

# The Future of **RNO** is more

## **ANNUAL COMPREHENSIVE FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**



**Reno-Tahoe  
Airport  
Authority**

**Reno, Nevada**

**more!  
RNO+**



**Reno-Tahoe  
International  
Airport**

**RENO-TAHOE AIRPORT AUTHORITY**  
**Reno, Nevada**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**

**Prepared by  
Finance Department**

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

**RENO-TAHOE AIRPORT AUTHORITY  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023**

**Table of Contents**

<b>I.</b>	<b><u>Introductory Section</u></b> (Unaudited)	<b><u>Page(s)</u></b>
	Letter of Transmittal .....	1-11
	Board of Trustees and Senior Management.....	12
	Organization Chart.....	13
	Certificate of Achievement for Excellence in Financial Reporting.....	14
<b>II.</b>	<b><u>Financial Section</u></b>	
	Independent Auditor's Report .....	15-17
	Management's Discussion and Analysis .....	18-29
	Basic Financial Statements:	
	Statement of Net Position .....	30-31
	Statement of Revenues, Expenses and Changes in Net Position.....	32
	Statement of Cash Flows .....	33-34
	Notes to Financial Statements .....	35-64
	Required Supplementary Information:	
	Schedule of Changes in the RTAA's Total OPEB Liability and Related Ratios .....	65
	Schedule of RTAA's Proportionate Share of the Net Pension Liability .....	66
	Schedule of Pension Plan Contributions.....	67
	Supplementary Information:	
	Schedule of Revenues and Expenses, Comparison of Budget to Actual .....	68
<b>III.</b>	<b><u>Statistical Section</u></b> (Unaudited)	
	Statistical Section Explanations.....	69
	Financial Trends	
	Net Position and Changes in Net Position .....	70-71
	Summary of Operating Results.....	72-73
	Revenue Capacity	
	Principal Revenue Payers .....	74-75
	Principal Revenue Sources .....	76-77
	Revenue Rates and Cost per Enplanements.....	78
	Debt Capacity	
	Schedule of Debt and Obligation Coverages .....	79
	Rate Maintenance Covenant Performance.....	80-81
	Ratios of Outstanding Debt and Debt Service .....	82-83
	Demographic and Economic Information	
	Population in Air Trade Area .....	84
	Principal Employers .....	85
	Operating Information	
	Employees .....	86
	Enplanements and Market Share by Scheduled Airline .....	87-89
	Operational Statistical Summary .....	90
	Landed Weights and Market Share by Scheduled Airline.....	91-93
	Capital Asset Information.....	94-95

**RENO-TAHOE AIRPORT AUTHORITY  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. Compliance Section**

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 <i>Government Auditing Standards</i> .....	96-97
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance .....	98-100
Schedule of Expenditures of Federal Awards.....	101
Notes to Schedule of Expenditures of Federal Awards .....	102
Schedule of Findings and Questioned Costs.....	103
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 .....	104-106
Schedule of Passenger Facility Charges Collected and Expended .....	107
Schedule of Passenger Facility Charges Findings and Questioned Costs .....	108

# **INTRODUCTORY SECTION**



November 30, 2023

To the Members of the Board of Trustees and Citizens of Northern Nevada and North-Eastern California,

This report is the Annual Comprehensive Financial Report (ACFR) of the Reno-Tahoe Airport Authority ("RTAA" or "Authority") for the fiscal year July 1, 2022, through June 30, 2023. 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, 2023, 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. RTAA has received this prestigious award for 36 consecutive years and 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. According to the latest available Federal Aviation Administration (FAA) statistics, RNO is the 64<sup>th</sup> 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 4.3 million passengers in calendar year 2022. 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. Aha! Airlines also provided service to the local area through September 2022. Commercial cargo carriers include Federal Express (FedEx), United Parcel Service (UPS), and DHL. In calendar year 2022, more than 139 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 simultaneously.

## **ECONOMIC CONDITION AND OUTLOOK**

The US economy has been struggling to control inflation throughout FY 2023, as the Federal Reserve (Fed) has moved aggressively to maintain its dual mandate of price stability and maximum employment. As of June 2022, inflation reached its peak rate of 9.1% annually, and the federal funds overnight rate was 1.75%. The 12-month period that followed was an unprecedented year of quantitative tightening, as the Fed raised rates to 5.5% as of July 2023, a 22 year high, and reduced its balance sheet by 7.3%. The lag effect of monetary policy is now being realized, and inflation has come down every month since its peak in June of 2022, settling at 3.0% in June 2023.

Despite the aggressive policy, the job market has remained historically resilient with the 3.6% unemployment recorded in June of 2023. It has ranged from 3.4% to 3.7% since March of 2022. Fed Chair Jerome Powell remains committed to taming inflation and maximum employment and will adjust monetary policy accordingly over the months to come.

Much like the greater US economy, the Reno Metropolitan Statistical Area (MSA) remains resilient despite high inflation. Unemployment has remained below its historical average in Washoe County, recorded at 4.1% as of May 2023. Importantly, the Reno MSA has continued to diversify in recent history, and no longer relies on gaming as its only source of revenue. The friendly business environment has attracted companies such as Tesla, Panasonic, Microsoft, Apple, Amazon, Patagonia, Walmart, and Petco to set up major business operations in northern Nevada.

The Reno MSA industry trends for the month of May 2023, as published by Ekay Consulting, are as follows:

- Business Activity Index – Business activity declined in May of 2023 by 3.95% from the same period in May 2022. While taxable sales and gaming revenue were down modestly, airport passengers were up 4.7% year over year, and job growth was up 3.1%. While overall decline can be construed as concerning, it is important to note the economic impact federal reserve actions have taken on the economy. By bringing inflation down from 9% to 3% over the same 12 months, a modest decline in activity is to be expected, and the economy remains resilient.
- Construction Index – The index shows a 20.1% decrease in construction activity from May 2022 to May 2023. The only data series showing improvement over the year is Construction Employment, having risen 8.1%. Future construction, as represented by permit data, is expected to be lower than in the past. Increasing interest rates and flat home sale prices are impacting developers' ability to obtain financing.
- Housing Affordability Index – A ratio of 100 indicates the median family income in the MSA is sufficient to purchase a median-priced home. In the first quarter of 2023 the housing affordability index was 67.81, meaning the median income is 32.19% less than the necessary income needed to purchase a median priced home. This is a 6.2% drop in affordability from Q1 2022. The significant rise in borrowing costs from increased rates, combined with flat home prices and reduced supply introduction from construction suggests that housing affordability will continue to be an issue in the months to come.

## **AIR SERVICE MARKET UPDATE**

### **Passenger Airlines**

US scheduled passenger airlines reported a 2022 calendar year after-tax net profit of \$1.8 billion, as well as a pre-tax operating profit of \$7.9 billion, posting profits both pre-tax and after tax for the first year since the pandemic. Airlines were able to both benefit and struggle with inflation as higher passenger demand necessitated higher operating costs. Airlines did face similar employment constraints to the greater economy. Low unemployment rates meant fewer staff and higher labor costs. Accordingly, airlines have been reducing scheduled flights to adjust to the labor shortage.

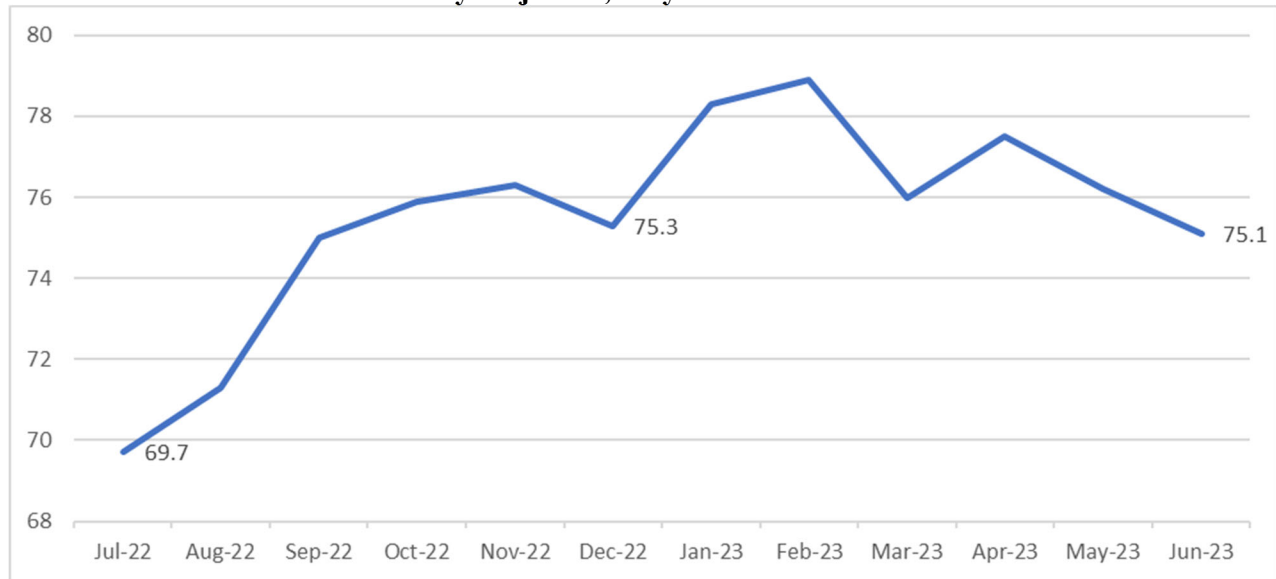
The after-tax profit of \$1.8 billion in calendar year 2022 is a \$4.4 billion increase over the \$2.8 billion loss in 2021, and \$36.6 billion increase over the peak pandemic year of 2020. Additionally, the \$7.9 billion pre-tax profit in 2022 is a \$25.2 billion increase over the \$17.3 billion loss in 2021, signaling the air service market has exited the effects of the pandemic. Total operating revenues in 2022 were \$211.2 billion. Total fares collected were \$155.1 billion, or 73.5% of total revenue, baggage fees accounted for \$6.8 billion or 3.2% of revenue, and reservation change fees of \$1.0 billion accounted for 0.5% of revenue. Operating expenses in 2022 totaled \$203.3 billion, of which fuel accounted for \$49.1 billion, or 24.2% of total expenses, and labor accounted for \$64.0 billion, or 31.5% of expenses.



### Passenger Activity

US airlines saw a total of 906 million enplanements in FY 2023, signaling an end to the pandemic and resurgence in demand for airline travel. The 906 million enplanements represent a 104 million passenger or 13% increase over fiscal year 2022.

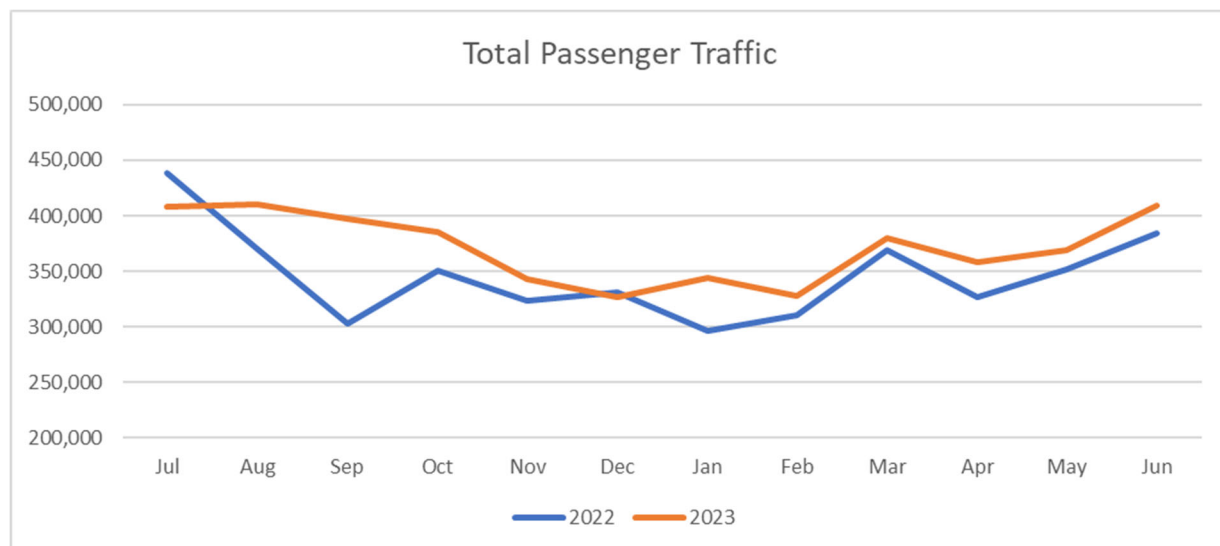
#### **Monthly Passengers (million) on U.S. Scheduled Airlines (Domestic and International) Seasonally Adjusted, July 2022 – June 2023**



Source: Bureau of Transportation Statistics

### RNO Passengers

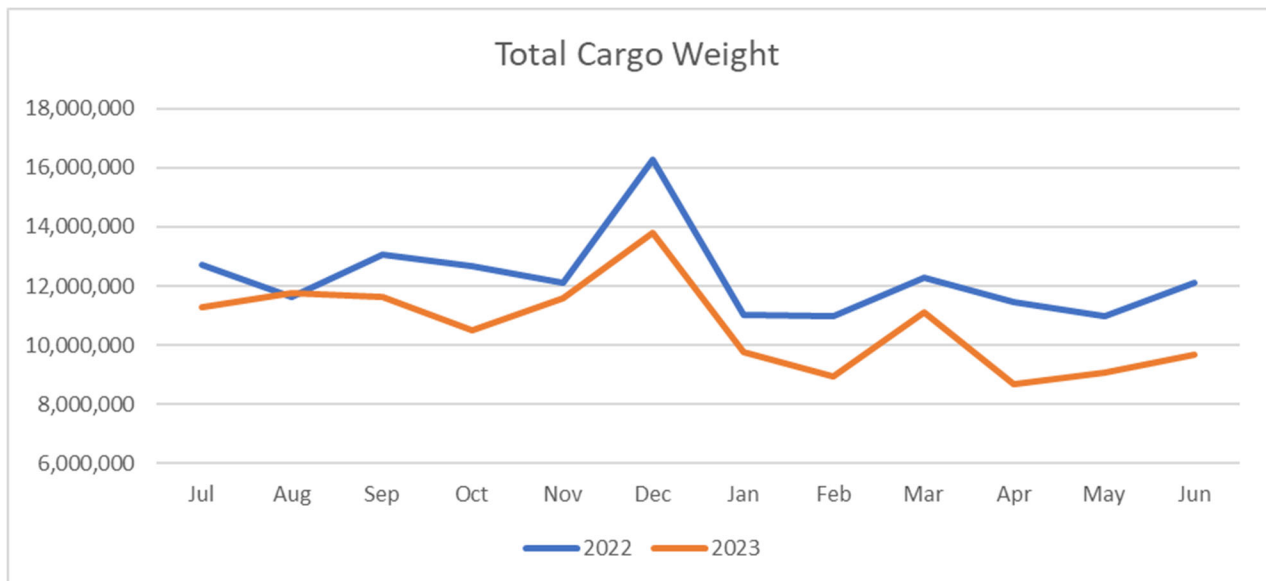
Total traffic for FY 2023 reached 4.460 million passengers, a 7.3% increase over FY 2022. RNO lost two minor operators in the prior fiscal year as aha! Airlines filed for bankruptcy in September 2022, and Frontier terminated operations in February 2023. Total seat capacity, however, increased by 4.9% in FY 2023, with an average load factor of 80.51%



### Cargo Airlines

The Reno MSA has become a major west coast distribution hub due to its strategic location and the business-friendly environment that has developed since the great recession. Companies such as Amazon, Walmart, Switch, Reno Experience District, Petco, eBay, and Zulily have major distribution centers in the immediate vicinity of RNO. 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.

However, as we have exited the pandemic, we have seen a decrease in overall cargo weight. The decline in FY 2023 was partially due to unusual greater weights in the years following the pandemic as the industry addressed supply chain and resupply anomalies. Total cargo weight for FY 2023 was 127,892,891 pounds of cargo, a 13.1% decrease from FY 2022.



## MAJOR INITIATIVES

### Strategic Initiatives

On June 8, 2023, the Board of Trustees approved the Strategic Plan for fiscal years 2024 through 2028. The Strategic Plan was developed with extensive input from the Board, RTAA staff, and other interested stakeholders. The Strategic Plan was developed with the successful launch of the MoreRNO capital improvement plan at its core. This five-year plan will help guide RNO and RTS staff on a path to change the future of air travel in the region for generations to come.

The purpose and desired outcomes of the RTAA FY 2024-2028 Strategic Plan are:

- **Shared Vision** - A strategic vision for the organization that is shared by staff and Board of Trustees.
- **Strategic Direction** - Core strategies that will help guide the RTAA over the next five fiscal 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 developed by the Executive Team.

- **Agility/Flexibility** - A living, breathing plan that provides direction, but is also flexible and broad enough to incorporate constant change in the aviation industry.

The strategic priorities provide the framework for the direction of RTAA over the next five fiscal years. With a holistic focus across the whole organization, the priorities provide clarity on the intent of how the RTAA will achieve this vision.

1. Safety and Security - Create a safe and secure environment for everyone who utilizes the Reno-Tahoe International Airport and Reno-Stead Airport.
2. People - Bolster our employees who are the current and future strength of our organization.
3. Facilities for the Future - Optimize existing facilities and construct new infrastructure at both airports to address market demand by implementing the MoreRNO Program and Airport Capital Improvement Program.
4. Air Service and Cargo - Retain and increase air service and cargo.
5. Financial Stewardship - Establish a culture of fiscal integrity; responsibly manage our business costs, diversify revenues, engage commercial business opportunities, and pursue grant funding, and the prudent use of debt financing for MoreRNO projects.
6. Customer Experience - Provide a positive environment and experience for all.
7. General Aviation - Support and elevate general aviation at both airports.
8. Sustainability - Operate and manage both airports with a holistic approach reflecting sustainability policies and practices along with environmental stewardship.

#### Airport-Airline Use and Lease Agreement

The Airport-Airline Use and Lease Agreement (AAULA) is the contract between the airport operator and its tenant airlines that establishes the rights, privileges, and obligations for each party and defines how RNO is to be used by the airlines.

Effective July 1, 2023, RTAA entered into a new ten-year AAULA. The agreement remains hybrid in nature, with net Airfield cost center operating, maintenance and capital improvement costs being 100% recouped via landing fees from the airlines, and the airlines only pay for the space they use in the terminal building. The AAULA was negotiated with the MoreRNO capital improvement plan at its core, especially the concourse redevelopment project commonly referred to as Next Gen B&C preapproved for a total cost of \$570 million. The project will reconstruct the current two concourses, adding much needed space for passengers and concessionaires, as well as five additional gates to accommodate the growing passenger airline traffic at RNO.

#### Air Service Development

The success in expanding service by existing carriers reflects the combined efforts of RTAA and a 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, the Economic Development Authority of Western Nevada (EDAWN), Reno-Sparks Chamber of Commerce, and other key 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 RSCVA, EDAWN, RASC and other local community stakeholders 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 unique marketing resource - 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 Infrastructure Development

Land and infrastructure development is an integral element to all strategic priorities. RTAA must not only proactively respond to market demands with capacity projects, but also maintain existing transportation infrastructure and support the financial bottom line with non-aeronautical land development.

With the launch of MoreRNO, the largest infrastructure program in the RTAA's history, the RTAA is positioned to bring RNO into the future by providing decades of capacity to meet the needs of the growing region. The MoreRNO program will support the infrastructure needs outlined in the RNO Master Plan (2018), the RNO Landside Development Study (2021), the RNO Concourse Redevelopment Planning Study (2022) and the Digital Transformation Plan (2022). MoreRNO provides a proactive response to the projected growth of passenger traffic at RNO to an estimated 7.3 million annual passengers by 2046.

The strategic direction of the MoreRNO program envisions the following:

**Relieve congestion and provide additional capacity in RNO landside facilities.** RNO's growth has resulted in congestion along the terminal curbside pick-up and drop-off areas and capacity constraints in the public parking facilities and rental car facilities.

- **RNO Terminal Roadway Reconstruction Project (The Loop)** reconstructs the failing concrete sections of the terminal loop road and expands pick-up and drop-off areas, provides shelter and comfort for passengers with new curbside canopies, and enhances safety & security with curbside bollards. The Loop Project is under construction and slated for completion in late 2024.
- **RNO Remote Parking Surface Lot Project (Purple Lot)** adds a new economy parking lot with 380 additional parking spaces. The Purple Lot Project was completed in November 2023.
- **Consolidated Rental Car Facility / Ground Transportation Center Project (The GTC)** will provide long term rental car and ground transportation capacity while also freeing up space in close proximity to baggage claim for additional public parking (up to 700 additional spaces). The GTC will be designed, built, financed, maintained, and operated as a public-private partnership with ConRAC Solutions, LLC. The GTC Project is in the design phase, and initial construction on the enabling projects is anticipated to begin in early 2024.

**Replace RNO terminal concourses which are aging and undersized.** The strategy calls for the full replacement of RNO's two existing concourses and 23 total passenger gates which were originally constructed in 1981.

- **RNO Concourse Redevelopment Project (New Gen B & C)** is the centerpiece project of the MoreRNO Program and includes the demolition of existing structures and pavements, the full replacement of the two existing terminal concourses, full replacement of the two connector concourses, improved airfield pavement and taxi-lane capacity, and related infrastructure and utility relocation.
- **Central Utility Plant (CUP)**, replaces the original plant constructed in 1958. The new CUP will support the new concourses and reduce energy dependency by an estimated 70%.

The New Gen B & C Project is in design, and initial construction is expected to begin in 2024. The project will be funded largely by RTAA Airport Revenue Bonds and the balance from awarded Federal grant programs.

**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 area, including the ticketing hall, main lobby, security-screening checkpoint (SSCP) and baggage claim areas. The modernization effort focuses on expanding the Ticketing Hall and adding an Administrative Headquarters and Police Station.

- **Ticketing Hall Expansion Project** adds 9,550 SF to the facility, expands passenger queuing and circulation, adds restrooms, incorporates intuitive wayfinding, modernizes terminal sign standards, and brings to life a public art display in accordance with the RTAA’s first Public Art Policy. The Ticketing Hall Expansion project will provide a more welcoming and enjoyable entrance to RNO, with more natural light and higher ceilings, for departing passengers. The Ticketing Hall Project is under construction and slated for completion in early 2024.
- **Administrative Headquarters and Police Station Project (The HQ)** will relocate the existing Administrative Offices and Police Station from the terminal building to a new facility within walking distance. Relocation will allow valuable terminal space to be utilized by airlines and tenants instead of RTAA functions that can effectively operate further away. Additionally, the new site will provide better access for Police, giving them direct airside and landside access and shifting their operations away from aircraft operations. The HQ Project is in design, and construction is anticipated to begin in late 2024/early 2025.

**Preserve and modify the RNO Airfield.** In addition to ensuring the future viability of RNO through capacity projects, the RTAA invests significantly in preserving existing critical infrastructure through effective maintenance, rehabilitation, and reconstruction programs. Identified airfield infrastructure improvements include constructing a general aviation run-up area, renaming the airfield signage and taxiways, relocating the air cargo apron, constructing deicing aprons, and addressing non-standard taxiway geometry and intersections.

- **GA Run-Up Apron Project** constructs a run-up area at the north end of Taxiway Charlie where propeller aircraft can perform system checks prior to departure, safely. The GA Run-Up Project is under construction and slated for completion in 2023.
- **Taxiway Renaming & Signage Project** addresses non-standard taxiway designators and signage. The Taxiway Renaming Project is in design, and initial construction is estimated to begin in 2024. Based on FAA scheduling constraints, the new taxiway designations will not “go live” until 2025.
- **New Air Cargo Development Project** will provide a new location on the southwest quadrant of RNO for air cargo operations and future capacity. Movement from the existing northwest RNO location will also free up space north of the terminal concourses to provide additional passenger aircraft capacity in the future. A private developer is preparing a plan to finance and construct the related facilities, including the potential for a new deicing facility. Pending successful negotiations with the developer, the project could begin design and environmental review as early as 2026.

In addition to capacity and infrastructure preservation projects, RTAA actively works with third-party developers to convert vacant land to revenue producing non-aeronautical facilities that provide revenue streams independent of passenger volumes. The **Airway Commerce Park Project** by Tolles Development Company converts approximately 50 acres of vacant land south of McCarran Boulevard to Class-A mixed use industrial and commercial development. Tolles Development Company anticipates completion of the final building in 2024. The **Reno-Stead AirLogistics Project**, in partnership with Dermody Properties, will convert approximately 56 acres of vacant land southwest of the RTS airfield to industrial and commercial development. Dermody Properties began construction in late 2023 and anticipates completion in 2024. Negotiations with Dermody are underway for the second phase of industrial and commercial development.

## 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 (GAAP) 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 resolution establishes the funds and their payment priority. These funds are common in the airport industry's revenue bond resolutions.

The revenue bond resolution is 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 the Nevada Local Government Budget and Finance Act, the airline agreement, and the RTAA's revenue bond resolution. The table below outlines the statutory requirements:

<b>Statutory Date</b>	<b>Calendar Date</b>	<b>Action</b>
April 15 <sup>th</sup>	April 15, 2023	Tentative budget filed with the Nevada Department of Taxation
Not more than 14 nor less than seven days before the date set for the hearing	May 8, 2023	Notice of Budget Public Hearing published
Not sooner than the third Monday in May and not later than the last day in May	May 18, 2023	Hold Public Hearing
On or Before June 1st	May 18, 2023	Adopt Budget

Pursuant to the airline agreement, 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.

## 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 GAAP. 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 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, 2022. This was the 36<sup>th</sup> consecutive year that RTAA has achieved this prestigious award. To be awarded a Certificate of Achievement, the ACFR must be easily readable, efficiently organized, and conform to the program standards. This report must satisfy both GAAP 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 blue 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, 2023**



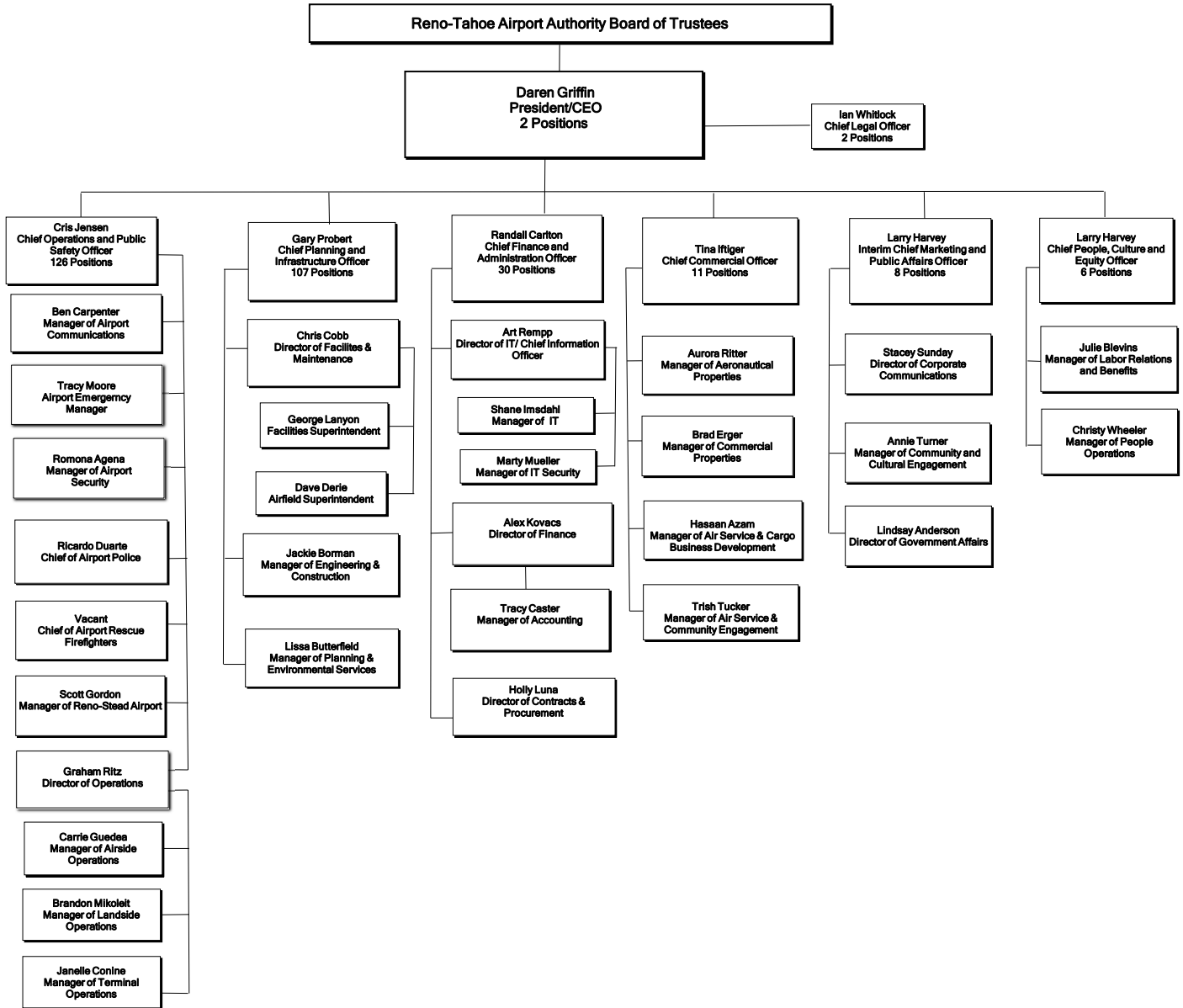
<b><u>Board of Trustees</u></b>	<b><u>Position</u></b>	<b><u>Term Expires</u></b>	<b><u>Represents</u></b>
Adam Kramer	Chair	June 2025	Washoe County
Richard Jay	Vice-Chair	June 2025	City of Reno
Jenifer Rose	Secretary	June 2023	City of Reno
Lisa Gianoli	Treasurer	June 2023	Washoe County
Shaun Carey	Trustee	June 2023	City of Sparks
Jessica Sferrazza	Trustee	June 2023	City of Reno
Jennifer Cunningham	Trustee	June 2025	City of Reno
Art Sperber	Trustee	June 2025	City of Sparks
Carol Chaplin	Trustee	June 2025	Reno-Sparks Convention & Visitors Authority

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

<b>Staff</b>	<b>Title</b>
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
Tina Iftiger	Chief Commercial Officer
Larry Harvey	Chief People, Culture & Equity Officer
Larry Harvey	Interim Chief Marketing & Public Affairs Officer

# RENO-TAHOE AIRPORT AUTHORITY

## JUNE 30, 2023





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Reno-Tahoe Airport Authority  
Nevada**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*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, 2023, 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, 2023, 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, 2023 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, 2023 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, 2023 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, 2023 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.

  
Crowe LLP

Indianapolis, Indiana  
November 30, 2023

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**RENO-TAHOE AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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, 2023. 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 \$480.063 million at June 30, 2023.
- The number of enplaned passengers at the Reno-Tahoe International Airport (RNO) increased 7% to 2.229 million and landing fee revenues increased 20% to \$12.691 million from the prior year.
- In August 2022, RTAA entered into a short-term Non-Revolving Credit Agreement with Wells Fargo Bank to fund capital projects. At June 30, 2023, outstanding principal on the debt is \$5.48 million.
- RTAA's operating revenues increased \$6.776 million (12%) from the prior fiscal year.
- The Authority recognized \$182 thousand in subscription payables and \$293 thousand in subscription right-of-use assets on June 30, 2023, and for the year then ended, related to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Agreements*.
- Federal stimulus grant revenue increased 5% over prior year to \$15.157 million for the year ended June 30, 2023. Funding sources included award amounts from the Coronavirus Aid, Relief and Economic Security (CARES) Act, and American Rescue Plan Act (ARPA). ARPA grants include both expense reimbursement and concession rent relief.

**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 over time may serve as a useful indicator of an organization's financial position. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by \$480.063 million at June 30, 2023.

The following summarizes RTAA's financial position as of June 30, 2023, and 2022:

	2023	2022	\$ Change	% Change
<b>Assets</b>				
Current assets	\$ 93,068,521	\$ 96,078,982	\$ (3,010,461)	-3%
Current assets-restricted	38,038,276	29,978,053	8,060,223	27%
Capital assets, net of depreciation and amortization	409,536,760	388,632,933	20,903,827	5%
Lease receivable, long term	59,152,707	33,195,211	25,957,496	78%
Other assets	1,383,599	1,383,599	-	0%
Total assets	601,179,863	549,268,778	51,911,085	9%
Deferred outflows of resources	18,205,785	14,125,539	4,080,246	29%
<b>Liabilities</b>				
Current liabilities	14,563,850	11,951,622	2,612,228	22%
Payable from restricted assets	630,518	101,202	529,316	523%
Non-current liabilities	60,961,798	29,239,410	31,722,388	108%
Total liabilities	76,156,166	41,292,234	34,863,932	84%
Deferred Inflow of Resources	63,166,553	62,977,306	189,247	0%
<b>Net Position</b>				
Net Investment in Capital Assets	398,934,454	388,632,933	10,301,521	3%
Restricted Net Position	36,521,156	28,495,282	8,025,874	28%
Unrestricted Net Position	44,607,319	41,996,562	2,610,757	6%
Total Net Position	\$ 480,062,929	\$ 459,124,777	\$ 20,938,152	5%

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Total assets of \$601.180 million reflect an increase of \$51.911 million or 9% as compared to 2022. A significant portion of the increase relates to the increase of lease receivables and capital asset activity.

Unrestricted current assets decreased by \$3.010 million or 3%. This is mainly due to a \$4.791 million decrease in short-term lease receivables. This decrease is partially offset by an increase in cash and investments of \$1.614 million.

Restricted current assets increased by \$8.060 million or 27%, due to higher balances in restricted investments of \$7.920 million or 28%.

Capital assets of \$409.537 million increased by \$20.904 million or 5% as compared to the prior year. The increase is primarily due to the \$16.338 million or 2% increase in new capital assets and \$28.735 million or 58% increase in construction in progress. These increases are partially offset by the \$24.410 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 \$76.156 million increased \$34.864 million or 84% for the fiscal year ended June 30, 2023. The significant factors are increases to construction contracts payable by \$2.823 million, outstanding debt of \$5.479 million, and net pension liability by \$26.098 million.

The largest portion (83%) 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, 2023, RTAA had \$398.934 million of net investment in capital assets, an increase of \$10.302 million or 3% 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 (8%) of RTAA's net position represents restricted resources of \$36.521 million, a \$8.026 million or 28% increase from FY 2022. The restricted net position is not available for spending due to the following commitments:

	<u>2023</u>	<u>2022</u>
Revenue bond operations and maintenance	\$ 9,488,004	\$ 7,532,989
Renewal and replacement	786,116	770,498
Passenger facility charge projects	26,221,632	20,160,846
Other reserve purposes	<u>25,404</u>	<u>30,949</u>
	<u>\$ 36,521,156</u>	<u>\$ 28,495,282</u>

As of June 30, 2023, the remaining unrestricted net position of \$44.607 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, 2023, and 2022:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Deferred outflows of resources	\$ 18,205,785	\$ 14,125,539	\$ 4,080,246	29%
Deferred inflows of resources	63,166,553	62,977,306	189,247	0%

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 \$3.087 million to the Public Employees Retirement System (PERS) of the State of Nevada after the measurement date of June 30, 2022; (2) the pension value changes in actuarial assumptions of \$6.508 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 \$6.560 million; (4) pension difference between projected and actual earnings on investments of \$618 thousand, and (5) contributions related to Other Postemployment Benefits (OPEB) liability of \$126 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) the differences in economic and demographic factors used in the projected actuarial assumptions and actual experiences of \$36 thousand; (2) the difference between the actual and proportionate share of contribution of \$1.122 million; and (3) the value of lease receivables of \$62.008 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 and Subscriptions.

### Statement of Changes in Net Position

During the current fiscal year, the Authority's net position increased by approximately \$20.938 million.

The following summarizes the changes in RTAA's net position for June 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenues	\$ 64,841,222	\$ 58,065,181	\$ 6,776,041	12%
Operating expenses	57,675,123	46,340,021	11,335,102	24%
Operating income before depreciation and amortization	7,166,099	11,725,160	(4,559,061)	-39%
Depreciation and amortization expense	24,461,762	25,079,112	(617,350)	-2%
Operating income/(loss)	(17,295,663)	(13,353,952)	(3,941,711)	-30%
Non-operating revenues/(expenses)	33,913,223	27,754,958	6,158,265	22%
Income/(loss) before capital contributions	16,617,560	14,401,006	2,216,554	-15%
Capital contributions	4,320,592	25,193,485	(20,872,893)	-83%
Change in net position	\$ 20,938,152	\$ 39,594,491	\$ 1,599,204	4%

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Significant Changes in Net Position for Fiscal Year 2023 versus 2022

Total operating revenues increased by \$6.776 million or 12% and total operating expenses increased by \$11.335 million or 24%. A review of these two categories is detailed below.

Depreciation and amortization expense of \$24.462 million was \$617 thousand or 2% lower than the prior year due to the full depreciation of certain assets in the prior year.

Non-operating income of \$33.913 million increased by \$3.570 million or 22% over prior year. This is primarily due to the increase of federal stimulus grant revenues (CARES and ARPA), interest income, and gain on investments.

Capital contributions of \$4.321 million, primarily comprised of grants from the Federal Aviation Administration (FAA), decreased by \$20.873 million or 83% in FY 2023 as compared to FY 2022. The grant contributions include reimbursements for runways, taxiways, and apron rehabilitation. The decrease compared to FY 2022 is due to the completion of several large runway projects in FY 2022.

### 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, 2023, and 2022:

Operating revenues	2023	2022	\$ Change	% Change
Landing fees	\$ 12,690,754	\$ 10,584,517	\$ 2,106,237	20%
Concession revenue	15,346,165	15,257,011	89,154	1%
Parking and ground transportation	18,237,964	14,004,587	4,233,377	30%
Rentals	15,072,521	15,073,833	(1,312)	0%
Reimbursements for services	3,384,893	3,000,059	384,834	13%
Other revenue	108,925	145,174	(36,249)	-25%
Total operating revenue	\$ 64,841,222	\$ 58,065,181	\$ 6,776,041	12%

### Significant Changes in Operating Revenues for Fiscal Year 2023 versus 2022

A key metric associated with RTAA’s operating revenues is the number of enplaned passengers at RNO. Following the COVID-19 pandemic, passenger traffic increased to near pre-pandemic levels in FY 2022, ending the year with 2.080 million enplanements. The number of enplaned passengers recorded at RNO during FY 2023 increased by 7%, ending the year with 2.229 million enplanements.

Landing fee revenues of \$12.691 million increased \$2.106 million or 20% from the prior year due to both an increase in landed weight as well as an increase in landing and aircraft fees. Landing fees represent approximately 20% of RTAA’s total operating revenues.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Concession billings of \$16.897 million were generated from auto rental, gaming, food and beverage, merchandising, advertising, and other concessions. They represent 25% of the total operating revenues and are 11% higher than FY 2022. Concessions billings have been recorded as \$15.346 million in concession revenue and \$1.551 million in ARPA Concession relief grants as non-operating revenue. ARPA Concession relief funds were received at the end of FY 2022 and \$114 thousand is remaining to be utilized by concessionaires and recognized as non-operating income through FY 2025.

Parking and Ground Transportation revenues of \$18.238 million accounted for 28% of total operating revenues. Parking revenues increased by \$4.233 million or 30% above the prior year results. Parking rates for FY 2023 were \$2.00 for the first 30 minutes, \$3.00 for the first hour, and an additional \$3.00 per hour, with maximum amounts of \$36.00 per day for short-term, \$16.00 per day for the long-term garage, and \$12.00 per day for long-term surface lot parking.

Rental revenues of \$17.444 million increased \$2.370 million or 16% in FY 2023. The increase is the result of a significant Consumer Price Index (CPI) adjustment as well as the addition of a signatory airline with minimum rental space requirements.

Reimbursements for services and Other revenue generated \$3.286 million or 5% of total operating revenues. Reimbursements for services increased \$385 thousand or 13% from fiscal year 2022. 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 \$109 thousand include miscellaneous revenues, such as late fees collected by RTAA, and rebates received.

### Operating Expenses

The RTAA's total operating expenses totaled \$57.675 million in FY 2023, an increase of \$11.335 million or 24% above the prior year results. The increase is primarily due to the increase of employee wages and benefits. Of the total operating expenses, 68% were costs associated with employee wages and benefits of a workforce of 289 employees as of June 30, 2023. The following is a summary of operating expenses (excluding depreciation and amortization) by category for the years ended June 30, 2023, and 2022:

Operating expenses	2023	2022	\$ Change	% Change
Employee wages and benefits	\$ 39,092,497	\$ 30,348,607	\$ 8,743,890	29%
Utilities and communications	3,962,745	3,156,581	806,164	26%
Purchase of services	8,016,801	7,405,170	611,631	8%
Materials and supplies	3,234,016	2,575,145	658,871	26%
Administrative expenses	3,369,064	2,854,518	514,546	18%
Total Operating Expenses	\$ 57,675,123	\$ 46,340,021	\$ 11,335,102	24%

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Significant Changes in Operating Expenses for Fiscal Year 2023 versus 2022

Employee salaries, wages, and benefits of \$39.092 million increased \$8.744 million or 29% in fiscal year 2023. Personnel related expenses represent approximately 68% of total operating expenses. The following table outlines the major expense categories within employee salaries, wages, and benefits for the years ending June 30, 2023, and 2022:

	2023	2022	\$ Change	% Change
Salary	\$ 23,483,759	\$ 21,724,022	\$ 1,759,737	8%
Overtime, Standby, Holiday Worked	2,135,618	1,645,304	490,314	30%
Employee Benefits	13,473,120	6,979,281	6,493,839	93%
Total Employee Wages and Benefits	\$ 39,092,497	\$ 30,348,607	\$ 8,743,890	29%

Employee salaries have increased by \$1.760 million or 8% from FY 2022. This increase reflects an addition of 22 full time positions. Overtime also increased by \$490 thousand. Employee benefits increased approximately \$6.494 million or 93% due largely to increases 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, 2022. During FY 2022 actual results of earnings on investments was lower than expectations, resulting in an increase of the net pension liability and RTAA's related expense. These expenses are further explained in Note 9 – Pension Plan and Note 13 – Other Post-Employment Benefits (OPEB).

Utilities and communications expenses of \$3.963 million increased \$806 thousand or 26% from the prior year and represents 7% of total operating expenses and is a result of increased utility costs. 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 \$8.017 million, an increase of \$612 thousand or 8% from the prior year. Purchase of services expense represents 14% of total operating expenses. The increase in purchase of services is related to the utilization of consultants for ongoing capital projects.

Expenses for materials and supplies totaled \$3.234 million, an increase of \$659 thousand or 26% from the prior year. Materials and supplies represent 6% of total operating expenses. Inflated costs related to fuel, the purchase of safety equipment and supplies, and software purchases contributed to the increase over FY 2022.

The administrative expense category includes travel, training, air service development, insurance, and other general expenses. In total, the category incurred \$3.369 million in cost, an increase of approximately \$515 thousand or 18% 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 following: interest income, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), jet fuel taxes, federal stimulus grants, interest expense on RTAA revenue bonds, and debt issuance costs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a summary of non-operating revenues and expenses for the years ended June 30, 2023, and 2022:

Non-Operating	2023	2022	\$ Change	% Change
Interest income	\$ 2,449,932	\$ 1,246,627	\$ 1,203,305	49%
Gain (loss) on investment valuation	70,635	(2,737,875)	2,808,510	3976%
Passenger facility charge revenue	8,372,017	8,502,997	(130,980)	-2%
Customer facility charge revenue	7,863,374	6,350,891	1,512,483	19%
Jet fuel tax revenue	300,994	294,018	6,976	2%
Gain (loss) on sale of capital assets	10,871	15,080	(4,209)	-39%
Debt issuance costs	(135,000)	-	(135,000)	100%
Federal grant revenue	15,156,938	14,483,077	673,861	4%
Interest expense	(176,538)	(399,857)	223,319	-126%
Total Non-Operating revenues	\$ 33,913,223	\$ 27,754,958	\$ 6,158,265	22%

### Significant Changes in Non-Operating Revenues and Expenses for Fiscal Year 2023 versus 2022

Interest income consists of interest from leases of \$644 thousand and interest earned on cash and investments of \$1.806 million. Interest income from cash and investments increased 176% and RTAA recognized a gain on investments of \$71 thousand this past fiscal year compared to a loss of \$2.738 million in FY 2022. Interest rate changes can 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 increased continuously during the fiscal year resulting in higher 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 the higher volume of aircraft operations at RNO.

Federal stimulus grant revenues of \$15.157 million increased by \$674 thousand in FY 2023. This includes eligible cost reimbursement from the CARES and ARPA Acts. This funding is permissible for any eligible use of airport revenues. CARES Act reimbursement in fiscal year 2023 included debt service, capital projects, contracted services, salaries, and wages. RTAA also recognized funding for concession rent relief through ARPA of \$1.606 million.

Interest expense of approximately \$176 thousand decreased by \$223 thousand or 126% below the previous year. In FY 2022, RTAA paid additional interest related to the early retirement of debt, resulting in higher than normal interest expense recognized.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSETS

The following presents RTAA's capital assets for the years ended June 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Assets, not depreciated:				
Land	\$ 172,449,079	\$ 172,449,079	\$ -	0%
Construction in progress	78,095,180	49,359,777	28,735,403	58%
Development rights	2,924,038	2,924,038	-	0%
Capital Assets, depreciated and amortized, net:				
Subscription right-of-use assets	166,538	-	166,538	100%
Improvements	98,299,260	105,146,063	(6,846,803)	-7%
Buildings	32,146,859	33,868,706	(1,721,847)	-5%
Equipment	25,455,806	24,885,270	570,536	2%
Total Capital Assets	<u>\$ 409,536,760</u>	<u>\$ 388,632,933</u>	<u>\$ 20,903,827</u>	<u>5%</u>

### Major Capital Asset Events during Fiscal Year 2023

Federal grants funded \$4.321 million of capital projects in FY 2023. Projects included the runway rehabilitation completion at RNO, RTS Parking Apron, and RTS Taxiway A.

Significant construction in progress projects include the ticketing hall expansion, the planning phase for a new rental car facility, a new parking lot, shared use terminal projects, and taxiway reconstruction at RTS.

Completed projects at RNO include a parking lot re-pavement, ticketing hall HVAC, and network infrastructure upgrades.

RTAA continued its on-going pavement maintenance program with major projects on the airfield, 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

In August 2022, RTAA entered into a Non-Revolving Credit Agreement with Wells Fargo Bank, National Association relating to an aggregate \$50,000,000 principal amount in subordinate lien revenue bonds, Series 2022: Subseries A (AMT), Subseries B (Non-AMT), and Subseries C (taxable) to finance capital projects. The Non-Revolving Credit Agreement allows RTAA to take advances up to the amount of the Available Commitment (\$50,000,000 less any previous advances) at any time through the Commitment Expiration date of August 1, 2025.

RTAA used these drawdowns to finance capital projects including the ticketing hall expansion, network infrastructure replacement, the shared use project, and the economy lot construction.

During FY 2023, RTAA made drawdowns totaling \$15.104 million and principal payments of \$9.625 million, as well as paid interest and fees of \$169 thousand. At June 30, 2023, the balance of principal borrowed is \$5.479 million, with an Available Commitment remaining of \$34.896 million.

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, 2023, RTAA collected PFCs, including interest earnings thereon, totaling \$8.314 million, a \$131 thousand or 2% decrease over the prior year. 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, 2023, RTAA collected CFCs totaling \$7.863 million, a \$1.512 million or 19% increase over the prior year. This increase is due to the increased passenger activity at RNO and increased CFC fees. CFC funds 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. Effective July 1, 2022, CFC per rental car transaction day increased to \$6.50 from \$5.50.

### **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. An eighth signatory airline, aha! Airlines, operated through September 2022, at which time they declared bankruptcy and ceased operations. 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 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.

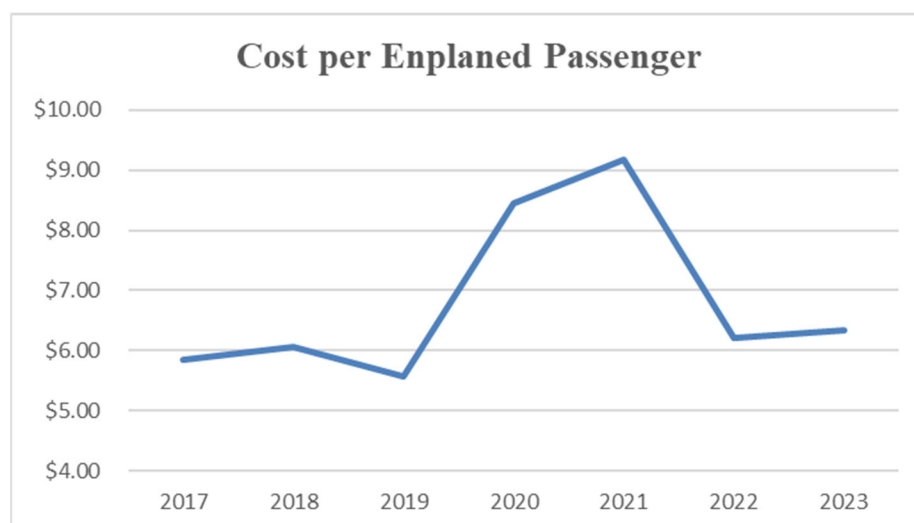
## MANAGEMENT’S DISCUSSION AND ANALYSIS

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. 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, 2023, and 2022:

	<b>2023</b>	<b>2022</b>	<b>\$ Change</b>	<b>% Change</b>
Landing Fee Rate (per 1,000 pounds)	\$ 3.79	\$ 3.04	\$ 0.75	25%
Terminal Rental Rate (Average per sq ft)	34.47	45.74	(11.27)	-25%

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, 2023, was calculated to be \$6.33 as compared to \$6.21 in the prior year. The chart below presents the history of the cost per enplaned passenger.



## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The US economy has been struggling to control inflation throughout the 2023 fiscal year. Despite the aggressive Federal Reserve policy to maintain its dual mandate of price stability and maximum employment, the job market has remained resilient. Much like the greater US economy, RTAA has proved its resiliency, and is in a strong financial position entering FY 2024. As we conclude the post-pandemic record year that was FY 2023, we are prepared for another substantial year in FY 2024 as we develop an airport that will meet the growing demand of the region for the next 30 years.

Starting on July 1, 2023, RTAA has entered into a new Airline-Airport Use and Lease Agreement (AAULA). The new ten-year AAULA was negotiated with five commercial and two cargo signatory airlines with the concourse redevelopment capital project at the heart of negotiations. The nearly \$1 billion MoreRNO capital improvement program consists of four main projects; the Ticketing Hall Expansion, Loop Road Improvements, the Ground Transportation Center (GTC), and the construction of two new concourses (New Gen B&C).

The greater Reno area’s economic picture continues to remain resilient as it significantly continues to diversify and grow, despite the high inflation. The Reno-Tahoe regional area economy is no longer relying solely on tourism and gaming as a source of revenue. 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, such as Tesla, Panasonic, Microsoft, Apple, Amazon, Patagonia, Walmart, and Petco to set up major business operations in Northern Nevada.

Nevada’s June 2023 unemployment rate dropped to 5.7% 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 4.5%, while the Las Vegas area was at 6.0% and Carson at 4.8% in June 2023.

The fiscal year 2024 Board approved budget is balanced, includes increased funding for mission critical airport operations, higher revenues, and the usage of federal funding for major capital projects. We continue to closely monitor airline traffic, revenues, and expenses, and are prepared to make necessary adjustments if the current forecasts do not materialize, or we are faced with an economic downturn.

### **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](mailto:asktheairport@renoairport.com).

# **BASIC FINANCIAL STATEMENTS**

**RENO-TAHOE AIRPORT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**ASSETS**

**CURRENT ASSETS**

Unrestricted Assets:

Cash and cash equivalents	\$ 21,372,300
Investments	61,420,169
Accounts receivable, net	4,629,910
Lease receivable	3,451,389
Interest receivable	424,714
Inventory	937,663
Other current assets	832,376

Total Unrestricted Assets	<u>93,068,521</u>
---------------------------	-------------------

Restricted Assets:

Cash and cash equivalents	73,612
Investments	36,318,378
Grants receivable	1,517,196
Interest receivable	129,090

Total Restricted Assets	<u>38,038,276</u>
-------------------------	-------------------

Total Current Assets	<u>131,106,797</u>
----------------------	--------------------

**NON-CURRENT ASSETS**

Capital Assets:

Non-depreciable	253,468,297
Depreciable	847,090,034
Less accumulated depreciation and amortization	<u>(691,021,571)</u>

Total Capital Assets	<u>409,536,760</u>
----------------------	--------------------

Other Assets:

Road credits	1,383,599
Lease receivable	59,152,707

Total Other Assets	<u>60,536,306</u>
--------------------	-------------------

Total Non-Current Assets	<u>470,073,066</u>
--------------------------	--------------------

Total Assets	<u>601,179,863</u>
--------------	--------------------

**DEFERRED OUTFLOWS OF RESOURCES**

Pension contributions after measurement date	3,086,672
--	-----------

Pension difference between actual and proportionate share of contributions	1,306,826
--	-----------

Pension changes in actuarial assumptions	6,508,107
--	-----------

Pension difference between expected and actual pension experience	6,560,113
---	-----------

Pension difference between projected and actual earnings on plan investments	618,129
--	---------

OPEB contributions after measurement date	125,938
---	---------

Total Deferred Outflows of Resources	<u>18,205,785</u>
--------------------------------------	-------------------

Total Assets and Deferred Outflows of Resources	<u>619,385,648</u>
---	--------------------

Continued

**RENO-TAHOE AIRPORT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**LIABILITIES**

**CURRENT LIABILITIES**

Payable from Unrestricted Assets:	
Accounts payable	\$ 5,483,437
Interest payable	41,707
Subscription liability	117,088
Construction contracts payable	4,492,773
Unearned revenue	2,000,982
Accrued payroll and compensated absences	2,427,863
Total current unrestricted assets	<u>14,563,850</u>
Payable from Restricted Assets:	
Construction contracts payable	<u>630,518</u>
Total restricted current liabilities	<u>630,518</u>
Total Current Liabilities	<u>15,194,368</u>

**NON-CURRENT LIABILITIES**

Revenue bonds and subordinate notes, net	5,479,015
Compensated absences, net of current portion	1,260,583
Deposits	681,469
Reclamation liability	574,493
Subscription liability	64,970
Total OPEB liability	2,237,559
Net pension liability	<u>50,663,709</u>
Total Non-Current Liabilities	<u>60,961,798</u>
Total Liabilities	<u>76,156,166</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension difference between actual and expected pension experience	36,193
Pension difference between actual and proportionate share of contribution	1,122,439
Leases	<u>62,007,921</u>
Total Deferred Inflows of Resources	<u>63,166,553</u>

**NET POSITION**

Net investment in capital assets	<u>398,934,454</u>
Restricted for:	
Operations and maintenance reserve	9,488,004
Renewal and replacement reserve	786,116
Passenger facility charge projects	26,221,632
Other reserve purposes	25,404
Total Restricted	<u>36,521,156</u>
Unrestricted	<u>44,607,319</u>
Total Net Position	<u>480,062,929</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 619,385,648</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, 2023**

OPERATING REVENUES

Landing fees	\$ 12,690,754
Concession revenue	15,346,165
Parking and ground transportation	18,237,964
Rentals	15,072,521
Reimbursements for services	3,384,893
Other revenue	108,925
Total operating revenues	<u>64,841,222</u>

OPERATING EXPENSES

Employee wages and benefits	39,092,497
Utilities and communications	3,962,745
Purchase of services	8,016,801
Materials and supplies	3,234,016
Administrative expenses	3,369,064
Total operating expenses	<u>57,675,123</u>

OPERATING INCOME BEFORE DEPRECIATION  
AND AMORTIZATION

7,166,099

Depreciation and amortization expense

24,461,762

OPERATING INCOME (LOSS)

(17,295,663)

NON-OPERATING REVENUES (EXPENSES)

Interest income	2,449,932
Gain (Loss) on value of investments	70,635
Passenger facility charge revenue	8,372,017
Customer facility charge revenue	7,863,374
Jet fuel tax revenue	300,994
Gain on sale of capital assets	10,871
Debt issuance costs	(135,000)
Federal grant revenue	15,156,938
Interest expense	(176,538)
Total non-operating revenues (expenses)	<u>33,913,223</u>

INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS

16,617,560

CAPITAL CONTRIBUTIONS (FEDERAL)

4,320,592

CHANGE IN NET POSITION

20,938,152

NET POSITION, BEGINNING OF YEAR

459,124,777

NET POSITION, END OF YEAR

\$ 480,062,929

See accompanying notes to financial statements.



**RENO-TAHOE AIRPORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 66,032,435
Cash paid to employees and for benefits	(36,590,409)
Cash paid to suppliers	<u>(20,730,200)</u>
Net cash provided by operating activities	<u>8,711,826</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Federal grants received	15,156,938
Jet fuel tax revenue	<u>300,994</u>
Net cash provided by noncapital financing activities	<u>15,457,932</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital contributions (federal)	4,286,241
Passenger facility charge revenue	8,372,017
Customer facility charge revenue	7,863,374
Acquisition and construction of capital assets	(42,542,203)
Proceeds from sale of capital assets	10,871
Proceeds from bond issuance	15,103,544
Principal paid on bonds	(9,624,529)
Cash paid for note issue costs	(135,000)
Interest paid on bonds	<u>(134,831)</u>
Net cash provided by (used in) capital and related financing activities	<u>(16,800,516)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Receipts of interest	2,136,388
Purchase of investments	(19,527,908)
Sale of investments	<u>18,512,660</u>
Net cash provided by (used in) investing activities	<u>1,121,140</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,490,382
--	-----------

CURRENT AND RESTRICTED CASH AND CASH  
EQUIVALENTS, BEGINNING OF YEAR

12,955,530

CURRENT AND RESTRICTED CASH AND CASH  
EQUIVALENTS, END OF YEAR

\$ 21,445,912

**RENO-TAHOE AIRPORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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

Operating (loss) income	\$ (17,295,663)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:	
Depreciation and amortization	24,461,762
(Increase) Decrease in Assets:	
Accounts receivable, net	175,304
Lease receivable	(21,166,770)
Inventory	(31,909)
Other current assets	(59,728)
Increase (Decrease) in Liabilities:	
Accounts payable	(466,449)
Rents received in advance	(130,592)
Accrued payroll	823,992
Deposits and unearned revenues	(113,747)
Total OPEB liability and related deferred outflows of resources	299,666
Net pension liability and related deferred outflows and inflows of resources	1,378,426
Lease deferred inflows of resources	20,827,885
Reclamation liability	9,649
Net cash provided by operating activities	<u>\$ 8,711,826</u>

Noncash activities:

Capital assets included in construction contracts payable	\$ 5,123,291
Capital Contributions	
Total Capital Contributions	\$ 4,320,592
Grants Receivable (June 30, 2023)	(1,482,845)
Grants Receivable (June 30, 2022)	1,517,196
	<u>\$ 4,354,943</u>

See accompanying notes to financial statements.

# **NOTES TO THE FINANCIAL STATEMENTS**

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**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, 2023**

---

- 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), Customer Facility Charges (CFC), and federal stimulus funds received from the Federal Aviation Administration (FAA).

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 2023 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, 2023**

---

**F. 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, 2022.
- 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.
- 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.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

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

**G. 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, 2023, liabilities related to compensated absences were \$2,571,377.

**H. 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 Airport-Airline Use and Lease Agreement (AAULA). Any over-collections and under-collections are netted and recorded on the Statements of Net Position as a receivable or payable.

**I. 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."

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.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**J. Passenger Facility Charge (PFC) Revenue**

Currently, RTAA has approval from the 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.

**K. Customer Facility Charge (CFC) Revenue**

Effective July 1, 2022, RTAA implemented a \$6.50 CFC per transaction day on each individual vehicle rental collected by each participating rental car lessee. 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.

**L. 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.

**M. 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.



**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

O. Recent Accounting Pronouncements Adopted/Implemented:

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

- GASB Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement did not have a material effect on the financial statements.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), providing definitions and accounting treatment guidance for service concession arrangements (SCAs) and availability payment arrangements (APAs). This Statement did not have a material effect on the financial statements.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement had a material effect on the financial statements of RTAA, please refer to Note 5 – Capital Assets and Note 8 – Leases and Subscriptions.

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

- 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.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**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, 2023:

<b>Cash and Cash Equivalents:</b>	\$ 21,445,912
<b>Investments:</b>	
State of Nevada Local Government Pool	9,235,665
US Government Agency Securities	67,958,708
Corporate Securities	<u>20,544,174</u>
Total Investments	<u>97,738,547</u>
 Total Cash, Cash Equivalents, Investments	 119,184,459
Less: Unrestricted Cash, Cash Equivalents, and Investments	 <u>(82,792,469)</u>
<b>Total Restricted Cash, Cash Equivalents, and Investments</b>	 <u><u>\$ 36,391,990</u></u>

The balance of cash and cash equivalents as of June 30, 2023, was \$21,445,912. 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.

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).

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

Below is the categorization of the RTAA's total cash, cash equivalents, and investments as of June 30, 2023, 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, 2023	(Level 1)	(Level 2)	(Level 3)
<b>Investments by Fair Value Level:</b>				
US Agencies	\$ 31,254,315	\$ -	\$ 31,254,315	\$ -
US Treasury Notes	36,704,393	36,704,393	-	-
Corporate Securities	20,544,174	-	20,544,174	-
Total Investments by Fair Value Level	\$ 88,502,882	\$ 36,704,393	\$ 51,798,489	\$ -
<b>Investments at Net Asset Value (NAV):</b>				
State of Nevada Local Government Pool	9,235,665			
Total Investments at Net Asset Value (NAV)	9,235,665			
<b>Cash:</b>				
Collateralized Bank Deposits	21,445,912			
<b>Total Cash, Cash Equivalents, and Investments</b>	<u>\$ 119,184,459</u>			

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 its 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.

Included in the RTAA's investment portfolio as of June 30, 2023, 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).

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

- 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.
- 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.

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, 2023.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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 Federal Deposit Insurance Corporation (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.

Interest Rate Risk

As of June 30, 2023, 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	\$ 21,445,912	\$ -	\$ -	\$ -	\$ -	\$ 21,445,912
LGIP	-	9,235,665	-	-	-	9,235,665
Securities:						
US Treasury	-	14,020,314	6,661,360	7,057,289	8,965,430	36,704,393
US Gov Agency	2,997,300	15,734,567	-	6,579,693	5,942,755	31,254,315
Corporate	-	1,491,825	11,136,637	2,536,752	5,378,960	20,544,174
Total	\$ 24,443,212	\$ 40,482,371	\$ 17,797,997	\$ 16,173,734	\$ 20,287,145	\$ 119,184,459

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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, 2023, 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, 2023, the following investments equaled or exceeded 5% of the RTAA's total cash, cash equivalents and investments:

<u>Investment Types</u>	<u>2023</u>
Local Government Investment Pool	8%
Wells Fargo Collateralized Deposit	18%
US Agencies	26%
US Treasuries	31%
Corporate Securities	17%
Total	<u>100%</u>

**4. Accounts and Grants Receivable**

The following amounts represent receivables due to RTAA at June 30, 2023:

<u>Accounts and Grants Receivable</u>	<u>2023</u>
Current, Unrestricted:	
Accounts Receivable	\$ 4,650,434
Less: Allowance for uncollectable	<u>(20,524)</u>
Net Accounts Receivable	4,629,910
Grants Receivable, Restricted	<u>1,517,196</u>
Total Current Accounts and Grants Receivable	<u>\$ 6,147,106</u>

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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.

Capital asset balances and changes for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions and Transfers	Deletions and Transfers	Balance June 30, 2023
Capital Assets, not depreciated:				
Land	\$ 172,449,079	\$ -	\$ -	\$ 172,449,079
Construction in progress	49,359,777	43,408,180	(14,672,777)	78,095,180
Development rights	2,924,038	-	-	2,924,038
Total Capital Assets, not depreciated	<u>224,732,894</u>	<u>43,408,180</u>	<u>(14,672,777)</u>	<u>253,468,297</u>
Capital Assets, depreciated:				
Subscription right-of-use assets	292,623	-	-	292,623
Improvements	446,360,044	8,189,922	-	454,549,966
Buildings	289,610,051	3,417,320	-	293,027,371
Equipment	94,541,782	4,730,321	(52,029)	99,220,074
Total Capital Assets, depreciated:	<u>830,804,500</u>	<u>16,337,563</u>	<u>(52,029)</u>	<u>847,090,034</u>
Less accumulated depreciation for:				
Subscription right-of-use assets	-	(126,085)	-	(126,085)
Improvements	(341,213,981)	(15,036,725)	-	(356,250,706)
Buildings	(255,741,345)	(5,139,167)	-	(260,880,512)
Equipment	(69,656,512)	(4,159,785)	52,029	(73,764,268)
Total accumulated depreciation:	<u>(666,611,838)</u>	<u>(24,461,762)</u>	<u>52,029</u>	<u>(691,021,571)</u>
Total Capital Assets, net	<u>164,192,662</u>	<u>(8,124,199)</u>	<u>-</u>	<u>156,068,463</u>
Net Capital Assets	<u>\$ 388,925,556</u>	<u>\$ 35,283,981</u>	<u>\$ (14,672,777)</u>	<u>\$ 409,536,760</u>

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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.

RTAA enters into subscription-based information technology arrangements (SBITAs) to utilize vendor-provided information technology software, which are recorded as subscription right-of-use assets amortized over the shorter of the term of the contract or useful life of the asset. Under GASB 96, certain contracts with terms exceeding one year have been included in the depreciable assets and accumulated depreciation on the balance sheet. See Note 8 – Leases and Subscriptions for additional information.

## 6. Long-Term Debt

As of June 30, 2023, RTAA has \$5.48 million in debt under a short term non-revolving credit agreement. The changes in long-term debt for the year ended June 30, 2023, are as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>New Debt</u>	<u>Principal</u> <u>Repayment</u>	<u>Balance</u> <u>June 30, 2023</u>
Debt				
Series 2022	\$ -	\$ 15,103,544	\$ (9,624,529)	\$ 5,479,015
Total	-	15,103,544	(9,624,529)	5,479,015
Less: Current Portion	-	-	-	-
Long-term debt:	<u>\$ -</u>	<u>\$ 15,103,544</u>	<u>\$ (9,624,529)</u>	<u>\$ 5,479,015</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.



**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

- 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 reserve to fund operation and maintenance 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 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.

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.

While the current debt issues do 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, 2023.

Wells Fargo – Series 2022 Bonds

On August 1, 2022, RTAA entered into a Non-Revolving Credit Agreement with Wells Fargo Bank, National Association relating to an aggregate \$50,000,000 principal amount in subordinate lien revenue bonds, Series 2022: Subseries A (AMT), Subseries B (Non-AMT), and Subseries C (taxable) to finance capital projects. The Non-Revolving Credit Agreement allows RTAA to take advances no less than \$500,000 up to the amount of the Available Commitment (\$50,000,000 less any previous advances) at any time up to the Commitment Expiration date of August 1, 2025, at which time all outstanding principal and interest is due.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

Each AMT Non-Revolver Loan and each Non-AMT Non-Revolver Loan bear interest at a rate per annum equal to the sum of (A) the Tax-Exempt Applicable Spread and (B) the product of (1) Daily Simple SOFR and (2) the Applicable Factor and (ii) each Taxable Non-Revolver Loan bear interest at a rate per annum equal to the sum of (A) the Taxable Applicable Spread and (B) Daily Simple SOFR, and rates are updated daily. A non-refundable commitment fee is assessed based on the daily Available Commitment and a rate equal to 20 basis points per annum.

The Agreement is secured by net revenues, and payable from the lawfully available funds of the Authority. The Agreement is subject to certain covenants, including that net revenues will be equal to at least 110% of the aggregate annual debt service on the outstanding obligations. RTAA was in compliance with all covenants on June 30, 2023. The Agreement contains a provision that in an event of default, the lender may exercise any remedy available at law or in equity and the payments may be subject to immediate payment or acceleration.

During the year ended June 30, 2023, interest expense and commitment fees were \$84,985 and \$83,690, respectively. The Available Commitment at June 30, 2023, is \$34,896,455.

## 7. Non-Current Liabilities

Other long-term liability activity for the year ended June 30, 2023, is summarized below:

	Balance July 1, 2022	Additions and Transfers	Deletions and Transfers	Balance June 30, 2023
Compensated absences	\$ 2,330,697	\$ 2,140,625	\$ (1,899,945)	\$ 2,571,377
Deposits	899,278	33,389	(251,198)	681,469
Reclamation liability	564,844	13,512	(3,863)	574,493
	\$ 3,794,819	\$ 2,187,526	\$ (2,155,006)	\$ 3,827,339
Less current portion of compensated absences				(1,310,794)
Total				<u>\$ 2,516,545</u>

## 8. Leases and Subscriptions

The Authority leases nonfinancial assets to and from other entities as a lessor and lessee, respectively. In accordance with GASB 87, RTAA as a lessor has recognized lease receivables and deferred inflows of resources, with exceptions for short-term leases and certain regulated leases. In accordance with GASB 96, RTAA as a lessee has recognized subscription right-of-use assets and corresponding subscription lease liabilities.

### 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

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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, 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. The lease activity is summarized as follows for fiscal year 2023:

	Implied Interest	Annual Lease Revenue	Lease Receivable	Deferred Inflows
Concessions	\$ 121,040	\$ 8,550,148	\$ 9,173,716	\$ 9,121,816
Rentals	522,664	1,667,784	53,430,380	52,886,105
Total	<u>\$ 643,704</u>	<u>\$ 10,217,932</u>	<u>\$ 62,604,096</u>	<u>\$ 62,007,921</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 \$16,859,075 for the year ending June 30, 2023. The agreements related to 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 April 30, 2078. The rent escalates by an inflationary factor each year.

The receivable on these leases was discounted to the net present value based on the Authority's alternative minimum tax (AMT) borrowing rate and the length of the lease. For years prior to July 1, 2022, the discount rates range from 0.83% to 2.02%. New and/or modified leases for the year ended June 30, 2023, were discounted based on the rate determined as of July 1, 2022, and range from 3.47% to 4.58%.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

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

Year Ending June 30,	Principal	Interest	Total Payments
2024	\$ 3,451,389	\$ 997,373	\$ 4,448,762
2025	3,567,959	1,062,127	4,630,086
2026	3,410,609	921,695	4,332,304
2027	2,108,401	887,745	2,996,146
2028	1,094,132	867,174	1,961,306
2029-2033	5,606,940	4,052,340	9,659,280
2034-2038	5,763,051	3,574,478	9,337,529
2039-2043	6,030,303	3,071,227	9,101,530
2044-2048	6,572,084	2,529,446	9,101,530
2049-2053	7,023,095	1,935,158	8,958,253
2054-2058	4,176,708	1,449,145	5,625,853
2059-2063	3,440,302	1,149,658	4,589,960
2064-2068	3,529,334	836,636	4,365,970
2069-2073	3,232,741	517,259	3,750,000
2074-2078	3,597,048	27,952	3,625,000
Total	<u>\$ 62,604,096</u>	<u>\$ 23,879,413</u>	<u>\$ 86,483,509</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

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

For the year ended June 30, 2023, RTAA received \$3,271,971 in payments from leases under regulated lease agreements, of which \$2,029,008 was for fixed payments.

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

Year Ending June 30,	Amount
2024	\$ 1,775,739
2025	1,752,437
2026	1,735,932
2027	1,512,096
2028	1,335,801
2029-2033	4,568,673
2034-2038	3,305,001
2039-2043	3,280,847
2044-2048	3,271,210
2049-2053	3,238,784
2054-2058	3,238,784
2059-2063	3,071,975
2064-2068	1,237,082
2069-2073	623,621
Total	<u>\$ 33,947,982</u>

**Subscriptions**

The Authority has entered into subscription-based information technology arrangements (SBITAs) as lessee for the use of software to include accounting systems, cyber security monitoring, airport management, and incident reporting. These non-cancellable agreements have terms longer than one year and up to five years and have been recognized as a subscription right-of-use asset and liability at the present value of future payments with a discount rate based on the Authority's AMT borrowing rate at July 1, 2022, of 3.47%.

The total of RTAA's subscription assets are recorded in capital assets of \$292,623, less accumulated amortization of \$126,085. These subscriptions are summarized as follows:

Beginning Subscription Payable at July 1, 2022	Payable Reduction	Ending Subscription Payable at June 30, 2023	Interest Expense	Amortization Expense
\$ 292,623	\$ 110,565	\$ 182,058	\$ 7,863	\$ 126,085

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

Total future minimum payments to be paid under the subscription agreements are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 117,088	\$ 3,890	\$ 120,978
2025	49,071	1,437	50,508
2026	15,899	301	16,200
Total	<u>\$ 182,058</u>	<u>\$ 5,628</u>	<u>\$ 187,686</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](http://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.

**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%	\$6,759,233

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

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.

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.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

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, 2022.

The RTAA's proportional share reflects the actuarial valuation date as of June 30, 2022, 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, 2023, RTAA is reporting a liability of \$50,663,709 for its proportionate share of the net pension liability. This represents an increase of \$26,098,537 as compared to \$24,565,172 reported as of June 30, 2022. 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, 2023, 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 0.2806% of the total. This compares to the prior year's proportion share of 0.2694% of the total. For the year ended June 30, 2023, RTAA recognized pension expense increase of \$1,378,426.



**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

Deferred Outflows and Inflows of Resources:

At June 30, 2023, 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	\$ 6,560,113	\$ 36,193
Changes of assumptions	6,508,107	-
Net difference between projected and actual earnings on investments	618,129	-
Difference between employer contributions and employers proportionate share of system contributions	1,306,826	1,122,439
Contributions subsequent to measurement date	<u>3,086,672</u>	<u>-</u>
Total	<u><u>18,079,847</u></u>	<u><u>1,158,632</u></u>

The deferred outflows of resources of \$3,086,672 relates to RTAA pension contributions made after the measurement date of June 30, 2022, but before the end of the RTAA's reporting period of June 30, 2023, will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2024.

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 5.70 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	\$ 2,122,207
2024	2,014,103
2025	1,798,260
2026	6,957,926
2027	942,047
Thereafter	<u>-</u>
Total	<u><u>\$ 13,834,543</u></u>

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

Assumptions

The net pension liability reported as of June 30, 2022, 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%, net of pension plan investment expense, including inflation
Other Assumptions	Same as those used in the June 30, 2022, 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.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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, 2022.

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 2.50%

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, 2022 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, 2022.

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	77,785,367	50,663,709	28,284,272

**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 \$4,320,592 from federal sources for the year ended June 30, 2023.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**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, 2023:

Airfield	\$ 1,284,091
Terminal	1,556,348
Landside	11,197,591
Reno-Stead Airport	2,776,569
Other	<u>694,623</u>
Total outstanding commitments	<u>\$ 17,509,222</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 \$537,340 for the year ended June 30, 2023.

During the 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, 2023, is \$574,493.

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.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**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, 2023. 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 \$125,938 for 34 retirees, which equaled the required contribution. As of June 30, 2023, 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, 2022, 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, 2022
Measurement Date	June 30, 2022
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	(\$0; no OPEB trust has been established)
Discount Rate	3.54% as of June 30, 2022
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**  
**JUNE 30, 2023**

Mortality	The basic mortality rates used in this valuation are based on the published report of the Nevada Public Employees Retirement System, dated September 2021. <u>Non-disabled life rates for Regular employees:</u> Males and Females: Pub-2010 General Healthy Retiree																
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"> <thead> <tr> <th>Effective July 1</th><th>Premium Increase</th></tr> </thead> <tbody> <tr> <td>2022</td><td>Actual</td></tr> <tr> <td>2023</td><td>5.8%</td></tr> <tr> <td>2024</td><td>5.6%</td></tr> <tr> <td>2025</td><td>5.4%</td></tr> <tr> <td>2026 - 2027</td><td>5.2%</td></tr> <tr> <td>2028 - 2029</td><td>5.1%</td></tr> <tr> <td>2030 - 2038</td><td>5.0%</td></tr> </tbody> </table>	Effective July 1	Premium Increase	2022	Actual	2023	5.8%	2024	5.6%	2025	5.4%	2026 - 2027	5.2%	2028 - 2029	5.1%	2030 - 2038	5.0%
Effective July 1	Premium Increase																
2022	Actual																
2023	5.8%																
2024	5.6%																
2025	5.4%																
2026 - 2027	5.2%																
2028 - 2029	5.1%																
2030 - 2038	5.0%																

Changes in the Total OPEB Liability: The total OPEB liability at June 30, 2023, was calculated as follows:

OPEB Liability at June 30, 2022	\$	1,939,121
Changes for the year:		
Interest cost		40,512
Assumption changes		385,092
Benefit payments		(127,166)
OPEB Liability at June 30, 2023	\$	<u>2,237,559</u>

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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, 2022, is 3.54%. Healthcare cost trend rate prior to eligibility for Medicare was assumed to start at 5.8% (increase effective January 1, 2023) and fluctuate down to the ultimate rate of 3.9% 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.

Change in Discount Rate	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Increase in Liability	2,498,605	2,237,559	2,017,539

Change in Healthcare Cost Trend Rate	1% Decrease	Current Trend	1% Increase
Increase in Liability	2,027,918	2,237,559	2,480,534

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	125,938	-
Total	125,938	-

The deferred outflow of resources of \$125,938 relates to RTAA's OPEB contributions made after the measurement date of June 30, 2022, but before the end of the RTAA's reporting period of June 30, 2023.

#### **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.

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

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, 2023, \$170,804 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 one hundred twenty (120) hours of compensatory time, RTAA shall contribute 100% of that member's compensatory time in excess of one hundred twenty (120) 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, 2023, \$24,371 was contributed to the RTAA Police Officers Association plan.



**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

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 July 1, 2022 – June 30, 2025, 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, 2023, \$76,351 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, 2023, through the date the financial statements were available for issuance for recognition and/or disclosure in the financial statements.

Effective July 1, 2023, a ten year Airport-Airline Use and Lease Agreement was approved by the board.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service Cost	-	-	-	-	-	-
Interest Cost	\$ 40,512	\$ 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	385,092	12,293	363,229	71,227	18,135	(129,137)
Benefit Payments	(127,166)	(111,412)	(115,638)	(128,486)	(120,364)	(124,223)
<b>Net change in total OPEB liability</b>	298,438	(56,252)	342,243	4,378	(108,011)	(199,380)
Total OPEB Liability - beginning	1,939,121	1,995,373	1,653,130	1,648,752	1,756,763	1,956,143
Total OPEB Liability - ending	<u>\$ 2,237,559</u>	<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**

	2023 <sup>(b)</sup>	2022 <sup>(b)</sup>	2021 <sup>(b)</sup>	2020 <sup>(b)</sup>	2019 <sup>(b)</sup>	2018 <sup>(b)</sup>	2017 <sup>(b)</sup>	2016 <sup>(b)</sup>	2015 <sup>(b)</sup>
RTAA's proportion of the net pension liability	0.2806%	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	\$50,663,709	\$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	\$20,681,498	\$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	244.97%	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	75.1%	86.50%	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**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	6,759,233	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	6,759,233	6,193,630	5,675,385	5,771,419	5,383,749	5,149,826	5,146,592	4,742,955	4,392,386
Annual contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Percent funded	100%	100%	100%	100%	100%	100%	100%	100%	100%
Authority's covered payroll	20,775,007	20,681,498	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	32.54%	29.95%	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, 2023**

	Original Budget	Final Amended Budget	Actual	Variance To Final Budget
Operating revenues:				
Landing fees	\$ 13,283,318	\$ 13,283,318	\$ 12,690,754	\$ (592,564)
Concession revenue	17,161,806	17,161,806	15,346,165	(1,815,641)
Parking and ground transportation	17,150,500	17,150,500	18,237,964	1,087,464
Rentals	17,519,227	17,519,227	15,072,521	(2,446,706)
Reimbursements for services	2,972,759	2,972,759	3,384,893	412,134
Other revenue	108,700	108,700	108,925	225
Total Operating Revenues	68,196,310	68,196,310	64,841,222	(3,355,088)
Operating expenses:				
Employee wages and benefits	38,057,907	37,567,907	39,092,497	(1,524,590)
Utilities and communications	3,133,050	4,051,370	3,962,745	88,625
Purchase of services	9,765,000	9,900,329	8,016,801	1,883,528
Materials and supplies	2,984,990	3,111,499	3,234,016	(122,517)
Administrative expenses	3,991,021	3,812,020	3,369,064	442,956
Total Operating Expenses before Depreciation and Amortization	57,931,968	58,443,125	57,675,123	768,002
Depreciation and amortization	30,000,000	30,000,000	24,461,762	5,538,238
Total Operating Expenses	87,931,968	88,443,125	82,136,885	6,306,240
Operating Income (Loss)	(19,735,658)	(20,246,815)	(17,295,663)	2,951,152
Non-operating revenues (expenses):				
Interest income and gain on investments	1,028,800	1,028,800	2,520,567	1,491,767
Passenger facility charge revenue	8,729,300	8,729,300	8,372,017	(357,283)
Customer facility charge revenue	10,588,500	10,588,500	7,863,374	(2,725,126)
Jet fuel tax revenue	256,700	256,700	300,994	44,294
Gain on sale of capital assets	-	-	10,871	10,871
Debt issuance costs	-	-	(135,000)	(135,000)
Federal grant revenue	13,650,300	13,650,300	15,156,938	1,506,638
Interest expense	-	-	(176,538)	(176,538)
Total Non-Operating Revenues (Expenses)	34,253,600	34,253,600	33,913,223	(340,377)
Income (Loss) Before Capital Contributions	\$ 14,517,942	\$ 14,006,785	\$ 16,617,560	\$ 2,610,775

# **STATISTICAL SECTION**



## STATISTICAL SECTION EXPLANATIONS

This part of the RTAA's annual comprehensive 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, 2014 - 2023**  
**(unaudited)**

	2014	2015	2016	2017	2018
Operating revenues					
Landing fees	\$7,440,496	\$7,916,995	\$8,071,097	\$8,285,922	\$9,397,172
Concession revenue	10,301,098	10,344,733	10,861,366	11,798,086	12,802,725
Parking and ground transportation	8,983,926	9,515,946	10,519,785	11,316,885	12,009,701
Rentals	13,282,322	13,456,901	13,599,106	13,688,849	13,838,446
Reimbursements for services	2,632,002	2,647,105	2,419,689	2,531,223	2,416,793
Other revenue	34,596	106,844	42,873	168,024	190,432
Total operating revenues	42,674,440	43,988,524	45,513,916	47,788,989	50,655,269
Nonoperating revenues					
Interest income	195,296	289,755	716,702	577,434	835,868
Gain (Loss) on value of investments	93,985	(3,274)	(21,981)	(271,937)	(374,498)
Passenger facility charge revenue	6,601,269	6,332,093	6,740,165	7,480,732	7,587,771
Customer facility charge revenue	1,263,517	1,252,480	1,385,061	1,481,004	1,692,038
Jet fuel tax income	264,586	246,059	268,287	298,124	310,500
Gain on sale of capital assets	5,631	29,533	105,471	13,298	169,208
Misc. Revenue	-	-	-	-	-
Total nonoperating revenues	8,424,284	8,146,646	9,193,705	9,578,655	10,220,887
Total revenues	51,098,724	52,135,170	54,707,621	57,367,644	60,876,156
Operating expense					
Employee wages and benefits	24,301,598	24,638,525	25,007,616	26,672,375	31,878,959
Utilities and communications	2,774,328	2,757,835	2,540,504	2,337,577	2,709,495
Purchase of services	4,770,478	4,763,544	4,803,679	4,595,802	4,866,467
Materials and supplies	1,749,084	1,582,278	1,821,369	1,753,352	2,050,694
Administrative expenses	2,563,199	2,113,887	2,443,771	2,579,040	2,224,655
	36,158,687	35,856,069	36,616,939	37,938,146	43,730,270
Depreciation and amortization	35,816,772	34,958,476	34,613,731	34,462,715	31,094,092
Total operating expenses	71,975,459	70,814,545	71,230,670	72,400,861	74,824,362
Nonoperating expenses					
Non-operating expense	-	-	140,952	7,814	-
Interest expense	1,545,697	1,376,012	1,284,053	616,855	487,308
Total nonoperating expenses	1,545,697	1,376,012	1,425,005	624,669	487,308
Total expenses	73,521,156	72,190,557	72,655,675	73,025,530	75,311,670
Capital contributions	12,210,737	4,867,414	10,010,497	2,517,123	9,200,524
Change in Net Position	(\$10,211,695)	(\$15,187,973)	(\$7,937,557)	(\$13,140,763)	(\$5,234,990)
Net Position at Year-End					
Net Investment in capital assets	\$395,050,506	\$382,231,061	\$367,749,013	\$345,904,676	\$334,863,315
Restricted	22,897,188	22,459,489	20,371,555	23,692,496	26,448,099
Unrestricted	37,432,202	2,670,101	11,302,526	16,685,159	18,238,659
Total Net Position	\$455,379,896	\$407,360,651	\$399,423,094	\$386,282,331	\$379,550,073

Continued

**RENO-TAHOE AIRPORT AUTHORITY**  
**NET POSITION AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2014 - 2023**  
**(unaudited)**

	2019	2020	2021	2022	2023
Operating revenues					
Landing fees	\$9,719,482	\$10,077,732	\$8,948,847	\$10,584,517	\$12,690,754
Concession revenue	13,086,886	11,301,837	9,628,195	15,257,011	15,346,165
Parking and ground transportation	12,817,675	10,012,455	7,361,177	14,004,587	18,237,964
Rentals	14,078,153	16,534,688	15,715,644	15,073,833	15,072,521
Reimbursements for services	2,671,073	2,397,717	1,823,280	3,000,059	3,384,893
Other revenue	176,468	345,296	185,773	145,174	108,925
Total operating revenues	52,549,737	50,669,725	43,662,916	58,065,181	64,841,222
Nonoperating revenues					
Interest income	1,301,531	1,588,183	886,650	1,246,627	2,449,932
Gain (Loss) on value of investments	867,298	736,237	(935,537)	(2,737,875)	70,635
Passenger facility charge revenue	8,443,673	7,607,924	4,514,399	8,502,997	8,372,017
Customer facility charge revenue	4,613,478	4,891,406	4,954,128	6,350,891	7,863,374
Jet fuel tax income	306,035	263,135	203,765	294,018	300,994
Gain on sale of capital assets	25,070	28,196	41,838	15,080	10,871
Misc Revenue	-	617,197	7,059,146	14,483,077	15,156,938
Total nonoperating revenues	15,557,085	15,732,278	16,724,389	28,154,815	34,224,761
Total revenues	68,106,822	66,402,003	60,387,305	86,219,996	99,065,983
Operating expense					
Employee wages and benefits	29,334,325	32,120,112	30,923,994	30,348,607	39,092,497
Utilities and communications	2,772,620	2,881,068	2,454,099	3,156,581	3,962,745
Purchase of services	5,521,530	5,418,705	4,887,352	7,405,170	8,016,801
Materials and supplies	2,045,295	2,340,685	2,259,926	2,575,145	3,234,016
Administrative expenses	2,646,733	2,431,355	2,086,926	2,854,518	3,369,064
	42,320,503	45,191,925	42,612,297	46,340,021	57,675,123
Depreciation and amortization	27,801,203	27,608,618	26,827,690	25,079,112	24,461,762
Total operating expenses	70,121,706	72,800,543	69,439,987	71,419,133	82,136,885
Nonoperating expenses					
Non-operating expense	-	-	-	-	135,000
Interest expense	438,892	389,125	337,975	399,857	176,538
Total nonoperating expenses	438,892	389,125	337,975	399,857	311,538
Total expenses	70,560,598	73,189,668	69,777,962	71,818,990	82,448,423
Capital contributions	14,057,725	16,868,554	25,193,485	27,686,032	4,320,592
Change in Net Position	\$11,603,949	\$10,080,889	\$15,802,828	\$42,087,038	\$20,938,152
Net Position at Year-End					
Net Investment in capital assets	\$336,079,326	\$348,801,466	\$361,855,033	\$388,632,933	\$398,934,454
Restricted	32,997,130	28,598,653	25,980,476	28,495,282	36,521,156
Unrestricted	22,077,566	23,834,792	29,202,230	41,996,562	44,607,319
Total Net Position	\$391,154,022	\$401,234,911	\$417,037,739	\$459,124,777	\$480,062,929

**RENO-TAHOE AIRPORT AUTHORITY**  
**SUMMARY OF OPERATING RESULTS**  
**FOR THE YEARS ENDED JUNE 30, 2014 - 2023**  
**(unaudited)**

	2014	2015	2016	2017	2018
Operating Revenues	\$42,674,440	\$43,988,524	\$45,513,916	\$47,788,989	\$50,655,269
Operating Expenses	(36,158,687)	(35,856,069)	(36,616,939)	(37,938,146)	(43,730,270)
Operating Income before Depreciation and Amortization	6,515,753	8,132,455	8,896,977	9,850,843	6,924,999
Depreciation and Amortization	(35,816,772)	(34,958,476)	(34,613,731)	(34,462,715)	(31,094,092)
Operating Income (Loss)	(29,301,019)	(26,826,021)	(25,716,754)	(24,611,872)	(24,169,093)
Nonoperating Revenues and (Expenses):					
Interest Income	195,296	289,755	716,702	577,434	835,868
Gain (Loss) on value of Investments	93,985	(3,274)	(21,981)	(271,937)	(374,498)
PFC Revenue	6,601,269	6,332,093	6,740,165	7,480,732	7,587,771
CFC Revenue	1,263,517	1,252,480	1,385,061	1,481,004	1,692,038
Jet Fuel Tax Revenue	264,586	246,059	268,287	298,124	310,500
Interest Expense	(1,545,697)	(1,376,012)	(1,284,053)	(616,855)	(487,308)
Gain (Loss) on Sale of Capital Asset:	5,631	29,533	105,471	13,298	169,208
Non-operating expenses	-	-	(140,952)	(7,814)	-
	6,878,587	6,770,634	7,768,700	8,953,986	9,733,579
Income (Loss) Before Capital Contributions	(\$22,422,432)	(\$20,055,387)	(\$17,948,054)	(\$15,657,886)	(\$14,435,514)

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, 2014 - 2023**  
**(unaudited)**

	2019	2020	2021	2022	2023
Operating Revenues	\$52,549,737	\$50,669,725	\$43,662,916	\$58,065,181	\$64,841,222
Operating Expenses	(42,320,503)	(45,191,925)	(42,612,297)	(46,340,021)	(57,675,123)
Operating Income before Depreciation and Amortization	10,229,234	5,477,800	1,050,619	11,725,160	7,166,099
Depreciation and Amortization	(27,801,203)	(27,608,618)	(26,827,690)	(25,079,112)	(24,461,762)
Operating Income (Loss)	(17,571,969)	(22,130,818)	(25,777,071)	(13,353,952)	(17,295,663)
Nonoperating Revenues and (Expenses):					
Interest Income	1,301,531	1,588,183	886,650	1,246,627	2,449,932
Gain (Loss) on value of Investments	867,298	736,237	(935,537)	(2,737,875)	70,635
PFC Revenue	8,443,673	7,607,924	4,514,399	8,502,997	8,372,017
CFC Revenue	4,613,478	4,891,406	4,954,128	6,350,891	7,863,374
Jet Fuel Tax Revenue	306,035	263,135	203,765	294,018	300,994
Interest Expense	(438,892)	(389,125)	(337,975)	(399,857)	(176,538)
Gain (Loss) on Sale of Capital Assets	25,070	28,196	41,838	15,080	10,871
Non-operating expenses	-	617,197	7,059,146	14,483,077	15,021,938
	15,118,193	15,343,153	16,386,414	27,754,958	33,913,223
Income (Loss) Before Capital Contributions	(\$2,453,776)	(\$6,787,665)	(\$9,390,657)	\$14,401,006	\$16,617,560

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, 2014-2023**  
**(unaudited)**

	2014	2015	2016	2017	2018
<u>Airlines - Landing Fees Only</u>					
Alaska/Horizon	\$ 341,556	\$ 580,120	\$ 623,357	\$ 642,969	\$ 638,296
American Airlines	592,839	715,170	1,308,569	1,125,206	1,253,063
Delta	406,794	455,739	426,813	433,298	507,079
Fed Ex	782,244	888,324	968,838	932,842	716,310
Jet Blue	-	11,198	13,515	238,725	281,464
Southwest	2,751,016	2,642,052	2,576,418	2,699,800	3,188,270
United	657,735	720,757	724,254	701,646	919,786
UPS	451,188	518,289	660,717	654,977	707,324
US Airways	542,374	608,778	-	-	-
Total:	\$ 6,525,746	\$ 7,140,427	\$ 7,302,481	\$ 7,429,463	\$ 8,211,592
<u>Rental Cars - Concession Leases Only</u>					
Avis/Budget	\$ 1,493,707	\$ 1,482,869	\$ 1,620,958	\$ 1,777,825	\$ 1,993,895
Alamo/ National	1,026,907	1,269,575	1,411,955	1,554,676	1,720,779
Dollar/Thrifty	840,070	805,775	757,453	750,745	920,885
Enterprise	879,344	806,729	978,067	1,183,386	1,360,048
Payless	20,833	320,499	314,189	317,940	286,503
Hertz	1,421,777	1,375,025	1,506,355	1,606,381	1,781,205
Total:	\$ 5,682,638	\$ 6,060,472	\$ 6,588,977	\$ 7,190,953	\$ 8,063,315
<u>Other Concession Leases</u>					
IGT	\$ 1,322,752	\$ 1,266,307	\$ 1,071,402	\$ 974,166	\$ 1,102,412
Paradies Gift Shops	901,000	901,000	944,071	1,016,968	1,014,199
SSP America, Inc.	929,240	887,963	992,984	1,221,761	1,484,628
Vino Volo	-	-	-	-	-
MAG Lounge	-	-	-	-	501,415
Clear Channel	-	640,403	564,210	663,436	699,857
Lamar Advertising	-	-	-	-	-
Forever Heather	65,531	43,819	34,855	29,462	35,958
Total:	\$ 3,218,523	\$ 3,739,492	\$ 3,607,522	\$ 3,905,792	\$ 4,838,469
Parking and Ground Transportation	\$ 8,983,926	\$ 9,515,946	\$ 10,519,785	\$ 11,316,885	\$ 12,009,701
Total:	\$ 24,410,833	\$ 26,456,337	\$ 28,018,765	\$ 29,843,093	\$ 33,123,077

Continued

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

**RENO-TAHOE AIRPORT AUTHORITY**  
**PRINCIPAL REVENUE PAYERS**  
**FOR THE YEARS ENDED JUNE 30, 2014-2023**  
**(unaudited)**

	2019	2020	2021	2022	2023
<u>Airlines - Landing Fees Only</u>					
Alaska/Horizon	\$ 745,193	\$ 711,620	\$ 553,909	\$ 691,885	\$ 618,289
American Airlines	1,313,727	1,331,551	1,079,312	1,275,569	1,207,659
Delta	566,983	534,997	779,290	775,125	769,445
Fed Ex	878,731	882,829	918,027	931,954	1,046,353
Jet Blue	281,296	226,627	107,869	259,437	229,056
Southwest	3,305,577	2,854,752	2,023,722	2,847,213	3,810,742
United	1,111,373	1,026,505	779,167	1,022,320	1,282,803
UPS	903,450	1,023,053	1,012,983	958,933	1,022,230
US Airways	-	-	-	-	-
Total:	\$ 9,106,330	\$ 8,591,934	\$ 7,254,279	\$ 8,762,436	\$ 9,986,577
<u>Rental Cars - Concession Leases Only</u>					
Avis/Budget	\$ 2,061,629	\$ 1,951,327	\$ 1,594,094	\$ 3,220,871	\$ 2,838,199
Alamo/ National	1,840,898	1,826,983	1,394,229	1,968,634	1,945,589
Dollar/Thrifty	1,038,332	1,055,493	725,000	1,038,391	1,302,860
Enterprise	1,448,153	1,430,990	1,427,003	1,951,129	1,777,642
Payless	340,580	301,284	250,000	250,000	250,000
Hertz	1,859,856	1,817,455	1,364,100	1,726,818	2,101,143
Total:	\$ 8,589,448	\$ 8,383,532	\$ 6,754,426	\$ 10,155,843	\$ 10,215,433
<u>Other Concession Leases</u>					
IGT	\$ 1,149,390	\$ 851,669	\$ 666,127	\$ 1,256,202	\$ 1,442,617
Paradies Gift Shops	1,138,086	1,091,785	553,978	859,653	1,142,291
SSP America, Inc.	1,527,992	1,161,992	558,358	1,065,958	1,431,897
Vino Volo	105,361	152,716	204,730	291,232	279,097
MAG Lounge	1,134,388	1,048,880	154,754	207,256	212,640
Clear Channel	768,828	828,974	647,686	458,599	-
Lamar Advertising	-	-	-	251,931	752,039
Forever Heather	-	-	-	-	-
Total:	\$ 5,824,045	\$ 5,136,016	\$ 2,785,633	\$ 4,390,831	\$ 5,260,581
Parking and Ground Transportation	\$ 12,817,675	\$ 10,012,455	\$ 7,361,177	\$ 14,004,586	\$ 18,237,964
Total:	\$ 36,337,498	\$ 32,123,937	\$ 24,155,515	\$ 37,313,696	\$ 43,700,555

**RENO-TAHOE AIRPORT AUTHORITY**  
**PRINCIPAL OPERATING REVENUE SOURCES**  
**FOR THE YEARS ENDED JUNE 30, 2014-2023**  
**(unaudited)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Landing fees	\$ 7,440,496	\$ 7,916,995	\$ 8,071,097	\$ 8,285,922	\$ 9,397,172
Concession revenue	10,301,098	10,344,733	10,861,366	11,798,086	12,802,725
Parking and ground transportation	8,983,926	9,515,946	10,519,785	11,316,885	12,009,701
Rentals	13,282,322	13,456,901	13,599,106	13,688,849	13,838,446
Reimbursement for Services	2,632,003	2,647,105	2,419,689	2,531,223	2,416,793
Toal Operating Revenue	42,639,845	43,881,680	45,471,043	47,620,965	50,464,837
Interest Income	289,281	286,481	694,721	305,497	461,370
Total	\$ 42,929,126	\$ 44,168,161	\$ 46,165,764	\$ 47,926,462	\$ 50,926,207

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, 2014-2023**  
**(unaudited)**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Landing fees	\$ 9,719,482	\$ 10,077,732	\$ 8,948,847	\$ 10,584,517	\$ 12,690,754
Concession revenue	13,086,886	11,301,837	9,628,195	15,257,011	15,346,165
Parking and ground transportation	12,817,675	10,012,455	7,361,177	14,004,587	18,237,964
Rentals	14,078,153	16,534,688	15,715,644	15,073,833	15,072,521
Reimbursement for Services	2,671,073	2,397,717	1,823,280	3,000,059	3,384,893
Toal Operating Revenue	52,373,269	50,324,429	43,477,143	57,920,007	64,732,297
Interest Income	2,168,829	2,324,420	\$ (48,887)	\$ (1,491,248)	\$ 1,881,517
Total	\$ 54,542,098	\$ 52,648,849	\$ 43,428,256	\$ 56,428,759	\$ 66,613,814

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  
REVENUE RATES AND COST PER ENPLANEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014-2023  
(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		
2023	3.79	3.50	86.00	86.00	65.55	6.33
2022	3.04	3.23	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	2.84	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

(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, 2010 through June 30, 2015; the RTAA and the airlines then executed a five-year airline agreement effective through June 30, 2020, followed by an extension through June 30, 2023.

**RENO-TAHOE AIRPORT AUTHORITY**  
**SCHEDULE OF DEBT AND OBLIGATION COVERAGES**  
**FOR THE YEARS ENDED JUNE 30, 2014-2023**  
**(unaudited)**

YEAR	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross Pledged Revenues <sup>(1)</sup>	\$ 75,537,028	\$ 63,233,922	\$ 44,522,461	\$ 52,909,801	\$ 54,064,139	\$ 53,645,091	\$ 50,148,794	\$ 47,661,886	\$ 45,766,095	\$ 44,371,827
Transfers- CFC Expenses	221,491	713,649	447,935	417,741	642,557	-	-	-	-	-
G/L on Sale of Assets	(10,871)	(15,080)	(41,838)	(28,196)	(25,070)	(169,208)	(13,298)	(105,471)	(29,533)	(5,631)
Airline Revenue Sharing	7,347,445	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
35% Gaming Revenue	(377,953)	(439,671)	(221,413)	(286,561)	(390,756)	(374,379)	(341,751)	(374,991)	(443,208)	(462,963)
Direct Operating Expense <sup>(2)</sup>	(57,675,123)	(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)
Net Pledged Revenue (Available for Debt and Obligation Payments)	\$ 25,042,017	\$ 22,355,655	\$ 5,299,357	\$ 11,428,051	\$ 15,952,883	\$ 17,147,599	\$ 14,857,787	\$ 11,924,682	\$ 10,931,933	\$ 8,958,268
Debt Service (Senior Lien Debt Service)	168,676	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
Debt Service Coverage Ratio - Senior Lien Debt Service	148.46	9.93	2.36	5.08	7.09	7.63	6.61	5.16	4.34	3.56
Net Pledged Revenue (Available for Subordinate Notes)	\$ 24,873,341	\$ 20,105,205	\$ 3,051,382	\$ 9,178,926	\$ 13,703,983	\$ 14,900,299	\$ 12,608,324	\$ 9,614,397	\$ 8,410,633	\$ 6,441,768
Pledged PFC Revenue	-	-	-	-	-	-	1,812,790	1,813,919	1,808,804	2,079,176
Pledged Revenue (Available for Subordinate Notes)	24,873,341	20,105,205	3,051,382	9,178,926	13,703,983	14,900,299	14,421,114	11,428,316	10,219,437	8,520,944
Debt Service (Subordinate Lien Debt Service)	-	-	-	-	-	-	3,139,393	3,140,055	3,134,943	4,150,028
Debt Service - Coverage Ratio - Subordinate Lien Debt Service	-	-	-	-	-	-	4.59	3.64	3.26	2.05

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, 2014 - 2023**  
**(unaudited)**

	2014	2015	2016	2017	2018
Operating Revenues	\$44,208,178	\$45,512,494	\$47,294,719	\$49,616,816	\$52,809,309
Trust Fund Investment					
Interest Income	163,649	253,601	367,167	531,978	835,781
Gross Pledged Revenues	44,371,827	45,766,095	47,661,886	50,148,794	53,645,090
Transfers- Customer Facility					
Charges for Operating Expenses	-	-	-	-	-
Operating Expenses	(36,158,687)	(35,856,069)	(37,603,816)	(38,112,913)	(40,306,317)
G/L on Sale of Capital Assets	(5,631)	(29,533)	(105,471)	(13,298)	(169,208)
Airline Revenue Share Prior Year	1,587,800	1,213,722	1,494,648	2,347,074	3,176,955
35% of Gaming Revenues	(462,963)	(443,208)	(374,991)	(341,751)	(374,379)
Net Pledged Revenues - Senior					
Lien Bonds	\$9,332,346	\$10,651,007	\$11,072,256	\$14,027,906	\$15,972,141
125% of Senior Lien Revenue					
Bond Debt Service	\$3,145,625	\$3,151,625	\$2,887,856	\$2,811,829	\$2,809,125
Senior Lien Debt Service	\$2,516,500	\$2,521,300	\$2,310,285	\$2,249,463	\$2,247,300
Net Pledged Revenues - Subordinate					
Lien Notes	\$6,815,846	\$8,129,707	\$8,761,971	\$11,778,443	\$13,724,841
Pledged Passenger Facility Charges	2,079,176	1,808,804	1,813,919	1,812,790	-
Pledged Revenues - Subordinate					
Lien Notes	\$8,895,022	\$9,938,511	\$10,575,890	\$13,591,233	\$13,724,841
110% of Subordinate Lien					
Debt Service	\$4,559,531	\$3,448,437	\$3,454,061	\$3,453,332	\$ -
Subordinate Lien Debt Service	\$4,145,028	\$3,134,943	\$3,140,055	\$3,139,393	\$ -
Rate Maintenance Minimum					
Revenues	\$7,705,156	\$6,600,062	\$6,341,917	\$6,265,161	\$2,809,125

Continued

**RENO-TAHOE AIRPORT AUTHORITY**  
**RATE MAINTENANCE COVENANT PERFORMANCE**  
**FOR THE YEARS ENDED JUNE 30, 2014 - 2023**  
**(unaudited)**

	2019	2020	2021	2022	2023
Operating Revenues	\$52,880,841	\$50,669,726	\$43,662,916	\$58,065,181	\$64,841,222
Trust Fund Investment					
Interest Income	1,183,298	2,240,075	1,018,347	1,246,627	2,449,932
Gross Pledged Revenues	54,064,139	52,909,801	44,681,263	59,311,808	67,291,154
Transfers- Customer Facility					
Charges for Operating Expenses	642,557	417,741	447,935	713,649	221,491
Operating Expenses	(42,552,009)	(44,037,667)	(42,205,572)	(46,340,021)	(57,675,123)
G/L on Sale of Capital Assets	(25,070)	(28,196)	(41,838)	(15,080)	(10,871)
Airline Revenue Share Prior Year	4,352,412	4,214,022	2,452,933	2,797,784	5,202,856
35% of Gaming Revenues	(390,756)	(286,561)	(221,413)	(439,671)	(377,953)
Net Pledged Revenues - Senior Lien Bonds	\$16,091,273	\$13,189,140	\$5,113,308	\$16,028,469	\$14,651,554
125% of Senior Lien Revenue Bond Debt Service	\$2,811,125	\$2,811,406	\$2,809,969	\$2,813,063	\$210,845
Senior Lien Debt Service	\$2,248,900	\$2,249,125	\$2,247,975	\$2,250,450	\$168,676
Net Pledged Revenues - Subordinate Lien Notes	\$13,842,373	\$10,940,015	\$2,865,333	\$13,778,019	\$14,482,878
Pledged Passenger Facility Charges	-	-	-	-	-
Pledged Revenues - Subordinate Lien Notes	\$13,842,373	\$10,940,015	\$2,865,333	\$13,778,019	\$14,482,878
110% of Subordinate Lien Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Subordinate Lien Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Maintenance Minimum Revenues	\$2,811,125	\$2,811,406	\$2,809,969	\$2,813,063	\$210,845

**RENO-TAHOE AIRPORT AUTHORITY**  
**RATIOS OF OUTSTANDING DEBT AND DEBT SERVICE**  
**FOR THE YEARS ENDED JUNE 30, 2014 - 2023**  
**(unaudited)**

	2014	2015	2016	2017	2018
Outstanding Debt					
Revenue bonds	\$ 23,715,000	\$ 22,360,000	\$ 20,690,000	\$ 19,435,000	\$ 17,720,000
Unamortized premium	894,851	820,280	-	-	-
Notes payable	15,615,000	8,937,000	6,037,000	3,057,000	-
Total outstanding debt	<u>\$ 40,224,851</u>	<u>\$ 32,117,280</u>	<u>\$ 26,727,000</u>	<u>\$ 22,492,000</u>	<u>\$ 17,720,000</u>
Enplaned Passengers	1,658,187	1,656,293	1,778,611	1,909,187	2,064,968
Outstanding debt per enplaned passenger	<u>\$ 24</u>	<u>\$ 19</u>	<u>\$ 15</u>	<u>\$ 12</u>	<u>\$ 9</u>
Debt Service					
Principal	\$ 5,125,000	\$ 4,320,000	\$ 4,235,000	\$ 4,772,000	\$ 1,760,000
Interest	1,541,528	1,336,243	588,367	616,855	487,308
Total debt service	<u>\$ 6,666,528</u>	<u>\$ 5,656,243</u>	<u>\$ 4,823,367</u>	<u>\$ 5,388,855</u>	<u>\$ 2,247,308</u>
Total Expenses	73,521,156	72,190,557	72,514,723	73,017,716	75,311,669
Ratio of debt service to total expenses	<u>9.07%</u>	<u>7.84%</u>	<u>6.65%</u>	<u>7.38%</u>	<u>2.98%</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 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, 2014 - 2023**  
**(unaudited)**

	2019	2020	2021	2022	2023
Outstanding Debt					
Revenue bonds	\$ 15,960,000	\$ 14,150,000	\$ 12,290,000	\$ -	\$ 5,479,015
Unamortized premium	-	-	-	-	-
Notes payable	-	-	-	-	-
Total outstanding debt	<u>\$ 15,960,000</u>	<u>\$ 14,150,000</u>	<u>\$ 12,290,000</u>	<u>\$ -</u>	<u>\$ 5,479,015</u>
Enplaned Passengers	2,149,759	1,690,171	1,231,616	2,079,807	2,229,254
Outstanding debt per enplaned passenger	<u>\$ 7</u>	<u>\$ 8</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 2</u>
Debt Service					
Principal	\$ 1,810,000	\$ 1,860,000	\$ 1,910,000	\$ 1,965,000	\$ 9,624,529
Interest	438,900	389,125	337,975	285,450	168,676
Total debt service	<u>\$ 2,248,900</u>	<u>\$ 2,249,125</u>	<u>\$ 2,247,975</u>	<u>\$ 2,250,450</u>	<u>\$ 9,793,205</u>
Total Expenses	70,560,599	73,189,668	69,777,962	71,818,990	82,448,423
Ratio of debt service to total expenses	<u>3.19%</u>	<u>3.07%</u>	<u>3.22%</u>	<u>3.13%</u>	<u>11.88%</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 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 2013-2022  
(unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Nevada</b>										
<u>County</u>										
Churchill	24,063	23,989	24,200	24,198	24,230	24,440	24,909	25,516	25,723	25,843
Douglas	47,118	47,536	47,710	48,020	48,309	48,467	48,905	49,488	49,870	49,628
Humboldt	17,363	17,279	17,019	16,842	16,826	16,786	16,831	17,285	17,648	17,272
Lyon	51,557	51,789	52,585	53,179	54,122	55,808	57,510	59,235	60,903	61,585
Pershing	6,877	6,698	6,634	6,560	6,508	6,666	6,725	6,650	6,741	6,462
Storey	3,942	3,912	3,987	4,051	4,006	4,029	4,123	4,104	4,143	4,170
Washoe	433,731	440,078	446,903	453,616	460,587	465,735	471,519	486,492	493,392	496,745
Carson City	54,080	54,522	54,521	54,742	54,745	55,414	55,916	58,639	58,993	58,130
Subtotal	638,731	645,803	653,559	661,208	669,333	677,345	686,438	707,409	717,413	719,835
<b>California</b>										
<u>County</u>										
Alpine	1,159	1,116	1,110	1,071	1,120	1,101	1,129	1,204	1,235	1,190
El Dorado	181,737	183,087	184,452	185,625	188,987	190,678	192,843	191,185	193,221	192,646
Lassen	32,163	31,749	31,345	30,870	31,163	30,802	30,573	32,730	33,159	29,904
Mono	14,074	13,997	13,909	13,981	14,168	14,250	14,444	13,195	13,247	12,978
Nevada	98,200	98,893	98,877	99,107	99,814	99,696	99,755	102,241	103,487	102,293
Placer	367,309	371,694	375,391	380,531	386,166	393,149	398,329	404,739	412,300	417,772
Plumas	18,859	18,606	18,409	18,627	18,742	18,804	18,807	19,790	19,915	19,351
Sierra	3,047	3,003	2,967	2,947	2,999	2,987	3,005	3,236	3,283	3,217
Subtotal	716,548	722,145	726,460	732,759	743,159	751,467	758,885	768,320	779,847	779,351
Total	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	1,499,186
Percentage increase	0.59%	0.93%	0.88%	1.01%	1.33%	1.16%	1.16%	2.10%	1.46%	0.13%
Unemployment rate										
Washoe County	9.4%	7.6%	6.3%	5.0%	3.5%	2.3%	3.2%	4.9%	3.1%	3.5%

Source: US Census Bureau - Quickfacts

Nevada Department of Employment, Training, and Rehabilitation



**RENO-TAHOE AIRPORT AUTHORITY  
PRINCIPAL EMPLOYERS WITHIN AIR TRADE AREA  
FOR THE CALENDAR YEARS ENDED 2022 AND 2012  
(unaudited)**

<u>Employer</u>	<u>Calendar year 2022</u>		<u>Calendar year 2012</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, 2014-2023  
(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
2023	9.0	56.0	62.0	44.0	23.0	22.0	82.0	289.0
2022	9.0	56.0	64.5	44.5	15.0	22.0	64.5	266.5
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

\* 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  
RENO-TAHOE INTERNATIONAL AIRPORT  
ENPLANEMENTS AND MARKET SHARE BY SCHEDULED AIRLINE  
FOR THE YEARS ENDED JUNE 30, 2014-2023**

Scheduled Airline	2014			2015			2016		
	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change	Enplanements	Share	Percent Change
Alaska / Horizon Air	124,581	8%	9%	178,579	11%	43%	204,286	11%	14%
Allegiant Air	21,578	1%	184%	20,061	1%	-7%	19,047	1%	-5%
American	208,919	13%	4%	221,434	13%	6%	385,363	22%	74%
Delta	126,904	8%	-5%	119,649	7%	-6%	128,189	7%	7%
Frontier	-	0%	N/A	-	0%	N/A	165	0%	N/A
JetBlue Airways	-	0%	N/A	3,346	0%	N/A	41,143	2%	1130%
Southwest	815,160	49%	-14%	734,786	44%	-10%	763,006	43%	4%
United	214,531	13%	2%	214,864	13%	0%	216,996	12%	1%
US Airways (America West)	144,760	9%	1%	154,331	9%	7%	-	0%	-100%
Volaris	-	0%	N/A	6,959	0%	N/A	17,070	1%	145%
Other	1,754	0%	63%	2,284	0%	30%	3,346	0%	46%
	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, 2014-2023**

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%
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%
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, 2014-2023**

Scheduled Airline	2020			2021			2022			2023		
	Enplanements	Share	Percent Change	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%	159,114	7%	-20%
Allegiant Air	35,224	2%	-15%	29,316	2%	-17%	33,008	2%	13%	15,217	1%	-54%
American	347,656	21%	-10%	246,791	20%	-29%	362,636	17%	47%	347,443	16%	-4%
Delta	128,574	8%	-22%	131,351	11%	2%	214,794	10%	64%	202,408	9%	-6%
Frontier	19,390	1%	-27%	24,976	2%	29%	33,071	2%	32%	14,980	1%	-55%
JetBlue Airways	52,825	3%	-32%	16,084	1%	-70%	55,472	3%	245%	51,088	2%	-8%
Southwest	658,668	39%	-28%	460,904	37%	-30%	833,339	40%	81%	962,448	43%	15%
United	253,093	15%	-19%	175,966	14%	-30%	294,366	14%	67%	331,495	15%	13%
US Airways (America West)	-	0%	N/A	-	0%	N/A	-	0%	N/A	-	0%	N/A
Volaris	19,937	1%	1%	18,207	1%	-9%	26,785	1%	47%	32,508	1%	21%
Other	2,241	0%	-38%	7,729	1%	245%	27,948	1%	262%	112,553	5%	303%
	1,690,171	100%	-21%	1,231,616	100%	-27%	2,079,818	100%	69%	2,229,254	100%	7%

**RENO-TAHOE AIRPORT AUTHORITY  
OPERATIONAL STATISTICAL SUMMARY  
FOR THE YEARS ENDED JUNE 30, 2014 - 2023  
(unaudited)**

Year	Enplanements	Airport Growth	Landed Weights	Airport Growth	Air Carrier Operations	Airport Growth
2023	2,229,254	7.2%	3,100,328	0.7%	43,791	-2.5%
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%

**RENO-TAHOE AIRPORT AUTHORITY**  
**RENO-TAHOE INTERNATIONAL AIRPORT**  
**LANDED WEIGHTS AND MARKET SHARE BY SCHEDULED AIRLINE**  
**FOR THE YEARS ENDED JUNE 30, 2014-2023**  
**(unaudited)**

Scheduled Airline	2014			2015			2016		
	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change
Alaska / Horizon Air	122,862	5%	62%	189,675	8%	68%	212,173	8%	12%
Allegiant Air	24,413	1%	n.a	23,003	1%	201%	21,866	1%	-5%
American	213,251	9%	9%	233,599	10%	13%	441,718	17%	89%
Delta	146,329	6%	-29%	148,955	6%	-8%	144,923	6%	-3%
Frontier	-	0%	n.a	-	0%	n.a	145	0%	n.a
JetBlue Airways	-	0%	n.a	3,555	0%	n.a	46,072	2%	1196%
Southwest	989,574	41%	-27%	864,660	36%	-27%	873,884	34%	1%
Spirit Airlines	-	0%	n.a	-	0%	n.a	-	0%	n.a
Sun Country	438	0%	n.a	2,046	0%	n.a	585	0%	-71%
United	236,595	10%	-10%	235,831	10%	-1%	245,891	9%	4%
US Airways (America West)	195,099	8%	5%	199,824	8%	8%	-	0%	-100%
Volaris	-	0%	n.a	8,141	0%	n.a	19,612	1%	141%
Federal Express	281,383	12%	24%	290,218	12%	28%	329,884	13%	14%
United Parcel Service	162,298	7%	17%	168,878	7%	-1%	225,495	9%	34%
Other	16,146	1%	91%	21,646	1%	-16%	37,715	1%	74%
	2,388,388	100%	-11%	2,390,031	100%	-5%	2,599,963	100%	9%

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, 2014-2023**  
**(unaudited)**

Scheduled Airline	2017			2018			2019		
	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change	Landed Weights (000) lbs	Share	Percent Change
Alaska / Horizon Air	234,218	8%	10%	213,477	7%	-9%	237,323	8%	11%
Allegiant Air	36,073	1%	65%	32,959	1%	-9%	43,831	1%	33%
American	409,575	15%	-7%	419,085	15%	2%	418,385	14%	0%
Delta	157,875	6%	9%	168,798	6%	7%	180,568	6%	7%
Frontier	-	0%	-100%	19,339	1%	n.a	25,565	1%	32%
JetBlue Airways	87,084	3%	89%	94,135	3%	8%	89,585	3%	-5%
Southwest	983,684	35%	13%	1,066,311	37%	8%	1,052,732	35%	-1%
Spirit Airlines	-	0%	n.a	-	0%	n.a	-	0%	n.a
Sun Country	1,102	0%	88%	1,102	0%	0%	844	0%	-23%
United	255,760	9%	4%	307,621	11%	20%	353,941	12%	15%
US Airways (America West)	-	0%	n.a	-	0%	n.a	-	0%	n.a
Volaris	23,234	1%	18%	17,752	1%	-24%	20,807	1%	17%
Federal Express	339,683	12%	3%	239,569	8%	-29%	279,851	9%	17%
United Parcel Service	238,302	8%	6%	236,563	8%	-1%	287,723	9%	22%
Other	42,091	1%	12%	42,788	1%	2%	48,121	2%	12%
	2,808,680	100%	8%	2,859,499	100%	2%	3,039,273	100%	6%

Continued



**RENO-TAHOE AIRPORT AUTHORITY**  
**RENO-TAHOE INTERNATIONAL AIRPORT**  
**LANDED WEIGHTS AND MARKET SHARE BY SCHEDULED AIRLINE**  
**FOR THE YEARS ENDED JUNE 30, 2014-2023**  
**(unaudited)**

Scheduled Airline	2020			2021			2022			2023		
	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	220,316	8%	-7%	171,489	7%	-22%	226,813	7%	32%	176,654	6%	-22%
Allegiant Air	40,800	1%	-7%	45,311	2%	11%	41,859	1%	-8%	16,404	1%	-61%
American	412,245	15%	-1%	334,152	14%	-19%	413,665	13%	24%	345,045	11%	-17%
Delta	165,634	6%	-8%	241,266	10%	46%	252,886	8%	5%	219,842	7%	-13%
Frontier	20,019	1%	-22%	30,273	1%	51%	34,922	1%	15%	16,244	1%	-53%
JetBlue Airways	70,163	3%	-22%	33,396	1%	-52%	80,321	3%	141%	65,445	2%	-19%
Southwest	883,824	32%	-16%	626,539	26%	-29%	936,363	30%	49%	1,088,784	35%	16%
Spirit Airlines	-	0%	n.a	-	0%	n.a	-	0%	n.a	92,493	3%	n.a
Sun Country	732	0%	-13%	585	0%	-20%	5,559	0%	850%	29,406	1%	429%
United	317,803	11%	-10%	241,228	10%	-24%	336,502	11%	39%	366,515	12%	9%
US Airways (America West)	-	0%	n.a	-	0%	n.a	-	0%	n.a	-	0%	n.a
Volaris	21,948	1%	5%	22,392	1%	2%	30,993	1%	38%	37,540	1%	21%
Federal Express	273,322	10%	-2%	284,219	12%	4%	305,799	10%	8%	298,958	10%	-2%
United Parcel Service	316,735	11%	10%	313,617	13%	-1%	314,538	10%	0%	292,066	9%	-7%
Other	45,846	2%	-5%	59,152	2%	29%	97,117	3%	64%	54,932	2%	-43%
	2,789,387	100%	-8%	2,403,619	100%	-14%	3,077,337	100%	28%	3,100,328	100%	1%

**RENO-TAHOE AIRPORT AUTHORITY**  
**CAPITAL ASSET INFORMATION**  
**AS OF JUNE 30, 2023**  
**(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 17R/35L	11,002 x 150 ft
Runway 17L/35R	9,000 x 150 ft
Runway 8/26	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, 2014-2023**  
**(unaudited)**

	2023 (d)	2022	2021	2020	2019	2018 (c)	2017 (b)	2016 (a)	2015	2014
Terminal Space - square feet										
Airlines	176,742	176,742	176,742	176,742	176,742	169,230	175,985	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	37,604	37,167	37,167	37,167	37,167
Public Areas	196,189	196,189	196,189	196,189	196,189	196,189	196,959	197,723	197,723	197,723
RTAA	44,885	44,885	44,885	44,885	44,885	52,397	45,309	45,309	45,309	45,309
Unfinished Areas	9,550	-	-	-	-	-	-	-	-	-
	<u>467,853</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>	<u>458,303</u>	<u>458,303</u>	<u>458,303</u>
Passenger Boarding Gates	<u>23</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>	<u>23</u>
Parking - Number of Spaces										
Short -Term (b)	296	296	296	295	295	296	300	300	450	450
Long-Term	1,630	1,630	1,630	1,630	1,630	1,630	1,650	1,650	1,650	1,650
Surface Lot	1,462	1,462	1,462	1,469	1,462	1,462	1,532	1,532	1,532	1,532
	<u>3,388</u>	<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>
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.

(d) In 2023, the ticketing hall expansion construction project was in progress as an unfinished area of the terminal building.

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, 2023, 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, 2023.

**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.

  
Crowe LLP

Indianapolis, Indiana  
November 30, 2023

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

Board of Trustees  
Reno-Tahoe Airport Authority  
Reno, Nevada

**Report on Compliance for 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, 2023. 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, 2023.

***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 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 contract or grant agreements applicable to the Authority's 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.

  
Crowe LLP

Indianapolis, Indiana  
November 30, 2023

**RENO-TAHOE AIRPORT AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL**  
**AWARDS FOR THE YEAR ENDED JUNE 30, 2023**

DESCRIPTION OF PROJECT	PERCENT OF PARTICIPATION	ASSISTANCE LISTING NUMBER	FEDERAL PROJECT NUMBER	GRANT AMOUNT	REIMBURSEMENTS RECEIVED		REIMBURSEABLE EXPENSES	
					July 1, 2022 to June 30, 2023	Cumulative Thru June 30, 2023	July 1, 2022 to June 30, 2023	Cumulative Thru June 30, 2023
United States Department of Transportation								
Federal Aviation Administration								
Airport Improvement Program								
Construction								
Reno Runway 16R-34L Reconstruction Phase 2	100.00%	20.106	3-32-0017-106	31,705,245	199,887	30,694,150	588,018	31,103,469
Reno CARES Act Grant	100.00%	20.106	3-32-0017-107	30,957,866	14,062,975	23,565,343	13,186,648	23,973,016
Taxiway B & C Design	100.00%	20.106	3-32-0017-109	455,032	44,069	444,338	8,534	444,338
Reno ARPA Act	100.00%	20.106	3-32-0017-112	16,653,997	253,205	4,762,190	284,912	4,803,897
Reno ARPA Consessions	100.00%	20.106	3-32-0017-114	1,852,390	1,852,390	1,852,390	1,616,298	1,748,420
Airfield Signage Replacement	93.75%	20.106	3-32-0017-116	285,938	-	-	15,938	15,938
Reconstruct Apron & Taxiway A	93.75%	20.106	3-32-0018-046	890,625	819,626	819,626	879,205	879,205
Reconstruct Apron & Taxiway A	100.00%	20.106	3-32-0018-047	2,560,000	2,060,468	2,060,468	2,506,469	2,506,469
Reconstruct Apron 1,150 SY	93.75%	20.106	3-32-0018-048	295,000	185,449	185,449	268,590	268,590
Reconstruct Apron & Taxiway A	93.75%	20.106	3-32-0018-049	4,607,500	-	-	53,838	53,838
Reconstruct Apron & Taxiway A	93.75%	20.106	3-32-0018-050	292,000	-	-	-	-
				90,555,593	19,478,069	64,383,954	19,408,450	65,797,180
United States Department of Transportation								
Pipeline and Hazardous Materials Safety Admin								
Hazardous Materials Emergency Preparedness	N/A	20.703	N/A	69,080	-	-	69,080	69,080
United States Department of Homeland Security								
Transportation Security Administration								
Aviation and Transportation Security Act								
Security								
National Explosives Detection Canine Team Program	Fixed	97.072	70T02020T9NNCP474	681,750	151,500	530,250	151,500	530,250
Law Enforcement Officer Reimbursement Agreement Program	Fixed	97.090	70T02021T6114N125	867,516	189,010	189,010	283,720	283,720
				1,549,266	340,510	719,260	435,220	813,970
				\$ 92,173,939	\$ 19,818,579	\$ 65,103,214	\$ 19,912,750	\$ 66,680,230

See accompanying notes to Supplementary Schedule of Expenditures of Federal Awards

**RENO-TAHOE AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**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, 2023. 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, 2023.

RENO-TAHOE AIRPORT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2023

---

**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	Airport Improvement Program (including COVID-19 funding)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

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, 2023.

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, 2023.

***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 contract 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, 2023, 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, 2023, 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.

  
Crowe LLP

Indianapolis, Indiana  
November 30, 2023

**RENO-TAHOE AIRPORT AUTHORITY  
SUPPLEMENTARY SCHEDULE OF PASSENGER FACILITY CHARGES  
COLLECTED AND EXPENDED  
FOR THE YEAR ENDED JUNE 30, 2023**

Balance July 1, 2022	\$ 21,043,376
Collection of Passenger Facility Charges, July 1, 2022 through June 30, 2023	8,023,661
Interest earnings	290,230
Proceeds expended for Passenger Facility Charge Projects July 1, 2022 through June 30, 2023	<u>\$ (2,707,750)</u>
Balance June 30, 2023	<u><u>\$ 26,649,517</u></u>

RENO-TAHOE AIRPORT AUTHORITY  
SCHEDULE OF PASSENGER FACILITY CHARGES FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2023

---

**Summary of Auditor's Results**

We have issued an unmodified opinion, dated November 30, 2023 on the financial statements of the Reno-Tahoe Airport Authority as of and for the year ended June 30, 2023.

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, 2023 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**

**Reno-Tahoe Airport Authority**

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