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Daren Griffin, A.A.E.

**CHIEF LEGAL COUNSEL**

Ian Whitlock

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Lori Kolacek

**\*\*\* CANCELLATION NOTICE \*\*\***

**AGENDA**

**FINANCE & BUSINESS DEVELOPMENT COMMITTEE**

**The Reno-Tahoe Airport Authority Finance & Business Development Committee Meeting scheduled for Tuesday, March 7, 2023 at 9:00 a.m. has been canceled.**

For informational purposes, the following documents are attached:

1. Administrative Award of Contracts (Expenditures)
2. Administrative Award of Contracts (Revenues)
3. Financial Reporting Package – January 2023

# Administrative Report

**Date:** March 7, 2023  
**To:** All Board Members  
**From:** Daren Griffin, President/CEO  
**Subject:** Administrative Award of Contracts (Expenditures) Pursuant to Resolution No. 557 for the Month of February 2023

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## BACKGROUND

At the July 14, 2022, Board of Trustees' Meeting of the Reno-Tahoe Airport Authority, the Board approved Resolution No. 557 authorizing the President/CEO to administratively award contracts for:

- budgeted professional services when the scope of work is \$200,000 or less, and to approve amendments where the sum of the total net of amendments per agreement does not to exceed \$50,000; and
- budgeted goods, materials, supplies, equipment, technical services, and maintenance contracts when the estimated amount to perform the contract, including all change orders, is \$250,000 or less; and
- budgeted construction contracts when the estimated amount to perform the work is \$500,000 or less, and approve change orders to construction contracts where the sum of the total net of change orders per contract does not exceed \$250,000; and
- budgeted Construction Management and Administration professional service agreements and amendments ("Work Order") where a single Work Order does not exceed \$250,000.

All construction contracts exceeding \$500,000 must be approved by the Board of Trustees, along with a request to establish an Owner's Contingency. Additionally, if the Board of Trustees originally approved the construction contract, any construction change order exceeding the sum of the total of the contract and Owner's Contingency must also be approved by the Board.

## DISCUSSION

Resolution No. 557 requires that the President/CEO provide the Board of Trustees with a monthly administrative report listing of all agreements and purchase orders in excess of \$25,000 and approved administratively as a result of this Resolution. Further, all change orders and amendments approved administratively as a result of this Resolution shall be included in a separate administrative report regardless of value.

## February 2023 – Agreements and POs in Excess of \$25,000

Date	Name of Company	Dollar Amount	Description	Funding Source	Department / Division
10/01/22	R&R Partners, Public Affairs, LLC	\$100,000.00	A PSA was retroactively issued for consulting services associated with both ARFF and Police. The PSA is split between both fixed fees and Time & Materials depending on the services provided.	FY23 O&M	ARFF and Police Departments
01/24/23	Kimley-Horn and Associates, Inc.	\$36,819.00	A PSA was issued for TWY A and Apron Reconstruction, Phase 4, for RTS for Bid Package.	Special Fund - RTS	Reno-Stead Airport
02/02/23	My Ride to Work LLC	\$130,000.00	A Technical Services contract was issued for Overflow Parking Shuttle Services resulting from a formal solicitation #22/23-12.	FY23 O&M	Landside Operations
02/02/23	Johnson Controls Security Solutions	\$28,121.48	A PO was issued for installation of a fire control panel in Hangar B.	FY23 O&M	Outside Properties
02/07/23	Wood Rodgers, Inc.	\$198,000.00	A Time and Materials PSA was issued for RWY 17R/35L Pavement Remediation Services.	FY23 CIP	Engineering & Construction
02/07/23	Paul Cavin Architect LLC	\$51,000.00	A PSA was issued for Construction Administration Services associated with the ADM & AFM Office Remodel Project.	FY23 CIP	Engineering & Construction
02/17/23	Incline Technology Consulting, LLC	\$28,926.25	A PO was issued for VMWare subscription and product support associated with AirComm.	FY23 O&M	Technology and Information Services
02/21/23	VCOM Solutions Inc.	\$35,900.00	A Technical Services contract was issued for monthly telephone bill reviews and monthly mobile device management (MDM) charges.	FY23 O&M	Technology and Information Services

## February 2023 – Change Orders, Amendments, and Work Orders

Date	Name of Company	Dollar Amount	Description	Funding Source	Department / Division
01/25/23	ACC Consulting	\$27,800	Amend #1 associated with the PSA for DBE Consulting Services for Yr 2 of 4. Revised PSA total including Amend #1 = \$49,100.00	AIP – multiple grants	Engineering & Construction
02/08/23	PAR Western Line Contractors, LLC	\$44,000	Amend #5 associated with the Technical Services agreement for landside snow removal services. This is a Time & Materials (T&M) agreement only, and this amendment provided for additional T&M above the FY23 projected services. Revised Technical Services total including Amend #1 = \$101,302.93.	FY23 O&M	Landside Operations

**Key to abbreviations:**

AIP = Airport Improvement Project  
 CIP = Capital Improvement Program  
 CFC = Customer Facility Charge

CO = Change Order  
 NTE = Not to Exceed  
 PFC = Passenger Facility Charge

PO = Purchase Order  
 PSA = Professional Service Agreement

# Administrative Report

**Date:** March 7, 2023  
**To:** All Board Members  
**From:** Daren Griffin, President/CEO  
**Subject:** Administrative Award of Contracts (Revenues) Pursuant To Resolution No. 557 for the Month of February 2023

## BACKGROUND

At the July 14, 2022 meeting of the Board of Trustees of the Reno-Tahoe Airport Authority, the Board approved Resolution No. 557, recognizing the inherent authority of the President/CEO, or authorized representative to award revenue contracts except those that are, in combination, more than 5 years in Term, including options, and generate aggregate revenues of \$250,000 or more.

## DISCUSSION

Resolution No. 557 requires that the President/CEO provide the Board of Trustees with an administrative report setting forth a list of revenue contracts and associated options to extend approved administratively as a result of the resolution to be given to the Board on a monthly basis.

### February 2023

Date	Lessee	Property Address	Agreement Term	Contract Value	Portfolio
2/1/23	Celtic Pest Inspection Service, Inc.	2890 Vassar St. Suite AA-05	12 Months	\$6000.00	Outside Properties
2/1/23	2 New Tenants	Mini Warehouse Storage Units	Month to Month	\$300.00	Outside Properties
2/1/23	3 New Tenants	Mini Warehouse Park to Travel	Month to Month	\$315.00	Outside Properties
2/1/23	Operating Agreement	Unifi Aviation, LLC	Year to Year	\$90,000.00	Airline Support

# Administrative Report

**Date:** March 7, 2023  
**To:** All Board Members  
**From:** Daren Griffin, President/CEO  
**Subject:** Financial Reporting Package – January 2023

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## EXECUTIVE SUMMARY

Attached is the Financial Reporting Package for the seven-month period ending January 31, 2023, of Fiscal Year (FY) 2022-23. The package includes a high-level summary of total revenues and expenses followed by a more detailed discussion of key metrics.

The month of January continued the volatile trend regarding United States equities, but with an optimistic note. The latest Consumer Price Index (CPI) measured in January increased by 6.4% compared to the same period prior year, resulting in a 0.1% decrease from December. Although inflation has been on the decline, the Federal Reserve has reiterated they intend to continue raising interest rates, due partially to the strong labor market. With the continued rate increases from the Federal Reserve, most recession watchers predict an economic decline in 2023.

With no COVID related travel restrictions, increased traffic demand, and local events planned to resume their regular schedules, RNO had forecasted to reach 2.367 million enplaned passengers in FY 2022-23, above the pre-pandemic results. While travel demand remains strong the market continues to be relatively uncertain; passenger airlines are adjusting schedules often based on their operational challenges. In general, airlines have significantly reduced schedules at RNO, primarily due to staff shortages and other operational challenges. Based on the announced airline traffic changes RTAA staff has developed a revised traffic forecast. The updated traffic forecast is decreasing 2.3% from 2.367 million enplaned passengers to 2.312 million in FY 2022-23. This reduction of flights can have a negative impact on airline and non-airline revenues.

On January 11, 2023, the Federal Aviation Administration (FAA) grounded all national departures due to a system outage causing major air travel disruptions. The FAA's system outage was the second major travel disruption in less than a month, which resulted in 1,300 U.S. flight cancellations. In addition, there were numerous flight cancellations that occurred in December 2022, due to winter storms and Southwest's technology disruptions.

Federal stimulus: Coronavirus Aid, Relief, and Economic Security Act (CARES) and American Rescue Plan Act (ARPA) funding of \$13.7 million is budgeted in FY 2022-23. Of the total budget \$12.5 million is allocated to the capital program and \$1.1 million is allocated to the Airfield cost center as a credit to operating expenses to reduce landing fee rates. These funds are budgeted and recognized as non-operating revenues.

	YEAR TO DATE as of January 31, 2023 (In Thousands)							
	Actual Results				58.3% Of Fiscal Year			
	CURRENT YEAR	PRIOR YEAR	VARIANCE		Y-T-D BUDGET	VARIANCE		
			\$	%		\$	%	
<b>Operating Revenue</b>								
Airline	\$ 11,516	\$ 11,308	\$ 208	1.8%	\$ 12,154	\$ (639)	-5.3%	
Non-Airline	26,485	24,234	2,252	9.3%	27,202	(716)	-2.6%	
<b>Total Operating Revenue</b>	<b>38,001</b>	<b>35,542</b>	<b>2,459</b>	<b>6.9%</b>	<b>39,356</b>	<b>(1,355)</b>	<b>-3.4%</b>	
<b>Operating Expenses</b>	(31,886)	(26,913)	(4,973)	18.5%	(34,104)	2,217	-6.5%	
<b>Net Operating Income</b>	6,115	8,628	(2,514)	-29.1%	5,252	862	-16.4%	
<b>Non-Operating Income (Expense)*</b>	14,910	21,327	(6,418)	-30.1%	19,657	(4,747)	-24.2%	
<b>Net Income Before Depreciation</b>	<b>21,024</b>	<b>29,955</b>	<b>(8,931)</b>	<b>-29.8%</b>	<b>24,909</b>	<b>(3,885)</b>	<b>-15.6%</b>	

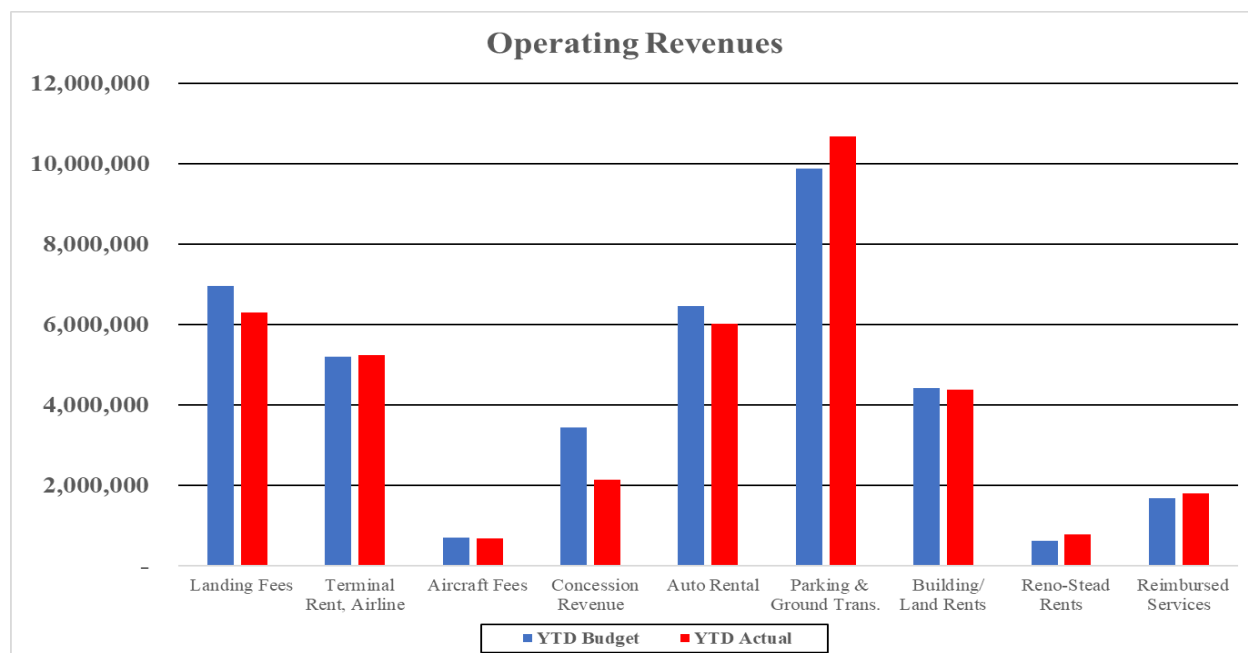
\* Includes CARES Act funds

To enhance tracking of actual results, the budget for revenues and expenditures includes seasonal adjustments related to airline activity and utility consumption. The higher activity months are factored into revenues, including landing fees, public parking, and concessions. Other seasonal adjustments include certain utility costs and special events. The balance of budgeted operating revenues and expenses assumes one twelfth of the operating budget will be incurred or earned each month.

Based on actual results through January 31, 2023, net income before depreciation is approximately \$21.024 million, a \$3.885 million or 15.6% decrease from the budget forecast. This is primarily due to non-operating revenues being \$4.747 million or 24.2% below budget. Non-operating revenues include \$4.464 million of federal stimulus funds (CARES, ARPA) as of January 31, 2023. These funds are disbursed by the FAA based on qualifying reimbursement requests. RTAA requested reimbursement of \$2.289 million for capital projects, \$650,000 for the Airfield cost center to reduce the landing fee rate, \$44,130 for interest and access fees, and \$1.480 million ARPA funds for concessionaires. The ARPA funds requested through January were designated to aide concessionaires for the financial impacts of the COVID-19 Pandemic and were not included in the FY 2022-23 Budget. ARPA contributions, per FAA guidance, are applied to concessionaires as an offset of their Minimum Annual Guarantee (MAG), space rents, and concession fees owed to RTAA. These funds are rolled out as rent credits and result in a reduction to concession revenues as they are recorded as non-operating revenues.

## TOTAL OPERATING REVENUES

RTAA's total Operating Revenues of \$38.001 million are approximately \$1.355 million or 3.4% below budget through January, due to lower airline and non-airline revenues. Compared to the prior fiscal year, actual results are \$2.459 million or 6.9% above the same period. Airline revenues were \$638,700 below budget through January 2023 primarily due to the 9.5% deficit of landed weight compared to budget. Non-airline revenues were reduced by \$1.480 million due to the application of ARPA funds against concession revenues through January 31, 2023. ARPA funds are recognized as non-operating income per FAA guidelines, therefore, reducing non-airline operating revenues. This does not impact the overall cash received by RTAA. Non-airline revenues include parking and ground transportation, auto rental, retail, food and beverage concessions, gaming revenues, advertising, terminal rents, and other building rents. The chart below reflects actual operating revenues for the fiscal year as compared to the budget amount.



## AIRLINE REVENUES

Airline revenues are collected in accordance with rates and charges as specified by the formula in RTAA's Airline-Airport Use and Lease Agreement (AULA) with the signatory airlines effective July 1, 2015, through June 30, 2023. RNO has seen a reduction in current year projected airline activity due to schedule changes impacted by labor shortages and increased operating costs. Aha! Airlines filed bankruptcy in August and ceased operations at RNO, contributing to the landed weight deficit.

### Landing Fees

The formula for calculating landing fees consists mostly of cost recovery of Airfield related operating and capital improvement expenses offset by other Airfield derived revenues. Landing fees were budgeted and collected at \$3.50 per 1,000 lbs. of landed weight. Based on the actual results in the first seven months of FY 2022-23 the calculated landing fee per 1,000 lbs. should be \$3.68. This includes \$650,000 of CARES funds applied as a credit to reduce landing fees through January 2023. For the seven-month period through January 31, 2023, landing fee revenues registered \$6.292 million, approximately \$666,200 or 9.6% below the adopted budget. The decrease is due to lower landed weight reported by Aha!, Alaska, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, United, and UPS, partially offset by higher landed weight reported by Volaris and FedEx. Overall, landed weight reported in the first seven months by all airlines is 1.0% below the same period in FY 2021-22, and 9.5% below the seasonally adjusted budget forecast. The costs allocated to the Airfield cost center are 4.8% below budget based on actual results through January 31, 2023. Airlines are being selective with their flight schedules to maximize profits, leading to a reduction in total landed weight. This downward trend is predicted to continue especially with United and Alaska Airlines significantly reducing their forecasted flights. The reduction in scheduled flights has resulted in an adjusted landed weight forecast of 3.187 million thousand pounds, a 9.3% reduction from the adopted budget.



### Airline Terminal Rents

Airline terminal rents reflect cost recovery of Terminal costs allocated to airline occupied facilities with total facility costs divided by rentable terminal square footage. The budgeted average signatory rental rate is \$54.40 per sq. ft. per annum. Based on actual results for the seven-month period ending January 31, 2023, airline terminal rental revenues were \$5.223 million, approximately \$27,400 or 0.5% above budget. The costs allocated to the Terminal cost center are 3.5% below the adopted budget based on actual results through January 31, 2023. The signatory airlines' portion of net revenues is \$3.481 million, approximately \$421,500, or 13.8% above the adopted budget, applied as a credit or rent reduction to terminal rents.

### NON-AIRLINE REVENUES

With airline revenues derived from cost recovery formulas directly from their operations, non-airline revenues are critical for RTAA to meet other operating costs and to generate internal funds for equipment and capital projects that do not directly benefit the airlines. Non-airline operating revenues are primarily comprised of terminal and rental car concession revenues, public parking revenue, building/land rents, and reimbursement of RTAA provided services. Based on actual results for the seven-month period ending January 31, 2023, non-airline operating revenues adjusted by the ARPA allocation of \$1.480 million registered \$26.485 million, a decrease of approximately \$716,200 or 2.6% below budget. The ARPA credits are applied against concession and auto rental revenues and recognized as non-operating income, therefore reducing non-airline operating revenues.

Non-airline revenues excluding ARPA credits are \$27.966 million, \$764,200 or 2.8% above budget through January. The following table is the break-down compared to budget reflecting the impact of ARPA credits:

January 31, 2023	Actual - with ARPA	% Variance to Budget	Actual - without ARPA	% Variance to Budget	Budget
Aircraft Fees	\$ 669,531	-3.7%	\$ 669,531	-3.7%	\$ 694,946
Concession Revenues	2,125,818	-38.1%	3,565,428	3.8%	3,436,141
Auto Rental	6,019,961	-6.6%	6,060,798	-6.0%	6,446,225
Parking & Ground Transportation	10,670,138	8.1%	10,670,138	8.1%	9,872,083
Reno-Tahoe Building/ Land Rents	4,380,313	-0.8%	4,380,313	-0.8%	4,417,307
Reno-Stead Rents	773,070	27.5%	773,070	27.5%	606,317
Reimbursed Services	1,789,289	7.5%	1,789,289	7.5%	1,665,211
Miscellaneous	57,297	-9.6%	57,297	-9.6%	63,408
<b>Total Non-Operating Income</b>	<b>\$ 26,485,417</b>	<b>-2.6%</b>	<b>\$ 27,965,864</b>	<b>2.8%</b>	<b>\$ 27,201,639</b>

All Minimum Annual Guarantees (MAGs) for concessionaires have been re-instated in FY 2022-23. In addition, ground transportation and auto parking fees have increased which are expected to result in higher non-airline revenues. The FY 2022-23 Budget for Auto Parking and Ground Transportation revenues is \$10.670 million, 32.4% higher than FY 2021-22 Actuals. RTAA staff updated the forecast during the mid-year review process, non-airline revenues are projected to increase by 1.7% from \$48.135 million to \$48.965 million.

### NON-OPERATING REVENUES

Non-Operating revenues of \$14.910 million are approximately \$4.747 million or 24.2% below budget based on actual through January 31, 2023. This revenue category is primarily comprised of Customer Facility Charges (CFCs) associated with the rental car activity, Passenger Facility Charges (PFCs),



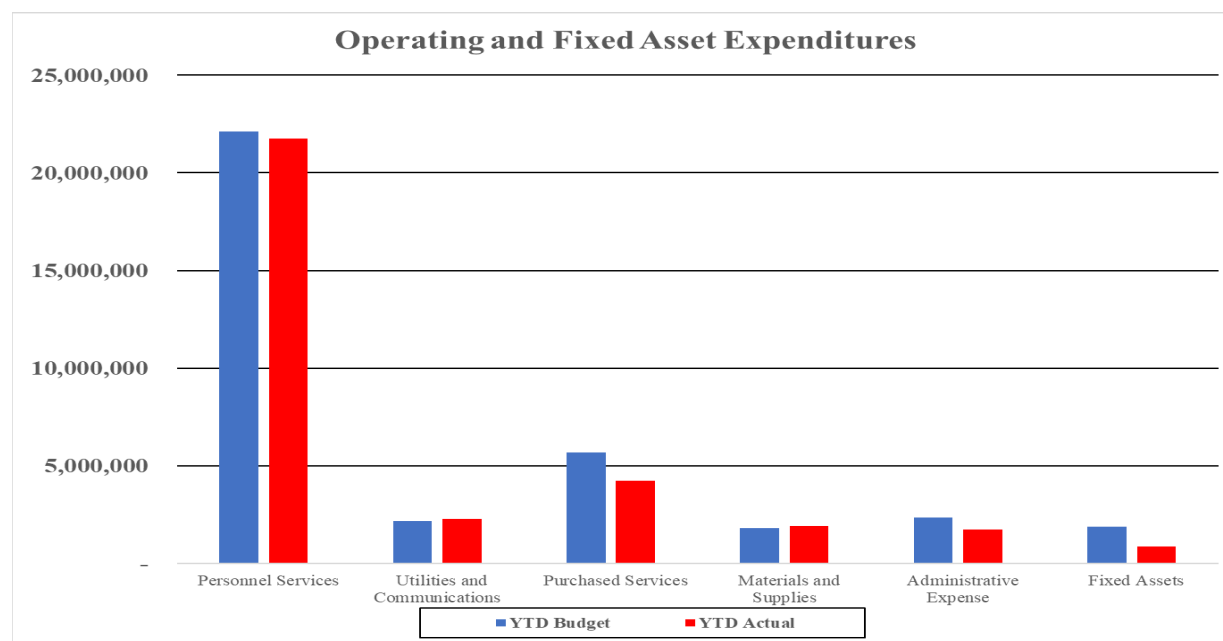
federal stimulus funds (CARES, ARPA), interest income, and aviation fuel tax. Federal stimulus funds are recorded as non-operating revenues when funds are requested from the FAA. Non-operating revenue includes \$1.480 million of ARPA funds, that were recognized through January 31, 2023, not originally budgeted for FY 2022-23. In Addition, RTAA recognized \$2.289 million of CARES funds for capital projects, \$650,000 CARES funds for the airfield cost center to reduce landing fees, and \$44,130 ARPA funds for interest and access fees Federal Stimulus funds budgeted through January for operating expenses and capital projects were \$7.963 million. These funds are anticipated to be spent throughout the remainder of the year as projects progress and will be recognized as non-operating revenues.

CFCs were increased from \$5.50 to \$6.50 per transaction day effective July 1, 2022. Due to the operating procedures of the car rental companies, rental car agreements booked prior to the announced new CFC rates are quoted and collected at the previous rates. This timing issue was not reflected in the adopted budget forecast, in addition passenger traffic is 3.9% below budget through January 2023 CFC revenues are \$1.681 million or 27.6% below budget through January 31, 2023.

PFC revenues are collected at \$4.50 (\$4.39 net to RTAA) per enplaned passenger. PFC revenues, including PFC fees and interest income on PFC cash balances were \$201,700 or 3.9% below budget through January 2023. The decrease in PFC revenues is primarily due to the deficit of passenger traffic of 3.9% compared to budget through January 2023.

## OPERATING EXPENSES

Based on actual results for the seven-month period ending January 31, 2023, operating expenses were \$31.886 million, \$2.217 million or 6.5% below budget, and \$4.973 million or 18.5% higher than prior year actual results. The savings as compared to budget include approximately \$339,100 in lower Personnel Services, \$1.472 million in Purchased Services, and \$612,500 in lower Administrative Expenses, partially offset by \$105,800 in higher Utilities and Communications and \$100,400 in Materials and Supplies. The increase in Utilities and Communications is primarily due to higher energy rates. Materials and Supplies have increased due to the higher consumption rates of supplies, earlier purchasing in the fiscal year, and the increase of prices overall due to inflation. In addition, a mid-year analysis was completed in December and funds were reallocated within the major expense categories.



## DEBT SERVICE

On July 14, 2022, the Board approved a non-revolving credit agreement with Wells Fargo Bank to provide a short-term financing facility for its capital program. Funds can be drawn in any amount as needed, up to a maximum of \$50 million. RTAA drew down \$140,000 and incurred \$52,440 in interest and fees as of January 31, 2023. The use of the drawdown was to cover cost of issuance. RTAA requested \$44,130 for federal reimbursement from stimulus funds to repay a portion of the interest and access fees incurred through January 2023.

## KEY BENCHMARKS

The following are key benchmarks and ratios used to measure financial activities and monitor the financial health and condition of RTAA:

Key Statistics / Benchmarks	YEAR TO DATE (January 31, 2023)						
					58.3% Of Fiscal Year		
	CURRENT YEAR	PRIOR YEAR	VARIANCE	%	Y-T-D BUDGET	VARIANCE	%
Enplaned Passengers	1,308,313	1,209,209	99,104	8.2%	1,361,387	(53,074)	-3.9%
Airline Cost Per Enplaned Passenger	\$ 6.85	\$ 4.98	\$ 1.87	37.5%	\$ 7.52	(0.67)	-8.9%
Non-Airline Revenues per EPAX (a)	\$ 18.88	\$ 18.74	\$ 0.14	0.8%	\$ 18.76	0.12	0.6%
Operating Ratio	83.9%	75.7%	8.2%	10.8%	86.7%	-2.7%	-3.2%
Days Cash On Hand	426	518	(91.1)	-17.6%	426.14	0.3	0.1%
CARES Act	\$ 4,463,660	\$ 12,957,955	\$ (8,494,295)	-65.6%	\$ 7,962,675	(3,499,015)	-43.9%

(a) Excludes cost reimbursement for the Baggage Handling System (BHS) paid by the airlines.

### Enplaned Passengers

Passenger activity is a significant factor driving non-airline revenues such as public parking, terminal, and rental car concessions. Based on actual results in the first seven months of FY 2022-23, enplaned passengers were 1,308,313, a 3.9% decrease compared to budget. Enplanements for the same period compared to last year, are up 8.2%. For the month of January 2023, RNO had record total passenger activity, the highest in fifteen years.

Passenger airlines continue to operate at a reduced capacity due to staffing shortages and other operational challenges leading airlines to significantly cut back on the number of flights. This trend is anticipated to continue through the remainder of the fiscal year at RNO. A table and chart enclosed in this package provides a comparison of enplaned passenger traffic and market share by airline for FY 2022-23 as compared to the previous year.

### Airline Cost per Enplaned Passenger (CPE)

This ratio represents airline payments for use of airport facilities (landing fees and terminal rents) in accordance with the adopted rates and charges methodology as outlined in the airline lease agreement. RTAA targets to maintain a reasonable cost structure for airlines operating at RNO to attract and maintain air service to our community. Due to operating expenses being 6.5% below budget and higher than anticipated revenue sharing credit, the signatory airline cost per enplaned passenger is estimated to be \$6.85 as compared to the FY 2022-23 budget of \$7.52.

### Non-Airline Revenue per Enplaned Passenger

This ratio represents operating revenues derived from sources other than the airlines, divided by enplaned passengers for the fiscal year. This financial ratio measures operating revenue capacity from terminal rents, rental car concession fees, public parking, and land and building rents from non-airline facilities at both airports. Based on actual results for the first seven months of the fiscal year, non-airline revenue per enplaned passenger is \$18.88 as compared to the adopted budget of \$18.76, and \$18.74 recorded in the prior year. Enplaned passenger traffic has decreased by 3.9% compared to the adopted budget and non-airline revenues decreased by 0.5% (including the application of ARPA credits for concessionaires), resulting in a higher ratio compared to the adopted budget.

Parking revenue per enplaned passenger has increased significantly from \$6.33 in FY 2021-22 to \$7.67 in FY 2022-23, which is in large part due to the increase in parking rates beginning July 1, 2022, and the continued preference for use of public parking over ride-sharing services.

### Operating Ratio

The Operating Ratio is calculated by dividing operating and maintenance expenses by total operating revenues. This ratio indicates whether the level of operating expenses as a proportion of operating revenues are consistent and tracking with the approved expenditures and revenues adopted in the budget. Generally, a lower ratio of expenses to revenues is positive since it reflects an improvement in the net operating revenues available to pay debt service and generate additional cash flow.

Based on the first seven months of FY 2022-23, the operating ratio registered 83.9% as compared to the lower ratio in the prior year of 75.7%, and higher ratio in the adopted budget of 86.7%. This result as compared to budget reflects the lower actual operating expenses for the first seven months of the current fiscal year.

### Days Cash on Hand (DCOH)

Days Cash on Hand is calculated by identifying unrestricted cash and investments divided by the daily operating and maintenance expenditure budget (annual operating and maintenance budget divided by 365 days). As of January 31, 2023, RTAA's DCOH was approximately 426 days, positively impacted by federal stimulus funds received through January 2023.

RTAA's policy is a desired target of 365 days. The 2021 median average, as compiled by Moody's Investor Services, is 794 for medium hub airports. The current RTAA DCOH is below the industry average for all airports and similarly sized airports. In general, rating agencies view this indicator negatively when less than 300 days and may result in a rating downgrade for the reporting airport.

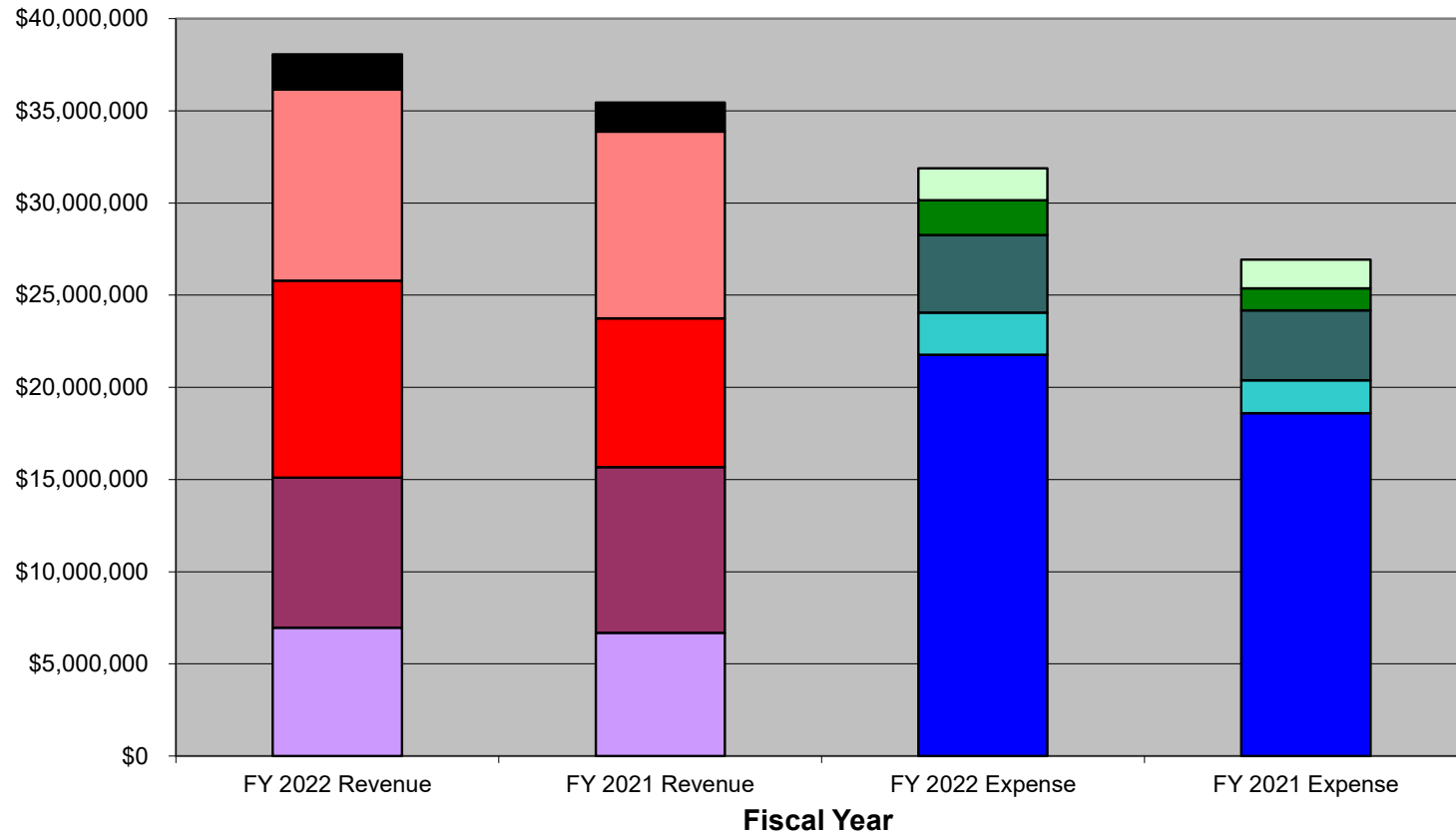
**OPERATING STATEMENT**  
**RENO-TAHOE AIRPORT AUTHORITY**  
For the Seven Months Ending January 31, 2023

	<i>CURRENT MONTH</i>				<i>For the Seven Months Ending January 31, 2023</i>							
	<b>CURRENT YEAR</b>	<b>PRIOR YEAR</b>	<b>VARIANCE</b>	<b>%</b>	<b>CURRENT YEAR</b>	<b>PRIOR YEAR</b>	<b>VARIANCE</b>	<b>%</b>	<b>58.33%</b>		<b>OF FISCAL YEAR</b>	
									<b>Y-T-D BUDGET</b>	<b>VARIANCE</b>	<b>%</b>	
<b>REVENUES</b>												
Landing Fees	\$ 884,253	\$ 695,776	\$ 188,478	27.1%	\$ 6,292,264	\$ 5,921,910	\$ 370,354	6.3%	\$ 6,958,435	\$ (666,171)	-9.6%	
Terminal Rent, Airline	722,420	762,026	(39,606)	-5.2%	5,223,359	5,385,804	(162,445)	-3.0%	5,195,925	27,434	0.5%	
Aircraft Fees	100,016	89,199	10,817	12.1%	669,531	771,184	(101,653)	-13.2%	694,946	(25,415)	-3.7%	
Concession Revenue	520,928	428,887	92,041	21.5%	2,125,818	3,005,464	(879,646)	-29.3%	3,436,141	(1,310,323)	-38.1%	
Auto Rental	536,311	743,729	(207,418)	-27.9%	6,019,961	5,988,610	31,350	0.5%	6,446,225	(426,264)	-6.6%	
Parking & Ground Transportation	1,454,007	997,572	456,435	45.8%	10,670,138	8,056,153	2,613,986	32.4%	9,872,083	798,056	8.1%	
Reno-Tahoe Building/ Land Rents	638,386	601,070	37,316	6.2%	4,380,313	4,172,242	208,071	5.0%	4,417,307	(36,994)	-0.8%	
Reno-Stead Rents	98,647	81,397	17,250	21.2%	773,070	559,286	213,784	38.2%	606,317	166,754	27.5%	
Reimbursed Services	273,160	246,854	26,306	10.7%	1,789,289	1,578,797	210,491	13.3%	1,665,211	124,078	7.5%	
Miscellaneous	3,983	11,246	(7,264)	-65%	57,297	102,110	(44,813)	-43.9%	63,408	(6,112)	-9.6%	
<b>OPERATING REVENUE</b>	<b>\$ 5,232,110</b>	<b>\$ 4,657,756</b>	<b>\$ 574,354</b>	<b>12.3%</b>	<b>\$ 38,001,040</b>	<b>\$ 35,541,561</b>	<b>\$ 2,459,479</b>	<b>6.9%</b>	<b>\$ 39,355,998</b>	<b>\$ (1,354,958)</b>	<b>-3.4%</b>	
<b>EXPENSES</b>												
Personnel Services	\$ 3,238,938	\$ 2,798,648	\$ 440,291	15.7%	\$ 21,766,903	\$ 18,602,328	\$ 3,164,575	17.0%	\$ 22,105,987	\$ (339,084)	-1.5%	
Utilities and Communications	446,557	253,775	192,781	76.0%	2,277,384	1,774,825	502,558	28.3%	2,171,597	105,787	4.9%	
Purchased Services	867,074	530,059	337,015	63.6%	4,214,650	3,798,926	415,724	10.9%	5,686,672	(1,472,022)	-25.9%	
Materials and Supplies	339,366	225,880	113,485	50.2%	1,887,154	1,202,061	685,093	57.0%	1,786,711	100,442	5.6%	
Administrative Expense	218,294	183,396	34,899	19.0%	1,740,379	1,535,290	205,089	13.4%	2,352,896	(612,518)	-26.0%	
<b>OPERATING EXPENSES</b>	<b>\$ 5,110,229</b>	<b>\$ 3,991,758</b>	<b>\$ 1,118,470</b>	<b>28.0%</b>	<b>\$ 31,886,469</b>	<b>\$ 26,913,430</b>	<b>\$ 4,973,040</b>	<b>18.5%</b>	<b>\$ 34,103,864</b>	<b>\$ (2,217,394)</b>	<b>-6.5%</b>	
<b>NET OPERATING INC. BEFORE DEPR.</b>	<b>\$ 121,881</b>	<b>\$ 665,998</b>	<b>\$ (544,116)</b>	<b>-81.7%</b>	<b>\$ 6,114,571</b>	<b>\$ 8,628,131</b>	<b>\$ (2,513,560)</b>	<b>-29.1%</b>	<b>\$ 5,252,134</b>	<b>\$ 862,437</b>	<b>16.4%</b>	
Depreciation and Amortization	2,001,483	2,091,095	(89,612)	-4.3%	16,498,405	14,637,663	1,860,742	12.7%	17,499,300	(1,000,895)	-5.7%	
<b>OPERATING INCOME</b>	<b>\$ (1,879,602)</b>	<b>\$ (1,425,097)</b>	<b>\$ (454,505)</b>	<b>-31.9%</b>	<b>\$ (10,383,834)</b>	<b>\$ (6,009,532)</b>	<b>\$ (4,374,302)</b>	<b>-72.8%</b>	<b>\$ (12,247,166)</b>	<b>\$ 1,863,332</b>	<b>15.2%</b>	
<b>NON-OPERATING INCOME (EXPENSE)</b>												
Interest Income	\$ 162,448	\$ 50,950	\$ 111,499	218.8%	\$ 1,060,473	\$ 285,847	\$ 774,626	271.0%	\$ 512,517	547,956	106.9%	
Passenger Facility Charge	874,122	577,203	296,920	51.4%	4,977,968	4,652,190	325,777	7.0%	5,179,708	(201,741)	-3.9%	
Customer Facility Charge	524,855	454,318	70,538	15.5%	4,408,480	3,672,697	735,783	20.0%	6,089,485	(1,681,005)	-27.6%	
Jet Fuel Tax Revenue	23,000	5,168	17,832	345.0%	184,236	145,934	38,302	26.2%	149,742	34,494	23.0%	
Federal Stimulus	2,362,044	10,029,707	(7,667,663)	n.a.	4,463,660	12,957,955	(8,494,295)	-65.6%	7,962,675	(3,499,015)	-43.9%	
G/L on Sale of Capital Assets	0	0	0	n.a.	2,157	12,519	(10,363)	-82.8%	0	2,157	n.a.	
Other Non-Operating Revenue (Expense)	0	0	0	n.a.	(135,000)	0	(135,000)	n.a.	0	(135,000)	n.a.	
Interest Expense	(8,864)	0	(8,864)	#DIV/0!	(52,440)	(399,857)	347,416	-86.9%	(237,290)	184,850	-77.9%	
<b>Total</b>	<b>\$ 3,937,606</b>	<b>\$ 11,117,345</b>	<b>\$ (7,179,739)</b>	<b>-64.6%</b>	<b>\$ 14,909,533</b>	<b>\$ 21,327,285</b>	<b>\$ (6,417,752)</b>	<b>-30.1%</b>	<b>\$ 19,656,836</b>	<b>\$ (4,747,303)</b>	<b>-24.2%</b>	
<b>Net Income Before Capital Contributions</b>	<b>\$ 2,058,004</b>	<b>\$ 9,692,248</b>	<b>\$ (7,634,244)</b>	<b>-78.8%</b>	<b>\$ 4,525,699</b>	<b>\$ 15,317,753</b>	<b>\$ (10,792,054)</b>	<b>-70.5%</b>	<b>\$ 7,409,670</b>	<b>\$ (2,883,971)</b>	<b>-38.9%</b>	

**OPERATING STATEMENT**  
**RENO-TAHOE AIRPORT AUTHORITY**  
For the Seven Months Ending January 31, 2023

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET	
	ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		TOTAL	ANNUAL BUDGET % TO DATE
			\$	%			\$	%		
<b>REVENUES</b>										
Landing Fees	\$ 884,253	\$ 1,021,196	\$ (136,943)	-13.4%	\$ 6,292,264	\$ 6,958,435	\$ (666,171)	-9.6%	\$ 12,102,307	52%
Terminal Rent, Airline	722,420	742,275	(19,855)	-2.7%	5,223,359	5,195,925	27,434	0.5%	8,907,300	59%
Aircraft Fees	100,016	96,101	3,915	4.1%	669,531	694,946	(25,415)	-3.7%	1,181,011	57%
Concession Revenue	520,928	500,644	20,284	4.1%	2,125,818	3,436,141	(1,310,323)	-38.1%	5,953,000	36%
Auto Rental	536,311	945,612	(409,300)	-43.3%	6,019,961	6,446,225	(426,264)	-6.6%	11,208,806	54%
Parking & Ground Transportation	1,454,007	1,445,775	8,232	0.6%	10,670,138	9,872,083	798,056	8.1%	17,150,500	62%
Reno-Tahoe Building/ Land Rents	638,386	631,044	7,342	1.2%	4,380,313	4,417,307	(36,994)	-0.8%	7,572,527	58%
Reno-Stead Rents	98,647	86,617	12,030	13.9%	773,070	606,317	166,754	27.5%	1,039,400	74%
Reimbursed Services	273,160	273,173	(13)	0.0%	1,789,289	1,665,211	124,078	7.5%	2,972,759	60%
Miscellaneous	3,983	9,058	(5,076)	-56.0%	57,297	63,408	(6,112)	-9.6%	108,700	0%
<b>OPERATING REVENUE</b>	<b>\$ 5,232,110</b>	<b>\$ 5,751,495</b>	<b>\$ (519,385)</b>	<b>-9.0%</b>	<b>\$ 38,001,040</b>	<b>\$ 39,355,998</b>	<b>\$ (1,354,958)</b>	<b>-3.4%</b>	<b>\$ 68,196,310</b>	<b>56%</b>
<b>EXPENSES</b>										
Personnel Services	\$ 3,238,938	\$ 3,092,080	\$ 146,858	4.7%	\$ 21,766,903	\$ 22,105,987	\$ (339,084)	-1.5%	\$ 37,567,907	58%
Utilities and Communications	446,557	412,814	33,743	8.2%	2,277,384	2,171,597	105,787	4.9%	4,051,370	56%
Purchased Services	867,074	812,259	54,815	6.7%	4,214,650	5,686,672	(1,472,022)	-25.9%	9,785,852	43%
Materials and Supplies	339,366	265,699	73,667	27.7%	1,887,154	1,786,711	100,442	5.6%	3,115,322	61%
Administrative Expense	218,294	326,393	(108,099)	-33.1%	1,740,379	2,352,896	(612,518)	-26.0%	3,985,021	44%
<b>OPERATING EXPENSES</b>	<b>\$ 5,110,229</b>	<b>\$ 4,909,245</b>	<b>\$ 200,984</b>	<b>4.1%</b>	<b>\$ 31,886,469</b>	<b>\$ 34,103,864</b>	<b>\$ (2,217,394)</b>	<b>-6.5%</b>	<b>\$ 58,505,471</b>	<b>55%</b>
<b>NET OPERATING INC. BEFORE DEPR.</b>	<b>\$ 121,881</b>	<b>\$ 842,250</b>	<b>\$ (720,369)</b>	<b>-85.5%</b>	<b>\$ 6,114,571</b>	<b>\$ 5,252,134</b>	<b>\$ 862,437</b>	<b>16.4%</b>	<b>\$ 9,690,839</b>	<b>63%</b>
Depreciation and Amortization	2,001,483	2,500,000	(498,517)	-19.9%	16,498,405	17,500,000	(1,001,595)	-5.7%	30,000,000	55%
<b>OPERATING INCOME</b>	<b>\$ (1,879,602)</b>	<b>\$ (1,657,750)</b>	<b>\$ (221,851)</b>	<b>-13.4%</b>	<b>\$ (10,383,834)</b>	<b>\$ (12,247,866)</b>	<b>\$ 1,864,032</b>	<b>15.2%</b>	<b>\$ (20,309,161)</b>	<b>51%</b>
<b>NON-OPERATING INCOME (EXPENSE)</b>										
Interest Income	\$ 162,448	\$ 73,217	\$ 89,232	121.9%	\$ 1,060,473	\$ 512,517	\$ 547,956	106.9%	878,600	121%
Passenger Facility Charge	874,122	739,958	134,164	18.1%	4,977,968	5,179,708	(201,741)	-3.9%	8,879,500	56%
Customer Facility Charge	524,855	893,281	(368,425)	-41.2%	4,408,480	6,089,485	(1,681,005)	-27.6%	10,588,500	42%
Jet Fuel Tax Revenue	23,000	21,392	1,608	7.5%	184,236	149,742	34,494	23.0%	256,700	72%
Federal Stimulus	2,362,044	1,137,525	1,224,519	107.6%	4,463,660	7,962,675	(3,499,015)	-43.9%	13,650,300	33%
G/L on Sale of Capital Assets	0	0	0	n.a.	2,156.50	0	2,157	n.a.	0	n.a.
Other Non-Operating Revenue (Expense)	0	0	0	n.a.	(135,000)	0	(135,000)	n.a.	0	n.a.
Interest Expense	(8,864)	(33,900)	25,036	-73.9%	(52,440)	(237,290)	184,850	-77.9%	(406,800)	13%
<b>Total</b>	<b>\$ 3,937,606</b>	<b>\$ 2,831,472</b>	<b>\$ 1,106,134</b>	<b>39.1%</b>	<b>\$ 14,909,533</b>	<b>\$ 19,656,836</b>	<b>\$ (4,747,303)</b>	<b>-24.2%</b>	<b>\$ 33,846,800</b>	<b>44%</b>
<b>Net Income Before Capital Contributions</b>	<b>\$ 2,058,004</b>	<b>\$ 1,173,722</b>	<b>\$ 884,282</b>	<b>75.3%</b>	<b>\$ 4,525,699</b>	<b>\$ 7,408,970</b>	<b>\$ (2,883,271)</b>	<b>-38.9%</b>	<b>\$ 13,537,639</b>	<b>33%</b>

## Operating Revenue and Expense YTD through January 31, 2023



- |                                     |                                |
|-------------------------------------|--------------------------------|
| ■ Landing fees                      | ■ Concession revenue           |
| ■ Parking and ground transportation | ■ Rentals                      |
| ■ Reimbursements for services       | ■ Other revenue                |
| ■ Employee wages and benefits       | ■ Utilities and communications |
| ■ Purchase of services              | ■ Materials and supplies       |
| ■ Administrative expenses           |                                |

## SUMMARY OF NON-AIRLINE REVENUES

Reno-Tahoe Airport Authority

	1/31/2023 YTD Actual	1/31/2022 YTD Actual	Over (Under) Prior Year	% Variance	1/31/2023	Over (Under) Budget	% Variance	2022-23	% of
					Year to Date Budget			Annual Budget	Annual Budget
Aircraft Fees - Reno	\$ 657,170	\$ 706,353	\$ (49,183)	-7.0%	654,915	\$ 2,255	0.3%	1,122,711	58.5%
Aircraft Fees - Stead	12,361	64,831	(52,470)	-80.9%	40,032	(27,671)	-69.1%	58,300	21.2%
Gaming Concession	451,638	756,316	(304,678)	-40.3%	689,837	(238,199)	-34.5%	1,199,500	37.7%
Food & Beverage	575,904	827,997	(252,093)	-30.4%	1,212,836	(636,932)	-52.5%	2,108,900	27.3%
Retail/Merchandise	227,201	484,024	(256,823)	-53.1%	643,944	(416,742)	-64.7%	1,119,700	20.3%
Advertising	473,265	463,099	10,165	2.2%	494,317	(21,052)	-4.3%	847,400	55.8%
Other Concessions	49,951	112,169	(62,218)	-55.5%	84,117	(34,166)	-40.6%	144,200	34.6%
FBO and Ground Handlers	320,980	349,996	(29,016)	-8.3%	299,250	21,730	7.3%	513,000	62.6%
Stead Concessions	26,879	11,862	15,017	126.6%	11,842	15,037	127.0%	20,300	132.4%
Auto Rental	6,019,961	5,988,610	31,350	0.5%	6,446,225	(426,264)	-6.6%	11,208,806	53.7%
Ground Transportation	399,248	185,674	213,574	115.0%	402,850	(3,602)	-0.9%	690,600	57.8%
Auto Parking	10,270,890	7,870,479	2,400,412	30.5%	9,469,232	801,658	8.5%	16,459,900	62.4%
Other Terminal Rents	482,341	480,830	1,511	0.3%	461,650	20,691	4.5%	791,400	60.9%
Reno-Tahoe Building Rents	1,926,047	1,773,200	152,847	8.6%	1,862,472	63,574	3.4%	3,192,810	60.3%
Reno-Tahoe Land Rents	1,971,926	1,918,213	53,713	2.8%	2,093,185	(121,259)	-5.8%	3,588,318	55.0%
Reno-Stead Rents	773,070	559,286	213,784	38.2%	606,317	166,754	27.5%	1,039,400	74.4%
Reimbursed Services	1,789,289	1,578,797	210,491	13.3%	1,665,211	124,078	7.5%	2,972,759	60.2%
Miscellaneous	57,297	102,110	(44,813)	-43.9%	63,408	(6,112)	-9.6%	108,700	52.7%
Total Non-Airline Operating Revenue	26,485,417	24,233,847	2,251,570	9.3%	27,201,639	(716,221)	-2.6%	47,186,704	56.1%
Non Operating Revenue (a)	1,246,865	444,299	802,566	180.6%	662,258	584,607	88.3%	1,135,300	109.8%
<b>TOTAL NON-AIRLINE REVENUE</b>	<b>\$ 27,732,282</b>	<b>\$ 24,678,146</b>	<b>\$ 3,054,136</b>	<b>12.4%</b>	<b>\$ 27,863,897</b>	<b>\$ (131,614)</b>	<b>-0.5%</b>	<b>\$ 48,322,004</b>	<b>57.4%</b>
Year to Date Enplaned Passengers	1,308,313	1,209,209			1,361,387			2,367,203	
Non-Airline Revenue Per EPAX (b)	<b>\$ 18.88</b>	<b>\$ 18.74</b>			<b>\$ 18.76</b>			<b>\$ 18.68</b>	
Non-Airline Revenue Per EPAX (c)	<b>\$ 10.17</b>	<b>\$ 11.35</b>			<b>\$ 10.95</b>			<b>\$ 10.89</b>	

(a) Excludes PFC and CFC revenues

(b) Total Non-Airline Revenue less Reimbursed Services divided by enplaned passengers

(c) Non-Airline Revenue (Concessions, Rental Car, Other Rents) Per Enplaned Passenger (Strategic Plan Measure)



## NET REVENUE SHARING - YEAR TO DATE

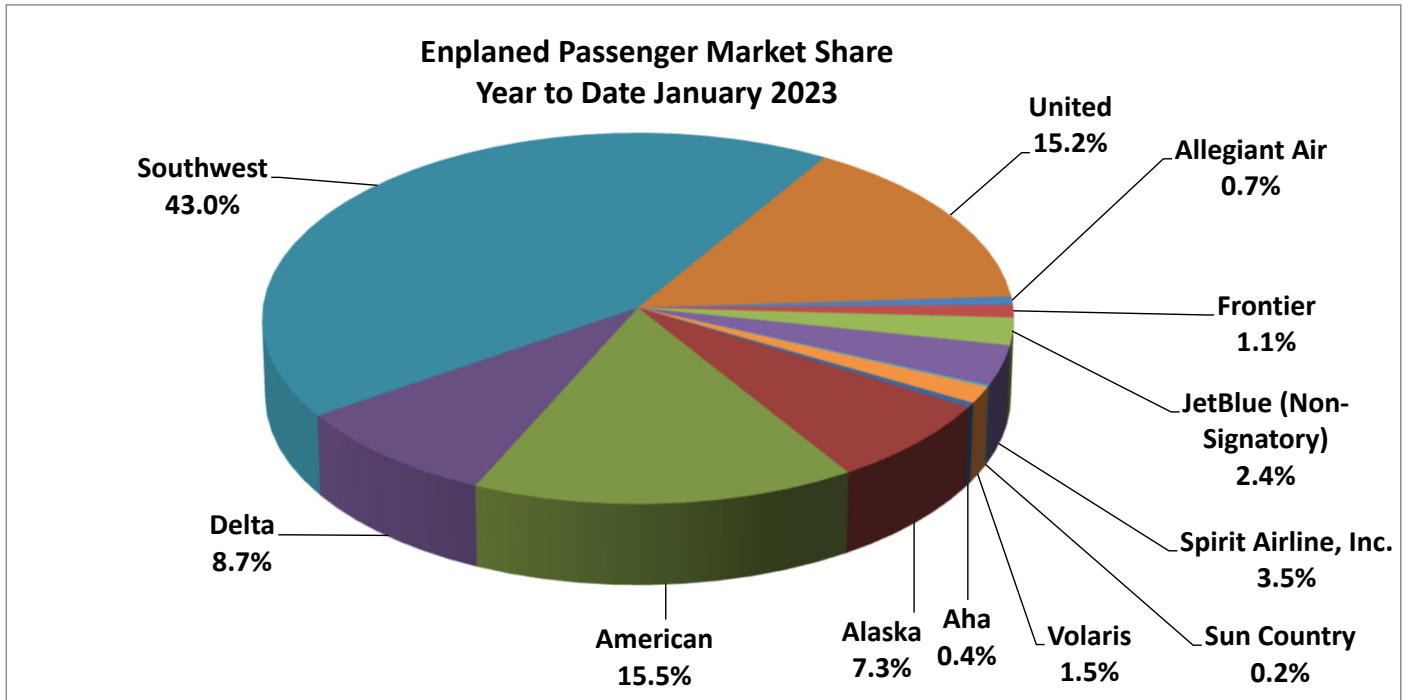
Reno-Tahoe Airport Authority  
For the Seven Months Ending January 31, 2023

	<u>Airfield</u>	<u>Terminal</u>	<u>Baggage System</u>	<u>Landside</u>	<u>Other</u>	<u>Reno Stead</u>	<u>Total</u>
Revenue Sharing							
Airline Revenue	6,771,581	8,133,646	-	-	-	-	14,905,227
Non Airline Revenue	673,906	2,986,113	1,063,476	16,690,099	5,447,819	812,310	27,673,723
<b>Total Revenue</b>	<b>7,445,487</b>	<b>11,119,759</b>	<b>1,063,476</b>	<b>16,690,099</b>	<b>5,447,819</b>	<b>812,310</b>	<b>42,578,950</b>
<b>Budgeted Revenue</b>	<b>7,831,260</b>	<b>12,469,392</b>	<b>1,082,643</b>	<b>16,649,270</b>	<b>4,719,533</b>	<b>652,167</b>	<b>43,404,265</b>
O&M Expense	\$ 7,516,289	\$ 13,261,174	\$ 1,145,230	\$ 5,781,808	\$ 2,583,263	\$ 1,343,239	\$ 31,631,003
Debt Service	-	-	-	-	44,130	-	44,130
Pre Bond Loan	-	-	-	-	-	-	-
O&M Reserve	159,676	277,753	21,388	132,348	60,044	29,866	681,075
Fixed Asset	319,148	235,415	-	140,878	86,419	30,966	812,826
Capital Project	83,638	344,283	-	15,669	221,795	40,792	706,177
Amort. Capital Items	703,764	225,523	-	620,150	394,104	247,186	2,190,727
Special Fund	-	244,898	-	-	-	-	244,898
Federal Stimulus	(650,000)	-	-	-	(44,130)	-	(694,130)
<b>Total Requirement</b>	<b>8,132,515</b>	<b>14,589,046</b>	<b>1,166,618</b>	<b>6,690,853</b>	<b>3,345,625</b>	<b>1,692,049</b>	<b>35,616,706</b>
<b>Budgeted Requirement</b>	<b>8,535,721</b>	<b>15,346,767</b>	<b>1,082,643</b>	<b>7,059,585</b>	<b>3,429,537</b>	<b>1,830,685</b>	<b>37,284,938</b>
<b>Net Revenues</b>	<b>(687,028)</b>	<b>(3,469,287)</b>	<b>(103,142)</b>	<b>9,999,246</b>	<b>2,102,194</b>	<b>(879,739)</b>	<b>6,962,244</b>
<b>Budgeted Net Revenues</b>	<b>(704,461)</b>	<b>(2,877,375)</b>	<b>-</b>	<b>9,589,685</b>	<b>1,289,996</b>	<b>(1,178,518)</b>	<b>6,119,327</b>
<b>Months</b>	7					Airport Share	\$ 3,481,122
						Airline Share	\$ 3,481,122

## SUMMARY OF ENPLANED PASSENGERS BY AIRLINE

Reno-Tahoe International Airport

Enplaned passengers by Airline	Month			Year-to-date		
	Jan-23	Jan-22	Percent change	YTD 2022-23	YTD 2021-22	Percent change
<b>Major/national carriers (Signatory)</b>						
Aha!	0	1,766	-100.0%	5,407	6,281	-13.9%
Alaska	10,813	12,573	-14.0%	95,130	117,354	-18.9%
American	26,711	23,383	14.2%	203,294	229,365	-11.4%
Delta	16,054	15,922	0.8%	113,323	131,640	-13.9%
Southwest	73,271	59,704	22.7%	562,585	470,096	19.7%
United	26,594	21,599	23.1%	198,363	160,068	23.9%
<b>Total</b>	<b>153,443</b>	<b>134,947</b>	<b>13.7%</b>	<b>1,178,102</b>	<b>1,114,804</b>	<b>5.7%</b>
<b>Non-Signatory and Charter</b>						
Allegiant Air	711	2,083	-65.9%	9,545	21,161	-54.9%
Frontier	1,693	3,352	-49.5%	14,191	21,578	-34.2%
JetBlue	3,494	4,256	-17.9%	30,859	29,619	4.2%
Spirit Airlines	7,223	0	n.a.	45,259	0	n.a.
Sun Country Airlines	0	0	n.a.	2,011	0	n.a.
Volaris	3,237	2,423	33.6%	19,060	16,055	18.7%
Other Charters	1,573	656	139.8%	9,286	5,992	55.0%
<b>Total</b>	<b>17,931</b>	<b>12,770</b>	<b>40.4%</b>	<b>130,211</b>	<b>94,405</b>	<b>37.9%</b>
<b>Total enplaned passengers</b>	<b>171,374</b>	<b>147,717</b>	<b>16.0%</b>	<b>1,308,313</b>	<b>1,209,209</b>	<b>8.2%</b>



### RTAA Liquidity Position

