BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Basic Financial Statements

Year ended June 30, 2024 and 2023

(With Independent Auditor's Report Thereon)

MGO. Certified Public Accountants

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BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Basic Financial Statements

June 30, 2024 and 2023

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Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of the Burbank-Glendale-Pasadena Airport Authority (the Authority) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, identified as Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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 GAAS, 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 audits 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 Authority'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 Authority's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 18, 2024

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MANAGEMENT’S DISCUSSION AND ANALYSIS

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The Burbank-Glendale-Pasadena Airport Authority (Authority) is a separate governmental entity created by a Joint Exercise of Power Agreement (Agreement) executed in June 1977 among the Cities of Burbank, Glendale, and Pasadena, California (Cities). The purpose of the Agreement was to enable the Cities to acquire, operate, repair, maintain, improve, and administer the Bob Hope Airport, commonly known as "Hollywood Burbank Airport" (Airport), as a public air terminal. The Authority is governed by a nine member Board of Airport Commissioners, three of which are appointed by the City Council of each of the Cities. The members of the Airport Commission annually elect a President, Vice-President, and Secretary of the Commission. The Authority has contracted with TBI Airport Management, Inc. (TBI) to perform certain airport administrative, maintenance, operational services, and aircraft rescue and firefighting (ARFF) services.

The management of the Authority presents the following narrative overview of the Authority's financial activities for the fiscal years ended June 30, 2024 and 2023. The following discussion and analysis should be read in conjunction with the accompanying basic financial statements.

The Authority's report consists of this management's discussion and analysis (MD&A) and the financial statements. The MD&A is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements include the *Statements of Net Position*, the *Statements of Revenues, Expenses and Changes in Net Position*, the *Statements of Cash Flows*, and the *Notes to Basic Financial Statements*.

The *Statements of Net Position* present information on all of the Authority's assets, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this Statement for some items that will result in cash flows in future fiscal periods.

The *Statements of Cash Flows* present information on the Authority's inflows and outflows of cash and cash equivalents during the fiscal year resulting from operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

The *Notes to Basic Financial Statements* present information that is not displayed on the face of the basic financial statements. Such information is essential to a full understanding of the Authority's financial activities.

Overview of the Authority's Operations

Highlights of Airport Activities

The Authority's fiscal year (FY) 2024 passenger activity, which exceeded historical levels, represents momentum favorably beyond a full recovery from the impacts of the pandemic. Total FY 2024 passenger levels amounted to 6,217,454, representing a 4.1% increase over FY 2023. Leading the increase was the demand for leisure travel. Traditional business travel has not returned to pre-pandemic levels, however is slowly showing signs of rebound. The strong passenger activity contributed to the positive fiscal year financial performance. During FY 2024, the Airport was served by eight air carriers as follows: Alaska Airlines, American Airlines, Avelo Airlines, Delta Air Lines, JetBlue Airways, Southwest Airlines, Spirit Airlines, and United Airlines.

During FY 2024, the safety related Replacement Passenger Terminal (RPT) project achieved major milestones in the development of the program. In December 2023, construction began with the major grading of the site; in May 2024, a Guaranteed Maximum Price (GMP) was established at $1.11 billion with an overall project budget of $1.3 billion; and in May 2024, the Authority issued General Airport Revenue Bonds (GARBS) in the par amount of $724,780,000. The project Plan of Finance includes the 2024 GARBS, federal grants, a commercial paper program, Passenger Facility Charges, Authority funds, and an anticipated future closeout bond issuance. The RPT is currently on schedule for opening in October 2026.

The major portion of demand for air travel at the Airport is strongly influenced by local socioeconomic characteristics of the Southern California region, and the Airport's proximity to Los Angeles, the San Fernando Valley, and Ventura County make it a convenient gateway to many leisure travel destinations and important economic sub-regions. While FY 2024 exhibited a positive trend in activity and financial performance, the Airport is cognizant that there are potential external influences that may negatively impact its future operations. These include the impacts of inflation leading to the potential of an economic recession, geopolitical instability leading to increased fuel costs, and other external factors outside the control of the Airport that may dampen the demand for air travel. The Authority's financial approach will continue to be conservative, maintain and strengthen its liquidity position, be prudent with expenses as well as a practical approach to discretionary capital programs, and maintaining a reasonable cost structure in the Los Angeles-Long Beach-Anaheim, California area.

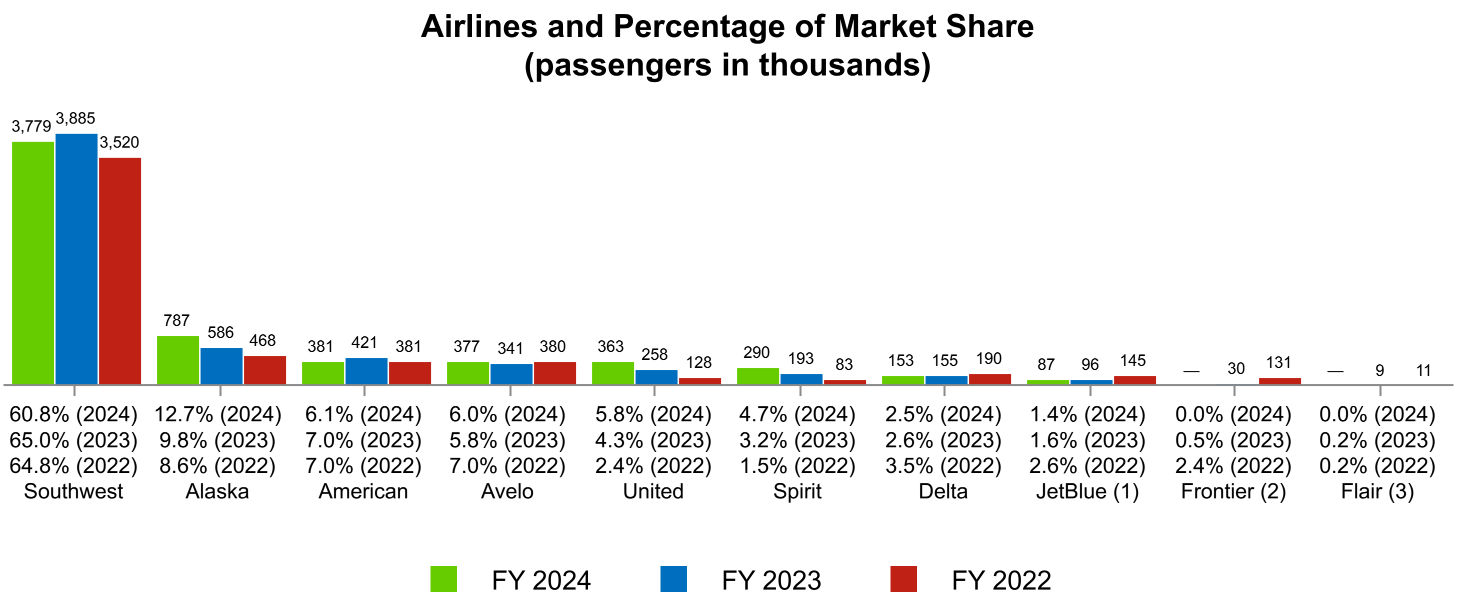
Passenger and Other Activity

The following table presents a comparative summary of passenger and other activity in FY 2024, FY 2023, and FY 2022:

Description	2024	2023	2022	% increase (decrease) FY 2023/24	FY 2022/23
Commercial carrier flight operations (takeoffs and landings)	63,422	63,904	60,849	(0.8)%	5.0%
Landed weight (in pounds)	4,301,739,260	4,433,115,288	4,200,608,262	(3.0)	5.5
Total passengers	6,217,454	5,973,893	5,434,646	4.1	9.9
Departing passengers (enplaned)	3,120,928	2,979,039	2,712,835	4.8	9.8
Arriving passengers (deplaned)	3,096,526	2,994,854	2,721,811	3.4	10.0
Cargo tonnage (in tons)	36,739	38,979	51,061	(5.7)	(23.7)

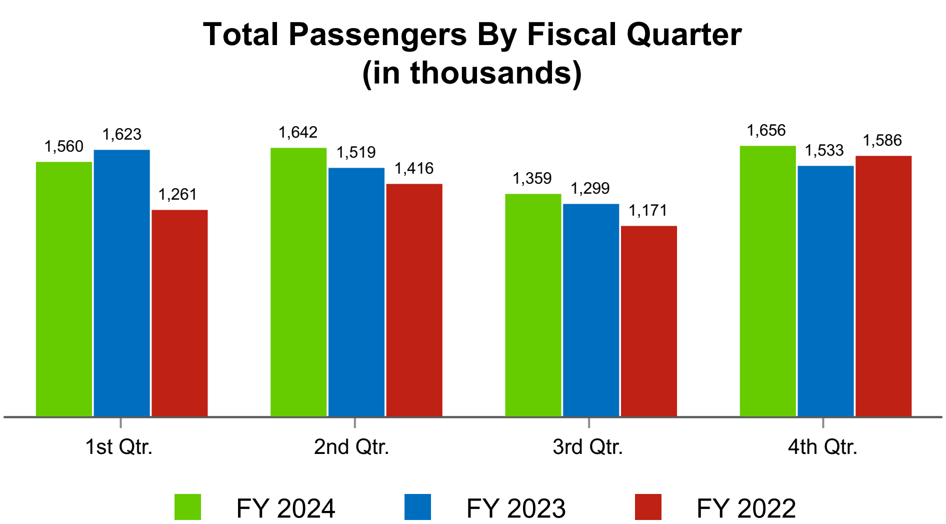
Passenger levels at the Airport increased by 4.1% and 9.9% compared to the prior year in FY 2024 and 2023, respectively. Of the 6,217,454 and 5,973,893 passengers during FY 2024 and 2023, respectively, Southwest Airlines is the largest air carrier serving the Airport with 60.8% and 65.0% of total passengers in FY 2024 and 2023, respectively. While Southwest Airlines remains the largest commercial air carrier serving the Airport, increased activity by other signatory airlines has reduced Southwest's market share.

The chart below presents the passenger market share by airline for FY 2024, FY 2023, and FY 2022:



(1) JetBlue is suspending operations as of October 2024.
(2) Frontier Airlines became a non-signatory beginning in FY 2023, ceased operations in March 2023, and is reinstating services as of November 2024.
(3) Flair Airlines ceased operations in November 2022.

The following chart presents the passenger levels by quarter for FY 2024, FY 2023, and FY 2022:



Commercial Air Carrier Flight Activities

The total number of commercial air carrier flights was 63,422 and 63,904, resulting in a decrease of 0.8% and an increase of 5.0% from the prior fiscal year for FY 2024 and 2023, respectively. While there was a slight decrease in FY 2024 flight operations, the number of passengers carried increased by 4.1% in FY 2024. Aircraft landed weight decreased 3.0% and increased 5.5% from the prior fiscal year for FY 2024 and 2023, respectively. The top three carriers in terms of landed weight were Southwest Airlines, Alaska Airlines, and Avelo Airlines. In total, these three airlines contributed 80.8% and 83.3% of the total landed weight at the Airport for FY 2024 and 2023, respectively.

Air Cargo Activities

Freight and mail cargo at the Airport for FY 2024 and 2023 was 36,739 and 38,979 tons, respectively. FY 2024 and FY 2023 resulted in a decrease of 5.7% and 23.7% in air cargo tonnage from the prior fiscal year, respectively. The decrease in air cargo activities is partially attributed to continued supply chain issues, inventory normalization following a period of pandemic-driven stockpiling, and a slowdown in online consumer spending. Federal Express (FedEx) and United Parcel Service (UPS) are the top air freight carriers accounting for 95.2% and 95.5% of the total freight cargo for FY 2024 and 2023, respectively.

Overview of the Authority's Financial Activities

Financial Highlights, Fiscal Year 2024

- Assets exceeded liabilities and deferred inflows of resources (net position) at the close of the fiscal year by $631,001,685.
- Operating revenues were $74,990,094.
- Operating expenses before depreciation and amortization were $58,304,726.
- Nonoperating revenues, net of nonoperating expenses were $31,073,839, primarily consisting of Passenger Facility Charges, Customer Facility Charges, investment income, and other noncapital grants, reduced by interest expense and bond issuance costs.
- Capital contributions from the Federal Aviation Administration's (FAA) Infrastructure Investment and Jobs Act - Bipartisan Infrastructure Law (IIJA-BIL) grants were $14,367,792, and were used for Phase 1 design and preconstruction of the Replacement Passenger Terminal project.
- Net position increased by $47,215,289 primarily due to increased operating revenues, the Authority's prudent management of expenses, and the use of federal grant funds.
- In May 2024, the Authority issued 2024 GARBS (2024 Bonds) in the par amount of $724,780,000 to finance a portion of the Replacement Passenger Terminal project, which began construction in December 2023.

Financial Highlights, Fiscal Year 2023

- Assets exceeded liabilities and deferred inflows of resources (net position) at the close of the fiscal year by $583,786,396.
- Operating revenues were $72,536,457.
- Operating expenses before depreciation and amortization were $54,856,016.
- Nonoperating revenues, net of nonoperating expenses were $25,849,947, primarily consisting of Passenger Facility Charges, Customer Facility Charges, investment income, and other noncapital grants, reduced by interest expense.
- Capital contributions from the FAA Airport Improvement (AIP) and federal relief grants were $8,030,233, of which $5,423,949 consisted of federal relief grant funds used for bond debt service.
- Net position increased by $36,067,742 primarily due to increased operating revenues, the Authority's prudent management of expenses, and the use of federal relief grant funds.
- The Authority selected a progressive design-build firm (PDB) and began the design phase of the Replacement Passenger Terminal.
- The Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), effective July 1, 2021.

Net Position Summary

A summary of the Airport's net position as of June 30, 2024, 2023, and 2022 is presented below:

Schedule of Net Position

	2024	2023	2022	FY 2023/24 increase (decrease) Amount	FY 2023/24 increase (decrease) %	FY 2022/23 increase (decrease) Amount	FY 2022/23 increase (decrease) %
Assets:							
Current unrestricted assets	$ 44,070,690	$ 50,168,631	$ 47,183,502	$ (6,097,941)	(12.2)%	$ 2,985,129	6.3%
Noncurrent unrestricted assets	3,525,701	6,663,553	10,244,382	(3,137,852)	(47.1)	(3,580,829)	(35.0)
Restricted assets	844,434,068	107,538,208	97,832,280	736,895,860	685.2	9,705,928	9.9
Debt service reserve surety	2,764,085	4,728	9,455	2,759,357	58,362.0	(4,727)	(50.0)
Facility Development Reserve	205,132,453	205,132,453	200,132,453	—	—	5,000,000	2.5
Capital assets, net	427,025,433	324,518,102	305,248,073	102,507,331	31.6	19,270,029	6.3
Total assets	1,526,952,430	694,025,675	660,650,145	832,926,755	120.0	33,375,530	5.1
Liabilities:							
Current liabilities	59,647,800	19,598,063	11,722,670	40,049,737	204.4	7,875,393	67.2
Liabilities payable from restricted assets	11,435,533	8,245,196	8,103,228	3,190,337	38.7	141,968	1.8
Noncurrent liabilities	818,090,235	72,049,628	78,591,343	746,040,607	1,035.5	(6,541,715)	(8.3)
Total liabilities	889,173,568	99,892,887	98,417,241	789,280,681	790.1	1,475,646	1.5
Deferred inflows of resources:							
Deferred inflows - leases	6,777,177	10,244,382	14,310,232	(3,467,205)	(33.8)	(4,065,850)	(28.4)
Deferred amount on refunding	—	102,010	204,018	(102,010)	(100.0)	(102,008)	(50.0)
Total deferred inflows of resources	6,777,177	10,346,392	14,514,250	(3,569,215)	(34.5)	(4,167,858)	(28.7)
Net position:							
Net investment in capital assets	250,621,896	252,577,172	226,762,973	(1,955,276)	(0.8)	25,814,199	11.4
Restricted, debt service	118,115,788	23,980,877	21,857,596	94,134,911	392.5	2,123,281	9.7
Restricted, capital projects	72,288,115	71,516,622	64,085,949	771,493	1.1	7,430,673	11.6
Restricted, federal asset seizure	25,702	25,049	24,615	653	2.6	434	1.8
Restricted, other purposes	3,568,353	3,484,425	3,400,497	83,928	2.4	83,928	2.5
Unrestricted	186,381,831	232,202,251	231,587,024	(45,820,420)	(19.7)	615,227	0.3
Total net position	$ 631,001,685	$ 583,786,396	$ 547,718,654	$ 47,215,289	8.1%	$ 36,067,742	6.6%

Net Position

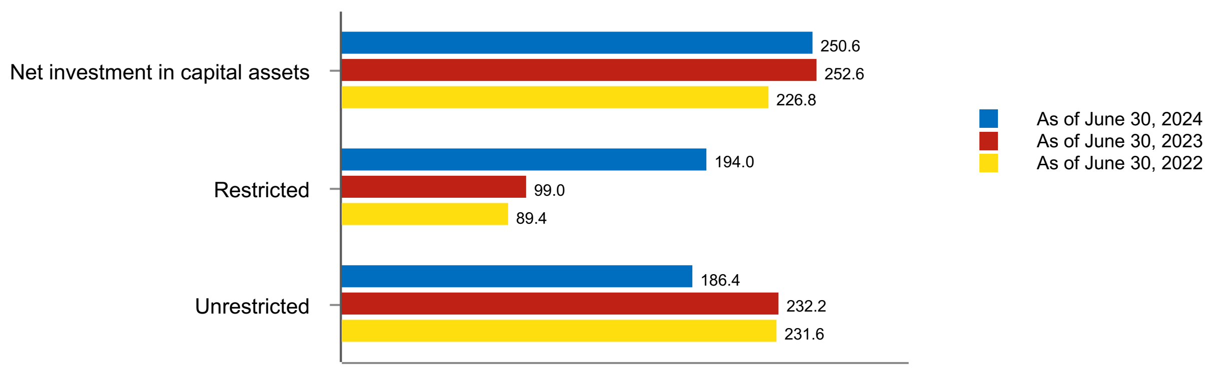
Net position may serve over time as a useful indicator of the Authority's financial position at fiscal year-end. The Authority's assets exceeded its liabilities, deferred inflows of resources, and beginning net positions by $47,215,289 and $36,067,742 resulting in ending net positions of $631,001,685 and $583,786,396 as of June 30, 2024 and 2023, respectively, which continued the Authority's steady increase in net position from its June 30, 2022 ending net position of $547,718,654.

The first component of the Authority's net position reflects its investment in capital assets (e.g., land, buildings, runways, etc.), net of accumulated deprecation and amortization, less any related debt and liabilities used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide services to Airport users and to maintain its operations. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt and liabilities, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The second component of the Authority's net position represents resources that are subject to external restrictions on how they may be used. Of this restricted net position, 60.9%, 24.2%, and 24.5% are for repayment of long-term debt and 37.3%, 72.2%, and 71.7% are for construction of capital assets at June 30, 2024, 2023, and 2022, respectively. A very small percentage of restricted net position, comprising less than 0.1% at June 30, 2024, 2023 and 2022, are for uses pursuant to the Federal Asset Seizure Program. Lastly, 1.8%, 3.5%, and 3.8% are for other restricted purposes.

The final component is unrestricted net position and may be used to meet the Authority's ongoing obligations to Airport users and creditors.

Net Position as of June 30, 2024, 2023, and 2022
(in millions of dollars)



The Authority's positive unrestricted net position balance decreased for the fiscal year ended June 30, 2024 due to a temporary reduction in operating cash from payments for the Replacement Passenger Terminal Project that will subsequently be reimbursed through RPT funding sources. Previously, unrestricted net position increased over the previous two fiscal years ended June 30, 2023 and 2022.

Current Unrestricted Assets

Current unrestricted assets primarily consist of cash and investments in the operating investment portfolio and various types of receivables. Current unrestricted cash inflows are from operating activities, investment activities, non-capital grants, and federal grant reimbursements for eligible capital projects. Unrestricted cash outflows are for operating activities, capital acquisitions, transfers to fiscal agents for debt service, and transfers to the unrestricted Facility Development Reserve.

The Authority's current unrestricted assets decreased by $6,097,941, or 12.2%, and increased by $2,985,129, or 6.3%, in FY 2024 and 2023, respectively. The net decrease in FY 2024 reflects a temporary reduction in operating cash due to payments for the Replacement Passenger Terminal Project that will subsequently be reimbursed through RPT funding sources. The net increase in FY 2023 is primarily from an increase in operating cash from positive financial performance reduced by the transfer of $5,000,000 to the unrestricted Facility Development Reserve.

Noncurrent Unrestricted Assets

The Authority's noncurrent unrestricted assets include the noncurrent portion of lease receivables of $3,525,701 and $6,663,553 as of June 30, 2024 and 2023, respectively, that was recorded to conform to the requirements of GASB Statement No. 87, *Leases*, which was effective July 1, 2020. The decrease in this balance is due to lease contracts reaching maturity with fewer material leases being added due to the anticipated move to the RPT in October 2026.

Facility Development Reserve

The Facility Development Reserve is an unrestricted fund that was established by the Authority during FY 2000 to provide for the development of a replacement terminal and other Airport facilities. The actual appropriation of these funds to selected facility development projects is determined based on the approval of the Authority. In FY 2024, the Authority did not transfer any funds to the Facility Development Reserve. In FY 2023, the Authority transferred $5,000,000 of excess revenues from the current operating fund to the Facility Development Reserve.

Restricted Assets

The Authority's restricted assets increased by $736,895,860, or 685.2%, and $9,705,928, or 9.9%, in FY 2024 and 2023, respectively. The net increase in FY 2024 is primarily due to unspent proceeds from the issuance of the 2024 Bonds that will be used to finance a portion of the cost of the Replacement Passenger Terminal (RPT) project. The net increase in FY 2023 is primarily from increased passenger facility charges (PFC) for eligible capital expenditures and a transfer of funds to the Operating Reserve Fund in to meet the 25% reserve requirement for the operations and maintenance expense (O&M) budget. Restricted assets consist primarily of cash and investments in the operating portfolio that are restricted based on constraints placed on assets through external parties such as creditors, grantors, leases, trust agreements, contributors, laws or regulations of other governments, or enabling legislation. Restricted funds are nondiscretionary in terms of use and provide for payment of debt service on Authority bonds, reserves for outstanding bonds, reserves for operations and maintenance, and construction of long-term assets.

Capital Assets

Below is a summary of the Authority's capital assets for FY 2024, 2023, and 2022:

				FY 2023/24 increase (decrease)		FY 2022/23 increase (decrease)	
Capital assets:	2024	2023	2022	Amount	%	Amount	%
Land	$ 160,065,894	$ 160,065,894	$ 160,065,894	$ —	—%	$ —	—%
Other non-depreciable capital assets	1,128,515	1,128,515	1,128,515	—	—	—	—
Construction in progress	147,756,131	32,649,419	10,006,984	115,106,712	352.6	22,642,435	226.3
Buildings and improvements	256,902,208	255,974,998	255,846,105	927,210	0.4	128,893	0.1
Runways and improvements	160,120,870	159,622,308	149,020,913	498,562	0.3	10,601,395	7.1
Machinery and equipment	39,501,833	38,711,805	38,199,756	790,028	2.0	512,049	1.3
Intangible right to use asset	660,984	660,984	523,980	—	—	137,004	26.1
Less accumulated depreciation and amortization	(339,111,002)	(324,295,821)	(309,544,074)	(14,815,181)	4.6	(14,751,747)	4.8
Total capital assets, net	$ 427,025,433	$ 324,518,102	$ 305,248,073	$ 102,507,331	31.6%	$ 19,270,029	6.3%

The Authority's net capital assets increased by $102,507,331, or 31.6%, in FY 2024 and increased by $19,270,029, or 6.3%, in FY 2023. The increase in FY 2024 and FY 2023 were primarily due to an increase in construction in progress related to the RPT project. Total depreciable capital asset additions in FY 2024 and 2023 were $2,312,329 and $12,120,473, respectively, and total non-depreciable capital asset additions, consisting of construction in progress, in FY 2024 and 2023 were $117,419,041 and $34,625,904, respectively. Total deletions, including transfers from construction in progress to depreciable and non-depreciable capital assets, were $2,312,329 and $11,983,469, respectively.

Significant capital asset additions in FY 2024 include:

- Runway 8 precision approach pathway indicators navigation and equipment relocation
- Parking improvements - Lot F
- Landside pavement rehabilitation
- Aircraft Rescue and Firefighting vehicle replacement
- Vehicle replacements
- IT server infrastructure

Significant capital asset additions in FY 2023 include:

- Airfield lighting vault replacement
- Taxiway C & shoulder rehabilitation
- Taxilane A rehabilitation
- HVAC replacement units
- Aircraft Rescue and Firefighting vehicle replacement
- Vehicle replacements
- IT server infrastructure

The Authority had significant contract commitments outstanding as of June 30, 2024 for various capital projects totaling $1,003,802,283, of which approximately 98.3% was for the RPT project with the remaining for the Part 150 Noise Study, Communication Center equipment replacement, Aircraft

Rescue and Firefighting vehicle replacement, Wildlife Hazard Assessment, Mobile Police Firearms training range, the Regional Intermodal Transportation Center's public art columns, and escalator rehabilitation and replacement.

Additional information regarding the Authority's capital assets can be found in note 4 in the accompanying notes to the basic financial statements.

Current Liabilities

Current liabilities increased by $40,049,737, or 204.4%, and $7,875,393, or 67.2%, in FY 2024 and 2023, respectively. The FY 2024 increase is primarily due to additional vendor accruals, with the majority related to the RPT project, and unearned revenue primarily related to prepayments by tenants and the American Rescue Plan Act (ARPA) concessions grant. The FY 2023 increase is primarily due to increases in vendor accruals, mostly related to the Replacement Passenger Terminal project, and unearned revenue related to prepayments by tenants.

Liabilities Payable from Restricted Assets

Liabilities payable from restricted assets increased by $3,190,337, or 38.7%, in FY 2024 and $141,968, or 1.8%, in FY 2023. The increase in FY 2024 and FY 2023 reflects an increase of $315,000 and $280,000, respectively, in the current portion of principal payable for the 2012 and 2015 Bonds plus the increase in interest payable of $2,875,337 in FY 2024 and decrease in interest payable of $138,032 in FY 2023. The large increase in interest payable in FY 2024 was due to the issuance of the 2024 Bonds.

Additional information regarding the Authority's liabilities payable from restricted assets can be found in note 5 in the accompanying notes to the basic financial statements.

Noncurrent Liabilities

Below is a summary of the Authority's noncurrent liabilities for FY 2024, 2023, and 2022:

				FY 2023/24 increase (decrease)		FY 2022/23 increase (decrease)	
Noncurrent liabilities:	2024	2023	2022	Amount	%	Amount	%
Revenue bonds payable, less current portion	$ 789,655,000	$ 71,280,000	$ 77,370,000	$ 718,375,000	1,007.8%	$ (6,090,000)	(7.9)%
Original issue premium, net	28,333,008	589,438	1,066,675	27,743,570	4,706.8	(477,237)	(44.7)
Subscription liabilities, noncurrent	102,227	180,190	154,668	(77,963)	(43.3)	25,522	16.5
Total long-term liabilities	$ 818,090,235	$ 72,049,628	$ 78,591,343	$ 746,040,607	1,035.5%	$ (6,541,715)	(8.3)%

As of June 30, 2024 and 2023, the Authority's outstanding long-term debt consisted of its outstanding 2012 (Series A and B), 2015 (Series B), and 2024 (Series A, B, and C) bonds of $789,655,000 and 2012 (Series A and B), 2015 (Series B) bonds of $71,280,000, respectively, and unamortized premium of $28,333,008 and $589,438, respectively. In FY 2024, the Authority issued the 2024 Bonds in the par amount of $724,780,000.

The Authority's long-term liabilities increased by $746,040,607, or 1,035.5%, and decreased by $6,541,715, or 8.3%, in FY 2024 and 2023, respectively. The increase in FY 2024 is primarily due to the issuance of the 2024 Bonds in the par amount of $724,780,000 plus its original issue premium of $28,301,811. The decrease in FY 2023 is primarily due to the reclassification of the current portions of the 2012 and 2015 bonds.

Additional information regarding the Authority's long-term debt can be found in note 5 in the accompanying notes to the basic financial statements.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to future periods that will not be recognized as an inflow of resources (revenue) until that time. The Authority's deferred inflows of resources consist of 1) the deferred inflow of resources related to leases measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods of $6,777,177 and $10,244,382 at June 30, 2024 and 2023, respectively, and 2) the net deferred amount on refunding of the 2005 Bonds of $0 and $102,010 at June 30, 2024 and 2023, respectively. The refunding and defeasance of the 2005 Bonds resulted in a difference between the re-acquisition price of the 2015 Bonds and the net carrying amount of the 2005 Bonds of $935,367. This difference, reported in the accompanying basic financial statements as a deferred inflow of resources, is being credited to interest expense through July 1, 2024, the final maturity of the 2015 Bonds, using the straight-line method. Amortization in FY 2024 and FY 2023 totaled $102,010 and $102,008, respectively.

Changes in Net Position Summary

A condensed summary of the Authority's changes in net position for fiscal years ended June 30, 2024, 2023, and 2022 is presented below:

Schedule of Revenues, Expenses, and Changes in Net Position

				FY 2023/24 increase (decrease)		FY 2022/23 increase (decrease)	
	2024	**2023**	**2022**	**Amount**	**%**	**Amount**	**%**
Operating revenues	$ 74,990,094	$ 72,536,457	$ 64,712,780	$ 2,453,637	3.4%	$ 7,823,677	12.1%
Operating expenses	73,216,436	70,348,895	65,364,144	2,867,541	4.1	4,984,751	7.6
Operating income (loss)	1,773,658	2,187,562	(651,364)	(413,904)	(18.9)	2,838,926	(435.8)
Nonoperating revenues, net	31,073,839	25,849,947	12,466,551	5,223,892	20.2	13,383,396	107.4
Income before capital contributions	32,847,497	28,037,509	11,815,187	4,809,988	(17.2)	16,222,322	137.3
Capital contributions	14,367,792	8,030,233	7,233,553	6,337,559	78.9	796,680	11.0
Changes in net position	47,215,289	36,067,742	19,048,740	11,147,547	30.9	17,019,002	89.3
Total net position - beginning	583,786,396	547,718,654	528,669,914	36,067,742	6.6	19,048,740	3.6
Total net position - ending	$ 631,001,685	$ 583,786,396	$ 547,718,654	$ 47,215,289	8.1%	$ 36,067,742	6.6%

Operating Revenues

The Airport derives its operating revenues from parking operations, aircraft landing fees, concessions, tenant rent, and other assessments such as ground transportation access fees and fuel flowage fees.

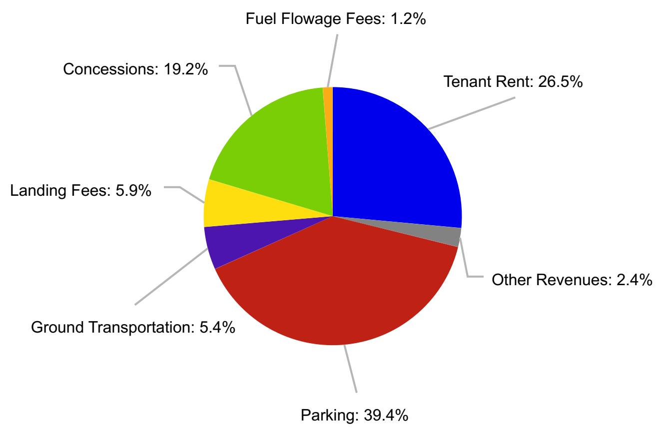
The following table presents a comparative summary of operating revenues in FY 2024, FY 2023, and FY 2022:

Comparative Summary of Operating Revenues

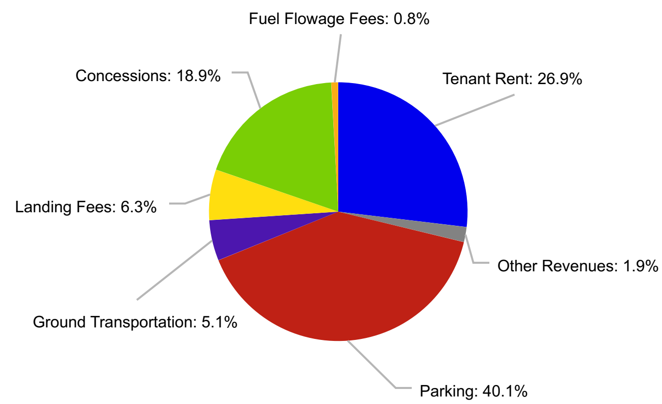
				FY 2023/24 increase (decrease)		FY 2022/23 increase (decrease)	
	2024	**2023**	**2022**	**Amount**	**%**	**Amount**	**%**
Parking	$ 29,564,588	$ 29,082,523	$ 25,174,110	$ 482,065	1.7%	$ 3,908,413	15.5%
Landing fees	4,458,672	4,586,568	4,055,176	(127,896)	(2.8)	531,392	13.1
Concessions	14,355,798	13,681,344	12,506,117	674,454	4.9	1,175,227	9.4
Tenant rent	19,861,157	19,514,228	18,122,079	346,929	1.8	1,392,149	7.7
Ground transportation	4,042,279	3,681,065	2,815,018	361,214	9.8	866,047	30.8
Fuel flowage fees	928,115	623,058	604,992	305,057	49.0	18,066	3.0
Other operating revenues	1,779,485	1,367,671	1,435,288	411,814	30.1	(67,617)	(4.7)
Total operating revenues	$ 74,990,094	$ 72,536,457	$ 64,712,780	$ 2,453,637	3.4%	$ 7,823,677	12.1%

The charts below present the distribution of major sources of operating revenues in FY 2024 and FY 2023:

FY 2024
Operating Revenues: $75.0 Million

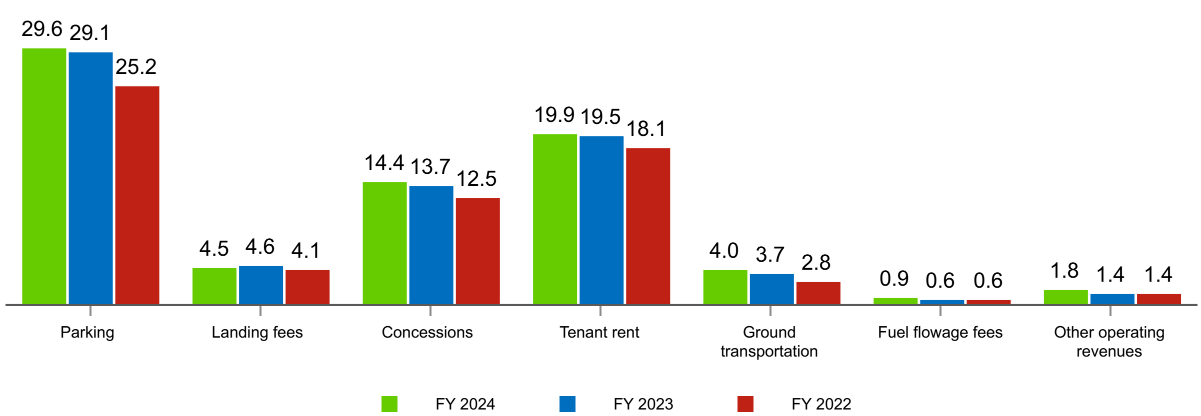


FY 2023
Operating Revenues: $72.5 Million



The chart below presents the comparative summary of operating revenues for FY 2024, FY 2023, and FY 2022:

Operating Revenues
Years ended June 30, 2024, 2023, and 2022
(in millions)



In FY 2024, total operating revenues increased by $2,453,637, or 3.4%, primarily due to a combination of the following:

(1) increased parking revenues of $482,065, primarily due to an increase of utilization of self-park options from increased passenger activity;

(2) decreased landing fees of $127,896, primarily due to decreases in actual commercial carrier flight operations and total landed weight;

(3) increased concession fees of $674,454, primarily due to increased passenger activity;

(4) increased tenant rent of $346,929, primarily due to CPI increases to existing leases reduced by termination of certain leases for land required for the RPT project;

(5) increased ground transportation revenues of $361,214, primarily due a continued increase in ride share demand from increased passenger activity;

(6) increased fuel flowage fees of $305,057, primarily due to an increase in general aviation activity; and

(7) increased other operating revenues of $411,814, primarily due to a legal settlement payment received in FY 2024 and an increase in revenue from third-party aircraft and passenger handling services revenues from increased passenger activity.

In FY 2023, total operating revenues increased by $7,823,677, or 12.1%, primarily due to a combination of the following:

(1) increased parking revenues of $3,908,413, primarily due to an increase of utilization of self-park options and a full year of parking rate increases implemented in mid-FY 2022;

(2) increased landing fees of $531,392, primarily due to additional air carrier flight operations from the resumption of previously suspended routes, the addition of new routes, and the upgauging of aircraft;

(3) increased concession fees of $1,175,227, primarily due to increased passenger activity;

(4) increased tenant rent of $1,392,149, primarily due to the addition of new hangar leases and CPI increases to existing leases; and

(5) increased ground transportation revenues of $866,047, primarily due to returning ride share demand.

Operating Expenses

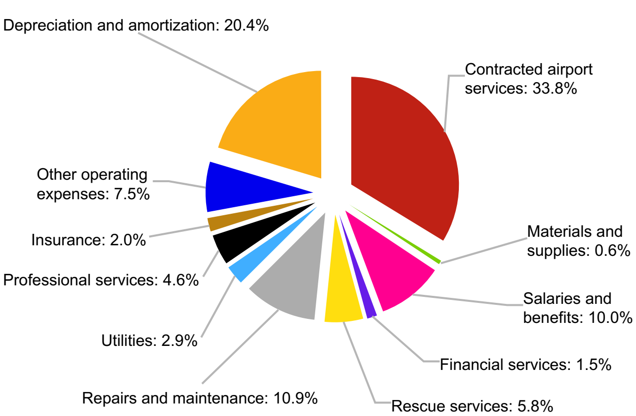
The following table presents a comparative summary of operating expenses in FY 2024, FY 2023, and FY 2022:

Operating Expenses Summary

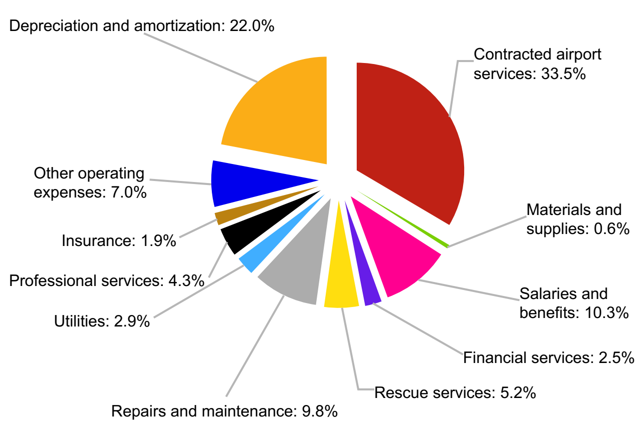
				FY 2023/24 increase (decrease)		FY 2022/23 increase (decrease)	
	2024	**2023**	**2022**	**Amount**	**%**	**Amount**	**%**
Contracted airport services	$ 24,695,925	$ 23,561,851	$ 20,871,769	$ 1,134,074	4.8%	$ 2,690,082	12.9%
Salaries and benefits	7,299,875	7,277,119	6,362,897	22,756	0.3	914,222	14.4
Financial services	1,101,142	1,784,813	1,788,161	(683,671)	(38.3)	(3,348)	(0.2)
Rescue services	4,238,948	3,686,682	3,591,874	552,266	15.0	94,808	2.6
Materials and supplies	448,886	413,816	365,869	35,070	8.5	47,947	13.1
Repairs and maintenance	8,006,357	6,859,440	5,427,626	1,146,917	16.7	1,431,814	26.4
Utilities	2,132,319	2,008,420	1,942,277	123,899	6.2	66,143	3.4
Professional services	3,370,066	3,028,342	3,180,213	341,724	11.3	(151,871)	(4.8)
Insurance	1,487,416	1,341,036	1,337,733	146,380	10.9	3,303	0.2
Other operating expenses	5,523,792	4,894,497	4,020,804	629,295	12.9	873,693	21.7
Operating expenses before depreciation and amortization	58,304,726	54,856,016	48,889,223	3,448,710	6.3	5,966,793	12.2
Depreciation and amortization	14,911,710	15,492,879	16,474,921	(581,169)	(3.8)	(982,042)	(6.0)
Total operating expenses	$ 73,216,436	$ 70,348,895	$ 65,364,144	$ 2,867,541	4.1%	$ 4,984,751	7.6%

The charts below present the distribution of operating expenses in FY 2024 and FY 2023:

FY 2024
Operating Expenses: $73.2 Million

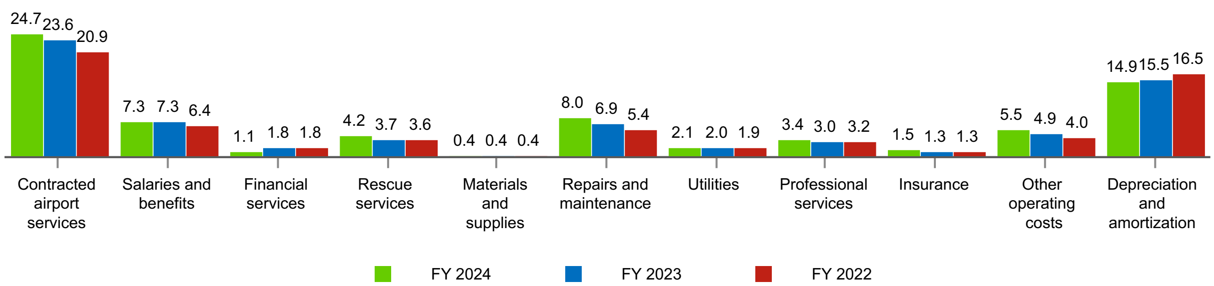


FY 2023
Operating Expenses: $70.3 Million



The chart below presents the comparative summary of operating expenses for FY 2024, FY 2023, and FY 2022:

Operating Expenses
Years ended June 30, 2024, 2023, and 2022
(in millions)



Total operating expenses increased by $2,867,541, or 4.1%, in FY 2024 primarily due to a combination of the following:

(1) increased contracted airport services of $1,134,075, primarily due to the filling of both vacant and approved airport personnel positions;

(2) decreased financial services expenses of $683,671, primarily due to a decrease in processing fees from the Airport's parking pre-booking program due to the transition in parking operator;

(3) increased cost for aircraft rescue and firefighting services of $552,267, due to the terms of the collective bargaining agreement with the Burbank Airport Professional Firefighters IAFF Local 1-61 Union effective July 1, 2023;

(4) increased repairs and maintenance costs of $1,146,917, primarily due to increased maintenance and janitorial costs resulting from increased passenger activity;

(5) increased other operating expenses of $629,295, primarily due to costs associated with the FAA triennial exercise conducted in FY 2024 and an increase in parking tax paid to the City of Burbank due to positive parking revenue activity; and

(6) decreased depreciation and amortization expense of $581,169, primarily due to capital assets depreciated in FY 2023 exceeding the impact of new capital asset additions in FY 2024.

Total operating expenses increased by $4,984,751, or 7.6%, in FY 2023 primarily due to a combination of the following:

(1) increased contracted airport services of $2,690,082, primarily due to reinstatement of shuttle and parking operator services from reduced levels in the prior year, and increased labor costs;

(2) increased salaries and benefits for Airport police officers of $914,222, primarily due to the terms of a new Memorandum of Understanding with the Burbank Airport Police Officers Association effective February 1, 2023;

(3) increased cost for aircraft rescue and firefighting services of $94,808, due to the terms of the collective bargaining agreement with the Burbank Airport Professional Firefighters IAFF Local 1-61 Union effective July 1, 2020;

(4) increased repairs and maintenance costs of $1,431,814, primarily due to additional fuel costs for reinstated courtesy parking shuttle services, increased janitorial costs resulting from increased passenger activity, and the implementation of GASB Statement No. 96, *SBITA,* effective July 1, 2021;

(5) increased other operating expenses of $873,693, primarily due to the resumption of air service retention initiatives, and an increase in parking tax paid to the City of Burbank; and

(6) decreased depreciation and amortization expense of $982,042, primarily due to capital assets depreciated in FY 2022 exceeding the impact of new capital asset additions in FY 2023.

Nonoperating Revenues and Expenses

The following summary presents a comparison of nonoperating revenues and expenses in FY 2024, FY 2023, and FY 2022:

Comparative Summary of Nonoperating Revenues and Expenses

				FY 2023/24 increase (decrease)		FY 2022/23 increase (decrease)	
	2024	**2023**	**2022**	**Amount**	**%**	**Amount**	**%**
Nonoperating revenues:							
PFC revenues	$ 15,932,930	$ 12,882,716	$ 9,687,636	$ 3,050,214	23.7%	$ 3,195,080	33.0%
CFC revenues	5,397,765	5,035,162	4,682,637	362,603	7.2	352,525	7.5
Investment income (loss)	17,530,285	3,781,146	(7,282,192)	13,749,139	363.6	11,063,338	(151.9)
Interest income	267,547	393,501	519,784	(125,954)	(32.0)	(126,283)	(24.3)
Gain on retirement of capital assets	110,515	13,123	—	97,392	742.1	13,123	N/A
Other noncapital grants	768,236	8,147,212	8,878,981	(7,378,976)	(90.6)	(731,769)	(8.2)
	40,007,278	30,252,860	16,486,846	9,754,418	32.2	13,766,014	83.5
Nonoperating expenses:							
Interest expense, debt service	6,380,411	3,735,875	4,011,938	2,644,536	70.8	(276,063)	(6.9)
Other interest expense	8,730	11,273	6,007	(2,543)	(22.6)	5,266	87.7
Bond issuance costs	2,252,292	—	—	2,252,292	N/A	—	N/A
Sound insulation program	—	180	2,350	(180)	(100.0)	(2,170)	(92.3)
Replacement terminal development	292,006	655,585	—	(363,579)	(55.5)	655,585	N/A
	8,933,439	4,402,913	4,020,295	4,530,526	102.9	382,618	9.5
Total nonoperating revenues (expenses), net	$ 31,073,839	$ 25,849,947	$ 12,466,551	$ 5,223,892	20.2%	$ 13,383,396	107.4%

Nonoperating revenues of $40,007,278 and $30,252,860 in FY 2024 and FY 2023, respectively, consist of PFC revenues, CFC revenues, net investment income, gain on retirement of capital assets, and other noncapital grants (capital grant revenues are included in capital contributions).

In FY 2024, nonoperating revenues net of nonoperating expenses increased by $5,223,892, or 20.2%, primarily due to a combination of the following:

(1) increased PFC revenues of $3,050,214, primarily due to increases in passenger levels, interest income from the PFC investment portfolio, and the fair value of investments in the PFC investment portfolio;

(2) increased CFC revenues of $362,603, due to an increase in rental car activity;

(3) increased investment income of $13,749,139, due to increases in interest income from the Operating investment portfolio and the fair value of the Operating investment portfolio;

(4) decreased other noncapital grants of $7,378,976, primarily due to the end of the COVID-19 pandemic federal relief grants for eligible noncapital costs;

(5) increased interest expense of $2,644,536, primarily due to the interest expense accrual for the 2024 Bonds issued on May 30, 2024; and

(6) increased bond issuance costs of $2,252,292, due to the issuance of the 2024 Bonds; and

(7) decreased Replacement Passenger Terminal development expenses of $363,579, due to a decrease in Replacement Passenger Terminal project's financial services costs unrelated to the 2024 Bond issuance.

In FY 2023, nonoperating revenues net of nonoperating expenses increased by $13,383,396, or 107.4%, primarily due to a combination of the following:

(1) increased PFC revenues of $3,195,080, primarily due to increases in passenger levels and the fair value of investments in the PFC investment portfolio;

(2) increased CFC revenues of $352,525, due to an increase in rental car activity;

(3) increased investment income of $11,063,338, due to the increase in fair value of the operating investment portfolio;

(4) decreased other noncapital grants of $731,769, primarily due to a decrease in federal relief grant funds used for eligible personnel costs;

(5) decreased interest expense, debt service, of $276,063, due to decreased bond principal outstanding as a result of annual debt service payments made on the 2012 and 2015 Bonds; and

(6) increased replacement terminal development expenses of $655,585, due to certain Replacement Passenger Terminal project costs related to financial services not being capitalized.

Capital Contributions

Capital contributions amounting to $14,367,792 and $8,030,233 were recorded in FY 2024 and FY 2023, respectively. In FY 2024, these amounts represent FAA IIJA-BIL grants for the design and preconstruction of the Replacement Passenger Terminal project. In FY 2023, these amounts represent FAA Airport Improvement (AIP) grants for the the Taxiway C and shoulder rehabilitation and the ARPA federal relief grant used for bond debt service.

Replacement Passenger Terminal Project

The Replacement Passenger Terminal (RPT) project, as defined in the Development Agreement between the City of Burbank and the Authority, includes a 14-gate replacement passenger terminal of 355,000 square feet, associated aircraft ramp, parking facilities, ground service equipment and cargo support facilities, a new terminal loop roadway, and demolition of the existing 14-gate passenger terminal.

The Authority reinstated this important safety project in September 2021 after an 18-month suspension and in May 2022, Jacobs Project Management Inc. assumed program management responsibilities of the project. On December 19, 2022, the Authority awarded a progressive design-build agreement to Holder, Pankow, TEC Joint Venture (HPTJV) and on May 6, 2024 the Authority approved HPTJV's guaranteed maximum price (GMP) of $1.11 billion, with a total project budget of $1.3 billion. The beneficial occupancy date is scheduled for October 2026.

During FY 2024, the Authority received two FAA IIJA-BIL grants in the amount of $30.0 million (Airport Terminals Program) and $15.9 million (Airport Infrastructure Grants) for eligible design and preconstruction costs of the project. These amounts, in addition to the $48.4 million from PFC Application 21 for eligible design costs approved in FY 2023, were the federal funding sources utilized during FY 2024 for the RPT project. Subsequent to June 30, 2024, the Authority received additional FAA IIJA-BIL grants in August 2024 in the amounts of $17.3 million and $8.2 million from the Airport Terminals Program and Airport Infrastructure Grants, respectively.

Additionally, as part of the RPT's plan of finance, the Authority issued $724.8 million in 2024 Bonds in May 2024 to finance a large portion of the RPT project, pay interest on the 2024 Bonds through April 1, 2027, purchase a debt service reserve surety and municipal bond insurance policies, and pay for the costs of issuance. The Authority also has standby letters of credit of $200 million that have not yet been utilized. The Authority continues to seek additional federal funding as the project progresses. Issuance of a final completion bond is anticipated.

Additional information regarding the Authority's RPT project can be found in note 13 in the accompanying notes to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Burbank-Glendale-Pasadena Airport Authority, 2627 N. Hollywood Way, Burbank, California, 91505.

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BASIC FINANCIAL STATEMENTS

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Statements of Net Position

June 30, 2024 and 2023

Assets	**2024**	**2023**
Current unrestricted assets:		
Cash and investments – operating fund (note 3)	$ 27,276,938	$ 39,429,029
Grants receivable	1,779,528	1,747,335
Leases receivable (note 7)	3,251,476	3,580,829
Accounts receivable, net of allowance	7,995,050	3,314,710
Accrued interest receivable	3,487,067	1,672,516
Prepaid expenses	280,631	424,212
Total current unrestricted assets	44,070,690	50,168,631
Current restricted assets:		
Cash and investments (note 3):		
Cash and investments held by bond trustee	747,693,555	15,995,174
Other restricted cash and investments:		
Operating Reserve Fund	15,284,081	13,853,975
Bond Surplus Fund	2,601,563	2,601,563
Authority Areas Reserve	3,568,353	3,484,425
Asset Forfeiture Fund	25,702	25,049
Proceeds from sale of Airport property	2,104,502	2,104,502
Facility Rent Reserve	620,952	—
Passenger Facility Charge Fund	64,950,519	65,207,188
Customer Facility Charge Fund	1,610,153	1,814,161
Total other restricted cash and investments	90,765,825	89,090,863
Total restricted cash and investments	838,459,380	105,086,037
Passenger Facility Charge receivables	1,674,685	1,500,457
Customer Facility Charge receivables	503,575	436,695
Accrued interest receivable	3,796,428	515,019
Total current restricted assets	844,434,068	107,538,208
Noncurrent unrestricted assets:		
Leases receivable (note 7)	3,525,701	6,663,553
2024 Bonds debt service reserve surety and bond insurance (note 5)	2,764,085	4,728
Cash and investments – Facility Development Reserve (note 3)	205,132,453	205,132,453
Capital assets (note 4):		
Land	160,065,894	160,065,894
Other nondepreciable capital assets	1,128,515	1,128,515
Construction in progress	147,756,131	32,649,419
Buildings and improvements	256,902,208	255,974,998
Runways and improvements	160,120,870	159,622,308
Machinery and equipment	39,501,833	38,711,805
Intangible right to use asset (note 8)	660,984	660,984
Less accumulated depreciation and amortization	(339,111,002)	(324,295,821)
Total capital assets, net	427,025,433	324,518,102
Total assets	1,526,952,430	694,025,675

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Statements of Net Position

June 30, 2024 and 2023

(Continued)

Liabilities	**2024**	**2023**
Current liabilities:		
Accounts payable and accrued expenses	$ 49,243,486	$ 14,276,429
Salaries and benefits payable	1,662,661	1,466,222
Unearned revenue	6,801,314	2,126,997
Customer deposits	1,862,376	1,653,086
Subscription liabilities, current (note 8)	77,963	75,329
Total current liabilities	59,647,800	19,598,063
Liabilities payable from restricted assets:		
Current portion of long-term debt (note 5)	6,405,000	6,090,000
Accrued interest payable	5,030,533	2,155,196
Total liabilities payable from restricted assets	11,435,533	8,245,196
Noncurrent liabilities:		
Revenue bonds payable, less current portion (note 5)	789,655,000	71,280,000
Original issue premium, net (note 5)	28,333,008	589,438
Subscription liabilities, noncurrent (note 8)	102,227	180,190
Total noncurrent liabilities	818,090,235	72,049,628
Total liabilities	889,173,568	99,892,887
Deferred Inflows of Resources		
Deferred inflows - leases (note 7)	6,777,177	10,244,382
Deferred amount on refunding of 2005 Bonds (note 5)	—	102,010
Total deferred inflows of resources	6,777,177	10,346,392
Net Position		
Net investment in capital assets	250,621,896	252,577,172
Restricted:		
Debt service	118,115,788	23,980,877
Capital projects	72,288,115	71,516,622
Federal asset seizure	25,702	25,049
Other purposes	3,568,353	3,484,425
Unrestricted	186,381,831	232,202,251
Total net position	$ 631,001,685	$ 583,786,396

See accompanying notes to basic financial statements.

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BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position

Years ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Charges for services:		
Parking	$ 29,564,588	$ 29,082,523
Landing fees	4,458,672	4,586,568
Concessions	14,355,798	13,681,344
Tenant rent	19,861,157	19,514,228
Ground transportation	4,042,279	3,681,065
Fuel flowage fees	928,115	623,058
Other operating revenues	1,779,485	1,367,671
Total operating revenues	74,990,094	72,536,457
Operating expenses:		
Contracted airport services	24,695,925	23,561,851
Salaries and benefits	7,299,875	7,277,119
Financial services	1,101,142	1,784,813
Rescue services	4,238,948	3,686,682
Materials and supplies	448,886	413,816
Repairs and maintenance	8,006,357	6,859,440
Utilities	2,132,319	2,008,420
Professional services	3,370,066	3,028,342
Insurance	1,487,416	1,341,036
Other operating expenses	5,523,792	4,894,497
Total operating expenses before depreciation and amortization	58,304,726	54,856,016
Operating income before depreciation and amortization	16,685,368	17,680,441
Depreciation and amortization (note 4)	14,911,710	15,492,879
Operating income	1,773,658	2,187,562
Nonoperating revenues (expenses):		
Passenger Facility Charge revenue, including interest (note 9)	15,932,930	12,882,716
Customer Facility Charge revenue (note10)	5,397,765	5,035,162
Investment income, net	17,530,285	3,781,146
Interest income (note 7)	267,547	393,501
Interest expense, debt service	(6,380,411)	(3,735,875)
Other interest expense	(8,730)	(11,273)
Bond issuance costs	(2,252,292)	—
Gain on retirement of capital assets	110,515	13,123
Sound insulation program	—	(180)
Other noncapital grants (note 12d)	768,236	8,147,212
Replacement terminal development	(292,006)	(655,585)
Total nonoperating revenues, net	31,073,839	25,849,947
Income before capital contributions	32,847,497	28,037,509
Capital contributions (note 12d)	14,367,792	8,030,233
Changes in net position	47,215,289	36,067,742
Total net position – beginning of year	583,786,396	547,718,654
Total net position – end of year	$ 631,001,685	$ 583,786,396

See accompanying notes to basic financial statements.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Statements of Cash Flows

Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash received from airline carriers, tenants, and others	$ 75,193,337	$ 73,490,103
Cash paid to suppliers of goods and services	(48,092,822)	(43,553,884)
Cash paid for employees' services	(7,103,435)	(7,041,297)
Cash paid for parking taxes to the City of Burbank	(3,100,781)	(3,093,997)
Cash paid for replacement terminal development	(292,006)	(655,585)
Cash paid from settlement for hangar floors	(25,440)	—
Net cash provided by operating activities	16,578,853	19,145,340
Cash flows from noncapital financing activities:		
Sound insulation program	—	(180)
Other noncapital grants	1,361,325	8,548,813
Net cash provided by noncapital financing activities	1,361,325	8,548,633
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(82,179,765)	(28,822,274)
Proceeds from sale of capital assets	110,515	13,123
Principal paid on revenue bonds	(6,090,000)	(5,810,000)
Interest paid on revenue bonds	(4,152,663)	(4,448,424)
Interest paid on subscriptions	(8,730)	(11,273)
Interest received on leases	267,547	393,501
Proceeds from sale of bonds	753,081,811	—
Prepaid bond insurance and surety	(2,772,019)	—
Cash paid for bond issuance costs	(2,242,042)	—
Passenger Facility Charge program receipts	12,612,936	11,811,939
Customer Facility Charge program receipts	5,330,885	5,035,707
Capital contributions received	13,742,510	8,568,385
Net cash provided by (used in) capital and related financing activities	687,700,985	(13,269,316)
Cash flows from investing activities:		
Interest received on investments	6,841,716	5,676,773
Purchases of investments not considered cash equivalents	(738,076,816)	(17,178,361)
Proceeds from the sale or maturity of investments not considered cash equivalents	44,773,309	—
Net cash used in investing activities	(686,461,791)	(11,501,588)
Net increase in cash and cash equivalents	19,179,372	2,923,069
Cash and cash equivalents, beginning of year	37,167,213	34,244,144
Cash and cash equivalents, end of year	$ 56,346,585	$ 37,167,213

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Statements of Cash Flows

Years ended June 30, 2024 and 2023

(Continued)

	2024	2023
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 1,773,658	$ 2,187,562
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	14,911,710	15,492,879
Other nonoperating expenses	(292,006)	(655,585)
Changes in assets and liabilities:		
Accounts receivable	(4,680,340)	166,969
Prepaid expenses	143,582	(6,765)
Accounts payable and accrued expenses	(357,797)	933,736
Salaries and benefits payable	196,439	235,822
Unearned revenue	4,674,318	681,116
Customer deposits	209,290	109,606
Net cash provided by operating activities	$ 16,578,854	$ 19,145,340
Reconciliation of cash and cash equivalents to the statements of net position:		
Operating fund	$ 27,276,938	$ 39,429,029
Restricted cash and investments	838,459,380	105,086,037
Facility Development Reserve	205,132,453	205,132,453
Cash, cash equivalents, and investments	1,070,868,771	349,647,519
Investments not considered cash equivalents	(1,014,522,186)	(312,480,306)
Cash and cash equivalents, end of year (note 3)	$ 56,346,585	$ 37,167,213
Summary of significant noncash investing and financing activities:		
Amortization of original issue premiums	$ (558,241)	$ (477,237)
Amortization of 2005 Bonds deferred amount on refunding	(102,010)	(102,008)
Change in fair value of investments	(8,738,374)	1,855,734
Capital assets acquired by accounts payable	(42,936,721)	(7,622,116)
Net change in lease receivable on lessor lease transactions	3,467,205	4,065,850
Net change in grants receivable related to federal awards	(32,193)	969,151

See accompanying notes to basic financial statements.

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(1) Nature of Authority

The Burbank-Glendale-Pasadena Airport Authority (Authority) is a separate governmental entity created by a Joint Exercise of Power Agreement (Agreement) executed in June 1977 among the Cities of Burbank, Glendale, and Pasadena, California (Cities). The purpose of the Agreement was to enable the Cities to acquire, operate, repair, maintain, improve, and administer the Bob Hope Airport, commonly known as the "Hollywood Burbank Airport" (Airport), as a public air terminal. The Authority is governed by a nine-member Board of Airport Commissioners, three of whom are appointed by the City Council of each of the Cities. The members of the Airport Commission annually elect a President, Vice-President, and Secretary of the Commission. The Authority has contracted with TBI Airport Management, Inc. (TBI) to perform certain airport administrative, maintenance, operational services and aircraft rescue and firefighting (ARFF) services. These contracted services are included in the Authority's statements of revenues, expenses, and changes in net position as "contracted airport services" except for ARFF services which is included as "rescue services." As required under the State of California Constitution, the Authority directly employs its law enforcement officers.

The debts, liabilities, and obligations of the Authority do not constitute debts, liabilities, or obligations of the Cities. The accompanying basic financial statements are not included in the reporting entity of any of the Cities.

(2) Summary of Significant Accounting Policies

The basic financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

(a) Basis of Accounting

The Authority reports its financial operations as an enterprise activity, and as such, its financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. The measurement focus is on determination of changes in net position, financial position, and cash flows. Operating revenues include charges for services and tenant rent. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

(b) Description of Basic Financial Statements

Statements of Net Position – The statements of net position are designed to display the financial position of the Authority including its assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position.

The Authority's equity is reported as net position, which is classified into three categories defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Those assets are restricted due to external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments through constitutional provisions or enabling legislation. At June 30, 2024 and 2023, net positions of $70,937,737 and $63,654,996, respectively, are restricted by enabling legislation.
- *Unrestricted* – This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Statements of Revenues, Expenses and Changes in Net Position – The statements of revenues, expenses and changes in net position are the operating statements for the Authority. Revenues are reported by major source. This statement distinguishes between operating and nonoperating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses before depreciation, and operating income (loss).

Statements of Cash Flows – The statements of cash flows present information on the Authority's cash receipts and payments during the fiscal year. These cash flows are grouped into five categories: operating activities, noncapital financing activities, capital and related financing activities, investing activities and noncash investing and financing activities.

Notes to Basic Financial Statements – The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

(c) Operating and Nonoperating Revenues and Expenses

The Authority distinguishes between operating revenues and expenses and nonoperating items. Operating revenues and expenses generally result from providing goods and services to Airport users. The principal operating revenues of the Airport are parking fees, landing fees, concession charges, tenant rent, ground transportation, and fuel flowage fees. Operating expenses include contracted airport services, salaries and employee benefits, maintenance and operation of systems and facilities, administrative expenses including compliance with federal, state and local regulatory requirements, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) Restricted Assets

Certain assets are restricted based on constraints placed on the asset's use through external constraints imposed by creditors (such as through debt covenants), grantors, leases, trust agreements, contributors, laws or regulations of other governments, or enabling legislation. Restricted funds are nondiscretionary in terms of use and provide for payment of debt service on Authority bonds, reserves for outstanding bonds, construction of long-term assets and operations, and maintenance. The Authority, after necessary fund transfers have been made to comply with bond covenants, has discretion as to the magnitude and use of the remaining unrestricted funds.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources, as they are needed.

(e) Grants and Capital Contributions

The Authority receives grants under the Airport Improvement Program (AIP) from the U.S. Department of Transportation – Federal Aviation Administration (FAA) to finance certain capital improvements. Additionally, the Authority utilized awarded federal grants from the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), which are administered by the FAA through the AIP.

Such grants related to capital acquisitions are recorded on the statements of revenues, expenses and changes in net position as capital contributions, and for noncapital purposes as nonoperating revenue other noncapital grants. Grant revenues are recognized when qualifying expenses under the grant are incurred.

(f) Passenger Facility Charge Revenues

The Authority imposes a Passenger Facility Charge (PFC) of $4.50 per enplaned passenger, as approved by the FAA, to finance certain capital improvements. Cash and receivables from such revenues are maintained in separate accounts and are restricted for approved airport improvement projects. Revenues are recognized during the period earned.

(g) Customer Facility Charge Revenues

The Authority imposes a Customer Facility Charge (CFC) on all rental car contracts transacted at the Airport in accordance with *California Civil Code 1936 et. seq.*, as amended. The current applicable charge is $6.00 per day up to a maximum of five days per transaction. Under the Master Indenture of Trust as supplemented, revenues generated on/after July 1, 2014 are used solely for the purposes of repayment of the debt obligations incurred to develop the Consolidated Rental Car Facility (CRCF) located in the Regional Intermodal Transportation Center (RITC) of the Airport. Cash and receivables from such revenues are maintained in separate accounts and are recognized during the period in which they are earned.

(h) Revenues and Cash Accounts

All revenues, except PFCs and CFCs (CFCs collected are transferred to the 2012 Bonds Debt Service Fund), are deposited in the Revenue Fund and are transferred to the following cash accounts in priority order as mandated by resolution of the Authority and its bond indenture:

- **Operating Fund** – The balance in this fund is to be used for payment of operations and maintenance costs as they become due and payable.
- **Rebate Fund** – Amounts on deposit in the Rebate Fund shall be applied to satisfy federal tax law requirements. As of June 30, 2024 and 2023, there was no balance in the Rebate Fund.
- **Debt Service Funds** – Bond interest currently payable on the 2012 and 2015 Bonds is deposited to each bond issue's debt service fund monthly prior to each semiannual payment. Currently payable bond principal on the 2012 and 2015 Bonds is transferred to each bond issue's debt service fund monthly prior to each annual payment. These cash funds are held by a trustee who pays the bond interest and principal when due. The balance in the Debt Service Funds at June 30, 2024 and 2023 is $5,217,887 and $4,969,021, respectively, for the 2012 Bonds, and $4,707,667 and $4,491,711, respectively, for the 2015 Bonds.

  CFCs, as received, and RITC Facility Rents, as needed, are deposited to the 2012 Bonds Debt Service Fund each month prior to each semiannual interest and each annual bond principal payment currently payable.
- **Debt Service Reserve Funds** – An amount equal to the lesser of (i) ten percent of the initial offering price of the Revenue Bonds, (ii) greatest annual debt service from the current period to the maturity of the Revenue Bonds, or (iii) 125% of average annual debt service from the current period to the maturity of the Revenue Bonds, is to be held by the trustee in these funds to be used in the event that monies in the respective Debt Service Funds are insufficient to meet payments when due. A debt service reserve surety in an amount of $3,664,397 and equal to 10% of the original offering price was obtained for the 2015 Bonds in lieu of a debt service reserve fund. Additionally, a debt service reserve surety in an amount of $48,607,907 was obtained for the 2024 Bonds in lieu of a debt service reserve fund. During the years ended June 30, 2024 and 2023, the required balance in the Debt Service Reserve Fund, calculated using the greatest annual debt service from the current period to the maturity of the Revenue Bonds, is $5,838,000 for the 2012 Bonds. The residual balance in the Debt Service Reserve Fund that was left over from the refunding of the 2005 Bonds at June 30, 2024 and 2023 is $166,162 and $158,404, respectively. The balance in the Debt Service Reserve Fund for the 2012 Bonds at June 30, 2024 and 2023 is $6,714,925 and $6,375,971, respectively.
- **Operating Reserve Fund** – The balance in this fund is to be used to pay operation and maintenance costs in the event that monies in the Operating Fund are insufficient. The Authority maintains a reserve equivalent to one-fourth of the annual operations and maintenance budget. The balance in the Operating Reserve Fund at June 30, 2024 and 2023 is $15,284,081 and $13,853,975, respectively.

- **Subordinated Indebtedness Fund** – In the event that additional debt is incurred, which is expressly made subordinate or junior in right of payment to the 2015 Bonds or 2012 Bonds, this fund will be established and used to pay principal, interest, and other allowable costs associated with the subordinated indebtedness. As of June 30, 2024 and 2023, there was no balance in the Subordinated Indebtedness Fund.
- **Reserve and Contingency Fund** – The balance in this fund is to be used to pay the costs of extraordinary repairs and replacements of Airport facilities to the extent that such costs are not provided from the proceeds of insurance or from other funds. Any remaining balances in the Reserve and Contingency Fund, not required to meet any deficiencies in the Debt Service Fund or Debt Service Reserve Funds or not needed for any of the purposes for which such Fund was established, shall be transferred to the Operating Fund, and any remaining excess may be deposited in the Surplus Fund. As of June 30, 2024 and 2023, there was no balance in the Reserve and Contingency Fund.
- **Surplus Fund** – All monies remaining in the Revenue Fund at year-end are to be deposited in this fund and may be transferred to offset other fund deficiencies in the following priority order: first in the Debt Service Fund, second in the applicable Debt Service Reserve Fund, third to the Subordinated Indebtedness Fund, and fourth to the Reserve and Contingency Fund. Amounts in the Surplus Fund not required to meet a deficiency as set forth above shall be applied or set aside as allowed for in the bond indenture. As of June 30, 2024 and 2023, there was $2,601,563 and $2,601,563, respectively, in the Surplus Fund to be transferred to any of the funds mentioned above. Amounts transferred to the Surplus Fund may be used for purposes of computation of the debt service coverage ratio.
- **Cost of Issuance Funds** – The balance in this fund provides for the payment of costs to issue the 2012, 2015, and 2024 Bonds not paid directly from escrow at the closing of the sale of the respective bonds. This fund is held by a trustee and is subject to the terms and conditions as set forth in the bond indenture. As of June 30, 2024 and 2023, there is $22,928 and $0, respectively, in the Cost of Issuance Funds pertaining to the 2024 Bonds.
- **Construction Funds** – The balance in this fund provides for the payment of applicable Capital Improvements identified to be financed from the 2012 Series A and B Bonds, the 2015 Series A and B Bonds, and the 2024 Series A and B Bonds. These funds are held by a trustee and are subject to the terms and conditions as set forth in the bond indenture. As of June 30, 2024 and 2023, there are $70 and $67 for the 2012 Series A and B Bonds and $638,667,653 and $0 for the 2024 Series A and B Bonds.

(i) Other Cash Accounts

The Authority maintains the following additional restricted cash:

- **Authority Areas Reserve Fund** – Operating revenues received from certain areas specified in the airline signatory leases are set aside to be utilized at the discretion of the Authority for any lawful purpose.

- **Asset Forfeiture Fund –** The Authority receives funds from the U.S. Department of Justice, U.S. Department of Treasury and the State of California Department of Justice under the equitable sharing programs of each agency related to certain law enforcement activities. These assets are used to purchase certain equipment to supplement law enforcement activities at the Airport.
- **Proceeds from Sale of Airport Property Fund** – Proceeds from the sale of Airport property is set aside to be used for similar income producing means in accordance with the Master Indenture of Trust, as supplemented.
- **Facility Rent Reserve** – In accordance with the on-airport rental car lease and concessions agreement between the Authority and each rental car company (RAC) operating within the CRCF, all facility rent revenues received from the RACS are required to be used by the Authority to supplement any shortfall for the repayment of the debt obligations incurred to develop the CRCF. Excess facility rent revenues may be used for other allowable expenses as defined in the agreement with the RACs.
- **Passenger Facility Charge Fund –** Cash from the PFC program are maintained in a separate account and are restricted for approved airport improvement projects.
- **Customer Facility Charge Fund –** Cash from CFC collections received prior to July 1, 2014 are maintained in a separate account with the use of such funds limited to eligible capital projects associated with additional development and/or replacement of major components of the Consolidated Rental Car Facility. CFC collections received after July 1, 2014 are pledged revenues to the 2012 Bonds.

The Authority maintains the following board-designated cash:

- **Facility Development Reserve** – Reserve established during fiscal year (FY) 2000 to provide for the future development of terminal and other Airport facilities. The actual appropriation of these funds to selected facility development projects will be determined based on the approval of the Authority. In FY 2024 no amount was transferred to the Facility Development Reserve and in FY 2023, $5,000,000 of excess revenues was transferred to the Facility Development Reserve.

(j) Capital Assets

Capital assets are defined by the Authority as assets with an initial, individual cost of $1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost, less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Depreciation is recognized in amounts calculated to amortize the cost of the depreciable assets over their estimated useful lives.

Depreciation is computed on a straight-line basis over the following periods:

Buildings and improvements	3 to 40 years
Runways and improvements	3 to 25 years
Machinery and equipment	3 to 20 years

(k) Vacation and Personal Leave

Employees may receive 80 to 160 hours of vacation each year (40 to 80 hours for job share employees), depending on length of service with the Authority. Vacation is not earned until the year is completed. An employee may accrue up to 320 hours of vacation; as of February 1st of each year any hours earned in excess of 320 hours are paid out to the employee.

Employees are entitled to 100 hours of personal leave during each year (50 hours for job share employees). Employees may accrue personal leave or may receive payment for any unused portion of personal leave days at the end of each year.

Employees are also entitled to bank up to 120 hours of overtime for personal leave.

Vacation and personal leave are accrued as earned by employees. Accrued vacation and personal leave is reported in the accompanying statements of net position and is included in salaries and benefits payable. Accrued vacation and personal leave for the years ended June 30, 2024 and 2023, was $1,144,736 and $1,040,790, respectively.

(l) Fair Value Measurements

For assets or liabilities that are required to be reported at fair value, the Authority uses valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or an income approach. The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy of inputs used to measure fair value consists of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

(m) Investments and Invested Cash

In accordance with California Government Code (Code) Section 53600 et seq., the Authority adopts an investment policy annually for the Operating, PFC and CFC portfolios that, among other things, authorizes types of allowable investments, maximum maturities, maximum concentration of investments by type of investment and issuer, minimum ratings for certain types of investments, and how the investments may be held. These criteria on investments and invested cash related to the Authority's bonded debt are governed by the related Master Indenture of Trust. The Authority further limits all investments to be more restrictive than the Code. Authorized investments and invested cash include U.S. Treasury securities, corporate notes, federal agency securities, money market mutual funds, bankers' acceptances, commercial paper, negotiable and non-negotiable certificates of deposit, repurchase agreements, guaranteed investment contracts and funds deposited in the State Treasurer's Local Agency Investment Fund (LAIF). Additional restrictions in the Authority's investment policy over the requirements of the Code include: (1) smaller maximum portions of the portfolios for certain investment types (e.g., U.S. Agency securities, negotiable and time certificates of deposit, bankers' acceptances, commercial paper, money market mutual funds, LAIF), (2) smaller maximum portions of the portfolios invested in a single institution/ issuer (e.g., negotiable and time certificates of deposit, corporate notes, bankers' acceptances, commercial paper) (3) limiting the underlying investments of money market mutual funds to U.S. Treasury securities, and (4) excluding investments in reverse repurchase agreements and securities lending agreements, collateralized mortgage obligations and similar investments, debt securities issued by other local agencies and shares of beneficial interest issued by joint powers authorities formed in accordance with Section 6509.7 of the Code. The restrictions in the Code and the additional limitations in the Authority's investment policy mitigate the Authority's interest rate risk, credit risk, concentration of credit risk, and custodial credit risk related to its various investments.

The Authority's investments are carried at fair value. Fair value is determined based upon market closing prices or bid/asked prices for regularly traded securities, where that information is available, or other observable inputs, where price is not available. The fair value of money market mutual funds and other similar investments is stated at its share value. The fair value of the Authority's investment in the LAIF is based on the Authority's pro rata share provided by LAIF of the fair value of the entire LAIF portfolio. Certain money market mutual fund investments with initial maturities at the time of the purchase of less than one year are recorded at cost. The calculation of realized gains and losses on investments that had been held more than one fiscal year and sold during the current year may have been recognized as an increase or decrease in fair value of investments reported in the prior year.

(n) Statements of Cash Flows

For purposes of the statements of cash flows, the Authority considers its investment in money market mutual funds in the Operating and Passenger Facility Charge cash and investment portfolios, and in the LAIF, to be cash equivalents that function as a demand deposit account, whereby funds may be withdrawn or deposited at any time without prior notice or penalty. Unrestricted investments in other securities with remaining maturities of 90 days or less at the time of purchase are also considered cash equivalents. Investments in money market mutual funds held by the bond trustee are not considered cash equivalents for purposes of the statement of cash flows.

(o) Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The cost of prepaid expenses is recognized as an expense when consumed, rather than when purchased.

(p) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(q) Income Taxes

The Authority is a political subdivision of the State of California. Accordingly, the Authority is not subject to federal or state income taxes.

(r) Accounting Pronouncements Adopted During the Fiscal Year

The following accounting pronouncements were issued by the Governmental Accounting Standards Board (GASB), and were implemented by the Authority during the fiscal year ended June 30, 2024:

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (a) practice issues that been identified during implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. Implementation of the remaining requirements of the statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 did not have a significant impact on the Authority's financial statements for the fiscal year ended June 30, 2024.
- GASB Statement No.100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant consistent, and comparable information for making decisions or assessing accountability. Implementation of this statement did not have a significant impact on the Authority's financial statements for the fiscal year ended June 30, 2024.

(s) Accounting Pronouncements Issued, Not Yet Effective

The following GASB Statements have been issued but are not yet effective for the year ended June 30, 2024. The Authority is assessing what financial statement impact, if any, these Statements will have:

- GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2025.

- GASB Statement No. 102, *Certain Risk Disclosures.* The objective of this statement is to provide information to users of government financial statements about risks that could impact a government's financial health. The statement aims to improve the consistency and transparency of how governments disclose information about risk financing and insurance-related transactions. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2025.

- GASB Statement No. 103, *Financial Reporting Model Improvements.* The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the Authority's fiscal year ending June 30, 2026.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets.* The objective of this statement is to establish requirements for certain types of capital assets to be disclosed separately for purposes of note disclosures, and to establish requirements for capital assets held for sale and note disclosures for those capital assets. The requirements of this statement are effective for the Authority's financial statements for the year ending June 30, 2026.

(t) Reclassification of Prior Year Presentation

Certain reclassifications have been made to the FY 2023 Basic Financial Statements to conform with the current year's presentation. Such reclassifications did not impact net position and change in net position.

(3) Cash and Investments

(a) Cash and Investments

(i) Cash and investments at June 30, 2024 and 2023 are classified in the accompanying statements of net position as follows:

	2024	2023
Cash and investments – current assets:		
Operating fund	$ 27,276,938	$ 39,429,029
Cash and investments – restricted assets:		
Cash and investments held by bond trustee:		
Debt service reserve fund – 2005 Bonds	166,162	158,404
Debt service fund – 2012 Bonds	5,217,887	4,969,021
Debt service reserve fund – 2012 Bonds	6,714,925	6,375,971
Construction funds – 2012 Bonds	70	67
Debt service fund – 2015 Bonds	4,707,667	4,491,711
Cost of issuance funds – 2024 Bonds	22,928	—
Capitalized interest funds – 2024 Bonds	92,196,261	—
Construction funds – 2024 Bonds	638,667,655	—
Total cash and investments held by bond trustee	747,693,555	15,995,174
Other restricted cash and investments:		
Operating Reserve fund	15,284,081	13,853,975
Bond Surplus fund	2,601,563	2,601,563
Authority Areas Reserve fund	3,568,353	3,484,425
Asset Forfeiture fund	25,702	25,049
Proceeds from sale of Airport property	2,104,502	2,104,502
Facility Rent Reserve fund	620,952	—
Passenger Facility Charge fund	64,950,519	65,207,188
Customer Facility Charge fund	1,610,153	1,814,161
Total other restricted cash and investments	90,765,825	89,090,863
Total cash and investments – restricted assets	838,459,380	105,086,037
Cash and investments – Facility Development Reserve	205,132,453	205,132,453
Total cash and investments	$ 1,070,868,771	$ 349,647,519

(ii) Cash and investments as of June 30, 2024 and 2023 consist of the following:

	2024	2023
Operating portfolio cash and investments:		
Cash and cash equivalents:		
Cash on hand	$ 500	$ 500
Deposits with financial institutions	8,655,694	5,355,538
Money market mutual funds	23,500,912	1,048,565
LAIF	14,296,678	19,186,978
Total cash and cash equivalents	46,453,784	25,591,581
Investments:		
U.S. Treasury securities	77,610,863	85,743,865
U.S. Agency securities	74,860,713	85,652,704
Medium-term corporate notes	57,689,184	69,642,846
Total investments	210,160,760	241,039,415
Total cash and cash equivalents and investments in operating portfolio	256,614,544	266,630,996
Passenger Facility Charge Fund:		
Cash and cash equivalents:		
Deposits with financial institutions	8,223,423	9,455,747
Money market mutual funds	59,225	305,724
Total cash and cash equivalents	8,282,648	9,761,471
Investments:		
U.S. Treasury securities	25,871,650	19,679,137
U.S. Agency securities	17,621,465	19,734,104
Medium-term corporate notes	13,174,756	16,032,476
Total investments	56,667,871	55,445,717
Total cash and cash equivalents and investments in passenger facility charge fund	64,950,519	65,207,188
Customer Facility Charge Fund:		
Deposits with financial institutions	1,610,153	1,814,161
Investments held by bond trustee:		
Money market mutual funds	66,735,189	15,995,174
U.S. Treasury securities	680,958,366	—
	747,693,555	15,995,174
Total cash and cash equivalents and investments	$ 1,070,868,771	$ 349,647,519

	2024	2023
Summary of cash and investments:		
Cash and cash equivalents:		
Cash on hand	$ 500	$ 500
Deposits with financial institutions	18,489,270	16,625,446
Money market mutual funds	23,560,137	1,354,289
LAIF	14,296,678	19,186,978
Total cash and cash equivalents	56,346,585	37,167,213
Investments:		
U.S. Treasury securities	103,482,513	105,423,002
U.S. Agency securities	92,482,178	105,386,808
Medium-term corporate notes	70,863,940	85,675,322
Money market mutual funds held by bond trustee	66,735,189	15,995,174
U.S. Treasury securities held by bond trustee	680,958,366	—
Total investments	1,014,522,186	312,480,306
Total cash and cash equivalents and investments	$ 1,070,868,771	$ 349,647,519

Cash balances, except for those held by the Trustee, held in the Authority's payroll account or held as petty cash are pooled for deposit and investment purposes. Cash and investments funds are classified under the general headings of "restricted" or "unrestricted." The Authority has designated separate restricted funds to carry on specific activities in accordance with special regulations, bond covenants, or enabling legislation. Restricted funds are nondiscretionary in terms of use and provide for payment of debt service on Authority bonds, reserves for outstanding bonds, construction of long-term assets, and operations and maintenance. The Authority, after necessary fund transfers have been made to comply with bond covenants, has discretion as to the magnitude and use of the remaining unrestricted funds.

(b) *Investments Authorized by the Code and the Authority's Investment Policy*

The table on the following page identifies the investment types that are authorized for the Authority by the Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the Code (or the Authority's investment policy, where more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the Master Indenture of Trust, as amended, rather than the Code or the Authority's investment policy.

Authorized investment type	Maximum maturity	Maximum percentage of portfolio[a]	Maximum investment in one issuer
U.S. Treasury securities	5 years	None	None
U.S. Agency securities	5 years	70%	None
Time deposits	5 years	15%	5%
LAIF	N/A	$20 million	None
Bankers' acceptances	180 days	15%	5%
Commercial paper	270 days	15%	5%
Repurchase agreements	1 year	10%	None
Money market mutual funds, invested in U.S. Treasury securities	N/A	20%	None
Medium-term corporate notes	5 years	30%	5%
Negotiable certificates of deposit	5 years	15%	5%

a. Percentages apply separately to the Operating portfolio, the Passenger Facility Charge Fund portfolio and the Customer Facility Charge Fund portfolio. Excludes amounts held by bond trustee.

(c) Investments Authorized Under the Master Indenture of Trust

Investment of debt proceeds held by the bond trustee are governed by provisions of the Master Indenture of Trust, rather than the general provisions of the Code or the Authority's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of the Master Indenture of Trust that address interest rate risk, and concentration of credit risk.

Authorized investment type	Maximum maturity	Maximum percentage allowed	Maximum investment in one issuer
U.S. Treasury securities	5 years	None	None
U.S. Agency securities	5 years	None	None
Money market mutual funds	N/A	None	None
Negotiable certificates of deposit	5 years	None	None
Time and savings deposits	5 years	None	None
Guaranteed investment contracts	30 years	None	None
Commercial paper	270 days	None	None
State or local government securities	5 years	None	None
Bankers' acceptances	360 days	None	None
Repurchase agreements	30 days	None	None
Any State of California-administered investment pool	N/A	None	None
Advance refunded municipal securities	5 years	None	None
Investments approved in writing by the bond insurer	30 years	None	None

(d) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time, as necessary to provide the cash flow and liquidity needed for operations. The Authority monitors the interest rate risk in its portfolios by measuring the weighted average maturity of the portfolios and limiting them to an average level recommended by its professional investment manager, currently approximately 0.8 years. The Authority also employs a “buy and hold” investment strategy whereby investments are held to maturity and redeemed at par. This strategy limits the Authority’s exposure to declines in fair value to unforeseen emergencies when the need for cash beyond that which is planned and anticipated may arise.

The weighted average maturity of each authorized investment type by pool at June 30, 2024 and 2023 are as follows:

	June 30, 2024		June 30, 2023	
Authorized investment type	**Amount**	**Weighted average maturity (in years)**	**Amount**	**Weighted average maturity (in years)**
Operating portfolio cash equivalents and investments:				
Operating portfolio investments:				
U.S. Treasury securities	$ 77,610,863	1.43	$ 85,743,865	2.11
U.S. Agency securities	74,860,713	1.11	85,652,704	1.85
Medium-term corporate notes	57,689,184	0.98	69,642,846	1.63
Total operating portfolio investments	210,160,760	1.19	241,039,415	1.88
Operating portfolio cash equivalents:				
Money market mutual funds	23,432,787	0.14	1,048,565	0.08
LAIF	14,296,678	0.60	19,186,978	0.72
Total operating portfolio cash equivalents	37,729,465	0.31	20,235,543	0.69
Total operating portfolio cash equivalents and investments	247,890,225	1.06	261,274,958	1.79
Passenger Facility Charge (PFC) Fund cash equivalents and investments:				
PFC Fund investments:				
U.S. Treasury securities	25,871,650	0.80	19,679,137	1.84
U.S. Agency securities	17,621,465	1.21	19,734,104	1.95
Medium-term corporate notes	13,174,756	0.98	16,032,476	1.63
Total PFC Fund investments	56,667,871	0.97	55,445,717	1.82
PFC Fund cash equivalents – money market mutual funds	47,100	0.14	305,724	0.08
Total PFC Fund cash equivalents and investments	56,714,971	0.97	55,751,441	1.81
Investments held by bond trustee:				
Money market mutual funds	66,735,189	0.14	15,995,174	0.08
U.S. Treasury securities	680,958,366	0.70	—	—
Total investments held by bond trustee	747,693,555	0.65	15,995,174	—
Total cash equivalents and investments	$1,052,298,751	0.76	$ 333,021,573	1.71

(e) Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

None of the Authority's investments (including investments held by the bond trustee) are highly sensitive to interest rate fluctuations.

(f) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented on the next page is the minimum rating required by (where applicable) the Code, the Authority's investment policy or the Master Indenture of Trust, as amended, and the actual rating as of June 30, 2024 and 2023 for each investment type.

Authorized investment type	Amount	Minimum legal rating	Not required to be rated or not rated	Rating as of year-end AAA	AA	A
As of June 30, 2024:						
Operating portfolio cash equivalents and investments:						
Operating portfolio investments:						
U.S. Treasury securities	$ 77,610,863	N/A	$ 77,610,863	$ —	$ —	$ —
U.S. Agency securities:						
Fed. Farm Credit Bank	16,658,919	N/A	—	—	16,658,919	—
Fed. Home Loan Bank	26,113,496	N/A	—	—	26,113,496	—
Fed. Home Loan Mort. Corp.	6,839,417	N/A	—	—	6,839,417	—
Fed. National Mort. Assn.	25,248,881	N/A	—	—	25,248,881	—
Total U.S. Agency securities	74,860,713		—	—	74,860,713	—
Medium-term corporate notes	57,689,184	A	—	—	9,960,188	47,728,996
Total operating portfolio investments	210,160,760		77,610,863	—	84,820,901	47,728,996
Operating portfolio cash equivalents:						
Money market mutual funds	23,432,787	AAA	—	23,432,787	—	—
LAIF	14,296,678	N/A	14,296,678	—	—	—
Total operating portfolio cash equivalents	37,729,465		14,296,678	23,432,787	—	—
Total operating portfolio cash equivalents and investments	247,890,225		91,907,541	23,432,787	84,820,901	47,728,996
Passenger Facility Charge (PFC) Fund cash equivalents and investments:						
PFC Fund investments:						
U.S. Treasury securities	25,871,650	N/A	25,871,650	—	—	—
U.S. Agency securities:						
Fed. Farm Credit Bank	4,649,270	N/A	—	—	4,649,270	—
Fed. Home Loan Bank	5,392,765	N/A	—	—	5,392,765	—
Fed. Home Loan Mort. Corp.	1,709,854	N/A	—	—	1,709,854	—
Fed. National Mort. Assn.	5,869,576	N/A	—	—	5,869,576	—
Total U.S. Agency securities	17,621,465		—	—	17,621,465	—
Medium-term corporate notes	13,174,756	A	—	—	2,467,594	10,707,162
Total PFC Fund investments	56,667,871		25,871,650	—	20,089,059	10,707,162
PFC Fund cash equivalents:						
Money market mutual funds	47,100	AAA	—	47,100	—	—
Total PFC Fund cash equivalents and investments	56,714,971		25,871,650	47,100	20,089,059	10,707,162
Investments held by bond trustee:						
Money market mutual funds	66,735,189	AAA	—	66,735,189	—	—
U.S. Treasury securities	680,958,366	N/A	680,958,366	—	—	—
Total investments bond trustee	747,693,555		680,958,366	66,735,189	—	—
Total cash equivalents and investments	$1,052,298,751		$ 798,737,557	$ 90,215,076	$ 104,909,960	$ 58,436,158

Authorized investment type	Amount	Minimum legal rating	Not required to be rated or not rated	Rating as of year-end AAA	AA	A
As of June 30, 2023:						
Operating portfolio cash equivalents and investments:						
Operating portfolio investments:						
U.S. Treasury securities	$ 85,743,865	N/A	$ 85,743,865	$ —	$ —	$ —
U.S. Agency securities:						
Fed. Farm Credit Bank	16,501,596	N/A	—	—	16,501,596	—
Fed. Home Loan Bank	29,253,620	N/A	—	—	29,253,620	—
Fed. Home Loan Mort. Corp.	6,612,830	N/A	—	—	6,612,830	—
Fed. National Mort. Assn.	33,284,658	N/A	—	—	33,284,658	—
Total U.S. Agency securities	85,652,704		—	—	85,652,704	—
Medium-term corporate notes	69,642,846	A	—	—	7,902,770	61,740,076
Total operating portfolio investments	241,039,415		85,743,865	—	93,555,474	61,740,076
Operating portfolio cash equivalents:						
Money market mutual funds	1,048,565	AAA	—	1,048,565	—	—
LAIF	19,186,978	N/A	19,186,978	—	—	—
Total operating portfolio cash equivalents	20,235,543		19,186,978	1,048,565	—	—
Total operating portfolio cash equivalents and investments	261,274,958		104,930,843	1,048,565	93,555,474	61,740,076
Passenger Facility Charge (PFC) Fund cash equivalents and investments:						
PFC Fund investments:						
U.S. Treasury securities	19,679,137	N/A	19,679,137	—	—	—
U.S. Agency securities:						
Fed. Home Loan Bank	5,245,925	N/A	—	—	5,245,925	—
Fed. Home Loan Mort. Corp.	1,653,208	N/A	—	—	1,653,208	—
Fed. National Mort. Assn.	8,243,387	N/A	—	—	8,243,387	—
Total U.S. Agency securities	19,734,104		—	—	19,734,104	—
Medium-term corporate notes	16,032,476	A	—	—	1,977,321	14,055,155
Total PFC Fund investments	55,445,717		19,679,137	—	21,711,425	14,055,155
PFC Fund cash equivalents:						
Money market mutual funds	305,724	AAA	—	305,724	—	—
Total PFC Fund cash equivalents and investments	55,751,441		19,679,137	305,724	21,711,425	14,055,155
Investments held by bond trustee:						
Money market mutual funds	15,995,174	AAA	—	15,995,174	—	—
Total investments bond trustee	15,995,174		—	15,995,174	—	—
Total cash equivalents and investments	$ 333,021,573		$ 124,609,980	$ 17,349,463	$ 115,266,899	$ 75,795,231

(g) Fair Value Measurements

The Authority categorizes its fair value measurements of its investments within the fair value hierarchy established by U.S. GAAP. The hierarchy of inputs used to measure fair value consists of three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs (the Authority has no investments measured using Level 3 inputs).
- Investments in an external government investment pool, such as LAIF, are not subject to reporting within the level hierarchy.

The Authority has the following recurring fair value measurements as of June 30, 2024 and 2023:

	June 30, 2024				June 30, 2023			
Authorized investment type	Total	Level 1	Level 2	Not Leveled	Total	Level 1	Level 2	Not Leveled
Operating portfolio cash equivalents and investments:								
Operating portfolio investments:								
U.S. Treasury securities	$ 77,610,863	$ 77,610,863	$ —	$ —	$ 85,743,865	$ 85,743,865	$ —	$ —
U.S. Agency securities:								
Fed. Farm Credit Bank	16,658,919	—	16,658,919	—	16,501,596	—	16,501,596	—
Fed. Home Loan Bank	26,113,496	—	26,113,496	—	29,253,620	—	29,253,620	—
Fed. Home Loan Mort. Corp.	6,839,417	—	6,839,417	—	6,612,830	—	6,612,830	—
Fed. National Mort. Assn.	25,248,881	—	25,248,881	—	33,284,658	—	33,284,658	—
Total U.S. Agency securities	74,860,713	—	74,860,713	—	85,652,704	—	85,652,704	—
Medium-term corporate notes	57,689,184	—	57,689,184	—	69,642,846	—	69,642,846	—
Total Operating portfolio investments	210,160,760	77,610,863	132,549,897	—	241,039,415	85,743,865	155,295,550	—
Operating portfolio cash equivalents:								
Money market mutual funds[1]	23,432,787	—	—	23,432,787	1,048,565	—	—	1,048,565
LAIF	14,296,678	—	—	14,296,678	19,186,978	—	—	19,186,978
Total Operating portfolio cash equivalents	37,729,465	—	—	37,729,465	20,235,543	—	—	20,235,543
Total Operating portfolio cash equivalents and investments	247,890,225	77,610,863	132,549,897	37,729,465	261,274,958	85,743,865	155,295,550	20,235,543

Note 1 - Valued at net asset value (NAV)

(continued)

	June 30, 2024				June 30, 2023			
Authorized investment type	**Total**	**Level 1**	**Level 2**	**Not Leveled**	**Total**	**Level 1**	**Level 2**	**Not Leveled**
Passenger Facility Charge (PFC) Fund cash equivalents and investments:								
PFC Fund investments:								
U.S. Treasury securities	25,871,650	25,871,650	—	—	19,679,137	19,679,137	—	—
U.S. Agency securities:								
Fed. Farm Credit Bank	4,649,270	—	4,649,270	—	4,591,584	—	4,591,584	—
Fed. Home Loan Bank	5,392,765	—	5,392,765	—	5,245,925	—	5,245,925	—
Fed. Home Loan Mort. Corp.	1,709,854	—	1,709,854	—	1,653,208	—	1,653,208	—
Fed. National Mort. Assn.	5,869,576	—	5,869,576	—	8,243,387	—	8,243,387	—
Total U.S. Agency securities	17,621,465	—	17,621,465	—	19,734,104	—	19,734,104	—
Medium-term corporate notes	13,174,756	—	13,174,756	—	16,032,476	—	16,032,476	—
Total PFC Fund investments	56,667,871	25,871,650	30,796,221	—	55,445,717	19,679,137	35,766,580	—
PFC Fund cash equivalents – money market mutual funds[1]	47,100	—	—	47,100	305,724	—	—	305,724
Total PFC Fund cash equivalents and investments	56,714,971	25,871,650	30,796,221	47,100	55,751,441	19,679,137	35,766,580	305,724
Investments held by bond trustee:								
Money market mutual funds[1]	66,735,189	—	—	66,735,189	15,995,174	—	—	15,995,174
U.S. Treasury securities	680,958,366	680,958,366	—	—	—	—	—	—
Total investments bond trustee	747,693,555	680,958,366	—	66,735,189	15,995,174	—	—	—
Total cash equivalents and investments	$1,052,298,751	$ 784,440,879	$ 163,346,118	$ 104,511,754	$ 333,021,573	$ 105,423,002	$ 191,062,130	$ 20,541,267

Note 1 - Valued at net asset value (NAV)

(h) Concentration of Credit Risk

The Authority's investment policy limits the amount that can be invested in any one issuer in corporate notes, bankers' acceptances, commercial paper, negotiable certificates of deposit and time certificates of deposit to 5% of the applicable portfolio. The investment policy contains no other limitations on the amount that can be invested in any one issuer beyond that stipulated by the Code. Investments in any one issuer (other than U.S. Treasury securities, money market mutual funds, and external investment pools) that represent 5% or more of total Authority investments, by pool, are as follows:

Issuer	Authorized investment type	Reported amount at June 30, 2024 Amount	2024 Fund %	2023 Amount	2023 Fund %
Operating portfolio investments:					
Federal Home Loan Bank	U.S. Agency securities	$ 26,113,496	11.18%	$ 29,253,620	12.08%
Federal National Mortgage Association	U.S. Agency securities	25,248,881	10.81	33,284,658	13.75
Federal Farm Credit Bank	U.S. Agency securities	16,658,919	7.13	16,501,596	6.82
Passenger Facility Charge Fund investments:					
Federal National Mortgage Association	U.S. Agency securities	5,869,576	10.35	8,243,387	14.79
Federal Home Loan Bank	U.S. Agency securities	5,392,765	9.51	5,245,925	9.41
Federal Farm Credit Bank	U.S. Agency securities	4,649,270	8.20	4,591,584	8.24

(i) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: the Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2024 and 2023, a portion of the Authority's deposits with financial institutions were uninsured and the collateral was held in accordance with the Code by the pledging financial institution in the Authority's name, as follows:

	2024	2023
Cash deposits:		
Insured	$ 250,000	$ 250,000
Uninsured, collateral held in the Authority's name	20,662,165	17,430,674
Total cash deposits	20,912,165	17,680,674
Plus deposits in transit	371,621	137,678
Less outstanding checks	(2,794,516)	(1,192,906)
Carrying amount of cash deposits	$ 18,489,270	$ 16,625,446

Investments and money market mutual funds in the Operating portfolio and Passenger Facility Charge Fund portfolio were held in the Authority's name by the trust department of the bank broker-dealer (counter-party) that was used by the Authority to buy the securities and mutual funds.

(j) Investment in the State Treasurer's Local Agency Investment Fund

The Authority is a voluntary participant in the LAIF that is regulated by the Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying basic financial statements at amounts based upon the Authority's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the Authority's position in the LAIF pool. As of June 30, 2024 and 2023, the total amount invested by all California local governments and special districts in LAIF was $22.0 billion and $25.7 billion, respectively. LAIF is part of the State of California's Pooled Money Investment Account (PMIA), which as of June 30, 2024 and 2023 had a balance of $178.3 billion and $176.4 billion, respectively. The PMIA is not SEC-registered, but is required to invest according to the Code.

(4) Capital Assets

Changes in capital assets for the year ended June 30, 2024 were as follows:

	July 1, 2023	Additions	Deletions	June 30, 2024
Capital assets not being depreciated:				
Land	$ 160,065,894	$ —	$ —	$ 160,065,894
Other non-depreciable assets	1,128,515	—	—	1,128,515
Construction in progress	32,649,419	117,419,041	(2,312,329)	147,756,131
Total capital assets not being depreciated	193,843,828	117,419,041	(2,312,329)	308,950,540
Capital assets being depreciated/ amortized:				
Building and improvements	255,974,998	927,210	—	256,902,208
Runways and improvements	159,622,308	498,562	—	160,120,870
Machinery and equipment	38,711,805	886,557	(96,529)	39,501,833
Intangible right to use asset	660,984	—	—	660,984
Total capital assets being depreciated/ amortized	454,970,095	2,312,329	(96,529)	457,185,895
Less accumulated depreciation/ amortization for:				
Building and improvements	(168,109,772)	(5,869,677)	—	(173,979,449)
Runways and improvements	(120,396,818)	(7,736,776)	—	(128,133,594)
Machinery and equipment	(35,564,477)	(1,163,881)	96,529	(36,631,829)
Intangible right to use asset	(224,754)	(141,376)	—	(366,130)
Total accumulated depreciation/ amortization	(324,295,821)	(14,911,710)	96,529	(339,111,002)
Total capital assets being depreciated/ amortized, net	130,674,274	(12,599,381)	—	118,074,893
Total capital assets, net	$ 324,518,102	$ 104,819,660	$ (2,312,329)	$ 427,025,433

Changes in capital assets for the year ended June 30, 2023 were as follows:

	July 1, 2022	Additions	Deletions	June 30, 2023
Capital assets not being depreciated:				
Land	$ 160,065,894	$ —	$ —	$ 160,065,894
Other non-depreciable assets	1,128,515	—	—	1,128,515
Construction in progress	10,006,984	34,625,904	(11,983,469)	32,649,419
Total capital assets not being depreciated	171,201,393	34,625,904	(11,983,469)	193,843,828
Capital assets being depreciated/ amortized:				
Building and improvements	255,846,105	128,893	—	255,974,998
Runways and improvements	149,020,913	10,601,395	—	159,622,308
Machinery and equipment	38,199,756	1,253,181	(741,132)	38,711,805
Intangible right to use asset	523,980	137,004	—	660,984
Total capital assets being depreciated/ amortized	443,590,754	12,120,473	(741,132)	454,970,095
Less accumulated depreciation/ amortization for:				
Building and improvements	(160,740,201)	(7,369,571)	—	(168,109,772)
Runways and improvements	(113,402,879)	(6,993,939)	—	(120,396,818)
Machinery and equipment	(35,317,616)	(987,993)	741,132	(35,564,477)
Intangible right to use asset	(83,378)	(141,376)	—	(224,754)
Total accumulated depreciation/ amortization	(309,544,074)	(15,492,879)	741,132	(324,295,821)
Total capital assets being depreciated/ amortized, net	134,046,680	(3,372,406)	—	130,674,274
Total capital assets, net	$ 305,248,073	$ 31,253,498	$ (11,983,469)	$ 324,518,102

(5) Long–Term Debt

The following is a summary of changes in long-term debt for the years ended June 30, 2024 and 2023:

	Beginning balance	Additions	Deductions	Ending balance	Due within one year
Year ended June 30, 2024:					
Revenue bonds payable:					
2012 Revenue Bonds:					
2012 Series A	$ 6,715,000	$ —	$ —	$ 6,715,000	$ —
2012 Taxable Series B	62,165,000	—	(1,950,000)	60,215,000	2,055,000
Plus deferred amounts for original issue premium	118,435	—	(6,233)	112,202	—
2015 Revenue Bonds:					
2015 Series B	8,490,000	—	(4,140,000)	4,350,000	4,350,000
Plus deferred amounts for original issue premium	471,003	—	(471,003)	—	—
2024 Revenue Bonds:					
2024 Series A	—	34,680,000	—	34,680,000	—
2024 Series B	—	642,420,000	—	642,420,000	—
2024 Taxable Series C	—	47,680,000	—	47,680,000	—
Plus deferred amounts for original issue premium	—	28,301,811	(81,004)	28,220,807	—
Total long–term debt payable	$ 77,959,438	$753,081,811	$ (6,648,240)	$824,393,009	$ 6,405,000
Year ended June 30, 2023:					
Revenue bonds payable:					
2012 Revenue Bonds:					
2012 Series A	$ 6,715,000	$ —	$ —	$ 6,715,000	$ —
2012 Taxable Series B	64,035,000	—	(1,870,000)	62,165,000	1,950,000
Plus deferred amounts for original issue premium	124,668	—	(6,233)	118,435	—
2015 Revenue Bonds:					
2015 Series B	12,430,000	—	(3,940,000)	8,490,000	4,140,000
Plus deferred amounts for original issue premium	942,007	—	(471,004)	471,003	—
Total long–term debt payable	$ 84,246,675	$ —	$ (6,287,237)	$ 77,959,438	$ 6,090,000

(a) 2012 Revenue Bonds

On May 10, 2012, the Authority issued $82,165,000 of 2012 Airport Revenue Bonds (2012 Bonds) with an effective interest rate of 5.624% and at an original issue premium totaling $187,886. The 2012 Bonds were issued in two series. The 2012 Bonds are special obligations of the Authority payable solely from, and secured solely by a pledge of, the net revenues and amounts in certain funds established under the Master Indenture of Trust, as amended and restated, and the Debt Service Reserve Fund.

The $6,715,000 Airport Revenue Bonds 2012 Series A (AMT) (2012 Series A Bonds), at an effective interest rate of 4.949%, and the $75,450,000 Airport Revenue Bonds 2012 Taxable Series B (2012 Taxable Series B Bonds), at an effective interest rate of 5.722%, were issued (i) to finance those costs of the RITC project consisting of the CRCF and the portion of the costs of the Replacement Parking Structure attributable to the parking spaces displaced by the CRCF (2012 Bond Project); (ii) to fund the 2012 Debt Service Reserve Fund; (iii) to provide capitalized interest with respect to the 2012 Bonds through July 1, 2014; and to pay the costs of issuance of the 2012 Bonds.

The 2012 Series A Bonds are due in annual installments ranging from $1,155,000 to $5,560,000 from July 1, 2041 to July 1, 2042 at an interest rate of 5.000% payable semiannually on July 1 and January 1 - beginning July 1, 2012, the 2012 Series A Bonds are subject to optional redemption by the Authority, without premium, in whole or in part on any date on and after July 1, 2022 at a redemption price equal to the principal and accrued interest to the redemption date on the portion to be redeemed.

The 2012 Taxable Series B Bonds are due in annual installments ranging from $1,500,000 to $4,970,000 from July 1, 2015 to July 1, 2041 with interest rates ranging from 2.036% to 5.812% payable semiannually on July 1 and January 1 - beginning July 1, 2012, the 2012 Taxable Series B Bonds are subject to optional redemption by the Authority, in whole or in part, on any date, at a Redemption Price equal to the Make-Whole Redemption Price, as defined in the bond official statement, plus unpaid accrued interest.

In accordance with the bond resolution, certain cash accounts (funds) are required to be segregated and minimum balances maintained as summarized in Note 2. There are also a number of other limitations and restrictions contained in the Master Indenture of Trust, as amended. Authority management believes that the Authority has complied with such requirements.

(b) 2015 Revenue Bonds

On April 30, 2015, the Authority issued $32,260,000 of 2015 Airport Revenue Bonds (2015 Bonds) with an effective interest rate of 2.553% and at an original issue premium of $4,383,971. The 2015 Bonds, issued as parity bonds with the 2012 Bonds, were issued in two series to defease the 2005 Airport Revenue Bonds (2005 Bonds). The 2015 Bonds are special obligations of the Authority payable solely from, and secured solely by a pledge of, the net revenues and amounts in certain funds established under the Master Indenture of Trust, as amended, and the Debt Service Reserve Fund (provided through a surety). The 2015 Bonds are not subject to redemption prior to maturity.

The $1,335,000 Airport Revenue Bonds 2015 Series A (non-AMT) (2015 Series A Bonds) were paid in two annual installments on July 1, 2016 and July 1, 2017 at an interest rate of 3.000% and 4.000%, respectively. The $30,925,000 Airport Revenue Bonds 2015 (AMT) Series B (2015 AMT Series B Bonds) are due in annual installments ranging from $2,070,000 to $4,350,000 from July 1, 2016 to July 1, 2024 with interest rates ranging from 3.000% to 5.000% payable semiannually on July 1 and January 1 beginning January 1, 2016.

The net proceeds of the 2015 Bonds of $36,156,809 plus $3,912,125 of 2005 Bonds Debt Service Funds, $5,942,618 of 2005 Bonds Debt Service Reserve Funds and an Authority contribution of $16,636, totaling $46,028,188, was deposited in an irrevocable trust with an escrow agent to provide for the interest and all outstanding principal of the 2005 Bonds due at July 1, 2015. The 2005 Bonds were called, without premium, on July 1, 2015 and paid in full.

The refunding and defeasance resulted in a difference between the re-acquisition price of the 2015 Bonds and the net carrying amount of the 2005 Bonds of $935,367. This difference, reported in the accompanying basic financial statements as a deferred inflow of resources, is being credited to interest expense through July 1, 2024, the final maturity of the 2015 Bonds, using the straight-line method. The Authority completed the refunding and defeasance to reduce its total debt service payments over the next nine years by $5,215,007 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $4,799,078. The unamortized deferred amount on refunding at June 30, 2024 and 2023 is $0 and $102,010, respectively.

A debt service reserve surety was obtained for the $3,664,397 debt service reserve requirement on the 2015 Bonds. The premium on the debt service reserve surety has been capitalized and is being amortized over the life of the 2015 Bonds. The unamortized surety premium at June 30, 2024 and 2023 is $0 and $4,728, respectively.

(c) 2024 Revenue Bonds

On May 30, 2024, the Authority issued $724,780,000 of 2024 Airport Senior Revenue Bonds (2024 Bonds) with an effective interest rate of 4.540% and at an original issue net premium of $28,301,811. The 2024 Bonds were issued in three series to (i) finance a portion of the cost of the Replacement Passenger Terminal (RPT) Project; (ii) pay interest to accrue on the 2024 Bonds to and including April 1, 2027; (iii) purchase a debt service reserve surety policy to be credited to the Debt Service Reserve Fund; (iv) purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on certain 2024 Bonds; and (v) pay costs of issuance of the 2024 Bonds. The 2024 Bonds are special obligations of the Authority payable solely from, and secured solely by a pledge of, the net revenues and amounts in certain funds established under the Amended and Restated Master Indenture of Trust and the Debt Service Reserve Fund (provided through a surety).

The $34,680,000 Airport Senior Revenue Bonds 2024 Series A (non-AMT) (2024 Series A Bonds) is due in one annual installment of $34,680,000 on July 1, 2054 at an interest rate of 4.000% payable semiannually on July 1 and January 1 beginning January 1, 2025. The 2024 Series A Bonds are subject to redemption prior to maturity at the option of the

Authority and from any source of funds, in whole or in part on any date on and after July 1, 2034 at a Redemption Price equal to the principal amount of the 2024 Series A Bonds to be redeemed, plus unpaid accrued interest thereon to the date fixed for redemption, without premium.

The $642,420,000 Airport Senior Revenue Bonds 2024 (AMT) Series B (2024 AMT Series B Bonds) are due in annual installments ranging from $10,120,000 to $44,435,000 from July 1, 2031 to July 1, 2054 with interest rates ranging from 4.000% to 5.250% payable semiannually on July 1 and January 1 beginning January 1, 2025. The 2024 Series B Bonds maturing on and after July 1, 2035, are subject to redemption prior to maturity at the option of the Authority and from any source of funds, in whole or in part on any date on and after July 1, 2034 at a Redemption Price equal to the principal amount of the 2024 Series B Bonds to be redeemed, plus unpaid accrued interest thereon to the date fixed for redemption, without premium.

The $47,680,000 Airport Senior Revenue Bonds 2024 (Taxable) Series C (2024 Taxable Series C Bonds) are due in annual installments ranging from $5,440,000 to $14,795,000 from July 1, 2028 to July 1, 2031 with interest rates ranging from 5.120% to 5.200% payable semiannually on July 1 and January 1 beginning January 1, 2025. The 2024 Taxable C Bonds are not subject to optional redemption prior to maturity.

The gross proceeds of the 2024 Bonds of $753,081,811, less $1,644,763 in underwriter's discount, totaling $751,437,048, were deposited in the following manner: (i) $655,848,684 in the 2024 Bonds construction accounts, (ii) $92,196,261 in the 2024 Bonds capitalized interest accounts, (iii) $2,772,019 in bond insurance policy and debt service reserve surety premiums, and (iv) the balance of $620,084 in the 2024 Bonds cost of issuance accounts.

A bond insurance policy was obtained for certain maturities of the 2024 Bonds totaling $257,860,000 in principal to protect bondholders against a default with respect to scheduled bond principal and interest payments. Additionally, a debt service reserve surety was obtained for the $48,607,907 debt service reserve requirement on the 2024 Bonds. Additionally, The premiums on the bond insurance and debt service reserve surety have been capitalized and are being amortized over the life of the 2024 Bonds. The total unamortized bond insurance and debt service reserve surety premiums at June 30, 2024 and 2023 is $2,764,085 and $0, respectively.

(d) Bonds Payable

Balances of bonds payable as of June 30, 2024 and 2023 are as follows:

	2024	2023
2024 Series A (Non-AMT) Airport Senior Revenue Bonds of $34,680,000	$ 34,680,000	$ —
2024 Series B (AMT) Airport Senior Revenue Bonds of $642,420,000	642,420,000	—
2024 Series C (Taxable) Airport Senior Revenue Bonds of $47,680,000	47,680,000	—
2015 Series B (AMT) Airport Revenue Bonds of $30,925,000	4,350,000	8,490,000
2012 Series A (AMT) Airport Revenue Bonds of $6,715,000	6,715,000	6,715,000
2012 Series B (Taxable) Airport Revenue Bonds of $75,450,000	60,215,000	62,165,000
	$ 796,060,000	$ 77,370,000

(e) Annual Debt Service Requirements to Maturity

Revenue bonds debt service requirements to maturity are as follows:

	Principal	Interest	Total
Payable in year ending June 30:			
2025	$ 6,405,000	$ 24,473,453	$ 30,878,453
2026	2,170,000	38,825,493	40,995,493
2027	2,290,000	38,701,460	40,991,460
2028	2,420,000	38,570,475	40,990,475
2029	15,930,000	38,089,721	54,019,721
2030 – 2034	93,000,000	176,786,588	269,786,588
2035 – 2039	119,485,000	149,634,574	269,119,574
2040 – 2044	146,415,000	116,496,111	262,911,111
2045 – 2049	159,070,000	79,998,316	239,068,316
2050 – 2054	202,250,000	35,782,378	238,032,378
2055	46,625,000	988,406	47,613,406
	$ 796,060,000	$ 738,346,975	$ 1,534,406,975

(f) Pledged Revenues

The 2012 Bonds, 2015 Bonds, and 2024 Bonds are special obligations of the Authority payable solely from, and secured solely by a pledge of, the Net Revenues (operating revenue plus investment income on operating funds less operating expenses before depreciation) and amounts in certain funds established under the Master Indenture of Trust and the Debt Service Reserve Fund. Net Revenues are adjusted to reflect any reclassifications of certain operating revenues and expenses, as defined in the Master Indenture of Trust, due to the implementation of new accounting pronouncements. The Authority covenants that the ratio of Net Pledged Revenues plus transfers to the Surplus Fund to net accrued debt service on parity obligations will be 1.25 or greater (coverage rate covenant) and that Net Revenues plus transfers to the Surplus Fund will equal or exceed the sum of net accrued debt service on parity obligations and required deposit to Debt Service Reserve, Operating Reserve and other accounts (general rate covenant).

The computation of the coverage rate covenant and general rate covenant as of June 30, 2024 and 2023 are as follows:

	2024	2023
Pledged Revenues	$ 24,134,764	$ 36,480,982
Transfers to Surplus Fund	2,599,983	2,600,098
Net Pledged Revenues	$ 26,734,747	$ 39,081,080
Accrued debt service on 2012 Bonds	$ 5,832,433	$ 5,835,892
Less: Customer Facility Charges collected and deposited to the debt service fund	(5,330,885)	(5,035,704)
Accrued debt service on 2015 Bonds	4,567,500	4,564,500
Net accrued debt service on parity obligations	$ 5,069,048	$ 5,364,688
Ratio of Net Pledged Revenues to net accrued debt service on parity obligations	5.27	7.28
Pledged Revenues plus transfers to Surplus Fund	$ 26,734,747	$ 39,081,080
Less: transfers to Operating Reserve	(1,430,106)	(1,622,819)
Less: net accrued debt service on parity obligations	(5,069,048)	(5,364,688)
Excess of pledged revenues over net accrued debt service on parity obligations and transfers to Operating Reserve	$ 20,235,593	$ 32,093,573

The estimated aggregate total amount of pledged net revenues and amounts in the funds established under the Master Indenture of Trust related to the 2012, 2015, and 2024 Bonds is equal to the remaining debt service on the 2012, 2015, and 2024 Bonds at June 30, 2024 of $1,534,406,975. The pledged revenues are in force during the term of the 2012, 2015, and 2024 Bonds with final maturity on July 1, 2054.

(g) Events of Default

Events of default under the Master Indenture of Trust related to the 2012, 2015, and 2024 Bonds include: (a) non-payment of the principal and/or interest due; (b) non-payment of the parity purchase price of any outstanding Bond(s) or other parity obligation(s) which are tender obligations; (c) a breach of a covenant if the default continues for a period of 120 days after written notice specifying such default and requiring the default to be remedied was given to the Authority by the Trustee or to the Authority and to the Trustee by the bond owners who held not less than 25% in aggregate principal amount of the outstanding Bond(s); (d) non-payment of any parity obligation that is declared due and payable as a result of an event of default; and (e) an event of bankruptcy. There is an acceleration remedy in the event of default that allows the Trustee, with the consent of each credit provider and at the direction of the Bond owners that hold a majority in principal amount of the outstanding Bond(s), to declare the principal of the outstanding Bond(s) and interest accrued to the date of payment to be immediately due and payable.

(6) Retirement Plan

Effective February 1, 2023 through June 30, 2026, the Authority entered into a replacement Memorandum of Understanding with the Burbank Airport Police Officers Association (BAPOA) which includes the continued implementation of a 401(a) employer-sponsored defined contribution plan (401(a) Plan) and a 457(b) government deferred compensation plan (457(b) Plan) sponsored by the BAPOA. The Authority contributes 7%, as of February 1, 2023, of eligible base salaries and overtime as a retirement contribution to the 401(a) Plan, payable as part of bi-weekly payroll. Effective February 1, 2023, officers may make voluntary contributions to the 457(b) Plan with the Authority matching and contributing up to a maximum of 6% of eligible base salaries. Officers may take loans against contributions. All employees are eligible to participate upon hire and contributions and earnings vest immediately. The 401(a) Plan and the 457(b) Plan are administered by Transamerica Retirement Solutions.

Total salaries and benefits for the Airport Police Officers were $7,299,875 and $7,277,119 for the years ended June 30, 2024 and 2023, respectively. The Authority’s contributions have been calculated using the base salary plus overtime amount of $5,490,268 and $4,833,792 for the years ended June 30, 2024 and 2023, respectively. The Authority made the required accruals and contributions, amounting to $368,528 and $323,188 in the years ended June 30, 2024 and 2023, respectively.

(7) Leases

As a lessor, the Authority recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset to lessee. The Authority does not have any leases of assets held as investment or leases that transfer ownership of the underlying asset to lessee. As a lessor, the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. For the purposes of the GASB Statement No. 87 implementation, the Authority's leases have been categorized as follows:

1. Regulated Leases
2. Short-term and Variable Payment Leases
3. Other Leases

(a) Regulated Leases

The Airport does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g., the U.S. Department of Transportation and the Federal Aviation Administration regulated aviation leases between airports, air carriers and other aeronautical users. Regulated leases include the Airport Use Agreement and related airline leases, as well as contracts with Fixed Based Operators (FBOs), and aeronautical hangar leases.

In FY 2022 the Authority executed amendments to its Airport Use Agreements (AUA) with nine commercial airlines (Signatory Airlines), which are set to expire on June 30, 2025. The AUAs define the relationship between the Authority and the Signatory Airlines. In exchange for authorization to operate at the Airport, including within the passenger terminal, each Signatory Airline is responsible for costs of the Airport not covered by other Authority revenues such as concession fees, hangar rents, and parking revenues. The AUAs also stipulate joint use fees for common shared areas and equipment, office and storage spaces, cargo areas, and other air carrier operations support spaces to be used and paid for by each Signatory Airline. By definition, the Authority's AUAs are considered regulated leases and do not recognize a lease receivable and corresponding deferred inflow of resources.

The Authority also maintains other numerous aeronautical agreements that are considered regulated leases. These agreements include two FBOs that provide general aviation services and hangar leases for aircraft storage and cargo operations. Revenues from regulated leases of $16,205,876 and $15,489,630 were recorded in the years ended June 30, 2024 and 2023, respectively. These revenue are included in Tenant rent revenues on the Statement of Revenues, Expenses and Changes in Net Position.

(b) Short-term and Variable Payment Leases

The Airport does not recognize a lease receivable and a deferred inflow of resources for short-term and variable payment leases. Short-term leases are certain leases that, at the commencement of the lease term, has a maximum possible term under the lease agreement of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Month-to-month leases are considered short-term. Variable payment leases are certain leases that are not based on fixed amount payments, but rather have a variable component such as payments based on a percentage of sales, provisions for reallocation of square footage, etc.

The Authority has various short-term leases for Airport property and land. These short-term leases are based on a month-to-month term. Revenues from short-term leases of $1,293,362 and $1,434,499 were recorded in the years ended June 30, 2024 and 2023, respectively. These revenues are included in Parking, Concessions, and Tenant rent revenues on the Statement of Revenues, Expenses and Changes in Net Position.

The Authority has various variable payment leases with in-terminal concessions and rental car companies. These leases have variable payments based on 1) activities, such as a percentage of sales or an amount per transaction, 2) annually adjusted rates, not based on an index such as the Consumer Price Index, and square footage re-allocations due to activity based metrics, and/or 3) a percentage of the prior year's total remitted amount. Revenues from variable payment leases of $10,262,587 and $9,667,971 were recorded in the years ended June 30, 2024 and 2023, respectively. These revenues are included in Concessions and Tenant rent revenues on the Statement of Revenues, Expenses and Changes in Net Position.

(c) Other Leases

The Authority recognizes a lease receivable and a deferred inflow of resources for leases the Authority, as the lessor, categorizes as in-scope of GASB Statement No. 87. The Authority has two main types of in-scope GASB Statement No. 87 leases: fixed payment concession leases and non-aeronautical property leases. Fixed payment concession leases include food and beverage, sundries, and advertising tenants at the Airport. Non-aeronautical property leases contain various leases for property and space that are used for non-aeronautical purposes such as vehicle and equipment storage.

The general terms of the fixed payment concession leases require the greater of a minimum annual guarantee (MAG), which is a fixed monthly amount increased annually by 3% or by defined terms based on an inflation index such as the Consumer Price Index (CPI), or a percentage of gross sales to be remitted by the lessee in exchange for the non-exclusive right, privilege and concession to conduct on-airport business. If the percentage of gross sales exceeds the MAG, the excess is remitted as over-MAG revenues.

The general terms of the Authority's non-aeronautical property leases are based on an amount per square footage or a defined annual base rent paid in monthly installments. These amounts are usually adjusted annually based on CPI.

At June 30, 2024 and 2023, the Authority's current lease receivables are $3,251,476 and $3,580,829, respectively, and noncurrent lease receivables are $3,525,701 and $6,663,553, respectively. For each of the fiscal years ended June 30, 2024 and 2023, the Authority reported lease revenue, included in Concessions and Tenant rent on the Statement of Revenues, Expenses and Changes in Net Position, of $7,214,961 and $7,685,537, respectively, of which $2,160,464 and $2,131,727, respectively, were related to over-MAG revenues. Additionally, for each fiscal years ended June 30, 2024 and 2023, the Authority reported interest income of $267,547 and $393,501, respectively, related to lease payments received.

The future expected lease receivable and revenue balances for in-scope GASB Statement No. 87 leases are summarized as follows:

Fiscal year ending June 30:	Beginning Lease Receivable	Annual Lease Revenue	Ending Lease Receivable	Interest Revenue
2025	$ 6,777,177	$ 168,232	$ 6,608,945	$ 168,232
2026	3,525,701	65,724	3,459,977	65,724
2027	562,214	4,113	558,101	4,113

(8) Subscription-Based Information Technology Arrangements

The Authority recognizes a subscription liability and a subscription asset at the commencement of a subscription-based information technology arrangement (SBITA) term unless the subscription is a short-term SBITA. The subscription liability is measured at the present value of payments expected to be made during the subscription term, less any vendor incentives. The subscription asset is measured at the amount of the initial measurement of the subscription liability, plus any payments made to the SBITA vendor at the commencement of the subscription term, and certain initial implementation costs. The subscription asset is reported as an intangible right to use asset under the capital assets section in the Statements of Net Position. The Authority has established a reporting materiality threshold of $100,000 per asset for the application of GASB Statement No. 96 and determination of in-scope SBITA contracts.

In accordance with GASB Statement No. 96, the Authority recognizes a subscription liability and a subscription asset for SBITAs the Authority categorizes as in-scope of GASB Statement No. 96. The Authority maintains three in-scope SBITAs for certain airport management operations that include a FAA Part 139 compliance and safety management system, a procurement management system, and an airport gate management system. These SBITAs are multi-year agreements with fixed monthly or annual subscription pricing that do not include any variable payment terms or other additional payment terms, such as termination penalties.

The subscription assets as of June 30, 2024 and 2023 totaled $660,984 and $660,984, respectively, and the related accumulated amortization as of June 30, 2024 and 2023 totaled $366,130 and $224,754, respectively. The remaining subscription liabilities, including both current and noncurrent portions, as of June 30, 2024 and 2023 totaled $180,190 and $255,519, respectively. The amount of expenses recognized for fiscal years ended June 30, 2024 and 2023 for variable and other payments not previously included in the measurement of the subscription liabilities was $0 for both fiscal years.

Principal and interest requirements to maturity for the in-scope GASB Statement No. 96 subscription liabilities, both current and noncurrent portions, are summarized as follows:

Fiscal year ending June 30:	Beginning Subscription Liabilities	Principal	Ending Subscription Liabilities	Interest Expense
2025	$ 180,190	77,963	$ 102,227	6,096
2026	102,227	75,389	26,838	3,375
2027	26,838	26,838	—	1,162

(9) Passenger Facility Charges

In June 1994, the FAA approved the Authority's application to collect a $3.00 PFC per enplaned passenger to provide funds for specifically approved airport improvement projects to begin September 1, 1994. Effective April 1, 2003, the FAA approved an increase of the charge from $3.00 to $4.50. PFC funds collected are restricted and may only be used on specific FAA approved projects. All PFC funds collected are maintained in a separate interest-bearing account administered by the Authority prior to disbursement.

Total PFC revenue for the years ended June 30, 2024 and 2023 totaled $15,932,930 and $12,882,716, respectively. These amounts include interest income net of any unrealized gain or loss from the change in fair market valuation of the PFC investment portfolio totaling $3,145,765 and $750,064, respectively.

During the year ended June 30, 2024, funds totaling $15,676,455 for eligible costs expended on PFC projects during FY 2024 were reimbursed to the Operating Fund from the PFC Fund. During the year ended June 30, 2023, funds totaling $5,433,839 for eligible costs expended on PFC projects during FY 2023 were reimbursed to the Operating Fund from the PFC Fund.

(10) Customer Facility Charges

Effective December 1, 2009, the Authority adopted a $10 CFC per rental car transaction to provide for the planning, design, construction and financing of a CRCF in accordance with *California Civil Code Section 1936 et. seq.,* as amended. Effective July 1, 2011, the Authority implemented an alternative CFC rate of $6 per rental car transaction day up to a maximum of five days. All CFC funds collected are maintained in a separate account administered by the Authority prior to disbursement. CFC revenue for the years ended June 30, 2024 and 2023 totaled $5,397,765 and $5,035,162, respectively. In accordance with the Bond Indenture, all CFC revenues collected subsequent to July 1, 2014 are transferred to the 2012 Bonds Debt Service Fund, which amounted to $5,330,885 and $5,035,704 for the years ended June 30, 2024 and 2023, respectively. CFC revenues plus residual Facility Rent, as necessary, are used to pay debt service on the 2012 Bonds. The balance in the CFC Fund of $1,610,153 is available for uses in accordance with the agreements between the Authority and the RACs for operation in the CRCF.

(11) Related-Party Transactions

The Authority is charged for services and items from City of Burbank departments that are categorized in the various expense line items in the statements of revenues, expenses, and changes in net position and are included in various capital assets for permits and related fees. The most significant related-party transactions with the City are payments for utilities and City parking tax. Amounts due to related parties at June 30, 2024 and 2023 are included in accounts payable and accrued expenses on the accompanying basic financial statements.

The Airport is subject to a 12% tax on parking revenue payable to the City of Burbank on a quarterly basis. The Authority incurred parking tax expense totaling $3,143,961 and $3,091,506 during the years ended June 30, 2024 and 2023, respectively. Amounts due to the City of Burbank for parking taxes were $829,503 and $786,322 at June 30, 2024 and 2023, respectively.

The Authority incurred electricity, water, and wastewater utilities expenses related to various operating activities, non-operating activities, and capital projects from Burbank Water and Power during the years ended June 30, 2024 and 2023 totaling $2,898,369 and $2,649,476 (including amounts charged back to tenants of $852,324 and $743,066), respectively. Amounts due to Burbank Water and Power were $274,428 and $228,646 at June 30, 2024 and 2023, respectively.

The Authority approved deposit payments for aid-in-construction and plan check fees with the City of Burbank for Burbank Water and Power to purchase long-lead electrical infrastructure items required to provide temporary and eventually permanent power to the Replacement Passenger Terminal. The deposits of $1,411,000 and $344,124, for aid-in-construction and plan check fees, respectively, were paid during the fiscal year ended June 30, 2024. An additional $40,000 was paid to Burbank Water and Power in June 2024 for site inspection fees.

(12) Commitments and Contingencies

(a) Litigation and Claims

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; war risk and natural disasters for which the Authority carries commercial insurance, subject to deductibles ranging from $1,000 to $100,000. No settlements exceeded insurance coverage in the past three fiscal years. There were no significant lawsuits or claims pending against the Authority at June 30, 2024.

(b) Contracted Services

The Authority has contracted with TBI to perform certain airport administrative, maintenance, ARFF services, and operational services. Compensation under the agreement is based on a base management fee and reimbursement of operating costs, primarily salaries and benefits. A budget for TBI costs is prepared each year and is subject to review and approval as part of the Authority's annual budget process. The management fee is adjusted annually based on increases or decreases to certain operating costs. Costs incurred under the contract for the years ended June 30, 2024 and 2023, respectively, are as follows:

	2024	2023
Contracted airport services	$ 16,857,148	$ 15,579,178
Aircraft rescue and firefighting services	4,238,948	3,686,682
Capitalized to constructed capital assets	37,340	226,455
Other expenses	139,924	86,345
Total airport management contract costs	$ 21,273,360	$ 19,578,660

The Authority has contracted with Ace Parking for self-park management and valet parking services. Compensation under the contract is based on a fixed management fee and reimbursement of operating costs. These costs are subject to review and approval as part of the Authority's annual budget process. Costs under the contract for the years ended June 30, 2024 and 2023 are $5,503,008 and $5,136,926, respectively.

Ace Parking also provides turn-key employee and customer shuttle services to and from the Airport's remote parking lots. The costs of the shuttle services for the years ended June 30, 2024 and 2023 are $2,335,769 and $2,845,747, respectively.

(c) Contract Commitments

The Authority had significant contract commitments outstanding as of June 30, 2024 for various capital projects totaling $1,003,802,283, of which approximately 98.3% was for the RPT project with the remaining for the Part 150 Noise Study, Communication Center equipment replacement, Aircraft Rescue and Firefighting vehicle replacement, Wildlife Hazard Assessment, Mobile Police Firearms training range, the Regional Intermodal Transportation Center's public art columns, and escalator rehabilitation and replacement.

(d) Federal and Other Grants

As of June 30, 2024, the Authority had nonexpended, noncancelable grant commitments of $33,790,953 of which $31,522,437 is related to the RPT design and preconstruction, $1,375,250 for the Part 150 Noise Study, $851,601 for the acquisition of a new Aircraft Rescue and Firefighting vehicle, and $41,664 for the Airport's Wildlife Hazard Assessment.

The Authority has been awarded various federal and other grants. Grants awarded and expenditures against those grants for the years ended June 30, 2024 and 2023, respectively, are as follows:

Award Date	Award Amount	Project description	Expenditures charged to grant 2024	Expenditures charged to grant 2023
Sep. 2020	$ 51,198	FEMA Grant	$ —	$ 11,064
Apr. 2021	640,106	CRRSAA Concessions Relief Addendum	—	640,106
Aug. 2021	20,749,123	ARPA Grant	—	12,919,992
Dec. 2021	2,560,424	ARPA Concessions Rent Relief	396,947	—
Aug. 2022	2,902,762	Rehab. Taxiway C and Shoulder	—	2,606,283
Jul. 2023	102,833	Wildlife Hazard Assessment Mngmt. Plan	61,169	—
Sep. 2023	1,625,370	Noise Compatibility Plan Study	250,120	—
Sep. 2023	30,000,000	RPT Phase 1 Design (65.54% of Design)	12,295,068	—
Sep. 2023	15,890,229	RPT Phase 1 Design (34.46% of Design)	2,072,724	—
Total expenditures charged to federal grants			15,076,028	16,177,445
May 2022	60,000	Cal OES High Frequency Communications Equipment Program	60,000	—
Total expenditures charged to local grants			60,000	—
Total expenditures charged to grants			$ 15,136,028	$ 16,177,445

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of noncompliance were disclosed by the audit of the financial statements or single audit of the federal grant programs which resulted in disallowed costs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, the Authority has complied with provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Subsequent to June 30, 2024, the Authority received two FAA Infrastructure Investment and Jobs Act - Bipartisan Infrastructure Law (IIJA-BIL) grants in the amounts of $17.3 million (Airport Terminals Program - competitive portion) and $8.2 million (Airport Infrastructure Grants - formulaic portion) for the RPT project, which will start being utilized in FY 2025.

(13) Replacement Passenger Terminal Project

On August 1, 2016, the City of Burbank approved a Development Agreement associated with entitlement of the RPT project and on November 8, 2016, voters in the City of Burbank passed Measure B (70% approval) allowing for the development of a RPT at the Airport. The RPT project, as defined in the Development Agreement between the City of Burbank and the Authority, includes a 14-gate replacement passenger terminal of 355,000 square feet, associated aircraft ramp, public and staff parking facilities, ground service equipment and cargo support facilities, a new terminal loop roadway, and demolition of the existing 14-gate passenger terminal.

Since the passage of Measure B, the Authority has addressed multiple tasks for the RPT project including the completion and receipt of conditional approval by the FAA for its Airport Layout Plan (ALP); completion of the Environmental Impact Statement under the National Environmental Policy Act (NEPA); completion of a concept validation and updated cost estimate; selection of a project delivery method and program manager; completion of six public charettes; selection of a progressive design-build firm; establishment of a commercial paper program to be used as interim financing; application and receipt of federal funding sources, such as PFCs and federal grants, for program formulation and design phase of the project; and continued financial analysis for a permanent plan of finance for the RPT.

In September 2021, the RPT project was reinstated after an 18-month suspension due to the COVID-19 pandemic. In May 2022, Jacobs Project Management Inc. assumed program management responsibilities of the project. The Authority selected and the FAA approved the progressive design-build delivery method for the project. On December 19, 2022, the Authority awarded a progressive design-build agreement to Holder, Pankow, TEC Joint Venture (HPTJV).

In April 2023, the Authority selected the "Icon" design concept, and on January 25, 2024, the Authority broke ground on the project. On May 6, 2024 the Authority approved HPTJV's guaranteed maximum price (GMP) of $1.11 billion, with a total project budget of $1.3 billion.

RPT project is anticipated to be funded through a combination of General Airport Revenue Bonds (GARBS), FAA AIP grants, IIJA-BIL grants, PFC revenue, and contributions from the Authority's Facility Development Reserve Fund. On May 30, 2024, the Authority issued $724,780,000 par value in 2024 Bonds for the RPT project. Additionally, through October 2024, the Authority has been awarded $71.4 million in IIJA-BIL federal grants and the Authority has also received approval to collect and use $48.4 million in Passenger Facility Charges for the design of the RPT. The Authority also has standby letters of credit of $200 million that have not yet been utilized. The Authority continues to seek additional federal funding as the project progresses. Issuance of a final completion bond is anticipated.

More information and ongoing updates to the RPT project can be found at www.elevatebur.com.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Calculation of Rates and Charges Ratio[1]

Year Ended June 30, 2024

Pledged revenues [2]	$	82,523,550
Less operating expenses		58,388,786
Net revenues		24,134,764
Transfers to Surplus Fund		2,599,983
Net revenues plus transfers to Surplus Fund	$	26,734,747
Deposits and charges:		
Accrued debt service – 2012 Airport Revenue Bonds [3]	$	5,832,433
Deposit of Customer Facility Charge revenue to Debt Service Fund		(5,330,885)
Accrued debt service – 2015 Airport Revenue Bonds [4]		4,567,500
Net accrued debt service		5,069,048
Deposits to operating reserve account		1,430,106
Total deposits and charges	$	6,499,154
Deposits and charges coverage ratio		4.11
Required deposits and charges coverage ratio		1.00
Net revenues plus transfers to Surplus Fund	$	26,734,747
Net accrued debt service	$	5,069,048
Debt service coverage ratio		5.27
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, 2024. Amounts were determined based on the terms, covenants, provisions, or conditions of Section 6.05 to Article VI of the Amended and Restated Master Indenture dated May 1, 2024 with Bank of New York Mellon Trust Company (the Indenture).

[2] The Authority was awarded federal relief grants through the American Rescue Plan Act (ARPA), which allocated additional economic relief to eligible U.S. airports affected by the COVID-19 pandemic. The total ARPA funds received in FY 2024 of $396,947 were for eligible concessionaire relief previously provided by the Authority and are included in the pledged revenues calculation for the fiscal year ended June 30, 2024.

[3] Accrued debt service represents the interest due on January 1, 2024 and July 1, 2024 and principal due July 1, 2024.

[4] Accrued debt service represents the interest due on January 1, 2024 and July 1, 2024 and principal due July 1, 2024.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Schedule of Customer Facility Charge Revenues and Expenditures

Year ended June 30, 2024

(With Independent Auditor's Reports Thereon)

MGO. Certified Public Accountants

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BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Schedule of Customer Facility Charge Revenues and Expenditures

Year ended June 30, 2024

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MGO. Certified Public Accountants

Independent Auditor's Report on Compliance With Applicable Requirements of the Customer Facility Charge Program; Report on Internal Control Over Compliance; and Report on Schedule of Customer Facility Charge Revenues and Expenditures

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

Report on the Compliance With Applicable Requirements of the Customer Facility Charge Program

Opinion

We have audited the Burbank-Glendale-Pasadena Airport Authority's (Authority) compliance with the compliance requirements described in the California Civil Code Chapter 1.5 (commencing with Section 1939.01) to Title 5 of Part 4 of Division 3, and California Government Code Section 50474.1 through Section 50474.3 (CFC Code), applicable to the Authority's customer facility charge (CFC) program for the year ended June 30, 2024.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that are applicable to the Authority's CFC program for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the State of California's CFC Code. Our responsibilities under those standards and the CFC Code are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Authority's management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's CFC program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the CFC Code will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the CFC program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the CFC Code, but not for the purpose of expressing an opinion of the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the State of California's CFC Code. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Customer Facility Charge Revenues and Expenditures

We have audited the basic financial statements of the Authority as of and for the year ended June 30, 2024, and have issued our report thereon dated December 18, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedule of Customer Facility Charge Revenues and Expenditures (CFC Schedule) is presented for purposes of additional analysis as required by the CFC Code, issued by the State of California, and is not a required part of the Authority's basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 CFC Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 18, 2024

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BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

Schedule of Customer Facility Charge Revenues and Expenditures

Year ended June 30, 2024 and each quarter during the
period from July 1, 2023 through June 30, 2024

(With cumulative total amounts at June 30, 2024 and 2023)

		Quarter ended					
Revenues	**Cumulative total – June 30, 2023**	**September 30, 2023**	**December 31, 2023**	**March 31, 2024**	**June 30, 2024**	**Year ended June 30, 2024**	**Cumulative total – December 1 2009 to June 30, 2024**
Customer facility charge revenues	$ 64,842,655	$ 1,248,255	$ 1,445,694	$ 1,220,750	$ 1,416,186	$ 5,330,885	$ 70,173,540
Customer facility charge revenue refund	(15,662)	—	—	—	—	—	(15,662)
Reimbursement of OCIP reserves for RITC project	336,275	—	—	—	—	—	336,275
Total customer facility charge revenues	$ 65,163,268	$ 1,248,255	$ 1,445,694	$ 1,220,750	$ 1,416,186	$ 5,330,885	$ 70,494,153
Expenditures							
Development review and other planning costs	$ 1,105,186	$ —	$ —	$ —	$ —	$ —	$ 1,105,186
Refund of development review and other planning costs based on cost reclassification	(6,030)	—	—	—	—	—	(6,030)
Deposit of 25% of Maximum Annual Debt Service to Surplus Fund	1,459,500	—	—	—	—	—	1,459,500
Construction costs	15,419,445	—	—	—	—	—	15,419,445
Construction costs reimbursed by 2012 Bonds	(512,961)	—	—	—	—	—	(512,961)
Transfers to Bond Trustee for debt service on 2012 Bonds	45,701,777	1,310,391	1,359,426	1,258,089	1,431,329	5,359,235	51,061,012
Rehabilitation of Escalator #5 and #6	137,015	—	—	—	—	—	137,015
RITC Art Column Project	45,175	—	2,833	59,200	113,625	175,658	220,833
Total expenditures on approved customer facility charge projects	$ 63,349,107	$ 1,310,391	$ 1,362,259	$ 1,317,289	$ 1,544,954	$ 5,534,893	$ 68,884,000

See accompanying notes to schedule of customer facility charge revenues and expenditures.

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(1) General

Assembly Bill 491 of the 2001-2002 California Legislature (codified in California Civil Code Section 1936 et seq. (Code)) authorized the local imposition of a Customer Facility Charge (CFC) and use of CFC revenue to plan, finance, design and construct on-airport consolidated rental car facilities (CRCF). The Burbank-Glendale-Pasadena Airport Authority (Authority), owner and operator of Bob Hope Airport, commonly known as Hollywood Burbank Airport (Airport), began discussions with the rent-a-car operators at the Airport in the winter of 2008 to identify a project that would consolidate the rent-a-car operations at the Airport.

This project consolidated the rent-a-car operations at the Airport into a single facility. This project also relocated the rental car ready return facility that was partially located in the Runway 33 runway safety area. As part of a larger Regional Intermodal Transportation Center (RITC), the CRCF contains the customer service, ready return, and quick turnaround facilities, and rental car fueling and delivery systems. The consolidation of these facilities eliminated over 700,000 annual trips by rental car companies on Empire Avenue between the former ready return lot and the prior service center facilities used for the washing and fueling of the rental cars on the southwest quadrant of the Airport. A replacement parking structure (RPS) was also constructed to replace the then existing parking spaces on the RITC site.

On September 21, 2009, the Authority approved Resolution No. 429 authorizing collection of a CFC, effective December 1, 2009, of $10 per rental car contract for an initial period of two years to fund the planning and other initial costs of a CRCF. It was anticipated that the Authority would proceed with construction and financing of the CRCF, and that the collection authority period would be extended accordingly. The CRCF was also expected to be financed through a then yet to be determined bond issuance and loan from the Authority both supported by CFC revenues and residual rent from the rental car companies, as required.

Based on an amendment of the enabling legislation for the CFC (S.B. 1192; Chapter 642, Statutes of 2010), on December 10, 2010, the Authority approved Resolution No. 439 which repealed Resolution No. 429 and authorized collection of an alternative CFC, effective July 1, 2011, of $6 per rental car transaction day up to a maximum of five days. Resolution No. 439 authorized collection of the alternative CFC through the period that any debt related to the CRCF is outstanding. The enabling legislation was further amended on September 27, 2017 by Assembly Bill No. 218, Chapter 311, September 27, 2022 by Assembly Bill No. 157, Chapter 570, and October 10, 2023 by Assembly Bill No. 534, Chapter 657.

(2) Regional Intermodal Transportation Center Project

The Authority approved planning and other related activities to prepare and submit a Development Review (DR) package to the City of Burbank (City) to obtain entitlements to construct a CRCF as part of a larger RITC project. The portion of the DR package costs for the RITC project attributable to the CRCF expended through June 25, 2010 are included in the accompanying Schedule of Customer Facility Charge Revenues and Expenditures (Schedule) on page 5.

(Continued)

On August 24, 2010, the City approved entitlements and minor amendments to the Development Agreement (an agreement between the Authority and the City that sets guidelines on Airport development and provides greater certainty to the City and Authority on issues of Airport zoning and development) to permit the Authority to proceed with the RITC project to be located in the southeast corner of the A-1 North Property. This project includes a transportation center and the CRCF described above.

On April 23, 2012, the Authority approved a revised Plan of Finance with an estimated cost of $99.5 million, as well as the form of non-exclusive on-airport rental car lease and concession agreement.

On May 10, 2012, the Authority issued $82,165,000 of 2012 Airport Revenue Bonds (2012 Bonds) with an effective interest rate of 5.624% and at an original issue premium totaling $187,886. The 2012 Bonds, issued as parity bonds with the 2005 Airport Revenue Bonds, were issued in two series (i) to finance those costs of the RITC project consisting of the CRCF and the portion of the costs of the RPS attributable to the parking spaces displaced by the CRCF (2012 Bond Project); (ii) to fund the 2012 Debt Service Reserve Fund; (iii) to provide capitalized interest with respect to the 2012 Bonds through July 1, 2014; and to pay the costs of issuance of the 2012 Bonds. The 2012 Bonds are special obligations of the Authority payable solely from, and secured solely by a pledge of, the net revenues and amounts in certain funds established under the Master Indenture of Trust, as amended, and the Debt Service Reserve Fund.

Construction on the RITC project continued in fiscal year (FY) 2013 and FY 2014, with completion in FY 2015. The replacement parking structure was completed and opened for business on August 1, 2013 and the CRCF was substantially completed and opened to the public for business on July 15, 2014. The RITC project has been funded by a combination of 2012 Revenue Bonds, CFCs, and federal grants. Cumulative expenditures on the RITC project through completion in FY 2015 totaled $99,487,109, which consisted of $77,662,736 for the CRCF, $7,270,208 for the Customer Service Building, $3,000,150 for the Transit Center, and $11,554,015 for the replacement parking structure.

(Continued)

(3) Cumulative Revenues and Expenditures of Customer Facility Charges

Debt service on the 2012 Bonds are funded from CFCs and residual Facility Rents paid by the RACs. In accordance with the Bond Indenture, beginning July 1, 2014, all CFCs collected are transferred to the 2012 Bonds Debt Service Fund held by the bond trustee. In FY 2024, $5,330,885 was collected and $5,359,235 was transferred. The difference of $28,350 was collected in late June 2023 (FY 2023) and, as a result, was transferred in July 2023 (FY 2024).

As of June 30, 2024, the Authority had cumulative expenditures of $68,884,000, which include cumulative transfers to the Bond Trustee for debt service of the 2012 Bonds of $51,061,012, the transfer of $1,459,500 (representing 25% of maximum annual debt service on the 2012 Bonds) from the CFC Fund to the Bond Surplus Fund, other eligible costs incurred in prior years of $16,005,640, $137,015 used in FY 2020 for the rehabilitation of the escalators on the elevated walkway, and $220,833 used for the RITC Art Column Project. The remaining balance in the CFC Fund of $1,610,153 at June 30, 2024 is available for use in accordance with the agreements between the Authority and the RACs for operation in the CRCF.

(4) Customer Facility Charge Rate Modification Report

In accordance with requirements of the Code, the Authority prepared a *Customer Facility Charge Rate Modification Report* which included a forecast of costs to finance, design, construct, and/or operate allowable CFC facilities, and a determination that (i) the forecasted aggregate amount of the alternative CFC collected does not exceed the reasonable costs of allowable facilities; (ii) the Authority has taken steps to limit the forecasted costs; (iii) the Authority has identified and considered potential alternatives for meeting its revenue needs other than the collection of the alternative CFC; and (iv) the Authority has assessed the extent to which rental car companies or other businesses or individuals using these facilities may pay for the costs of these facilities. This CFC Rate Modification Report was examined by an independent accountant whose report, dated March 22, 2011, was unqualified. In accordance with requirements of the Code, the report was also reviewed by the State Controller's Office which provided its review report dated May 11, 2011 to the Authority and the California State Legislature (including Assembly Judiciary Committee, Senate Judiciary Committee, Assembly Transportation Committee, and Senate Transportation and Housing Committee), which substantiated the need for the imposition of the alternate CFC effective July 1, 2011.

(Continued)

(5) Basis of Accounting

The accompanying Schedule is presented using the cash basis of accounting, whereby revenues and expenditures are recognized during the period in which they are received or disbursed.

(6) Schedule of Facility Charge Revenues and Expenditures

The accompanying Schedule presents the revenues received from CFC and expenditures disbursed on the CRCF and towards debt service on the 2012 Bonds.

(7) Cumulative Total

Cumulative total columns on the Schedule are presented for additional analytical data. Such information is not necessary for a fair presentation of the Schedule.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Revenues and Expenditures

Year ended June 30, 2024

(With Independent Auditor’s Reports Thereon)

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BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Revenues and Expenditures

Year ended June 30, 2024

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Independent Auditor's Report on Compliance With Applicable Requirements of the Passenger Facility Charge Program; Report on Internal Control Over Compliance in Accordance With the *Passenger Facility Charge Audit Guide for Public Agencies;* and Report on Schedule of Passenger Facility Charge Revenues and Expenditures

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

Report on Compliance With Applicable Requirements of the Passenger Facility Charge Program

Opinion

We have audited the Burbank-Glendale-Pasadena Airport Authority's (Authority) compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (PFC Guide), issued by the Federal Aviation Administration (FAA), applicable to the Authority's Passenger Facility Charge (PFC) program for the year ended June 30, 2024.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that are applicable to the Authority's PFC program for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the PFC Guide issued by the FAA. Our responsibilities under those standards and the PFC Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Authority's management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's PFC program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the PFC Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the PFC program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the PFC Guide, but not for the purpose of expressing an opinion of the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Report on Internal Control Over Compliance in Accordance With the *Passenger Facility Charge Audit Guide for Public Agencies*

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the PFC Guide issued by the FAA. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Passenger Facility Charge Revenues and Expenditures

We have audited the basic financial statements of the Authority, as of and for the year ended June 30, 2024, and have issued our report thereon dated December 18, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedule of Passenger Facility Charge Revenues and Expenditures (PFC Schedule) is presented for purposes of additional analysis as required by the PFC Guide and is not a required part of the Authority's basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 PFC Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 18, 2024

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BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Revenues and Expenditures

Year ended June 30, 2024 and each quarter during the
period from July 1, 2023 through June 30, 2024

(With cumulative total amounts at June 30, 2024 and 2023)

Revenues	Application number	Initial Date approved	Impose Amount approved	Use Amount approved	Cumulative total – June 30, 2023	Quarter ended September 30, 2023	Quarter ended December 31, 2023	Quarter ended March 31, 2024	Quarter ended June 30, 2024	Year ended June 30, 2024	Cumulative total – October 1, 1994 to June 30, 2024
Passenger facility charge revenues					$ 251,311,840	$ 3,248,517	$ 3,149,280	$ 2,863,720	$ 3,382,615	$ 12,644,132	$ 263,955,972
Interest earned (note 4)					16,386,002	310,956	232,380	397,932	231,792	1,173,060	17,559,062
Total passenger facility charge revenues					$ 267,697,842	$ 3,559,473	$ 3,381,660	$ 3,261,652	$ 3,614,407	$ 13,817,192	$ 281,515,034
Expenditures											
Runway reconstruction/land acquisition – Plant C-1	94-01-C-03-BUR	06/17/94	$ 33,330,107	$ 5,500,929	$ 5,500,929	$ —	$ —	$ —	$ —	$ —	$ 5,500,929
Land acquisition – Plant B-6	96-02-U-02-BUR	02/05/97	—	27,829,178	27,829,178	—	—	—	—	—	27,829,178
Sound insulation/other miscellaneous airport projects	00-04-C-01-BUR	04/02/01	73,699,087	73,699,087	30,434,310	—	—	—	—	—	30,434,310
Terminal security enhancement project	03-05-C-02-BUR	04/11/03	22,648,756	22,648,756	22,648,756	—	—	—	—	—	22,648,756
Runway rehabilitation/other miscellaneous projects	04-06-C-02-BUR	05/27/04	7,862,275	7,862,275	7,862,275	—	—	—	—	—	7,862,275
Airport infrastructure/other miscellaneous projects	06-07-C-09-BUR	06/26/06	35,587,203	21,067,892	21,067,892	—	—	—	—	—	21,067,892
Airport infrastructure/other miscellaneous projects	09-09-C-03-BUR	09/28/09	24,965,000	27,825,931	23,057,668	—	—	—	—	—	23,057,668
Airport infrastructure/other miscellaneous projects	09-10-C-03-BUR	10/19/09	951,400	12,609,780	12,295,644	—	—	—	—	—	12,295,644
Regional Intermodal Transportation Center	11-11-C-01-BUR	06/27/11	19,376,522	19,376,522	19,376,522	—	—	—	—	—	19,376,522
Airport infrastructure/other miscellaneous projects	11-12-C-01-BUR	07/15/11	3,036,327	3,036,327	3,036,327	—	—	—	—	—	3,036,327
Airport infrastructure/other miscellaneous projects	15-13-C-01-BUR	08/13/15	9,391,179	9,391,179	7,901,702	—	—	—	—	—	7,901,702
Airport infrastructure/other miscellaneous projects	17-14-C-00-BUR	09/01/17	6,105,679	6,105,679	5,565,014	—	—	—	—	—	5,565,014
Airport infrastructure/other miscellaneous projects	20-16-C-00-BUR	03/11/20	6,037,826	6,037,826	5,549,958	—	—	—	—	—	5,549,958
Airport infrastructure/other miscellaneous projects	20-18-C-00-BUR	09/09/21	8,125,518	8,125,518	6,817,591	461,286	—	—	—	461,286	7,278,877
Airport infrastructure/other miscellaneous projects	20-19-C-01-BUR	03/16/22	540,583	540,583	277,352	—	—	—	174,582	174,582	451,934
Airport infrastructure/other miscellaneous projects	23-20-C-00-BUR	02/06/23	6,035,361	6,035,361	662,228	42,465	—	—	44,589	87,054	749,282
Airport infrastructure/other miscellaneous projects	23-21-C-00-BUR	05/15/23	48,403,420	48,403,420	—	31,290	—	14,029,502	892,741	14,953,533	14,953,533
Total expenditures on approved passenger facility charge projects			$ 306,096,243	$ 306,096,243	$ 199,883,346	$ 535,041	$ —	$ 14,029,502	$ 1,111,912	$ 15,676,455	$ 215,559,801

See accompanying notes to schedule of passenger facility charge revenues and expenditures.

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(1) General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the local imposition of Passenger Facility Charges (PFC) and use of PFC revenue on Federal Aviation Administration (FAA) approved projects. On June 17, 1994, the FAA approved a $3.00 Passenger Facility Charge collection at the Burbank-Glendale-Pasadena Airport Authority (Authority) effective September 1, 1994. Subsequently, in fiscal year (FY) 2003, the FAA approved an increase in the collection fee from $3.00 to $4.50 at the Authority effective April 1, 2003.

There are a total of nine active Applications (approved PFC projects) as of June 30, 2024 with no new applications submitted nor approved during the fiscal year ended June 30, 2024.

The Impose Amount represents the total Collection Authority for the application and the Use Amount represents the total Use Authority for the application. Differences between the Impose Amount and Use Amount for a specific application are because, in certain applications, an Impose Only amount was included in one application with the corresponding Use Amount being approved and included in a different application(s). Use Authority of Application No. 96-02-U-02-BUR of $27,829,178 is included in the Collection Authority of Application No. 94-01-C-03-BUR. Additionally, $2,860,931 and $11,658,380 of the Use Authority of Application Nos. 09-09-C-03-BUR and 09-10-C-03-BUR, respectively, are included in the Collection Authority of Application No. 06-07-C-09-BUR.

These approved amounts are reflected on the accompanying Schedule of Passenger Facility Charge Revenues and Expenditures (Schedule) on page 5.

(2) Basis of Accounting

The accompanying Schedule is presented using the cash basis of accounting, whereby revenues and expenditures are recognized during the period in which they are received or disbursed.

(3) Schedule of Passenger Facility Charge Revenues and Expenditures

The accompanying Schedule presents the PFC revenues received and expenditures disbursed on approved projects. The Schedule includes the application number of the latest amendment, the original application approval date, and the total application approval amount, as amended.

Revenues received and expenditures spent on approved projects in the accompanying Schedule agree with the amounts reported in the PFC Quarterly Status Reports submitted by the Authority to the FAA.

(4) Interest Earned

The excess of PFC revenues collected over expenditures incurred on qualifying PFC projects is invested by the Authority's investment manager in accordance with the Authority's Investment Policy. Permitted investments include U.S. Treasury securities, U.S. Agency securities, Medium-Term Corporate Notes and Money Market Funds invested in U.S. Treasury Securities. These investments, which are allowed for a maximum of five years, are generally held to maturity. The rate of return on these investments is dependent upon the market yield at the time they were purchased. Accordingly, when the coupon rate for such investments is different from the market yield on such investments, the investments are purchased at a premium or discount to par to reflect such market yield.

In addition, for investments purchased on a date other than the interest payment date for that investment, the interest from the beginning of that coupon period is paid together with the purchase price plus premium or minus discount. The next coupon payment on such investment will be for the whole coupon period.

On the accrual basis of accounting, such premiums or discounts are amortized over the life of the investment and purchased interest is treated as interest receivable. Because the accompanying Schedule reflects the cash basis of accounting, such premiums or discounts are only recognized when the investment matures or is sold, rather than over the life of the investment, and such purchased interest is deducted from interest revenue in the period purchased. When premiums on maturing investments and purchased interest exceed the sum of coupon payments received, discounts on maturing investments and gain (loss) on sale of investments, it will result in negative interest earned for that quarter.

The components of interest received — coupon payments received; gain (loss) on sale of investments, net; interest purchased at investment purchase date, and impact of investments purchased at a discount (premium), net — for the year ended June 30, 2024 are as follows:

Month	Coupon Payments Received	Gain (loss) on sale of investments, net	Interest purchased at investment purchase date	Impact of maturing investments purchased at a discount (premium), net	Total
July 2023	$ 96,950	$ —	$ —	$ 49,798	$ 146,748
August 2023	93,689	—	—	—	93,689
September 2023	219,598	—	—	(149,079)	70,519
	410,237	—	—	(99,281)	310,956
October 2023	86,213	—	—	—	86,213
November 2023	111,488	—	—	(56,140)	55,348
December 2023	90,819	—	—	—	90,819
	288,520	—	—	(56,140)	232,380
January 2024	114,768	—	—	(7,000)	107,768
February 2024	115,157	—	—	11,509	126,666
March 2024	153,705	—	—	9,793	163,498
	383,630	—	—	14,302	397,932
April 2024	68,002	—	—	(28,488)	39,514
May 2024	66,395	—	—	9,506	75,901
June 2024	62,136	—	—	54,241	116,377
	196,533	—	—	35,259	231,792
Total	$ 1,278,920	$ —	$ —	$ (105,860)	$ 1,173,060

(5) Cumulative Total

Cumulative total columns on the Schedule are presented for additional analytical data. Such information is not necessary for a fair presentation of the Schedule.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Single Audit Reports

Year ended June 30, 2024

Certified Public Accountants

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BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Single Audit Reports

Year ended June 30, 2024

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Certified Public Accountants

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Burbank-Glendale-Pasadena Airport Authority (the Authority) as of and for the year ended June 30, 2024, 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 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 18, 2024

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Burbank-Glendale-Pasadena Airport Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2024. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the Authority as of and for the year ended June 30, 2024, and have issued our report thereon dated December 18, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 18, 2024

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Federal Grantor/Program Title	Assistance Listing Number	Grant Number		Federal Expenditures
U.S. Department of Transportation:				
Federal Aviation Administration:				
COVID-19 Airport Improvement Program - ARPA Concessions Relief	20.106	3-06-0031-074	$	396,947
Airport Improvement Program	20.106	3-06-0031-079		250,120
Airport Improvement Program	20.106	3-06-0031-080		61,169
Airport Improvement Program				
Bipartisan Infrastructure Law (BIL) - Airport Terminal Program Grant (ATP)	20.106	3-06-0031-081		12,295,068
Airport Improvement Program				
Bipartisan Infrastructure Law (BIL) - Airport Infrastructure Grant (AIG)	20.106	3-06-0031-082		2,072,724
Total Federal Aviation Administration				15,076,028
Total U.S. Department of Transportation				15,076,028
U.S. Department of Homeland Security				
Federal Emergency Management Agency:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
Cal OES High Frequency Communications Equipment Program	97.036	N/A		60,000
Total Federal Emergency Management Agency				60,000
Total U.S. Department of Homeland Security				60,000
Totals			$	15,136,028

See accompanying notes to schedule of expenditures of federal awards.

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(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal financial assistance programs of the Burbank-Glendale-Pasadena Airport Authority (Authority), which owns and operates the Bob Hope Airport, commonly known as Hollywood Burbank Airport (Airport), for the year ended June 30, 2024. The Schedule includes federal awards received directly from federal agencies. There were no federal awards passed through other agencies for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not present the financial position, changes in financial position or cash flows of the Authority. The Authority's reporting entity is defined in note 1 to the Authority's basic financial statements.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. There are no indirect costs included in grant expenditures on the accompanying Schedule for the year ended June 30, 2024.

(4) Subrecipients

Of the federal expenditures presented in the Schedule, the Authority did not provide any federal awards to subrecipients for the year ended June 30, 2024.

(5) Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports filed by the Authority.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

Section I—Summary of Auditor's Results

(a) Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America: Unmodified.

Internal control over financial reporting:

a) Material weakness(es) identified?	___ yes _X_ no
b) Significant deficiency(ies) identified?	___ yes _X_ none reported
Noncompliance material to financial statements noted	___ yes _X_ no

(b) Federal Awards

Internal control over major federal program:

a) Material weakness(es) identified?	___ yes _X_ no
b) Significant deficiency(ies)?	___ yes _X_ none reported
Type of auditor's report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes _X_ no

Identification of major federal program:

Assistance Listing Number	Name of Federal Program or Cluster
20.106	U.S. Department of Transportation, Federal Aviation Administration – Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee?	_X_ yes ___ no

Section II—Financial Statement Findings

None Noted.

Section III— Federal Awards Findings and Questioned Costs

None Noted.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Summary Schedule of Prior Audit Findings

Year ended June 30, 2024

Section IV—Financial Statement Findings

None reported.

Section V— Federal Awards Findings and Questioned Costs

None reported.