

Clark County Department of Aviation
An Enterprise Fund of Clark County, Nevada
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2024 and 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, 2024 and 2023



Prepared by the Department of Aviation

Las Vegas, Nevada

CLARK COUNTY DEPARTMENT OF AVIATION

Clark County, Nevada

As of November 19, 2024

Clark County Board of Commissioners

Tick Segerblom, Chair

William McCurdy II, Vice Chair

Michael Naft

Marilyn Kirkpatrick

Ross Miller

Justin Jones

James B. Gibson

County Manager's Office

Kevin Schiller, County Manager

Les Lee Shell, Deputy County Manager

Abigail Frierson, Deputy County Manager

Lisa Kremer, Deputy County Manager

Jessica Colvin, Chief Financial Officer

Department of Aviation

Rosemary A. Vassiliadis, Director

James Chrisley, Senior Director

Doug McMahan, 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, 2024 and 2023

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Introductory Section



Department of Aviation
Rosemary A. Vassiliadis, Director
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November 19, 2024

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, 2024. 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 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. The Airport 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

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

Economic Outlook

The County is one of the top resort and convention destinations in the world and is home to the world-famous Las Vegas Strip and the Las Vegas Convention Center, one of the most modern and versatile meeting facilities in the country. While the County has historically been reliant on tourism, gaming, and hospitality, the County has also become known for its entertainment, dining, shopping, and recreational activities, including Hoover Dam, Lake Mead National Recreation Area, Red Rock Canyon National Conservation Area, and other outdoor attractions.

In December 2023, the Department commemorated the 75th anniversary of the acquisition of McCarran Field - the small airfield that evolved over the ensuing years into the internationally renowned, 2,800-acre complex known today as the Harry Reid International Airport. This anniversary celebration was on the brink of another record-setting year after serving 52.6 million passengers in 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 large scale events are scheduled and returning to pre-pandemic levels. In November 2023, the inaugural Las Vegas Grand Prix was held on and around the Las Vegas Strip. In February 2024, Las Vegas hosted the Super Bowl. In October 2024, the Tropicana Las Vegas was demolished to make way for a 33,000 seat Major League Baseball stadium intended to become the new home of the Oakland Athletics. 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 were \$588.9 million in fiscal year 2024 and \$589.2 million in fiscal year 2023, remaining flat year over year. The Department's total operating expenses increased by \$32.3 million from \$305.5 million in fiscal year 2023 to \$337.8 million in fiscal year 2024. The increase in operating expenses is primarily attributed to a \$12.0 million increase in pension expenses, as determined by actuarial analysis. This increase was partially offset by a \$19.7 million decrease in other post retirement benefits expense from fiscal year 2023 to FY 2024. Beyond personnel costs and employee benefits, professional service expenses rose by \$16.6 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. Furthermore, all other categories of operating expenses increased by \$11.5 million, driven by the increase in passenger traffic and activities in fiscal year 2024. 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 \$5.10 for fiscal year 2024.

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, 2024, 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 2024, in comparison to fiscal year 2023.

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, 2023, as well as for the fiscal year ended June 30, 2022. This was the 19th 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 efficiently 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

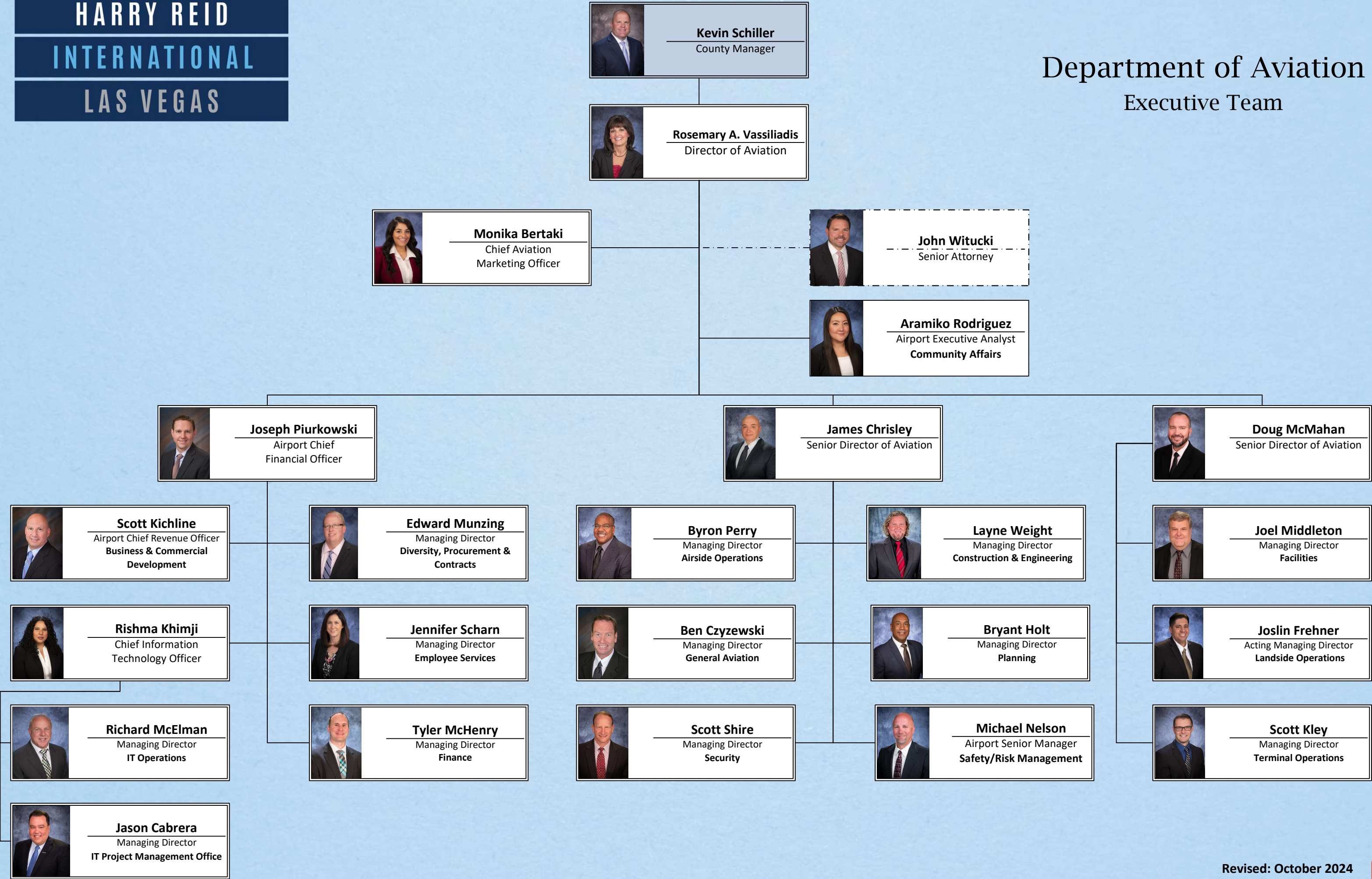
**Clark County Department of Aviation
Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



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, 2024 and 2023 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, 2024 and 2023, and the 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 Matter

As discussed in Note 1(a), the financial statements of the Department of the County 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, 2024 and 2023, 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.

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 November 19, 2024 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
November 19, 2024

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

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, 2024 (FY 2024) and 2023 (FY 2023), with selected comparable data for the fiscal year ended June 30, 2022 (FY 2022). 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 or LAS) and the four other general aviation facilities owned by the County (Airport System). The Airport System comprises the Airport, the eighth-busiest airport in North America by passenger volume in calendar year 2023; 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, 2024 and 2023. 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, 2024 and 2023. 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

In FY 2024, the Airport recorded a record number of 29,145,881 enplaned passengers, an increase of 3.1% compared to 28,276,384 enplaned passengers in FY 2023. Aircraft landed weights in FY 2024 totaled 31,974,588 thousand pounds, compared to 30,729,432 thousand pounds in FY 2023, a year over year increase of 4.1%.

In FY 2024, Condor resumed international air service to Las Vegas while other airlines added new international air service routes to Las Vegas, including Alaska Airlines, Porter Airlines, and Virgin Atlantic.

The Department is undertaking several construction projects to enhance various aspects of the airport, including security, roadway systems, airfield operations, passenger circulation, and the overall passenger experience. In April 2024, the Department completed the West Apron Expansion project at an estimated total cost of \$35.7 million. The project was designed to boost the airport's capacity to support increased general aviation traffic. In February 2024, work began on the Inbound Baggage Handling System Modernization at LAS Terminal 1. With an estimated total cost of \$74.4 million, this project aims to replace the outdated curbside delivery conveyors and controls. In September 2023, work began on the LAS Holding Pad 7 and Main Gate Reconstruction project. With an estimated total cost of \$66.5 million, this project is designed to improve efficiency and safety by accommodating more aircraft and reducing congestion. Additionally, in September 2023, work began on the LAS Drainage Improvement project at the 8/26 Runways. With an estimated total cost of \$36.5 million, this project is designed to enhance water management and minimize wildlife attractants at the runway complex.

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 allocated \$48.0 million from the airport infrastructure program for federal FY 2024, bringing total allocations for the program to \$139.4 million from federal FY 2022 to FY 2024. Additionally, the Department has been allocated BIL grant funds for the airport terminal program and Federal Aviation Administration contract tower competitive funds totaling \$31.9 million for federal FY 2023.

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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):

	2024	2023	2022	Change			
				2024 vs 2023		2023 vs 2022	
Assets and deferred outflows of resources:							
Current assets	\$ 880,500	\$ 965,148	\$ 900,698	\$ (84,648)	(8.8%)	\$ 64,450	7.2%
Capital assets, net	4,236,039	3,902,409	4,021,805	333,630	8.5%	(119,396)	(3.0%)
Other non-current assets	488,620	465,737	456,517	22,883	4.9%	9,220	2.0%
Total assets	<u>5,605,159</u>	<u>5,333,294</u>	<u>5,379,020</u>	<u>271,865</u>	5.1%	<u>(45,726)</u>	(0.9%)
Deferred outflows of resources	<u>99,835</u>	<u>111,660</u>	<u>96,272</u>	<u>(11,825)</u>	(10.6%)	<u>15,388</u>	16.0%
Total assets and deferred outflows of resources	<u><u>5,704,994</u></u>	<u><u>5,444,954</u></u>	<u><u>5,475,292</u></u>	<u><u>260,040</u></u>	4.8%	<u><u>(30,338)</u></u>	(0.6%)
Liabilities, deferred inflows of resources, and net position:							
Current liabilities	478,506	333,699	498,133	144,807	43.4%	(164,434)	(33.0%)
Non-current liabilities	2,574,054	2,703,433	2,872,845	(129,379)	(4.8%)	(169,412)	(5.9%)
Total liabilities	<u>3,052,560</u>	<u>3,037,132</u>	<u>3,370,978</u>	<u>15,428</u>	0.5%	<u>(333,846)</u>	(9.9%)
Deferred inflows of resources	<u>139,703</u>	<u>167,437</u>	<u>217,961</u>	<u>(27,734)</u>	(16.6%)	<u>(50,524)</u>	(23.2%)
Net position:							
Net investment in capital assets	1,615,589	1,454,617	1,169,570	160,972	11.1%	285,047	24.4%
Restricted	659,920	410,879	399,175	249,041	60.6%	11,704	2.9%
Unrestricted	237,222	374,889	317,608	(137,667)	(36.7%)	57,281	18.0%
Total net position	<u>2,512,731</u>	<u>2,240,385</u>	<u>1,886,353</u>	<u>272,346</u>	12.2%	<u>354,032</u>	18.8%
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 5,704,994</u></u>	<u><u>\$ 5,444,954</u></u>	<u><u>\$ 5,475,292</u></u>	<u><u>\$ 260,040</u></u>	4.8%	<u><u>\$ (30,338)</u></u>	(0.6%)

CLARK COUNTY DEPARTMENT OF AVIATION
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Discussion of FY 2024 Net Position

Total net position for the Department as of June 30, 2024 was \$2,512.7 million, an increase of \$272.3 million from FY 2023. This can be primarily attributed to the following significant changes:

- Current assets
 - For FY 2024, current assets were \$880.5 million, a decrease of \$84.6 million from FY 2023. This change was primarily driven by decreases in cash and cash equivalents, lease receivable, and other receivable, restricted offset by increases in interest receivable and grants receivable. Cash and cash equivalents decreased by \$117.7 million, primarily driven by the purchase of land in FY 2024. Lease receivable decreased by \$11.7 million due to the reclassification of short-term and long-term GASB 87 agreements during the period and reclassification of non-GASB 87 assets. Other receivable, restricted decreased by \$6.2 million, primarily driven by timing of the subsidy payments received related to the Department's Build America Bonds (BABs). Interest receivable increased by \$8.8 million, primarily driven by a \$7.7 million increase from interest and financing proceeds from the Series 2024A refunding and the increase in overall interest rates during the period. Grants receivable increased by \$43.4 million, primarily driven by the timing of FAA grant payment requests during the final quarter of the year.
- Capital assets
 - For FY 2024, capital assets, net of accumulated depreciation, were \$4,236.0 million, an increase of \$333.6 million from \$3,902.4 million in FY 2023. This increase was primarily driven by capital expenditures of \$528.6 million, offset by depreciation and amortization of \$191.7 million and retirement of assets of \$3.2 million. Significant capital expenditures include land purchases of \$318.6 million and an increase of construction in progress of \$173.4 million primarily for the west apron expansion, concourse improvements at D Gates, parking improvements at Terminal 1, and runway rehabilitation. Refer to Note 7, "Changes in Capital Assets," for further detail.
- Other non-current assets
 - For FY 2024, other non-current assets were \$488.6 million, an increase of \$22.9 million, from \$465.7 million in FY 2023. This change was primarily driven by increases in cash and cash equivalents classified as non-current assets, investments classified as non-current assets, and the net other post employment benefits asset. These increases were offset by a decrease in lease receivable classified as non-current. Cash and cash equivalents classified as non-current assets increased by \$22.0 million, primarily driven by the Department's treasury requirements for restricted cash associated with non-current obligations. Investments classified as non-current assets increased by \$11.4 million, primarily driven by the Department's treasury needs and timing of non-current obligations; these investments represent

CLARK COUNTY DEPARTMENT OF AVIATION
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investments which are restricted and available to be used for non-current obligations. In FY 2024, the net other post employment benefits asset increased from \$0 to \$7.4 million, which was actuarially determined. The Clark County Self-Funded (CCSF) Other Post Employment Benefits (OPEB) Trust fiduciary net position exceeded the total CCSF OPEB Trust other post employment benefit liability as of the measurement date. Refer to Note 6, "Other Post Employment Benefits (OPEB)," for further detail. Lease receivable classified as non-current assets decreased by \$16.0 million due to normal amortization and reclassification of non-GASB 87 assets.

– Current liabilities

- For FY 2024, current liabilities were \$478.5 million, an increase of \$144.8 million from \$333.7 million in FY 2023. This change was primarily driven by increases in the current portion of accounts payable and the current portion of long term debt. The current portion of accounts payable increased by \$59.7 million, primarily driven by increases in construction and project activity. Due to airlines also increased by \$19.2 million comparing FY 2024 and FY 2023. The current portion of long term debt increased by \$95.8 million, primarily driven by the Series 2008C-1 bonds being classified as current liabilities as the letter of credit backing them will expire within one year on June 6, 2025. Refer to Note 8, "Long-Term Debt," for additional information related to long-term debt activity.

– Non-current liabilities

- For FY 2024, non-current liabilities were \$2,574.1 million, a decrease of \$129.4 million, from \$2,703.4 million in FY 2023. This change is primarily driven by decreases in the non-current portion of long-term debt and derivative instruments - interest rate swaps. The non-current portion of long-term debt decreased by \$110.5 million in accordance with the scheduled debt payments and amortization of bond premiums and discounts. The non-current portion of derivative instruments - interest rate swaps decreased by \$7.4 million, primarily driven by changes in the fair value of the interest rate swap portfolio.

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:

– 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

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increased by \$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 by \$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 by \$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 by \$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 by \$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 by \$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.

- 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, "Summary of Significant Accounting and Reporting Policies," and Note 11, "Leases and Subscription-Based Information Technology Arrangements (SBITAs)," 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 11, "Leases and Subscription-Based Information Technology Arrangements (SBITAs)," for further detail.
- 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-

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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 by \$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 by \$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 by \$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. This increase was due to the reassessment of lease agreements during the fiscal year and the subsequent extension of lease terms. Refer to Note 11, "Leases and Subscription-Based Information Technology Arrangements (SBITAs)," for further detail. Partially offsetting these increases, investments classified as non-current assets decreased by \$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 Benefits (OPEB)," 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 by \$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 by \$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, "Long-Term Debt," for additional information related to long-term debt activity. Rents received in advance increased by \$3.8 million from FY 2022 to FY 2023, these increases were driven by the timing of payments received.

– 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

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the other non-current liabilities. The non-current portion of long-term debt decreased by \$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 by \$9.2 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 by \$115.1 million and net other post employment benefits liability decreased by \$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, Retirement System".

Operating Revenue

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

	2024	2023	2022	Change			
				2024 vs 2023		2023 vs 2022	
Terminal building and use fees	\$ 118,945	\$ 155,979	\$ 135,890	\$ (37,034)	(23.7%)	\$ 20,089	14.8%
Landing fees and other aircraft fees	27,288	26,098	28,441	1,190	4.6%	(2,343)	(8.2%)
Gate use fees	30,404	38,075	20,998	(7,671)	(20.1%)	17,077	81.3%
Terminal concession fees	107,305	85,472	75,176	21,833	25.5%	10,296	13.7%
Rental car facility and concession fees							
Rental car facility fees	43,454	40,565	34,264	2,889	7.1%	6,301	18.4%
Rental car concession fees	45,773	46,078	43,420	(305)	(0.7%)	2,658	6.1%
Parking and ground transportation fees							
Public and employee parking fees	64,527	62,258	52,694	2,269	3.6%	9,564	18.2%
Ground transportation fees	41,156	38,024	30,526	3,132	8.2%	7,498	24.6%
Gaming fees	62,649	58,490	53,085	4,159	7.1%	5,405	10.2%
Ground rents and use fees	28,109	25,245	24,298	2,864	11.3%	947	3.9%
Other							
General aviation fuel sales (net of cost)	10,392	9,025	6,797	1,367	15.1%	2,228	32.8%
Other operating income	8,918	3,924	5,089	4,994	127.3%	(1,165)	(22.9%)
	<u>\$ 588,920</u>	<u>\$ 589,233</u>	<u>\$ 510,678</u>	<u>\$ (313)</u>	(0.1%)	<u>\$ 78,555</u>	15.4%

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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, "Summary of Significant Accounting and Reporting Policies", for additional information related to the Agreement.

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 pounds of landed weight.

Gate use fees

Gate use fees consist of charges 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.

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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. The CFC rate increased from \$5.00 to \$5.50 on February 1, 2023. Rental car concession fees consist of a percentage of gross sales from rental car concessionaires.

Parking and ground transportation fees

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, and 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.

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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. General aviation special event fees are also recorded within other operating revenues.

Concessionaire Grant Credits

In FY 2023, the Department recognized \$2.0 million and \$12.5 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and the American Rescue Plan Act (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 2024 Operating Revenues

Total operating revenues for the Department as of June 30, 2024 were \$588.9 million, a decrease of \$0.3 million from FY 2023. This can be primarily attributed to the following significant changes:

- Terminal building and use fees
 - The following table summarizes the gross billing and grant credits for FY 2024 and FY 2023 (in thousands):
- | | 2024 | 2023 | Change | |
|--------------------------------------|------------|------------|-------------|----------|
| Gross Billing | \$ 118,945 | \$ 156,134 | \$ (37,189) | (23.8%) |
| Concessionaire grants credit applied | | | | |
| CRRSA grant credit | — | (49) | 49 | (100.0%) |
| ARPA grant credit | — | (106) | 106 | (100.0%) |
| Total Revenue | \$ 118,945 | \$ 155,979 | \$ (37,034) | (23.7%) |
- Terminal building and use fees (gross billing) decreased by \$37.2 million from \$156.1 million in FY 2023 to \$118.9 million in FY 2024. This decrease is primarily driven by decreases in terminal complex rental revenue of \$32.9 million and common use fee revenue of \$3.9 million. The blended terminal complex rental rate of signatory and non-signatory decreased by 25.6%.
 - Landing fees and other aircraft fees
 - Landing fees and other aircraft fees increased by \$1.2 million from \$26.1 million in FY 2023 to \$27.3 million FY 2024. This increase is primarily driven by the increase in ground handling service fees offset by a 19.7% reduction in the blended landing fee comparing FY 2024 to FY 2023.

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- Gate use fees
 - Gate use fees decreased by \$7.7 million from \$38.1 million in FY 2023 to \$30.4 million in FY 2024. This decrease is primarily driven by a 4.3% reduction in gate use fees comparing FY 2024 to FY 2023 as well as a 10.4% average rate reduction in the narrow and wide body aircraft turn fees.
- Terminal concession fees
 - The following table summarizes the gross billing and grant credits for FY 2024 and FY 2023 (in thousands):

	2024	2023	Change	
Gross Billing	\$ 107,307	\$ 96,398	\$ 10,909	11.3%
Concessionaire grants credit applied				
CRRSA grant credit	—	(843)	843	(100.0%)
ARPA grant credit	(2)	(10,083)	10,081	(100.0%)
Total Revenue	<u>\$ 107,305</u>	<u>\$ 85,472</u>	<u>\$ 21,833</u>	25.5%

- Terminal concession fees (gross billing) increased by \$10.9 million from \$96.4 million in FY 2023 to \$107.3 million in FY 2024. This increase was primarily driven by the increase in passenger traffic. Passenger enplanements increased by 3.1%, which consequently increased revenues from terminal food and beverage sales, in-terminal advertising, and passenger services in the terminal.
- Rental car facility fees
 - Rental car facility fees increased by \$2.9 million from \$40.6 million in FY 2023 to \$43.5 million in FY 2024. Consolidated facility charge (CFC) revenue, which is driven by car rental transaction days, increased by \$2.9 million. Transaction days increased by 4.7%.
- Public and employee parking fees
 - Public and employee parking fees increased by \$2.3 million from \$62.3 million FY 2023 to \$64.5 million FY 2024. This increase is primarily driven by increases in the utilization of public parking areas, as well as an overall increase in the number of individuals working at the Airport terminals. Passenger enplanements increased by 3.1%.
- Ground transportation fees
 - The following table summarizes the gross billing and grant credits for FY 2024 and FY 2023 (in thousands):

	2024	2023	Change	
Gross Billing	\$ 41,156	\$ 38,050	\$ 3,106	8.2%
Concessionaire grants credit applied				
ARPA grant credit	—	(26)	26	(100.0%)
Total Revenue	<u>\$ 41,156</u>	<u>\$ 38,024</u>	<u>\$ 3,132</u>	8.2%

- Ground transportation fees (gross billing) increased by \$3.1 million from \$38.0 million in FY 2023 to \$41.2 million in FY 2024, primarily driven by a \$3.1 million increase in fees derived from transportation network companies (TNCs).

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– Gaming fees

- The following table summarizes the gross billing and grant credits for FY 2024 and FY 2023 (in thousands):

	2024	2023	Change	
Gross Billing	\$ 62,649	\$ 61,940	\$ 709	1.1 %
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>\$ 62,649</u>	<u>\$ 58,490</u>	<u>\$ 4,159</u>	7.1%

- Gaming fees (gross billing) increased by \$0.7 million from \$61.9 million in FY 2023 to \$62.6 million in FY 2024. This increase is primarily driven by increases in passenger traffic. Enplaned passengers increased by 3.1%.

– General aviation fuel sales (net of cost)

- General aviation fuel sales (net of cost) increased by \$1.4 million from \$9.0 million in FY 2023 to \$10.4 million in FY 2024, primarily driven by the increase in traffic and activity at the general aviation airports. Gallons of fuel sold at the general aviation airports increased by 26.4%.

– Other operating income

- Other operating income increased by \$5.0 million from \$3.9 million in FY 2023 to \$8.9 million in FY 2024. This increase was primarily driven by special event fees charged per aircraft at North Las Vegas Airport and Henderson Executive Airport during the Formula 1 Las Vegas Grand Prix in November 2023 and the Super Bowl in February 2024.

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:

– 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 by \$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 terminal complex rental revenue

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of \$11.8 million and international passenger processing fees of \$8.5 million, driven by the increase in international passengers that arrived during the fiscal year. The blended terminal complex rental rate of signatory airlines and non-signatory airlines 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 FY2023 to FY2022. 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 by \$17.1 million from \$21.0 million in FY 2022 to \$38.1 million in FY 2023. This 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	(843)	—	(843)	100.0%
ARPA grant credit	(10,083)	—	(10,083)	100.0%
Total Revenue	<u>\$ 85,472</u>	<u>\$ 75,176</u>	<u>\$ 10,296</u>	13.7%

Terminal concession fees (gross billing) increased by \$21.2 million from \$75.2 million in FY 2022 to \$96.4 million in FY 2023. This increase was primary due to the increase in passenger traffic. Comparing FY 2023 to FY 2022, passenger enplanements increased by 17.7% which consequently increased revenues from terminal food and beverage sales, in-terminal advertising, and passenger services in the terminal. This 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 by \$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 by \$6.3 million comparing FY 2023 to FY 2022. Transaction days increased by 8.2% over the comparable period.

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- Rental car concession fees
 - Rental car concession fees increased by \$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 by \$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 by 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 by \$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 by \$6.5 million, an increase in fees derived from taxicab services which increased by \$0.9 million, an increase in fees derived from limousine operations which increased by \$0.1 million and an increase in fees derived from buses and courtesy vehicles of \$0.01 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.

– 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 by 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.

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- General aviation fuel sales (net of cost)
 - General aviation fuel sales (net of cost) increased by \$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.

Operating Expenses

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

	2024	2023	2022	Change			
				2024 vs 2023		2023 vs 2022	
Salaries and benefits	\$ 156,360	\$ 152,110	\$ 100,780	\$ 4,250	2.8%	\$ 51,330	50.9%
Professional services	89,459	72,851	63,222	16,608	22.8%	9,629	15.2%
Repairs and maintenance	23,123	19,998	14,591	3,125	15.6%	5,407	37.1%
Utilities and communications	35,875	31,381	22,699	4,494	14.3%	8,682	38.2%
Materials and supplies	24,459	20,691	15,239	3,768	18.2%	5,452	35.8%
General administrative							
Insurance	3,948	3,438	3,098	510	14.8%	340	11.0%
Administrative	4,611	5,030	2,793	(419)	(8.3%)	2,237	80.1%
	<u>\$ 337,835</u>	<u>\$ 305,499</u>	<u>\$ 222,422</u>	<u>\$ 32,336</u>	10.6%	<u>\$ 83,077</u>	37.4%

Discussion of FY 2024 Operating Expenses

Total operating expenses for the Department as of June 30, 2024, were \$337.8 million, an increase of \$32.3 million from FY 2023. This can be primarily attributed to the following significant changes:

- Salaries and benefits
 - Salaries and benefits expense increased by \$4.3 million from \$152.1 million in FY 2023 to \$156.4 million in FY 2024. This increase is primarily driven by increases in salaries and wages, pension expense and health insurance costs offset by a decrease in other post employment benefits (OPEB) expense. Salaries and wages increased by \$10.8 million, primarily driven by a 2.9% increase in full time employee headcount. Pension expense increased by \$12.0 million and is recorded based upon actuarial analysis. See Note 5, "Retirement System," for further details related to the assumptions used in estimating

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pension expense. Health insurance costs increased by \$1.0 million driven by increased headcount and general inflation. OPEB expense decreased by \$19.7 million and is recorded based upon actuarial analysis. See Note 6, "Other Post Employment Benefits (OPEB)," for further details related to the assumptions used in estimating OPEB expense.

- Professional services
 - Professional services expense increased by \$16.6 million from \$72.9 million in FY 2023 to \$89.5 million in FY 2024. This increase is primarily driven by the Department's expanded scope of service to accommodate growth in general aviation and airliner traffic: shuttle service expense increased by \$3.0 million due to an additional contract with a busing company for shuttling employees to a new parking location; services provided by the metropolitan police and fire departments increased by \$2.6 million; and staffing services for security and luggage handling increased by \$2.5 million. Expenditures for other professional service increased by \$5.8 million, primarily driven by costs associated with the Airport's name change, repairs to the parking garage access ramp at Rent-A-Car Center, the replacement of the communication system at LAS Ramp Control Towers and Identity Management System. Additionally, bond issuance related costs increased by \$1.3 million, primarily driven by the issuance of Series 2024A bonds and 2024B notes in FY 2024.
- Repairs and maintenance
 - Repairs and maintenance expense increased by \$3.1 million from \$20.0 million in FY 2023 to \$23.1 million in FY 2024. This increase is primarily driven by an increase in facility maintenance projects in preparation for special events such as Formula 1 and the Super Bowl, as well as increases in third-party service contracts whose values directly related to the increase in passenger traffic during FY 2024.
- Utilities and communication
 - Utilities and communication expense increased by \$4.5 million from \$31.4 million in FY 2023 to \$35.9 million in FY 2024. This increase is primarily driven by an increase in electricity costs of \$3.9 million, an increase in natural gas costs of \$1.6 million, and an increase in water costs of \$0.1 million. These increases are primarily driven by the rise in utility rates and the increase in passenger traffic during FY 2024.
- Materials and supplies
 - Materials and supplies expense increased by \$3.8 million from \$20.7 million in FY 2023 to \$24.5 million in FY 2024. This increase is primarily driven by overall increases in the usage and cost of general operating, electrical, and office supplies attributable to the increase in passenger traffic during FY 2024.

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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 contribution increased by \$0.2 million from FY 2022 to FY 2023. See Note 6, "Other Post Employment Benefits (OPEB)," for further detail. Lastly, salaries and wages increased by \$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 \$8.1 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 by \$0.3 million, from \$36.2 million in FY 2022 to \$36.5 million in FY 2023. Security fees also increased by \$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.
- 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.

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- 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 by \$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.
- Materials and supplies
 - Materials and supplies expense increased by \$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. These increases were attributable to the increase in passenger and activity volumes which occurred in FY 2023.
- Administrative
 - Administrative expense increased by \$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 by \$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 increased by \$0.5 million in FY 2023, attributed to increased banking and credit card fees.

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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):

	2024	2023	2022	Change			
				2024 vs 2023		2023 vs 2022	
Passenger Facility Charge (PFC) revenue	\$ 111,208	\$ 110,473	\$ 94,026	\$ 735	0.7%	\$ 16,447	17.5%
Jet A Fuel Tax revenue	16,783	17,295	15,708	(512)	(3.0%)	1,587	10.1%
Interest and investment income (loss)							
Unrestricted	32,719	9,605	(21,127)	23,114	240.6%	30,732	(145.5%)
Restricted	19,743	9,288	(7,301)	10,455	112.6%	16,589	(227.2%)
PFC	5,266	1,589	(1,688)	3,677	231.4%	3,277	(194.1%)
Unrealized gain on investments - derivative instruments	9,629	8,411	20,981	1,218	14.5%	(12,570)	(59.9%)
Interest expense	(86,992)	(87,916)	(94,167)	924	(1.1%)	6,251	(6.6%)
Net (loss) gain from disposition of capital assets	(2,975)	7,826	39,103	(10,801)	(138.0%)	(31,277)	(80.0%)
Other non-operating revenue	10,157	9,264	2,805	893	9.6%	6,459	230.3%
ARPA Airport Grant	5,969	156,018	9,695	(150,049)	(96.2%)	146,323	1,509.3%
CRRSA Act Airport Grant	2	2,031	39,728	(2,029)	(99.9%)	(37,697)	(94.9%)
	<u>\$ 121,509</u>	<u>\$ 243,884</u>	<u>\$ 97,763</u>	<u>\$ (122,375)</u>	<u>(50.2%)</u>	<u>\$ 146,121</u>	<u>149.5%</u>

Discussion of FY 2024 Non-Operating Revenues/Expenses

Net non-operating revenues for the Department as of June 30, 2024 was \$121.5 million, a decrease of \$122.4 million from FY 2023. This can primarily be attributed to the following significant changes:

- Unrestricted interest and investment income
 - Unrestricted interest and investment income increased by \$23.1 million from \$9.6 million in FY 2023 to \$32.7 million in FY 2024. This increase is primarily due to significant increases in both the rate of return on investments and the fair market value of investments.
- Restricted interest and investment income
 - Restricted interest and investment income increased by \$10.5 million from \$9.3 million in FY 2023 to \$19.7 million in FY 2024. This increase is primarily due to significant increases in both the rate of return on investments and the fair market value of investments.

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- PFC interest and investment income
 - PFC interest and investment income increased by \$3.7 million from \$1.6 million in FY 2023 to \$5.3 million in FY 2024. This increase is primarily due to significant increases in both the rate of return on investments and the fair market value of investments.
- Net (loss) gain from disposition of capital assets
 - The disposition of capital assets decreased by \$10.8 million, shifting from a net gain of \$7.8 million in FY 2023 to a net loss of \$3.0 million in FY 2024. The Department realized \$0.4 million related to land sales in FY 2024 as compared to \$15.0 million FY 2023. The Department also recorded losses of \$3.4 million in FY 2024 related to the disposal of capital assets, no such charges were recorded in FY 2023.
- ARPA Grants
 - In FY 2024, the Department recognized \$6.0 million in non-operating revenue subsidy from the ARPA Grants, a decrease of \$150.0 million from \$156.0 million in FY 2023. Refer to Note 1, "Summary of Significant Accounting and Reporting Policies," for additional information related to this subsidy.
- CRRSA Airport Grant
 - In FY 2024, the Department recognized \$1.8 thousand in non-operating revenue subsidy from the CRRSA Grants, a decrease of \$2.0 million from \$2.0 million in FY 2023. Refer to Note 1, "Summary of Significant Accounting and Reporting Policies," for additional information related to this subsidy.

Discussion of FY 2023 Non-Operating Revenues/Expenses

For FY 2023, net non-operating revenue increased by \$146.1 million, from \$97.8 million net non-operating expense 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 by \$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 by 17.7% in FY 2023 compared to FY 2022.
- Jet A Fuel Tax Revenue
 - Jet A Fuel Tax revenue increased by \$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 by \$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 by \$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 by \$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 refunding 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 Grant
 - 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, "Summary of Significant Accounting and Reporting Policies," 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, "Summary of Significant Accounting and Reporting Policies," for additional information related to this subsidy.

Capital Contributions

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

	2024	2023	2022	Change			
				2024 vs 2023		2023 vs 2022	
Capital Contributions	\$ 91,467	\$ 20,379	\$ 16,650	\$ 71,088	348.8%	\$ 3,729	22.4%

Discussion of FY 2024 Capital Contributions

Capital contributions during FY 2024 increased by \$71.1 million from FY 2023. The Department recorded \$90.5 million in capital contributions related to amounts reimbursable from the FAA compared to \$18.4 million in FY 2023, an increase of \$72.1 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 2024, for which the Department received reimbursement, included a runway rehabilitation and runway incursion mitigation improvement project, an apron expansion and rehabilitation project, a holding pad reconstruction project, a drainage improvement project, and a rehabilitation of the baggage handling system project. The Department also received \$1.0 million in donations related to the airport name change fund during FY 2024, which is a decrease of \$1.0 million from \$2.0 million in FY 2023.

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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.

Change in Net Position and Ending Net Position

	2024	2023	2022	Change			
				2024 vs 2023		2023 vs 2022	
Change in net position	\$ 272,346	\$ 354,032	\$ 204,714	\$ (81,686)	(23.1%)	\$ 149,318	72.9%
Ending net position	\$ 2,512,731	\$ 2,240,385	\$ 1,886,353	\$ 272,346	12.2%	\$ 354,032	18.8%

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):

	2024	2023	2022	Change			
				2024 vs 2023		2023 vs 2022	
Senior lien bonds	\$ 754,995	\$ 754,995	\$ 754,995	\$ —	—%	\$ —	0.0%
Subordinate lien bonds	1,019,955	1,119,375	1,301,395	(99,420)	(8.9%)	(182,020)	(14.0%)
PFC bonds	352,340	410,135	466,615	(57,795)	(14.1%)	(56,480)	(12.1%)
Junior subordinate lien and Jet A bonds	280,800	155,540	180,450	125,260	80.5 %	(24,910)	(13.8%)
General obligation bonds	—	—	76,020	—	— %	(76,020)	(100.0%)
Total bonded debt principal outstanding	2,408,090	2,440,045	2,779,475	(31,955)	(1.3%)	(339,430)	(12.2%)
Unamortized premiums	177,251	163,638	200,784	13,613	8.3%	(37,146)	(18.5%)
Unamortized discounts	(3,429)	(7,045)	(8,046)	3,616	(51.3%)	1,001	(12.4%)
Current portion of long term debt	(258,175)	(162,355)	(302,725)	(95,820)	59.0%	140,370	(46.4%)
Total outstanding long-term debt obligations	<u>\$2,323,737</u>	<u>\$2,434,283</u>	<u>\$2,669,488</u>	<u>\$ (110,546)</u>	(4.5%)	<u>\$ (235,205)</u>	(8.8%)

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Discussion of FY 2024 Debt

Total outstanding bonded debt for FY 2024 was \$2,408.1 million, a decrease of \$32.0 million, from \$2,440.0 million in FY 2023. The decrease was primarily related to scheduled principal payments made during FY 2024 and the refunding of Series 2008D-3 and Series 2014A-2 to Series 2024A in April 2024, offset by the issuance of Series 2024B in April 2024. Refer to Note 8, "Long-Term Debt," for additional information related to the outstanding debt and refunding transactions executed in FY 2024. A portion of the outstanding debt during FY 2024 was at a naturally or synthetically fixed interest rate debt, due to interest rate swap agreements. Refer to Note 9, "Derivative Instruments - Interest Rate Swaps," for further detail regarding the Department's swap portfolio.

On November 15, 2023, Fitch Ratings upgraded the long-term rating assigned to the Airport System Subordinate Lien Revenue Bonds and the Junior Subordinate Lien Revenue Notes to AA- from A+.

On March 1, 2024, Moody's Investors Service upgraded the rating to Aa2 from Aa3 on the airport's subordinate-lien and Passenger Facility Charge revenue bonds, and also upgraded its rating to Aa3 from A1 on the airport's junior subordinate lien revenue notes and the jet A fuel tax revenue bonds. Moody's also affirmed the rating on the Airport's senior lien bonds at Aa2. The outlook has been revised to stable from positive.

On May 20, 2024, S&P Global Ratings raised its long-term rating to AA from AA- on the Department's senior airport system revenue bonds and also raised its long-term rating and underlying rating (SPUR) to AA- from A+ on the airport's subordinate-lien, passenger facility charge (PFC), and junior subordinate-lien bonds. Furthermore, S&P's has affirmed the long-term rating on the airport based on the application of the joint criteria at AA+/A-1. The rating outlook is stable.

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, "Long-Term Debt", 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, "Derivative Instruments - Interest Rate Swaps," for further detail regarding the Department's swap portfolio.

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The Department's credit ratings remained unchanged from FY 2022 to FY 2023.

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.

The Department has acquired 6,500 acres of land approximately 32 miles south of Las Vegas, near the intersection of Interstate 15 and the Nevada-California border, for the construction of a supplemental commercial airport facility once capacity is reached at the Airport. Such facility would be in addition to the Airport and would provide facilities to accommodate approximately 30 million enplanements at ultimate buildout. In September 2018, the Board voted to resume the environmental impact study (the "EIS") and updates to and reevaluation of supporting studies (the "Supplemental Airport Studies") for the new facility. The Bureau of Land Management and Federal Aviation Administration is overseeing the EIS process. The Supplemental Airport Studies have been completed and the Bureau of Land Management and Federal Aviation Administration have authorized the commencement of the EIS process. The Department has selected an EIS consultant and estimates that the EIS process could take approximately two years to complete once initiated. If the EIS results in a favorable Record of Decision, then the Department can elect to proceed with construction and the federal government would be obligated to give the Department an additional 17,000 acres of surrounding land for industrial and commercial development that is compatible with the supplemental airport and subject to certain legal restrictions.

In 2023, State Senate Bill 19 was enacted into law ("SB 19") which, among other things, allows the County to form an unincorporated town over territory conveyed, or authorized to be conveyed, to the County pursuant to certain federal law for the purpose of developing an airport and any related infrastructure. SB 19 provides the County with greater control over the development of infrastructure and provision of services in and around the area proposed for the supplemental airport.

If constructed, the supplemental airport would have an impact on the Airport's revenues and expenses, which impact will be dependent on a variety of factors and decisions with respect to the supplemental airport, both operational and financial. The Department cannot estimate such impact on revenues and expenses at this time.

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The Department plans to maximize the potential of the Harry Reid International Airport to enhance guest experience and airport operations. The modernization plan includes expanding Terminal 1 on the old Terminal 2 site and demolishing the existing Terminal 1 cluster building concourses with a new pier-design. This initiative will provide more gates, large hold rooms with high ceilings, and improved access to the concourses.

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.

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CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Statements of Net Position

June 30, 2024 and 2023

Assets and Deferred Outflows of Resources	2024 (000)	2023 (000)
Assets		
Current assets		
Cash and cash equivalents	\$ 512,048	\$ 669,422
Cash and cash equivalents, restricted	113,161	73,475
Investments, restricted	106,546	106,210
Accounts receivable, net of allowance of \$297 and \$718	46,903	49,422
Accounts receivable, restricted	14,151	14,295
Interest receivable	3,034	2,732
Interest receivable, restricted	12,565	4,074
Grants receivable, restricted	47,409	3,993
Lease receivable	3,921	15,588
Other receivables, restricted	6,984	13,207
Inventories	10,575	10,218
Prepaid expenses and other	3,203	2,512
Total current assets	880,500	965,148
Non-current assets		
Capital assets		
Capital assets not being depreciated		
Construction in progress	250,300	76,886
Land	1,024,437	705,795
Land, restricted	13,018	13,018
Perpetual aviation easement	332,562	332,562
Capital assets being depreciated/amortized		
Land improvements	1,813,956	1,814,641
Buildings and improvements	3,728,957	3,720,290
Furniture and fixtures	36,375	36,770
Machinery and equipment	640,148	626,515
Right of use - leased building	19,085	19,085
Right of use - SBITA	7,971	7,562
Total capital assets	7,866,809	7,353,124
Accumulated depreciation/amortization	(3,630,770)	(3,450,715)
Capital assets, net	4,236,039	3,902,409
Other non-current assets		
Cash and cash equivalents, restricted	420,653	398,683
Investments, restricted	25,210	13,833
Net other post employment benefits asset, restricted	7,385	—
Derivative instruments - interest rate swaps	8,384	10,248
Lease receivable	26,912	42,862
Prepaid expenses	76	111
Total other non-current assets	488,620	465,737
Total non-current assets	4,724,659	4,368,146
Total assets	5,605,159	5,333,294
Deferred outflows of resources		
Pension	73,896	83,114
Other post employment benefits	13,812	16,179
Losses on bond refundings and on imputed debt	12,127	12,367
Total deferred outflows of resources	99,835	111,660
Total assets and deferred outflows of resources	\$ 5,704,994	\$ 5,444,954

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Statements of Net Position

June 30, 2024 and 2023

	2024 (000)	2023 (000)
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current liabilities		
Payable from unrestricted assets		
Accounts payable and other current liabilities	\$ 127,354	\$ 67,672
Other accrued expenses	15,213	14,212
Rents received in advance	12,787	17,922
Total payable from unrestricted assets	155,354	99,806
Payable from restricted assets		
Accounts payable and other current liabilities	8,625	9,759
Accrued interest	56,352	61,779
Current portion of long-term debt	258,175	162,355
Total payable from restricted assets	323,152	233,893
Total current liabilities	478,506	333,699
Non-current liabilities		
Payable from unrestricted assets		
Net pension liability	217,611	221,614
Net other post employment benefits liability	2,759	8,404
Derivative instruments - interest rate swaps	4,157	11,573
Long term lease liabilities	11,652	13,368
Other non-current liabilities	14,138	14,191
Total payable from unrestricted assets	250,317	269,150
Payable from restricted assets		
Long-term debt, net of current portion	2,323,737	2,434,283
Total payable from restricted assets	2,323,737	2,434,283
Total non-current liabilities	2,574,054	2,703,433
Total liabilities	3,052,560	3,037,132
Deferred inflows of resources		
Pension	11,796	9,004
Other post employment benefits	85,202	85,841
Hedging derivative instruments	3,909	7,987
Leases	30,268	55,621
Unamortized gain on bond refundings	8,528	8,984
Total deferred inflows of resources	139,703	167,437
Net position		
Net investment in capital assets	1,615,589	1,454,617
Restricted for		
Capital projects	251,458	93,333
Debt service	331,621	235,301
Other	76,841	82,245
Total restricted	659,920	410,879
Unrestricted	237,222	374,889
Total net position	2,512,731	2,240,385
Total liabilities, deferred inflows of resources, and net position	\$ 5,704,994	\$ 5,444,954

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, 2024 and 2023

	2024 (000)	2023 (000)
Operating revenues		
Terminal building and use fees	\$ 118,945	\$ 155,979
Landing fees and other aircraft fees	27,288	26,098
Gate use fees	30,404	38,075
Terminal concession fees	107,305	85,472
Rental car facility and concession fees	89,227	86,643
Parking and ground transportation fees	105,683	100,282
Gaming fees	62,649	58,490
Ground rents and use fees	28,109	25,245
Other	19,310	12,949
	<u>588,920</u>	<u>589,233</u>
Operating expenses		
Salaries and benefits	156,360	152,110
Professional services	89,459	72,851
Repairs and maintenance	23,123	19,998
Utilities and communication	35,875	31,381
Materials and supplies	24,459	20,691
General administrative	8,559	8,468
	<u>337,835</u>	<u>305,499</u>
Operating income before depreciation and amortization	251,085	283,734
Depreciation and amortization	191,715	193,965
Operating income	<u>59,370</u>	<u>89,769</u>
Non-operating revenues (expenses)		
Passenger Facility Charge	111,208	110,473
Jet A Fuel Tax	16,783	17,295
Interest and investment income	67,357	28,893
Interest expense	(86,992)	(87,916)
Net (loss) gain from disposition of capital assets	(2,975)	7,826
Other non-operating revenue	10,157	9,264
ARPA Airport Grant	5,969	156,018
CRRSA Act Airport Grant	2	2,031
	<u>121,509</u>	<u>243,884</u>
Income before capital contributions	180,879	333,653
Capital contributions	91,467	20,379
Change in net position	272,346	354,032
Net position, beginning of year	2,240,385	1,886,353
Net position, end of year	<u>\$ 2,512,731</u>	<u>\$ 2,240,385</u>

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, 2024 and 2023

	2024 (000)	2023 (000)
Cash flows from operating activities:		
Cash received from customers	\$ 615,276	\$ 544,534
Cash paid to employees	(164,222)	(140,560)
Cash paid to outside vendors	(182,234)	(147,625)
Net cash provided by operating activities	<u>268,820</u>	<u>256,349</u>
Cash flows from non-capital financing activities:		
Federal grants and reimbursements received	<u>5,971</u>	<u>170,360</u>
Cash flows from capital and related financing activities:		
Collateralized agreements with swap counterparties	(4,460)	1,090
Passenger Facility Charges received	111,352	106,748
Jet A Fuel Tax received	16,807	17,061
Acquisition and construction of capital assets	(491,430)	(81,433)
Federal grants and reimbursements received	47,051	17,485
Proceeds (payments) for bond refunding	7,803	(7,625)
Bond proceeds from new issuance	167,477	—
Proceeds from CMA Land sales	3,875	109,285
Payment for CMA Land sales	(4,483)	(94,138)
Proceeds from capital asset disposal	166	2,592
Donations received for airport name change	1,000	1,950
Build America Bonds subsidy	16,426	5,775
Debt service payments:		
Principal	(162,355)	(328,895)
Interest	(119,919)	(121,483)
Lease interest received	611	576
SBITA interest payments	(143)	(134)
Net cash used in capital and related financing activities	<u>(410,222)</u>	<u>(371,146)</u>
Cash flows from investing activities:		
Interest and investment income received	51,426	14,361
Proceeds from maturities of investments	342,181	272,194
Purchase of investments	(353,894)	(247,999)
Net cash provided by investing activities	<u>39,713</u>	<u>38,556</u>
(Decrease) increase in cash and cash equivalents	<u>(95,718)</u>	<u>94,119</u>
Cash and cash equivalents, beginning of year	1,141,580	1,047,461
Cash and cash equivalents, end of year	<u><u>\$ 1,045,862</u></u>	<u><u>\$ 1,141,580</u></u>
Cash and cash equivalent balances:		
Unrestricted cash and cash equivalents	512,048	669,422
Restricted cash and cash equivalents	533,814	472,158
Cash and cash equivalents, end of year	<u><u>\$ 1,045,862</u></u>	<u><u>\$ 1,141,580</u></u>

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, 2024 and 2023

	2024 (000)	2023 (000)
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 59,370	\$ 89,769
Adjustments to reconcile income from operations to net cash from operating activities:		
Depreciation and amortization	191,715	193,965
Changes in operating assets and liabilities:		
Accounts receivable	2,519	1,752
Other receivables	617	(537)
Inventory	(356)	(912)
Prepaid expenses	(1,308)	(515)
Lease receivables	6,806	(24,281)
Net other post employment benefits asset	(7,385)	24,683
Deferred outflows - pension	9,217	(22,549)
Deferred outflows - other post employment benefits	2,368	3,910
Accrued payroll and benefits	2,395	1,390
Accounts payable and other accrued expenses	21,976	(41,297)
Unearned revenue	(5,134)	3,799
Deposits	478	71
Net pension liability	(4,002)	115,113
Net other post employment benefits liability	(5,646)	(33,892)
Deferred inflows - pension	2,792	(90,496)
Deferred inflows - other post employment benefits	(640)	13,391
Deferred inflows - leases	(6,962)	22,985
Net cash provided by operating activities	<u>\$ 268,820</u>	<u>\$ 256,349</u>
Non-cash capital and related financing and investing activities:		
Capital asset additions with outstanding accounts payable	<u>\$ 46,943</u>	<u>\$ 14,452</u>
Gain on investments - derivative instruments	<u>\$ 9,629</u>	<u>\$ 8,411</u>
Gain on investments - other investments	<u>\$ 18,274</u>	<u>\$ 38,129</u>
Refunding bond payments made in escrow account	<u>\$ (375,670)</u>	<u>\$ (94,165)</u>
Refunding bond proceeds deposited in escrow account	<u>\$ 377,084</u>	<u>\$ 83,630</u>

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, 2024 and 2023

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 revenues/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
CLARK COUNTY, NEVADA
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(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

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.

CLARK COUNTY DEPARTMENT OF AVIATION
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Notes to Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(h) Leases and Subscription-Based Information Technology Arrangements (SBITAs)

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; 2) GASB 87 - Regulated; and 3) Short-term Leases. Refer to Note 11, "Leases and Subscription-Based Information Technology Arrangements (SBITAs)," 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 resources 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

At the inception 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. 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 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.

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

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Subscription-Based Information Technology Arrangements (SBITAs)

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 entered into various 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.

The Department continually monitors changes in circumstances that would require the remeasurement 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 will 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 generated 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 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. Derivative instruments generated deferred inflows from the

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changes in the fair value of interest rate swaps serving as hedging derivative instruments at the end of the fiscal year. The lease related amounts resulted from the unamortized balances of the lease payments that are recognized in future periods over the lease term. The pension related 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 \$1.8 thousand and \$2.0 million from the CRRSAA in non-operating revenue for FY 2024 and 2023, respectively.

On March 11, 2021, the American Rescue Plan Act of 2021 (Rescue Act or ARPA) 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 minimum annual guarantees for concessionaires. The Department has recognized \$6.0 million and \$156.0 million from the Rescue Act in non-operating revenue for FY 2024 and 2023, 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 allocated \$48.0 million and \$45.7 million from the airport infrastructure program for federal FY 2024 and FY 2023, respectively. Additional to the airport infrastructure program, the Department was allocated competitive grant funds totaling \$31.9 million from the airport terminals program and Federal Aviation Administration contract tower program for federal FY 2023 which funded projects to upgrade the baggage handling systems in two terminals and

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For the Fiscal Years Ended June 30, 2024 and 2023

enhance the reliability and efficiency of the contract air traffic control tower at Henderson airport. The Department recognized \$67.9 million from the BIL in FY 2024.

(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 \$111.2 million and \$110.5 million in PFC fees for the years ended June 30, 2024 and 2023, 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.

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

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For the Fiscal Years Ended June 30, 2024 and 2023

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, 2024 and 2023, the Department recorded a payable due to the airlines of \$41.3 million and \$22.0 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, 2024 and 2023:

	June 30, 2024	June 30, 2023
Airline rental and fee revenue *	\$ 148,547	\$ 191,746
Enplaned passengers * (unaudited)	29,146	28,276
Cost per enplaned passenger	<u>\$ 5.10</u>	<u>\$ 6.78</u>

* 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 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.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(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

In 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 following is a summary of the Department donations received for the fiscal years ended June 30 (in thousands):

	<u>Donations Received</u>	
2022	\$	4,616
2023		1,950
2024		1,000
Total	<u>\$</u>	<u>7,566</u>

(s) Reclassifications

Certain minor reclassifications have been made in the fiscal year 2023 financial statements to conform to the fiscal year 2024 presentation. There was no impact on net position or changes in net position.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

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, 2024 and 2023, these amounts were distributed as follows (in thousands):

	June 30, 2024	June 30, 2023
Clark County Investment Pool	\$ 806,786	\$ 865,886
Cash and Investments with Trustee	359,510	381,025
Custodian Account	4,680	9,140
Cash On Hand or In Transit	6,642	5,572
Total	<u>\$ 1,177,618</u>	<u>\$ 1,261,623</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 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.

CLARK COUNTY DEPARTMENT OF AVIATION
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For the Fiscal Years Ended June 30, 2024 and 2023

(b) Interest Rate Sensitivity

As of June 30, 2024 and 2023, 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
US Treasury Bills	P-1	A-1+
US Treasury Notes	Aaa	AA+
US Agency Callables	Aaa	AA+
US Agency Non-Callables	Aaa	AA+
US Agency Discounts	P-1	A-1+
Corporate Notes	A3	A-
Money Market Funds	Aaa	AAA
Commercial Paper Interest Bearing	P-1	A-1
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, 2024, the following investments exceeded 5% of the total Department investments:

Federal Home Loan Banks (FHLB)	69.99 %
Federal National Mortgage Association (FNMA)	6.33 %

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

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

(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.

CLARK COUNTY DEPARTMENT OF AVIATION
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Notes to Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(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, 2024 and 2023, the Trustee held \$359.5 million and \$381.0 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, 2024, of the \$359.5 million held by the Trustee, \$227.7 million in cash and cash equivalents was invested in United States Government Money Market Funds, and \$131.8 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 Notes	\$ 25,210	\$ —	\$ 25,210	\$ —
Federal Farm Credit Bank Non-Callables	5,985	5,985	—	—
Federal Home Loan Bank Discounts	92,220	92,220	—	—
Federal National Mortgage Association Non-Callables	8,341	8,341	—	—
	<u>\$ 131,756</u>	<u>\$ 106,546</u>	<u>\$ 25,210</u>	<u>\$ —</u>

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

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>

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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+

(g) Fair Value of Combined Investments and Derivative Instruments

The fair value of the Department's investments and derivative instruments as of June 30, 2024 and 2023, is as follows (in thousands):

As of June 30, 2024:

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	\$ 785,586	\$ 354,573	\$ 431,013
Debt Securities held by Trustee			
US Treasury Notes	25,210	25,210	—
Federal Farm Credit Bank Non-Callables	5,985	—	5,985
Federal Home Loan Bank Discounts	92,220	92,220	—
Federal National Mortgage Association Non-Callables	8,341	—	8,341
Money Market Funds	227,754	227,754	—
Subtotal	359,510	345,184	14,326
Debt Securities Derivative Instruments			
Derivative Instruments - Assets	8,384	—	8,384
Derivative Instruments - Liability	(4,157)	—	(4,157)
Subtotal	4,227	—	4,227
Total	\$ 1,149,323	\$ 699,757	\$ 449,566
Debt Securities with Clark County Investment Pool	\$ 785,586		
NV Local Government Investment Pool	21,200		
Total Clark County Investment Pool	\$ 806,786		

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As of June 30, 2023:

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			
US Treasury Bills	38,645	38,645	—
US 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	381,025	357,451	23,574
Debt Securities Derivative Instruments			
Derivative Instruments - Assets	10,248	—	10,248
Derivative Instruments - Liability	(11,573)	—	(11,573)
Subtotal	(1,325)	—	(1,325)
Total	\$ 1,245,586	\$ 701,763	\$ 543,823

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, 2024 and 2023, consists of the following (in thousands):

	June 30, 2024	June 30, 2023
BIL Grants	\$ 40,418	\$ —
FAA Grants	6,991	3,993
Total	\$ 47,409	\$ 3,993

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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, 2024 and 2023 (in thousands):

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Restricted for capital projects:		
Cash and investments - PFC and other bond proceeds	\$ 33,379	\$ 31,290
Cash and investments - PFC	104,702	57,777
Cash and investments - FAA grant reimbursements	50,917	8,506
Accounts receivable - PFC	14,151	14,295
Grant reimbursements receivable	47,409	3,993
Interest receivable	900	237
Subtotal restricted for capital projects	<u>251,458</u>	<u>116,098</u>
Restricted for debt service:		
Bond funds:		
Cash and investments - PFC bonds	59,318	68,295
Cash and investments - other bonds	156,006	173,551
Other receivable	4,027	10,226
Interest receivable	10,655	3,380
Subtotal restricted for bond funds	<u>230,006</u>	<u>255,452</u>
Debt service reserves:		
Cash and investments - PFC bonds	37,954	36,046
Cash and investments - other bonds	117,656	101,454
Other receivable	2,957	2,981
Interest receivable	400	143
Subtotal restricted for debt service reserves	<u>158,967</u>	<u>140,624</u>
Subordinate and other debt coverage reserves:		
Cash and investments	24,508	36,914
Interest receivable	219	125
Subtotal restricted for subordinate and other debt coverage reserves	<u>24,727</u>	<u>37,039</u>
Subtotal restricted for debt service	<u>413,700</u>	<u>433,115</u>
Other restricted assets:		
Cash and investments - Working capital and contingency	28,153	25,458
Cash and investments - Capital fund and rate stabilization	48,297	43,770
Custodian account	4,680	9,140
Interest receivable	391	189
Net other post employment benefits asset	7,385	—
Land - Heliport facility	3,718	3,718
Land - Henderson runway	9,300	9,300
Subtotal other restricted assets	<u>101,924</u>	<u>91,575</u>
Total restricted assets	<u>\$ 767,082</u>	<u>\$ 640,788</u>
Restricted assets by class:		
Total current assets	\$ 300,816	\$ 215,254
Total capital assets	13,018	13,018
Total other non-current assets	453,248	412,516
Total restricted assets:	<u>\$ 767,082</u>	<u>\$ 640,788</u>

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5.) RETIREMENT SYSTEM

(a) 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 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.

The Department contributes, through the County, to the System. As of June 30, 2024 and 2023, the Department had a net pension liability of \$217.6 million and \$221.6 million, respectively, which represents the Department's percentages, 14.6% and 14.7%, respectively, of the County's net pension liability. These percentages were determined based on the contributions to PERS by the Department during fiscal years 2023 and 2022, relative to the total contributions to PERS by the County during those fiscal years.

(b) 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 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% 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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(c) Vesting

Regular members are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or 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 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, or age 55 with ten years of service, or age 50 with 20 years of service, or any age with 25 years of service. Police/fire members entering the System on or after January 1, 2010, 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 any age with 30 years of service. Policy/fire members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with 20 years of service, or 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.

(d) 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. In one plan, contributions are shared equally by the employer and the employee. In the other plan, employees can take a reduced salary and have contributions made by the EPC.

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.

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

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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, 2023 and 2022, the statutory employer-employee matching rate was 15.50% for regular members and 22.75% for police/fire members, and the Employer-Pay Contribution (EPC) rates were 29.75% for regular members and 44.00% for police/fire members.

For the fiscal year ended June 30, 2023, the Department's contributions were \$13.8 million. A total of \$16.9 million was contributed during the fiscal year ended June 30, 2024; 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.

(e) 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.

(f) Basis of Accounting

Employers participating in PERS cost sharing, multiple-employer, defined benefit plans are required to report pension information in their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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 (GAAP) that apply to governmental accounting for fiduciary funds.

Contributions for employer pay dates that fall within the PERS fiscal years ending June 30, 2023 and 2022, 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, by writing to PERS, 693 W. Nye Lane, Carson City, Nevada 89703- 1599, or by calling (775) 687-4200.

(g) 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, 2024 and 2023:

Asset Class	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, 2023 and 2022, the PERS long-term inflation assumption was 2.50%.

(h) Net Pension Liability

The net pension liabilities as of June 30, 2024 and 2023, were measured as of June 30, 2023 and 2022, 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.

(i) 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, 2024, based on the System's net pension liability for the System's fiscal years ended June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Department's net pension liability would be if it were calculated using a discount

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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 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
2023	\$ 338,635	\$ 217,611	\$ 117,731

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 rate of 7.25%, as well as what 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 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
2022	\$ 340,249	\$ 221,614	\$ 123,721

(j) Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the June 30, 2023, 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, 2023 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, 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:	2.5%
Mortality Table:	Pub-2010 (separate tables for males and females)
Other assumptions:	Same as those used in the June 30, 2022 funding actuarial valuation

Actuarial assumptions used in the June 30, 2023, valuations were based on the results of the experience study for the period July 1, 2016, through June 30, 2020. The discount rate used to measure the total pension liability were 7.25% as of June 30, 2023 and 2022. 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, 2023 and 2022, 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, 2023 and 2022.

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

For the years ended June 30, 2024 and 2023, the Department recognized pension expense of \$41.7 million and \$29.7 million, respectively. At June 30, 2024 and 2023, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Differences between expected and actual experience *	\$ 28,364	\$ 28,695	\$ —	\$ 158
Changes in assumptions *	20,394	28,468	—	—
Net difference between projected and actual earnings on investments	—	2,704	2,037	—
Changes in proportion and differences between actual contributions and proportionate share of contributions *	8,286	9,408	9,759	8,846
Contributions to PERS after measurement date	16,852	13,839	—	—
	<u>\$ 73,896</u>	<u>\$ 83,114</u>	<u>\$ 11,796</u>	<u>\$ 9,004</u>

* FY 2024 Average expected remaining service lives: 5.63 years;
FY 2023 Average expected remaining service lives: 5.70 years

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Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$16.9 million will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$13.8 million were recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to the year ended June 30, 2024, will be recognized in pension expense as follows (in thousands):

Fiscal Year	Pension Expense
2025	\$ 7,016
2026	6,098
2027	27,736
2028	3,686
2029	712
Thereafter	—

6.) OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

(a) OPEB Plans Administered Through 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 Plan. The CCSF OPEB Trust is a single-employer, defined benefit OPEB plan administered by Clark County, Nevada. The 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.

Benefits Provided

The CCSF OPEB Trust provides medical, dental, vision, prescription drug, and life insurance 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, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the County.

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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. There were no cash contributions during the fiscal year ended June 30, 2024 and June 30, 2023.

Basis of Accounting

For the purposes of measuring net OPEB asset, net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense, information about the fiduciary net position of the CCSF OPEB Trust has been determined on the same basis as they are reported by the CCSF OPEB Trust. Further, additions to or deductions from the CCSF OPEB Trust fiduciary net position have been determined on the same basis as they are reported by the CCSF OPEB Trust. 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.

(b) OPEB Plans Not Administered Through Trusts

Plan Descriptions

CC RHPP

Clark County Retiree Health Program Plan (CC RHPP) provided 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 provided life insurance to eligible retirees of Clark County (primary government only and including the Department). The CC RHPP was a non-trust, single-employer defined benefit OPEB Plan, administered by Clark County, which did not issue stand-alone financial statements. The plan closed during fiscal year 2022; therefore there is no liability as of June 30, 2023. Effective January 1, 2022, the County established a self-funded Exclusive Provider Organization (EPO) plan to replace the HMO plan. The EPO plan is considered part of the CCSF OPEB Trust. 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 OPEB Trust plan.

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. The

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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. NRS §287.041 assigns the authority to establish and amend benefit provisions to the PEBP eleven-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 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 provided medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Retirees were 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 were established and amended through negotiations between the respective unions and the County. Benefit payments were \$0.2 million during the fiscal year ended June 30, 2022. 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 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 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, 2023 and 2022, respectively. A total of \$0.1 million in benefit payments were made during the fiscal year ended June 30, 2024; 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.

(c) Net OPEB Asset, Net OPEB Liability, and Changes in the Net OPEB Liability

As of June 30, 2024, the Department recorded a net OPEB asset of \$7.4 million and a total OPEB liability of \$2.8 million; both were measured as of June 30, 2023 and were determined by an actuarial valuation as of that date. The

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CCSF OPEB Trust fiduciary net position exceeded the total CCSF OPEB Trust liability as of measurement date June 30, 2023, therefore the Department recognized a net OPEB asset of \$7.4 million for the CCSF OPEB Trust plan. The total OPEB liability of \$2.8 million reflects the total liability for the PEBP plan. The Department's portion of the CCSF OPEB Trust 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 OPEB Trust fiduciary net position consists of contributions made by the Department to the CCSF OPEB Trust, including adjustments such as investment earnings.

The following table presents the changes in the Department's total OPEB liability during June 30, 2024 (in thousands):

	CCSF	PEBP	Total
Total OPEB liability at June 30, 2023	\$ 54,452	\$ 2,693	\$ 57,145
Changes recognized for the fiscal year:			
Service cost	1,269	—	1,269
Interest cost	3,483	148	3,631
Changes in assumptions or other inputs	(8,971)	29	(8,942)
Benefit payments	(2,260)	(111)	(2,371)
Net change in total OPEB liability	\$ (6,479)	\$ 66	\$ (6,413)
Total OPEB liability at June 30, 2024	<u>\$ 47,973</u>	<u>\$ 2,759</u>	<u>\$ 50,732</u>

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 Trust and PEBP plans exceeded the total CCSF OPEB Trust 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 OPEB Trust 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 OPEB Trust fiduciary net position consists of contributions made by the Department to the CCSF OPEB Trust, including adjustments such as investment earnings.

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

	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	\$ 54,452	\$ —	\$ 2,693	\$ 57,145

The Department's fiduciary net position for the CCSF OPEB Trust as of June 30, 2023 and 2022 were \$55.4 million and \$48.7 million, respectively. The following table presents the changes in the Department's fiduciary net position during June 30, 2024 and 2023, which utilize the measurement dates of June 30 2023 and 2022, respectively (in thousands):

	2024	2023
	CCSF	CCSF
Beginning CCSF fiduciary net position	\$ 48,741	\$ 54,093
Changes in CCSF fiduciary net position recognized for the fiscal year		
Employer contributions	2,260	1,468
Net investment income	6,619	(5,350)
Benefit payments	(2,260)	(1,468)
Administrative expense	(2)	(2)
Net change in CCSF fiduciary net position	6,617	(5,352)
Ending CCSF fiduciary net position	\$ 55,358	\$ 48,741
Net OPEB (asset) liability	\$ (7,385)	\$ 5,711

(d) Employees Covered by Benefit Terms

At the June 30, 2024 and 2023 measurement dates, 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.

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(e) Actuarial assumptions and other inputs:

The net OPEB liability as of June 30, 2024 (using the measurement date of June 30, 2023), 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*	7.50%
Discount Rate - PEBP*	3.65%
Salary increases	3.00% per annum
Health care cost trend rates	6.50% decreasing to an ultimate rate of 4.0%
Municipal Bond rate	3.65%
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).

* CCSF: 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 2117.

PEBP: Bond Buyer 20--Bond GO index

** 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, 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 - CC RHPP and 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).

* CCSF: 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.

PEBP: Bond Buyer 20--Bond GO index

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** 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.

Rationale for Assumptions

For the actuarial valuation dated June 30, 2023 and 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.

Changes in Assumptions

The following are changes in assumptions from the June 30, 2022 plan measurement date to the June 30, 2023 measurement date:

CCSF

The discount rate was updated from 6.38% at June 30, 2022 to 7.50% at June 30, 2023 based on the long-term expected return on assets of the plan.

PEBP

At valuation date June 30, 2024, the discount rate was updated from 3.54% at June 30, 2022 to 3.65% at June 30, 2023, based on the municipal bond rate at that date. 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, 2023 and 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.
- The inflation rate was updated to 2.50%.

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(f) Discount Rate Information and Discount Rate Sensitivity

CCSF

The discount rates used to measure the Department's net OPEB liability was 7.50% as of June 30, 2023 and 6.38% as of June 30, 2022. As of measurement date June 30, 2023, the Department's portion of the Clark County CCSF OPEB 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 2117 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, 2024, 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 6.50%	Discount Rate 7.50%	1% Increase in Discount Rate 8.50%
CCSF	\$ 859	\$ (7,385)	\$ (13,992)

The following presents the CCSF net OPEB liability, as of June 30, 2023, 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 5.38%	Discount Rate 6.38%	1% Increase in Discount Rate 7.38%
CCSF	\$ 15,068	\$ 5,711	\$ (1,789)

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PEBP

The following presents net PEBP OPEB liabilities of the department, as of June 30, 2024, as well as what the net 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 2.65%	Discount Rate 3.65%	1% Increase in Discount Rate 4.65%
PEBP	\$ 3,111	\$ 2,759	\$ 2,466

The following presents net PEBP OPEB liabilities of the department, as of June 30, 2023, as well as what the net 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%
PEBP	\$ 3,038	\$ 2,693	\$ 2,408

(g) Healthcare Cost Trend Rate Sensitivity

The following presents the total net OPEB (asset) liability of the Department as of June 30, 2024, 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	\$ (14,160)	\$ (7,385)	\$ 1,056
PEBP	\$ 2,478	\$ 2,759	\$ 3,089

The following presents the total net OPEB liability of the Department as of June 30, 2023, 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	\$ (1,980)	\$ 5,711	\$ 15,292
PEBP	\$ 2,420	\$ 2,693	\$ 3,017

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(h) OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For year ended June 30, 2024, the Department recognized OPEB income of \$8.7 million. The OPEB expense (income) by OPEB plan types for the years ended June 30, 2024 and 2023, is as follows (in thousands):

	CCSF	CC RHPP	PEBP	VSP*	Total
2024	\$ (8,934)	\$ —	\$ 175	\$ 109	\$ (8,650)
2023	\$ 33,040	\$ (23,937)	\$ 508	\$ 1,454	\$ 11,065

*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, 2024 and 2023, 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, 2024	June 30, 2023	June 30, 2024	June 30, 2023
CCSF				
Differences between expected and actual experience	\$ 90	\$ 150	\$ 48,554	\$ 52,847
Changes of assumptions or other inputs	6,417	7,027	36,648	32,994
Net excess of actual over projected earnings on OPEB plan investments	5,611	7,482	—	—
Contributions made after the measurement date	1,600	1,300	—	—
CCSF Total	13,718	15,959	85,202	85,841
PEBP				
Benefit payments made after the measurement date	94	111	—	—
PEBP Total	94	111	—	—
VSP				
Benefit payments made after the measurement date	—	109	—	—
VSP Total	—	109	—	—
Combined amounts, all plans				
Differences between expected and actual experience	90	150	48,554	52,847
Changes of assumptions or other inputs	6,417	7,027	36,648	32,994
Net excess of actual over projected earnings on OPEB plan investments	5,611	7,482	—	—
Contributions and benefit payments made after the measurement date	1,694	1,520	—	—
Total, all plans	\$ 13,812	\$ 16,179	\$ 85,202	\$ 85,841

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The amount of \$1.7 million reported at June 30, 2024 as deferred outflows of resources related to OPEB from the Department's benefit payments subsequent to June 30, 2023 (the measurement date), will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. The amount of \$1.5 million at June 30, 2023, reported as deferred outflows of resources related to OPEB from the Department's contributions subsequent to the measurement date at June 30, 2022, was recognized as a reduction of the OPEB liability in the year ended June 30, 2024. 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):

Fiscal Year	CCSF
2025	\$ (9,962)
2026	(9,278)
2027	(6,801)
2028	(8,671)
2029	(8,061)
Thereafter	(30,311)

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7.) CHANGES IN CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2024 and 2023 was as follows (in thousands):

	July 1, 2023	Additions	Deletions	June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 718,813	\$ 318,642	\$ —	\$ 1,037,455
Avigation easement	332,562	—	—	332,562
Construction in progress	76,886	200,255	(26,841)	250,300
Total capital assets, not being depreciated	1,128,261	518,897	(26,841)	1,620,317
Capital assets, being depreciated/amortized:				
Land Improvements	1,814,641	5,954	(6,639)	1,813,956
Buildings and improvements	3,720,290	8,667	—	3,728,957
Furniture and fixtures	36,770	—	(395)	36,375
Machinery and equipment	626,515	20,544	(6,911)	640,148
Right of use - building	19,085	—	—	19,085
Right of use - SBITA	7,562	1,407	(998)	7,971
Total capital assets being depreciated/amortized	6,224,863	36,572	(14,943)	6,246,492
Less accumulated depreciation/amortization:				
Land improvements	(1,287,708)	(56,632)	3,151	(1,341,189)
Buildings and improvements	(1,651,894)	(96,982)	—	(1,748,876)
Furniture and fixtures	(29,750)	(788)	395	(30,143)
Machinery and equipment	(472,995)	(33,577)	7,186	(499,386)
Right of use - building	(5,453)	(1,818)	—	(7,271)
Right of use- SBITA	(2,915)	(1,918)	928	(3,905)
Total accumulated depreciation/amortization	(3,450,715)	(191,715)	11,660	(3,630,770)
Total capital assets being depreciated/amortized, net	2,774,148	(155,143)	(3,283)	2,615,722
Total capital assets, net	\$ 3,902,409	\$ 363,754	\$ (30,124)	\$ 4,236,039

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	July 1, 2022	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	1,095,716	84,074	(51,529)	1,128,261
Capital assets, being depreciated/amortized:				
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	6,210,492	56,315	(41,944)	6,224,863
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/amortized	(3,284,403)	(193,927)	27,615	(3,450,715)
Total capital assets being depreciated/amortized, net	2,926,089	(137,612)	(14,329)	2,774,148
Total capital assets, net	\$ 4,021,805	\$ (53,538)	\$ (65,858)	\$ 3,902,409

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8.) LONG-TERM DEBT

(a) Changes in Long-Term Debt Obligations

Changes in long-term debt obligations for the years ended June 30, 2024 and 2023 are summarized as follows (in thousands):

	July 1, 2023	Additions	Refunding	Pay downs	June 30, 2024
SENIOR LIEN BONDS:					
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	754,995	—	—	—	754,995
SUBORDINATE LIEN BONDS:					
2008 Series C-1	122,900	—	—	—	122,900 *
2008 Series D-2A	100,000	—	—	—	100,000 *
2008 Series D-2B	99,605	—	—	—	99,605 *
2008 Series D-3	118,625	—	(118,025)	(600)	— *
2014 Series A-1	8,820	—	—	—	8,820 †
2014 Series A-2	221,870	—	(221,870)	—	— †
2017 Series A-2	47,800	—	—	—	47,800 †
2019 Series A	107,530	—	—	(47,965)	59,565 †
2019 Series D	220,955	—	—	(30,335)	190,620 †
2021 Series A	71,270	—	—	—	71,270 †
2024 Series A	—	319,375	—	—	319,375 †
Sub-Total Subordinate Lien Bonds	1,119,375	319,375	(339,895)	(78,900)	1,019,955
PFC BONDS:					
2015 Series C	54,445	—	—	—	54,445 †
2017 Series B	36,495	—	—	(17,075)	19,420 †
2019 Series E	275,795	—	—	(40,720)	235,075 †
2022 Series B	43,400	—	—	—	43,400 †
Sub-Total PFC Bonds	410,135	—	—	(57,795)	352,340
JUNIOR SUBORDINATE LIEN DEBT AND JET A BONDS:					
2021 Notes Series B	115,310	—	—	(17,835)	97,475 †
2022 Jet A Fuel Tax Series A	40,230	—	—	(7,825)	32,405 †
2024 Notes Series B	—	150,920	—	—	150,920 †
Sub-Total Junior Subordinate Lien Debt and Jet A Bonds	155,540	150,920	—	(25,660)	280,800
Total principal outstanding	2,440,045	\$ 470,295	\$ (339,895)	\$ (162,355)	2,408,090
Premiums, discounts, and imputed debt from termination of hedges:					
		Additions	Amortization	Deletions	
Unamortized premiums	163,638	\$ 48,493	\$ (29,812)	\$ (5,068)	177,251
Unamortized discount	(7,045)	—	821	2,795	(3,429)
	156,593	\$ 48,493	\$ (28,991)	\$ (2,273)	173,822
Current portion of long-term debt	(162,355)				(258,175)
Net long-term debt outstanding	\$ 2,434,283				\$ 2,323,737

* Variable Rate Debt Obligations

† Fixed Rate Bonds

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	July 01, 2022	Additions	Refunding	Pay downs	June 30, 2023
SENIOR LIEN BONDS:					
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	754,995	—	—	—	754,995
SUBORDINATE LIEN BONDS:					
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	1,301,395	—	—	(182,020)	1,119,375
PFC BONDS:					
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	466,615	43,400	(44,835)	(55,045)	410,135
JUNIOR SUBORDINATE LIEN DEBT AND JET A BONDS:					
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 Third Lien Bonds and Notes	180,450	40,230	(49,330)	(15,810)	155,540
GENERAL OBLIGATION BONDS:					
2008 General Obligation Series A	43,105	—	—	(43,105)	— *
2013 General Obligation Series B	32,915	—	—	(32,915)	— †
Sub-Total General Obligation Bonds	76,020	—	—	(76,020)	—
Total principal outstanding	2,779,475	\$ 83,630	\$ (94,165)	\$ (328,895)	2,440,045
Premiums, discounts, and imputed debt from termination of hedges:					
		Additions	Amortization	Deletions	
Unamortized premiums	200,784	\$ 2,702	\$ (32,361)	\$ (7,487)	163,638
Unamortized discount	(8,046)	—	1,001	—	(7,045)
	192,738	\$ 2,702	\$ (31,360)	\$ (7,487)	156,593
Current portion of long-term debt	(302,725)				(162,355)
Net long-term debt outstanding	\$ 2,669,488				\$ 2,434,283

* 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 to: 1) provide for the payment of all Airport System operating and maintenance expenses in the fiscal year and 2) 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 FY 2024 and FY 2023 were 6.55 and 10.31, respectively. As of June 30, 2024 and 2023, 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, respectively, for fiscal years ended June 30, 2024 and 2023. The subsidy is recorded as a non-capital grant, a component of other non-operating revenue.

On March 1, 2024, Moody's Investors Service has affirmed the rating on the Clark County, Nevada Airport System, Senior Revenue Bonds at Aa2.

On May 20, 2024, S&P Global Ratings raised its long-term rating on Clark County, Nevada Airport System Senior Revenue Bonds from AA- to AA.

During FY 2023, there were no changes in the credit ratings of Clark County, Nevada Airport System Senior Revenue Bonds.

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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.

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 to: 1) provide for the payment of all Airport System operating and maintenance expenses in such fiscal year and 2) 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 FY 2024 and FY 2023 were 2.16 and 2.87, respectively. As of June 30, 2024 and 2023, the Department had \$1.0 billion and \$1.1 billion in outstanding subordinate lien bonds, respectively.

On November 15, 2023, Fitch Ratings upgraded the long-term rating assigned to the Airport System Subordinate Lien Revenue Bonds from A+ to AA-.

On March 1, 2024, Moody's Investors Service upgraded the rating on the Clark County, Nevada Airport System, Passenger Facility Charge Revenue Bonds from Aa3 to Aa2.

On May 20, 2024, S&P Global Ratings raised its long-term rating and underlying rating on Clark County, Nevada Airport System Subordinate Lien Revenue Bonds from A+ to AA-.

During FY 2023, there were no changes in the credit ratings of Clark County, Nevada Airport System Subordinate Lien Revenue Bonds.

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.

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The PFC bonds are secured by a pledge of and lien upon pledged PFC revenues derived from a 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, 2024 and 2023, the Department had \$352.3 million and \$410.1 million in outstanding PFC pledged bonds, respectively.

In fiscal years 2024 and 2023, the Department earned \$111.2 million and \$110.5 million, respectively, in PFC revenues and \$5.3 million and \$1.6 million, respectively, in PFC interest. In fiscal years 2024 and 2023, the Department pledged \$68.0 million and \$78.3 million respectively, toward debt service payments associated with outstanding PFC bonds and pledged no monies toward service payment on certain subordinate lien bonds that were used to fund PFC projects approved by the FAA. No coverage is required for the PFC bonds.

On March 1, 2024, Moody's Investors Service upgraded the rating on the Clark County, Nevada Airport System, Passenger Facility Charge Revenue Bonds from Aa3 to Aa2.

On May 20, 2024, S&P Global Ratings raised its long-term rating and underlying rating on Clark County, Nevada Airport System, Passenger Facility Charge Revenue Bonds from A+ to AA-.

During FY 2023, there were no changes in the credit ratings of Clark County, Nevada Airport System Passenger Facility Charge Revenue Bonds.

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

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of June 30, 2024 and 2023, the Department had outstanding Jet A bonds of \$32.4 million and \$40.2 million, respectively and outstanding notes of \$248.4 million and \$115.3 million, respectively.

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, 2024 and 2023, there was no shortage of Jet A Fuel Tax revenues to cover the Jet A Bonds debt service.

On November 15, 2023, Fitch Ratings upgraded the long-term rating assigned to the Airport System Junior Subordinate Lien Revenue Notes from A+ to AA-.

On March 1, 2024, Moody's Investors Service upgraded the rating on the Clark County, Nevada Junior Subordinate Lien Revenue Notes and the Jet Aviation Fuel Tax Revenue Bonds from A1 to Aa3.

On May 20, 2024, S&P Global Ratings raised its long-term rating and underlying rating on Clark County, Nevada Junior Subordinate Lien Bonds from A+ to AA-.

During FY 2023, there were no changes in the credit ratings of Clark County, Nevada Airport System Jet Aviation Fuel Tax Revenue Bonds.

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 were issued in accordance with the Indenture between Clark County and The Bank of New York Mellon Trust Company, N.A.

These bonds constituted direct and general obligations of the County. The full faith and credit of the County was 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 were 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

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service. Pursuant to the Indenture, the County 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, 2024 and 2023, the Department had no other 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.

The Department's variable rate demand bonds have three 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 or four-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 or four years on an accelerated basis. The Department's letters of credit terminate on dates occurring between June 2025 and July 2027.

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The following table summarizes the credit facilities securing the variable rate bonds at June 30, 2024 (in thousands):

Bond Series	Credit Provider	Facility Fee Rate	Remarketing Agent	Remarketing Fee Rate	Credit Type	Original Commitment	Term Out	Termination Date
2008C-1	Bank of America	0.32 %	Bank of America Merrill Lynch	0.07 %	Letter of credit	130,941	3 years	June 6, 2025
2008D-2A	Wells Fargo Bank, N.A.	0.38 %	Wells Fargo Securities	0.07 %	Letter of credit	106,641	3 years	February 24, 2026
2008D-2B	Sumitomo Mitsui Banking Corporation	0.40 %	RBC Capital Markets, LLC	0.09 %	Letter of credit	106,023	4 years	July 23, 2027

The following table 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	Credit Type	Original Commitment	Term Out	Termination Date
2008C-1	Bank of America	0.32 %	Bank of America Merrill Lynch	0.07 %	Letter of credit	130,941	3 years	June 6, 2025
2008D-2A	Wells Fargo Bank, N.A.	0.38 %	Wells Fargo Securities	0.07 %	Letter of credit	106,641	3 years	February 24, 2026
2008D-2B	Barclays Bank PLC	0.90 %	RBC Capital Markets	0.09 %	Letter of credit	106,122	3 years	March 1, 2024
2008D-3	Bank of America	0.32 %	Citi Bank N.A.	0.09 %	Letter of credit	130,903	3 years	June 2, 2025

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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's estimated arbitrage liability of \$3.5 million at June 30, 2024. 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, 2024 and 2023

Subordinate Lien Bonds

On April 2, 2024, the Department issued the Series 2024A Subordinate Lien Refunding Revenue Bond (Series 2024A Bonds). The net proceeds of \$319.4 million were used to refund the outstanding principal and interest on the Series 2008D-3 Subordinate Lien Revenue Bonds (Series 2008D-3 Bonds) and Series 2014A-2 Subordinate Lien Revenue Bonds (Series 2014A-2 Bonds). The difference between the re-acquisition price and the net carrying amount of the Series 2008D-3 resulted in a loss of \$3.9 million and the Series 2014A-2 resulted in a gain of \$2.5 million. The refunding transaction for the Series 2008D-3 Bonds and Series 2014A-2 Bonds resulted in an economic gain of \$26.5 million and reduction of the aggregated debt service payments associated with those bonds of \$44.0 million. The Series 2024A Bonds have a stated interest rate of 5.00%, with yields varying from 2.66% to 3.00%. Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due starting July 1, 2025, and continuing for seven years until the scheduled maturity date of July 1, 2032. The letter of credit associated with Series 2008D-3 was cancelled on April 10, 2024, and the remarketing agreement expired on July 1, 2024.

In current and prior years, the Department defeased certain general obligation and revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Department's financial statements. On June 30, 2024, there was a remaining balance placed into escrow with The Bank of New York Mellon from the proceeds of Series 2024A of \$350.1 million that was used for the payment of future debt service on Series 2008D-3 and Series 2014-A2 with both series having an outstanding par value of \$118.0 million and \$221.9 million, and accrued interest of \$1.0 million and \$2.7 million, respectively.

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

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 April 2, 2024, the Department issued the Series 2024B Junior Subordinate Lien Revenue Notes (Series 2024B Notes). The net proceeds of \$150.9 million were used to finance the costs of the acquisition cost of certain real property for the Department. The Series 2024B Notes have a stated interest rate of 5.00%, and a yield of 2.74%. Interest payments are due on January 1 and July 1 of each year, with principal payments scheduled until the scheduled maturity date of July 1, 2029.

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.

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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 table summarizes long-term debt obligations at June 30, 2024 (in thousands):

Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original	June 30, 2024	
Senior Lien Bonds	2010C	Issued to fund the construction of Terminal 3	Airport System Revenue	2/23/2010	7/1/2045	6.82%	\$ 454,280	\$ 454,280
	2015A	Refunded Series 2005A	Airport System Revenue	4/30/2015	7/1/2040	5.00%	59,915	59,915
	2019B	Refunded Series 2009B	Airport System Revenue	7/1/2019	7/1/2042	5.00%	240,800	240,800
					Subtotal			754,995
					Unamortized premiums			45,936
				Total Senior Lien Bonds			800,931	
Subordinate Lien	2008C1*	*Refunded Series 2005 C1A and 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	3/19/2008	7/1/2040	weekly variable rate **	122,900	122,900
	2008D2*		Airport System Revenue	3/19/2008	7/1/2040	weekly variable rate **	199,605	199,605
	2014A1	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue	4/8/2014	7/1/2024	4.00%-5.00%	95,950	8,820
	2017A2	Refunded Series 2007 A1	Airport System Revenue	4/25/2017	7/1/2040	5.00%	47,800	47,800
	2019A	Refunded Series 2009C	Airport System Revenue	7/1/2019	7/1/2026	5.00%	107,530	59,565
	2019D	Refunded Series 2010B	Airport System Revenue	11/27/201	7/1/2032	5.00%	296,155	190,620
	2021A	Refunded Series 2018A	Airport System Revenue	6/30/2021	7/1/2036	5.00%	71,270	71,270
	2024A	Refunded Series 2014 A2 and Series 2008 D3	Airport System Revenue	4/2/2024	7/1/2032	5.00%	319,375	319,375
					Subtotal			1,019,955
					Unamortized premiums			76,102
					Unamortized discounts			(3,429)
					Current portion			(178,750)
					Total Subordinate Lien Bonds			913,878
PFC Bonds	2015C PFC	Refunded Series 2007	Passenger Facility Charge Revenue	7/22/2015	7/1/2027	5.00%	98,965	54,445
	2017B PFC	Refunded Series 2007 A1 Bonds and funded a	Passenger Facility Charge Revenue	4/25/2017	7/1/2025	3.25%-5.00%	69,305	19,420
	2019E PFC	Refunded Series 2010A PFC	Passenger Facility Charge Revenue	11/27/201	7/1/2033	5.00%	369,045	235,075
	2022B PFC	Refunded Series 2012B PFC	Passenger Facility Charge Revenue	11/23/202	7/1/2027	5.00%	43,400	43,400
					Subtotal			352,340
					Unamortized premiums			31,685
					Current portion			(50,475)
				Total PFC			\$ 333,550	

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Long-term debt obligations at June 30, 2024 (in thousands, continued):

Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original	June 30, 2024	
Junior	2021B	Refunded Series 2017C	Airport System Revenue	6/30/2021	7/1/2027	5.00%	125,310	\$ 97,475
Subordinate Lien and Jet A Bonds	2022A	Refunded Series 2013A Jet A	Jet Aviation Fuel Tax Revenue	11/23/202	7/1/2026	5.00%	40,230	32,405
	2024B	Acquisition of real property	Airport System Revenue	4/2/2024	7/1/2029	5.00%	150,920	150,920
				Subtotal			280,800	
				Unamortized premiums			23,528	
				Current portion			(28,950)	
				Total Junior Subordinate Lien and Jet A Bonds			275,378	
				Total long-term debt			\$ 2,323,737	

** 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

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The following table summarizes long-term debt obligations at June 30, 2023 (in thousands):

Series		Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	June 30, 2023
Senior Lien Bonds	2010C	Issued to fund the construction of Terminal 3	Airport System Revenue	2/23/2010	7/1/2045	6.82%	\$ 454,280	\$ 454,280
	2015A	Refunded Series 2005A	Airport System Revenue	4/30/2015	7/1/2040	5.00%	59,915	59,915
	2019B	Refunded Series 2009B	Airport System Revenue	7/1/2019	7/1/2042	5.00%	240,800	240,800
					Subtotal			754,995
					Unamortized premiums			50,229
					Total Senior Lien Bonds			805,224
Subordinate Lien	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	3/19/2008	7/1/2040	weekly variable rate **	122,900	122,900
	2008D2*		Airport System Revenue	3/19/2008	7/1/2040	weekly variable rate **	199,605	199,605
	2008D3	Refunded Series 2001C	Airport System Revenue	3/19/2008	7/1/2029	weekly variable rate **	122,865	118,625
	2014A1	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue	4/8/2014	7/1/2024	4.00%- 5.00%	95,950	8,820
	2014A2	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue	4/8/2014	7/1/2036	4.00%- 5.00%	221,870	221,870
	2017A2	Refunded Series 2007 A1	Airport System Revenue	4/25/2017	7/1/2040	5.00%	47,800	47,800
	2019A	Refunded Series 2009C	Airport System Revenue	7/1/2019	7/1/2026	5.00%	107,530	107,530
	2019D	Refunded Series 2010B	Airport System Revenue	11/27/201	7/1/2032	5.00%	296,155	220,955
	2021A	Refunded Series 2018A	Airport System Revenue	6/30/2021	7/1/2036	5.00%	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
PFC Bonds	2015C PFC	Refunded Series 2007	Passenger Facility Charge Revenue	7/22/2015	7/1/2027	5.00%	98,965	54,445
	2017B PFC	Refunded Series 2007 A1 Bonds and funded a	Passenger Facility Charge Revenue	4/25/2017	7/1/2025	3.25%-5.00%	69,305	36,495
	2019E PFC	Refunded Series 2010A PFC	Passenger Facility Charge Revenue	11/27/201	7/1/2033	5.00%	369,045	275,795
	2022B PFC	Refunded Series 2012B PFC	Passenger Facility Charge Revenue	11/23/202	7/1/2027	5.00%	43,400	43,400
					Subtotal			410,135
					Unamortized premiums			40,215
					Current portion			(57,795)
					Total PFC		\$ 392,555	

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Long-term debt obligations at June 30, 2023 (in thousands, continued):

Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	June 30, 2023
<i>Junior Subordinate Lien and Jet A Bonds</i>	2021B	Refunded Series 2017C	Airport System Revenue	6/30/2021	7/1/2027	5.00%	125,310
	2022A	Refunded Series 2013A Jet A	Jet Aviation Fuel Tax Revenue	11/23/202	7/1/2026	5.00%	40,230
				Subtotal			155,540
				Unamortized premiums			12,121
				Current portion			(25,660)
				Total Junior Subordinate Lien and Jet A Bonds			142,001
				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

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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, 2024 and 2023, to the principal and interest requirements for the liens directly collateralized by those revenues (in thousands):

	2024	2023
Net operating revenues	\$ 251,085	\$ 283,734
Non-operating revenues available for debt service		
CRRSA Act Airport Grant	2	2,031
ARPA Airport Grant	5,969	156,018
BABs interest subsidy	10,226	10,226
Interest income	22,511	11,138
Total revenues pledged for debt service	\$ 289,793	\$ 463,147
Less: Senior lien debt service	(46,018)	(46,018)
Total revenues pledged for Subordinate lien debt service	\$ 243,775	\$ 417,129
PFC revenue	111,208	110,473
PFC fund interest income	5,266	1,589
Total PFC revenues pledged for Subordinate lien PFC bonds	\$ 116,474	\$ 112,062
Total revenues pledged for Subordinate lien debt service including total PFC revenues	\$ 360,249	\$ 529,191
Subordinate lien PFC bond debt service	(68,046)	(78,278)
Subordinate lien bond debt service	(98,115)	(123,749)
Total Subordinate lien (including PFC bonds) debt service	\$ (166,161)	\$ (202,027)
Total revenue pledged for debt service after payment of Senior and Subordinate liens	\$ 194,088	\$ 327,164
Jet A fuel tax revenue	16,783	17,295
Jet A fund interest income (loss)	1,916	660
Total Jet A fuel tax revenues pledged for Jet A bonds	\$ 18,699	\$ 17,955
Jet A tax bond debt service	(11,900)	(10,290)
Total revenue pledged for debt service after payment of Senior, Subordinate, and Jet A fuel tax liens	\$ 200,887	\$ 334,829
Junior Subordinate lien notes debt service	(25,409)	(23,601)
General obligation bonds debt service*	—	(448)

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

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(g) Schedule of Debt Principal and Interest

Principal and interest payments on debt at June 30, 2024 are as follows (in thousands):

Fiscal Year Ended June 30,	Total		Senior Lien Bonds		Subordinate Lien Bonds		PFC		Jet A Fuel Tax Bonds	
	Principal	Interest	Principal	Interest *	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 258,175	\$ 115,370	\$ —	\$ 46,018	\$ 178,750	\$ 41,856	\$ 50,475	\$ 16,087	\$ 28,950	\$ 11,409
2026	140,885	109,704	—	46,018	66,270	38,108	44,355	13,742	30,260	11,836
2027	187,480	101,737	—	46,018	91,690	34,159	64,245	11,269	31,545	10,291
2028	160,090	93,048	14,415	45,657	48,170	30,663	58,380	8,204	39,125	8,524
2029	111,570	86,257	15,135	44,919	76,605	27,543	19,830	6,249	—	7,546
2030-2034	662,690	317,286	87,815	212,152	308,900	86,419	115,055	14,942	150,920	3,773
2035-2039	328,750	215,793	154,360	182,339	174,390	33,454	—	—	—	—
2040-2044	350,015	125,748	274,835	122,466	75,180	3,282	—	—	—	—
2045-2049	208,435	14,369	208,435	14,369	—	—	—	—	—	—
Total	<u>\$ 2,408,090</u>	<u>\$ 1,179,312</u>	<u>\$ 754,995</u>	<u>\$ 759,956</u>	<u>\$ 1,019,955</u>	<u>\$ 295,484</u>	<u>\$ 352,340</u>	<u>\$ 70,493</u>	<u>\$ 280,800</u>	<u>\$ 53,379</u>

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(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, 2024 and 2023 (in thousands):

	2024	2023
2008 Series D-2	\$ 6,469	\$ 7,152
2008 Series D-3	—	353
2014 Series A-2	—	1,910
2015 Series C	730	1,091
2019 Series E	1,520	1,861
2024 Series A	3,408	—
Total unamortized losses on refunded bonds	<u>\$ 12,127</u>	<u>\$ 12,367</u>

(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 2024 and 2023 (in thousands):

	2024	2023
2014 Series A-1	\$ —	\$ 72
2015 Series A	662	709
2017 Series A-2	1,355	1,446
2017 Series B PFC	58	160
2019 Series A	452	787
2019 Series D	1,193	1,512
2022 Jet A Fuel Tax Series A	893	1,758
2022 Series B	1,520	2,540
2024 Series A	2,395	—
Total unamortized gains on refunded bonds	<u>\$ 8,528</u>	<u>\$ 8,984</u>

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 SOFR (Secured Overnight Financing Rate) yield curve or the CMS (Constant Maturity Swap rate) yield curve, as applicable. The future cash payment, as modified by the swap rate factor, and the future cash receipt due on the date of each and every future

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net settlement on the swap were netted, and each netting was then discounted using the discount factor implied by the SOFR 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.

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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, 2024 and 2023, are summarized as follows (in thousands):

Swap #	Interest Rate Swap Description	Associated Variable Rate Bonds or Amended Swaps	County Pays	County Receives *	Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Counterparty Ratings			Outstanding Notional	
									Moody's	S&P	Fitch	June 30, 2024	June 30, 2023
02	Basis Swap	N/A	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.410%	8/23/2001	7/1/2036	\$ 185,855	Citigroup Financial Products Inc.	A2	A	A+	\$ 58,964	\$ 62,752
04	Basis Swap	N/A	SIFMA Swap Index	68.0% of USD LIBOR + 0.435%	7/1/2003	7/1/2025	200,000	Citigroup Financial Products Inc.	A2	A	A+	22,801	42,628
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%	3/19/2008	7/1/2040	151,200	Citigroup Financial Products Inc.	A2	A	A+	117,350	122,150
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%	3/19/2008	7/1/2040	31,975	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	24,800	25,825
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%	3/19/2008	7/1/2040	31,975	UBS AG	Aa2	A+	AA-	24,800	25,825
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%	3/19/2008	7/1/2036	41,330	Citigroup Financial Products Inc.	A2	A	A+	29,155	30,880
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%	3/19/2008	7/1/2036	8,795	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	6,205	6,570
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%	3/19/2008	7/1/2036	8,795	UBS AG	Aa2	A+	AA-	6,205	6,570
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%	3/19/2008	7/1/2040	29,935	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	29,935	29,935
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%	3/19/2008	7/1/2040	29,935	UBS AG	Aa2	A+	AA-	29,935	29,935
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%	7/1/2009	7/1/2026	200,000	Citigroup Financial Products Inc.	A2	A	A+	122,950	182,525
Total							<u>\$ 919,795</u>					<u>\$ 473,100</u>	<u>\$ 565,595</u>

* Effective July 1, 2023, swap calculations are using the Fallback SOFR as LIBOR is no longer an appropriate benchmark interest rate for derivative instruments.

** For fiscal year 2023, swap related to 2008D-3 see discussion in section b Derivative Instruments below

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(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, 2024 and 2023 (in thousands):

		Fair Value and Classifications as of June 30, 2024		Changes in Fair Value for the Twelve Months Ended June, 30, 2024		
Swap #	Description	Derivative Instrument Classification	Fair Value	Increase (Decrease) in Deferred Inflows	Increase (Decrease) in Deferred Outflows	Net Change in Fair Value
Hedging derivative instruments						
10B	Floating-to-Fixed Interest Rate Swap	Non-current asset	\$ 1,380	\$ 594	\$ —	\$ 594
10C	Floating-to-Fixed Interest Rate Swap	Non-current asset	1,380	623	—	623
12A	Floating-to-Fixed Interest Rate Swap	Non-current asset	1,149	(5,295)	—	(5,295)
Total hedging derivative activities			3,909	\$ (4,078)	\$ —	(4,078)
				Gain (loss) on Investment	Deferral Included in Gain (loss)	
Investment derivative instruments						
02	Basis Rate Swap	Non-current liability	(258)	—	669	669
04	Basis Rate Swap	Non-current asset	11	(135)	—	(135)
08A	Floating-to-Fixed Interest Rate Swap	Non-current liability	(2,740)	—	4,740	4,740
08B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(579)	—	1,003	1,003
08C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(580)	—	1,003	1,003
09A	Floating-to-Fixed Interest Rate Swap	Non-current asset	2,122	497	—	497
09B	Floating-to-Fixed Interest Rate Swap	Non-current asset	429	84	—	84
09C	Floating-to-Fixed Interest Rate Swap	Non-current asset	451	106	—	106
12A	Floating-to-Fixed Interest Rate Swap	Non-current asset	1,462	1,662	—	1,662
Total investment derivative activities			318	\$ 2,214	\$ 7,415	9,629
Total			\$ 4,227			\$ 5,551

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		Fair Value and Classifications as of June 30, 2023		Changes in Fair Value for the Twelve Months Ended June, 30, 2023		
Swap #	Description	Derivative Instrument Classification	Fair Value	Increase (Decrease) in Deferred Inflows	Increase (Decrease) in Deferred Outflows	Net Change in Fair Value
Hedging derivative instruments						
7A	‡ Floating-to-Fixed Interest Rate Swap	Non-current liability	\$ —	\$ —	\$ (8)	\$ 8
7B	‡ 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 activities			7,132	\$ 679	\$ (1,040)	1,719
				Gain (loss) on Investment	Deferral Included in Gain (loss)	
Investment derivative instruments						
02	Basis Rate Swap	Non-current liability	(927)	648	—	648
04	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 activities			(8,457)	\$ 8,412	\$ —	8,412
Total			\$ (1,325)			\$ 10,131

‡ 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.

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

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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 re-associating \$21.0 million in notional of swap #07B with Series 2008D-2A/B.

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.

On April 2, 2024, the Department refunded the outstanding principal balance of \$118.0 million on Series 2008D-3 with Series 2024A. Upon refunding, swap #12A was re-associated with the cash flows of \$199.6 million of outstanding principal on Series 2008D-2A and Series 2008D-2B. The re-association resulted in a full hedging on Series 2008C-1, 2008D-2A, and 2008D2-B and an excess of \$68.8 million swap notional amount over-hedged in respect to swap #12A.

(c) Hedging Derivative Instruments

As of June 30, 2024, 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

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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 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 increase in variable rates, all three of the Department's hedging derivative instruments had a positive fair value as of June 30, 2024 and June 30, 2023.

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, 2024 and 2023 (in thousands):

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Swap #	Interest Rate Swap Description	Associated Variable Rate Bonds	Counterparty Swap Interest			Interest to Bondholders	Net Interest Payments	
			(Pay)	Receive	Net	(Pay)	2024	2023
07A	Floating-to-Fixed	2008 D-2A, 2008D-2B	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (20)
07B *	Floating-to-Fixed	2008 D-2A, 2008D-2B	—	—	—	—	—	(29)
10B	Floating-to-Fixed	2008 D-2A, 2008D-2B	—	363	363	(734)	(371)	(934)
10C	Floating-to-Fixed	2008 D-2A, 2008D-2B	—	363	363	(734)	(371)	(933)
12A **	Floating-to-Fixed	2008 D-2A, 2008D-2B, 2008 D-3	(224)	5,303	5,079	(3,390)	1,689	(427)
			<u>\$ (224)</u>	<u>\$ 6,029</u>	<u>\$ 5,805</u>	<u>\$ (4,858)</u>	<u>\$ 947</u>	<u>\$ (2,343)</u>

* 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 re-associating \$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 \$3.9 million as of June 30, 2024. 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, 2024, along with the counterparty credit ratings for these swaps (in thousands):

Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
10B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	\$ 1,380
10C	Floating-to-Fixed	UBS AG	Aa2	A+	AA-	1,380
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	A2	A	A+	1,149
						<u>\$ 3,909</u>

The Department was exposed to credit risk on one hedging derivative instrument 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):

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Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			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+	5,590
						<u>\$ 7,132</u>

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, 2024 and 2023, the cash collateral posted with the custodian for Swap #12A was \$4.7 million and \$9.1 million, respectively.

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 SOFR 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.

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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.

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 \$4.5 million as of June 30, 2024, and \$3.1 million as of June 30, 2023. 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, 2024, 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+	\$ 11
09A	Floating-to-Fixed	Citigroup Financial Products Inc.	A2	A	A+	2,122
09B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	429
09C	Floating-to-Fixed	UBS AG	Aa2	A+	AA-	451
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	A2	A	A+	1,462
						<u>\$ 4,475</u>

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For the Fiscal Years Ended June 30, 2024 and 2023

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>

Interest Rate Risk – Investment Derivative Instruments

Swaps #02 and #04 are subject to interest rate risk should the relationship between the SOFR 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 SOFR 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, 2024, 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):

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Due for the Fiscal Year Ended June 30,	Variable Rate Bonds		Direct Placement Bonds		Net Swap Payments	Total
	Principal	Interest	Principal	Interest		
2025	\$ 122,900	\$ 12,416	\$ —	\$ —	\$ 1,515	\$ 136,831
2026	—	7,685	—	—	794	8,479
2027	—	7,685	—	—	321	8,006
2028	—	7,685	—	—	235	7,920
2029	—	7,685	—	—	206	7,891
2030-2034	53,485	35,378	—	—	1,162	90,025
2035-2039	101,065	18,643	—	—	763	120,471
2040-2041	45,055	1,748	—	—	69	46,872
Total	<u>\$ 322,505</u>	<u>\$ 98,925</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,065</u>	<u>\$ 426,495</u>

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 \$51.1 million and \$41.9 million for the fiscal years ended June 30, 2024 and 2023, respectively.

11.) LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

(a) 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 principally based either on a percentage of the concessionaires' gross revenues or a stated minimum annual guarantee, whichever is greater, or on other land and building rents. Following the adoption of GASB 87, the Department categorizes leases into two groups: 1) Included and 2) Regulated.

Included Leases

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. As of June 30, 2024, all of the Included leases have terms expiring before fiscal year-end 2034. The financial details of these leases as of June 30, 2024, are summarized as below (in thousands):

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Beginning Lease Receivable at July 1, 2023	Receivable Reduction	Ending Lease Receivable at June 30, 2024	Beginning Deferred Inflow at July 1, 2023	Ending Deferred Inflow at June 30, 2024
\$ 58,450	\$ (27,617)	\$ 30,833	\$ 55,621	\$ 30,268

The current and non-current lease receivable balances as of July 1, 2023, were \$15.6 million and \$42.9 million, respectively. As of June 30, 2024, the Department recorded a current portion of \$3.9 million and non-current portion of \$26.9 million of lease receivable. The Department recognized a total of \$1.8 million of lease revenue and \$1.0 million of lease interest revenue associated with Included lease payments received in FY 2024.

As of June 30, 2023, all of the Included leases have terms expiring before fiscal year-end 2027 and are summarized as below (in thousands):

Beginning Lease Receivable at July 1, 2022	Receivable Addition	Ending Lease Receivable at June 30, 2023	Beginning Deferred Inflow at July 1, 2022	Ending Deferred Inflow at June 30, 2023
\$ 34,168	\$ 24,282	\$ 58,450	\$ 32,636	\$ 55,621

The current and non-current lease receivable balances as of July 1, 2022 were \$10.8 million and \$23.4 million, respectively. As of June 30, 2023, the Department recorded a current portion of \$15.6 million and non-current portion of \$42.9 million of lease receivable. 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 following is a schedule of minimum future rental income on Included leases as of June 30, 2024 (in thousands):

Fiscal Year	Principal	Interest
2025	\$ 3,921	\$ 873
2026	3,985	762
2027	4,109	639
2028	3,617	517
2029	2,815	421
Thereafter	12,386	864

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:

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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

For the Airline-Airport Use and Lease Agreement, the Department recognized revenue from terminal/building rent, apron use, passenger enplanements, gate use, and landing fees in the amount of \$54.7 million and \$57.7 million in FY 2024 and FY 2023 respectively. For ground handling, the Department recognized lease revenue of \$3.5 million and \$3.4 million in FY 2024 and FY 2023 respectively. 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. The Department recognized total revenues of \$12.3 million and \$12.2 million in FY 2024 and FY 2023, respectively, for these categories of Regulated leases.

The following is a schedule of minimum future rental income on Regulated leases as of June 30, 2024, for the upcoming fiscal years (in thousands):

Fiscal Year	Minimum Future Rents
2025	\$ 7,506
2026	7,386
2027	6,944
2028	6,681
2029	6,516
2030-2034	32,015
2035-2039	28,294
2040-2044	25,901
2045-2049	21,296
2050-2054	11,485
2055-2059	1,385
2060-2064	232

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(b) 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. Effective May 1, 2023, the Department partially terminated its lease of certain spaces in the administrative office building. The Department surrendered the space subject to termination of the lease, as required by the lease amendment. The Department recognizes a lease payable, interest expense, right-of-use asset net of accumulated amortization and amortization expense accordingly. The financial details of the lease agreement for the year ended June 30, 2024, are summarized below (in thousands):

Beginning Lease Payable at July 1, 2023	Payable Reduction	Ending Lease Payable at June 30, 2024
\$ 14,975	\$ 1,607	\$ 13,368

The current and non-current lease payable balances as of July 1, 2023 were \$1.6 million and \$13.4 million, respectively. As of June 30, 2024, the Department recorded a current portion of \$1.7 million and non-current portion of \$11.7 million of lease payable. The Department recognized interest expense of \$0.4 million and amortization expense of \$1.8 million, related to the right-of-use asset for the building in FY 2024.

The financial details of the lease agreement for the year ended June 30, 2023, are summarized below (in thousands):

Beginning Lease Payable at July 1, 2022	Payable Reduction	Ending Lease Payable at June 30, 2023
\$ 24,772	\$ 9,797	\$ 14,975

The current and non-current lease payable balances as of July 1, 2022 were \$2.3 million and \$22.5 million, respectively. As of June 30, 2023, the Department recorded a current portion of \$1.6 million and non-current portion of \$13.4 million of lease payable. The Department recognized interest expense of \$0.7 million and amortization expense of \$2.6 million, related to the right of use asset for the building in FY 2023.

The following is a schedule of future principal and interest payments to maturity for the leased building as of June 30, 2024 (in thousands):

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Fiscal Year	Principal	Interest
2025	\$ 1,716	\$ 379
2026	1,831	326
2027	1,953	269
2028	2,082	209
2029	2,214	144
2029-2031	3,572	86

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 2024 or 2023.

(c) Subscription-Based Information Technology Arrangements (SBITAs)

The subscription based information technology arrangements (SBITA) activities for the year ended June 30, 2024, are summarized below (in thousands):

Beginning SBITA Payable at July 1, 2023	Payable Addition	Payable Reduction	Ending SBITA Payable at June 30, 2024
\$ 4,296	\$ 1,899	\$ (2,492)	\$ 3,703

The current and non-current portions of SBITA payable as of July 1, 2023, were \$1.7 million and \$2.6 million, respectively. The current and non-current portion of SBITA payable as of June 30, 2024, are \$1.3 million and \$2.4 million, respectively. The current and non-current portion of SBITA payables are reported under different line items on the Statement of Net Position. The current portion is included within Accounts payable and other current liabilities and the non-current portion is recognized within Other non-current liabilities. The Department recognized interest expense of \$0.1 million and amortization expense of \$1.9 million, related to the right-of-use asset for the SBITAs in FY 2024.

The SBITA activities for the year ended June 30, 2023, are summarized below (in thousands):

Beginning SBITA Payable at July 1, 2022	Payable Reduction	Ending SBITA Payable at June 30, 2023
\$ 4,544	\$ (248)	\$ 4,296

The current and non-current portions of SBITA payable as of July 1, 2022, were \$1.6 million and \$3.0 million, respectively. The current and non-current portion of SBITA payable as of June 30, 2023, are \$1.7 million and \$2.6

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For the Fiscal Years Ended June 30, 2024 and 2023

million, respectively. The current and non-current portion of SBITA payables are reported under different line items on the Statement of Net Position. The current portion is included within Accounts payable and other current liabilities and the non-current portion is recognized within Other non-current liabilities. The Department recognized interest expense of \$0.1 million and amortization expense of \$1.7 million, related to the right-of-use asset for the SBITAs in FY 2023.

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.

The following is a schedule of future principal and interest payments to maturity for the SBITAs as of June 30, 2024 (in thousands):

Fiscal Year	Principal	Interest
2025	\$ 1,313	\$ 109
2026	1,286	68
2027	693	27
2028	328	9
2029	83	1

12.) COMMITMENTS AND CONTINGENCIES

(a) Construction in Progress

As of June 30, 2024, the Department's management estimates that future expenditures which have been committed through execution of construction contracts will require an additional outlay of approximately \$463.6 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, 2024.

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For the Fiscal Years Ended June 30, 2024 and 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.

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.

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.

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For the Fiscal Years Ended June 30, 2024 and 2023

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;
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 land related to the Cooperative Management Area for the years ended June 30, 2024 and 2023, were \$8.6 million and \$114.2 million, respectively. The Department's share of these proceeds were \$0.9 million and \$11.4 million for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024, the Department has \$4.3 million payable to the Bureau of Land Management and \$0.3 million payable to the State related to such leases.

15.) SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the following significant events occurred:

1. On October 1, 2024, the Department presented to the Board a modernization plan for the Harry Reid International Airport designed to enhance guest experience and all facets of airport operations as well as to accommodate growth and improve connectivity. The modernization plan includes expanding Terminal 1 on the old Terminal 2 site and demolishing the existing Terminal 1 cluster building concourses with a new pier-design. This initiative will provide more gates, large hold rooms with high ceilings, and improved access to the concourses.
2. On November 18, 2024, Spirit Airlines, Inc. ("Spirit") filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. As of the date of the petition, the Department has no outstanding receivables from Spirit and there are no planned interruptions or changes to Spirit's airline service to Harry Reid International Airport.

REQUIRED SUPPLEMENTARY INFORMATION

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Required Supplementary Information
As of June 30, 2024 and 2023

Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years
(in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Proportion of the Plan's collective net pension liability	\$ 217,611	\$ 221,614	\$ 106,501	\$ 183,948	\$ 178,360	\$ 176,581	\$ 170,398	\$ 174,029	\$ 142,762	\$ 130,301
Proportionate share of the collective net pension liability	1.19 %	1.23 %	1.17 %	1.32 %	1.31 %	1.29 %	1.28 %	1.29 %	1.25 %	1.25 %
Covered payroll	\$ 92,785	\$ 91,129	\$ 84,034	\$ 94,690	\$ 89,678	\$ 85,678	\$ 82,499	\$ 78,305	\$ 76,440	\$ 73,355
Proportionate share of the collective net pension liability as a percentage of the covered payroll	234.53 %	243.19 %	126.74 %	194.26 %	198.89 %	206.10 %	198.88 %	222.25 %	186.76 %	177.63 %
Plan's fiduciary net position	\$58,315,107	\$54,514,012	\$58,458,484	\$46,735,117	\$44,284,253	\$41,431,687	\$38,686,253	\$35,002,029	\$34,610,720	\$33,575,081
Plan's fiduciary net position as a percentage of the total pension liability	76.16 %	75.12 %	86.51 %	77.00 %	76.46 %	75.24 %	74.40 %	72.20 %	75.10 %	76.30 %

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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Required Supplementary Information

As of June 30, 2024 and 2023

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	—	89,902	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%
2024	16,852	16,852	—	100,846	16.7%

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

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Required Supplementary Information

As of June 30, 2024 and 2023

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
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

(continued on next page)

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Required Supplementary Information

As of June 30, 2024 and 2023

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)	—	—	(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 (asset)/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

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Required Supplementary Information

As of June 30, 2024 and 2023

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
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)	—	—	(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 (asset)/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 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 (asset) 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

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Required Supplementary Information

As of June 30, 2024 and 2023

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	PEBP	Total
Net OPEB liability at June 30, 2023	\$ 5,711	\$ 2,693	\$ 8,404
Changes recognized for the fiscal year:			
Service cost	1,269	—	1,269
Interest	3,483	148	3,631
Changes in assumptions ***	(8,971)	29	(8,942)
Benefit payments	(2,260)	(111)	(2,371)
Net change in total OPEB liability	(6,479)	66	(6,413)
Net change in plan's fiduciary net position **	(6,617)	N/A	(6,617)
Net OPEB (asset)/liability at June 30, 2024	\$ (7,385)	\$ 2,759	\$ (4,626)
Covered-employee payroll †	\$ 91,580	N/A	\$ 91,580
Net OPEB (asset)/liability as a percentage of covered-employee payroll	(8.1)%	N/A	(8.1)%
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	115.4 %	N/A	N/A

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Required Supplementary Information

As of June 30, 2024 and 2023

	2024	2023	2022	2021	2020	2019	2018
	CCSF	CCSF	CCSF	CCSF	CCSF	CCSF	CCSF
Beginning CCSF fiduciary net position	\$ 48,741	\$ 54,093	\$ 41,875	\$ 31,120	\$ 18,593	\$ 17,170	\$ 15,312
Changes in CCSF fiduciary net position recognized for the fiscal year							
Employer contributions	2,260	1,468	734	8,909	10,802	441	1,323
Net investment income	6,619	(5,350)	12,220	2,450	2,150	1,423	1,859
Benefit payments	(2,260)	(1,468)	(734)	(603)	(421)	(441)	(1,323)
Administrative expense	(2)	(2)	(2)	(1)	(4)	—	(1)
Net change in CCSF fiduciary net position	6,617	(5,352)	12,218	10,755	12,527	1,423	1,858
Ending CCSF fiduciary net position	\$ 55,358	\$ 48,741	\$ 54,093	\$ 41,875	\$ 31,120	\$ 18,593	\$ 17,170

† 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, 2024 and 2023

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, 2024 and 2023

Schedule of Other Post Employment Benefit Plan Contributions - CCSF

Last Ten Fiscal Years *

(in thousands)

	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018
	CCSF	CCSF	CCSF	CCSF	CCSF	CCSF	CCSF
Required contribution (actuarially determined)	\$ —	\$ —	\$ 1,664	\$ —	\$ 3,318	\$ 9,129	\$ 8,313
Contributions in relation to the actuarially determined contributions	1,600	1,300	1,468	276	8,807	10,802	714
Contribution excess (deficiency)	<u>\$ 1,600</u>	<u>\$ 1,300</u>	<u>\$ (196)</u>	<u>\$ 276</u>	<u>\$ 5,489</u>	<u>\$ 1,673</u>	<u>\$ -7,599</u>
Covered-employee payroll †	\$ 100,094	\$ 91,580	\$ 86,016	\$ 47,798	\$ 56,058	\$ 49,392	\$ 47,954
Contributions as a percentage of covered- employee payroll	1.6%	1.4%	1.7%	0.6%	15.7%	21.9 %	1.5 %

* 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.

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SUPPLEMENTARY INFORMATION

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Supplementary Information
As of June 30, 2024 and 2023

Schedule of Airport Revenue Bond Debt Service Coverage
For the Fiscal Years Ended June 30, 2024 and 2023
(in thousands)

	Reference	FY 2024	FY 2023
Operating revenue		\$ 588,920	\$ 589,233
Operating expenses		(337,835)	(305,499)
Net operating revenues	(a)	251,085	283,734
 CRRSA Act Grant		 2	 2,031
ARPA Grant		5,969	156,018
BABs Interest Subsidy		10,226	10,226
Interest income		22,511	11,138
Net revenue available for debt service	(b)	289,793	463,147
 Other available funds:			
Senior lien coverage	(c)	11,504	11,504
Subordinate lien coverage		9,812	12,375
Total other available funds for debt service	(d)	21,316	23,879
Net revenue and other available funds for debt service	(e)	311,109	487,026
 PFC revenue		 111,208	 110,473
PFC fund interest income		5,266	1,589
Total PFC revenue	(f)	116,474	112,062
 Senior lien debt service	(g)	 46,018	 46,018
 Subordinate lien debt service	(h)	 98,115	 123,749
 Subordinate PFC debt service paid with PFC revenue	(i)	 68,046	 78,278
 <u>Coverage ratios</u>			
Senior lien based on net revenues*	b/g	6.30	10.06
Senior lien including other available funds (1.25 required)	(b+c)/g	6.55	10.31
Subordinate lien after payment of senior lien*	(e-g)/h	2.70	3.56
Senior and subordinate lien			
including other available funds (1.10 required)	e/(g+h)	2.16	2.87
Subordinate PFC bonds*	f/i	1.71	1.43

*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, 2024
(With Comparative Totals for the Fiscal Year Ended June 30, 2023) (in thousands)

	FY 2024			FY 2023
	Budget	Actual	Variance	Actual
Operating Revenues				
Landing fees and other aircraft fees	\$ 27,453	\$ 27,288	\$ (165)	\$ 26,098
Gate use fees	23,839	30,404	6,565	38,075
Terminal concessions	90,042	107,305	17,263	85,472
Terminal building and use fees	150,564	118,945	(31,619)	155,979
Parking and ground transportation fees	96,924	105,683	8,759	100,282
Gaming fees	62,800	62,649	(151)	58,490
Rental car facility and concession fees	85,252	89,227	3,975	86,643
Ground rents and use fees	33,744	28,109	(5,635)	25,245
Other	15,940	19,310	3,370	12,949
Total Operating Revenue	586,558	588,920	2,362	589,233
Operating Expenses				
Salaries and wages	101,667	107,236	5,569	96,447
Employee benefits	56,791	49,124	(7,667)	55,663
Contracted and professional services	86,604	89,459	2,855	72,851
Repairs and maintenance	24,154	23,123	(1,031)	19,998
Utilities and communications	31,603	35,875	4,272	31,381
Materials and supplies	16,630	24,459	7,829	20,691
Administrative expenses	7,955	8,559	604	8,468
Total Operating Expenses	325,404	337,835	12,431	305,499
Operating income before depreciation	261,154	251,085	(10,069)	283,734
Depreciation/Amortization	198,000	191,715	(6,285)	193,965
Operating income (loss)	63,154	59,370	(3,784)	89,769
Non-operating Revenues (Expenses)				
Passenger Facility Charge revenue	107,513	111,208	3,695	110,473
Jet A Fuel Tax	16,750	16,783	33	17,295
Interest and investment income	7,125	67,357	60,232	28,893
Interest expense	(96,000)	(86,992)	9,008	(87,916)
Capital contributions	10,000	91,467	81,467	20,379
Net gain (loss) from disposition of capital assets	500	(2,975)	(3,475)	7,826
Other non-operating revenue (loss)	10,226	10,157	(69)	9,264
ARPA Airport Grants	5,969	5,969	—	156,018
CRRSA Act Airport Grants	2	2	—	2,031
Total non-operating revenues (expenses)	62,085	212,976	150,891	264,263
Change in net position	125,239	272,346	147,107	354,032
Net position, beginning of year	2,240,385	2,240,385	—	1,886,353
Net position, end of year	\$ 2,365,624	\$ 2,512,731	\$ 147,107	\$ 2,240,385

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)
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%)
2024	588,920	(0.1%)	337,835	10.6%	251,085	(11.5)%	191,715	(1.2%)

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.

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)
\$ 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)%	154,288	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 %
59,370	(33.9)%	121,509	(50.2)%	180,879	(45.8)%	91,467	348.8 %	272,346	(23.1)%

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
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
2024	1,615,589	251,458	331,621	76,841	237,222	2,512,731

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

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statistical Section

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

Fiscal Year	Total	Salaries and Benefits	Professional Services	Utilities	Repairs, Supplies, and Maintenance	Insurance	Administrative
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
2024	337,835	156,360	89,459	35,875	47,582	3,948	4,611

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

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statistical Section

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

Fiscal Year	Passenger Facility Charges	Jet A Fuel Tax Revenue	Interest and Investment Income	Interest Expense	Other Non- Operating Income	Gain/(Loss) from Disposition of Assets	Total Non- operating Income/ (Expense)
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
2024	111,208	16,783	67,357	(86,992)	16,128	(2,975)	121,509

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.

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.	
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*	603,790	15,025	11,073	234,774	25,245	84,130	61,940	96,398	62,258	12,947	
2024*	588,922	15,141	11,648	193,301	28,109	86,929	62,649	107,307	64,527	19,311	

*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)	(843)
ARPA Credit	(106)	(26)	(2,313)	(10,083)
Total Revenue	\$ 234,619	\$ 84,104	\$ 58,490	\$ 85,472
2024	\$ 193,301	\$ 86,929	\$ 62,649	\$ 107,307
ARPA Credit	—	—	—	(2)
Total Revenue	\$ 193,301	\$ 86,929	\$ 62,649	\$ 107,305

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)

Fiscal Year	Jet A Fuel Tax Revenue	Jet A Fuel Tax Per Enplaned Passenger	Passenger Facility Charges	PFC Per Enplaned Passenger
2015	\$ 10,542	0.48	\$ 83,921	\$3.84
2016	11,337	0.49	89,567	3.84
2017	12,050	0.50	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
2024	16,783	0.58	111,208	3.82

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*)
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	792,525	305,499	474,651	487,026	46,018	10.31	123,749	2.87
2024	639,132	648,944	337,835	301,297	311,109	46,018	6.55	98,115	2.16

* 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)
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	78,328	1.18
2023	112,062	78,323	1.43
2024	116,474	68,046	1.71

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
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	123,749	169,767	589,233	3.47	305,499	1.80
2024	46,018	98,115	144,133	588,920	4.09	337,835	2.34

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.

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	Leases	Subscription-Based Information Technology Arrangements	Total Outstanding Debt	Total Enplaned Passengers	Ratio of Outstanding Debt to Enplaned Passengers
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	26,635	—	3,274,731	13,187,187	248.33
2022	809,517	1,367,174	517,923	199,326	78,272	24,772	4,544	3,001,528	24,025,401	124.93
2023	805,224	1,173,403	450,350	167,661	—	14,975	4,296	2,615,909	28,276,384	92.51
2024	800,931	1,092,628	384,025	304,328	—	13,368	3,703	2,598,983	29,145,881	89.17

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.

* FY 2021 was the first year of implementation for GASB 87 and FY 2022 was the first year of implementation for GASB 96. This schedule is intended to show information over a period of ten years. Information for additional years will be presented as it becomes available.

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
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	40,829,900	5,986,700	156,100	83.5 %
2024	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
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	137,403,632,000	59,150	304,782	1,155,570	5.6%
2023	2,371,586	not available	not available	304,276	1,190,446	5.4 %
2024	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)
(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	2024		2015	
	Employees	% of Total Employment	Employees	% of Total Employment
Leisure and Hospitality	305,800	26.48 %	285,100	31.15 %
Trade, Transportation and Utilities	215,200	18.63 %	167,600	18.31 %
Professional and Business Services	164,000	14.20 %	124,300	13.58 %
Education and Health Services	124,900	10.81 %	86,100	9.41 %
Government	114,000	9.87 %	95,600	10.45 %
Construction	89,900	7.78 %	50,600	5.53 %
Financial Activities	59,800	5.18 %	45,700	4.99 %
Other Services	34,700	3.00 %	27,200	2.97 %
Manufacturing	32,000	2.77 %	21,800	2.38 %
Information	14,300	1.24 %	10,900	1.19 %
Mining and Logging	400	0.03 %	300	0.03 %
Total Clark County, Nevada Employment	<u>1,155,000</u>		<u>915,200</u>	

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
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
2024	258,793	31,974,588	29,145,881	129,086

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 2024			FY 2023			FY 2022		
	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	10,939,130	37.5%	12.6%	9,716,239	34.4%	15.3%	8,423,490	35.1%	79.8%
Spirit	3,981,063	13.7%	(6.0%)	4,233,125	15.0%	44.3%	2,934,246	12.2%	63.5%
Frontier	2,001,245	6.9%	(23.8%)	2,627,435	9.3%	13.4%	2,316,816	9.6%	83.0%
Delta	2,624,190	9.0%	9.9%	2,387,268	8.4%	3.1%	2,315,268	9.6%	98.9%
American	2,206,011	7.6%	4.1%	2,119,494	7.5%	(4.8%)	2,225,859	9.3%	60.7%
United	2,142,729	7.4%	9.7%	1,954,018	6.9%	14.9%	1,701,130	7.1%	103.8%
Allegiant	1,038,853	3.6%	(13.5%)	1,200,620	4.2%	4.9%	1,144,105	4.8%	60.9%
International	1,737,755	6.0%	15.1%	1,509,313	5.3%	94.6%	775,459	3.2%	533.0%
Alaska	884,322	3.0%	(3.7%)	917,897	3.2%	20.7%	760,297	3.2%	61.7%
JetBlue	430,838	1.5%	(10.2%)	479,899	1.7%	0.6%	477,113	2.0%	90.2%
General Aviation & Other	481,283	1.7%	(4.0%)	501,489	1.8%	9.8%	456,652	1.9%	62.5%
Sun Country	178,435	0.6%	(5.3%)	188,331	0.7%	8.1%	174,246	0.7%	27.6%
Hawaiian	325,224	1.1%	—%	325,241	1.2%	15.0%	282,902	1.2%	234.7%
Avelo	48,480	0.2%	107.8%	23,328	0.1%	(32.0%)	34,301	0.1%	—%
Charter Airlines	3,579	—%	352.5%	791	—%	(52.1%)	1,650	—%	4025.0%
Breeze	120,867	0.4%	34.3%	89,999	0.3%	5985.1%	1,479	—%	—%
Advanced Air	1,877	—%	28.8%	1,457	—%	539.0%	228	—%	—%
Southern Airways Express	—	—%	(100.0%)	440	—%	175.0%	160	—%	—%
Total Enplanements	29,145,881	100.0%	3.1%	28,276,384	100.0%	17.7%	24,025,401	100.0%	82.2%

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					
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	248.33	15.36	16.34
2022	4.50	2.21	3.13	2.19	12.04	9.26	124.93	8.43	6.68
2023	4.41	2.07	3.02	2.20	11.70	10.80	92.51	6.00	6.78
2024	4.47	2.15	3.68	2.21	12.52	11.59	89.17	4.95	5.10
Average	\$ 4.28	\$ 1.66	\$ 3.03	\$ 1.90	\$ 10.86	\$ 11.81	\$ 160.04	\$ 8.62	\$ 10.00

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.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statistical Section

Full Time Equivalent Employees
Last Ten Fiscal Years

Fiscal Year	Total
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
2024	1,365
Average Annual Increase (Decrease)	0.01%

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:			
	2024	2023	2022	2021
Indicators of the Level of Demand for Services				
Airlines:	39	38	40	38
Destinations served:	178	165	161	131
Daily flight operations:	1,678	1,655	1,517	1,027
Daily commercial operations:	1,124	1,093	934	644
Annual passengers:	58,341,562	56,532,889	48,062,113	26,458,311
Harry Reid International Airport Site:	3,217 acres	3,213 acres	3,213 acres	2,820 acres
Runways:	26R*/8L: 14,515' X 150'	26R*/8L: 14,515' X 150'	26R*/8L: 14,515' X 150'	26R*/8L: 14,512' X 150'
	26L*/8R: 10,526' 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: 9,771' 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	2,314,830	2,331,719	2,423,719	2,395,245
Public Space	2,795,655	1,586,804	1,584,874	1,587,495
Total Usable Space	5,110,486	3,918,523	4,008,593	3,982,740
Administration	519,330	518,907	515,402	512,920
Mechanical/Utilities	536,571	536,457	533,876	533,660
Total Space	6,166,387	4,973,887	5,057,871	5,029,320
Parking:				
Short-term	1,195	1,195	1,195	1,195
Valet	628	923	923	923
Long-Term	7,980	7,217	6,596	6,596
Surface Lot(s)	1,661	1,342	7,336	1,342
Economy	1,732	1,732	4,860	4,860
Remote	1,981	1,453	1,130	1,130
Total Public Parking Spaces	15,177	13,862	22,040	16,046
Consolidated Car Rental Facility:				
Customer Service Building (Sq. Ft.)	176,948	176,948	176,948	111,000
Garage (Sq. Ft.)	1,642,775	1,642,775	1,642,775	1,800,000
Vehicle Capacity	5,000+	5,000+	5,000+	5,000+
Shuttle Bus Fleet (units)	47	47	47	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)

2020	For the Fiscal Years Ended:				
	2019	2018	2017	2016	2015
33	36	29	29	31	32
156	156	137	150	152	149
1,202	1,492	1,480	1,501	1,463	1,429
839	992	965	953	938	907
37,963,942	50,488,456	49,226,068	47,946,907	46,629,208	43,685,099
2,820 acres	2,820 acres	2,820 acres	2,820 acres	2,820 acres	2,820 acres
26R*/8L: 14,512' X 150'	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'
26L*/8R: 10,525' 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'
19R/1L*: 8,988' 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'
19L/1R: 9,775' 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'
* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped
109	109	109	109	109	110
2,318,410	2,318,410	2,340,694	2,340,694	2,340,694	2,340,694
1,617,519	1,617,519	1,540,266	1,540,266	1,540,266	1,540,266
3,935,929	3,935,929	3,880,960	3,880,960	3,880,960	3,880,960
520,077	520,077	510,482	510,482	510,482	510,482
640,098	640,098	497,036	497,036	497,036	497,036
5,096,104	5,096,104	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	917	769	769	857	1,530
7,363	7,363	7,363	7,471	7,363	7,363
1,235	1,235	624	624	624	624
5,724	5,724	5,100	5,100	5,100	5,100
526	526	1,954	1,954	1,954	1,954
17,146	17,146	17,191	17,299	17,279	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	48	50	50

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