022.

Reno MSA industry trends for the month of June, as published by Ekay Consulting:

- Business Activity Index – provides historical and current trends for business activity in the Reno MSA region. It includes data on employment, gaming revenue, taxable sales, and airline activity at RNO (passengers and cargo). The Index shows a 3.19% increase between May and June 2022, and a 2.22% decline from the same period last year (June 2021).
- Construction Index – provides historical and current trends for the construction industry in the Reno MSA region. It includes data on construction employment, commercial permits, commercial permit valuation, residential permit units, and residential permit valuation. The index shows a decrease of 7.53% between May and June 2022, and 26.52% compared to the same month in the previous year (June 2022). Construction employment has increased both month over month and year over year. Commercial and residential permit values, and the number of commercial and residential permits have declined compared to the previous month and the previous year when adjusted for inflation and seasonality.
- Housing Affordability Index – based on a ratio of median family income to qualifying family income, or the income necessary to purchase a median priced home in Washoe County. Includes data on median price of new and existing homes in Washoe County, median family income, US 30-year fixed mortgage rate. A ratio of 100 indicates that median family income is sufficient to purchase a median-priced home. The second quarter (2Q) 2022 index of 61.83 indicates median family income is 38.17% below the income necessary to qualify for median priced home. The index declined by 14.51% between 2Q 2022 and 1Q 2022, making homes in the region less affordable.

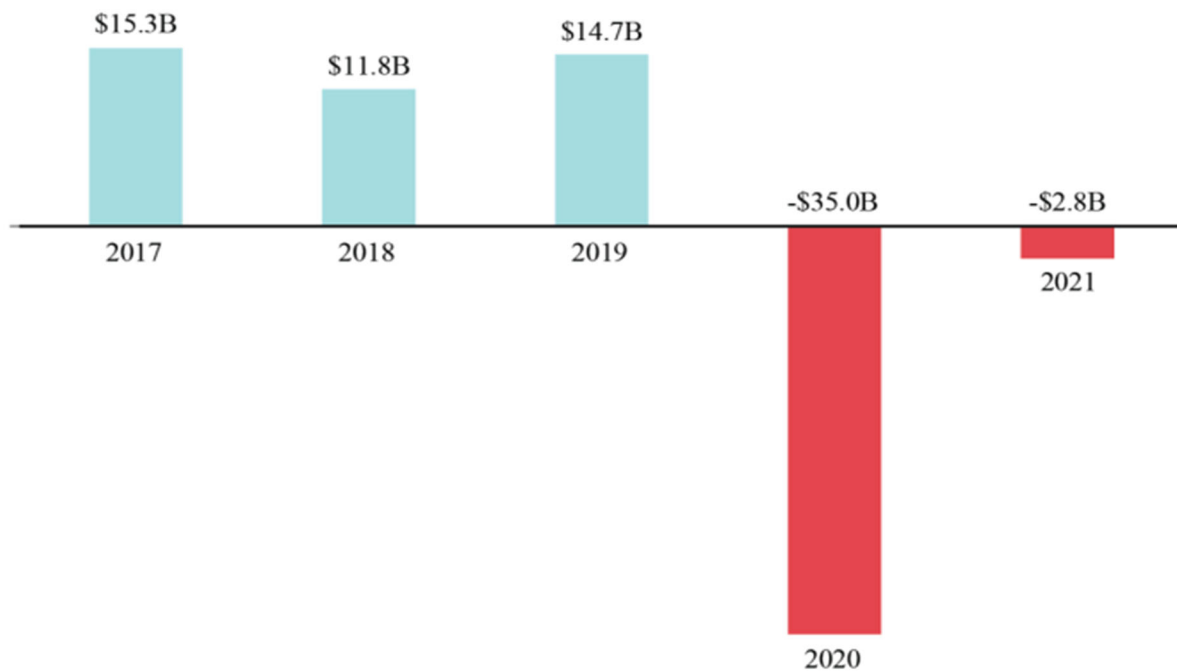
AIR SERVICE MARKET UPDATE

Passenger Airlines

U.S. scheduled passenger airlines reported a 2021 after-tax net loss of \$2.8 billion, declining for the second straight year after seven consecutive annual after-tax profits and a pre-tax operating loss of \$17.3 billion, declining for the second straight year after 11 consecutive annual pre-tax profit. In 2020, the airlines reported after-tax net loss of \$35.0 billion.

The airlines reported a \$17.3 billion pre-tax operating loss in 2021, improved results when compared to the \$46.5 billion loss in 2020. Total 2021 operating revenue was \$130.0 billion. The airlines collected \$86.7 billion from fares, 66.7% of total operating revenue, \$5.3 billion from baggage fees, 4.1% of total operating revenues. Reservation change fees were \$698 million, or 0.5% of total operating revenues. Reservation change fees as a percentage of total operating revenues have declined, while the other categories improved over the prior year. Total operating expenses in 2021 were \$147.3 billion, of which fuel costs accounted for \$23.0 billion, or 15.6% of total expenses, and labor costs accounted for \$52.6 billion, or 35.7%. In 2020, the operating expense share for fuel was 9.8%, and labor was 39.7%.

Annual Net Income 2017-2021, Systemwide U.S. Scheduled Passenger Airlines Billions of Dollars (\$)



Source: Bureau of Transportation Statistics

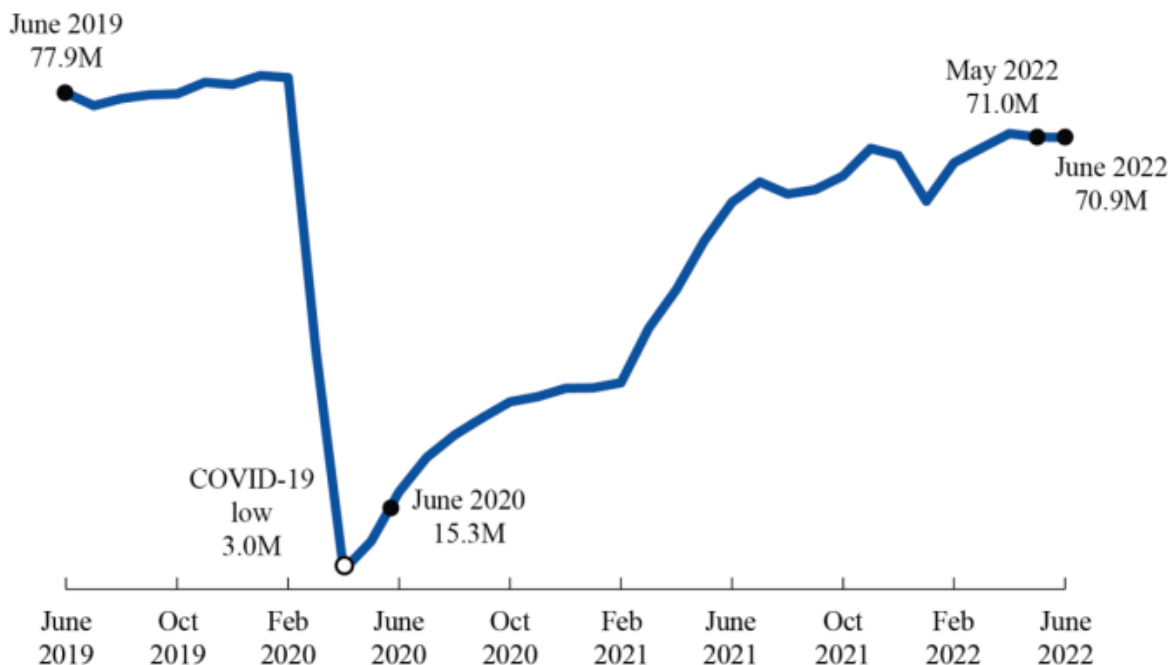
Passenger Activity

Since its emergence as a global pandemic in February of 2020, COVID-19 has been an unprecedented shock to the airline and travel industries. As vaccines were made available to all willing to be vaccinated and domestic travel restrictions were lifted, pent-up demand for travel brought back strong passenger numbers especially at domestic destination airports such as RNO.

U.S. airlines carried 801.3 million systemwide (domestic and international) scheduled service passengers for the fiscal year ended June 30, 2022, seasonally adjusted, according to the Bureau of Transportation Statistics' (BTS), up 86% from the previous year. The airlines carried 16.7% more passengers, seasonally adjusted, in June of this year than June 2021.

U.S. airlines carried 717.9 million scheduled domestic service passengers, up 81.6% in the year ended June 30, 2022, from the previous year, seasonally adjusted, according to the BTS. International passenger enplanements increased by 137.2% to 83.4 million in the year ended June 30, 2022.

**Monthly Passengers on U.S. Scheduled Airlines (Domestic & International)
Seasonally Adjusted, June 2019-June 2022**



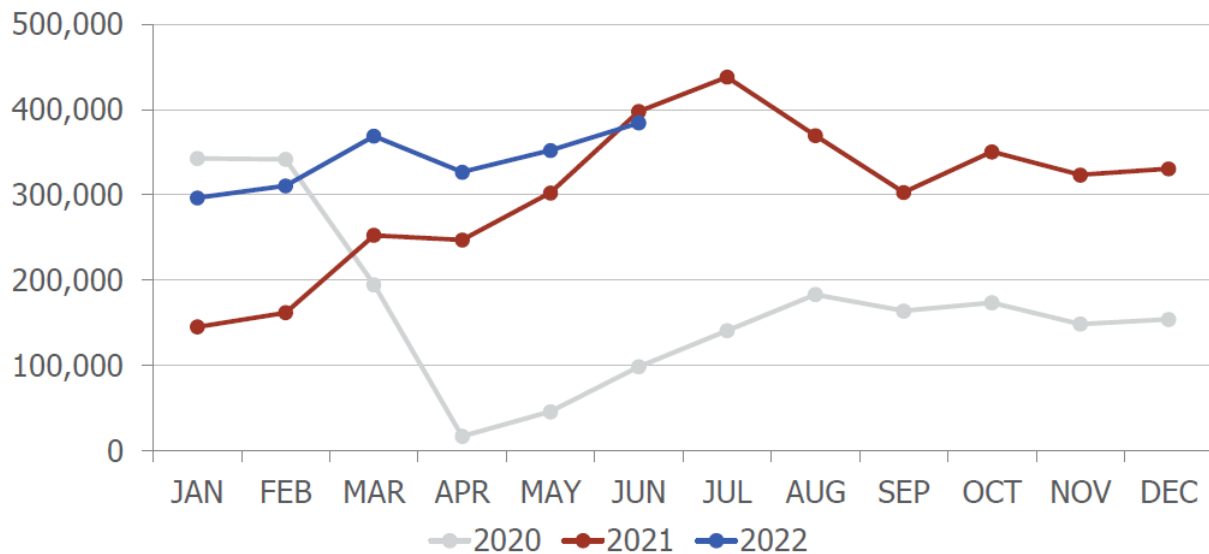
Source: Bureau of Transportation Statistics

RNO Passengers

RNO served a total of 384,429 passengers in June 2022, a decrease of 3.4% from June 2021. The local market was served by 11 airlines to 30 non-stop destinations. The total seat capacity decreased 10.5% and flights decreased 14.8% when compared to June 2021. The average enplaned load factor was 85.7% in June, an increase of 6.6% from the prior year. RNO served 4,155,405 total passengers during fiscal year 2021-22, a 68.0% increase when compared to fiscal year 2020-21.

On August 10, 2022, Spirit Airlines, RNO's newest airline started service to Harry Reid International Airport (LAS) in Las Vegas, Nevada.

RNO Enplaned Passengers

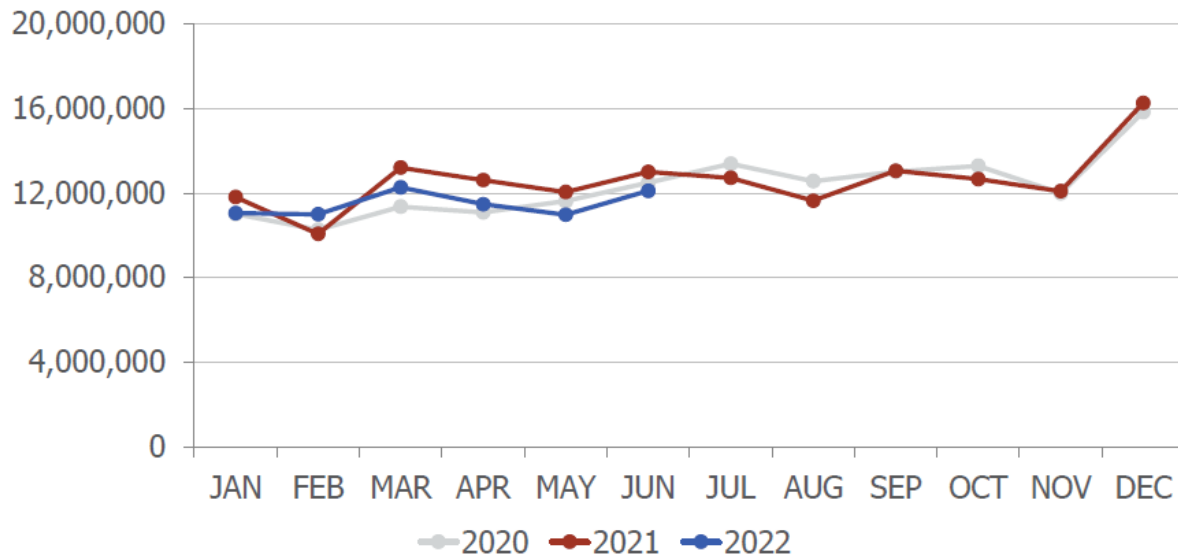


Cargo Airlines

Nevada has become a major west coast distribution hub due to its strategic location with the Reno/Sparks area providing next-day ground service to almost every major U.S. city in the western United States. This sector of the region's economy includes the presence of major warehousing, pharmaceutical, e-commerce and distribution facilities including such companies as Amazon, Walmart, Petco, Urban Outfitters, eBay, Zulily and 1-800-Flowers.com. This sector of the economy, along with growth in industrial development areas such as the Tahoe-Reno Industrial Center, has played a key role in cargo growth at RNO in recent years.

RNO handled 12,105,721 pounds of air cargo in June 2022, a decrease of 6.9% when compared to June 2021. RNO handled 147,276,696 pounds of air cargo in Fiscal Year 2021-22, a decrease of 3.6% when compared to Fiscal Year 2020-21.

RNO Total Cargo Volume in Pounds



MAJOR INITIATIVES

Strategic Initiatives

On June 14, 2018, the Board of Trustees approved a Strategic Plan for the fiscal years 2018-19 through 2022-23, as amended December 12, 2019. The Strategic Plan reflects extensive input from the Board, RTAA employees, the public and interested stakeholders. The purpose and desired outcomes of the updated plan include the following:

- **Shared Vision:** A strategic vision for the organization that is shared by staff and the Board of Trustees.
- **Strategic Direction:** Core strategies that will help guide RTAA over the next 5 years.
- **Roadmap:** A high-level plan to guide priority setting and serve as a helpful road map for staff and the Board of Trustees.
- **Planning Structure:** Long-term goals and performance measures that support the strategic priorities and provide a planning structure for objectives setting and annual action plans.
- **Agility/Flexibility:** A living plan that provides direction but is also flexible and broad enough to incorporate constant change in the aviation industry.

The Strategic Plan consists of the following components, beginning with the broadest, long-term elements to the more specific, short-range and tactical activities: (1) Vision Statement; (2) Mission Statement; (3) Strategic Priorities and Support Strategies; (4) Long-Term Goals; (5) Key Performance Indicators; and (6) Short-Term/Annual Objectives. The Vision Statement aims to provide modern, safe, convenient facilities and deliver customer satisfaction that is a source of community pride and serves as a significant contributor to regional economic health.

Our Mission Statement of *We Move You! We Bring the World to Reno-Tahoe and Reno-Tahoe to the World* is directed by the following eight (8) adopted Strategic Priorities:

1. Passenger and Air Cargo Service: Enhance air service by retaining and increasing passenger and air cargo service.
2. Safety and Security: Safety and security of all is our priority 24/7, 365.
3. General Aviation: Foster an atmosphere to encourage general aviation growth at both airports.
4. Customer Experience: Enhance services and provide a positive and convenient environment for all.
5. People: With our employees being the current and future strength of our organization, our focus is on development, succession planning and making RTAA the employer of choice.
6. Financial Diversification and Growth: Grow and diversify non-airline revenues at both Airports.
7. Facilities for the Future: Optimize infrastructure to address market demand.
8. Sustainability: Operate and manage with a holistic approach reflecting sustainability and environmental stewardship.

On December 12, 2019, the Board approved an update to the Strategic Plan to incorporate input from the Board and RTAA staff and adjust direction of Facilities for the Future from “substantively” to “transformative” to accommodate the increasing demands and dynamics of the airport and customer experience. A second adjustment in this update elevated Safety & Security from “sustain” to “transformative” to address interests in upgrading public safety and security for all airport stakeholders.

Air Service Development

The success in expanding service by existing carriers reflects the combined efforts of RTAA and a regional partnership with the Regional Air Service Corporation (RASC), comprised of convention and visitor bureaus, hotels, casinos, ski resorts, and various business groups. In addition, the community partnerships with RSCVA, EDAWN, Reno Sparks Chamber of Commerce, and associations have all played an important role in the recent success. Staff is committed to building on this success by continuing the following:

(a) Support of existing air service through awareness efforts, such as:

- Airport website
- Airline celebrations (inaugurals, anniversaries, etc.)
- In-terminal assets (Lamar print and digital signage opportunities)
- Local publications (i.e., Planners – North Tahoe, South Tahoe, RSCVA)
- Advertorials in industry publications (i.e., anna.aero & Air Service One)
- Community events (i.e., Chamber Alliance, etc.)
- Community and partner presentations (i.e., RASC partner opportunities, RSCVA convention and sales webinars, etc.)

(b) Continue to work with the RASC and the local community to bring new air service to RNO.

With the FAA policy restricting the use of RTAA funds in support of new air service, the RASC and its partners have historically been able to provide the following:

- Promotion through partner databases (locally and out of market)
- Promotion through partner digital marketing efforts
- Promotion through partner traditional marketing efforts
- Air carrier marketing cooperative programs
- Promotion through public relations programs
- Air carrier risk mitigation efforts

RASC offers a marketing resource that no other community can match - a consortium that spreads across multiple industries and counties to promote air service and the region.

- (c) Host airline representatives to the Reno-Tahoe region as guests to highlight the area by private invitations, Familiarization Tours promoting leisure and business, special event attendance, and more.
- (d) Continue on-going efforts to attract new, as well as expand and maintain existing air service through headquarter meetings, industry conferences, and periodic check-in calls.
- (e) Continue funding for an additional Customs and Border Protection (CBP) officer to reduce processing times to enter the United States by international passengers. The additional CBP officer began in July 2018.

(f) In accordance with the FAA's Policy and Procedures Concerning the Use of Airport Revenue and Board adopted policy, RTAA revenue may provide the following financial incentives:

1. Waiver or reduction of airport fee and charges, and
2. Funding for acceptable promotional costs, where the purpose is to encourage an air carrier to bring and/or increase air service at the airport.

The FAA allows promotional incentives to air carriers for new service to (a) increase travel using the airport and/or (b) promote competition at the airport.

Land and Facilities Development

As an integral element to all strategic priorities, RTAA must not only support but also proactively respond to market demands. Infrastructure needs outlined in the RNO Master Plan provides a proactive response to the projected growth of passenger traffic at RNO by nearly 60% from 2017 to 2036, which is on top of a 10% increase from 2016.

The strategic approach to create facilities for the future is envisioned as follows:

Relieve congestion in RNO public parking and rental car facilities. RNO's growth over the last five years has resulted in congestion in the public parking facilities requiring RTAA to implement overflow procedures more frequently during peak periods. Additionally, the Short-Term Parking area on the first floor of the garage fills to capacity during peak periods multiple times per week due to constraints caused by sharing the space with the rental car companies. Moreover, the rental car companies have outgrown their operations on the first floor of the garage. Together, the rental car companies hired Conrac Solutions, LLC to design, build, finance, own and operate a new Consolidated Rental Car Facility (ConRAC) to accommodate their need for additional space. A Ground Transportation Center (GTC) component will also be incorporated into the project at the request of the rental car companies, creating a centralized transportation hub for the airport. This facility will free up approximately 700 parking spaces in the garage and current Quick Turn Around (QTA) areas. Additionally, the rental car companies will move their current ticket counter operations out of baggage claim and into the new customer service building located within the ConRAC/GTC, freeing up space that can be utilized by airlines, airline support, or other underserved uses.

Redevelop RNO terminal concourses which are aging and undersized. With the existing concourses being 40 years old, RTAA needs to replace the terminal concourses with new and larger concourses to address existing constraints, such as limited space for new amenities and concessions, and allow for future growth and expansion for both domestic and international travel. A planning study to identify the preferred alternative for redevelopment concludes in 2022, and design is anticipated to begin in 2023. The preferred alternative is the 28-Gate New Build Alternative and involves the full replacement of existing Concourses B & C with larger concourses, the partial replacement of the Connector Concourse, new and replacement aircraft apron, a new central utility plant to be located outside the main terminal building footprint, and adjustments to existing Taxiway Alpha to provide room to expand the concourses east.

The primary improvements are described below in greater detail:

Facility/Service	Primary Recommended Improvements
Concourse Dimensions	Increase overall square footage from 155,000 SF to 250,000 SF and concourse width from 74' to 110'.
Passenger & Employee Experience	Incorporate experience enhancements including higher ceilings, increased natural light & mountain views, outdoor spaces, intuitive wayfinding, minimal increases to walking distances, and exceed required ADA standards.
Building Systems	Construct separate central utility plant, install new main distribution frame facility and new centralized mechanical & electrical systems.
Climate Resiliency	Install critical building systems above flood concern areas, incorporate into design features focused on energy efficiency, greenhouse gas emission reduction, water conservation, waste management, water quality, and indoor air quality.
Aircraft Gates / Parking Positions	Replace existing 23 gates with 28 new gates of varying sizes, capable of supporting sixteen (16) 737 Max-10 aircraft and twelve (12) ERJ aircraft at same time. All aircraft gates to include passenger boarding bridges (PBB). Eleven (11) of the existing PBB can be reused for the new concourses. The remaining twelve (12) are past the end of useful life and will require full replacement. A total of seventeen (17) new PBB will need to be acquired.
Passenger Holdrooms	Replace existing 23 holdrooms (1,450 SF average) with 28 new holdrooms of varying sizes (16 holdrooms at 2,800 SF each and 12 holdrooms at 1,500 SF each).
Concessions	Replace existing 25,000 SF of retail, restaurant, gaming space with 50,000 SF of new space in the concourses.
First Floor Operations (Concessions, Airport)	Replace existing 65,000 SF with 85,000 SF new space, incorporate 50' drive-thru tunnels wide and tall enough for existing ground vehicle fleet, add central distribution center for delivery and staging. An additional 40,000 SF covered space will also be available for future build-out if needed. Until then, that space can be used for storage and/or ground vehicle parking.
Aircraft Non-Movement and Movement Areas	Widen distance between new concourses to allow for creation of a dual taxilane in the central alley, expand apron south to replace south remain overnight (RON) spots, relocate north RONs and international parking positions, and reconfigure Taxiway A to allow for eastern expansion of concourses.

Modernize the RNO Terminal Building to accommodate future technologies and enhance customer experience and wayfinding. The terminal building consists of the functional areas in the non-sterile zone, including the ticketing hall, main lobby, security-screening checkpoint (SSCP) and baggage claim areas. The facility requirements analysis in the RNO Master Plan shows these areas are sufficient in size through the projected 2036 planning period. However, RNO currently experiences congestion, queuing, and wayfinding issues. This effort will focus on the following areas:

- **Ticketing Hall** – Expand circulation by relocating the existing entry outside of the existing terminal building envelope into the curbside public space to improve queuing and circulation, build new restrooms within the ticket hall area, incorporate digital signage and common use equipment, design improvements to make the experience in the Ticketing Hall more welcoming and enjoyable including more natural light, higher ceilings, and art.
- **Intuitive Wayfinding** – The basic layout at RNO allows for intuitive passenger wayfinding. However, the current organization of concessions, art, gaming, and other amenities has relied heavily on signs to communicate wayfinding. The execution of this signage diminishes the intuitive nature of the airport layout. RTAA will focus on enhancing clarity by incorporating intuitive wayfinding in future improvements projects.

Modify the RNO Airfield to FAA Compliance. The runway and taxiway system is in good condition and meets FAA standards, except for some non-standard geometry that should be addressed as new airfield projects are implemented. The following are identified airfield improvements:

- **Runway 17R CAT II Approach:** Site the location of an additional Runway Visual Range (RVR) on Runway 17R to enhance instrument approach capabilities.
- **Deicing Aprons:** Examine dedicated deicing or anti-icing areas at ends of Runways 17R/L and 35L/R to help facilitate operations during winter storms. A north deicing pad could be constructed after completion of the Concourse Redevelopment efforts, while a south deicing pad could be constructed as part of future air cargo development.
- **Address taxiway hot spots and intersections:** The FAA has designated three areas on the airfield as being areas of high potential for incursion and improvements to these areas need to be evaluated to enhance safety. The Juliet and Lima hotspots were successfully addressed during the Taxiway Charlie Reconstruction project. The 17L/35R south end hotspot was initially recommended to be addressed by correcting non-standard taxiway geometry at the south end of Taxiway Alpha. That mitigation effort was not successful. As a result, additional analysis focused on signage and marking adjustments is underway.
- **Develop airfield geometry improvements to address non-standard taxiway geometry and intersections that do not comply with FAA taxiway design guidance.**
- **Consider moving aircraft hold short positions to 294 feet from runway centerlines.** RTAA will coordinate with FAA Airport District Office to clarify the need for compliance with new standards.
- **Run-Up Aprons:** Evaluate areas to locate pavement where propeller aircraft can perform system checks prior to departure. Construction of a run-up area at the north end of Taxiway Charlie has been designed. Construction, pending bids and funding, is anticipated for 2023.

FINANCIAL INFORMATION

While RTAA is a quasi-governmental entity, the generally accepted accounting principles applicable to an enterprise fund governmental entity apply. RTAA's financial statements are prepared on an accrual basis. Revenues are recognized when earned, not when received. Expenses are recognized when incurred, not when paid. Financial policies are set to conform to generally accepted accounting principles and the accrual basis of accounting. There were no unusual financial policies or one-time activities during the current period.

RTAA has several funds that accumulate money for specific and discretionary purposes. These are not the governmental purpose type funds usually seen in governmental accounting, but debt related accounts. The RTAA's revenue bond resolutions establish the funds and their payment priority. These funds are common in the airport industry's revenue bond resolutions.

The revenue bond resolutions are the RTAA's contract with the purchasers of the revenue bonds. This contract specifies how RTAA will manage its money so that it will have sufficient funds to operate the Airport system, and to pay the interest and principal due.

RTAA prepares, approves, and revises its budget pursuant to Nevada's Local Government Budget and Finance Act, airline agreements, and the RTAA's revenue bond resolutions. The table below outlines the statutory requirements:

Statutory Date	Calendar Date	Action
April 15 th	April 15, 2022	Tentative budget filed with the Nevada Department of Taxation
Not more than 14 nor less than 7 days before the date set for the hearing	May 10, 2022	Notice of Budget Public Hearing published
Not sooner than the third Monday in May and not later than the last day in May	May 19, 2022	Hold Public Hearing
On or Before June 1st	May 19, 2022	Adopt Budget.

Pursuant to airline agreements, airlines that have signed agreements with RTAA must also review the budget. Adoption of a resolution by the RTAA's Board of Trustees is required for any subsequent changes to the budget and the amendment submitted to the Nevada Department of Taxation for approval.

INTERNAL CONTROLS

The RTAA's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

REPORTING ACHIEVEMENT

The Government Finance Officers Association (“GFOA”) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to RTAA for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 35th consecutive year that RTAA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Annual Comprehensive Financial Report must be easily readable, efficiently organized, and conform to the program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. RTAA believes this current report continues to meet the Certificate of Achievement Program’s requirements and will submit this report to the GFOA to determine its eligibility for another certificate.

INDEPENDENT AUDIT

Nevada Revised Statutes 354.624 requires that RTAA have its financial statements audited each year by an Independent Certified Public Accountant. In addition, the receipt of Federal funds and Passenger Facility Charges, to assist in funding capital improvement projects and security-related costs, requires the audit meet federal audit standards referred to collectively as the "Single Audit Act". The reports of the RTAA’s auditors, Crowe LLP, are included herein.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Daren A. Griffin', with a stylized flourish at the end.

Daren A. Griffin, A.A.E.
President/CEO

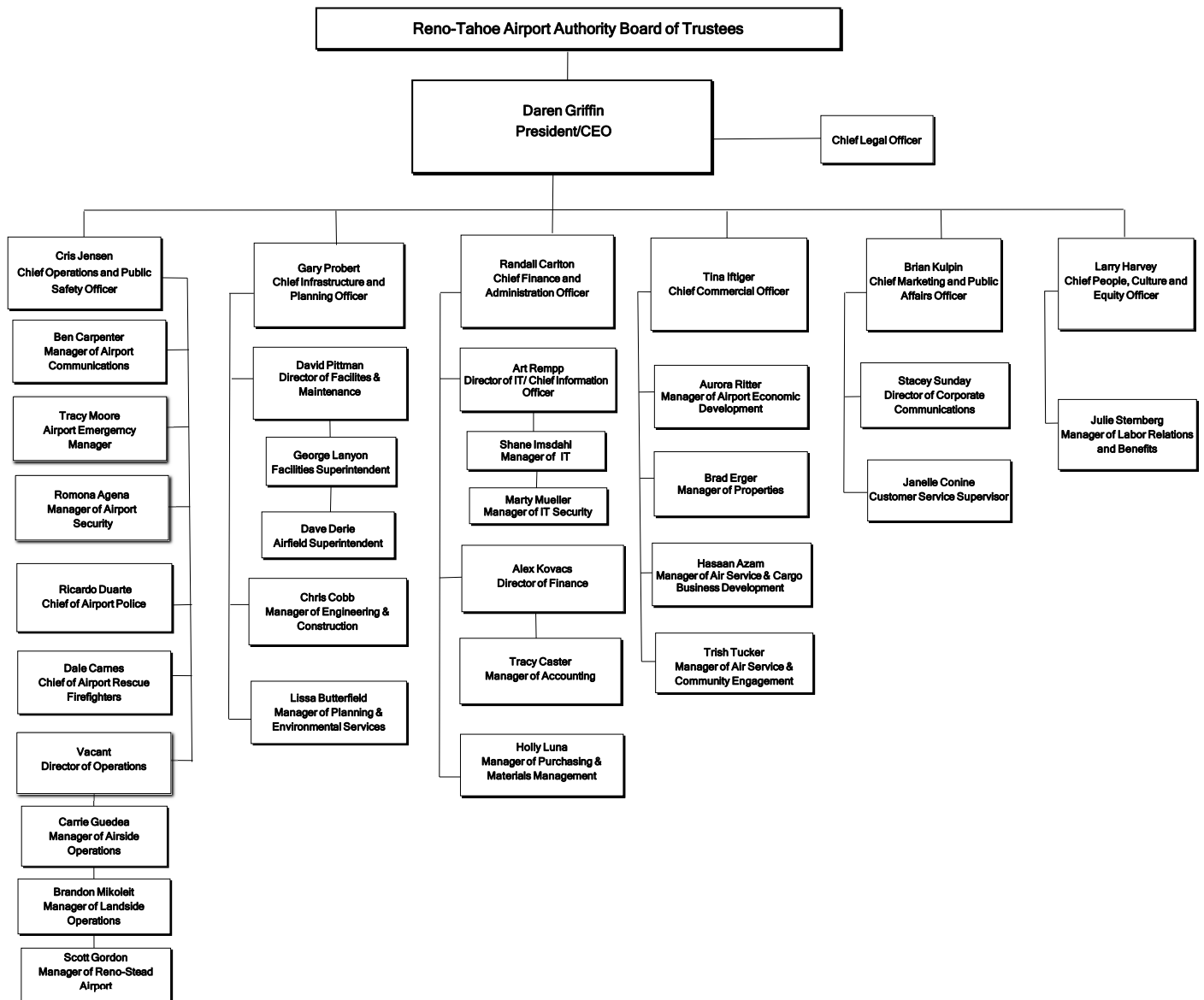
RENO-TAHOE AIRPORT AUTHORITY
JUNE 30, 2022



<u>Board of Trustees</u>	<u>Position</u>	<u>Term Expires</u>	<u>Represents</u>
Shaun Carey	Chair	June 2023	City of Sparks
Adam Kramer	Vice-Chair	June 2025	Washoe County
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Carol Chaplin	Trustee	June 2025	Reno-Sparks Convention & Visitors Authority
Lisa Gianoli	Trustee	June 2023	Washoe County

More information on the Board of Trustees can be viewed on the RTAA website at www.renoairport.com or by clicking [RTAA Board of Trustees](#).

<u>Staff</u>	<u>Title</u>
Daren Griffin, A.A.E.	President/CEO
Cris Jenson	Chief Operations & Public Safety Officer
Gary Probert	Chief Infrastructure & Planning Officer
Randall Carlton	Chief Finance & Administration Officer
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**Reno-Tahoe Airport Authority
Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Reno-Tahoe Airport Authority
Reno, Nevada

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Reno-Tahoe Airport Authority (the "Authority" or "RTAA"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of RTAA's Proportionate Share of the Net Pension Liability, the Schedule of Pension Plan Contributions, and the Schedule of Changes in RTAA's Total OPEB Liability and Related Ratios as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Introductory Section, Statistical Section, the Schedule of Revenues and Expenses, Comparison of Budget to Actual, the Schedule of Debt Service Requirements on Bonds and Notes, and the Schedule of Expenditures of Federal Awards (SEFA) as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues and Expenses, Comparison of Budget to Actual, Schedule of Debt Service Requirements on Bonds and Notes, and SEFA the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information (except for the cumulative thru June 30, 2021 amounts on the SEFA) 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 Schedule of Revenues and Expenses, Comparison of Budget to Actual, Schedule of Debt Service Requirements on Bonds and Notes, and SEFA (except for the Cumulative thru June 30, 2022 amounts) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, Statistical Section, and Cumulative thru June 30, 2022 amounts on the SEFA have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The "C" is large and stylized, with the word "crowe" in a cursive script and "LLP" in a bold, sans-serif font.

Crowe LLP

Indianapolis, Indiana
November 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**RENO-TAHOE AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

This Management Discussion and Analysis (MD&A) of Reno-Tahoe Airport Authority ("RTAA" or "the Authority") provides an introduction and overview of the major activities affecting the operations and the financial performance of RTAA for the fiscal year (FY) ended June 30, 2022. The information contained in this MD&A should be considered in conjunction with the information contained in RTAA's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's assets and deferred outflows exceeded liabilities and deferred inflows, or Net Position, by \$459.125 million at June 30, 2022.
- The number of enplaned passengers at the Reno-Tahoe International Airport (RNO) increased 69% to 2.080 million and landing fees increased 18% to \$10.585 million from the prior year.
- At June 30, 2022 the Authority had no debt. As of June 30, 2021, RTAA had \$12.290 million of outstanding airport revenue bonds related to the construction of the public parking garage. On December 9, 2021, the Board of Trustees approved the prepayment of the 2015 Bonds. RTAA received federal stimulus funds as reimbursement of the debt payoff amount in January 2022.
- RTAA's operating revenues increased \$14.402 million (33%) from the prior fiscal year.
- The Authority recognized \$41.522 million in lease receivables, \$41.265 million in deferred inflow of resources, and \$592 thousand in lease interest income as on June 30, 2022, and for the year then ended, related to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.
- Federal stimulus grant revenue increased 59% over prior year to \$14.483 million for the year ended June 30, 2022. Funding sources include award amounts from the Coronavirus Aid, Relief and Economic Security (CARES) Act, American Rescue Plan Act (ARPA), and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funding.

OVERVIEW OF THE FINANCIAL STATEMENTS

RTAA's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP) promulgated by GASB. RTAA has a single enterprise fund, and as such separate government-wide financial statements are not prepared. Revenues are recognized when earned, not when received, and expenses are recognized when incurred, not when paid. Capital assets are capitalized and depreciated over their useful lives. See the notes to RTAA's financial statements for a summary of the significant accounting policies.

This discussion and analysis is intended to serve as an introduction to RTAA's basic financial statements. The basic financial statements consist of three components: 1) fund financial statements, 2) notes to the financial statements, and 3) required supplementary information other than the MD&A.

Fund financial statements – RTAA maintains its accounting records in a single enterprise fund. An enterprise fund is a type of proprietary fund used to report business-type activities.

The statement of net position presents information on RTAA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference shown as net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of revenues, expenses and change in net position presents information on how RTAA's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of the related cash flows.

The statement of cash flows presents RTAA's cash flow (sources and uses) related to operating activities, non-capital financing activities, capital financing activities, and investing activities during the year.

Notes to Financial Statements - The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Required Supplementary Information other than MD&A - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to RTAA's pension plan as required by the GASB to supplement information found in the notes to the basic financial statements.

FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of an organization's financial position. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by \$459.125 million at June 30, 2022.

The following summarizes RTAA's financial position as of June 30, 2022, and 2021:

	2022	2021	\$ Change	% Change
Assets				
Current assets	\$ 96,078,982	\$ 75,560,311	\$ 20,518,671	27%
Current assets-restricted	29,978,053	26,517,614	3,460,439	13%
Capital assets, net of depreciation	388,632,933	375,980,175	12,652,758	3%
Lease receivable, long term	33,195,211	-	33,195,211	100%
Other assets	1,383,599	1,383,599	-	0%
Total assets	549,268,778	479,441,699	69,827,079	15%
Deferred outflows of resources	14,125,539	5,771,560	\$ 8,353,979	145%
Liabilities				
Current liabilities	11,951,622	8,551,985	3,399,637	40%
Payable from restricted assets	101,202	3,649,496	(3,548,294)	-97%
Non-current liabilities	29,239,410	52,996,819	(23,757,409)	-45%
Total liabilities	41,292,234	65,198,300	\$ (23,906,066)	-37%
Deferred Inflow of Resources	62,977,306	2,977,221	\$ 60,000,085	2015%
Net Position				
Net Investment in Capital Assets	388,632,933	361,855,033	26,777,900	7%
Restricted Net Position	28,495,282	25,980,476	2,514,806	10%
Unrestricted Net Position	41,996,562	29,202,230	12,794,332	44%
Total Net Position	\$ 459,124,777	\$ 417,037,739	\$ 42,087,038	10%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total assets of \$549.269 million reflect an increase of \$69.827 million or 15% as compared to 2021. A significant portion of the increase relates to the creation of a lease receivable balance from GASB 87 and capital asset activity.

Unrestricted current assets increased by \$20.519 million or 27%. This is mainly due to the increase of cash and investments of \$12.752 million and the recognition of \$8.242 million in lease receivables as a result of the implementation of GASB Statement No. 87. These increases are partially offset by reductions in accounts receivable of \$196 thousand and other current assets of \$251 thousand.

Restricted current assets increased by \$3.460 million or 13%, due to higher balances in restricted investments of \$4.645 million or 20%. This increase is partially offset by the \$2.281 million or 99% decrease in cash and cash equivalents.

Capital assets of \$388.633 million increased by \$12.653 million or 3% as compared to the prior year. The increase is primarily due to \$28.754 or 4% increase in new capital assets and \$8.838 million or 22% increase in construction in progress. These increases are partially offset by the \$24.939 million or 4% increase in accumulated depreciation and amortization.

Other assets are comprised of regional road impact credits with the Regional Transportation Commission (RTC) of Washoe County valued at \$1.384 million. The regional road impact fee is a one-time assessment to pay for new roads or improvements to existing roads necessary to serve traffic from a new development. The fee is paid at the time a building permit is issued. RTAA owned credits are currently set to expire on June 26, 2033 and can be used as an offset to the road impact fee as needed or sold to others.

Total liabilities of \$41.292 million decreased \$23.906 million or 37% for the fiscal year ended June 30, 2022. The significant factors for the decline are the retirement of \$12.290 million in outstanding revenue bonds, and a reduction in net pension liability of \$14.017 million.

The largest portion (85%) of RTAA's total net position represents the investment in capital assets, less the related indebtedness outstanding used to acquire those capital assets. On June 30, 2022, RTAA had \$388.633 million of net investment in capital assets, an increase of \$26.778 million or 7% from the prior fiscal year. RTAA uses these capital assets to provide services to airlines, passengers, visitors, and service providers at the Airport. Consequently, these assets are not available for future spending.

An additional portion (6%) of RTAA's net position represents restricted resources of \$28.495 million, a \$2.515 million or 10% increase from FY 2021. The restricted net position is not available for spending due to the following commitments:

	2022	2021
Revenue bond operations and maintenance	7,532,989	7,724,482
Renewal and replacement	770,498	786,759
Passenger facility charge projects	20,160,846	15,516,627
Debt service	-	1,909,953
Other reserve purposes	30,949	42,655
	<u>28,495,282</u>	<u>25,980,476</u>

As of June 30, 2022, the remaining unrestricted net position of \$41.997 million, or 9% of total net position represents liquidity available to meet any of RTAA's on-going obligations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following presents RTAA's deferred outflows and inflows as of June 30, 2022, and 2021:

	2022	2021	\$ Change	% Change
Deferred outflows of resources	\$ 14,125,539	\$ 5,771,560	\$ 8,353,979	145%
Deferred inflows of resources	62,977,306	2,977,221	60,000,085	2015%

A *deferred outflow* of resources is the recognition of "consumed" net assets that is applicable to a future reporting period. This recognition includes: (1) pension contributions of \$2.819 million to the Public Employees Retirement System (PERS) of the State of Nevada after the measurement date of June 30, 2021; (2) the pension value changes in actuarial assumptions of \$8.156 million; differences identified on the Schedule of Employer Allocations, Schedule of Pension Amounts by Employer and Related Notes by PERS; (3) pension differences between expected and actual pension experience of \$2.721 million; and (5) contributions related to Other Postemployment Benefits (OPEB) liability of \$127 thousand.

Conversely a *deferred inflow* of resources is the recognition of "acquired" resources of net assets applicable to a future reporting period. This recognition includes: (1) pension difference between actual and projected earnings on plan investments of \$20.044 million (2) the differences in economic and demographic factors used in the projected actuarial assumptions and actual experiences of \$173 thousand; (3) the difference between the actual and proportionate share of contribution of \$1.580 million; and (4) the value of lease receivables of \$41.180 million.

The deferred outflows and inflows related to RTAA's pension plan and OPEB are further explained in Note 9 - Pension Plan and Note 13 - Other Postemployment Benefits (OPEB) in the notes to the financial statements. Deferred inflows related to leases are discussed in detail in Note 8 – Leases.

Statement of Changes in Net Position

During the current fiscal year, the Authority's net position increased by approximately \$42.087 million.

The following summarizes the changes in RTAA's net position for June 30, 2022, and 2021:

	2022	2021	\$ Change	% Change
Operating revenues	\$ 58,065,181	\$ 43,662,916	\$ 14,402,265	33%
Operating expenses	46,340,021	42,612,297	3,727,724	9%
Operating income before depreciation and amortization	11,725,160	1,050,619	10,674,541	1016%
Depreciation and amortization expense	25,079,112	26,827,690	(1,748,578)	-7%
Operating income/(loss)	(13,353,952)	(25,777,071)	12,423,119	48%
Non-operating revenues/(expenses)	27,754,958	16,386,414	11,368,544	69%
Income/(loss) before capital contributions	14,401,006	(9,390,657)	23,791,663	253%
Capital contributions	27,686,032	25,193,485	2,492,547	10%
Change in net position	\$ 42,087,038	\$ 15,802,828	\$ 22,043,085	139%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Significant Changes in Net Position for Fiscal Year 2022 versus 2021

Total operating revenues increased by \$14.402 million or 33% and total operating expenses increased by \$3.728 million or 9%. A review of these two categories is detailed below.

Depreciation and amortization expense of \$25.079 million was \$1.749 million or 7% lower than the prior year due the full depreciation of certain assets in the prior year.

Non-operating income of \$27.755 million increased by \$11.369 million or 69% over prior year. This is primarily due to the increase of federal stimulus grant revenues (CARES, ARPA, and CRRSA).

Capital contributions of \$27.686 million, primarily comprised of grants from the Federal Aviation Administration (FAA), increased by \$2.493 million or 10% in FY 2022 as compared to FY 2021. The grant contributions include reimbursements for runways, taxiways, and apron rehabilitation.

Operating Revenues

Revenues are defined as “operating” for those revenue categories used to finance RTAA’s operation and maintenance of RNO and Reno-Stead Airport (RTS). Included are landing fees, concession revenues, parking, and other charges. The table below represents operating revenues by source for the fiscal years ended June 30, 2022, and 2021:

	2022	2021	\$ Change	% Change
Landing fees	\$ 10,584,517	\$ 8,948,847	\$ 1,635,670	18%
Concession revenue	15,257,011	9,628,195	5,628,816	58%
Parking and ground transportation	14,004,587	7,361,177	6,643,410	90%
Rentals	15,073,833	15,715,644	(641,811)	-4%
Reimbursements for services	3,000,059	1,823,280	1,176,779	65%
Other revenue	145,174	185,773	(40,599)	-22%
Total operating revenue	\$ 58,065,181	\$ 43,662,916	\$ 14,402,265	33%

Significant Changes in Operating Revenues for Fiscal Year 2022 versus 2021

A key metric associated with RTAA’s operating revenues is the number of enplaned passengers at RNO. The COVID-19 pandemic caused unprecedented disruption of the passenger airline traffic worldwide. Governments issued travel restrictions, mask mandates, and other restrictive measures in an effort to manage the pandemic. The number of enplaned passengers recorded at RNO declined significantly during FY 2021, ending the year with 1.232 million enplanements. With the rollout of vaccines, lifting travel restrictions, and the transition back to business as usual in FY 2022, passenger traffic has increased to pre-pandemic levels in some months, ending the year with 2.080 million enplanements.

Landing fee revenues of \$10.585 million increased \$1.636 million or 18% from the prior year mainly due to the recovery of airline activity at RNO. Cargo airlines benefited from the boom of ecommerce during the pandemic and recorded higher landed weights than pre-pandemic. Landing fees represent approximately 18% of RTAA’s total operating revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Concession revenues of \$15.257 million were generated from auto rental, gaming, food and beverage, merchandising, advertising, and other concessions. They represent 26% of the total operating revenues and 58% higher than FY 2021. Concession revenues recorded in FY 2021 were \$1.674 million, which was 15% below FY 20 results due to the impacts of the COVID 19 pandemic. In August 2021 the Board authorized the President/CEO to provide temporary financial relief to in-terminal concessionaires: The Paradies Shops, LLC, SSP America, Inc., MAG US Lounge Management, Traveler Gifts, LLC, and Tahoe Douglas Visitors Authority through the waiver of monthly minimum annual guarantee (MAG) payments, rents, or reduction of concession fees through June 30, 2022.

Parking and Ground Transportation revenues of \$14.005 million accounted for 23% of total operating revenues. Parking revenues increased by \$6.643 million or 90% above the prior year results. Current parking rates are \$1.00 for the first 30 minutes, \$2.00 for the first hour, and an additional \$1.00 per hour, with maximum amounts of \$24.00 per day for short-term, \$14.00 per day for the long-term garage, and \$10.00 per day for long-term surface lot parking.

Rental revenues of \$15.074 million decreased \$642 thousand or 4%. The decrease is the result of the year end airline fee settlement calculation with revenues higher than budget and expenses lower than the budget estimate.

Reimbursements for services and the other revenue category generated \$3.145 million or 5% of total operating revenues. Reimbursements for services increased \$1.177 million or 65% from fiscal year 2021. Revenues in this category include airline charges to use RTAA's baggage handling system (BHS). The BHS fee reflects 100% cost recovery of the direct operating and maintenance costs of the system less any reimbursement from the Transportation Security Administration (TSA) for direct costs associated with their screening equipment. Other revenues of \$145 thousand include miscellaneous revenues, such as late fees collected by RTAA, and rebates received.

Operating Expenses

The RTAA's total operating expenses totaled \$46.340 million in FY 2022, an increase of \$3.728 million or 9% above the prior year results. The increase is primarily due to the increase of funding allocated to operating activities after the budget reductions due to the COVID-19 pandemic, as well as contracted services related to capital projects. Of the total operating expenses, 65% were costs associated with employee wages and benefits of a workforce of 279 employees as of June 30, 2022. The following is a summary of expenses (excluding depreciation and amortization) by source for the years ended June 30, 2022, and 2021:

	2022	2021	\$ Change	% Change
Employee wages and benefits	\$ 30,348,607	\$ 30,923,994	\$ (575,387)	-2%
Utilities and communications	3,156,581	2,454,099	702,482	29%
Purchase of services	7,405,170	4,887,352	2,517,818	52%
Materials and supplies	2,575,145	2,259,926	315,219	14%
Administrative expenses	2,854,518	2,086,926	767,592	37%
Total Operating Expenses	\$ 46,340,021	\$ 42,612,297	\$ 3,727,724	9%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Significant Changes in Operating Expenses for Fiscal Year 2022 versus 2021

Employee salaries, wages, and benefits of \$30.349 million decreased \$575 thousand or 2% in fiscal year 2022. Personnel related expenses represent approximately 65% of total operating expenses. The following table outlines the major expense categories within employee salaries, wages, and benefits for the years ending June 30, 2022, and 2021:

	2022	2021	\$ Change	% Change
Salaries	\$21,724,003	\$19,400,633	\$2,323,370	12%
Overtime, Standby, Holiday Worked	1,645,304	1,162,234	483,070	42%
Employee Benefits	6,979,281	10,361,127	(3,381,846)	-33%
Total Employee Wages and Benefits	\$30,923,994	\$32,120,112	(\$1,196,118)	-2%

Employee salaries have increased by \$2.323 million or 12% from FY 2021. This increase reflects a return to pre-pandemic operation levels with filling existing open positions. Overtime also increased by \$483 thousand. Employee benefits decreased approximately \$3.382 million or 33% due largely to decreases of RTAA's share of the net pension liability based on the actual results of investments. The net pension liability and related inflows and outflows of deferred revenue are based on actuarial assumptions at June 30, 2021. During FY 2021 actual results of earnings on investments was significantly larger than expectations, resulting in a decrease of the net pension liability and RTAA's related expense. These expenses are further explained in Note 9 – Pension Plan and Note 11 – Other Post-Employment Benefits (OPEB).

Utilities and communications expenses of \$3.157 million increased \$702 thousand or 29% from the prior year and represents 7% of total operating expenses. This category includes electricity, natural gas, water, sewer service, telephone, and other utility services.

Purchase of services expense includes professional and technical services and totaled \$7.405 million, an increase of \$2.518 million or 52% from the prior year. The increase was primarily due to higher costs associated with consultant services and contracted services related to capital projects and financial software conversion and implementation. Purchase of services expense represents 52% of total operating expenses.

Expenses for materials and supplies totaled \$2.575 million, an increase of \$315 thousand or 14% from the prior year. Materials and supplies represent 14% of total operating expenses.

The administrative expense category includes travel, training, air service development, insurance, and other general expenses. In total, the category incurred \$2.855 million in cost, an increase of approximately \$768 thousand or 37% from the prior fiscal year. This increase reflects increased costs associated with training, conference sponsorship, insurance premiums, and community outreach.

Non-Operating Revenues and Expenses

The category of non-operating revenues and expenses contains sources and uses of RTAA funding not directly associated with supporting the operations of the airports or funding intended or restricted for specific uses. Included in this group are the items following: interest income, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), jet fuel taxes, federal stimulus grants, and interest expense on RTAA revenue bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a summary of non-operating revenues and expenses for the years ended June 30, 2022, and 2021:

	2022	2021	\$ Change	% Change
Interest income	\$ 1,246,627	\$ 886,650	\$ 359,977	29%
Gain (loss) on investment valuation	(2,737,875)	(935,537)	(1,802,338)	66%
Passenger facility charge revenue	8,502,997	4,514,399	3,988,598	47%
Customer facility charge revenue	6,350,891	4,954,128	1,396,763	22%
Jet fuel tax revenue	294,018	203,765	90,253	31%
Gain (loss) on sale of capital assets	15,080	41,838	(26,758)	-177%
Federal grant revenue	14,483,077	7,059,146	7,423,931	51%
Interest expense	(399,857)	(337,975)	(61,882)	15%
Total Non-Operating revenues	\$ 27,754,958	\$ 16,386,414	\$ 11,368,544	69%

Significant Changes in Non-Operating Revenues and Expenses for Fiscal Year 2022 versus 2021

Interest income consists of interest from leases under GASB 87 of \$591 thousand and interest earned on cash and investments of \$655 thousand. Interest income from cash and investments decreased 35% and loss on the value of investments increased 66% this past fiscal year. Interest rate changes impact RTAA's financial position in two ways: 1) revenues will change based on lower or higher interest rates and 2) investment market values will change positively if rates decline and negatively if rates rise. The impact is dependent on the overall maturity structure of the investment portfolio. Overall interest rates were low most of the fiscal year, increasing slightly in the fourth quarter. Reduced rates during the year resulted in lower investment revenue, due to the reinvestment of maturities at lower replacement yields.

Jet fuel tax revenues are derived from a one cent per gallon of fuel for jet or turbine aircraft sold, distributed, or used. The tax is collected by Washoe County and remitted to RTAA as outlined in Nevada Revised Statute (NRS) 365.170. These revenues are used by RTAA to support air service development objectives and other discretionary expenses. The increase in revenues is due to higher volume of aircraft operations at RNO.

Federal stimulus grant revenues of \$14.483 million increased by \$7.424 million in FY 2022. This includes eligible cost reimbursement from the CARES, CRRSA, and ARPA Acts of \$13.887 million. This funding is permissible for any eligible use of airport revenues. CARES Act reimbursement in fiscal year 2022 included debt service, contracted services, salaries, and wages. RTAA also received funding for concession rent relief through CRRSA and ARPA of \$596 thousand.

Interest expense of approximately \$400 thousand increased by \$62 thousand or 15% above the previous year. This increase reflects the additional expenses for prepaid interest due the early retirement of debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

RTAA's investment in capital assets as of June 30, 2022, was \$388.633 million, a net increase of \$26.778 million or 7%. This increase is primarily due to the debt payoff during the year. Investments in capital assets include land, construction in progress, improvements, buildings, equipment, and development rights. The following presents RTAA's capital assets for the years ended June 30, 2022, and 2021:

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Assets, not depreciated:				
Land	\$ 172,449,079	\$ 172,449,079	\$ -	0%
Construction in progress	49,359,777	40,521,963	8,837,814	22%
Development rights	2,924,038	2,924,038	-	0%
Capital Assets, depreciated, net:				
Improvements	105,146,063	101,095,687	4,050,376	4%
Buildings	33,868,706	39,397,653	(5,528,947)	-14%
Equipment	24,885,270	19,591,755	5,293,515	27%
Total Capital Assets	<u>\$ 388,632,933</u>	<u>\$ 375,980,175</u>	<u>\$ 12,652,758</u>	<u>3%</u>

Major Capital Asset Events during Fiscal Year 2022

Federal grants funded over \$27.686 million of capital projects in FY 2022. Projects included a runway rehabilitation at RNO, Taxiway B & C design at RNO, RTS Parking Apron, and RTS Taxiway A.

Completed RNO terminal building projects include HVAC upgrades, jet bridge replacement, and a ticketing hall study. Technology upgrade projects completed this year included financial system replacement and security system upgrades.

RTAA continued its on-going pavement maintenance program with major projects in the airfield, landside parking and various tenant properties adding to the value of capital assets. For additional information on capital assets, see Notes to the Financial Statements, Note 5 – Capital Assets.

DEBT ADMINISTRATION

At June 30, 2022, RTAA had no outstanding debt. During FY 2022, the Authority paid off \$12.290 million in debt comprised of senior lien revenue bonds (Series 2015 Airport Refunding Bond). On September 30, 2015, the proceeds from the 2015 Bond were used to redeem the Airport Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds"), which were outstanding as of July 1, 2015, in the amount of \$20,940,000, and the cost of issuance necessary to execute this transaction. The 2015 Bond reflects the remaining outstanding debt from 1996 bonds issued to construct RTAA's three story, 2,400 space parking garage, a new roadway system to accommodate the parking garage, and a passenger skyway to connect the parking garage to the terminal.

RTAA, unlike most local governments, has no debt limit or maximum debt per capita. RTAA does have a rate maintenance covenant in its revenue bond resolutions requiring that net pledged revenues equal or exceed 125% of the bond debt service. For additional information on bonds, see Notes to the Financial Statements, Note 6 - Long-Term Debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PASSENGER FACILITY CHARGES (PFCs)

In October 1993, RTAA received approval from FAA to impose a PFC of \$3.00 per enplaned passenger. Collection began January 1, 1994. In May 2001, that amount increased to \$4.50 per enplaned passenger with collection beginning August 1, 2001. For the fiscal year ended June 30, 2022, RTAA collected PFCs, including interest earnings thereon, totaling \$8.503 million, a \$3.989 million or 47% increase over the prior year. This increase is due to a 69% increase in enplanements over FY 2021. PFCs are collected by airlines on their passengers' tickets and remitted monthly to RTAA. These funds are spent on a list of projects reviewed by the airlines in a process prescribed by the FAA. This funding must be segregated from all other Airport revenues. For further details, see the Summary Schedule of Passenger Facility Charges Collected and Expended in the Compliance Section of this report.

CUSTOMER FACILITY CHARGES (CFCs)

CFCs are paid by customers utilizing rental cars based at RNO. Implemented in August 2012, the CFCs are collected and remitted by the rental car companies to RTAA. For the fiscal year ended June 30, 2022, RTAA collected CFCs, including interest earnings thereon, totaling \$6.351 million, a \$1.397 million or 22% increase over the prior year. This increase is due to the increased passenger activity at RNO. They are designated to fund property management, repairs, and improvements to RTAA-owned rental car facilities. In addition, they will provide funding for a future Consolidated Rental Car (CONRAC) facility as identified in RTAA's current master plan. Beginning July 1, 2020, CFC per rental car transaction day fees increased to \$5.50 from \$4.50.

AIRLINE SIGNATORY RATES AND CHARGES

RTAA and the airlines successfully negotiated an airline use and lease agreement effective July 1, 2015, for a term of five years. In FY 2020, the agreement was extended for three years and includes seven "signatory airlines" including five passenger and two cargo airlines. The airline agreement establishes the airline rate setting formula and the airport model is known as a hybrid rate setting formula. In this formula, the two airports owned and operated by RTAA are divided into six cost centers: Airfield, Terminal Building, Baggage Handlings System (BHS), Landside (Parking and Ground Transportation), Other, and Reno-Stead Airport. The Airfield and Terminal Building airline related cost centers are used in the calculation of the landing fee and terminal rental rate.

Net airfield costs and associated landing fees are established on a cost center residual methodology in which the signatory airlines bear 100% of the financial risk for the Airfield. The expenditures associated with the Airfield cost center, which are primarily comprised of operating expenses, debt service, and recovery of capital projects/equipment with unit costs of less than \$300,000, are divided by estimated aircraft landed weight resulting in a landing fee rate.

In contrast, the terminal building rental rates reflect a commercial compensatory rate setting formula that places the financial risk of funding terminal building costs with RTAA. The expenditures, which are primarily comprised of operating expenses, debt service, and recovery of capital project/equipment expenditures with unit costs of less than \$300,000, in the Terminal Building cost center are divided by a "rentable" space divisor (total terminal space available that is revenue producing and available for lease). The result of this approach is that the signatory airlines are only responsible for terminal building costs allocated to airline leased premises and any costs allocated to vacant, concession, or other rentable space is the financial responsibility of RTAA.

In addition, the current hybrid agreement provides that RTAA's net available revenues after debt service are split equally (50%-50%) between the signatory airlines and RTAA through a revenue sharing formula.

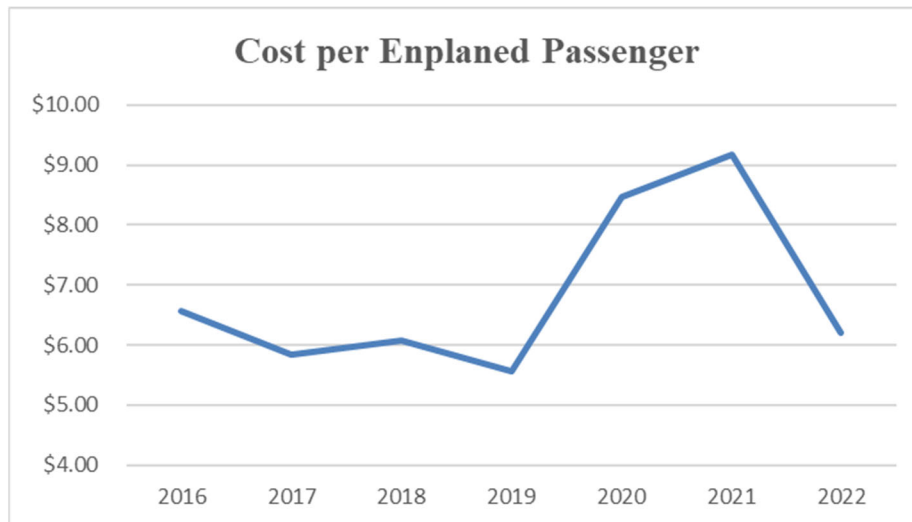
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenue sharing is derived by taking the sum of RTAA's total revenues less total expenses posted to all costs centers less debt service and other identified requirements. A credit estimate offsets airline terminal building rents collected during the year with a final airline rates and charges reconciliation and settlement prepared based on audited year-end results.

The final rates and charges for the signatory airlines are shown below for the fiscal year ended June 30, 2022, and 2021:

	2022	2021	\$ Change	% Change
Landing Fee Rate (Per 1,000-pound units)	\$ 3.04	\$ 3.23	(\$0.38)	12%
Terminal Rental Rate (Average) (Per square foot annually)	\$40.66	\$45.74	(\$5.08)	-11%

Comparing the operating results of airports is difficult. The landing fee and terminal rental rates of airports are often not comparable because of the different airline operating agreements used to calculate those fees. As a result, an airport's impact to signatory airline tenants is benchmarked on a ratio of total fees paid by the airlines (landing fees and terminal rents), divided by the number of passengers boarding aircraft. RTAA targets to maintain a reasonable cost structure for the airlines to attract and retain air service to the Reno-Sparks community. The RNO cost per enplaned passenger for the fiscal year ended June 30, 2022, was calculated to be \$6.21 as compared to \$9.17 in the prior year. The chart below presents the history of the cost per enplaned passenger.



ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Faced with the many challenges brought on by the COVID-19 pandemic and economic uncertainty, RTAA proved its resiliency, and is in a strong financial position entering FY 2022-23. The global and regional economy is rebounding, and RNO is experiencing above pre-pandemic level summer traffic volumes unlike many other similar size airports. As we now focus on recovery efforts, we remain committed to ensuring the wellbeing of our employees, the sustainability of business partnerships and meeting our critical operational responsibilities with safety being our first and foremost responsibility.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The greater Reno area’s economic picture has become far more diversified and the growth in recent years has been significant. The Reno-Tahoe regional area economy is no longer relying solely on tourism and gaming, as it was at the time of the 2008 great recession. Northern Nevada’s business friendly environment, proximity to customers, availability of skilled workforce and logistics continues to attract a diverse group of businesses to the area.

The diversity of industry in Northern Nevada is expected to provide a solid foundation for recovery and long-term growth following the COVID-19 pandemic. It will also help soften the effects of a potential recession. Nevada’s June unemployment rate dropped to 4.7% compared to the 29.5% reached at the height of the pandemic in April 2020 according to the Nevada Department of Employment, Training and Rehabilitation (DETR). Of the three Metropolitan Statistical Areas (MSA) in Nevada, Reno’s unemployment rate was the lowest at 3.3%, while the Las Vegas area was at 5.7% and Carson at 3.7% in June 2022.

The fiscal year 2022-23 Board approved budget is balanced, includes increased funding for mission critical airport operations, higher revenues, and the usage of federal funding to maintain reasonable signatory airline rates and charges. As the recovery progresses, we continue to closely monitor airline traffic, revenues, and expenses and are prepared to make necessary adjustments if the current forecast does not materialize or are faced with an economic recession.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the financial activity and condition of RTAA to all having such an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Reno-Tahoe Airport Authority, Accounting Department, P.O. Box 12490, Reno, NV 89510-2490 or “Ask the Airport” at asktheairport@renoairport.com.

BASIC FINANCIAL STATEMENTS

RENO-TAHOE AIRPORT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS

Unrestricted Assets:

Cash and cash equivalents	\$ 12,924,586
Investments	68,254,001
Accounts receivable, net	4,805,216
Lease receivable	8,242,115
Interest receivable	174,662
Inventory	905,754
Other current assets	772,648

Total Unrestricted Assets	<u>96,078,982</u>
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Restricted Assets:

Cash and cash equivalents	30,944
Investments	28,398,664
Grants receivable	1,482,845
Interest receivable	65,600

Total Restricted Assets	<u>29,978,053</u>
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Total Current Assets	<u>126,057,035</u>
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NON-CURRENT ASSETS

Capital Assets:

Non-depreciable	224,732,894
Depreciable	830,511,877
Less accumulated depreciation and amortization	<u>(666,611,838)</u>

Total Capital Assets	<u>388,632,933</u>
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Other Assets:

Road credits	1,383,599
Lease receivable	<u>33,195,211</u>

Total Other Assets	<u>34,578,810</u>
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Total Non-Current Assets	<u>423,211,743</u>
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Total Assets	<u>549,268,778</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pension contributions after measurement date	2,819,460
Pension difference between actual and proportionate share of contributions	301,778
Pension changes in actuarial assumptions	8,156,060
Pension difference between expected and actual pension experience	2,721,075
OPEB contributions after measurement date	127,166
Total Deferred Outflows of Resources	<u>14,125,539</u>
Total Assets and Deferred Outflows of Resources	<u><u>563,394,317</u></u>

Continued

RENO-TAHOE AIRPORT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2022

LIABILITIES

CURRENT LIABILITIES

Payable from Unrestricted Assets:	
Accounts payable	\$ 6,131,855
Construction contracts payable	2,198,705
Rents received in advance	2,027,604
Accrued payroll and compensated absences	1,593,458
Total current unrestricted assets	<u>11,951,622</u>
Payable from Restricted Assets:	
Construction contracts payable	<u>101,202</u>
Total restricted current liabilities	<u>101,202</u>
Total Current Liabilities	<u>12,052,824</u>

NON-CURRENT LIABILITIES

Compensated absences, net of current portion	1,270,995
Deposits	899,278
Reclamation liability	564,844
Total OPEB liability	1,939,121
Net pension liability	<u>24,565,172</u>
Total Non-Current Liabilities	<u>29,239,410</u>
Total Liabilities	<u>41,292,234</u>

DEFERRED INFLOWS OF RESOURCES

Pension difference between actual and projected earnings on plan investments	20,044,398
Pension difference between actual and expected pension experience	172,881
Pension difference between actual and proportionate share of contribution	1,579,990
Leases	<u>41,180,037</u>
Total Deferred Inflows of Resources	<u>62,977,306</u>

NET POSITION

Net investment in capital assets	<u>388,632,933</u>
Restricted for:	
Operations and maintenance reserve	7,532,989
Renewal and replacement reserve	770,498
Passenger facility charge projects	20,160,846
Other reserve purposes	<u>30,949</u>
Total Restricted	<u>28,495,282</u>
Unrestricted	<u>41,996,562</u>
Total Net Position	<u>459,124,777</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 563,394,317</u></u>

See accompanying notes to financial statements.

RENO-TAHOE AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION FOR THE YEAR ENDED JUNE 30, 2022

OPERATING REVENUES

Landing fees	\$ 10,584,517
Concession revenue	15,257,011
Parking and ground transportation	14,004,587
Rentals	15,073,833
Reimbursements for services	3,000,059
Other revenue	145,174
Total operating revenues	<u>58,065,181</u>

OPERATING EXPENSES

Employee wages and benefits	30,348,607
Utilities and communications	3,156,581
Purchase of services	7,405,170
Materials and supplies	2,575,145
Administrative expenses	2,854,518
Total operating expenses	<u>46,340,021</u>

**OPERATING INCOME BEFORE DEPRECIATION
AND AMORTIZATION**

11,725,160

Depreciation and amortization expense

25,079,112

OPERATING INCOME (LOSS)

(13,353,952)

NON-OPERATING REVENUES (EXPENSES)

Interest income	1,246,627
Gain (Loss) on value of investments	(2,737,875)
Passenger facility charge revenue	8,502,997
Customer facility charge revenue	6,350,891
Jet fuel tax revenue	294,018
Gain on sale of capital assets	15,080
Federal grant revenue	14,483,077
Interest expense	(399,857)
Total non-operating revenues (expenses)	<u>27,754,958</u>

INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS

14,401,006

CAPITAL CONTRIBUTIONS (FEDERAL)

27,686,032

CHANGE IN NET POSITION

42,087,038

NET POSITION, BEGINNING OF YEAR

417,037,739

NET POSITION, END OF YEAR

\$ 459,124,777

See accompanying notes to financial statements.

RENO-TAHOE AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 58,641,436
Cash paid to employees and for benefits	(33,731,727)
Cash paid to suppliers	<u>(14,553,707)</u>
Net cash provided by operating activities	<u>10,356,002</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal grants received	13,209,077
Jet fuel tax revenue	<u>294,018</u>
Net cash provided by noncapital financing activities	13,503,095

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital contributions (federal)	27,845,338
Passenger facility charge revenue	8,502,997
Customer facility charge revenue	6,350,891
Acquisition and construction of capital assets	(37,267,116)
Proceeds from sale of capital assets	15,080
Principal paid on bonds	(12,290,000)
Interest paid on bonds	<u>(568,844)</u>
Net cash provided by (used in) capital and related financing activities	<u>(7,411,654)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Receipts of interest	1,226,258
Purchase of investments	(116,397,285)
Sale of investments	<u>99,488,157</u>
Net cash provided by (used in) investing activities	<u>(15,682,870)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	764,573
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CURRENT AND RESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>12,190,957</u>
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CURRENT AND RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 12,955,530</u></u>
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RENO-TAHOE AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Operating (loss) income	\$ (13,353,952)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:	
Depreciation and amortization	25,079,112
(Increase) Decrease in Assets:	
Accounts receivable, net	196,186
Lease receivable	(41,437,326)
Inventory	(113,509)
Other current assets	251,218
Increase (Decrease) in Liabilities:	
Accounts payable	1,301,952
Rents received in advance	296,280
Accrued payroll	223,623
Deposits and unearned revenues	341,079
Total OPEB liability and related deferred outflows of resources	(72,006)
Net pension liability and related deferred outflows and inflows of resources	(3,534,753)
Lease deferred inflows of resources	41,180,037
Reclamation liability	(1,938)
Net cash provided by operating activities	<u>\$ 10,356,002</u>

Noncash activities:

Capital assets included in construction contracts payable	\$ 2,299,907
Capital Contributions	
Total Capital Contributions	\$ 27,686,032
Grants Receivable (June 30, 2022 and 2021)	(591,945)
Grants Receivable (June 30, 2021 and 2020)	1,482,845
	<u>\$ 28,576,932</u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

RENO-TAHOE AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. Organization and Reporting Entity

A. Organization

The Reno-Tahoe Airport Authority ("RTAA" or "Authority") (formerly the Airport Authority of Washoe County) was created on July 1, 1977, by an act of the Nevada Legislature for the purpose of operating Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS).

B. Reporting Entity

RTAA is an independent reporting entity and not a component unit of another government. This conclusion is based on the following criteria:

i. Composition of the Board.

The governing boards of the following jurisdictions appointed nine members to the Board of Trustees as follows: (1) four members by the City of Reno, (2) two members by the City of Sparks, (3) two members by Washoe County, and (4) one member by the Reno-Sparks Convention & Visitors Authority (RSCVA). The Board directs the President/CEO, who is responsible for management and staffing of the RTAA departments. RTAA is responsible for the day-to-day operations at the two airports.

ii. Accounting for Fiscal Matters.

RTAA is responsible for reviewing, approving, and revising its budget. The Authority is solely responsible for financing the entity's deficits and has sole control of its surplus funds, restricted only by the RTAA's Bond Resolutions and underlying Lease and Use Agreements.

RTAA collects revenues, controls disbursements, and has title to all assets. RTAA establishes fees and charges and negotiates contracts with commercial enterprises.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. RTAA uses the economic resources measurement focus, whereby revenues and expenses are recognized in the period earned or incurred, regardless of when the related cash flows take place. All transactions are accounted for in a single enterprise fund.

Enterprise funds account for the following activities:

- i. Financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or

RENO-TAHOE AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

- ii. The governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues from landing fees, rents, parking operations, and other miscellaneous sources are reported as operating revenues. Transactions, which are capital, financing or investing related, are reported as non-operating revenues, including Passenger Facility Charges (PFC) and Customer Facility Charges (CFC).

Expenses from employee wages and benefits, purchases of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

B. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Budgets

RTAA adheres to the Local Government Budget and Finance Act established by Nevada state statute. The filing deadlines and procedures during fiscal year 2021-2022 were as follows:

- i. On or before April 15, the RTAA files a preliminary operating budget with the State Department of Taxation.
- ii. A public hearing on the proposed budget with the Board of Trustees on the Thursday following the third Monday in the month of May.
- iii. On or before June 1, the final budget is adopted by a majority vote of the Board of Trustees.
- iv. The budget is adopted on the accrual basis. Actual operating and non-operating expenses (excluding depreciation) may not exceed budgeted appropriations. Budget augmentations that change the total revenues or expenses must be approved by a resolution of the Board of Trustees and filed with the Nevada Department of Taxation. Unexpended appropriations lapse at year-end.

D. Cash, Cash Equivalents, and Investments

RTAA considers all liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents. Investments are measured at fair value.

E. Inventory

Inventory is valued by the weighted average method. Weighted average measures the total cost of items in inventory divided by the total number of units available for issuance. Inventory items are recorded as assets when purchased and expensed as consumed.

RENO-TAHOE AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

F. Capitalization of Interest

Through June 30, 2020, RTAA capitalized, as a part of the historical cost of constructing assets for its own use, a portion of the net interest cost incurred during the construction period. The Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and no interest was capitalized for the year ended June 30, 2022.

G. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position may report a separate section for deferred outflows of resources and deferred inflows of resources, respectively. These separate financial statement elements represent the consumption or addition to net position that applies to a future reporting period(s) and as such will not be recognized as flows of resources (expenses/revenues) until then.

The statement of net position contains items relating to deferred outflows and deferred inflows associated with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 87, *Leases*. A description of the deferred outflow and inflow items is as follows:

- Pension - contributions after measurement date for pensions and Other Postemployment Benefits (OPEB). These contributions are made after the measurement date through the fiscal year end resulting in a cash outlay not yet recognized under GASB 68. This amount is deferred and recognized in the following fiscal year. This item is presented as a deferred outflow of resources.
- Pension - difference between actual and proportionate share of contributions. This represents the unamortized difference between actual and proportional contributions to the defined benefit pension plan and increases in the RTAA's allocation share as provided in the schedule of employer allocations for the year ending June 30, 2021.
- Pension - changes in actuarial assumptions. These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension, OPEB liability, or asset. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period. This item can be presented as both a deferred outflow and deferred inflow of resources.
- Pension - difference between expected and actual pension experience. These amounts represent the difference in expected and actual pension or OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period. This item can be presented as both a deferred outflow and deferred inflow of resources shown as net if there are unamortized balances for categories.

RENO-TAHOE AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

- Pension - difference between actual and projected earnings on plan investments. These amounts represent the difference in projected and actual earnings on pension plan assets. The differences are deferred and amortized over a closed five-year period. This item can be presented as both a deferred outflow and deferred inflow of resources and is combined annually as a single net unamortized balance.
- Leases – value of the lease receivable and prepayments. These amounts represent the present value of future lease payments in addition to any payments received at or before the commencement of the lease term that relates to future periods. The deferred inflow will be amortized over the life of the lease.

See Note 8 - Leases, Note 9 - Pension Plan, and Note 13 - Other Postemployment Benefits (OPEB) for additional information on the deferred outflows and inflows of resources.

H. Compensated Absences

RTAA accounts for compensated absences by accruing a liability for employees' compensation of future absences. Employees accrue vacation in varying amounts based on classification and length of service. Additionally, certain employees are allowed compensated time off in lieu of overtime compensation and/or working on holidays. Vacation pay and compensatory time vests as earned and sick pay vests after five years of service at the rate of 50% available for payout at termination for certain represented employees. After 880 hours, sick pay also vests for certain represented employees. The liability for the compensated absences is included in both the current and non-current portion of accrued payroll. As of June 30, 2022, liabilities related to compensated absences were \$2,330,697.

I. Landing Fees, Terminal Building Rents, and Baggage Handling System (BHS) Charges

Landing fees, terminal rents, and BHS charges are set based and collected on estimates of airline activity, revenues, and expenses. The actual landing fees, terminal rental rates, and BHS charges due from the signatory airlines are calculated based on actual year-end results in accordance with the Airline Use and Lease Agreement (AULA). Any over-collections and under-collections are netted and recorded on the Statements of Net Position as an accounts receivable or accounts payable.

J. Net Position

The following categories comprise the RTAA's net position:

- i. Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- ii. Restricted – Net Position that has external constraints placed on it by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through contribution provision of enabling legislation.
- iii. Unrestricted – Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

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At times, RTAA will fund outlays for a particular purpose from both restricted and unrestricted resources. It is the RTAA's policy to deplete restricted net position, if permitted, before unrestricted net position is applied.

K. Passenger Facility Charge (PFC) Revenue

Currently, RTAA has approval from the Federal Aviation Administration (FAA) to impose and use a PFC of \$4.50 per enplaned passenger. PFC collections fund FAA approved projects to improve or renew passenger safety, conveyance, or related facilities. The airlines collect and remit PFC revenues monthly to RTAA. These revenues are recognized by RTAA as non-operating revenues.

L. Customer Facility Charge (CFC) Revenue

Effective August 2012, RTAA implemented a \$1.25 CFC per transaction day on each individual vehicle rental collected by each participating rental car lessee. On July 1, 2019, the rate increased to \$4.50 and on July 1, 2020, increased to \$5.50. CFC revenues fund the following projects: (1) renewal and replacement improvements to the Quick Turnaround (QTA) Facility and the Service Facility Area, (2) the on-going overhead and maintenance of the QTA, and (3) the building of a future consolidated rental car facility. In addition, \$0.11 per rental day of CFC receipts reimburse RTAA to cover reasonable costs associated with accounting, administering, and managing the CFC program. The rental car companies operating at RNO collect and remit CFC revenues monthly to RTAA. These revenues are classified as non-operating revenues.

M. Capital Contributions

The FAA's Airport Improvement Program (AIP) funds a significant portion of eligible costs for airport capital improvements along with matching funds provided by RTAA or through the PFC program. In addition, the Transportation Security Administration (TSA) funds certain approved capital projects associated with passenger and luggage screening.

Capital funding provided under government grants and agreements are considered earned as the related allowable expenses are incurred. Grants and related agreements for the acquisition of land, acquisition and construction of property, and certain types of equipment are reported in the Statements of Revenues, Expenses and Changes in Net Position, after non-operating revenues and expenses, as capital contributions.

N. Regional Road Impact Fee Credits

The regional road impact fee is a one-time assessment to pay for new roads or improvements to existing roads necessary to serve traffic from a new development. Payment of this fee is typically required upon issuance of a building permit. RTAA owns credits for the fees and can use them as needed or sell them to others until the credits expire June 26, 2033. The value of these credits was determined by Washoe County, who provided the credits to RTAA.

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O. Recent Accounting Pronouncements Adopted/Implemented:

During the year, RTAA adopted the following new GASB Statements:

- GASB Statement No. 87, *Leases*. This Statement, originally issued in June 2017, requires the recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognize them as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement had a material effect on the financial statement of the Authority. For a detailed discussion please refer to Note 8 – Leases.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement did not have a material effect on the financial statements.
- GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement did not have a material effect on the financial statements.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This statement did not have an effect on the financial statements.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans*. The objective of this statement is to improve the reporting post-employment benefit plans for primary governments with component units. This Statement did not have an effect on the financial statements.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement did not have a material effect on the financial statements.

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In addition, GASB has issued the following statements that have not yet been implemented by RTAA:

- GASB Statement No. 91, *Conduit Debt Obligations*.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- GASB Statement No. 99, *Omnibus 2022*.
- GASB Statement No. 100, *Accounting Changes and Errors – An Amendment of GASB Statement No. 62*.
- GASB Statement No. 101, *Compensated Absences*.

RTAA will continue to evaluate GASB Statements and determine if these statements will have a financial impact and require implementation in future reporting periods.

3. Cash, Cash Equivalents, and Investments

RTAA accounts for its investments at fair value. Cash, Cash Equivalents, and Investments consist of the following as of June 30, 2022:

Cash and Cash Equivalents:	\$ 12,955,530
Investments:	
State of Nevada Local Government Pool	26,416,580
US Government Agency Securities	55,865,882
Corporate Securities	<u>14,370,203</u>
Total Investments	<u>96,652,665</u>
 Total Cash, Cash Equivalents, Investments	 109,608,195
Less: Unrestricted Cash, Cash Equivalents, Investments	<u>(81,178,587)</u>
Total Restricted Cash, Cash Equivalents, Investments	<u>\$ 28,429,608</u>

The balance of cash and cash equivalents as of June 30, 2022, was \$12,955,531. Restricted cash, cash equivalents, and investments represent funds deposited with third-party custodians, which are restricted as to use pursuant to the revenue bond resolutions as discussed in Note 6 – Long-Term Debt. The resolutions also impose limitations as to the disposition of related interest income.

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GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows: Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets; Level 2 inputs are other observable inputs; Level 3 inputs are unobservable.

The estimated fair values of the RTAA's U.S. Treasury obligations, commercial paper, notes, bonds, and other obligations issued by U.S. Corporations are based on quoted market prices provided by recognized broker dealers (Level 1 inputs). The estimated fair value of U.S. Agency securities is based on a matrix pricing model that maximizes the use of observable inputs for similar securities as provided by recognized broker dealers (Level 2 inputs). Below is the categorization of the RTAA's total cash, cash equivalents, and investments as of June 30, 2022, by fair market value using the categories of relative reliability:

Total Cash, Cash Equivalents, and Investments	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
June 30, 2022	(Level 1)	(Level 2)	(Level 3)

Investments by Fair Value Level:

US Agencies	\$ 24,535,198	\$ -	\$ 24,535,198	\$ -
US Treasury Notes	31,330,684	31,330,684	-	-
Corporate Securities	14,370,203	-	14,370,203	-
Total Investments by Fair Value Level	\$ 70,236,085	\$ 31,330,684	\$ 38,905,401	\$ -

Investments at Net Asset Value (NAV):

State of Nevada Local Government Pool	26,416,580
Total Investments at Net Asset Value (NAV)	26,416,580

Cash:

Collateralized Bank Deposits	12,955,530
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**Total Cash, Cash Equivalents,
and Investments**

\$ 109,608,195

Investment Policies

In accordance with Nevada Revised Statute (NRS) 355 *Public Investments*, the RTAA's Bond Resolution and Investment Policy, RTAA manages its exposure to interest rate risk by regular evaluation of the RTAA's cash position to determine the amount of short and long-term funds available for investment within the context of the entire portfolio and its cash flow and liquidity needs. By purchasing a combination of shorter term and longer-term investments and timing their maturities, RTAA meets its cash flow and liquidity needs. RTAA uses specific identification for calculating unrealized gains or losses for investment valuation.

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Included in the RTAA's investment portfolio as of June 30, 2022, are the following statutorily approved investments:

- Demand Deposits, Time and Savings Deposits including Negotiable Order of Withdrawal (NOW) accounts. They are issued by insured commercial banks, credit unions or saving and loan associations, either within the limits of insurance provided by an instrumentality of the United States and/or collateralized as required under the Nevada pooled collateral program (NRS 356).
- US Government Agency Securities (Mortgage-Backed Securities). These securities are issued by a U.S. government-sponsored agency with backing by the federal government, but not guaranteed since the agencies are private entities. Such agencies have been set up in order to allow certain groups of people to access low-cost financing, e.g. home buyers, farmers, and students. The RTAA's investments include Federal National Mortgage Association, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Banks.
- US Treasury Notes. These notes are issued by the United States government in order to pay for government projects. They are backed by the U.S. government making them low risk. Interest payments on the notes are made every six months until maturity which is usually not less than one year or more than seven years.
- Certificate of Deposit (CD). A CD is a time deposit offered by a financial institution. The Federal Deposit Insurance Corporation (FDIC) insures CDs similar to savings accounts. They are different from savings accounts in that the CD has a specific, fixed term (often three months, six months, or one to five years), and, usually, a fixed interest rate. The FDIC provides deposit insurance, which guarantees the safety of deposits in member banks, currently up to \$250,000 per depositor per bank.
- State of Nevada Local Government Investment Pool (LGIP). Investment of the LGIP is a function performed by the Office of the State Treasurer pursuant to NRS. In addition to investing the assets of the LGIP as prescribed by law, with regular oversight provided by the State Board of Finance, an investment policy also controls the parameters used to invest pool assets. Investment in the LGIP is carried at fair value, which is the same as the value of pool shares. By pooling funds, participating local governments benefit from economies of scale, full-time portfolio management, diversification, and liquidity. The external investment pool is not registered with the Securities and Exchange Commission (SEC) as an investment company.

The LGIP investment policy allows for investments in bankers' acceptances, commercial paper, corporate notes, money market funds, negotiable certificates of deposit, repurchase agreements, tax-exempt municipal bonds, time certificates of deposit, U.S. Treasury securities, U.S. agency securities, and asset-backed securities, with the objective of preserving the principal investment and providing a competitive return.

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The fair value of the investment in this type has been determined using a Net Asset Value (NAV) calculation. The NAV is calculated daily by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund. RTAA may withdraw funds from the pool upon written notice and LGIP shall comply at the first reasonable opportunity. However, the LGIP may charge RTAA any penalty or loss of interest resulting from the withdrawal of funds, if necessary, to meet the request. RTAA has no unfunded commitments as of June 30, 2022.

In addition, NRS 355.171 provides the following additional authorized investments for counties and school districts with county populations greater than 100,000 (Washoe County) and city governments with city populations greater than 150,000:

- A. Notes, bonds, and other unconditional obligations for the payment of money issued by corporations organized and operating in the United States that:
 - i. Are purchased from a registered broker-dealer;
 - ii. At the time of purchase, have a remaining term to maturity of no more than five years;
 - iii. Are rated by a nationally recognized rating service as “A” or its equivalent, or better;
 - iv. Such investments must not, in aggregate value, exceed 20% of the total portfolio as determined on the date of purchase; and
 - v. Not more than 25% of such investments may be in notes, bonds and other unconditional obligations issued by any one corporation.
- B. Collateralized mortgage obligations that are rated by a nationally recognized rating service as “AAA” or its equivalent.
- C. Asset-backed securities that are rated by a nationally recognized rating service as “AAA” or its equivalent.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, a government 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. Any deposits in excess of FDIC Insurance, if applicable, are held in the financial institution’s name. RTAA has no investment securities exposed to custodial credit risk in the event of the failure of the counter party to a transaction.

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Interest Rate Risk

As of June 30, 2022, the RTAA's cash, cash equivalents and investments have the following maturity distributions:

	0 to 1 Month	1 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	Total
Cash	\$ 12,955,530	\$ -	\$ -	\$ -	\$ -	\$ 12,955,530
LGIP	-	26,416,580	-	-	-	26,416,580
Securities:						
US Treasury	-	10,656,127	13,878,477	6,796,080	-	31,330,684
US Government Agency	-	6,090,771	18,444,427	-	-	24,535,198
Corporate	-	-	2,949,690	9,748,963	1,671,550	14,370,203
Total	\$ 12,955,530	\$ 43,163,478	\$ 35,272,594	\$ 16,545,043	\$ 1,671,550	\$ 109,608,195

Credit Risk

State statutes, the RTAA's revenue bond resolutions and the RTAA's investment policy authorize investments in direct obligations of, or obligations guaranteed by the United States of America. RTAA may also invest in commercial paper (rated A-1 or better by Standard & Poor's or P-1 by Moody's Investor Services) or interests in short-term investment trust funds restricted to the investment obligations described above.

The RTAA's investment policy also permits investment in the State of Nevada LGIP and in deposit accounts with financial institutions collateralized under the State of Nevada Pooled Collateral Program. This state sponsored program provides 102% of collateral for any deposit in a participating financial institution, above FDIC insurance protection. The collateral is composed of US Treasury Obligations and US Agency Securities. The LGIP is unrated external investment pools subject to NRS 355.171 Public Investment statutory requirements on authorized and prohibited investments.

At June 30, 2022, Standard & Poor's had rated US Government Agency Securities (mortgage-backed securities) as AA+ and the Fidelity Government Fund 57 (money market funds) as AAA.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the RTAA's investment in a single issue. RTAA places no limit on the amount RTAA may invest in any one issuer. As of June 30, 2022, the following investments equaled or exceeded 5% of the RTAA's total cash, cash equivalents and investments:

Investment Types	2022
Local Government Investment Pool	24%
Wells Fargo Collateralized Deposit	12%
US Agencies	22%
US Treasuries	29%
Corporate Securities	13%
Total	100%

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4. Accounts and Grants Receivable

The following amounts represent receivables due to RTAA at June 30, 2022:

<u>Accounts and Grants Receivable</u>	<u>2022</u>
Current, Unrestricted:	
Accounts Receivable	\$ 4,984,216
Less: Allowance for uncollectable	<u>(179,000)</u>
Net Accounts Receivable	4,805,216
Grants Receivable, Restricted	<u>1,482,845</u>
Total Current Accounts and Grants Receivable	<u><u>\$ 6,288,061</u></u>

The grants receivable in the accompanying Statements of Net Position represent reimbursements due for project costs under the FAA and TSA compliance audit by the RTAA's independent auditor. However, RTAA believes that the receivable amounts recorded result from qualified expenses and, accordingly, an allowance for doubtful accounts is not required.

5. Capital Assets

Capital assets are stated at historical cost and include property, equipment, and capitalized expenses that substantially increase the useful lives of existing assets. The RTAA's policy is to capitalize assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year.

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Capital asset balances and changes for the year ended June 30, 2022, are as follows:

	Balance July 1, 2021	Additions and Transfers	Deletions and Transfers	Balance June 30, 2022
Capital Assets, not depreciated:				
Land	\$ 172,449,079	\$ -	\$ -	\$ 172,449,079
Construction in progress	40,521,963	37,121,919	(28,284,105)	49,359,777
Development rights	2,924,038	-	-	2,924,038
Total Capital Assets, not depreciated	215,895,080	37,121,919	(28,284,105)	224,732,894
Capital Assets, depreciated:				
Improvements	426,455,667	19,950,757	(46,380)	446,360,044
Buildings	289,439,198	170,853	-	289,610,051
Equipment	85,862,836	8,818,826	(139,880)	94,541,782
Total Capital Assets, depreciated:	801,757,701	28,940,436	(186,260)	830,511,877
Less accumulated depreciation for:				
Improvements	(325,359,980)	(15,854,001)	-	(341,213,981)
Buildings	(250,041,545)	(5,699,800)	-	(255,741,345)
Equipment	(66,271,081)	(3,525,311)	139,880	(69,656,512)
Total accumulated depreciation:	(641,672,606)	(25,079,112)	139,880	(666,611,838)
Total Capital Assets, net	160,085,095	3,861,324	(46,380)	163,900,039
Net Capital Assets	\$ 375,980,175	\$ 40,983,243	\$ (28,330,485)	\$ 388,632,933

The straight-line method at various rates allocates the costs of property and equipment over the useful lives of assets for depreciation. The estimated lives by general classification are as follows:

	<u>Years</u>
Improvements	5-30
Buildings	3-30
Equipment	3-15

Development rights, which preclude residential development near RNO, are recorded at cost. Development rights, which prevent the construction of residential homes on property adjacent to RNO, are a condition of land ownership that goes on into perpetuity.

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6. Long-Term Debt

The changes in long-term debt for the year ended June 30, 2022, are as follows:

	Balance July 1, 2021	New Debt	Principal Repayment	Balance June 30, 2022
Revenue Bonds:				
Series 2015 Bonds	\$ 12,290,000	\$ -	\$ (12,290,000)	\$ -
Total Revenue Bonds	12,290,000	-	(12,290,000)	-
Less: Current Portion	(1,910,000)	-	-	-
Long-term debt:	<u>\$ 10,380,000</u>	<u>\$ -</u>	<u>\$ (12,290,000)</u>	<u>\$ -</u>

Bond Resolution

The revenue bond resolution established certain cash and investments sub-accounts (referred to as “Funds”). These Funds provide accountability for bond proceeds and pledged revenues to assure adherence to restrictions on expenses. Gross Revenues are defined as all income and revenues received or accrued under generally accepted accounting principles derived directly or indirectly by RTAA from the operation and use of and otherwise pertaining to the Airport System, or for any service rendered by RTAA in the operation thereof. Gross revenues are deposited at least weekly in the Revenue Fund. Operation and maintenance expenses are paid from these revenues. The remaining funds are applied monthly, as outlined in the Bond Resolution, in the following amounts and order of priority:

- Bond Fund Interest and Principal Accounts – deposited in amounts sufficient to meet the next required debt service payment on the revenue bonds.
- Operating and Maintenance Reserve Fund – from amounts remaining after the above allocations and the payment of debt service on any subordinate securities. This fund receives an allocation in the amount necessary to reinstate over a one-year period a minimum reserve of 17% or two months of the RTAA’s currently budgeted operation and maintenance expenses. RTAA’s airline agreement allows for the amount necessary to satisfy the two month O&M reserve fund be included in the airline rates and charges calculation. The reserve fund requirement is calculated annually based on the adopted budget.
- Renewal and Replacement Fund – \$10,000 per month until a specified maximum amount (currently \$780,000 but not less than \$600,000) determined by RTAA is accumulated as an emergency capital account.
- Remaining funds are transferred then to the RTAA’s Special Fund in an amount aggregating 35% of annual gaming concession revenues.
- Any remaining funds are transferred to the General Purpose Fund, to be used for additional construction, maintenance, or other Airport obligations.

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Pursuant to the Bond Resolution, the Revenue Fund, the Operation and Maintenance Fund, the Operation and Maintenance Reserve Fund, the Renewal and Replacement Fund, the Special Fund, and the General Purpose Fund may be held by RTAA. The Bond Fund and all accounts therein are held by a commercial bank who serves as the Paying Agent and Trustee.

As the Authority has no outstanding debt as of June 30, 2022, and therefore does not require a Bond Service Reserve Fund under the existing bond resolutions, RTAA may include separate debt service reserve funds, created for individual series of parity securities issued, if required by the supplemental instrument authorizing the issuance of such series of parity securities.

The revenue bond resolutions require RTAA to meet a rate maintenance covenant, whereby its annual revenues, after deducting operation and maintenance expenses and 35% of gaming concession revenues, must equal at least 125% of the revenue bond debt service requirement to be paid from such revenues. Agreements with airlines provide for this coverage and the rate maintenance covenant continues to be met for the year ended June 30, 2022, as there are no debt service requirements.

Series 2015 Bond

On September 30, 2015, RTAA issued the "Reno-Tahoe Airport Authority, Nevada, Airport Revenue Refunding Bond, Series 2015" (the "2015 Bond"). The proceeds from the bond sale were used to redeem the current Airport Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds"), which were outstanding as of July 1, 2015, in the amount of \$20,940,000, and the cost of issuance necessary to execute this transaction.

The Series 2015 Bond is a direct loan of \$20,690,000 secured through a Request for Proposals (RFP) process issued on July 9, 2015, to numerous banks and financial lending organizations. Upon review of the submitted proposals, Compass Mortgage Corporation, an Alabama Corporation and a subsidiary of BBVA Compass, provided the most favorable business terms and conditions.

On December 20, 2021, the Series 2015 Bond was paid in full. Fees related to the early termination of debt were \$265,854. Interest paid on this debt was \$302,990 and interest expense for the current fiscal year was \$134,003.

7. Non-Current Liabilities

Other long-term liability activity for the year ended June 30, 2022, is summarized below:

	Balance July 1, 2021	Additions and Transfers	Deletions and Transfers	Balance June 30, 2022
Compensated absences	\$ 2,312,166	\$ 865,858	\$ (847,327)	\$ 2,330,697
Deposits	558,199	443,060	(101,981)	899,278
Reclamation liability	566,782	1,365	(3,303)	564,844
Less current portion of compensated absences	-	-	-	(1,059,702)
Total	<u>\$ 3,437,147</u>	<u>\$ 1,310,283</u>	<u>\$ (952,611)</u>	<u>\$ 2,735,117</u>

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8. Leases

Substantially all the property owned by RTAA is subject to non-cancelable leases and concession agreements. The Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. For the lessor the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

For the purposes of the GASB No. 87 implementation, leases have been categorized as follows:

- GASB No. 87 Leases – Included
- GASB No. 87 Leases – Excluded – Regulated

GASB No. 87 Leases – Included

In accordance with GASB No. 87, the Authority recognizes a lease receivable and a deferred inflow of resources for leases that are categorized as GASB No. 87 - Included. At the implementation date of July 1, 2021, the beginning lease receivable and the deferred inflows were equal. These leases are summarized as follows:

	Beginning Lease Receivable	Implied Interest	Annual Lease Revenue	Ending Lease Receivable	Deferred Inflows
Concessions	\$ 11,317,061	\$ 78,994	\$ 5,799,000	\$ 6,829,501	\$ 6,799,828
Rentals	37,416,007	513,421	3,277,370	34,607,825	34,380,209
Total	<u>\$ 48,733,068</u>	<u>\$ 592,415</u>	<u>\$ 9,076,370</u>	<u>\$ 41,437,326</u>	<u>\$ 41,180,037</u>

Concessions – the Authority has entered into multiple lease agreements for the use of concession space. The terms of these agreements include a variable revenue component that is not included in the measurement of the lease receivable related to the Authority receiving a concession fee based on concession sales. Revenue recognized under the variable component of these lease agreements was \$9,458,011 for the year ending June 30, 2022. The agreements related to rental car concessions expire on June 20, 2023, and other concession spaces have various expiration dates between 2023 and 2038.

Rentals – the Authority has entered into multiple property lease agreements to include land, buildings, and office space. These leases range in expiration dates through February 28, 2067. The rent escalates by an inflationary factor each year.

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The receivable on these leases was discounted to the net present value determined as of July 1, 2021. The discount rates are based on the Authority's alternative minimum tax (AMT) borrowing rate and the length of the lease and range from 0.83% to 2.02%.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total Payments
2023	\$ 8,931,660	\$ 548,369	\$ 9,480,029
2024	2,281,698	496,288	2,777,986
2025	2,206,258	469,598	2,675,856
2026	2,214,296	443,123	2,657,419
2027	1,740,770	417,584	2,158,354
2028-2032	5,052,142	1,823,234	6,875,376
2033-2037	4,106,513	1,485,017	5,591,530
2038-2042	4,242,383	1,153,147	5,395,530
2043-2047	4,546,818	804,711	5,351,529
2048-2052	4,927,754	423,776	5,351,530
2053-2057	2,522,915	111,975	2,634,890
2058-2062	791,800	48,160	839,960
2063-2067	769,245	14,718	783,963
Total	<u>\$ 44,334,252</u>	<u>\$ 8,239,700</u>	<u>\$ 52,573,952</u>

GASB No. 87 Leases – Excluded - Regulated

In accordance with GASB Statement No. 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases subject to external laws, regulations, or legal rulings, e.g., the U.S. Department of Transportation (DOT) and the FAA, regulated aviation leases between airports and air carriers and other aeronautical users.

The Authority leases certain assets to various third parties, including ticket counters, passenger hold rooms, terminal operations space, terminal office space, baggage service office space, unenclosed storage areas, hangars, grounds and land, and are regulated leases under the FAA Rates and Charges Policy and Grant Assurance 22. Leased land and hangars are considered exclusive use, while several of the terminal locations are considered preferential or joint use. Terminal areas considered preferential or exclusive use under regulated leases are as follows:

- Passenger hold rooms – 14 of 23 available passenger hold rooms are designated as preferential use
- Baggage service office space – 100% of available space is designated preferential use
- Ticket counters – 35 of 53 available ticket counters are designated as preferential use
- Ticket office space – 100% of available space is designated preferential use
- Terminal operations space – 100% of available space is designated preferential use
- Unenclosed storage areas – 100% of available space is designated preferential use

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For the year ended June 30, 2022, RTAA received \$2,596,704 in payments from leases under regulated lease agreements, of which \$1,113,198 was for fixed payments.

Future noncancelable fixed minimum payments under regulated lease agreements are as follows:

Year Ending June 30,	Amount
2023	\$ 3,174,736
2024	776,052
2025	678,929
2026	592,884
2027	590,764
2028-2032	2,917,453
2033-2037	2,867,238
2038-2042	2,846,293
2043-2047	2,837,843
2048-2052	2,809,815
2053-2057	2,396,087
2058-2062	2,124,544
Total	<u>\$ 24,612,638</u>

9. Pension Plan

A. Purpose and History

RTAA contributes to the Public Employees Retirement System of Nevada (PERS), a cost-sharing, multiple-employer, defined benefit plan governed by the Public Employees Retirement Board. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These plan provisions may only be amended through legislation.

PERS was established by the Nevada Legislature in 1947, effective July 1, 1948, to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued pension plan financial reports. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by going to www.nvpers.org, writing to the Public Employees Retirement System of the State of Nevada, 693 Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

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B. Benefits

Benefits for plan members are funded under one of two methods: the employer paid contribution plan, or the employer/employee paid contribution plan. All RTAA employees are under the employer paid contribution plan where RTAA is required to contribute all amounts due under the plan. The contribution requirements are established by NRS Chapter 286. The funding mechanism and benefits may only be amended through legislation.

The RTAA's contribution rates based on employee members covered payroll and amounts contributed (equal to the required contributions) are as follows:

<u>Contribution Rate</u>		
<u>Regular</u>	<u>Police/Fire</u>	<u>Total Contribution</u>
29.75%	44.00%	\$6,193,630

Benefits, as required by NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.25% multiplier.

The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by the authority of NRS 286.575-.579.

C. Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with 30 years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service, or at age 55 with 30 years of service or any age with 33 1/3 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

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The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

D. Member Contributions

The authority for establishing and amending the obligation, to make contributions and member contribution rates, is set by NRS. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan, prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only.

Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

E. Termination

Upon termination or partial termination of the System, all accrued benefits that are funded become 100% vested and non-forfeitable.

F. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Based on a Schedule of Employer Allocations, Schedule of Pension Amounts by Employer and Related Notes provided by PERS, RTAA reported the net pension liability, total deferred outflow of resources, deferred inflows of resources, and pension expense as of June 30, 2021.

The RTAA's proportional share reflects the actuarial valuation date as of June 30, 2021, per the PERS Actuarial Reports. Due to the difference between the valuation date of the PERS Actuarial Reports and payments made in advance of the RTAA's reporting date, pension contributions are recognized as a deferred outflow of resources.

As of June 30, 2022, RTAA is reporting a liability of \$24,565,172 for its proportionate share of the net pension liability. This represents a decrease of \$14,016,576 as compared to \$38,581,748 reported as of June 30, 2021. The RTAA's proportion of the net pension liability reflects the RTAA's contributions to the pension plan relative to the contributions of all participating entities.

At June 30, 2022, the RTAA's proportion share of the net pension liability, based on the RTAA's contributions to the pension plan relative to the contribution of all participating entities, is 0.2694% of the total. This compares to the prior year's proportion share of 0.2770% of the total. For the year ended June 30, 2022, RTAA recognized pension expense reduction of \$3,606,759.

RENO-TAHOE AIRPORT AUTHORITY
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Deferred Outflows and Inflows of Resources:

At June 30, 2022, RTAA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,721,075	\$ 172,881
Changes of assumptions	8,156,060	-
Net difference between projected and actual earnings on investments	-	20,044,398
Change in proportion and contributions differences between employer contributions and proportionate share of contributions	301,778	1,579,990
Contributions subsequent to measurement date	<u>2,819,460</u>	<u>-</u>
Total	<u>13,998,373</u>	<u>21,797,269</u>

The deferred outflows of resources of \$2,819,460 relates to RTAA pension contributions made after the measurement date of June 30, 2021, but before the end of the RTAA's reporting period of June 30, 2022, will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2023.

Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year, which was 6.14 years. Investment gains and losses are amortized over a fixed five-year period. Deferred outflows/ (inflows) related to pensions excluding pension contributions made subsequent to the measurement date and the change in proportion and differences between actual contributions and proportionate share contributions will be recognized as follows:

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2023	\$ (3,174,728)
2024	(3,113,514)
2025	(3,239,215)
2026	(3,471,836)
2027	2,088,877
2028	<u>292,060</u>
Total	<u>\$ (10,618,356)</u>

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NOTES TO FINANCIAL STATEMENTS
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Assumptions

The net pension liability reported as of June 30, 2021, was determined using the following assumptions in the PERS Actuarial Reports, applied to all periods included in the measurement:

Inflation rate	2.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10% depending on service Police/Fire: 4.60% to 14.50% depending on service Rates include inflation and productivity increases
Investment rate of return	7.25%
Other Assumptions	Same as those used in the June 30, 2021, funding actuarial valuation.

The following actuarial assumptions determined the mortality rates:

Pre-Retirement:	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.
Healthy:	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020. For ages less than 50, mortality rates are based on the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables.
Disabled:	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP- 2020.

Changes since measurement date: There were no changes between the measurement date of the collective net pension liability and the employer's reporting date.

Assumed Asset Allocation

The PERS Board establishes the target asset allocations for the investment portfolio and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following target asset allocation policy was adopted as of June 30, 2020.

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Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stocks	42%	5.50%
International Stocks	18%	5.50%
U.S Bonds	28%	0.75%
Private Markets	12%	6.65%
*The PERS' long-term inflation assumption was 3.50%		

G. Discount rate

The discount rate used in the PERS Actuarial Reports to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed the employee and employer contributions will be made at the rate specified in statute. Based on those assumptions, the pension plan's fiduciary net position at June 30, 2021 was projected to be available to make all projected future benefit payments for current active and inactive 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 as of June 30, 2021.

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

The following presents the RTAA's net pension liability using the discount rate of 7.25%, as well as what the RTAA net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
RTAA's proportionate share of the net pension liability	48,908,470	24,565,172	4,483,943

10. Capital Contributions

Certain expenses for airport capital improvements are significantly funded through the FAA's AIP program, with certain matching funds provided by RTAA either through internal funds or PFCs. Capital improvements may also be funded by an agreement between RTAA and TSA.

Grants and related agreements for the acquisition and construction of land, property and certain types of equipment are reported in the Statements of Revenues, Expenses and Changes in Net Position, after non-operating revenue and expenses, as capital contributions.

The Authority recognized \$27,680,873 from federal sources and \$5,159 from other sources for the year ended June 30, 2022.

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NOTES TO FINANCIAL STATEMENTS
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11. Commitments and Contingencies

RTAA has outstanding commitments for various construction projects. The following is a summary of the more significant of these commitments at June 30, 2022:

Airfield	\$	4,353,832
Terminal		2,425,007
Landside		7,649,879
Reno-Stead Airport		3,180,489
Other		<u>854,610</u>
Total outstanding commitments	\$	<u>18,463,817</u>

Financial resources for these projects will come from FAA grants, PFC revenue, CFC revenue, the General Purpose Fund, and Special Fund. In 2000, RTAA entered into a Consent Decree in the case captioned “Nevada Division of Environmental Protection vs. United States of America et al.” The Consent Decree, which relates to certain land located at the Reno-Stead Airport, requires those parties identified to perform environmental investigation, monitoring, and remediation for any contamination found. Other parties to this Consent Decree are the City of Reno, U.S. Department of Defense by and through the U.S. Army Corps of Engineers and various Lear entities. These parties utilize an allocation for costs to address the contamination as follows: U.S. Army Corps of Engineers 51%, City of Reno 12%, Lear entities 18.5% and RTAA 18.5%.

Previously, U.S. Army Corps of Engineers paid \$2.62 million to prefund these costs and the Lear entities paid \$1.57 million as a settlement to end participation. The bank balance of this fund is \$523,721 for year ended June 30, 2022.

During the 2011-2012 fiscal year, an updated study was completed, which identified additional remediation costs of \$5.48 million that would be required over the next 23 years. Based on the 18.5% share allocated to RTAA, additional expense and a related liability of \$474,912 was recorded and \$475,000 was added to the fund for the RTAA share. The reclamation liability at June 30, 2022, is \$564,844.

RTAA may be a defendant in certain litigation arising out of the normal operation and ownership of the Airports. RTAA management and legal counsel estimate that the potential claims against RTAA will not materially affect the financial statements.

12. Risk Management

RTAA is exposed to various risks of loss related to theft of, damage to and destruction of assets, police and public official liability, injuries to employees and customers, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. RTAA also provides employees with health, dental, vision, and prescription benefits. These benefits (except vision and dental which are self-funded) are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

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13. Other Postemployment Benefits (OPEB)

The RTAA provides other postemployment benefits for eligible retirees through one plan: State of Nevada's Public Employees Benefits Program (PEBP) if retired prior to September 1, 2008. This plan provides medical benefits to eligible RTAA retirees and beneficiaries.

Plan Description and Eligibility: For employees who retired prior to September 1, 2008, NRS 287.023 allows retired employees of governmental entities within the State of Nevada to join the state's PEBP, an agent multiple- employer defined benefit OPEB plan administered by a nine-member governing board. PEBP provides medical, prescription, vision, life, and accident insurance, and dental for retirees. Retirees can choose between a self-funded Preferred Provider Organization (PPO) and a Health Maintenance Organization (HMO) plan. RTAA makes contributions as outlined below under the section titled "Funding Policy" and retirees are responsible for payment of unsubsidized premiums. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan, and no financial reports are issued.

Eligibility and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. The statutes were revised with an effective date of November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. As a result, no employees retiring from RTAA on or after September 1, 2008, are eligible to participate in this plan as a retiree at the RTAA's expense.

Funding Policy: RTAA is required to provide a subsidy to the plan of each retiree that has joined the PEBP. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depends on the date of retirement, prior years of PERS service former employees earned while working for RTAA, and number of qualifying employers. The subsidies are determined by years of service and range from a minimum of \$3 to a maximum of \$1,526 per month for the year ended June 30, 2022. Subsidies for retiree premiums are paid directly to the State PEBP when due.

The RTAA's obligation for subsidies is limited to payment of the statutorily required contribution. The current year contribution to PEBP was \$127,166 for 34 retirees, which equaled the required contribution. As of June 30, 2022, the plan was funded on a "pay as you go" basis and no contribution was made to fund the actuarial determined liability.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs. Applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	(\$0; no OPEB trust has been established)
Discount Rate	2.21% as of June 30, 2020 2.16% as of June 30, 2021
Participants Valued	Only current PEBP Retirees
Salary Increase	Not applicable; no active employees in plan
General Inflation Rate	2.5% per year

RENO-TAHOE AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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Mortality	<p>The basic mortality rates used in this valuation are based on the published report of the Nevada Public Employees Retirement System, dated June 30, 2019.</p> <p><u>Non-disabled life rates for Regular employees:</u> Males and Females: Headcount-Weighted RP-2014 Healthy</p> <p><u>Disabled life rates for Regular & Safety employees:</u> Males and Females: Headcount-Weighted RP-2014 Disabled Retiree Table, set forward 4 years</p>																
Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at 65. Retirees over age 65 who are not eligible for Medicare are assumed to remain ineligible.																
Participation Rate	All retirees currently covered by PEBP are assumed to retain their existing election until death.																
Healthcare Trend	<p>RTAA's subsidy toward the cost of PEBP retiree coverage is assumed to increase at the following rates:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Effective July 1</th><th>Premium Increase</th></tr> </thead> <tbody> <tr><td>2021</td><td>5.8%</td></tr> <tr><td>2022</td><td>5.7%</td></tr> <tr><td>2023</td><td>5.6%</td></tr> <tr><td>2024</td><td>5.5%</td></tr> <tr><td>2024 - 2026</td><td>5.4%</td></tr> <tr><td>2027 - 2029</td><td>5.3%</td></tr> <tr><td>2030 - 2051</td><td>5.2%</td></tr> </tbody> </table>	Effective July 1	Premium Increase	2021	5.8%	2022	5.7%	2023	5.6%	2024	5.5%	2024 - 2026	5.4%	2027 - 2029	5.3%	2030 - 2051	5.2%
Effective July 1	Premium Increase																
2021	5.8%																
2022	5.7%																
2023	5.6%																
2024	5.5%																
2024 - 2026	5.4%																
2027 - 2029	5.3%																
2030 - 2051	5.2%																

Changes in the Total OPEB Liability: The total OPEB liability at June 30, 2022, was calculated as follows:

OPEB Liability at June 30, 2021	\$ 1,995,373
Changes for the year:	
Interest cost	42,867
Assumption changes	12,293
Benefit payments	(111,412)
OPEB Liability at June 30, 2022	<u>\$ 1,939,121</u>

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate: The discount rate used for the fiscal year ending June 30, 2021, is 2.21%. Healthcare cost trend rate prior to eligibility for Medicare was assumed to start at 5.8% (increase effective January 1, 2021) and fluctuate down to the ultimate rate of 4.0% by year 2076; medical cost inflation for those covered by Medicare. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

RENO-TAHOE AIRPORT AUTHORITY
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Change in Discount Rate	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Increase in Liability	2,212,971	1,939,121	1,715,075

Change in Healthcare Cost Trend Rate	1% Decrease	Current Trend	1% Increase
Increase in Liability	1,723,190	1,939,121	2,197,422

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	127,166	-
Total	127,166	-

The deferred outflow of resources of \$127,166 relates to RTAA's OPEB contributions made after the measurement date of June 30, 2021, but before the end of the RTAA's reporting period of June 30, 2022.

14. Post-Employment Health Plan (PEHP) – Defined Contribution Plan

Plan Description and Eligibility: RTAA established the Post Employment Health Plan, pursuant to Section 501(C) (9) of the Internal Revenue Code permitting such plans. The plan is administrated by Nationwide Retirement Solutions. The purpose of the plan is to provide for reimbursement of qualified post-employment expenses for medical care, including expenses for medical insurance, incurred by employees covered by RTAA and who have separated from service.

Funding Policy: The plan provides employees, subject to Management Guidelines, Civil Service Plan, or the collective bargaining agreement with the RTAA Police Officers Association, an individual account for post-employment health benefits. The funding of the employees subject to Management Guidelines and Civil Service Plan is as follows:

- A. Each July 1, RTAA shall contribute the amount of accrued sick leave as of the last pay period in June into the employee's individual PEHP plan account at 100% of the employee's base rate of pay.

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All contributions will be made on a pre-tax basis as follows:

Sick Leave Balance	Amount of Sick Leave Contributed to Employee's PEHP Account
100-199 hours	5 hours
200-299 hours	10 hours
300-399 hours	25 hours
400-499 hours	35 hours
500-599 hours	50 hours
600-699 hours	65 hours
700-799 hours	80 hours
800-899 hours	95 hours
900-999 hours	110 hours
1000 or more hours	150 hours

Each July 1 for those employees with accrued vacation leave balances greater than two hundred (200) hours as of the last pay period in June, RTAA shall contribute 20 hours from each employee's accrued vacation account into the employee's individual PEHP plan account at 100% of the employee's base rate of pay on June 30. All contributions will be made on a pre-tax basis.

- B. Each July 1 for those employees that have not used the Floating Holiday as of the last pay period in June, RTAA will convert the Floating Holiday hours at the employee's base rate of pay on June 30 and contribute those funds to the employee's individual PEHP plan account. All contributions will be made on a pre-tax basis.

For the year ended June 30, 2022, \$224,590 was contributed to the PEHP plan.

The plan for employees covered by the collective bargaining agreement with the RTAA Police Officers Association is funded under the following provisions:

- A. Upon the plan's inception, RTAA contributed a one-time lump sum payment in the amount of \$900 into the plan for each officer.
- B. Each pay period, \$31 of each member's salary will be put into their plan account.
- C. Once a member has accumulated eighty (80) hours of compensatory time, RTAA shall contribute 100% of that member's compensatory time in excess of eighty (80) hours into their plan account at 100% of their base pay.
- D. On the first pay period each December, RTAA shall contribute forty (40) hours of each member's accrued vacation time into their plan account at 100% of their base pay, provided such contribution does not reduce the member's vacation accrual balance to less than 200 hours.

For the year ended June 30, 2022, \$13,335 was contributed to the RTAA Police Officers Association plan.

RENO-TAHOE AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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The plan for employees covered by the collective bargaining agreement with the RTAA Reno Airport Fire Fighters Association is funded under the following provisions:

- A. Effective October 1, 2017 – June 30, 2022, the employer will contribute \$92.31 each pay period (26 pay periods per year) into each employee's individual plan account.
- B. An amount equal to \$60.00 of each employee's salary per pay period (26 pay periods per year) shall be contributed into his/her plan account.
- C. If an employee has greater than 116 hours of compensatory time as of the last pay period of any fiscal year (prior to any roll-over of hours), the employer shall contribute 20 hours of that employee's compensatory time into their plan account at 100% of their base pay.
- D. If an employee has greater than 200 hours of vacation accrual as of the last pay period of any fiscal year, the employer shall contribute 20 hours of that employee's vacation accrual into their plan account at 100% of their base pay.
- E. If an employee has not used his/her floating holiday as of the last pay period of any fiscal year, the employer shall contribute that employee's floating holiday (12 hours) into their plan account at 100% of their base pay.
- F. If an employee with the indicated years of service has greater than 600 hours of sick accrual as of the last pay period of any fiscal year, the employer shall contribute 20 hours of that employee's sick accrual into their plan account at the indicated percentage of their base pay:

Years of Service	% of Base Pay
5 but less than 10	12.5%
10 but less than 20	25%
20 or more	50%

For the year ended June 30, 2022, \$90,026 was contributed to the Reno Airport Fire Fighters Association plan.

15. Subsequent Events

Management of the Authority has evaluated events and transactions occurring after June 30, 2022, through the date the financial statements were available for issuance for recognition and/or disclosure in the financial statements.

On August 3, 2022, RTAA entered into a Non-Revolving Agreement with Wells Fargo Bank, National Association in an aggregate principal amount not to exceed \$50,000,000 for certain capital improvements. No material draws have been made other than for debt issuance fees.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

RENO-TAHOE AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	-	-	-	-	-
Interest Cost	\$ 42,867	\$ 55,995	\$ 61,637	\$ 59,099	\$ 53,980
Changes of Benefit Terms (a)	-	-	-	(22,397)	-
Differences between expected and actual experience	-	38,657	-	(42,484)	-
Assumption Changes	12,293	363,229	71,227	18,135	(129,137)
Benefit Payments	(111,412)	(115,638)	(128,486)	(120,364)	(124,223)
Net change in total OPEB liability	(56,252)	342,243	4,378	(108,011)	(199,380)
Total OPEB Liability - beginning	1,995,373	1,653,130	1,648,752	1,756,763	1,956,143
Total OPEB Liability - ending	<u>\$ 1,939,121</u>	<u>\$ 1,995,373</u>	<u>\$ 1,653,130</u>	<u>\$ 1,648,752</u>	<u>\$ 1,756,763</u>
RTAA's Covered Payroll (b)	\$ -	\$ -	\$ -	\$ -	\$ -

(a) Subsequent to fiscal year end 2019 the RTAA Group Health Plan no longer had retirees.

(b) The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

(c) There are no assets accumulated in a trust to pay related benefits

This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, the RTAA is presenting information for those years for which information is available.

RENO-TAHOE AIRPORT AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

	<u>2022^(b)</u>	<u>2021^(b)</u>	<u>2020^(b)</u>	<u>2019^(b)</u>	<u>2018^(b)</u>	<u>2017^(b)</u>	<u>2016^(b)</u>	<u>2015^(b)</u>
RTAA's proportion of the net pension liability	0.2694%	0.2770%	0.2795%	0.2774%	0.2867%	0.2810%	0.2846%	0.2800%
RTAA's proportionate share of the net pension liability	\$24,565,172	\$38,581,748	\$38,109,676	\$37,835,366	\$38,129,158	\$37,811,756	\$32,609,501	\$29,388,235
RTAA's covered payroll	\$17,749,645	\$18,298,781	\$17,709,373	\$17,204,432	\$17,041,362	\$15,831,440	\$15,511,214	\$15,137,166
RTAA's proportion of the net pension liability as a percentage of its covered payroll	138.40%	210.84%	215.19%	219.92%	223.74%	238.84%	210.23%	194.15%
Plan fiduciary net position as a percentage of the total pension liability	86.5%	77.04%	76.46%	75.2%	74.4%	72.2%	75.1%	76.3%

(a) This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, the Authority is presenting information for those years for which information is available.

(b) Actuarial Studies used to calculate total and RTAA net pension liability are completed as of June 30th in the previous fiscal year. Covered payroll also reflects the previous year to match the liability.

RENO-TAHOE AIRPORT AUTHORITY
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	6,193,630	5,675,385	5,771,419	5,383,749	5,149,826	5,146,592	4,742,955	4,392,386
Contributions in relation to the statutorily required contribution	<u>6,193,630</u>	<u>5,675,385</u>	<u>5,771,419</u>	<u>5,383,749</u>	<u>5,149,826</u>	<u>5,146,592</u>	<u>4,742,955</u>	<u>4,392,386</u>
Annual contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percent funded	100%	100%	100%	100%	100%	100%	100%	100%
Authority's covered payroll	19,053,901	17,749,645	18,298,781	17,709,373	17,204,432	17,041,362	15,831,440	15,511,214
Contributions as a percentage of covered payroll	32.51%	31.97%	31.54%	30.40%	29.93%	30.20%	29.96%	28.32%

This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, the RTAA is presenting information for those years for which information is available.

Note: Amounts reported above for statutorily required contributions include employer and employee contributions made to the Plan. RTAA contributes the employees' share on their behalf.

**OTHER
SUPPLEMENTARY
INFORMATION**

RENO-TAHOE AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES
COMPARISON OF BUDGET TO ACTUAL
JUNE 30, 2022

	Original Budget	Final Amended Budget	Actual	Variance To Final Budget
Operating revenues:				
Landing fees	\$ 9,553,953	\$ 9,553,953	\$ 10,584,517	\$ 1,030,564
Concession revenue	10,592,343	10,592,343	15,257,011	4,664,668
Parking and ground transportation	8,853,300	8,853,300	14,004,587	5,151,287
Rentals	16,792,796	16,792,796	15,073,833	(1,718,963)
Reimbursements for services	2,194,932	2,194,932	3,000,059	805,127
Other revenue	93,900	93,900	145,174	51,274
Total Operating Revenues	48,081,224	48,081,224	58,065,181	9,983,957
Operating expenses:				
Employee wages and benefits	32,939,635	32,939,635	30,348,607	2,591,028
Utilities and communications	2,848,730	2,848,730	3,156,581	(307,851)
Purchase of services	8,011,140	8,011,140	7,405,170	605,970
Materials and supplies	2,353,834	2,353,834	2,575,145	(221,311)
Administrative expenses	3,778,287	3,778,287	2,854,518	923,769
Total Operating Expenses before Depreciation and Amortization	49,931,626	49,931,626	46,340,021	3,591,605
Depreciation and amortization	30,000,000	30,000,000	25,079,112	4,920,888
Total Operating Expenses	79,931,626	79,931,626	71,419,133	8,512,493
Operating Income (Loss)	(31,850,402)	(31,850,402)	(13,353,952)	18,496,450
Non-operating revenues (expenses):				
Interest income	708,000	708,000	(1,491,248)	(2,199,248)
Passenger facility charge revenue	5,653,900	5,653,900	8,502,997	2,849,097
Customer facility charge revenue	5,693,000	5,693,000	6,350,891	657,891
Jet fuel tax revenue	213,700	213,700	294,018	80,318
Gain (loss) on sale of capital assets	-	-	15,080	15,080
Federal grant revenue	11,745,950	11,745,950	14,483,077	2,737,127
Interest expense	(285,450)	(285,450)	(399,857)	(114,407)
Total Non-Operating Revenues (Expenses)	23,729,100	23,729,100	27,754,958	4,025,858
Income (Loss) Before Capital Contribution	\$ (8,121,302)	\$ (8,121,302)	\$ 14,401,006	\$ 22,522,308

Statistical Section



STATISTICAL SECTION EXPLANATIONS

This part of the RTAA's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to assist the reader in understanding and assessing the factors affecting the Authority's ability to generate revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operation Information

These schedules contain service data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

RENO-TAHOE AIRPORT AUTHORITY
NET POSITION AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)

	2013	2014	2015	2016	2017
Operating revenues					
Landing fees	\$7,380,804	\$7,440,496	\$7,916,995	\$8,071,097	\$8,285,922
Concession revenue	10,478,433	10,301,098	10,344,733	10,861,366	11,798,086
Parking and ground transportation	8,914,030	8,983,926	9,515,946	10,519,785	11,316,885
Rentals	11,967,776	13,282,322	13,456,901	13,599,106	13,688,849
Reimbursements for services	2,579,738	2,632,002	2,647,105	2,419,689	2,531,223
Other revenue	92,093	34,596	106,844	42,873	168,024
Total operating revenues	41,412,874	42,674,440	43,988,524	45,513,916	47,788,989
Nonoperating revenues					
Interest income	76,298	195,296	289,755	716,702	577,434
Gain (Loss) on value of investments	(8,517)	93,985	(3,274)	(21,981)	(271,937)
Passenger facility charge revenue	6,453,403	6,601,269	6,332,093	6,740,165	7,480,732
Customer facility charge revenue	1,088,981	1,263,517	1,252,480	1,385,061	1,481,004
Jet fuel tax income	276,338	264,586	246,059	268,287	298,124
Gain on sale of capital assets	32,003	5,631	29,533	105,471	13,298
Misc. Revenue	-	-	-	-	-
Total nonoperating revenues	7,918,506	8,424,284	8,146,646	9,193,705	9,578,655
Total revenues	49,331,380	51,098,724	52,135,170	54,707,621	57,367,644
Operating expense					
Employee wages and benefits	23,255,693	24,301,598	24,638,525	25,007,616	26,672,375
Utilities and communications	2,559,355	2,774,328	2,757,835	2,540,504	2,337,577
Purchase of services	4,588,047	4,770,478	4,763,544	4,803,679	4,595,802
Materials and supplies	1,850,565	1,749,084	1,582,278	1,821,369	1,753,352
Administrative expenses	2,273,581	2,563,199	2,113,887	2,443,771	2,579,040
	34,527,241	36,158,687	35,856,069	36,616,939	37,938,146
Depreciation and amortization	33,189,676	35,816,772	34,958,476	34,613,731	34,462,715
Total operating expenses	67,716,917	71,975,459	70,814,545	71,230,670	72,400,861
Nonoperating expenses					
Non-operating expense	-	-	-	140,952	7,814
Interest expense	1,460,898	1,545,697	1,376,012	1,284,053	616,855
Total nonoperating expenses	1,460,898	1,545,697	1,376,012	1,425,005	624,669
Total expenses	69,177,815	73,521,156	72,190,557	72,655,675	73,025,530
Capital contributions	14,651,900	12,210,737	4,867,414	10,010,497	2,517,123
Change in Net Position	(\$5,194,535)	(\$10,211,695)	(\$15,187,973)	(\$7,937,557)	(\$13,140,763)
Net Position at Year-End					
Net Investment in capital assets	\$412,444,732	\$395,050,506	\$382,231,061	\$367,749,013	\$345,904,676
Restricted	14,720,733	22,897,188	22,459,489	20,371,555	23,692,496
Unrestricted	38,426,126	37,432,202	2,670,101	11,302,526	16,685,159
Total Net Position	\$465,591,591	\$455,379,896	\$407,360,651	\$399,423,094	\$386,282,331

Continued

RENO-TAHOE AIRPORT AUTHORITY
NET POSITION AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)

	2018	2019	2020	2021	2022
Operating revenues					
Landing fees	\$9,397,172	\$9,719,482	\$10,077,732	\$8,948,847	\$10,584,517
Concession revenue	12,802,725	13,086,886	11,301,837	9,628,195	15,257,011
Parking and ground transportation	12,009,701	12,817,675	10,012,455	7,361,177	14,004,587
Rentals	13,838,446	14,078,153	16,534,688	15,715,644	15,073,157
Reimbursements for services	2,416,793	2,671,073	2,397,717	1,823,280	3,000,059
Other revenue	190,432	176,468	345,296	185,773	145,174
Total operating revenues	50,655,269	52,549,737	50,669,725	43,662,916	58,064,505
Nonoperating revenues					
Interest income	835,868	1,301,531	1,588,183	886,650	1,247,655
Gain (Loss) on value of investments	(374,498)	867,298	736,237	(935,537)	(2,737,875)
Passenger facility charge revenue	7,587,771	8,443,673	7,607,924	4,514,399	8,502,997
Customer facility charge revenue	1,692,038	4,613,478	4,891,406	4,954,128	6,350,891
Jet fuel tax income	310,500	306,035	263,135	203,765	294,018
Gain on sale of capital assets	169,208	25,070	28,196	41,838	15,080
Misc Revenue	-	-	617,197	7,059,146	14,483,077
Total nonoperating revenues	10,220,887	15,557,085	15,732,278	16,724,389	28,155,843
Total revenues	60,876,156	68,106,822	66,402,003	60,387,305	86,220,348
Operating expense					
Employee wages and benefits	31,878,959	29,334,325	32,120,112	30,923,994	30,348,607
Utilities and communications	2,709,495	2,772,620	2,881,068	2,454,099	3,156,581
Purchase of services	4,866,467	5,521,530	5,418,705	4,887,352	7,405,170
Materials and supplies	2,050,694	2,045,295	2,340,685	2,259,926	2,575,145
Administrative expenses	2,224,655	2,646,733	2,431,355	2,086,926	2,854,518
	43,730,270	42,320,503	45,191,925	42,612,297	46,340,021
Depreciation and amortization	31,094,092	27,801,203	27,608,618	26,827,690	25,079,112
Total operating expenses	74,824,362	70,121,706	72,800,543	69,439,987	71,419,133
Nonoperating expenses					
Non-operating expense	-	-	-	-	-
Interest expense	487,308	438,892	389,125	337,975	399,857
Total nonoperating expenses	487,308	438,892	389,125	337,975	399,857
Total expenses	75,311,670	70,560,598	73,189,668	69,777,962	71,818,990
Capital contributions	9,200,524	14,057,725	16,868,554	25,193,485	27,686,032
Change in Net Position	(\$5,234,990)	\$11,603,949	\$10,080,889	\$15,802,828	\$42,087,390
Net Position at Year-End					
Net Investment in capital assets	\$334,863,315	\$336,079,326	\$348,801,466	\$361,855,033	\$388,632,933
Restricted	26,448,099	32,997,130	28,598,653	25,980,476	28,495,282
Unrestricted	18,238,659	22,077,566	23,834,792	29,202,230	41,996,914
Total Net Position	\$379,550,073	\$391,154,022	\$401,234,911	\$417,037,739	\$459,125,129

RENO-TAHOE AIRPORT AUTHORITY
SUMMARY OF OPERATING RESULTS
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)

	2013	2014	2015	2016	2017
Operating Revenues	\$41,412,874	\$42,674,440	\$43,988,524	\$45,513,916	\$47,788,989
Operating Expenses	(34,527,241)	(36,158,687)	(35,856,069)	(36,616,939)	(37,938,146)
Operating Income before Depreciation and Amortization	6,885,633	6,515,753	8,132,455	8,896,977	9,850,843
Depreciation and Amortization	(33,189,676)	(35,816,772)	(34,958,476)	(34,613,731)	(34,462,715)
Operating Income (Loss)	(26,304,043)	(29,301,019)	(26,826,021)	(25,716,754)	(24,611,872)
Nonoperating Revenues and (Expenses):					
Interest Income	76,298	195,296	289,755	716,702	577,434
Gain (Loss) on value of Investments	(8,517)	93,985	(3,274)	(21,981)	(271,937)
PFC Revenue	6,453,403	6,601,269	6,332,093	6,740,165	7,480,732
CFC Revenue	1,088,981	1,263,517	1,252,480	1,385,061	1,481,004
Jet Fuel Tax Revenue	276,338	264,586	246,059	268,287	298,124
Interest Expense	(1,460,898)	(1,545,697)	(1,376,012)	(1,284,053)	(616,855)
Gain (Loss) on Sale of Capital Asset:	32,003	5,631	29,533	105,471	13,298
Non-operating expenses	-	-	-	(140,952)	(7,814)
	6,457,608	6,878,587	6,770,634	7,768,700	8,953,986
Income (Loss) Before Capital Contributions	(\$19,846,435)	(\$22,422,432)	(\$20,055,387)	(\$17,948,054)	(\$15,657,886)

Continued

Note: Years prior to 2015 have not been adjusted for GASB 68 to 75

RENO-TAHOE AIRPORT AUTHORITY
SUMMARY OF OPERATING RESULTS
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)

	2018	2019	2020	2021	2022
Operating Revenues	\$50,655,269	\$52,549,737	\$50,669,725	\$43,662,916	\$58,064,505
Operating Expenses	(43,730,270)	(42,320,503)	(45,191,925)	(42,612,297)	(46,340,021)
Operating Income before Depreciation and Amortization	6,924,999	10,229,234	5,477,800	1,050,619	11,724,484
Depreciation and Amortization	(31,094,092)	(27,801,203)	(27,608,618)	(26,827,690)	(25,079,112)
Operating Income (Loss)	(24,169,093)	(17,571,969)	(22,130,818)	(25,777,071)	(13,354,628)
Nonoperating Revenues and (Expenses):					
Interest Income	835,868	1,301,531	1,588,183	886,650	1,247,655
Gain (Loss) on value of Investments	(374,498)	867,298	736,237	(935,537)	(2,737,875)
PFC Revenue	7,587,771	8,443,673	7,607,924	4,514,399	8,502,997
CFC Revenue	1,692,038	4,613,478	4,891,406	4,954,128	6,350,891
Jet Fuel Tax Revenue	310,500	306,035	263,135	203,765	294,018
Interest Expense	(487,308)	(438,892)	(389,125)	(337,975)	(399,857)
Gain (Loss) on Sale of Capital Assets	169,208	25,070	28,196	41,838	15,080
Non-operating expenses	-	-	617,197	7,059,146	14,483,077
	9,733,579	15,118,193	15,343,153	16,386,414	27,755,986
Income (Loss) Before Capital Contributions	(\$14,435,514)	(\$2,453,776)	(\$6,787,665)	(\$9,390,657)	\$14,401,358

Note: Years prior to 2015 have not been adjusted for GASB 68 to 75

RENO-TAHOE AIRPORT AUTHORITY
PRINCIPAL REVENUE PAYERS
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)

	2013	2014	2015	2016	2017
<u>Airlines - Landing Fees Only</u>					
Alaska/Horizon	\$ 290,576	\$ 341,556	\$ 580,120	\$ 623,357	\$ 642,969
American Airlines	533,388	592,839	715,170	1,308,569	1,125,206
Delta	416,790	406,794	455,739	426,813	433,298
Fed Ex	585,585	782,244	888,324	968,838	932,842
Jet Blue	-	-	11,198	13,515	238,725
Southwest	3,068,489	2,751,016	2,642,052	2,576,418	2,699,800
United	613,229	657,735	720,757	724,254	701,646
UPS	440,067	451,188	518,289	660,717	654,977
US Airways	475,990	542,374	608,778	-	-
Total:	\$ 6,424,114	\$ 6,525,746	\$ 7,140,427	\$ 7,302,481	\$ 7,429,463
<u>Rental Cars - Concession Leases Only</u>					
Advantage	\$ 252,957	\$ 229,167	\$ -	\$ -	\$ -
Avis/Budget	1,518,405	1,493,707	1,482,869	1,620,958	1,777,825
Alamo/ National	923,862	1,026,907	1,269,575	1,411,955	1,554,676
Dollar/Thrifty	881,351	840,070	805,775	757,453	750,745
Enterprise	929,817	879,344	806,729	978,067	1,183,386
Payless	-	20,833	320,499	314,189	317,940
Hertz	1,455,966	1,421,777	1,375,025	1,506,355	1,606,381
Total:	\$ 5,962,358	\$ 5,911,805	\$ 6,060,472	\$ 6,588,977	\$ 7,190,953
<u>Other Concession Leases</u>					
IGT	\$ 1,697,814	\$ 1,322,752	\$ 1,266,307	\$ 1,071,402	\$ 974,166
Paradies Gift Shops	705,250	901,000	901,000	944,071	1,016,968
SSP America, Inc.	835,653	929,240	887,963	992,984	1,221,761
Vino Volo	-	-	-	-	-
Younger Agency Advertising	757,754	670,850	-	-	-
Clear Channel	-	-	640,403	564,210	663,436
Lamar Advertising	-	-	-	-	-
Forever Heather	41,865	65,531	43,819	34,855	29,462
Total:	\$ 4,038,336	\$ 3,889,373	\$ 3,739,492	\$ 3,607,522	\$ 3,905,792
Parking and Ground Transportation	\$ 8,914,030	\$ 8,983,926	\$ 9,515,946	\$ 10,519,785	\$ 11,316,885
Total:	\$ 25,338,838	\$ 25,310,850	\$ 26,456,337	\$ 28,018,765	\$ 29,843,093

Continued

Note: Each year the RTAA reports the largest tennent revenue payors.

RENO-TAHOE AIRPORT AUTHORITY
PRINCIPAL REVENUE PAYERS
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)

	2018	2019	2020	2021	2022
<u>Airlines - Landing Fees Only</u>					
Alaska/Horizon	\$ 638,296	\$ 745,193	\$ 711,620	\$ 553,909	\$ 691,885
American Airlines	1,253,063	1,313,727	1,331,551	1,079,312	1,275,569
Delta	507,079	566,983	534,997	779,290	775,125
Fed Ex	716,310	878,731	882,829	918,027	931,954
Jet Blue	281,464	281,296	226,627	107,869	259,437
Southwest	3,188,270	3,305,577	2,854,752	2,023,722	2,847,213
United	919,786	1,111,373	1,026,505	779,167	1,022,320
UPS	707,324	903,450	1,023,053	1,012,983	958,933
US Airways	-	-	-	-	-
Total:	\$ 8,211,592	\$ 9,106,330	\$ 8,591,934	\$ 7,254,279	\$ 8,762,436
<u>Rental Cars - Concession Leases Only</u>					
Advantage	\$ -	\$ -	\$ -	\$ -	\$ -
Avis/Budget	1,993,895	2,061,629	1,951,327	1,594,094	3,220,871
Alamo/ National	1,720,779	1,840,898	1,826,983	1,394,229	1,968,634
Dollar/Thrifty	920,885	1,038,332	1,055,493	725,000	1,038,391
Enterprise	1,360,048	1,448,153	1,430,990	1,427,003	1,951,129
Payless	286,503	340,580	301,284	250,000	250,000
Hertz	1,781,205	1,859,856	1,817,455	1,364,100	1,726,818
Total:	\$ 8,063,315	\$ 8,589,448	\$ 8,383,532	\$ 6,754,426	\$ 10,155,843
<u>Other Concession Leases</u>					
IGT	\$ 1,102,412	\$ 1,149,390	\$ 851,669	\$ 666,127	\$ 1,256,202
Paradies Gift Shops	1,014,199	1,138,086	1,091,785	553,978	859,653
SSP America, Inc.	1,484,628	1,527,992	1,161,992	558,358	1,065,958
Vino Volo	-	105,361	152,716	204,730	291,232
Younger Agency Advertising	-	-	-	-	-
Clear Channel	699,857	768,828	828,974	647,686	458,599
Lamar Advertising	-	-	-	-	251,931
Forever Heather	35,958	-	-	-	-
Total:	\$ 4,337,054	\$ 4,689,657	\$ 4,087,136	\$ 2,630,879	\$ 4,183,575
Parking and Ground Transportation	\$ 12,009,701	\$ 12,817,675	\$ 10,012,455	\$ 7,361,177	\$ 14,004,586
Total:	\$ 32,621,662	\$ 35,203,110	\$ 31,075,057	\$ 24,000,761	\$ 37,106,440

RENO-TAHOE AIRPORT AUTHORITY
PRINCIPAL OPERATING REVENUE SOURCES
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)

	2013	2014	2015	2016	2017
Landing fees	\$ 7,380,804	\$ 7,440,496	\$ 7,916,995	\$ 8,071,097	\$ 8,285,922
Concession revenue	10,478,433	10,301,098	10,344,733	10,861,366	11,798,086
Parking and ground transportation	8,914,030	8,983,926	9,515,946	10,519,785	11,316,885
Rentals	11,967,776	13,282,322	13,456,901	13,599,106	13,688,849
Reimbursement for Services	2,579,738	2,632,003	2,647,105	2,419,689	2,531,223
Toal Operating Revenue	41,320,781	42,639,845	43,881,680	45,471,043	47,620,965
Interest Income	67,781	289,281	286,481	694,721	305,497
Total	\$ 41,388,562	\$ 42,929,126	\$ 44,168,161	\$ 46,165,764	\$ 47,926,462

Continued

Note: Top revenue sources per the Statements of Revenues, Expenses and changes in net Position for the current year including interest income and excluding other revenue.

RENO-TAHOE AIRPORT AUTHORITY
PRINCIPAL OPERATING REVENUE SOURCES
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)

	2018	2019	2020	2021	2022
Landing fees	\$ 9,397,172	\$ 9,719,482	\$ 10,077,732	\$ 8,948,847	\$ 10,584,517
Concession revenue	12,802,725	13,086,886	11,301,837	9,628,195	15,257,011
Parking and ground transportation	12,009,701	12,817,675	10,012,455	7,361,177	14,004,587
Rentals	13,838,446	14,078,153	16,534,688	15,715,644	15,073,157
Reimbursement for Services	2,416,793	2,671,073	2,397,717	1,823,280	3,000,059
Toal Operating Revenue	50,464,837	52,373,269	50,324,429	43,477,143	57,919,331
Interest Income	461,370	2,168,829	2,324,420	\$ (48,887)	\$ (1,490,220)
Total	\$ 50,926,207	\$ 54,542,098	\$ 52,648,849	\$ 43,428,256	\$ 56,429,111

**RENO-TAHOE AIRPORT AUTHORITY
REVENUE RATES AND COST PER ENPLANEMENTS
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)**

Year	Landing Fee (a)		RON (Ramp Over Night) (a)		Signatory Terminal Rental Rate Average	Signatory Cost per Enplanement
	Signatory	Non-Signatory	Signatory	Non-Signatory		
2022	3.04	3.04	73.00	73.00	40.66	6.21
2021	3.23	3.23	85.00	85.00	45.74	9.17
2020	3.23	3.23	78.00	78.00	55.31	8.46
2019	3.14	3.14	77.00	77.00	38.49	5.57
2018	2.95	2.99	77.00	77.00	35.14	5.63
2017	2.62	2.79	73.00	73.00	40.48	5.85
2016	2.78	2.94	70.00	70.00	46.72	6.56
2015	2.97	3.06	60.00	60.00	49.43	7.21
2014	2.80	2.78	55.00 (b)	55.00 (b)	53.24	7.31
2013	2.64	2.81	0.37	0.62	45.42	6.38

(a) Assessed per thousand pounds of FAA maximum certificated landed weight

(b) For fiscal year 2014, the Ramp Over Night fee changed to a flat fee amount per occurrence.

Non-Signatory and Ramp Over Night Fees are charged at the budgeted amount.

Notes: The RTAA and certain airlines negotiated an Airline Use and Lease Agreement effective July 1, 1996 which remained in effect through June 20 2010. Starting on July 1, 2010, the RTAA and the airlines executed a series of two five-year airline agreements effective through June 30, 2020, followed by an extension through June 30,

RENO-TAHOE AIRPORT AUTHORITY
SCHEDULE OF DEBT AND OBLIGATION COVERAGES
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)

YEAR	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross Pledged Revenues ⁽¹⁾	\$ 63,234,274	\$ 44,522,461	\$ 52,909,801	\$ 54,064,139	\$ 53,645,091	\$ 50,148,794	\$ 47,661,886	\$ 45,766,095	\$ 44,371,827	\$ 43,026,765
Transfers- CFC Expenses	713,649	447,935	417,741	642,557	-	-	-	-	-	-
G/L on Sale of Assets	(15,080)	(41,838)	(28,196)	(25,070)	(169,208)	(13,298)	(105,471)	(29,533)	(5,631)	-
Airline Revenue Sharing	5,202,856	2,797,784	2,452,933	4,214,022	4,352,412	3,176,955	2,347,074	1,494,648	1,213,722	1,587,800
35% Gaming Revenue	(439,671)	(221,413)	(286,561)	(390,756)	(374,379)	(341,751)	(374,991)	(443,208)	(462,963)	(550,386)
Direct Operating Expense ⁽²⁾	(46,340,021)	(42,205,572)	(44,037,667)	(42,552,009)	(40,306,317)	(38,112,913)	(37,603,816)	(35,856,069)	(36,158,687)	(34,527,241)
Net Pledged Revenue (Available for Debt and Obligation Payments)	\$ 22,356,007	\$ 5,299,357	\$ 11,428,051	\$ 15,952,883	\$ 17,147,599	\$ 14,857,787	\$ 11,924,682	\$ 10,931,933	\$ 8,958,268	\$ 9,536,938
Debt Service (Senior Lien Debt Service)	2,250,450	2,247,975	2,249,125	2,248,900	2,247,300	2,249,463	2,310,285	2,521,300	2,516,500	2,523,900
Debt Service Coverage Ratio - Senior Lien Debt Service	9.93	2.36	5.08	7.09	7.63	6.61	5.16	4.34	3.56	3.78
Net Pledged Revenue (Available for Subordinate Notes)	\$ 20,105,557	\$ 3,051,382	\$ 9,178,926	\$ 13,703,983	\$ 14,900,299	\$ 12,608,324	\$ 9,614,397	\$ 8,410,633	\$ 6,441,768	\$ 7,013,038
Pledged PFC Revenue	-	-	-	-	-	1,812,790	1,813,919	1,808,804	2,079,176	1,491,202
Pledged Revenue (Available for Subordinate Notes)	20,105,557	3,051,382	9,178,926	13,703,983	14,900,299	14,421,114	11,428,316	10,219,437	8,520,944	8,504,240
Debt Service (Subordinate Lien Debt Service)	-	-	-	-	-	3,139,393	3,140,055	3,134,943	4,150,028	2,777,586
Debt Service - Coverage Ratio - Subordinate Lien Debt Service	-	-	-	-	-	4.59	3.64	3.26	2.05	3.06

1) Gross Revenue includes operating revenue, investment income, CFC revenues, jet fuel tax, insurance reimbursements and gain (loss) on sale of capital assets

2) Direct operating expense excludes depreciation and reclamation expense.

RENO-TAHOE AIRPORT AUTHORITY
RATE MAINTENANCE COVENANT PERFORMANCE
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)

	2013	2014	2015	2016	2017
Operating Revenues	\$42,863,935	\$44,208,178	\$45,512,494	\$47,294,719	\$49,616,816
Trust Fund Investment Interest Income	162,830	163,649	253,601	367,167	531,978
Gross Pledged Revenues	43,026,765	44,371,827	45,766,095	47,661,886	50,148,794
Transfers - General Purpose Fund for LOI Bond Debt Service	-	-	-	-	-
Transfers- Customer Facility Charges for Operating Expenses	-	-	-	-	-
Operating Expenses	(34,527,241)	(36,158,687)	(35,856,069)	(37,603,816)	(38,112,913)
G/L on Sale of Capital Assets	-	(5,631)	(29,533)	(105,471)	(13,298)
Airline Revenue Share Prior Year	1,587,800	1,213,722	1,494,648	2,347,074	3,176,955
35% of Gaming Revenues	(550,386)	(462,963)	(443,208)	(374,991)	(341,751)
Net Pledged Revenues - Senior Lien Bonds	\$9,536,938	\$8,958,268	\$10,931,933	\$11,924,682	\$14,857,787
125% of Senior Lien Revenue Bond Debt Service	\$3,154,875	\$3,145,625	\$3,151,625	\$2,887,856	\$2,811,829
Senior Lien Debt Service	\$2,523,900	\$2,516,500	\$2,521,300	\$2,310,285	\$2,249,463
Net Pledged Revenues - Subordinate Lien Notes	\$7,016,041	\$6,441,768	\$8,410,633	\$9,614,397	\$12,608,324
Pledged Passenger Facility Charges	1,491,202	2,079,176	1,808,804	1,813,919	1,812,790
Pledged Revenues - Subordinate Lien Notes	\$8,507,243	\$8,520,944	\$10,219,437	\$11,428,316	\$14,421,114
110% of Subordinate Lien Debt Service	\$3,055,345	\$4,559,531	\$3,448,437	\$3,454,061	\$3,453,332
Subordinate Lien Debt Service	\$2,777,586	\$4,145,028	\$3,134,943	\$3,140,055	\$3,139,393
Rate Maintenance Minimum Revenues	\$6,210,220	\$7,705,156	\$6,600,062	\$6,341,917	\$6,265,161

Continued

RENO-TAHOE AIRPORT AUTHORITY
RATE MAINTENANCE COVENANT PERFORMANCE
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)

	2018	2019	2020	2021	2022
Operating Revenues	\$52,809,309	\$52,880,841	\$50,669,726	\$43,662,916	\$58,064,505
Trust Fund Investment Interest Income	835,781	1,183,298	2,240,075	1,018,347	1,247,655
Gross Pledged Revenues	53,645,090	54,064,139	52,909,801	44,681,263	59,312,160
Transfers - General Purpose Fund for LOI Bond Debt Service	-				
Transfers- Customer Facility Charges for Operating Expenses	-	642,557	417,741	447,935	713,649
Operating Expenses	(40,306,317)	(42,552,009)	(44,037,667)	(42,205,572)	(46,340,021)
G/L on Sale of Capital Assets	(169,208)	(25,070)	(28,196)	(41,838)	(15,080)
Airline Revenue Share Prior Year	4,352,412	4,214,000	2,452,933	2,797,784	5,202,856
35% of Gaming Revenues	(374,379)	(390,756)	(286,561)	(221,413)	(439,671)
Net Pledged Revenues - Senior Lien Bonds	\$17,147,598	\$15,952,861	\$11,428,051	\$5,458,159	\$18,433,893
125% of Senior Lien Revenue Bond Debt Service	\$2,809,125	\$2,811,125	\$2,811,406	\$2,809,969	\$2,813,063
Senior Lien Debt Service	\$2,247,300	\$2,248,900	\$2,249,125	\$2,247,975	\$2,250,450
Net Pledged Revenues - Subordinate Lien Notes	\$14,900,298	\$13,703,961	\$9,178,926	\$3,210,184	\$16,183,443
Pledged Passenger Facility Charges	-	-	-	-	-
Pledged Revenues - Subordinate Lien Notes	\$14,900,298	\$13,703,961	\$9,178,926	\$3,210,184	\$16,183,443
110% of Subordinate Lien Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Subordinate Lien Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Maintenance Minimum Revenues	\$2,809,125	\$2,811,125	\$2,811,406	\$2,809,969	\$2,813,063

RENO-TAHOE AIRPORT AUTHORITY
RATIOS OF OUTSTANDING DEBT AND DEBT SERVICE
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)

	2013	2014	2015	2016	2017
Outstanding Debt					
Revenue bonds	\$ 25,025,000	\$ 23,715,000	\$ 22,360,000	\$ 20,690,000	\$ 19,435,000
Unamortized premium	969,422	894,851	820,280	-	-
Notes payable	18,015,000	15,615,000	8,937,000	6,037,000	3,057,000
Total outstanding debt	<u>\$ 42,522,998</u>	<u>\$ 40,224,851</u>	<u>\$ 32,117,280</u>	<u>\$ 26,727,000</u>	<u>\$ 22,492,000</u>
Enplaned Passengers	1,756,471	1,658,187	1,656,293	1,778,611	1,909,187
Outstanding debt per enplaned passenger	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 19</u>	<u>\$ 15</u>	<u>\$ 12</u>
Debt Service					
Principal	\$ 3,710,000	\$ 5,125,000	\$ 4,320,000	\$ 4,235,000	\$ 4,772,000
Interest	1,591,486	1,541,528	1,336,243	588,367	616,855
Total debt service	<u>\$ 5,301,486</u>	<u>\$ 6,666,528</u>	<u>\$ 5,656,243</u>	<u>\$ 4,823,367</u>	<u>\$ 5,388,855</u>
Total Expenses	69,177,815	73,521,156	72,190,557	72,514,723	73,017,716
Ratio of debt service to total expenses	<u>7.66%</u>	<u>9.07%</u>	<u>7.84%</u>	<u>6.65%</u>	<u>7.38%</u>

Continued

Note 1: No debt-to-personal-income ratio is shown because personal income information is not available for the RTAA trade area. See schedule of Operational Statistical Summary for enplanements.

Note 2: Debt Service for 2013 reflects a reduced by \$217,400 for capitalized interest funded from note proceeds associated with the Series A, 2011 Subordinate Notes, Fixed Rate

Note 3: Debt Service for 2022 reflects minimum debt service requirements for the year. RTAA used federal stimulus funds under the CARES act and paid off the full principal amount.

RENO-TAHOE AIRPORT AUTHORITY
RATIOS OF OUTSTANDING DEBT AND DEBT SERVICE
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)

	2018	2019	2020	2021	2022
Outstanding Debt					
Revenue bonds	\$ 17,720,000	\$ 15,960,000	\$ 14,150,000	\$ 12,290,000	\$ -
Unamortized premium	-	-	-	-	-
Notes payable	-	-	-	-	-
Total outstanding debt	<u>\$ 17,720,000</u>	<u>\$ 15,960,000</u>	<u>\$ 14,150,000</u>	<u>\$ 12,290,000</u>	<u>\$ -</u>
Enplaned Passengers	2,064,968	2,149,759	1,690,171	1,231,616	2,079,807
Outstanding debt per enplaned passenger	<u>\$ 9</u>	<u>\$ 7</u>	<u>\$ 8</u>	<u>\$ 10</u>	<u>\$ -</u>
Debt Service					
Principal	\$ 1,760,000	\$ 1,810,000	\$ 1,860,000	\$ 1,910,000	\$ 1,965,000
Interest	487,308	438,900	389,125	337,975	285,450
Total debt service	<u>\$ 2,247,308</u>	<u>\$ 2,248,900</u>	<u>\$ 2,249,125</u>	<u>\$ 2,247,975</u>	<u>\$ 2,250,450</u>
Total Expenses	75,311,669	70,560,599	73,189,668	69,777,962	71,818,990
Ratio of debt service to total expenses	<u>2.98%</u>	<u>3.19%</u>	<u>3.07%</u>	<u>3.22%</u>	<u>3.13%</u>

Note 1: No debt-to-personal-income ratio is shown because personal income information is not available for the RTAA trade area. See schedule of Operational Statistical Summary for enplanements.

Note 2: Debt Service for 2013 reflects a reduced by \$217,400 for capitalized interest funded from note proceeds associated with the Series A, 2011 Subordinate Notes, Fixed Rate

Note 3: Debt Service for 2022 reflects minimum debt service requirements for the year. RTAA used federal stimulus funds under the CARES act and paid off the full principal amount.

**RENO-TAHOE AIRPORT AUTHORITY
POPULATION IN AIR TRADE AREA
FOR THE CALENDAR YEARS 2012-2021
(unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Nevada										
<u>County</u>										
Churchill	24,375	24,063	23,989	24,200	24,198	24,230	24,440	24,909	25,516	25,723
Douglas	46,996	47,118	47,536	47,710	48,020	48,309	48,467	48,905	49,488	49,870
Humboldt	17,048	17,363	17,279	17,019	16,842	16,826	16,786	16,831	17,285	17,648
Lyon	51,327	51,557	51,789	52,585	53,179	54,122	55,808	57,510	59,235	60,903
Pershing	6,749	6,877	6,698	6,634	6,560	6,508	6,666	6,725	6,650	6,741
Storey	3,935	3,942	3,912	3,987	4,051	4,006	4,029	4,123	4,104	4,143
Washoe	429,908	433,731	440,078	446,903	453,616	460,587	465,735	471,519	486,492	493,392
Carson City	54,838	54,080	54,522	54,521	54,742	54,745	55,414	55,916	58,639	58,993
Subtotal	635,176	638,731	645,803	653,559	661,208	669,333	677,345	686,438	707,409	717,413
California										
<u>County</u>										
Alpine	1,129	1,159	1,116	1,110	1,071	1,120	1,101	1,129	1,204	1,235
El Dorado	180,561	181,737	183,087	184,452	185,625	188,987	190,678	192,843	191,185	193,221
Lassen	33,658	32,163	31,749	31,345	30,870	31,163	30,802	30,573	32,730	33,159
Mono	14,348	14,074	13,997	13,909	13,981	14,168	14,250	14,444	13,195	13,247
Nevada	98,292	98,200	98,893	98,877	99,107	99,814	99,696	99,755	102,241	103,487
Placer	361,682	367,309	371,694	375,391	380,531	386,166	393,149	398,329	404,739	412,300
Plumas	19,399	18,859	18,606	18,409	18,627	18,742	18,804	18,807	19,790	19,915
Sierra	3,086	3,047	3,003	2,967	2,947	2,999	2,987	3,005	3,236	3,283
Subtotal	712,155	716,548	722,145	726,460	732,759	743,159	751,467	758,885	768,320	779,847
Total	1,347,331	1,355,279	1,367,948	1,380,019	1,393,967	1,412,492	1,428,812	1,445,323	1,475,729	1,497,260
Percentage increase	0.47%	0.59%	0.93%	0.88%	1.01%	1.33%	1.16%	1.16%	2.10%	1.46%
Unemployment rate										
Washoe County	11.0%	9.4%	7.6%	6.3%	5.0%	3.5%	2.3%	3.2%	4.9%	3.1%

Source: US Census Bureau - Quickfacts

Nevada Department of Employment, Training, and Rehabilitation

<http://www.census.gov/quickfacts/table/PST045215/>

<http://nevadaworkforce.com/CES>

**RENO-TAHOE AIRPORT AUTHORITY
PRINCIPAL EMPLOYERS WITHIN AIR TRADE AREA
FOR THE CALENDAR YEARS ENDED 2021 AND 2011
(unaudited)**

<u>Employer</u>	<u>Calendar year 2021</u>		<u>Calendar year 2011</u>	
	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>
Renown Regional Medical Center	1	1,000-4,999	4	2,500-2,999
Peppermill Hotel Casino-Reno	2	1,000-4,999	5	2,000-2,499
Nugget Casino Resort	3	1,000-4,999	16	1,000-1,499
Grand Sierra Resort & Casino	4	1,000-4,999	13	1,000-1,499
Saint Mary's Regional Medical Center	5	1,000-4,999	10	1,500-1,999
Eldorado Resort Casino	6	1,000-4,999	11	1,000-1,499
Silver Legacy Resort Casino	7	1,000-4,999	8	1,500-1,999
University of Nevada-Reno	8	1,000-4,999	2	4,000-4,499
International Game Technology	9	1,000-4,999	7	2,000-2,499
AMERCO	10	1,000-4,999	-	-

Nevada Revised Statute Chapter 612 stipulates that actual employment for individual employers may not be published.
Source: Nevada Workforce & the Department of Employment, Training, and Rehabilitation, 2021 second half.

**RENO-TAHOE AIRPORT AUTHORITY
EMPLOYEES
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)**

Full-time Equivalent Budgeted Employees
as of Fiscal Year-End

Year	Board of Trustees*	Airfield Operations	Terminal Building Maintenance	Police/ Security	Parking	Aircraft Rescue and Firefighting	Administration	Total
2022	9.0	56.0	64.5	44.5	15.0	22.0	64.5	275.5
2021	9.0	56.0	67.5	44.5	16.0	20.0	76.5	280.5
2020	9.0	55.0	67.5	44.5	16.0	20.0	77.5	280.5
2019	9.0	55.0	67.5	44.0	16.0	20.0	75.0	277.5
2018	9.0	54.0	68.0	44.0	16.0	20.0	75.5	277.5
2017	9.0	52.0	68.0	43.0	15.0	20.0	74.5	272.5
2016	9.0	52.0	68.0	42.0	15.0	20.0	73.5	270.5
2015	9.0	52.0	68.0	42.0	15.0	20.0	73.5	270.5
2014	9.0	52.0	68.0	42.0	15.0	20.0	71.5	268.5
2013	9.0	50.0	69.0	43.0	15.0	20.0	70.5	267.5

* Board of Trustees Department comprises a nine-member Board of Trustees appointed by the City of Reno, City of Sparks, Washoe County and the Reno-Sparks Convention & Visitors Authority, and are not included in the total personnel complement.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time equivalent employment is calculated by dividing total labor hours by 2,080. The amounts above show the budgeted personnel complement for each fiscal year.

**RENO-TAHOE AIRPORT AUTHORITY
OPERATIONAL STATISTICAL SUMMARY
FOR THE YEARS ENDED JUNE 30, 2013 - 2022
(unaudited)**

Year	Enplanements	Airport Growth	Landed Weights	Airport Growth	Air Carrier Operations	Airport Growth
2022	2,079,807	68.9%	3,077,335	28.0%	44,896	24.8%
2021	1,231,616	-27.1%	2,403,819	-13.8%	35,962	-14.0%
2020	1,690,171	-21.4%	2,789,987	-8.2%	41,797	-12.9%
2019	2,149,759	4.1%	3,039,273	6.3%	47,970	-0.7%
2018	2,064,968	8.2%	2,859,499	1.8%	48,303	11.4%
2017	1,909,187	7.3%	2,808,680	8.0%	43,347	9.5%
2016	1,778,611	7.4%	2,599,963	8.8%	39,579	9.6%
2015	1,656,293	-0.1%	2,390,031	0.1%	36,122	4.1%
2014	1,658,187	-5.6%	2,388,387	-5.3%	34,687	-5.7%
2013	1,756,471	-1.4%	2,522,804	-5.6%	36,800	-8.3%

**RENO-TAHOE AIRPORT AUTHORITY
RENO-TAHOE INTERNATIONAL AIRPORT
ENPLANEMENTS AND MARKET SHARE BY SCHEDULED AIRLINE
FOR THE YEARS ENDED JUNE 30, 2013-2022**

Scheduled Airline	2013			2014			2015			2016		
	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change
Alaska / Horizon Air	113,819	6%	45%	124,581	8%	9%	178,579	11%	43%	204,286	11%	14%
Allegiant Air	7,590	0%	282%	21,578	1%	184%	20,061	1%	-7%	19,047	1%	-5%
American	201,472	11%	8%	208,919	13%	4%	221,434	13%	6%	385,363	22%	74%
Continental	-	0%	-100%	-	0%	n.a	-	0%	n.a	-	0%	n.a
Delta	133,014	8%	-20%	126,904	8%	-5%	119,649	7%	-6%	128,189	7%	7%
Frontier	271	0%	n.a	-	0%	-100%	-	0%	n.a	165	0%	n.a
JetBlue Airways	272	0%	n.a	-	0%	-100%	3,346	0%	n.a	41,143	2%	1130%
Mesa	-	0%	n.a	-	0%	n.a	-	0%	n.a	-	0%	n.a
Skywest	-	0%	n.a	-	0%	n.a	-	0%	n.a	-	0%	n.a
Southwest	945,143	54%	-2%	815,160	49%	-14%	734,786	44%	-10%	763,006	43%	4%
United	210,530	12%	-5%	214,531	13%	2%	214,864	13%	0%	216,996	12%	1%
US Airways (America West)	143,559	8%	1%	144,760	9%	1%	154,331	9%	7%	-	0%	-100%
Volaris	-	0%	n.a	-	0%	n.a	6,959	0%	n.a	17,070	1%	145%
Other	1,073	0%	5%	1,754	0%	63%	2,284	0%	30%	3,346	0%	46%
	1,756,743	100%	-1%	1,658,187	100%	-6%	1,656,293	100%	0%	1,778,611	100%	7%

Rounding errors may occur.

Continued

**RENO-TAHOE AIRPORT AUTHORITY
RENO-TAHOE INTERNATIONAL AIRPORT
ENPLANEMENTS AND MARKET SHARE BY SCHEDULED AIRLINE
FOR THE YEARS ENDED JUNE 30, 2013-2022**

Scheduled Airline	2017			2018			2019		
	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change
Alaska / Horizon Air	226,117	12%	11%	212,427	10%	-6%	208,312	10%	-2%
Allegiant Air	31,504	2%	65%	30,663	1%	-3%	41,681	2%	36%
American	370,451	19%	-4%	383,996	19%	4%	384,766	18%	0%
Continental	-	0%	n.a	-	0%	n.a	-	0%	n.a
Delta	136,418	7%	6%	152,435	7%	12%	165,441	8%	9%
Frontier	-	0%	-100%	18,271	1%	n.a	26,709	1%	46%
JetBlue Airways	77,686	4%	89%	80,494	4%	4%	78,164	4%	-3%
Mesa	-	0%	n.a	-	0%	n.a	-	0%	n.a
Skywest	-	0%	n.a	-	0%	n.a	-	0%	n.a
Southwest	816,323	43%	7%	901,470	44%	10%	909,515	42%	1%
United	226,272	12%	4%	265,271	13%	17%	311,716	15%	18%
US Airways (America West)	-	0%	n.a	-	0%	n.a	-	0%	n.a
Volaris	20,966	1%	23%	17,234	1%	-18%	19,819	1%	15%
Other	3,450	0%	3%	2,707	0%	-22%	3,636	0%	34%
	1,909,187	100%	7%	2,064,968	100%	8%	2,149,759	100%	4%

Continued

**RENO-TAHOE AIRPORT AUTHORITY
RENO-TAHOE INTERNATIONAL AIRPORT
ENPLANEMENTS AND MARKET SHARE BY SCHEDULED AIRLINE
FOR THE YEARS ENDED JUNE 30, 2013-2022**

Scheduled Airline	2020			2021			2022		
	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change
Alaska / Horizon Air	172,563	10%	-17%	120,292	10%	-30%	198,399	10%	65%
Allegiant Air	35,224	2%	-15%	29,316	2%	-17%	33,008	2%	13%
American	347,656	21%	-10%	246,791	20%	-29%	362,636	17%	47%
Continental	-	0%	n.a	-	0%	n.a	-	0%	n.a
Delta	128,574	8%	-22%	131,351	11%	2%	214,794	10%	64%
Frontier	19,390	1%	-27%	24,976	2%	29%	33,071	2%	32%
JetBlue Airways	52,825	3%	-32%	16,084	1%	-70%	55,472	3%	245%
Mesa	-	0%	n.a	-	0%	n.a	-	0%	n.a
Skywest	-	0%	n.a	-	0%	n.a	-	0%	n.a
Southwest	658,668	39%	-28%	460,904	37%	-30%	833,339	40%	81%
United	253,093	15%	-19%	175,966	14%	-30%	294,366	14%	67%
US Airways (America West)	-	0%	n.a	-	0%	n.a	-	0%	n.a
Volaris	19,937	1%	1%	18,207	1%	-9%	26,785	1%	47%
Other	2,241	0%	-38%	7,729	1%	245%	27,948	1%	262%
	1,690,171	100%	-21%	1,231,616	100%	-27%	2,079,818	100%	69%

RENO-TAHOE AIRPORT AUTHORITY
RENO-TAHOE INTERNATIONAL AIRPORT
LANDED WEIGHTS AND MARKET SHARE BY SCHEDULED AIRLINE
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)

Scheduled Airline	2013			2014			2015		
	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change
Alaska / Horizon Air	112,694	4%	49%	122,862	5%	62%	189,675	8%	68%
Allegiant Air	7,650	0%	n.a	24,413	1%	n.a	23,003	1%	201%
American	206,613	8%	5%	213,251	9%	9%	233,599	10%	13%
Continental	-	0%	-100%	-	0%	-100%	-	0%	n.a
Delta	161,684	6%	-21%	146,329	6%	-29%	148,955	6%	-8%
Frontier	-	0%	n.a	-	0%	n.a	-	0%	n.a
JetBlue Airways	-	0%	n.a	-	0%	n.a	3,555	0%	n.a
Southwest	1,190,140	47%	-12%	989,574	41%	-27%	864,660	36%	-27%
United	237,421	9%	-9%	236,595	10%	-10%	235,831	10%	-1%
US Airways (America West)	184,243	7%	-1%	195,099	8%	5%	199,824	8%	8%
Volaris	-	0%	n.a	-	0%	n.a	8,141	0%	n.a
Federal Express	226,398	9%	0%	281,383	12%	24%	290,218	12%	28%
United Parcel Service	170,193	7%	22%	162,298	7%	17%	168,878	7%	-1%
Other	25,768	1%	205%	16,584	1%	96%	23,692	1%	-8%
			n.a						
	2,522,804	100%	-6%	2,388,388	100%	-11%	2,390,031	100%	-5%

Continued

Rounding errors may occur.

**RENO-TAHOE AIRPORT AUTHORITY
RENO-TAHOE INTERNATIONAL AIRPORT
LANDED WEIGHTS AND MARKET SHARE BY SCHEDULED AIRLINE
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)**

Scheduled Airline	2016			2017			2018		
	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change
Alaska / Horizon Air	212,173	8%	12%	234,218	8%	10%	213,477	7%	-9%
Allegiant Air	21,866	1%	-5%	36,073	1%	65%	32,959	1%	-9%
American	441,718	17%	89%	409,575	15%	-7%	419,085	15%	2%
Continental	-	0%	n.a	-	0%	n.a	-	0%	n.a
Delta	144,923	6%	-3%	157,875	6%	9%	168,798	6%	7%
Frontier	145	0%	n.a	-	0%	-100%	19,339	1%	n.a
JetBlue Airways	46,072	2%	1196%	87,084	3%	89%	94,135	3%	8%
Southwest	873,884	34%	1%	983,684	35%	13%	1,066,311	37%	8%
United	245,891	9%	4%	255,760	9%	4%	307,621	11%	20%
US Airways (America West)	-	0%	-100%	-	0%	n.a	-	0%	n.a
Volaris	19,612	1%	141%	23,234	1%	18%	17,752	1%	-24%
Federal Express	329,884	13%	14%	339,683	12%	3%	239,569	8%	-29%
United Parcel Service	225,495	9%	34%	238,302	8%	6%	236,563	8%	-1%
Other	38,300	1%	62%	43,193	2%	13%	43,890	2%	2%
	2,599,963	100%	9%	2,808,680	100%	8%	2,859,499	100%	2%

Continued

**RENO-TAHOE AIRPORT AUTHORITY
RENO-TAHOE INTERNATIONAL AIRPORT
LANDED WEIGHTS AND MARKET SHARE BY SCHEDULED AIRLINE
FOR THE YEARS ENDED JUNE 30, 2013-2022
(unaudited)**

Scheduled Airline	2019			2020			2021			2022		
	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change
Alaska / Horizon Air	237,323	8%	11%	220,316	8%	-7%	171,489	7%	-22%	226,813	7%	32%
Allegiant Air	43,831	1%	33%	40,800	1%	-7%	45,311	2%	11%	41,859	1%	-8%
American	418,385	14%	0%	412,245	15%	-1%	334,152	14%	-19%	413,665	13%	24%
Continental	-	0%	n.a	-	0%	n.a	-	0%	n.a	-	0%	n.a
Delta	180,568	6%	7%	166,235	6%	-8%	241,266	10%	45%	252,886	8%	5%
Frontier	25,565	1%	32%	20,019	1%	-22%	30,273	1%	51%	34,922	1%	15%
JetBlue Airways	89,585	3%	-5%	70,163	3%	-22%	33,396	1%	-52%	80,321	3%	141%
Southwest	1,052,732	35%	-1%	883,824	32%	-16%	626,539	26%	-29%	936,363	30%	49%
United	353,941	12%	15%	317,803	11%	-10%	241,228	10%	-24%	336,502	11%	39%
US Airways (America West)	-	0%	n.a	-	0%	n.a	-	0%	n.a	-	0%	n.a
Volaris	20,807	1%	17%	21,948	1%	5%	22,392	1%	2%	30,993	1%	38%
Federal Express	279,851	9%	17%	273,322	10%	-2%	284,219	12%	4%	305,799	10%	8%
United Parcel Service	287,723	9%	22%	316,735	11%	10%	313,617	13%	-1%	314,538	10%	0%
Other	48,965	2%	12%	46,578	2%	-5%	59,737	2%	28%	102,676	3%	72%
	3,039,273	100%	6%	2,789,988	100%	-8%	2,403,619	100%	-14%	3,077,337	100%	28%

**RENO-TAHOE AIRPORT AUTHORITY
CAPITAL ASSET INFORMATION
AS OF JUNE 30, 2022
(unaudited)**

Reno-Tahoe International Airport

Location: 2001 East Plumb Lane
4 miles southeast of Downtown Reno

Airport Code: RNO

Elevation: 4,415 ft

Area: 1,450 acres

Runways and Facilities:

Runway 16R/34L	11,001 x 150 ft
Runway 16L/34R	9,000 x 150 ft
Runway 7/25	6,102 x 150 ft

FAA staffs and operates one 24-hour Air Traffic Control Tower

Reno Stead Airport

Location: 11 miles northwest of Downtown Reno

Elevation: 5,050 ft

Area: 5,000 acres

Runways and Facilities:

Runway 08/26	7,608 x 150 ft
Runway 14/32	9,000 x 150 ft

Created in 1977 by State Legislature
Nine-member Board

RENO-TAHOE AIRPORT AUTHORITY
CAPITAL ASSET INFORMATION
AS OF JUNE 30, 2013-2022
(unaudited)

	2022	2021	2020	2019	2018 (c)	2017 (b)	2016 (a)	2015	2014	2013
Terminal Space - square feet										
Airlines	176,742	176,871	176,871	176,871	169,230	175,985	175,221	175,221	175,221	175,221
Ground Transportation	2,883	2,883	2,883	2,883	2,883	2,883	2,883	2,883	2,883	2,883
Concession Space	37,604	37,604	37,604	37,604	37,604	37,167	37,167	37,167	37,167	37,167
Public Areas	196,189	196,189	196,189	196,189	196,189	196,959	197,723	197,723	197,723	197,723
RTAA	44,885	44,885	44,885	44,885	52,397	45,309	45,309	45,309	45,309	45,309
Unfinished Areas	-	-	-	-	-	-	-	-	-	-
	<u>458,303</u>	<u>458,432</u>	<u>458,432</u>	<u>458,432</u>	<u>458,303</u>	<u>458,303</u>	<u>458,303</u>	<u>458,303</u>	<u>458,303</u>	<u>458,303</u>
Passenger Boarding Gates	<u>22</u>	<u>22</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>
Parking - Number of Spaces										
Short -Term (b)	296	296	295	295	296	300	300	450	450	450
Long-Term	1,630	1,630	1,630	1,630	1,630	1,650	1,650	1,650	1,650	1,650
Surface Lot	1,462	1,462	1,469	1,462	1,462	1,532	1,532	1,532	1,532	1,532
	<u>3,388</u>	<u>3,388</u>	<u>3,394</u>	<u>3,387</u>	<u>3,388</u>	<u>3,482</u>	<u>3,482</u>	<u>3,632</u>	<u>3,632</u>	<u>3,632</u>
Cargo - square feet										
Building	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500
Landside	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Airside	591,250	591,250	591,250	591,250	591,250	591,250	591,250	591,250	591,250	591,250
	<u>808,750</u>	<u>808,750</u>	<u>808,750</u>	<u>808,750</u>	<u>808,750</u>	<u>808,750</u>	<u>808,750</u>	<u>808,750</u>	<u>808,750</u>	<u>808,750</u>

(a) In 2016, the decrease in short-term parking spaces reflect the expansion of the rental car return area in the parking garage to accommodate increasing rental car activity.

(b) In 2017, the increase in airline square footage reflects the installation of kiosks in the public queuing area.

(c) In 2018, the decrease in parking spaces reflects a reconfiguration of the parking areas to maximize efficiency.

Source: Terminal Square Footage - Financial Scenario Model FY 2022 Settlement -Terminal Rent Tab

Compliance Section



FEDERAL AWARDS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Reno-Tahoe Airport Authority
Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Reno-Tahoe Airport Authority (the "Authority") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 30, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Crowe LLP". The "C" is large and stylized, with the word "crowe" in a cursive script and "LLP" in a bold, sans-serif font.

Crowe LLP

Indianapolis, Indiana
November 30, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Reno-Tahoe Airport Authority
Reno, Nevada

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

We have audited the Reno-Tahoe Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2022. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Crowe LLP". The word "Crowe" is written in a cursive script, and "LLP" is written in a more formal, blocky font.

Crowe LLP

Indianapolis, Indiana
November 30, 2022

RENO-TAHOE AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE YEAR ENDED JUNE 30, 2022

DESCRIPTION OF PROJECT	PERCENT OF PARTICIPATION	ASSISTANCE LISTING NUMBER	FEDERAL PROJECT NUMBER	GRANT AMOUNT	REIMBURSEMENTS RECEIVED		REIMBURSEABLE EXPENSES	
					July 1, 2021 to June 30, 2022	Cumulative Thru June 30, 2022	July 1, 2021 to June 30, 2022	Cumulative Thru June 30, 2022
United States Department of Transportation								
Federal Aviation Administration								
Airport Improvement Program								
Construction								
Reno Runway 16R-34L Reconstruction Phase 2	93.75%	20.106	3-32-0017-105	9,590,838	5,830,850	9,590,838	5,830,850	9,590,838
Reno Runway 16R-34L Reconstruction Phase 2	100.00%	20.106	3-32-0017-106	31,705,245	16,214,413	30,494,263	16,235,539	30,515,451
VALE eGSE Installation	100.00%	20.106	3-32-0017-108	1,239,000	77,739	1,234,421	50,212	1,234,421
Reno CARES Act Grant	100.00%	20.106	3-32-0017-107	30,957,866	1,841,025	9,502,368	3,125,025	9,512,368
Taxiway B & C Design	100.00%	20.106	3-32-0017-109	455,032	400,269	400,269	435,804	435,804
Reno CRRSA	100.00%	20.106	3-32-0017-110	6,146,847	6,146,847	6,146,847	6,146,847	6,146,847
Reno CRRSA Concessions	100.00%	20.106	3-32-0017-111	463,098	463,098	463,098	463,098	463,098
Reno ARPA Act	100.00%	20.106	3-32-0017-112	16,653,997	4,508,985	4,508,985	4,518,985	4,518,985
Reno ARPA Consessions	100.00%	20.106	3-32-0017-114	1,852,390	-	-	132,122	132,122
Reconstruct Apron - Design	93.75%	20.106	3-32-0018-038	1,031,773	19,124	1,031,773	400	1,031,773
Taxiway A and Apron Phase 1	100.00%	20.106	3-32-0018-039	4,838,133	735,669	4,727,778	413,831	4,727,778
Stead CARES Act Grant	100.00%	20.106	3-32-0018-040	30,000	15,000	30,000	15,000	30,000
Apron and Taxiway A Phase 3	100.00%	20.106	3-32-0018-041	3,659,228	3,588,930	3,588,930	3,588,930	3,588,930
Stead CRRSA	100.00%	20.106	3-32-0018-043	23,000	23,000	23,000	23,000	23,000
Stead Reconstruction Apron	100.00%	20.106	3-32-0018-044	1,173,333	1,125,308	1,125,308	1,125,308	1,125,308
Stead ARPA Act	100.00%	20.106	3-32-0018-045	59,000	59,000	59,000	59,000	59,000
				109,878,780	41,049,257	72,926,878	42,163,951	73,135,723
United States Department of Homeland Security								
Transportation Security Administration								
Aviation and Transportation Security Act								
Security								
National Explosives Detection Canine Team Program	Fixed	97.072	HSTS02-15-H-NCP471	1,047,875	151,500	1,132,594	151,500	1,132,594
Law Enforcement Officer Reimbursement Agreement Program	Fixed	97.090	HSTS02-16-H-SLR658	1,672,573	284,530	1,730,110	284,530	1,730,110
				2,720,448	436,030	2,862,704	436,030	2,862,704
Department of Justice								
Criminal Division								
Department of Justice Asset Forfeiture Program								
Equitable Sharing								
Direct Payments for Specified Use	Fixed	16.922	15-5042-0-2-752	33,085	1,411	34,496	1,411	32,279
				\$ 112,632,313	\$ 41,486,698	\$ 75,824,078	\$ 42,601,392	\$ 76,030,706

See accompanying notes to Supplementary Schedule of Expenditures of Federal Awards

RENO-TAHOE AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Authority under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

2. Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate:

The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Special Tests and Provisions:

Special tests and provisions for the Airport Improvement Program (AIP) include review of the Authority's policy for using airport revenue to determine whether all airport revenue is accounted for and used for the capital or operating costs of the airport.

5. Subrecipients:

The Authority did not have any federal awards that were passed through to subrecipients for the year ended June 30, 2022.

RENO-TAHOE AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2022

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses? Yes X None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	U.S. Department of Transportation: Federal Aviation Administration: Airport Improvement Program (including COVID-19 funding)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,278,042

Auditee qualified as low-risk auditee? X Yes No

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

PASSENGER FACILITY CHARGES

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY
CHARGE (PFC) PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE AND THE SCHEDULE OF PASSENGER
FACILITY CHARGES COLLECTED AND EXPENDED

Board of Trustees
Reno-Tahoe Airport Authority
Reno, Nevada

Report on Compliance of Passenger Facility Charges

Opinion on Passenger Facility Charge Program

We have audited the Reno-Tahoe Airport Authority's (the "Authority") compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration ("Guide"), that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2022.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2022.

Basis for Opinion on Passenger Facility Charge Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Passenger Facility Charges

We have audited the financial statements of the Authority as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 30, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying supplemental schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of passenger facility charges collected and expended is fairly stated in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Crowe LLP". The "C" is large and stylized, with the word "Crowe" written in a cursive script and "LLP" in a more formal, blocky font.

Crowe LLP

Indianapolis, Indiana
November 30, 2022

**RENO-TAHOE AIRPORT AUTHORITY
SUPPLEMENTARY SCHEDULE OF PASSENGER FACILITY CHARGES
COLLECTED AND EXPENDED
FOR THE YEAR ENDED JUNE 30, 2022**

Balance July 1, 2021	\$ 15,402,598
Collection of Passenger Facility Charges, July 1, 2021 through June 30, 2022	8,364,288
Interest earnings	132,289
Proceeds expended for Passenger Facility Charge Projects July 1, 2021 through June 30, 2022	<u>\$ (2,855,799)</u>
Balance June 30, 2022	<u><u>\$ 21,043,376</u></u>

RENO-TAHOE AIRPORT AUTHORITY
SCHEDULE OF PASSENGER FACILITY CHARGES FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2022

Summary of Auditor's Results

We have issued an unmodified opinion, dated November 30, 2022 on the financial statements of the Reno-Tahoe Airport Authority as of and for the year ended June 30, 2022.

Our audit disclosed no material weaknesses or significant deficiencies that are considered to be material weaknesses in relation to internal control over financial reporting or internal control over the passenger facility charge program.

Our audit disclosed no instances of non-compliance which are material to the Reno-Tahoe Airport Authority's financial statements.

We have issued an unmodified opinion, dated November 30, 2022 on the Reno-Tahoe Airport Authority's compliance for the passenger facility charge program.

Our audit disclosed no findings required to be reported under the provisions of the Passenger Facility Charge Audit Guide for Public Agencies.

Findings Relating to the Financial Statements

Our audit disclosed no findings which are required to be reported in accordance with the Passenger Facility Charge Audit Guide for Public Agencies.

Findings and Questioned Costs for the Passenger Facility Charge Program

Our audit disclosed no findings or questioned costs for passenger facility charge program as defined by the Passenger Facility Charge Audit Guide for Public Agencies.

**SCHEDULE OF PRIOR AUDIT PASSENGER FACILITY CHARGES
FINDINGS AND THEIR RESOLUTION**

The prior year's audit disclosed no findings required to be reported in accordance with the provisions of the Passenger Facility Charge Audit Guide for Public Agencies.

Reno-Tahoe Airport Authority

**P.O.Box 12490
Reno, NV 89510-2490**



**Reno-Tahoe
Airport Authority**