



**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

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

December 31, 2024

(With Independent Auditor's Reports Thereon)

## AIRPORT AUTHORITY OF THE CITY OF OMAHA



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## 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, 2024, 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 Authority as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 14, 2025, on our consideration of 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 Mazars, LLP**

**Omaha, Nebraska**  
**April 14, 2025**

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2024



### 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, 2024. The Authority's responsibilities include Eppley Airfield (Airport) 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 of Directors (Board) whose members are appointed by the Mayor of the City of Omaha, Nebraska (the City), with the approval of the Omaha 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

#### *Build OMA Program*

The Build OMA Program includes the Terminal Drive and Canopy project and the Terminal Modernization Program (TMP). The Terminal Drive and Canopy project has a \$65 million budget and is expected to be complete in Spring of 2025. In January of 2024, the Omaha Airport Authority Board approved the TMP Guaranteed Maximum Price in the amount of \$797,688,788. This is included within an overall Board approved TMP budget of \$950 million. Construction on the TMP began in 2024. Build OMA is a multi-year expansion and modernization plan of the Eppley Airfield terminal focused on enhancing the travelers' experience while supporting the Airport's long-term growth. The Build OMA Terminal Modernization Program is Eppley Airfield's most significant upgrade in nearly 40 years. Supported by nearly a decade of planning and research, every part of the program is purpose-driven to provide meaningful benefits designed to enable growth, meet the expectations of today's travelers and enhance the travel experience. The TMP will be completed in phases to minimize disruptions to travelers and ensure the Airport remains operational. The TMP is estimated to be complete in 2028.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Management's Discussion and Analysis

(Unaudited)

December 31, 2024



#### *Passenger Activity*

The Authority surpassed 5.2 million total passengers in 2024, which was an increase of 5.0% over 2023. Eppley Airfield is served by 7 airlines with approximately 70 daily peak day departures providing service to 33 nonstop destination airports.

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

	<b>2024</b>	<b>2023</b>	<b>% Change</b>
Passengers	5,277,326	5,026,639	5.0%
Aircraft operations	105,081	98,938	6.2%
Cargo and mail weight – lbs	120,081,470	115,115,185	4.3%
Scheduled landed weight – lbs	3,370,513,564	3,207,690,784	5.1%

#### *Operating Revenues*

During 2024, the Authority saw increases to revenues, including but not limited to, the following:

- Revenue sources affected by passenger volume, including landing fees, terminal concessions, rental car concessions and passenger facility charges increased as a result of passenger activity changes.
- Parking revenue, a major contributor to operating revenues, increased due to passenger traffic and higher rates and transactions due to increased demand for garage parking.

#### *Grant Funding*

The Bipartisan Infrastructure Law (BIL) was signed into Federal law in November 2021 and is a 5-year grant program. Under the BIL Airport Infrastructure Grant (AIG) program, the Authority was allocated \$7,275,037 for Eppley Airfield and \$295,000 for Millard Airport in year 1, \$7,267,125 for Eppley Airfield and \$292,000 for Millard Airport in year 2, \$7,206,771 for Eppley Airfield and \$294,000 for Millard Airport in year 3, and \$7,196,165 for Eppley Airfield and \$282,000 for Millard Airport in year 4. Executed AIG grants by year for Eppley Airfield include: \$10,245,000 (2023) and \$5,371,089 (2024). Executed AIG grants by year for Millard include: \$297,000 (2023) and \$293,400 (2024).

The BIL also includes a 5-year Airport Terminal Program (ATP) grant program that the Authority has received funding from for Eppley Airfield. The Authority executed the first year ATP grant agreement with the FAA for \$20,990,000 on January 26, 2023. A second ATP grant was executed for \$10,000,000 on May 19, 2023. A third ATP grant was executed for \$3,344,251 on September 5, 2024 and a fourth was announced for \$2,992,000, which is in coordination with the FAA and not yet executed.

On March 8, 2024, the U.S. Senate adopted and passed the House of Representatives Bill for the FAA funding. This House Bill included a \$7 million Community Project Funding through the Airport Improvement Program for a Federal Inspection Services Facility as part of the TMP at Eppley Airfield.

On April 5, 2024, the Authority received a signed Other Transaction Agreement with the Transportation Security Administration for \$24.7 million to fund construction of the Electronic Baggage Screening Program as part of the TMP.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Management's Discussion and Analysis

(Unaudited)

December 31, 2024



#### *Series 2024 Bonds Issuance*

The Authority issued its Series 2024 Bonds, the first series of bonds for the TMP, in December 2024. The total sources of funds totaled \$328.5 million, with approximately \$280.0 million available to fund project costs. The bond par amount is \$304,715,000. More information on the Series 2024 bonds is included in Note 4.

#### *Tornado Event*

On April 26, 2024, a tornado caused damage to certain Authority property, including general aviation hangar buildings, other facilities, and equipment. An insurance claim was filed, and the Authority received \$5,123,871 in insurance proceeds in 2024, with additional payments expected in 2025. The claim is ongoing.

Repairs and replacements for damaged buildings and equipment began in 2024 and will continue into 2026. Costs related to tornado repairs and equipment replacement are capitalized or expensed in accordance with GASB guidelines. In 2024, \$464,726 in tornado-related repairs were recorded as an operating expense. Lease revenues for certain damaged or destroyed properties remain suspended until the affected facilities are repaired or rebuilt.

#### *Other Authority Highlights*

Moody's Investor Services downgraded the Authority's underlying credit rating on the Series 2017 Bonds from "Aa3 / stable outlook" to "A1 / stable outlook" and assigned a rating of "A1 / stable outlook" to the Series 2024 Bonds.

Standard & Poor's Global Ratings retained its "AA-" underlying credit rating on the Series 2017 Bonds and the new Series 2024 Bonds, but revised the outlook from "stable outlook" to "negative outlook."

These rating adjustments reflect the Authority's anticipated debt obligations for the Terminal Modernization Program (TMP), which are expected to result in a less favorable debt service coverage ratio compared to levels before the Series 2024 issuance.

#### **Airline Rates and Charges**

The scheduled air carriers operate on year-to-year auto-renewing operating and lease agreements. The rates and charges are established annually by Authority Board resolution. The rates and charges for the past two fiscal years are as follows:

	<b>2024</b>	<b>2023</b>
Landing fee per 1,000 pounds	\$ 3.743	3.567
Apron fee per landing	2.50	2.50
Terminal finished area per square foot per year	110.76	99.60
Terminal unfinished area per square foot per year	88.68	79.68
Unleased gate usage charge four hours and less	270	245
Unleased gate usage charge over four hours	385	345
Bundled per turn fee <125 aircraft seats	520	470
Bundled per turn fee >125 aircraft seats	770	690

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2024



### **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 outflows of resources and liabilities and deferred inflows of resources of the Authority. Net position, the difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources, is an indication of the current fiscal health of the Authority. Effective January 1, 2024, the Authority implemented GASB Statement No. 101, *Compensated Absences* (GASB 101). Comparative 2023 financial information presented herein has been restated for the adoption of GASB 101. A summary of comparison of the Authority's assets and deferred outflows of resources, liabilities, and deferred inflows of resources, and net position at December 31 is as follows:

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Management's Discussion and Analysis

(Unaudited)

December 31, 2024



	<b>2024</b>	<b>2023 (Restated)</b>
<b>Assets:</b>		
Current and other assets	\$ 490,226,023	256,656,392
Property, plant, and equipment, net	622,245,075	414,917,259
Lease receivable - noncurrent	26,784,432	3,369,870
<b>Total assets</b>	<b>1,139,255,530</b>	<b>674,943,521</b>
<b>Deferred outflows of resources:</b>		
Other postemployment benefits deferred outflows of resources	5,245,022	7,075,423
Pension-related deferred outflows of resources	3,851,838	4,298,945
<b>Total deferred outflows of resources</b>	<b>9,096,860</b>	<b>11,374,368</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,148,352,390</b>	<b>686,317,889</b>
<b>Liabilities:</b>		
Current liabilities*	\$ 72,191,352	34,523,352
Subscription liability	70,526	138,568
Compensated absences liability*	478,679	497,124
Net pension liability	4,406,553	5,353,182
Other postemployment benefits payable	31,222,932	32,706,632
Long-term debt, excluding current installments	353,026,673	27,324,515
<b>Total liabilities</b>	<b>461,396,715</b>	<b>100,543,373</b>
<b>Deferred inflows of resources:</b>		
Other postemployment benefits deferred inflows of resources	18,169,140	19,696,038
Pension-related deferred inflows of resources	145,504	180,731
Lease related deferred inflows of resources	31,304,175	6,996,774
<b>Total deferred inflows of resources</b>	<b>49,618,819</b>	<b>26,873,543</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>511,015,534</b>	<b>127,416,916</b>
<b>Net position:</b>		
Net investment in capital assets	466,564,935	364,086,513
Restricted for:		
Passenger facility charges	32,466,195	48,031,392
Customer facility charges	6,308,879	4,150,997
Debt service and other	9,686	9,589
Unrestricted*	131,987,161	142,622,482
<b>Total net position</b>	<b>637,336,856</b>	<b>558,900,973</b>
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>\$ 1,148,352,390</b>	<b>686,317,889</b>

\*2023 has been restated to reflect changes for the implementation of GASB 101.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2024



The Authority's net position was \$637,336,856 at December 31, 2024 and, after GASB 101 restatement, \$558,900,973 at December 31, 2023. 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 Series 2017 Bonds and Series 2024 Bonds 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 cash and investments, 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.

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# AIRPORT AUTHORITY OF THE CITY OF OMAHA

## Management's Discussion and Analysis

(Unaudited)

December 31, 2024



### 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:

	2024	Percentage of operating revenue	2023 (Restated)	Percentage of operating revenue	Percentage increase (decrease)
Operating revenues:					
Landing area*	\$ 13,458,604	16.4 %	\$ 12,292,518	16.4 %	9.5 %
General aviation area	2,522,950	3.1	2,582,059	3.4	(2.3)
Terminal building area*	15,776,947	19.2	14,037,183	18.7	12.4
Other facility area	49,788,957	60.7	45,472,100	60.8	9.5
Millard Airport	497,932	0.6	495,013	0.7	0.6
Operating revenues	<u>82,045,390</u>	<u>100.0</u>	<u>74,878,873</u>	<u>100.0</u>	<u>9.6</u>
Operating expenses:					
Operations and maintenance**	(29,938,040)	(36.5)	(27,991,658)	(37.4)	7.0
General and administrative**	(10,375,680)	(12.6)	(9,279,511)	(12.4)	11.8
Operating expenses	<u>(40,313,720)</u>	<u>(49.1)</u>	<u>(37,271,169)</u>	<u>(49.8)</u>	<u>8.2</u>
Operating income before					
flood, tornado, legal settlements, depreciation, amortization and other postemployment benefits revenue	41,731,670	50.9	37,607,704	50.2	11.0
Flood grant revenue	11,011	—	—	—	—
Flood expenses	(132,609)	(0.2)	—	—	—
Tornado expenses	(464,726)	(0.6)	—	—	—
Legal settlements expense	(77,981)	(0.1)	—	—	—
Depreciation and amortization expense	(23,422,205)	(28.5)	(23,333,957)	(31.2)	—
Other postemployment benefits revenue	33,155	—	(428,411)	(0.6)	—
Operating income	<u>17,678,315</u>	<u>21.5</u>	<u>13,845,336</u>	<u>18.4</u>	<u>27.7</u>
Nonoperating revenues and (expenses):					
Bond issuance costs	(2,136,068)	(2.6)	—	—	—
Tornado insurance proceeds	5,123,871	6.2	—	—	—
Other interest revenue	673,715	0.8	250,182	0.3	169.3
Net investment return	8,508,835	10.4	8,675,606	11.6	1.9
Loss on asset disposal	(421,658)	(0.5)	—	—	—
Interest and amortization expense	(2,178,577)	(2.7)	(1,114,489)	(1.5)	95.5
Customer facility charges (CFCs)	4,885,712	6.0	3,725,955	5.0	31.1
Passenger facility charges (PFCs)	11,557,027	14.1	11,356,419	15.2	1.8
ARPA grant revenue	—	—	1,262,055	1.7	(100.0)
Income before capital grant revenue	<u>43,691,172</u>	<u>53.2</u>	<u>38,001,064</u>	<u>50.7</u>	<u>15.0</u>
Federal capital grant revenue	<u>34,744,711</u>	<u>42.3</u>	<u>21,520,644</u>	<u>28.7</u>	<u>61.4</u>
Increase in net position	<u>78,435,883</u>	<u>95.5</u>	<u>59,521,708</u>	<u>79.4</u>	<u>31.8</u>
Net position – beginning of year	<u>558,900,973</u>	<u>—</u>	<u>499,379,265</u>	<u>—</u>	<u>11.9</u>
Net position – end of year***	<u>\$ 637,336,856</u>	<u>—</u>	<u>\$ 558,900,973</u>	<u>—</u>	<u>14.0%</u>

\*Certain comparative 2023 figures have been reclassified to conform to the current year presentation.

\*\*Certain 2023 figures have been restated for GASB 101 implementation.

\*\*\*2023 Net Position - end of year has been restated for GASB 101 implementation.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2024



### Financial Operations Highlights

#### *Revenues*

Landing area revenue primarily consists of landing fees charged to airlines. In 2024, the landing fee rate was \$3.743, compared to \$3.567 in 2023. Additionally, the total landed weight for scheduled aircraft increased by 5.1% in 2024.

Revenue from the terminal building area increased by 12.4% in 2024 compared to 2023, driven by higher passenger traffic levels and rate adjustments implemented during the year.

The 9.5% increase in revenue from other facilities is primarily attributed to parking operations from growth in passenger activity and parking rates.

#### *Expenses*

Operations and maintenance, along with general and administrative, expenses were up 8.2% combined. The increase reflects strategic growth in staffing to meet Transportation Security Administration (TSA) unfunded mandates, and support the implementation of the TMP, affecting wages, salaries, and benefits. Parking management expense increased relating to staffing to maintain adequate customer service wait times in shuttle bus economy lots, higher credit card fees correlating to increased parking revenue, and the ongoing renewal and maintenance of the bus fleet. Other expense increases were driven mainly by inflation, higher use of consumables due to growth in passenger traffic, and maintenance of airport infrastructure.

In 2024, the Authority recorded \$464,726 of expenses related to the tornado damage. The tornado restoration and reconstruction are ongoing into 2026, and additional expenses are expected in 2025.

Other postemployment benefit expense (OPEB) decreased by 107.7% 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 3.26% at December 31, 2023 to 4.08% at December 31, 2024.

#### *Nonoperating Revenue and Expenses*

Net nonoperating revenues consist of bond issuance costs, tornado insurance proceeds, net investment return, other interest revenue, interest and amortization expense, rental car Customer Facility Charges (CFCs), Passenger Facility Charges (PFCs), and gain or loss on asset disposal. In 2024, the Authority issued bonds, with the associated issuance costs expensed accordingly. Interest and amortization expense increased in 2024 due to a higher outstanding principal balance related to the 2024 Series revenue bonds to fund the TMP. See Note 4 for further discussion on long-term debt. CFCs revenue increased 31.1% due to passenger activity growth, a mid-year rate increase, and higher interest income on deposits. The Authority recognized a loss on asset disposal of \$421,658 in 2024, related to disposals of fixed assets that had a net book value as part of the TMP construction. The Authority received \$5,123,871 of insurance proceeds in 2024 due to the tornado damage, and additional proceeds are expected in 2025.

#### **Property, Plant, and Equipment Development and Expansion**

The Authority's gross property, plant, and equipment as of December 31, 2024, and 2023 amounted to \$1,080,281,204 and \$854,451,589, respectively, before accumulated depreciation as discussed in Note 3. This

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2024



investment in long-term assets includes land, land improvements, airfield improvements, parking facilities, buildings, equipment, Millard Airport, subscription assets, and construction in progress. The net increase in the Authority's property, buildings, and equipment, before accumulated depreciation, for 2024 was \$225,829,615, or 26.4%. The 2024 increase is largely due to the Terminal Modernization Program and Terminal Drive and Canopy project.

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. Subscription assets are amortized on a straight-line basis over the shorter of the Subscription-Based IT Arrangements (SBITA) term or the useful life of the underlying IT asset. Authority acquisitions are funded using a variety of funding sources, including cash flows from Authority operations (including a \$5.00 rental car per transaction day CFC and PFC charges at the federal \$4.50 rate), federal entitlement and discretionary grants (typically 75% of total costs of typical authorized projects and 90% for Millard Airport projects), and airport revenue bond issuances. The Authority is not allowed to levy taxes.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Management's Discussion and Analysis

(Unaudited)

December 31, 2024



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 in excess of \$1 million were/are as follows:

<b>Project</b>	<b>Total cost</b>
Completed:	
Replace east stormwater pumping station	\$ 2,900,000
Millard Airport runway overlay	1,380,000
Reconstruct terminal ramp – phase I	22,670,000
Construct U.S. Customs and Border Protection G/A Facility	1,000,000
South Economy parking lot canopies	4,200,000
South Garage way finding/space count system (APGS)	1,000,000
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 terminal boarding bridges #6 and #7	1,430,000
North 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 Garage wayfinding/space count system (APGS)	1,148,000
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
South Garage restoration	9,888,000
Terminal Ramp Taxilane Widening	3,772,000
Taxiway lighting W, G, H, K, B, A, and E	1,627,000
In process:	
Terminal Modernization Program	950,000,000
Terminal Entrance Drive Expansion and Canopy	65,000,000
South Economy parking lot expansion - phase II	2,300,000
Millard taxilane and T-hangar approach improvements	1,700,000
Eppley T-hangars A - D replacement	TBD

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2024



### **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 North 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 outstanding at December 31, 2024 with coupon rates ranging from 2% to 5% (with an average yield of 3.7%). The outstanding principal balance as of December 31, 2024, before the effects of bond premium, is \$25,725,000.

On December 5, 2024, the Authority closed on the Series 2024 Bonds for \$304,715,000 par to finance a portion of the TMP. The bonds are revenue obligations of the Authority and paid using PFCs and non-PFC (revenue) components. Interest for the non-PFC portions will be funded by the capitalized interest portion of the bond issuance, until 2027, when the Central Pavilion component of the TMP is completed. PFC bond debt service will be funded from PFC balances. Coupon rates vary from 5.0% - 5.25% (with an average yield of 4.2%). The outstanding principal balance as of December 31, 2024, before the effects of bond premium and excluding capitalized interest, is \$304,715,000.

The Authority has the following revenue bond credit ratings: Standard & Poor's "AA- / negative outlook" and Moody's "A1 / stable outlook". All of the Authority's airport revenue bonds have fully funded debt service reserve funds.

### **Economic Outlook**

The Authority's debt service coverage for 2023 was 111.83x prior to application of federal stimulus, which was restated for the impacts of GASB 101. The Authority's debt service coverage for 2024 was 121.15x. A minimum debt service coverage of 1.25x is required. Additionally, there were a significant number of days cash-on-hand.

### **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, 1519 East Hartman Court, Omaha, NE 68110.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Statement of Net Position

December 31, 2024



**Assets**

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$ 112,036,400
Investments	57,187,245
Receivables, less allowance for doubtful accounts of \$114,644	3,700,732
Due from governmental agencies - grants	8,798,890
Accrued interest receivable - investments	1,209,300
Accrued interest receivable - leases	91,239
Leases receivable	5,387,592
Prepaid expenses and inventory	2,557,204
Restricted assets:	
Cash and cash equivalents	199,295,981
Total current assets	<u>390,264,583</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents	93,007,372
Investments	4,992,563
Accrued interest receivable - investments	247,054
Passenger facility charges receivable	1,318,036
Customer facility charges receivable	396,415
Leases receivable	26,784,432
Property, plant, and equipment, net	<u>622,245,075</u>
Total noncurrent assets	<u>748,990,947</u>
Total assets	<u>1,139,255,530</u>

**Deferred Outflows of Resources**

Other postemployment benefits deferred outflows of resources	5,245,022
Pension-related deferred outflows of resources	<u>3,851,838</u>
Total deferred outflows of resources	<u>9,096,860</u>
Total assets and deferred outflows of resources	<u>\$ 1,148,352,390</u>

**Liabilities**

Current liabilities:

Current installments of debt	\$ 2,515,000
Current installments of subscription liability	68,042
Accounts payable and accrued expenses	5,939,090
Current portion of compensated absences liability	944,559
Due to contractors, including retainage of \$17,769,336	60,371,577
Accrued interest payable	1,181,787
Current portion of other postemployment benefits payable	<u>931,745</u>
Total current liabilities	<u>71,951,800</u>

Noncurrent liabilities:

Subscription liability	70,526
Compensated absences liability	478,679
Net pension liability	4,406,553
Other postemployment benefits payable	31,222,932
Debt, excluding current installments	<u>353,266,225</u>
Total noncurrent liabilities	<u>389,444,915</u>
Total liabilities	<u>461,396,715</u>

**Deferred Inflows of Resources**

Other postemployment benefits deferred inflows of resources	18,169,140
Pension-related deferred inflows of resources	145,504
Leases related deferred inflows of resources	<u>31,304,175</u>
Total deferred inflows of resources	<u>49,618,819</u>
Total liabilities and deferred inflows of resources	<u>511,015,534</u>

**Net Position**

Net position:

Net investment in capital assets	466,564,935
Restricted for:	
Passenger facility charges	32,466,195
Customer facility charges	6,308,879
Debt service and other	9,686
Unrestricted	<u>131,987,161</u>
Total net position	<u>637,336,856</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,148,352,390</u>

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, 2024



Operating revenues:	
Landing area	\$ 13,458,604
General aviation area	2,522,950
Terminal building area	15,776,947
Other facility area	49,788,957
Millard Airport	<u>497,932</u>
Total operating revenues	<u>82,045,390</u>
Operating expenses:	
Operations and maintenance:	
Wages and salaries	11,331,711
Payroll taxes	828,935
Employee benefits	4,950,731
Supplies and materials	2,093,378
Contracted labor and services	2,101,570
Electricity	1,504,510
Fuel – heating	131,947
Water	301,459
Trash disposal	75,168
Communications	150,517
Gasoline and oil	197,953
Parking expenses and management fee	6,140,038
Other	<u>130,123</u>
Total operations and maintenance	<u>29,938,040</u>
General and administrative:	
Wages and salaries	4,765,768
Payroll taxes	266,856
Employee benefits	1,528,835
Supplies and materials	142,479
Contracted labor and services	542,215
Professional services	1,466,994
Marketing	26,184
Training and development	299,662
Communications	13,507
Dues and publications	65,000
Insurance	1,245,302
Other	<u>12,878</u>
Total general and administrative	<u>10,375,680</u>
Total operating expenses, before flood, tornado, legal settlements, depreciation, amortization and other postemployment benefits revenue	<u>40,313,720</u>
Operating income before flood, tornado, legal settlements, depreciation, amortization and other postemployment benefits revenue	<u>41,731,670</u>
Flood grant revenue	11,011
Flood expenses	(132,609)
Tornado expenses	(464,726)
Legal settlements expense	(77,981)
Depreciation and amortization expense	(23,422,205)
Other postemployment benefits revenue	<u>33,155</u>
Operating income	<u>17,678,315</u>
Nonoperating revenues (expenses):	
Bond issuance costs	(2,136,068)
Tornado insurance proceeds	5,123,871
Other interest revenue	673,715
Net investment return	8,508,835
Loss on asset disposal	(421,658)
Interest and amortization expense	(2,178,577)
Customer facility charges (CFCs)	4,885,712
Passenger facility charges (PFCs)	<u>11,557,027</u>
Nonoperating revenues, net	<u>26,012,857</u>
Income before capital grant revenue	<u>43,691,172</u>
Federal capital grant revenue	<u>34,744,711</u>
Increase in net position	<u>78,435,883</u>
Total net position, beginning of year, as previously reported	<u>559,612,141</u>
Restatement	<u>(711,168)</u>
Total net position, beginning of year, as restated	<u>558,900,973</u>
Total net position, end of year	<u>\$ 637,336,856</u>

See accompanying notes to financial statements.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**  
 Statement of Cash Flows  
 Year ended December 31, 2024



Cash flows from operating activities:	
Cash received from tenants/customers	\$ 81,059,641
Cash paid to suppliers for goods and services	(16,743,597)
Cash paid to employees for salaries, wages, and benefits	<u>(24,630,938)</u>
Net cash provided by operating activities	<u>39,685,106</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of property, plant, and equipment	
interest	(197,273,899)
Proceeds on disposal	39,052
Principal paid on long-term debt	(1,652,982)
Proceeds from issuance of long-term debt	326,320,642
Interest paid on long-term debt	(1,297,816)
Interest payments received on leases receivable	602,457
Customer facility charges (CFCs) received	4,804,073
Passenger facility charges (PFCs) received	11,300,371
Federal capital grants received	36,274,068
Tornado proceeds	<u>5,123,871</u>
Net cash provided by capital and related financing activities	<u>184,239,837</u>
Cash flows from investing activities:	
Purchase of investments	(240,000)
Sales of investments	117,392,475
Interest and investment income	<u>6,128,533</u>
Net cash provided by investing activities	<u>123,281,008</u>
Net increase in cash and cash equivalents	<u>347,205,952</u>
Cash and cash equivalents, beginning of year	57,133,801
Cash and cash equivalents, end of year	<u>\$ 404,339,753</u>
Reconciliation to statements of net position:	
Current cash and cash equivalents, unrestricted	\$ 112,036,400
Current cash and cash equivalents, restricted	199,295,981
Noncurrent cash and cash equivalents, restricted	<u>93,007,372</u>
Cash and cash equivalents, end of year	<u>\$ 404,339,753</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 17,678,315
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization expense	23,422,205
Change in assets and liabilities resulting from operations:	
Due from governmental agencies - grants	(11,011)
Receivables	(25,293,151)
Prepaid expenses and inventory	(366,057)
Accounts payable and accrued expenses	1,501,505
Compensated absences	33,877
Net pension liability	(946,629)
Deferred inflow/outflow of resources, net	25,022,784
Other postemployment benefit payable	<u>(1,356,732)</u>
Net cash provided by operating activities	<u>\$ 39,685,106</u>
Supplemental disclosures for noncash activities:	
Unrealized gain on investments	\$ 1,567,118
Capital assets in contracts and retainage payable	60,383,913
Amortization of bond premium	239,596

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, 2024



**Assets:**

**Investments:**

Institutional funds	\$ 13,938,757
Group annuity contracts (at contract value)	5,052,255
Total investments	<u>18,991,012</u>

**Fiduciary Net Position:**

Fiduciary net position restricted for pension	\$ <u>18,991,012</u>
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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, 2024



Additions:

Employer contributions	\$ 2,913,957
Net investment return	<u>1,281,853</u>
Total additions	<u>4,195,810</u>

Deductions:

Benefits paid	1,168,818
Administrative expenses	<u>112,019</u>
Total deductions	<u>1,280,837</u>

Net increase in fiduciary net position 2,914,973

Fiduciary net position restricted for pension:

Beginning of year	<u>16,076,039</u>
End of year	<u>\$ 18,991,012</u>

See accompanying notes to financial statements.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Financial Statements

December 31, 2024



#### **(1) Summary of Significant Accounting Policies**

##### ***(a) Authority Operations***

The Authority was created pursuant to Nebraska State Law (3-501). The affairs of the Authority are conducted by a Board of Directors (Board) whose members are appointed by the Mayor of the City of Omaha, Nebraska (the City), with the approval of the Omaha 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, parking revenues, 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: Capital and subscription assets, net of accumulated depreciation, amortization 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, bond construction accounts, 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, Transportation Security Administration) on certain construction projects. The Authority recognizes capital grant revenue as construction progresses on each project and when eligibility requirements are met.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Financial Statements

December 31, 2024



#### **(c) Depreciation and Amortization**

Property, plant, and equipment are stated at historical cost. Subscription assets are recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. 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. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

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

#### **(d) 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.

#### **(e) Investments**

Authority investments, primarily U.S. Treasury notes, corporate bonds, federal agency securities, corporate stock and mutual funds, are carried at fair market value as of December 31, 2024. Fair market value is based on established quoted market price. The investment strategy of the Authority is to hold most, or all, investments until maturity.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Financial Statements

December 31, 2024



#### **(f) Leases Receivable**

In accordance with Government Accounting Standards Board (GASB) Statement No. 87, *Leases* (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.

#### **(g) 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.

#### **(h) 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

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Financial Statements

December 31, 2024



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.

#### **(i) Deferred Inflows and Outflows of Resources**

Deferred inflows of resources represent an acquisition of net assets 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).

#### **(j) Subscription Liabilities**

The Authority has certain contracts for software requiring future payments. In accordance with GASB 96, *Subscription-Based Information Technology Agreements*, these contracts are recorded as short-term and long-term liabilities. The software associated with these liabilities is recognized as part of property, plant, and equipment (see note 3).

#### **(k) Compensated Absences**

The Authority provides employees with certain 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 compensated absences. Sick leave is earned at a flat rate per month based on the union-status for all full-time employees. Sick leave is not paid out at termination or retirement. An estimate of expected usage of earned sick leave is accrued and included in separate current and noncurrent liabilities (see note 4). The liability for compensated absences includes salary-related benefits, where applicable.

#### **(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.

#### **(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.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Financial Statements

December 31, 2024



#### **(n) Customer Facility Charges (CFCs)**

In April 2015, the Authority began collection of a 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, and adjusted to \$5.00 per rental car transaction day effective August 1, 2024. 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, liabilities, and deferred inflows/outflows of resources 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 Standards**

During 2024, the Authority implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences* (GASB 101), and the implementation was applied retrospectively to the earliest period presented, which was January 1, 2024. Prior to January 1, 2024, only accrued vacation was recognized as a compensated absence. Beginning on January 1, 2024, all earned compensated absence types are recognized. Adoption of GASB 101 resulted in a reduction to net position of \$711,168 as of January 1, 2024.

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# AIRPORT AUTHORITY OF THE CITY OF OMAHA

## Notes to Financial Statements

December 31, 2024



### **(2) Cash and Investments**

Included in current assets is unrestricted cash and cash equivalents held by the Authority at December 31, 2024 of \$112,036,400. Current restricted cash and cash equivalents at December 31, 2024 totaled \$199,295,981. A majority is the current portion of 2024 Series bond funds estimated to be used in 2025 for Terminal Modernization Program (TMP) expenditures, and also restricted funds to be used for debt service. Included in noncurrent assets is restricted cash and cash equivalents held by the Authority at December 31, 2024 of \$93,007,372, which consists of 2024 Series bond funds for future TMP expenditures, restricted bond reserve and debt service funds, and deposit accounts restricted for PFCs and CFCs.

Statutes and resolutions adopted by the Board 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, 2024, management believes the Authority is in compliance with the applicable statutes and resolutions. All bank balances were covered by federal depository insurance, pledged collateral or in government securities in a Governmental Money Market overnight sweep account.

*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.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Notes to Financial Statements

December 31, 2024



The Authority has the following recurring fair value measurements as of December 31, 2024:

<b>December 31, 2024</b>	<b>Fair value measurement using</b>			
	<b>Total fair value</b>	<b>Quoted prices in active markets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
<b>Investments by fair value level</b>				
investment securities:				
Corporate bonds	\$ 18,870,460	—	18,870,460	—
U.S. Agency securities	13,888,404	—	13,888,404	—
U.S. Treasury notes	28,160,477	28,160,477	—	—
Subtotal	60,919,341	28,160,477	32,758,864	—
Corporate stocks	90,656	90,656	—	—
Mutual funds	1,169,811	1,169,811	—	—
Total investments	<u>\$ 62,179,808</u>	<u>29,420,944</u>	<u>32,758,864</u>	<u>—</u>

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, and corporate bonds (Level 2) are derived principally from or corroborated by market data by correlation or other means.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Notes to Financial Statements

December 31, 2024



As of December 31, 2024, the Authority has the following investments and related maturities:

December 31, 2024	Total carrying value	Investment maturities (in years)		
		Less than 1	1–5	6–10
<b>Investments:</b>				
Corporate bonds	\$ 18,870,460	18,870,460	—	—
U.S. Agency securities	13,888,404	13,888,404	—	—
U.S. Treasury notes	28,160,477	9,862,192	18,298,286	—
Corporate stock	90,656	—	—	—
Mutual funds	1,169,811	—	—	—
<b>Total investments</b>	<b>\$ 62,179,808</b>	<b>42,621,056</b>	<b>18,298,286</b>	<b>—</b>
<b>Cash equivalents:</b>				
Government-backed money markets	25,484,169	—	—	—
<b>Total cash equivalents</b>	<b>25,484,169</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Deposits:</b>				
Cash	378,855,584	—	—	—
<b>Total cash and cash equivalents</b>	<b>404,339,753</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand total</b>	<b>\$ 466,519,561</b>	<b>42,621,056</b>	<b>18,298,286</b>	<b>—</b>

Restricted PFC investments are \$4,992,563 of total investments.

**Credit Risk** – The Authority has internal investment guidelines that further limits its investment choices beyond the permitted investment as defined in the master bond resolution. The internal investment guidelines outline what percentage of the investment portfolio can be invested in each investment sector and issuer. As of December 31, 2024, 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. 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.

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*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 government securities in a Governmental Money Market overnight sweep account.

*Concentration of Credit Risk* – The Authority has investment guidelines that limit the amount it may invest in any one issuer. The investment mix and percent of total investments as of December 31, 2024 is: treasury notes (46.2%), corporate bonds (31.0%), and agency paper (22.8%).

*Interest Rate Risk* – As a means of limiting its exposure to fair value losses arising from changing 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 changing interest rates. The government-backed money market funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

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**(3) Property, Plant, and Equipment**

The property, plant, and equipment activity for 2024 is summarized as follows:

	<b>Balance</b> <b>December 31, 2023</b>	<b>Additions</b>	<b>Disposals/ retirements</b>	<b>Balance</b> <b>December 31, 2024</b>
Plant in service:				
Land (non-depreciable)	\$ 10,786,590	—	—	10,786,590
Land Improvements	15,430,302	—	—	15,430,302
Airfield Improvements	405,957,030	819,091	62,388	406,713,733
Auto Parking Areas	156,871,947	2,742,930	—	159,614,877
Buildings and Access	138,644,981	1,164,260	4,220,157	135,589,084
Equipment & Building Furnishings	34,617,610	2,547,097	1,027,434	36,137,273
Millard Airport	13,141,584	392,757	70,191	13,464,150
Subscription Assets	352,429	16,448	—	368,877
Construction in progress (non-depreciable)	78,649,116	223,527,202 (1)	—	302,176,318
Total	854,451,589	231,209,785	5,380,170	1,080,281,204
Less accumulated depreciation:				
Land Improvements	10,895,528	534,771	—	11,430,299
Airfield Improvements	230,532,559	11,607,921	62,388	242,078,092
Auto Parking Areas	57,491,665	6,071,473	—	63,563,138
Buildings and Access	105,048,458	2,697,321	3,763,787	103,981,992
Equipment	25,315,636	1,915,114	1,018,983	26,211,767
Millard Airport	10,173,881	480,241	70,191	10,583,931
Subscription Assets	76,603	110,307	—	186,910
Total	439,534,330	23,417,148	4,915,349	458,036,129
Net	<u>\$ 414,917,259</u>	<u>207,792,637</u>	<u>464,821</u>	<u>622,245,075</u>

(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 \$128 million at December 31, 2024. The Authority is continually involved in construction and facility renewal in the normal course of operations, of which a significant portion of airfield improvements are federally funded.

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**(4) Long-Term Obligations**

The long-term obligation activity for 2024 is summarized as follows:

	<b>Balance December 31, 2023 (Restated)</b>	<b>Additions 2024</b>	<b>Payments/ amortization 2024</b>	<b>Balance December 31, 2024</b>	<b>Current installments December 31, 2024</b>
Series 2017 A, C bonds	\$ 27,300,000	—	1,575,000	25,725,000	1,645,000
2017 A, C bond premium	1,839,111	—	239,596	1,599,515	—
Series 2024 Non-PFC bonds	—	239,870,000	—	239,870,000	—
2024 Non-PFC bonds premium	—	18,769,841	—	18,769,841	—
Series 2024 PFC bonds	—	64,845,000	—	64,845,000	870,000
2024 PFC bonds premium	—	4,971,869	—	4,971,869	—
<b>Total</b>	<b>\$ 29,139,111</b>	<b>328,456,710</b>	<b>1,814,596</b>	<b>355,781,225</b>	<b>2,515,000</b>
Other long-term liabilities:					
Net pension liability	\$ 5,353,182	—	946,629	4,406,553	—
Other postemployment benefits payable	33,511,409	—	1,356,732	32,154,677	931,745
Subscription liability	204,214	12,336	77,982	138,568	68,042
Compensated absences	1,389,361	33,877	—	1,423,238	944,559
<b>Total other long-term liabilities</b>	<b>\$ 40,458,166</b>	<b>46,213</b>	<b>2,381,343</b>	<b>38,123,036</b>	<b>1,944,346</b>

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 North 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:

<b>Series</b>	<b>Par</b>	<b>Premium</b>	<b>Coupon%</b>	<b>Yield%</b>	<b>TIC%</b>
A-Tax exempt AMT	\$ 31,700,000	4,991,149	2.00–5.00%	1.05–3.57%	3.58 %
C-Taxable	9,470,000	—	1.285–4.204%	1.285–4.204%	3.94
<b>Total</b>	<b>\$ 41,170,000</b>	<b>4,991,149</b>		<b>Blended</b>	<b>3.66 %</b>

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 "A1 / stable outlook", and "AA- / negative outlook", respectively).

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On December 5, 2024, the Authority closed on the Series 2024 Bonds, including Non-PFC and PFC portions. The Series 2024 Bonds are being used to finance a portion of the TMP, fund debt service accounts, and pay bond issuance costs. The following is a summary of the Series 2024 Bonds:

Series	Par	Premium	Coupon%	Yield%	TIC%
Non-PFC	\$ 239,870,000	18,769,841	5.00–5.25%	3.41–4.41%	4.63 %
PFC	<u>64,845,000</u>	<u>4,971,869</u>	5.00–5.25%	3.45–4.41%	<u>4.63</u>
Total	<u>\$ 304,715,000</u>	<u>23,741,710</u>		Blended	<u>4.63 %</u>

To fully expend the remainder of 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.

As of December 31, 2024, after the December 15th principal payment, the defeased Series 2017A and Series 2017B bonds had \$15,760,000 and \$7,850,000 in principal outstanding, respectively.

The aggregate remaining 2017 and 2024 series non-defeased debt service, prior to the effects of bond premium and excluding capitalized interest, for succeeding years are as follows:

	Principal	Interest	Total
2025	\$ 2,515,000	17,497,211	20,012,211
2026	2,730,000	16,938,826	19,668,826
2027	6,885,000	16,809,072	23,694,072
2028	7,230,000	16,469,128	23,699,128
2029	7,585,000	16,112,120	23,697,120
2030-2034	43,930,000	74,554,456	118,484,456
2035-2039	46,975,000	62,909,888	109,884,888
2040-2044	53,690,000	50,455,125	104,145,125
2045-2049	69,335,000	34,802,775	104,137,775
2050-2054	89,565,000	14,586,862	104,151,862
Total \$	<u>330,440,000</u>	<u>321,135,463</u>	<u>651,575,463</u>

The Master Bond Resolution adopted on December 20, 2016, requires the Authority to provide net revenue at an amount not less than 1.25x 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, 2024, the ratio was 121.15x.

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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, CFCs, and 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 and Series 2024 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 or Series 2024 bonds.

Management believes the Authority was in compliance with all debt covenants for the year ended December 31, 2024.

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

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**(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 premises, the terms of which expire 2025 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, 2024, were \$6,832,701, which includes both lease revenue and interest. The Authority recognized additional lease revenue of \$5,558,188 for the year ended December 31, 2024, 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, 2024:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$	5,387,592	1,014,012	6,401,604
2026		6,114,628	820,167	6,934,795
2027		6,870,975	601,039	7,472,014
2028		7,669,644	355,650	8,025,294
2029		4,211,182	112,900	4,324,082
2030 - 2034		1,172,975	238,142	1,411,117
2035 - 2039		662,509	56,877	719,386
2040 - 2041		82,519	2,491	85,010
Total	\$	<u><u>32,172,024</u></u>	<u><u>3,201,278</u></u>	<u><u>35,373,302</u></u>

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#### **(b) Regulated Leases**

The Authority leases a portion of its premises 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 2025 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 available terminal gates at Eppley Airfield, 16 were leased to airlines in regulated leases in 2024. The amount of non-variable revenue inflows from regulated leases was \$4,420,587 in 2024. The amount of variable revenue inflows from regulated leases was \$848,018 in 2024.

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, 2024:

	<u>Total Future Payments</u>
2025	\$ 4,471,846
2026	4,129,901
2027	4,095,143
2028	3,559,992
2029	2,528,252
2030 - 2034	11,388,224
2035 - 2039	10,943,083
2040 - 2044	10,096,980
2045 - 2049	1,602,895
2050 - 2051	162,099
Total	<u>\$ 52,978,416</u>

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.

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## **(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. 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 \$1,243,911 and \$423,821, respectively, for 2024.

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. 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 \$181,496 for 2024.

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. Employer contributions totaled \$2,913,957 for 2024.

Plan participants covered by the Pension Plan, as of January 1, 2024, are summarized below.

Active vested members	138
Inactive vested members	8
Retired	2
Total members	<u>148</u>

### **(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.

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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, 2024 was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

*(i) Changes in Net Pension Liability*

		<b>Increase (decrease)</b>		
		<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances as of December 31, 2023	\$ 21,429,221		16,076,039	5,353,182
Changes for the year:				
Service cost	1,481,564		—	1,481,564
Interest on total pension liability	1,116,675		—	1,116,675
Effect of economic/demographic gains or losses	538,923		—	538,923
Benefit payments	(1,168,818)		(1,168,818)	—
Employer contributions	—		2,913,957	(2,913,957)
Net investment income	—		1,281,853	(1,281,853)
Administrative expenses	—		(112,019)	112,019
Balances as of December 31, 2024	\$ <u>23,397,565</u>		<u>18,991,012</u>	<u>4,406,553</u>

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*(ii) Sensitivity Analysis*

The following presents the net pension liability of the Authority, calculated using the discount rate of 5.00% at December 31, 2024, 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.

	<b>2024</b>		
	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>4.00%</b>	<b>5.00%</b>	<b>6.00%</b>
Net pension liability	\$ 8,000,657	4,406,553	1,417,674

The following were the significant actuarial assumptions used in the valuation of the Pension Plan as of December 31, 2024:

	<b>December 31, 2024</b>
Valuation date	January 1, 2024
Measurement date	December 31, 2024
Inflation	2.50%
Salary increases, including inflation	3.50%
Investment rate of return	5.00%
Preretirement mortality	PubG-2010 with generational projection per MP-2021 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.

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	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Real Rate of Return</b>	<b>Geometric Long-Term Expected Real Rate of Return</b>
US Core Fixed Income			
Bloomberg Barclays Aggregate	40.00 %	2.36 %	2.21 %
US Broad Equity Market			
Russell 3000 TR USD	60.00	5.41	3.70
Portfolio real mean return		4.19	3.51
Portfolio assumed inflation rate – mean		2.50	2.50
Portfolio assumed inflation rate – standard deviation		1.46	1.46
Portfolio nominal mean return		6.69	6.10
Portfolio standard deviation			11.25
Long-term expected rate of return			5.00

The discount rate used to measure the total pension liability was 5.0% at December 31, 2024, 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, 2024, the Authority recognized pension expense (included within employee benefits) of \$2,379,208.

**(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 as deferred outflows/inflows of resources. At December 31, 2024, the Authority reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	<b>December 31, 2024</b>	
	<b>Deferred Inflow of Resources</b>	<b>Deferred Outflow of Resources</b>
Differences between expected and actual experience	\$ (96,148)	3,634,325
Changes of assumptions	(49,356)	124,772
Net difference between projected and actual earnings on pension plan investments	—	92,741
<b>Total</b>	<b>\$ (145,504)</b>	<b>3,851,838</b>

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Amounts currently reported as deferred outflow of resources and deferred inflow of resources, as of December 31, 2024, related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2025	\$ 700,211
2026	920,686
2027	328,336
2028	423,643
2029	528,350
Thereafter	805,108
	\$ <u>3,706,334</u>

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 (8–10 years).

### **(g) Rate of Return**

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.8%. 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 resolutions to all full-time employees and their spouses. The membership as of December 31, 2022, the last valuation date (the measurement date was December 31, 2024), includes 150 active participants, 54 retirees and 36 spouses of retirees. 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 \$1,020,074 in 2024. 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.

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#### ***(b) Total OPEB Liability***

The Authority's total OPEB liability for the OPEB plan as of December 31, 2024 was rolled forward to the measurement date, using the following actuarial assumptions applied to all periods included in the measurement unless otherwise specified.

The following were the significant actuarial assumptions used to determine the total OPEB liability as of December 31, 2024:

Valuation date	December 31, 2022
Measurement date	December 31, 2024
Salary increases, including inflation	3.00%
Mortality	PubG-2010 with generational projection of future improvements per the MP-2021 ultimate scale
Medical trend rate	Pre-65: 6.80% to 3.70% over 50 years Post-65: 6.50% to 3.70% over 50 years
Actuarial cost method	Entry Age Normal

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

As of December 31, 2024, the actuarial assumptions included a discount rate of 4.08% based on the 20-year Bond Buyer GO Index. An annual healthcare cost trend rate of 6.80% (pre-65) and 6.50% (post 65) initially, reduced by decrements to an ultimate rate of 3.70% based upon the Getzen model. Salary increases including an inflation assumption is 3.00% per year.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Notes to Financial Statements

December 31, 2024



*(i) Changes in Total OPEB Liability*

	<b>Increase (Decrease)</b>
	<b>Total OPEB Liability</b>
Balances as of December 31, 2023	\$ 33,511,409
Changes for the year:	
Service cost	2,179,320
Interest on total OPEB liability	1,147,024
Effect of economic/demographic gains or losses	—
Effect of assumption changes or inputs	(3,663,002)
Benefit payments	(1,020,074)
Balances as of December 31, 2024	<u><u>\$ 32,154,677</u></u>

*Changes of assumptions reflect a change in the discount rate from 3.26% in 2023 to 4.08% in 2024.*

*(ii) Sensitivity Analysis*

The following presents the total OPEB liability of the Authority, calculated using the stated discount rate at December 31, 2024, 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.

	<b>2024</b>		
	1%	Current	1%
	Decrease	Discount rate	Increase
Total OPEB Payable	\$ 36,705,840	32,154,677	28,410,710

The following presents the total OPEB liability of the Authority, calculated using the current healthcare cost trend rates at December 31, 2024, as well as what the Authority's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates.

	<b>2024</b>		
	1% Decrease	Current	1% Increase
	Trend Rate		
Total OPEB Payable	\$ 27,438,259	32,154,677	38,074,154

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Notes to Financial Statements

December 31, 2024



**(c) OPEB Expense**

For the fiscal year ended December 31, 2024, the Authority recognized OPEB credit to expense of \$33,155.

**(d) Deferred Outflow/Inflow of Resources Related to OPEB**

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, 2024, the Authority reported deferred outflow of resources and deferred inflow of resources related to OPEB from the following sources as follows:

	<b>December 31, 2024</b>	
	<b>Deferred inflow of resources</b>	<b>Deferred outflow of resources</b>
Differences between expected and actual experience	\$ (8,867,972)	97,098
Changes of assumptions	(9,301,168)	5,147,924
<b>Total</b>	<b>\$ (18,169,140)</b>	<b>5,245,022</b>

Net amounts currently reported as deferred outflow of resources and deferred inflow of resources as of December 31, 2024, related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ending December 31:

2025	\$ (3,578,241)
2026	(2,506,270)
2027	(2,719,375)
2028	(2,834,267)
2029	(701,110)
Thereafter	(584,855)
	<b>\$ (12,924,118)</b>

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Financial Statements

December 31, 2024



#### **(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 \$500 million. The Authority has "limited war" insurance coverage on its liability policy up to a sublimit of \$350 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.

The Authority is implementing a Terminal Modernization Program (TMP) for the expansion and renovation of the terminal area facilities. The Central Utility Plant construction began in 2023. The balance of the TMP construction started in 2024 and is planned to continue through 2028.

The Authority has commitments under various construction contracts of approximately \$655 million at December 31, 2024, which are expected to be funded through federal grants or Authority funds.

At December 31, 2024, two customers/tenants owed a concentration of greater than 10% each of total accounts receivable, which made up approximately 34% 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 103: Financial Reporting Model Improvements*

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes changes to the structure of the financial statements and management's discussion and analysis (MD&A). The standard addresses what content should be included in the MD&A, the treatment of unusual or infrequent items, and the classification of operating and non-operating revenues and expenses. This standard is effective for fiscal years beginning after June 15, 2024.

#### **(11) Subsequent Events**

The Authority has evaluated subsequent events through April 14, 2025, 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**
**Pension Trust Fund – Employee Retirement Fund**
**(Unaudited)**
**Schedule of changes in net pension liability and related ratios (in thousands)**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total pension liability:</b>										
Service cost	\$ 1,481	1,152	1,161	1,117	1,102	1,107	1,044	969	955	940
Interest on total pension liability	1,117	945	1,032	1,061	1,051	1,003	989	995	937	973
Effect of economic/demographic gains or losses	—	2,691	—	1,401	149	(236)	528	382	305	467
Effect of assumption changes or inputs	539	78	—	—	(60)	18	(68)	571	—	—
Benefit payments	(1,169)	(2,351)	(5,449)	(2,987)	(1,168)	(687)	(3,847)	(2,378)	(1,655)	(2,633)
<b>Net change in total pension liability</b>	<b>1,968</b>	<b>2,515</b>	<b>(3,256)</b>	<b>592</b>	<b>1,074</b>	<b>1,211</b>	<b>(1,354)</b>	<b>539</b>	<b>542</b>	<b>(253)</b>
<b>Total pension liability, beginning</b>	<b>21,430</b>	<b>18,915</b>	<b>22,171</b>	<b>21,579</b>	<b>20,505</b>	<b>19,294</b>	<b>20,648</b>	<b>20,109</b>	<b>19,567</b>	<b>19,819</b>
<b>Total pension liability, ending (a)</b>	<b>23,398</b>	<b>21,430</b>	<b>18,915</b>	<b>22,171</b>	<b>21,579</b>	<b>20,505</b>	<b>19,294</b>	<b>20,648</b>	<b>20,109</b>	<b>19,566</b>
<b>Plan fiduciary net position:</b>										
Employer contributions	2,914	2,639	1,821	1,782	1,980	2,129	2,003	1,815	1,875	1,430
Investment income net of investment expenses	1,282	1,370	(1,980)	2,491	1,952	2,243	204	492	175	787
Benefit payments	(1,169)	(2,351)	(5,449)	(2,987)	(1,168)	(687)	(3,847)	(2,378)	(1,655)	(2,633)
Administrative expenses	(112)	—	—	—	(61)	(36)	(176)	(92)	(79)	(139)
<b>Net change in plan fiduciary net position</b>	<b>2,915</b>	<b>1,658</b>	<b>(5,668)</b>	<b>1,286</b>	<b>2,703</b>	<b>3,649</b>	<b>(1,816)</b>	<b>(163)</b>	<b>316</b>	<b>(555)</b>
<b>Plan fiduciary net position, beginning</b>	<b>16,077</b>	<b>14,419</b>	<b>20,027</b>	<b>18,741</b>	<b>16,038</b>	<b>12,389</b>	<b>14,205</b>	<b>14,368</b>	<b>14,052</b>	<b>14,607</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>18,992</b>	<b>16,077</b>	<b>14,419</b>	<b>20,027</b>	<b>18,741</b>	<b>16,038</b>	<b>12,389</b>	<b>14,205</b>	<b>14,368</b>	<b>14,052</b>
Authority net pension liability, ending = (a) – (b)	\$ 4,406	5,353	4,486	2,144	2,838	4,467	6,905	6,443	5,741	5,514
Plan fiduciary net position as a percentage of total pension liability	81.17%	75.02%	76.22%	90.33%	86.84%	78.21%	64.21%	68.80%	71.45%	71.82%
Covered payroll	\$ 10,668	8,313	8,608	8,608	8,548	8,650	8,590	8,178	8,206	7,379
Authority net pension liability as a percentage of covered payroll	41.31%	64.40%	52.24 %	24.92 %	33.22 %	51.64 %	80.39 %	78.78 %	69.96 %	74.72 %
See accompanying independent auditors' report										

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Required Supplementary Information

Schedules of Contributions – Retirement Plan

December 31, 2024

(Unaudited)



**Schedule of employer contributions**

<b>Fiscal year ending December 31</b>	<b>Actuarially determined contribution</b>	<b>Actual employer contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Covered payroll</b>	<b>Contribution as a% of covered payroll</b>	<b>%</b>
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	
2023	2,389,047	2,639,047	(250,000)	8,312,960	31.75	
2024	2,663,957	2,913,957	(250,000)	10,667,721	27.32	

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

**Notes to required supplementary information for contributions**

Valuation date	January 1, 2024
Measurement date	December 31, 2024
Inflation	2.50%
Salary increases including inflation	3.50%
Investment rate of return	5.00%
Preretirement mortality	PubG-2010 with generational projection per MP-2021 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, 2024

(Unaudited)



**Pension plan schedule of money-weighted rate of return**

<b>Fiscal year ending December 31</b>	<b>Net money- weighted rate of return (%)</b>
2015	5.66
2016	1.26
2017	3.55
2018	1.52
2019	14.85
2020	11.67
2021	13.45
2022	(11.59)
2023	9.70
2024	7.80

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, 2024

(Unaudited)


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

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>Fiscal year ending December 31</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability:</b>									
Service cost	\$ 2,179	2,044	2,478	2,369	1,845	2,073	2,388	2,110	
Interest on total OPEB liability	1,147	1,177	796	760	1,261	1,487	1,569	1,516	
Effect of economic/demographic gains or losses	—	128	—	—	(17,946)	—	(6,538)	—	
Effect of assumption changes or inputs	(3,663)	1,062	(8,929)	362	4,920	7,228	(5,606)	2,345	
Benefit payments	(1,020)	(971)	(859)	(804)	(705)	(905)	(801)	(645)	
Net change in total OPEB liability	(1,357)	3,440	(6,514)	2,687	(10,625)	9,883	(8,988)	5,326	
Total OPEB liability, beginning	<u>33,512</u>	<u>30,072</u>	<u>36,586</u>	<u>33,899</u>	<u>44,524</u>	<u>34,641</u>	<u>43,629</u>	<u>38,303</u>	
Total OPEB liability, ending (a)	<u>\$ 32,155</u>	<u>33,512</u>	<u>30,072</u>	<u>36,586</u>	<u>33,899</u>	<u>44,524</u>	<u>34,641</u>	<u>43,629</u>	
Covered payroll	\$ 11,402	11,402	9,970	9,970	9,970	8,590	8,590	8,178	
Total OPEB liability as a percentage of covered payroll	282.00%	293.90%	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 years ended 2024 - 2017.									
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, 2024



Operating revenues:

Landing area:

Landing fees:	
Scheduled	\$ 12,605,144
Nonscheduled	1,936
Aviation fuel fees	405,625
Apron fees	365,187
Other	80,712
 Total landing area	 13,458,604

General aviation area:

T-hangar rental	94,733
Other facility rental	1,253,840
Ground rental – fixed-base operators, other	1,174,377
 Total general aviation area	 2,522,950

Terminal building area:

Building rental – airlines and other	10,874,149
Concessions:	
Advertising	499,363
Retail	1,987,960
Dining	1,816,449
Other concession revenue	413,549
Utilities and tenant services:	
Security badging and other tenant services	185,477
 Total terminal building area	 15,776,947
 Total operating revenues, balance carried forward	 31,758,501

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Revenues

Year ended December 31, 2024



Total operating revenues, brought forward	\$ <u>31,758,501</u>
Other facility area:	
Building rental	1,883,692
Ground rental	565,322
Auto parking	38,789,935
Rental car concessions	7,119,484
Ground transportation fees	1,428,219
Other income	2,305
Total other facility area	<u>49,788,957</u>
Millard Airport:	
Aviation fuel fees	11,914
Ground rental	70,281
T-hangar rental	295,469
Building rental	120,268
Total Millard Airport	<u>497,932</u>
Other operating revenue:	
Flood grant	<u>11,011</u>
Total operating revenues	<u>82,056,401</u>
Nonoperating revenue:	
Other interest revenue	673,715
Tornado insurance proceeds	5,123,871
Net investment return	8,508,835
Customer facility charges (CFCs)	4,885,712
Passenger facility charges (PFCs)	11,557,027
Federal capital grant revenue	34,744,711
Total nonoperating revenues	<u>65,493,871</u>
Total revenues	\$ <u>147,550,272</u>

See accompanying independent auditors' report.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Expenses

Year ended December 31, 2024



**Operating expenses:**

Operations and maintenance:

Landing area:

Wages and salaries	\$ 1,149,512
Payroll taxes	85,858
Employee benefits	575,115
Supplies and materials	742,087
Contracted labor and services	389,889
Electricity	60,798
Communications	10,560
Gasoline and oil	826
Other	2,826
	<hr/>
Total landing area	<u>3,017,471</u>

General aviation area:

Wages and salaries	188,595
Payroll taxes	13,514
Employee benefits	89,122
Supplies and materials	39,587
Contracted labor and services	32,442
Electricity	14,572
Water	2,950
Communications	1,753
	<hr/>
Total general aviation area	<u>382,535</u>

Terminal building area:

Wages and salaries	2,600,167
Payroll taxes	187,333
Employee benefits	1,164,132
Supplies and materials	568,844
Contracted labor and services	543,138
Electricity	727,285
Fuel – heating	84,217
Water	181,307
Trash disposal	72,726
Communications	87,649
Gasoline and oil	131
Other	21,376
	<hr/>
Total terminal building area	<u>6,238,305</u>

Total operations and maintenance, balance carried forward

9,638,311

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Expenses

Year ended December 31, 2024



Total operations and maintenance, balance brought forward	\$ <u>9,638,311</u>
Other facility area:	
Wages and salaries	217,341
Payroll taxes	15,582
Employee benefits	81,782
Supplies and materials	64,002
Contracted labor and services	330,140
Electricity	222,768
Fuel – heating	7,077
Water	17,709
Communications	1,818
Parking expenses and management	6,140,038
Other	<u>74,637</u>
Total other facility area	<u>7,172,894</u>
Fire – rescue facilities:	
Wages and salaries	1,906,542
Payroll taxes	140,400
Employee benefits	746,163
Supplies and materials	99,013
Contracted labor and services	272,759
Electricity	9,271
Fuel – heating	5,381
Water	6,816
Trash disposal	814
Communications	7,396
Gasoline and oil	77
Other	<u>12,972</u>
Total fire – rescue facilities	<u>3,207,604</u>
Service equipment:	
Wages and salaries	779,121
Payroll taxes	55,745
Employee benefits	299,826
Supplies and materials	375,731
Contracted labor and services	110,849
Electricity	67,406
Fuel – heating	19,513
Water	23,093
Trash disposal	(976)
Communications	14,944
Gasoline and oil	166,229
Other	<u>9,531</u>
Total service equipment	<u>1,921,012</u>
Total operations and maintenance, balance carried forward	<u>21,939,821</u>

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Expenses

Year ended December 31, 2024



Total operations and maintenance, balance brought forward	\$ <u>21,939,821</u>
<b>Security:</b>	
Wages and salaries	4,055,477
Payroll taxes	299,245
Employee benefits	1,827,701
Supplies and materials	107,316
Contracted labor and services	132,846
Communications	14,538
Gasoline and oil	436
Other	843
Total security	<u>6,438,402</u>
<b>Other support facilities area:</b>	
Wages and salaries	315,706
Payroll taxes	22,727
Employee benefits	145,714
Supplies and materials	67,339
Contracted labor and services	179,658
Electricity	380,381
Fuel – heating	12,064
Water	68,743
Trash disposal	2,604
Communications	5,802
Gasoline and oil	25,828
Other	3,038
Total other support facilities area	<u>1,229,604</u>
<b>Millard Airport:</b>	
Wages and salaries	119,250
Payroll taxes	8,531
Employee benefits	21,176
Supplies and materials	29,459
Contracted labor and services	109,849
Electricity	22,029
Fuel – heating	3,695
Water	841
Communications	6,057
Gasoline and oil	4,426
Other	4,900
Total Millard Airport	<u>330,213</u>
Total operations and maintenance, balance carried forward	<u>29,938,040</u>

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

## Supplementary Information

## Schedule of Expenses

Year ended December 31, 2024



Total operations and maintenance, balance brought forward	\$ <u>29,938,040</u>
General and administrative:	
Wages and salaries	4,765,768
Payroll taxes	266,856
Employee benefits	1,528,835
Supplies and materials	142,479
Contracted labor and services	542,215
Professional services	1,466,994
Marketing	26,184
Training and development	299,662
Communications	13,507
Dues and publications	65,000
Insurance	1,245,302
Other	12,878
Total general and administrative	<u>10,375,680</u>
Other operating expenses:	
Flood expenses	132,609
Tornado expenses	464,726
Legal settlements expense	77,981
Depreciation and amortization expense	23,422,205
Other postemployment benefits expense	(33,155)
Total other operating expenses	<u>24,064,366</u>
Total operating expenses	<u>64,378,086</u>
Nonoperating expenses:	
Bond issuance costs	2,136,068
Loss on asset disposal	421,658
Interest and amortization expense	2,178,577
Total nonoperating expenses	<u>4,736,303</u>
Total expenses	<u>\$ 69,114,389</u>

See accompanying independent auditors' report.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Schedule of Expenditures of Federal Awards

Year ended December 31, 2024



<b>Federal Grantor, Pass-Through Grantor, Program or Cluster Title Pass-Through Entity Identifying Number</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
U.S. Department of Transportation, Federal Aviation Administration, Airport Improvement Program (Direct programs):				
AIP-3-31-0062-79 Additional Terminal Drive Lane - Phase 3	20.106	None	\$ —	\$ 10,804,918
AIP-3-31-0062-82 Terminal Entrance Dr Expansion - Phase 4	20.106	None	—	4,642,342
AIP-3-31-0062-83 CUP (Building)	20.106	None	—	4,729,586
AIP-3-31-0062-84 Terminal Entrance Dr Expansion - Phase 5	20.106	None	—	4,924,203
AIP-3-31-0062-85 Terminal Entrance Dr Expansion - Phase 7	20.106	None	—	4,350,092
AIP-3-31-0062-86 Terminal Entrance Dr Expansion - Phase 8	20.106	None	—	3,045,556
Total U.S. Department of Transportation			—	32,496,697
Pass-through from the State of Nebraska:				
AIP-3-31-0053-014 Millard PAPI & Beacon	20.106	None	—	97,177
AIP-3-31-0053-016 Taxilane & Hangar Rehabilitation	20.106	None	—	121,378
Total pass through from the State of Nebraska			—	218,555
Total federal expenditures			\$ —	\$ 32,715,252

See notes to schedule of expenditures of federal awards.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2024



#### **(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 Authority for the year ended December 31, 2024. 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 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, 2024.

#### **(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, 2024.

## **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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities 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, 2024, 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 14, 2025.

#### ***Report on Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Forvis Mazars, LLP***

Omaha, Nebraska  
April 14, 2025

## **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, 2024. 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, 2024.

#### ***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 each 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.

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

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 Mazars, LLP**

**Omaha, Nebraska**  
**April 14, 2025**

**Airport Authority of the City of Omaha**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2024**

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**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, 2024**

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7. Identification of the major federal program:

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
20.106	Airport Improvement Program

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

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, 2024**

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***Section II – Financial Statement Findings***

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

***Section III – Federal Award Findings and Questioned Costs***

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Airport Authority of the City of Omaha  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2023**

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<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
	No matters are reportable.	

## **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* (the Guide) that could have a direct and material effect on the Authority's passenger facility charge program for the year ended December 31, 2024.

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, 2024.

#### ***Basis for Opinion of 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 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 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.

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

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 Mazars, LLP**

**Omaha, Nebraska**  
**April 14, 2025**

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

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

Year ended December 31, 2024



PFC Project Number	Application Number	Project description	Project authorized amount as of December 31, 2024	Cumulative PFC funds expended 1/1/2024	PFC funds expended fiscal year 2024	Cumulative PFC funds expended 12/31/2024	Remaining Project Authorization as of 12/31/24
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
PFC 02.001	23-02-C-00-OMA	Terminal Modernization Program (TMP) Design & Construction	259,000,000	—	27,122,224	27,122,224	231,877,776
PFC 02.002	23-02-C-00-OMA	PFC Consulting Services	70,000	—	—	—	70,000
Total All PFC Applications			\$ 296,323,145	2,924,367	27,122,224	30,046,591	266,276,554
PFC Funds Expended:							
Cumulative Expenditures Prior to Start of Fiscal Year 2024							
First Quarter Fiscal Year 2024							
Second Quarter Fiscal Year 2024							
Third Quarter Fiscal Year 2024							
Fourth Quarter Fiscal Year 2024							
Total PFC Expenditures							
\$ 2,924,367							
PFC Funds Collected to Date:							
Cumulative Collections Prior to Fiscal Year 2024							
Cumulative Earnings on Collections Prior to Fiscal Year 2023							
Fiscal Year 2024 Collections from Air Carriers							
Fiscal Year 2024 Earnings on Collections							
Total PFC Funds Collected through Fiscal Year 2024							
\$ 61,052,688							

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

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Notes to Schedule of Passenger Facility Charges Collected and Expended  
Cash Basis

Year ended December 31, 2024



### **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. The Authority has been authorized by the FAA to impose and use a \$4.50 passenger charge, which is 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, 2024**

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**Summary of Auditor's Results**

1. Type of report issued on PFC financial statements.	<input checked="" type="checkbox"/> Unmodified	<input type="checkbox"/> Qualified
2. Type of report on PFC compliance.	<input checked="" type="checkbox"/> Unmodified	<input type="checkbox"/> Qualified
3. Quarterly revenue and expenditures reconcile with submitted quarterly reports and reported unliquidated revenue matches actual amounts.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
4. PFC revenue and interest is accurately reported on FAA Form 5100-127.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
5. The Public Agency maintains a separate financial accounting record for each application.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
7. Monthly carrier receipts were reconciled with quarterly carrier reports.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9. Serving carriers were notified of PFC program actions/changes approved by the FAA.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
10. Quarterly reports were transmitted (or available via website) to remitting carriers.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8. <sup>1</sup>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
12. Project design and implementation is carried out in accordance with Assurance 9.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
13. Program administration is carried out in accordance with Assurance 10.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input checked="" type="checkbox"/> N/A

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<sup>1</sup> PFC-funded facilities are being leased to air carriers. 70