Clark County Department of Aviation

An Enterprise Fund of Clark County, Nevada

Annual Comprehensive Financial Report

For the Years Ended June 30, 2021 and 2020

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Annual Comprehensive Financial Report

Clark County Department of Aviation

An Enterprise Fund of Clark County, Nevada

For the Fiscal Years Ended June 30, 2021 and 2020

Prepared by the Department of Aviation

Las Vegas, Nevada

CLARK COUNTY DEPARTMENT OF AVIATION

Clark County, Nevada

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Department of Aviation

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DIRECTOR

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December 9, 2021

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Clark County Department of Aviation (Department) for the fiscal year ended June 30, 2021. These financial statements were audited, as required by Nevada Revised Statues §354.624, by Crowe LLP, independent certified public accountants.

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

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

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

Reporting Entity

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

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

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

Economic Outlook

The operations and business results of the Department were significantly impacted by the COVID-19 pandemic in FY 2021. Enplaned passenger counts were down 47.7% comparing FY 2021 to FY 2019 pre-pandemic levels. The number of domestic and international departures also decreased 33.8% comparing FY 2021 to FY 2019. Throughout FY 2021, international travel continued to be heavily restricted due to health and safety concerns throughout the world.

During Q4 FY 2021, passenger confidence in air travel steadily increased with the distribution of COVID-19 vaccinations worldwide combined with the modification of local and national travel restrictions. Enplaned passenger counts for Q4 FY2021 were down only 23.7% compared to pre-pandemic counts in Q4 FY2019.

Financial Information

The Department's total operating revenues decreased from $497.8 million in fiscal year 2020 to $414.3 million in fiscal year 2021, a decrease of $83.5 million. The decrease in operating revenues primarily is attributed to the decrease in passenger traffic attributed to the coronavirus pandemic. Operating expenses for fiscal year 2021 were $234.2 million, which was $52.0 million less than prior fiscal year operating costs of $286.2 million. This is primarily due to cost containment measures combined with the reductions in passenger volumes. The Department remains committed to keeping the destination affordable to the airlines. Through these measures, the Department has kept the airline cost per enplaned passenger reasonable and consistent considering the current air travel environment. The airline cost per enplaned passenger was $16.34 for fiscal year 2021.

The Department is current on all its outstanding bond obligations and has made all scheduled debt service payments. The Department's bonds were issued to provide funding for capital assets to be acquired or constructed. As of June 30, 2021, the current bond proceeds available are anticipated to be used for airfield projects. The Department does not anticipate issuing any new debt to fund its current capital improvement plan. All outstanding bonds are secured by pledges of Airport System revenues, however, Passenger Facility Charge (PFC) bonds and Jet A bonds, are primarily secured by PFC and Jet A fuel tax revenues, respectively.

The Department's financial policies remained consistent in fiscal year 2021, in comparison to fiscal year 2020.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Department for its ACFR for the fiscal year ended June 30, 2020, as well as for the fiscal year ended June 30, 2019. This was the 16th consecutive year that the Department has received this prestigious award. In order to be awarded a Certificate of Achievement, the Department must publish an easily readable and efficiency organized ACFR that meets both GAAP and applicable eligibility requirements. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA, to determine the Department's eligibility to receive a certificate for this ACFR.

Acknowledgments

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

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

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

Sincerely submitted,

Rosemary A. Vassiliadis
Director of Aviation

Joseph M. Piurkowski
Airport Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Clark County Department of Aviation

Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

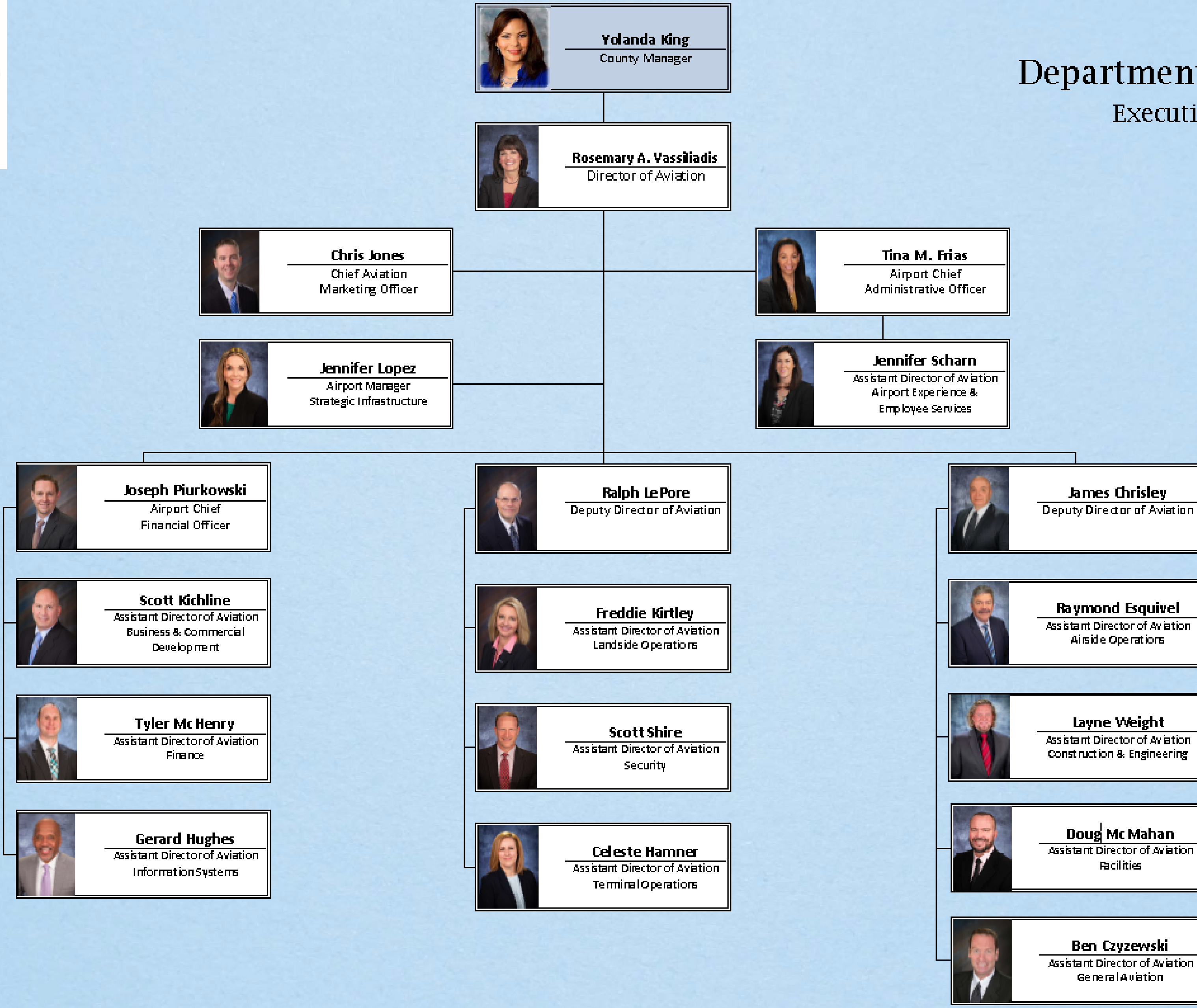
June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Department of Aviation

Executive Team



Financial Section

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Clark County Department of Aviation (the "Department"), an enterprise fund of Clark County, Nevada (the "County") as of and for the years ended June 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1(a), the financial statements present only the Department and do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2021 and 2020, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability, schedule of defined benefit plan contributions, schedule of changes in the net other post employment benefit plan liability and related ratios, and schedule of other post employment benefit plan contributions – CCSF, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's basic financial statements. The introductory section, schedule of airport revenue bond debt service coverage, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of airport revenue bond debt service coverage is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of airport revenue bond debt service coverage has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of airport revenue bond debt service coverage is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 9, 2021 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Costa Mesa, California
December 9, 2021

Introduction

The following is Management's Discussion and Analysis (MD&A) of the financial performance and activity of the Clark County Department of Aviation. The MD&A provides an introduction to and understanding of the financial statements of the Department for the fiscal years (FYs) ended June 30, 2021 (FY 2021) and 2020 (FY 2020), with selected comparable data for the fiscal year ended June 30, 2019 (FY 2019). This section should be read in conjunction with the transmittal letter, financial statements, and notes, to gain a better understanding of the information presented in MD&A.

The Clark County Department of Aviation (Department) is a department of Clark County (County), a political subdivision of the State of Nevada. The Department, under the supervision of the Board of County Commissioners (Board) and the County Manager, is established to operate McCarran International Airport and the four other general aviation facilities owned by the County (Airport System). The Airport System comprises McCarran International Airport (Airport), the seventh-busiest airport in North America by passenger volume in calendar year 2020; North Las Vegas Airport, which services general aviation activity and is the second-busiest airport in the State of Nevada by aircraft operations; Henderson Executive Airport, a premier corporate aviation facility that features a state-of-the-art terminal and private hangar facilities designed to meet the needs of the business aviation community; and Jean Sport Aviation Center and Overton-Perkins Field, which primarily are used for aviation-related recreational purposes.

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

Overview of Financial Statements

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

The Statements of Net Position present information on all the Department's assets, deferred outflows of resources, liabilities, and deferred inflows of resources as of June 30, 2021 and 2020. The Statements of Revenues, Expenses, and Changes in Net Position present financial information showing how the Department's net position changed during the fiscal years ended June 30, 2021 and 2020. The Statements of Cash Flows relate the inflows and outflows of cash and cash equivalents as a result of the financial transactions that occurred during these two fiscal years, and also includes a reconciliation of operating income to net cash provided by operating activities.

Activity Highlights

The operations and business results of the Department were significantly impacted by the COVID-19 pandemic which manifested during FY 2020. In FY 2021, enplaned passenger counts were down 47.7% comparing FY 2021 to FY 2019 pre-pandemic levels. The number of domestic and international departures also decreased 33.8% comparing FY 2021 to FY 2019. Throughout FY 2021, international travel continued to be heavily restricted due to health and safety concerns throughout the world.

During Q4 FY 2021, passenger confidence in air travel steadily increased with the distribution of COVID-19 vaccinations worldwide combined with the modification of local and national travel restrictions. Enplaned passenger counts for Q4 FY2021 were down only 23.7% compared to pre-pandemic counts in Q4 FY2019.

In February 2021, the Department was notified of its eligibility for $41.8 million of funds under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The FAA will distribute these grants under the new Airport Coronavirus Response Grant Program (ACRGP). $5.3 million is specifically designated for relieving rent and minimum annual guarantees for concessionaires.

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

Passenger enplanements in FY 2021 totaled 13,187,187, compared to 19,038,069 in FY 2020, and 25,223,715 in FY 2019. The FY 2021 enplanements represent a decrease of 30.7% over FY 2020.

Aircraft landed weights in FY 2021 totaled 17,839,131 thousand pounds, compared to 22,749,780 thousand pounds in FY 2020 and 27,418,216 thousand pounds in FY 2019. The FY 2021 landed weights represent a 21.6% decrease compared to FY 2020. The number of departures for domestic and international flights in FY 2021 totaled 149,370 compared to 185,107 in FY 2020 and 225,571 in FY 2019. The FY 2021 departures represent a 19.3% decrease from FY 2020.

Financial Highlights

Net Position Summary

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

	2021	2020	2019	Change 2021 vs 2020		Change 2020 vs 2019	
Assets and deferred outflows of resources:							
Current assets	$ 851,347	$ 743,736	$ 869,679	$ 107,611	14.5%	$ (125,943)	(14.5%)
Capital assets, net	4,035,261	4,195,134	4,319,413	(159,873)	(3.8%)	(124,279)	(2.9%)
Other non-current assets	490,724	475,464	515,648	15,260	3.2%	(40,184)	(7.8%)
Total assets	5,377,332	5,414,334	5,704,740	(37,002)	(0.7%)	(290,406)	(5.1%)
Deferred outflows of resources	71,678	82,505	78,531	(10,827)	(13.1%)	3,974	5.1%
Total assets and deferred outflows of resources	$ 5,449,010	$ 5,496,839	$ 5,783,271	$ (47,829)	(0.9%)	$ (286,432)	(5.0%)
Liabilities, deferred inflows of resources, and net position:							
Current liabilities	482,404	295,484	339,622	186,920	63.3%	(44,138)	(13.0%)
Non-current liabilities	3,190,943	3,586,702	3,910,581	(395,759)	(11.0%)	(323,879)	(8.3%)
Total liabilities	3,673,347	3,882,186	4,250,203	(208,839)	(5.4%)	(368,017)	(8.7%)
Deferred inflows of resources	94,618	87,302	86,530	7,316	8.4%	772	0.9%
Net position:							
Net investment in capital assets	952,104	937,167	701,267	14,937	1.6%	235,900	33.6%
Restricted	399,639	421,197	529,511	(21,558)	(5.1%)	(108,314)	(20.5%)
Unrestricted	329,302	168,987	215,760	160,315	94.9%	(46,773)	(21.7%)
Total net position	1,681,045	1,527,351	1,446,538	153,694	10.1%	80,813	5.6%
Total liabilities, deferred inflows of resources, and net position	$ 5,449,010	$ 5,496,839	$ 5,783,271	$ (47,829)	(0.9%)	$ (286,432)	(5.0%)

Discussion of FY 2021 Net Position

Total net position for the Department as of June 30, 2021 was $1,681.0 million. This is an increase of $153.7 million from FY 2020. This can be primarily attributed to the following significant changes:

- Current assets
    - For FY 2021, current assets were $851.3 million, an increase of $107.6 million from FY 2020. The majority of this change was due to increases in cash and cash equivalents classified as current assets and in accounts receivable. These increases were offset by decreases in investments classified as current assets, grants receivable and other receivables. Cash and cash equivalents increased $188.6 million from FY 2020 to FY 2021. These increases were driven by completed land sales in FY 2021 as well as grant reimbursements received during the fiscal year. Accounts receivable, net increased $21.7 million from FY 2020 to FY 2021. Increases in receivables are attributable to increased passenger traffic and overall business activity in FY 2021 as compared to FY 2020. These increases were offset by decreases in investments classified as current assets of $66.7 million from FY 2020 to FY 2021. These decreases are driven by the treasury requirements for restricted investments needed to be available for current obligations. Grants receivable decreased $23.5 million from FY 2020 to FY 2021 which was driven by the timing of CARES Act receivables from year-end FY 2020 to FY 2021. Interest receivable decreased $1.9 million, with the majority of the change being due to the decrease in overall interest rates. Other receivables decreased $10.3 million million from FY 2020 to FY 2021, driven by the timing of Build America Bonds (BABs) subsidy payments which the Department had recorded a $5.1 million receivable at year-end FY 2020. Also, in FY 2020, the Department recorded a $6.3 million subsidy received from other County funds. No such subsidy was received in FY 2021. These amounts within other receivables were offset by an increase of Jet-A Tax revenue receivable of $1.2 million from FY 2020 to FY 2021.
- Other non-current assets
    - For FY 2021, other non-current assets were $490.7 million, an increase of $15.3 million, from $475.5 million in FY 2020. The change is largely due to increases in investments classified as non-current assets as well as increases in the net other post employment benefits asset balance. These increases were offset by decreases in cash and cash equivalents classified as non-current assets. Investments classified as non-current increased $41.7 million. These investments represent investments which are restricted and available to be used for non-current obligations. The increase is reflective of the Department's treasury needs and timing of non-current obligations. Interest rate swap derivative instruments increased $0.9 million from FY 2020 to FY 2021, resulting from the change in fair value of these instruments. The Department recorded a net other post employment benefits asset in FY 2021 of $14.3 million in accordance with accounting standards. No such asset was recorded in FY 2020. Cash and cash equivalents classified as non-current assets decreased $41.6 million from FY 2020 to FY 2021 which is primarily driven by the Department's treasury requirements for restricted cash associated with non-current obligations.

- Capital assets
  - For FY 2021, capital assets, net of accumulated depreciation, were $4,035.3 million, a decrease of $159.9 million, from $4,195.1 million in FY 2020. This decrease was primarily due to depreciation of $192.0 million combined with asset disposals and impairments of $14.2 million. These were offset by capital expenditures of $46.3 million. Significant capital expenditures included the continued modernization of the Terminal 1 C Concourse, boarding bridge refurbishments and apron repair and upgrades. Refer to Note 7, "Changes in Capital Assets," for further detail.
- Current liabilities
  - For FY 2021, current liabilities were $482.4 million, an increase of $186.9 million, from $295.5 million in FY 2020. This change primarily relates to increases in the current portion of long term debt, accounts payable and other current liabilities and rents received in advance, offset by decreases in accrued interest and other accrued expenses. The current portion of long term debt increased $160.9 million from FY 2020 to FY 2021. This increase is driven by the reclassification of the Series 2008 A-2 and Series 2008 B-2 bonds to current for their early redemption on July 1, 2021. Also, Series 2008 D-1 bonds are classified as current for their early redemption in FY 2022. Series 2008 C-1 bonds are also classified as current, however, the Department intends to extend the termination date of the associated credit facility or find a replacement credit facility before June 2022. Accounts payable and other current liabilities increased $39.1 million from FY 2020 to FY 2021, driven by the timing of payments to vendors as well as the Department's efforts to decrease spending in the fourth quarter of FY 2020. Rents received in advance increased $4.2 million from FY 2020 to FY 2021, these increases were driven by the timing of payments received. These increases were offset by decreases in accrued interest which decreased $16.4 million from FY 2020 to FY 2021, largely due to the full redemption of the Series 2011B-1 and Series 2010F-2 bonds as well as the refunding of several series of bonds during FY 2020. Refer to Note 8 for additional information related to long-term debt activity.
- Non-current liabilities
  - Non-current liabilities in FY 2021 were $3,190.9 million, a decrease of $395.8 million, from $3,586.7 million in FY 2020. This change is primarily due to decreases in the non-current portion of long-term debt as well as in derivative instruments - interest rate swaps. These decreases were offset by activities in the net pension liability. The non-current portion of long-term debt decreased $375.1 million, from FY 2020 to FY 2021, in accordance with the scheduled debt payments as well as the full redemption of the Series 2011 B-1 Bonds and Series 2010 F-2 PFC Bonds, in November 2019. Series 2008 C-1 bonds are classified as current, however, the Department intends to extend the termination date of the associated credit facility before June 2022. Further contributing to the overall decrease was a $25.5 million

decrease in derivative instruments - interest rate swaps, which was driven by changes in the fair value of the interest rate swap portfolio. Offsetting these decreases was the net pension liability increase of $5.6 million from FY 2020 to FY 2021, which is driven by changes in various pension actuarial assumptions; such changes are discussed in detail in Note 5.

Discussion of FY 2020 Net Position

Total net position for the Department as of June 30, 2020 was $1,527.4 million. This is an increase of $80.8 million from FY 2019. This can be primarily attributed to the following significant changes:

- Current assets
  - For FY 2020, current assets were $743.7 million, a decrease of $125.9 million from FY 2019. The majority of this change was due to decreases in investments classified as current assets, net accounts receivable, interest receivable, and cash and cash equivalents classified as current assets. These decreases were offset by an increases in grant receivables and other receivables. Investments classified as current assets decreased $99.0 million from FY 2019 to FY 2020. These amounts represent investments which are restricted and available to be used for current obligations. Net accounts receivable decreased $12.5 million from FY 2019 to FY 2020, largely due to reduction in Passenger Facility Charge collections in the fourth quarter of FY 2020. Interest receivable decreased $4.8 million, with the majority of the change being due to the decrease in overall interest rates. Other receivables decreased $0.9 million from FY 2019 to FY 2020, driven by the timing of Build America Bonds (BABs) subsidy payments which was offset by a $6.3 million subsidy received from other County funds in FY 2020. Additionally, a $29.3 million decrease in cash and cash equivalents classified as current assets was noted from FY 2019 to FY 2020, which is primarily driven by the decrease in cash flows generated from operating activities of $59.9 million for the corresponding period as well as the payments for the full redemption of the Series 2011 B-1 Bonds and Series 2010 F-2 PFC Bonds in November 2019. These decreases were offset by the increase in Grants receivable from FY 2019 to FY 2020 of $21.6 million, which was attributable to the Department becoming a recipient of the CARES Act. Refer to Note 1 for additional information related to the CARES Act.
- Other non-current assets
  - For FY 2020, other non-current assets were $475.5 million, a decrease of $40.2 million, from $515.6 million in FY 2019. The majority of this change is due to decreases in derivative instruments - interest rate swaps and cash and cash equivalents classified as non-current assets. These decreases were offset

by increases in investments classified as non-current assets. Interest rate swap derivative instruments decreased $10.3 million from FY 2019 to FY 2020, resulting from the change in fair value of these instruments. Cash and cash equivalents classified as non-current assets decreased $62.8 million from FY 2019 to FY 2020 which is primarily driven by the decrease in cash flows generated from operating activities of $59.9 million for the corresponding period as well as the payments for the full redemption of the Series 2011 B-1 Bonds and Series 2010 F-2 PFC Bonds in November 2019. Investments classified as non-current increased $34.1 million. These investments represent investments which are restricted and available to be used for non-current obligations.

- Capital assets
  - For FY 2020, capital assets, net of accumulated depreciation, were $4,195.1 million, a decrease of $124.3 million, from $4,319.4 million in FY 2019. This decrease was primarily due to depreciation of $190.6 million, offset by capital expenditures of $66.7 million. Significant capital expenditures included the continued modernization of the Terminal 1 ticketing areas, upgrades to the surveillance system, A/B Gates checkpoint reconfiguration, passenger boarding bridge refurbishments and upgrades to automated kiosks in Terminal 3. Refer to Note 7, “Changes in Capital Assets,” for further detail.
- Current liabilities
  - For FY 2020, current liabilities were $295.5 million, a decrease of $44.1 million, from $339.6 million in FY 2019. This change primarily relates to decreases in accounts payable and other current liabilities, accrued interest, and current portion of long term debt. These decreases were offset by increases in Other accrued expenses. Accounts payable and other current liabilities decreased $25.7 million from FY 2019 to FY 2020, driven by the timing of payments to vendors as well as the Department's efforts to decrease spending in the fourth quarter of FY 2020. Accrued interest and the current portion of long-term debt decreased $10.3 million and $8.1 million, respectively from FY 2019 to FY 2020, largely due to the full redemption of the Series 2011B-1 and Series 2010F-2 bonds as well as the refunding of several series of bonds during FY 2020. Refer to Note 8 for additional information related to long-term debt activity.
- Non-current liabilities
  - Non-current liabilities in FY 2020 were $3,586.7 million, a decrease of $323.9 million, from $3,910.6 million FY 2019. This change is primarily due to decreases in the non-current portion of long-term debt, as well as decreases in the net other post employment benefits liability. These decreases were offset by activities in the fair value of the Department's interest rate swaps and increases in Net pension liability. The non-current portion of long-term debt decreased $344.6 million, from FY 2019 to FY 2020, in accordance with the scheduled debt payments as well as the full redemption of the Series 2011 B-1

Bonds and Series 2010 F-2 PFC Bonds, in November 2019. Further contributing to the overall decrease was an $11.1 million decrease in the net other post employment benefits (OPEB) liability, which was largely due to changes in various OPEB actuarial assumptions; such changes are discussed in detail in Note 6. Additionally, during FY 2020, the fair value of the Department's interest rate swap liabilities increased by $28.3 million, from $44.5 million at the end of FY 2019, to $72.8 million at the end of FY 2020, the details of which are discussed in Note 9. Net pension liability also increased $1.8 million from FY 2019 to FY 2020, which is driven by changes in various pension actuarial assumptions; such changes are discussed in detail in Note 5.

Operating Revenue

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

				Change			
	2021	2020	2019	2021 vs 2020		2020 vs 2019	
Terminal building and use fees	$ 177,677	$ 188,664	$ 190,550	$ (10,987)	(5.8%)	$ (1,886)	(1.0%)
Landing fees and other aircraft fees	30,837	43,379	51,895	(12,542)	(28.9%)	(8,516)	(16.4%)
Gate use fees	26,410	28,430	29,175	(2,020)	(7.1%)	(745)	(2.6%)
Terminal concession fees	31,603	58,999	75,843	(27,396)	(46.4%)	(16,844)	(22.2%)
Rental car facility and concession fees							
Rental car facility fees	23,741	29,888	38,098	(6,147)	(20.6%)	(8,210)	(21.5%)
Rental car concession fees	24,224	27,303	35,738	(3,079)	(11.3%)	(8,435)	(23.6%)
Parking and ground transportation fees							
Public and employee parking fees	32,153	34,392	40,759	(2,239)	(6.5%)	(6,367)	(15.6%)
Ground transportation fees	14,426	24,829	31,182	(10,403)	(41.9%)	(6,353)	(20.4%)
Gaming fees	23,063	28,606	37,395	(5,543)	(19.4%)	(8,789)	(23.5%)
Ground rents and use fees	21,655	24,146	25,303	(2,491)	(10.3%)	(1,157)	(4.6%)
Other							
General aviation fuel sales (net of cost)	3,985	4,517	4,619	(532)	(11.8%)	(102)	(2.2%)
Other operating income	4,525	4,680	5,316	(155)	(3.3%)	(636)	(12.0%)
	$ 414,299	$ 497,833	$ 565,873	$ (83,534)	(16.8%)	$ (68,040)	(12.0%)

General Discussion of Operating Revenues

Aviation Revenues

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

Terminal building and use fees

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

Landing fees

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

Gate use fees

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

Non-Aviation Revenues

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

Terminal concession fees

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

Rental car facility and concession fees

Rental car facility fees consist of building rental fees associated with the McCarran Rent-A-Car Center (MRACC), which derive from the rental of operational space, as well as from the Customer Facility Charge (CFC). The CFC is a charge of $4.00 that car rental customers pay daily for each rented vehicle, which is collected by the car rental companies on behalf of the Airport System. Rental car concession fees consist of a percentage of gross sales from rental car concessionaires.

Parking and ground transportation fees

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

Gaming fees

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

Ground rents and use fees

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

Other

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

<u>Discussion of FY 2021 Operating Revenues</u>

Total operating revenues for the Department as of June 30, 2021 were $414.3 million, a decrease of $83.5 million from FY 2020. This can be primarily attributed to the following significant changes:

- Terminal building and use fees
    - Terminal building and use fees decreased $11.0 million, from $188.7 million in FY 2020 to $177.7 million in FY 2021. This decrease was largely due to decreases in the terminal complex rental revenue of $7.0 million, international passenger processing fees of $3.5 million and the common use ticket counter fees of $0.5 million. These decreases mainly relate to the declines in enplaned passengers during FY 2021 due to the COVID-19 pandemic.

- Landing fees and other aircraft fees
  - For FY 2021, revenues from landing fees and other aircraft fees were $30.8 million, a decrease of $12.5 million from $43.4 million in FY 2020. This decrease can mainly be attributed to the 21.6% decrease in total landed weights, from FY 2020 to FY 2021.
- Gate use fees
  - Gate use fees decreased $2.0 million from $28.4 million in FY 2020 to $26.4 million in FY 2021. The decrease was driven by the decrease in gate turns which decreased 36.7% comparing FY 2021 to FY 2020.
- Rental car facility fees
  - Rental car facility fees decreased $6.1 million from $29.9 million in FY 2020 to $23.7 million in FY 2021. Consolidated facility charge (CFC) revenue, which is driven by car rental transaction days, decreased $6.1 million comparing FY 2021 to FY 2020.
- Rental car concession fees
  - Rental car concession fees decreased $3.1 million from $27.3 million in FY 2020 to $24.2 million in FY 2021. The majority of this change was due to decreases in the utilization the rental car facility during the fiscal year due to the COVID-19 pandemic. The rental car tenants within the McCarran Rental Car Center reported a 5.6% decline in gross receipts comparing FY 2021 to FY 2020, this decline was offset by Sixt moving into the McCarran Rental Car Center in July 2021.
- Public and employee parking fees
  - Public and employee parking fees decreased $2.2 million, from FY 2020 to FY 2021. The majority of this change was due to decreases in the utilization of public parking areas during the fiscal year, as well as an overall decrease in the number of individuals working at the Airport terminals during the same period due to the COVID-19 pandemic. The decreases were offset by increases in parking fees effective February 2021.
- Ground transportation fees
  - Ground transportation fees decreased $10.4 million, from FY 2020 to FY 2021. The majority of this change was due to a decrease in fees derived from TNCs, which decreased $7.2 million, a decrease in fees derived from taxicab services which decreased $1.2 million, a decrease in fees derived from limousine operations which decreased $1.3 million and a decrease in fees derived from buses and courtesy vehicles of $0.7 million from FY 2020 to FY 2021. The decreases in transportation fees directly reflect decreases in passenger traffic which was impacted by the COVID-19 pandemic.

- Gaming fees
  - Gaming fees were $23.1 million in FY 2021, a decrease of $5.5 million from $28.6 million in FY 2020. This decrease can mainly be attributed to decreases in passenger traffic; for FY 2021, enplaned passengers decreased 30.7% from FY 2020 to FY 2021.

Discussion of FY 2020 Operating Revenues

Total operating revenues for the Department as of June 30, 2020 were $497.8 million, a decrease of $68.0 million from FY 2019. This can be primarily attributed to the following significant changes:

- Terminal building and use fees
  - Terminal building and use fees decreased $1.9 million, from $190.6 million in FY 2019 to $188.7 million in FY 2020. This decrease was largely due to decreases in the international passenger processing fees of $2.6 million and the common use ticket counter fees of $1.8 million. These decreases relate to the declines in enplaned passengers during the fourth quarter of FY 2020 due to the COVID-19 pandemic. The decreases were offset by an increase in the terminal complex rental revenue of $2.1 million, which was driven by the increase in the signatory terminal rental rate from $167.10 per square foot per year to $169.88 per square foot per year, from FY 2019 to FY 2020. Offsite commercial building rent revenue also increased $0.3 million from FY 2019 to FY 2020.
- Landing fees and other aircraft fees
  - For FY 2020, revenues from landing fees and other aircraft fees were $43.4 million, a decrease of $8.5 million from $51.9 million in FY 2019. This decrease can mainly be attributed to the 17.0% decrease in total landed weights, from FY 2019 to FY 2020.
- Rental car facility fees
  - Rental car facility fees decreased $8.2 million from $38.1 million in FY 2019 to $29.9 million in FY 2020. The majority of this change was due to decreases in the utilization the rental car facility during the last quarter of FY 2020 due to the COVID-19 pandemic. Consolidated facility charge (CFC) revenue, which is driven by car rental transaction days, decreased $8.1 million comparing FY 2020 to FY 2019.
- Rental car concession fees
  - Rental car concession fees decreased $8.4 million from $35.7 million in FY 2019 to $27.3 million in FY 2020. The majority of this change was due to decreases in the utilization the rental car facility during the last quarter of FY 2020 due to the COVID-19 pandemic. The rental car tenants within the McCarran

Rental Car Center reported an 88.5% decline in gross receipts for the period from April through June comparing FY 2020 to FY 2019.

- Public and employee parking fees
  - Public and employee parking fees decreased $6.4 million, from FY 2019 to FY 2020. The majority of this change was due to decreases in the utilization of public parking areas during the last quarter of FY 2020, as well as an overall decrease in the number of individuals working at the Airport terminals during the same period due to the COVID-19 pandemic.
- Ground transportation fees
  - Ground transportation fees decreased $6.4 million, from FY 2019 to FY 2020. The majority of this change was due to a decrease in fees derived from TNCs, which decreased $2.9 million, a decrease in fees derived from taxicab services which decreased $2.1 million and a decrease in fees derived from limousine operations which decreased $1.1 million from FY 2019 to FY 2020. The decreases in transportation fees directly reflect decreases in fourth quarter passenger traffic which was impacted by the COVID-19 pandemic.
- Gaming fees
  - Gaming fees were $28.6 million in FY 2020, a decrease of $8.8 million from $37.4 million in FY 2019. This decrease can mainly be attributed to decreases in passenger traffic; for FY 2020, enplaned passengers decreased 24.5% from FY 2019 to FY 2020.

Operating Expenses

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

				Change			
	2021	2020	2019	2021 vs 2020		2020 vs 2019	
Salaries and benefits	$ 129,800	$ 151,420	$ 141,060	$ (21,620)	(14.3%)	$ 10,360	7.3%
Professional services	57,403	67,154	65,115	(9,751)	(14.5%)	2,039	3.1%
Utilities and communications	19,660	23,843	23,946	(4,183)	(17.5%)	(103)	(0.4%)
Repairs and maintenance	13,591	20,988	24,970	(7,397)	(35.2%)	(3,982)	(15.9%)
Materials and supplies	9,916	17,501	19,470	(7,585)	(43.3%)	(1,969)	(10.1%)
General administrative							
Administrative	1,488	3,261	3,076	(1,773)	(54.4%)	185	6.0%
Insurance	2,346	2,075	2,364	271	13.1%	(289)	(12.2%)
	$ 234,204	$ 286,242	$ 280,001	$ (52,038)	(18.2%)	$ 6,241	2.2%

Discussion of FY 2021 Operating Expenses

For FY 2021, the Department's total operating expenses were $234.2 million, a decrease of $52.0 million from $286.2 million in FY 2020. This can be primarily attributed to the following significant changes:

- Salaries and benefits
  - Salaries and benefits decreased by $21.6 million from FY 2020 to FY 2021. This majority of this change is due to decreases in salaries and wages of $12.4 million and employee benefits of $9.2 million. These decreases were driven by an average 12.5% lower full-time employee count in FY 2021 compared to FY 2020. In May 2020, the County introduced a Voluntary Separation Program (VSP) which offered employees lump-sum payments and paid health insurance continuance as an incentive to voluntarily separate. Applications from employees were accepted from May 20, 2020 through July 6, 2020. Employees received VSP participation approvals from the Board on July 10, 2020 and were required to separate by August 7, 2020. A total of 93 employees participated from the Department.
- Professional services
  - Professional services costs during FY 2021 decreased by $9.8 million from FY 2020. The change in professional services costs is attributable to the overall cost cutting strategy of the Department during FY 2021 in response to the COVID-19 pandemic. Additional professional service contracts decreased in usage in conjunction with the reduced passenger traffic experienced during FY 2021.
- Utilities and communication
  - Utilities and communication costs during FY 2021 decreased by $4.2 million from FY 2020. The change in utilities and communication costs is attributable to decreases in electricity costs of of $3.0 million as well as decreases in natural gas, water and waste disposal costs of $0.5 million, $0.3 million and $0.4 million, respectively. Decreases in utility costs is a direct result of cost cutting measures implemented by the Department during the COVID-19 pandemic.
- Repairs and maintenance
  - Repairs and maintenance expense during FY 2021 decreased by $7.4 million from FY 2020. The change in repairs and maintenance expense is attributable to an overall decrease in facility maintenance projects as well as decreases in third-party service contracts whose values directly related to the reduction in passenger traffic during FY 2021.
- Materials and supplies
  - Materials and supplies expense decreased $7.6 million from FY 2020 to FY 2021. The majority of this decrease related to overall decreases in the usage of general operating, electrical and office supplies. These reductions were attributable to the decline in passenger and activity volumes which occurred in FY 2021.

Discussion of FY 2020 Operating Expenses

For FY 2020, the Department's total operating expenses were $286.2 million, an increase of $6.2 million from $280.0 million in FY 2019. This can be primarily attributed to the following significant changes:

- Salaries and benefits
  - Salaries and benefits increased by $10.4 million from FY 2019 to FY 2020. This majority of this change is due to an increase in salaries and wages of $5.3 million, an increase in pension related expenses of $8.7 million and an increase in employee health insurance benefits of $0.8 million offset by a decrease in other post employment benefits (OPEB) expense of $4.4 million. This increase in salaries and wages is primarily due to wage increases pursuant to the collective bargaining agreement with the employee union. Employees of the Department are eligible for pension benefits through the Public Employee Retirement System of Nevada (PERS). The increases in pension related expense is primarily due to increases in the net pension liability and changes in the deferred outflows and deferred inflows balances related to PERS, resulting from the most recent PERS actuarial valuation. The decrease in OPEB expense is primarily due to decreases in the net OPEB liability and changes in the deferred outflows and deferred inflows balances related to OPEB, resulting from the most recent OPEB actuarial valuation.
- Professional services
  - Professional services costs during FY 2020 increased by $2.0 million from FY 2019. The change in professional services costs is attributable to increases in the costs of police services of $2.0 million and legal services of $1.2 million. These increases were offset by decreases in professional service contracts whose services directly relate to the decreases in passenger activity during the fourth quarter of FY 2020.
- Repairs and maintenance
  - Repairs and maintenance expense during FY 2020 decreased by $4.0 million from FY 2019. The change in repairs and maintenance expense is attributable to an overall decrease in facility maintenance projects as well as decreases in third-party service contracts whose values directly related to the reduction in passenger traffic during the fourth quarter of FY 2020.
- Materials and supplies
  - Materials and supplies expense decreased $2.0 million from FY 2019 to FY 2020. The majority of this decrease related to overall decreases in the usage of general operating, electrical and office supplies. These reductions were attributable to the decline in passenger and activity volumes which occurred in the fourth quarter of FY 2020.

Non-Operating Revenues and Expenses

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

				Change			
	2021	2020	2019	2021 vs 2020		2020 vs 2019	
Passenger Facility Charge revenue	$ 58,899	$ 70,640	$ 96,783	$ (11,741)	(16.6%)	$ (26,143)	(27.0%)
Jet A Fuel Tax revenue	8,242	9,676	11,979	(1,434)	(14.8%)	(2,303)	(19.2%)
Interest and investment income (loss)							
Unrestricted	4,683	17,805	23,444	(13,122)	(73.7%)	(5,639)	(24.1%)
Restricted	(284)	12,918	12,813	(13,202)	(102.2%)	105	0.8%
PFC	(846)	4,563	6,938	(5,409)	(118.5%)	(2,375)	(34.2%)
Unrealized gain (loss) on investments - derivative instruments	20,276	(21,513)	(43,007)	41,789	(194.2%)	21,494	(50.0%)
Interest expense	(98,366)	(122,953)	(160,194)	24,587	(20.0%)	37,241	(23.2%)
Net (loss) gain from disposition of capital assets	(5,026)	76	232	(5,102)	(6,713.2%)	(156)	(67.2%)
Other non-operating revenue	10,226	16,972	16,948	(6,746)	(39.7%)	24	0.1%
CARES Act Airport Grant	147,193	48,657	—	98,536	202.5%	48,657	100.0%
	$ 144,997	$ 36,841	$ (34,064)	$ 108,156	293.6%	$ 70,905	(208.2%)

Discussion of FY 2021 Non-Operating Revenues/Expenses

For FY 2021, net non-operating revenue increased $108.2 million, from $36.8 million net non-operating revenue in FY 2020 to $145.0 million net non-operating revenue in FY 2021. This can primarily be attributed to the following significant changes:

- Passenger Facility Charge revenue
  - Passenger Facility Charge revenue decreased $11.7 million in FY 2021 compared to FY 2020. The decrease is attributable to the decrease in overall passenger activity during FY 2021 driven by the COVID-19 pandemic. Passenger enplanements decreased 30.7% in FY 2021 compared to FY 2020.
- Jet A Fuel Tax Revenue
  - Jet A Fuel Tax revenue decreased $1.4 million in FY 2021 compared to FY 2020. This decrease is attributable to the decline in aircraft activity at all locations in the Airport System during FY 2021 due to the COVID-19 pandemic.

- Unrestricted interest and investment income
  - Unrestricted interest and investment income decreased $13.1 million in FY 2021 compared to FY 2020 which recorded $17.8 million income and can be attributed mainly to significant decreases in the rate of return on investments.
- Restricted interest and investment income (loss)
  - Restricted interest and investment income (loss) decreased $13.2 million in FY 2021 compared to FY 2020 which recorded $12.9 million income and can be attributed mainly to significant decreases in the rate of return on investments.
- PFC interest and investment income (loss)
  - PFC interest and investment income decreased $5.4 million in FY 2021 compared to FY 2020 which recorded $4.6 million income and can be attributed mainly to significant decreases in the rate of return on investments.
- Unrealized gain (loss) on investments – derivative instruments
  - The Department's unrealized gain on investments – derivative instruments increased from a loss of $21.5 million in FY 2020 to a gain of $20.3 million in FY 2021. The increase is attributable to fair value changes in investment derivative instruments from FY 2020 to FY 2021.
- Interest expense
  - Interest expense on the Department's outstanding bonds and interest rate swaps deceased by $24.6 million, to $98.4 million in FY 2021 from $123.0 million in FY 2020. The decrease is driven by interest savings from changes in bond premium amortizations, resulting from refundings and early terminations of debt that occurred during the past 24 months as well as scheduled debt service pay downs; see Note 8, "Long Term Debt" for further detail.
- Net (loss) gain from disposition of capital assets
  - Net loss from the disposition of capital assets was a net loss of $5.0 million in FY 2021 compared to a net gain of $0.1 million in FY 2020. During FY 2021, the Department recorded an impairment of construction in progress projects which have been ceased or modified in the amount of $13.3 million. There were no impairment charges recorded in FY 2020. The impairment charges were offset by $8.3 million of gain on disposal of assets, including $7.2 million gain on sale of land.
- Other non-operating revenue
  - Other non-operating revenue decreased by $6.7 million in FY 2021 compared to FY 2020. FY 2020 balances included a $6.3 million subsidy from other County funds. The Department did not receive a subsidy from other County funds in FY 2021.

- CARES Act Airport Grant
    - In FY 2021, the Department recognized $147.2 million in non-operating revenue subsidy from the CARES Act. Refer to Note 1 for additional information related to this subsidy.

Discussion of FY 2020 Non-Operating Revenues/Expenses

For FY 2020, net non-operating revenue increased $70.9 million, from $34.1 million net non-operating expense in FY 2019 to $36.8 million net non-operating revenue in FY 2020. This can primarily be attributed to the following significant changes:

- Passenger Facility Charge revenue
    - Passenger Facility Charge revenue decreased $26.1 million in FY 2020 compared to FY 2019. The decrease is attributable to the decrease in overall passenger activity during the fourth quarter of FY 2020 due to the COVID-19 pandemic. Passenger enplanements decreased 24.5% in FY 2020 compared to FY 2019.
- Jet A Fuel Tax Revenue
    - Jet A Fuel Tax revenue decreased $2.3 million in FY 2020 compared to FY 2019. This decrease is attributable to the decline in aircraft activity at all locations in the Airport System during the fourth quarter of FY 2020 due to COVID-19 pandemic.
- Unrestricted interest income
    - Unrestricted interest income decreased $5.6 million in FY 2020 compared to FY 2019 and can be attributed mainly to a decreased rate of return on investments.
- PFC interest income
    - PFC interest income decreased $2.4 million in FY 2020 compared to FY 2019 and can be attributed mainly to a decreased rate of return on investments.
- Unrealized gain (loss) on investments – derivative instruments
    - The Department’s unrealized gain (loss) on investments – derivative instruments decreased from a loss of $43.0 million in FY 2019 to a loss of $21.5 million in FY 2020. The decrease is attributable to fair value changes in investment derivative instruments from FY 2019 to FY 2020.
- Interest expense
    - Interest expense on the Department's outstanding bonds and interest rate swaps deceased by $37.2 million, to $123.0 million in FY 2020 from $160.2 million in FY 2019. The majority of this decrease relates

to interest savings and changes in bond premium amortizations, resulting from the issuance of and refundings that occurred during the twelve months ended June 30, 2020; see Note 8, "Long Term Debt" for further detail.

- Other non-operating revenue
  - Other non-operating revenue includes Build America Bonds subsidies received which were greater in FY 2019 as compared to FY 2020. On July 1, 2019 the Department refunded all outstanding Series 2009 B Senior Lien Revenue Bonds (Taxable Direct Payment Build America Bonds). Following this date, the Department was no longer entitled to the federal subsidy in the amount equal to 35% of the interest expense on this series of bonds. The amount recognized for this subsidy in FY 2019 was $6.7 million. This decrease was offset by a $6.3 million subsidy received from other County funds in FY 2020.
- CARES Act Airport Grant
  - In FY 2020, the Department recognized $48.7 million in non-operating revenue subsidy from the CARES Act. Refer to Note 1 for additional information related to this subsidy.

Capital Contributions

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

				Change			
	2021	2020	2019	2021 vs 2020		2020 vs 2019	
Capital Contributions	$ 20,626	$ 23,030	$ 22,281	$ (2,404)	(10.4%)	$ 749	3.4%

<u>Discussion of FY 2021 Capital Contributions</u>

Capital contributions during FY 2021 decreased by $2.4 million from FY 2020, the decrease is driven by decreases in Transportation Security Administration (TSA) other transaction agreement (OTA) activity offset by increases in FAA grant activity. The Department recognized $0.8 million related to the security camera system upgrade project under TSA OTAs in FY 2021, in FY 2020, the Department recognized $11.1 million under TSA OTAs which represents a decrease of $10.3 million.

The Department recorded $18.8 million in capital contributions related to amounts reimbursable from the FAA compared to $11.9 million in FY 2020, an increase of $6.9 million. The FAA grants represent the Department's portion of entitlement funds allocated to airports in the United States, based on an enplanement formula, in addition to discretionary grants obtained by the Department. The major FAA grant-funded projects in FY 2021, for which the Department received reimbursement, included a holding pad improvements project as well as apron rehabilitation.

The Department also received $1.0 million in donations related to the airport name change fund during FY 2021.

Discussion of FY 2020 Capital Contributions

Capital contributions during FY 2020 increased by $0.7 million from FY 2019, the increase is driven by increases in Transportation Security Administration (TSA) other transaction agreement (OTA) activity offset by decreases in FAA grant activity. The Department recognized $4.6 million related to the security camera system upgrade project, and $6.5 million related to the reconfiguration of the checked baggage system in Terminal 1 related to TSA OTAs in FY 2020. In FY 2019, the Department recognized $2.9 million and $0.4 million, respectively, under the same OTAs.

The Department recorded $11.9 million in capital contributions related to amounts reimbursable from the FAA compared to $14.6 million in FY 2019, a decrease of $2.7 million. The FAA grants represent the Department's portion of entitlement funds allocated to airports in the United States, based on an enplanement formula, in addition to discretionary grants obtained by the Department. The major FAA grant-funded projects in FY 2020, for which the Department received reimbursement, included a holding pad improvements project as well as airport master plan updates for the Airport System.

Additionally, in FY 2019, the Department recognized $4.8 million in capital contributions, resulting from land contributed to the Department from the Bureau of Land Management (pursuant to the authority contained in Section 516 of the Airport and Airway Improvement Act). There was no similar activity in FY 2020.

Change in Net Position and Ending net position

				Change			
	2021	2020	2019	2021 vs 2020		2020 vs 2019	
Change in net position	$ 153,694	$ 80,813	$ 83,215	$ 72,881	90.2%	$ (2,402)	(2.9%)
Ending net position	1,681,045	1,527,351	1,446,538	153,694	10.1%	80,813	5.6%

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

Outstanding Debt

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

				Change			
	2021	2020	2019	2021 vs 2020		2020 vs 2019	
Senior lien bonds	$ 778,630	$ 825,505	$ 901,980	$ (46,875)	(5.7%)	$ (76,475)	(8.5%)
Subordinate lien bonds	1,460,220	1,453,870	1,705,640	6,350	0.4%	(251,770)	(14.8%)
PFC bonds	519,040	576,355	755,245	(57,315)	(9.9%)	(178,890)	(23.7%)
Junior subordinate lien and Jet A bonds	185,985	307,785	312,805	(121,800)	(39.6)%	(5,020)	(1.6%)
General obligation bonds	76,020	76,020	76,020	—	— %	—	—%
Total bonded debt principal outstanding	3,019,895	3,239,535	3,751,690	(219,640)	(6.8%)	(512,155)	(13.7%)
Unamortized premiums	237,251	230,811	74,686	6,440	2.8%	156,125	209.0%
Unamortized discounts	(9,051)	(10,059)	(15,362)	1,008	(10.0%)	5,303	(34.5%)
Imputed debt from termination of hedges	1,961	3,923	5,885	(1,962)	(50.0%)	(1,962)	(33.3%)
Current portion of long term debt	(335,290)	(174,380)	(182,504)	(160,910)	92.3%	8,124	(4.5%)
Total outstanding long-term debt obligations	$ 2,914,766	$ 3,289,830	$ 3,634,395	$ (375,064)	(11.4%)	$ (344,565)	(9.5%)

Discussion of FY 2021 Debt

Total outstanding bonded debt for FY 2021 was $3,019.9 million, a decrease of $219.6 million, from $3,239.5 million in FY 2020. The decrease was primarily related to scheduled principal payments made during FY 2021. (Refer to Note 8 for additional information related to the outstanding debt and refunding transactions executed in FY 2021). A portion of the outstanding debt during FY 2021 was at a naturally or synthetically fixed interest rate debt, due to interest rate swap agreements. Refer to Note 9 for further detail regarding the Department's swap portfolio.

On November 5, 2020, S&P Global Ratings lowered it's long-term rating and underlying rating to A+ from AA- on the Department's senior airport system bonds and lowered to A from A+ the long-term rating and underlying rating on the Department's subordinate lien debt and PFC revenue debt, the junior-subordinate lien, and the underlying rating on the jet aviation fuel tax bonds. Refer to Note 8 for further detail regarding long-term debt obligations.

Discussion of FY 2020 Debt

Total outstanding bonded debt for FY 2020 was $3,239.5 million, a decrease of $512.2 million, from $3,751.7 million in FY 2019. The decrease was primarily related to the paydown of scheduled bond principal payments that were made in conjunction with the bond refundings executed in FY 2020 (Refer to Note 8 for additional information related to the refundings). Additionally, on November 8, 2019, the outstanding aggregate principal balance for the

Series 2010 F-2 Bonds of $60.3 million, was called for full redemption and the outstanding aggregate principal balance for the Series 2011B-1 Bonds of $53.5 million, was called for full redemption. A portion of the outstanding debt during FY 2020 was at a naturally or synthetically fixed interest rate debt, due to interest rate swap agreements. Refer to Note 9 for further detail regarding the Department's swap portfolio. The Departments credit ratings remained unchanged from FY 2019 to FY 2020 (Refer to Note 15 for related credit rating changes subsequent to FY 2020). Refer to Note 8 for further detail regarding long-term debt obligations.

Current Highlights and Looking Forward

In reaction to the unusual circumstances due to the COVID-19 pandemic, the Department has undertaken measures to reduce expenditures and maximize operating efficiencies. Additionally, the Department is a recipient of the CARES Act which provides funds to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. The Department was awarded $195.8 million in funds from the CARES Act which was signed into law on March 27, 2020. As of June 30, 2021, the Department has recognized $195.8 million from the CARES Act in non-operating revenues between both fiscal years of 2021 and 2020.

In February 2021, the Department was notified of its eligibility for $41.8 million of funds under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The FAA will distribute these grants under the new Airport Coronavirus Response Grant Program (ACRGP). $5.3 million is specifically designated for relieving rent and minimum annual guarantees for concessionaires. As of June 30, 2021, the Department had recognized less than $0.1 million in from the CRRSAA in non-operating revenue in FY 2021.

On March 11, 2021, the American Rescue Plan Act of 2021 (Rescue Act) was signed into law. The Department was notified of its eligibility to receive $171.7 million. $21.2 million is specifically designated for relieving rent and minimum annual guarantees for concessionaires. As of June 30, 2021, the Department has not recognized any amounts from the Rescue Act.

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

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.mccarran.com.

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CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Net Position
June 30, 2021 and 2020

Assets and Deferred Outflows of Resources	2021 (000)	2020 (000)
Assets		
Current assets:		
Cash and cash equivalents	$ 656,339	$ 462,442
Cash and cash equivalents, restricted	98,152	103,426
Investments, restricted	13,124	79,778
Accounts receivable, net of allowance of $834 and $1,086	50,801	40,291
Accounts receivable, restricted	12,670	1,529
Interest receivable	1,500	1,612
Interest receivable, restricted	484	2,234
Grants receivable, restricted	4,622	28,167
Other receivables	302	6,693
Other receivables, restricted	1,907	5,769
Inventories	9,615	10,614
Prepaid expenses	1,831	1,181
Total current assets	851,347	743,736
Non-current assets:		
Capital assets:		
Capital assets not being depreciated		
Construction in progress	39,228	97,531
Land	591,636	589,632
Land, restricted	13,018	13,018
Perpetual avigation easement	332,562	332,562
Capital assets being depreciated		
Land improvements	1,776,980	1,774,707
Buildings and improvements	3,712,859	3,677,876
Furniture and fixtures	41,198	45,651
Machinery and equipment	616,513	571,820
	7,123,994	7,102,797
Accumulated depreciation	(3,088,733)	(2,907,663)
Capital assets, net	4,035,261	4,195,134
Other non-current assets:		
Cash and cash equivalents, restricted	373,691	415,305
Investments, restricted	99,723	58,054
Net other post employment benefits asset, restricted	14,322	—
Derivative instruments - interest rate swaps	2,831	1,920
Prepaid expenses	157	185
Total other non-current assets	490,724	475,464
Total non-current assets	4,525,985	4,670,598
Total assets	5,377,332	5,414,334
Deferred outflows of resources:		
Pension	23,881	29,114
Other post employment benefits	20,428	16,126
Hedging derivative instruments	8,084	13,106
Losses on bond refundings and on imputed debt	19,285	24,159
Total deferred outflows of resources	71,678	82,505
Total assets and deferred outflows of resources	$ 5,449,010	$ 5,496,839

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Net Position
June 30, 2021 and 2020

Liabilities, Deferred Inflows of Resources, and Net Position	2021 (000)	2020 (000)
Liabilities:		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and other current liabilities	$ 55,047	$ 17,133
Other accrued expenses	20,042	20,982
Rents received in advance	7,139	2,905
Total payable from unrestricted assets	82,228	41,020
Payable from restricted assets:		
Accounts payable and other current liabilities	4,774	3,551
Accrued interest	60,112	76,533
Current portion of long-term debt	335,290	174,380
Total payable from restricted assets	400,176	254,464
Total current liabilities	482,404	295,484
Noncurrent liabilities:		
Payable from unrestricted assets:		
Net pension liability	183,948	178,360
Total/net other post employment benefits liability	39,741	39,872
Derivative instruments - interest rate swaps	47,334	72,801
Other non-current liabilities	5,154	5,839
Total payable from unrestricted assets	276,177	296,872
Payable from restricted assets:		
Long-term debt, net of current portion	2,914,766	3,289,830
Total payable from restricted assets	2,914,766	3,289,830
Total noncurrent liabilities	3,190,943	3,586,702
Total liabilities	3,673,347	3,882,186
Deferred inflows of resources:		
Pension	11,022	16,371
Other post employment benefits	73,187	58,644
Hedging derivative instruments	2,285	1,205
Unamortized gain on bond refundings	8,124	11,082
Total deferred inflows of resources	94,618	87,302
Net position:		
Net investment in capital assets	952,104	937,167
Restricted for:		
Capital projects	38,693	75,802
Debt service	280,300	279,634
Other	80,646	65,761
Total restricted	399,639	421,197
Unrestricted	329,302	168,987
Total net position	1,681,045	1,527,351
Total liabilities, deferred inflows of resources, and net position	$ 5,449,010	$ 5,496,839

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	2021 (000)	2020 (000)
Operating revenues:		
Terminal building and use fees	$ 177,677	$ 188,664
Landing fees and other aircraft fees	30,837	43,379
Gate use fees	26,410	28,430
Terminal concession fees	31,603	58,999
Rental car facility and concession fees	47,965	57,191
Parking and ground transportation fees	46,580	59,221
Gaming fees	23,063	28,606
Ground rents and use fees	21,655	24,146
Other	8,509	9,197
	414,299	497,833
Operating expenses:		
Salaries and benefits	129,800	151,420
Professional services	57,403	67,154
Repairs and maintenance	13,591	20,988
Utilities and communication	19,660	23,843
Materials and supplies	9,916	17,501
General administrative	3,834	5,336
	234,204	286,242
Operating income before depreciation and amortization	180,095	211,591
Depreciation and amortization	192,025	190,649
Operating (loss) income	(11,930)	20,942
Non-operating revenues (expenses):		
Passenger Facility Charge	58,899	70,640
Jet A Fuel Tax	8,242	9,676
Interest and investment income	23,830	13,773
Interest expense	(98,366)	(122,953)
Net (loss) gain from disposition of capital assets	(5,026)	76
Other non-operating revenue	10,226	16,972
CARES Act Airport Grant	147,193	48,657
	144,998	36,841
Income before capital contributions	133,068	57,783
Capital contributions	20,626	23,030
Change in net position	153,694	80,813
Net position, beginning of year	1,527,351	1,446,538
Net position, end of year	$ 1,681,045	$ 1,527,351

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION

CLARK COUNTY, NEVADA

Statements of Cash Flows

For the Fiscal Years Ended June 30, 2021 and 2020

	2021 (000)	2020 (000)
Cash flows from operating activities:		
Cash received from customers	$ 418,047	$ 497,618
Cash paid to employees	(128,979)	(151,794)
Cash paid to outside vendors	(77,332)	(133,938)
Net cash provided by operating activities	211,736	211,886
Cash flows from capital and related financing activities:		
Collateralized agreements with swap counterparties	430	(10,011)
Passenger Facility Charges received	47,758	81,763
Jet A Fuel Tax received	7,002	12,026
Reimbursement from County funds	6,288	—
Acquisition and construction of capital assets	(46,256)	(78,721)
Federal grants and reimbursements received	190,364	50,074
Bond refunding proceeds (payments)	1,345	(56,229)
Proceeds from capital asset disposal	9,174	431
Donations received for airport name change	1,000	—
Build America Bonds subsidy	15,328	14,056
Debt service payments:		
Principal	(174,380)	(255,430)
Interest	(153,166)	(166,957)
Net cash used in capital and related financing activities	(95,113)	(408,998)
Cash flows from investing activities:		
Interest and investment income received	5,401	40,133
Proceeds from maturities of investments	177,083	354,687
Purchase of investments	(152,098)	(289,765)
Net cash provided by investing activities	30,386	105,055
Increase (decrease) in cash and cash equivalents	147,009	(92,057)
Cash and cash equivalents, beginning of year	981,173	1,073,230
Cash and cash equivalents, end of year	$ 1,128,182	$ 981,173
Cash and cash equivalent balances:		
Unrestricted cash and cash equivalents	656,339	462,442
Restricted cash and cash equivalents	471,843	518,731
Cash and cash equivalents, end of year	$ 1,128,182	$ 981,173

See accompanying notes to financial statements.

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2021 and 2020

Reconciliation of operating income to net cash provided by operating activities:	2021 (000)	2020 (000)
Operating (loss) income	$ (11,930)	$ 20,942
Adjustments to reconcile income from operations to net cash from operating activities:		
Depreciation and amortization	192,025	190,649
Changes in operating assets and liabilities:		
Accounts receivable	(10,510)	1,409
Other receivables	105	1,449
Inventory	998	1,431
Prepaid expenses	(649)	(414)
Net other post employment benefits asset	(14,322)	—
Deferred outflows - pension	5,233	(33)
Deferred outflows - other post employment benefits	(4,302)	1,288
Accrued payroll and benefits	(439)	1,542
Accounts payable and other accrued expenses	36,585	(2,150)
Unearned revenue	4,234	(1,025)
Deposits	57	(21)
Net pension liability	5,588	1,779
Net other post employment benefits liability	(130)	(11,134)
Deferred inflows - pension	(5,350)	4,266
Deferred inflows - other post employment benefits	14,543	1,908
Net cash provided by operating activities	$ 211,736	$ 211,886
Non-cash capital and related financing and investing activities:		
Capital asset additions with outstanding accounts payable	$ 4,762	$ 3,718
Gain (loss) on investments - derivative instruments	$ 20,276	$ (21,513)
Gain on investments - other investments	$ 8,301	$ 18,488
Refunding bond payments made in escrow account	$ 241,840	$ 1,283,211

See accompanying notes to financial statements.

1.) SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

(a) Reporting Entity

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

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

(b) Basis of Accounting

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

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

(c) Cash and Cash Equivalents

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

(d) Investments

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

(e) Accounts Receivable

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

(f) Inventories

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

(g) Capital Assets

Capital assets with a useful life of more than one year are capitalized and recorded at historical cost. The capitalization threshold is $5,000. Costs related to the alteration or demolition of existing facilities during major expansion programs are capitalized as additional costs of the program. Depreciation is computed using the straight-line method based on useful lives currently estimated as follows:

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

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

(h) Derivative Instruments

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

(i) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period, and would not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows from losses on bond refundings and on imputed debt are unamortized balances resulting from advance bond refundings and deferred losses incurred on the re-association and revaluation of interest rate swaps paired to certain bonds that were refunded. The hedging instruments are the changes in the fair value of interest rate swaps serving as hedging derivative instruments at the end of the fiscal year. The pension related amounts resulted from the Department's pension contributions subsequent to the plan measurement date, changes in proportion since the prior measurement date, and differences between expected and actual experience with economic and demographic factors. The other post employment benefits related amounts resulted from the Department's other post employment benefit plans contributions and benefit payments subsequent to the plan measurement date, as well as differences between expected and actual experience with economic and demographic factors.

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

(j) Federal Grants and Other Transaction Agreements

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

The Department is also recipient of the CARES Act which provides funds to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic and is also administered through the FAA for eligible airports. During FY 2020, the Department was awarded $195.8 million in funds from the CARES act which was signed into law on March 27, 2020. Amounts received from the CARES act are reported as non-operating revenues. The Department recorded $147.2 million and $48.7 million in subsidy received from the CARES act in FY 2021 and 2020, respectively.

In February 2021, the Department was notified of its eligibility for $41.8 million of funds under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The FAA will distribute these grants under the new Airport Coronavirus Response Grant Program (ACRGP). $5.3 million is specifically designated for relieving rent and minimum annual guarantees for concessionaires. As of June 30, 2021, the Department has recognized less than $0.1 million in from the CRRSAA in non-operating revenue in FY 2021.

On March 11, 2021, the American Rescue Plan Act of 2021 (Rescue Act) was signed into law. The Department was notified of its eligibility to receive $171.7 million. $21.2 million is specifically designated for relieving rent and minimum annual guarantees for concessionaires. As of June 30, 2021, the Department has yet to record any funding from the Rescue Act.

(k) Passenger Facility Charge

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

The Department recorded $58.9 million and $70.6 million in PFC fees for the years ended June 30, 2021 and 2020, respectively.

(l) Airline Rates and Charges

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

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

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

At the close of each fiscal year, audited financial data, in conjunction with the balance in the rate stabilization account, will be used to determine if any additional amount is due to or from the Signatory Airlines in accordance with the Agreement (airline true-up). In the event an overpayment is due, the Department will refund such overpayment to the Signatory Airlines; in the event an underpayment is owed, the Department will invoice the Signatory Airlines the underpayment within 30 days of such determination. For the fiscal year ended June 30, 2021, the Department recorded a payable due to the airlines of $10.0 million. There were no amounts recorded as due to or from airlines related to the airline true-up in FY 2020.

Certain airline landing fees, terminal building rentals, gate use fees, and passenger fees are used to calculate the airline rental and fee revenue, which is used to calculate cost per enplaned passenger. The following is the cost per enplaned passenger for the fiscal years ended June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020
Airline rental and fee revenue *	$ 215,420	$ 238,884
Enplaned passengers *	13,187	19,038
Cost per enplaned passenger	$ 16.34	$ 12.55

* Figures are reported in thousands.

(m) Restricted Assets and Liabilities

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

(n) Budgetary Control

As an enterprise fund of the County, the Department is subject to the budgetary requirements of the State of Nevada (State), including budgetary hearings and public meetings as required by the County's overall budget process. Accordingly, the Board approves the Department's annual budget and any subsequent changes thereto. The Department's budget is prepared using the accrual basis of accounting, and actual expenses cannot exceed total budgeted operating expenses without action pursuant to the State's budgetary requirements. Appropriations for operating expenses lapse at the end of each fiscal year.

(o) Use of Estimates

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

(p) Net Position

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

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

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

(q) Name Change

On February 2, 2021, the Board directed the Department to submit to the FAA a request to rename McCarran International Airport to Harry Reid International Airport. The name change is to be fully funded by private donations.

(r) Recent Event

In December 2019, a novel strain of coronavirus began to spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Department have been significantly impacted by this event during FY 2021. The Department cannot predict the extent and duration of the impact on its activities, including fluctuations in passenger traffic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain it.

On April 21, 2020, the Board approved a resolution authorizing the Department to execute payment deferral agreements with airlines which temporarily deferred payments of Joint Use Space for the period of April through June 2020. Deferred payments were to be paid in six equal monthly installments beginning July 1, 2020 and continuing through December 31, 2020. As of June 30, 2021, all amounts of deferred revenue payments had been collected.

The Board also approved a resolution authorizing the Department to waive all Minimum Annual Guarantee (MAG) obligations for all concession agreements for the period of April 2020 through June 2020. Subsequently, the MAG waiver period was extended through October 2020. During this period, concessionaires were still required to remit to the Department the percentage rent payments as outlined within the agreements. During FY 2021 and FY 2020, it is estimated that the Department waived $42.8 million and $15.4 million, respectively, in MAG revenues from the concessionaires.

On October 6, 2020, the Board authorized the Department to execute letters of agreement with concessionaires which would extend the terms of their current agreements by an additional year and would also modify MAG obligations. Effective November 1, 2020, MAG was reduced by 75% for concessionaires. Beginning January 2021, the MAG will then be recalculated for each agreement on the specified recalculation date, as per normal procedures.

The Department is a recipient of the CARES Act which provides funds to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. In March 2020, the Department was awarded $195.8 million in funds from the CARES Act.

In February 2021, the Department was notified of its eligibility for $41.8 million of funds under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The FAA will distribute these grants under the new Airport Coronavirus Response Grant Program (ACRGP). $5.3 million is specifically designated for relieving rent and minimum annual guarantees for concessionaires.

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

As of June 30, 2021, the Department has $656.3 million of unrestricted cash and investments, which are sufficient to cover budgeted expenditures for FY 2022. Management has not included any contingencies in the financial statements specific to this event.

2.) CASH AND INVESTMENTS

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

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

The majority of all cash and investments of the Department are included in the investment pool of the Clark County Treasurer (Treasurer) and the Department's Trustee, the Bank of New York Mellon. As of June 30, 2021 and 2020, these amounts were distributed as follows (in thousands):

	June 30, 2021	June 30, 2020
Clark County Investment Pool	$ 810,136	$ 684,882
Cash and Investments with Trustee	424,694	429,426
Custodian Account	2,480	2,050
Cash On Hand or In Transit	3,719	2,646
Total	$ 1,241,029	$ 1,119,004

(a) Clark County Investment Pool

The County Treasurer invests monies both by individual funds and through a pooling of monies. The pooled monies, referred to as the Clark County Investment Pool, are invested as a whole and not as a combination of monies from each fund belonging to the pool. In this manner, the Treasurer is able to invest the monies at a higher interest rate for a longer period of time. Interest is apportioned to each participating department or agency on a monthly basis and is based on the average daily cash balance of the fund for the month in which the investments mature. The Clark County Investment Pool is unrated and is not subject to external regulatory oversight.

Nevada Revised Statutes (NRS) do not specifically require collateral for demand and time deposits, but do specify that collateral for time deposits may be of the same type as that described for permissible State investments. Permissible State investments are similar to allowable County investments described below except that some State investments are longer term and include securities issued by municipalities outside the State of Nevada.

Due to the nature of the investment pool, it is not possible to separately identify any specific investment as being that of the Department. Instead, the Department owns a proportionate share of each investment, based on the Department's participation percentage in the investment pool. Once per year, the County records the investments in the Treasurer Investment Pool at fair market and then apportions the corresponding adjustment to the various participants for the year. The Department's apportioned share of the fair value adjustment made at June 30, 2021 and 2020, was $8.3 million and $18.5 million, respectively; the Department's share of the investments held in the investment pool at June 30, 2021 and 2020 was $810.1 million and $684.9 million, respectively. The respective allocation percentages of the investments held in the investment pool at June 30, 2021 are as follows:

		Percentage Share of Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 3	3 to 5	5 to 10
U.S. Treasury Obligations	26.7 %	7.9 %	9.9 %	8.9 %	- %
U.S. Agency Obligations	38.1 %	9.0 %	15.1 %	10.6 %	3.4 %
Corporate Obligations	14.7 %	3.3 %	6.2 %	5.2 %	- %
Money Market Funds	8.0 %	8.0 %	- %	- %	- %
Commercial Paper	3.4 %	3.4 %	- %	- %	- %
Negotiable Certificates of Deposit	5.3 %	5.3 %	- %	- %	- %
Asset Backed Securities	3.8 %	- %	0.8 %	3.0 %	- %
	100.0 %	36.9 %	32.0 %	27.7 %	3.4 %

The respective allocation percentages of the investments held in the investment pool at June 30, 2020 are as follows:

		Percentage Share of Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 3	3 to 5	5 to 10
U.S. Treasury Obligations	21.7 %	10.8 %	6.6 %	4.3 %	- %
U.S. Agency Obligations	33.0 %	5.5 %	12.6 %	5.4 %	9.5 %
Corporate Obligations	19.1 %	5.0 %	8.7 %	5.4 %	- %
Money Market Funds	0.3 %	0.3 %	- %	- %	- %
Commercial Paper	11.1 %	11.1 %	- %	- %	- %
Negotiable Certificates of Deposit	9.8 %	9.8 %	- %	- %	- %
Collateralized Mortgage Obligations	0.2 %	- %	0.1 %	- %	0.1 %
Asset Backed Securities	4.8 %	- %	0.9 %	3.5 %	0.4 %
	100.0 %	42.5 %	28.9 %	18.6 %	10.0 %

(b) 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.

(c) Interest Rate Sensitivity

As of June 30, 2021 and 2020, the County invested in the following types of securities that have a higher sensitivity to interest rates:

- *Callable securities* are directly affected by the movement of interest rates. Callable securities allow the issuer to redeem, or call, a security before maturity, either on a given date or, generally, on coupon dates.

- *Asset Backed Securities* are financial securities backed by a loan, lease, or receivable against assets other than real estate and mortgage backed securities. These securities are subject to interest rate risk in that the value of the assets fluctuates inversely with changes in the general levels of interest rates.

- *A Corporate Note Floater* is a note with a variable interest rate that is usually, but not always, tied to an index.

- *Step-up* or *step-down securities* have fixed rate coupons for a specific time interval that will step up or step down a predetermined number of basis points at scheduled coupon dates or other reset dates. These securities are callable either one time or on their coupon dates.

(d) 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:

	Moody's	S&P
U.S. Treasury Bills	P-1	A-1+
U.S. Treasury Notes	Aaa	AA+
U.S. Agency Non Callables	Aaa	AA+
U.S. Agency Discounts	P-1	A-1+
Corporate Notes	A3	BBB+
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

(e) Concentration of Credit Risk

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

At June 30, 2021, the following investments exceeded 5% of the total Department investments:

Federal Farm Credit Bank (FFCB)	18.49 %
Federal Home Loan Bank (FHLB)	10.40 %
Federal National Mortgage Association (FNMA)	18.14 %

As of June 30, 2020, the following investments exceeded 5% of total Department investments:

Federal Agricultural Mortgage Corp (FAMC)	8.81 %
Federal Farm Credit Banks (FFCB)	18.34 %
Federal Home Loan Banks (FHLB)	8.68 %
Federal Home Loan Mortgage Corporation (FHLMC)	15.05 %

(f) Trustee Cash

In accordance with the Master Indenture of Trust dated May 1, 2003, as amended, between the County and the Bank of New York Mellon (Trustee), the Department uses the Trustee to retain all debt service reserve funds and to make all annual debt service payments to bondholders. As of June 30, 2021 and 2020, the Trustee held $424.7 million and $429.4 million, respectively, of the Department's cash and investments restricted for debt service reserves, bond proceeds, and annual debt service payments.

As of June 30, 2021, of the $424.7 million held by the Trustee, $311.9 million in cash and cash equivalents was invested in United States Government Money Market Funds, and $112.8 million was invested in short- and long-term investments with entities as follows (in thousands):

		Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1	1 to 3	3 to 5
US Treasury Bills	$ 2,000	$ 2,000	$ —	$ —
US Treasury Notes	53,706	—	53,706	—
Federal Agricultural Mortgage Corp Non-Callables	2,035	2,035	—	—
Federal Farm Credit Bank Non-Callables	20,867	5,453	9,164	6,250
Federal Home Loan Bank Non-Callables	11,738	1,603	10,135	—
Federal Home Loan Mortgage Corporation Non-Callables	2,033	2,033	—	—
Federal National Mortgage Association Non-Callables	20,468	—	11,665	8,803
	$ 112,847	$ 13,124	$ 84,670	$ 15,053

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

* Investments not rated by Moody's and S&P

As of June 30, 2020, of the $429.4 million held by the Trustee, $291.6 million in cash and cash equivalents was invested in United States Government Money Market Funds, and $137.8 million was invested in short- and long-term investments with entities as follows (in thousands):

		Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1	1 to 3	3 to 5
US Treasury Bills	$ 42,270	$ 42,270	$ —	$ —
US Treasury Notes	23,370	23,370	—	—
Federal Agricultural Mortgage Corp Non-Callables	12,136	10,069	2,067	—
Federal Farm Credit Bank Non-Callables	25,285	4,069	12,706	8,510
Federal Home Loan Bank Non-Callables	11,963	—	1,628	10,335
Federal Home Loan Mortgage Corporation Non-Callables	2,067	—	2,067	—
Federal National Mortgage Association Callables	20,741	—	11,786	8,955
	$ 137,832	$ 79,778	$ 30,254	$ 27,800

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

* Investment not rated by Moody's and S&P

(g) Fair Value of Combined Investments and Derivative Instruments

The fair value of the Department's investments and derivative instruments as of June 30, 2021 and 2020, is as follows (in thousands):

As of June 30, 2021

Investment Type	Fair Value	Fair Value Measurements: Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements: Significant Other Observable Inputs (Level 2)
Debt Securities with Clark County Investment Pool			
U.S. Treasuries	$ 216,371	$ 216,371	$ —
U.S. Agencies	309,008	7,156	301,852
Corporate Obligations	118,893	—	118,893
Money Market Funds	64,713	64,713	—
Commercial Paper	27,191	—	27,191
Negotiable CD	42,939	—	42,939
Asset Backed Securities	31,021	—	31,021
Subtotal	810,136	288,240	521,896
Debt Securities held by Trustee			
U.S. Treasury Bills	1,999	1,999	—
U.S. Treasury Notes	53,706	53,706	—
Federal Agricultural Mortgage Corp Non-Callables	2,036	—	2,036
Federal Farm Credit Bank Non-Callables	20,867	—	20,867
Federal Home Loan Bank Non-Callables	11,738	—	11,738
Federal Home Loan Mortgage Corporation Non-Callables	2,033	—	2,033
Federal National Mortgage Association Non-Callables	20,468	—	20,468
Money Market Funds	311,847	311,847	—
Subtotal	424,694	367,552	57,142
Debt Securities Derivative Instruments			
Derivative Instruments - Assets	2,831	—	2,831
Derivative Instruments - Liability	(47,334)	—	(47,334)
Subtotal	(44,503)	—	(44,503)
Total	$ 1,190,327	$ 655,792	$ 534,535

As of June 30, 2020

Investment Type	Fair Value	Fair Value Measurements: Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements: Significant Other Observable Inputs (Level 2)
Debt Securities with Clark County Investment Pool			
U.S. Treasuries	$ 148,335	$ 148,335	$ —
U.S. Agencies	225,524	2,640	222,884
Corporate Obligations	131,146	—	131,146
Money Market Funds	2,374	2,374	—
Commercial Paper	75,995	—	75,995
Negotiable CD	66,994	—	66,994
Collateralized Mortgage Obligations	1,520	—	1,520
Asset Backed Securities	32,994	—	32,994
Subtotal	684,882	153,349	531,533
Debt Securities held by Trustee			
U.S. Treasury Bills	42,270	42,270	—
U.S. Treasury Notes	23,370	23,370	—
Federal Agricultural Mortgage Corp Non-Callables	12,136	—	12,136
Federal Farm Credit Bank Non-Callables	25,285	—	25,285
Federal Home Loan Bank Non-Callables	11,963	—	11,963
Federal Home Loan Mortgage Corporation Non-Callables	2,067	—	2,067
Federal National Mortgage Association Non-Callables	20,741	—	20,741
Money Market Funds	291,595	291,595	—
Subtotal	429,427	357,235	72,192
Debt Securities Derivative Instruments			
Derivative Instruments - Assets	1,920	—	1,920
Derivative Instruments - Liability	(72,801)	—	(72,801)
Subtotal	(70,881)	—	(70,881)
Total	$ 1,043,428	$ 510,584	$ 532,844

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

3.) GRANTS RECEIVABLE

Grants receivable as of June 30, 2021 and 2020, consists of the following (in thousands):

	June 30, 2021	June 30, 2020
CRRSA Act	$ 37	$ —
CARES Act	—	26,184
FAA Grants	4,585	1,983
Total	$ 4,622	$ 28,167

4.) RESTRICTED ASSETS

The Master Indenture of Trust requires segregation of certain assets into restricted accounts. The Department has also included Passenger Facility Charges and Jet A Fuel Tax revenue-related assets as restricted assets, because these assets have been pledged for capital projects and debt service. Restricted assets consist of the following at June 30, 2021 and 2020 (in thousands):

	June 30, 2021	June 30, 2020
Restricted for capital projects:		
Cash and investments - PFC and other bond proceeds	$ 30,883	$ 68,342
Cash and investments - PFC	19,998	44,015
Accounts receivable - PFC	12,670	1,529
Grant reimbursements receivable	4,622	28,167
Interest receivable	403	2,091
Subtotal restricted for capital projects	68,576	144,144
Restricted for debt service:		
Bond funds:		
Cash and investments - PFC bonds	65,384	74,047
Cash and investments - other bonds	194,868	194,396
Other receivable	—	5,102
Interest receivable	—	2
Subtotal restricted for bond funds	260,252	273,547
Debt service reserves:		
Cash and investments - PFC bonds	35,977	36,174
Cash and investments - other bonds	145,003	145,467
Subtotal restricted for debt service reserves	180,980	181,641
Subordinate and other debt coverage reserves:		
Cash and investments	36,791	39,329
Interest receivable	81	141
Other receivable - Jet A Fuel Tax	1,907	667
Subtotal restricted for subordinate and other debt coverage reserves	38,779	40,137
Subtotal restricted for debt service	480,011	495,325
Other restricted assets:		
Cash and investments - Working capital and contingency	19,517	23,856
Cash and investments - Capital fund and rate stabilization	33,789	28,887
Custodian account	2,480	2,050
Net other post employment benefits asset	14,322	—
Land - Heliport facility	3,718	3,718
Land - Henderson runway	9,300	9,300
Subtotal other restricted assets	83,126	67,811
Total restricted assets	$ 631,713	$ 707,280
Restricted assets by class:		
Total current assets	$ 130,959	$ 220,903
Total capital assets	13,018	13,018
Total other non-current assets	487,736	473,359
Total restricted assets:	$ 631,713	$ 707,280

5.) RETIREMENT SYSTEM

Plan Description

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

As of June 30, 2021 and 2020, the Department had a net pension liability of $183.9 million and $178.4 million, respectively, which represents the Department's percentages, 15.8% and 15.7%, respectively, of the County's net pension liability. These percentages were determined based on the contributions to PERS by the Department during fiscal years 2020 and 2019, relative to the total contributions to PERS by the County during those fiscal years.

Benefits Provided

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

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

Vesting

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

Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Police/fire members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with 20 of service and at any age with 33 1/3 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as police/ fire accredited service.

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

Contributions

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

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

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

The actuarial funding method used is the Entry Age Normal Cost method. It is intended to meet the funding objective and to result in a relatively level long-term contributions requirement as a percentage of salary. For the fiscal years ended June 30, 2020 and 2019, the statutory employer-employee matching rate was 15.25% and 14.50%, respectfully, for regular employees and 22.00% and 20.75%, respectfully, for police or fire employees, and the respective employer- pay contribution rates were 29.25% and 28.00%, respectfully, for Regular employees and 42.50 and 40.50%, respectfully, for police or fire employees. For the fiscal year ended June 30, 2021, the statutory employer-employee matching rate was 15.25% for regular employees and 22.0% for police or fire employees, and the respective employer-pay contribution rates were 29.25% for Regular employees and 42.50% for police or fire employees.

For the fiscal year ended June 30, 2020, the Department's contributions were $13.9 million. A total of $12.2 million was contributed during the fiscal year ended June 30, 2021; these contributions after the measurement date are recognized as a deferred outflow of resources, as further described in the "Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions" section of this note.

Summary of Significant Accounting and Reporting Policies

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

Basis of Accounting

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

Contributions for employer pay dates that fall within the PERS fiscal years ending June 30, 2020 and 2019, are used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations.

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

Investment Policy

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

The following is the target asset allocation adopted by the Board as policy as of June 30, 2020:

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

* As of the plan fiscal years ended June 30, 2020 and 2019, the PERS long-term inflation assumption was 2.75%.

The following is the target asset allocation adopted by the Board as policy as of June 30, 2019:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	28%	0.25%
Private Markets	12%	6.65%

Net Pension Liability

The net pension liabilities as of June 30, 2021 and 2020, were measured as of June 30, 2020 and 2019, respectively, and the total pension liabilities used to calculate the net pension liabilities for those years were determined by actuarial valuations as of those dates. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers in the System.

Net Pension Liability Discount Rate Sensitivity

The following table presents the Department's share of the County's net pension liability as of June 30, 2021, based on the System's net pension liability for the System's fiscal years ended June 30, 2020, calculated using the discount rate 7.5%, as well as what the Department's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate (in thousands):

Plan Fiscal Year	1% Decrease in Discount Rate 6.5%	Discount Rate 7.5%	1% Increase in Discount Rate 8.5%
2020	$ 286,888	$ 183,948	$ 98,361

The following table presents the Department's share of the County's net pension liability as of June 30, 2020, based on the System's net pension liability for the System's fiscal years ended June 30, 2019, calculated using the discount rate 7.5%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate (in thousands):

Plan Fiscal Year	1% Decrease in Discount Rate 6.5%	Discount Rate 7.5%	1% Increase in Discount Rate 8.5%
2019	$ 276,170	$ 178,360	$ 97,056

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the June 30, 2020 measurement:

Inflation rate:	2.75%
Investment rate of return:	7.5%
Productivity pay increase:	0.5%
Projected salary increases:	
Regular:	4.25% to 9.15%, depending on service*
Police/Fire:	4.55% to 13.90%, depending on service*
	* Rates include inflation and productivity increases
Consumer Price Index:	2.75%
Other assumptions:	Same as those used in the June 30, 2020 funding actuarial valuation

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the June 30, 2019 measurement:

Inflation rate:	2.75%
Payroll growth:	5.00%, including inflation
Investment rate of return:	7.50%
Productivity pay increase:	0.50%
Projected salary increases:	
Regular:	4.25% to 9.15%, depending on service*
Police/Fire:	4.55% to 13.90%, depending on service*
	* Rates include inflation and productivity increases
Consumer Price Index:	2.75%
Other assumptions:	Same as those used in the June 30, 2019 funding actuarial valuation

Actuarial assumptions used in the June 30, 2020 and 2019 valuations were based on the results of the experience review completed in FY 2018. The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2020 and 2019, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020 and 2019.

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

For the years ended June 30, 2021 and 2020, the Department recognized pension expense of $29.9 million and $33.8 million, respectively. At June 30, 2021 and 2020, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Differences between expected and actual experience *	$ 5,715	$ 6,688	$ 2,375	$ 5,144
Changes in assumptions *	5,167	7,258	—	—
Net difference between projected and actual earnings on investments	—	—	6,949	8,873
Changes in proportion and differences between actual contributions and proportionate share of contributions *	775	1,253	1,698	2,354
Contributions to PERS after measurement date	12,224	13,915	—	—
	$ 23,881	$ 29,114	$ 11,022	$ 16,371

* FY 2021 Average expected remaining service lives: 6.13 years;
FY 2020 Average expected remaining service lives: 6.18 years

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $12.2 million will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $13.9 million were recognized as a reduction of the net pension liability in the year ending June 30, 2021.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to the year ended June 30, 2021, will be recognized in pension expense as follows (in thousands):

Fiscal Year	Pension Expense / (Revenue)
2022	$ (3,141)
2023	1,022
2024	1,416
2025	1,172
2026	156
Thereafter	10

6.) OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

OPEB Plans Administered as Trusts

Plan Description

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

Benefits Provided

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

Basis of Accounting

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

Contributions

The CCSF OPEB Trust does not have contractually or statutorily required contributions. State law requires health insurance to be provided to retirees at a blended rate. For the fiscal year ended June 30, 2020, the Department's contributions were $8.9 million. No contributions were made during fiscal year ended June 30, 2021.

OPEB Plans Not Administered as Trusts

Plan Descriptions

CC RHPP

Clark County Retiree Health Program Plan (CC RHPP) provides OPEB to all permanent full-time employees of Clark County (primary government only and including the Department) enrolled in the health maintenance organization (HMO) Plan. The plan also provides life insurance to eligible retirees of Clark County (primary government only and including the Department). The CC RHPP is a non-trust, single-employer defined benefit OPEB Plan, administered by Clark County, which does not issue stand-alone financial statements.

PEBP

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

Benefits Provided

CC RHPP

CC RHPP provides medical, dental, vision, prescription drug, and life insurance benefits to eligible retirees and beneficiaries. Retirees are eligible to continue coverage in the HMO Plan as a participant with active employees at a blended premium rate, resulting in an implicit subsidy. Benefit provisions are established and amended through negotiations between the respective unions and the County. Benefit payments were $0.3 million and $0.2 million during the fiscal years ended June 30, 2020 and 2019, respectively. A total of $0.3 million in benefit payments were made during the fiscal year ended June 30, 2021; these benefit payments after the plan measurement date are recognized as a deferred outflow of resources, as further described in the "OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources" section of this note.

PEBP

PEBP plan provides medical, dental, prescription drug, Medicare Part B, and life insurance coverage to eligible retirees and their spouses. Benefits are provided through a third-party insurer. Benefit payments were $0.2 million and $0.2 million during the fiscal years ended June 30, 2020 and 2019, respectively. A total of $0.1 million in benefit payments were made during the fiscal year ended June 30, 2021; these benefit payments after the plan measurement date are recognized as a deferred outflow of resources, as further described in the "OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources" section of this note.

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

As of June 30, 2021, the Department recorded a net OPEB asset of $14.3 million and a total OPEB liability of $39.7 million, both were measured as of June 30, 2020, and was determined by an actuarial valuation as of that date. The CCSF fiduciary net position exceeded the total CCSF OPEB liability as of measurement date June 30, 2020, therefore the Department recognized a net OPEB asset for the CCSF OPEB plan. The remaining total OPEB liability was recognized by the department by combining the total OPEB liabilities for RHPP and PEBP plans. The Department's portion of the CCSF and RHPP OPEB liabilities is calculated based on the Department's census data for the plan valuation year. The Department's portion of the PEBP OPEB liability is allocated to the Department, based on the proportion of the Department's PEBP subsidy payments as a portion of all PEBP payments made by the County, during the PEBP actuarial valuation year. The Department's CCSF fiduciary net position consists of contributions made by the Department to the CCSF Trust, including adjustments such as investment earnings.

The following table presents the changes in the Department's total OPEB liability during June 30, 2021 (in thousands):

	CCSF	CC RHPP	PEBP	Total
Total OPEB liability at June 30, 2020	$ 45,857	$ 21,356	$ 3,779	$ 70,992
Changes recognized for the fiscal year:				
Service cost	2,209	1,195	—	3,404
Interest cost	2,512	784	129	3,425
Differences between expected and actual experience	(8,565)	5,536	(1,793)	(4,822)
Changes in assumptions or other inputs	(13,857)	8,910	312	(4,635)
Benefit payments	(603)	(305)	(162)	(1,070)
Net change in total OPEB liability	(18,304)	16,120	(1,514)	(3,698)
Total OPEB liability at June 30, 2021	$ 27,553	$ 37,476	$ 2,265	$ 67,294

The Department's total OPEB liability as of June 30, 2020 was $39.9 million was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018. The following table presents the changes in the Department's total OPEB liability during June 30, 2020 (in thousands):

	CCSF	CC RHPP	PEBP	Total
Total OPEB liability at June 30, 2019	$ 47,559	$ 18,417	$ 3,623	$ 69,599
Changes recognized for the fiscal year:				
Service cost	2,408	1,012	—	3,420
Interest cost	3,779	748	137	4,664
Changes in assumptions or other inputs	(7,468)	1,385	178	(5,905)
Benefit payments	(421)	(206)	(159)	(786)
Net change in total OPEB liability	(1,702)	2,939	156	1,393
Total OPEB liability at June 30, 2020	$ 45,857	$ 21,356	$ 3,779	$ 70,992

The Department's fiduciary net position for CCSF as of June 30, 2020 and 2019 was $41.9 million and $31.1 million, respectively. The following table presents the changes in the Department's fiduciary net position during June 30, 2021 and 2020, which utilize the measurement dates of June 30 2020 and 2019, respectively (in thousands):

	2021	2020
	CCSF	CCSF
Beginning CCSF fiduciary net position	$ 31,120	$ 18,593
Changes in CCSF fiduciary net position recognized for the fiscal year		
Employer contributions	8,909	10,802
Net investment income	2,450	2,150
Benefit payments	(603)	(421)
Administrative expense	(1)	(4)
Net change in CCSF fiduciary net position	10,755	12,527
Ending CCSF fiduciary net position	$ 41,875	$ 31,120
Net OPEB (asset)/liability	$ (14,322)	$ 14,737

Employees Covered by Benefit Terms

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

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

*As of November 1, 2008, PEBP was closed to any new participants.
† CC RHPP also provides life insurance to eligible retirees. Active employees count included CCSF employees with life insurance.

At June 30, 2018, the valuation date for the June 30, 2020 and 2019 net OPEB Liability, the following employees were covered by the benefit terms for the OPEB plans:

	CCSF	CC RHPP	PEBP*	Total
Inactive employees or beneficiaries currently receiving benefit payments	101	53	45	199
Active employees	795	1,402 †	—	2,197
Covered spouses	25	15	—	40
Total	921	1,470	45	2,436

*As of November 1, 2008, PEBP was closed to any new participants.
† CC RHPP also provides life insurance to eligible retirees. Active employees count included CCSF employees with life insurance.

Actuarial assumptions and other inputs:

The Net OPEB liability as of June 30, 2021 (using the measurement date of June 30, 2020), was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age normal, based on level percentage of salary
Inflation	2.75%
Discount Rate - CCSF*	7.50%
Discount Rate - CC RHPP and PEBP	2.21%
Salary increases	3.00% per annum
Health care cost trend rates	7.00% decreasing to an ultimate rate of 4.00%
Municipal Bond rate	2.21% of Bond Buyer 20-Bond GO Index
Retirees' share of benefit related costs	0% to 100% of premium amounts, based on years of service
Investment return on CCSF assets **	7.50%
Post-retirement mortality rates	Pub-2010 headcount weighted mortality table, projected generationally using Scale MP-2020, applied on a gender-specific basis

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

The Net OPEB liability as of June 30, 2020 (using the a measurement date of June 30, 2019), was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age normal, based on level percentage of salary
Inflation	2.00%
Discount Rate - CCSF*	5.26%
Discount Rate - CC RHPP and PEBP	3.50%
Salary increases	3.00% per annum
Health care cost trend rates	4.5%/4.0%, ultimate
Municipal Bond rate	3.50% of Bond Buyer 20-Bond Bond GO Index
Retirees' share of benefit related costs	0% to 100% of premium amounts, based on years of service
Investment return on CCSF assets **	7.50%
Post-retirement mortality rates	RP-2014 generational table, back-projected to 2006, then scaled using MP-2018, applied on a gender-specific basis

* The discount rate was based on blending of Bond Buyer 20-Bond GO Index and Expected Return on Assets Assumption.
** The long-term expected rate of return on the CCSF OPEB Trust investments was based upon a description of the plan assets invested in Retirement Benefits Investment Fund (RBIF) and Clark County Treasurer Investment Pool.

Rationale for Assumptions:

For the actuarial valuation dated June 30, 2020, demographic assumptions are based on the Nevada PERS Actuarial Experience Study based on the 2020 Nevada PERS Actuarial Valuation. Salary scale and inflation assumptions are based on the 2020 Nevada PERS Actuarial Valuation. For the actuarial valuation dated June 30, 2018, demographic assumptions are based on the Nevada PERS Actuarial Experience Study based on the 2018 Nevada PERS Actuarial Valuation. Salary scale and inflation assumptions are based on the 2018 Nevada PERS Actuarial Valuation.

Changes in Assumptions

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

CCSF

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

CC RHPP and PEBP

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

All Post Employment Benefit Plans

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

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

The following are changes in assumptions from the June 30, 2018 plan measurement date to the June 30, 2019 measurement date:

CCSF

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

CC RHPP and PEBP

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

Discount Rate Information and Discount Rate Sensitivity

CCSF

The discount rates used to measure the Department's net OPEB liability was 7.50% as of June 30, 2020 and 5.26% as of June 30, 2019. As of measurement date June 30, 2020, the Department's portion of the Clark County CCSF OPEB Trust Assets, when projected in accordance with the method prescribed by GASB 75, is expected to be sufficient to make benefit payments to current members. The projection of cash flows used to determine the discount rate assumed employer and plan member contributions will be made at the current contribution rate. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the OPEB Plan's assets were projected to be sufficient to make projected future benefit payments for current plan members for the Department. Payments after that date would need to be funded by employer assets.

The following presents the CCSF net OPEB asset, as of June 30, 2021, as well as what the CCSF net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage point higher than the current discount rate (in thousands):

	1% Decrease in Discount Rate 6.50%	Discount Rate 7.50%	1% Increase in Discount Rate 8.50%
CCSF	$ (8,489)	$ (14,322)	$ (18,865)

The following presents the CCSF net OPEB liability, as of June 30, 2020, as well as what the CCSF net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage point higher than the current discount rate (in thousands):

	1% Decrease in Discount Rate 4.26%	Discount Rate 5.26%	1% Increase in Discount Rate 6.26%
CCSF	$ 24,127	$ 14,737	$ 7,432

CC RHPP and PEBP

The following presents CC RHPP and PEBP OPEB liabilities of the department, as of June 30, 2021, as well as what the OPEB liabilities would be if they were calculated using a discount rate that is 1- percentage-point lower or 1- percentage point higher than the current discount rate (in thousands):

	1% Decrease in Discount Rate 1.21%	Discount Rate 2.21%	1% Increase in Discount Rate 3.21%
CC RHPP	$ 45,410	$ 37,476	$ 31,297
PEBP	$ 2,604	$ 2,265	$ 1,988

The following presents CC RHPP and PEBP OPEB liabilities of the department, as of June 30, 2020, as well as what the OPEB liabilities would be if they were calculated using a discount rate that is 1- percentage-point lower or 1-percentage point higher than the current discount rate (in thousands):

	1% Decrease in Discount Rate 2.50%	Discount Rate 3.50%	1% Increase in Discount Rate 4.50%
CC RHPP	$ 25,962	$ 21,354	$ 17,470
PEBP	$ 4,337	$ 3,779	$ 3,325

Healthcare Cost Trend Rate Sensitivity

The following presents the total net OPEB (asset) liability of the Department as of June 30, 2021, as well as what the Department's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease Ultimate 3.0%	Trend Rates Ultimate 4.0%	1% Increase Ultimate 5.0%
CCSF	$ (18,876)	$ (14,322)	$ (8,531)
RHPP	31,282	37,476	45,351
PEBP	2,002	2,265	2,580

The following presents the total net OPEB liability of the Department as of June 30, 2020, as well as what the Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease Ultimate 3.5%/3.0%	Trend Rates Ultimate 4.5%/4.0%	1% Increase Ultimate 5.5%/5.0%
CCSF	$ 6,588	$ 14,737	$ 25,538
RHPP	16,994	21,354	26,846
PEBP	3,344	3,779	4,301

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

For year ended June 30, 2021, the Department recognized negative OPEB expense of $3.5 million. The OPEB Expense by OPEB plan type, for the years ended June 30, 2021 and 2020, is as follows (in thousands):

	CCSF	CC RHPP	PEBP	Total
2021	$ (5,338)	$ 3,235	$ (1,352)	$ (3,455)
2020	$ (1,145)	$ 2,055	$ 315	$ 1,225

At June 30, 2021 and 2020, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB, from the following sources (in thousands):

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
CCSF				
Differences between expected and actual experience	$ 270	$ 330	$ 27,429	$ 21,429
Changes of assumptions or other inputs	—	—	42,288	33,078
Net excess of actual over projected earnings on OPEB plan investments	—	—	919	1,274
Contributions made after the measurement date	276	8,807	—	—
CCSF Total	546	9,137	70,636	55,781
CC RHPP				
Differences between expected and actual experience	9,978	5,353	—	—
Changes of assumptions or other inputs	9,424	1,279	2,550	2,863
Benefit payments made after the measurement date	337	195	—	—
RHPP Total	19,739	6,827	2,550	2,863
PEBP				
Benefit payments made after the measurement date	143	162	—	—
PEBP Total	143	162	—	—
Combined amounts, all plans				
Differences between expected and actual experience	10,248	5,683	27,429	21,429
Changes of assumptions or other inputs	9,424	1,279	44,839	35,941
Net excess of actual over projected earnings on OPEB plan investments	—	—	919	1,274
Contributions and benefit payments made after the measurement date	756	9,164	—	—
Total, all plans	$ 20,428	$ 16,126	$ 73,187	$ 58,644

The amount of $0.8 million, reported as deferred outflows of resources related to OPEB from the Department's benefit payments subsequent to June 30, 2020 (the measurement date), will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. The amount of $9.2 million, reported as deferred outflows of resources related to OPEB from the Department's contributions subsequent to the measurement date at June 30, 2019, was recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources, related to OPEB, will be recognized in OPEB expense as follows (in thousands):

For the fiscal year ending June 30,	CCSF	CC RHPP	PEBP	Total
2022	$ (7,648)	$ 1,365	$ —	$ (6,283)
2023	(7,365)	1,365	—	(6,000)
2024	(7,335)	1,365	—	(5,970)
2025	(7,180)	1,365	—	(5,815)
2026	(6,497)	1,383	—	(5,114)
Thereafter	(34,341)	10,009	—	(24,332)
	$ (70,366)	$ 16,852	$ —	$ (53,514)

7.) CHANGES IN CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2021 and 2020 was as follows (in thousands):

	July 1, 2020	Additions	Deletions	June 30, 2021
Capital assets, not being depreciated:				
Land	$ 602,650	$ 2,854	$ (850)	$ 604,654
Avigation easement	332,562	—	—	332,562
Construction in progress	97,531	42,139	(100,442)	39,228
Total capital assets, not being depreciated	1,032,743	44,993	(101,292)	976,444
Capital assets, being depreciated:				
Land Improvements	1,774,707	2,273	—	1,776,980
Buildings and improvements	3,677,876	34,983	—	3,712,859
Machinery and equipment	571,820	51,286	(6,593)	616,513
Furniture and fixtures	45,651	—	(4,453)	41,198
Total capital assets being depreciated	6,070,054	88,542	(11,046)	6,147,550
Less accumulated depreciation:				
Land improvements	(1,107,718)	(60,912)	—	(1,168,630)
Buildings and improvements	(1,357,225)	(100,500)	—	(1,457,725)
Machinery and equipment	(409,193)	(28,394)	6,502	(431,085)
Furniture and fixtures	(33,527)	(2,218)	4,452	(31,293)
Total accumulated depreciation	(2,907,663)	(192,024)	10,954	(3,088,733)
Total capital assets being depreciated, net	3,162,391	(103,482)	(92)	3,058,817
Total capital assets, net	$ 4,195,134	$ (58,489)	$ (101,384)	$ 4,035,261

Net loss from disposition of capital assets for the fiscal year ended June 30, 2021, includes an impairment loss of $13.3 million on certain construction in progress projects which have been ceased or modified.

	July 1, 2019	Additions	Deletions	June 30, 2020
Capital assets, not being depreciated:				
Land	$ 602,650	$ —	$ —	$ 602,650
Avigation easement	332,562	—	—	332,562
Construction in progress	64,372	63,302	(30,143)	97,531
Total capital assets, not being depreciated	999,584	63,302	(30,143)	1,032,743
Capital assets, being depreciated:				
Land Improvements	1,757,497	17,210	—	1,774,707
Buildings and improvements	3,668,926	8,950	—	3,677,876
Machinery and equipment	566,964	7,406	(2,550)	571,820
Furniture and fixtures	45,868	—	(217)	45,651
Total capital assets being depreciated	6,039,255	33,566	(2,767)	6,070,054
Less accumulated depreciation:				
Land improvements	(1,047,101)	(60,617)	—	(1,107,718)
Buildings and improvements	(1,256,352)	(100,873)	—	(1,357,225)
Machinery and equipment	(384,464)	(26,929)	2,200	(409,193)
Furniture and fixtures	(31,509)	(2,230)	212	(33,527)
Total accumulated depreciation	(2,719,426)	(190,649)	2,412	(2,907,663)
Total capital assets being depreciated, net	3,319,829	(157,083)	(355)	3,162,391
Total capital assets, net	$ 4,319,413	$ (93,781)	$ (30,498)	$ 4,195,134

8.) LONG-TERM DEBT

(a) Changes in Long-Term Debt Obligations

Changes in long-term debt obligations for the years ended June 30, 2021 and 2020 are summarized as follows (in thousands):

	July 1, 2020	Additions	Refunding	Pay downs	June 30, 2021	
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	†
2019 Series C	70,510	—	—	(46,875)	23,635	†
Sub-Total Senior Lien Bonds	825,505	—	—	(46,875)	778,630	
SUBORDINATE LIEN BONDS:						
2008 Series A-2	26,760	—	—	(9,865)	16,895	*
2008 Series B-2	26,785	—	—	(9,875)	16,910	*
2008 Series C-1	122,900	—	—	—	122,900	*
2008 Series C-2	59,900	—	—	(3,125)	56,775	*
2008 Series C-3	59,900	—	—	(3,125)	56,775	*
2008 Series D-1	50,870	—	—	(2,200)	48,670	*
2008 Series D-2A	100,000	—	—	—	100,000	*
2008 Series D-2B	99,605	—	—	—	99,605	*
2008 Series D-3	120,395	—	—	(635)	119,760	*
2014 Series A-1	16,710	—	—	(2,300)	14,410	†
2014 Series A-2	221,870	—	—	—	221,870	†
2017 Series A-1	43,125	—	—	(14,045)	29,080	†
2017 Series A-2	47,800	—	—	—	47,800	†
2019 Series A	107,530	—	—	—	107,530	†
2019 Series D	296,155	—	—	—	296,155	†
2021 Series A	—	71,270	—	—	71,270	†
SUBORDINATE LIEN BONDS FROM DIRECT PLACEMENTS:						
2017 Series D	53,565	—	—	(19,750)	33,815	*
Sub-Total Subordinate Lien Bonds	1,453,870	71,270	—	(64,920)	1,460,220	
PFC BONDS:						
2012 Series B	59,830	—	—	(4,755)	55,075	†
2015 Series C	88,500	—	—	(10,810)	77,690	†
2017 Series B	58,980	—	—	(7,340)	51,640	†
2019 Series E	369,045	—	—	(34,410)	334,635	†
Sub-Total PFC Bonds	576,355	—	—	(57,315)	519,040	
JUNIOR SUBORDINATE LIEN DEBT AND JET A BONDS:						
2013 Jet A Fuel Tax Series A	65,945	—	—	(5,270)	60,675	†
2017 Notes Series C	146,295	—	(146,295)	—	—	‡
2018 Notes Series A	95,545	—	(95,545)	—	—	‡
2021 Notes Series B	—	125,310	—	—	125,310	‡
Sub-Total Junior Subordinate Lien Debt and Jet A Bonds	307,785	125,310	(241,840)	(5,270)	185,985	
GENERAL OBLIGATION BONDS:						
2008 General Obligation Series A	43,105	—	—	—	43,105	*
2013 General Obligation Series B	32,915	—	—	—	32,915	†
Sub-Total General Obligation Bonds	76,020	—	—	—	76,020	
Total principal outstanding	3,239,535	$ 196,580	$ (241,840)	$ (174,380)	3,019,895	
Premiums, discounts, and imputed debt from termination of hedges:		Additions	Amortization	Deletions		
Unamortized premiums	230,811	$ 46,605	$ (40,165)	$ —	237,251	
Unamortized discounts	(10,059)	—	1,008	—	(9,051)	
Imputed debt from termination of hedges	3,923	—	(1,962)	—	1,962	
	224,675	$ 46,605	$ (41,119)	$ —	230,161	
Current portion of long-term debt	(174,380)				(335,290)	
Net long-term debt outstanding	$ 3,289,830				$ 2,914,766	

* Variable Rate Debt Obligations

† Fixed Rate Bonds

‡ Bond Anticipation Notes

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

	July 1, 2019	Additions	Refunding	Pay downs	June 30, 2020	
SENIOR LIEN BONDS:						
2009 Series B Build America Bonds	$ 300,000	$ —	$ (300,000)	$ —	$ —	†
2010 Series C Build America Bonds	454,280	—	—	—	454,280	†
2010 Series D	87,785	—	(76,120)	(11,665)	—	†
2015 Series A	59,915	—	—	—	59,915	†
2019 Series B	—	240,800	—	—	240,800	†
2019 Series C	—	70,510	—	—	70,510	†
Sub-Total Senior Lien Bonds	901,980	311,310	(376,120)	(11,665)	825,505	
SUBORDINATE LIEN BONDS:						
2008 Series A-2	36,600	—	—	(9,840)	26,760	*
2008 Series B-2	36,635	—	—	(9,850)	26,785	*
2008 Series C-1	122,900	—	—	—	122,900	*
2008 Series C-2	62,915	—	—	(3,015)	59,900	*
2008 Series C-3	62,910	—	—	(3,010)	59,900	*
2008 Series D-1	52,995	—	—	(2,125)	50,870	*
2008 Series D-2A	100,000	—	—	—	100,000	*
2008 Series D-2B	99,605	—	—	—	99,605	*
2008 Series D-3	120,925	—	—	(530)	120,395	*
2009 Series C	168,495	—	(168,495)	—	—	*
2010 Series B	350,000	—	(350,000)	—	—	†
2011 Series B-1	73,200	—	—	(73,200)	—	†
2014 Series A-1	21,490	—	—	(4,780)	16,710	*
2014 Series A-2	221,870	—	—	—	221,870	†
2017 Series A-1	54,035	—	—	(10,910)	43,125	†
2017 Series A-2	47,800	—	—	—	47,800	†
2019 Series A	—	107,530	—	—	107,530	†
2019 Series D	—	296,155	—	—	296,155	†
SUBORDINATE LIEN BONDS FROM DIRECT PLACEMENTS:						†
2017 Series D	73,265	—	—	(19,700)	53,565	*
Sub-Total Subordinate Lien Bonds	1,705,640	403,685	(518,495)	(136,960)	1,453,870	
PFC BONDS:						
2010 Series A	446,765	—	(446,150)	(615)	—	†
2010 Series F-2	79,230	—	—	(79,230)	—	*
2012 Series B	64,360	—	—	(4,530)	59,830	†
2015 Series C	98,965	—	—	(10,465)	88,500	†
2017 Series B	65,925	—	—	(6,945)	58,980	†
2019 Series E	—	369,045	—	—	369,045	
Sub-Total PFC Bonds	755,245	369,045	(446,150)	(101,785)	576,355	
JUNIOR SUBORDINATE LIEN DEBT AND JET A BONDS:						
2013 Jet A Fuel Tax Series A	70,965	—	—	(5,020)	65,945	†
2017 Notes Series C	146,295	—	—	—	146,295	‡
2018 Notes Series A	95,545	—	—	—	95,545	‡
Sub-Total Junior Subordinate Lien Debt and Jet A Bonds	312,805	—	—	(5,020)	307,785	
GENERAL OBLIGATION BONDS:						
2008 General Obligation Series A	43,105	—	—	—	43,105	*
2013 General Obligation Series B	32,915	—	—	—	32,915	†
Sub-Total General Obligation Bonds	76,020	—	—	—	76,020	
Total principal outstanding	3,751,690	1,084,040	(1,340,765)	(255,430)	3,239,535	
Premiums, discounts, and imputed debt from termination of hedges:		Additions	Amortization	Deletions		
Unamortized premiums	74,686	199,171	(35,686)	(7,361)	230,811	
Unamortized discounts	(15,362)	—	1,118	4,185	(10,059)	
Imputed debt from termination of hedges	5,885	—	(1,962)	—	3,923	
	65,209	199,171	(36,529)	(3,176)	224,675	
Current portion of long-term debt	(182,504)				(174,380)	
Net long-term debt outstanding	$ 3,634,395				$ 3,289,830	

* Variable Rate Debt Obligations
† Fixed Rate Bonds
‡ Bond Anticipation Notes

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

Senior Lien Bonds

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

Senior lien bonds are secured by and are payable from the net revenues of the Airport System after the payment of all Airport System operating and maintenance expenses. Pursuant to the Indenture, the Department has covenanted to fix, charge, and collect rentals, fees, and charges for the use of the Airport System such that, in any fiscal year, the gross revenues, together with any other available funds, will at all times be at least sufficient: 1) to provide for the payment of all Airport System operating and maintenance expenses in the fiscal year and 2) to provide an amount not less than 125% of the aggregate debt service requirement (Senior Lien Coverage) for all the senior lien bonds then outstanding for the fiscal year. The actual senior lien coverage ratios (the ratio of total revenue less operating expenses to debt service) for fiscal year 2021 and fiscal year 2020 were 5.06 and 3.28, respectively. As of June 30, 2021 and 2020, the Department had $778.6 million and $825.5 million in outstanding senior lien bonds, respectively.

One of the Department’s senior lien bonds, 2010 Series C, was issued as federally taxable Build America Bonds (BABs) under the American Recovery and Reinvestment Act of 2009. The Department receives a direct federal subsidy payment in the amount equal to 35% of the interest expense on the BABs less 5.7% for sequestration. The interest subsidy on 2010 Series C was $10.2 million for both fiscal years ended June 30, 2021 and 2020, respectively. The subsidy is recorded as a non-capital grant, a component of other non-operating revenue.

On November 5, 2020, S&P Global Ratings lowered it's long-term rating and underlying rating to A+ from AA- on the Department's senior airport system revenue bonds citing the material negative impact of the COVID-19 pandemic on traffic levels.

Subordinate Lien Bonds

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

Subordinate lien bonds are secured by and are payable from the net revenues of the Airport System after the payment of all Airport System operating and maintenance expenses and after the payment of all senior lien debt service. Pursuant to the Indenture, the Department has covenanted to fix, charge, and collect rentals, fees, and charges for the use of the Airport System such that, in any fiscal year, the gross revenues, together with any other available funds, will at all times be at least sufficient 1. To provide for the payment of all Airport System operating and maintenance expenses in such fiscal year and 2. To provide an amount not less than 110% of the aggregate debt service requirement (Subordinate Lien Coverage) for all the senior lien and subordinate lien bonds then outstanding for the fiscal year. The coverages on the combined senior and subordinate lien debt for fiscal year 2021 and fiscal year 2020 were 1.83 and 1.52, respectively. As of June 30, 2021 and 2020, the Department had $1,460.2 million and $1,453.9 million in outstanding subordinate lien bonds, respectively.

On October 20, 2020, the Board approved the extension of the credit facility associated with the 2008 C-1 Bonds provided by Bank of America, N.A. for a period of eighteen months as well as the credit facility associated with the 2008D-2B Bonds provided by Royal Bank of Canada (RBC) for a period of ninety days, respectively. On March 2, 2021, the Department finalized a new agreement with Barclays Bank PLC which replaced RBC on the credit facility associated with the 2008D-2B Bonds for an additional three years to March 1, 2024. The Department intends to extend the termination date of the credit facility or find a replacement credit facility associated with the 2008 C-1 Bonds before June 2022.

On November 5, 2020, S&P Global Ratings lowered to A from A+ the long-term rating and underlying rating on the Department's subordinate-lien debt citing the material negative impact of the COVID-19 pandemic on traffic levels.

On May 18, 2021, the Board approved the redemption and early payment of all or a portion of the Airport System Subordinate Lien Revenue Bonds Series 2008D-1 along with the payment and termination of the interest rate exchange agreements associated with Series 2008D-1. It is the Department's plan to execute the redemption and early payment of all Series 2008D-1 bonds during the first week of January 2022. The Department has classified the entire Series 2008D-1 payable as current in the Statement of Net Position.

Subordinate Lien Bonds from Direct Placements

On December 6, 2017, the County issued the Series 2017D Airport System Subordinate Lien Refunding Revenue Bonds (Series 2017D Bonds) for $92.5 million to mature on July 1, 2022. The Series 2017D is issued in accordance with the Indenture between Clark County and The Bank of New York Mellon Trust Company, N.A. The Series 2017D Bonds was issued to refund Series 2011B-2 Bonds and the Bank of America Preferred Funding Corporation agreed to purchase the bonds pursuant to the terms and provisions of a Direct Purchase Agreement. The purchase agreement for the Series 2017D Bonds constitutes a direct placement of debt. The Series 2017D bears interest at a floating rate that is reset monthly and payable every month. Interest payments are due on the first business day of each month and scheduled principal payments are due on July 1 of each year. As of June 30, 2021 and 2020, the Department had $33.8 million and $53.6 million in outstanding subordinate lien bonds from direct placements, respectively (these amounts are also included in the total of subordinate lien bonds noted above).

PFC Bonds

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

The PFC bonds are secured by a pledge of and lien upon pledged PFC revenues derived from a $4.50 PFC which has been imposed by the County under authorization of the Federal Aviation Act. In addition, the PFC bonds are secured by and are payable from a claim on the net revenues of the Airport System on parity with that of the subordinate lien bonds and junior to that of the senior lien bonds. Effective October 1, 2008, the PFC rate is $4.50 per qualifying enplaned passenger. As of June 30, 2021 and 2020, the Department had $519.0 million and $576.4 million in outstanding PFC pledged bonds, respectively.

In fiscal years 2021 and 2020, the Department earned $58.9 million and $70.6 million, respectively, in PFC revenues. The Department lost $0.8 million in fiscal year 2021 and earned $4.6 million in fiscal year 2020 in PFC interest income. In fiscal years 2021 and 2020, the Department pledged $78.3 million and $90.6 million, respectively, toward debt service payments associated with outstanding PFC bonds and pledged no monies toward service payment on certain subordinate lien bonds that were used to fund PFC projects approved by the FAA. No coverage is required for the PFC bonds.

On November 5, 2020, S&P Global Ratings lowered to A from A+ the long-term rating and underlying rating on the Department's PFC revenue debt citing the material negative impact of the COVID-19 pandemic on traffic levels.

Junior Subordinate Lien Debt and Jet A Bonds

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

The junior subordinate lien debt and Jet A bonds are on parity with each other and are secured by and payable from the net revenues of the Airport System after the payment of all Airport System operating and maintenance expenses and after the payment of all senior lien debt service, subordinate lien debt service, and PFC lien debt service. These bonds and notes do not constitute debt of Clark County within the meaning of any constitutional or statutory provisions or limitations, and neither the full faith and credit nor the taxing power of the County is pledged to the payment thereof. As of June 30, 2021 and 2020, the Department had $60.7 million and $65.9 million, respectively, in outstanding Jet A bonds. Outstanding bond anticipation notes were $125.3 million as of June 30, 2021, and $241.8 million as of June 30, 2020.

The Jet A Bonds are payable from and secured by a pledge of and lien upon the proceeds of a three-cent-per-gallon tax collected by the County on jet aviation fuel sold, distributed, or used in the County. Shortages in debt service from fuel tax collections are funded with Airport System revenues. On June 15, 2021, the Board approved a resolution reallocating an additional one-cent-per-gallon tax collected by the County on jet aviation fuel sold to the Department. This change goes into effect on July 1, 2021. As of June 30, 2021 and 2020, there was no shortage of Jet A Fuel Tax revenues to cover the Jet A Bonds debt service.

On November 5, 2020, S&P Global Ratings lowered to A from A+ the long-term rating and underlying rating on the Department's junior-subordinate lien debt and the underlying rating on the jet aviation fuel tax bonds citing the material negative impact of the COVID-19 pandemic on traffic levels.

General Obligation Bonds

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

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

The general obligation bonds are secured by and payable from a claim on the net revenues of the Airport System after the payment of all Airport System operating and maintenance expenses and after the payment of all senior lien debt service, subordinate lien debt service, PFC lien debt service, and junior subordinate lien and Jet A bonds lien debt service. Pursuant to the Indenture, the County has covenanted to fix, charge, and collect rentals, fees, and charges for the use of the Airport System sufficient to pay debt service on the senior lien bonds, the subordinate lien bonds, the general obligation (limited tax) airport bonds, the PFC bonds, and the junior subordinate lien debt and Jet A bonds. As of June 30, 2021 and 2020, respectively, the Department had $76.0 million in outstanding general obligation bonds.

<u>Other Information Related to Debt Issuances</u>

The Department's outstanding bonds and notes (excluding direct placements) 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 outstanding bond series from direct placements, Series 2017D, contains a provision that upon the occurrence of any events of default, the bank has the right to accelerate all remaining outstanding amounts and any amounts owed to the purchaser.

The Department's variable rate demand bonds have 9 associated letters of credit and one line 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. According to the terms of the line of credit, the bank who issued the facility is obligated (absent a default by the County) to pay the purchase price of tendered bonds when tendered. In both cases, it is expected that tendered bonds will be remarketed and remarketing proceeds will be used to reimburse the issuing banks for the purchase price of tendered bonds. Each line or letter of credit has a three-year term out agreement. If a term-out agreement were to take effect, it would require all outstanding amounts to such series of bonds to be repaid within three years on an accelerated basis. The Department's line and letters of credit terminate on dates occurring between January 2022 and March 2024. Refer to Note 15 for additional information related to the letters of credit terminating within the next fiscal year.

Below summarizes the credit facilities securing the variable rate bonds at June 30, 2021 (in thousands):

Bond Series	Credit Provider	Facility Fee Rate	Remarketing Agent	Remarketing Fee Rate
2008A-GO	State Street Bank and Trust	0.35 %	Citi Bank N.A.	0.09 %
2008A-2	State Street Bank and Trust	0.38 %	J.P. Morgan Securities	0.10 %
2008B-2	State Street Bank and Trust	0.38 %	Citi Bank N.A.	0.10 %
2008C-1	Bank of America	1.00 %	Bank of America Merrill Lynch	0.07 %
2008C-2	State Street Bank and Trust	0.40 %	J.P. Morgan Securities	0.09 %
2008C-3	Sumitomo Mitsui Banking Corporation	0.42 %	Citi Bank N.A.	0.09 %
2008D-1	Sumitomo Mitsui Banking Corporation	0.49 %	Citi Bank N.A.	0.09 %
2008D-2A	Wells Fargo Bank, N.A.	0.38 %	Wells Fargo Securities	0.07 %
2008D-2B	Barclays Bank PLC	0.90 %	RBC Capital Markets	0.09 %
2008D-3	Bank of America	0.40 %	Citi Bank N.A.	0.09 %

Below summarizes the credit facilities securing the variable rate bonds at June 30, 2020 (in thousands):

Bond Series	Credit Provider	Facility Fee Rate	Remarketing Agent	Remarketing Fee Rate
2008A-GO	State Street Bank and Trust	0.35 %	Citi Bank N.A.	0.09 %
2008A-2	State Street Bank and Trust	0.38 %	J.P. Morgan Securities	0.10 %
2008B-2	State Street Bank and Trust	0.38 %	Citi Bank N.A.	0.10 %
2008C-1	Bank of America	0.45 %	Bank of America Merrill Lynch	0.07 %
2008C-2	State Street Bank and Trust	0.40 %	J.P. Morgan Securities	0.09 %
2008C-3	Sumitomo Mitsui Banking Corporation	0.42 %	Citi Bank N.A.	0.09 %
2008D-1	Sumitomo Mitsui Banking Corporation	0.49 %	Citi Bank N.A.	0.09 %
2008D-2A	Wells Fargo Bank, N.A.	0.38 %	Wells Fargo Securities	0.07 %
2008D-2B	Royal Bank of Canada	0.50 %	RBC Capital Markets	0.09 %
2008D-3	Bank of America	0.40 %	Citi Bank N.A.	0.09 %

Credit Type	Original Commitment	Term out	Termination Date
Line of credit*	$ 45,713	3 years	February 14, 2024
Letter of credit	53,321	3 years	July 1, 2022
Letter of credit	53,321	3 years	July 1, 2022
Letter of credit	130,941	3 years	June 6, 2022
Letter of credit	76,018	3 years	February 14, 2023
Letter of credit	76,018	3 years	February 14, 2024
Letter of credit	62,833	3 years	January 26, 2022
Letter of credit	106,641	3 years	February 24, 2023
Letter of credit	106,122	3 years	March 1, 2024
Letter of credit	130,903	3 years	June 2, 2023

* The full commitment amount on the Department's line of credit is unused as of June 30, 2021.

Credit Type	Original Commitment	Term out	Termination Date
Line of credit*	45,713	3 years	February 14, 2024
Letter of credit	53,321	3 years	July 1, 2022
Letter of credit	53,321	3 years	July 1, 2022
Letter of credit	130,941	3 years	December 4, 2020
Letter of credit	76,018	3 years	February 14, 2023
Letter of credit	76,018	3 years	February 14, 2024
Letter of credit	62,833	3 years	January 26, 2022
Letter of credit	106,641	3 years	February 24, 2023
Letter of credit	106,122	3 years	December 4, 2020
Letter of credit	130,903	3 years	June 2, 2023

* The full commitment amount on the Department's line of credit is unused as of June 30, 2020.

(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 at June 30, 2021 and 2020, was $0.002 million and $0.02 million, respectively. The Department is current on all required arbitrage payments.

(d) Description of Bond Series Issuances, Calls, and Refundings During the Fiscal Years Ended June 30, 2021 and 2020

Senior Lien Bonds

On July 1, 2019, the Department issued the Series 2019B Senior Series Revenue Bonds (Series 2019B Bonds) for $240.8 million. The net proceeds of $300.0 million, along with a $23.2 million contribution from the Department, were used to refund the outstanding principal and interest on the Senior Series 2009B Build America Bonds (Series 2009B Bonds) and to fund a new debt service reserve fund for the Series 2019B Bonds. The refunding transaction for the Series 2009B Bonds resulted in an economic gain of $88.2 million and a $138.8 million reduction of the aggregate debt service payments associated with those bonds. The Series 2019B Bonds have a stated interest rate of 5.00%, with yields varying from 1.68% to 2.50% with interest payments due on January 1 and July 1 of each year, and scheduled principal payments are due on July 1 of each year until the scheduled maturity date of July 1, 2042.

On November 27, 2019, the Department issued the Series 2019C Senior Revenue Bonds (Series 2019C Bonds) for $70.5 million. The net proceeds of $72.6 million were used to refund the outstanding principal and interest on the Series 2010D Senior Lien Bonds (Series 2010D Bonds) and to fund a new debt service reserve fund for the Series 2019C Bonds. The difference between the reacquisition price and the net carrying amount of the old debt resulted in a gain of $1.7 million. The refunding transaction for the Series 2010D Bonds resulted in an economic gain of $6.4 million and $9.1 million reduction of the aggregate debt service payments associated with those bonds. The Series 2019C Bonds have a fixed interest rate of 5.00% with yields varying from 1.22% to 1.23%. Interest payments are due on July 1, 2020, January 1, 2021, and July 1, 2021. Scheduled principal payments are due on July 1, 2020 and July 1, 2021.

Subordinate Lien Bonds

On November 8, 2019, the Department called for the full redemption of the Series 2011B-1 Bonds, which had an outstanding par value of $53.5 million plus accrued interest of $0.3 million.

On November 27, 2019, the Department issued the Series 2019D Subordinate Lien Refunding Revenue Bonds (Series 2019D Bonds) for $296.2 million. The net proceeds of $347.2 million, along with the prior debt service deposit and debt service reserve fund balance of $35.7 million were used to refund the outstanding principal and interest on the Series 2010B Subordinate Lien Bonds and to fund a new debt service reserve fund for the Series 2019D Bonds. The difference between the reacquisition price and the net carrying amount of the old debt resulted in a gain of $3.1 million. The refunding transaction for the Series 2009C Bonds resulted in an economic gain of $203.5 million and reduction of the aggregate debt service payments associated with those bonds of $321.2 million. The Series 2019D Bonds have a stated interest rate of 5.00% and with yields varying from 1.24% to 2.12%, with interest payments due on January 1 and July 1 of each year, and staggered scheduled principal payments due on July 1 of each year until the scheduled maturity date of July 1, 2032.

On July 1, 2019, the Department issued the Series 2019A Subordinate Lien Refunding Revenue Bonds (Series 2019A Bonds) for $107.5 million. The net proceeds of $125.8 million, along with a $51.3 million contribution from the Series 2017 Revocable Escrow Fund, were used to refund the outstanding principal and interest on the Series 2009C Subordinate Lien Bonds and to fund a new debt service reserve fund for the Series 2019A Bonds. The difference between the reacquisition price and the net carrying amount of the old debt resulted in a gain of $3.2 million. The refunding transaction for the Series 2009C Bonds resulted in an economic gain of $26.3 million and reduction of the aggregate debt service payments associated with those bonds of $75.2 million. The Series 2019A Bonds have a stated interest rate of 5.00%, with yields varying from 1.43% to 1.61%. Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due starting July 1, 2023 and continuing for four years until the scheduled maturity date of July 1, 2026.

On June 30, 2021, the Department issued the Series 2021A Subordinate Lien Refunding Revenue Bonds (Series 2021A Bonds) for $71.3 million. The net proceeds of $95.5 million were used to refund the outstanding principal and interest on the Series 2018A Junior Subordinate Lien Revenue Notes and to fund a new debt service reserve fund for the Series 2021A Bonds. The aggregate difference in debt service between the Series 2018A refunded debt and the Series 2021A refunding debt is an additional $21.1 million. Series 2018A was set to mature on July 1, 2021, and as a result, there is no economic gain or loss on the transaction. The Series 2021A Bonds have a stated interest rate of 5.00%, with yields varying from 1.23% to 1.32%. Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due starting July 1, 2033 and continuing for three years until the scheduled maturity date of July 1, 2036.

In current and prior years, the Department defeased certain general obligation and revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Department's financial statements. On June 30, 2021, there was a remaining balance placed into escrow with The Bank of New York Mellon from the proceeds of Series 2021A of $97.9 million for the payment of future debt service on Series 2018A.

PFC Bonds

On November 8, 2019, the Department called for the full redemption of the Series 2010F-2 PFC Bonds with an outstanding par value of $60.3 million plus accrued interest of $0.3 million.

On November 27, 2019, the Department issued the Series 2019E PFC Refunding Revenue Bonds (Series 2019E PFC) for $369.0 million. The net proceeds of $432.8 million were used to refund the outstanding principal and interest on the Series 2010A PFC Bonds and to fund a new debt service reserve fund for the Series 2019E PFC Bonds. The difference between the reacquisition price and the net carrying amount of the old debt resulted in a loss of $3.5 million. The refunding transaction for the Series 2010A Bonds resulted in an economic gain of $204.4 million and reduction of the aggregate debt service payments associated with those bonds of $337.2 million. The Series 2019E PFC Bonds have a stated interest rate of 5.00% with yields varying from 1.22% to 2.13% Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due on July 1 of each year until the scheduled maturity date of July 1, 2033.

Junior Subordinate Lien Notes

On June 30, 2021, the Department issued the Series 2021B Junior Subordinate Lien Revenue Notes (Series 2021B Notes) for $125.3 million. The net proceeds of $146.3 million were used to refund the outstanding principal and interest on the Series 2017C Junior Subordinate Lien Revenue Notes. The aggregate difference in the debt service remaining on the Series 2017C refunded debt and Series 2021B refunding debt is an additional $1.1 million. Series 2017C was set to mature on July 1, 2021, and as a result, there is no economic gain or loss on the transaction. The Series 2021B Notes have a stated interest rate of 5.00%, with yields varying from 0.18% to 0.88%. Interest payments are due on January 1 and July 1 of each year, and scheduled principal payments are due starting July 1, 2022 and continuing for five years until the scheduled maturity date of July 1, 2027.

In current and prior years, the Department defeased certain general obligation and revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Department's financial statements. On June 30, 2021, there was a remaining balance placed into escrow with The Bank of New York Mellon from the proceeds of Series 2021B of $150.0 million for the payment of future debt service on Series 2017C.

(e) Long-term Debt Obligations

The following tables summarize of long-term debt obligations at June 30, 2021 and 2020 (in thousands):

June 30, 2021

Series		Purpose	Pledged Revenue
Senior Lien Bonds	2010C	Issued to fund the construction of Terminal 3	Airport System Revenue
	2015A	Refunded Series 2005A	Airport System Revenue
	2019B	Refunded Series 2009B	Airport System Revenue
	2019C	Refunded Series 2010D	Airport System Revenue
Subordinate Lien Bonds	2008A2	Refunded Series 2006 B1	Airport System Revenue
	2008B2	Refunded Series 2006 B1	Airport System Revenue
	2008C1*		Airport System Revenue
	2008C2*	*Refunded Series 2005 C1A, Series 2005 C1B, Series 2005	Airport System Revenue
	2008C3*	C2, Series 2005 C3, Series 2005 D1, Series 2005 D2, Series	Airport System Revenue
	2008D1*	2005 E1, Series 2005 E2, Series 2005 E3	Airport System Revenue
	2008D2*		Airport System Revenue
	2008D3	Refunded Series 2001C	Airport System Revenue
	2014A1	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue
	2014A2	Refunded Series 2004 A1 and Series 2004 A2	Airport System Revenue
	2017A1	Refunded Series 2007 A1	Airport System Revenue
	2017A2	Refunded Series 2007 A1	Airport System Revenue
	2019A	Refunded Series 2009C	Airport System Revenue
	2019D	Refunded Series 2010B	Airport System Revenue
	2021A	Refunded Series 2018A	Airport System Revenue
Subordinate Lien Bonds from Direct Placements	2017D	Refunded Series 2011 B-2	Airport System Revenue
PFC Bonds	2012B PFC	Refunded Series 1998A	Passenger Facility Charge Revenue
	2015C PFC	Refunded Series 2007	Passenger Facility Charge Revenue
	2017B PFC	Refunded Series 2007 A1 Bonds and funded a new debt service reserve fund for the Series 2017B Bonds	Passenger Facility Charge Revenue
	2019E PFC	Refunded Series 2010A PFC	Passenger Facility Charge Revenue
Junior Subordinate Lien and Jet A Bonds	2013A	Refunded Series 2003C	Jet Aviation Fuel Tax Revenue
	2021B	Refunded Series 2017C	Airport System Revenue
General Obligation Bonds	2008A	Refunded Series 2003A	Airport System Revenue
	2013B	Refunded Series 2003B	Airport System Revenue

Issue Date	Maturity Date	Interest Rate	Original Issue	6/30/2021
2/23/2010	7/1/2045	6.82%	$ 454,280	$ 454,280
4/30/2015	7/1/2040	5%	59,915	59,915
7/1/2019	7/1/2042	5%	240,800	240,800
11/27/2019	7/1/2021	5.00%	70,510	23,635
	Subtotal			778,630
	Unamortizied premiums			58,816
	Current portion			(23,635)
	Total Senior Lien Bonds			813,811
6/26/2008	7/1/2022	weekly variable rate **	50,000	16,895
6/26/2008	7/1/2022	weekly variable rate **	50,000	16,910
3/19/2008	7/1/2040	weekly variable rate **	122,900	122,900
3/19/2008	7/1/2029	weekly variable rate **	71,550	56,775
3/19/2008	7/1/2029	weekly variable rate **	71,550	56,775
3/19/2008	7/1/2036	weekly variable rate **	58,920	48,670
3/19/2008	7/1/2040	weekly variable rate **	199,605	199,605
3/19/2008	7/1/2029	weekly variable rate **	122,865	119,760
4/8/2014	7/1/2024	4.00%- 5.00%	95,950	14,410
4/8/2014	7/1/2036	4.00%- 5.00%	221,870	221,870
4/25/2017	7/1/2022	4.00%- 5.00%	65,505	29,080
4/25/2017	7/1/2040	5%	47,800	47,800
7/1/2019	7/1/2026	5%	107,530	107,530
11/27/2019	7/1/2032	5%	296,155	296,155
06/30/2021	7/1/2036	5%	71,270	71,270
12/6/2017	7/1/2022	monthly variable rate †	92,465	33,815
	Subtotal			1,460,220
	Unamortized premiums			88,694
	Unamortized discounts			(9,051)
	Current portion			(253,695)
	Total Subordinate Lien Bonds			1,286,168
7/2/2012	7/1/2033	5%	64,360	55,075
7/22/2015	7/1/2027	5	98,965	77,690
4/25/2017	7/1/2025	3.25%-5.00%	69,305	51,640
11/27/2019	7/1/2033	5.00%	369,045	334,635
	Subtotal			519,040
	Unamortized premiums			62,422
	Unamortized discounts			—
	Current portion			(52,425)
	Total PFC Bonds			529,037
4/2/2013	7/1/2029	5.00%	70,965	60,675
06/30/2021	7/1/2027	5.00%	125,310	125,310
	Subtotal			185,985
	Unamortized premiums			24,827
	Current portion			(5,535)
	Total Junior Subordinate Lien and Jet A Bonds			205,277
2/26/2008	7/1/2027	variable	43,105	43,105
4/2/2013	7/1/2033	5.00%	32,915	32,915
	Subtotal			76,020
	Unamortized premiums			2,493
	Total General Obligation Bonds			78,513
	Imputed debt from termination of hedges			1,962
Total long-term debt				$ 2,914,766

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

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

June 30, 2020

Series		Purpose	Pledged Revenue
Senior Lien Bonds	2010C	Issued to fund the construction of Terminal 3	Airport System Revenue
	2015A	Refunded Series 2005A	Airport System Revenue
	2019B	Refunded Series 2009B	Airport System Revenue
	2019C	Refunded Series 2010D	Airport System Revenue
Subordinate Lien Bonds	2008A2	Refunded Series 2006 B1	Airport System Revenue
	2008B2	Refunded Series 2006 B1	Airport System Revenue
	2008C1*		Airport System Revenue
	2008C2*	*Refunded Series 2005 C1A, Series 2005 C1B, Series 2005	Airport System Revenue
	2008C3*	C2, Series 2005 C3, Series 2005 D1, Series 2005 D2, Series	Airport System Revenue
	2008D1*	2005 E1, Series 2005 E2, Series 2005 E3	Airport System Revenue
	2008D2*		Airport System Revenue
	2008D3	Refunded Series 2001C	Airport System Revenue
	2014A1	Refunded Series 2004 A1and Series 2004 A2	Airport System Revenue
	2014A2	Refunded Series 2004 A1and Series 2004 A2	Airport System Revenue
	2017A1	Refunded Series 2007 A1	Airport System Revenue
	2017A2	Refunded Series 2007 A1	Airport System Revenue
	2019A	Refunded Series 2009C	Airport System Revenue
	2019D	Refunded Series 2010B	Airport System Revenue
Subordinate Lien Bonds from Direct Placements	*2017D*	Refunded 2011B2	Airport System Revenue
PFC Bonds	2012B PFC	Refunded Series 1998A	Passenger Facility Charge Revenue
	2015C PFC	Refunded Series 2007	Passenger Facility Charge Revenue
	2017B PFC	Refunded Series 2007 A1Bonds and funded a new debt service reserve fund for the Series 2017B Bonds	Passenger Facility Charge Revenue
	2019E PFC	Refunded Series 2010A PFC	Passenger Facility Charge Revenue
Junior Subordinate Lien and Jet A Bonds	2013A	Refunded Series 2003C	Jet Aviation Fuel Tax Revenue
	2017C	Refunded Series 2015B	Airport System Revenue
	2018A	Refunded Series 2014B	Airport System Revenue
General Obligation Bonds	2008A	Refunded Series 2003A	Airport System Revenue
	2013B	Refunded Series 2003B	Airport System Revenue

Issue Date	Maturity Date	Interest Rate	Original Issue	June 30, 2020
2/23/2010	7/1/2045	6.82%	$ 454,280	$ 454,280
4/30/2015	7/1/2040	5.00%	59,915	59,915
7/1/2019	7/1/2042	5.00 %	240,800	240,800
11/27/2019	7/1/2021	5.00%	70,510	70,510
	Subtotal			825,505
	Unamortized premiums			63,991
	Current portion			(46,875)
	Total Senior Lien Bonds			842,621
6/26/2008	7/1/2022	weekly variable rate **	50,000	26,760
6/26/2008	7/1/2022	weekly variable rate **	50,000	26,785
3/19/2008	7/1/2040	weekly variable rate **	122,900	122,900
3/19/2008	7/1/2029	weekly variable rate **	71,550	59,900
3/19/2008	7/1/2029	weekly variable rate **	71,550	59,900
3/19/2008	7/1/2036	weekly variable rate **	58,920	50,870
3/19/2008	7/1/2040	weekly variable rate **	199,605	199,605
3/19/2008	7/1/2029	weekly variable rate **	122,865	120,395
4/8/2014	7/1/2024	4.00%- 5.00%	95,950	16,710
4/8/2014	7/1/2036	4.00%- 5.00%	221,870	221,870
4/25/2017	7/1/2022	4.00%- 5.00%	65,505	43,125
4/25/2017	7/1/2040	5.00%	47,800	47,800
7/1/2019	7/1/2026	5.00 %	107,530	107,530
11/27/2019	7/1/2032	5.00 %	296,155	296,155
12/6/2017	7/1/2022	monthly variable rate †	92,465	53,565
	Subtotal			1,453,870
	Unamortized premiums			77,920
	Unamortized discounts			(10,059)
	Current portion			(64,920)
	Total Subordinate Lien Bonds			1,456,811
7/2/2012	7/1/2033	5.00%	64,360	59,830
7/22/2015	7/1/2027	5.00%	98,965	88,500
4/25/2017	7/1/2025	3.25%- 5.00%	69,305	58,980
11/27/2019	7/1/2033	5.00%	369,045	369,045
	Subtotal			576,355
	Unamortized premiums			74,769
	Unamortized discounts			
	Current portion			(57,315)
	Total PFC Bonds			593,809
4/2/2013	7/1/2029	5.00%	70,965	65,945
6/29/2017	7/1/2018	5.00%	146,295	146,295
6/29/2018	7/1/2021	5.00%	95,545	95,545
	Subtotal			307,785
	Unamortized premiums			11,397
	Current portion			(5,270)
	Bonds			313,912
2/26/2008	7/1/2027	weekly variable rate **	43,105	43,105
4/2/2013	7/1/2033	5.00%	32,915	32,915
	Subtotal			76,020
	Unamortized premiums			2,734
	Total General Obligation Bonds			78,754
	Imputed debt from termination of hedges			3,923
Total long-term debt				$ 3,289,830

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

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

(f) Schedule of Pledged Revenues

The following is a comparison of the pledged Department revenues recognized during the years ended June 30, 2021 and 2020 to the principal and interest requirements for the liens directly collateralized by those revenues (in thousands):

	2021	2020
Net operating revenues	180,095	211,591
Non-operating revenues available for debt service		
CARES Act Airport Grant	147,193	48,657
CRRSA Act Grant	36	—
BABs interest subsidy	10,226	10,204
Reimbursement from County funds	—	6,288
Interest income	3,096	16,801
Total revenues pledged for debt service	$ 340,646	$ 293,541
Less: Senior lien debt service	(70,836)	(96,882)
Total revenues pledged for Subord. lien debt service	$ 269,810	$ 196,659
PFC revenue	58,899	70,640
PFC fund interest (loss) income	(846)	4,563
Total PFC revenues pledged for Subordinate lien PFC bonds	$ 58,053	$ 75,203
Total revenues pledged for Subord. lien debt service including total PFC revenues	$ 327,863	$ 271,862
Subordinate lien PFC bond debt service	(78,328)	(90,595)
Subordinate lien bond debt service	(131,766)	(120,135)
Total Subordinate lien (including PFC bonds) debt service	$ (210,094)	$ (210,730)
Total revenue pledged for debt service after payment of Senior and Subordinate liens	$ 117,769	$ 61,132
Jet A fuel tax revenue	8,242	9,676
Jet A fund interest income	—	1,552
Total Jet A fuel tax revenues pledged for Jet A bonds	$ 8,242	$ 11,228
Jet A tax bond debt service	(8,569)	(8,567)
Total revenue pledged for debt service after payment of Senior, Subordinate, and Jet A fuel tax liens	$ 117,442	$ 63,793
Junior Subordinate lien notes debt service	(12,092)	(12,092)
General obligation bonds debt service*	(1,903)	(2,382)

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

(g) Schedule of Debt Principal and Interest

Principal and interest payments on debt at June 30, 2021, are as follows (in thousands):

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Fiscal Year Ended June 30,	Total		Senior Lien Bonds		Subordinate Lien Bonds **	
	Principal	Interest	Principal	Interest *	Principal	Interest
2022	$ 335,290	$ 115,381	$ 23,635	$ 46,609	$ 233,895	$ 36,278
2023	180,605	$ 113,488	—	46,018	95,735	35,218
2024	167,630	$ 105,792	—	46,018	85,900	31,392
2025	156,325	$ 98,498	—	46,018	89,565	28,026
2026	153,785	$ 92,379	—	46,018	92,465	25,084
2027-2031	702,395	$ 377,604	62,130	224,064	315,290	96,396
2032-2036	545,420	$ 259,869	96,815	202,926	331,160	48,159
2037-2041	379,625	$ 170,664	197,230	161,757	182,395	8,907
2042-2046	398,820	$ 79,172	398,820	79,172	—	—
Total	$ 3,019,895	$ 1,412,847	$ 778,630	$ 898,599	$ 1,426,405	$ 309,460

** Subordinate Lien Bonds from Direct Placements are excluded from these figures and presented separately.

Subordinate Lien Bonds from Direct Placements		PFC		Jet A Fuel Tax Bonds Bond Anticipation Notes		General Obligation Bonds	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
$ 19,800	$ 192	$ 52,425	$ 24,589	$ 5,535	$ 6,046	$ —	$ 1,667
14,015	56	55,045	21,902	15,810	8,627	—	1,667
—	—	57,795	19,081	23,935	7,634	—	1,667
—	—	41,685	16,378	25,075	6,408	—	1,667
—	—	35,125	14,484	26,195	5,127	—	1,667
—	—	183,495	42,608	89,435	6,516	52,045	8,020
—	—	93,470	7,162	—	—	23,975	1,622
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
$ 33,815	$ 249	$ 519,040	$ 146,205	$ 185,985	$ 40,357	$ 76,020	$ 17,978

(h) Deferred Outflows of Resources Related to Debt

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

Such deferred outflows are as follows at June 30, 2021 and 2020 (in thousands):

	2021	2020
2008 Series A-2	$ —	$ 1
2008 Series A	417	486
2008 Series B-2	—	1
2008 Series C	482	881
2008 Series D-2	8,518	9,201
2008 Series D-3	504	581
2012 Series B	407	855
2013 Series B	44	59
2014 Series A-2	2,355	2,577
2015 Series C	1,892	2,406
2019 Series E	2,704	3,189
Total unamortized losses on refunded bonds	17,323	20,236
Deferred losses on imputed debt	1,962	3,923
Total other deferred costs	$ 19,285	$ 24,159

(i) Deferred Inflows of Resources Related to Debt

The following schedule details the unamortized gains on bond refundings, presented as deferred inflows, at June 30 2021 and 2020 (in thousands):

	2021	2020
2008 Series D-1	$ 25	$ 32
2013 Jet A Fuel Tax Series A	295	619
2014 Series A-1	248	366
2015 Series A	804	851
2017 Series A-1	187	578
2017 Series A-2	1,629	1,720
2017 Series B PFC	593	872
2019 Series A	1,999	2,604
2019 Series C	—	600
2019 Series D	2,344	2,839
Total unamortized gains on refunded bonds	$ 8,124	$ 11,082

9.) DERIVATIVE INSTRUMENTS – INTEREST RATE SWAPS

(a) Interest Rate Swaps

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

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

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

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

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

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

The initial notional amounts and outstanding notional amounts of all active swaps, as well as the breakout of floating-to-fixed swaps, basis swaps, and fixed-to-fixed swaps as of June 30, 2021 and 2020, are summarized as follows (in thousands):

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Swap #		Interest Rate Swap Description	Associated Variable Rate Bonds or Amended Swaps	County Pays	County Receives
02		Basis Swap	N/A	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.410%
04		Basis Swap	N/A	SIFMA Swap Index	68.0% of USD LIBOR + 0.435%
07A	‡	Floating-to-Fixed	2008 A-2	4.3057% to 7/2017, 0.2500% to maturity	64.7% of USD LIBOR + 0.280%
07B	‡	Floating-to-Fixed	2008 B-2, 2017 D	4.3057% to 7/2017, 0.2500% to maturity	64.7% of USD LIBOR + 0.280%
08A		Floating-to-Fixed	2008C	4.0000% to 7/2015, 3.0000% to maturity	82.0% of 10 year CMS - 0.936%
08B		Floating-to-Fixed	2008C	4.0000% to 7/2015, 3.0000% to maturity	82.0% of 10 year CMS - 0.936%
08C		Floating-to-Fixed	2008C	4.0000% to 7/2015, 3.0000% to maturity	82.0% of 10 year CMS - 0.936%
09A		Floating-to-Fixed	2008 D-1	5.0000% to 7/2015, 1.2100% to maturity	82.0% of 10 year CMS - 1.031%
09B		Floating-to-Fixed	2008 D-1	5.0000% to 7/2015, 1.2100% to maturity	82.0% of 10 year CMS - 1.031%
09C		Floating-to-Fixed	2008 D-1	5.0000% to 7/2015, 1.2100% to maturity	82.0% of 10 year CMS - 1.031%
10B		Floating-to-Fixed	2008 D-2A, 2008 D-2B	4.0030% to 7/2015, 2.2700% to maturity	62.0% of USD LIBOR + 0.280%
10C		Floating-to-Fixed	2008 D-2A, 2008 D-2B	4.0030% to 7/2015, 2.2700% to maturity	62.0% of USD LIBOR + 0.280%
12A	**	Floating-to-Fixed	2008C, 2008 D-3, 2008A GO	5.6260% to 7/2017, 0.2500% to maturity	64.7% of USD LIBOR + 0.280%

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

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

Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Counterparty Ratings Moody's	S&P	Fitch	Outstanding Notional June 30, 2021	June 30, 2020
8/23/2001	7/1/2036	$ 185,855	Citigroup Financial Products Inc.	A3	BBB+	A	$ 63,888	$ 64,409
7/1/2003	7/1/2025	200,000	Citigroup Financial Products Inc.	A3	BBB+	A	71,815	83,431
7/1/2008	7/1/2022	150,000	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	50,675	80,275
7/1/2008	7/1/2022	150,000	UBS AG	Aa3	A+	AA-	50,725	80,350
3/19/2008	7/1/2040	151,200	Citigroup Financial Products Inc.	A3	BBB+	A	131,250	135,575
3/19/2008	7/1/2040	31,975	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	27,750	28,650
3/19/2008	7/1/2040	31,975	UBS AG	Aa3	A+	AA-	27,750	28,650
3/19/2008	7/1/2036	41,330	Citigroup Financial Products Inc.	A3	BBB+	A	34,140	35,680
3/19/2008	7/1/2036	8,795	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	7,265	7,595
3/19/2008	7/1/2036	8,795	UBS AG	Aa3	A+	AA-	7,265	7,595
3/19/2008	7/1/2040	29,935	JPMorgan Chase Bank, N.A.	Aa2	A+	AA	29,935	29,935
3/19/2008	7/1/2040	29,935	UBS AG	Aa3	A+	AA-	29,935	29,935
7/1/2009	7/1/2026	200,000	Citigroup Financial Products Inc.	A3	BBB+	A	200,000	200,000
	Total	$ 1,219,795					$ 732,394	$ 812,080

(b) Derivative Instruments

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

The following are the fair values and changes in fair values of the Department's interest rate swap agreements for the fiscal years ended June 30, 2021 and 2020 (in thousands):

		Fair Value and Classifications as of June 30, 2021		Changes in Fair Value for the Twelve Months Ended June 30, 2021		
Swap #	Description	Derivative Instrument Classification	Fair Value	Increase (Decrease) in Deferred Inflows	Increase (Decrease) in Deferred Outflows	Net Change in Fair Value
Hedging derivative instruments						
07A ‡	Floating-to-Fixed Interest Rate Swap	Non-current liability	$ (129)		$ (321)	$ 321
07B ‡	Floating-to-Fixed Interest Rate Swap	Non-current liability	(147)		(350)	350
10B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(3,905)	—	(2,175)	2,175
10C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(3,905)	—	(2,175)	2,175
12A **	Floating-to-Fixed Interest Rate Swap	Non-current asset	2,285	1,080	—	1,080
Total hedging derivative instrument activities			(5,799)	$ 1,080	$ (5,022)	6,102
				Gain (loss) on Investment	Deferral Included in Gain (loss)	
Investment derivative instruments						
2	Basis Rate Swap	Non-current liability	(497)	290	—	290
4	Basis Rate Swap	Non-current asset	546	(169)	—	(169)
08A	Floating-to-Fixed Interest Rate Swap	Non-current liability	(25,879)	11,983	—	11,983
08B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(5,475)	2,535	—	2,535
08C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(5,475)	2,535	—	2,535
09A	Floating-to-Fixed Interest Rate Swap	Non-current liability	(1,349)	2,177	—	2,177
09B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(287)	463	—	463
09C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(287)	463	—	463
Total investment derivative instrument activities			(38,703)	20,276	—	20,276
Total			$ (44,502)			$ 26,378

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

		Fair Value and Classifications as of June 30, 2020		Changes in Fair Value for the Twelve Months Ended June 30, 2020		
Swap #	Description	Derivative Instrument Classification	Fair Value	Increase (Decrease) in Deferred Inflows	Increase (Decrease) in Deferred Outflows	Net Change in Fair Value
Hedging derivative instruments						
07A ‡	Floating-to-Fixed Interest Rate Swap	Non-current asset	$ (450)	$ (553)		$ (553)
07B ‡	Floating-to-Fixed Interest Rate Swap	Non-current asset	(497)	(962)		(962)
10B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(6,080)		3,142	(3,142)
10C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(6,080)		3,142	(3,142)
12A**	Floating-to-Fixed Interest Rate Swap	Non-current asset	1,205	(9,345)		(9,345)
Total hedging derivative instrument activities			$ (11,902)	$ (10,860)	$ 6,284	$ (17,144)
				Gain (loss) on Investment	Deferral Included in Gain (loss)	
Investment derivative instruments						
02	Basis Rate Swap	Non-current liability	(787)	(363)	—	(363)
04	Basis Rate Swap	Non-current asset	715	(417)	—	(417)
08A	Floating-to-Fixed Interest Rate Swap	Non-current liability	(37,862)	(11,775)	—	(11,775)
08B	Floating-to-Fixed Interest Rate Swap	Non-current liability	(8,010)	(2,492)	—	(2,492)
08C	Floating-to-Fixed Interest Rate Swap	Non-current liability	(8,010)	(2,492)	—	(2,492)
09A	Floating-to-Fixed Interest Rate Swap	Non-current asset	(3,526)	(2,788)	—	(2,788)
09B	Floating-to-Fixed Interest Rate Swap	Non-current asset	(750)	(593)	—	(593)
09C	Floating-to-Fixed Interest Rate Swap	Non-current asset	(750)	(593)	—	(593)
Total investment derivative instrument activities			(58,980)	$ (21,513)	$ —	(21,513)
Total			$ (70,882)			$ (38,657)

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

** On December 19, 2018, swaps #14A and 14B were terminated. Upon the termination, the $47.5 million in notional amount of swap #12A was re-associated to 2008D-3 Bonds from swap #14A while $29.1 million and $0.4 million in notional amounts of swap #12A were re-associated to 2008A General Obligation Bonds and 2008C Bonds, respectively, from swap #14B. Notional amounts of swaps #14A and #14B associated to 2008D-2A, 2008-D2B, and 2010F-2 PFC were not re-associated with other active hedged swaps as of the termination date.

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

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

On December 19, 2018, the Department fully terminated swaps #14A, #14B, #15, #16, and #18, causing a reduction in outstanding notional value of $442.4 million, from $1,333.3 million to $890.9 million. The transaction closing resulted in a net termination payment of $5.2 million. The Department executed this transaction to lower overall swap exposure, reduce interest rate risk, increase cash flow, and reduce debt service. Upon completion of the termination, the $47.5 million in notional amount of swap #12A was re-associated to 2008D-3, from swap #14. Additionally, $29.1 million and $50.0 million in notional amounts from swap #12A were re-associated to 2008A General Obligation Bonds and 2008C Bonds, respectively, from swap #14B. Notional amounts of swaps #14A and #14B, associated to 2008D-2A, 2008D-2B, and 2010F-2 PFC Bonds, were not associated with other active hedged swaps as of the termination date.

(c) Hedging Derivative Instruments

As of June 30, 2021 and 2020, the Department had five outstanding floating-to-fixed interest rate swap agreements considered to be hedging derivative instruments in accordance with the provisions of GASB 53. The five outstanding hedging swaps have been structured with step-down coupons to reduce the cash outflows of the fixed leg of those swaps in the later years of the swap.

Forward Starting Swap Agreements – Hedging Derivative Instruments

On January 3, 2006, the Department entered into five swap agreements (swaps #7A, #7B, #12A, #12B, and #13) to hedge future variable rate debt as a means to lower its borrowing costs and to provide favorable synthetically fixed rates for financing the construction of Terminal 3 and other related projects. Swaps #7A and #7B, with notional amounts of $150.0 million each, became effective July 1, 2008, while swaps #12A and #12B, with notional amounts totaling $550.0 million, became effective July 1, 2009. To better match its outstanding notional of floating-to-fixed interest rate swaps to the cash flows associated with its outstanding variable rate bonds, on April 6, 2010, the

Department terminated $543.3 million in notional amounts of its outstanding floating-to-fixed interest rate swaps (swaps #3, #5, #10A, and #11) and $150.0 million in the notional amount of the July 1, 2010, forward starting swap #13. On April 17, 2007, the Department entered into two additional forward starting swaps, swaps #14A and #14B, with notional amounts totaling $275.0 million, which became effective on July 1, 2011, and the Department later re-associated the investment component of each of swap derivative instruments #14A and #14B with variable rate bonds. Swaps #14A and #14B were subsequently terminated on December 19, 2018.

Notional Amounts and Fair Values - Hedging Derivative Instruments

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

Due to an overall decrease in variable rates, one of the Department's hedging derivative instruments had a positive fair value as of June 30, 2021 and 2020, respectively.

Associated Debt Cash Flows - Hedging Derivative Instruments

The following are the net cash flows for the Department's hedging derivative instruments for the years ended June 30, 2021 and 2020 (in thousands):

	Interest Rate Swap	Associated	Counterparty Swap Interest			Interest to Bondholders	Net Interest Payments	
Swap #	Description	Variable Rate Bonds	(Pay)	Receive	Net	(Pay)	2021	2020
07A	Floating-to-Fixed	2008 A-2	$ (1,848)	$ 2,184	$ 336	$ (644)	$ (309)	$ (240)
07B *	Floating-to-Fixed	2008 B-2, 2017D	—	335	335	(605)	(270)	(292)
10B	Floating-to-Fixed	2008 D-2A, 2008 D-2B	(735)	257	(477)	(326)	(803)	(1,350)
10C	Floating-to-Fixed	2008 D-2A, 2008 D-2B	(477)	—	(477)	(326)	(803)	(1,350)
12A **	Floating-to-Fixed	2008A GO, 2008C, 2008 D-3	(5,876)	6,762	886	(1,162)	(277)	(38)
			$ (8,936)	$ 9,538	$ 602	$ (3,064)	$ (2,462)	$ (3,269)

* On December 6, 2017, the Series 2011B-2 Bonds were refunded by the issuance of Series 2017D Bonds and therefore re-associating $92.5 million in notional of swap #07B with 2017D Bonds.

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

Credit Risk - Hedging Derivative Instruments

The Department was exposed to credit risk on the one hedging derivative instrument that had a positive fair value totaling $2.3 million as of June 30, 2021. However, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The following are the hedging swaps and their amounts at risk as of June 30, 2021, along with the counterparty credit ratings for these swaps (in thousands):

Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings: Moody's	S&P	Fitch	Credit Risk Exposure
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	A3	BBB+	A	$ 2,285

The Department was exposed to credit risk on one hedging derivative instrument that had a positive fair value totaling $1.2 million as of June 30, 2020. However, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The following are the hedging swaps and their amounts at risk as of June 30, 2018, along with the counterparty credit ratings for these swaps (in thousands):

Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings: Moody's	S&P	Fitch	Credit Risk Exposure
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	A3	BBB+	A	1,205

The counterparty to swap #12A is required to post collateral pursuant to the terms of the ISDA CSA Agreement, given that the credit rating of this counterparty declined to the rating threshold defined in the ISDA CSA Agreement. As of June 30, 2021 and 2020, the cash collateral posted with the custodian for Swap #12A was $2.5 million and $2.1 million, respectively.

Basis and Interest Rate Risk – Hedging Derivative Instruments

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

Tax Policy Risk – Hedging Derivative Instruments

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

Termination Risk – Hedging Derivative Instruments

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

Market Access Risk - Hedging Derivative Instruments

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

Foreign Currency Risk - Hedging Derivative Instruments

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

Rollover Risk and Other Risks – Hedging Derivative Instruments

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

d) Investment Derivative Instruments

Credit Risk - Investment Derivative Instruments

The Department was exposed to credit risk on the investment derivative instruments that had positive fair value totaling $0.5 million as of June 30, 2021, and $0.7 million as of June 30, 2020. A CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The investment swaps and their amounts at risk as of June 30, 2021, along with the counterparty credit ratings for these swaps, are as follows (in thousands):

Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
04	Basis Swap	Citigroup Financial Products Inc.	A3	BBB+	A	$ 546

The investment swaps and their amounts at risk as of June 30, 2020, along with the counterparty credit ratings for these swaps, are as follows (in thousands):

Swap #	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
04	Basis Swap	Citigroup Financial Products Inc.	A3	BBB+	A	$ 715

Interest Rate Risk – Investment Derivative Instruments

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

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

(e) Projected Maturities and Interest on Variable Rate Bonds, Bond Anticipation Notes, and Swap Payments

Using the rates in effect on June 30, 2021, the approximate maturities and interest payments of the Department's variable rate debt and bond anticipation notes associated with the interest rate swaps, as well as the net payment projections on the floating-to-fixed interest rate swaps, are as follows (in thousands):

Due for the Fiscal Year Ended June 30,	Variable Rate Bonds Principal	Variable Rate Bonds Interest	Direct Placement Bonds Principal	Direct Placement Bonds Interest	Net Swap Payments	Total
2022	$ 29,130	$ 256	$ 19,800	$ 193	$ (850)	$ 48,529
2023	23,710	242	14,015	56	(705)	37,318
2024	10,055	233	—	—	(311)	9,977
2025	36,260	221	—	—	(32)	36,449
2026	34,035	201	—	—	(290)	33,946
2027-2031	216,045	750	—	—	(2,600)	214,195
2032-2036	159,940	462	—	—	(1,824)	158,578
2037-2041	172,220	161	—	—	(653)	171,728
Total	$ 681,395	$ 2,526	$ 33,815	$ 249	$ (7,265)	$ 710,720

10.) PAYMENTS TO CLARK COUNTY

The Department reimburses the County for providing the Airport System with fire services, police services, legal services, administrative services, and certain maintenance services based on the actual cost of those services. The total amounts billed for these services were $35.9 million and $36.0 million for the fiscal years ended June 30, 2021 and 2020, respectively.

11.) COMMITMENTS AND CONTINGENCIES

(a) Construction in Progress

As of June 30, 2021, the Department's management estimates that future expenditures which have been committed through execution of construction contracts will require an additional outlay of approximately $55.1 million to bring those projects to completion.

(b) Litigation and Claims

General Litigation

The Department, through the County, is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. The opinion of County management, based on the advice of the County Attorney, is that the outcome of such claims will not have a material adverse effect on the Department's financial position, results of operations or liquidity at June 30, 2021.

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. Cases of note are as follows:

U.S. Department of Justice v. Nevada Links and Clark County

Clark County ("County") was served with a lawsuit filed by the United States Department of Justice regarding a modification to a 1999 lease that the County entered into involving land that is subject to the Southern Nevada

Public Lands Management Act. The complaint alleges that a 2011 amendment impermissibly changed the rent structure in violation of the County's duty to obtain fair market value for the land. While the initial demand requests the present value of future rent, in the event of an adverse ruling, the County would likely be subject to back rent in the amount of approximately $12.0 million. Alternatively, the complaint seeks rescission of the amendment, which would relieve the County of the back rent obligation. The County has no objection to rescission but is vigorously defending the claims for back rent. The current tenant, Nevada Links, is also a defendant in the litigation and may share responsibility for back rent payments.

On February 24, 2021, the United States District Court of Nevada issued an Order that granted Defendants Clark County and Nevada Links' motion for summary judgment and denied the Plaintiff's Motion for partial summary judgment. The Court entered judgment in favor of the Defendants due to Plaintiff's untimely filing of the case under 28 U.S.C. § 2415(a). The Court determined that the Plaintiff learned Nevada Links was paying below fair market rent to the County more than 6 years before Plaintiff filed suit. Therefore, the 28 USC § 2415 limitations clock started running once Plaintiff knew or should have known that Nevada Links was paying below fair market rent to the County.

On April 23, 2021, Plaintiff filed a notice of appeal to the US Court of Appeals, Ninth Circuit. On September 24, 2021, Appellants (U.S. Department of Justice) filed their opening brief. The County filed its answering brief before the October 25, 2021 deadline. Multiple attempts have been made to engage in settlement discussions with the parties, however, Nevada Links has indicated that they are not interested in any settlement discussions at this time. The ruling at the District Court level was favorable, but at this time the County is unable to predict the outcome of the dispute in the Ninth Circuit Court of Appeals.

12.) RENTALS AND OPERATING LEASES

The Department leases land, buildings, and terminal space to various tenants and concessionaires under operating agreements that expire at various times through 2099. Charges to air carriers are generated from terminal building rentals, gate use fees, and landing fees in accordance with the Agreement or with the provisions of the applicable County ordinance. Under the terms of these agreements, concession fees are based principally either on a percentage of the concessionaires' gross sales or a stated minimum annual guarantee, whichever is greater, or on other land and building rents that are based on square footage rental rates.

The Department received $196.7 million and $201.0 million in the years ended June 30, 2021 and 2020, respectively, for contingent rental payments in excess of the stated annual minimum guarantees.

The following is a schedule of minimum future rental income on non-cancelable operating leases as of June 30, 2021, for the upcoming fiscal years (in thousands):

	Minimum Future Rents	
2022	$	256,730
2023		259,867
2024		254,727
2025		249,054
2026		219,687
Thereafter		507,522

13.) RISK MANAGEMENT

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

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

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

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

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

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

Settled claims from these risks have not exceeded commercial insurance coverage during the past three years.

14.) AIRPORT LAND TRANSFERS

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

1. Valid existing rights;

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

3. Agreement that, if any land is sold, leased, or otherwise conveyed by the Department, such sale, lease, or other conveyance shall contain a limitation that requires uses be compatible with the Interim Cooperative Management Agreement and with Airport Noise Compatibility Planning provisions (14 C.F.R. Part 150); and

4. Agreement that, if any land is sold, leased, or otherwise conveyed by the Department, such sale, lease, or other conveyance shall be at fair market value. The Department contributes 85% of the gross proceeds from the sale, lease, or other conveyance of such land directly to the BLM for use in purchasing, improving, or developing other land for environmental purposes. The Department contributes 5% of the gross proceeds from the sale, lease, or other conveyance of such land directly to the State for use in its general education program. The remainder is available for use by the Department for the benefit of airport development and the Noise Compatibility Program.

Due to the uncertainty of any future benefit to the Department, a value has not been assigned to, nor was income reported relating to, land not yet sold or leased under the Southern Nevada Public Land Management Act of 1998. Gross proceeds from the sale and lease of CMA land for the years ended June 30, 2021 and 2020, were $105.3

million and $11.0 million, respectively. The Department's share of these proceeds were $10.5 million and $1.1 million for the years ended June 30, 2021 and 2020, respectively.

15.) SUBSEQUENT EVENTS

Subsequent to June 30, 2021, the following significant event occurred:

On July 1, 2021, the Department executed the payments for early redemption and payment of all outstanding aggregate principal plus accrued interest of the Series 2008 A-2 and Series 2008 B-2 Airport System Subordinate Lien Revenue bonds, and Series 2017 D Airport System Subordinate Lien Refunding Revenue Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

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

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Proportion of the Plan's collective net pension liability	$ 183,948	$ 178,360	$ 176,581	$ 170,398	$ 174,029
Proportionate share of the collective net pension liability	1.32%	1.31%	1.29%	1.28%	1.29%
Covered payroll	$ 94,690	$ 89,678	$ 85,678	$ 82,499	$ 78,305
Proportionate share of the collective net pension liability as a percentage of the covered payroll	194.26%	198.89%	206.10%	198.88%	222.25%
Plan's fiduciary net position	$ 46,735,117	$ 44,284,253	$ 41,431,687	$ 38,686,253	$ 35,002,029
Plan's fiduciary net position as a percentage of the total pension liability	77.00%	76.46%	75.24%	74.40%	72.20%

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

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

Changes in assumptions:

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

No significant changes in assumptions have been noted between the other plan valuation years.

FY 2016	FY 2015
$ 142,762	$ 130,301
1.25%	1.25%
$ 76,440	$ 73,355
186.76%	177.63%
$ 34,610,720	$ 33,575,081
75.10%	76.30%

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

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

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

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

Schedule of Changes in the Net Other Post Employment Benefit Plan Liability and Related Ratios
Last Ten Fiscal Years *
(in thousands)

	CCSF	CC RHPP	PEBP	Total
Total OPEB liability at June 30, 2017	$ 72,515	$ 13,535	$ 4,159	$ 90,209
Changes recognized for the fiscal year:				
Service cost	7,199	979	—	8,178
Interest	2,745	413	118	3,276
Differences between expected and actual experience	510	356	13	879
Changes in assumptions***	(11,662)	(993)	(384)	(13,039)
Benefit payments	(1,323)	(615)	(153)	(2,091)
Net change in total OPEB liability	(2,531)	140	(406)	(2,797)
Net change in plan's fiduciary net position**	(1,858)	N/A	N/A	(1,858)
Net OPEB liability at June 30, 2018	$ 68,126	$ 13,675	$ 3,753	$ 85,554
Covered-employee payroll †	$ 47,578	$ 32,721	N/A	80,299
Net OPEB liability as a percentage of covered-employee payroll	143.0%	42.0%	N/A	107.0%
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	20.1%	N/A	N/A	N/A

	CCSF	CC RHPP	PEBP	Total
Total OPEB liability at June 30, 2018	$ 68,126	$ 13,675	$ 3,753	$ 85,554
Changes recognized for the fiscal year:				
Service cost	6,992	991	—	7,983
Interest	2,993	522	138	3,653
Differences between expected and actual experience	(25,290)	6,043	104	(19,143)
Changes in assumptions***	(21,991)	(2,608)	(207)	(24,806)
Benefit payments	(441)	(206)	(165)	(812)
Net change in total OPEB liability	$ (37,737)	$ 4,742	$ (130)	$ (33,125)
Net change in plan's fiduciary net position**	$ (1,423)	N/A	N/A	$ (1,423)
Net OPEB liability at June 30, 2019	$ 28,966	$ 18,417	$ 3,623	$ 51,006
Covered-employee payroll †	$ 47,954	$ 34,607	N/A	82,561.144
Net OPEB liability as a percentage of covered-employee payroll	60.4%	53.2%	N/A	61.8%
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	39.1%	N/A	N/A	N/A

(continued on next page)

Schedule of Changes in the Net Other Post Employment Benefit Plan Liability and Related Ratios
Last Ten Fiscal Years *
(in thousands - continued from previous page)

	CCSF	CC RHPP	PEBP	Total
Total OPEB liability at June 30, 2019	$ 28,966	$ 18,417	$ 3,623	$ 51,006
Changes recognized for the fiscal year:				
Service cost	2,408	1,012	—	3,420
Interest	3,779	748	137	4,664
Differences between expected and actual experience	—	—	—	—
Changes in assumptions***	(7,468)	1,385	178	(5,905)
Benefit payments	(421)	(206)	(159)	(786)
Net change in total OPEB liability	(1,702)	2,939	156	1,393
Net change in plan's fiduciary net position**	(12,527)	N/A	N/A	(12,527)
Net OPEB liability at June 30, 2020	$ 14,737	$ 21,356	$ 3,779	$ 39,872
Covered-employee payroll †	$ 49,392	$ 35,645	N/A	85,037
Net OPEB liability as a percentage of covered-employee payroll	29.8%	59.9%	N/A	46.9 %
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	67.9%	N/A	N/A	N/A

	CCSF	CC RHPP	PEBP	Total
Total OPEB liability at June 30, 2020	$ 14,737	$ 21,356	$ 3,779	$ 39,872
Changes recognized for the fiscal year:				
Service cost	2,209	1,195	—	3,404
Interest	2,512	784	129	3,425
Differences between expected and actual experience	(8,565)	5,536	(1,793)	(4,822)
Changes in assumptions***	(13,857)	8,910	312	(4,635)
Benefit payments	(603)	(305)	(162)	(1,070)
Net change in total OPEB liability	(18,304)	16,120	(1,514)	(3,698)
Net change in plan's fiduciary net position**	(10,755)	N/A	N/A	(10,755)
Net OPEB (asset)	$ (14,322)	$ —	$ —	$ (14,322)
Net OPEB liability	$ —	$ 37,476	$ 2,265	$ 39,741
Net OPEB (asset) liability at June 30, 2021	$ (14,322)	$ 37,476	$ 2,265	$ 25,419
Covered-employee payroll †	$ 56,058	$ 93,443	N/A	149,501
Net OPEB liability as a percentage of covered-employee payroll	-25.5%	40.1%	N/A	14.6 %
Proportion of CCSF fiduciary net position as a percentage of CCSF total liability	4.0%	N/A	N/A	N/A

	2021	2020	2019	2018
	CCSF	CCSF	CCSF	CCSF
Beginning CCSF fiduciary net position	$ 31,120	$ 18,593	$ 17,170	$ 15,312
Changes in CCSF fiduciary net position recognized for the fiscal year				
Employer contributions	8,909	10,802	441	1,323
Employee contributions	—	—	—	—
Net investment income	2,450	2,150	1,423	1,859
Benefit payments	(603)	(421)	(441)	(1,323)
Administrative expense	(1)	(4)	—	(1)
Net change in CCSF fiduciary net position	10,755	12,527	1,423	1,858
Ending CCSF fiduciary net position	$ 41,875	$ 31,120	$ 18,593	$ 17,170

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

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

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

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

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

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

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

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

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

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

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

CCSF: The discount rate was updated from 5.26% at June 30, 2019 to 7.50% at June 30, 2020, based on the blending of the long-term expected return on assets of the plan and the municipal bond rate. The increase of discount rate was primarily due to the department's additional trust contribution during the measurement period.

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

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

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

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

	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018
	CCSF	CCSF	CCSF	CCSF
Required contribution (actuarially determined)	$ —	$ 3,318	$ 9,129	$ 8,313
Contributions in relation to the actuarially determined contributions	276	8,807	10,802	714
Contribution excess (deficiency)	$ 276	$ 5,489	$ 1,673	$ (7,599)
Covered-employee payroll †	$ 47,798	$ 56,058	$ 49,392	$ 47,954
Contributions as a percentage of covered-employee payroll	0.6%	15.7%	21.9%	1.5%

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

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

SUPPLEMENTARY INFORMATION

Schedule of Airport Revenue Bond Debt Service Coverage
For the Fiscal Years Ended June 30, 2021 and 2020
(in thousands)

	Reference	FY 2021	FY 2020
Operating revenue		$ 414,299	497,833
Operating expenses		(234,204)	(286,242)
Net operating revenues	(a)	180,095	211,591
CARES Act Airport Grant		147,193	48,657
CRRSA Act Grant		36	—
BABs Interest Subsidy		10,226	10,204
Reimbursement from County funds		—	6,288
Interest income		3,096	16,801
Net revenue available for debt service	(b)	$ 340,646	$ 293,541
Other available funds:			
Senior lien coverage	(c)	17,709	24,221
Subordinate lien coverage		13,177	12,014
Total other available funds for debt service	(d)	$ 30,886	$ 36,235
Net revenue and other available funds for debt service	(e)	371,532	329,776
PFC revenue		58,899	70,640
PFC fund interest (loss) income		(846)	4,563
Total PFC revenue	(f)	$ 58,053	$ 75,203
Senior lien debt service	(g)	70,836	96,882
Subordinate lien debt service	(h)	131,766	120,135
Subordinate PFC debt service paid with PFC revenue	(i)	58,053	75,203
Subordinate PFC debt service paid with PFC fund balance		20,275	15,392
Total subordinate PFC debt service		$ 78,328	$ 90,595
Coverage ratios			
Senior lien based on net revenues*	b/g	4.81	3.03
Senior lien including other available funds (1.25 required)	(b+c)/g	5.06	3.28
Subordinate lien after payment of senior lien*	(e-g)/h	2.28	1.94
Senior and subordinate lien including other available funds (1.10 required)	e/(g+h)	1.83	1.52
Subordinate PFC bonds*	f/i	1.00	1.00

*Provided for informational purposes only

Statistical Section

Overview of Information Provided in the Statistical Section

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

Financial trends:

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

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

Revenue Capacity:

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

- Summary of Operating Revenues
- Summary of Restricted Revenues

Debt Capacity:

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

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

Overview of Information Provided in the Statistical Section

Demographic and Economic Information:

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

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

Operating information:

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

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

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Schedule of Revenues, Expenses, and Changes in Net Position
Budget vs. Actual for the Fiscal Year Ended June 30, 2021
(With Comparative Totals for the Fiscal Year Ended June 30, 2020) (in thousands)

	FY 2021			FY 2020
	Budget	Actual	Variance	Actual
Operating Revenues				
Landing fees and other aircraft fees	$ 31,420	$ 30,837	$ (583)	$ 43,379
Gate use fees	15,840	26,410	10,570	28,430
Terminal concessions	41,542	31,603	(9,939)	58,999
Terminal building and use fees	167,500	177,677	10,177	188,664
Parking and ground transportation fees	43,136	46,580	3,444	59,221
Gaming fees	22,437	23,063	626	28,606
Rental car facility and concession fees	46,380	47,965	1,585	57,191
Ground rents and use fees	20,037	21,655	1,618	24,146
Other	2,925	8,509	5,584	9,197
Total Operating Revenue	391,217	414,299	23,082	497,833
Operating Expenses				
Salaries and wages	102,400	86,593	(15,808)	99,005
Employee benefits	49,700	43,207	(6,493)	52,415
Contracted and professional services	66,373	57,403	(8,970)	67,154
Repairs and maintenance	22,420	13,591	(8,829)	20,988
Utilities and communications	26,012	19,660	(6,352)	23,843
Materials and supplies	16,798	9,916	(6,882)	17,501
Administrative expenses	5,906	3,834	(2,072)	5,336
Total Operating Expenses	289,609	234,204	(55,406)	286,242
Operating income before depreciation	101,608	180,095	(78,487)	211,591
Depreciation/Amortization	192,000	192,025	25	190,649
Operating income or (loss)	(90,392)	(11,930)	(78,462)	20,942
Non-operating Revenues (Expenses)				
Passenger Facility Charge revenue	58,070	58,899	829	70,640
Jet A Fuel Tax	7,187	8,242	1,055	9,676
Interest and investment income	11,000	23,830	12,830	13,773
Interest expense	(166,830)	(98,366)	68,464	(122,953)
Capital contributions	15,000	20,626	5,626	23,030
Net gain (loss) from disposition of capital assets	300	(5,026)	(5,326)	76
Other non-operating revenue	10,200	10,226	26	16,972
CARES Act Airport Grant	95,000	147,193	52,193	48,657
Total non-operating revenues (expenses)	29,927	165,624	135,697	59,871
Change in net position	(60,465)	153,694	214,159	80,813
Net position, beginning of year	1,527,351	1,527,351	—	1,446,538
Net position, end of year	$ 1,466,886	$ 1,681,045	$ 214,159	$ 1,527,351

This schedule provides information on budget and actual figures for the current year and actual figures for the prior year for revenues, expenses, and changes in net position.

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

Fiscal Year	Operating Revenue	Percentage Increase/ (Decrease)	Operating Expenses	Percentage Increase/ (Decrease)	Income Before Depreciation	Percentage Increase/ Decrease	Depreciation and Amortization	Percentage Increase/ (Decrease)
2012	$ 355,411	(9.5%)	$ 223,106	2.6%	$ 132,305	(24.5)%	$ 137,052	0.7%
2013	496,572	39.7%	236,511	6.0%	260,061	96.6 %	199,528	45.6%
2014	507,055	2.1%	233,978	(1.1%)	273,077	5.0 %	198,247	(0.6%)
2015	521,729	2.9%	235,937	0.8%	285,792	4.7 %	198,672	0.2%
2016	540,200	3.5%	241,158	2.2%	299,042	4.6 %	197,738	(0.5%)
2017	550,612	1.9%	255,386	5.9%	295,226	(1.3)%	195,035	(1.4%)
2018	559,319	1.6%	271,873	6.5%	287,446	(2.6)%	191,840	(1.6%)
2019	565,873	1.2%	280,001	3.0%	285,872	(0.5)%	190,874	(0.5%)
2020	497,833	(12.0%)	286,242	2.2%	211,591	(26.0)%	190,649	(0.1%)
2021	414,299	(16.8%)	234,204	(18.2%)	180,095	(14.9)%	192,025	0.7%

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

Operating Income (loss)	Percentage Increase/ (Decrease)	Non-Operating Income (Expense)	Percentage Increase/ (Decrease)	Income (loss) before Capital Contributions	Percentage Increase/ (Decrease)	Capital Contributions	Percentage Increase/ (Decrease)	Change in Net Position	Percentage Increase/ (Decrease)
$ (4,747)	(112.1)%	$ (162,232)	533.8 %	$ (166,979)	(1336.9)%	$ 36,752	119.3 %	$ (130,227)	(530.3)%
60,533	(1375.2)%	(93,200)	(42.6)%	(32,667)	(80.4)%	10,467	(71.5)%	(22,200)	(83.0)%
74,830	23.6 %	(132,746)	42.4 %	(57,916)	77.3 %	9,794	(6.4)%	(48,122)	116.8 %
87,120	16.4 %	(81,794)	(38.4)%	5,326	(109.2)%	30,013	206.4 %	35,339	(173.4)%
101,304	16.3 %	(99,021)	21.1 %	2,283	(57.1)%	19,222	(36.0)%	21,505	(39.1)%
100,191	(1.1)%	(50,288)	(49.2)%	49,903	2085.9 %	49,276	156.4 %	99,179	361.2 %
95,606	(4.6)%	(27,476)	(45.4)%	68,130	36.5 %	7,517	(84.7)%	75,647	(23.7)%
94,998	(0.6)%	(34,064)	24.0 %	60,934	(10.6)%	22,281	196.4 %	83,215	10.0 %
20,942	(78.0)%	36,841	(208.2)%	57,783	(5.2)%	23,030	3.4 %	80,812	(2.9)%
(11,930)	(157.0)%	144,998	293.6 %	133,068	130.3 %	20,626	(10.4)%	153,694	90.2 %

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

Fiscal Year	Net Investment in Capital	Restricted for Capital	Restricted for Debt Service	Restricted for Other	Unrestricted Net Position	Total Net Position
2012	$ 920,794	$ 29,105	$ 191675	$ 50,240	$ 186,131	$ 1,377,945
2013	860,622	34,861	152,972	63,631	243,659	1,355,745
2014	775,098	37,846	166,940	75,182	252,557	1,307,623
2015	666,778	64,783	181,526	76,906	198,861	1,188,854
2016	619,109	59,445	242,817	76,349	212,639	1,210,359
2017	714,945	66,129	212,012	82,120	234,332	1,309,538
2018	668,209	84,356	264,923	84,077	261,758	1,363,323
2019	701,267	124,317	316,042	89,152	215,760	1,446,538
2020	937,167	75,802	279,634	65,761	168,987	1,527,351
2021	952,104	38,693	280,300	80,646	329,302	1,681,045

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

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

Fiscal Year	Total	Salaries and Benefits	Professional Services	Utilities	Repairs, Supplies, and Maintenance	Insurance	Administrative
2012	223,106	111,195	51,900	20,970	34,230	2,283	2,528
2013	236,511	118,701	56,372	23,001	33,461	2,529	2,447
2014	233,978	117,903	54,205	24,404	32,145	2,579	2,742
2015	235,937	120,067	52,610	25,666	32,770	2,467	2,357
2016	241,158	121,697	54,687	24,338	34,020	2,395	4,021
2017	255,386	134,420	56,667	22,779	36,135	2,283	3,102
2018	271,873	139,783	59,937	24,128	40,001	2,007	6,017
2019	280,001	141,060	65,115	23,946	44,440	2,364	3,076
2020	286,242	151,420	67,154	23,843	38,489	2,075	3,261
2021	234,204	129,800	57,403	19,660	23,507	2,346	1,488

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

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

Fiscal Year	Passenger Facility Charges	Jet A Fuel Tax Revenue	Interest and Investment Income	Interest Expense	Other Non-Operating Income	Gain/(Loss) from Disposition of Assets	Total Non-operating Income/ (Expense)
2012	$ 79,648	$ 7,425	$ (59,272)	$ (175,102)	$ 18,069	$ (33,000)	$ (162,232)
2013	79,933	11,268	48,248	(249,325)	17,283	(607)	(93,200)
2014	79,524	10,389	(8,927)	(230,690)	16,768	190	(132,746)
2015	83,921	10,542	6,813	(210,002)	16,750	10,182	(81,794)
2016	89,567	11,337	(16,977)	(199,850)	16,840	62	(99,021)
2017	90,793	12,050	29,355	(199,267)	16,822	(41)	(50,288)
2018	94,597	11,795	12,807	(164,486)	16,986	825	(27,476)
2019	96,783	11,979	188	(160,194)	16,948	232	(34,064)
2020	70,640	9,676	13,773	(122,953)	65,629	76	36,841
2021	58,899	8,242	23,829	(98,366)	157,419	(5,026)	144,997

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

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

		Rentals and Fees				Concessions				Other
Fiscal Year	Total Operating Revenue	Landing Fees	Aircraft Fees	Building Rentals	Land Rentals	Ground Transportation	Gaming	Terminal Concessions	Parking Fees	Misc.
2012	$ 355,412	$ 38,460	$ 6,459	$ 130,080	$ 18,817	$ 43,372	$ 25,719	$ 56,550	$ 28,778	$ 7,177
2013	496,572	53,451	5,997	248,211	20,119	45,049	23,865	62,047	30,540	7,293
2014	507,055	54,924	6,298	242,847	21,605	47,545	25,566	65,910	33,704	8,656
2015	521,729	54,342	6,575	249,505	22,122	50,650	27,657	66,586	36,034	8,258
2016	540,200	50,905	6,715	261,708	22,020	54,873	29,516	67,009	38,852	8,602
2017	550,612	48,833	7,055	257,963	22,849	60,510	34,410	71,153	38,616	9,223
2018	559,319	43,683	7,338	252,938	25,019	62,827	36,051	75,478	39,002	16,983
2019	565,873	43,557	8,337	257,824	25,303	66,920	37,395	75,843	40,759	9,935
2020	497,833	36,253	7,126	246,983	24,146	52,132	28,606	58,999	34,392	9,197
2021	414,299	25,579	5,258	227,827	21,655	38,651	23,063	31,603	32,153	8,510

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

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

Fiscal Year	Jet A Fuel Tax Revenue	Jet A Fuel Tax Per Enplaned Passenger	Passenger Facility Charges	PFC Per Enplaned Passenger
2012	$ 7,425	0.35	$ 79,648	$3.80
2013	11,268	0.54	79,933	3.83
2014	10,389	0.49	79,524	3.75
2015	10,542	0.48	83,921	3.84
2016	11,337	0.49	89,567	3.84
2017	12,050	0.5	90,793	3.79
2018	11,795	0.48	94,597	3.85
2019	11,979	0.47	96,783	3.84
2020	9,676	0.51	70,640	3.71
2021	8,242	0.63	58,899	4.47

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

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

Fiscal Year	(a) Total Revenue Available for Senior Debt Service	(b) Total Revenue Available for Subordinate Debt Service	(c) Less: Operating and Maintenance Expenses	(d) (a) minus (c) Net Revenue Available for Senior Debt Service	(e) (b) minus (c) Net Revenue Available for Subordinate Debt Service	(f) Senior Debt Service	(d)/(f) Senior Lien Coverage (1.25 Required*)	(g) Subordinate Lien Debt Service	(e)/(f+g) Senior and Subordinate Lien Coverage (1.10 Required*)
2012	$ 368,951	$ 373,156	$ 223,106	$ 145,845	$ 150,050	$ 31,670	4.61	$ 42,053	2.04
2013	532,135	547,115	236,511	295,624	310,604	71,102	4.16	149,804	1.41
2014	543,229	557,773	233,978	309,251	323,795	70,559	4.38	145,442	1.50
2015	560,237	572,092	235,937	324,300	336,155	79,533	4.08	118,553	1.70
2016	580,171	594,208	241,158	339,013	353,050	75,401	4.50	140,369	1.64
2017	585,379	599,642	255,386	329,993	344,256	71,778	4.60	142,633	1.61
2018	599,958	614,429	271,873	328,085	342,556	71,945	4.56	144,707	1.58
2019	620,677	635,195	280,001	340,676	355,194	70,622	4.82	145,180	1.65
2020	604,004	616,018	286,242	317,762	329,776	96,881	3.28	120,135	1.52
2021	592,523	605,700	234,204	358,319	371,496	70,836	5.06	131,766	1.83

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

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

Fiscal Year	PFC Revenue	PFC Debt Service	PFC Coverage (none Required)
2012	$ 80,688	$ 76,586	1.05
2013	80,158	76,402	1.05
2014	80,250	76,231	1.05
2015	84,675	76,185	1.11
2016	91,425	75,977	1.20
2017	91,383	76,957	1.19
2018	95,912	77,231	1.24
2019	103,720	77,810	1.33
2020	75,203	90,595	0.83
2021	58,053	78,328	0.74

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

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

Fiscal Year	Senior Lien Debt Service	Subordinate Lien Debt Service	Total Debt Service	Operating Revenues	Ratio of Debt Service to Revenues	Operating Expenses	Ratio of Debt Service to Expenses
2012	$ 31,670	$ 42,053	$ 73,723	$ 355,411	4.82	$ 223,106	3.03
2013	71,102	149,804	220,906	496,572	2.25	236,511	1.07
2014	70,559	145,442	216,001	507,055	2.35	233,978	1.08
2015	79,533	118,553	198,086	521,729	2.63	235,937	1.19
2016	75,401	140,369	215,770	540,200	2.50	241,158	1.12
2017	71,778	142,633	214,411	550,612	2.57	255,386	1.19
2018	71,945	144,707	216,652	559,319	2.58	271,873	1.25
2019	70,622	145,180	215,802	565,873	2.62	280,001	1.30
2020	96,881	120,135	217,016	497,833	2.29	286,242	1.32
2021	70,836	131,766	202,602	414,299	2.04	234,204	1.16

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

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

Fiscal Year	Senior Lien Bonds	Subordinate Lien Bonds	Passenger Facility Charge Bonds	Junior Subordinate Lien Debt and Jet A Bonds	General Obligation Bonds	Total Outstanding Debt	Total Enplaned Passengers	Ratio of Outstanding Debt to Enplaned Passengers
2012	$ 1,043,717	$ 2,041,597	$ 1,040,543	$ 293,206	$ 78,888	$ 4,497,951	20,962,087	0.21
2013	992,820	2,019,542	1,002,761	382,335	78,973	4,476,431	20,872,526	0.21
2014	983,010	2,009,578	982,757	375,286	80,199	4,430,830	21,224,639	0.21
2015	971,455	1,982,261	949,193	368,077	79,958	4,350,944	21,863,773	0.20
2016	953,131	1,960,532	919,885	359,118	79,717	4,272,383	23,307,617	0.18
2017	937,343	1,846,989	852,691	350,188	79,476	4,066,687	23,973,303	0.17
2018	924,198	1,799,575	813,894	341,139	79,235	3,958,041	24,596,343	0.16
2019	910,794	1,718,420	770,715	332,630	78,995	3,811,554	25,223,715	0.15
2020	889,496	1,521,731	651,124	319,182	78,754	3,460,287	19,037,659	0.18
2021	837,446	1,539,863	581,462	210,812	78,513	3,248,096	13,187,187	0.25

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

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

Calendar Year	Total Visitor Volume	Convention Attendance	Total Available Hotel-Motel Rooms	Occupancy Rates
2012	39,727,022	4,944,014	150,481	84.4 %
2013	39,668,221	5,107,416	150,593	84.3 %
2014	41,126,512	5,169,054	150,544	86.8 %
2015	42,312,216	5,891,151	149,213	87.7 %
2016	42,936,109	6,310,616	149,339	89.1 %
2017	42,214,200	6,646,200	146,993	88.7 %
2018	42,116,800	6,501,800	149,158	88.2 %
2019	42,523,700	6,649,100	150,259	88.9 %
2020	19,031,100	1,727,200	145,308	42.1 %
2021	not available	not available	not available	not available

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

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

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

Calendar Year	(1) Clark County Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(4) Labor Force	(4) Unemployment Rate
2012	2,008,654	74,886,428,000	37,282	308,377	1,000,923	11.3%
2013	2,062,253	75,957,334,000	36,832	311,218	1,006,724	9.6%
2014	2,102,238	81,821,005,000	39,533	314,598	1,019,653	7.8%
2015	2,147,641	85,970,490,000	40,652	317,759	1,047,528	6.8%
2016	2,205,207	91,150,359,000	42,284	319,172	1,048,043	5.8%
2017	2,248,390	97,457,342,000	44,217	321,991	1,060,660	5.5%
2018	2,284,616	105,087,856,000	47,090	324,030	1,098,114	4.8%
2019	2,325,798	110,628,465,000	48,806	325,081	1,131,551	4.0%
2020	2,376,683	not available	not available	323,787	1,097,286	9.6 %
2021	not available	not available	not available	309,707	not available	not available

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

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

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

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

	2021		2012	
Industry	Employees	% of Total Employment	Employees	% of Total Employment
Leisure and Hospitality	222,800	23.45 %	266,200	32.20 %
Trade, Transporation and Utilities	200,000	21.05 %	153,200	18.53 %
Professional and Business Services	140,300	14.77 %	106,700	12.91 %
Government	95,700	10.07 %	91,400	11.06 %
Education and Health Services	104,300	10.98 %	75,400	9.12 %
Construction	67,500	7.10 %	37,000	4.48 %
Financial Activities	51,500	5.42 %	41,900	5.07 %
Other Services	33,400	3.52 %	24,600	2.98 %
Manufacturing	24,900	2.62 %	20,500	2.48 %
Information	9,400	0.99 %	9,500	1.15 %
Mining and Logging	400	0.04 %	300	0.04 %
Total Clark County, Nevada Employment	950,200		826,700	

Source: United States Bureau of Labor Statistics

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

Passenger and Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Aircraft Operations (Departures)	Landed Weight(000 lbs.)	Total Enplaned Passengers	Cargo Tons
2012	227,206	24,855,800	20,962,087	96,173
2013	221,755	24,313,676	20,872,526	105,100
2014	219,437	24,431,409	21,224,639	104,101
2015	216,604	24,668,357	21,863,773	109,319
2016	215,887	25,803,661	23,307,617	108,695
2017	220,229	26,493,451	23,973,303	117,035
2018	223,879	26,856,277	24,596,343	126,830
2019	225,571	27,418,216	25,223,715	132,975
2020	185,107	22,749,778	19,037,659	125,932
2021	149,370	17,839,131	13,187,187	117,164

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

Market Share of Air Carriers
Last Three Fiscal Years

	FY 2021			FY 2020			FY 2019		
	Enplaned Passengers			Enplaned Passengers			Enplaned Passengers		
Airline	Number	Percent of Total	Increase/ Decrease	Number	Percent of Total	Increase/ Decrease	Number	Percent of Total	Increase/ Decrease
Southwest	4,685,234	35.7%	(24.9%)	6,241,218	32.8%	(30.4%)	8,971,760	36.8%	(0.3%)
Spirit	1,794,704	13.6%	(11.1%)	2,019,837	10.6%	(14.5%)	2,361,517	7.6%	14.8%
American	1,385,471	10.5%	(19.4%)	1,718,451	9.0%	(23.4%)	2,244,777	9.7%	8.8%
Frontier	1,266,341	9.6%	(9.7%)	1,401,842	7.4%	13.4%	1,236,031	9.3%	(1.4%)
Delta	1,163,833	8.8%	(39.5%)	1,923,499	10.1%	(23.4%)	2,512,623	8.0%	3.6%
United	834,904	6.3%	(44.0%)	1,490,791	7.8%	(28.8%)	2,094,660	4.9%	17.2%
Allegiant	711,046	5.4%	(19.8%)	886,811	4.7%	(25.0%)	1,182,786	7.4%	2.1%
Alaska	470,315	3.6%	(40.4%)	788,679	4.1%	(28.2%)	1,098,729	4.8%	(1.9%)
General Aviation & Other	280,975	2.1%	(32.0%)	413,014	2.2%	(22.9%)	535,678	4.8%	(6.0%)
JetBlue	250,786	1.9%	(38.7%)	409,161	2.1%	(29.8%)	582,487	2.1%	3.4%
Sun Country	136,528	1.0%	(34.6%)	208,719	1.1%	(2.5%)	214,140	2.8%	1.2%
International	122,498	0.9%	(90.6%)	1,300,773	6.8%	(31.0%)	1,883,962	0.6%	21.6%
Hawaiian	84,512	0.6%	(56.3%)	193,433	1.0%	(23.8%)	253,940	1.0%	(0.9%)
Charter Airlines	40	—%	(99.9%)	30,548	0.2%	(29.9%)	43,557	0.2%	(1.4%)
Contour	—	—%	(100.0%)	10,883	0.1%	—%	6,878	—%	—%
California Pacific	—	—%	—%	—	—%	—%	190	—%	—%
Total Enplanements	13,187,187	100.0%	(30.7%)	19,037,659	100.0%	(24.5%)	25,223,715	100.0%	2.8%

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

Per Passenger Calculations
Last Ten Fiscal Years

Fiscal Year	Concessions				Concession Revenue per Enplaned Passenger	Operating Expenses per Enplaned Passenger	Outstanding Debt per Enplaned Passenger	Airport Revenue Bond Debt Service per Enplaned Passenger	Airline Cost per Enplaned Passenger
	Ground Trsp	Gaming	Terminal	Parking					
2012	3.69	1.23	2.70	1.37	8.99	10.64	214.58	3.52	8.51
2013*	3.89	1.14	2.97	1.46	9.46	11.22	214.47	10.58	12.22
2014	3.92	1.20	3.11	1.59	9.82	11.02	208.76	10.18	11.74
2015	3.95	1.26	3.04	1.65	9.90	10.78	199.00	9.05	11.60
2016	3.95	1.26	2.87	1.66	9.74	10.24	183.30	9.24	11.05
2017	4.14	1.43	2.96	1.61	10.14	10.64	169.41	8.93	10.13
2018	4.14	1.47	3.07	1.59	10.27	11.05	160.92	8.81	9.89
2019	4.16	1.48	3.01	1.62	10.27	11.10	151.11	8.56	9.91
2020	4.31	1.50	3.10	1.81	10.72	15.04	181.76	11.40	12.55
2021	4.73	1.75	2.40	2.44	11.31	17.76	246.31	15.36	16.34
Average	$ 4.09	$ 1.37	$ 2.92	$ 1.68	$ 10.06	$ 11.95	$ 192.96	$ 9.56	$ 11.39

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

* In June 2012, Terminal 3 became fully operational.

Full Time Equivalent Employees
Last Ten Fiscal Years

Fiscal Year	Total
2012	1,469
2013	1,481
2014	1,400
2015	1,364
2016	1,377
2017	1,402
2018	1,434
2019	1,453
2020	1,460
2021	1,277
Average Annual Increase (Decrease)	(1.5%)

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

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

	For the Fiscal Years Ended:			
	2021	2020	2019	2018
Indicators of the Level of Demand for Services				
Airlines:	38	33	36	29
Destinations served:	131	156	156	137
Daily flight operations:	1,027	1,202	1,492	1,480
Daily commercial operations:	644	839	992	965
Annual passengers:	26,458,311	37,963,942	50,488,456	49,226,068
McCarran International Airport Site:	2,820 acres	2,820 acres	2,820 acres	2,820 acres
Runways:	26R*/8L: 14,512' X 150'	26R*/8L: 14,512' X 150'	26R*/8L: 14,510' X 150'	26R*/8L: 14,512' X 150'
	26L*/8R: 10,525' X 150'	26L*/8R: 10,525' X 150'	26L*/8R: 10,525' X 150'	26L*/8R: 10,525' X 150'
	19R/1L*: 8,988' X 150'	19R/1L*: 8,988' X 150'	19R/1L*: 8,988' X 150'	19R/1L*: 8,988' X 150'
	19L/1R: 9,775' X 150'	19L/1R: 9,775' X 150'	19L/1000R: 9,775' X 150'	19L/1R: 9,771' X 150'
	* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped
Gates	109	109	109	109
Terminal buildings:				
Rentable Space	2,395,245	2,318,410	2,318,410	2,340,694
Public Space	1,587,495	1,617,519	1,617,519	1,540,266
Total Usable Space	3,982,740	3,935,929	3,935,929	3,880,960
Administration	512,920	520,077	520,077	510,482
Mechanical/Utilities	533,660	640,098	640,098	497,036
Total Space	5,029,320	5,096,104	5,096,104	4,888,478
Parking:				
Short-term	1,195	1,381	1,381	1,381
Valet	923	917	917	769
Long-Term	6,596	7,363	7,363	7,363
Surface Lot(s)	1,342	1,235	1,235	624
Economy	4,860	5,724	5,724	5,100
Remote	1,130	526	526	1,954
Total Public Parking Spaces	16,046	17,146	17,146	17,191
Consolidated Car Rental Facility:				
Customer Service Building (Sq. Ft.)	111,000	111,000	111,000	111,000
Garage (Sq. Ft.)	1,800,000	1,800,000	1,800,000	1,800,000
Vehicle Capacity	5,000+	5,000+	5,000+	5,000+
Shuttle Bus Fleet (units)	48	48	48	48

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

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

For the Fiscal Years Ended:

2017	2016	2015	2014	2013	2012
29	31	32	35	44	39
150	152	149	(including 27 international)	(including 27 international)	(including 26 international)
1,501	1,463	1,429	1,432	1,429	1,465
953	938	907	931	929	959
47,946,907	46,629,208	43,685,099	42,323,363	41,681,296	41,874,993
2,820 acres	2,820 acres	2,820 acres	2,820 acres	2,820 acres	2,820 acres
26R*/8L: 14,510' X 150'	25R*/7L: 14,510' X 150'	25R*/7L: 14,510' X 150'	25R*/7L: 14,510' X 150'	25R*/7L: 14,510' X 150'	25R*/7L: 14,510' X 150'
26L*/8R: 10,526' X 150'	25L*/7R: 10,526' X 150'	25L*/7R: 10,526' X 150'	25L*/7R: 10,526' X 150'	25L*/7R: 10,526' X 150'	25L*/7R: 10,526' X 150'
19R/1000L*: 8,985' X 150'	19R/1000L*: 8,985' X 150'	19R/1000L*: 8,985' X 150'	19R/1000L*: 8,985' X 150'	19R/1000L*: 8,985' X 150'	19R/1000L*: 8,985' X 150'
19L/1000R: 9,775' X 150'	19L/1000R: 9,775' X 150'	19L/1000R: 9,775' X 150'	19L/1000R: 9,775' X 150'	19L/1000R: 9,775' X 150'	19L/1000R: 9,775' X 150'
* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped	* ILS equipped
109	109	110	110	110	110
2,340,694	2,340,694	2,340,694	2,340,694	2,340,694	2,340,694
1,540,266	1,540,266	1,540,266	1,540,266	1,540,266	1,540,266
3,880,960	3,880,960	3,880,960	3,880,960	3,880,960	3,880,960
510,482	510,482	510,482	510,482	510,482	510,482
497,036	497,036	497,036	497,036	497,036	497,036
4,888,478	4,888,478	4,888,478	4,888,478	4,888,478	4,888,478
1,381	1,381	1,381	1,381	1,381	1,381
769	857	1,530	1,530	1,530	1,530
7,471	7,363	7,363	7,363	7,363	7,363
624	624	624	624	624	624
5,100	5,100	5,100	5,100	5,100	5,100
1,954	1,954	1,954	1,954	1,954	1,954
17,299	17,279	17,952	17,952	17,952	17,952
111,000	111,000	111,000	111,000	111,000	111,000
1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
5,000+	5,000+	5,000+	5,000+	5,000+	5,000+
48	50	50	50	50	50

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