AIRPORT AUTHORITY OF THE CITY OF OMAHA

Basic Financial Statements and Supplementary Information
Uniform Guidance Reports and Passenger Facility
Charge Program Report

December 31, 2022

(With Independent Auditor's Reports Thereon)

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Table of Contents

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Table of Contents

Page

FORVIS

1120 S. 101st Street, Suite 410 / Omaha, NE 68124
P 402.392.1040 / F 402.392.1772
forvis.com

Independent Auditor's Report

Board of Directors
Airport Authority of the City of
Omaha, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of the Airport Authority of the City of Omaha, Nebraska (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Airport Authority of the City of Omaha, Nebraska, as of December 31, 2022, and the respective changes in financial position and, where applicable, its cash flows 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022 the Authority adopted Governmental Accounting Standards Board Statement No. 87, *Leases.* Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 12 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedules of revenues and expenses, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of passenger facility charges collected and expended as required by the *Passenger Facility Charge Guide for the Public Agencies* issued by the Federal Aviation Administration are presented for purposes of additional analysis and are not 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 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 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 Authority's internal control over financial reporting and compliance.

FORVIS, LLP

Omaha, Nebraska
April 13, 2023

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2022

Introduction

The following management's discussion and analysis (MD&A) of the Airport Authority of the City of Omaha (the Authority) provides an introduction to the basic financial statements of the Authority as of and for the year ended December 31, 2022. The Authority's responsibilities include Eppley Airfield and Millard Airport. The information contained in this MD&A has been prepared by management and should be considered in conjunction with the basic financial statements and the notes thereto, which follow this section.

The notes are essential to a full understanding of the data contained in the basic financial statements. This report also presents certain supplementary information regarding revenues and expenses by cost center and required supplementary information regarding the defined-benefit pension plan and the other postemployment benefits payable.

The accompanying basic financial statements include the business type activity (enterprise fund) and pension trust fund of the Authority and the notes to financial statements. The three business type financial statements are the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). Users of the Authority's facilities provide the revenues to operate, maintain, and acquire necessary services and facilities. The Authority has no taxing authority.

The Authority was created pursuant to Nebraska state statutes (3-501). The affairs of the Authority are conducted by a five-member Board whose members are appointed by the Mayor of the City of Omaha, Nebraska (the City), with the approval of the City Council. The Authority is not included in the City's financial statements because the City is not financially accountable for the Authority.

Airport Activities Highlights

Passenger Activity

The Authority continued to be impacted by the COVID-19 (COVID) pandemic through the current fiscal year, although increased demand resulted in improved passenger traffic. Prior to COVID, in 2019 Eppley Airfield welcomed over 5 million total passengers. Passenger activity declined sharply at the beginning of 2020 but improved over the remainder of the year to finish 57.4% below 2019. In 2021, passenger traffic increased 75.2% over 2020, but was still 25.4% below 2019 levels. Passenger traffic continued its recovery in 2022 with a 20.2% increase over 2021 passenger traffic. Passenger traffic in 2022 was 10% below pre-COVID 2019 performance.

The following is a summary of Eppley Airfield's traffic statistics:

	2022	2021
Passengers	4,506,713	3,749,337
Aircraft operations	100,632	93,860
Cargo and mail weight – lbs	134,894,544	149,598,341
Scheduled landed weight – lbs	2,942,548,952	2,734,049,514
% Changes		
Passengers	20.2%	—
Aircraft operations	7.2%	—
Cargo and mail weight – lbs	(9.8)%	—
Scheduled landed weight – lbs	7.6%	—

Operating Revenues

During 2022 the Authority saw impacts to revenues, including but not limited to, the following:

- Airline landing fee revenue and Passenger Facility Charges (PFC's) are directly linked to passenger volumes. Therefore, landing fee revenue and PFC's significantly dropped due to COVID in 2020, and improved to the extent that passenger traffic recovered in 2021 and 2022.
- Certain contracts with terminal concessionaires (general merchandise, food & beverage, advertising, specialty sales and services) contained automatic adjustment provisions that, due to the reduced level of passengers, lowered minimum annual guaranteed rental payments or percentage rentals in 2020 and early in 2021. The Authority also implemented similar changes to other concession leases that did not have automatic adjustment provisions during 2020 and early in 2021 to ensure parity amongst similarly situated concession tenants. As passenger volume recovered to near-normal levels in 2022, concessions revenue also recovered.
- Parking revenues were strong in 2022 relative to prior years. In July of 2019, the North Garage addition opened. The Authority was able to fully recognize the benefits of the new garage as passenger traffic recovered to near-normal levels in 2022. Rental car agreements (minimum annual guarantee, or MAG) were not impacted in 2020 or 2021, however rental car demand was much lower than pre-COVID periods, impacting the Authority's share of gross receipts. In 2022 improved demand from increased passenger volume and higher rental car prices due to rental car supply constraints led to increased gross receipts. Customer Facility Charges (CFC's) revenue also increased as passenger volume returned to near-normal levels.

Revenue reductions due to reduced passenger traffic post-COVID were partially offset by the following Authority actions:

- To partially offset the reduced airline revenues and landed weight, and to keep the landing fee stable during 2020 and 2021, the Authority transferred $1,428,311 of retained PFCs in each year from the PFC Fund to the Revenue/Operations Fund. The amount of this permissible transfer was based on 7 FAA approved projects under the first application that were included in the landing fee rate calculation as local share depreciation. The Authority also utilized Federal Aviation Administration (FAA) Stimulus (i.e., Coronavirus Aid Relief and Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), American Rescue Plan Act (ARPA), described below), to further stabilize the landing fee ($2.988 in both 2020 and 2021 – no mid-year adjustment was made in either year). The total amount of PFCs, and FAA Stimulus grant funds, including amounts received and used during 2020 and 2021 to stabilize the landing fee, are excluded from Operating Income and treated as Non-Operating Income. In 2022, the landing fee rate was calculated using the standard pre-COVID method.
- To partially offset the reduced rental car demand the Authority increased the CFC to $3.50 per transaction day (from $2.50 per transaction day). The increase was effective July 1, 2020. The additional revenue, along with existing CFC reserves, is to be used for new or renovated rental car related facilities and the rental car share of debt service payments on the Series 2017 bonds.
- The Authority entered into new "Non-Exclusive License Agreements" (or NELAs) with transportation network companies (TNCs, such as Uber and Lyft) in May 2020 with fees effective June 1, 2020. Per the NELAs, the TNCs pay a $2.75 fee per each airport trip (i.e., each pick-up or drop-off). The first full year of revenue for the NELAs was 2021, and as passenger activity continued to increase in 2022, the associated revenue also increased.
- In December 2020, the Authority renegotiated portions of the parking concession agreement with the parking operator. The new terms and conditions became effective January 1, 2021. The amended agreement includes a 10% reduction in the MAG and a cost sharing formula whereby the Authority pays 75% of direct parking operational costs (previously the parking operator paid 100% of all costs) but permits the Authority additional control over operations and also limits the parking operator's monthly profits to $25,000 (any excess is refunded to the Authority). Previously the parking operator retained approximately 13% of all gross receipts from parking.
- In the summer of 2021, the Authority passed by Board Resolution a "Off-Airport Parking User Fee Resolution" which charges 10% of gross receipts, effective August 1, 2021.

Non-Operating Revenue – FAA Stimulus / CARES Act Airport Grant Funds

As a result of the COVID-19 pandemic's impact on the U.S. economy and transportation sector, the United States Congress approved the CARES Act and the President signed the bill on March 27, 2020. The CARES Act included a number of relief measures, one of which was direct aid for airports as well as direct aid, loans, and loan guarantees for passenger and cargo airlines. The CARES Act provided $10 billion of assistance to U.S. commercial airports. The FAA announced that the Authority was awarded $32,851,258 of CARES Act Airport funds ($32,821,258 for Eppley Airfield and $30,000 for Millard Airport). The Authority executed the grant agreements with the FAA in May 2020. The Authority has fully drawn down these funds, utilizing $2.1 million as part of the Series 2017B bond defeasance, and closed the grant in 2022.

Non-Operating Revenue – FAA Stimulus / CRRSAA Grant Funds

As a result of the continued duration of the COVID-19 pandemic, the United States Congress approved the CRRSAA. The CRRSAA was signed into law by the President on December 27, 2020, and includes nearly $2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the COVID-19 pandemic. The FAA announced the grant allocations in February 2021. The Authority was awarded $7,027,685 and entered into three separate grant agreements with the FAA later that month ($6,478,829 for Eppley Airfield, $525,856 for Eppley Airfield Concessions Relief drawn in 2021, and $23,000 for Millard Airport drawn in 2021). During 2022 the Authority drew all remaining CRRSAA funds, utilizing $6,482,372 as part of the Series 2017B and partial Series 2017A bond defeasance, and closed the grant.

Non-Operating Revenue – FAA Stimulus / ARPA Grant Funds

As a result of the continued duration of the COVID-19 pandemic, the United States Congress approved the ARPA. The ARPA was signed into law in March of 2021 by the President and includes $8 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the COVID-19 pandemic. The FAA announced the grant allocations in June 2021. The Authority was awarded $20,340,477 and entered into three separate grant agreements with the FAA in 2021 ($18,178,054 for Eppley Airfield, $2,103,423 for Eppley Airfield Concessions Relief, and $59,000 for Millard Airport). The Authority has drawn the Millard Airport and Eppley Airfield non-concessions funds, utilizing $18,178,054 for the partial defeasance of the Series 2017A bonds. As of December 31, 2022, $1,262,055 of Eppley Airfield Concessions Relief funds are remaining and must be spent on eligible expenditures and drawn down by the Authority within a total 4-year window starting in March 2021.

BIL Grant Funds

The Bipartisan Infrastructure Law (BIL) was signed into law in November 2021, and is a 5-year grant program. In December 2021 the Authority's first year allocation of $7,275,037 for Eppley Airfield and $295,000 for Millard Airport was announced under the Airport Infrastructure Grant (AIG) program. In December 2022 the Authority's second year AIG allocation of $7,267,125 for Eppley Airfield and $292,000 for Millard Airport was announced. The Authority has not yet finalized AIG grant agreements with the FAA for the first or second year grants. BIL AIG Grant Funds are not included in the accompanying financial statements. The BIL also includes a 5-year Airport Terminal Program (ATP) grant program, and it was announced in 2022 that the Authority would receive funding for Eppley Airfield from the first year. The Authority executed the first year ATP grant agreement with the FAA for $20,990,000 on January 26, 2023. The BIL ATP Grant Funds are not included in the accompanying financial statements, as no funds have been expended or received as of December 31, 2022.

Other Authority Highlights

The Authority temporarily suspended the Terminal Modernization Program (TMP) (a component of the Airport's Master Plan) in June 2020 as a result of the COVID-19 pandemic. The TMP planning efforts were restarted in January 2022. The TMP is organized as a two-part design-build contract. The TMP design development deliverable package for the Central Utility Plant was completed, which included sixty-percent completion of the design. In addition, the schematic design deliverable package for the remainder of the Terminal Modernization Program was completed, which included thirty percent completion of the design. The Authority has sole discretion over decisions related to the TMP.

Moody's Investor Services and Standard and Poor's Global Ratings provided "Aa3 / stable outlook" and "AA– / stable outlook" ratings, respectively, on the Series 2017 bonds. In their credit opinion, Moody's cited a well diversified Omaha service territory and historically stable origin and destination demand and noting a strong financial position due to conservative management. Standard and Poor's referenced the Authority's strong origin-destination nature, good air carrier diversity and resilient financial performance as rationale for their rating.

Airline Rates and Charges

The scheduled air carriers operate on year-to-year operating and lease agreements. The rates and charges are established annually by the Authority's board resolution. The rates and charges were as follows:

		2022	2021
Landing fee per 1,000 pounds	$	3.512	2.988
Apron fee per landing		2.50	2.50
Terminal finished area per square foot per year		93.84	87.95
Terminal unfinished area per square foot per year		75.14	70.43
Loading bridge (wide) unmodified per year		37,700	37,700
Loading bridge (narrow) unmodified per year		33,700	33,700
Unleased gate usage charge four hours and less		230	215
Unleased gate usage charge over four hours		325	303
Bundled per turn fee <125 seats		430	407
Bundled per turn fee >125 seats		650	611

Financial Position Summary

The statement of net position presents the financial position of the Authority at the end of the year and includes all assets and deferred outflow of resources and liabilities and deferred inflow of resources of the Authority. Net position, the difference between total assets and deferred outflow of resources and liabilities and deferred inflow of resources, is an indication of the current fiscal health of the Authority. Effective January 1, 2022, the Authority implemented GASB Statement No. 87, *Leases* (GASB 87), Comparative 2021 financial information presented herein has not been restated for the adoption of GASB 87. A summary of comparison of the Authority's assets and deferred outflow of resources, liabilities, and deferred inflow of resources, and net position at December 31 is as follows:

		2022	2021
Assets:			
Current and other assets	$	217,755,795	201,463,904
Property, plant, and equipment, net		372,980,106	364,623,997
Lease receivable		9,061,086	—
Total assets		599,796,987	566,087,901
Deferred outflows of resources:			
Other postemployment benefits deferred outflows of resources		7,801,406	9,573,558
Pension-related deferred outflows of resources		2,442,729	2,260,107
Total deferred outflows of resources		10,244,135	11,833,665
Total assets and deferred outflows of resources	$	610,041,122	577,921,566
Liabilities:			
Current liabilities	$	14,163,878	10,622,109
Net pension liability		4,497,262	2,144,833
Other postemployment benefits payable		29,304,397	35,925,723
Long-term debt, excluding current installments		29,139,112	59,388,371
Total liabilities		77,104,649	108,081,036
Deferred inflows of resources:			
Other postemployment benefits deferred inflows of resources		24,403,964	20,183,322
Pension-related deferred inflows of resources		215,958	2,741,832
Lease related deferred inflows of resources		8,937,286	—
Total deferred inflows of resources		33,557,208	22,925,154
Total liabilities and deferred inflows of resources		110,661,857	131,006,190
Net position:			
Net investment in capital assets		339,641,744	304,517,903
Restricted for:			
Passenger facility charges		36,661,082	27,734,003
Customer facility charges		2,914,040	2,160,770
Debt service and other		9,493	10,717
Unrestricted		120,152,906	112,491,983
Total net position		499,379,265	446,915,376
Total liabilities, deferred inflow of resources and net position	$	610,041,122	577,921,566

*2021 has not been restated to reflect changes for the implementation of GASB 87.

The Authority's net position was $499,379,265 and $446,915,376 at December 31, 2022 and 2021, respectively. For both years, the largest portion of the Authority's net position represents its net investment in capital assets. The Authority uses these capital assets to provide services to its passengers, visitors, and tenants of Eppley Airfield and Millard Airport; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

Restricted net position reflects cash and investments set aside with the revenue bond trustee for the ensuing year's principal and interest payment to bondholders and to fund the bond covenant required debt service reserve accounts. Restricted net position also reflects passenger facility charges cash and investments and customer facility charges set aside for future improvements and debt service. The remaining unrestricted net position may be used to meet any of the Authority's ongoing obligations.

[Remainder of Page Intentionally Left Blank]

Summary of Changes in Net Position

The change in net position is an indicator of whether the overall fiscal condition of the Authority has improved or deteriorated during the year. Following is a summary of revenues, expenses, and changes in net position:

	2022	Percentage of operating revenue	2021	Percentage of operating revenue	Percentage increase (decrease)
Operating revenues:					
Landing area	$ 11,225,268	19.0%	$ 8,949,497	19.6%	25.4%
General aviation area	1,666,297	2.8	1,535,821	3.4	8.5
Terminal building area	12,748,481	21.5	12,213,615	26.8	4.4
Other facility area	33,064,142	55.9	22,379,182	49.1	47.7
Millard Airport	488,841	0.8	490,936	1.1	(0.4)
Operating revenues	59,193,029	81.2	45,569,051	80.6	29.9
Operating expenses:					
Operations and maintenance	(20,504,334)	(34.6)	(19,010,633)	(41.7)	7.9
General and administrative	(7,872,478)	(13.3)	(6,908,748)	(15.2)	13.9
Operating expenses	(28,376,812)	(47.9)	(25,919,381)	(56.9)	9.5
Operating income before depreciation other postemployment benefit expense, and flood revenues and expenses	30,816,217	52.1	19,649,670	43.1	56.8
Other postemployment benefits expense	(338,086)	(0.6)	(1,416,588)	(3.1)	(76.1)
Depreciation expense	(21,821,940)	(36.9)	(21,369,956)	(46.9)	2.1
Flood fighting expenses	—	—	(9,908)	—	(100.0)
FEMA flood grant (contra expense)	—	—	332,587	0.7	(100.0)
Operating income (loss)	8,656,191	14.6	(2,814,195)	(6.2)	(407.6)
Nonoperating revenues and (expenses):					
Other interest revenue	344,680	0.6	—	—	—
Net Investment return	(4,603,019)	(7.8)	(774,506)	(1.7)	494.3
Gain on bond defeasance	917,748	1.6	—	—	—
Interest and amortization expense	(2,115,471)	(3.6)	(2,297,923)	(5.0)	(7.9)
Customer facility charges (CFCs)	3,238,624	5.5	2,604,550	5.7	24.3
Passenger facility charges (PFCs)	8,927,079	15.1	7,612,888	16.7	17.3
CARES Act grant revenue	7,097,320	12.0	12,491,355	27.4	(43.2)
CRRSAA Act grant revenue	6,482,372	11.0	548,856	1.2	1,081.1
ARPA Act grant revenue	19,019,422	32.1	59,000	0.1	32,136.3
Income before capital grant revenue	47,964,946	81.1	17,430,025	38.2	175.2
Federal and state capital grant revenue	4,498,943	7.6	6,650,016	14.6	(32.3)
Increase in net position	52,463,889	88.7	24,080,041	52.8	117.9
Net position – beginning of year	446,915,376	—	422,835,335	—	5.7
Net position – end of year	$ 499,379,265	—	$ 446,915,376	—	11.7%

Financial Operations Highlights

Revenues

The landing area revenue mostly comprises landing fees charged to the airlines. The landing fee rate was $3.512 in 2022, compared to $2.988 in 2021. Scheduled aircraft landed weight increased 7.6% in 2022. In 2021, the landing fee and apron fees were not adjusted to offset the reduced landed weight and aircraft parking during COVID.

The 8.5% increase in general aviation revenues in 2022 is primarily attributed a 5.3% increase in the CPI ground rental rate and a new rental car concession for the general aviation area.

The terminal building area revenues increased 4.4% in 2022 compared to 2021 as passenger traffic continued to rebound to near-normal pre-COVID levels. Starting in 2022, the Authority started distributing the ARPA Eppley Airfield Concessions Relief funds to concessionaires, which decreased concession revenue and is accounted for in the ARPA grant revenue.

The majority of the 47.7% increase in other facilities area revenue is attributed to parking operations. Total auto and rental car parking revenue increased 50.5% in 2022 as a result of increased parking transactions, parking rates returning to pre-COVID levels and the move from a concession type to a management type agreement with the parking concessionaire. Rental car and concession fees and ground transportation fees increased as passenger traffic returned to pre-pandemic levels, resulting in greater utilization.

Expenses

Operations and maintenance expenses increased 7.9% in 2022. Wages and salaries increased 6.6% due to cost-of-living increases and overtime expenses returning to pre-COVID levels as passenger traffic increased. Supplies and materials increased 2.2% due to increased snow and ice events requiring use of airfield de-icing fluid and increased paper supply costs. Electricity and fuel – heating increased as 2022 had higher utility rates and costs associated with increased passenger traffic.

General and administrative expenses increased 13.9% in 2022. Salaries increased 6% due to cost-of-living increases and the addition of staff in preparation for the TMP. Contracted labor increased 60.4% related to new software maintenance agreements and renewals, and a cyber security assessment.

Other postemployment benefit expense (OPEB) decreased by 76.1% due to the actuary's use of revised estimates for interest rates, claims history, and actuarial assumptions. The actuary uses the Bond Buyer General Obligation 20-Year Municipal Bond Index for the discount rate to calculate the total OPEB liability. The discount rate increased from 2.06% at December 31, 2021 to 3.72% at December 31, 2022, leading to a decrease in both the OPEB expense and liability for 2022 as a result of recognizing the assumption changes.

Depreciation expense increased by 2.1% in 2022, reflecting depreciation on the larger asset additions during the year such as the terminal drive express ramp and lane addition, taxiway lighting, and South Garage restoration, as well as a full year of depreciation on assets added during 2021 such as the South Economy lot reconstruction.

Nonoperating Revenue and Expenses

Net nonoperating revenues comprises net investment return, interest revenue and expense, gain on bond defeasance, rental car CFCs, PFCs, CARES Act grant revenue, CRRSAA grant revenues, and ARPA grant revenue. Interest and amortization expense (non-operating) decreased in 2022 as a result of reduced outstanding principal related to the Series 2017 Bonds due to the Series 2017B and partial Series 2017A defeasances. See Note 4 for further discussion on long-term debt. Net investment return decreased 494.3% reflecting fair market value adjustments, offset partially by increased interest earnings on the Authority's investments due to higher yields on reinvested or new investments. CFCs revenue increased 24.3% due to rental car utilization as passengers returned to flying. PFCs revenue increased 17.3% in 2022 due to the continued return of passenger activity. As noted earlier, the remaining CARES Act, CRRSAA and non-concession ARPA grants were utilized to defease the Series 2017B and partially defease the Series 2017A bonds. In 2022 the Authority utilized federal stimulus including $7,097,320 of CARES Act grant fund revenues, $6,482,372 of CRRSAA grant fund revenues, and $19,019,422 of ARPA grant fund revenues. Federal stimulus funding can be used to pay for capital, operating expenses, debt service obligations, or concessions relief. See note 1 for further discussion on CFCs, PFCs and federal stimulus.

Property, Plant, and Equipment Development and Expansion

The Authority's gross property, plant, and equipment as of December 31, 2022, and 2021 amounted to $789,434,253 and $759,737,650, respectively, before accumulated depreciation as discussed in Note 3. This investment in long-term assets includes land, land improvements, airfield improvements, parking facilities, buildings, equipment, Millard Airport (a reliever to Eppley Airfield), and construction in progress. The net increase in the Authority's property, buildings, and equipment, before accumulated depreciation, for 2022 was $29,696,603, or 3.9%. The 2022 increase is largely due to the restoration of the South Garage, addition of the terminal drive express ramp and lane addition, and additions to construction work in progress for the entrance roadway and Terminal Modernization Program.

Property, plant, and equipment acquisitions are capitalized at cost and are depreciated (except land, fine art, and construction in progress) over their useful lives on the straight-line method. Authority acquisitions are funded using a variety of financing techniques, including cash flows from Authority operations (including a $3.50 rental car per transaction day CFC), federal entitlement and discretionary grants (typically 75% of total costs of typical authorized projects and 90% for Millard Airport projects, however during COVID the federal share increased in certain conditions to 100%), state grants, and airport revenue bond issuance. The Authority is not allowed to levy taxes. Following approval from the FAA, and consultation with the airlines, PFC charges at the $4.50 rate began February 1, 2018 for major future terminal-related projects.

During the past decade, several significant completed projects were closed out from construction in progress and/or directly recorded to their respective property, plant, and equipment accounts. More recent major projects or acquisitions were/are as follows:

Project		Total cost
Completed:		
Replace Taxiway C, J, D, E access to ramp	$	17,915,000
Replace Taxiway G		17,685,000
Replace east stormwater pumping station		2,900,000
Millard Airport runway overlay		1,380,000
Replace boarding bridge #16		654,000
Reconstruct terminal ramp – phase I		22,670,000
Construct U.S. Customs and Border Protection G/A Facility		1,000,000
Purchase #2 multi-task snow removal equipment machine		630,000
Expand north checkpoint exit lane and 4th lane		515,000
Replace fire/rescue truck #11		900,000
South economy parking lot canopies		4,200,000
Expand south economy parking lot		800,000
South parking garage way finding/space count system (APGS)		1,000,000
Expand south checkpoint 4th lane		270,000
Reconstruct terminal ramp – phase II		17,811,000
Enterprise Resource Planning (ERP) system		2,070,000
Cargo A Ramp reconstruction		6,000,000
Reconstruct terminal ramp – phase III		17,000,000
Replace boarding bridges #6 and #7		1,430,000
Replace terminal carpet and furniture		455,000
New north parking garage/rental car facilities/exit plaza		82,181,000
Additional multi-tasking snow removed equipment		1,800,000
Replace all parking revenue control equipment		3,687,000
North parking garage wayfinding/space count system (APGS)		1,148,000
Park OMA parking operation creation		621,000
Reconstruct portions of Taxiways A, D, and F		15,600,000
South economy parking lot partial renovation		1,559,000
Terminal front drive renovation and expansion		21,394,000
Terminal drive express ramp		2,133,000
In process:		
South parking garage restoration (estimate)		9,340,000
Taxiway lighting (estimate)		2,404,500
Terminal Modernization Program		TBD

Long-Term Debt Administration

On February 22, 2017, the Authority closed on the Series 2017 A, B, and C $70,000,000 par revenue/refunding bonds issue to finance a portion of the construction of an approximate 3,000 space parking garage, rental car facilities, various other parking area improvements, fund debt service reserve accounts, and to defease the then outstanding Series 2010 bonds. In October 2022, the 2017B series bonds were fully defeased in the amount of $9,260,000. The Series 2017A bonds were partially defeased in December 2022 in the amount of $17,605,000, bringing the total bonds defeased in 2022 to $26,865,000. The Series 2017 A and Series C Airport Revenue/Refunding Bonds are the only outstanding bonds at December 31, 2022 with coupon rates ranging from 2% to 5% (with an average yield of 3.7%). The outstanding principal balance as of December 31, 2022, before the effects of bond premium, is $28,805,000.

As the Authority is not allowed to levy taxes, it cannot issue any general obligation (GO) bonds. The Authority began collecting PFCs on February 1, 2018. It does not have any PFC-backed revenue bonds outstanding as of December 31, 2022. Finally, the Authority has not issued any special-purpose facility bonds.

The Authority has the following revenue bond credit ratings: Standard & Poor's AA- with stable outlook and Moody's Aa3 with stable outlook. The Authority's currently outstanding airport revenue bonds were issued with fully funded debt service reserve funds.

Economic Outlook

The continuing effects of the COVID world pandemic are unknown and difficult to predict, however, passenger activity has been strong and is returning to near-normal pre-pandemic levels. The Authority's debt service coverage for 2021 was 6.31x prior to application of federal stimulus (CARES Act, CRRSAA, ARPA) or 10.69x including federal stimulus. The Authority's debt service coverage for 2022 was 9.31x prior to application of federal stimulus or 20.74x including federal stimulus. A minimum debt service coverage of 1.25 is required. Additionally, there were a significant number of days cash-on-hand. The Authority does not currently anticipate any reduction in airport operations or services rendered, nor are staffing levels anticipated to decrease. The Authority will continue to evaluate financial operations closely and make adjustments as needed.

Contact Information

Questions concerning any of the information provided in this financial report or requests for additional information should be addressed to: Omaha Airport Authority, Attention: Casey Schapmann, Chief Financial Officer, 4501 Abbott Drive, Suite 2300, Eppley Airfield, Omaha, NE 68110.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Statement of Net Position

December 31, 2022

Assets	
Current assets:	
Unrestricted assets:	
Cash and cash equivalents	$ 22,776,534
Investments	141,532,070
Receivables, less allowance for doubtful accounts of $135,872	5,190,112
Due from governmental agencies - Airport Improvement Program (AIP)	1,295,795
Accrued interest receivable - investments	709,443
Accrued interest receivable - leases	23,935
Leases receivable	3,862,743
Prepaid expenses and inventory	1,920,495
Restricted assets:	
Cash and cash equivalents	2,527,212
Total current assets	179,838,339
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	10,822,004
Investments	29,377,892
Accrued interest receivable - investments	306,669
Passenger facility charges receivable	1,025,151
Customer facility charges receivable	248,483
Leases receivable	5,198,343
Property, plant, and equipment, net	372,980,106
Total noncurrent assets	419,958,648
Total assets	599,796,987
Deferred Outflows of Resources	
Other postemployment benefits deferred outflows of resources	7,801,406
Pension-related deferred outflows of resources	2,442,729
Total deferred outflows of resources	10,244,135
Total assets and deferred outflows of resources	$ 610,041,122
Liabilities	
Current liabilities:	
Current installments of long-term debt	$ 1,757,481
Accounts payable and accrued expenses	4,417,158
Due to contractors, including retainage of $1,182,208	7,164,565
Accrued interest payable	56,763
Current portion of other postemployment benefits payable	767,911
Total current liabilities	14,163,878
Noncurrent liabilities:	
Net pension liability	4,497,262
Other postemployment benefits payable	29,304,397
Long-term debt, excluding current installments	29,139,112
Total noncurrent liabilities	62,940,771
Total liabilities	77,104,649
Deferred Inflows of Resources	
Other postemployment benefits deferred inflows of resources	24,403,964
Pension-related deferred inflows of resources	215,958
Lease related deferred inflow of resources	8,937,286
Total deferred inflows of resources	33,557,208
Total liabilities and deferred inflows of resources	110,661,857
Net Position	
Net position:	
Net investment in capital assets	339,641,744
Restricted for:	
Passenger facility charges	36,661,082
Customer facility charges	2,914,040
Debt service and other	9,493
Unrestricted	120,152,906
Total net position	499,379,265
Total liabilities, deferred inflow of resources, and net position	$ 610,041,122

See accompanying notes to financial statements.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Statement of Revenues, Expenses, and Changes in Net Position

Year ended December 31, 2022

Operating revenues:	
Landing area	$ 11,225,268
General aviation area	1,666,297
Terminal building area	12,748,481
Other facility area	33,064,142
Millard Airport	488,841
Total operating revenues	59,193,029
Operating expenses:	
Operations and maintenance:	
Wages	9,856,397
Payroll taxes	716,526
Employee benefits	3,888,180
Supplies and materials	1,762,935
Services and repairs	2,083,459
Electricity	1,255,396
Fuel – heating	227,013
Water and sewer	273,358
Trash disposal	61,459
Communications	138,667
Gasoline and oil	201,981
Other	38,963
Total operations and maintenance	20,504,334
General and administrative:	
Salaries	3,249,182
Payroll taxes	207,776
Employee benefits	1,063,595
Supplies and materials	123,828
Contracted labor and maintenance	533,649
Professional services	1,550,715
Marketing	100,922
Travel and transportation	53,367
Communications	12,327
Dues and publications	37,180
Insurance	926,917
Other	13,020
Total general and administrative	7,872,478
Total operating expenses, before other postemployment benefits expense, depreciation expense, and flood revenues and expenses	28,376,812
Operating income before other postemployment benefits expense, depreciation expense, and flood revenues and expenses	30,816,217
Other postemployment benefits expense	338,086
Depreciation expense	21,821,940
Operating income	8,656,191
Nonoperating revenues (expenses):	
Other interest revenue	344,680
Net investment return	(4,603,019)
Gain on bond defeasance	917,748
Interest and amortization expense	(2,115,471)
Customer facility charges (CFCs)	3,238,624
Passenger facility charges (PFCs)	8,927,079
CARES Act grant revenue	7,097,320
CRRSAA Act grant revenue	6,482,372
ARPA Act grant revenue	19,019,422
Nonoperating revenues, net	39,308,755
Income before capital grant revenue	47,964,946
Federal and state capital grant revenue	4,498,943
Increase in net position	52,463,889
Total net position, beginning of year	446,915,376
Total net position, end of year	$ 499,379,265

See accompanying notes to financial statements.

AIRPORT AUTHORITY OF THE CITY OF OMAHA
Statements of Cash Flows
Year ended December 31, 2022

Cash flows from operating activities:	
Cash received from tenants/customers	$ 52,078,184
Cash paid to suppliers for goods and services	(8,708,921)
Cash paid to employees for salaries, wages, and benefits	(20,544,803)
Net cash provided by operating activities	22,824,460
Cash flows from capital and related financing activities:	
Acquisition and construction of property, plant, and equipment	(25,943,729)
Principal paid on long-term debt, including partial defeasance of Series 2017A and defeasance of Series 2017B bonds	(30,479,730)
Interest paid on long-term debt	(2,541,290)
Prinicpal payments received on leases receivable	4,262,485
Interest payments recevied on leases receivable	320,745
Customer facility charges (CFCs) received	3,201,149
Passenger facility charges (PFCs) received	8,871,872
Federal and State Capital grants received	5,054,025
Net cash used in capital and related financing activities	(37,254,473)
Cash flows from non-capital financing activities:	
CARES Act grant revenue	7,935,500
CRRSAA Act grant revenue	6,482,372
ARPA Act grant revenue	19,019,422
Net cash provided by non-capital financing activities	33,437,294
Cash flows from investing activities:	
Purchase of investments	(57,823,913)
Sales of investments	8,740,081
Interest and investment income	2,352,245
Net cash used in investing activities	(46,731,587)
Net decrease in cash and cash equivalents	(27,724,306)
Cash and cash equivalents, beginning of year	63,850,056
Cash and cash equivalents, end of year	$ 36,125,750
Reconciliation to statements of net position:	
Current cash and cash equivalents, unrestricted	$ 22,776,534
Current cash and cash equivalents, restricted	2,527,212
Noncurrent cash and cash equivalents, restricted	10,822,004
Cash and cash equivalents, end of year	$ 36,125,750
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 8,656,191
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	21,821,940
Change in assets and liabilities resulting from operations:	
Receivables	(2,728,561)
Prepaid expenses	(435,714)
Accounts payable and accrued expenses	774,539
Net pension liability	2,352,429
Deferred inflow/outflow of resources, net	(1,101,987)
Other postemployment benefit payable	(6,514,377)
Net cash provided by operating activities	$ 22,824,460
Supplemental disclosures for noncash activities:	
Unrealized loss on investments	$ (7,644,991)
Capital assets in contracts and retainage payable	7,164,565
Gain on bond defeasance	917,748

See accompanying notes to financial statements.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Statement of Plan Fiduciary Net Position

Pension Trust Fund – Employee Retirement Fund

December 31, 2022

Assets:		
Investments:		
Institutional funds	$	7,619,893
Group annuity contracts (at contract value)		6,797,372
Total investments		14,417,265
Fiduciary Net Position:		
Fiduciary net position restricted for pension	$	14,417,265

See accompanying notes to financial statements.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Statement of Changes in Plan Fiduciary Net Position

Pension Trust Fund – Employee Retirement Fund

Year ended December 31, 2022

Additions:		
Employer contributions	$	1,820,830
Net investment return or (loss)		(1,979,923)
Total additions		(159,093)
Deductions:		
Benefits paid		5,449,280
Total deductions		5,449,280
Net decrease in fiduciary net position		(5,608,373)
Fiduciary net position restricted for pension:		
Beginning of year		20,025,638
End of year	$	14,417,265

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Authority Operations

The Airport Authority of the City of Omaha (the Authority) was created pursuant to Nebraska State Law. The affairs of the Authority are conducted by a board whose members are appointed by the Mayor of the City of Omaha, Nebraska (the City), with the approval of the City Council. The Authority's financial statements are presented in the form of a business type activity related to owning and operating the airport plus a pension trust fund. The majority of the Authority's income from its business type activity (enterprise fund) is generated from airport user fees, including airline landing fees and terminal rentals, concession fees, and other building rentals, as well as Passenger Facility Charges (PFCs) and Customer Facility Charges (CFCs). The Authority does not levy or collect property taxes. The Authority is not included in the City's financial statements because the City is not financially accountable for the Authority. The accompanying financial statements of the Authority's business type activity and pension trust fund are presented using a flow of economic resources measurement focus on the accrual basis of accounting.

Operating revenues, such as rental income, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as interest, result from nonexchange transactions.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources as they are needed.

Net position for the business type activity is segregated in the following three categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted: Net position which are subject to external restrictions. Such balances include PFCs and CFCs held and debt service requirements.
- Unrestricted: Net position not subject to external restrictions and not invested in capital assets.

(b) Capital Grants

The Authority has entered into capital grant agreements with government agencies (U.S. Department of Transportation/Federal Aviation Administration) on certain construction projects. The Authority recognizes capital grant revenue as construction progresses on each project and when eligibility requirements are met.

(c) Federal Stimulus (CARES Act, CRRSAA, ARPA)

Federal stimulus is provided directly from the U.S. Treasury and is administered by the FAA. The Authority was awarded $32,851,258 of CARES Act grant funds ($32,821,258 for Eppley Airfield and $30,000 for Millard Airport) and expended all remaining funds in 2022. The Authority was awarded $7,027,685 CRRSAA ($6,478,829 for Eppley Airfield, $525,856 for Eppley Airfield Concessions Relief, and $23,000 for Millard Airport) and expended all remaining funds in 2022. The Authority was awarded $20,340,477 of ARPA grant funds ($18,178,054 for Eppley Airfield, $2,103,423 for Eppley Airfield Concessions Relief, and $59,000 for Millard Airport) and expended all non Eppley Airfield Concessions Relief funds as of the end of 2022 and concessions relief of $841,368. Federal stimulus funding can be used to pay for capital, operating expenses, debt service obligations, or concessions relief and draw downs must be requested by the Authority within a total 4-year window.

(d) Depreciation

Property, plant, and equipment are stated at historical cost. The Authority's capitalization procedure defines assets as a single item $5,000 or more, or $10,000 for a group of like items that have a useful life of more than one year. Depreciation of property, plant, and equipment is provided on all depreciable assets (except land, fine art, and construction in progress), including those acquired with capital grants, over the estimated useful lives of the respective assets on the straight-line method.

Land improvements	20-25 years
Airfield improvements	15-30 years
Auto parking areas	10-30 years
Building and access	10-30 years
Equipment / building furnishings	5-15 years
Millard Airport	5-30 years

(e) Cash Equivalents

The Authority considers all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents.

(f) Investments

Authority investments, primarily U.S. Treasury strips and notes, corporate bonds, federal agency securities, commercial paper, corporate stock and mutual funds, are carried at fair market value as of December 31, 2022. Fair market value is based on established quoted market price. All investments of the Authority are carried to maturity.

(g) Leases Receivable

In accordance with GASB 87, as a lessor, the Authority recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for regulated leases, and short-term leases. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments and variable payments that depend on a maximum annual guarantee or index rate. As lease revenue is recognized as operating revenue, excluding regulated leases, and short-term leases, a portion of the revenue is recognized as other interest income based upon the estimated borrowing rate of the Authority.

(h) Pension Plan

In accordance with Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, required supplementary information, net pension liability, deferred inflow and outflow of resources, and pension expense have been recognized in the financial statements. See additional pension information in note 6.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plan's fiduciary net position. The total pension expense comprises the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position, less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflow and inflow of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflow of resources, deferred inflow of resources, and pension expense, information about the fiduciary net position of the retirement plan and addition to/deductions from the retirement plan's fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose, benefit payments are recognized when due and payable in accordance with terms of the plan.

The pension plan's investments are held in institutional funds and group annuity contracts. Institutional funds are valued at the net asset value (NAV) of shares held by the fund. The NAV of the fund includes the fair value of the securities in the fund plus any receivables and the fair value of cash collateral fund, if any. The NAV also includes payables and accrued fund expenses. None of the Authority's institutional funds have unfunded commitments, and these investments can be redeemed by the Authority at any time. Investment return includes interest income and the net change for the year in the fair value of investments. Group annuity contracts are reported at contract value. Contract value represents Authority contributions made under the contract, plus investment income, less funds used to make benefit payments and administration expenses.

(i) Other Postemployment Benefits (OPEB)

Postemployment benefits other than pension benefits are accounted for in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – an amendment of GASB Statement No. 45*. This pronouncement establishes standards for the measurement and recognition of postemployment benefit expense, related liabilities, assets, deferred inflow and outflow of resources, note disclosures, and required supplementary information. The Authority funds OPEB on a pay-as-you-go basis, thus there are no plan assets to offset the OPEB payable. See additional information regarding the Authority's other postemployment benefits in note 7.

(j) Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. A deferred inflow of resources has a negative impact on net position similar to liabilities but is required to be reported within the statement of net position in a separate section following liabilities and the total may be added to the total for liabilities. A deferred outflow of resources has a positive effect on net position similar to assets but is required to be reported in the statement of net position in a separate section following assets and the total may be added to the total for assets. Deferred outflows/inflows of resources include various lease related amounts (see note 5), pension-related amounts (see note 6) and other postemployment benefits related amounts (see note 7).

(k) Compensated Absences

All full-time employees of the Authority earn vacation leave at levels based upon years of service and accrued balances are paid upon termination or retirement. All accumulated vacation leave is accrued and included in accounts payable and accrued expenses.

(l) Revenue Recognition

Revenue is recognized when risk of loss is transferred to customers upon delivery based on landing area fees, rental space and concessions, and collectability is reasonably assured. Revenue is recognized as the net amount to be received after deducting estimated amounts for discounts and trade allowances.

Capital grant revenue is recognized after grants have been awarded by the FAA and goods and services by contractors related to such grants have been performed. Federal COVID-19 stimulus grant revenue is recognized after grants have been awarded by the FAA and drawdown requests, based upon qualified expenditures, have been approved by the FAA.

(m) Tax-Exempt Status

The Authority, a corporate municipality/political subdivision authorized by state statute and activated as a result of passage of a City of Omaha resolution, is not subject to federal, state, or local income, sales, or property taxes.

(n) Customer Facility Charges (CFCs)

In April 2015, the Authority began collection of a Customer Facility Charge (CFC) of $2.50 per rental car transaction day for the purpose of funding rental car facility improvements and related debt service portion of a new public and rental car six-story parking garage. The CFC rate was adjusted to $3.50 per rental car transaction day effective July 1, 2020. The CFC rate can be adjusted at any time and is recorded as nonoperating revenues.

(o) Passenger Facility Charges (PFCs)

In February 2018, the commercial airlines serving Eppley Airfield began collecting on behalf of the Authority a PFC on qualifying enplaning passengers at Eppley Airfield. Airports use PFCs to fund projects that enhance safety, security, or capacity; reduce noise; or increase air competition. The PFC Program is regulated by the Federal Aviation Administration (FAA). Both the fee and intended projects must be reviewed and approved by the FAA. The current maximum fee that can be authorized through federal regulation is $4.50 per enplaning passenger. The Authority was approved to collect at the maximum $4.50 level for qualifying terminal and airfield development-related projects. PFC revenues are recorded as nonoperating revenues.

(p) Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates and assumptions used in preparing the financial statements.

(q) Implementation of New Accounting Standard

During 2022, the Authority implemented Governmental Accounting Standards Board Statement No. 87, *Leases,* (GASB 87) and the implementation was retrospective to the earliest period presented, which was January 1, 2022. The Authority recognizes a lease receivable and a deferred inflow of resources that will be recognized over the term of the lease. Adoption of GASB 87 had no effect on beginning net position as of January 1, 2022, or on the previously reported change in net position.

[Remainder of Page Intentionally Left Blank]

(2) Cash and Investments

Included in current assets is unrestricted cash and cash equivalents held by the Authority at December 31, 2022 of $22,776,534. Current restricted cash and cash equivalents at December 31, 2022 totaled $2,527,212. Included within restricted amounts are principal and interest money market accounts maintained by the bond trustee, rental car CFCs, as well as Bond Series 2017 parking garage/rental car facilities cash and investment construction accounts. Included in noncurrent assets is restricted cash and cash equivalents held by the Authority at December 31, 2022 of $10,822,004. Included within these amounts are restricted bond reserve and debt service funds of $4,694,077, as well as $6,127,927 as of December 31, 2022, in deposit accounts restricted for PFCs and CFCs.

Statutes and resolutions adopted by the Board of Directors authorize the Authority to invest in obligations of the U.S. Treasury, certain corporate bonds, commercial paper, agencies and instrumentalities, repurchase agreements, corporate stocks and mutual funds within the deferred compensation accounts. The Authority's investments consist of U.S. government securities backed by the full faith and credit of the U.S. government, corporate bonds, short-term commercial paper, and federal agency securities. The deferred compensation accounts are invested in mutual and stock funds. At December 31, 2022, management believes the Authority is in compliance with the applicable statutes and resolutions. All bank balances were covered by federal depository insurance or pledged collateral.

Investments Valued at Fair Value: GASB Statement No. 72 provides a framework for fair value that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Authority can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.); or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 – Unobservable inputs for assets or liabilities that reflect the Authority's own assumptions about the assumptions that market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Authority has the following recurring fair value measurements as of December 31, 2022:

		Fair value measurement using		
December 31, 2022	**Total fair value**	**Quoted prices in active markets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Investments by fair value level investment securities:				
Corporate bonds	$ 39,502,196	—	39,502,196	—
U.S. Agency securities	33,831,162	—	33,831,162	—
U.S. Treasury notes	59,095,227	59,095,227	—	—
Commercial paper	37,914,090	—	37,914,090	—
Subtotal	170,342,675	59,095,227	111,247,448	—
Corporate stocks	61,780	61,780	—	—
Mutual funds	505,507	505,507	—	—
Total investments	$ 170,909,962	59,662,514	111,247,448	—

The following is a description of the valuation methodologies used for assets measured at fair value:

- U.S. Treasury notes, corporate stock and mutual funds (Level 1) are valued using prices quoted in active markets.
- U.S. Agency securities, corporate bonds, and commercial paper (Level 2) are derived principally from or corroborated by market data by correlation or other means.

As of December 31, 2022, the Authority has the following investments and related maturities:

			Investment maturities (in years)		
December 31, 2022		**Total carrying value**	**Less than 1**	**1–5**	**6–10**
Investments:					
Corporate bonds	$	39,502,196	13,696,460	25,805,736	—
U.S. Agency securities		33,831,162	15,112,105	18,719,057	—
U.S. Treasury notes		59,095,227	—	59,095,227	—
Commercial paper		37,914,090	37,914,090	—	—
Corporate stock		61,780	—	—	—
Mutual funds		505,507	—	—	—
Total investments	$	170,909,962	66,722,655	103,620,020	—
Cash equivalents:					
Government-backed money markets		4,722,795	—	—	—
Total cash equivalents		4,722,795	—	—	—
Deposits:					
Cash		31,402,955	—	—	—
Total cash and cash equivalents		36,125,750	—	—	—
Grand total	$	207,035,712	66,722,655	103,620,020	—

Restricted PFC investments are $29,377,892 of total investments.

Credit Risk – The Authority does not have an investment policy that would further limit its investment choices beyond the permitted investment as defined in the master bond resolution. As of December 31, 2022, the Authority's investments in corporate stock and mutual funds are not rated, but the U.S. government-backed money markets were rated AAA by Standard & Poor's and AAA by Moody's Investors Service. The corporate bonds are rated in one of the two highest categories (AAA or AA) by one or more of the rating agencies as required by the master bond resolution. Commercial paper is an unsecured, short-term debt instrument issued by corporations. The commercial paper held by the Authority is rated in two of the highest short-term rate categories by Moody's Investor Service (P-1, P-2). U.S. Treasury notes are obligations of the United States government. Agency paper is an obligation of United States government agencies, carrying the highest credit rating from one or more of the rating agencies.

Custodial Credit Risk for Investments – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the government entity will not be able to recover the value of investment or collateral securities that are in possession of an outside party. The Authority has no investment securities that would be exposed to custodial credit risk in the event of the failure of the counterparty to a transaction.

Custodial Credit Risk for Deposits – Custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of state law. State law requires collateralization of all deposits with federal depository insurance, bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities having an aggregate value at least equal to the amount of the deposits.

The Authority's cash deposits, are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits in excess of the $250,000 FDIC limits are covered by collateral held in a pledge account for the Authority.

Concentration of Credit Risk – The Authority has no investment policy limit on the amount it may invest in any one issuer. The Authority's corporate bond investments are in Apple Inc., Berkshire Hathaway Inc., Exxon Mobil Corporation, Chevron and Walmart Inc. (all rated AA by S&P). The Authority also holds commercial paper issued by MUFG Bank and Royal Bank of Canada rated P-1 by Moody's, and Credit Suisse New York that is rated P-2 by Moody's. The investment mix is: corporate bonds (23.2%), commercial paper (22.3%), treasury notes (34.7%), and Agency paper (19.8%) of total investments as of December 31, 2022.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy requires that market conditions and investment securities be monitored to determine the maximum yield that can be obtained while minimizing the impact of rising interest rates. The money market mutual funds and government-backed money market funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

(3) Property, Plant, and Equipment

The property, plant, and equipment activity for 2022 is summarized as follows:

	Balance December 31, 2021	Additions	Disposals/ retirements		Balance December 31, 2022
Plant in service:					
Land (non-depreciable)	$ 10,786,590	—	—		10,786,590
Land Improvements	15,195,499	231,161	15,000		15,411,660
Airfield Improvements	399,514,842	1,307,859	78,755		400,743,946
Auto Parking Areas	146,413,338	8,837,168	140,876		155,109,630
Buildings and Access	115,505,159	22,315,223	35,094		137,785,288
Equipment & Building Furnishings	32,682,550	917,768	211,721		33,388,597
Millard Airport	12,879,887	118,714	—		12,998,601
Construction in progress (non-depreciable)	26,759,785	—	3,549,844	(1)	23,209,941
Total	759,737,650	33,727,893	4,031,290		789,434,253
Less accumulated depreciation:					
Land Improvements	9,821,873	541,502	15,000		10,348,375
Airfield Improvements	207,859,678	11,290,295	78,755		219,071,218
Auto Parking Areas	46,559,041	5,148,701	140,876		51,566,866
Buildings and Access	99,925,597	2,380,050	35,094		102,270,553
Equipment	21,579,395	2,051,370	211,721		23,419,044
Millard Airport	9,368,069	410,022	—		9,778,091
Total	395,113,653	21,821,940	481,446		416,454,147
Net	$ 364,623,997	11,905,953	3,549,844		372,980,106

(1) Net change for the year of all activity.

The majority of rental activities originate from auto parking areas and buildings, which have a net book value of approximately $139 million at December 31, 2022. The Authority is continually involved in construction and plant renewal in the normal course of operations, of which a significant portion of airfield improvements are federally funded.

(4) Long-Term Obligations

The long-term obligation activity for 2022 is summarized as follows:

	Balance December 31, 2021	Additions 2022	Payments/ amortization 2022	Balance December 31, 2022	Current installments December 31, 2022
Series 2017 A,B,C bonds	$ 57,970,000	—	29,165,000	28,805,000	1,505,000
2017 A,B,C bond premium	4,692,720	—	2,601,127	2,091,593	252,481
Total	$ 62,662,720	—	31,766,127	30,896,593	1,757,481
Other long-term liabilities:					
Net pension liability	$ 2,144,833	2,352,429	—	4,497,262	—
Other postemployment benefits payable	36,586,686	—	6,514,378	30,072,308	767,911
Total other long-term liabilities	$ 38,731,519	2,352,429	6,514,378	34,569,570	767,911

On February 22, 2017, the Authority closed on the Series 2017 A, B, and C Airport Revenue/Refunding Bonds (Revenue/Refunding Bonds). The purpose of the Revenue/Refunding Bonds was to finance a portion of the construction of an approximate 3,000 space parking garage, rental car facilities, various other parking area improvements, fund debt service reserve accounts, and to defease the then outstanding Series 2010 bonds. The entire project's construction cost was estimated to be approximately $89 million. The following is a summary of the original, non-defeased, Series 2017 issued bonds:

Series	Par	Premium	Coupon%	Yield%	TIC%
A-Tax exempt AMT	$ 31,700,000	4,991,149	2.00–5.00%	1.05–3.57%	3.58 %
B-Tax exempt	11,225,000	895,136	2.00–5.00%	0.96–3.70%	3.31
C-Taxable	9,470,000	—	1.285–4.204%	1.285–4.204%	3.94
Total	$ 52,395,000	4,991,149		Blended	3.59 %

These serial and term bonds have a final maturity of December 15, 2036. The bonds are first callable at par on December 15, 2026. The bonds were issued at a premium which is being amortized over the life of the bonds. Collected rental car concession customer CFCs and cash on hand of $2,489,000 will be applied annually each year the bonds are outstanding as a direct payment toward the debt service of all the Series C taxable bonds and approximately 45% of the Series A tax-exempt AMT bonds (Moody's and Standard and Poor's rate the Authority's Series 2017 bonds Aa3 – stable outlook, and AA- – stable outlook, respectively).

To fully expend the ARPA (non-concession), CRRSAA, and CARES federal stimulus grants, on October 25, 2022, and December 28, 2022, the Authority placed cash and other monetary assets of $9,379,730 and $18,799,990, respectively, acquired with only the Authority's existing resources with an escrow agent in a trust to in-substance defease its Series 2017B and partially defease Series 2017A bonds having an outstanding principal amount at the date of defeasance of $9,260,000 and $17,605,000, respectively. As a result, the Series 2017B and a portion of the Series 2017A bonds are considered to be defeased, and the liability for those bonds has been removed from the Authority's balance sheet.

The defeasance reduced the total debt service payments over the life of the bond by $36,586,406. The defeased debt resulted in a difference between the reacquisition price and the net carrying amount of the debt of $917,748, which has been recognized in the accompanying statement of revenues, expenses and changes in net position as a gain on bond defeasance.

As of December 31, 2022, after the December 15th principal payment, the defeased Series 2017A and Series 2017B bonds had $17,605,000 and $8,815,00 in principal outstanding, respectively.

The aggregate debt service, prior to the effects of bond premium for succeeding years are as follows:

		Principal	Interest	Total
2023	$	1,505,000	1,362,314	2,867,314
2024		1,575,000	1,295,419	2,870,419
2025		1,645,000	1,224,662	2,869,662
2026		1,720,000	1,149,576	2,869,576
2027		1,795,000	1,070,322	2,865,322
2028-2032		10,360,000	3,982,688	14,342,688
2033-2036		10,205,000	1,254,704	11,459,704
Total	$	28,805,000	11,339,685	40,144,685

The Master Bond Resolution adopted on December 20, 2016, requires the Authority to provide net revenue at an amount not less than 1.25 times the aggregate amount required to be paid into the interest account and the principal account during the then current fiscal year. “Net Revenue” means all revenue less operations and maintenance expenses (inclusive of general and administrative expenses). For the year ended December 31, 2022, the ratio was 9.53x prior to the effects of federal stimulus funds or 20.96x including federal stimulus funds.

The bond resolutions also provide for the maintenance of a revenue fund represented by a cash account into which all moneys, exclusive of federal grant revenues, Custom Facility Charges (CFCs), and Passenger Facility Charges (PFCs), which are for restricted use, derived by the Authority from ownership and operation of the airport properties under the control of the Authority are to be deposited. These funds are transferred monthly, in amounts to meet specified requirements, to separate accounts for operations and maintenance, bond redemption and interest, bond reserves, and capital improvements/projects. The Authority’s bond resolution and outstanding bond covenants pertaining to the Series 2017 bonds are not subject to (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, or (3) subjective acceleration clauses. The Authority does not have any assets pledged as collateral for the Series 2017 bonds.

Management believes the Authority was in compliance with all debt covenants for the year ended December 31, 2022.

The Authority does not have other forms of debt including but not limited to direct borrowings, direct placements, or unused lines of credit.

(5) Leases

(a) Lease Receivable

The Authority leases a portion of its property to various third parties who use the space to conduct their operations on the Authority grounds, the terms of which expire 2023 through 2041. The Authority has leases with some companies that have a portion of their rent based on the higher of a percentage of gross receipts for the year, or a minimum annual guarantee (MAG). The Authority bases the payments for these leases on the required minimum annual guarantee as of adoption date. In addition, the Authority has leases with some companies in which payments increase by the Consumer Price Index (Index), based upon the '82-84 Index. Although the actual lease payments will be adjusted for changes in the MAG or Index in future years, any estimated future changes in the rates are not factored into the Authority's calculation of the lease receivable.

Revenues recognized under lease contracts during the year ended December 31, 2022, was $4,583,230, which includes both lease revenue and interest. The Authority recognized lease revenue of $6,525,304 for the year ended December 31, 2022, which includes variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Authority leases that are included in the measurement of the lease receivable as of December 31, 2022:

		Principal	Interest	Total
2023	$	3,862,743	230,571	4,093,314
2024		2,053,165	138,534	2,191,699
2025		292,512	105,893	398,405
2026		280,146	96,210	376,356
2027		271,631	86,704	358,335
2028 - 2032		1,225,184	296,211	1,521,395
2033 - 2037		955,869	100,048	1,055,917
2038 - 2041		119,836	8,052	127,888
Total	$	9,061,086	1,062,223	10,123,309

(b) Regulated Leases

The Authority leases a portion of its property to air carriers and other aeronautical users whose leases meet the definition of a regulated lease as defined in GASB Statement No. 87, and therefore, are only subject to the disclosure requirements. The terms of the regulated leases expire 2023 through 2051. Payments for certain leases increase annually based upon the '82-84 Index at adoption date. All other increases are based on negotiated rates within the specific lease. The Airport leases contain usage-based provisions, which revenues are not included in the future minimum payments below because they are not fixed in substance. Of the 20 terminal gates at Eppley Airfield, 16 are leased exclusively to airlines in regulated leases. The amount of non-variable revenue inflows from regulated leases was $3,272,469. The amount of variable revenue inflows from regulated leases was $2,524,527.

The following is a schedule by year of expected future minimum payments to be received under the Authority's regulated leases as of December 31, 2022:

	Total Future Payments
2023	$ 3,105,295
2024	2,514,958
2025	2,344,983
2026	2,193,513
2027	2,169,212
2028 - 2032	7,761,994
2033 - 2037	6,869,064
2038 - 2042	6,375,620
2043 - 2047	3,093,916
2048 - 2051	461,358
Total	$ 36,889,913

The Authority has certain aeronautical leases with passenger air carriers and air carrier support operators and are not included in the regulated leases disclosures as each of these agreements are considered short-term leases and exempt from disclosure. The air carrier leases are renewed annually for a one-year term.

(6) Retirement Plans

(a) Plan Descriptions

The Authority sponsors salary and hourly defined contribution retirement plans (IRS Section 401k), which are available to all employees working greater than 1,000 hours per year. Plan provisions, including contribution requirements, are established and amended by the Authority's Board of Directors. Participation in these plans is voluntary and employees may contribute a percentage of total compensation up to the IRS allowed maximum. The Authority contributes an amount up to 50% of 6% of the employee's compensation, pursuant to plan provisions. Employee and Authority contributions totaled $1,033,558 and $336,413, respectively, for 2022.

The Authority also sponsors a deferred compensation plan created in accordance with IRS Section 457, which is available to all employees. Plan provisions are established and amended by the Authority's Board of Directors. Participation in this plan is voluntary and employees may contribute a percentage of total compensation up to the IRS allowed maximum. The Authority makes no contributions to this 457 deferred compensation plan. Employee contributions totaled $173,631 for 2022.

The Authority sponsors the Airport Authority of Omaha, Nebraska Retirement Plan (the Pension Plan). This Pension Plan is a single-employer, noncontributory, defined-benefit pension plan covering substantially all full-time permanent employees and providing for retirement benefits, based on a percentage of final average compensation. The plan administrator is the Chief Financial Officer of the Authority. The Authority desires to approximate its contributed funds with the net pension expense and systematic amortization of the net pension liability determined on an actuarially determined basis.
Plan participants covered by the Pension Plan, as of January 1, 2022, are summarized below.

Active vested members	123
Inactive vested members	8
Retired	1
Total members	132

(b) Administrative Expenses

Actuarial, investment management, and bank trustee fees and expenses are charged to the Pension Plan as incurred.

(c) Plan Benefits

Any employee is eligible to participate in the Pension Plan after completion of one year of service and the attainment of age 21. A participant is eligible for normal retirement the first day of the month coinciding with or next following attainment age of 65 (age 55 for Aircraft Rescue and Fire Fighters (ARFF) members). However, a participant at least age 50 may retire with unreduced benefits on the first day of any month following the date the participant's age plus years of service equals 85. Upon normal retirement, a participant is entitled to 1% of the participant's final average compensation plus 0.5% of the participant's final average compensation in excess of $400 monthly, the sum multiplied by the number of years of service.

Participants are eligible for early retirement the first day of any month prior to normal retirement date, provided the participant has attained age 60 (age 50 for ARFF members) and completed 10 years of service. A participant who retires at the early retirement date will receive benefits equal to the actuarial equivalent of the participant's normal retirement benefit, based on salary and service information as of the actual retirement date.

A participant who retires past the normal retirement date will receive a benefit equal to the participant's accrued benefit, based on compensation and service to the participant's actual date of retirement.

Benefits are paid in the default form of a straight life annuity (for single employees) and 50% joint and survivorship annuity (for married employees), although optional forms of benefit are available, including lump-sum distributions or rollovers at the actuarial equivalent of the participant's accrued benefit attributable to employer contributions.

(d) Net Pension Liability

The Authority's net pension liability for the Pension Plan as of December 31, 2022 was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

(i) Changes in Net Pension Liability

.		Increase (decrease)		
		Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
Balances as of December 31, 2021	$	22,170,471	20,025,638	2,144,833
Changes for the year:				
Service cost		1,161,317	—	1,161,317
Interest on total pension liability		1,032,019	—	1,032,019
Effect of plan changes		—	—	—
Effect of economic/demographic gains or losses		—	—	—
Effect of assumptions changes or inputs		—	—	—
Benefit payments		(5,449,280)	(5,449,280)	—
Employer contributions		—	1,820,830	(1,820,830)
Member contributions		—	—	—
Net investment loss		—	(1,979,923)	1,979,923
Administrative expenses		—	—	—
Balances as of December 31, 2022	$	18,914,527	14,417,265	4,497,262

(ii) Sensitivity Analysis

The following presents the net pension liability of the Authority, calculated using the discount rate of 5.00% at December 31, 2022, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current rate.

		2022		
		1% Decrease 4.00%	**Current Discount Rate 5.00%**	**1% Increase 6.00%**
Net pension liability	$	8,043,561	4,497,262	1,545,915

The following were the significant actuarial assumptions used in the valuation of the Pension Plan as of December 31, 2022:

	December 31, 2022
Valuation date	January 1, 2022
Measurement date	December 31, 2022
Inflation	2.50%
Salary increases, including inflation	3.50%
Investment rate of return	5.00%
Preretirement mortality	PubG-2010 with generational projection per MP-2019 Ultimate Scale
Postretirement mortality	The applicable Mortality Table for Lump Sums as mandated by the IRS
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, layered 10 years
Asset valuation method	Market value

The Pension Plan has not had a formal actuarial experience study performed.

The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected real returns and reflecting expected volatility and correlation. The capital market assumptions were determined, based on discussions with Authority management.

	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return	Geometric Long-Term Expected Real Rate of Return
US Core Fixed Income			
Barclays Aggregate	90.00 %	1.39 %	1.28 %
US Large Caps			
S&P 500	10.00	4.94	3.46
Portfolio real mean return		1.74	1.64
Portfolio assumed inflation rate – mean		2.50	2.50
Portfolio assumed inflation rate – standard deviation		1.23	1.23
Portfolio nominal mean return		4.24	4.18
Portfolio standard deviation			3.78
Long-term expected rate of return			5.00

The discount rate used to measure the total pension liability was 5.0% at December 31, 2022, which was unchanged from the prior year. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(e) Pension Expense

For the fiscal year ended December 31, 2022, the Authority recognized pension expense (included within employee benefits) of $1,464,763.

(f) Deferred Outflow/Inflow of Resources Related to Pension

In accordance with GASB Statement No. 68, the Authority recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and the difference between actual and expected investment returns. At December 31, 2022, the Authority reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

		December 31, 2022	
		Deferred Inflow of Resources	**Deferred Outflow of Resources**
Differences between expected and actual experience	$	(140,866)	1,653,817
Changes of assumptions		(75,092)	197,369
Net difference between projected and actual earnings on pension plan investments		—	591,543
Total	$	(215,958)	2,442,729

Amounts currently reported as deferred outflow of resources and deferred inflow of resources, as of December 31, 2022, related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2023	$	37,503
2024		333,671
2025		534,716
2026		755,191
2027		162,843
Thereafter		402,847
	$	2,226,771

Investment gains/losses are recognized over a period of five years; economic/demographic gains/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members (7–10 years).

(g) Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (11.59)%. The money rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(7) Postemployment Benefits Other Than Pensions

Effective January 1, 2017, the Authority adopted GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and establishes standards for recognizing and measuring liabilities, deferred outflow of resources, deferred inflow of resources, and expense/expenditures.

(a) Plan Description and Funding Policy

The Authority's single-employer defined-benefit OPEB plan provides postemployment medical and dental benefits in accordance with union contracts and board of directors' resolutions to all full-time employees and their spouses. The membership as of December 31, 2020, the last valuation date (the measurement date was December 31, 2022), includes 145 active participants and 48 retirees and 31 surviving spouses. The Authority pays 100% of the monthly premium amounts for the medical and dental coverage of the eligible retirees and their spouses. Postemployment benefits are funded on a pay-as-you-go basis and amounted to $859,670 in 2022. No assets are accumulated in a trust that meets the criteria of GASB 75. Separate financial statements are not prepared for this plan as no funded trust account exists. The OPEB plan is administered by the Chief Financial Officer of the Authority.

(b) Total OPEB Liability

The Authority's total OPEB liability for the OPEB plan as of December 31, 2022 was measured as of December 31, 2022 and was determined by an actuarial valuation as of December 31, 2020.

(i) Changes in Total OPEB Liability

		Increase (Decrease) Total OPEB Liability
Balances as of December 31, 2021	$	36,586,686
Changes for the year:		
Service cost		2,477,938
Interest on total OPEB liability		795,922
Effect of plan changes		—
Effect of economic/demographic gains or losses		—
Effect of assumption changes or inputs		(8,928,568)
Benefit payments		(859,670)
Balances as of December 31, 2022	$	30,072,308

Changes of assumptions reflect a change in the discount rate from 2.06% in 2021 to 3.72% in 2022.

(ii) Sensitivity Analysis

The following presents the total OPEB liability of the Authority, calculated using the stated discount rate at December 31, 2022, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

		2022		
		1% Decrease 2.72%	Current Discount rate 3.72%	1% Increase 4.72%
Total OPEB Payable	$	35,042,044	30,072,308	26,075,773

(c) OPEB Expense

For the fiscal year ended December 31, 2022, the Authority recognized OPEB expense of $338,086.

(d) Deferred Outflow/Inflow of Resources Related to Pension

In accordance with GASB Statement No. 75, the Authority recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and contributions subsequent to the measurement date as deferred outflow/inflow of resources. At December 31, 2022, the Authority reported deferred outflow of resources and deferred inflow of resources related to OPEB from the following sources as follows:

		December 31, 2022	
		Deferred inflow of resources	Deferred outflow of resources
Differences between expected and actual experience	$	(14,481,980)	—
Changes of assumptions		(9,921,984)	7,801,406
Total	$	(24,403,964)	7,801,406

Net amounts currently reported as deferred outflow of resources and deferred inflow of resources as of December 31, 2022, related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ending December 31:		
2023	$	(2,935,774)
2024		(3,020,836)
2025		(3,239,578)
2026		(2,167,607)
2027		(2,380,712)
Thereafter		(2,858,051)
	$	(16,602,558)

The following were the significant actuarial assumptions used to determine the total OPEB liability as of December 31, 2022:

Valuation date	December 31, 2020
Measurement date	December 31, 2022
Salary increases, including inflation	3.00%
Mortality	PubG-2010 with generational projection of future improvements per the MP-2019 ultimate scale
Medical trend rate	Pre-65: 5.30% to 3.80% over 52 years Post-65: 5.20% to 3.80% over 52 years
Actuarial cost method	Entry Age Normal

The OPEB plan has not had a formal actuarial experience study.

As of December 31, 2022, the actuarial assumptions included a discount rate of 3.72% and based on the 20-year Bond Buyer GO Index. An annual healthcare cost trend rate of 5.30% (pre-65) and 5.20% (post 65) initially, reduced by decrements to an ultimate rate of 3.80% based upon the Getzen model. Salary increases including an inflation assumption is 3.00% per year.

(8) Risk Management

The Authority is subject to various risks of loss related to unemployment compensation, general liability, and property insurance. The Authority has purchased commercially available indemnity insurance to cover these risks. The deductible amounts for this insurance would be immaterial to the Authority. Settled claims have not exceeded coverage in the last three years. The Authority has “acts of terrorism” insurance coverage on its property policy up to the policy limit of $448 million. The Authority has “limited war” insurance coverage on its liability policy up to a sublimit of $200 million; however, U.S. Government Certified Acts of Terrorism (TRIA) are excluded.

(9) Contingencies, Commitments and Concentrations

The Authority participates in federal grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority.

The Authority is named as a party in legal proceedings that occur in the normal course of operations. It is not possible at the present time to estimate the ultimate outcome or liability. However, it is the Authority’s position that any ultimate liability is not expected to have a material adverse effect on the Authority’s financial position.

The Authority has restarted the Terminal Modernization Program (TMP) for the expansion and renovation of the terminal area facilities that had been suspended for a period of two years during the COVID pandemic. The TMP design development deliverable package for the Central Utility Plant was completed, which included sixty-percent completion of the design. In addition, the schematic design deliverable package for the remainder of the Terminal Modernization Program was completed, which included thirty percent completion of the design. No commitments have been made yet for construction. The issuance of revenue bond funding is expected to take place over the next two to four years.

The Authority has commitments under various construction contracts of approximately $28.3 million at December 31, 2022, which are expected to be funded through federal grants or Authority funds.

At December 31, 2022, three customers/tenants owed a concentration of greater than 10% each of total accounts receivable, which made up approximately 41% of total accounts receivable outstanding.

(10) Issued but Not Implemented Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Authority upon implementation. GASB 95: *Postponement of Effective Dates of certain Authoritative Guidance* has been taken into consideration regarding the effective dates below.

GASB 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which establishes standards of accounting and financial reporting for public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) for governments. The new standard is effective for periods beginning after June 15, 2022. The

Authority believes this statement is not applicable at this time, however, to the extent necessary will implement the relevant provisions (if any) in the Authority's financial statements for the year ending December 31, 2023.

GASB 96: Subscription-Based Information Technology Arrangements

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which establishes standards of accounting and financial reporting for subscription-based information technology arrangements (SBITAs) by a government. The new standard is effective for periods beginning after June 15, 2022. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted and will implement the relevant provisions (if any) in the Authority's financial statements for the year ending December 31, 2023.

GASB 100: Accounting Changes and Error Corrections

In June 2022, GASB issues Statement No, 100, *Accounting for Changes and Error Corrections,* which establishes changes to and within the financial reporting entity must be reported by adjusting beginning balances of the current period. Error corrections result from mathematical mistakes, misuse of information, or misapplication of accounting principle and should be reported retroactively by restating prior periods. This standard is effective for fiscal years after June 15, 2023. The Authority believes this standard will not have an impact on the Authority's financial statements, however, to the extent necessary will implement the relevant provisions (if any) in the Authority's financial statements for the year ending December 31, 2024.

GASB 101: Compensated Absences

In June 2022, GASB issues Statement No, 101, *Compensated Absences.* The objective of this Statement is to update the recognition and measurement guidance for compensated absences and to align the recognition and measurement guidance. This standard is effective for fiscal years beginning after December 15, 2023. The Authority believes this standard will not have an impact on the Authority's financial statements, however, to the extent necessary will implement the relevant provisions (if any) in the Authority's financial statements for the year ending December 31, 2024.

(11) Subsequent Event

It was announced in March 2023 that the Authority would receive an additional $10,000,000 for Eppley Airfield from the second year of the BIL 5-year ATP grant. The first BIL grant of $20,990,000 was executed on January 26, 2023. The second BIL grant is expected to be executed in 2023.

The Authority has evaluated subsequent events through April 13, 2023, the date the financial statements were available to be issued and noted no additional items to disclose.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Required Supplementary Information

Schedules of Changes in the Net Pension Liability and Related Ratios – Retirement Plan

December 31, 2022

(Unaudited)

Schedule of changes in net pension liability and related ratios (in thousands)

	Fiscal year ending December 31								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:									
Service cost	$ 1,161	1,117	1,102	1,107	1,044	969	955	940	874
Interest on total pension liability	1,032	1,061	1,051	1,003	989	995	937	973	991
Effect of economic/demographic gains or losses	—	1,401	149	(230)	528	382	305	467	(629)
Effect of assumption changes or inputs	—	—	(60)	18	(68)	571	—	—	—
Benefit payments	(5,449)	(2,987)	(1,168)	(687)	(3,847)	(2,378)	(1,655)	(2,633)	(699)
Net change in total pension liability	(3,256)	592	1,074	1,211	(1,354)	539	542	(253)	537
Total pension liability, beginning	22,171	21,579	20,505	19,294	20,648	20,109	19,567	19,819	19,283
Total pension liability, ending (a)	18,915	22,171	21,579	20,505	19,294	20,648	20,109	19,566	19,820
Plan fiduciary net position:									
Employer contributions	1,821	1,782	1,980	2,129	2,003	1,815	1,875	1,430	1,059
Investment income net of investment expenses	(1,980)	2,491	1,952	2,243	204	492	175	787	1,658
Benefit payments	(5,449)	(2,987)	(1,168)	(687)	(3,847)	(2,378)	(1,655)	(2,633)	(699)
Administrative expenses	—	—	(61)	(36)	(176)	(92)	(79)	(139)	(16)
Net change in plan fiduciary net position	(5,608)	1,286	2,703	3,649	(1,816)	(163)	316	(555)	2,002
Plan fiduciary net position, beginning	20,027	18,741	16,038	12,389	14,205	14,368	14,052	14,607	12,605
Plan fiduciary net position, ending (b)	14,419	20,027	18,741	16,038	12,389	14,205	14,368	14,052	14,607
Authority net pension liability, ending = (a) – (b)	$ 4,496	2,144	2,838	4,467	6,905	6,443	5,741	5,514	5,213
Plan fiduciary net position as a percentage of total pension liability	76.22 %	90.33 %	86.84 %	78.21 %	64.21 %	68.80 %	71.45 %	71.82 %	73.70 %
Covered payroll	$ 8,608	8,608	8,548	8,650	8,590	8,178	8,206	7,379	7,686
Authority net pension liability as a percentage of covered payroll	52.24%	24.92 %	33.22 %	51.64 %	80.39 %	78.78 %	69.96 %	74.72 %	67.80 %

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 will present information for only those years for which information is available.
See accompanying independent auditors' report.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Required Supplementary Information

Schedules of Contributions – Retirement Plan

December 31, 2022

(Unaudited)

Schedule of employer contributions

Fiscal year ending December 31		Actuarially determined contribution	Actual employer contribution	Contribution deficiency (excess)	Covered payroll	Contribution as a% of covered payroll
2013	$	1,007,123	1,007,123	—	7,623,430	13.21%
2014		1,059,282	1,059,282	—	7,686,268	13.78
2015		1,430,005	1,430,000	5	7,379,160	19.38
2016		1,474,867	1,874,867	(400,000)	8,205,826	22.85
2017		1,565,046	1,815,046	(250,000)	8,178,122	22.19
2018		1,753,449	2,003,449	(250,000)	8,589,537	23.32
2019		1,878,759	2,128,759	(250,000)	8,649,843	24.61
2020		1,772,741	1,980,018	(207,277)	8,547,962	23.16
2021		1,531,996	1,781,996	(250,000)	8,608,336	20.70
2022		1,570,830	1,820,830	(250,000)	8,608,336	21.15

See accompanying independent auditors’ report and notes to required supplementary information for contributions.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Required Supplementary Information

Schedules of Contributions – Retirement Plan

December 31, 2022

(Unaudited)

Notes to required supplementary information for contributions

Valuation date	January 1, 2022
Measurement date	December 31, 2022
Inflation	2.50%
Salary increases including inflation	3.50%
Investment rate of return	5.00%
Preretirement mortality	PubG-2010 with generational projection per MP-2019 Ultimate Scale
Postretirement mortality	The Applicable Mortality Table for Lump Sums as mandated by the IRS
Actuarial cost method	Entry Age Normal

See accompanying independent auditors' report.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Required Supplementary Information

Annual Money-Weighted Rate of Return - Retirement Plan

December 31, 2022

(Unaudited)

Pension plan schedule of money-weighted rate of return

Fiscal year ending December 31	**Net money-weighted rate of return (%)**
2014	(0.59)
2015	5.66
2016	1.26
2017	3.55
2018	1.52
2019	14.85
2020	11.67
2021	13.45
2022	(11.59)

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 will present information for only those years for which information is available.

See accompanying independent auditors’ report.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Required Supplementary Information

Schedules of Changes in Total OPEB Liability and Related Ratios

December 31, 2022

(Unaudited)

Schedule of changes in total OPEB liability and related ratios (in thousands)

	Fiscal year ending December 31					
	2022	**2021**	**2020**	**2019**	**2018**	**2017**
Total OPEB liability:						
Service cost	$ 2,478	$ 2,369	1,845	2,073	2,388	2,110
Interest on total OPEB liability	796	760	1,261	1,487	1,569	1,516
Effect of economic/demographic gains or losses	—	—	(17,946)	—	(6,538)	—
Effect of assumption changes or inputs	(8,929)	362	4,920	7,228	(5,606)	2,345
Benefit payments	(859)	(804)	(705)	(905)	(801)	(645)
Net change in total OPEB liability	(6,514)	2,687	(10,625)	9,883	(8,988)	5,326
Total OPEB liability, beginning	36,586	33,899	44,524	34,641	43,629	38,303
Total OPEB liability, ending (a)	$ 30,072	$ 36,586	33,899	44,524	34,641	43,629
Covered payroll	$ 9,970	$ 9,970	9,970	8,590	8,590	8,178
Total OPEB liability as a percentage of covered payroll	301.61 %	366.95 %	339.99 %	518.35 %	403.29 %	533.49 %

Notes to Required Supplementary Information-OPEB

Changes in benefit terms-

There were no changes of benefit terms in the year ended 2022.

Changes in assumptions-

Changes of assumptions reflect a change in the discount rates and/or annual healthcare cost trend rates.

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 will present information for only those years for which information is available.

See accompanying independent auditors' report.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Supplementary Information

Schedule of Revenues

Year ended December 31, 2022

Operating revenues:	
Landing area:	
Landing fees:	
Scheduled	$ 10,334,232
Nonscheduled	70,752
Aviation fuel fees	428,236
Apron fees	308,436
Other	83,612
Total landing area	11,225,268
General aviation area:	
T-hangar rental	156,461
Other facility rental	437,869
Ground rental – fixed-base operators, other	1,071,967
Total general aviation area	1,666,297
Terminal building area:	
Building rental – airlines and other	9,566,773
Concessions:	
Advertising	366,877
Business services	27,063
News and gift stand	1,474,676
Specialty shops	41,498
Restaurant and bar	1,020,091
Telephones	62,045
Other concession revenue	1,576
Utilities and tenant services:	
Security badging and other tenant services	187,882
Total terminal building area	12,748,481
Total operating revenues, balance carried forward	25,640,046

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Supplementary Information

Schedule of Revenues

Year ended December 31, 2022

Total operating revenues, brought forward	$ 25,640,046
Other facility area:	
Building rental	1,183,819
Ground rental	489,247
Auto parking – public and rental cars	23,977,509
Rental car concessions and counters	6,362,623
Ground transportation fees	1,050,764
Other income	180
Total other facility area	33,064,142
Millard Airport:	
Aviation fuel fees	13,895
Ground rental	62,652
T-hangar rental	292,187
Building rental	120,107
Total Millard Airport	488,841
Total operating revenues	59,193,029
Other interest revenue	344,680
Net investment return	(4,603,019)
Gain on bond defeasance	917,748
Customer facility charges (CFCs)	3,238,624
Passenger facility charges (PFCs)	8,927,079
CARES Act grant revenue	7,097,320
CRRSAA Act grant revenue	6,482,372
ARPA Act grant revenue	19,019,422
Federal and state capital grant revenue	4,498,943
Total nonoperating revenues	45,923,169
Total revenues	$ 105,116,198

See accompanying independent auditors’ report.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Supplementary Information

Schedule of Expenses

Year ended December 31, 2022

Operating expenses:		
Operations and maintenance:		
Landing area:		
Wages	$	993,246
Payroll taxes		71,830
Employee benefits		524,342
Supplies and materials		512,845
Services and repairs		336,979
Electricity		67,438
Communications		8,600
Other		5,085
Total landing area		2,520,365
General aviation area:		
Wages		165,718
Payroll taxes		11,899
Employee benefits		81,681
Supplies and materials		17,287
Services and repairs		29,262
Electricity		17,555
Water and sewer		2,714
Communications		1,614
Total general aviation area		327,730
Terminal building area:		
Wages		2,313,771
Payroll taxes		167,352
Employee benefits		824,100
Supplies and materials		629,491
Services and repairs		566,788
Electricity		664,308
Fuel – heating		155,452
Water and sewer		164,495
Trash disposal		54,748
Communications		80,881
Other		8,427
Total terminal building area		5,629,813
Total operations and maintenance, balance carried forward		8,477,908

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Supplementary Information

Schedule of Expenses

Year ended December 31, 2022

Total operations and maintenance, balance brought forward	$ 8,477,908
Other facility area:	
Wages	188,344
Payroll taxes	13,520
Employee benefits	71,733
Supplies and materials	32,976
Services and repairs	481,318
Electricity	90,104
Fuel – heating	9,210
Water and sewer	21,800
Communications	1,730
Other	7,200
Total other facility area	917,935
Fire – rescue facilities:	
Wages	1,835,822
Payroll taxes	136,004
Employee benefits	856,409
Supplies and materials	41,611
Services and repairs	84,897
Electricity	8,454
Fuel – heating	8,592
Water and sewer	6,385
Trash disposal	720
Communications	7,490
Gas and oil	24
Other	9,793
Total fire – rescue facilities	2,996,201
Service equipment:	
Wages	737,707
Payroll taxes	52,399
Employee benefits	272,035
Supplies and materials	329,754
Services and repairs	169,278
Electricity	68,860
Fuel – heating	27,327
Water and sewer	19,352
Trash disposal	4,375
Communications	13,490
Gasoline and oil	197,745
Other	1,443
Total service equipment	1,893,765
Total operations and maintenance, balance carried forward	14,285,809

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Supplementary Information

Schedule of Expenses

Year ended December 31, 2022

Total operations and maintenance, balance brought forward	$ 14,285,809
Security:	
Wages	3,248,270
Payroll taxes	236,531
Employee benefits	1,125,124
Supplies and materials	92,483
Services and repairs	106,056
Communications	13,399
Other	1,290
Total security	4,823,153
Other support facilities area:	
Wages	268,612
Payroll taxes	19,458
Employee benefits	114,602
Supplies and materials	81,070
Services and repairs	186,435
Electricity	315,950
Fuel – heating	22,961
Water and sewer	57,771
Trash disposal	1,617
Communications	5,597
Other	675
Total other support facilities area	1,074,748
Millard Airport:	
Wages	104,906
Payroll taxes	7,533
Employee benefits	18,155
Supplies and materials	25,418
Services and repairs	122,444
Electricity	22,726
Fuel – heating	3,473
Water and sewer	841
Communications	5,865
Gasoline and oil	4,213
Other	5,050
Total Millard Airport	320,624
Total operations and maintenance, balance carried forward	20,504,334

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Supplementary Information

Schedule of Expenses

Year ended December 31, 2022

Total operations and maintenance, balance brought forward	$ 20,504,334
General and administrative:	
Salaries	3,249,182
Payroll taxes	207,776
Employee benefits	1,063,595
Supplies and materials	123,828
Contracted labor and maintenance	533,649
Professional services	1,550,715
Airline Affairs	100,922
Travel and transportation	53,367
Communications	12,327
Dues and publications	37,180
Insurance	926,917
Other	13,020
Total general and administrative	7,872,478
Other postemployment benefits expense	338,086
Depreciation expense	21,821,940
Total operating expenses	50,536,838
Interest and amortization expense	2,115,471
Total expenses	$ 52,652,309

See accompanying independent auditors' report.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

Federal Grantor, Pass-Through Grantor, Program or Cluster Title Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation, Federal Aviation Administration, Airport Improvement Program (Direct programs):			
AIP-3-31-0062-71 - Terminal Drive	20.106	$ —	$ 140,178
COVID-19 AIP-3-31-0062-72 - CARES OMA/MLE	20.106	—	7,097,320
AIP-3-31-0062-73 - Terminal Entrance Phase 2	20.106	—	3,196,203
COVID-19 CARES AIP-3-31-0062-74 - CRRSAA	20.106	—	6,482,372
COVID-19 AIP-3-31-0062-76 - ARPA	20.106	—	18,178,054
AIP-3-31-0062-77 - Rehabilitate Taxiway Lighting	20.106	—	989,420
COVID-19 AIP-3-31-0062-78 - ARPA Concessions		—	841,368
Total U.S. Department of Transportation		—	36,924,915
U.S. Department of Homeland Security, Transportation Security Administration: Electronic Baggage Screening Program (Direct program)			
TSA CAP1042	97.117	—	173,142
Total U.S. Department of Homeland Security		—	173,142
U.S. Department of Justice-Equitable Sharing Program (Direct program)	16.922	—	1,070
Total U.S. Department of Justice		—	1,070
Total federal expenditures		$ —	$ 37,099,127

See notes to schedule of expenditures of federal awards.

(1) General

The reporting entity for the supplementary schedule of expenditures of federal awards (the Schedule) is the same as that disclosed in Note 1 to the basic financial statements. The Schedule presents the activity of all federal awards programs of the Airport Authority of the City of Omaha (the Authority) for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

(2) Basis of Accounting

The Schedule is prepared on the same basis of accounting as the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Authority has entered into grant agreements with government agencies on certain construction projects. The Authority recognizes grant revenue as construction progresses on each project and when eligibility requirements are met. The Authority has in process various grants from the U.S. Department of Transportation/Federal Aviation Administration for the funding of Airport Improvement Program.

(3) Subrecipients

The Authority had no subrecipients during the year ended December 31, 2022.

(4) Indirect Costs

The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance and does not charge indirect costs to the federal programs.

(5) Loans

The Authority administered no federal loans during the year ended December 31, 2022.

FORVIS

1120 S. 101st Street, Suite 410 / Omaha, NE 68124
P 402.392.1040 / **F** 402.392.1772
forvis.com

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Airport Authority of the City of
Omaha, Nebraska

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 (*Government Auditing Standards*), the financial statements of the business-type activities and the fiduciary activities of the Airport Authority of the City of Omaha, Nebraska (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 13, 2023, which contained an Emphasis of Matter paragraph regarding a change in accounting principle.

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 opinion 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 Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Omaha, Nebraska
April 13, 2023

FORVIS

1120 S. 101st Street, Suite 410 / Omaha, NE 68124
P 402.392.1040 / **F** 402.392.1772
forvis.com

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
Airport Authority of the City of
Omaha, Nebraska

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Airport Authority of the City of Omaha, Nebraska's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2022. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the 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 contracts 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.

FORVIS, LLP

Omaha, Nebraska
April 13, 2023

Airport Authority of the City of Omaha
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ *Unmodified* ☐ *Qualified* ☐ *Adverse* ☐ *Disclaimer*

2. Internal control over financial reporting:

   Significant deficiency(ies) identified? ☐ *Yes* ☒ *None reported*

   Material weakness(es) identified? ☐ *Yes* ☒ *No*

3. Noncompliance material to the financial statements noted? ☐ *Yes* ☒ *No*

Federal Awards

4. Internal control over major federal awards programs:

   Significant deficiency(ies) identified? ☐ *Yes* ☒ *None reported*

   Material weakness(es) identified? ☐ *Yes* ☒ *No*

5. Type of auditor's report issued on compliance for the major federal program:

   ☒ *Unmodified* ☐ *Qualified* ☐ *Adverse* ☐ *Disclaimer*

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ *Yes* ☒ *No*

Airport Authority of the City of Omaha
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

7. Identification of the major federal program:

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,112,974.

9. Auditee qualified as a low-risk auditee? ☒ *Yes* ☐ *No*

Airport Authority of the City of Omaha

Schedule of Findings and Questioned Costs

Year Ended December 31, 2022

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Airport Authority of the City of Omaha
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022

Reference Number	Summary of Finding	Status
	No matters are reportable.	

FORVIS

1120 S. 101st Street, Suite 410 / Omaha, NE 68124
P 402.392.1040 / F 402.392.1772
forvis.com

Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
Airport Authority of the City of
Omaha, Nebraska

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited Airport Authority of the City of Omaha, Nebraska's (the Authority) compliance with the types of compliance requirements identified as subject to audit 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 the Authority's passenger facility charge program for the year ended December 31, 2022.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2022.

Basis for Opinion on the 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 its passenger facility charge 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 contracts or grant agreements applicable to the Authority's passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge 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 the passenger facility charge 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 Guide. Accordingly, this report is not suitable for any other purpose.

FORVIS, LLP

Omaha, Nebraska
April 13, 2023

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Schedule of Passenger Facility Charges Collected and Expended (Cash Basis)

Year ended December 31, 2022

PFC Project Number	Application Number	Project description		Project authorized amount as of December 31, 2022	Cumulative PFC funds expended 1/1/2022	PFC funds expended fiscal year 2022	Cumulative PFC funds expended 12/31/2022	Remaining Project Authorization as of 12/31/22
PFC 01.001	17-01-C-00-OMA	Main Terminal Expansion and Renovation	$	1,560,000	—	—	—	1,560,000
PFC 01.002	17-01-C-00-OMA	Main Terminal Central Plant Utility and North Concourse		4,200,000	—	—	—	4,200,000
PFC 01.003	17-01-C-00-OMA	Terminal Ramp Reconstruction		13,376,000	885,628	—	885,628	12,490,372
PFC 01.004	17-01-C-00-OMA	Taxiway Extension, Reconstruction, and Relocation		5,634,826	469,584	—	469,584	5,165,242
PFC 01.005	17-01-C-00-OMA	Reconstruct Runway 14R/32L and Intersection		4,306,222	390,514	—	390,514	3,915,708
PFC 01.006	17-01-C-00-OMA	Relocate Terminal Ramp Access Taxiways		3,982,557	304,544	—	304,544	3,678,013
PFC 01.007	17-01-C-00-OMA	Runway 18/36 South Reconstruction		3,524,308	262,316	—	262,316	3,261,992
PFC 01.008	17-01-C-00-OMA	Taxiway A Reconstruction		3,493,526	316,448	—	316,448	3,177,078
PFC 01.009	17-01-C-00-OMA	Taxiway G Reconstruction		2,860,706	227,588	—	227,588	2,633,118
PFC 01.010	17-01-C-00-OMA	PFC Consulting Services		75,000	67,745	—	67,745	7,255
		Total All PFC Applications	$	43,013,145	2,924,367	—	2,924,367	40,088,778

PFC Funds Expended:		
Cumulative Expenditures Prior to Start of Fiscal Year 2022	$	2,924,367
First Quarter Fiscal Year 2022		—
Second Quarter Fiscal Year 2022		—
Third Quarter Fiscal Year 2022		—
Fourth Quarter Fiscal Year 2022		—
Total PFC Expenditures	$	2,924,367
PFC Funds Collected to Date:		
Cumulative Collections Prior to Fiscal Year 2022	$	29,591,092
Cumulative Earnings on Collections Prior to Fiscal Year 2022		97,335
Fiscal Year 2022 Collections from Air Carriers		8,941,753
Fiscal Year 2022 Earnings on Collections		259,448
Total PFC Funds Collected through Fiscal Year 2022	$	38,889,628

See accompanying notes to schedule of passenger facility charges collected and expended (cash basis), and independent auditors' report.

Passenger Facility Charges

(1) Description of the Program

Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990, enacted on November 5, 1990, authorized the Secretary of Transportation, further delegated to the Federal Aviation Administration (FAA) administrator, to approve the local imposition of an airport passenger facility charge (PFC) of $1, $2, or $3 per enplaned passenger for use on certain airport projects. On May 29, 1991, the FAA issued Part 158 of the Federal Aviation Regulations outlining policies and procedures for the PFC Program. Under Part 158, public agencies controlling commercial service airports can apply to the FAA for authority to impose a PFC for use on eligible projects. On May 30, 2000, the FAA issued a revision to Part 158 that increased the maximum PFC level to $4 or $4.50. The change also incorporated additional criteria for the approval of higher PFC levels. Airport Authority of the City of Omaha (the Authority), has been authorized by the FAA to impose and use a $4.50 passenger charge, which is estimated to expire September 1, 2023. The Authority submitted a new application and amendment in December of 2022 and received notice in March of 2023 that the application and amendment were approved. The new application and amendment are estimated to expire on July 1, 2044.

PFCs collected are deposited and separately held in restricted cash and restricted investments accounts, along with interest earned on such funds. PFC Funds expended shown in the schedule of passenger facility charges collected and expended (the Schedule) represent those amounts transferred from the restricted account to reimburse the Airport for the PFC qualified portion of amounts expended on eligible projects.

(2) Basis of Accounting and Relationship to Quarterly Reports

The accompanying Schedule and the PFC quarterly report of funds collected and expended are prepared on the cash basis of accounting, wherein PFC funds collected are recorded when received and PFC funds expended are recorded upon designation as PFC eligible expenditures, except as reduced for subsequent alternate sources of funding.

(3) PFC Project Numbers

The accompanying Schedule presents only those projects approved by the FAA. Any sequential PFC project number that is not presented on the Schedule represents a proposed PFC project that was not approved by the FAA.

Airport Authority of the City of Omaha

Passenger Facility Charge Audit Summary

Year Ended December 31, 2022

Summary of Auditor's Results

1. Type of report issued on PFC financial statements.	☒ Unmodified	☐ Qualified	
2. Type of report on PFC compliance.	☒ Unmodified	☐ Qualified	
3. Quarterly revenue and expenditures reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts.	☒ Yes	☐ No	
4. PFC revenue and interest is accurately reported on FAA Form 5100-127.	☒ Yes	☐ No	
5. The Public Agency maintains a separate financial accounting record for each application.	☒ Yes	☐ No	
6. Funds disbursed were for PFC eligible items as identified in the FAA decision to pay only for the allowable costs of the project.	☒ Yes	☐ No	
7. Monthly carrier receipts were reconciled with quarterly carrier reports.	☒ Yes	☐ No	
8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.	☒ Yes	☐ No	
9. Serving carriers were notified of PFC program actions/changes approved by the FAA.	☒ Yes	☐ No	
10. Quarterly reports were transmitted (or available via website) to remitting carriers.	☒ Yes	☐ No	
11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8.	☒ Yes	☐ No	
12. Project design and implementation is carried out in accordance with Assurance 9.	☒ Yes	☐ No	
13. Program administration is carried out in accordance with Assurance 10.	☒ Yes	☐ No	
14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence.	☐ Yes	☐ No	☒ N/A