

Interim Quarterly Financial Report

Clark County Department of Aviation

An Enterprise Fund of Clark County, Nevada

For the Nine Months Ended March 31, 2026



Prepared by the Department of Aviation

Las Vegas, Nevada

CLARK COUNTY DEPARTMENT OF AVIATION

Clark County, Nevada

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**CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Interim Quarterly Financial Report (Unaudited)
For the Nine Months Ended March 31, 2026**

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Financial Section

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Management's Discussion and Analysis (Unaudited)
For the Nine Months Ended March 31, 2026

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 first nine months of fiscal year 2026 (FY 2026) which is the period from July 1, 2025, through March 31, 2026. Certain information is presented in comparison to the fiscal year ended June 30, 2025 (FY 2025), and certain information is presented in comparison to the first nine months of FY 2025, which is the period from July 1, 2024, through March, 31, 2025. This section should be read in conjunction with the financial statements, and notes to the financial statements 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 (State). 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 2024; North Las Vegas Airport, which services general aviation activity and is the second-busiest airport in the State 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 (PFC), 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 MD&A, Financial Statements (including the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows) and Notes to the Financial Statements, presented for the nine months ended March 31, 2026, are unaudited and will not contain certain information included in the Annual Comprehensive Financial Report (ACFR) issued by the Department. This Interim Quarterly Financial Report should be read in conjunction with the Department's ACFR for FY 2025.

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Activity Highlights

The following table provides enplanements, landed weights, and departures activity for the nine months ended March 31, 2026, and 2025:

	March 31, 2026	March 31, 2025	Change	
Enplanements	19,903,481	21,396,125	(1,492,644)	(7.0)%
Landed Weights*	22,703,847	24,329,372	(1,625,525)	(6.7)%
Departures	177,543	193,466	(15,923)	(8.2)%

* Figures are reported in thousand pounds.

Harry Reid International Airport (LAS) closed calendar year 2025 with nearly 55 million passengers, marking the third-highest annual total in the airport's history, following two record-setting years. LAS maintained direct connectivity to more than 150 markets, reflecting the airport's diverse air service portfolio as a key origin-and-destination airport. The change in passenger activity reflects a decline in visitation from Canadian passengers and reduced flight operations from Spirit Airlines following its bankruptcy petitions.

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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 March 31, 2026, and June 30, 2025 (in thousands):

	March 31, 2026	June 30, 2025	Change	
Assets and deferred outflows of resources:				
Current assets	\$ 932,369	\$ 913,463	\$ 18,906	2.1%
Capital assets, net	4,304,896	4,274,502	30,394	0.7%
Other non-current assets	458,363	609,638	(151,275)	(24.8%)
Total assets	<u>5,695,628</u>	<u>5,797,603</u>	<u>(101,975)</u>	<u>(1.8%)</u>
Deferred outflows of resources	<u>122,649</u>	<u>106,007</u>	<u>16,642</u>	<u>15.7%</u>
Total assets and deferred outflows of resources	<u>\$ 5,818,277</u>	<u>\$ 5,903,610</u>	<u>\$ (85,333)</u>	<u>(1.4%)</u>
Liabilities, deferred inflows of resources, and net position:				
Current liabilities	\$ 311,003	\$ 427,225	\$ (116,222)	(27.2%)
Non-current liabilities	2,344,017	2,513,506	(169,489)	(6.7%)
Total liabilities	<u>2,655,020</u>	<u>2,940,731</u>	<u>(285,711)</u>	<u>(9.7%)</u>
Deferred inflows of resources	<u>170,071</u>	<u>172,673</u>	<u>(2,602)</u>	<u>(1.5%)</u>
Net position:				
Net investment in capital assets	2,004,744	1,800,232	204,512	11.4%
Restricted	649,646	606,792	42,854	7.1%
Unrestricted	338,796	383,182	(44,386)	(11.6%)
Total net position	<u>2,993,186</u>	<u>2,790,206</u>	<u>202,980</u>	<u>7.3%</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,818,277</u>	<u>\$ 5,903,610</u>	<u>\$ (85,333)</u>	<u>(1.4%)</u>

Discussion of Net Position

Total net position for the Department as of March 31, 2026, was \$2,993.2 million, an increase of \$203.0 million or 7.3% from June 30, 2025. This can be primarily attributed to the following:

Current Assets

At March 31, 2026, current assets increased by \$18.9 million or 2.1%. This change was primarily driven by increases in restricted investments, accounts receivable, restricted other receivables, and lease receivable offset by decreases

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in cash and cash equivalents, interest receivable, and grants receivable. Restricted investments increased by \$177.0 million, driven by the timing of maturities of the Department's investments. Refer to Note 2, "Cash and Investments," for additional information related to the Department's investments. Accounts receivable increased by \$7.0 million due to the timing of payments received from tenants and customers. Restricted other receivables increased by \$2.3 million, primarily driven by the timing of recognition of interest subsidy receivables associated with the Department's Build America Bonds. Lease receivable increased by \$2.1 million as new agreements accounted for under GASB 87 took effect during the period. Refer to Note 11, "Leases," for more information about the Department's leases. Cash and cash equivalents decreased by \$132.3 million, primarily due to payments made for Cooperative Management Area (CMA) land rental and sales, payments made to airlines, and ongoing construction projects during the period. Refer to Note 16, "Airport Land Transfers," for additional information related to the Department's land. Interest receivable decreased by \$6.3 million, primarily driven by timing of interest received and a decrease in the swap market value and overall interest rates during the period. Grants receivable decreased by \$32.2 million, primarily driven by the timing of grant payments received from the Federal Aviation Administration (FAA).

Capital Assets

At March 31, 2026, capital assets net of accumulated depreciation increased by \$30.4 million or 0.7%. Refer to the "Capital Assets" section in the MD&A and Note 7, "Changes in Capital Assets" for further detail.

Other Non-current Assets

At March 31, 2026, other non-current assets decreased by \$151.3 million or 24.8%. This change was primarily driven by decreases in cash and cash equivalents classified as non-current assets offset by increases in lease receivable and other post employment benefits (OPEB) asset. Restricted cash and cash equivalents classified as non-current assets decreased by \$173.0 million, primarily driven by the Department's treasury requirements for restricted cash associated with non-current obligations. Lease receivable classified as non-current increased by \$18.1 million driven by new agreements accounted for under GASB 87 that took effect during the period offset by the amounts reclassified to current lease receivable. Restricted net OPEB asset increased by \$3.8 million, driven by estimates of other post retirement benefits activities. Refer to Note 6, "Other Post Employment Benefits (OPEB)," for further detail.

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Current Liabilities

At March 31, 2026, current liabilities decreased by \$116.2 million or 27.2%. This change was primarily driven by decreases in the current portion of unrestricted accounts payable and other current liabilities and accrued interest offset by increases in the current portion of long term debt. The current portion of unrestricted accounts payable and other current liabilities decreased by \$108.5 million, primarily driven by \$83.2 million in payments related to CMA land sales and \$21.9 million in payments to airlines pursuant to the Airline-Airport Use and Lease Agreement. The remaining decrease was attributable to the timing of vendor payments, including those associated with construction and project activity. Accrued interest decreased by \$31.3 million, primarily driven by the timing of interest payments and the scheduled pay down of debt. The current portion of long term debt increased by \$29.3 million, primarily driven by the higher annual payment amounts on the 2019A Sub Lien Bond and the 2015C PFC Bond, partially offset by the maturity of the 2017B PFC Bond on July 1, 2025. Refer to the "Long-term Financing" section in MD&A and Note 8, "Long-Term Debt," for additional information related to long-term debt activity.

Non-current Liabilities

At March 31, 2026, non-current liabilities decreased by \$169.5 million or 6.7%. This change is primarily driven by a decrease in the non-current portion of long-term debt, derivative instruments for interest rate swaps, and long term lease liabilities offset by increases in net pension liability and other non-current liabilities. The non-current portion of long-term debt decreased by \$200.6 million in accordance with the scheduled debt payments and amortization of bond premiums and discounts. Refer to the "Long-term Financing" section in MD&A and Note 8, "Long-Term Debt," for additional information related to long-term debt activity. Derivative instruments for interest rate swaps decreased by \$1.6 million, driven by changes in the fair value of the interest rate swap portfolio. The long-term lease liabilities decreased by \$1.5 million due to the amortization of the lease payment over the lease term. Net pension liability increased by \$31.4 million. The net pension liability is actuarially determined as of June 30 each fiscal year. This increase was driven by the Department's recognition of quarterly estimates based on the most current information available. Refer to Note 5, "Retirement System," for further detail. Other non-current liabilities increased by \$1.2 million, primarily due to \$1.1 million increase in subscription-based information technology arrangement (SBITA) liabilities resulting from new agreements that became effective during the period.

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Capital Assets

The following table summarizes capital assets, net of depreciation/amortization at March 31, 2026, and June 30, 2025 (in thousands):

	March 31, 2026	June 30, 2025	Change	
Land	\$ 1,023,993	\$ 1,023,993	\$ —	—%
Avigation easement	332,562	332,562	—	—%
Construction in progress	294,547	232,510	62,037	26.7%
Capital assets, not being depreciated:	<u>1,651,102</u>	<u>1,589,065</u>	<u>62,037</u>	<u>3.9%</u>
Land improvements	550,362	581,895	(31,533)	(5.4%)
Buildings and improvements	1,915,662	1,916,021	(359)	0.0%
Furniture and fixtures	4,851	5,442	(591)	(10.9%)
Machinery and equipment	168,014	166,472	1,542	0.9%
Right-to-use leased building	8,634	9,997	(1,363)	(13.6%)
Right-to-use subscription assets	6,271	5,610	661	11.8%
Capital assets, being depreciated, net:	<u>2,653,794</u>	<u>2,685,437</u>	<u>(31,643)</u>	<u>(1.2%)</u>
Total capital assets, net	<u>\$ 4,304,896</u>	<u>\$ 4,274,502</u>	<u>\$ 30,394</u>	<u>0.7%</u>

Capital assets net of accumulated depreciation increased by \$30.4 million or 0.7%, was primarily driven by capital expenditures of \$185.8 million offset by depreciation and amortization of \$155.4 million. Significant capital expenditures during the period included LAS power infrastructure improvements, Terminal 1 baggage handling system modernization, C and D gate tram car replacement, the development of a new central maintenance facility and warehouse, Terminal 1 elevator/escalator modernization, A and C gates building additions to expand tenant space, LAS checkpoints improvements, and the addition of electric buses. Refer to Note 7, "Changes in Capital Assets," for further detail.

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Long-term Financing

The following table summarizes long-term financing, composed of outstanding debt obligations, lease liabilities, and subscription-based information technology arrangement (SBITA) liabilities at March 31, 2026, and June 30, 2025 (in thousands):

	March 31, 2026	June 30, 2025	Change	
Senior lien bonds	\$ 754,995	\$ 754,995	\$ —	—%
Subordinate lien bonds	897,835	964,105	(66,270)	(6.9%)
PFC bonds	248,865	301,865	(53,000)	(17.6%)
Junior subordinate lien and Jet A bonds	221,590	251,850	(30,260)	(12.0%)
Total bonded debt principal outstanding	<u>2,123,285</u>	<u>2,272,815</u>	<u>(149,530)</u>	<u>(6.6%)</u>
Unamortized premiums	122,142	144,113	(21,971)	(15.2%)
Unamortized discounts	(2,918)	(3,137)	219	(7.0%)
Current portion of long-term debt	<u>(178,835)</u>	<u>(149,530)</u>	<u>(29,305)</u>	19.6%
Total long-term debt obligations	<u>2,063,674</u>	<u>2,264,261</u>	<u>(200,587)</u>	(8.9%)
Lease liabilities	10,136	11,505	(1,369)	(11.9%)
Current portion of lease liabilities	<u>(1,932)</u>	<u>(1,841)</u>	<u>(91)</u>	4.9%
Total long-term lease liabilities	<u>8,204</u>	<u>9,664</u>	<u>(1,460)</u>	(15.1%)
SBITA liabilities	5,036	4,226	810	19.2%
Current portion of SBITA liabilities	<u>(1,897)</u>	<u>(2,187)</u>	<u>290</u>	(13.3%)
Total long-term SBITA liabilities	<u>3,139</u>	<u>2,039</u>	<u>1,100</u>	53.9%
Total long-term financing	<u>\$ 2,075,017</u>	<u>\$ 2,275,964</u>	<u>\$ (200,947)</u>	(8.8%)

Total outstanding debt obligations as of March 31, 2026 decreased by \$149.5 million from June 30, 2025. This decrease was primarily related to scheduled principal payments made during the period. Refer to Note 8, "Long-Term Debt" for additional information related to the Department's outstanding debt.

For additional details about the Department's lease liabilities and SBITA liabilities, refer to Note 11, "Leases," and Note 12, "Subscription-based Information Technology Arrangements (SBITAs)."

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Operating Revenues

Refer to the Department's FY 2025 ACFR for a general discussion regarding the sources that comprise the operating revenue categories, for both aviation and non-aviation related revenues.

The following table provides the signatory rates and fees in effect for the nine months ended March 31, 2026, and 2025:

	March 31,	
	2026	2025
Landing fee (per 1000 lbs.)	\$ 1.49	\$ 1.20
Terminal rental rate (per square foot)	152.62	127.34
Gate use fee-narrow body (per turn)	333.00	292.00
Gate use fee-wide body (per turn)	500.00	437.00
Gate use lease fee (per annum)	221,524.00	230,362.00
International facility use fee (per deplaned international passenger)	8.50	8.50
Common use ticketing fee (per enplaned passenger)	1.41	1.18

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 in the cost per enplaned passenger calculation. The following is the cost per enplaned passenger for the nine months ended March 31, 2026, and 2025 (in thousands):

	Nine months ended March 31,			
	2026	2025	Change	
Landing fees	\$ 33,221	\$ 28,571	\$ 4,650	16.3 %
Terminal building use fees:				
Terminal rental fees	116,336	97,639	18,697	19.1 %
Common use ticketing fees	7,377	6,325	1,052	16.6 %
International facility fees	7,927	7,678	249	3.2 %
Gate use fees	23,222	22,556	666	3.0 %
Total	<u>\$ 188,083</u>	<u>\$ 162,769</u>	<u>\$ 25,314</u>	15.6 %
Enplaned passengers	19,903	21,396	(1,493)	(7.0)%
Cost per enplaned passenger*	\$ 9.45	\$ 7.61	\$ 1.84	24.2 %

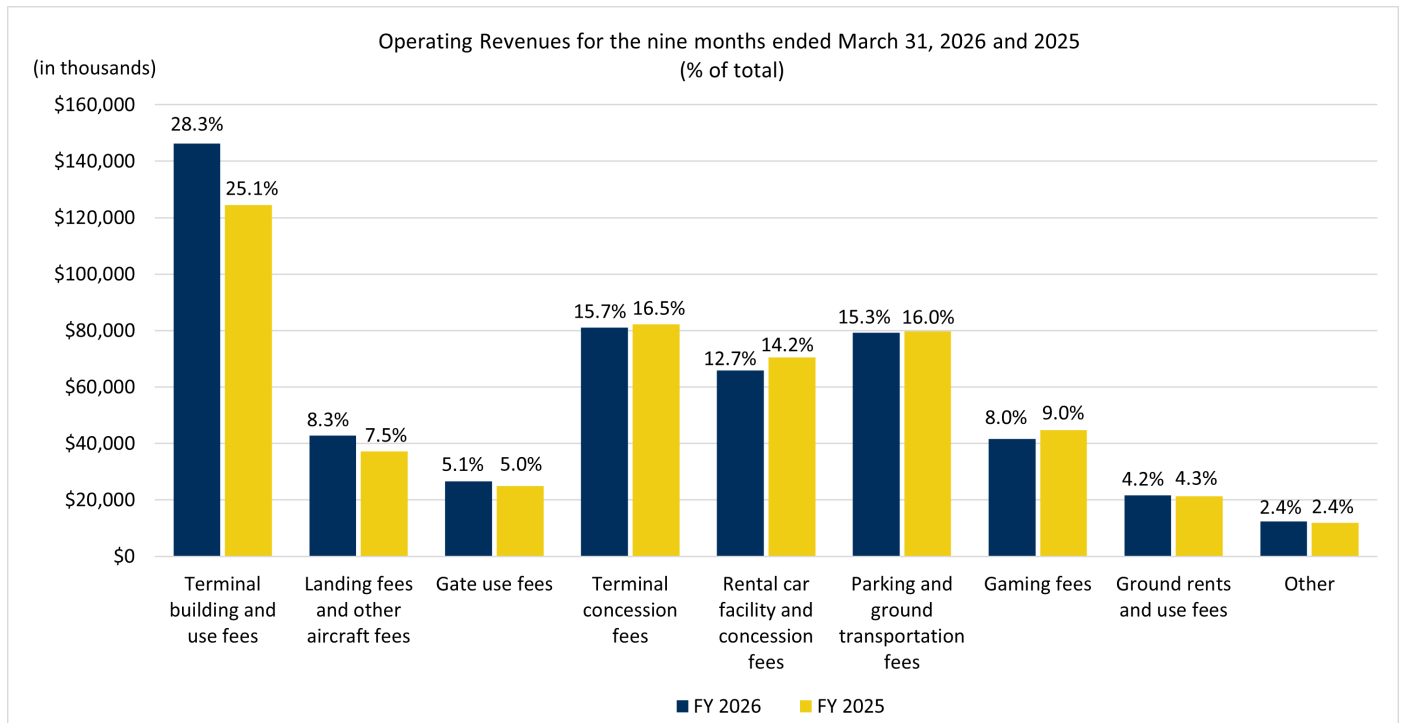
*This figure is not presented in thousands.

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The following table summarizes total operating revenues for the nine months ended March 31, 2026, and 2025 (in thousands):

	March 31,			
	2026	2025		
Terminal building and use fees	\$ 146,341	\$ 124,518	\$ 21,823	17.5%
Landing fees and other aircraft fees	42,705	37,162	5,543	14.9%
Gate use fees	26,646	24,992	1,654	6.6%
Terminal concession fees	81,053	82,188	(1,135)	(1.4%)
Rental car facility and concession fees				
Rental car facility fees	32,794	34,347	(1,553)	(4.5%)
Rental car concession fees	33,073	36,190	(3,117)	(8.6%)
Parking and ground transportation fees				
Public and employee parking fees	48,172	48,796	(624)	(1.3%)
Ground transportation fees	31,140	30,871	269	0.9%
Gaming fees	41,538	44,666	(3,128)	(7.0%)
Ground rents and use fees	21,659	21,295	364	1.7%
Other				
General aviation fuel sales (net of cost)	8,581	8,292	289	3.5%
Other operating income	3,735	3,590	145	4.0%
	<u>\$ 517,437</u>	<u>\$ 496,907</u>	<u>\$ 20,530</u>	4.1%

The following charts present the proportion of operating revenues by source for the nine months ended March 31, 2026, and 2025:



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Discussion of Changes in Operating Revenues

Total operating revenues for the Department for the nine months ended March 31, 2026, were \$517.4 million, an increase of \$20.5 million from nine months ended March 31, 2025. This can be primarily attributed to the following:

Terminal building and use fees increased by \$21.8 million or 17.5%, primarily driven by a \$20.9 million increase in terminal complex rental revenue resulting from a 19.9% increase in the terminal complex rental rate.

Landing fees and other aircraft fees increased by \$5.5 million or 14.9%, driven by a \$4.7 million increase in landing fees resulting from a 24.2% increase in landing fees rates and partially offset by 6.7% decrease in total landed weights.

Gate use fees increased by \$1.7 million or 6.6%, driven by a net \$0.7 million increase in gate use fees resulting from a 14.0%-14.4% increase in per turn rate and offset by a 3.8% decrease in leased gate rate, coupled with an increase of \$1.0 million in aircraft parking fees.

Rental car concession fees decreased by \$3.1 million or 8.6%, primarily due to a decrease in utilization of the Airport Rent-A-Car Center, as rental car tenants reported a 6.1% decrease in gross receipts, primarily driven by a 7.0% decrease in passenger enplanements.

Gaming fees decreased by \$3.1 million or 7.0%, also driven by a 7.0% decrease in passenger enplanements.

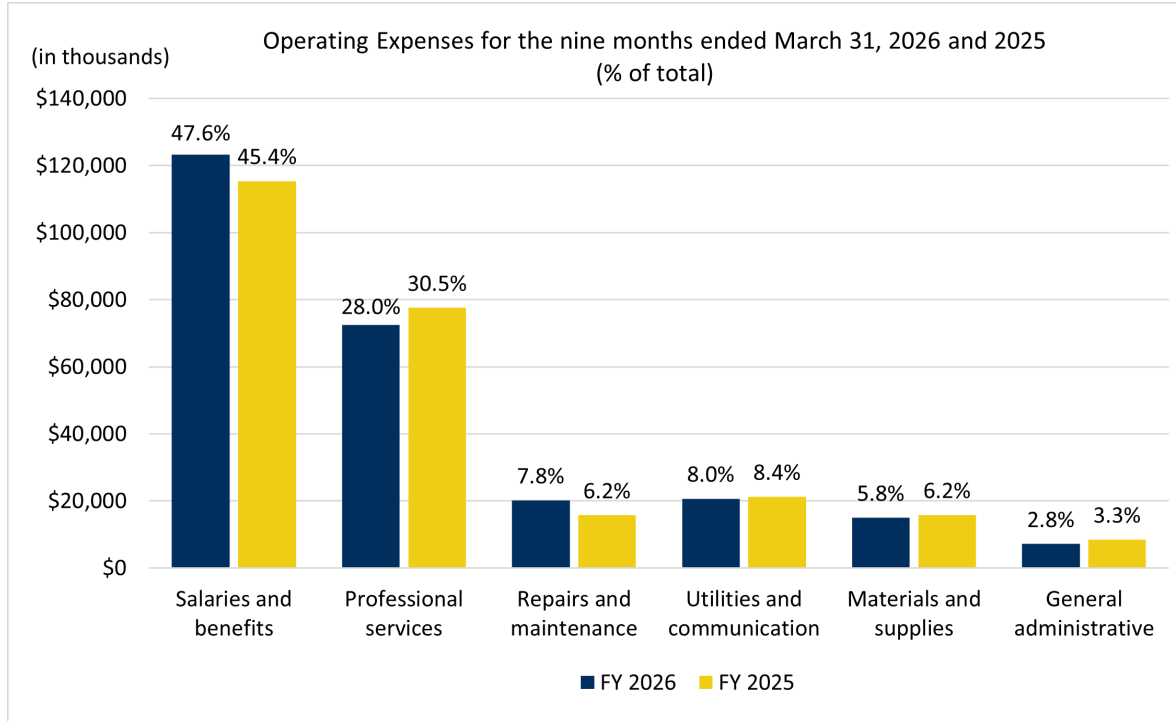
Operating Expenses

The following table summarizes total operating expenses for the nine months ended March 31, 2026, and 2025 (in thousands):

	March 31,		Change	
	2026	2025		
Salaries and benefits	\$ 123,279	\$ 115,393	\$ 7,886	6.8%
Professional services	72,460	77,581	(5,121)	(6.6%)
Repairs and maintenance	20,185	15,729	4,456	28.3%
Utilities and communications	20,684	21,241	(557)	(2.6%)
Materials and supplies	14,982	15,808	(826)	(5.2%)
General administrative	7,157	8,471	(1,314)	(15.5%)
	<u>\$ 258,747</u>	<u>\$ 254,223</u>	<u>\$ 4,524</u>	1.8%

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The following charts present the proportion of operating expenses by category for the nine months ended March 31, 2026, and 2025.



Discussion of Changes in Operating Expenses

Total operating expenses for the Department for the nine months ended March 31, 2026, were \$258.7 million, an increase of \$4.5 million from nine months ended March 31, 2025. This can be primarily attributed to the following:

Salaries and benefits increased by \$7.9 million or 6.8%, primarily driven by increases in salaries and wages and pension expense. Salaries and wages increased by \$4.6 million or 5.6%, primarily driven by an increase in salary rate as a result of the collective bargaining agreements. Pension expense increased by \$1.6 million or 5.9%, and was recorded based on the Department's estimate using prior-year actuarial data and historical trends. The amount is adjusted to actual upon receipt of the final actuarial valuations at year-end.

Professional services decreased by of \$5.1 million or 6.6%, primarily driven by a \$9.6 million decrease in expenditures for other professional services due to the completion of various maintenance projects for which costs were incurred in the prior year, mainly related to the Airport's name change, Terminal 1 roofing replacement, and restroom remodels. The decreases were offset by increases in metropolitan police and fire department services of \$2.2 million, staffing services for security of \$1.3 million, and shuttle services of \$1.2 million.

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Repairs and maintenance increased by \$4.5 million or 28.3%, primarily driven by an increase in various maintenance projects, including lighting systems, signage, restrooms, and plumbing in Terminal 1.

Materials and supplies expense decreased by \$0.8 million or 5.2%, primarily driven by overall decreases in the usage of cleaning and maintenance supplies resulting from operational efficiencies, as well as a 7.0% decrease in passenger enplanements.

General administrative cost decreased by \$1.3 million or 15.5% primarily driven by \$1.1 million in insurance cost decreases due to timing of insurance expense recognition.

Non-Operating Revenues and Expenses

The following table summarizes non-operating revenues and expenses for the nine months ended March 31, 2026, and 2025 (in thousands):

	March 31,		Change	
	2026	2025		
PFC revenue	\$ 75,368	\$ 80,712	\$ (5,344)	(6.6%)
Jet A Fuel Tax revenue	11,831	12,325	(494)	(4.0%)
Interest and investment income				
Unrestricted	17,774	12,802	4,972	38.8%
Restricted	8,270	9,057	(787)	(8.7%)
PFC	7,112	4,608	2,504	54.3%
Unrealized gain on investments - derivative instruments	1,476	(200)	1,676	(838.0%)
Interest expense	(59,586)	(61,629)	2,043	(3.3%)
Capital Contribution	29,161	7,636	21,525	281.9%
Net gain from disposition of capital assets	710	15,431	(14,721)	(95.4%)
Other non-operating revenue, net	7,574	6,705	869	13.0%
	<u>\$ 99,690</u>	<u>\$ 87,447</u>	<u>\$ 12,243</u>	14.0%

Discussion of Changes in Non-Operating Revenues/Expenses

Non-operating revenues and expenses, net for the Department for the nine months ended March 31, 2026, were \$99.7 million, an increase of \$12.2 million from the nine months ended March 31, 2025. This can be primarily attributed to the following:

PFC revenue decreased by \$5.3 million or 6.6%, primarily driven by a 7.0% decrease in overall passenger activity.

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Interest and investment income increased by \$8.4 million or 31.8%, primarily driven by higher investment returns and an increase in unrealized gain on derivative instruments resulting from fair value changes.

Capital contributions increased by \$21.5 million or 281.9%, primarily driven by an increase in capital contributions related to amounts reimbursable from the FAA.

Net gain from disposition of capital assets decreased by \$14.7 million or 95.4%. The Department recognized a \$0.3 million gain from the sale of non-CMA land and a \$0.4 million gain from the sale of CMA land in the nine months ended March 31, 2026, compared to a \$12.6 million gain and proceeds from the sale of non-CMA land, and a \$2.9 million gain from the sale of CMA land in the nine months ended March 31, 2025.

Change in Net Position

	March 31,			
	2026	2025		
Beginning net position	2,790,206	2,506,771	283,435	11.3%
Change in net position	202,980	180,692	22,288	12.3%
Ending net position	<u>\$ 2,993,186</u>	<u>\$ 2,687,463</u>	<u>\$ 305,723</u>	11.4%

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.

Looking Forward

The Department continuously updates its long-range plan for development of the passenger terminal facilities and airfield areas to meet anticipated growth in airline passengers and aircraft operations. Pursuant to the five-year plan for fiscal years 2027 through 2031, the Department scheduled the expenditure of approximately \$977.2 million on capital improvements. Any such improvements are projected by the Department to be funded from a combination of federal grants, Jet A Fuel Tax revenues, Airport revenue bonds, and internally generated cash.

Future planned capital projects at the Airport are currently expected to include modernization of the main terminal building (Terminal 1) and concourses A and B. The current expectation is for certain other improvements including additional aircraft parking areas, terminal roadway improvements, and upgrades to the ticketing and baggage handling systems at Terminal 3 may also be undertaken as necessary and timed to accommodate such upgrades to Terminal 1. Such projects and improvements are in the early planning stages and no assurances can be given that they will be undertaken as currently envisioned or the timing thereof.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Management's Discussion and Analysis (Unaudited)
For the Nine Months Ended March 31, 2026

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 (EIS) and updates to and reevaluation of supporting studies (the Supplemental Airport Studies) for the new facility. The Bureau of Land Management (BLM) and Federal Aviation Administration (FAA) are overseeing the EIS process. The Supplemental Airport Studies have been completed and the BLM and FAA have authorized the commencement of the EIS process.

In May 2025, the BLM and FAA issued a notice of intent to prepare the EIS for the supplemental facility. The Department has selected an EIS consultant and estimates that the EIS process could take up to three years to complete. 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, as part of the Airport System, would have an impact on the Airport System'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.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Management's Discussion and Analysis (Unaudited)
For the Nine Months Ended March 31, 2026

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.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Net Position (Unaudited)
As of March 31, 2026, and June 30, 2025

Assets and Deferred Outflows of Resources	March 31, 2026 (000)	June 30, 2025 (000)
Assets		
Current assets		
Cash and cash equivalents	\$ 565,665	\$ 703,603
Cash and cash equivalents, restricted	75,771	70,129
Investments, restricted	202,757	25,736
Accounts receivable, net of allowance of \$509 and \$276	50,407	42,660
Accounts receivable, restricted	9,646	10,436
Interest receivable	98	3,521
Interest receivable, restricted	257	3,150
Grants receivable	870	33,070
Lease receivable	8,010	5,910
Other receivables, restricted	5,128	2,808
Inventories	11,680	11,045
Prepaid expenses and other	2,080	1,395
Total current assets	<u>932,369</u>	<u>913,463</u>
Non-current assets		
Capital assets		
Capital assets not being depreciated		
Construction in progress	294,547	232,510
Land	1,010,975	1,010,975
Land, restricted	13,018	13,018
Perpetual aviation easement	332,562	332,562
Capital assets being depreciated/amortized		
Land improvements	2,000,103	1,984,617
Buildings and improvements	3,834,590	3,761,961
Furniture and fixtures	36,375	36,375
Machinery and equipment	727,772	697,026
Right-to-use leased building	19,085	19,085
Right-to-use subscription assets	11,428	8,677
Total capital assets	<u>8,280,455</u>	<u>8,096,806</u>
Accumulated depreciation/amortization	<u>(3,975,559)</u>	<u>(3,822,304)</u>
Capital assets, net	<u>4,304,896</u>	<u>4,274,502</u>
Other non-current assets		
Cash and cash equivalents, restricted	377,593	550,556
Net other post employment benefits asset, restricted	14,006	10,218
Derivative instruments - interest rate swaps	5,078	5,277
Lease receivable	61,686	43,587
Total other non-current assets	<u>458,363</u>	<u>609,638</u>
Total non-current assets	<u>4,763,259</u>	<u>4,884,140</u>
Total assets	<u>5,695,628</u>	<u>5,797,603</u>
Deferred outflows of resources		
Pension	101,874	81,977
Other post employment benefits	12,453	14,100
Losses on bond refundings and on imputed debt	8,322	9,930
Total deferred outflows of resources	<u>122,649</u>	<u>106,007</u>
Total assets and deferred outflows of resources	<u>\$ 5,818,277</u>	<u>\$ 5,903,610</u>

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Net Position (Unaudited)
As of March 31, 2026, and June 30, 2025

Liabilities, Deferred Inflows of Resources, and Net Position	March 31, 2026 (000)	June 30, 2025 (000)
Liabilities		
Current liabilities		
Payable from unrestricted assets		
Accounts payable and other current liabilities	\$ 71,650	\$ 180,195
Other accrued expenses	13,025	15,526
Rents received in advance	16,800	15,499
Total payable from unrestricted assets	<u>101,475</u>	<u>211,220</u>
Payable from restricted assets		
Accounts payable and other current liabilities	4,230	8,746
Accrued interest	26,463	57,729
Current portion of long-term debt	178,835	149,530
Total payable from restricted assets	<u>209,528</u>	<u>216,005</u>
Total current liabilities	<u>311,003</u>	<u>427,225</u>
Noncurrent liabilities		
Payable from unrestricted assets		
Net pension liability	242,497	211,062
Net other post employment benefits liability	1,423	1,509
Derivative instruments - interest rate swaps	433	2,052
Compensated absences	15,246	15,246
Long term lease liabilities	8,204	9,664
Other non-current liabilities	6,376	5,127
Total payable from unrestricted assets	<u>274,179</u>	<u>244,660</u>
Payable from restricted assets		
Accounts payable	6,164	4,585
Long-term debt, net of current portion	2,063,674	2,264,261
Total payable from restricted assets	<u>2,069,838</u>	<u>2,268,846</u>
Total noncurrent liabilities	<u>2,344,017</u>	<u>2,513,506</u>
Total liabilities	<u>2,655,020</u>	<u>2,940,731</u>
Deferred inflows of resources		
Pension	26,169	39,820
Other post employment benefits	69,192	76,345
Hedging derivative instruments	2,408	2,463
Leases	67,792	48,174
Unamortized gain on bond refundings	4,510	5,871
Total deferred inflows of resources	<u>170,071</u>	<u>172,673</u>
Net position		
Net investment in capital assets	2,004,744	1,800,232
Restricted for		
Capital projects	231,715	181,600
Debt service	321,106	334,421
Other	96,825	90,771
Total restricted	<u>649,646</u>	<u>606,792</u>
Unrestricted	338,796	383,182
Total net position	<u>2,993,186</u>	<u>2,790,206</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,818,277</u>	<u>\$ 5,903,610</u>

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Nine Months Ended March 31, 2026 and 2025

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2026	2025	2026	2025
	(000)	(000)	(000)	(000)
Operating revenues				
Terminal building and use fees	\$ 49,200	\$ 41,042	\$ 146,341	\$ 124,518
Landing fees and other aircraft fees	14,149	11,963	42,705	37,162
Gate use fees	8,755	8,260	26,646	24,992
Terminal concession fees	24,885	25,847	81,053	82,188
Rental car facility and concession fees	20,762	22,420	65,867	70,537
Parking and ground transportation fees	24,416	24,845	79,312	79,667
Gaming fees	13,687	13,588	41,538	44,666
Ground rents and use fees	7,513	7,545	21,659	21,295
Other	4,569	4,789	12,316	11,882
	<u>167,936</u>	<u>160,299</u>	<u>517,437</u>	<u>496,907</u>
Operating expenses				
Salaries and benefits	44,289	38,591	123,279	115,393
Professional services	23,200	27,539	72,460	77,581
Repairs and maintenance	6,357	5,440	20,185	15,729
Utilities and communication	5,783	5,955	20,684	21,241
Materials and supplies	5,410	4,731	14,982	15,808
General administrative	1,215	3,984	7,157	8,471
	<u>86,254</u>	<u>86,240</u>	<u>258,747</u>	<u>254,223</u>
Operating income before depreciation and amortization	81,682	74,059	258,690	242,684
Depreciation and amortization	51,961	50,620	155,400	149,439
Operating income	<u>29,721</u>	<u>23,439</u>	<u>103,290</u>	<u>93,245</u>
Non-operating revenues (expenses)				
Passenger Facility Charge	25,835	29,526	75,368	80,712
Jet A Fuel Tax	3,534	3,832	11,831	12,325
Interest and investment income	9,843	5,436	34,632	26,267
Interest expense	(19,632)	(20,239)	(59,586)	(61,629)
Capital contributions	19,021	7,317	29,161	7,636
Net gain from disposition of capital assets	397	17	710	15,431
Other non-operating revenue, net	2,477	2,592	7,574	6,705
	<u>41,475</u>	<u>28,481</u>	<u>99,690</u>	<u>87,447</u>
Change in net position	<u>71,196</u>	<u>51,920</u>	<u>202,980</u>	<u>180,692</u>
Net position, beginning of year	<u>2,921,990</u>	<u>2,635,543</u>	<u>2,790,206</u>	<u>2,506,771</u>
Net position, end of year	<u>\$2,993,186</u>	<u>\$2,687,463</u>	<u>\$2,993,186</u>	<u>\$2,687,463</u>

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Cash Flows (Unaudited)
For the Nine Months Ended March 31, 2026 and 2025

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2026	2025	2026	2025
	(000)	(000)	(000)	(000)
Cash flows from operating activities:				
Cash received from customers	\$ 159,087	\$ 145,999	\$ 489,094	\$ 451,029
Cash paid to employees	(47,070)	(42,111)	(137,274)	(127,510)
Cash paid to outside vendors	(48,782)	(46,684)	(140,977)	(147,761)
Net cash provided by operating activities	<u>63,235</u>	<u>57,204</u>	<u>210,843</u>	<u>175,758</u>
Cash flows from capital and related financing activities:				
Collateralized agreements with swap counterparties	(300)	(989)	(1,421)	(2,944)
Passenger Facility Charges received	25,399	34,273	76,158	84,988
Jet A Fuel Tax received	3,961	3,923	12,067	12,490
Acquisition and construction of capital assets	(59,418)	(48,921)	(188,941)	(203,998)
Federal and State grants reimbursements received	21,672	10,069	61,361	53,953
Proceeds from CMA Land sales	3,975	168	3,975	29,203
Payment for CMA Land sales	(86)	(689)	(87,317)	(30,107)
Proceeds from capital asset disposal	—	568	305	28,591
Build America Bonds subsidy	—	—	5,113	9,237
Debt service payments:				
Principal	—	—	(149,530)	(135,275)
Interest	(53,980)	(58,525)	(111,854)	(113,999)
Lease interest received	564	329	1,345	776
Lease interest payments	(78)	(61)	(246)	(257)
SBITA interest payments	(13)	(26)	(64)	(88)
Net cash used in capital and related financing activities	<u>(58,304)</u>	<u>(59,881)</u>	<u>(379,049)</u>	<u>(267,430)</u>
Cash flows from investing activities:				
Interest and investment income received	12,094	8,783	39,967	40,314
Proceeds from maturities of investments	—	103,174	25,737	138,827
Purchase of investments	(202,757)	(69)	(202,757)	(32,724)
Net cash (used in) provided by investing activities	<u>(190,663)</u>	<u>111,888</u>	<u>(137,053)</u>	<u>146,417</u>
Increase (Decrease) in cash and cash equivalents	(185,732)	109,211	(305,259)	54,745
Cash and cash equivalents, beginning of year	<u>1,204,761</u>	<u>991,396</u>	<u>1,324,288</u>	<u>1,045,862</u>
Cash and cash equivalents, end of year	<u><u>\$1,019,029</u></u>	<u><u>\$1,100,607</u></u>	<u><u>\$1,019,029</u></u>	<u><u>\$1,100,607</u></u>
Cash and cash equivalent balances:				
Unrestricted cash and cash equivalents	565,665	522,335	565,665	522,335
Restricted cash and cash equivalents	453,364	578,272	453,364	578,272
Cash and cash equivalents, end of year	<u><u>\$1,019,029</u></u>	<u><u>\$1,100,607</u></u>	<u><u>\$1,019,029</u></u>	<u><u>\$1,100,607</u></u>

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Cash Flows (Unaudited)
For the Nine Months Ended March 31, 2026 and 2025

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
Reconciliation of operating income to net cash provided by operating activities:	2026	2025	2026	2025
	(000)	(000)	(000)	(000)
Operating income	\$ 29,721	\$ 23,439	\$ 103,290	\$ 93,245
Adjustments to reconcile income from operations to net cash from operating activities:				
Depreciation and amortization	51,961	50,620	155,400	149,439
Changes in operating assets and liabilities:				
Accounts receivable	(1,405)	6,514	(7,746)	(7,712)
Other receivables	283	—	276	—
Inventory	(265)	(466)	(635)	(888)
Prepaid expenses	(1,264)	2,828	(973)	(693)
Lease receivables	(210)	(21,755)	(20,200)	(20,078)
Net other post employment benefits asset	(1,246)	(709)	(3,788)	(2,125)
Deferred outflows - pension	(6,566)	(4,626)	(19,898)	(14,049)
Deferred outflows - other post employment benefits	682	(86)	1,647	(309)
Accrued payroll and benefits	(2,324)	(2,142)	(2,500)	(2,276)
Accounts payable and other accrued expenses	(12,849)	(7,145)	(25,644)	(48,354)
Unearned revenue	231	(13,021)	1,301	3,401
Deposits	(89)	231	148	36
Net pension liability	10,478	284	31,435	851
Net other post employment benefits liability	(29)	(291)	(86)	(872)
Deferred inflows - pension	(1,397)	4,436	(13,650)	13,307
Deferred inflows - other post employment benefits	(2,384)	(2,214)	(7,152)	(6,643)
Deferred inflows - leases	(93)	21,307	19,618	19,478
Net cash provided by operating activities	<u>\$ 63,235</u>	<u>\$ 57,204</u>	<u>\$ 210,843</u>	<u>\$ 175,758</u>
Non-cash capital and related financing and investing activities:				
Capital asset additions with outstanding accounts payable	<u>\$ 42,263</u>	<u>\$ 44,799</u>	<u>\$ 42,263</u>	<u>\$ 44,799</u>
Gain (Loss) on investments - derivative instruments	<u>\$ (506)</u>	<u>\$ (1,699)</u>	<u>\$ 1,475</u>	<u>\$ (201)</u>

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements (Unaudited)
For the Nine Months Ended March 31, 2026

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 (State). 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.

Refer to the Department's FY 2025 ACFR for information and related disclosures pertaining to Federal grants and other transaction agreements, Passenger Facility Charges (PFC), and airline rates and charges.

(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. Unless otherwise noted, all accounting and reporting policies remain unchanged as presented in the FY 2025 ACFR.

(c) 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 those estimates and assumptions.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements (Unaudited)
For the Nine Months Ended March 31, 2026

2.) CASH AND INVESTMENTS

According to Nevada Revised Statutes (NRS), 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 deposit. 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 County Treasurer and the Department's Trustee, the Bank of New York Mellon (Trustee). As of March 31, 2026, and June 30, 2025, these amounts were distributed as follows (in thousands):

	March 31, 2026	June 30, 2025
Clark County Investment Pool	\$ 917,596	\$ 987,527
Cash and Investments with Trustee	302,006	350,265
Custodian Account	326	1,747
Cash On Hand or In Transit	1,858	10,485
Total	\$ 1,221,786	\$ 1,350,024

(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
CLARK COUNTY, NEVADA
Notes to Financial Statements (Unaudited)
For the Nine Months Ended March 31, 2026

2.) CASH AND INVESTMENTS (continued)

(b) Interest Rate Sensitivity

As of March 31, 2026, and June 30, 2025, 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.
- *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:

	<u>Moody's</u>	<u>S&P</u>
U.S. Treasury Notes	Aa1	AA+
U.S. Agency Callables	Aa1	AA+
U.S. Agency Non-Callables	Aa1	AA+
U.S. Agency Discounts	P-1	A-1+
Corporate Callable	A1	A-
Corporate Notes	A3	A-
Money Market Funds	Aaa	AAA
Commercial Paper Discount	P-1	A-1
Negotiable Certificates of Deposit	P-1	A-1
Asset Backed Securities	Aaa	AAA
Agency Mortgage Backed Security Pass-Throughs	Aa1	AA+

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements (Unaudited)
For the Nine Months Ended March 31, 2026

2.) CASH AND INVESTMENTS (continued)

(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 United States (U.S.) government or federal agencies, to no more than 5% of the County Investment Pool.

As of March 31, 2026 the following investments exceeded 5% of total Department investments.

Federal Home Loan Banks	100.00 %
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As of June 30, 2025, none of the Department's individual investments exceeded 5% of total Department investments.

(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.

(f) Trustee Cash

In accordance with the Master Indenture of Trust dated May 1, 2003, as amended, between the County and the 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 March 31, 2026, and June 30, 2025, the Trustee held \$302.0 million and \$350.3 million, respectively, of the Department's cash and investments restricted for debt service reserves, bond proceeds, and annual debt service payments.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements (Unaudited)
For the Nine Months Ended March 31, 2026

2.) CASH AND INVESTMENTS (continued)

As of March 31, 2026, of the \$302.0 million held by the Trustee, \$52.3 million in cash and cash equivalents was invested in United States Government Money Market Funds, and \$249.7 million was invested in short-term investments with entities as follows (in thousands):

Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	
Federal Home Loan Bank Discounts	\$ 249,651	\$	249,651

Investment Ratings	Moody's	S&P
Federal Home Loan Bank Discounts	P-1	A-1+

As of June 30, 2025, of the \$350.3 million held by the Trustee, \$324.6 million in cash and cash equivalents was invested in United States Government Money Market Funds, and \$25.7 million was invested in short-term investments with entities as follows (in thousands):

Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	
U.S. Treasury Notes	\$ 25,736	\$	25,736

Investment Ratings	Moody's	S&P
U.S. Treasury Notes	Aa1	AA+

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements (Unaudited)
For the Nine Months Ended March 31, 2026

2.) CASH AND INVESTMENTS (continued)

(g) Fair Value of Combined Investments and Derivative Instruments

The fair value of the Department's investments and derivative instruments as of March 31, 2026, and June 30, 2025, is as follows (in thousands):

As of March 31, 2026:

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	\$ 895,137	\$ 325,882	\$ 569,255
Debt Securities held by Trustee			
Federal Home Loan Bank Discounts	249,651	249,651	—
Money Market Funds	52,355	52,355	—
Subtotal	302,006	302,006	—
Debt Securities Derivative Instruments			
Derivative Instruments - Assets	5,078	—	5,078
Derivative Instruments - Liability	(433)	—	(433)
Subtotal	4,645	—	4,645
Total	\$ 1,201,788	\$ 627,888	\$ 573,900
Debt Securities with Clark County Investment Pool	\$ 895,137		
Nevada Local Government Investment Pool	22,459		
Total Clark County Investment Pool	\$ 917,596		

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2.) CASH AND INVESTMENTS (continued)

As of June 30, 2025:

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	\$ 962,277	\$ 329,639	\$ 632,638
Debt Securities held by Trustee			
U.S. Treasury Notes	25,736	25,736	—
Money Market Funds	324,529	324,529	—
Subtotal	350,265	350,265	—
Debt Securities Derivative Instruments			
Derivative Instruments - Assets	5,277	—	5,277
Derivative Instruments - Liability	(2,052)	—	(2,052)
Subtotal	3,225	—	3,225
Total	<u>\$ 1,315,767</u>	<u>\$ 679,904</u>	<u>\$ 635,863</u>
Debt Securities with Clark County Investment Pool	\$ 962,277		
Nevada Local Government Investment Pool	25,250		
Total Clark County Investment Pool	<u>\$ 987,527</u>		

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 March 31, 2026, and June 30, 2025, consists of the following (in thousands):

	March 31, 2026	June 30, 2025
Infrastructure and Investment Jobs Act Grants	\$ 870	\$ 28,231
Federal Aviation Administration Grants	—	4,839
Total	<u>\$ 870</u>	<u>\$ 33,070</u>

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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 PFC 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 as of March 31, 2026, and June 30, 2025 (in thousands):.

	March 31, 2026	June 30, 2025
Restricted for capital projects:		
Cash and investments - PFC and other bond proceeds	\$ 740	\$ 15,634
Cash and investments - PFC	221,329	154,656
Accounts receivable - PFC	9,646	10,436
Interest receivable	—	875
Subtotal restricted for capital projects	<u>231,715</u>	<u>181,601</u>
Restricted for debt service:		
Bond funds:		
Cash and investments - PFC bonds	45,103	60,532
Cash and investments - other bonds	118,260	148,952
Other receivable	2,556	—
Interest receivable	257	1,627
Subtotal restricted for bond funds	<u>166,176</u>	<u>211,111</u>
Debt service reserves:		
Cash and investments - PFC bonds	34,208	39,752
Cash and investments - other bonds	126,736	119,321
Other receivable	2,572	2,808
Interest receivable	—	95
Subtotal restricted for debt service reserves	<u>163,516</u>	<u>161,976</u>
Subordinate and other debt coverage reserves:		
Cash and investments	26,600	25,686
Interest receivable	—	142
Subtotal restricted for subordinate and other debt coverage reserves	<u>26,600</u>	<u>25,828</u>
Subtotal restricted for debt service	<u>356,292</u>	<u>398,915</u>
Other restricted assets:		
Cash and investments - Working capital and contingency	30,529	29,530
Cash and investments - Capital fund and rate stabilization	52,290	50,611
Custodian account	326	1,747
Interest receivable	—	411
Net other post employment benefits asset	14,006	10,218
Land - Heliport facility	3,718	3,718
Land - Henderson runway	9,300	9,300
Subtotal other restricted assets	<u>110,169</u>	<u>105,535</u>
Total restricted assets	<u>\$ 698,176</u>	<u>\$ 686,051</u>
Restricted assets by class:		
Total current assets	\$ 293,559	\$ 112,259
Total capital assets	13,018	13,018
Total other non-current assets	391,599	560,774
Total restricted assets	<u>\$ 698,176</u>	<u>\$ 686,051</u>

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5.) RETIREMENT SYSTEM

(a) Plan Description

The 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, and 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.

(b) Public Employees' Retirement System of Nevada

The System's fiduciary net position is reported in their financial statements and the net pension liability is disclosed in the notes to their 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.

As of March 31, 2026, the Department estimated a net pension liability of \$242.5 million. As of June 30, 2025, the Department had a net pension liability of \$211.1 million, which represents the Department's percentage, 15.57%, of the County's net pension liability. This percentage was determined based on the Department's contributions to the System during the measurement period relative to the County's total contributions to the System during the measurement period.

For the nine months ended March 31, 2026, and 2025, the Department reported pension expense of \$28.4 million and \$26.9 million, respectively. The actuarial valuation related to the pension plan is prepared annually. Management records estimates during the fiscal year for pension expense, deferred outflows, and deferred inflows and such amounts are adjusted to actual at year-end when the actuarial valuations are received.

Refer to the Department's FY 2025 ACFR for comprehensive information and related disclosures pertaining to the Department's pension plan as of June 30, 2025. There are no updates to the disclosed information as of the issuance of these financial statements.

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6.) OTHER POST EMPLOYMENT BENEFITS (OPEB)

(a) OPEB Plans Administered Through Trusts

Clark County Self-Funded (CCSF) OPEB Trust

The CCSF OPEB Trust provides other post employment benefits to all permanent full-time County employees (primary government only, 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 the County. The CCSF OPEB Trust issues a publicly available financial report which may be obtained at https://www.clarkcountynv.gov/government/departments/finance/boards_and_committees.php.

As of March, 31, 2026, the Department's OPEB amounts were determined from actuarial valuations as of the June 30, 2025, measurement date. The Department's CCSF OPEB Trust fiduciary net position consists of contributions made by the Department to the Trust, including adjustments such as investment earnings. The Department's portion of the CCSF OPEB Trust liability is calculated based on the Department's census data for the plan valuation year. Based on those valuations, the Department estimates a net OPEB asset of \$14.0 million for the CCSF OPEB Trust as the plan fiduciary net position of exceeded its total OPEB liability as of the June 30, 2025, measurement date. As of June 30, 2025, the Department reported a net OPEB asset of \$10.2 million for the CCSF OPEB Trust as the plan fiduciary net position of exceeded its total OPEB liability as of the June 30, 2024, measurement date. .

(b) OPEB Plans Not Administered Through Trusts

Public Employees' Benefits Plan (PEBP)

The PEBP is a non-trust agent, multiple-employer defined benefit OPEB plan administered by the State. The County subsidizes eligible retirees' contributions to the PEBP. The Department is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who have enrolled in this plan. The subsidy is set by NRS §287.041, which 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 PERS had the option upon retirement to enroll in coverage. The PEBP issues a publicly available financial report which may be obtained at <https://pebp.nv.gov/Resources/reports/fiscal-utilization-reports/>.

As of March, 31, 2026, the Department's OPEB amounts were determined from actuarial valuations as of the June 30, 2025, measurement date and are allocated based on the Department's share of the PEBP subsidy payments

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

relative to total County payments during the PEBP actuarial valuation year. Based on those valuations, the Department estimates an OPEB liability of \$1.5 million for the PEBP plan as of the June 30, 2025, measurement date, including a current portion of \$0.1 million and a long-term portion of \$1.4 million. As of June 30, 2025, the Department reported an OPEB liability of \$1.6 million for the PEBP plan as of the June 30, 2024, measurement date, including a current portion of \$0.1 million and a long-term portion of \$1.5 million.

Refer to the Department's FY 2025 ACFR for comprehensive information and related disclosures pertaining to the Department's OPEB plans as of June 30, 2025. There are no updates to the disclosed information as of the issuance of these financial statements.

7.) CHANGES IN CAPITAL ASSETS

Capital asset activity for the nine months ended March 31, 2026 was as follows (in thousands):

	June 30, 2025	Additions	Deletions	March 31, 2026
Capital assets, not being depreciated:				
Land	\$ 1,023,993	\$ —	\$ —	\$ 1,023,993
Avigation easement	332,562	—	—	332,562
Construction in progress	232,510	179,684	(117,647)	294,547
Total capital assets, not being depreciated	<u>1,589,065</u>	<u>179,684</u>	<u>(117,647)</u>	<u>1,651,102</u>
Capital assets, being depreciated/amortized:				
Land Improvements	1,984,617	15,486	—	2,000,103
Buildings and improvements	3,761,961	72,629	—	3,834,590
Furniture and fixtures	36,375	—	—	36,375
Machinery and equipment	697,026	32,835	(2,089)	727,772
Right-to-use leased building	19,085	—	—	19,085
Right-to-use subscription assets	8,677	2,807	(56)	11,428
Total capital assets being depreciated/amortized	<u>6,507,741</u>	<u>123,757</u>	<u>(2,145)</u>	<u>6,629,353</u>
Less accumulated depreciation/amortization:				
Land improvements	(1,402,722)	(47,019)	—	(1,449,741)
Buildings and improvements	(1,845,940)	(72,988)	—	(1,918,928)
Furniture and fixtures	(30,933)	(591)	—	(31,524)
Machinery and equipment	(530,554)	(31,293)	2,089	(559,758)
Right-to-use leased building	(9,088)	(1,363)	—	(10,451)
Right-to-use subscription assets	(3,067)	(2,146)	56	(5,157)
Total accumulated depreciation/amortization	<u>(3,822,304)</u>	<u>(155,400)</u>	<u>2,145</u>	<u>(3,975,559)</u>
Total capital assets being depreciated/amortized, net	<u>2,685,437</u>	<u>(31,643)</u>	<u>—</u>	<u>2,653,794</u>
Total capital assets, net	<u>\$ 4,274,502</u>	<u>\$ 148,041</u>	<u>\$ (117,647)</u>	<u>\$ 4,304,896</u>

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements (Unaudited)
For the Nine Months Ended March 31, 2026

8.) LONG-TERM DEBT

(a) Changes in Long-Term Debt Obligations

Changes in long-term debt obligations for the nine months ended March 31, 2026, are summarized as follows (in thousands):

	June 30, 2025	Additions	Refunding	Pay downs	March 31, 2026	
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	<u>754,995</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>754,995</u>	
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	*
2017 Series A-2	47,800	—	—	—	47,800	†
2019 Series A	44,870	—	—	(9,470)	35,400	†
2019 Series D	158,285	—	—	(33,830)	124,455	†
2021 Series A	71,270	—	—	—	71,270	†
2024 Series A	319,375	—	—	(22,970)	296,405	†
Sub-Total Subordinate Lien Bonds	<u>964,105</u>	<u>—</u>	<u>—</u>	<u>(66,270)</u>	<u>897,835</u>	
PFC BONDS:						
2015 Series C	44,290	—	—	(1,675)	42,615	†
2017 Series B	11,645	—	—	(11,645)	—	†
2019 Series E	211,320	—	—	(24,945)	186,375	†
2022 Series B	34,610	—	—	(14,735)	19,875	†
Sub-Total PFC Bonds	<u>301,865</u>	<u>—</u>	<u>—</u>	<u>(53,000)</u>	<u>248,865</u>	
JUNIOR SUBORDINATE LIEN DEBT AND JET A BONDS:						
2021 Notes Series B	78,805	—	—	(19,465)	59,340	†
2022 Jet A Fuel Tax Series A	22,125	—	—	(10,795)	11,330	†
2024 Notes Series B	150,920	—	—	—	150,920	†
Sub-Total Junior Subordinate Lien Debt and Jet A Bonds	<u>251,850</u>	<u>—</u>	<u>—</u>	<u>(30,260)</u>	<u>221,590</u>	
Total principal outstanding	<u>2,272,815</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (149,530)</u>	<u>2,123,285</u>	
Premiums and discounts:						
		Additions	Amortization	Deletions		
Unamortized premiums	144,113	\$ —	\$ (21,971)	\$ —	122,142	
Unamortized discount	(3,137)	—	219	—	(2,918)	
	<u>140,976</u>	<u>\$ —</u>	<u>\$ (21,752)</u>	<u>\$ —</u>	<u>119,224</u>	
Current portion of long-term debt	<u>(149,530)</u>				<u>(178,835)</u>	
Net long-term debt outstanding	<u>\$ 2,264,261</u>				<u>\$ 2,063,674</u>	

* Variable Rate Debt Obligations

† Fixed Rate Bonds

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CLARK COUNTY, NEVADA
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8.) LONG-TERM DEBT (continued)

(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 2025 was 7.11. As of March 31, 2026, the Department had \$755.0 million in principal of senior lien bonds outstanding.

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 for FY 2026 is \$7.7 million as of March 31, 2026. The subsidy is recorded as a non-capital grant, a component of other non-operating revenue.

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

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8.) LONG-TERM DEBT (continued)

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 2025 was 2.20. As of March 31, 2026, the Department had \$897.8 million in principal of subordinate lien bonds outstanding.

PFC Bonds

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

The PFC bonds are secured by a pledge of and lien upon pledged PFC revenues derived from a 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 March 31, 2026, the Department had \$248.9 million in principal of PFC pledged bonds outstanding.

The Master Indenture of Trust does not require additional coverage for PFC 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 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

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8.) LONG-TERM DEBT (continued)

limitations, and neither the full faith and credit nor the taxing power of the County is pledged to the payment thereof. As of March 31, 2026, the Department had outstanding Jet A bonds of \$11.3 million and outstanding notes of \$210.3 million.

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 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 March 31, 2026, there was no shortage of Jet A Fuel Tax revenues to cover the Jet A Bonds debt service.

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 July 2027 and February 2029.

CLARK COUNTY DEPARTMENT OF AVIATION
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8.) LONG-TERM DEBT (continued)

The following table summarizes the credit facilities securing the variable rate bonds at March 31, 2026 (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	0.38 %	Bank of America Merrill Lynch	0.07 %	Letter of credit	130,941	3 years	June 6, 2028
2008D-2A	Wells Fargo Bank, N.A.	0.38 %	Wells Fargo Securities	0.07 %	Letter of credit	106,641	3 years	February 23, 2029
2008D-2B	Sumitomo Mitsui Banking Corporation	0.40 %	RBC Capital Markets, LLC	0.09 %	Letter of credit	106,023	4 years	July 23, 2027

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8.) LONG-TERM DEBT (continued)

(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 is \$8.3 million at March, 31, 2026. The Department is current on all required arbitrage payments.

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Notes to Financial Statements (Unaudited)
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8.) LONG-TERM DEBT (continued)

(d) Long-term Debt Obligations

The following table summarizes long-term debt obligations at March 31, 2026 (in thousands):

Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	March 31, 2026	
<i>Senior Lien Bonds</i>	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							38,423	
Total Senior Lien Bonds							793,418	
<i>Subordinate Lien Bonds</i>	2008C-1*	*Refunded Series 2005C-1A and Series 2005C-1B, Series 2005C-2, Series 2005C-3, Series 2005D-1, Series 2005D-2, Series 2005E-1, Series 2005E-2, Series 2005E-3	Airport System Revenue	3/19/2008	7/1/2040	weekly variable rate **	122,900	122,900
	2008D-2*		Airport System Revenue	3/19/2008	7/1/2040	weekly variable rate **	199,605	199,605
	2017A-2	Refunded Series 2007A-1	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	35,400
	2019D	Refunded Series 2010B	Airport System Revenue	11/27/2019	7/1/2032	5.00 %	296,155	124,455
	2021A	Refunded Series 2018A	Airport System Revenue	6/30/2021	7/1/2036	5.00 %	71,270	71,270
	2024A	Refunded Series 2014A-2 and Series 2008D-3	Airport System Revenue	4/2/2024	7/1/2032	5.00 %	319,375	296,405
	Subtotal							897,835
Unamortized premiums							51,454	
Unamortized discounts							(2,918)	
Current portion							(91,690)	
Total Subordinate Lien Bonds							854,681	
<i>PFC Bonds</i>	2015C	Refunded Series 2007	PFC Revenue	7/22/2015	7/1/2027	5.00 %	98,965	42,615
	2019E	Refunded Series 2010A PFC	PFC Revenue	11/27/2019	7/1/2033	5.00 %	369,045	186,375
	2022B	Refunded Series 2012B PFC	PFC Revenue	11/23/2022	7/1/2027	5.00 %	43,400	19,875
Subtotal							248,865	
Unamortized premiums							19,707	
Current portion							(55,600)	
Total PFC Bonds							\$ 212,972	

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8.) LONG-TERM DEBT (continued)

Long-term debt obligations at March 31, 2026 (in thousands, continued):

Series	Purpose	Pledged Revenue	Issue Date	Maturity Date	Interest Rate	Original Issue	March 31, 2026
<i>Junior</i> 2021B	Refunded Series 2017C	Airport System Revenue	6/30/2021	7/1/2027	5.00 %	125,310	\$ 59,340
<i>Subordinate</i> 2022A	Refunded Series 2013A Jet A	Jet Aviation Fuel Tax Revenue	11/23/2022	7/1/2026	5.00 %	40,230	11,330
<i>Lien and Jet A Bonds</i> 2024B	Acquisition of real property	Airport System Revenue	4/2/2024	7/1/2029	5.00 %	150,920	150,920
				Subtotal			221,590
				Unamortized premiums			12,558
				Current portion			(31,545)
				Total Junior Subordinate Lien and Jet A Bonds			202,603
				Total long-term debt			<u>\$ 2,063,674</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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8.) LONG-TERM DEBT (continued)

(e) Schedule of Debt Principal and Interest

Principal and interest payments on debt at March 31, 2026, 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
2027	\$ 178,835	\$ 101,841	\$ —	\$ 46,018	\$ 91,690	\$ 34,479	\$ 55,600	\$ 11,053	\$ 31,545	\$ 10,291
2028	160,090	93,367	14,415	45,657	48,170	30,982	58,380	8,204	39,125	8,524
2029	111,570	86,576	15,135	44,918	76,605	27,863	19,830	6,249	—	7,546
2030	267,845	77,127	15,895	44,143	80,205	23,979	20,825	5,232	150,920	3,773
2031-2035	507,685	290,186	92,205	207,651	321,250	72,825	94,230	9,710	—	—
2036-2040	403,650	198,924	175,310	172,769	228,340	26,155	—	—	—	—
2041-2045	387,135	103,968	335,560	103,132	51,575	836	—	—	—	—
2046-2050	106,475	3,631	106,475	3,631	—	—	—	—	—	—
Total	<u>\$ 2,123,285</u>	<u>\$ 955,620</u>	<u>\$ 754,995</u>	<u>\$ 667,919</u>	<u>\$ 897,835</u>	<u>\$ 217,119</u>	<u>\$ 248,865</u>	<u>\$ 40,448</u>	<u>\$ 221,590</u>	<u>\$ 30,134</u>

* Interest payments on the 2010C Build America Bonds receives projected 35.0% rebate payments from the U.S. Treasury and and the rebates are excluded from these figures.

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8.) LONG-TERM DEBT (continued)

(f) Deferred Outflows of Resources Related to Debt

The following schedule details the unamortized losses on bond refundings, presented as deferred outflows, at March 31, 2026, and June 30, 2025 (in thousands):

	March 31, 2026	June 30, 2025
2008 Series D-2	\$ 5,273	\$ 5,785
2015 Series C PFC	225	437
2019 Series E PFC	1,011	1,214
2024 Series A	1,813	2,494
Total unamortized losses on refunded bonds	\$ 8,322	\$ 9,930

(g) Deferred Inflows of Resources Related to Debt

The following schedule details the unamortized gains on bond refundings, presented as deferred inflows, at March 31, 2026, and June 30, 2025 (in thousands):

	March 31, 2026	June 30, 2025
2015 Series A	\$ 580	\$ 616
2017 Series A-2	1,195	1,264
2019 Series A	50	199
2019 Series D	773	929
2022 Jet A Fuel Tax Series A	76	302
2022 Series B PFC	356	706
2024 Series A	1,480	1,855
Total unamortized gains on refunded bonds	\$ 4,510	\$ 5,871

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9.) DERIVATIVE INSTRUMENTS – INTEREST RATE SWAPS

(a) Interest Rate Swaps

The intention of the Department's implementation of a swap portfolio was to convert variable interest rate bonds to synthetically fixed interest rate bonds as a means to lower its borrowing costs when compared to fixed-rate bonds at the time of issuance. The Department executed several floating-to-fixed swaps in connection with its issuance of variable rate bonds and forward starting swaps to lock in attractive synthetically fixed rates for future variable rate bonds. Some of the Department's swaps are structured with step-down coupons to reduce the cash outflows of the fixed leg of those swaps in the later years 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.

Refer to the Department's FY 2025 ACFR for comprehensive information and related disclosures pertaining to the Department's interest rate swaps as of June 30, 2025. No significant changes have been made to the comprehensive information and related disclosures pertaining to the Department's interest rate swaps as of the date of this report.

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9.) DERIVATIVE INSTRUMENTS – INTEREST RATE SWAPS (continued)

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 March 31, 2026, and June 30, 2025, 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	March 31, 2026	June 30, 2025
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+	\$ 51,367	\$ 55,165
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+	—	2,292
08A	Floating-to-Fixed	2008C-1, 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+	107,125	112,325
08B	Floating-to-Fixed	2008C-1, 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	AA-	AA	22,650	23,750
08C	Floating-to-Fixed	2008C-1, 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-	22,650	23,750
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+	25,520	27,370
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	AA-	AA	5,430	5,825
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-	5,430	5,825
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	AA-	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	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+	18,250	65,150
							Total	\$ 919,795				\$ 318,292	\$ 381,322

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

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9.) DERIVATIVE INSTRUMENTS – INTEREST RATE SWAPS (continued)

(b) Changes in Fair Value

The following summary provides the aggregate fair values and the changes in fair values of the Department's interest rate swap agreements for the nine months ended March 31, 2026 (in thousands):

	Assets	Liabilities	Net
Balance as of June 30, 2025	\$ 5,277	\$ (2,052)	\$ 3,225
Net decrease in fair value of hedging derivatives	(55)	—	(55)
Net increase in fair value of investing derivatives	(144)	1,619	1,475
Balance as of March 31, 2026	<u>\$ 5,078</u>	<u>\$ (433)</u>	<u>\$ 4,645</u>

For the nine months ended March 31, 2026, no derivatives were reclassified from hedging derivative instruments to investment derivative instruments. The table below provides the fair values, changes in fair values, and outstanding notional amounts of the Department's interest rate swap agreements as March 31, 2026 (in thousands):

Swap #	Description	Fair Value and Classifications as of March 31, 2026		Changes in Fair Value for the Nine Months Ended March 31, 2026	
		Derivative Instrument Classification	Fair Value	Increase (Decrease) in Deferred Inflows	Net Change in Fair Value
Hedging derivative instruments					
10B	Floating-to-Fixed Interest Rate Swap	Non-current asset	\$ 1,157	\$ 145	\$ 145
10C	Floating-to-Fixed Interest Rate Swap	Non-current asset	1,134	142	142
12A	Floating-to-Fixed Interest Rate Swap	Non-current asset	117	(342)	(342)
Total hedging derivative activities			<u>2,408</u>	<u>\$ (55)</u>	<u>(55)</u>
Investment derivative instruments					
02	Basis Rate Swap	Non-current liability	(174)	374	374
08A	Floating-to-Fixed Interest Rate Swap	Non-current liability	(183)	875	875
08B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(38)	185	185
08C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(38)	185	185
09A	Floating-to-Fixed Interest Rate Swap	Non-current asset	1,870	(94)	(94)
09B	Floating-to-Fixed Interest Rate Swap	Non-current asset	402	(20)	(20)
09C	Floating-to-Fixed Interest Rate Swap	Non-current asset	398	(20)	(20)
12A	Floating-to-Fixed Interest Rate Swap	Non-current asset	—	(10)	(10)
Total investment derivative activities			<u>2,237</u>	<u>\$ 1,475</u>	<u>1,475</u>
Total			<u>\$ 4,645</u>	<u>\$ 1,420</u>	<u>1,420</u>

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10.) OTHER LONG-TERM LIABILITIES

The following is a summary of the Department's other long-term liabilities payable for the nine months ended March 31, 2026 (in thousands):

	Balance at July 01, 2025	Additions	Reductions	Balance at March 31, 2026	Due Within One Year
Lease liability	\$ 11,505	\$ —	\$ (1,369)	\$ 10,136	\$ 1,932
Compensated absences	24,000	—	—	24,000	8,754
Other non-current liabilities:					
SBITA liability	4,226	2,026	(1,216)	5,036	1,897
Deposits	3,088	505	(356)	3,237	—
Total other non-current liabilities	<u>7,314</u>	<u>2,531</u>	<u>(1,572)</u>	<u>8,273</u>	<u>1,897</u>
Total other long-term liabilities	<u>\$ 42,819</u>	<u>\$ 2,531</u>	<u>\$ (2,941)</u>	<u>\$ 42,409</u>	<u>\$ 12,583</u>

11.) LEASES

Refer to the Department's FY 2025 ACFR for comprehensive information and related disclosures pertaining to leases.

(a) Lessor

The Department leases land, buildings, airport facilities, equipment, and terminal space to various tenants. Following the adoption of GASB 87, the Department categorizes leases into two groups: 1) Included and 2) Regulated.

Included Leases

The Department leases airport facilities and land for commercial and operational purposes, including retail, lounges, banking services, telecommunications, advertising, and other business activities. Variable lease payments, such as those based on a percentage of gross revenues or usage, are excluded from the lease receivable and are recognized as revenue in the period in which the underlying event or activity occurs. For the nine months ended March 31, 2026, variable lease payments were immaterial to the Department's total lease revenue.

As of March 31, 2026, all of the Included leases have terms expiring before fiscal year-end 2040. For the nine months ended March 31, 2026, the Department recognized a total of \$5.7 million of lease revenue and \$1.3 million of lease interest revenue associated with Included lease payments received.

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11.) LEASES (continued)

Regulated Leases

Certain assets leased by the Department are subject to regulation by the FAA. The leased assets include jet bridges, passenger hold rooms, concourse operations space, baggage service areas, hangars, and tie-down spaces. In addition, the Department has entered into various regulated lease agreements with tenants for hangars, tie-down spaces, and Fixed Base Operator (FBO) facilities, land and building lease, and general aviation support agreements. Regulated lease payments are recognized as revenue in the period in which they are earned.

(b) Lessee

On August 7, 2007, the Department entered into a twenty-two year lease agreement for the use of an administrative office building located adjacent to the Airport. The lease provides for fixed, periodic payments over the term of the agreement. In addition, the lease includes variable payments that are not based on an index or rate and are therefore excluded from the measurement of the lease liability in accordance with the provisions of GASB 87. These variable payments primarily consist of Common Area Maintenance (CAM) charges assessed annually under the terms of the lease. CAM charges totaled \$0.2 million for the nine months ended March 31, 2026. These amounts were recognized as lease expense in the periods incurred. Principal and interest payments related to the lease totaled \$1.4 million and \$0.2 million, respectively, for the nine months ended March 31, 2026.

12.) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

Refer to the Department's FY 2025 ACFR for comprehensive information and related disclosures pertaining to SBITAs.

The Department has entered into various SBITAs with third-party software providers for operational, security and data protection, and productivity services systems. As of March 31, 2026, all of the SBITAs have terms expiring before fiscal year-end 2029. Principal and interest payments of \$1.2 million and \$0.1 million, respectively, were made for the nine months ended March 31, 2026.

Variable payments related to certain of the Department's SBITA 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.

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13.) 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 for the nine months ended March 31, 2026, and 2025 were \$40.4 million and \$40.8 million, respectively.

14.) COMMITMENTS AND CONTINGENCIES

(a) Construction in Progress

As of March 31, 2026, Management estimates that future expenditures which have been committed through execution of construction contracts will require an additional outlay of approximately \$327.6 million to bring those projects to completion.

(b) Litigation and Claims

General Litigation

The Department, through the County, may be contingently liable for lawsuits and other claims incidental to the ordinary course of its operations. The opinion of County management, based on the advice of the District 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 March 31, 2026.

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.

15.) RISK MANAGEMENT

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

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15.) RISK MANAGEMENT (continued)

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 nine months ended March 31, 2026.

16.) AIRPORT LAND TRANSFERS

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

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

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16.) AIRPORT LAND TRANSFERS (continued)

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 SNPLMA. Gross proceeds from the sale and lease of land related to the Cooperative Management Area for the nine months ended March 31, 2026, were \$13.2 million. The Department's share of these proceeds for the nine months ended March 31, 2026, was \$1.3 million. As of March 31, 2026, the Department has \$5.5 million payable to the BLM and \$0.3 million payable to the State related to such land.

17.) SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the following significant events occurred:

1. Spirit Airlines ceased operations effective 12:00 a.m. on May 2, 2026. At the time Spirit Airlines announced the cancellation of all of its flights, one or more carriers currently serving the Airport also provide direct service into the same 12 markets formerly served by Spirit Airlines. The Department does not expect that the wind-down of Spirit Airlines service will have a material effect on finances or operations of the Airport System.
2. On May 5, 2026, the Board approved and adopted an ordinance authorizing the issuance of Airport System Subordinate Lien Revenue Refunding Revenue Bonds, Series 2026A, and Airport System Subordinate Lien Revenue Bonds, Series 2026B. The proceeds from the issuance of Series 2026A Bonds will be used to refund the outstanding Clark County, Nevada Airport System Senior Subordinate Lien Bonds Series 2015A. The proceeds from the issuance of Series 2026B Bonds will be used to finance the costs of certain improvements to the Airport System.