



Clark County Department of Aviation  
Annual Comprehensive Financial Report  
Fiscal Year 2023

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Annual Comprehensive Financial Report

Clark County Department of Aviation

An Enterprise Fund of Clark County, Nevada

For the Fiscal Years Ended June 30, 2023 and 2022



Prepared by the Department of Aviation

Las Vegas, Nevada

CLARK COUNTY DEPARTMENT OF AVIATION

Clark County, Nevada

Clark County Board of Commissioners

James B. Gibson, Chair

Tick Segerblom, Vice Chair

Michael Naft

Marilyn Kirkpatrick

Ross Miller

William McCurdy II

Justin Jones

County Manager's Office

Kevin Schiller, County Manager

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Abigail Frierson, Deputy County Manager

Lisa Kremer, Deputy County Manager

Sam Bateman, Deputy County Manager

Department of Aviation

Rosemary A. Vassiliadis, Director

James Chrisley, Senior Director

Ralph Lepore, Senior Director

Tina M. Frias, Senior Director

Joseph M. Piurkowski, Airport Chief Financial Officer

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Years Ended June 30, 2023 and 2022**  
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# Introductory Section



December 5, 2023

To the Board of County Commissioners and County Manager of Clark County, Nevada:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Clark County Department of Aviation (Department) for the fiscal year ended June 30, 2023. These financial statements were audited, as required by Nevada Revised Statutes §354.624, by Crowe LLP, independent certified public accountants.

The Department's management is responsible for the accuracy of the data presented in the financial statements, along with the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, and as indicated in the unmodified opinion of our independent auditors, this report fairly presents and fully discloses, in all material respects, the Department's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles (GAAP) in the United States of America.

In developing and evaluating the Department's accounting system, consideration is given to the adequacy of internal controls. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. The Department's management believes the Department's internal control processes adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

Management's Discussion and Analysis, located in the Financial Section of the ACFR, should be read in conjunction with this Letter of Transmittal.

Reporting Entity

The Department is a single enterprise fund of Clark County, Nevada (County), and operates as a self-supporting entity. The seven-member Board of County Commissioners (Board) is responsible for governing the affairs of the Department. The Director of Aviation is appointed by the Board and reports directly to the County Manager. The Department is a self-supporting entity and is not subsidized by any tax revenues of the County.

The County owns, and the Department operates and maintains, the Harry Reid International Airport (Airport) and four general aviation airports. The Airport occupies approximately 2,800 acres and is located one mile from the Las Vegas Strip, which is the center of the Las Vegas gaming and entertainment industry. LAS is one of the top ten busiest airports in North America in terms of passenger volume. The Department also operates the following general aviation airports: North Las Vegas Airport, Henderson Executive Airport, Jean Sports Aviation Center and Overton-Perkins Field. The North Las Vegas Airport is the second-busiest airport in the State of Nevada in terms of aircraft operations. The Henderson Executive Airport features a state-of-the-art terminal, private hangar facilities, and a Federal Aviation Administration control tower designed to meet the needs of the business aviation community.

The Jean Sports Aviation Center and Overton-Perkins Field are primarily used for recreational aviation purposes. All the airports operated and maintained by the Department are collectively referred to as the Airport System.



**Clark County Board of Commissioners**

James B. Gibson, Chair - Tick Segerblom, Vice-Chair  
Justin C. Jones - Marilyn Kirkpatrick - William McCurdy II - Ross Miller - Michael Neft

## Economic Outlook

Passenger traffic at the Airport recovered swiftly in FY 2022 following the COVID-19 pandemic. During the month of June 2023, the Airport recorded a record number of enplaned passengers which totaled 2,437,322. In FY 2023, enplaned passenger counts significantly increased by 18% compared to FY 2022.

Large scale construction projects such as hotels and entertainment venues continue to progress within the Las Vegas area. The convention market and related activities and events are scheduled and returning to pre-pandemic levels. Las Vegas is scheduled to host large scale events such as the Formula 1 Las Vegas Grand Prix in November 2023 and the NFL Super Bowl in February 2024. As a result, the Airport will need to meet the demands of the passenger traffic coming to participate in large scale events and conventions.

## Financial Information

The Department's total operating revenues increased from \$510.7 million in fiscal year 2022 to \$589.2 million in fiscal year 2023, an increase of \$78.6 million. The increase in operating revenues primarily is attributed to the increase in overall passenger traffic and activity during FY 2023. Operating expenses for fiscal year 2023 were \$305.5 million, which was \$83.1 million more than prior fiscal year operating costs of \$222.4 million. The increase in operating expenses is primarily driven by the actuarial analysis performed to assist in determining the pension expense and the other post retirement benefits expense, which increased by \$29.1 million and \$17.5 million, respectively, from FY 2022 to FY 2023. Beyond personnel costs and employee benefits, professional service expenses rose by \$9.6 million. These costs are primarily associated with capital improvement projects reflecting the Department's efforts to enhance its services to accommodate the growth in general aviation traffic in the Las Vegas area as well as maintenance of the terminal buildings. Further more, all other categories of operating expenses increased \$22.1 million, driven by the increase in passenger traffic and activities in FY 2023. The Department remains committed to keeping the destination affordable to the airlines. Through these measures, the Department has kept the airline cost per enplaned passenger reasonable and consistent considering the current air travel environment. The airline cost per enplaned passenger was \$6.78 for fiscal year 2023.

The Department is current on all its outstanding bond obligations and has made all scheduled debt service payments. The Department's bonds were issued to provide funding for capital assets to be acquired or constructed. As of June 30, 2023, the current bond proceeds available are anticipated to be used for airfield projects. The Department does not anticipate issuing any new debt to fund its current capital improvement plan. All outstanding bonds are secured by pledges of Airport System revenues, however, Passenger Facility Charge (PFC) bonds and Jet A bonds, are primarily secured by PFC and Jet A fuel tax revenues, respectively.

The Department's financial policies remained consistent in fiscal year 2023, in comparison to fiscal year 2022.

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Department for its ACFR for the fiscal year ended June 30, 2022, as well as for the fiscal year ended June 30, 2021. This was the 18<sup>th</sup> consecutive year that the Department has received this prestigious award. In order to be awarded a Certificate of Achievement, the Department must publish an easily readable and efficiency organized ACFR that meets both GAAP and applicable eligibility requirements. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA, to determine the Department's eligibility to receive a certificate for this ACFR.



Acknowledgments

The extraordinary success of the Department is a direct result of the leadership and support of the Board and the County Manager. The employees of the Department and the airlines, as well as the tenants of the Airport System, are also recognized for making a tremendous effort in promoting the success of the Airport System.

We thank the Board for its continuing support of the Department, for its efforts to conduct financial operations in a responsible and progressive manner, and for its commitment to making the Department a global leader in its industry.

The preparation of this report is the product of the dedicated service and professionalism of the staff of the Department's Finance Division. We also thank all other members of the Department's staff who contributed to the preparation of this report.

Sincerely submitted,



Rosemary A. Vassiliadis  
Director of Aviation



Joseph M. Piurkowski  
Airport Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Clark County Department of Aviation  
Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**HARRY REID**

**INTERNATIONAL**

**LAS VEGAS**

# Department of Aviation Executive Team



**Kevin Schiller**  
County Manager



**Rosemary A. Vassiliadis**  
Director of Aviation



**Monika Bertaki**  
Chief Aviation  
Marketing Officer



**Joseph Plurkowski**  
Airport Chief  
Financial Officer



**Scott Kichline**  
Managing Director  
Business & Commercial  
Development



**Tyler McHenry**  
Managing Director  
Finance



**Rishma Khimji**  
Chief Information  
Technology Officer

**VACANT**  
Managing Director  
IT Operations



**Jason Cabrera**  
Managing Director  
IT Project Management Office



**James Chrisley**  
Senior Director of Aviation



**Byron Perry**  
Managing Director  
Airsides Operations




**Layne Weight**  
Managing Director  
Construction & Engineering



**Doug McMahan**  
Managing Director  
Facilities



**Ben Czyzewski**  
Managing Director  
General Aviation



**Bryant Holt**  
Managing Director  
Planning



**Ralph Lepore**  
Senior Director of Aviation



**Freddie Kirtley**  
Managing Director  
Landside Operations



**Scott Shire**  
Managing Director  
Security



**Celeste Hamner**  
Managing Director  
Terminal Operations



**Tina M. Frias**  
Senior Director of Aviation



**Jennifer Scham**  
Managing Director  
Employee Services



**Edward Munzing**  
Managing Director  
Diversity, Procurement &  
Contracts

# Financial Section

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Clark County Department of Aviation  
Las Vegas, Nevada

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of the Clark County Department of Aviation (the "Department"), an enterprise fund of Clark County, Nevada (the "County") as of and for the years ended June 30, 2023 and 2022 and the related notes to the 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 financial position of the Department as of June 30, 2023 and 2022, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Emphasis of Matters**

As discussed in Note 1(a), the financial statements of the Department are intended to present the financial position, and the changes in financial position, and, where applicable, cash flows of only that portion of the County that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2023 and 2022, and the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, during the year ended June 30, 2023, the Department adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption resulted in recording a SBITA liability and corresponding right-of-use SBITA asset. Net position as of June 30, 2022 and for the year then ended was restated by \$414,000 as a result of adoption. Our opinion is not modified with respect to this matter.

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department'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.

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability, schedule of defined benefit plan contributions, schedule of changes in the net other post employment benefit plan liability and related ratios, and schedule of other post employment benefit plan contributions – CCSF, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's financial statements. The schedule of airport revenue bond debt service coverage is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of airport revenue bond debt service coverage is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the Department'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

  
Crowe LLP

Costa Mesa, California  
December 5, 2023

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2023 and 2022**

**Introduction**

The following is Management's Discussion and Analysis (MD&A) of the financial performance and activity of the Clark County Department of Aviation (Department). The MD&A provides an introduction to and understanding of the financial statements of the Department for the fiscal years (FYs) ended June 30, 2023 (FY 2023) and 2022 (FY 2022), with selected comparable data for the fiscal year ended June 30, 2021 (FY 2021). This section should be read in conjunction with the transmittal letter, financial statements, and notes, to gain a better understanding of the information presented in MD&A.

The Clark County Department of Aviation is a department of Clark County (County), a political subdivision of the State of Nevada. The Department, under the supervision of the Board of County Commissioners (Board) and the County Manager, is established to operate Harry Reid International Airport (Airport) and the four other general aviation facilities owned by the County (Airport System). The Airport System comprises the Airport, the seventh-busiest airport in North America by passenger volume in calendar year 2022; North Las Vegas Airport, which services general aviation activity and is the second-busiest airport in the State of Nevada by aircraft operations; Henderson Executive Airport, a premier corporate aviation facility that features a state-of-the-art terminal and private hangar facilities designed to meet the needs of the business aviation community; and Jean Sport Aviation Center and Overton-Perkins Field, which primarily are used for aviation-related recreational purposes.

The Department is a self-supporting entity that generates revenues from Airport System users to fund operating expenses and debt service requirements. Capital projects are funded by bond issuances, Passenger Facility Charges (PFCs), federal awards, and internally generated cash flows from operations. The Department is not subsidized by any tax revenues of the County.

**Overview of Financial Statements**

The Department's financial statements are prepared using the accrual basis of accounting; therefore, revenues are recognized when earned, and expenses are recognized when incurred.

The Statements of Net Position present information on all the Department's assets, deferred outflows of resources, liabilities, and deferred inflows of resources as of June 30, 2023 and 2022. The Statements of Revenues, Expenses, and Changes in Net Position present financial information showing how the Department's net position changed during the fiscal years ended June 30, 2023 and 2022. The Statements of Cash Flows relate the inflows and outflows



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of cash and cash equivalents as a result of the financial transactions that occurred during these two fiscal years, and also includes a reconciliation of operating income to net cash provided by operating activities.

**Activity Highlights**

Passenger traffic at the Airport recovered swiftly in FY 2023 following the COVID-19 pandemic. During the month of June 2023, the Airport recorded a record number of enplaned passengers which totaled 2,437,322. In FY 2023, enplaned passenger counts significantly increased by 18% compared to FY 2022. Passenger enplanements in FY 2023 totaled 28,276,384, compared to 24,025,401 in FY 2022, and 13,187,187 in FY 2021.

Aircraft landed weights in FY 2023 totaled 30,729,432 thousand pounds, compared to 26,408,488 thousand pounds in FY 2022 and 17,839,131 thousand pounds in FY 2021. The FY 2023 landed weights represent a 16% increase compared to FY 2022. The number of departures for domestic and international flights in FY 2023 totaled 255,020 compared to 217,136 in FY 2022 and 149,370 in FY 2021. The FY 2023 departures represent a 17% increase from FY 2022.

In early FY 2024, the Department anticipates completing the West Apron Expansion project, for the upcoming events such as Formula 1 in November 2023 and the Super Bowl in February 2024. With an estimated total expenditure of approximately \$35.7 million, the project is specifically designed to boost the airport's capacity to accommodate the expected surge in general aviation traffic. Alongside this major development, the Airport continues its commitment to elevate various aspects, including security, roadway systems, airfield operations, passenger circulation, and the overall passenger experience.

In FY 2023, Korean Airlines restarted their service following restrictions and conditions brought on by the pandemic. In addition, new airlines began flying routes in and out of the Airport, which include Lynx Air and Canada Jetlines.

On November 15, 2021, the Bipartisan Infrastructure Law (BIL) was signed into law to address repairs and maintenance needs for facilities and equipment, airport infrastructure, and air traffic facilities. The Department was awarded \$45.7 million from the airport infrastructure program for federal FY 2023. In addition, the Department was also awarded \$47.5 million from the airport terminals program to fund the upgrade of the baggage handling systems in two terminals to enhance capacity, security, reliability and energy efficiency in federal FY 2023.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2023 and 2022**

**Financial Highlights**

**Net Position Summary**

The following table summarizes assets, liabilities, deferred inflows and outflows of resources, and net position as of June 30 (in thousands):

	2023	2022*	2021	Change			
				2023 vs 2022		2022 vs 2021	
Assets and deferred outflows of resources:							
Current assets	\$ 965,148	\$ 900,698	\$ 864,737	\$ 64,450	7.2%	\$ 35,961	4.2%
Capital assets, net	3,902,409	4,021,805	4,061,215	(119,396)	(3.0%)	(39,410)	(1.0%)
Other non-current assets	465,737	456,517	524,881	9,220	2.0%	(68,364)	(13.0%)
Total assets	<u>5,333,294</u>	<u>5,379,020</u>	<u>5,450,833</u>	<u>(45,726)</u>	(0.9%)	<u>(71,813)</u>	(1.3%)
Deferred outflows of resources	<u>111,660</u>	<u>96,272</u>	<u>71,678</u>	<u>15,388</u>	16.0%	<u>24,594</u>	34.3%
Total assets and deferred outflows of resources	<u>\$ 5,444,954</u>	<u>\$ 5,475,292</u>	<u>\$ 5,522,511</u>	<u>\$ (30,338)</u>	(0.6%)	<u>\$ (47,219)</u>	(0.8%)
Liabilities, deferred inflows of resources, and net position:							
Current liabilities	333,699	498,133	484,269	(164,434)	(33.0%)	13,864	3.2%
Non-current liabilities	<u>2,703,433</u>	<u>2,872,845</u>	<u>3,215,716</u>	<u>(169,412)</u>	(5.9%)	<u>(342,871)</u>	(10.7%)
Total liabilities	<u>3,037,132</u>	<u>3,370,978</u>	<u>3,699,985</u>	<u>(333,846)</u>	(9.9%)	<u>(329,007)</u>	(8.9%)
Deferred inflows of resources	<u>167,437</u>	<u>217,961</u>	<u>140,887</u>	<u>(50,524)</u>	(23.2%)	<u>77,074</u>	54.7%
Net position:							
Net investment in capital assets	1,454,617	1,169,570	951,423	285,047	24.4%	218,147	22.9%
Restricted	410,879	399,175	399,639	11,704	2.9%	(464)	(0.1%)
Unrestricted	<u>374,889</u>	<u>317,608</u>	<u>330,577</u>	<u>57,281</u>	18.0%	<u>(12,969)</u>	(3.9%)
Total net position	<u>2,240,385</u>	<u>1,886,353</u>	<u>1,681,639</u>	<u>354,032</u>	18.8%	<u>204,714</u>	12.2%
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,444,954</u>	<u>\$ 5,475,292</u>	<u>\$ 5,522,511</u>	<u>\$ (30,338)</u>	(0.6%)	<u>\$ (47,219)</u>	(0.8%)

\*Refer to Note 1 "Accounting Changes and Restatement"

**Discussion of FY 2023 Net Position**

Total net position for the Department as of June 30, 2023 was \$2,240.4 million. This is an increase of \$354.0 million from FY 2022. This can be primarily attributed to the following significant changes:

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- Current assets
  - For FY 2023, current assets were \$965.1 million, an increase of \$64.5 million from FY 2022. The majority of this change was due to increases in cash, investments classified as current assets, accounts receivable, interest receivable, lease receivable, other restricted receivables, inventory, and prepaid expenses and other. These increases were offset by decreases in grants receivable. Cash and cash equivalents increased \$15.1 million from FY 2022 to FY 2023. These increases were driven by the federal grants and reimbursement received in FY 2023. Investments classified as current assets increased \$44.2 million from FY 2022 to FY 2023. These amounts represent investments which are restricted and available to be used for current obligations. The increases are driven by the Department's treasury needs and timing of current obligations. Total accounts receivable, net increased \$2.0 million from FY 2022 to FY 2023. Increases in receivables were driven by timing of payments received from tenants and customers. Interest receivable increased \$4.9 million from FY 2022 to FY 2023, with the majority of the change being due to the increase in overall interest rates during the period. Lease receivable increased by \$2.3 million as additional GASB 87 agreements were added during FY 2023. Other receivables, restricted increased \$5.3 million from FY 2022 to FY 2023, with the majority of the change being due to the timing of the subsidy payments received related to the Department's Build America Bonds (BABs); see Note 8, "Long-Term Debt" for further detail regarding the BABs. Prepaid expenses and other also increased by \$1.1 million, with \$0.3 million attributed to an increase in prepaid insurance, \$0.3 million in prepayments for asset acquisitions, and \$0.5 million due to a change in prepaid services provided by the metropolitan police department. The Grant receivable decreased \$11.4 million from FY 2022 to FY 2023. The reduction was due to the timing of the FAA grant request payments as well as a decrease in Rescue and CRRSA grant spending and drawdown requests during the final quarter of the year.
- Other non-current assets
  - For FY 2023, other non-current assets were \$465.7 million, an increase of \$9.2 million, from \$456.5 million in FY 2022. The change is largely due to increases in cash and cash equivalents classified as non-current assets, derivative instruments - interest rate swaps, and lease receivable classified as non-current assets. These increases were offset by decreases in investments classified as non-current assets and the net other post employment benefits asset balance. Cash and cash equivalents classified as non-current assets increased \$79.0 million from FY 2022 to FY 2023 which is primarily driven by the Department's treasury requirements for restricted cash associated with non-current obligations. Interest rate swap derivative instruments increased \$1.4 million from FY 2022 to FY 2023, resulting from the change in fair value of these instruments. Lease receivable classified as non-current assets increased

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\$22.0 million. The lease receivable represents the present value of lease payments expected to be received until the end of the lease term, and the net of lease revenue received and interest revenue is reduced from the lease receivable. Increase was due to the reassessment of lease agreements during the fiscal year and the subsequent extension of lease terms. Refer to Note 12, "Leases", for further detail. Partially offsetting these increases, investments classified as non-current assets decreased \$68.4 million. These investments represent investments which are restricted and available to be used for non-current obligations. The decrease is reflective of the Department's treasury needs and timing of non-current obligations. The net other post employment benefits asset decreased to \$0 from \$24.7 million recorded in FY 2022. This reduction was due to the termination of the fully insured HMO plan, which has been replaced by a self-insured EPO plan under the CCSF OPEB trust. Refer to Note 6, "Other Post Employment Benefit (OPEB)", for further detail.

– Capital assets

- For FY 2023, capital assets, net of accumulated depreciation, were \$3,902.4 million, a decrease of \$119.4 million, from \$4,021.8 million in FY 2022. This decrease was primarily driven by depreciation and amortization of \$193.9 million, retirement of assets of \$7.4 million, and an adjustment of \$7.0 million to the right of use - lease building due to lease agreement reassessment during the fiscal year. These reductions were partially offset by capital expenditures of \$87.5 million, in addition to \$1.4 million in right of use - SBITA ("Subscription-Based Information Technology Arrangements") additions. Refer to Note 1 and Note 12 for additional information related to SBITAs. Significant capital expenditures include the acquisition of diesel buses, reconstruction of a holding pad, parking improvements at Terminal 1, and LAS Runway Infrastructure Management (R.I.M) projects and rehabilitation of runways. Refer to Note 7, "Changes in Capital Assets" and Note 12, "Leases" for further detail.

– Current liabilities

- For FY 2023, current liabilities were \$333.7 million, a decrease of \$164.4 million, from \$498.1 million in FY 2022. This change primarily relates to decreases in the current portion of accounts payable and current portion of long term debt, offset by increases in rents received in advance. Accounts payable decreased \$27.8 million from FY 2022 to FY 2023, driven by the timing of payments to vendors. The current portion of long term debt decreased \$140.4 million from FY 2022 to FY 2023. This decrease is primarily driven by the planned early redemption of Series 2013B GO, 2008A GO, 2008C-2, and 2008C-3 in January FY 2023. Refer to Note 8 for additional information related to long-term debt activity. Rents received in advance increased \$3.8 million from FY 2022 to FY 2023, these increases were driven by the timing of payments received.

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- Non-current liabilities
  - Non-current liabilities in FY 2023 were \$2,703.4 million, a decrease of \$169.4 million, from \$2,872.8 million in FY 2022. This change is primarily due to decreases in the non-current portion of long-term debt, net other post employment benefit liability, derivative instruments - interest rate swaps, and non-current portion of lease liabilities. These decreases were offset by activities in net pension liability and the other non-current liabilities. The non-current portion of long-term debt decreased \$235.2 million, from FY 2022 to FY 2023, in accordance with the scheduled debt payments, amortization of bond premiums and discount. Non-current portion of lease liability decreased \$9.1 million. The lease liability represents the present value of lease payments expected to be paid until the end of the lease term, and the net of lease expense paid and interest expense is reduced from the lease payable. The decrease was due to the amortization of the lease payment through out the lease term. Further contributing to the overall decrease was an \$8.7 million decrease in derivative instruments - interest rate swaps, which was driven by changes in the fair value of the interest rate swap portfolio. Offsetting these decreases was the other non-current liabilities increase of \$2.5 million from FY 2022 to FY 2023, which is driven by the Department recording its estimates of employee compensated absences. Net pension liability increased \$115.1 million and net other post employment benefits liability decreased \$33.9 million, which was driven by changes in various pension and other post employment benefits actuarial assumptions; such changes are discussed in detail in Note 5.

Discussion of FY 2022 Net Position

Total net position for the Department as of June 30, 2022 was \$1,886.4 million. This is an increased of \$204.7 million from FY 2021. This can be primarily attributed to the following significant changes:

- Current assets
  - For FY 2022, current assets were \$900.7 million, an increase of \$36.0 million from FY 2021. The majority of this change was due to increases in investments classified as current assets, grants receivable, and other receivables, restricted. These increases were offset by decreases in cash and cash equivalents as current assets and accounts receivable. Investments classified as current assets increased \$48.8 million from FY 2021 to FY 2022. These amounts represent investments which are restricted and available to be used for current obligations. The increase is reflective of the Department's treasury needs and timing of current obligations. Grant receivable increased \$10.7 million from FY 2021 to FY 2022 which was attributed to the Department's timing of receivables from Rescue Act grants. Other receivables,

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restricted increased \$6.0 million from FY 2021 to FY 2022, with the majority of the change being due to the timing of the subsidy payments received related to the Department's Building America Bonds (BABs); see Note 8, "Long-Term Debt" for further detail regarding the BABs. Cash and cash equivalents decreased \$26.7 million from FY 2021 to FY 2022. These decreases were driven by two land purchases the Department entered into in November and December of 2021 in the amounts of \$55.0 million and \$60.3 million, respectively. The acquired land is located adjacent to the Airport for further development. Total accounts receivable, net decreased \$1.7 million from FY 2021 to FY 2022. Decreases in receivables are attributable to reduction in Passenger Facility Charge receivable at year-end in FY 2022 compared to FY 2021.

– Other non-current assets

- For FY 2022, other non-current assets were \$456.5 million, a decrease of \$68.4 million, from \$524.9 million in FY 2021. The change is largely due to decreases in cash and cash equivalents classified as non-current assets, investments classified as non-current assets, and lease receivable classified as non-current assets. These decreases were offset by increases in the net other post employment benefits asset balance and derivative instruments - interest rate swaps. Cash and cash equivalents classified as non-current assets decreased \$54.0 million from FY 2021 to FY 2022 which is primarily driven by the Department's treasury requirements for restricted cash associated with non-current obligations. Investments classified as non-current assets decreased \$17.5 million. These investments represent investments which are restricted and available to be used for non-current obligations. Lease receivable classified as non-current assets increased \$13.3 million. The lease receivable represents the present value of lease payments expected to be received until the end of the lease term, and the net of lease revenue received and interest revenue is reduced from the lease receivable (Refer to Note 1 for additional information regarding the implementation of GASB 87). These decreases were offset by increases in the net other post employment benefits and the interest rate swap derivative instruments. Interest rate swap derivative instruments increased \$6.0 million from FY 2021 to FY 2022, resulting from the change in fair value of these instruments. The Department recorded a net other post employment benefits asset in FY 2022 of \$24.7 million which was actuarially determined, an increase of \$10.4 million from FY 2021.

– Capital assets

- For FY 2022, capital assets, net of accumulated depreciation, were \$4,021.8 million, a decrease of \$119.4 million, from \$4,061.2 million in FY 2021. This decrease was primarily due to depreciation and amortization of \$192.9 million. Offsetting these expenses were capital expenditures of \$152.3 million. Significant capital expenditures included the acquisition of land, the reconstruction of holding pad 8 and

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the north tear drop, and airport security cameras. Refer to Note 7, "Changes in Capital Assets," for further detail.

– Current liabilities

- For FY 2022, current liabilities were \$498.1 million, an increase of \$13.9 million, from \$484.3 million in FY 2021. This change primarily relates to increases in rents received in advance and the current portion of accounts payable, accrued interest, offset by decreases in current portion of long term debt and other accrued expenses. Accounts payable increased \$45.4 million from FY 2021 to FY 2022, driven by the timing of payments to vendors. Rents received in advance increased \$7.0 million from FY 2021 to FY 2022, these increases were driven by the timing of payments received. Accrued interest increased \$2.1 million from FY 2021 to FY 2022, largely due to the increase in interest rates during FY 2022. Other accrued expenses decreased \$8.1 million from FY 2021 to FY 2022 mainly driven by the timing of the accrued payroll expense. The current portion of long term debt decreased \$32.6 million from FY 2021 to FY 2022. This decrease is primarily driven by the termination of 2008 Series A-2, 2008 Series B-2, 2019 Series C, Series 2008 D-1, and 2017 Series D in FY 2022. Refer to Note 8 for additional information related to long-term debt activity.

– Non-current liabilities

- Non-current liabilities in FY 2022 were \$2,872.8 million, a decrease of \$342.9 million, from \$3,215.7 million in FY 2021. This change is primarily due to decreases in the non-current portion of lease liabilities, and derivative instruments - interest rate swaps. These decreases were offset by increases in the other non-current liabilities and total other post employment benefits liability. The non-current portion of long-term debt decreased \$245.3 million, from FY 2021 to FY 2022, in accordance with the scheduled debt payments, amortization of bond premiums and discount, and the Series 2008 D-2 A general obligation bonds are classified as current due to the expiration of the related letter of credit. The Department intends to renew this letter of credit before its expiration. Non-current portion of lease liability decreased \$2.3 million. The lease payable represents the present value of lease payments expected to be paid until the end of the lease term, and the net of lease expense paid and interest expense is reduced from the lease payable. Net pension liability decreased \$77.4 million which was driven by changes in the actuarially determined assumptions used in measuring the liability; such changes are discussed in detail in Note 5. Further contributing to the overall decrease was a \$27.0 million decrease in derivative instruments - interest rate swaps, which was driven by changes in the fair value of the interest rate swap portfolio. Offsetting these decreases was the other non-current liabilities increase of \$6.6 million from FY 2021 to FY 2022, which is driven by the Department recording its estimates of employee compensated absences and Subscription-Based Information Technology Arrangements

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(SBITA) Payable \$3.0 million recorded in conjunction with the implementation of GASB 96 (Refer to Note 1 for additional details). Total other post employment benefits liability increased \$2.6 million, which was driven by changes in the actuarially determined assumptions used in measuring the liability; such changes are discussed in detail in Note 6.

### Operating Revenue

The following table summarizes total operating revenue for the fiscal years ended June 30 (in thousands):

	2023	2022*	2021	Change			
				2023 vs 2022		2022 vs 2021	
Terminal building and use fees	\$ 155,979	\$ 135,890	\$ 178,150	\$ 20,089	14.8%	\$ (42,260)	(23.7%)
Landing fees and other aircraft fees	26,098	28,441	30,837	(2,343)	(8.2%)	(2,396)	(7.8%)
Gate use fees	38,075	20,998	26,410	17,077	81.3%	(5,412)	(20.5%)
Terminal concession fees	85,472	75,176	31,249	10,296	13.7%	43,927	140.6%
Rental car facility and concession fees							
Rental car facility fees	40,565	34,264	23,856	6,301	18.4%	10,408	43.6%
Rental car concession fees	46,078	43,420	24,224	2,658	6.1%	19,196	79.2%
Parking and ground transportation fees							
Public and employee parking fees	62,258	52,694	32,153	9,564	18.2%	20,541	63.9%
Ground transportation fees	38,024	30,526	14,426	7,498	24.6%	16,100	111.6%
Gaming fees	58,490	53,085	23,063	5,405	10.2%	30,022	130.2%
Ground rents and use fees	25,245	24,298	21,446	947	3.9%	2,852	13.3%
Other							
General aviation fuel sales (net of cost)	9,025	6,797	3,985	2,228	32.8%	2,812	70.6%
Other operating income	3,924	5,089	4,525	(1,165)	(22.9%)	564	12.5%
	<u>\$ 589,233</u>	<u>\$ 510,678</u>	<u>\$ 414,324</u>	<u>\$ 78,555</u>	15.4%	<u>\$ 96,354</u>	23.3%

\*Refer to Note 1 "Accounting Changes and Restatement"

### General Discussion of Operating Revenues

#### Aviation Revenues

Aviation revenues consist of terminal building and use fees, landing fees and other aircraft fees, and gate use fees. Effective July 1, 2020, the Department entered into an amendment to the Airline-Airport Use and Lease Agreement (Agreement) with airlines serving the Las Vegas market. The amendment, extended the terms of the Agreement through June 30, 2021 with extension options through June 30, 2030. The Agreement has currently been extended through June 30, 2026. The Agreement requires that the rates be set each fiscal year based on a residual rate-making approach of leased space. Refer to Note 1 for additional information related to the Agreement.



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*Terminal building and use fees*

The majority of terminal building and use fees consist of signatory and non-signatory ticketing area fees, baggage system fees, baggage claim fees, common use fees, and fees from hold rooms, along with certain operation and storage areas. There is also a portion of terminal building and use fees that are collected from sources other than airlines.

*Landing fees*

Landing fees consist of fees charged per 1,000 lbs. of landed weight.

*Gate use fees*

Gate use fees consist of charges which are paid for leasing an individual gate or charges paid on a per turn basis for common use gates, as well as aircraft parking fees.

*Non-Aviation Revenues*

Non-aviation revenues consist of terminal concession fees, rental car facility fees, rental car concession fees, public and employee parking fees, ground transportation fees, gaming fees, ground rents and use fees, general aviation fuel sales, and other operating income.

*Terminal concession fees*

The largest source of non-aviation revenues is terminal concession fees, which are generated from an agreed percentage of gross sales from various concessionaire-related sources, including the food and beverage concessionaire, news and gift concessionaires, specialty retail outlets, advertising revenue, and passenger services revenue.

*Rental car facility and concession fees*

Rental car facility fees consist of building rental fees associated with the Airport Rent-A-Car Center (ARACC), which derive from the rental of operational space, as well as from the Customer Facility Charge (CFC). The CFC is a charge of \$5.50 that car rental customers pay daily for each rented vehicle, which is collected by the car rental companies on behalf of the Airport System. Rental car concession fees consist of a percentage of gross sales from rental car concessionaires. The CFC rate increased from \$5.00 to \$5.50 on February 1, 2023.

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*Parking and ground transportation fees*

Public parking fees consist of fees collected from public parking provided at the Airport System and includes short-term, long-term, and valet parking, along with fees generated from employee parking. Ground transportation fees consist of percentage fees or trip charges paid to the Airport System by limousine operators, courtesy van operators, bus operators, taxicabs, along with transportation network companies (TNCs).

*Gaming fees*

Gaming fees are derived from the agreement with the Airport System's gaming provider, which provides that the Airport System receives a percentage of the net profits generated by gaming activity.

*Ground rents and use fees*

Ground rents and use fees include amounts charged by the Department to private hangar tenants, fixed- base operators, and concessionaires.

*Other*

General aviation fuel sales consist of jet fuel sales at the general aviation facilities. Other operating income consists of miscellaneous items, such as amounts collected in accordance with auctions of surplus property and various cost recoveries.

*Concessionaire Grant Credits*

In FY 2023, the Department recognized \$2.0 million and \$12.5 million from the CRRSA and ARPA concession grants, respectively, to provide financial relief to in-terminal concessionaires who met the outlined FAA criteria. These credits were netted against gross revenues and recognized as non-operating grant revenues in the Statement of Revenues, Expenses, and Changes in Net Position.

Discussion of FY 2023 Operating Revenues

Total operating revenues for the Department as of June 30, 2023 were \$589.2 million, an increase of \$78.6 million from FY 2022. This can be primarily attributed to the following significant changes:

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– Terminal building and use fees

- The following table summarizes the gross billing and grant credit for FY 2023 (in thousands):

	2023	2022	Change	
Gross Billing	\$ 156,134	\$ 135,890	20,244	14.9%
Concessionaire grants credit applied				
CRRSA grant credit	(49)	—	(49)	100.0%
ARPA grant credit	(106)	—	(106)	100.0%
◦ Total Revenue	<u>\$ 155,979</u>	<u>\$ 135,890</u>	<u>\$ 20,089</u>	14.8%

- Terminal building and use fees (gross billing) increased \$20.2 million, from \$135.9 million in FY 2022 to \$156.1 million in FY 2023. This increase was largely due to increases in the terminal complex rental revenue of \$11.8 million, and the international passenger processing fees of \$8.5 million driven by the increase in international passengers arriving during the fiscal year. A blended terminal complex rental rate of Signatory and Non-signatory increased by 5.4%. These increases were offset by the CRRSA and ARPA grant credit given to concessionaires, totaling \$0.2 million in FY 2023.

– Landing fees and other aircraft fees

- For FY 2023, revenues from landing fees and other aircraft fees were \$26.1 million, a decrease of \$2.3 million from \$28.4 million in FY 2022. Landing fees decreased by \$4.9 million from FY 2022 to FY 2023. The decrease is mainly related to the decreased landing fee rate. The blended landing fee rate of signatory and non-signatory decreased by 19.7%. Other aircraft fees increased by \$2.6 million from \$8.5 million in FY 2022 to \$11.1 million in FY 2023, due to the 17.7% increase in passenger enplanements.

– Gate use fees

- Gate use fees increased \$17.1 million from \$21.0 million in FY 2022 to \$38.1 million in FY 2023. The increase was primarily driven by a 12.9% increase in gate turns from FY 2022, which was offset by a \$124 reduction in the average fee charged per turn.

– Terminal Concession fees

- The following table summarizes the gross billing and grant credit for FY 2023 (in thousands):

	2023	2022	Change	
Gross Billing	\$ 96,398	\$ 75,176	21,222	28.2%
Concessionaire grants credit applied				
CRRSA grant credit	(842)	—	(842)	100.0%
ARPA grant credit	(10,083)	—	(10,083)	100.0%
Total Revenue	<u>\$ 85,473</u>	<u>\$ 75,176</u>	<u>\$ 10,297</u>	13.7%

Terminal concession fees (gross billing) increased \$21.2 million from \$75.2 million in FY 2022 to \$96.4 million in FY 2023. The increase was primary due to the increase in passenger traffic. Comparing FY 2023 to FY 2022, passenger enplanements increased 17.7%, which consequently increased revenues from terminal food and beverage sales, in-terminal advertising, and passenger services in the terminal. The

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increase was offset by CRRSA and ARPA grant credit given to concessionaires, totaling \$10.9 million during FY 2023.

- Rental car facility fees
  - Rental car facility fees increased \$6.3 million from \$34.3 million in FY 2022 to \$40.6 million in FY 2023. Consolidated facility charge (CFC) revenue, which is driven by car rental transaction days, increased \$6.3 million comparing FY 2023 to FY 2022. Transaction days increased 8.2% over the comparable period.
- Rental car concession fees
  - Rental car concession fees increased \$2.7 million from \$43.4 million in FY 2022 to \$46.1 million in FY 2023. The majority of this change was due to increases in the utilization the ARACC in FY 2023. The rental car tenants within the ARACC reported a 4.8% increase in gross receipts comparing FY 2023 to FY 2022.
- Public and employee parking fees
  - Public and employee parking fees increased \$9.6 million, from FY 2022 to FY 2023. The majority of this change was due to increases in the utilization of public parking areas during the fiscal year, as well as an overall increase in the number of individuals working at the Airport terminals in FY 2023. Passenger enplanements increased 17.7% in FY 2023.
- Ground transportation fees
  - The following table summarizes the gross billing and grant credit for FY 2023 (in thousands:)

	2023	2022	Change	
Gross Billing	\$ 38,050	\$ 30,526	7,524	24.6%
Concessionaire grants credit applied				
ARPA grant credit	(26)	—	(26)	100.0%
◦ Total Revenue	<u>\$ 38,024</u>	<u>\$ 30,526</u>	<u>\$ 7,498</u>	24.6%

- Ground transportation fees (gross billing) increased \$7.5 million, from FY 2022 to FY 2023. The majority of this change was due to an increase in fees derived from TNCs, which increased \$6.5 million, an increase in fees derived from taxicab services which increased \$0.9 million, an increase in fees derived from limousine operations which increased \$0.1 million and an increase in fees derived from buses and courtesy vehicles of \$0.03 million from FY 2022 to FY 2023. The increases were driven by higher passenger counts and were offset by the ARPA grant credit given to concessionaires totaling \$0.03 million in FY 2023.

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– Gaming fees

- The following table summarizes the gross billing and grant credit for FY 2023 (in thousands):

	2023	2022	Change	
Gross Billing	\$ 61,940	\$ 53,085	8,855	16.7 %
Concessionaire grants credit applied				
CRRSA grant credit	(1,137)	—	(1,137)	100.0%
ARPA grant credit	(2,313)	—	(2,313)	100.0%
Total Revenue	<u>\$ 58,490</u>	<u>\$ 53,085</u>	<u>\$ 5,405</u>	10.2%

- Gaming fees (gross billing) were \$61.9 million in FY 2023, an increase of \$8.9 million from \$53.1 million in FY 2022. This increase can mainly be attributed to increases in passenger traffic; for FY 2023, enplaned passengers increased 17.7% from FY 2022 to FY 2023. The increase was offset by CRRSA and ARPA grant credit given to concessionaires totaling \$3.4 million in FY 2023.

– General aviation fuel sales (net of cost)

- General aviation fuel sales (net of cost) increased \$2.2 million from FY 2022 to FY 2023. The majority of this change was attributable to the increase in traffic and activity at the general aviation airports in FY 2023. Gallons of fuel sold at the general aviation airports increased by 7.2% in FY 2023.

– Other operating income

- Other operating income was \$3.9 million, a decrease of \$1.2 million from \$5.1 million in FY 2022. The decrease was mainly due to the reduction in late fees billings, reflecting improved invoice payment collection. Additionally, the change was also driven by a decrease in land rental income, resulting from the sale of the Beltway Business Park lease portfolio, consisting of 19 leases, in December 2021.

Discussion of FY 2022 Operating Revenues

Total operating revenues for the Department as of June 30, 2022 were \$510.7 million, an increase of \$96.4 million from FY 2021. This can be primarily attributed to the following significant changes:

– Terminal building and use fees

- Terminal building and use fees decreased \$42.3 million, from \$178.2 million in FY 2021 to \$135.9 million in FY 2022. This decrease was largely due to decreases in the terminal complex rental revenue of \$41.4 million and the international passenger processing fees of \$0.8 million. A blended terminal complex rental rate of Signatory and Non-signatory decreased by 21.2%.

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- Landing fees and other aircraft fees
  - For FY 2022, revenues from landing fees and other aircraft fees were \$28.4 million, a decrease of \$2.4 million from \$30.8 million in FY 2021. Landing fees decreased by \$5.6 million from FY 2022 to FY 2021. The decrease is mainly related to the decrease in the landing fee rate. The blended landing fee rate of Signatory and Non-signatory decreased by 1.3%. This was offset with an increase in other aircraft fees of \$3.2 million from FY 2022 to FY 2021 due to the 82% increase in passenger enplanements.
- Gate use fees
  - Gate use fees decreased \$5.4 million from \$26.4 million in FY 2021 to \$21.0 million in FY 2022. A blended aircraft gate use rate of Signatory and Non-signatory decreased by 52.8% comparing FY 2022 to FY 2021.
- Terminal concession fees
  - Terminal concession fees increased \$43.9 million from \$31.2 million in FY 2021 to \$75.2 million in FY 2022. The increase was primarily due to increases in revenues from terminal food and beverage sales, in-terminal advertising and revenues from passenger services in the terminal, largely due to increase in passenger traffic. Passenger enplanements increased 82% from 13.2 million in FY 2021 to 24.0 million in FY 2022. Further, overall in-terminal advertising revenue during FY 2022 increased \$12.5 million from \$3.5 million in to \$16.0 million, due to the addition of new advertisers.
- Rental car facility fees
  - Rental car facility fees increased \$10.4 million from 23.9 million in FY 2021 to 34.3 million in FY 2022. Consolidated facility charge (CFC) revenue, which is driven by car rental transaction days, increased \$10.4 million comparing FY 2022 to FY 2021. Transaction days increased 35.3% over the comparable period.
- Rental car concession fees
  - Rental car concession fees increased \$19.2 million from 24.2 million in FY 2021 to 43.4 million in FY 2022. The majority of this change was due to increases in the utilization the ARACC following the end of the COVID-19 pandemic in FY 2021. The rental car tenants within the ARACC reported an 81.4% increase in gross receipts comparing FY 2022 to FY 2021.
- Public and employee parking fees
  - Public and employee parking fees increased \$20.5 million, from FY 2021 to FY 2022. The majority of this change was due to increases in the utilization of public parking areas during the fiscal year, as well as an overall increase in the number of individuals working at the Airport terminals during the same period following the recovery from the COVID-19 pandemic. Passenger enplanements increased 82% in FY 2022.

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- Ground transportation fees
  - Ground transportation fees increased \$16.1 million, from FY 2021 to FY 2022. The majority of this change was due to an increased in fees derived from TNCs, which increased \$10.5 million, an increase in fees derived from taxicab services which increased \$3.6 million, an increase in fees derived from limousine operations which increased \$1.3 million and increases in fees derived from buses and courtesy vehicles of \$0.7 million from FY 2021 to FY 2022. These increases were driven by higher passenger counts.
- Gaming fees
  - Gaming fees were \$53.1 million in FY 2022, an increase of \$30.0 million from \$23.1 million in FY 2021. This increase can mainly be attributed to increases in passenger traffic; for FY 2022, enplaned passengers increased 82% from FY 2021 to FY 2022.

### Operating Expenses

The following table summarizes total operating expenses for the fiscal years ended June 30 (in thousands):

	2023	2022*	2021	Change			
				2023 vs 2022		2022 vs 2021	
Salaries and benefits	\$ 152,110	\$ 100,780	\$ 129,800	\$ 51,330	50.9%	\$ (29,020)	(22.4%)
Professional services	72,851	63,222	57,403	9,629	15.2%	5,819	10.1%
Utilities and communications	31,381	22,699	19,660	8,682	38.2%	3,039	15.5%
Repairs and maintenance	19,998	14,591	10,781	5,407	37.1%	3,810	35.3%
Materials and supplies	20,691	15,239	9,916	5,452	35.8%	5,323	53.7%
General administrative							
Insurance	3,438	3,098	2,346	340	11.0%	752	32.1%
Administrative	5,030	2,793	1,488	2,237	80.1%	1,305	87.7%
	<u>\$ 305,499</u>	<u>\$ 222,422</u>	<u>\$ 231,394</u>	<u>\$ 83,077</u>	37.4%	<u>\$ (8,972)</u>	(3.9%)

\*Refer to Note 1 "Accounting Changes and Restatement"

### Discussion of FY 2023 Operating Expenses

For FY 2023, the Department's total operating expenses were \$305.5 million, an increase of \$83.1 million from \$222.4 million in FY 2022. This can be primarily attributed to the following significant changes:

- Salaries and benefits
  - Salaries and benefits increased by \$51.3 million from FY 2022 to FY 2023. A significant driver to the increase is an increase in pension expense. Pension expense was \$0.6 million in FY 2022 vs \$29.7 million in FY 2023 which is an increase of \$29.1 million. Pension expense is recorded based upon actuarial analysis. See Note 5, "Retirement System" for further details related to the assumptions used in estimating pension expense. In addition, OPEB expense increased by \$17.5 million and retirement

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contribution increased by \$0.2 million from FY 2022 to FY 2023. See Note 6, "Other Post Employment Benefits" for further detail. Lastly, salaries and wages increased \$4.6 million from FY 2022 to FY 2023. The increase is driven by an increase in the full time headcount which increased by 4% from FY 2022 to FY 2023. These increases were offset with a decrease in health insurance expense by \$0.03 million.

- Professional services
  - Professional services costs during FY 2023 increased by \$9.6 million from FY 2022. The change was partially attributable to \$1.1 million in expenditures related to the Airport's name change in FY 2023. In addition, the Department expanded the scope of services to accommodate the growth in general aviation and airliner traffic to the Las Vegas area driven by larger scale events which the city is hosting. Shuttle service expense rose \$4.1 million, from \$8.5 million in FY 2022 to \$12.6 million in FY 2023. Software support and other purchases costs went up by \$1.6 million, from \$6.5 million in FY 2022 to \$8.2 million in FY 2023. Legal expenses increased by \$0.6 million, from \$0.5 million in FY 2022 to \$1.1 million in FY 2023. Services provided by the metropolitan police and fire departments increased \$0.3 million, from \$36.2 million in FY 2022 to \$36.5 million in FY 2023. Security fees also increased \$0.5 million, from \$2.0 million in FY 2022 to \$2.5 million in FY 2023. Additionally, the Department recorded \$0.8 million in bond issuance related costs in conjunction with the Series 2022A and 2022B in FY 2023. No bonds were issued in FY 2022. See Note 8, "Long Term Debt" for further detail.
- Utilities and communication
  - Utilities and communication costs during FY 2023 increased by \$8.7 million from FY 2022. The change in utilities and communication costs is attributable to increases in electricity costs of \$6.0 million as well as increases in natural gas, water and waste disposal costs of \$1.1 million, \$0.2 million and \$0.4 million, respectively. Communication cost increased \$0.9 million during FY 2023. Increases in utility and communication costs are attributed to both the rise in utility rates and communication services fees as well as increased passenger traffic experienced during FY 2023.
- Repairs and maintenance
  - Repairs and maintenance expense during FY 2023 increased by \$5.4 million from FY 2022. The change in repairs and maintenance expense is attributable to an overall increase in facility maintenance projects as well as increases in third-party service contracts whose values directly related to the increase in passenger traffic during FY 2023.
- Materials and supplies
  - Materials and supplies expense increased \$5.5 million from FY 2022 to FY 2023. The majority of this increase related to overall increases in the usage of general operating, electrical and office supplies.



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These increases were attributable to the increase in passenger and activity volumes which occurred in FY 2023.

- Administrative
  - Administrative expense increased \$2.2 million from FY 2022 to FY 2023. The majority of this increase related to bad debt expense, other administrative expense, and bank charges. Bad debt expense increased \$0.4 million from FY 2022 to FY 2023. This increase was directly correlated with the rise in revenue, reflecting the greater volume of transactions and accounts receivable generated. Other administrative expenses increased by \$0.3 million from FY 2022 to FY 2023, primarily due to the cost paid for World Routes hosting fees in FY 2023. Additionally, Bank charges also increased \$0.5 million in FY 2023, attributed to increased banking and credit card fees.

Discussion of FY 2022 Operating Expenses

For FY 2022, the Department's total operating expenses were \$222.4 million, an decrease of \$9.0 million from \$231.4 million in FY 2021. This can be primarily attributed to the following significant changes:

- Salaries and benefits
  - Salaries and benefits decreased by \$29.0 million from FY 2021 to FY 2022. A significant driver to the decrease is a decrease in pension expense. Pension expense was \$29.9 million in FY 2021 vs \$0.6 million in FY 2022 which is a decrease of \$29.3 million. Pension expense is recorded based upon actuarial analysis. See Note 5, "Retirement System" for further details related to the assumptions used in estimating pension expense. In addition, OPEB expense decreased by \$2.9 million and retirement contribution decreased by \$1.2 million from FY 2021 to FY 2022. See Note 6, "Other Post Employment Benefits" for further detail. Lastly, health insurance expense decreased by \$0.7 million in FY 2022. These decreases were offset with an increase in salaries and wages in the amount of \$5.2 million. The increase is driven by a County paid bonus of \$1,500 to all employees in FY 2022. In addition, the full time headcount increased by 0.3% from FY 2021 to FY 2022.
- Professional services
  - Professional services costs during FY 2022 increased by \$5.8 million from FY 2021. The change in professional services costs is attributable to the recovery of COVID-19 pandemic where cost cutting strategies were in practice during FY 2021. The increase in professional service contracts is mainly attributable to the Department increasing the levels of scope of services as passengers returned. Offsetting the increase was the \$0.1 million decrease in other professional service fee and \$1.6 million

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decrease in software support expenses from FY 2021 to FY 2022, which is driven by the Department's implementation of GASB 96 (Refer to Note 1 for additional details).

- Utilities and communication
  - Utilities and communication costs during FY 2022 increased by \$3.0 million from FY 2021. The change in utilities and communication costs is attributable to increases in electricity costs of \$1.4 million as well as increases in natural gas, water and waste disposal costs of \$0.6 million, \$0.5 million and \$0.4 million, respectively. Increases in utility costs is a direct result of the Department reopening all of its facilities as passenger traffic returned from pandemic levels during FY 2022.
- Repairs and maintenance
  - Repairs and maintenance expense during FY 2022 increased by 3.8 million from FY 2021. The change in repairs and maintenance expense is attributable to an overall increase in general facility maintenance as the Department reopened all of its facilities following the COVID-19 pandemic as well as increases in third-party service contracts whose values directly related to the increase in passenger traffic during FY 2022.
- Materials and supplies
  - Materials and supplies expense increased \$5.3 million from FY 2021 to FY 2022. The majority of this increase related to overall increases in the usage of general operating, electrical and office supplies. These increases were attributable to the increase in passenger and activity volumes which occurred in FY 2022.

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**Non-Operating Revenues and Expenses**

The following table summarizes non-operating revenues and expenses for the fiscal years ended June 30 (in thousands):

	2023	2022*	2021	Change			
				2023 vs 2022		2022 vs 2021	
Passenger Facility Charge revenue	\$ 110,473	\$ 94,026	\$ 58,899	\$ 16,447	17.5%	\$ 35,127	59.6%
Jet A Fuel Tax revenue	17,295	15,708	8,242	1,587	10.1%	7,466	90.6%
Interest and investment income (loss)							
Unrestricted	9,605	(21,127)	5,934	30,732	(145.5%)	(27,061)	(456.0%)
Restricted	9,288	(7,301)	(284)	16,589	(227.2%)	(7,017)	2,470.8%
PFC	1,589	(1,688)	(846)	3,277	(194.1%)	(842)	99.5%
Unrealized gain on investments - derivative instruments	8,411	20,981	20,276	(12,570)	(59.9%)	705	3.5%
Interest expense	(87,916)	(94,167)	(99,125)	6,251	(6.6%)	4,958	(5.0%)
Net gain (loss) from disposition of capital assets	7,826	39,103	(2,653)	(31,277)	(80.0%)	41,756	(1,573.9%)
Other non-operating revenue	9,264	2,805	7,853	6,459	230.3%	(5,048)	(64.3%)
ARPA Grants	156,018	9,695	—	146,323	100.0%	9,695	0.0%
CRRSA Grants	2,031	39,728	36	(37,697)	(94.9%)	39,692	100.0%
CARES Act Airport Grant	—	—	147,193	—	202.5%	(147,193)	(100.0%)
	<u>\$ 243,884</u>	<u>\$ 97,763</u>	<u>\$ 145,525</u>	<u>\$ 146,121</u>	149.5%	<u>\$ (47,762)</u>	(32.8%)

\*Refer to Note 1 "Accounting Changes and Restatement"

Discussion of FY 2023 Non-Operating Revenues/Expenses

For FY 2023, net non-operating revenue increased \$146.1 million, from \$97.8 million net non-operating revenue in FY 2022 to \$243.9 million net non-operating revenue in FY 2023. This can primarily be attributed to the following significant changes:

- Passenger Facility Charge revenue
  - Passenger Facility Charge revenue increased \$16.4 million in FY 2023 compared to FY 2022. The increase is attributable to the increase in overall passenger activity during FY 2023. Passenger enplanements increased 17.7% in FY 2023 compared to FY 2022.
- Jet A Fuel Tax Revenue
  - Jet A Fuel Tax revenue increased \$1.6 million in FY 2023 compared to FY 2022. This increase is attributable to the increase in aircraft activity at all locations in the Airport System in FY 2023. The increased number of concerts and sporting events, including those at Allegiant Stadium, which opened in late 2020, has significantly contributed to the growth in general aviation traffic to the Las Vegas area.

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- Unrestricted interest and investment income (loss)
  - Unrestricted interest and investment income increased \$30.7 million in FY 2023 compared to FY 2022 which recorded a \$21.1 million loss and can be attributed mainly to significant increases in the rate of return on investments and the fair market value of investments.
- Restricted interest and investment income (loss)
  - Restricted interest and investment income (loss) increased \$16.6 million in FY 2023 compared to FY 2022 which recorded \$7.3 million loss and can be attributed mainly to significant increases in the rate of return on investments and the fair market value of investments.
- PFC interest and investment income (loss)
  - PFC interest and investment income increased \$3.3 million in FY 2023 compared to FY 2022 which recorded \$1.7 million loss and can be attributed mainly to significant increases in the rate of return on investments and the fair market value of investments.
- Unrealized gain on investments – derivative instruments
  - The Department's unrealized gain on investments – derivative instruments decreased from \$21.0 million in FY 2022 to \$8.4 million in FY 2023. The decrease is attributable to fair value changes in investment derivative instruments from FY 2022 to FY 2023.
- Interest expense
  - Interest expense on the Department's outstanding bonds and interest rate swaps decreased by \$6.3 million, to \$87.9 million in FY 2023 from \$94.2 million in FY 2022. The decrease is driven by interest savings from changes in bond premium amortizations, resulting from refundings of the Series 2012B Passenger Facility Charge Bonds and Series 2013A Jet Aviation Fuel Tax Bonds, along with the early redemption of Series 2008C-1, 2008C-2, Series 2008 General Obligation Series A, and 2013B General Obligation Series B Bonds in FY 2023 as well as scheduled debt service pay downs; see Note 8, "Long Term Debt" for further detail. The decrease is also attributable to the decrease of \$0.1 million lease asset interest expense from \$0.8 million in 2022 to \$0.7 million in 2023 resulting from the scheduled amortization of the lease liability. The decrease was partially offsetting by a small increase of \$0.02 million in SBITA interest expense.
- Net gain (loss) from disposition of capital assets
  - Net gain from the disposition of capital assets was \$7.8 million in FY 2023 compared to \$39.1 million in FY 2022. The Department realized \$15.0 million related to land sales in FY 2023 as compared to \$38.9 million FY 2022. In FY 2023, the Department also recorded losses of \$7.3 million on disposal of capital assets, no such charges recorded in FY 2022.

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- Other non-operating revenue
  - Other non-operating revenue increased by \$6.5 million for FY 2023 vs FY 2022, reflecting the net effect of changes in non-operating revenues and expenses from land sales auction and appraisal fees. This increase is primarily attributable to a decrease in fees incurred related to land auction, appraisal, and land publication in the amount of \$5.3 million as compared to FY 2022. In addition, the increase is also due to a non-CMA land sale of \$0.8 million in FY 2023. There were no non-CMA land sale in the previous year.
- ARPA Grants
  - In FY 2023, the Department recognized \$156.0 million in non-operating revenue subsidy from the ARPA Grants compared to \$9.7 million in FY 2022. Refer to Note 1 for additional information related to this subsidy.
- CRRSA Airport Grant
  - In FY 2023, the Department recognized \$2.0 million in non-operating revenue subsidy from the CRRSA Grants compared to \$39.7 million in FY 2022. Refer to Note 1 for additional information related to this subsidy.

Discussion of FY 2022 Non-Operating Revenues/Expenses

For FY 2022, net non-operating revenue increased \$47.8 million, from \$145.5 million net non-operating expense in FY 2021 to \$97.9 million net non-operating revenue in FY 2022. This can primarily be attributed to the following significant changes:

- Passenger Facility Charge revenue
  - Passenger Facility Charge revenue increased \$35.1 million in FY 2022 compared to FY 2021. The increase is attributable to the increase in overall passenger activity during FY 2022 driven by the COVID-19 pandemic recovery. Passenger enplanements increased 82% in FY 2022 compared to FY 2021.
- Jet A Fuel Tax Revenue
  - Jet A Fuel Tax revenue increased \$7.5 million in FY 2022 compared to FY 2021. This increase is attributable to the additional one-cent per gallon tax collected increase which went into effect on July 1, 2021 and was approved by the Board on June 15, 2021.

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- Unrestricted interest and investment income (loss)
  - Unrestricted interest and investment income decreased \$27.1 million in FY 2022 compared to FY 2021 which recorded \$5.9 million income and can be attributed mainly to significant decreases in the fair market value of investments.
- Restricted interest and investment income (loss)
  - Restricted interest and investment loss recognized a \$7.0 million loss in FY 2022 compared to FY 2021 which recorded \$0.3 million loss and can be attributed mainly to decrease in the fair market value of investments.
- PFC interest and investment income (loss)
  - PFC interest and investment loss recognized \$0.8 million additional loss in FY 2022 compared to FY 2021 which recorded \$0.8 million loss and can be attributed mainly to decreases in the fair market value of investments.
- Unrealized gain (loss) on investments – derivative instruments
  - The Department's unrealized gain (loss) on investments – derivative instruments increased from a loss of \$20.3 million in FY 2021 to a gain of \$21.0 million in FY 2022. The increase is attributable to fair value changes in investment derivative instruments from FY 2021 to FY 2022.
- Interest expense
  - Interest expense on the Department's outstanding bonds, interest rate swaps, lease assets interest, and SBITA interest decreased by \$5.0 million, to \$94.2 million in FY 2022 from \$99.1 million in FY 2021. The decrease is mainly driven by the terminations of 2008 Series A-2, 2008 Series B-2, 2019 Series C, Series 2008D-1, and 2017 Series D in FY 2022 and early redemption of Series 2008D-1 in January 2022 as well as scheduled debt service pay downs; see Note 8, "Long Term Debt" for further detail. The decrease was partially offset by SBITA interest expense related to the implementation of GASB 96. \$0.1 million was recorded for SBITA interest expense for FY 2022 (Refer to Note 1 for additional information regarding the implementation of GASB 96).
- Net gain (loss) from disposition of capital assets
  - Net gain from the disposition of capital assets was \$39.1 million in FY 2022 compared to a net loss of \$2.7 million in FY 2021. The Department realized \$38.9 million related to land sales in FY 2022 as compared to \$9.6 million in the comparable to FY 2021. In FY 2021, the Department recorded impairment charges of \$13.3 million, no such charges recorded in FY 2022.

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- Other non-operating revenue
  - Other non-operating revenue decreased by \$5.0 million in FY 2022 compared to FY 2021. The decrease is attributed to an increase in fees incurred related to land auction, appraisal, land publication in the amount of \$5.0 million as compared to FY 2021.
- ARPA Grant
  - In FY 2022, the Department recognized \$9.7 million in non-operating revenue subsidy from the ARPA Grants. Refer to Note 1 for additional information related to this subsidy.
- CRRSA Airport Grant
  - In FY 2022, the Department recognized \$39.7 million in non-operating revenue subsidy from the CRRSA Grants. Refer to Note 1 for additional information related to this subsidy.

**Capital Contributions**

The following table summarizes capital contributions for the fiscal years ended June 30 (in thousands):

				Change			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
Capital Contributions	\$ 20,379	\$ 16,650	\$ 20,590	\$ 3,729	22.4%	\$ (3,940)	(19.1%)

Discussion of FY 2023 Capital Contributions

Capital contributions during FY 2023 increased by \$3.7 million from FY 2022. The Department recorded \$18.4 million in capital contributions related to amounts reimbursable from the FAA compared to \$13.0 million in FY 2022, an increase of \$5.4 million. The FAA grants represent the Department's portion of entitlement funds allocated to airports in the United States, based on an enplanement formula, in addition to discretionary grants obtained by the Department. The major FAA grant-funded projects in FY 2023, for which the Department received reimbursement, included a purchase of zero emission vehicle infrastructure, a runway and runway incursion mitigation improvement project as well as apron rehabilitation. The Department also received \$2.0 million in donations related to the airport name change fund during FY 2023, which is a decrease of \$1.7 million from FY 2022.

Discussion of FY 2022 Capital Contributions

Capital contributions during FY 2022 decreased by \$3.9 million from FY 2021. The Department recorded \$13.0 million in capital contributions related to amounts reimbursable from the FAA compared to \$18.8 million in FY 2021,

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a decrease of \$5.7 million. The FAA grants represent the Department's portion of entitlement funds allocated to airports in the United States, based on an enplanement formula, in addition to discretionary grants obtained by the Department. The major FAA grant-funded projects in FY 2022, for which the Department received reimbursement, included a holding pad improvements project as well as apron rehabilitation. The Department also received \$3.6 million in donation related to the airport name change fund during FY 2022 which is an increase of \$2.6 million from FY 2021. The Department recognized \$0.8 million related to the security camera system upgrade project under TSA OTAs in FY 2021 while no subsidy related to TSA OTAs was recorded in FY 2022.

**Change in Net Position and Ending Net Position**

	2023	2022*	2021	Change			
				2023 vs 2022		2022 vs 2021	
Change in net position	\$ 354,032	\$ 204,714	\$ 154,288	\$ 149,318	72.9%	\$ 50,426	32.7%
Ending net position	2,240,385	1,886,353	1,681,639	354,032	18.8%	204,714	12.2%

\*Refer to Note 1 "Accounting Changes and Restatement"

The change in net position is comprised of the changes in operating revenues, operating expenses, non-operating revenues and expenses, capital contributions and capital asset activity. Refer to commentary throughout the MD&A for additional details related to these changes.

**Outstanding Debt**

The following table summarizes outstanding debt obligations for the fiscal years ended in June 30 (in thousands):

	2023	2022	2021	Change			
				2023 vs 2022		2022 vs 2021	
Senior lien bonds	\$ 754,995	\$ 754,995	\$ 778,630	\$ —	—%	\$ (23,635)	(3.0%)
Subordinate lien bonds	1,119,375	1,301,395	1,460,220	(182,020)	(14.0%)	(158,825)	(10.9%)
PFC bonds	410,135	466,615	519,040	(56,480)	(12.1%)	(52,425)	(10.1%)
Junior subordinate lien and Jet A bonds	155,540	180,450	185,985	(24,910)	(13.8)%	(5,535)	(3.0%)
General obligation bonds	—	76,020	76,020	—	(100)%	—	—%
Total bonded debt principal outstanding	2,440,045	2,779,475	3,019,895	(339,430)	(12.2%)	(240,420)	(8.0%)
Unamortized premiums	163,638	200,784	237,251	(37,146)	(18.5%)	(36,467)	(15.4%)
Unamortized discounts	(7,045)	(8,046)	(9,051)	1,001	(12.4%)	1,005	(11.1%)
Imputed debt from termination of hedges	—	—	1,962	—	—%	(1,962)	(100.0%)
Current portion of long term debt	(162,355)	(302,725)	(335,290)	140,370	(46.4%)	32,565	(9.7%)
Total outstanding long-term debt obligations	<u>\$ 2,434,283</u>	<u>\$ 2,669,488</u>	<u>\$ 2,914,767</u>	<u>\$ (235,205)</u>	<u>(8.8%)</u>	<u>\$ (245,279)</u>	<u>(8.4%)</u>



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Discussion of FY 2023 Debt

Total outstanding bonded debt for FY 2023 was \$2,440.0 million, a decrease of \$339.4 million, from \$2,779.5 million in FY 2022. The decrease was primarily related to scheduled principal payments made during FY 2023, the early redemption of Series 2008C-2, Series 2008C-3, Series 2008A GO, and Series 2013B GO in January 2023, and the refunding of Series 2012B and Series 2013 Jet A to Series 2022B and Series 2022 Jet A in November 2022. Refer to Note 8 for additional information related to the outstanding debt and early redemption transactions executed in FY 2023. A portion of the outstanding debt during FY 2023 was at a naturally or synthetically fixed interest rate debt, due to interest rate swap agreements. Refer to Note 9 for further detail regarding the Department's swap portfolio.

The Department's credit ratings remained unchanged from FY 2022 to FY 2023 (Refer to Note 15 for related credit rating changes subsequent to FY 2023).

Discussion of FY 2022 Debt

Total outstanding bonded debt for FY 2022 was \$2,779.5 million, a decrease of \$240.4 million, from \$3,019.9 million in FY 2021. The decrease was primarily related to scheduled principal payments made during FY 2022. (Refer to Note 8 for additional information related to the outstanding debt and refunding transactions executed in FY 2022). A portion of the outstanding debt during FY 2022 was at a naturally or synthetically fixed interest rate debt, due to interest rate swap agreements. Refer to Note 9 for further detail regarding the Department's swap portfolio.

On May 13, 2022, S&P Global Ratings raised its long-term rating and underlying rating to AA- from A+ on the Department's senior airport system bonds and raised to A+ from A- the long-term rating and underlying rating on the Department's subordinate lien debt and PFC revenue debt, the junior-subordinate lien, and the underlying rating on the jet aviation fuel tax bonds. Refer to Note 8 for further detail regarding long-term debt obligations.

**Looking Forward**

Each fiscal year, the Department updates its five-year capital improvement plan. The Department's current, comprehensive five-year capital improvement plan, includes projects funded by bonds, notes, and federal awards. The Signatory Airlines serving the Department have input into all major projects in the capital improvement plan. The capital improvement account consists of the Department's gaming revenue, the net cash flows from the Airport Rent-A-Car Center, and net operating cash flows. Based on the current five-year projection, it is anticipated that future gaming revenues and future cash flows from the rental car facility, along with existing funds, federal grant awards, and federal reimbursements, will adequately fund the capital improvement account requirements.

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Almost all of the airlines who were flying into the Las Vegas area before the COVID-19 pandemic have returned. During FY 2023, Korean Air resumed operations at the Airport. Las Vegas continues to promote and draw large scale events, including many major sporting events. The Airport anticipates hosting many large event passengers in the near future as more events are scheduled to be hosted at Allegiant Stadium, including the Super Bowl in February 2024. Las Vegas will also host Formula 1's Las Vegas Grand Prix in November 2023 and is planned to host the annual race over the next ten years. In addition, the opening of "The Sphere", a new entertainment venue in September 2023, is expected to attract additional special entertainment events to the Las Vegas area.

**Additional Information**

This financial report is designed to provide a general overview of the Department's finances. For questions about this report or for additional financial information, please contact the Finance Division, Clark County Department of Aviation, at P.O. Box 11005, Las Vegas, NV 89111-1005. Financial and statistical information for the Department may also be found at [www.harryreidairport.com](http://www.harryreidairport.com).

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**Statements of Net Position**

**June 30, 2023 and 2022**

<b>Assets and Deferred Outflows of Resources</b>	<b>2023 (000)</b>	<b>2022* (000)</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 669,422	\$ 638,422
Cash and cash equivalents, restricted	73,475	89,339
Investments, restricted	106,210	61,970
Accounts receivable, net of allowance of \$718 and \$457	49,422	51,174
Accounts receivable, restricted	14,295	10,570
Interest receivable	2,732	1,295
Interest receivable, restricted	4,074	643
Grants receivable, restricted	3,993	15,360
Lease receivable	15,588	13,296
Other receivables, restricted	13,207	7,860
Inventories	10,218	9,308
Prepaid expenses and other	2,512	1,461
<b>Total current assets</b>	<b>965,148</b>	<b>900,698</b>
<b>Non-current assets:</b>		
<b>Capital assets:</b>		
<b>Capital assets not being depreciated</b>		
Construction in progress	76,886	43,163
Land	705,795	706,973
Land, restricted	13,018	13,018
Perpetual aviation easement	332,562	332,562
<b>Capital assets being depreciated/amortized</b>		
Land improvements	1,814,641	1,798,565
Buildings and improvements	3,720,290	3,706,530
Furniture and fixtures	36,770	36,835
Machinery and equipment	626,515	633,701
Right of use - leased building	19,085	28,686
Right of use - SBITA	7,562	6,175
	<b>7,353,124</b>	<b>7,306,208</b>
<b>Accumulated depreciation/amortization</b>	<b>(3,450,715)</b>	<b>(3,284,403)</b>
<b>Capital assets, net</b>	<b>3,902,409</b>	<b>4,021,805</b>
<b>Other non-current assets:</b>		
Cash and cash equivalents, restricted	398,683	319,700
Investments, restricted	13,833	82,268
Net other post employment benefits asset, restricted	—	24,683
Derivative instruments - interest rate swaps	10,248	8,861
Lease receivable	42,862	20,872
Prepaid expenses	111	133
<b>Total other non-current assets</b>	<b>465,737</b>	<b>456,517</b>
<b>Total non-current assets</b>	<b>4,368,146</b>	<b>4,478,322</b>
<b>Total assets</b>	<b>5,333,294</b>	<b>5,379,020</b>
<b>Deferred outflows of resources:</b>		
Pension	83,114	60,564
Other post employment benefits	16,179	20,089
Hedging derivative instruments	—	1,040
Losses on bond refundings and on imputed debt	12,367	14,579
<b>Total deferred outflows of resources</b>	<b>111,660</b>	<b>96,272</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 5,444,954</b>	<b>\$ 5,475,292</b>

\*Refer to Note 1 "Accounting Changes and Restatement"

See accompanying notes to financial statements.

**CLARK COUNTY DEPARTMENT OF AVIATION**

**CLARK COUNTY, NEVADA**

**Statements of Net Position**

**June 30, 2023 and 2022**

<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>2023 (000)</b>	<b>2022* (000)</b>
Liabilities:		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and other current liabilities	\$ 67,672	\$ 95,318
Other accrued expenses	14,212	13,813
Rents received in advance	17,922	14,123
Total payable from unrestricted assets	<u>99,806</u>	<u>123,254</u>
Payable from restricted assets:		
Accounts payable and other current liabilities	9,759	9,942
Accrued interest	61,779	62,212
Current portion of long-term debt	162,355	302,725
Total payable from restricted assets	<u>233,893</u>	<u>374,879</u>
Total current liabilities	<u>333,699</u>	<u>498,133</u>
Noncurrent liabilities:		
Payable from unrestricted assets:		
Net pension liability	221,614	106,501
Total other post employment benefits liability	8,404	42,296
Derivative instruments - interest rate swaps	11,573	20,315
Long term lease liabilities	13,368	22,518
Other non-current liabilities	14,191	11,727
Total payable from unrestricted assets	<u>269,150</u>	<u>203,357</u>
Payable from restricted assets:		
Long-term debt, net of current portion	2,434,283	2,669,488
Total payable from restricted assets	<u>2,434,283</u>	<u>2,669,488</u>
Total noncurrent liabilities	<u>2,703,433</u>	<u>2,872,845</u>
Total liabilities	<u>3,037,132</u>	<u>3,370,978</u>
Deferred inflows of resources:		
Pension	9,004	99,499
Other post employment benefits	85,841	72,451
Hedging derivative instruments	7,987	7,308
Leases	55,621	32,636
Unamortized gain on bond refundings	8,984	6,067
Total deferred inflows of resources	<u>167,437</u>	<u>217,961</u>
Net position:		
Net investment in capital assets	1,454,617	1,169,570
Restricted for:		
Capital projects	93,333	61,613
Debt service	235,301	248,505
Other	82,245	89,057
Total restricted	<u>410,879</u>	<u>399,175</u>
Unrestricted	374,889	317,608
Total net position	<u>2,240,385</u>	<u>1,886,353</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,444,954</u>	<u>\$ 5,475,292</u>

\*Refer to Note 1 "Accounting Changes and Restatement"

See accompanying notes to financial statements.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2023 and 2022**

	2023 (000)	2022* (000)
<b>Operating revenues:</b>		
Terminal building and use fees	\$ 155,979	\$ 135,890
Landing fees and other aircraft fees	26,098	28,441
Gate use fees	38,075	20,998
Terminal concession fees	85,472	75,176
Rental car facility and concession fees	86,643	77,684
Parking and ground transportation fees	100,282	83,220
Gaming fees	58,490	53,085
Ground rents and use fees	25,245	24,298
Other	12,949	11,886
	<u>589,233</u>	<u>510,678</u>
<b>Operating expenses:</b>		
Salaries and benefits	152,110	100,780
Professional services	72,851	63,222
Repairs and maintenance	19,998	14,591
Utilities and communication	31,381	22,699
Materials and supplies	20,691	15,239
General administrative	8,468	5,891
	<u>305,499</u>	<u>222,422</u>
Operating income before depreciation and amortization	283,734	288,256
Depreciation and amortization	193,965	197,955
Operating income	<u>89,769</u>	<u>90,301</u>
<b>Non-operating revenues (expenses):</b>		
Passenger Facility Charge	110,473	94,026
Jet A Fuel Tax	17,295	15,708
Interest and investment income (loss)	28,893	(9,135)
Interest expense	(87,916)	(94,167)
Net gain from disposition of capital assets	7,826	39,103
Other non-operating revenue	9,264	2,805
ARPA Airport Grant	156,018	9,695
CRRSA Act Airport Grant	2,031	39,728
	<u>243,884</u>	<u>97,763</u>
Income before capital contributions	333,653	188,064
Capital contributions	20,379	16,650
Change in net position	354,032	204,714
Net position, beginning of year	1,886,353	1,681,639
Net position, end of year	<u>\$ 2,240,385</u>	<u>\$ 1,886,353</u>

\*Refer to Note 1 "Accounting Changes and Restatement"

See accompanying notes to financial statements.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2023 and 2022**

	2023 (000)	2022* (000)
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 544,534	\$ 517,997
Cash paid to employees	(140,560)	(138,276)
Cash paid to outside vendors	(147,625)	(83,836)
Net cash provided by operating activities	<u>256,349</u>	<u>295,885</u>
<b>Cash flows from non-capital financing activities:</b>		
Federal grants and reimbursements received	<u>170,360</u>	<u>37,149</u>
<b>Cash flows from capital and related financing activities:</b>		
Collateralized agreements with swap counterparties	1,090	5,570
Passenger Facility Charges received	106,748	96,126
Jet A Fuel Tax received	17,061	14,868
Acquisition and construction of capital assets	(77,011)	(152,321)
Right of Use - SBITA payments	(1,635)	(1,631)
Federal grants and reimbursements received	17,485	14,570
Bond refunding payments	(7,625)	—
Proceeds from CMA Land sales	109,285	389,667
Payment for CMA Land sales	(94,138)	(358,138)
Proceeds from capital asset disposal	2,592	153
Donations received for airport name change	1,950	3,616
Build America Bonds subsidy	5,775	5,113
<b>Debt service payments:</b>		
Principal	(328,895)	(240,420)
Interest	(121,483)	(126,709)
Lease interest received	576	476
Lease payments	(2,787)	(1,863)
SBITA interest payments	(134)	(117)
Net cash used in capital and related financing activities	<u>(371,146)</u>	<u>(351,040)</u>
<b>Cash flows from investing activities:</b>		
Interest and investment income received (paid)	14,361	(31,324)
Proceeds from maturities of investments	272,194	210,340
Purchase of investments	(247,999)	(241,731)
Net cash provided by (used by) investing activities	<u>38,556</u>	<u>(62,715)</u>
Increase (decrease) in cash and cash equivalents	94,119	(80,721)
Cash and cash equivalents, beginning of year	1,047,461	1,128,182
Cash and cash equivalents, end of year	<u>\$ 1,141,580</u>	<u>\$ 1,047,461</u>
<b>Cash and cash equivalent balances:</b>		
Unrestricted cash and cash equivalents	669,422	638,422
Restricted cash and cash equivalents	472,158	409,039
Cash and cash equivalents, end of year	<u>\$ 1,141,580</u>	<u>\$ 1,047,461</u>

\*Refer to Note 1 "Accounting Changes and Restatement"

See accompanying notes to financial statements.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2023 and 2022**

	2023 (000)	2022* (000)
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 89,769	\$ 90,301
Adjustments to reconcile income from operations to net cash from operating activities:		
Depreciation and amortization	193,965	197,955
Changes in operating assets and liabilities:		
Accounts receivable	1,752	(374)
Other receivables	(537)	221
Inventory	(912)	306
Prepaid expenses	(515)	451
Lease receivables	(24,281)	13,375
Net other post employment benefits asset	24,683	(10,362)
Deferred outflows - pension	(22,549)	(36,683)
Deferred outflows - other post employment benefits	3,910	339
Accrued payroll and benefits	1,390	(3,640)
Accounts payable and other accrued expenses	(41,297)	36,803
Unearned revenue	3,799	6,984
Deposits	71	991
Net pension liability	115,113	(77,447)
Net other post employment benefits liability	(33,892)	2,555
Deferred inflows - pension	(90,496)	88,478
Deferred inflows - other post employment benefits	13,391	(736)
Deferred inflows - leases	22,985	(13,632)
Net cash provided by operating activities	<u>\$ 256,349</u>	<u>\$ 295,885</u>
Non-cash capital and related financing and investing activities:		
Capital asset additions with outstanding accounts payable	<u>\$ 14,452</u>	<u>\$ 5,496</u>
Gain on investments - derivative instruments	<u>\$ 8,411</u>	<u>\$ 20,981</u>
Gain (loss) on investments - other investments	<u>\$ 38,129</u>	<u>\$ (30,350)</u>
Refunding bond payments made in escrow account	<u>\$ (94,165)</u>	<u>\$ —</u>
Refunding bond proceeds deposited in escrow account	<u>\$ 83,630</u>	<u>\$ —</u>

\*Refer to Note 1 "Accounting Changes and Restatement"

See accompanying notes to financial statements.



**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Notes to Financial Statements**  
**For the Fiscal Years Ended June 30, 2023 and 2022**

**1.) SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES**

(a) Reporting Entity

The Clark County Department of Aviation (Department) is a department of Clark County (County), a political subdivision of the State of Nevada. The Department, under the supervision of the Board of County Commissioners (Board) and the County Manager, is established to operate Harry Reid International Airport (Airport) and the four other general aviation facilities owned by the County: North Las Vegas Airport, Henderson Executive Airport, Jean Sport Aviation Center, and Overton-Perkins Field (all collectively referred to as the Airport System). The Board is the governing body of the County. The seven Board members are elected from County commission election districts to four-year staggered terms. The Board appoints the Director of Aviation, who is charged with the day-to-day operation of the Department.

Only the accounts of the Department are included in the reporting entity. The Airport System is owned and operated as an enterprise fund of the County and is included as part of the County's government-wide financial statements and the County's Annual Comprehensive Financial Report (ACFR). Therefore, these financial statements do not purport to represent the financial position or changes in financial position of the County as a whole.

(b) Basis of Accounting

The accounting principles used are similar to those applicable to a commercial business enterprise, where the costs of providing services to the public are recovered through user fees. The Department is not subsidized by any tax revenues of the County.

The financial statements of the Department, an enterprise fund, are presented applying the accrual basis of accounting. Revenues are recorded when earned. The Department's operating revenues are derived from fees earned by airlines, concessionaires, tenants, and other users of Airport System facilities. These fees are based on usage fees established by the Department and approved by the Board or established in accordance with the Airline–Airport Use and Lease Agreement, discussed in more detail in the "Airline Rates and Charges" section of this note. Expenses are recognized when incurred. Non-operating revenue/expenses primarily consist of interest income, gains and losses on derivative instruments, Passenger Facility Charge proceeds, Jet A Fuel Tax revenues, interest expense on outstanding Department debt, Build America Bond subsidies, grant funding, and the net gain or loss from the disposition of capital assets.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
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(c) Cash and Cash Equivalents

The Department's pooled funds and short-term investments, having original maturities of three months or less from the date of acquisition, are considered to be cash equivalents.

(d) Investments

Investments, consisting of federal government obligations and repurchase agreements, guaranteed investment certificates, and collateralized investment agreements, are stated at fair value. Investments in the County's pooled Treasurer's cash account are reported at fair value.

(e) Accounts Receivable

Accounts receivable are reported net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on management's assessment of the potential for losses, taking into account historical experience and currently available information.

(f) Inventories

Inventories consist of fuel and supplies which have been valued at cost, parts and supplies which have been valued at average cost, and merchandise for resale to customers which has been valued at lower of cost or market.

(g) Capital Assets

Capital assets with a useful life of more than one year are capitalized and recorded at historical cost except for intangible right-to-use lease and SBITA assets, the measurement of which is discussed below within Note 1 (h). The capitalization threshold is \$5,000. Costs related to the alteration or demolition of existing facilities during major expansion programs are capitalized as additional costs of the program. Depreciation is computed using the straight-line method based on useful lives currently estimated as follows:

Land Improvements	20-50 years
Buildings and Improvements	20-50 years
Furniture and Fixtures	5-15 years
Machinery and Equipment	3-15 years

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Repairs and maintenance costs are charged to operations as incurred, unless they have the effect of improving or extending the life of an asset, in which case they are capitalized as part of the cost of the asset.

(h) Leases and Subscription-Based Information Technology Arrangements

Lessor

The Department leases land, buildings, and terminal space to various tenants and concessionaires under operating agreements. With the adoption of GASB 87, all leases are categorized into three types (1) GASB 87 - Included ("Included") (2) GASB 87 - Exempted - Regulated Lease and (3) Short-term Leases. Refer to Note 12 for further discussion of the lease types. The Department does not recognize a lease receivable and a deferred inflow of resources for short-term leases in accordance with GASB 87. A short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of twelve months or less, including any options to extend, regardless of their probability of being exercised. Public and employee parking monthly rent agreements were considered as short-term leases and excluded from the GASB 87 implementation.

For Included leases, at the inception of a lease, the Department initially measures the lease receivable and the deferred inflow of resource at the present value of lease payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the lease payments received. The deferred inflow of resources is recognized as revenue over the agreement terms. The present value calculation includes the following key inputs: (1) discount rate (2) lease term and (3) lease payments.

The Department will closely monitor changes in circumstances that would requirement the remeasurement of the present value of each lease.

Lessee

The Department entered into a twenty-two year lease agreement for use of an administrative office building. Similar to the Lessor side, key estimates for present value calculation includes (1) discount rate (2) lease term and (3) lease payments.

At the commencement of a lease, the Department initially measures the lease payable and the right of use - leased building asset at the present value of the lease payments expected to be paid until the end of the lease term.

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Subsequently, the lease payable is reduced by the lease payments paid. The right of use - leased building asset is amortized over the agreement shorter of the estimated useful life of the asset or the agreement period.

The Department will closely monitor changes in circumstances that would require the remeasurement of the present value of each lease.

#### SBITA

The Department entered into various Subscription-Based Information Technology Arrangements (SBITAs) for operational, security, and productivity software. Similar to the lease arrangements, key estimates for the present value calculation for SBITAs include (1) the discount rate, (2) the duration of the subscription agreement, and (3) the subscription payments.

At the inception of a subscription, the Department initially measures the SBITA payable and the right-of-use SBITA asset at the present value of the subscription payments expected to be paid over the term of the agreement. Subsequently, the SBITA payable is reduced by the subscription payments made. The right-of-use SBITA asset is amortized over the shorter of the estimated useful life of the asset or the contract period.

The Department continually monitors changes in circumstances that would require the remeasurement of the present value of each SBITA.

#### (i) Derivative Instruments

The Department has both hedging derivative instruments and investment derivative instruments, which are reported at fair value.

#### (j) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods, and would not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows from losses on bond refundings and on imputed debt are unamortized balances resulting from advance bond refundings and deferred losses incurred on the re-association and revaluation of interest rate swaps paired to certain bonds that were refunded. The hedging instruments generate deferred outflows from the changes in the fair value of interest rate swaps serving as hedging derivative instruments at the end of the fiscal year. The pension related amounts resulted

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from the Department's pension contributions subsequent to the plan measurement date, changes in proportion since the prior measurement date, and differences between expected and actual experience with economic and demographic factors. The other post employment benefits related amounts resulted from the Department's other post employment benefit plans contributions and benefit payments subsequent to the plan measurement date, as well as differences between expected and actual experience with economic and demographic factors.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows from refundings are unamortized balances resulting from advance bond refundings. Deferred inflows from the derivative instruments are the changes in the fair value of interest rate swaps serving as hedging derivative instruments at the end of the fiscal year. Deferred inflows from leases are unamortized balances of the lease payments that are recognized in future periods over the lease term. Deferred inflow balances resulting from the the pension amounts resulted from the difference between projected and actual experience with economic and demographic factors, the difference between projected and actual investment earnings, changes in proportionate share of collective net pension liability, and the difference between employee contributions and proportionate share of contributions. The other post employment benefit related amounts resulted from changes in actuarial assumptions, differences between expected and actual experience with economic and demographic factors, and the net excess of actual investment earnings over projected investment earnings on the Department's other post employment plan investments.

(k) Federal Grants and Other Transaction Agreements

Amounts received from Federal Aviation Administration (FAA) grants and Transportation Security Administration (TSA) other transaction agreements (OTAs) are restricted for certain capital improvements and are reported as capital contributions. Such funds are generally available for reimbursement upon the acquisition of the specific asset or upon the incurrence of costs for a project and are accrued as receivables at that time.

In February 2021, the Department was notified of its eligibility for \$41.8 million of funds under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The FAA distributes these grants under the new Airport Coronavirus Response Grant Program (ACRGP). \$5.3 million is specifically designated for relieving rent and minimum annual guarantees for concessionaires. The Department has recognized \$2.0 million and \$39.7 million from the CRRSAA in non-operating revenue for FY 2023 and 2022, respectively.

On March 11, 2021, the American Rescue Plan Act of 2021 (Rescue Act) was signed into law. The Department was notified of its eligibility to receive \$171.7 million. \$21.2 million is specifically designated for relieving rent and

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minimum annual guarantees for concessionaires. The Department has recognized \$156.0 million and \$9.7 million from the Rescue Act in non-operating revenue for FY 2023 and 2022, respectively.

On November 15, 2021, the Bipartisan Infrastructure Law (BIL) was signed into law to address repairs and maintenance needs for facilities and equipment, airport infrastructure, and air traffic facilities. The Department was awarded \$45.7 million and \$45.7 million from the airport infrastructure program for federal FY 2023 and FY 2022, respectively. Additional to the airport infrastructure program, for federal FY 2023, the Department received two grants totaling \$47.5 million from the airport terminals program to upgrade the baggage handling systems in two terminals to enhance capacity, security, reliability and energy efficiency. No amounts were recognized from the BIL in FY 2022 and FY 2023.

(l) Passenger Facility Charge

The Passenger Facility Charge (PFC) Program allows the collection of PFC fees up to \$4.50 per boarded passenger at commercial airports controlled by public agencies. The Department uses these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition.

The Department recorded \$110.5 million and \$94.0 million in PFC fees for the years ended June 30, 2023 and 2022, respectively.

(m) Airline Rates and Charges

Effective July 1, 2010, the Department entered into a Airline-Airport Use and Lease Agreement (Agreement) with airlines serving the Las Vegas market; the Agreement had a five-year term with a two-year extension option. The Agreement incorporates the lease and use of the terminal complex, apron areas, and airfields at the Airport System. On November 5, 2014, the Board approved an amendment to the Agreement (2014 Amendment) which extended the terms of the Agreement through June 30, 2020. On July 21, 2020, the Board approved an amendment to the Agreement (2020 Amendment) which extended the terms of the Agreement through June 30, 2021 with extension options through June 30, 2030.

The Agreement establishes a residual rate-making methodology for the Airport System through both direct and indirect cost centers. The net cash flows from the Airport System's gaming fees and the Airport Rent-A-Car Center are set aside in a capital improvement account, the balance of which may be used to pay the costs of future capital projects or pay down outstanding Department debt.

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Rates and charges are calculated annually at the beginning of each fiscal year, pursuant to budgeted revenues, expenses, and debt service requirements. The established rates and charges are reviewed and adjusted, if necessary, throughout each fiscal year to ensure that sufficient Department revenues are generated to satisfy all the requirements of the Master Indenture of Trust dated May 1, 2003, as amended, which governs the issuance of certain debt.

At the close of each fiscal year, audited financial data, in conjunction with the balance in the rate stabilization account, will be used to determine if any additional amount is due to or from the Signatory Airlines in accordance with the Agreement (airline true-up). In the event an overpayment is due, the Department will refund such overpayment to the Signatory Airlines; in the event an underpayment is owed, the Department will invoice the Signatory Airlines the underpayment within 30 days of such determination. For the fiscal years ended June 30, 2023 and 2022, the Department recorded a payable due to the airlines of \$22.0 million and \$71.4 million, respectively.

Certain airline landing fees, terminal building rentals, gate use fees, and passenger fees are used to calculate the airline rental and fee revenue, which is used to calculate cost per enplaned passenger. The following is the cost per enplaned passenger for the fiscal years ended June 30, 2023 and 2022:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Airline rental and fee revenue *	\$ 191,746	\$ 160,437
Enplaned passengers * (unaudited)	28,276	24,025
Cost per enplaned passenger	\$ 6.78	\$ 6.68

\* Figures are reported in thousands.

(n) Restricted Assets and Liabilities

Restricted assets consist of cash, investments, and other resources that are legally restricted to certain uses pursuant to the Master Indenture of Trust dated May 1, 2003. Capital program funds are restricted to pay the cost of certain capital projects as defined in various bond ordinances. PFC program funds are restricted to pay the cost of FAA-approved capital projects and any debt service incurred to finance these projects. Debt service funds are restricted to sourcing payments for principal, interest, sinking funds, and coverage as required by specific bond covenants.

(o) Budgetary Control

As an enterprise fund of the County, the Department is subject to the budgetary requirements of the State of Nevada (State), including budgetary hearings and public meetings as required by the County's overall budget

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process. Accordingly, the Board approves the Department's annual budget and any subsequent changes thereto. The Department's budget is prepared using the accrual basis of accounting, and actual expenses cannot exceed total budgeted operating expenses without action pursuant to the State's budgetary requirements. Appropriations for operating expenses lapse at the end of each fiscal year.

(p) Use of Estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles in the United States of America requires the Department to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates and assumptions.

(q) Net Position

Net position represents all assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net position is displayed in the Statements of Net Position in the following categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted: Net position subject to externally imposed stipulations on their use.
- Unrestricted: All remaining net position not meeting the definition of net investment in capital assets or restricted.

When both restricted and unrestricted resources are available for the same purpose, restricted net position is considered to be used first over unrestricted net position.

(r) Name Change

On December 2021, the Airport officially changed its name to Harry Reid International Airport. As stipulated by the Board's direction, all funds expended to effect the Airport name change must come from private donations. The total estimated amount for this project is \$7.7 million. The Department received donations totaling \$4.6 million in FY 2022. An additional \$2.0 million in donations was received during FY 2023.



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(s) Accounting Changes and Restatements

The Department adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), effective for the period beginning July 1, 2022 and reflected in the financial statements for the period beginning July 1, 2021 for comparability purposes. The implementation of this standard requires recognition of certain intangible assets and corresponding liabilities for subscription-based IT arrangements that previously were treated as service contracts, recognizing expenses as the services were used or as payments became due. GASB 96 establishes a unified approach to accounting for subscription-based IT arrangements based on the foundational principle that these arrangements convey control of the right to use a subscription-based IT software as an intangible asset, including additional note disclosure. Under this Statement, subscription-based IT arrangements is required to recognize a right-to use subscription asset and a corresponding subscription liability.

The net adjustment to adopt the standard is now reflected for the period beginning July 1, 2021. Additional adjustments reclassification of subscription expenses and related costs in accordance with GASB 96 during FY 2022. Adjustments related to the accounting change are all summarized as follows (in thousands):

	July 1, 2021- as Restated - related to GASB 96	GASB 96- Effect of Adoption	June 30,2022- As Restated
<b>Statement of Net Position</b>			
Right of use - SBITA	\$ 1,035	\$ 5,140	\$ 6,175
Accumulated Amortization - SBITA	—	(1,216)	(1,216)
SBITA Liability - current portion	484	1,067	1,551
SBITA Liability - long term portion	551	2,442	2,993
Net Position-Unrestricted	—	415	317,608
<b>Statement of Revenues, Expenses, and Changes in Net Position</b>			
Professional services	\$ —	\$ (1,693)	\$ 63,222
General administrative	—	(55)	5,891
Depreciation and Amortization	—	1,216	197,955
Interest expense	—	117	(94,167)
Change in net position	—	415	204,714

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(t) Reclassifications

Certain minor reclassifications have been made in the fiscal year 2022 financial statements to confirm to the fiscal year 2023 presentation. There was no impact on net position or changes in net position.

**2.) CASH AND INVESTMENTS**

According to Nevada Revised Statutes, County monies must be deposited with federally insured banks, credit unions, or savings and loan institutions situated within the County. The County is authorized to use demand accounts, time accounts, and certificates of deposit. State statutes do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as that described for permissible investments. Permissible investments are similar to the allowable County investments described below, except the statutory language permits a longer term and include securities issued by municipalities within Nevada.

The County's deposits are fully covered by federal depository insurance or collateral held by the County's agent in the County's name. The County has written custodial agreements in force with the various financial institutions' trust banks for demand deposits and certificates of deposits. These custodial agreements pledge securities totaling 102% of the deposits with each financial institution. The County has a written agreement with the State Treasurer for monitoring the collateral maintained by the County's depository institutions.

The majority of all cash and investments of the Department are included in the investment pool of the Clark County Treasurer (Treasurer) and the Department's Trustee, the Bank of New York Mellon. As of June 30, 2023 and 2022, these amounts were distributed as follows (in thousands):

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Clark County Investment Pool	\$ 865,886	\$ 808,654
Cash and Investments with Trustee	381,025	369,733
Custodian Account	9,140	8,050
Cash On Hand or In Transit	5,572	5,262
Total	<u>\$ 1,261,623</u>	<u>\$ 1,191,699</u>

(a) Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to fair value losses arising from

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increasing interest rates by limiting the average weighted duration of its investment pool to fewer than 2.5 years. Duration is a measure of the present value of a fixed income security's cash flows and is used to estimate the sensitivity of a security's price to interest rate changes.

(b) Interest Rate Sensitivity

As of June 30, 2023 and 2022, the County invested in the following types of securities that have a higher sensitivity to interest rates:

- *Callable securities* are directly affected by the movement of interest rates. Callable securities allow the issuer to redeem, or call, a security before maturity, either on a given date or, generally, on coupon dates.
- *Asset Backed Securities* are financial securities backed by a loan, lease, or receivable against assets other than real estate and mortgage backed securities. These securities are subject to interest rate risk in that the value of the assets fluctuates inversely with changes in the general levels of interest rates.
- *A Corporate Note Floater* is a note with a variable interest rate that is usually, but not always, tied to an index.
- *Step-up or step-down securities* have fixed rate coupons for a specific time interval that will step up or step down a predetermined number of basis points at scheduled coupon dates or other reset dates. These securities are callable either one time or on their coupon dates.

(c) Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy applies the prudent-person rule: In investing the County's monies, there shall be exercised the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The County's investments were rated by Moody's Investors Service (Moody's) and Standard & Poor's (S&P) as follows:

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	Moody's	S&P
U.S. Treasury Bills	P-1	A-1+
U.S. Treasury Notes	Aaa	AA+
U.S. Agency Callables	Aaa	AA+
U.S. Agency Non Callables	Aaa	AA+
Corporate Notes	A2	A-
Money Market Funds	Aaa	AAA
Commercial Paper Discount	P-1	A-1
Negotiable Certificates of Deposit	P-1	A-1
Asset Backed Securities	Aaa	AAA

(d) Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy limits the amount that may be invested in obligations of any one issuer, except direct obligations of the U.S. government or federal agencies, to no more than 5% of the County Investment Pool.

At June 30, 2023, the following investments exceeded 5% of the total Department investments:

Federal Farm Credit Bank (FFCB)	6.47 %
Federal Home Loan Bank (FHLB)	6.46 %
Federal National Mortgage Association (FNMA)	6.71 %

As of June 30, 2022, the following investments exceeded 5% of total Department investments:

Federal Farm Credit Banks (FFCB)	10.21 %
Federal Home Loan Banks (FHLB)	6.60 %
Federal National Mortgage Association (FNMA)	13.67 %

(e) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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(f) Trustee Cash

In accordance with the Master Indenture of Trust dated May 1, 2003, as amended, between the County and the Bank of New York Mellon (Trustee), the Department uses the Trustee to retain all debt service reserve funds and to make all annual debt service payments to bondholders. As of June 30, 2023 and 2022, the Trustee held \$381.0 million and \$369.7 million, respectively, of the Department's cash and investments restricted for debt service reserves, bond proceeds, and annual debt service payments.

As of June 30, 2023, of the \$381.0 million held by the Trustee, \$261.0 million in cash and cash equivalents was invested in United States Government Money Market Funds, and \$120.0 million was invested in short- and long-term investments with entities as follows (in thousands):

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 to 3	3 to 5
US Treasury Bills	\$ 38,645	\$ 38,645	\$ —	\$ —
US Treasury Notes	57,824	57,824	—	—
Federal Farm Credit Bank Non-Callables	7,766	1,991	5,775	—
Federal Home Loan Bank Non-Callables	7,750	7,750	—	—
Federal National Mortgage Association Non-Callables	8,058	—	8,058	—
	<u>\$ 120,043</u>	<u>\$ 106,210</u>	<u>\$ 13,833</u>	<u>\$ —</u>

Investment Ratings	Moody's	S&P
US Treasury Bills	P-1	A-1+
US Treasury Notes	Aaa	AA+
Federal Farm Credit Bank Non-Callables	Aaa	AA+
Federal Home Loan Bank Non-Callables	Aaa	AA+
Federal National Mortgage Association Non-Callables	Aaa	AA+

As of June 30, 2022, of the \$369.7 million held by the Trustee, \$225.5 million in cash and cash equivalents was invested in United States Government Money Market Funds, and \$144.2 million was invested in short- and long-term investments with entities as follows (in thousands):

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Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 to 3	3 to 5
US Treasury Bills	\$ 18,990	\$ 18,990	\$ —	\$ —
US Treasury Notes	81,294	24,643	56,651	—
Federal Farm Credit Bank Non-Callables	14,721	6,845	7,876	—
Federal Home Loan Bank Non-Callables	9,519	—	9,519	—
Federal National Mortgage Association Callables	19,714	11,492	8,222	—
	<u>\$ 144,238</u>	<u>\$ 61,970</u>	<u>\$ 82,268</u>	<u>\$ —</u>

Investment Ratings	Moody's	S&P
US Treasury Bills	P-1	A-1+
US Treasury Notes	Aaa	AA+
Federal Farm Credit Bank Non-Callables	Aaa	AA+
Federal Home Loan Bank Non-Callables	Aaa	AA+
Federal National Mortgage Association Callables	Aaa	AA+

**(g) Fair Value of Combined Investments and Derivative Instruments**

The fair value of the Department's investments and derivative instruments as of June 30, 2023 and 2022, is as follows (in thousands):

Investment Type	Fair Value	Fair Value Measurements	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt Securities with Clark County Investment Pool	\$ 865,886	\$ 344,312	\$ 521,574
Debt Securities held by Trustee			
U.S. Treasury Bills	38,645	38,645	—
U.S. Treasury Notes	57,824	57,824	—
Federal Farm Credit Bank Non-Callables	7,766	—	7,766
Federal Home Loan Bank Non-Callables	7,750	—	7,750
Federal National Mortgage Association Non-Callables	8,058	—	8,058
Money Market Funds	260,982	260,982	—
Subtotal	<u>381,025</u>	<u>357,451</u>	<u>23,574</u>
Debt Securities Derivative Instruments			
Derivative Instruments - Assets	10,248	—	10,248
Derivative Instruments - Liability	(11,573)	—	(11,573)
Subtotal	<u>(1,325)</u>	<u>—</u>	<u>(1,325)</u>
Total	<u>\$ 1,245,586</u>	<u>\$ 701,763</u>	<u>\$ 543,823</u>

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Investment Type	Fair Value	Fair Value Measurements	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt Securities with Clark County Investment Pool	\$ 808,654	\$ 255,073	\$ 553,581
Debt Securities held by Trustee			
U.S. Treasury Bills	18,989	18,989	—
U.S. Treasury Notes	81,294	79,144	2,150
Federal Farm Credit Bank Non-Callables	14,722	—	14,722
Federal Home Loan Bank Non-Callables	9,519	—	9,519
Federal National Mortgage Association Non-Callables	19,714	—	19,714
Money Market Funds	225,495	225,495	—
Subtotal	369,733	323,628	46,105
Debt Securities Derivative Instruments			
Derivative Instruments - Assets	8,861	—	8,861
Derivative Instruments - Liability	(20,315)	—	(20,315)
Subtotal	(11,454)	—	(11,454)
Total	\$ 1,166,933	\$ 578,701	\$ 588,232

Securities classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities or offer same-day liquidity at a price of par. Securities classified at Level 2 of the fair value hierarchy are generally valued using a matrix pricing technique. Matrix pricing is the process of estimating the market price of a bond based on the quoted prices of more frequently traded comparable bonds.

### 3.) GRANTS RECEIVABLE

Grants receivable as of June 30, 2023 and 2022, consists of the following (in thousands):

	June 30, 2023	June 30, 2022
Rescue Act	\$ —	\$ 9,040
CRRSA Act	—	3,271
FAA Grants	3,993	3,049
Total	\$ 3,993	\$ 15,360

#### **4.) RESTRICTED ASSETS**

The Master Indenture of Trust requires segregation of certain assets into restricted accounts. The Department has also included Passenger Facility Charges and Jet A Fuel Tax revenue-related assets as restricted assets, because these assets have been pledged for capital projects and debt service. Restricted assets consist of the following at June 30, 2023 and 2022 (in thousands):



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	June 30, 2023	June 30, 2022
Restricted for capital projects:		
Cash and investments - PFC and other bond proceeds	\$ 31,290	\$ 31,533
Cash and investments - PFC	57,777	28,613
Cash and investments - FAA grant reimbursements	8,506	1,885
Accounts receivable - PFC	14,295	10,570
Grant reimbursements receivable	3,993	15,360
Interest receivable	3,931	570
Subtotal restricted for capital projects	119,792	88,531
Restricted for debt service:		
Bond funds:		
Cash and investments - PFC bonds	68,295	66,728
Cash and investments - other bonds	173,551	159,285
Other receivable	10,226	5,113
Subtotal restricted for bond funds	252,072	231,126
Debt service reserves:		
Cash and investments - PFC bonds	36,046	35,174
Cash and investments - other bonds	101,454	138,613
Subtotal restricted for debt service reserves	137,500	173,787
Subordinate and other debt coverage reserves:		
Cash and investments	36,914	32,041
Interest receivable	143	73
Other receivable - Jet A Fuel Tax	2,981	2,747
Subtotal restricted for subordinate and other debt coverage reserves	40,038	34,861
Subtotal restricted for debt service	429,610	439,774
Other restricted assets:		
Cash and investments - Working capital and contingency	25,458	18,681
Cash and investments - Capital fund and rate stabilization	43,770	32,674
Custodian account	9,140	8,050
Net other post employment benefits asset	—	24,683
Land - Heliport facility	3,718	3,718
Land - Henderson runway	9,300	9,300
Subtotal other restricted assets	91,386	97,106
Total restricted assets	\$ 640,788	\$ 625,411
Restricted assets by class:		
Total current assets	\$ 215,254	\$ 185,742
Total capital assets	13,018	13,018
Total other non-current assets	412,516	426,651
Total restricted assets:	\$ 640,788	\$ 625,411

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**5.) RETIREMENT SYSTEM**

Plan Description

Public Employees Retirement System of Nevada (PERS or System) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. The Department contributes, through the County, to the System. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

As of June 30, 2023 and 2022, the Department had a net pension liability of \$221.6 million and \$106.5 million, respectively, which represents the Department's percentages, 14.7% and 15.1%, respectively, of the County's net pension liability. These percentages were determined based on the contributions to PERS by the Department during fiscal years 2022 and 2021, relative to the total contributions to PERS by the County during those fiscal years.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS §286.575-.579.

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Vesting

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

Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/fire members entering the System on or after January 1, 2020, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Police/fire members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with 20 years of service and at any age with 33 1/3 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as police/fire accredited service.

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

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the EPC or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

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The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased or decreased pursuant to NRS §286.421 and §286.450.

The actuarial funding method used is the Entry Age Normal Cost method. It is intended to meet the funding objective and to result in a relatively level long-term contributions requirement as a percentage of salary. For the fiscal years ended June 30, 2022 and 2021, the statutory employer-employee matching rate was 15.50% and 15.25%, respectfully, for regular employees and 22.75% and 22.00%, respectfully, for police or fire employees, and the respective employer- pay contribution rates were 29.75% and 29.25%, respectfully, for Regular employees and 44.00% and 42.50%, respectfully, for police or fire employees.

For the fiscal year ended June 30, 2022, the Department's contributions were \$13.1 million. A total of \$13.8 million was contributed during the fiscal year ended June 30, 2023; these contributions after the measurement date are recognized as a deferred outflow of resources, as further described in the "Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions" section of this note.

#### Summary of Significant Accounting and Reporting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, information about the fiduciary net position of the PERS and additions to or deductions from the PERS fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Basis of Accounting

The underlying financial information used to prepare the pension allocation schedules is based on the PERS financial statements. The PERS financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America that apply to governmental accounting for fiduciary funds.

Contributions for employer pay dates that fall within the PERS fiscal years ending June 30, 2022 and 2021, are used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations.

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The total pension liability is calculated by the PERS actuary. The System’s fiduciary net position is reported in the PERS financial statements, and the net pension liability is disclosed in the PERS notes to the financial statements. An annual report containing financial statements and required information for the System may be obtained at [www.nvpers.org](http://www.nvpers.org), by writing to PERS, 693 W. Nye Lane, Carson City, Nevada 89703- 1599, or by calling (775) 687-4200.

Investment Policy

The System’s policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following is the target asset allocation adopted by the Board as policy as of June 30, 2023 and 2022:

<b>Asset Class</b>	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	0.75%
Private Markets	12%	6.65%

\* As of the plan fiscal years ended June 30, 2022 and 2021, the PERS long-term inflation assumption was 2.50%.

Net Pension Liability

The net pension liabilities as of June 30, 2023 and 2022, were measured as of June 30, 2022 and 2021, respectively, and the total pension liabilities used to calculate the net pension liabilities for those years were determined by actuarial valuations as of those dates. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer’s proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers in the System.

Net Pension Liability Discount Rate Sensitivity

The following table presents the Department's share of the County’s net pension liability as of June 30, 2023, based on the System's net pension liability for the System's fiscal years ended June 30, 2022, calculated using the discount

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rate 7.25%, as well as what the Department's net pension 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 discount rate (in thousands):

Plan Fiscal Year	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
	6.25%	7.25%	8.25%
2022	\$ 340,249	\$ 221,614	\$ 123,721

The following table presents the Department's share of the County's net pension liability as of June 30, 2022, based on the System's net pension liability for the System's fiscal years ended June 30, 2021, calculated using the discount rate 7.25%, as well as what the PERS net pension 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 discount rate (in thousands):

Plan Fiscal Year	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
	6.25%	7.25%	8.25%
2021	\$ 212,039	\$ 106,501	\$ 19,440

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the June 30, 2022 measurement:

Inflation rate:	2.50%
Investment rate of return:	7.25%
Productivity pay increase:	0.50%
Projected salary increases:	
Regular:	4.20% to 9.10%, depending on service*
Police/Fire:	4.60% to 14.50%, depending on service*
	* Rates include inflation and productivity increases
Consumer Price Index:	2.50%
Mortality Table:	Pub-2010 (separate tables for males and females)
Other assumptions:	Same as those used in the June 30, 2022 funding actuarial valuation

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The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the June 30, 2021 measurement:

Inflation rate:	2.50%
Investment rate of return:	7.25%
Productivity pay increase:	0.50%
Projected salary increases:	
Regular:	4.20% to 9.10%, depending on service*
Police/Fire:	4.60% to 14.50%, depending on service*
	* Rates include inflation and productivity increases
Consumer Price Index:	2.75%
Mortality Table:	Pub-2010 (separate tables for males and females)
Other assumptions:	Same as those used in the June 30, 2021 funding actuarial valuation

Actuarial assumptions used in the June 30, 2022 valuations were based on the results of the experience study for the period July 1, 2016, through June 30, 2021. The discount rate used to measure the total pension liability were 7.25% and 7.25% as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2022 and 2021, 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 as of June 30, 2022 and 2021.

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

For the years ended June 30, 2023 and 2022, the Department recognized pension expense of \$29.7 million and \$0.6 million, respectively. At June 30, 2023 and 2022, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

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	Deferred Outflows of Resources		Deferred Inflows of Resources	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Differences between expected and actual experience *	\$ 28,695	\$ 11,797	\$ 158	\$ 750
Changes in assumptions *	28,468	35,360	—	—
Net difference between projected and actual earnings on investments	2,704	—	—	86,900
Changes in proportion and differences between actual contributions and proportionate share of contributions *	9,408	272	8,846	11,849
Contributions to PERS after measurement date	13,839	13,135	—	—
	<u>\$ 83,114</u>	<u>\$ 60,564</u>	<u>\$ 9,004</u>	<u>\$ 99,499</u>

\* FY 2023 Average expected remaining service lives: 5.7 years;  
FY 2022 Average expected remaining service lives: 6.14 years

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$13.8 million will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$13.1 million were recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to the year ended June 30, 2023, will be recognized in pension expense as follows (in thousands):

Fiscal Year	Pension Expense
2024	\$ 8,847
2025	8,621
2026	7,677
2027	29,954
2028	5,172
Thereafter	—



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**6.) OTHER POST EMPLOYMENT BENEFITS (OPEB)**

General Information about the Other Post Employment Benefit (OPEB) Plans

OPEB Plans Administered as Trusts

*Plan Description*

The Clark County Self-Funded (CCSF) OPEB Trust provides OPEB to all permanent full-time employees of Clark County (primary government only and including the Department) enrolled in the Clark County Self-Funded Group Medical and Dental Benefit Plans. The CCSF OPEB Trust is a single-employer, defined benefit OPEB plan administered by Clark County, Nevada. CCSF OPEB Trust issues a publicly available financial report. The report may be obtained at [https://www.clarkcountynv.gov/government/departments/finance/boards\\_and\\_committees.php](https://www.clarkcountynv.gov/government/departments/finance/boards_and_committees.php).

*Benefits Provided*

CCSF OPEB Trust provides medical, dental, vision, and prescription drug benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the Clark County Self-Funded Group Medical and Dental Benefit Plan as a participant with active employees at a blended premium rate as an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the County.

*Basis of Accounting*

For the purposes of measuring the net OPEB asset, net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense, information about the fiduciary net position of CCSF has been determined on the same basis as they are reported by CCSF. Further, additions to or deductions from the CCSF fiduciary position have been determined on the same basis as they are reported by CCSF. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Contributions*

The CCSF OPEB Trust does not have contractually or statutorily required contributions. State law requires health insurance to be provided to retirees at a blended rate. No contributions were made during fiscal year ended June 30, 2023 and 2022.

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*OPEB Plans Not Administered as Trusts*

*Plan Descriptions*

CC RHPP

Clark County Retiree Health Program Plan (CC RHPP) provides OPEB to all permanent full-time employees of Clark County (primary government only and including the Department) enrolled in the health maintenance organization (HMO) Plan. The plan also provides life insurance to eligible retirees of Clark County (primary government only and including the Department). The CC RHPP is a non-trust, single-employer defined benefit OPEB Plan, administered by Clark County, which does not issue stand-alone financial statements. As of January 1, 2022, the fully-insured HMO plan no longer exists and was replaced by a self-insured Exclusive Provider Organization (EPO) plan which now falls under the CCSF OPEB Trust plan. All current and future plan participants covered by the self-funded group medical and dental benefit plan and the life insurance plan fall under the CCSF group.

PEBP

Public Employees' Benefits Plan (PEBP) is a non-trust, agent multiple-employer defined benefit OPEB plan administered by the State of Nevada. Clark County subsidizes eligible retirees' contributions to PEBP. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. The plan is now closed to future retirees, however, County employees who previously met the eligibility requirement for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP with a subsidy provided by the County as determined by the number of years of service. The Department is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who have enrolled in this plan. The subsidy is set by the State Legislature. The PEBP issues a publicly available financial report. The report may be obtained at <https://pebp.state.nv.us/resources/fiscal-utilization-reports/>.

*Benefits Provided*

CC RHPP

CC RHPP provides medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the HMO Plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the County. Benefit payments were \$0.2 million and \$0.3 million during the fiscal years ended June 30, 2022 and 2021, respectively. As of January 1, 2022, CC RHPP was replaced by a self-insured EPO plan which now falls under the CCSF OPEB Trust plan. As a result, there was no longer an OPEB

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liability for the CC RHPP as of measurement date June 30, 2022. Any outstanding balances of benefits payment recorded as deferred inflows of resources were recognized immediately in the current year OPEB expense for CC RHPP, as further described in the "OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources" section of this note.

#### PEBP

PEBP plan provides medical, dental, prescription drug, Medicare Part B, and life insurance coverage to eligible retirees and their spouses. Benefits are provided through a third-party insurer. Benefit payments were \$0.1 million and \$0.1 million during the fiscal years ended June 30, 2022 and 2021, respectively. A total of \$0.1 million in benefit payments were made during the fiscal year ended June 30, 2023; these benefit payments after the plan measurement date are recognized as a deferred outflow of resources, as further described in the "OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources" section of this note.

#### Net OPEB Asset, Net OPEB Liability and Changes in the Net OPEB Liability

As of June 30, 2023, the Department recorded a net OPEB asset of \$0 and a total OPEB liability of \$57.1 million both were measured as of June 30, 2022, and were determined by an actuarial valuation as of that date. As of January 1, 2022, RHPP no longer exists and was replaced by a self-insured EPO plan which now falls under the CCSF OPEB Trust plan. As result, there was no longer an OPEB liability for the RHPP as of June 30, 2022. The combined total OPEB liabilities for CCSF OPEB and PEBP plans exceeded the total CCSF fiduciary net position as of measurement date June 30, 2022, therefore the Department recognized a net OPEB liability of \$8.4 million as of fiscal year ending June 30, 2023. The Department's portion of the CCSF liability is calculated based on the Department's census data for the plan valuation year. The Department's portion of the PEBP OPEB liability is allocated to the Department, based on the proportion of the Department's PEBP subsidy payments as a portion of all PEBP payments made by the County, during the PEBP actuarial valuation year. The Department's CCSF fiduciary net position consists of contributions made by the Department to the CCSF Trust, including adjustments such as investment earnings.

The following table presents the changes in the Department's total OPEB liability during June 30, 2023 (in thousands):

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	CCSF	CC RHPP	PEBP	Total
Total OPEB liability at June 30, 2022	\$ 29,410	\$ 39,964	\$ 2,333	\$ 71,707
Changes recognized for the fiscal year:				
Service cost	1,317	805	—	2,122
Interest cost	3,128	884	49	4,061
Changes of benefits terms	41,463	(41,463)	—	—
Differences between expected and actual experience	(27,037)	—	808	(26,229)
Changes in assumptions or other inputs	7,639	—	(356)	7,283
Benefit payments	(1,468)	(190)	(141)	(1,799)
Net change in total OPEB liability	\$ 25,042	\$ (39,964)	\$ 360	\$ (14,562)
Total OPEB liability at June 30, 2023	<u>\$ 54,452</u>	<u>\$ —</u>	<u>\$ 2,693</u>	<u>\$ 57,145</u>

As of June 30, 2022, the Department recorded a net OPEB asset of \$24.7 million and a total OPEB liability of \$42.3 million, both were measured as of June 30, 2021, and were determined by an actuarial valuation as of June 30, 2020. The CCSF fiduciary net position exceeded the total CCSF OPEB liability as of measurement date June 30, 2021, therefore the Department recognized a net OPEB asset for the CCSF OPEB plan. The remaining total OPEB liability was recognized by the department by combining the total OPEB liabilities for RHPP and PEBP plans. The following table presents the changes in the Department's total OPEB liability during June 30, 2022 (in thousands):

	CCSF	CC RHPP	PEBP	Total
Total OPEB liability at June 30, 2021	\$ 27,553	\$ 37,476	\$ 2,265	\$ 67,294
Changes recognized for the fiscal year:				
Service cost	513	1,586	66	2,165
Interest cost	2,078	860	—	2,938
Changes in assumptions or other inputs	—	379	145	524
Benefit payments	(734)	(337)	(143)	(1,214)
Net change in total OPEB liability	\$ 1,857	\$ 2,487	\$ 68	\$ 4,414
Total OPEB liability at June 30, 2022	<u>\$ 29,410</u>	<u>\$ 39,964</u>	<u>\$ 2,333</u>	<u>\$ 71,707</u>

The Department's fiduciary net position for CCSF as of June 30, 2022 and 2021 was \$48.7 million and \$54.1 million, respectively. The following table presents the changes in the Department's fiduciary net position during June 30, 2023 and 2022, which utilize the measurement dates of June 30 2022 and 2021, respectively (in thousands):

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	2023	2022
	CCSF	CCSF
Beginning CCSF fiduciary net position	\$ 54,093	\$ 41,875
Changes in CCSF fiduciary net position recognized for the fiscal year		
Employer contributions	1,468	734
Net investment income	(5,350)	12,220
Benefit payments	(1,468)	(734)
Administrative expense	(2)	(2)
Net change in CCSF fiduciary net position	(5,352)	12,218
Ending CCSF fiduciary net position	\$ 48,741	\$ 54,093
Net OPEB liability (asset)	\$ 5,711	\$ (24,683)

Employees Covered by Benefit Terms

At June 30, 2022, the valuation date for the June 30, 2023 net OPEB liability, the following employees were covered by the benefit terms for the OPEB plans:

	CCSF	PEBP*	Total
Inactive employees or beneficiaries currently receiving benefit payments	245	42	287
Active employees	1,218	—	1,218
Covered spouses	91	—	91
Total	1,554	42	1,596

\*As of November 1, 2008, PEBP was closed to any new participants.

At June 30, 2020, the valuation date for the June 30, 2022 and 2021 net OPEB asset and liability, the following employees were covered by the benefit terms for the OPEB plans:

	CCSF	CC RHPP	PEBP*	Total
Inactive employees or beneficiaries currently receiving benefit payments	159	246	42	447
Active employees	766	1,368 †	—	2,134
Covered spouses	63	94	—	157
Total	988	1,708	42	2,738

\*As of November 1, 2008, PEBP was closed to any new participants.

† CC RHPP also provides life insurance to eligible retirees. Active employees count included CCSF employees with life insurance.

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Actuarial assumptions and other inputs:

The Net OPEB liability as of June 30, 2023 (using the measurement date of June 30, 2022), was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age normal, based on level percentage of salary
Inflation	2.50%
Discount Rate - CCSF*	6.38%
Discount Rate - PEBP	3.54%
Salary increases	3.00% per annum
Health care cost trend rates	6.50% decreasing to an ultimate rate of 4.0%
Municipal Bond rate	3.54%
Retirees' share of benefit related costs	0% to 100% of premium amounts, based on years of service
Investment return on CCSF assets **	7.50%
Post-retirement mortality rates	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

\* Blending of Bond Buyer 20-Bond GO Index and Expected Return on Assets Assumption. The Department of Aviation OPEB trust is assumed to be depleted by year 2066.

\*\* The long-term expected rate of return on the CCSF OPEB Trust investments was based upon a description of the plan assets invested in Retirement Benefits Investment Fund (RBIF) and Clark County Treasurer Investment Pool.

The Net OPEB liability as of June 30, 2022 (using the a measurement date of June 30, 2021), was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age normal, based on level percentage of salary
Inflation	2.75%
Discount Rate - CCSF*	7.50%
Discount Rate - CC RHPP and PEBP	2.16%
Salary increases	3.00% per annum
Health care cost trend rates	6.75% decreasing to an ultimate rate of 4.00%
Municipal Bond rate	2.16% of Bond Buyer 20-Bond GO Index
Retirees' share of benefit related costs	0% to 100% of premium amounts, based on years of service
Investment return on CCSF assets **	7.50%
Post-retirement mortality rates	Pub-2010 headcount weighted mortality table, projected generationally using Scale MP-2020, applied on a gender-specific basis

\* The discount rate was based on Expected Return on Asset Assumption.

\*\* The long-term expected rate of return on the CCSF OPEB Trust investments was based upon a description of the plan assets invested in Retirement Benefits Investment Fund (RBIF) and Clark County Treasurer Investment Pool.

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Rationale for Assumptions:

For the actuarial valuation dated June 30, 2022, demographic assumptions are based on the Nevada PERS Actuarial Experience Study based on the 2021 Nevada PERS Actuarial Valuation. Salary scale and inflation assumptions are based on the 2021 Nevada PERS Actuarial Valuation. For the actuarial valuation dated June 30, 2020, demographic assumptions are based on the Nevada PERS Actuarial Experience Study based on the 2020 Nevada PERS Actuarial Valuation. Salary scale and inflation assumptions are based on the 2020 Nevada PERS Actuarial Valuation.

Changes in Assumptions

The following are changes in assumptions from the June 30, 2019 plan measurement date to the June 30, 2022 measurement date:

*CCSF*

The discount rate was updated from 7.50% at June 30, 2021 to 6.38% at June 30, 2022, based on the long-term expected return on assets of the plan. The decrease of discount rate was primarily due to the Department's decrease in fiduciary net position compared to prior fiscal year. The fiduciary net position is sufficient to cover all future expected benefit payouts based on the current valuation.

*CC PEBP*

At valuation date June 30, 2023, the discount rate was updated from 2.16% at June 30, 2021 to 3.54% at June 30, 2022, based on the municipal bond rate at that date.

*All Post Employment Benefit Plans*

The following changes in assumptions were noted for all post employment benefit plans, as of the plan measurement dates of June 30, 2022:

- The trend rates were reset to an initial rate of 6.50%, grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study.
- The termination and retirement rates were updated to the rates from the Nevada PERS Actuarial Valuation report as of June 30, 2021.
- The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries' recent mortality study.

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- The inflation rate was updated to 2.50%.

The following are changes in assumptions from the June 30, 2019 plan measurement date to the June 30, 2020 and 2021 measurement date:

*CCSF*

The discount rate was updated from 5.26% at June 30, 2019 to 7.50% at June 30, 2020 and June 30, 2021, based on the long-term expected return on assets of the plan. The increase of discount rate was primarily due to the department's increase in fiduciary net position compared to prior fiscal year. The fiduciary net position is sufficient to cover all future expected benefit payouts based on the current valuation.

*CC RHPP and PEBP*

At valuation date June 30, 2022, the discount rate was updated from 2.21% at June 30, 2020 to 2.16% at June 30, 2021, based on the municipal bond rate at that date.

*All Post Employment Benefit Plans*

The following changes in assumptions were noted for all post employment benefit plans, as of the plan measurement dates of June 30, 2021 and 2020:

- The trend rates were reset to an initial rate of 7.00% (6.00% for post-Medicare), grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study; current economic environment suggest a longer period until reaching the ultimate rate.
- The marriage assumption is updated to 30% based on the current retiree population data.
- The plan election rate is updated to 80% PPO, and 20% HMO based on the current retiree elections.
- The mortality tables were updated to utilize the Pub-2010 table with the MP-2020 improvement scales (previously the RP 2014 with MP-2018 scales).

Discount Rate Information and Discount Rate Sensitivity

CCSF

The discount rates used to measure the Department's net OPEB liability was 6.38% as of June 30, 2022 and 7.50% as of June 30, 2021. As of measurement date June 30, 2022, the Department's portion of the Clark County CCSF OPEB



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Trust Assets, when projected in accordance with the method prescribed by GASB 75, is expected to be sufficient to make benefit payments to current members. The projection of cash flows used to determine the discount rate assumed employer and plan member contributions will be made at the current contribution rate. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the OPEB Plan's assets were projected to be sufficient to make projected future benefit payments for current plan members through the year 2066 for the Department. Payments after that date would need to be funded by employer assets.

The following presents the CCSF net OPEB asset, as of June 30, 2023, as well as what the CCSF net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage point higher than the current discount rate (in thousands):

	1% Decrease in Discount Rate 5.38%	Discount Rate 6.38%	1% Increase in Discount Rate 7.38%
CCSF	\$ 15,068	\$ 5,711	\$ (1,789)

The following presents the CCSF net OPEB liability, as of June 30, 2022, as well as what the CCSF net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage point higher than the current discount rate (in thousands):

	1% Decrease in Discount Rate 6.50%	Discount Rate 7.50%	1% Increase in Discount Rate 8.50%
CCSF	\$ (18,457)	\$ (24,683)	\$ (29,532)

CC RHPP and PEBP

The following presents CC RHPP and PEBP OPEB liabilities of the department, as of June 30, 2023, as well as what the OPEB liabilities would be if they were calculated using a discount rate that is 1- percentage-point lower or 1- percentage point higher than the current discount rate (in thousands):

	1% Decrease in Discount Rate 2.54%	Discount Rate 3.54%	1% Increase in Discount Rate 4.54%
CC RHPP	\$ —	\$ —	\$ —
PEBP	\$ 3,038	\$ 2,693	\$ 2,408

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The following presents CC RHPP and PEBP OPEB liabilities of the department, as of June 30, 2022, as well as what the OPEB liabilities would be if they were calculated using a discount rate that is 1- percentage-point lower or 1- percentage point higher than the current discount rate (in thousands):

	1% Decrease in Discount Rate 1.16%	Discount Rate 2.16%	1% Increase in Discount Rate 3.16%
CC RHPP	\$ 48,430	\$ 39,969	\$ 33,379
PEBP	\$ 2,677	\$ 2,328	\$ 2,044

Healthcare Cost Trend Rate Sensitivity

The following presents the total net OPEB (asset) liability of the Department as of June 30, 2023, as well as what the Department's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease Ultimate 3.0%	Trend Rates Ultimate 4.0%	1% Increase Ultimate 5.0%
CCSF	\$ (1,980)	\$ 5,711	\$ 15,292
RHPP	—	—	—
PEBP	2,420	2,693	3,017

The following presents the total net OPEB liability of the Department as of June 30, 2022, as well as what the Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease Ultimate 3.0%	Trend Rates Ultimate 4.0%	1% Increase Ultimate 5.0%
CCSF	\$ (29,545)	\$ (24,683)	\$ (18,503)
RHPP	33,363	39,969	48,368
PEBP	2,057	2,328	2,651

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For year ended June 30, 2023, the Department recognized OPEB expense of \$11.1 million. The OPEB Expense by OPEB plan type, for the years ended June 30, 2023 and 2022, is as follows (in thousands):

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	CCSF	CC RHPP	PEBP	VSP*	Total
2023	\$ 33,040	\$ (23,937)	\$ 508	\$ 1,454	\$ 11,065
2022	\$ (10,448)	\$ 3,839	\$ 214	\$ —	\$ (6,395)

\*On May 19, 2020, the Clark County Board approved the Voluntary Separation Program (VSP) that offered payment to employee health insurance premiums for 24 months. VSP program ended in fiscal year 2023.

At June 30, 2023 and 2022, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB, from the following sources (in thousands):

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>CCSF</b>				
Differences between expected and actual experience	\$ 150	\$ 210	\$ 47,173	\$ 24,864
Changes of assumptions or other inputs	7,027	—	32,994	37,641
Net excess of actual over projected earnings on OPEB plan investments	7,482	—	5,674	7,708
Contributions made after the measurement date	1,300	1,468	—	—
<b>CCSF Total</b>	<b>15,959</b>	<b>1,678</b>	<b>85,841</b>	<b>70,213</b>
<b>CC RHPP</b>				
Differences between expected and actual experience	—	9,066	—	—
Changes of assumptions or other inputs	—	9,014	—	2,238
Benefit payments made after the measurement date	—	190	—	—
<b>RHPP Total</b>	<b>—</b>	<b>18,270</b>	<b>—</b>	<b>2,238</b>
<b>PEBP</b>				
Benefit payments made after the measurement date	111	141	—	—
<b>PEBP Total</b>	<b>111</b>	<b>141</b>	<b>—</b>	<b>—</b>
<b>VSP</b>				
Benefit payments made after the measurement date	109	—	—	—
<b>VSP Total</b>	<b>109</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Combined amounts, all plans</b>				
Differences between expected and actual experience	150	9,276	47,173	24,864
Changes of assumptions or other inputs	7,027	9,014	32,994	39,879
Net excess of actual over projected earnings on OPEB plan investments	7,482	—	5,674	7,708
Contributions and benefit payments made after the measurement date	1,520	1,799	—	—
<b>Total, all plans</b>	<b>\$ 16,179</b>	<b>\$ 20,089</b>	<b>\$ 85,841</b>	<b>\$ 72,451</b>

The amount of \$1.5 million reported at June 30, 2023 as deferred outflows of resources related to OPEB from the Department's benefit payments subsequent to June 30, 2022 (the measurement date), will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. The amount of \$1.8 million at June 30, 2022,

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reported as deferred outflows of resources related to OPEB from the Department’s contributions subsequent to the measurement date at June 30, 2021, was recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources, related to OPEB, will be recognized in OPEB expense as follows (in thousands):

For the fiscal year ending June 30,	CCSF	CC RHPP	PEBP	Total
2024	\$ (8,837)	\$ —	\$ —	\$ (8,837)
2025	(8,683)	—	—	(8,683)
2026	(7,999)	—	—	(7,999)
2027	(5,522)	—	—	(5,522)
2028	(7,392)	—	—	(7,392)
Thereafter	(32,749)	—	—	(32,748)
	<u>\$ (71,182)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (71,182)</u>

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**7.) CHANGES IN CAPITAL ASSETS**

Capital asset activity, including the adjustment related to GASB 96, for the years ended June 30, 2023 and 2022 was as follows (in thousands):

	July 1, 2022 (as restated)	Additions	Deletions	June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 719,991	\$ 50	\$ (1,228)	\$ 718,813
Avigation easement	332,562	—	—	332,562
Construction in progress	43,163	84,024	(50,301)	76,886
Total capital assets, not being depreciated	<u>1,095,716</u>	<u>84,074</u>	<u>(51,529)</u>	<u>1,128,261</u>
Capital assets, being depreciated:				
Land Improvements	1,798,565	17,226	(1,150)	1,814,641
Buildings and improvements	3,706,530	13,926	(166)	3,720,290
Furniture and fixtures	36,835	—	(65)	36,770
Machinery and equipment	633,701	23,776	(30,962)	626,515
Right of Use - Building	28,686	—	(9,601)	19,085
Right of Use - SBITA	6,175	1,387	—	7,562
Total capital assets being depreciated/ amortized	<u>6,210,492</u>	<u>56,315</u>	<u>(41,944)</u>	<u>6,224,863</u>
Less accumulated depreciation/amortization:				
Land improvements	(1,229,010)	(58,698)	—	(1,287,708)
Buildings and improvements	(1,555,147)	(96,750)	3	(1,651,894)
Furniture and fixtures	(29,027)	(788)	65	(29,750)
Machinery and equipment	(464,538)	(33,413)	24,956	(472,995)
Right of Use - Building	(5,464)	(2,580)	2,591	(5,453)
Right of Use- SBITA	(1,217)	(1,698)	—	(2,915)
Total accumulated depreciation	<u>(3,284,403)</u>	<u>(193,927)</u>	<u>27,615</u>	<u>(3,450,715)</u>
Total capital assets being depreciated, net	<u>2,926,089</u>	<u>(137,612)</u>	<u>(14,329)</u>	<u>2,774,148</u>
Total capital assets, net	<u>\$ 4,021,805</u>	<u>\$ (53,538)</u>	<u>\$ (65,858)</u>	<u>\$ 3,902,409</u>

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	July 1, 2021	Additions	Deletions	June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 604,654	\$ 115,337	\$ —	\$ 719,991
Avigation easement	332,562	—	—	332,562
Construction in progress	39,228	35,991	(32,056)	43,163
Total capital assets, not being depreciated	<u>976,444</u>	<u>151,328</u>	<u>(32,056)</u>	<u>1,095,716</u>
Capital assets, being depreciated:				
Land Improvements	1,776,980	21,585	—	1,798,565
Buildings and improvements	3,712,859	3,959	(10,288)	3,706,530
Furniture and fixtures	41,198	—	(4,363)	36,835
Machinery and equipment	616,513	17,841	(653)	633,701
Right of Use - Building	28,686	—	—	28,686
Right of Use- SBITA	1,035	5,140	—	6,175
Total capital assets being depreciated	<u>6,177,271</u>	<u>48,525</u>	<u>(15,304)</u>	<u>6,210,492</u>
Less accumulated depreciation:				
Land improvements	(1,168,630)	(60,380)	—	(1,229,010)
Buildings and improvements	(1,457,726)	(97,421)	—	(1,555,147)
Furniture and fixtures	(31,293)	(2,100)	4,366	(29,027)
Machinery and equipment	(431,085)	(34,106)	653	(464,538)
Right of Use - Building	(2,732)	(2,732)	—	(5,464)
Right of Use- SBITA	—	(1,217)	—	(1,217)
Total accumulated depreciation	<u>(3,091,466)</u>	<u>(197,956)</u>	<u>5,019</u>	<u>(3,284,403)</u>
Total capital assets being depreciated, net	<u>3,085,805</u>	<u>(149,431)</u>	<u>(10,285)</u>	<u>2,926,089</u>
Total capital assets, net	<u>\$ 4,062,249</u>	<u>\$ 1,897</u>	<u>\$ (42,341)</u>	<u>\$ 4,021,805</u>

## 8.) LONG-TERM DEBT

### (a) Changes in Long-Term Debt Obligations

Changes in long-term debt obligations for the years ended June 30, 2023 and 2022 are summarized as follows (in thousands):

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	July 1, 2022	Additions	Refunding	Pay downs	June 30, 2023
<b>SENIOR LIEN BONDS:</b>					
2010 Series C Build America Bonds	454,280	—	—	—	454,280 †
2015 Series A	59,915	—	—	—	59,915 †
2019 Series B	240,800	—	—	—	240,800 †
Sub-Total Senior Lien Bonds	<u>754,995</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>754,995</u>
<b>SUBORDINATE LIEN BONDS:</b>					
2008 Series C-1	122,900	—	—	—	122,900 *
2008 Series C-2	53,525	—	—	(53,525)	— *
2008 Series C-3	53,525	—	—	(53,525)	— *
2008 Series D-2A	100,000	—	—	—	100,000 *
2008 Series D-2B	99,605	—	—	—	99,605 *
2008 Series D-3	119,205	—	—	(580)	118,625 *
2014 Series A-1	12,655	—	—	(3,835)	8,820 †
2014 Series A-2	221,870	—	—	—	221,870 †
2017 Series A-1	13,960	—	—	(13,960)	— †
2017 Series A-2	47,800	—	—	—	47,800 †
2019 Series A	107,530	—	—	—	107,530 †
2019 Series D	277,550	—	—	(56,595)	220,955 †
2021 Series A	71,270	—	—	—	71,270 †
Sub-Total Subordinate Lien Bonds	<u>1,301,395</u>	<u>—</u>	<u>—</u>	<u>(182,020)</u>	<u>1,119,375</u>
<b>PFC BONDS:</b>					
2012 Series B	50,080	—	(44,835)	(5,245)	— †
2015 Series C	66,370	—	—	(11,925)	54,445 †
2017 Series B	44,235	—	—	(7,740)	36,495 †
2019 Series E	305,930	—	—	(30,135)	275,795 †
2022 Series B	—	43,400	—	—	43,400 †
Sub-Total PFC Bonds	<u>466,615</u>	<u>43,400</u>	<u>(44,835)</u>	<u>(55,045)</u>	<u>410,135</u>
<b>JUNIOR SUBORDINATE LIEN DEBT AND JET A BONDS:</b>					
2013 Jet A Fuel Tax Series A	55,140	—	(49,330)	(5,810)	— †
2021 Notes Series B	125,310	—	—	(10,000)	115,310 †
2022 Jet A Fuel Tax Series A	—	40,230	—	—	40,230 †
Sub-Total Junior Subordinate Lien Debt and Jet A Bonds	<u>180,450</u>	<u>40,230</u>	<u>(49,330)</u>	<u>(15,810)</u>	<u>155,540</u>
<b>GENERAL OBLIGATION BONDS:</b>					
2008 General Obligation Series A	43,105	—	—	(43,105)	— *
2013 General Obligation Series B	32,915	—	—	(32,915)	— †
Sub-Total General Obligation Bonds	<u>76,020</u>	<u>—</u>	<u>—</u>	<u>(76,020)</u>	<u>—</u>
Total principal outstanding	<u>2,779,475</u>	<u>\$ 83,630</u>	<u>\$ (94,165)</u>	<u>\$ (328,895)</u>	<u>2,440,045</u>
Premiums, discounts, and imputed debt from termination of hedges:		<u>Additions</u>	<u>Amortization</u>	<u>Deletions</u>	
Unamortized premiums	200,784	\$ 2,702	\$ (32,361)	\$ (7,487)	163,638
Unamortized discounts	(8,046)	—	1,001	—	(7,045)
	<u>192,738</u>	<u>\$ 2,702</u>	<u>\$ (31,360)</u>	<u>\$ (7,487)</u>	<u>156,593</u>
Current portion of long-term debt	<u>(302,725)</u>				<u>(162,355)</u>
Net long-term debt outstanding	<u>\$ 2,669,488</u>				<u>\$ 2,434,283</u>

\* Variable Rate Debt Obligations

† Fixed Rate Bonds



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	July 1, 2021	Additions	Refunding	Pay downs	June 30, 2022
<b>SENIOR LIEN BONDS:</b>					
2010 Series C Build America Bonds	454,280	—	—	—	454,280 †
2015 Series A	59,915	—	—	—	59,915 †
2019 Series B	240,800	—	—	—	240,800 †
2019 Series C	23,635	—	—	(23,635)	— †
Sub-Total Senior Lien Bonds	<u>778,630</u>	<u>—</u>	<u>—</u>	<u>(23,635)</u>	<u>754,995</u>
<b>SUBORDINATE LIEN BONDS:</b>					
2008 Series A-2	16,895	—	—	(16,895)	— *
2008 Series B-2	16,910	—	—	(16,910)	— *
2008 Series C-1	122,900	—	—	—	122,900 *
2008 Series C-2	56,775	—	—	(3,250)	53,525 *
2008 Series C-3	56,775	—	—	(3,250)	53,525 *
2008 Series D-1	48,670	—	—	(48,670)	— *
2008 Series D-2A	100,000	—	—	—	100,000 *
2008 Series D-2B	99,605	—	—	—	99,605 *
2008 Series D-3	119,760	—	—	(555)	119,205 *
2014 Series A-1	14,410	—	—	(1,755)	12,655 †
2014 Series A-2	221,870	—	—	—	221,870 †
2017 Series A-1	29,080	—	—	(15,120)	13,960 †
2017 Series A-2	47,800	—	—	—	47,800 †
2019 Series A	107,530	—	—	—	107,530 †
2019 Series D	296,155	—	—	(18,605)	277,550 †
2021 Series A	71,270	—	—	—	71,270 †
<b>SUBORDINATE LIEN BONDS FROM DIRECT PLACEMENTS:</b>					
2017 Series D	33,815	—	—	(33,815)	— *
Sub-Total Subordinate Lien Bonds	<u>1,460,220</u>	<u>—</u>	<u>—</u>	<u>(158,825)</u>	<u>1,301,395</u>
<b>PFC BONDS:</b>					
2012 Series B	55,075	—	—	(4,995)	50,080 †
2015 Series C	77,690	—	—	(11,320)	66,370 †
2017 Series B	51,640	—	—	(7,405)	44,235 †
2019 Series E	334,635	—	—	(28,705)	305,930 †
Sub-Total PFC Bonds	<u>519,040</u>	<u>—</u>	<u>—</u>	<u>(52,425)</u>	<u>466,615</u>
<b>JUNIOR SUBORDINATE LIEN DEBT AND JET A BONDS:</b>					
2013 Jet A Fuel Tax Series A	60,675	—	—	(5,535)	55,140 †
2021 Notes Series B	—	—	—	—	125,310 †
Sub-Total Junior Subordinate Lien Debt and Jet A Bonds	<u>185,985</u>	<u>—</u>	<u>—</u>	<u>(5,535)</u>	<u>180,450</u>
<b>GENERAL OBLIGATION BONDS:</b>					
2008 General Obligation Series A	43,105	—	—	—	43,105 *
2013 General Obligation Series B	32,915	—	—	—	32,915 †
Sub-Total General Obligation Bonds	<u>76,020</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>76,020</u>
Total principal outstanding	<u>3,019,895</u>	<u>—</u>	<u>—</u>	<u>(240,420)</u>	<u>2,779,475</u>
Premiums, discounts, and imputed debt from termination of hedges:					
		<u>Additions</u>	<u>Amortization</u>	<u>Deletions</u>	
Unamortized premiums	237,251	—	(36,467)	—	200,784
Unamortized discounts	(9,051)	—	1,005	—	(8,046)
Imputed debt from termination of hedges	1,962	—	(1,962)	—	—
	<u>230,161</u>	<u>—</u>	<u>(37,424)</u>	<u>—</u>	<u>192,738</u>
Current portion of long-term debt	<u>(335,290)</u>				<u>(302,725)</u>
Net long-term debt outstanding	<u>\$ 2,914,766</u>				<u>\$ 2,669,488</u>

\* Variable Rate Debt Obligations

† Fixed Rate Bonds

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(b) Description of Outstanding Debt Issuance Types and Other Information

Senior Lien Bonds

The issuance of senior lien bonds is authorized pursuant to the Nevada Municipal Airports Act (NRS §§496.010 *et seq.*), the Nevada Local Government Securities Law (NRS §§350.500 *et seq.*), and the Nevada Registration of Public Securities Law (NRS §§348.010 *et seq.*). All senior lien bonds are issued in accordance with the Master Indenture of Trust dated May 1, 2003, (Indenture) between Clark County and The Bank of New York Mellon Trust Company, N.A.

Senior lien bonds are secured by and are payable from the net revenues of the Airport System after the payment of all Airport System operating and maintenance expenses. Pursuant to the Indenture, the Department has covenanted to fix, charge, and collect rentals, fees, and charges for the use of the Airport System such that, in any fiscal year, the gross revenues, together with any other available funds, will at all times be at least sufficient: 1) to provide for the payment of all Airport System operating and maintenance expenses in the fiscal year and 2) to provide an amount not less than 125% of the aggregate debt service requirement (Senior Lien Coverage) for all the senior lien bonds then outstanding for the fiscal year. The actual senior lien coverage ratios (the ratio of total revenue less operating expenses to debt service) for fiscal year 2023 and fiscal year 2022 were 10.31 and 7.51, respectively. As of June 30, 2023 and 2022, the Department had \$755.0 million in outstanding senior lien bonds, respectively.

One of the Department's senior lien bonds, 2010 Series C, was issued as federally taxable Build America Bonds (BABs) under the American Recovery and Reinvestment Act of 2009. The Department receives a direct federal subsidy payment in the amount equal to 35% of the interest expense on the BABs less 5.7% for sequestration. The interest subsidy on 2010 Series C was \$10.2 million and \$10.2 million for fiscal years ended June 30, 2023 and 2022, respectively. The subsidy is recorded as a non-capital grant, a component of other non-operating revenue.

During FY 2023, there were no changes in the credit ratings of Clark County, Nevada Airport System Senior Revenue Bonds. On May 13, 2022, S&P Global Ratings raised its long-term rating on Clark County, Nevada Airport System Senior Revenue Bonds from A+ to AA-.

Subordinate Lien Bonds

The issuance of subordinate lien bonds is authorized pursuant to the Nevada Municipal Airports Act (NRS §§496.010 *et seq.*), the Nevada Local Government Securities Law (NRS §§350.500 *et seq.*), and the Nevada Registration of Public Securities Law (NRS §§348.010 *et seq.*). All subordinate lien bonds are issued in accordance with the Indenture between Clark County and The Bank of New York Mellon Trust Company, N.A.

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Subordinate lien bonds are secured by and are payable from the net revenues of the Airport System after the payment of all Airport System operating and maintenance expenses and after the payment of all senior lien debt service. Pursuant to the Indenture, the Department has covenanted to fix, charge, and collect rentals, fees, and charges for the use of the Airport System such that, in any fiscal year, the gross revenues, together with any other available funds, will at all times be at least sufficient 1. To provide for the payment of all Airport System operating and maintenance expenses in such fiscal year and 2. To provide an amount not less than 110% of the aggregate debt service requirement (Subordinate Lien Coverage) for all the senior lien and subordinate lien bonds then outstanding for the fiscal year. The coverages on the combined senior and subordinate lien debt for fiscal year 2023 and fiscal year 2022 were 2.94 and 2.02, respectively. As of June 30, 2023 and 2022, the Department had \$1.1 billion and \$1.3 billion in outstanding subordinate lien bonds, respectively.

During FY 2023, there were no changes in the credit ratings of Clark County, Nevada Airport System Subordinate Lien Revenue Bonds. On May 13, 2022, S&P Global Ratings raised its long-term rating on the Clark County, Nevada Airport System, Subordinate Lien Revenue Bonds from A to A+.

PFC Bonds

The issuance of PFC bonds is authorized pursuant to the Nevada Municipal Airports Act (NRS §§496.010 *et seq.*), the Nevada Local Government Securities Law (NRS §§350.500 *et seq.*), and the Nevada Registration of Public Securities Law (NRS §§348.010 *et seq.*). All PFC bonds are issued in accordance with the Indenture between Clark County and The Bank of New York Mellon Trust Company, N.A.

The PFC bonds are secured by a pledge of and lien upon pledged PFC revenues derived from a \$4.50 PFC which has been imposed by the County under authorization of the Federal Aviation Act. In addition, the PFC bonds are secured by and are payable from a claim on the net revenues of the Airport System on parity with that of the subordinate lien bonds and junior to that of the senior lien bonds. Effective October 1, 2008, the PFC rate is \$4.50 per qualifying enplaned passenger. As of June 30, 2023 and 2022, the Department had \$410.1 million and \$466.6 million in outstanding PFC pledged bonds, respectively.

In fiscal years 2023 and 2022, the Department earned \$110.5 million and \$94.0 million, respectively, in PFC revenues. The Department earned \$1.6 million in fiscal year 2023 and lost \$1.7 million in fiscal year 2022 in PFC interest. In fiscal years 2023 and 2022, the Department pledged \$78.3 million and \$78.3 million respectively, toward debt service payments associated with outstanding PFC bonds and pledged no monies toward service payment on

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certain subordinate lien bonds that were used to fund PFC projects approved by the FAA. No coverage is required for the PFC bonds.

During FY 2023, there were no changes in the credit ratings of Clark County, Nevada Airport System Passenger Facility Charge Revenue Bonds. On May 13, 2022, S&P Global Ratings raised its long-term rating on the Clark County, Nevada Airport System, Passenger Facility Charge Revenue Bonds from A to A+.

*Junior Subordinate Lien Debt and Jet A Bonds*

The junior subordinate lien debt and Jet A bonds comprise Jet A Fuel Tax bonds and bond anticipation notes issued pursuant to the Nevada Municipal Airports Act (NRS §§496.010 *et seq.*), the Nevada Local Government Securities Law (NRS §§350.500 *et seq.*), and the Nevada Registration of Public Securities Law (NRS §§348.010 *et seq.*). These bonds and notes are issued in accordance with the Indenture between Clark County and The Bank of New York Mellon Trust Company, N.A.

The junior subordinate lien debt and Jet A bonds are on parity with each other and are secured by and payable from the net revenues of the Airport System after the payment of all Airport System operating and maintenance expenses and after the payment of all senior lien debt service, subordinate lien debt service, and PFC lien debt service. These bonds and notes do not constitute debt of Clark County within the meaning of any constitutional or statutory provisions or limitations, and neither the full faith and credit nor the taxing power of the County is pledged to the payment thereof. As of June 30, 2023 and 2022, the Department had \$40.2 million and \$55.1 million, respectively, in outstanding Jet A bonds.

The Jet A Bonds are payable from and secured by a pledge of and lien upon the proceeds of a four-cent-per-gallon tax collected by the County on jet aviation fuel sold, distributed, or used in the County (three-cents-per-gallon out of the four cents collected are specifically pledged to the Jet A Bonds). Shortages in debt service from fuel tax collections are funded with Airport System revenues. As of June 30, 2023 and 2022, there was no shortage of Jet A Fuel Tax revenues to cover the Jet A Bonds debt service.

During FY 2023, there were no changes in the credit ratings of Clark County, Nevada Airport System Jet Aviation Fuel Tax Revenue Bonds. On May 13, 2022, S&P Global Ratings raised its long-term rating on the Clark County, Nevada Jet Aviation Fuel Tax Revenue Bonds from A to A+.

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General Obligation Bonds

The general obligation bonds were issued pursuant to the Nevada Municipal Airports Act (NRS §§496.010 et seq.), the Nevada Local Government Securities Law (NRS §§350.500 et seq.), and the Nevada Registration of Public Securities Law (NRS §§348.010 et seq.). All general obligation bonds are issued in accordance with the Indenture between Clark County and The Bank of New York Mellon Trust Company, N.A.

These bonds constitute direct and general obligations of the County. The full faith and credit of the County is pledged for the payment of principal and interest subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes and to certain other limitations on the amount of ad valorem taxes the County may levy.

The general obligation bonds are secured by and payable from a claim on the net revenues of the Airport System after the payment of all Airport System operating and maintenance expenses and after the payment of all senior lien debt service, subordinate lien debt service, PFC lien debt service, and junior subordinate lien and Jet A bonds lien debt service. Pursuant to the Indenture, the County has covenanted to fix, charge, and collect rentals, fees, and charges for the use of the Airport System sufficient to pay debt service on the senior lien bonds, the subordinate lien bonds, the general obligation (limited tax) airport bonds, the PFC bonds, and the junior subordinate lien debt and Jet A bonds.

On January 3, 2023, the Department called for the full redemption of the 2008 General Obligation Series A and the 2013 General Obligation Series B having an outstanding par value of \$43.1 million and \$32.9 million, respectively, and accrued interest of \$0.4 million and \$0.8 million, respectively. As of June 30, 2023, the Department had no other outstanding general obligation bonds. As of June 30, 2022, the Department had \$76.0 million in outstanding general obligation bonds.

Other Information Related to Debt Issuances

The Department's outstanding bonds and notes contain a provision that in an event of default, the Trustee shall enforce the rights of the bond owners if the Department is unable to make payment. The consequences in the event of a default may include various legal or financial actions taken against the Department by the Trustee, with financial actions being limited to the pursuit of amounts currently due.

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The Department's variable rate demand bonds have four associated letters of credit. Under the letters of credit, the banks who issued the facilities are unconditionally obligated to pay principal and interest on the bonds secured by letters of credit when due, and to pay the purchase price of tendered bonds when tendered. The Department is obligated to immediately reimburse the banks who issued these facilities for principal and interest draws. Each letter of credit has a three-year term out agreement. If a term-out agreement were to take effect, it would require all outstanding amounts to such series of bonds to be repaid within three years on an accelerated basis. The Department's letters of credit terminate on dates occurring between March 2024 and February 2026. Refer to Note 15 for additional information related to the letters of credit terminating within the next fiscal year.

Below summarizes the credit facilities securing the variable rate bonds at June 30, 2023 (in thousands):

Bond Series	Credit Provider	Facility Fee Rate	Remarketing Agent	Remarketing Fee Rate
2008C-1	Bank of America	0.32 %	Bank of America Merrill Lynch	0.07 %
2008D-2A	Wells Fargo Bank, N.A.	0.38 %	Wells Fargo Securities	0.07 %
2008D-2B	Barclays Bank PLC	0.90 %	RBC Capital Markets	0.09 %
2008D-3	Bank of America	0.32 %	Citi Bank N.A.	0.09 %

Below summarizes the credit facilities securing the variable rate bonds at June 30, 2022 (in thousands):

Bond Series	Credit Provider	Facility Fee Rate	Remarketing Agent	Remarketing Fee Rate
2008A-GO	State Street Bank and Trust	0.35 %	Citi Bank N.A.	0.09 %
2008C-1	Bank of America	0.32 %	Bank of America Merrill Lynch	0.07 %
2008C-2	State Street Bank and Trust	0.40 %	J.P. Morgan Securities	0.09 %
2008C-3	Sumitomo Mitsui Banking Corporation	0.42 %	Citi Bank N.A.	0.09 %
2008D-2A	Wells Fargo Bank, N.A.	0.38 %	Wells Fargo Securities	0.07 %
2008D-2B	Barclays Bank PLC	0.90 %	RBC Capital Markets	0.09 %
2008D-3	Bank of America	0.32 %	Citi Bank N.A.	0.09 %

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Credit Type	Original Commitment	Term out	Termination Date
Letter of credit	130,941	3 years	June 6, 2025
Letter of credit	106,641	3 years	February 24, 2026
Letter of credit	106,122	3 years	March 1, 2024
Letter of credit	130,903	3 years	June 2, 2025

Credit Type	Original Commitment	Term out	Termination Date
Line of credit*	45,713	3 years	February 14, 2024
Letter of credit	130,941	3 years	June 6, 2025
Letter of credit	76,018	3 years	February 14, 2023
Letter of credit	76,018	3 years	February 14, 2024
Letter of credit	106,641	3 years	February 24, 2023
Letter of credit	106,122	3 years	March 1, 2024
Letter of credit	130,903	3 years	June 2, 2025

\* The full commitment amount on the Department's line of credit is unused as of June 30, 2022.

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(c) Arbitrage Rebate Requirement

Tax-exempt bond arbitrage involves the investment of governmental bond proceeds which are derived from the sale of tax-exempt obligations in higher yielding taxable securities that generate a profit. The Tax Reform Act of 1986 imposes arbitrage restrictions on bonds issued by the County. Under this Act, an amount may be required to be rebated to the United States Treasury so that all interest on the bonds qualifies for exclusion from gross income for federal income tax purposes.

The Department is current on all required arbitrage payments.

(d) Description of Bond Series Issuances, Calls, and Refundings During the Fiscal Years Ended June 30, 2023 and 2022

Subordinate Lien Bonds

On January 3, 2023, the Department called for the full redemption of the Series 2008C-2 and Series 2008C-3, with both series having an outstanding par value of \$50.2 million, and accrued interest of \$0.5 million and \$0.5 million, respectively.

On January 3, 2022, the Department called for the full redemption of the Series 2008D-1 Airport System Subordinate Lien Refunding Revenue Bonds Series 2008D-1 having an outstanding par value of \$46.4 million and accrued interest of \$0.01 million.

On July 1, 2021, the Department called for the full redemption of the Series 2008A-2 and Series 2008B-2, with both having an outstanding par value of \$16.9 million, and accrued interest of \$0.01 million and \$0.01 million, respectively.

Subordinate Lien Bonds from Direct Placements

On July 1, 2021, the Department called for the full redemption of the Series 2017D Airport System Subordinate Lien Refunding Revenue Bonds having an outstanding par value of \$33.8 million and accrued interest of \$0.02 million.



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PFC Bonds

On November 23, 2022, the Department issued the Series 2022B Passenger Facility Charge Refunding Revenue Bonds (Series 2022B PFC Bonds). The net proceeds of \$43.4 million were used to refund the outstanding principal and interest on the Series 2012B Passenger Facility Charge Refunding Revenue Bonds. The difference between the re-acquisition price and the net carrying amount of the old debt resulted in a gain of \$3.2 million. The refunding transaction for the Series 2012B PFC Bonds resulted in an economic gain of \$4.2 million and reduction of the aggregated debt service payments associated with those bonds of \$11.8 million. The Series 2022B PFC Bonds have a stated interest rate of 5.00%, with yields varying from 3.31% to 3.47%. Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due starting July 1, 2024 and continuing for three years until the scheduled maturity date of July 1, 2027.

Junior Subordinate Lien Notes

On November 23, 2022, the Department issued the Series 2022A Jet Aviation Fuel Tax Refunding Revenue Bonds (Series 2022A Bonds). The net proceeds of \$40.2 million, along with the prior debt service deposit of \$2.9 million and additional contribution from the Department of \$7.0 million, were used to refund the outstanding principal and interest on the Series 2013A Jet Aviation Fuel Tax Refunding Revenue Bonds. The difference between the re-acquisition price and the net carrying amount of the old debt resulted in a gain of \$2.4 million. The refunding transaction for the Series 2013A Bonds resulted in an economic gain of \$0.9 million and reduction of the aggregated debt service payments associated with those bonds of \$12.0 million. The Series 2022A Bonds have a stated interest rate of 5.00%, with yields varying from 3.93% to 4.27%. Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due starting July 1, 2023 and continuing for three years until the scheduled maturity date of July 1, 2026.

General Obligation Bonds

On January 3, 2023, the Department called for the full redemption of the 2008 General Obligation Series A having an outstanding par value of \$43.1 million and accrued interest of \$0.4 million.

On January 3, 2023, the Department called for the full redemption of the 2013 General Obligation Series B having an outstanding par value of \$32.9 million and accrued interest of \$0.8 million.

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**(e) Long-term Debt Obligations**

The following tables summarize of long-term debt obligations at June 30, 2023 and 2022 (in thousands):

June 30, 2023		Purpose	Pledged Revenue
	Series		
<i>Senior Lien Bonds</i>	2010C	Issued to fund the construction of Terminal 3	Airport System Revenue
	2015A	Refunded Series 2005A	Airport System Revenue
	2019B	Refunded Series 2009B	Airport System Revenue
<i>Subordinate Lien Bonds</i>	2008C1*	*Refunded Series 2005 C1A, Series 2005 C1B, Series 2005 C2, Series 2005 C3, Series 2005 D1, Series 2005 D2, Series 2005 E1, Series 2005 E2, Series 2005 E3	Airport System Revenue
	2008D2*		Airport System Revenue
	2008D3	Refunded Series 2001C	Airport System Revenue
	2014A1	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue
	2014A2	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue
	2017A2	Refunded Series 2007 A1	Airport System Revenue
	2019A	Refunded Series 2009C	Airport System Revenue
	2019D	Refunded Series 2010B	Airport System Revenue
2021A	Refunded Series 2018A	Airport System Revenue	
<i>PFC Bonds</i>	2015C PFC	Refunded Series 2007	Passenger Facility Charge Revenue
	2017B PFC	Refunded Series 2007 A1 Bonds and funded a new debt service reserve fund for the Series 2017B Bonds	Passenger Facility Charge Revenue
	2019E PFC	Refunded Series 2010A PFC	Passenger Facility Charge Revenue
	2022B PFC	Refunded Series 2012B PFC	Passenger Facility Charge Revenue
<i>Junior Subordinate Lien and Jet A Bonds</i>	2021B	Refunded Series 2017C	Airport System Revenue
	2022A	Refunded Series 2013A Jet A	Jet Aviation Fuel Tax Revenue

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Issue Date	Maturity Date	Interest Rate	Original Issue	6/30/2023
2/23/2010	7/1/2045	6.82%	\$ 454,280	\$ 454,280
4/30/2015	7/1/2040	5%	59,915	59,915
7/1/2019	7/1/2042	5%	240,800	240,800
	Subtotal			754,995
	Unamortized premiums			50,229
	Current portion			—
	Total Senior Lien Bonds			805,224
3/19/2008	7/1/2040	weekly variable rate **	122,900	122,900
3/19/2008	7/1/2040	weekly variable rate **	199,605	199,605
3/19/2008	7/1/2029	weekly variable rate **	122,865	118,625
4/8/2014	7/1/2024	4.00%- 5.00%	95,950	8,820
4/8/2014	7/1/2036	4.00%- 5.00%	221,870	221,870
4/25/2017	7/1/2040	5%	47,800	47,800
7/1/2019	7/1/2026	5%	107,530	107,530
11/27/2019	7/1/2032	5%	296,155	220,955
06/30/2021	7/1/2036	5%	71,270	71,270
	Subtotal			1,119,375
	Unamortized premiums			61,073
	Unamortized discounts			(7,045)
	Current portion			(78,900)
	Total Subordinate Lien Bonds			1,094,503
7/22/2015	7/1/2027	5	98,965	54,445
4/25/2017	7/1/2025	3.25%-5.00%	69,305	36,495
11/27/2019	7/1/2033	5.00%	369,045	275,795
11/23/2022	7/1/2027	5.00%	43,400	43,400
	Subtotal			410,135
	Unamortized premiums			40,215
	Unamortized discounts			—
	Current portion			(57,795)
	Total PFC Bonds			392,555
06/30/2021	7/1/2027	5.00%	125,310	115,310
11/23/2022	7/1/2026	5.00%	40,230	40,230
	Subtotal			155,540
	Unamortized premiums			12,122
	Current portion			(25,660)
	Total Junior Subordinate Lien and Jet A Bonds			142,002
	Total long-term debt			<u>\$ 2,434,283</u>

\*\* Interest on the variable-rate bonds is determined by each remarketing agent and is reset weekly. The owners of such bonds are permitted to tender the bonds for repurchase on seven business days' notice.

† Interest on the Series 2017D is paid at 70% of LIBOR plus 49 basis points and is reset monthly.

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Series	Purpose	Pledged Revenue	
<i>Senior Lien Bonds</i>	2010C	Issued to fund the construction of Terminal 3	Airport System Revenue
	2015A	Refunded Series 2005A	Airport System Revenue
	2019B	Refunded Series 2009B	Airport System Revenue
<i>Subordinate Lien Bonds</i>	2008C1*	*Refunded Series 2005 C1A, Series 2005 C1B, Series 2005 C2, Series 2005 C3, Series 2005 D1, Series 2005 D2, Series 2005 E1, Series 2005 E2, Series 2005 E3	Airport System Revenue
	2008C2*		Airport System Revenue
	2008C3*		Airport System Revenue
	2008D2*		Airport System Revenue
	2008D3		Refunded Series 2001C
	2014A1	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue
	2014A2	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue
	2017A1	Refunded Series 2007 A1	Airport System Revenue
	2017A2	Refunded Series 2007 A1	Airport System Revenue
	2019A	Refunded Series 2009C	Airport System Revenue
	2019D	Refunded Series 2010B	Airport System Revenue
2021A	Refunded Series 2018A	Airport System Revenue	
<i>PFC Bonds</i>	2012B PFC	Refunded Series 1998A	Passenger Facility Charge Revenue
	2015C PFC	Refunded Series 2007	Passenger Facility Charge Revenue
	2017B PFC	Refunded Series 2007 A1 Bonds and funded a new debt service reserve fund for the Series 2017B Bonds	Passenger Facility Charge Revenue
	2019E PFC	Refunded Series 2010A PFC	Passenger Facility Charge Revenue
<i>Junior Subordinate Lien and Jet A Bonds</i>	2013A	Refunded Series 2003C	Jet Aviation Fuel Tax Revenue
	2021B	Refunded Series 2017C	Airport System Revenue
<i>General Obligation Bonds</i>	2008A	Refunded Series 2003A	Airport System Revenue
	2013B	Refunded Series 2003B	Airport System Revenue

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Issue Date	Maturity Date	Interest Rate	Original Issue	June 30, 2022
2/23/2010	7/1/2045	6.82%	\$ 454,280	\$ 454,280
4/30/2015	7/1/2040	5.00%	59,915	59,915
7/1/2019	7/1/2042	5.00 %	240,800	240,800
Subtotal				754,995
Unamortized premiums				54,522
Current portion				—
Total Senior Lien Bonds				809,517
3/19/2008	7/1/2040	weekly variable rate **	122,900	122,900
3/19/2008	7/1/2029	weekly variable rate **	71,550	53,525
3/19/2008	7/1/2029	weekly variable rate **	71,550	53,525
3/19/2008	7/1/2040	weekly variable rate **	199,605	199,605
3/19/2008	7/1/2029	weekly variable rate **	122,865	119,205
4/8/2014	7/1/2024	4.00%- 5.00%	95,950	12,655
4/8/2014	7/1/2036	4.00%- 5.00%	221,870	221,870
4/25/2017	7/1/2022	4.00%- 5.00%	65,505	13,960
4/25/2017	7/1/2040	5.00%	47,800	47,800
7/1/2019	7/1/2026	5.00 %	107,530	107,530
11/27/2019	7/1/2032	5.00 %	296,155	277,550
6/30/2021	7/1/2036	5.00 %	71,270	71,270
Subtotal				1,301,395
Unamortized premiums				73,826
Unamortized discounts				(8,046)
Current portion				(231,870)
Total Subordinate Lien Bonds				1,135,304
7/2/2012	7/2/2012	4,109,200.00%	64,360	50,080
7/22/2015	7/22/2015	4,220,700.00%	98,965	66,370
4/25/2017	4/25/2017	4,285,000.00%	69,305	44,235
11/27/2019	11/27/2019	4,379,600.00%	369,045	305,930
Subtotal				466,615
Unamortized premiums				51,308
Unamortized discounts				—
Current portion				(55,045)
Total PFC Bonds				462,878
4/2/2013	4/2/2013	5.00%	70,965	55,140
6/30/2021	6/30/2021	5.00%	125,310	125,310
Subtotal				180,450
Unamortized premiums				18,876
Current portion				(15,810)
Total Junior Subordinate Lien and Jet A Bonds				183,516
2/26/2008	7/1/2027	variable	43,105	43,105
4/2/2013	7/1/2033	5.00%	32,915	32,915
Subtotal				76,020
Unamortized premiums				2,252
Total General Obligation Bonds				78,272
Total long-term debt				\$ 2,669,488

\*\* Interest on the variable-rate bonds is determined by each remarketing agent and is reset weekly. The owners of such bonds are permitted to tender the bonds for repurchase on seven business days' notice

† Interest on the Series 2017D is paid at 70% of LIBOR plus 49 basis points and is reset monthly.

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(f) Schedule of Pledged Revenues

The following is a comparison of the pledged Department revenues recognized during the years ended June 30, 2023 and 2022 to the principal and interest requirements for the liens directly collateralized by those revenues (in thousands):

	<u>2023</u>	<u>2022</u>
Net operating revenues	283,734	288,256
Non-operating revenues available for debt service		
CRRSA Act Airport Grant	2,031	39,728
ARPA Airport Grant	156,018	9,695
BABs interest subsidy	10,226	10,226
Interest income (loss)	11,138	(13,586)
Total revenues pledged for debt service	<u>\$ 463,147</u>	<u>\$ 334,319</u>
Less: Senior lien debt service	(46,018)	(46,018)
Total revenues pledged for Subord. lien debt service	<u>\$ 417,129</u>	<u>\$ 288,301</u>
PFC revenue	110,473	94,026
PFC fund interest income (loss)	1,589	(1,688)
Total PFC revenues pledged for Subordinate lien PFC bonds	<u>\$ 112,062</u>	<u>\$ 92,338</u>
Total revenues pledged for Subord. lien debt service including total PFC revenues	<u>\$ 529,191</u>	<u>\$ 380,639</u>
Subordinate lien PFC bond debt service	(78,278)	(78,323)
Subordinate lien bond debt service	<u>(119,713)</u>	<u>(131,757)</u>
Total Subordinate lien (including PFC bonds) debt service	<u>\$ (197,991)</u>	<u>\$ (210,080)</u>
Total revenue pledged for debt service after payment of Senior and Subordinate liens	<u>\$ 331,200</u>	<u>\$ 170,559</u>
Jet A fuel tax revenue	17,295	15,708
Jet A fund interest income (loss)	660	(1,480)
Total Jet A fuel tax revenues pledged for Jet A bonds	<u>\$ 17,955</u>	<u>\$ 14,228</u>
Jet A tax bond debt service	(10,290)	(8,567)
Total revenue pledged for debt service after payment of Senior, Subordinate, and Jet A fuel tax liens	<u>\$ 338,865</u>	<u>\$ 176,220</u>
Junior Subordinate lien notes debt service	(23,601)	(16,283)
General obligation bonds debt service*	(448)	(1,968)

\*Additionally secured by the full faith and credit of the County

(g) Schedule of Debt Principal and Interest

Principal and interest payments on debt at June 30, 2023, are as follows (in thousands):

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Fiscal Year Ended June 30,	Total		Senior Lien Bonds		Subordinate Lien Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 162,355	\$ 141,937	\$ —	\$ 66,156	\$ 78,900	\$ 49,195
2025	135,890	\$ 133,829	—	66,156	56,465	45,816
2026	136,405	\$ 127,053	—	66,156	61,790	42,866
2027	183,810	\$ 119,367	—	66,156	88,020	39,197
2028	141,790	\$ 111,427	14,415	65,796	29,870	36,450
2029-2033	520,795	\$ 482,305	83,635	317,129	327,585	144,618
2034-2038	488,475	\$ 354,291	134,325	289,136	328,840	64,522
2039-2043	364,460	\$ 226,948	216,555	217,159	147,905	9,790
2044-2046	306,065	\$ 52,658	306,065	52,658	—	—
Total	<u>\$ 2,440,045</u>	<u>\$ 1,749,815</u>	<u>\$ 754,995</u>	<u>\$ 1,206,502</u>	<u>\$ 1,119,375</u>	<u>\$ 432,454</u>



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PFC		Jet A Fuel Tax Bonds	
Principal	Interest	Principal	Interest
\$ 57,795	\$ 19,238	\$ 25,660	\$ 7,348
50,475	16,087	28,950	5,770
44,355	13,742	30,260	4,290
64,245	11,269	31,545	2,745
58,380	8,204	39,125	978
109,575	20,558	—	—
25,310	633	—	—
—	—	—	—
—	—	—	—
<u>\$ 410,135</u>	<u>\$ 89,731</u>	<u>\$ 155,540</u>	<u>\$ 21,131</u>

(h) Deferred Outflows of Resources Related to Debt

The Department has incurred deferred costs, which comprise unamortized losses on bond refundings and deferred losses on imputed debt resulting from the revaluation of certain interest rate swaps pursuant to the refunding of certain hedged bonds.

Such deferred outflows are as follows at June 30, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022</u>
2008 Series A	—	347
2008 Series C	—	93
2008 Series D-2	7,152	7,835
2008 Series D-3	353	429
2013 Series B	—	30
2014 Series A-2	1,910	2,132
2015 Series C	1,091	1,452
2019 Series E	1,861	2,261
Total unamortized losses on refunded bonds	<u>12,367</u>	<u>14,579</u>

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(i) Deferred Inflows of Resources Related to Debt

The following schedule details the unamortized gains on bond refundings, presented as deferred inflows, at June 30 2023 and 2022 (in thousands):

	2023	2022
2013 Jet A Fuel Tax Series A	\$ 1,758	\$ —
2014 Series A-1	72	144
2015 Series A	709	757
2017 Series A-1	—	—
2017 Series A-2	1,446	1,537
2017 Series B PFC	160	355
2019 Series A	787	1,393
2019 Series C	—	—
2019 Series D	1,512	1,881
2022 Series B	2,540	—
Total unamortized gains on refunded bonds	\$ 8,984	\$ 6,067

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**9.) DERIVATIVE INSTRUMENTS – INTEREST RATE SWAPS**

(a) Interest Rate Swaps

The intention of the Department's implementation of a swap portfolio was to convert variable interest rate bonds to synthetically fixed interest rate bonds as a means to lower its borrowing costs when compared to fixed-rate bonds at the time of issuance. The Department executed several floating-to-fixed swaps in connection with its issuance of variable rate bonds and forward starting swaps to lock in attractive synthetically fixed rates for future variable rate bonds.

The derivative instruments are valued at fair value. The fair values of the interest rate derivative instruments are estimated using an independent pricing service. The valuations provided are derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The instruments' expected cash flows are calculated using the zero-coupon discount method, which takes into consideration the prevailing benchmark interest rate environment as well as the specific terms and conditions of a given transaction and which assumes that the current forward rates implied by the benchmark yield curve are the market's best estimate of future spot interest rates.

The income approach is then used to obtain the fair value of the instruments by discounting future expected cash flows to a single valuation using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and the time value of money. This valuation technique is applied consistently across all instruments. Given the observability of inputs that are significant to the entire sets of measurements, the fair values of the instruments are based on inputs categorized as Level 2.

The mark-to-market value for each swap had been estimated using the zero-coupon method. Under this method, future cash payments were calculated either based on using the contractually-specified fixed rate or based on using the contractually-specified variable forward rates as implied by the SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index yield curve (formerly known as the Bond Market Association Municipal Swap Index yield curve, or BMA Municipal Swap Index yield curve), as applicable. Each future cash payment was adjusted by a factor called the swap rate, which is a rate that is set, at the inception of the swap and at the occurrence of certain events, such as a refunding, to such a value as to make the mark-to-market value of the swap equal to zero. Future cash receipts were calculated either based on using the contractually-specified fixed rate or based on using the contractually-specified variable forward rates as implied by the LIBOR (London Interbank Offered Rate) yield curve or the CMS (Constant Maturity Swap rate) yield curve, as applicable. The future cash

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payment, as modified by the swap rate factor, and the future cash receipt due on the date of each and every future net settlement on the swap were netted, and each netting was then discounted using the discount factor implied by the LIBOR yield curve for a hypothetical zero-coupon rate bond due on the date of the future net settlement. These discounted nettings were then summed to arrive at the mark-to-market value of the swap.

All swaps entered into by the Department comply with the County's swap policy. Each swap is written pursuant to guidelines and documentation promulgated by the International Swaps and Derivatives Association (ISDA), which include standard provisions for termination events such as failure to pay or bankruptcy. The Department retains the right to terminate any swap agreement at fair value prior to maturity. The Department has termination risk under the contract, particularly if an additional termination event (ATE) were to occur. An ATE occurs either if the credit rating of the bonds associated with a particular swap agreement and the rating of the swap insurer fall below a pre-defined credit rating threshold or if the credit rating of the swap counterparty falls below a threshold as defined in the swap agreement.

With regard to credit risk, potential exposure is mitigated through the use of an ISDA credit support annex (CSA). Under the terms of master agreements between the Department and the swap counterparties, each swap counterparty is required to post collateral with a third party when the counterparty's credit rating falls below the trigger level defined in each master agreement. This arrangement protects the Department from credit risks inherent in the swap agreements. As long as the Department retains insurance, the Department is not required to post any collateral; only the counterparties are required to post collateral.

The initial notional amounts and outstanding notional amounts of all active swaps, as well as the breakout of floating-to-fixed swaps, basis swaps, and fixed-to-fixed swaps as of June 30, 2023 and 2022, are summarized as follows (in thousands):

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Swap #	Interest Rate Swap Description	Associated Variable Rate Bonds or Amended Swaps	County Pays	County Receives
02	Basis Swap	N/A	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.410%
04	Basis Swap	N/A	SIFMA Swap Index	68.0% of USD LIBOR + 0.435%
07A	‡ Floating-to-Fixed	2008A GO, 2008D-2A, 2008D-2B	4.3057% to 7/2017, 0.2500% to maturity	64.7% of USD LIBOR + 0.280%
07B	‡ Floating-to-Fixed	2008 D-2A, 2008D-2B	4.3057% to 7/2017, 0.2500% to maturity	64.7% of USD LIBOR + 0.280%
08A	Floating-to-Fixed	2008C1, 2008D-2A, 2008D-2B	4.0000% to 7/2015, 3.0000% to maturity	82.0% of 10 year CMS - 0.936%
08B	Floating-to-Fixed	2008C1, 2008D-2A, 2008D-2B	4.0000% to 7/2015, 3.0000% to maturity	82.0% of 10 year CMS - 0.936%
08C	Floating-to-Fixed	2008C1, 2008D-2A, 2008D-2B	4.0000% to 7/2015, 3.0000% to maturity	82.0% of 10 year CMS - 0.936%
09A	Floating-to-Fixed	2008 D-2A, 2008D-2B	5.0000% to 7/2015, 1.2100% to maturity	82.0% of 10 year CMS - 1.031%
09B	Floating-to-Fixed	2008 D-2A, 2008D-2B	5.0000% to 7/2015, 1.2100% to maturity	82.0% of 10 year CMS - 1.031%
09C	Floating-to-Fixed	2008 D-2A, 2008D-2B	5.0000% to 7/2015, 1.2100% to maturity	82.0% of 10 year CMS - 1.031%
10B	Floating-to-Fixed	2008 D-2A, 2008D-2B	4.0030% to 7/2015, 2.2700% to maturity	62.0% of USD LIBOR + 0.280%
10C	Floating-to-Fixed	2008 D-2A, 2008D-2B	4.0030% to 7/2015, 2.2700% to maturity	62.0% of USD LIBOR + 0.280%
12A	** Floating-to-Fixed	2008 D-2A, 2008D-2B, 2008D-3	5.6260% to 7/2017, 0.2500% to maturity	64.7% of USD LIBOR + 0.280%

‡ On August 3, 2011, the Department refunded the outstanding principal of its Series 2008A-1 and B-1 Bonds with the Series 2011B-1 and B-2 Bonds, respectively. Upon refunding, swap #07B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011B-1 Bonds, and swap #07A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011B-2 Bonds. On November 19, 2013, to better match the principal amortizations, swap #07A was re-associated with the Series 2011B-1 Bonds, and swap #07B was re-associated with the Series 2011B-2 Bonds. On December 6, 2017, the Series 2011B-2 Bonds were refunded by the issuance of Series 2017D Bonds and therefore re-associating \$92.5 million in notional of swap #07B with 2017D Bonds. The Series 2008 B-2 and Series 2017D bonds were subsequently redeemed early on July 1, 2021, and therefore reassociating \$21.0 million in notional of swap #07B with Series 2008D-2A/B.

\*\* On July 1, 2011, forward swaps #14A and #14B, both with a trade date of April 17, 2007, became effective as scheduled. The \$4.48 million of the entire notional amount of swap #14A, \$73.0 million, was associated with the 2008A General Obligation Bonds, with the excess notional balance classified as an investment derivative instrument. The entire notional amount of swap #14B, \$201.9 million, was associated both with the principal of the 2008A General Obligation Bonds remaining after the association of swap #14A and with the 2013 C-1 and 2013 C-2 Notes. Although these Notes are deemed to mature in perpetuity, the 2008A General Obligation Bond was originally planned to mature on July 1, 2027, a date in advance of the maturities of swaps #14A and #14B, which occur on July 1, 2030 and July 1, 2037, respectively. Therefore, those portions of swaps #14A and #14B associated with these excess maturities had been classified as investment derivative instruments. On November 19, 2013, the Department partially terminated swap #14B and re-associated with variable rate bonds. Swaps #14A and 14B were fully hedged derivative instruments. On July 1, 2016, the outstanding notional amounts previously associated with the 2013C-1 Notes were re-associated with the 2008D-2A and 2008D-2B Bonds to maximize the hedging of the derivative instrument. On December 19, 2018, swaps #14A and 14B were terminated. Upon the termination, the \$47.5 million in notional amount of swap #12A was re-associated to 2008D-3 Bonds from swap #14A while \$29.1 million and \$0.4 million in notional amounts of swap #12A were re-associated to 2008A General Obligation Bonds and 2008C Bonds, respectively, from swap #14B. Notional amounts of swaps #14A and 14B associated to 2008D-2A, 2008-D2B, and 2010F-2 PFC were not re-associated with other active hedged swaps as of the termination date.

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Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Counterparty Ratings			Outstanding Notional	
				Moody's	S&P	Fitch	June 30, 2023	June 30, 2022
8/23/2001	7/1/2036	\$ 185,855	Citigroup Financial Products Inc.	A2	A	A+	\$ 62,752	\$ 63,320
7/1/2003	7/1/2025	200,000	Citigroup Financial Products Inc.	A2	A	A+	42,628	59,830
7/1/2008	7/1/2022	150,000	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	—	21,000
7/1/2008	7/1/2022	150,000	UBS AG	Aa3	A+	AA-	—	21,025
3/19/2008	7/1/2040	151,200	Citigroup Financial Products Inc.	A2	A	A+	122,150	126,800
3/19/2008	7/1/2040	31,975	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	25,825	26,800
3/19/2008	7/1/2040	31,975	UBS AG	Aa3	A+	AA-	25,825	26,800
3/19/2008	7/1/2036	41,330	Citigroup Financial Products Inc.	A2	A	A+	30,880	32,535
3/19/2008	7/1/2036	8,795	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	6,570	6,925
3/19/2008	7/1/2036	8,795	UBS AG	Aa3	A+	AA-	6,570	6,925
3/19/2008	7/1/2040	29,935	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	29,935	29,935
3/19/2008	7/1/2040	29,935	UBS AG	Aa3	A+	AA-	29,935	29,935
7/1/2009	7/1/2026	200,000	Citigroup Financial Products Inc.	A2	A	A+	182,525	200,000
Total		<u>\$ 1,219,795</u>					<u>\$ 565,595</u>	<u>\$ 651,830</u>

(b) Derivative Instruments

The Department has both hedging and investment derivative instruments. Hedging derivative instruments are derivative instruments that significantly reduce an identified financial risk by substantially offsetting changes in the cash flows of an associated hedgeable item. Hedging derivative instruments are required to be tested for their effectiveness. Effectiveness of hedging derivative instruments is first tested using the consistent critical terms method. If critical terms analysis fails because the critical terms of the hedged item and the hedging instrument do not match, a quantitative method is employed, typically regression analysis. On an annual basis and consistent with the fiscal year end, the Department employs an external consulting firm to perform this evaluation. Investment derivative instruments are either derivative instruments entered into primarily for income or profit purposes or derivative instruments that do not meet the criteria of an effective hedging derivative instrument.

The following are the fair values and changes in fair values of the Department's interest rate swap agreements for the fiscal years ended June 30, 2023 and 2022 (in thousands):

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Swap #	Description	Fair Value and Classifications as of June 30, 2023		Changes in Fair Value for the Twelve Months Ended June 30, 2023		
		Derivative Instrument Classification	Fair Value	Increase (Decrease) in Deferred Inflows	Increase (Decrease) in Deferred Outflows	Net Change in Fair Value
<b>Hedging derivative instruments</b>						
07A ‡	Floating-to-Fixed Interest Rate Swap	Non-current liability	\$ —	\$ —	\$ (8)	\$ 8
07B ‡	Floating-to-Fixed Interest Rate Swap	Non-current liability	—	—	(8)	8
10B	Floating-to-Fixed Interest Rate Swap	Non-current asset	786	786	(512)	1,298
10C	Floating-to-Fixed Interest Rate Swap	Non-current asset	756	756	(512)	1,268
12A	Floating-to-Fixed Interest Rate Swap	Non-current asset	5,590	(863)	—	(863)
Total hedging derivative instrument activities			7,132	\$ 679	\$ (1,040)	1,719
<b>Investment derivative instruments</b>						
2	Basis Rate Swap	Non-current liability	(927)	648	—	648
4	Basis Rate Swap	Non-current asset	146	3	—	3
08A	Floating-to-Fixed Interest Rate Swap	Non-current liability	(7,480)	4,957	—	4,957
08B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(1,583)	1,049	—	1,049
08C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(1,583)	1,049	—	1,049
09A	Floating-to-Fixed Interest Rate Swap	Non-current asset	1,625	636	—	636
09B	Floating-to-Fixed Interest Rate Swap	Non-current asset	346	135	—	135
09C	Floating-to-Fixed Interest Rate Swap	Non-current asset	346	135	—	135
12A	Floating-to-Fixed Interest Rate Swap	Non-current asset	653	(200)	—	(200)
Total investment derivative instrument activities			(8,457)	8,412	—	8,412
<b>Total</b>			<u>\$ (1,325)</u>			<u>\$ 10,131</u>

‡ On August 3, 2011, the Department refunded the outstanding principal of Series 2008A-1 and B-1 Bonds with the Series 2011B-1 and B-2 Bonds, respectively. Upon refunding, swap #07B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011B-1 Bonds, and swap #07A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011B-2 Bonds. On November 19, 2013, to better match the principal amortizations, swap #07A was re-associated with the Series 2011B-1 Bonds and swap #07B was re-associated with the Series 2011B-2 Bonds.



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Swap #	Description	Fair Value and Classifications as of June 30, 2022		Changes in Fair Value for the Twelve Months Ended June 30, 2022		
		Derivative Instrument Classification	Fair Value	Increase (Decrease) in Deferred Inflows	Increase (Decrease) in Deferred Outflows	Net Change in Fair Value
<b>Hedging derivative instruments</b>						
07A ‡	Floating-to-Fixed Interest Rate Swap	Non-current asset	\$ (8)	\$ —	\$ (121)	\$ 121
07B ‡	Floating-to-Fixed Interest Rate Swap	Non-current asset	(8)	—	(139)	139
10B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(512)	—	(3,392)	3,392
10C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(512)	—	(3,392)	3,392
12A**	Floating-to-Fixed Interest Rate Swap	Non-current asset	7,308	5,022	—	5,022
Total hedging derivative instrument activities			\$ 6,268	\$ 5,022	\$ (7,044)	\$ 12,066
<b>Investment derivative instruments</b>						
02	Basis Rate Swap	Non-current liability	(1,575)	(1,079)	—	(1,079)
04	Basis Rate Swap	Non-current asset	143	(403)	—	(403)
08A	Floating-to-Fixed Interest Rate Swap	Non-current liability	(12,437)	13,443	—	13,443
08B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(2,631)	2,844	—	2,844
08C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(2,631)	2,844	—	2,844
09A	Floating-to-Fixed Interest Rate Swap	Non-current asset	989	2,338	—	2,338
09B	Floating-to-Fixed Interest Rate Swap	Non-current asset	210	497	—	497
09C	Floating-to-Fixed Interest Rate Swap	Non-current asset	210	497	—	497
Total investment derivative instrument activities			(17,722)	\$ 20,981	—	20,981
<b>Total</b>			\$ (11,454)			\$ 33,047

‡ On August 3, 2011, the Department refunded the outstanding principal of its Series 2008A-1 and B-1 Bonds with the Series 2011B-1 and B-2 Bonds, respectively. Upon refunding, swap #07B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011B-1 Bonds, and swap #07A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011B-2 Bonds. On November 19, 2013, to better match the principal amortizations, swap #07A was re-associated with the Series 2011B-1 Bonds, and swap #07B was re-associated with the Series 2011B-2 Bonds.

On August 3, 2011, the Department refunded the Series 2008B-1 Bonds and the Series 2008A-1 Bonds with the Series 2011B-2 Bonds and the Series 2011B-1 Bonds, respectively. Upon refunding, \$100.0 million in notional of swap #07A and \$100.0 million in notional of swap #07B were re-associated with the 2011B-1 Bonds and the 2011B-2 Bonds, respectively. This re-association resulted in a revaluation of swaps #07A and #07B to adjust the overall swap rate of each swap to the market rate, creating a deferred loss on imputed debt for each swap, and an equivalent offsetting liability for each swap, imputed debt, in the amounts of \$10.7 million for swap #07A and \$10.7 million for swap #07B. These deferred losses on imputed debt and corresponding imputed debts are amortized against each other on a straight-line basis over the remaining lives of the swaps. In November 2013, the Department re-associated swap #07A with the 2011B-1 Bonds and re-associated swap #07B with the 2011B-2 Bonds. On December 6, 2017, the Series 2011B-2 Bonds were refunded by the issuance of Series 2017D Bonds and therefore re-associating \$92.5 million in notional of swap #07B with 2017D Bonds. The Series 2008 B-2 and Series 2017D bonds were subsequently redeemed early on July 1, 2021, and therefore reassociating \$21.0 million in notional of swap #07B with Series 2008D-2A/B.

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On November 19, 2013, the Department fully terminated swaps #06, #12B, and #17, and partially terminated swap #14B. Because swap #14B was only partially terminated, its outstanding notional value was reduced by \$56.8 million from \$202.0 million to \$145.2 million. At the transaction closing, the fair values of all the terminated swaps or portions thereof, coupled with their related accrued interest, resulted in a net termination payment of \$0. The Department executed this transaction to lower overall swap exposure, reduce interest rate risk, increase cash flow, reduce debt service, and tailor its swap portfolio to better match its variable rate bond portfolio. Upon completion of the termination, the Department re-associated the investment component of each of swap derivative instruments #14A and #14B with variable rate bonds, thereby resulting in the full hedging of these swaps.

On December 19, 2018, the Department fully terminated swaps #14A, #14B, #15, #16, and #18, causing a reduction in outstanding notional value of \$442.5 million, from \$1,333.3 million to \$890.9 million. The transaction closing resulted in a net termination payment of \$5.2 million. The Department executed this transaction to lower overall swap exposure, reduce interest rate risk, increase cash flow, and reduce debt service. Upon completion of the termination, the \$47.5 million in notional amount of swap #12A was re-associated to 2008D-3, from swap #14. Additionally, \$29.1 million and \$50.0 million in notional amounts from swap #12A were re-associated to 2008A General Obligation Bonds and 2008C Bonds, respectively, from swap #14B. Notional amounts of swaps #14A and #14B, associated to 2008D-2A, 2008D-2B, and 2010F-2 PFC Bonds, were not associated with other active hedged swaps as of the termination date.

On May 22, 2023, the Department executed two letters of adherence with the International Swaps and Derivatives Association, Inc. (ISDA). These letters affirm the Department's adherence to the ISDA 2020 IBOR Fallbacks Protocol and the ISDA 2021 Fallbacks Protocol.

(c) Hedging Derivative Instruments

As of June 30, 2023, the Department had three outstanding floating-to-fixed interest rate swap agreements considered to be hedging derivative instruments in accordance with the provisions of GASB 53. The three outstanding hedging swaps have been structured with step-down coupons to reduce the cash outflows of the fixed leg of those swaps in the later years of the swap.

Forward Starting Swap Agreements – Hedging Derivative Instruments

On January 3, 2006, the Department entered into five swap agreements (swaps #7A, #7B, #12A, #12B, and #13) to hedge future variable rate debt as a means to lower its borrowing costs and to provide favorable synthetically fixed

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rates for financing the construction of Terminal 3 and other related projects. Swaps #7A and #7B, with notional amounts of \$150.0 million each, became effective July 1, 2008, while swaps #12A and #12B, with notional amounts totaling \$550.0 million, became effective July 1, 2009. To better match its outstanding notional of floating-to-fixed interest rate swaps to the cash flows associated with its outstanding variable rate bonds, on April 6, 2010, the Department terminated \$543.4 million in notional amounts of its outstanding floating-to-fixed interest rate swaps (swaps #3, #5, #10A, and #11) and \$150.0 million in the notional amount of the July 1, 2010, forward starting swap #13. On April 17, 2007, the Department entered into two additional forward starting swaps, swaps #14A and #14B, with notional amounts totaling \$275.0 million, which became effective on July 1, 2011, and the Department later re-associated the investment component of each of swap derivative instruments #14A and #14B with variable rate bonds. Swaps #14A and #14B were subsequently terminated on December 19, 2018, and Swaps #7A and #7B matured on July 1, 2022.

Notional Amounts and Fair Values - Hedging Derivative Instruments

The notional amounts of the swap agreements match the principal portions of the associated debt and contain reductions in the notional amounts that are expected to follow the reductions in principal of the associated debt, except as discussed in the section on rollover risk.

Due to an overall decrease in variable rates, three of the Department's hedging derivative instruments had a positive fair value as of June 30, 2023 compared to only one in 2022.

Associated Debt Cash Flows - Hedging Derivative Instruments

The following are the net cash flows for the Department's hedging derivative instruments for the years ended June 30, 2023 and 2022 (in thousands):

Swap #	Interest Rate Swap Description	Associated Variable Rate Bonds	Counterparty Swap Interest			Interest to Bondholders	Net Interest Payments	
			(Pay)	Receive	Net	(Pay)	2023	2022
07A	Floating-to-Fixed	2008D-2A, 2008D-2B	\$ (316)	\$ 350	\$ 34	\$ (55)	\$ (20)	\$ (309)
07B *	Floating-to-Fixed	2008 D-2A, 2008D-2B	—	35	35	(64)	(29)	(270)
10B	Floating-to-Fixed	2008 D-2A, 2008D-2B	(531)	257	(273)	(661)	(934)	(803)
10C	Floating-to-Fixed	2008 D-2A, 2008D-2B	(272)	—	(272)	(661)	(933)	(803)
12A **	Floating-to-Fixed	2008D-2A, 2008D-2B, 2008 D-3	(4,326)	6,467	2,141	(2,568)	(427)	(277)
			<u>\$ (5,445)</u>	<u>\$ 7,109</u>	<u>\$ 1,665</u>	<u>\$ (4,009)</u>	<u>\$ (2,343)</u>	<u>\$ (2,462)</u>

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\* On December 6, 2017, the Series 2011B-2 Bonds were refunded by the issuance of Series 2017D Bonds and therefore re-associating \$92.5 million in notional of swap #07B with 2017D Bonds. The Series 2008 B-2 and Series 2017D bonds were subsequently redeemed early on July 1, 2021, and therefore reassociating \$21.0 million in notional of swap #07B with Series 2008D-2A/B.

\*\* On December 19, 2018, swaps #14A and 14B were terminated. Upon the termination, the \$47.5 million of notional amount of swap #12A was re-associated to 2008D-3 Bonds from swap #14A, while \$29.1 million and \$50.0 million in notional amounts of swap #12A were re-associated to 2008A General Obligation Bonds and 2008C Bonds, respectively, from swap #14B. Notional amounts of swaps #14A and #14B associated to 2008D-2A, 2008-D2B, and 2010F-2 PFC were not re-associated with other active hedged swaps as of the termination date.

*Credit Risk - Hedging Derivative Instruments*

The Department was exposed to credit risk on the three hedging derivative instruments that had a positive fair value totaling \$7.1 million as of June 30, 2023. However, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The following are the hedging swaps and their amounts at risk as of June 30, 2023, along with the counterparty credit ratings for these swaps (in thousands):

Swap #	Interest Rate Swap		Counterparty Ratings			Credit Risk Exposure
	Description	Counterparty	Moody's	S&P	Fitch	
10B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	\$ 786
10C	Floating-to-Fixed	UBS AG	Aa3	A+	AA-	756
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	A2	A	A+	5,591
						\$ 7,133

The Department was exposed to credit risk on one hedging derivative instrument that had a positive fair value totaling \$7.3 million as of June 30, 2022. However, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The following are the hedging swaps and their amounts at risk as of June 30, 2022, along with the counterparty credit ratings for these swaps (in thousands):

Swap #	Interest Rate Swap		Counterparty Ratings			Credit Risk Exposure
	Description	Counterparty	Moody's	S&P	Fitch	
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	A3	A	A+	\$ 7,308

The counterparty to swap #12A is required to post collateral pursuant to the terms of the ISDA CSA Agreement, given that the credit rating of this counterparty declined to the rating threshold defined in the ISDA CSA Agreement. As of June 30, 2023 and 2022, the cash collateral posted with the custodian for Swap #12A was \$9.1 million and \$8.1 million, respectively.

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*Basis and Interest Rate Risk – Hedging Derivative Instruments*

All hedging derivative instruments are subject to basis risk and interest rate risk should the relationship between the LIBOR rate and the Department's bond rates converge. If a change occurs that results in the rates moving to convergence, the expected cost savings and expected cash flows of the swaps may not be realized.

*Tax Policy Risk – Hedging Derivative Instruments*

The Department is exposed to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable rate bonds due to changes in tax law such that any federal or state tax exemption of municipal debt is eliminated or its value is reduced.

*Termination Risk – Hedging Derivative Instruments*

The Department is exposed to termination risk if either the credit rating of the bonds associated with the swap or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, i.e. if an ATE occurs. If at the time of the ATE the swap has a negative fair value, the Department would be liable to the counterparty for a payment equal to the swap's fair value. For all swap agreements, except for swaps #08A and #09A, the Department is required to designate a day between 5 and 30 days to provide written notice following the ATE date. For swaps #08A and #09A, the designated date is 30 days after the ATE date.

*Market Access Risk - Hedging Derivative Instruments*

The Department is exposed to market access risk, which is the risk that the Department will not be able to enter credit markets or that credit will become more costly. For example, to complete a hedging instrument's objective, an issuance of refunding bonds may be planned in the future. If at that time the Department is unable to enter credit markets, expected cost savings may not be realized.

*Foreign Currency Risk - Hedging Derivative Instruments*

All hedging instruments are denominated in US dollars, therefore, the Department is not exposed to foreign currency risk.

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Rollover Risk and Other Risks – Hedging Derivative Instruments

There exists the possibility that the Department may undertake additional refinancing with respect to its swaps to improve its debt structure or cash flow position and that such refinancing may result in hedging swap maturities that do not extend to the maturities of the associated debt, in hedging swaps becoming decoupled from associated debt, in the establishment of imputed debt, or in the creation of losses.

d) Investment Derivative Instruments

Credit Risk - Investment Derivative Instruments

The Department was exposed to credit risk on the investment derivative instruments that had positive fair value totaling \$3.1 million as of June 30, 2023, and \$1.6 million as of June 30, 2022. A CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The investment swaps and their amounts at risk as of June 30, 2023, along with the counterparty credit ratings for these swaps, are as follows (in thousands):

Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
04	Basis Swap	Citigroup Financial Products Inc.	A2	A	A+	\$ 146
09A	Floating-to-Fixed	Citigroup Financial Products Inc.	A2	A	A+	1,625
09B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	346
09C	Floating-to-Fixed	UBS AG	Aa3	A+	AA-	346
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	A2	A	A+	653
						<u>\$ 3,116</u>

The investment swaps and their amounts at risk as of June 30, 2022, along with the counterparty credit ratings for these swaps, are as follows (in thousands):

Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
04	Basis Swap	Citigroup Financial Products Inc.	A3	A	A	\$ 143
09A	Floating-to-Fixed	Citigroup Financial Products Inc.	A3	A	A+	989
09B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	210
09C	Floating-to-Fixed	UBS AG	Aa3	A+	AA-	210
						<u>\$ 1,552</u>

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Interest Rate Risk – Investment Derivative Instruments

Swaps #02 and #04 are subject to interest rate risk should the relationship between the LIBOR rate and the SIFMA rate converge. If economic conditions change such that these rates converge, the expected cash flows of the swaps and expected cost savings may not be realized.

Swaps #08A, #08B, and #08C, and swaps #09A, #09B, and #09C are subject to interest rate risk should the relationship between the 10-year CMS rate (Constant Maturity Swap rate) and the LIBOR rate converge. If economic conditions change such that these rates converge, the expected cash flows of the swaps and expected cost savings may not be realized.

(e) Projected Maturities and Interest on Variable Rate Bonds and Swap Payments

Using the rates in effect on June 30, 2023, the approximate maturities and interest payments of the Department’s variable rate debt associated with the interest rate swaps, as well as the net payment projections on the floating-to-fixed interest rate swaps, are as follows (in thousands):

Due for the Fiscal Year Ended June 30,	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2024	\$ 600	\$ 17,945	\$ 4,801	\$ 23,346
2025	615	17,920	3,146	21,681
2026	720	17,892	1,130	19,742
2027	17,260	17,519	238	35,017
2028	29,870	16,541	28	46,439
2029-2033	135,590	64,517	76	200,183
2034-2038	152,125	36,825	204	189,154
2039-2041	104,350	6,414	51	110,815
Total	<u>\$ 441,130</u>	<u>\$ 195,573</u>	<u>\$ 9,674</u>	<u>\$ 646,377</u>

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**10.) PAYMENTS TO CLARK COUNTY**

The Department reimburses the County for providing the Airport System with fire services, police services, legal services, administrative services, certain maintenance services based on the actual cost of those services and special projects. The total amounts billed for these services were \$41.9 million and \$42.5 million for the fiscal years ended June 30, 2023 and 2022, respectively.

**11.) COMMITMENTS AND CONTINGENCIES**

(a) Construction in Progress

As of June 30, 2023, the Department's management estimates that future expenditures which have been committed through execution of construction contracts will require an additional outlay of approximately \$311.4 million to bring those projects to completion.

(b) Litigation and Claims

General Litigation

The Department, through the County, is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. The opinion of County management, based on the advice of the County Attorney, is that the outcome of such claims will not have a material adverse effect on the Department's financial position, results of operations or liquidity at June 30, 2023.

Other Litigation

The County is a party to numerous other actions and claims in connection with the ownership and operation of the Airport System, including personal injury claims, employment-related claims, and construction claims, but, in the opinion of the District Attorney, the actions and claims described in this paragraph are not expected, in the aggregate, to have a material adverse effect on the financial condition of the Airport System.



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**12.) LEASES**

**Lessor**

The Department leases land, buildings, and terminal space to various tenants and concessionaires under operating agreements. Charges to air carriers are generated from terminal building rentals, gate use fees, and landing fees in accordance with the Agreement or with the provisions of the applicable County ordinance. Under the terms of these agreements, concession fees are based principally either on a percentage of the concessionaires' gross sales or a stated minimum annual guarantee, whichever is greater, or on other land and building rents that are based on square footage rental rates. The Department, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions such as regulated leases and short-term leases.

Following the adoption of GASB 87, the Department categorizes leases into two groups: (1) Included and (2) Regulated.

**GASB 87 Leases – Included**

The Department categorizes leases that meet GASB 87 requirements as Included leases and recognizes a lease receivable, a deferred inflow of resources, interest income, and lease revenue accordingly. Any performance based contract provisions within Included type agreements are excluded from GASB 87 accounting such as floating minimum annual guarantee (MAG), facility use fees, and profit sharing. The terms of the Included leases range from three to twenty-two years from the date of their commencement. As of June 30, 2023, all of the Included leases have terms expiring before fiscal year-end 2034. The Included leases are summarized as below (in thousands):

<b>Beginning Lease Receivable at July 1, 2022</b>	<b>Receivable Addition (Reduction)</b>	<b>Ending Lease Receivable at June 30, 2023</b>	<b>Interest Revenue</b>	<b>Lease Revenue</b>
\$ 34,168	\$ 24,282	\$ 58,450	\$ 1,253	\$ 16,514

Included leases were identified within three different revenue streams: terminal concession, parking and ground transportation, and rental car facility and concession. The Department recognized a total of \$16.5 million of lease revenue and \$1.3 million of lease interest revenue associated with Included lease payments received in FY 2023. The FY 2023 beginning balance of deferred inflows in was \$32.6 million related to the Included leases. The Department

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recognized additional deferred revenue in the amount of \$23.0 million in FY 2023 which resulted deferred inflow ending balance of \$55.6 million related to the Included lease population as of June 30, 2023 .

As of June 30, 2022, all of the Included leases have terms expiring before fiscal year-end 2027. The Included leases are summarized as below (in thousands):

<b>Beginning Lease Receivable at July 1, 2021</b>	<b>Receivable Addition (Reduction)</b>	<b>Ending Lease Receivable at June 30, 2022</b>	<b>Interest Revenue</b>	<b>Lease Revenue</b>
\$ 47,544	\$ (13,376)	\$ 34,168	\$ 1,252	\$ 13,647

The Department recognized a total of \$13.6 million of lease revenue and \$1.3 million of lease interest revenue in FY 2022. The FY 2022 beginning balance of deferred inflows was \$46.3 million related to the Included leases. The Department recognized revenue in the amount of \$13.6 million during FY 2022 which resulted in a FY 2022 deferred inflow ending balance to increase to \$32.6 million related to the included lease population.

The following is a schedule of minimum future rental income on Included leases as of June 30, 2023 (in thousands):

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>
<b>2024</b>	\$ 15,588	\$ 1,559
<b>2025</b>	13,770	1,086
<b>2026</b>	5,388	799
<b>2027</b>	4,264	662
<b>2028</b>	3,776	535
<b>2029-2033</b>	13,937	1,287
<b>2034</b>	1,727	20

**Regulated Leases**

The Department leases certain assets to various third parties as regulated leases, as defined by GASB 87. The leased assets include jet bridges, passenger hold rooms, concourse operations space, baggage service areas, hangars, and tie-down spaces. These leases are regulated under the FAA Rates and Charges Policy and Grant Assurance 22.

Certain assets are subject to preferential or exclusive use by the counterparties to these agreements as follows:

- Jet Bridges - 62 of 109 total jet bridges are designated as preferential use
- 26% of available terminal leased space is preferentially leased
- 51% of available terminal leased space is designated as joint-use space
- 23% of available terminal leased space is designated as common use space

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For the Airline-Airport use and lease, the Department recognized revenue from terminal/building rent, apron use, passenger enplanements, gate use, and landing fees in the amount of \$57.7 million and \$61.8 million in FY 2023 and FY 2022 respectively. For ground handling, the Department recognized lease revenue of \$3.4 million and \$3.5 million in FY 2023 and FY 2022 respectively, from terminal/building rent and apron use. Rates and charges are calculated annually at the beginning of each fiscal year based on the budgeted revenues, expenses, and debt service requirements and applied to both Airline-Airport use and lease agreements and ground handling agreements. Due to the nature of the rates and charges calculation, expected future minimum payments are indeterminable.

The Airport entered into various hangars, tie-down spaces, and FBO lease agreements with tenants for the use of spaces. During FY 2023, total revenues of \$12.2 million were recorded for these categories of Regulated leases. In FY 2022, total revenue of \$11.8 million was recorded for the Regulated leases.

The following is a schedule of minimum future rental income on Regulated leases as of June 30, 2023, for the upcoming fiscal years (in thousands):

Fiscal Year	Minimum Future Rents
2024	\$ 7,350
2025	7,094
2026	6,980
2027	6,627
2028	6,434
2029-2033	31,061
2034-2038	28,339
2039-2043	25,769
2044-2048	21,311
2049-2053	14,211
2054-2057	931

**Lessee**

The Department entered into a twenty-two year lease agreement for the use of an administrative office building located adjacent to the Airport on August 7, 2007. The Department recognizes a lease payable, interest expense, right of use asset net of accumulated amortization and amortization expense accordingly. Effective May 1, 2023, the Department partially terminated its lease of certain spaces in the administrative office building. The Department

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surrendered the space subject to termination of the lease, as required by the lease amendment. The necessary adjustments were made to the lease payable and right-of-use asset net of accumulated amortization, and a gain was recognized accordingly. Refer to the summary of lease payable for the building as of June 30, 2023 below (in thousands):

<b>Beginning Lease Payable at July 1, 2022</b>	<b>Payable Reduction</b>	<b>Ending Lease Payable at June 30, 2023</b>	<b>Interest Expense</b>	<b>Amortization Expense</b>
\$ 24,772	\$ 9,797	\$ 14,975	\$ 677	\$ 2,580

The Department has recorded a right of use asset for the building asset in the amount of \$19.1 million and accumulated amortization totaled \$5.5 million as of June 30, 2023. Current and non-current portion of ending lease payable as of June 30, 2023, for the building lease are \$1.6 million and \$13.4 million, respectively.

Refer to the summary of lease payable for the building as of June 30, 2022 below (in thousands):

<b>Beginning Lease Payable at July 1, 2021</b>	<b>Payable Reduction</b>	<b>Ending Lease Payable at June 30, 2022</b>	<b>Interest Expense</b>	<b>Amortization Expense</b>
\$ 26,635	\$ 1,863	\$ 24,772	\$ 776	\$ 2,732

The Department recorded a right of use in building asset in the amount of \$28.7 million and accumulated amortization totaled \$5.5 million as of June 30, 2022. A current and non-current portion of ending lease payable as of June 30, 2022, for the building lease are \$2.3 million and \$22.5 million, respectively.

The following is a schedule of future principal and interest payments to maturity for the leased building as of June 30, 2023 (in thousands):

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>
<b>2024</b>	\$ 1,607	\$ 429
<b>2025</b>	1,716	379
<b>2026</b>	1,831	326
<b>2027</b>	1,953	269
<b>2028</b>	2,082	209
<b>2029-2031</b>	5,786	230

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The Department's manner of use of the building remained unchanged, except for the partial termination of the lease in May 2023. The duration of the right-of-use of the building is unchanged. There were no impairment triggering events identified during FY 2022 or 2023.

**GASB 96 Subscription-Based IT Arrangements**

The Department adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96) to account for its subscription-based information technology arrangements (SBITAs). The Department has various types of operational, security, and productivity software under subscription-based information technology arrangements.

At the inception of a subscription, the Department initially measures the SBITA payable and the right-of-use SBITA asset at the present value of the subscription payments, discounted at 3.25% per annum. The right-of-use SBITA asset is amortized over the shorter of the estimated useful life of the asset or the contract period. The Department recognizes a SBITA payable, interest expense, right of use asset net of accumulated amortization, and amortization expense for each relevant period following the inception date, accordingly.

Variable payments related to certain of the Department's SBITAs are contingent upon the number of seat licenses. Management has assessed the impact of the potential variable payments related to seat licenses and determined these potential payments to be immaterial. There were no other material outflows related to early termination fees or other service-related fees beyond the recognized subscription liability.

As of June 30, 2023, the terms of the SBITA arrangements range from two to six years from the date of their commencement. The SBITA activities for the year ended June 30, 2023 are summarized below (in thousands):

<b>Beginning SBITA Payable at July 1, 2022</b>	<b>Payable Reduction</b>	<b>Ending SBITA Payable at June 30, 2023</b>	<b>Interest Expense</b>	<b>Amortization Expense</b>
\$ 4,544	\$ 248	\$ 4,296	\$ 134	\$ 1,698

The Department has recorded a right of use for the SBITA asset in the amount of \$7.6 million and accumulated amortization totaled \$2.9 million as of June 30, 2023. Current and non-current portion of SBITA payable as of June 30, 2023, for the right of use for SBITA asset are \$1.7 million and \$2.6 million, respectively. The current and non-current portion of SBITA payables are reported under different line items on the Statement of Net Position. The

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current portion is included within Accounts payable and other current liabilities and the non-current portion is recognized within Other non-current liabilities.

Refer to the summary of SBITA activities for the year ended June 30, 2022 below (in thousands):

<b>Beginning SBITA Payable at July 1, 2021</b>	<b>Payable Reduction</b>	<b>Ending SBITA Payable at June 30, 2022</b>	<b>Interest Expense</b>	<b>Amortization Expense</b>
\$ 1,035	\$ (3,509)	\$ 4,544	\$ 117	\$ 1,217

The Department recorded a right of use for the SBITA asset in the amount of \$6.2 million and accumulated amortization totaled \$1.2 million as of June 30, 2022. A current and non-current portion of SBITA payable as of June 30, 2022, for the right of use for SBITA asset are \$1.6 million and \$3.0 million, respectively.

The following is a schedule of future principal and interest payments to maturity for the SBITA as of June 30, 2023 (in thousands):

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>
<b>2024</b>	\$ 1,618	\$ 109
<b>2025</b>	888	65
<b>2026</b>	907	36
<b>2027</b>	556	16
<b>2028</b>	218	4
<b>2029-2033</b>	55	—

The Department did not experience any change in the manner of use or duration of the right of use of the SBITA asset. There were no impairment triggering events identified during FY 2022 or 2023.

**13.) RISK MANAGEMENT**

The Department is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and customers; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and County self-insured programs for off-airport auto liability, employee medical benefits, and workers' compensation.

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From time-to-time, the Department carries cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits. However, the extent of any future loss to be sustained as a result of uninsured deposits in the event of a failure of a financial institution, if any, is not subject to estimation at this time.

The County has established a fund for self-insurance related to medical benefits provided to employees and covered dependents. An independent claims administrator handles all claims procedures. The County also provides an option for employees to select an independent health maintenance organization for medical benefits.

The County has also established a fund for self-insurance related to workers' compensation claims. The County maintains reinsurance coverage obtained from private insurers for losses in excess of \$1.0 million per claim.

The Department reimburses the County at a per capita rate for employee medical benefits and for a percentage of payrolls for workers' compensation coverage. Rates for this coverage are uniform for all County departments and are adjusted based on the overall performance of the self-insured medical benefits fund and the self-insured workers' compensation fund.

As a participant in the County's self-insured programs, the Department is assessed annual fees based on the allocation of each respective fund. These assessments are charged to the Department's expense each year. There is no separate accounting for the Department's claims. Accordingly, information regarding claims liability and payments is not presented in this financial report.

Settled claims from these risks have not exceeded commercial insurance coverage during the past twelve months.

#### **14.) AIRPORT LAND TRANSFERS**

The Southern Nevada Public Land Management Act of 1998, Public Law 105-263, was enacted by Congress in October 1998. A provision of this law provided that the Bureau of Land Management (BLM), an agency of the United States Department of the Interior, transfer approximately 5,000 acres of land to the Department, without consideration, subject to the following:

1. Valid existing rights;
2. Agreement that the land be managed in accordance with the law, with 49 U.S.C. §47504 (relating to airport noise compatibility planning), and with regulations promulgated pursuant to that section;

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3. Agreement that, if any land is sold, leased, or otherwise conveyed by the Department, such sale, lease, or other conveyance shall contain a limitation that requires uses be compatible with the Interim Cooperative Management Agreement and with Airport Noise Compatibility Planning provisions (14 C.F.R. Part 150); and
4. Agreement that, if any land is sold, leased, or otherwise conveyed by the Department, such sale, lease, or other conveyance shall be at fair market value. The Department contributes 85% of the gross proceeds from the sale, lease, or other conveyance of such land directly to the BLM for use in purchasing, improving, or developing other land for environmental purposes. The Department contributes 5% of the gross proceeds from the sale, lease, or other conveyance of such land directly to the State for use in its general education program. The remainder is available for use by the Department for the benefit of airport development and the Noise Compatibility Program.

Due to the uncertainty of any future benefit to the Department, a value has not been assigned to, nor was income reported relating to, land not yet sold or leased under the Southern Nevada Public Land Management Act of 1998. Gross proceeds from the sale and lease of CMA land for the years ended June 30, 2023 and 2022, were \$114.2 million and \$396.8 million, respectively. The Department's share of these proceeds was \$11.4 million and \$39.7 million for the years ended June 30, 2023 and 2022, respectively.

#### **15.) SUBSEQUENT EVENTS**

Subsequent to June 30, 2023, the following significant events occurred:

1. As of July 1, 2023, the Intercontinental Exchange (ICE) Benchmark Administration ceased publishing any LIBOR setting using the methodology in place as of December 31, 2021. As a result, effective July 1, 2023, LIBOR is no longer an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt for purposes of GASB Statement 53.
2. On July 25, 2023, the Direct-Pay Letter of Credit provided by Barclays Bank PLC that supports the Airport System Subordinate Lien Revenue Bonds, Series 2008D-2B, was replaced with an Irrevocable Transferable Direct-Pay Letter of Credit by Sumitomo Mitsui Banking Corporation for a four-year term with an expiration date of July 23, 2027.



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3. On July 26, 2023, Fitch Ratings downgraded the long-term rating assigned to the Airport System Subordinate Lien Revenue Bonds, Series 2008D2-B, from A+ to A- and affirmed the short-term 'F1' rating. The Rating Outlook for the long-term rating will be Stable.
  
4. On October 10, 2023, an offer submitted by the Department to purchase land adjacent to the Airport located at the northeast corner of Las Vegas Boulevard and Hidden Well Road was accepted. The full amount of compensation offered for the property is \$166.7 million. The close of escrow will be on or before February 29, 2024.
  
5. On November 15, 2023, Fitch Ratings upgraded the long-term rating assigned to the Airport System Subordinate Lien Revenue Bonds, Series 2008C-1, Series 2008D-2A, Series 2008D3, Series 2021A and the Junior Subordinate Lien Revenue Notes, Series 2021B to AA- from A+. The Rating Outlook is Stable.

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# REQUIRED SUPPLEMENTARY INFORMATION

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Required Supplementary Information

As of June 30, 2023 and 2022

Schedule of Proportionate Share of Net Pension Liability

Last Ten Fiscal Years \*

(in thousands)

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Proportion of the Plan's collective net pension liability	\$ 221,614	\$ 106,501	\$ 183,948	\$ 178,360	\$ 176,581
Proportionate share of the collective net pension liability	1.23 %	1.17 %	1.32 %	1.31 %	1.29 %
Covered payroll	\$ 91,129	\$ 84,034	\$ 94,690	\$ 89,678	\$ 85,678
Proportionate share of the collective net pension liability as a percentage of the covered payroll	243.19 %	126.74 %	194.26 %	198.89 %	206.10 %
Plan's fiduciary net position	\$ 54,514,012	\$ 58,458,484	\$ 46,735,117	\$ 44,284,253	\$ 41,431,687
Plan's fiduciary net position as a percentage of the total pension liability	75.12 %	86.51 %	77.00 %	76.46 %	75.24 %

\* FY 2015 was the first year of implementation of GASB 68. This schedule is intended to show information over a period of ten years. Information for additional years will be presented as it becomes available.

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior (plan measurement year).

Changes in assumptions:

Significant changes in assumptions between the June 30, 2017 plan measurement date and June 30, 2016 plan measurement date include: the inflation rate was updated to 2.75% from 3.50%, the investment rate of return was updated to 7.50% from 8.00%, the productivity pay increase was updated to 0.5% from 0.75%, projected salary increases were updated to 4.25% to 9.15% for regular (depending on service) from 4.60% to 9.75%, projected salary increases were updated to 4.55% to 13.90% for police/fire (depending on service) from 5.25% - 14.5%, and the consumer price index was updated to 2.75% from 3.50%.

Significant changes in assumptions between the June 30, 2021 plan measurement date and the June 30, 2020 plan measurement date include: the discount rate was updated to 7.5% from 7.25%, the inflation rate was updated from 2.75% to 2.5%.

Significant change in assumption between the June 30, 2022 plan measurement date and the June 30, 2021 plan measurement date includes consumer price index updated to 2.50% from 2.75%.

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	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
\$	170,398	\$ 174,029	\$ 142,762	\$ 130,301
	1.28 %	1.29 %	1.25 %	1.25 %
\$	82,499	\$ 78,305	\$ 76,440	\$ 73,355
	198.88 %	222.25 %	186.76 %	177.63 %
\$	38,686,253	\$ 35,002,029	\$ 34,610,720	\$ 33,575,081
	74.40 %	72.20 %	75.10 %	76.30 %

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As of June 30, 2023 and 2022

Schedule of Defined Benefit Plan Contributions  
 Last Ten Fiscal Years \*  
 (in thousands)

Year Ended June 30,	Contractually Required Contribution (statutorily determined)	(a) Contributions in Relation to the statutorily Determined Contributions	Contribution Deficiency (Excess)	(b) Covered Payroll †	(a)/(b) Contributions as a Percentage of Covered Payroll
2015	\$ 9,842	\$ 9,842	\$ —	\$ 76,440	12.9%
2016	10,963	10,963	—	78,305	14.0%
2017	11,550	11,550	—	82,499	14.0%
2018	12,047	12,047	—	85,678	14.1%
2019	12,633	12,633	—	89,678	14.1%
2020	13,915	13,915	—	94,690	14.7%
2021	12,224	12,224	—	84,034	14.5%
2022	13,135	13,135	—	91,129	14.4%
2023	13,839	13,839	—	92,785	14.9%

\* FY 2015 was the first year of implementation. This schedule is intended to show information over a period of ten years. Information for additional years will be presented as it becomes available.

† Covered payroll is based on current fiscal year eligible payroll cost.

CLARK COUNTY DEPARTMENT OF AVIATION

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Required Supplementary Information

As of June 30, 2023 and 2022

Schedule of Changes in the Net Other Post Employment Benefit Plan Liability and Related Ratios

Last Ten Fiscal Years \*

(in thousands)

	CCSF	CC RHPP	PEBP	Total
Net OPEB liability at June 30, 2017	\$ 72,515	\$ 13,535	\$ 4,159	\$ 90,209
Changes recognized for the fiscal year:				
Service cost	7,199	979	—	8,178
Interest	2,745	413	118	3,276
Differences between expected and actual experience	510	356	13	879
Changes in assumptions***	(11,662)	(993)	(384)	(13,039)
Benefit payments	(1,323)	(615)	(153)	(2,091)
Net change in total OPEB liability	(2,531)	140	(406)	(2,797)
Net change in plan's fiduciary net position**	(1,858)	N/A	N/A	(1,858)
Net OPEB liability at June 30, 2018	\$ 68,126	\$ 13,675	\$ 3,753	\$ 85,554
Covered-employee payroll †	\$ 47,578	\$ 32,721	N/A	80,299
Net OPEB liability as a percentage of covered-employee payroll	143.0%	42.0%	N/A	107.0%
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	20.1%	N/A	N/A	N/A
	CCSF	CC RHPP	PEBP	Total
Net OPEB liability at June 30, 2018	\$ 68,126	\$ 13,675	\$ 3,753	\$ 85,554
Changes recognized for the fiscal year:				
Service cost	6,992	991	—	7,983
Interest	2,993	522	138	3,653
Differences between expected and actual experience	(25,290)	6,043	104	(19,143)
Changes in assumptions***	(21,991)	(2,608)	(207)	(24,806)
Benefit payments	(441)	(206)	(165)	(812)
Net change in total OPEB liability	(37,737)	4,742	(130)	(33,125)
Net change in plan's fiduciary net position**	(1,423)	N/A	N/A	(1,423)
Net OPEB liability at June 30, 2019	\$ 28,966	\$ 18,417	\$ 3,623	\$ 51,006
Covered-employee payroll †	\$ 47,954	\$ 34,607	N/A	82,561.144
Net OPEB liability as a percentage of covered-employee payroll	60.4%	53.2%	N/A	61.8%
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	39.1%	N/A	N/A	N/A

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Schedule of Changes in the Net Other Post Employment Benefit Plan Liability and Related Ratios

Last Ten Fiscal Years \*

(in thousands - continued from previous page)

	CCSF	CC RHPP	PEBP	Total
Net OPEB liability at June 30, 2019	\$ 28,966	\$ 18,417	\$ 3,623	\$ 51,006
Changes recognized for the fiscal year:				
Service cost	2,408	1,012	—	3,420
Interest	3,779	748	137	4,664
Differences between expected and actual experience	—	—	—	—
Changes in assumptions***	(7,468)	1,385	178	(5,905)
Benefit payments	(421)	(206)	(159)	(786)
Net change in total OPEB liability	(1,702)	2,939	156	1,393
Net change in plan's fiduciary net position**	(12,527)	N/A	N/A	(12,527)
Net OPEB liability at June 30, 2020	\$ 14,737	\$ 21,356	\$ 3,779	\$ 39,872
Covered-employee payroll †	\$ 49,392	\$ 35,645	N/A	85,037
Net OPEB liability as a percentage of covered-employee payroll	29.8%	59.9%	N/A	46.9 %
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	67.9%	N/A	N/A	N/A
	CCSF	CC RHPP	PEBP	Total
Net OPEB liability at June 30, 2020	\$ 14,737	\$ 21,356	\$ 3,779	\$ 39,872
Changes recognized for the fiscal year:				
Service cost	2,209	1,195	—	3,404
Interest	2,512	784	129	3,425
Differences between expected and actual experience	(8,565)	5,536	(1,793)	(4,822)
Changes in assumptions***	(13,857)	8,910	312	(4,635)
Benefit payments	(603)	(305)	(162)	(1,070)
Net change in total OPEB liability	(18,304)	16,120	(1,514)	(3,698)
Net change in plan's fiduciary net position**	(10,755)	N/A	N/A	(10,755)
Net OPEB (asset)	(14,322)	0	0	(14,322)
Net OPEB liability	—	37,476	2,265	39,741
Net OPEB (asset) liability at June 30, 2021	\$ (14,322)	\$ 37,476	\$ 2,265	\$ 25,419
Covered-employee payroll †	\$ 56,058	\$ 93,443	N/A	\$ 149,501
Net OPEB liability as a percentage of covered-employee payroll	-25.5%	40.1%	N/A	14.6%
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	152.0%	N/A	N/A	N/A



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Schedule of Changes in the Net Other Post Employment Benefit Plan Liability and Related Ratios

Last Ten Fiscal Years \*

(in thousands - continued from previous page)

	CCSF	CC RHPP	PEBP	Total
Net OPEB (asset) liability at June 30, 2021	\$ (14,322)	\$ 37,476	\$ 2,265	\$ 25,419
Changes recognized for the fiscal year:				
Service cost	513	1,586	66	2,165
Interest	2,078	860	—	2,938
Differences between expected and actual experience	—	—	—	—
Changes in assumptions***	—	379	145	524
Benefit payments	(734)	(337)	(143)	(1,214)
Net change in total OPEB liability	1,857	2,488	68	4,413
Net change in plan's fiduciary net position**	(12,218)	N/A	N/A	(12,218)
Net OPEB (asset)	(24,683)	0	0	(24,683)
Net OPEB liability	—	39,964	2,333	42,297
Net OPEB (asset) liability at June 30, 2022	\$ (24,683)	\$ 39,964	\$ 2,333	\$ 17,614
Covered-employee payroll †	\$ 47,798	\$ 80,284	N/A	\$ 128,082
Net OPEB liability as a percentage of covered-employee payroll	-51.6%	49.8%	N/A	-1.9%
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	183.9%	N/A	N/A	N/A
	CCSF	CC RHPP	PEBP	Total
Net OPEB (asset) liability at June 30, 2022	\$ (24,683)	\$ 39,964	\$ 2,333	\$ 17,614
Changes recognized for the fiscal year:				
Service cost	1,317	805	—	2,122
Interest	3,128	884	49	4,061
Changes of benefit terms ††	41,463	(41,463)	—	—
Differences between expected and actual experience	(27,037)	—	808	(26,229)
Changes in assumptions***	7,639	—	(356)	7,283
Benefit payments	(1,468)	(190)	(141)	(1,799)
Net change in total OPEB liability	25,042	(39,964)	360	(14,562)
Net change in plan's fiduciary net position**	5,352	N/A	N/A	5,352
Net OPEB liability at June 30, 2023	\$ 5,711	\$ —	\$ 2,693	\$ 8,404
Covered-employee payroll †	\$ 86,016	\$ —	N/A	\$ 86,016
Net OPEB liability as a percentage of covered-employee payroll	6.6%	0%	N/A	6.6%
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	89.5%	N/A	N/A	N/A

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**As of June 30, 2023 and 2022**

	2023	2022	2021	2020	2019
	CCSF	CCSF	CCSF	CCSF	CCSF
Beginning CCSF fiduciary net position	\$ 54,093	\$ 41,875	\$ 31,120	\$ 18,593	\$ 17,170
Changes in CCSF fiduciary net position recognized for the fiscal year					
Employer contributions	1,468	734	8,909	10,802	441
Employee contributions	—	—	—	—	—
Net investment income	(5,350)	12,220	2,450	2,150	1,423
Benefit payments	(1,468)	(734)	(603)	(421)	(441)
Administrative expense	(2)	(2)	(1)	(4)	—
Net change in CCSF fiduciary net position	(5,352)	12,218	10,755	12,527	1,423
Ending CCSF fiduciary net position	\$ 48,741	\$ 54,093	\$ 41,875	\$ 31,120	\$ 18,593

† Covered-employee payroll based on the annual payroll cost during the measurement period.

†† As of January 1, 2022, the CC RHPP no longer exists and was replaced by a self-insured Exclusive Provider Organization (EPO) plan which now falls under the CCSF OPEB Trust plan. All current and future plan participants covered by the self-funded group medical and dental benefit plan and the life insurance plan fall under the CCSF group. As a result, there was no longer an OPEB liability for the CC RHPP as of measurement date June 30, 2022. Any outstanding balances of benefits payment recorded as deferred inflows of resources were recognized immediately as OPEB expense for fiscal year 2023.

\* Fiscal year 2018 was the first year of implementation for GASB 75. This schedule is intended to show information over a period of ten years. Information for additional years will be presented as it becomes available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior (plan measurement year).

\*\* There are no assets accumulated in a trust that meets the criteria in GASB 75 to pay related benefits for CC RHPP and PEBP.

\*\*\* Significant changes in assumptions from the June 30, 2017 valuation to the June 30, 2018 valuation were as follows:

CCSF: The discount rate was updated from 3.60% at June 30, 2017 to 4.57% at June 30, 2018, based on the blending of the long-term expected return on assets of the plan and the municipal bond rate.

CC RHPP and PEBP: The discount rate was updated from 3.87% at June 30, 2017 to 3.58% at June 30, 2017 based on the municipal bond rate.

All Post Employment Benefit Plans: The marriage assumption was updated to reflect the most recent participant experience. The aging factors were updated to be based on the 2013 Society of Actuaries study. The termination rates and retirement rates were updated based on the 2018 Nevada PERS Actuarial Valuation results. The mortality table was updated from RP-2000 projected to year 2013 using Scale AA to RP-2014 with generational projection scale MP-2018. The salary scale assumption was updated to 3.0%. The inflation rate was updated to 2.00%. The investment rate of return was updated to 7.50%, based on the Nevada Retirement Benefits Investment Fund investment policy objective.

Significant changes in assumptions from the June 30, 2018 valuation to the June 30, 2019 valuation were as follows:

CCSF: The discount rate was updated from 4.57% at June 30, 2018 to 5.26% at June 30, 2019, based on the blending of the long-term expected return on assets of the plan and the municipal bond rate. The increase of discount rate was primarily due to the department's increase in trust contribution compared to prior fiscal year.

CC RHPP and PEBP: The discount rate was updated from 3.87% at June 30, 2018 to 3.50% at June 30, 2019, based on the municipal bond rate.

Significant changes in assumptions from the June 30, 2020 was as follows:

CCSF: The discount rate was updated from 5.26% at June 30, 2019 to 7.50% at June 30, 2020, based on long-term expected return on assets of the plan. The increase of discount rate was primarily due to the department's increase in fiduciary net position compared to prior year fiscal year.

CC RHPP and PEBP: The discount rate was updated from 3.50% at June 30, 2019 to 2.21% at June 30, 2020, based on the municipal bond rate.

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Required Supplementary Information

As of June 30, 2023 and 2022

2018
\$ 15,312
1,323
—
1,859
(1,323)
(1)
1,858
\$ 17,170

All Post Employment Benefit Plans: The inflation rate was updated from 2.00% at June 30, 2018 to 2.75% at June 30, 2020, based on 2020 Nevada PERS Actuarial valuation. The trend rates were reset to an initial rate of 7.00% (6.00% for post-Medicare), grading down by 0.25% per year until reaching the ultimate of 4.00% based on Healthcare Analytics (HCA) Consulting trend study performed during measurement period. The marriage assumption is updated to 30% based on the current retiree population data. The plan election rate is updated to 80% PPO, and 20 % HMO based on the retiree election during measurement period. The mortality tables were updated to utilize the Pub-2010 table with MP-2020 improvement scales (previously the RP 2014 with MP-2018 scales).

Significant changes in assumptions from the June 30, 2020 valuation to the June 30, 2021 valuation were as follows:

CC RHPP and PEBP: The discount rate was updated from 2.21% at June 30, 2020 to 2.16% at June 30, 2019, based on the municipal bond rate.

Significant changes in assumptions from the June 30, 2022 was as follows:

CCSF: The discount rate was updated from 7.50% at June 30, 2021 to 6.38% at June 30, 2022, based on long-term expected return on assets of the plan. The decrease of discount rate was primarily due to the department's decrease in fiduciary net position compared to prior fiscal year.

CC PEBP: The discount rate was updated from 2.16% at June 30, 2021 to 3.54% at June 30, 2022, based on the municipal bond rate.

All Post Employment Benefit Plans: The trend rates were reset to an initial rate of 6.50%, grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study. The termination and retirement rates were updated to the rates from the Nevada PERS Actuarial Valuation report as of June 30, 2021. The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries' recent mortality study. The inflation rate was updated to 2.50%.

There have been no significant changes in benefits provided to retirees.

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Required Supplementary Information

As of June 30, 2023 and 2022

Schedule of Other Post Employment Benefit Plan Contributions - CCSF  
 Last Ten Fiscal Years \*  
 (in thousands)

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020
	CCSF	CCSF	CCSF	CCSF
Required contribution (actuarially determined)	\$ —	\$ 1,664	\$ —	\$ 3,318
Contributions in relation to the actuarially determined contributions	1,300	1,468	276	8,807
Contribution excess (deficiency)	\$ 1,300	\$ (196)	\$ 276	\$ 5,489
Covered-employee payroll †	\$ 91,580	\$ 86,016	\$ 47,798	\$ 56,058
Contributions as a percentage of covered- employee payroll	1.4%	1.7%	0.6%	15.7%

\* Fiscal year 2018 was the first year of implementation for GASB 75. This schedule is intended to show information over a period of ten years. Information for additional years will be presented as it becomes available.

† Covered-employee payroll based on the annual payroll cost during the fiscal year.

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Required Supplementary Information

As of June 30, 2023 and 2022

Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018
CCSF	CCSF
\$ 9,129	\$ 8,313
10,802	714
<u>\$ 1,673</u>	<u>\$ (7,599)</u>
\$ 49,392	47,954
21.9%	1.5%

# SUPPLEMENTARY INFORMATION

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Supplementary Information**  
**As of June 30, 2023 and 2022**

Schedule of Airport Revenue Bond Debt Service Coverage  
For the Fiscal Years Ended June 30, 2023 and 2022  
(in thousands)

	<u>Reference</u>	<u>FY 2023</u>	<u>FY 2022</u>
Operating revenue		\$ 589,233	\$ 510,678
Operating expenses		(305,499)	(222,422)
Net operating revenues	(a)	283,734	288,256
CRRSA Act Grant		2,031	39,728
ARPA Grant		156,018	9,695
BABs Interest Subsidy		10,226	10,226
Interest income (loss)		11,138	(13,586)
Net revenue available for debt service	(b)	463,147	334,319
Other available funds:			
Senior lien coverage	(c)	11,504	11,504
Subordinate lien coverage		11,971	13,176
Total other available funds for debt service	(d)	23,475	24,680
Net revenue and other available funds for debt service	(e)	486,622	358,999
PFC revenue		110,473	94,026
PFC fund interest income (loss)		1,589	(1,688)
Total PFC revenue	(f)	112,062	92,338
Senior lien debt service	(g)	46,018	46,018
Subordinate lien debt service	(h)	119,713	131,757
Subordinate PFC debt service paid with PFC revenue	(i)	78,323	78,323
Total subordinate PFC debt service		\$ 78,323	\$ 78,323
<u>Coverage ratios</u>			
Senior lien based on net revenues*	b/g	10.06	7.26
Senior lien including other available funds (1.25 required)	(b+c)/g	10.31	7.51
Subordinate lien after payment of senior lien*	(e-g)/h	3.68	2.38
Senior and subordinate lien including other available funds (1.10 required)	e/(g+h)	2.94	2.02
Subordinate PFC bonds*	f/i	1.43	1.18

\*Provided for informational purposes only

# Statistical Section



**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Overview of Information Provided in the Statistical Section**

The information provided in the statistical section has not been audited. It is intended to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, the notes to the financial statements, and the required supplementary information in order to understand and assess the Department's economic condition.

Financial trends:

Financial trend data has been provided to assist users in understanding and assessing how the Department's financial position has changed over time. Schedules included are:

- Schedule of Revenues, Expenses, and Changes in Net Position, Budget vs. Actual
- Summary of Changes in Net Position
- Summary of Net Position
- Summary of Operating Expenses
- Summary of Non-operating Income and Expenses

Revenue Capacity:

Revenue capacity information has been provided to assist users in assessing and understanding the Department's major revenue sources. Schedules included are:

- Summary of Operating Revenues
- Summary of Restricted Revenues

Debt Capacity:

Debt capacity information has been provided to assist users in understanding and assessing the Department's ability to service existing debt and ability issue additional debt in the future. Schedules included are:

- Schedule of Airport Revenue Bond Debt Service Coverage
- Ratios of Airport Revenue Bond Debt Service to Total Operating Revenues and Expenses
- Outstanding Debt Principal Balance by Type

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Overview of Information Provided in the Statistical Section**

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Department's financial activities take place. Schedules included are:

- Visitor, Convention and Room Statistics
- Demographic and Economic Statistics
- Employment by Industry

Operating information:

Operating information has been provided to assist users with contextual information about the Department's operations and resources and to assist the reader in using financial statement information to understand and assess the Department's economic condition. Schedules included are:

- Passenger and Operating Statistics
- Market Share of Air Carriers
- Per Passenger Calculations
- Full Time Equivalent Employees
- Nature, Volume and Usage of Capital Assets

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Schedule of Revenues, Expenses, and Changes in Net Position  
Budget vs. Actual for the Fiscal Year Ended June 30, 2023  
(With Comparative Totals for the Fiscal Year Ended June 30, 2022) (in thousands)

	FY 2023			FY 2022**
	Budget	Actual	Variance	Actual
<b>Operating Revenues</b>				
Landing fees and other aircraft fees	\$ 33,469	\$ 26,098	\$ (7,371)	\$ 28,441
Gate use fees	23,277	38,075	14,798	20,998
Terminal concessions	71,013	85,472	14,459	75,176
Terminal building and use fees	153,497	155,979	2,482	135,890
Parking and ground transportation fees	82,085	100,282	18,197	83,220
Gaming fees	51,275	58,490	7,215	53,085
Rental car facility and concession fees	79,248	86,643	7,395	77,684
Ground rents and use fees	29,265	25,245	(4,020)	24,298
Other	13,592	12,949	(643)	11,886
<b>Total Operating Revenue</b>	<b>536,721</b>	<b>589,233</b>	<b>52,512</b>	<b>510,678</b>
<b>Operating Expenses</b>				
Salaries and wages	95,766	96,447	681	91,809
Employee benefits	51,518	55,663	4,145	8,971
Contracted and professional services	68,957	72,851	3,894	63,222
Repairs and maintenance	19,595	19,998	403	14,591
Utilities and communications	26,899	31,381	4,482	22,699
Materials and supplies	13,755	20,691	6,936	15,239
Administrative expenses	22,172	8,468	(13,704)	5,891
<b>Total Operating Expenses</b>	<b>298,662</b>	<b>305,499</b>	<b>6,837</b>	<b>222,422</b>
Operating income before depreciation	238,059	283,734	(45,675)	288,256
Depreciation/Amortization	195,000	193,965	(1,035)	197,955
Operating income (loss)	43,059	89,769	(46,710)	90,301
<b>Non-operating Revenues (Expenses)</b>				
Passenger Facility Charge revenue	88,337	110,473	22,136	94,026
Jet A Fuel Tax	16,225	17,295	1,070	15,708
Interest and investment income	5,850	28,893	23,043	(9,135)
Interest expense	(95,000)	(87,916)	7,084	(94,167)
Capital contributions	10,000	20,379	10,379	16,650
Net gain (loss) from disposition of capital assets	10,000	7,826	(2,174)	39,103
Other non-operating revenue (loss)	10,226	9,264	(962)	2,805
ARPA Airport Grants	107,000	156,018	49,018	9,695
CRRSA Act Airport Grants	2,000	2,031	31	39,728
<b>Total non-operating revenues (expenses)</b>	<b>154,638</b>	<b>264,263</b>	<b>109,625</b>	<b>114,413</b>
Change in net position	197,697	354,032	156,335	204,714
Net position, beginning of year	1,886,353	1,886,353	—	1,681,639
Net position, end of year	<u>\$ 2,084,050</u>	<u>\$ 2,240,385</u>	<u>\$ 156,335</u>	<u>\$ 1,886,353</u>

\*\* Refer to Note 1 "Accounting Changes and Restatements".

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Summary of Changes in Net Position  
Last Ten Fiscal Years  
(in thousands)

Fiscal Year	Operating Revenue	Percentage Increase/ (Decrease)	Operating Expenses	Percentage Increase/ (Decrease)	Income Before Depreciation	Percentage Increase/ Decrease	Depreciation and Amortization	Percentage Increase/ (Decrease)
2014	\$ 507,055	2.1%	\$ 233,978	(1.1%)	\$ 273,077	5.0 %	\$ 198,247	(0.6%)
2015	521,729	2.9%	235,937	0.8%	285,792	4.7 %	198,672	0.2%
2016	540,200	3.5%	241,158	2.2%	299,042	4.6 %	197,738	(0.5%)
2017	550,612	1.9%	255,386	5.9%	295,226	(1.3)%	195,035	(1.4%)
2018	559,319	1.6%	271,873	6.5%	287,446	(2.6)%	191,840	(1.6%)
2019	565,873	1.2%	280,001	3.0%	285,872	(0.5)%	190,874	(0.5%)
2020	497,833	(12.0%)	286,242	2.2%	211,591	(26.0)%	190,649	(0.1%)
2021	414,325	(16.8%)	231,395	(19.2%)	182,930	(13.5)%	194,757	2.2%
2022 **	510,678	23.3%	222,422	(3.9%)	288,256	57.6 %	197,955	1.6%
2023	589,233	15.4%	305,499	37.4%	283,734	(1.6)%	193,965	(2.0%)

This schedule provides information on operating revenues and expenses, non-operating income, capital contributions, and changes in net position for the last ten years of the Department's operations.

\*\* Refer to Note 1 "Accounting Changes and Restatements".

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Operating Income (loss)	Percentage Increase/ (Decrease)	Non- Operating Income (Expense)	Percentage Increase/ (Decrease)	Income (loss) before Capital Contributions	Percentage Increase/ (Decrease)	Capital Contributions	Percentage Increase/ (Decrease)	Change in Net Position	Percentage Increase/ (Decrease)
\$ 74,830	23.6 %	\$ (132,746)	42.4 %	\$ (57,916)	77.3 %	\$ 9,794	(6.4)%	\$ (48,122)	116.8 %
87,120	16.4 %	(81,794)	(38.4)%	5,326	(109.2)%	30,013	206.4 %	35,339	(173.4)%
101,304	16.3 %	(99,021)	21.1 %	2,283	(57.1)%	19,222	(36.0)%	21,505	(39.1)%
100,191	(1.1)%	(50,288)	(49.2)%	49,903	2085.9 %	49,276	156.4 %	99,179	361.2 %
95,606	(4.6)%	(27,476)	(45.4)%	68,130	36.5 %	7,517	(84.7)%	75,647	(23.7)%
94,998	(0.6)%	(34,064)	24.0 %	60,934	(10.6)%	22,281	196.4 %	83,215	10.0 %
20,942	(78.0)%	36,841	(208.2)%	57,783	(5.2)%	23,030	3.4 %	80,812	(2.9)%
(11,827)	(156.5)%	145,524	295.0 %	133,697	131.4 %	20,590	(10.6)%	154,287	90.9 %
90,301	(863.5)%	97,763	(32.8)%	188,064	40.7 %	16,650	(19.1)%	204,714	32.7 %
89,769	(0.6)%	243,884	149.5 %	333,653	77.4 %	20,379	22.4 %	354,032	72.9 %

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Summary of Net Position  
Last Ten Fiscal Years  
(in thousands)

Fiscal Year	Net Investment in Capital	Restricted for Capital	Restricted for Debt Service	Restricted for Other	Unrestricted Net Position	Total Net Position
2014	\$ 775,098	\$ 37,846	\$ 166,940	\$ 75,182	\$ 252,557	\$ 1,307,623
2015	666,778	64,783	181,526	76,906	198,861	1,188,854
2016	619,109	59,445	242,817	76,349	212,639	1,210,359
2017	714,945	66,129	212,012	82,120	234,332	1,309,538
2018	668,209	84,356	264,923	84,077	261,758	1,363,323
2019	701,267	124,317	316,042	89,152	215,760	1,446,538
2020	937,167	75,802	279,634	65,761	168,987	1,527,351
2021	951,423	38,693	280,300	80,646	330,577	1,681,639
2022 **	1,169,570	61,613	248,505	89,057	317,608	1,886,353
2023	1,454,617	93,333	235,301	82,245	374,889	2,240,385

This schedule provides information on the restricted and unrestricted components of net position for the last ten years of the Department's operations.

\*\* Refer to Note 1 "Accounting Changes and Restatements".

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Summary of Operating Expenses  
Last Ten Fiscal Years  
(in thousands)

<b>Fiscal Year</b>	<b>Total</b>	<b>Salaries and Benefits</b>	<b>Professional Services</b>	<b>Utilities</b>	<b>Repairs, Supplies, and Maintenance</b>	<b>Insurance</b>	<b>Administrative</b>
2014	\$ 233,978	\$ 117,903	\$ 54,205	\$ 24,404	\$ 32,145	\$ 2,579	\$ 2,742
2015	235,937	120,067	52,610	25,666	32,770	2,467	2,357
2016	241,158	121,697	54,687	24,338	34,020	2,395	4,021
2017	255,386	134,420	56,667	22,779	36,135	2,283	3,102
2018	271,873	139,783	59,937	24,128	40,001	2,007	6,017
2019	280,001	141,060	65,115	23,946	44,440	2,364	3,076
2020	286,242	151,420	67,154	23,843	38,489	2,075	3,261
2021	234,204	129,800	57,403	19,660	23,507	2,346	1,488
2022 **	222,422	100,780	63,222	22,699	29,830	3,098	2,793
2023	305,499	152,110	72,851	31,381	40,689	3,438	5,030

This schedule provides information on operating expenses by type for the last ten years of the Department's operations.

\*\* Refer to Note 1 "Accounting Changes and Restatements".

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Summary of Non-Operating Income and Expenses  
Last Ten Fiscal Years  
(in thousands)

<b>Fiscal Year</b>	<b>Passenger Facility Charges</b>	<b>Jet A Fuel Tax Revenue</b>	<b>Interest and Investment Income</b>	<b>Interest Expense</b>	<b>Other Non- Operating Income</b>	<b>Gain/(Loss) from Disposition of Assets</b>	<b>Total Non- operating Income/ (Expense)</b>
2014	\$ 79,524	\$ 10,389	\$ (8,927)	\$ (230,690)	\$ 16,768	\$ 190	\$ (132,746)
2015	83,921	10,542	6,813	(210,002)	16,750	10,182	(81,794)
2016	89,567	11,337	(16,977)	(199,850)	16,840	62	(99,021)
2017	90,793	12,050	29,355	(199,267)	16,822	(41)	(50,288)
2018	94,597	11,795	12,807	(164,486)	16,986	825	(27,476)
2019	96,783	11,979	188	(160,194)	16,948	232	(34,064)
2020	70,640	9,676	13,773	(122,953)	65,629	76	36,841
2021	58,899	8,242	23,829	(98,366)	157,419	(5,026)	144,997
2022 **	94,026	15,708	(9,135)	(94,167)	52,228	39,103	97,763
2023	110,473	17,295	28,893	(87,916)	167,313	7,826	243,884

This schedule provides information on non-operating income and expenses by source and/or activity for the last ten years of the Department's operations.

\*\* Refer to Note 1 "Accounting Changes and Restatements".



**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Summary of Operating Revenues  
Last Ten Fiscal Years  
(in thousands)

Fiscal Year	Total Operating Revenue	Rentals and Fees				Concessions				Other
		Landing Fees	Aircraft Fees	Building Rentals	Land Rentals	Ground Transportation	Gaming	Terminal Concessions	Parking Fees	Misc.
2014	\$ 507,055	\$ 54,924	\$ 6,298	\$ 242,847	\$ 21,605	\$ 47,545	\$ 25,566	\$ 65,910	\$ 33,704	\$ 8,656
2015	521,729	54,342	6,575	249,505	22,122	50,650	27,657	66,586	36,034	8,258
2016	540,200	50,905	6,715	261,708	22,020	54,873	29,516	67,009	38,852	8,602
2017	550,612	48,833	7,055	257,963	22,849	60,510	34,410	71,153	38,616	9,223
2018	559,319	43,683	7,338	252,938	25,019	62,827	36,051	75,478	39,002	16,983
2019	565,873	43,557	8,337	257,824	25,303	66,920	37,395	75,843	40,759	9,935
2020	497,834	36,253	7,126	246,983	24,146	52,132	28,606	58,999	34,392	9,197
2021	414,299	25,579	5,258	227,827	21,655	38,651	23,063	31,603	32,153	8,510
2022	510,678	19,940	8,501	191,151	24,298	73,948	53,085	75,176	52,693	11,886
2023 **	603,789	15,025	11,073	234,774	25,245	84,130	61,940	96,398	62,258	12,947

\*\*Concession revenue before applying grant credit. Refer to Operating Revenue in "Management's Discussion and Analysis".

2023	Building Rentals	Ground Transportation	Gaming	Terminal Concessions
Gross Billing	\$ 234,774	\$ 84,130	\$ 61,940	\$ 96,398
CRRSA Credit	(49)	—	(1,137)	(842)
ARPA Credit	(106)	(26)	(2,313)	(10,083)
Total Revenue	\$ 234,619	\$ 84,104	\$ 58,490	\$ 85,473

This schedule provides operating income by revenue type as rentals, fees, and concessions for the last ten years of the Department's operations.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Summary of Restricted Revenues  
 Last Ten Fiscal Years  
 (in thousands)

<b>Fiscal Year</b>	<b>Jet A Fuel Tax Revenue</b>	<b>Jet A Fuel Tax Per Enplaned Passenger</b>	<b>Passenger Facility Charges</b>	<b>PFC Per Enplaned Passenger</b>
2014	\$ 10,389	0.49	\$ 79,524	\$3.75
2015	10,542	0.48	83,921	3.84
2016	11,337	0.49	89,567	3.84
2017	12,050	0.5	90,793	3.79
2018	11,795	0.48	94,597	3.85
2019	11,979	0.47	96,783	3.84
2020	9,676	0.51	70,640	3.71
2021	8,242	0.63	58,899	4.47
2022	15,708	0.65	94,026	3.91
2023	17,295	0.61	110,473	3.91

This schedule provides information on restricted revenues for capital project funding collected from fuel taxes and passenger fees for the last ten years of the Department's operations.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Schedule of Airport Revenue Bond Debt Service Coverage (From Operating Revenues and Interest Income Available for Debt Service)  
Last Ten Fiscal Years (in thousands)

Fiscal Year	(a) Total Revenue Available for Senior Debt Service	(b) Total Revenue Available for Subordinate Debt Service	(c) Less: Operating and Maintenance Expenses	(d) (a) minus (c) Net Revenue Available for Senior Debt Service	(e) (b) minus (c) Net Revenue Available for Subordinate Debt Service	(f) Senior Debt Service	(d)/(f) Senior Lien Coverage (1.25 Required*)	(g) Subordinate Lien Debt Service	(e)/(f+g) Senior and Subordinate Lien Coverage (1.10 Required*)
2014	\$ 543,229	\$ 557,773	\$ 233,978	\$ 309,251	\$ 323,795	\$ 70,559	4.38	\$ 145,442	1.50
2015	560,237	572,092	235,937	324,300	336,155	79,533	4.08	118,553	1.70
2016	580,171	594,208	241,158	339,013	353,050	75,401	4.50	140,369	1.64
2017	585,379	599,642	255,386	329,993	344,256	71,778	4.60	142,633	1.61
2018	599,958	614,429	271,873	328,085	342,556	71,945	4.56	144,707	1.58
2019	620,677	635,195	280,001	340,676	355,194	70,622	4.82	145,180	1.65
2020	604,004	616,018	286,242	317,762	329,776	96,881	3.28	120,135	1.52
2021	592,548	605,725	231,394	361,154	374,331	70,836	5.10	131,766	1.85
2022	518,822	531,998	224,170	294,652	307,828	46,018	6.40	131,757	1.73
2023	780,150	792,121	305,499	474,651	486,622	46,018	10.31	119,713	2.94

\* Required by Master Indenture of Trust, dated May 1, 2003, as amended

Schedule of Passenger Facility Charge (PFC) Revenue Bond Debt Service Coverage From PFC Revenues and PFC Interest Income Available for Debt Service Last Ten Fiscal Years (in thousands)

Fiscal Year	PFC Revenue	PFC Debt Service	PFC Coverage (none Required)
2014	\$ 80,250	\$ 76,231	1.05
2015	84,675	76,185	1.11
2016	91,425	75,977	1.20
2017	91,383	76,957	1.19
2018	95,912	77,231	1.24
2019	103,720	77,810	1.33
2020	75,203	90,595	0.83
2021	58,053	78,328	0.74
2022	92,338	78,323	1.18
2023	112,062	78,323	1.43

This schedule provides information on coverage requirements for senior lien and subordinate lien debt service as defined in the Master Indenture of Trust dated May 1, 2003. For illustrative purposes, this schedule also provides calculated coverage for Passenger Facility Charge revenue bonds issued by the Department.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Ratios of Airport Revenue Bond Debt Service to Total Operating Revenues and Expenses  
 Last Ten Fiscal Years  
 (in thousands)

Fiscal Year	Senior Lien Debt Service	Subordinate Lien Debt Service	Total Debt Service	Operating Revenues	Ratio of Debt Service to Revenues	Operating Expenses	Ratio of Debt Service to Expenses
2014	\$ 70,559	\$ 145,442	\$ 216,001	\$ 507,055	2.35	\$ 233,978	1.08
2015	79,533	118,553	198,086	521,729	2.63	235,937	1.19
2016	75,401	140,369	215,770	540,200	2.50	241,158	1.12
2017	71,778	142,633	214,411	550,612	2.57	255,386	1.19
2018	71,945	144,707	216,652	559,319	2.58	271,873	1.25
2019	70,622	145,180	215,802	565,873	2.62	280,001	1.30
2020	96,881	120,135	217,016	497,833	2.29	286,242	1.32
2021	70,836	131,766	202,602	414,325	2.05	231,395	1.14
2022**	46,018	131,757	177,775	510,678	2.87	222,422	1.25
2023	46,018	119,713	165,731	589,233	3.56	305,499	1.84

This schedule provides information on bond debt service ratios for operating revenues and operating expenses for the last ten years of the Department's operations.

\*\* Refer to Note 1 "Accounting Changes and Restatements".

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Outstanding Debt Principal Balance by Type  
 Last Ten Fiscal Years  
 (Debt figures in thousands)

Fiscal Year	Senior Lien Bonds	Subordinate Lien Bonds	Passenger Facility Charge Bonds	Junior Subordinate Lien Debt and Jet A Bonds	General Obligation Bonds	Total Outstanding Debt	Total Enplaned Passengers	Ratio of Outstanding Debt to Enplaned Passengers
2014	983,010	2,009,578	982,757	375,286	80,199	4,430,830	21,224,639	208.76
2015	971,455	1,982,261	949,193	368,077	79,958	4,350,944	21,863,773	199.00
2016	953,131	1,960,532	919,885	359,118	79,717	4,272,383	23,307,617	183.30
2017	937,343	1,846,989	852,691	350,188	79,476	4,066,687	23,973,303	169.63
2018	924,198	1,799,575	813,894	341,139	79,235	3,958,041	24,596,343	160.92
2019	910,794	1,718,420	770,715	332,630	78,995	3,811,554	25,223,715	151.11
2020	889,496	1,521,731	651,124	319,182	78,754	3,460,287	19,037,659	181.76
2021	837,446	1,539,863	581,462	210,812	78,513	3,248,096	13,187,187	246.31
2022	809,517	1,367,174	517,923	199,326	78,272	2,972,212	24,025,401	123.71
2023	805,224	1,173,403	450,350	167,662	—	2,596,638	28,276,384	91.83

This schedule provides information on bond debt valued at outstanding principal net of unamortized premiums and discounts for the last ten years of the Department's operations.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Visitor, Convention, and Room Statistics (Las Vegas)  
 Last Ten Calendar Years

Calendar Year	Total Visitor Volume	Convention Attendance	Total Available Hotel-Motel Rooms	Occupancy Rates
2014	41,126,512	5,169,054	150,544	86.8 %
2015	42,312,216	5,891,151	149,213	87.7 %
2016	42,936,109	6,310,616	149,339	89.1 %
2017	42,214,200	6,646,200	146,993	88.7 %
2018	42,116,800	6,501,800	149,158	88.2 %
2019	42,523,700	6,649,100	150,259	88.9 %
2020	19,031,100	1,727,200	145,308	42.1 %
2021	32,230,600	2,206,400	150,487	66.8 %
2022	38,829,300	4,991,500	151,771	79.2 %
2023	not available	not available	not available	not available

Source: Las Vegas Convention and Visitors Authority - City of Las Vegas figures

This schedule provides visitor, room, and convention statistics for the Las Vegas metropolitan area for the last ten years of the Department's operations.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Demographic and Economic Statistics (Clark County, Nevada)  
 Last Ten Calendar Years

Calendar Year	(1) Clark County Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(4) Labor Force	(4) Unemployment Rate
2014	2,102,238	83,488,842,000	40,967	314,598	1,019,653	7.8%
2015	2,147,641	90,220,176,000	43,421	317,759	1,047,528	6.8%
2016	2,205,210	93,775,241,000	44,318	320,186	1,048,043	5.8%
2017	2,248,390	99,056,863,000	45,974	321,991	1,060,660	5.5%
2018	2,284,616	104,985,712,000	47,814	324,030	1,098,114	4.8%
2019	2,325,798	114,155,310,000	51,012	325,081	1,131,551	4.0%
2020	2,376,683	121,767,470,000	53,562	323,787	1,097,286	9.6%
2021	2,333,092	133,596,955,000	58,276	309,707	1,093,227	5.0%
2022	2,331,934	not available	not available	304,782	1,155,570	5.6 %
2023	not available	not available	not available	not available	not available	not available

Source: (1) Clark County Department of Comprehensive Planning  
 (2) U.S. Bureau of Economic Analysis (with prior years correction)  
 (3) Clark County School District (in fiscal year format) \* Estimated  
 (4) State of Nevada Department of Employment, Training and Rehabilitation

This table includes historical revisions, therefore, certain amounts presented may not be comparable to amounts presented in prior reports.

This schedule provides information on certain Clark County demographic and economic statistics for the last ten years of the Department's operations.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Employment by Industry (Clark County, Nevada)  
 Current Year and Nine Years Ago

Industry	2023		2014	
	Employees	% of Total Employment	Employees	% of Total Employment
Leisure and Hospitality	298,600	26.47 %	281,300	31.93 %
Trade, Transportation and Utilities	206,100	18.27 %	160,700	18.24 %
Professional and Business Services	173,900	15.42 %	116,900	13.27 %
Education and Health Services	123,700	10.97 %	82,000	9.31 %
Government	108,700	9.64 %	92,600	10.51 %
Construction	82,400	7.30 %	44,500	5.05 %
Financial Activities	58,200	5.16 %	43,400	4.93 %
Other Services	32,100	2.85 %	25,900	2.94 %
Manufacturing	30,300	2.69 %	21,100	2.40 %
Information	13,700	1.21 %	12,200	1.38 %
Mining and Logging	400	0.04 %	400	0.05 %
<b>Total Clark County, Nevada Employment</b>	<b>1,128,100</b>		<b>881,000</b>	

Source: United States Bureau of Labor Statistics

This schedule provides employment by industry in Clark County for the current year and the year nine years prior.



**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Passenger and Operating Statistics  
 Last Ten Fiscal Years

Fiscal Year	Aircraft Operations (Departures)	Landed Weight(000 lbs.)	Total Enplaned Passengers	Cargo Tons
2014	219,437	24,431,409	21,224,639	104,101
2015	216,604	24,668,357	21,863,773	109,319
2016	215,887	25,803,661	23,307,617	108,695
2017	220,229	26,493,451	23,973,303	117,035
2018	223,879	26,856,277	24,596,343	126,830
2019	225,571	27,418,216	25,223,715	132,975
2020	185,107	22,749,778	19,037,659	125,932
2021	149,370	17,839,131	13,187,187	117,164
2022	217,135	26,408,350	24,025,401	121,634
2023	255,020	30,729,432	28,276,384	136,930

This schedule provides information on passenger and landed weight statistics for the last ten years of the Department's operations.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Market Share of Air Carriers  
Last Three Fiscal Years

Airline	FY 2023			FY 2022			FY 2021		
	Enplaned Passengers			Enplaned Passengers			Enplaned Passengers		
	Number	Percent of Total	Increase/Decrease	Number	Percent of Total	Increase/Decrease	Number	Percent of Total	Increase/Decrease
Southwest	9,716,239	34.4%	15.3%	8,423,490	35.1%	79.8%	4,685,234	35.7%	(24.9%)
Spirit	4,233,125	15.0%	44.3%	2,934,246	12.2%	63.5%	1,794,704	13.6%	(11.1%)
Frontier	2,627,435	9.3%	13.4%	2,316,816	9.6%	83.0%	1,266,341	9.6%	(9.7%)
Delta	2,387,268	8.4%	3.1%	2,315,268	9.6%	98.9%	1,163,833	8.8%	(39.5%)
American	2,119,494	7.5%	(4.8%)	2,225,859	9.3%	60.7%	1,385,471	10.5%	(19.4%)
United	1,954,018	6.9%	14.9%	1,701,130	7.1%	103.8%	834,904	6.3%	(44.1%)
Allegiant	1,200,620	4.2%	4.9%	1,144,105	4.8%	60.9%	711,046	5.4%	(19.8%)
International	1,509,313	5.3%	94.6%	775,459	3.2%	533.0%	122,498	0.9%	(90.5%)
Alaska	917,897	3.2%	20.7%	760,297	3.2%	61.7%	470,315	3.6%	(40.7%)
JetBlue	479,899	1.7%	0.6%	477,113	2.0%	90.2%	250,786	1.9%	(38.7%)
General Aviation & Other	501,489	1.8%	9.8%	456,652	1.9%	62.5%	280,975	2.1%	(32.0%)
Sun Country	188,331	0.7%	8.1%	174,246	0.7%	27.6%	136,528	1.0%	(34.6%)
Hawaiian	325,241	1.2%	15.0%	282,902	1.2%	234.7%	84,512	0.6%	(56.3%)
Avelo	23,328	0.1%	(32.0%)	34,301	0.1%	—%	—	—%	—%
Charter Airlines	791	—%	(52.1%)	1,650	—%	4025.0%	40	—%	(99.9%)
Breeze	89,999	0.3%	5985.1%	1,479	—%	—%	—	—%	—%
Advanced Air	1,457	—%	539.0%	228	—%	—%	—	—%	—%
Southern Airways Express	440	—%	175.0%	160	—%	—%	—	—%	—%
<b>Total Enplanements</b>	<b>28,276,384</b>	<b>100.0%</b>	<b>17.7%</b>	<b>24,025,401</b>	<b>100.0%</b>	<b>82.2%</b>	<b>13,187,187</b>	<b>100.0%</b>	<b>(30.7%)</b>

This schedule provides market share information by air carrier for the last three fiscal years of the Department's operations.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Per Passenger Calculations  
Last Ten Fiscal Years

Fiscal Year	Concessions				Concession Revenue per Enplaned Passenger	Operating Expenses per Enplaned Passenger	Outstanding Debt per Enplaned Passenger	Airport Revenue Bond Debt Service per Enplaned Passenger	Airline Cost per Enplaned Passenger
	Ground Trsp	Gaming	Terminal	Parking					
2014	\$ 3.92	\$ 1.20	\$ 3.11	\$ 1.59	\$ 9.82	\$ 11.02	\$ 208.76	\$ 10.18	\$ 11.74
2015	3.95	1.26	3.04	1.65	9.90	10.78	199.00	9.05	11.60
2016	3.95	1.26	2.87	1.66	9.74	10.24	183.30	9.24	11.05
2017	4.14	1.43	2.96	1.61	10.14	10.64	169.41	8.93	10.13
2018	4.14	1.47	3.07	1.59	10.27	11.05	160.92	8.81	9.89
2019	4.16	1.48	3.01	1.62	10.27	11.10	151.11	8.56	9.91
2020	4.31	1.50	3.10	1.81	10.72	15.04	181.76	6.82	12.55
2021	4.74	1.75	2.37	2.44	11.30	17.55	246.31	15.36	16.34
2022**	4.50	2.21	3.13	2.19	12.04	9.26	123.71	7.40	6.68
2023	4.41	2.07	3.02	2.20	11.70	10.80	91.83	5.86	6.78
Average	\$ 4.22	\$ 1.56	\$ 2.97	\$ 1.84	\$ 10.59	\$ 11.75	\$ 171.61	\$ 9.02	\$ 10.67

This schedule provides information on concession revenues, operating expenses, bond debt and service coverage, and airline cost, all normalized per enplaned passenger for the last ten years of the Department's operations.

\*\* Refer to Note 1 "Accounting Changes and Restatements".

CLARK COUNTY DEPARTMENT OF AVIATION  
CLARK COUNTY, NEVADA  
Statistical Section

Full Time Equivalent Employees  
Last Ten Fiscal Years

Fiscal Year	Total
2014	1,400
2015	1,364
2016	1,377
2017	1,402
2018	1,434
2019	1,453
2020	1,460
2021	1,277
2022	1,281
2023	1,326
Average Annual Increase (Decrease)	(0.6%)

This schedule provides information on the number of full time equivalent employees for the last ten years of the Department's operations.

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**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Nature, Volume, and Usage of Capital Assets - Last Ten Fiscal Years

	For the Fiscal Years Ended:			
	2023	2022	2021	2020
Indicators of the Level of Demand for Services				
Airlines:	38	40	38	33
Destinations served:	165	161	131	156
Daily flight operations:	1,655	1,517	1,027	1,202
Daily commercial operations:	1,093	934	644	839
Annual passengers:	56,532,889	48,062,113	26,458,311	37,963,942
McCarran International Airport Site:	3,213 acres	3,213 acres	2,820 acres	2,820 acres
Runways:	26R*/8L: 14,515' X 150'	26R*/8L: 14,515' X 150'	26R*/8L: 14,512' X 150'	26R*/8L: 14,512' X 150'
	26L*/8R: 10,525' X 150'	26L*/8R: 10,525' X 150'	26L*/8R: 10,525' X 150'	26L*/8R: 10,525' X 150'
	19R/1L*: 8,988' X 150'	19R/1L*: 8,988' X 150'	19R/1L*: 8,988' X 150'	19R/1L*: 8,988' X 150'
	19L/1R: 9,771' X 150'	19L/1R: 9,771' X 150'	19L/1R: 9,775' X 150'	19L/1R: 9,775' X 150'
	* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped
Gates	109	109	109	109
Terminal buildings:				
Rentable Space	2,331,719	2,423,719	2,395,245	2,318,410
Public Space	1,586,804	1,584,874	1,587,495	1,617,519
Total Usable Space	3,918,523	4,008,593	3,982,740	3,935,929
Administration	518,907	515,402	512,920	520,077
Mechanical/Utilities	536,457	533,876	533,660	640,098
Total Space	4,973,887	5,057,871	5,029,320	5,096,104
Parking:				
Short-term	1,195	1,195	1,195	1,381
Valet	923	923	923	917
Long-Term	7,217	6,596	6,596	7,363
Surface Lot(s)	1,342	7,336	1,342	1,235
Economy	1,732	4,860	4,860	5,724
Remote	1,453	1,130	1,130	526
Total Public Parking Spaces	13,862	22,040	16,046	17,146
Consolidated Car Rental Facility:				
Customer Service Building (Sq. Ft.)	176,948	176,948	111,000	111,000
Garage (Sq. Ft.)	1,642,775	1,642,775	1,800,000	1,800,000
Vehicle Capacity	5,000+	5,000+	5,000+	5,000+
Shuttle Bus Fleet (units)	47	47	48	48

This schedule provides information on the nature, volume, and usage of the Department's capital assets for the last ten years of the Department's operations.

**CLARK COUNTY DEPARTMENT OF AVIATION**  
**CLARK COUNTY, NEVADA**  
**Statistical Section**

Nature, Volume, and Usage of Capital Assets - Last Ten Fiscal Years (continued)

2019	For the Fiscal Years Ended:					
	2018	2017	2016	2015	2014	
36	29	29	31	32	35	
156	137	150	152	149	(including 27 international)	
1,492	1,480	1,501	1,463	1,429	1,432	
992	965	953	938	907	931	
50,488,456	49,226,068	47,946,907	46,629,208	43,685,099	42,323,363	
2,820 acres	2,820 acres	2,820 acres	2,820 acres	2,820 acres	2,820 acres	
26R*/8L: 14,510' X 150'	26R*/8L: 14,512' X 150'	26R*/8L: 14,510' X 150'	25R*/7L: 14,510' X 150'	25R*/7L: 14,510' X 150'	25R*/7L: 14,510' X 150'	
26L*/8R: 10,525' X 150'	26L*/8R: 10,525' X 150'	26L*/8R: 10,526' X 150'	25L*/7R: 10,526' X 150'	25L*/7R: 10,526' X 150'	25L*/7R: 10,526' X 150'	
19R/1L*: 8,988' X 150'	19R/1L*: 8,988' X 150'	19R/1000L*: 8,985' X 150'	19R/1000L*: 8,985' X 150'	19R/1000L*: 8,985' X 150'	19R/1000L*: 8,985' X 150'	
19L/1000R: 9,775' X 150'	19L/1R: 9,771' X 150'	19L/1000R: 9,775' X 150'	19L/1000R: 9,775' X 150'	19L/1000R: 9,775' X 150'	19L/1000R: 9,775' X 150'	
* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped	
109	109	109	109	110	110	
2,318,410	2,340,694	2,340,694	2,340,694	2,340,694	2,340,694	
1,617,519	1,540,266	1,540,266	1,540,266	1,540,266	1,540,266	
3,935,929	3,880,960	3,880,960	3,880,960	3,880,960	3,880,960	
520,077	510,482	510,482	510,482	510,482	510,482	
640,098	497,036	497,036	497,036	497,036	497,036	
5,096,104	4,888,478	4,888,478	4,888,478	4,888,478	4,888,478	
1,381	1,381	1,381	1,381	1,381	1,381	
917	769	769	857	1,530	1,530	
7,363	7,363	7,471	7,363	7,363	7,363	
1,235	624	624	624	624	624	
5,724	5,100	5,100	5,100	5,100	5,100	
526	1,954	1,954	1,954	1,954	1,954	
17,146	17,191	17,299	17,279	17,952	17,952	
111,000	111,000	111,000	111,000	111,000	111,000	
1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	
5,000+	5,000+	5,000+	5,000+	5,000+	5,000+	
48	48	48	50	50	50	

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