

Independent Auditor's Report on Compliance With Aspects of Contractual Agreements

The Honorable Board of Commissioners
Burbank-Glendale-Pasadena Airport Authority
Burbank, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Burbank-Glendale-Pasadena Airport Authority (Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 15, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the terms, covenants, provisions, or conditions of Section 6.05 (Rates and Charges) to Article VI of the Indenture dated May 1, 2005, as amended by the Fourth Supplemental Indenture of Trust dated April 1, 2015 (the Indenture), with Bank of New York Mellon Trust Company, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above-referenced terms, covenants, provisions, or conditions of Section 6.05 of the Indenture, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Commissioners and management of the Authority and the Bank of New York Mellon Trust Company and is not intended to be, and should not be, used by anyone other than these specified parties.



Walnut Creek, California
December 15, 2023

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Calculation of Rates and Charges Ratio⁽¹⁾

Year Ended June 30, 2023

Pledged revenues ⁽²⁾	\$ 91,434,558
Less operating expenses	<u>54,953,576</u>
Net revenues	36,480,982
Transfers to Surplus Fund	<u>2,600,098</u>
Net revenues plus transfers to Surplus Fund	<u><u>\$ 39,081,080</u></u>
Deposits and charges:	
Accrued debt service – 2012 Airport Revenue Bonds ⁽³⁾	\$ 5,835,892
Deposit of Customer Facility Charge revenue to Debt Service Fund	(5,035,704)
Accrued debt service – 2015 Airport Revenue Bonds ⁽⁴⁾	<u>4,564,500</u>
Net accrued debt service	5,364,688
Deposits to operating reserve account	<u>1,622,819</u>
Total deposits and charges	<u><u>\$ 6,987,507</u></u>
Deposits and charges coverage ratio ⁽⁵⁾	5.59
Required deposits and charges coverage ratio	1.00
Net revenues plus transfers to Surplus Fund	<u><u>\$ 39,081,080</u></u>
Net accrued debt service	<u><u>\$ 5,364,688</u></u>
Debt service coverage ratio ⁽⁵⁾	7.28
Required debt service coverage ratio	1.25

⁽¹⁾ The table above sets forth the rates and charges ratio based upon the Authority's excess of net revenues and transfers to Surplus Fund over accrued debt service obligations, as well as other charges for the fiscal year ended June 30, 2023. Amounts were determined based on the terms, covenants, provisions, or conditions of Section 6.05 to Article VI of the Indenture dated May 1, 2005, as amended by the Fourth Supplemental Indenture of Trust dated April 1, 2015, with Bank of New York Mellon Trust Company (the Indenture).

⁽²⁾ The Authority was awarded federal relief grants through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), the American Rescue Plan Act (ARPA), and the Federal Emergency Management Agency (FEMA), which allocated additional economic relief to eligible U.S. airports affected by the COVID-19 pandemic. The total of \$13,571,162 in combined CRRSAA, ARPA, and FEMA grant funds received in FY 2023 for eligible expenditures are included in the pledged revenues calculation for the fiscal year ended June 30, 2023.

⁽³⁾ Accrued debt service represents the interest due on January 1, 2023 and July 1, 2023 and principal due July 1, 2023.

⁽⁴⁾ Accrued debt service represents the interest due on January 1, 2023 and July 1, 2023 and principal due July 1, 2023.

⁽⁵⁾ Deposits and charges coverage and debt service coverage ratios without federal relief grants included in pledged revenues are 3.76 and 4.76, respectively, as of June 30, 2023.