



August 12, 2016

CALL AND NOTICE OF A REGULAR MEETING OF THE
FINANCE AND ADMINISTRATION COMMITTEE
OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Finance and Administration Committee will be held Monday, August 15, 2016 at 10:30 a.m. (or immediately following the conclusion of the regular Airport Authority meeting), in the Airport Skyroom of the Bob Hope Airport, 2627 Hollywood Way, Burbank, California 91505.

The items to be discussed are listed on the attached agenda.

Sue Loyd, Assistant Board Secretary
Burbank-Glendale-Pasadena Airport Authority

REGULAR MEETING
OF THE
FINANCE AND ADMINISTRATION COMMITTEE
Airport Skyroom
Monday, August 15, 2016
10:30 A.M. or Immediately Following the
Conclusion of the
Regular Airport Authority Meeting

NOTE TO THE PUBLIC: Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.

As a result of the convening of this meeting of the Finance and Administration Committee, each Committee member is entitled to receive and shall be provided \$200.

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In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.

AGENDA

1. Approval of Agenda
2. Public Comment
3. Approval of Minutes
 - a. July 11, 2016
4. Treasurer's Reports
 - a. May 2016

[See page 1]

[See page 4]

No staff report is attached. The Treasurer's Report for the month of May 2016 is included in the agenda packet for the Committee's review.

5. Auditor Required Communications for the FY 2016 Financial Audits

- Staff Report Attached

[See page 28]

In accordance with applicable professional standards, the Authority's auditor, Macias Gini & O'Connell LLP has provided the attached letter to the Commission outlining its audit responsibilities, and planned scope and timing of the FY 2016 financial audits. Also attached is a copy of the annual engagement letter, which substantially conforms to the professional services agreement between the Authority and MGO for audit services. Staff seeks a Committee recommendation to the Commission that it note and file these communications.

6. Contracts and Leases

- a. Sixth Amendment to Lease and Concession Agreement
MCS Burbank LLC

- Staff Report Attached

[See page 40]

Staff seeks a Committee recommendation to the Commission for approval of a Sixth Amendment to the Lease and Concession Agreement with the Airport's food and beverage concessionaire, MCS Burbank LLC. The Sixth Amendment will provide MCS with 95 square feet of additional space at its existing Peet's Coffee location in Terminal B to provide additional seating for its customers. The proposed Amendment will generate an additional \$8,539 annually through an increase to the MAG and space rent combined. The new total rent for MCS will be \$1,400,695 annually.

7. Items for Discussion

- a. Quarterly Minor Lease and Purchase Order Update

No staff report is attached. Staff will present the quarter ended June 30, 2016, Minor Lease and Purchase Order Update.

8. Items for Information

- a. Committee Pending Items

[See page 46]

Future

1) Vacant Aviation Hangars and Market Conditions

2) Replacement Terminal Project Finance Primer

9. Other Contracts and Leases

10. Adjournment

Subject to Approval

**MINUTES OF THE SPECIAL MEETING OF THE
FINANCE AND ADMINISTRATION COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, JULY 11, 2016

A special meeting of the Finance and Administration Committee was called to order on this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 11:40 a.m., by Commissioner Tornek.

AB 23 Disclosure: The Senior Deputy Executive Director announced that, as a result of the convening of this meeting of the Finance and Administration Committee, each Committee member is entitled to receive and shall be provided \$200.

ROLL CALL

Present: Commissioners Tornek, Friedman, and Adams.

Absent: None

Also Present: Staff: Dan Feger, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration

1. Approval of Agenda The agenda was approved as presented.

2. Public Comment There were no public speakers.

3. Approval of Minutes

a. June 20, 2016 Draft minutes for the June 20, 2016, Finance and Administration Committee meeting were presented for approval.

Motion Commissioner Friedman moved approval of the minutes, seconded by Commissioner Adams.

Motion Approved There being no objection, the minutes were unanimously approved (3-0).

4. Contracts and Leases

a. Short Term Parking Space Reservation Agreement CenterStaging LLC Staff presented to the Committee a proposed Short Term Parking Space Reservation Agreement with CenterStaging, LLC ("Center Staging") for 109 spaces in Parking Lot B located off Winona Avenue. CenterStaging has requested to use parking spaces

on a daily basis for the parking of motor vehicles only. Payment for these spaces will be in arrears rather than in advance, and will be subject to the City of Burbank's transient parking tax which would be remitted by the Authority. This agreement would be temporary as Center Staging is currently in the process of building an underground parking facility.

At a daily rate of \$1.59/per stall/per day, the proposed agreement would generate a monthly aggregate of approximately \$5199.20, with total expected gross revenue of \$52,290.40 annually.

Staff recommended that the Committee recommend to the Commission that it approve the Agreement with Center Staging as described above and authorize the Authority President to execute same.

Motion

Commissioner Friedman moved approval of Staff's recommendation, seconded by Commissioner Adams.

Motion Approved

The motion was approved unanimously (3-0).

b. Second Amendment to Non-Exclusive Agreement for Van Nuys Skyways, Inc. dba Million Air Burbank

Staff presented a proposed Second Amendment to the Non-Exclusive License Agreement ("Non-Exclusive Agreement") with Van Nuys Skyways, Inc., dba Million Air Burbank, which permits into-plane fueling and ramp services at the Airport.

In July 2003 Million Air entered into a Lease Agreement to lease Building 36 and associated ramp areas. This Lease Agreement also provided Million Air with exclusive rights to fuel the Clybourn Complex studio hangars and provide ramp services to those hangars.

Through a separate Non-Exclusive Lease and Concession Agreement ("Lease Agreement"), also executed in July 2003, the Authority provided Million Air the non-exclusive right to provide fuel and ramp services at other areas of the Airport. A fifth amendment to this Lease Agreement extended the term to July 31, 2016.

The proposed second amendment will extend the term of the Non-Exclusive Agreement from August 1, 2016 to July 31, 2026, which would be

concurrent with the term of Million Air's Non-Exclusive Lease and Concession Agreement.

Staff indicated the proposed Amendment would be revenue-neutral to the Authority's operating budget and that the Agreement would allow the Airport the opportunity to ensure that Million Air Burbank is following all the various regulations, standards and compliances for fueling operations at the Airport.

Motion

Commissioner Friedman moved approval of Staff's recommendation, seconded by Commissioner Adams.

Motion Approved

The motion was approved unanimously (3-0).

5. Items for Information

a. Committee Pending Items

1) Future

The Committee pending items were not discussed.

**2) Replacement Passenger
Terminal Financial
Alternatives Consultant**

**3) Vacant Aviation Hangars and
Market Conditions**

6. Other Contracts and Leases

There were no other contracts and leases to be discussed.

7. Adjournment

There being no further business, the meeting was adjourned at 11:50 a.m.



DRAFT

August 15, 2016

Burbank-Glendale-Pasadena Airport Authority
2627 Hollywood Way
Burbank, California 91505

Dear Commissioners:

The attached report, covering the month of May 2016, fulfills the legal requirements of the California Code and our Investment Policy. Based on projected income and expenses, as well as investment liquidity, there will be sufficient funds available to meet the needs of the Airport Authority for the six-month period following the date of the attached report.

Sincerely,

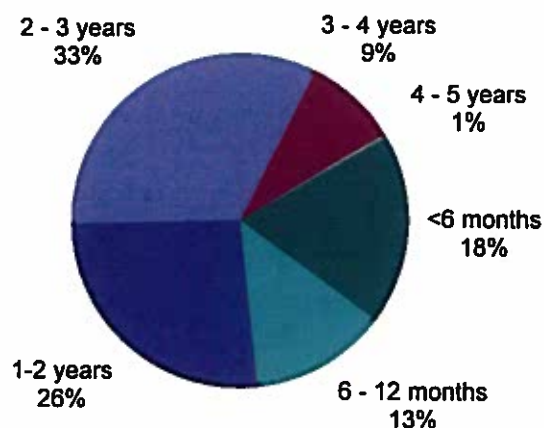
Zareh Sinanyan
Treasurer

Attachments

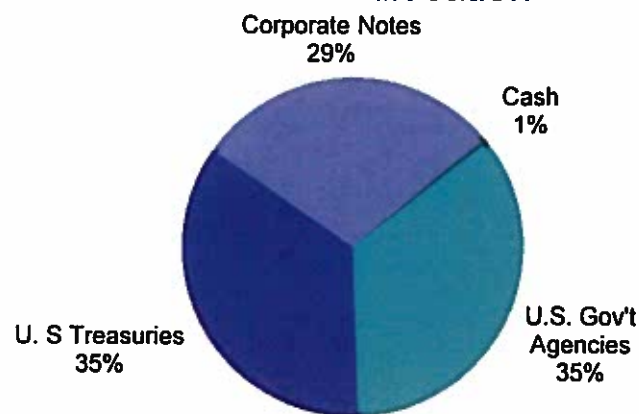
Operating Portfolio Investment Guidelines Conformance as of May 31, 2016

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	3.28 Years	70%	35%
Corporate Notes	5 Years	4.42 Years	30%	29%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	<1%
U.S. Gov Securities (Treasuries)	5 Years	3.59 Years	No Limit	35%

Maturity Distribution



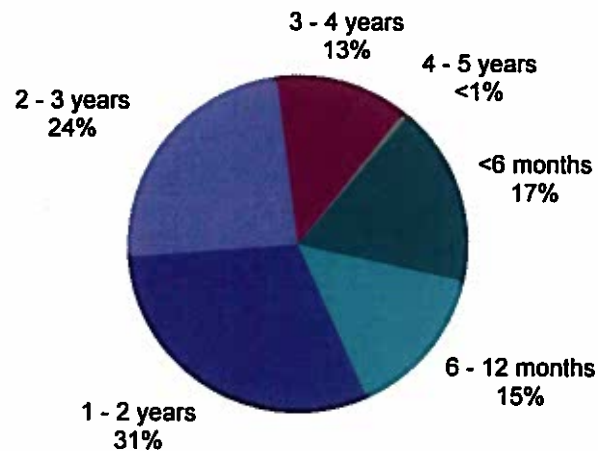
Sector Allocation



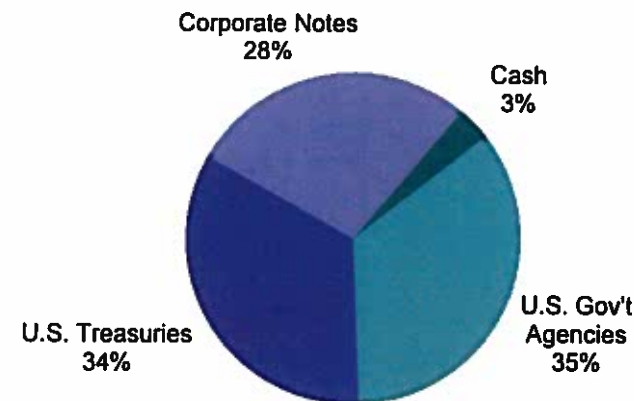
PFC Portfolio Investment Guidelines Conformance as of May 31, 2016

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	3.28 Years	70%	35%
Corporate Notes	5 Years	4.42 Years	30%	28%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	3%
U.S. Gov Securities (Treasuries)	5 Years	3.59 Years	No Limit	34%

Maturity Distribution



Sector Allocation



Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 05/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
05/31/16	Columbia Treasury Reserves	097101307	0.000	05/31/16	05/31/16	\$ 886,596	\$ 886,596	\$ 886,596	\$ -	0.00%	0	0.42%
03/02/16	Johnson & Johnson	478160BW3	0.905	03/01/19	06/01/16	1,500,000	1,502,346	1,502,865	519	0.90%	1	0.71%
04/18/13	John Deere Capital Corp	24422ERC5	2.250	06/07/16	06/07/16	1,260,000	1,298,570	1,260,227	(38,343)	1.16%	7	0.60%
04/28/16	American Express Credit Corp	0258M0DY2	1.682	09/14/20	06/14/16	700,000	703,049	703,472	423	1.64%	14	0.33%
04/25/16	Home Depot Inc	437076BJ0	1.004	09/15/17	06/15/16	1,000,000	1,003,966	1,003,959	(7)	0.76%	15	0.48%
04/19/16	FFCB	3133EEZ52	0.473	03/22/18	06/22/16	5,000,000	4,986,879	4,992,720	5,841	0.59%	22	2.36%
06/24/13	Chevron Corp	166764AC4	0.889	06/24/16	06/24/16	890,000	892,720	890,164	(2,556)	0.60%	24	0.42%
06/17/13	FHLB	3133834R9	0.375	06/24/16	06/24/16	1,500,000	1,490,925	1,500,111	9,186	0.26%	24	0.71%
10/21/13	Treasury Note	91282QR4	1.500	06/30/16	06/30/16	5,050,000	5,166,160	5,055,141	(111,019)	0.26%	30	2.39%
12/08/14	General Electric Capital Corp	36962G6X7	1.339	04/02/18	07/02/16	1,690,000	1,707,900	1,701,538	(6,362)	1.04%	32	0.81%
02/19/13	JPMorgan Chase & Co	46625HJA9	3.150	07/05/16	07/05/16	1,615,000	1,677,479	1,618,350	(59,129)	0.94%	35	0.77%
07/11/13	Duke Energy Indiana Inc	263901AE0	0.979	07/11/16	07/11/16	705,000	706,115	705,252	(863)	0.66%	41	0.33%
01/21/16	Oracle Corporation	68389XAR6	1.208	01/15/19	07/15/16	1,170,000	1,173,824	1,177,252	3,428	1.04%	45	0.56%
07/08/15	Wells Fargo & Company	94974BFFK1	1.268	04/23/18	07/23/16	1,500,000	1,502,735	1,503,480	745	1.21%	53	0.71%
08/20/13	Caterpillar Financial Services	14912L4X6	2.050	08/01/16	08/01/16	1,260,000	1,284,220	1,262,974	(21,246)	0.63%	62	0.60%
08/05/13	Halliburton Company	406216BB6	1.000	08/01/16	08/01/16	575,000	574,563	574,879	316	1.12%	62	0.27%
05/06/16	Apple Inc	037833AP5	0.934	05/06/19	08/06/16	1,200,000	1,196,747	1,198,354	1,607	1.04%	67	0.57%
02/21/13	Coca-Cola Company (The)	191216AU4	1.800	09/01/16	09/01/16	1,450,000	1,486,511	1,454,321	(32,190)	0.60%	93	0.69%
10/09/13	PNC Bank NA	69349LAN8	1.300	10/03/16	09/03/16	1,280,000	1,285,273	1,281,254	(4,019)	1.01%	95	0.61%
11/26/13	Key Bank NA	49327M2J2	1.100	11/25/16	10/25/16	500,000	499,620	500,348	728	0.96%	147	0.24%
10/15/13	Treasury Note	912828RM4	1.000	10/31/16	10/31/16	3,970,000	4,005,203	3,977,714	(27,489)	0.53%	153	1.88%
09/12/14	Procter & Gamble Co	742718ED7	0.750	11/04/16	11/04/16	1,000,000	999,680	1,000,961	1,281	0.52%	157	0.47%
03/20/14	Comcast Corporation	20030NAP6	6.500	01/15/17	01/15/17	1,375,000	1,522,824	1,422,160	(100,664)	0.96%	229	0.67%
12/30/13	Pfizer Inc	717081DD2	0.900	01/15/17	01/15/17	1,460,000	1,455,228	1,461,098	5,870	0.78%	229	0.69%
04/03/14	Treasury Note	912828SC5	0.875	01/31/17	01/31/17	2,050,000	2,049,920	2,053,204	3,284	0.64%	245	0.97%
04/26/16	Ace Ina Holdings Inc	00440EAJ6	5.700	02/15/17	02/15/17	900,000	934,731	929,642	(5,089)	1.00%	260	0.44%
12/03/12	Walt Disney Co	25468PCS3	1.125	02/15/17	02/15/17	1,200,000	1,205,120	1,202,634	(2,486)	0.81%	260	0.57%
06/12/14	Branch Banking and Trust Company	07330NAH8	1.000	04/03/17	03/03/17	1,028,000	1,025,372	1,028,069	2,697	0.99%	276	0.49%
10/16/12	FHLMC	3137EADC0	1.000	03/08/17	03/08/17	6,000,000	6,045,930	6,012,408	(33,522)	0.73%	281	2.84%
05/20/14	US Bancorp	91159HHD5	1.650	05/15/17	04/15/17	1,500,000	1,519,595	1,507,830	(11,765)	1.10%	319	0.71%
05/21/12	FNMA	3135G0JA2	1.125	04/27/17	04/27/17	4,550,000	4,575,085	4,566,277	(8,808)	0.73%	331	2.16%
05/06/14	State Street Corporation	857477AD5	5.375	04/30/17	04/30/17	1,000,000	1,093,220	1,040,307	(52,913)	0.95%	334	0.49%
02/03/14	FHLB	3133XKQX6	4.875	05/17/17	05/17/17	4,375,000	4,868,587	4,545,625	(322,962)	0.79%	351	2.15%
01/28/15	FHLB	313379DD8	1.000	06/21/17	06/21/17	4,000,000	4,027,520	4,007,852	(19,668)	0.81%	386	1.90%
08/02/12	Treasury Note	912828TG5	0.500	07/31/17	07/31/17	1,275,000	1,266,020	1,270,866	4,846	0.78%	426	0.60%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 05/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/29/15	FNMA Bench	3135G0ZL0	1.000	09/27/17	09/27/17	3,000,000	3,016,945	3,006,858	(10,087)	0.83%	484	1.42%
04/19/16	Treasury Note	912828TS9	0.625	09/30/17	09/30/17	7,750,000	7,743,340	7,732,741	(10,599)	0.79%	487	3.66%
11/02/12	Treasury Note	912828TW0	0.750	10/31/17	10/31/17	10,950,000	10,952,602	10,941,374	(11,228)	0.81%	518	5.18%
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	11/07/17	685,000	683,718	683,654	(64)	1.19%	525	0.32%
04/19/16	FHLB	3133XMQ87	5.000	11/17/17	11/17/17	2,500,000	2,665,725	2,650,818	(14,907)	0.84%	535	1.25%
09/10/14	FHLMC Reference Notes	3137EABA6	5.125	11/17/17	11/17/17	5,200,000	5,834,036	5,522,171	(311,865)	0.85%	535	2.61%
10/07/14	Metlife Inc	59156RBK3	1.903	12/15/17	12/15/17	800,000	805,636	806,162	526	1.39%	563	0.38%
05/06/14	Bank of New York Mellon Corp	06406HCE7	1.300	01/25/18	12/25/17	1,000,000	992,963	1,001,775	8,812	1.19%	573	0.47%
04/19/16	FHLMC Reference Notes	3137EADN6	0.750	01/12/18	01/12/18	3,750,000	3,748,050	3,742,571	(5,479)	0.87%	591	1.77%
08/07/15	Fifth Third Bank	31677QAV1	1.450	02/28/18	01/28/18	1,000,000	996,120	998,159	2,039	1.56%	607	0.47%
12/23/13	FNMA Benchmark Notes	3135G0TG8	0.875	02/08/18	02/08/18	6,000,000	5,904,390	6,001,368	96,978	0.86%	618	2.84%
11/18/15	Exxon Mobil Corp	30231GAL6	1.305	03/06/18	03/06/18	700,000	701,862	702,193	331	1.12%	644	0.33%
09/25/15	Boeing Co	097023BE4	0.950	05/15/18	05/15/18	944,000	938,314	941,749	3,435	1.07%	714	0.45%
03/11/14	Merck & Co Inc	58933YAG0	1.300	05/18/18	05/18/18	1,350,000	1,339,553	1,357,402	17,849	1.02%	717	0.64%
12/03/14	Treasury Note	912828VE7	1.000	05/31/18	05/31/18	13,010,000	12,972,601	13,038,973	66,372	0.89%	730	6.17%
08/05/15	FHLMC	3137EABP3	4.875	06/13/18	06/13/18	5,500,000	6,011,095	5,931,954	(79,141)	0.97%	743	2.81%
07/06/15	Southern California Gas Company	842434CN0	1.550	06/15/18	06/15/18	1,175,000	1,182,360	1,179,634	(2,726)	1.35%	745	0.56%
04/19/16	Treasury Note	912828XK1	0.875	07/15/18	07/15/18	7,750,000	7,762,715	7,745,156	(17,559)	0.90%	775	3.66%
04/19/16	FNMA Benchmark Notes	3135G0E33	1.125	07/20/18	07/20/18	3,750,000	3,771,825	3,763,103	(8,722)	0.96%	780	1.78%
07/06/15	Nevada Power Company	641423BW7	6.500	08/01/18	08/01/18	1,050,000	1,189,265	1,162,774	(26,491)	1.45%	792	0.55%
08/07/15	3M Company	88579YAP6	1.375	08/07/18	08/07/18	900,000	898,398	904,823	6,425	1.13%	798	0.43%
12/18/15	Berkshire Hathaway Finance Corp	084664BY6	2.000	08/15/18	08/15/18	1,550,000	1,577,051	1,577,677	626	1.18%	806	0.75%
08/18/15	Treasury Note	912828RE2	1.500	08/31/18	08/31/18	6,400,000	6,482,133	6,482,752	619	0.92%	822	3.07%
04/19/16	FNMA	3135G0E58	1.125	10/19/18	10/19/18	3,750,000	3,772,538	3,762,630	(9,908)	0.98%	871	1.78%
12/24/15	Simon Property Group LP	828807CQ8	2.200	02/01/19	11/01/18	865,000	875,364	879,235	3,871	1.57%	884	0.42%
11/03/15	Microsoft Corporation	594918BF0	1.300	11/03/18	11/03/18	650,000	649,898	652,031	2,133	1.17%	886	0.31%
04/13/16	Commonwealth Edison Company	202795JC5	2.150	01/15/19	12/15/18	1,000,000	1,018,088	1,012,028	(6,060)	1.68%	928	0.48%
09/25/15	Manufacturers & Traders Trust Co	55279HAE0	2.300	01/30/19	12/30/18	1,000,000	1,013,451	1,015,235	1,784	1.71%	943	0.48%
12/01/15	Treasury Note	912828A75	1.500	12/31/18	12/31/18	500,000	503,516	506,817	3,301	0.96%	944	0.24%
07/01/15	Treasury Note	912828SD3	1.250	01/31/19	01/31/19	4,000,000	4,003,594	4,028,592	24,998	0.98%	975	1.91%
01/14/16	IBM Corp	459200HT1	1.950	02/12/19	02/12/19	1,150,000	1,164,229	1,170,741	6,512	1.27%	987	0.55%
02/26/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	02/15/19	1,050,000	1,156,947	1,148,658	(8,289)	1.40%	990	0.54%
01/21/15	Union Pacific Corporation	907818DW5	2.250	02/15/19	02/15/19	1,050,000	1,078,576	1,070,871	(7,705)	1.50%	990	0.51%
09/15/14	Unitedhealth Group Inc	91324PCB6	1.625	03/15/19	03/15/19	720,000	706,025	723,532	17,507	1.44%	1018	0.34%
12/07/15	FHLMC	3137EACA5	3.750	03/27/19	03/27/19	3,500,000	3,763,900	3,755,917	(7,983)	1.11%	1030	1.78%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 05/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
04/16/16	Lowes Companies Inc	548661DL8	1.150	04/15/19	04/15/19	1,000,000	998,565	996,084	(2,481)	1.29%	1049	0.47%
09/12/14	Public Service Electric And Gas	74456QBG0	1.800	06/01/19	05/01/19	1,129,000	1,122,407	1,140,812	18,405	1.44%	1065	0.54%
12/08/14	Target Corporation	87612EBB1	2.300	06/26/19	06/26/19	1,005,000	1,027,143	1,033,772	6,629	1.34%	1121	0.49%
03/17/15	FNMA Bench	3135G0ZG1	1.750	09/12/19	09/12/19	4,500,000	4,545,910	4,581,846	35,936	1.18%	1199	2.17%
04/01/16	Treasury Note	912828F62	1.500	10/31/19	10/31/19	3,905,000	3,970,134	3,955,031	(15,103)	1.12%	1248	1.87%
05/26/15	Arizona Public Service Company	040555CR3	2.200	01/15/20	12/15/19	950,000	956,522	962,470	5,948	1.82%	1293	0.46%
01/19/16	Treasury Note	912828G95	1.625	12/31/19	12/31/19	1,750,000	1,772,695	1,778,711	6,016	1.16%	1309	0.84%
04/21/16	Pepsico Inc	713448BN7	4.500	01/15/20	01/15/20	1,300,000	1,445,831	1,436,884	(8,947)	1.50%	1324	0.68%
04/25/16	Medtronic Inc	585055BG0	2.500	03/15/20	03/15/20	1,200,000	1,241,266	1,232,713	(8,553)	1.75%	1384	0.58%
05/08/15	United Technologies Corporation	913017BR9	4.500	04/15/20	04/15/20	1,150,000	1,283,709	1,271,372	(12,337)	1.67%	1415	0.60%
03/08/16	Public Service Company of Colorado	744448CD1	3.200	11/15/20	05/15/20	1,080,000	1,135,783	1,139,722	3,939	1.90%	1445	0.54%
04/21/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	11/01/20	900,000	984,932	978,269	(6,663)	1.84%	1615	0.46%
	Subtotal					\$192,232,596	\$195,981,953	\$194,909,718	\$(1,072,235)	0.94%	584	92.22%
	Local Agency Investment Fund (LAIF)					16,437,604	16,437,604	16,441,238	3,634	0.55%	167	7.78%
	Subtotal					\$208,670,200	\$212,419,557	\$211,350,956	\$(1,068,601)	0.91%	552	100.00%
	Operating Bank Balance						2,992,076					
	TOTAL						\$215,411,633					

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Purchases - Maturities - Sales
As of 05/31/16

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
05/05/16	Union Pacific Corporation	907818DW5	2.250	02/15/19	160,000.00	102.48100	\$ 163,969.60	\$ (800.00)
05/06/16	Apple Inc	037833AP5	0.934	05/06/19	1,200,000.00	99.72890	1,196,746.80	
05/06/16	Oracle Corporation	68389XAR6	1.208	01/15/19	370,000.00	100.55100	372,038.70	(260.80)
05/07/16	Simon Property Group LP	828807CQ8	2.200	02/01/19	95,000.00	102.09100	96,986.45	(568.94)
05/08/16	Comcast Corporation	20030NAP6	6.500	01/15/17	175,000.00	103.82900	181,700.75	(3,633.68)
05/08/16	General Electric Capital Corp	36962G6X7	1.339	04/02/18	215,000.00	100.64870	216,394.71	(287.80)
05/13/16	Pepsico Inc	713448BN7	4.500	01/15/20	900,000.00	111.16700	1,000,503.00	(13,275.00)
05/13/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	775,000.00	109.47800	848,454.50	(1,007.50)
05/13/16	Union Pacific Corporation	907818DW5	2.250	02/15/19	160,000.00	102.69700	164,315.20	(880.00)
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	345,000.00	99.80000	344,310.00	(241.50)
06/02/16	Praxair Inc	74005PBC7	1.050	11/07/17	340,000.00	99.82600	339,408.40	(247.92)
TOTAL PURCHASES					\$ 4,735,000.00		\$ 4,924,828.11	\$ (21,203.14)

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
05/03/13	Apple Inc	037833AF7	0.669	05/03/16	\$ 1,175,000.00	100.00389	\$ 1,175,045.68	\$ (45.68)
02/21/13	Pepsico Inc	713448BT4	2.500	05/10/16	1,000,000.00	105.33300	1,053,330.00	(53,330.00)
TOTAL MATURITIES					\$ 2,175,000.00		\$ 2,228,375.68	\$ (53,375.68)

SALES / REDEMPTIONS

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
								\$ -		\$ -
								-		-
								-		-
TOTAL SALES						\$ -		\$ -	\$ -	\$ -

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
05/01/16-05/31/16

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FIXED INCOME									
Apple Inc	NOTE	0.669	05/03/16	1,920.37	1,964.01	-	43.64	(7.05)	36.59
Pepsico Inc	NOTE	2.500	05/10/16	11,875.00	12,500.00	-	625.00	(414.12)	210.88
John Deere Capital Corp	MTN	2.250	06/07/16	11,340.00	-	13,702.51	2,362.51	(1,664.99)	697.52
Chevron Corp	NOTE	0.889	06/24/16	2,791.22	-	3,450.55	659.33	(127.10)	532.23
FHLB	NOTE	0.375	06/24/16	1,984.38	-	2,453.13	468.75	250.46	719.21
Treasury Note	NOTE	1.500	06/30/16	25,388.74	-	31,839.97	6,451.23	(4,227.02)	2,224.21
JPMorgan Chase & Co	NOTE	3.150	07/05/16	16,392.25	-	20,631.63	4,239.38	(2,731.47)	1,507.91
Duke Energy Indiana Inc	NOTE	0.979	07/11/16	383.36	-	958.41	575.05	(35.38)	539.67
Caterpillar Financial Services	NOTE	2.050	08/01/16	6,457.50	-	8,610.00	2,152.50	(1,122.98)	1,029.52
Halliburton Company	NOTE	1.000	08/01/16	1,437.50	-	1,916.67	479.17	12.18	491.35
Coca-Cola Company (The)	NOTE	1.800	09/01/16	4,350.00	-	6,525.00	2,175.00	(1,270.74)	904.26
PNC Bank NA	NOTE	1.300	10/03/16	1,294.23	-	2,680.88	1,386.65	(325.11)	1,061.54
Treasury Note	NOTE	1.000	10/31/16	107.88	-	3,452.17	3,344.29	(981.38)	2,362.91
Procter & Gamble Co	NOTE	0.750	11/04/16	3,687.50	3,750.00	-	625.00	12.43	637.43
Key Bank NA	NOTE	1.100	11/25/16	2,383.33	2,750.00	-	458.34	10.87	469.21
Comcast Corporation	NOTE	6.500	01/15/17	22,966.67	-	3,633.68	7,163.53	(5,955.28)	1,208.25
Pfizer Inc	NOTE	0.900	01/15/17	3,869.00	-	4,964.00	1,095.00	78.12	1,173.12
Treasury Note	MTN	0.875	01/31/17	4,484.38	-	6,012.02	1,527.64	2.40	1,530.04
Ace Ina Holdings Inc	NOTE	5.700	02/15/17	10,830.00	-	15,105.00	4,275.00	(3,605.30)	669.70
Walt Disney Co	MTN	1.125	02/15/17	2,850.00	-	3,975.00	1,125.00	(204.17)	920.83
FHLMC	NOTE	1.000	03/08/17	8,833.33	-	13,833.33	5,000.00	(1,029.26)	3,970.74
Branch Banking and Trust Company	MTN	1.000	04/03/17	799.56	-	1,656.22	856.66	90.27	946.93
FNMA	NOTE	1.125	04/27/17	568.75	-	4,834.38	4,265.63	(632.13)	3,633.50
State Street Corporation	NOTE	5.375	04/30/17	149.30	-	4,628.47	4,479.17	(3,575.76)	903.41
US Bancorp	NOTE	1.650	05/15/17	11,412.50	12,375.00	-	2,062.50	(746.62)	1,315.88
FHLB	NOTE	4.875	05/17/17	97,161.46	106,640.63	-	17,773.44	(14,292.65)	3,480.79
FHLB	NOTE	1.000	06/21/17	14,426.23	-	17,814.21	3,387.98	(974.99)	2,412.99
Treasury Note	NOTE	0.500	07/31/17	1,593.75	-	2,136.68	542.93	155.32	698.25
Home Depot Inc	NOTE	1.004	09/15/17	1,310.58	-	2,175.01	864.43	(242.50)	621.93
FNMA Bench	NOTE	1.000	09/27/17	2,833.34	-	5,333.34	2,500.00	(708.02)	1,791.98
Treasury Note	NOTE	0.625	09/30/17	4,102.63	-	8,205.26	4,102.63	390.29	4,492.92
Treasury Note	NOTE	0.750	10/31/17	223.17	-	7,141.30	6,918.13	(203.84)	6,714.29
Praxair Inc	NOTE	1.050	11/07/17	-	-	489.42	479.50	(9.92)	(9.92)
FHLB	NOTE	5.000	11/17/17	56,944.44	62,500.00	-	10,416.67	(8,753.08)	1,663.59

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
05/01/16-05/31/16

Type of Investment		Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FHLMC Reference Notes	NOTE	5.125	11/17/17	121,405.56	133,250.00	-	10,363.89	22,208.33	(16,583.33)	5,625.00
Metlife Inc	NOTE	1.903	12/15/17	1,945.28	-	-	3,213.96	1,268.68	(147.29)	1,121.39
FHLMC Reference Notes	NOTE	0.750	01/12/18	8,515.63	-	-	10,859.38	2,343.75	93.90	2,437.65
Bank of New York Mellon Corp	NOTE	1.300	01/25/18	3,466.67	-	-	4,550.00	1,083.33	139.72	1,223.05
FNMA Benchmark Notes	NOTE	0.875	02/08/18	12,104.16	-	-	16,479.17	4,375.01	2,127.75	6,502.76
Fifth Third Bank	NOTE	1.450	02/28/18	2,456.94	-	-	3,665.28	1,208.34	136.54	1,344.88
Exxon Mobil Corp	NOTE	1.305	03/06/18	1,395.63	-	-	2,156.88	761.25	(67.47)	693.78
FFCB	NOTE	0.473	03/22/18	589.06	1,963.54	-	656.95	2,031.43	579.40	2,610.83
General Electric Capital Corp	NOTE	1.339	04/02/18	1,590.52	-	287.80	3,770.40	1,892.08	(523.83)	1,368.25
Wells Fargo & Company	NOTE	1.268	04/23/18	422.70	-	-	2,060.67	1,637.97	(89.51)	1,548.46
Boeing Co	NOTE	0.950	05/15/18	4,135.25	4,484.00	-	398.57	747.32	181.02	928.34
Merck & Co Inc	NOTE	1.300	05/18/18	7,946.25	8,775.00	-	633.75	1,462.50	160.11	1,622.61
Treasury Note	NOTE	1.000	05/31/18	54,386.06	65,050.00	-	355.47	11,019.41	782.45	11,801.86
FHLMC	NOTE	4.875	06/13/18	102,781.25	-	-	125,125.00	22,343.75	(17,787.46)	4,556.29
Southern California Gas Company	NOTE	1.550	06/15/18	6,880.28	-	-	8,397.99	1,517.71	(273.93)	1,243.78
Treasury Note	NOTE	0.875	07/15/18	19,933.89	-	-	25,709.13	5,775.24	(482.45)	5,292.79
FNMA Benchmark Notes	NOTE	1.125	07/20/18	11,835.94	-	-	15,351.56	3,515.62	(807.34)	2,708.28
Nevada Power Company	NOTE	6.500	08/01/18	17,062.50	-	-	22,750.01	5,687.51	(4,159.45)	1,528.06
3M Company	NOTE	1.375	08/07/18	2,887.50	-	-	3,918.75	1,031.25	44.50	1,075.75
Berkshire Hathaway Finance Corp	NOTE	2.000	08/15/18	6,544.44	-	-	9,127.77	2,583.33	(899.66)	1,683.67
Treasury Note	NOTE	1.500	08/31/18	16,173.92	-	-	24,260.86	8,086.94	(2,309.02)	5,777.92
FNMA	NOTE	1.125	10/19/18	1,406.25	-	-	4,921.88	3,515.63	(751.25)	2,764.38
Microsoft Corporation	NOTE	1.300	11/03/18	4,178.06	4,225.00	-	657.22	704.16	2.55	706.71
Treasury Note	NOTE	1.500	12/31/18	2,513.74	-	-	3,152.47	638.73	(96.79)	541.94
Commonwealth Edison Company	NOTE	2.150	01/15/19	6,330.56	-	-	8,122.22	1,791.66	(566.04)	1,225.62
Oracle Corporation	NOTE	1.208	01/15/19	429.64	-	260.80	1,845.76	1,155.32	(105.02)	1,050.30
Manufacturers & Traders Trust Co	NOTE	2.300	01/30/19	5,813.89	-	-	7,730.55	1,916.66	(374.85)	1,541.81
Treasury Note	NOTE	1.250	01/31/19	12,500.00	-	-	16,758.24	4,258.24	(85.05)	4,173.19
Simon Property Group LP	NOTE	2.200	02/01/19	4,235.00	-	568.94	6,343.34	1,539.40	(310.78)	1,228.62
IBM Corp	NOTE	1.950	02/12/19	4,921.04	-	-	6,789.79	1,868.75	(404.57)	1,464.18
Cisco Systems Inc	NOTE	4.950	02/15/19	10,972.50	-	-	15,303.75	4,331.25	(3,056.13)	1,275.12
Union Pacific Corporation	NOTE	2.250	02/15/19	3,467.50	-	1,680.00	6,956.26	1,808.76	(619.16)	1,189.60
Johnson & Johnson	NOTE	0.905	03/01/19	2,300.46	-	-	3,469.55	1,169.09	(69.49)	1,099.60
Unitedhealth Group Inc	NOTE	1.625	03/15/19	1,495.00	-	-	2,470.00	975.00	258.80	1,233.80
FHLMC	NOTE	3.750	03/27/19	12,395.83	-	-	23,333.33	10,937.50	(6,652.94)	4,284.56

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
05/01/16-05/31/16

Type of Investment		Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Lowes Companies Inc	NOTE	1.150	04/15/19	351.38	-	-	1,309.72	958.34	40.15	998.49
Apple Inc	NOTE	0.934	05/06/19	-	-	-	809.55	809.55	77.24	886.79
Public Service Electric And Gas	NOTE	1.800	06/01/19	8,467.50	-	-	10,161.00	1,693.50	90.00	1,783.50
Target Corporation	NOTE	2.300	06/26/19	8,026.04	-	-	9,952.30	1,926.26	(509.90)	1,416.36
FNMA Bench	NOTE	1.750	09/12/19	10,718.75	-	-	17,281.26	6,562.51	(913.79)	5,648.72
Treasury Note	NOTE	1.500	10/31/19	159.17	-	-	5,093.48	4,934.31	(1,543.70)	3,390.61
Treasury Note	NOTE	1.625	12/31/19	9,531.25	-	-	11,953.13	2,421.88	(487.91)	1,933.97
Arizona Public Service Company	NOTE	2.200	01/15/20	6,153.89	-	-	7,895.55	1,741.66	(139.52)	1,602.14
Pepsico Inc	NOTE	4.500	01/15/20	5,300.00	-	13,275.00	22,100.00	3,525.00	(2,380.21)	1,144.79
Medtronic Inc	NOTE	2.500	03/15/20	3,833.33	-	-	6,333.33	2,500.00	(884.29)	1,615.71
United Technologies Corporation	NOTE	4.500	04/15/20	2,300.00	-	-	6,612.50	4,312.50	(2,441.43)	1,871.07
American Express Credit Corp	NOTE	1.682	09/14/20	1,570.19	-	-	2,584.28	1,014.09	(60.25)	953.84
Travelers Cos Inc	NOTE	3.900	11/01/20	2,437.50	2,437.50	1,007.50	2,925.00	1,917.50	(1,033.52)	883.98
Public Service Company of Colorado	NOTE	3.200	11/15/20	15,936.00	17,280.00	-	1,535.99	2,879.99	(1,126.97)	1,753.02
Subtotal				\$ 889,356.25	\$ 439,944.68	\$ 21,203.14	\$ 751,394.96	\$ 280,780.25	\$ (116,858.77)	\$ 163,921.48
CASH EQUIVALENTS										
Blackrock Liquidity Funds				-	641.29	-	-	641.29	-	641.29
BOA Temp Overnight Deposit				-	37.33	-	-	37.33	-	37.33
Columbia Treasury Reserves				-	140.39	-	-	140.39	-	140.39
Subtotal				\$ -	\$ 819.01	\$ -	\$ -	\$ 819.01	\$ -	\$ 819.01
LAIF										
Local Agency Investment Fund				7,088.70	-	-	14,794.99	7,706.29	-	7,706.29
TOTAL				\$ 896,444.95	\$ 440,763.69	\$ 21,203.14	\$ 766,189.95	\$ 289,305.55	\$ (116,858.77)	\$ 172,446.78

Burbank-Glendale-Pasadena Airport Authority - PFC Account

Statement of Investments

As of 05/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
05/31/16	Columbia Treasury Reserves	097101307	0.000	05/31/16	05/31/16	\$ 709,471	\$ 709,471	\$ 709,471	\$ -	0.00%	0	3.31%
03/02/16	Johnson & Johnson	478160BW3	0.905	03/01/19	06/01/16	160,000	160,136	160,306	170	0.90%	1	0.75%
02/19/13	John Deere Capital Corp	24422ERC5	2.250	06/07/16	06/07/16	150,000	156,479	150,027	(6,452)	1.16%	7	0.70%
04/26/16	Home Depot Inc	437076BJ0	1.004	09/15/17	06/15/16	100,000	100,397	100,396	(1)	0.76%	15	0.47%
11/04/14	Chevron Corp	166764AC4	0.889	06/24/16	06/24/16	125,000	125,729	125,023	(706)	0.60%	24	0.58%
04/28/16	FHLB	3133834R9	0.375	06/24/16	06/24/16	225,000	225,007	225,017	10	0.26%	24	1.05%
02/24/16	Treasury Note	912828QR4	1.500	06/30/16	06/30/16	325,000	326,231	325,331	(900)	0.26%	30	1.52%
01/21/15	General Electric Capital Corp	36962G6X7	1.339	04/02/18	07/02/16	185,000	186,693	186,263	(430)	1.04%	32	0.87%
02/19/13	JPMorgan Chase & Co	46625HJA9	3.150	07/05/16	07/05/16	185,000	195,921	185,384	(10,537)	0.94%	35	0.86%
02/20/15	Duke Energy Indiana Inc	263901AE0	0.979	07/11/16	07/11/16	100,000	100,176	100,036	(140)	0.66%	41	0.47%
01/21/16	Oracle Corporation	68389XAR6	1.208	01/15/19	07/15/16	125,000	125,299	125,775	476	1.04%	45	0.59%
10/05/15	Wells Fargo & Company	94974BFBK1	1.268	04/23/18	07/23/16	150,000	150,525	150,348	(177)	1.21%	53	0.70%
07/09/14	Caterpillar Financial Services	14912A4X6	2.050	08/01/16	08/01/16	135,000	138,074	135,319	(2,755)	0.63%	62	0.63%
07/09/14	Halliburton Company	406216BB6	1.000	08/01/16	08/01/16	100,000	100,516	99,979	(537)	1.12%	62	0.47%
05/06/16	Apple Inc	037833AP5	0.934	05/06/19	08/06/16	135,000	134,634	134,815	181	1.04%	67	0.63%
02/20/15	PNC Funding Corp	693476BM4	2.700	09/19/16	08/19/16	100,000	102,528	100,398	(2,130)	1.36%	80	0.47%
03/06/13	Coca-Cola Company (The)	191216AU4	1.800	09/01/16	09/01/16	200,000	207,142	200,596	(6,546)	0.60%	93	0.94%
05/06/15	Treasury Note	912828RM4	1.000	10/31/16	10/31/16	375,000	377,871	375,729	(2,142)	0.53%	153	1.75%
09/12/14	Procter & Gamble Co	742718ED7	0.750	11/04/16	11/04/16	125,000	124,960	125,120	160	0.52%	157	0.58%
07/09/14	Comcast Corporation	20030NAP6	6.500	01/15/17	01/15/17	150,000	165,457	155,145	(10,312)	0.96%	229	0.72%
09/12/14	Pfizer Inc	717081DD2	0.900	01/15/17	01/15/17	160,000	159,874	160,120	246	0.78%	229	0.75%
05/06/15	Treasury Note	912828SC5	0.875	01/31/17	01/31/17	350,000	351,859	350,547	(1,312)	0.64%	245	1.64%
04/26/16	Ace Ina Holdings Inc	00440EAJ6	5.700	02/15/17	02/15/17	100,000	103,859	103,294	(565)	1.00%	260	0.48%
02/19/13	Walt Disney Company (The)	25468PCS3	1.125	02/15/17	02/15/17	160,000	159,987	160,351	364	0.81%	260	0.75%
03/19/12	FHLMC	3137EADC0	1.000	03/08/17	03/08/17	755,000	746,165	756,561	10,396	0.73%	281	3.53%
07/09/14	US Bancorp	91159HHD5	1.650	05/15/17	04/15/17	150,000	151,675	150,783	(892)	1.10%	319	0.70%
05/06/15	FNMA	3135G0JA2	1.125	04/27/17	04/27/17	300,000	302,598	301,073	(1,525)	0.73%	331	1.40%
09/12/14	State Street Corporation	857477AD5	5.375	04/30/17	04/30/17	110,000	119,523	114,434	(5,089)	0.95%	334	0.53%
07/07/14	FHLB	3133XKQX6	4.875	05/17/17	05/17/17	875,000	957,246	909,125	(48,121)	0.79%	351	4.24%
01/28/15	FHLB	313379DD8	1.000	06/21/17	06/21/17	700,000	704,816	701,374	(3,442)	0.81%	386	3.27%
10/17/12	Treasury Note	912828TG5	0.500	07/31/17	07/31/17	1,265,000	1,259,009	1,260,899	1,890	0.78%	426	5.88%
03/17/15	FNMA Bench	3135G0ZL0	1.000	09/27/17	09/27/17	700,000	700,924	701,600	676	0.83%	484	3.27%
09/25/14	Treasury Note	912828TW0	0.750	10/31/17	10/31/17	940,000	932,264	939,259	6,995	0.81%	518	4.38%
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	11/07/17	75,000	74,859	74,853	(6)	1.19%	525	0.35%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 05/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
11/20/14	FHLB	3133XMQ87	5.000	11/17/17	11/17/17	450,000	501,998	477,147	(24,851)	0.84%	535	2.23%
09/10/14	FHLMC Reference Notes	3137EABA6	5.125	11/17/17	11/17/17	800,000	897,594	849,565	(48,029)	0.85%	535	3.96%
10/07/14	Metlife Inc	59156RBK3	1.903	12/15/17	12/15/17	100,000	100,663	100,770	107	1.39%	563	0.47%
07/09/14	Bank Of New York Mellon Corp	06406HCE7	1.300	01/25/18	12/25/17	100,000	98,925	100,178	1,253	1.19%	573	0.47%
07/07/14	FNMA Benchmark Notes	3135G0TG8	0.875	02/08/18	02/08/18	1,000,000	986,045	1,000,228	14,183	0.86%	618	4.67%
10/28/15	Exxon Mobil Corp	30231GAL6	1.305	03/06/18	03/06/18	100,000	100,776	100,313	(463)	1.12%	644	0.47%
09/25/15	Boeing Co	097023BE4	0.950	05/15/18	05/15/18	94,000	93,432	93,776	344	1.07%	714	0.44%
07/09/14	Merck & Co Inc	58933YAG0	1.300	05/18/18	05/18/18	150,000	148,778	150,822	2,044	1.02%	717	0.70%
02/18/15	Treasury Note	912828VE7	1.000	05/31/18	05/31/18	825,000	825,248	826,837	1,589	0.89%	730	3.86%
09/25/14	FHLMC	3137EABP3	4.875	06/13/18	06/13/18	750,000	834,773	808,903	(25,870)	0.97%	743	3.77%
04/21/16	Southern California Gas Company	842434CN0	1.550	06/15/18	06/15/18	125,000	125,896	125,493	(403)	1.35%	745	0.59%
02/29/16	Nevada Power Company	641423BW7	6.500	08/01/18	08/01/18	115,000	127,818	127,351	(467)	1.45%	792	0.59%
12/18/15	Berkshire Hathaway Finance Corp	084664BY6	2.000	08/15/18	08/15/18	165,000	167,603	167,946	343	1.18%	806	0.78%
12/10/15	Treasury Note	912828RE2	1.500	08/31/18	08/31/18	500,000	504,688	506,465	1,777	0.92%	822	2.36%
12/24/15	Simon Property Group LP	828807CQ8	2.200	02/01/19	11/01/18	97,000	97,924	98,596	672	1.57%	884	0.46%
01/21/16	Microsoft Corporation	5594918BF0	1.300	11/03/18	11/03/18	100,000	100,032	100,313	281	1.17%	886	0.47%
04/13/16	Commonwealth Edison Company	202795JC5	2.150	01/15/19	12/15/18	115,000	117,094	116,383	(711)	1.68%	928	0.54%
11/16/15	Treasury Note	912828A75	1.500	12/31/18	12/31/18	600,000	604,953	608,180	3,227	0.96%	944	2.84%
09/25/15	BB&T Corp	05531FAQ6	2.250	02/01/19	01/02/19	75,000	75,778	76,323	545	1.57%	946	0.36%
04/01/15	Treasury Note	912828SD3	1.250	01/31/19	01/31/19	900,000	905,625	906,433	808	0.98%	975	4.23%
01/14/16	IBM Corp	459200HT1	1.950	02/12/19	02/12/19	110,000	111,065	111,984	919	1.27%	987	0.52%
02/26/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	02/15/19	125,000	137,609	136,745	(864)	1.40%	990	0.64%
01/21/15	Union Pacific Corporation	907818DW5	2.250	02/15/19	02/15/19	115,000	118,266	117,286	(980)	1.50%	990	0.55%
09/15/14	Unitedhealth Group Inc	91324PCB6	1.625	03/15/19	03/15/19	100,000	98,472	100,491	2,019	1.44%	1018	0.47%
04/20/16	Lowes Companies Inc	548661DL8	1.150	04/15/19	04/15/19	110,000	109,881	109,569	(312)	1.29%	1049	0.51%
09/12/14	Public Service Electric And Gas	74456QBG0	1.800	06/01/19	05/01/19	124,000	123,022	125,297	2,275	1.44%	1065	0.58%
01/21/15	Target Corporation	87612EBB1	2.300	06/26/19	06/26/19	110,000	113,227	113,149	(78)	1.34%	1121	0.53%
01/28/15	FNMA Bench	3135G0ZG1	1.750	09/12/19	09/12/19	740,000	749,249	753,459	4,210	1.18%	1199	3.51%
04/01/16	Treasury Note	912828F62	1.500	10/31/19	10/31/19	610,000	620,175	617,815	(2,360)	1.12%	1248	2.88%
05/26/15	Arizona Public Service Company	040555CR3	2.200	01/15/20	12/15/19	100,000	100,341	101,313	972	1.82%	1293	0.47%
01/11/16	Treasury Note	912828G95	1.625	12/31/19	12/31/19	525,000	530,107	533,613	3,506	1.16%	1309	2.49%
12/14/15	Pepsico Inc	713448BN7	4.500	01/15/20	01/15/20	140,000	153,849	154,741	892	1.50%	1324	0.72%
04/25/16	Medtronic Inc	585055BG0	2.500	03/15/20	03/15/20	130,000	134,470	133,544	(926)	1.75%	1384	0.62%
05/18/15	United Technologies Corporation	913017BR9	4.500	04/15/20	04/15/20	125,000	139,685	138,193	(1,492)	1.67%	1415	0.64%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 05/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/25/15	American Express Credit Corp	0258M0DT3	2.375	05/26/20	04/25/20	65,000	65,156	65,833	677	2.04%	1425	0.31%
03/08/16	Public Service Company of Colorado	744448CD1	3.200	11/15/20	05/15/20	115,000	120,648	121,359	711	1.90%	1445	0.57%
04/21/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	11/01/20	100,000	109,436	108,697	(739)	1.84%	1615	0.51%
Subtotal						\$ 21,104,471	\$ 21,588,205	\$ 21,439,861	\$ (148,344)	0.92%	588	100.00%
PFC Bank Balance							191,026					
TOTAL							\$ 21,779,231					

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Purchases - Maturities - Sales
As of 05/31/16

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
05/05/16	Union Pacific Corporation	907818DW5	2.250	02/15/19	\$ 5,000.00	102.48100	\$ 5,124.05	\$ (25.00)
05/06/16	Apple Inc	037833AP5	0.934	05/06/19	135,000.00	99.72890	134,634.02	
05/06/16	Oracle Corporation	68389XAR6	1.208	01/15/19	5,000.00	100.55100	5,027.55	(3.52)
05/07/16	Simon Property Group LP	828807CQ8	2.200	02/01/19	5,000.00	102.09100	5,104.55	(29.94)
05/08/16	Comcast Corporation	20030NAP6	6.500	01/15/17	20,000.00	103.82900	20,765.80	(415.28)
05/08/16	General Electric Capital Corp	36962G6X7	1.339	04/02/18	10,000.00	100.64870	10,064.87	(13.39)
05/13/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	86,000.00	109.47800	94,151.08	(111.80)
05/13/16	Union Pacific Corporation	907818DW5	2.250	02/15/19	5,000.00	102.69700	5,134.85	(27.50)
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	40,000.00	99.80000	39,920.00	(28.00)
06/02/16	Praxair Inc	74005PBC7	1.050	11/07/17	35,000.00	99.82600	34,939.10	(25.52)
TOTAL PURCHASES					\$ 346,000.00		\$ 354,865.87	\$ (679.95)

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
07/09/14	Apple Inc	037833AF7	0.669	05/03/16	\$ 125,000.00	100.02965	\$ 125,037.06	\$ (37.06)
							-	-
							-	-
							-	-
TOTAL MATURITIES					\$ 125,000.00		\$ 125,037.06	\$ (37.06)

SALES / REDEMPTIONS / DELIVERS

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
								\$ -		\$ -
								-		-
								-		-
								-		-
						\$ -		\$ -	\$ -	\$ -

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
05/01/16-05/31/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FIXED INCOME										
Apple Inc	NOTE	0.669	05/03/16	204.29	208.94	-	-	4.65	(0.28)	4.37
John Deere Capital Corp	MTN	2.250	06/07/16	1,350.00	-	-	1,631.25	281.25	(163.60)	117.65
Chevron Corp	MTN	0.889	06/24/16	392.02	-	-	484.63	92.61	(37.05)	55.56
FHLB	NOTE	0.375	06/24/16	297.66	-	-	367.97	70.31	(3.62)	66.69
Treasury Note	NOTE	1.500	06/30/16	1,633.93	-	-	2,049.11	415.18	(300.59)	114.59
JPMorgan Chase & Co	NOTE	3.150	07/05/16	1,877.75	-	-	2,363.38	485.63	(269.43)	216.20
Duke Energy Indiana Inc	NOTE	0.979	07/11/16	54.38	-	-	135.94	81.56	(10.54)	71.02
Caterpillar Financial Services	NOTE	2.050	08/01/16	691.88	-	-	922.49	230.61	(142.45)	88.16
Halliburton Company	NOTE	1.000	08/01/16	250.00	-	-	333.33	83.33	(21.91)	61.42
Coca-Cola Company (The)	NOTE	1.800	09/01/16	800.00	-	-	900.00	300.00	(170.72)	129.28
PNC Funding Corp	NOTE	2.700	09/19/16	315.00	-	-	540.00	225.00	(140.71)	84.29
Treasury Note	NOTE	1.000	10/31/16	10.19	-	-	326.09	315.90	(163.61)	152.29
Procter & Gamble Co	NOTE	0.750	11/04/16	460.94	468.75	-	70.31	78.12	1.55	79.67
Comcast Corporation	NOTE	6.500	01/15/17	2,488.06	-	415.28	3,683.34	780.00	(651.41)	128.59
Pfizer Inc	NOTE	0.900	01/15/17	424.00	-	-	544.00	120.00	0.85	120.85
Treasury Note	NOTE	0.875	01/31/17	765.63	-	-	1,026.44	260.81	(90.63)	170.18
Ace Ina Holdings Inc	NOTE	5.700	02/15/17	1,203.33	-	-	1,678.33	475.00	(400.59)	74.41
Walt Disney Company (The)	MTN	1.125	02/15/17	380.00	-	-	530.00	150.00	0.27	150.27
FHLMC	NOTE	1.000	03/08/17	1,111.52	-	-	1,740.69	629.17	209.60	838.77
FNMA	NOTE	1.125	04/27/17	37.50	-	-	318.75	281.25	(109.62)	171.63
State Street Corporation	NOTE	5.375	04/30/17	16.42	-	-	509.13	492.71	(387.95)	104.76
US Bancorp	NOTE	1.650	05/15/17	1,141.25	1,237.50	-	110.01	206.26	(62.99)	143.27
FHLB	NOTE	4.875	05/17/17	19,432.30	21,328.13	-	1,658.86	3,554.69	(2,848.56)	706.13
FHLB	NOTE	1.000	06/21/17	2,524.59	-	-	3,117.49	592.90	(170.62)	422.28
Treasury Note	NOTE	0.500	07/31/17	1,581.25	-	-	2,119.92	538.67	250.86	789.53
Home Depot Inc	NOTE	1.004	09/15/17	131.06	-	-	217.50	86.44	(24.25)	62.19
FNMA Bench	NOTE	1.000	09/27/17	661.11	-	-	1,244.44	583.33	(30.46)	552.87
Treasury Note	NOTE	0.750	10/31/17	19.17	-	-	613.04	593.87	219.15	813.02
Praxair Inc	NOTE	1.050	11/07/17	-	-	53.52	52.50	(1.02)	-	(1.02)
FHLB	NOTE	5.000	11/17/17	10,250.00	11,250.00	-	875.00	1,875.00	(1,448.40)	426.60
FHLMC Reference Notes	NOTE	5.125	11/17/17	18,677.77	20,500.00	-	1,594.45	3,416.68	(2,574.44)	842.24
Metlife Inc	NOTE	1.903	12/15/17	243.16	-	-	401.74	158.58	(17.33)	141.25
Bank Of New York Mellon Corp	NOTE	1.300	01/25/18	346.67	-	-	455.00	108.33	26.46	134.79

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
05/01/16-05/31/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FNMA Benchmark Notes	NOTE	0.875	02/08/18	2,017.36	-	-	2,746.53	729.17	337.86	1,067.03
Exxon Mobil Corp	NOTE	1.305	03/06/18	199.38	-	-	308.13	108.75	(27.46)	81.29
General Electric Capital Corp	NOTE	1.339	04/02/18	188.71	-	13.39	412.74	210.64	(48.14)	162.50
Wells Fargo & Company	NOTE	1.268	04/23/18	42.28	-	-	206.06	163.78	(17.50)	146.28
Boeing Co	NOTE	0.950	05/15/18	411.78	446.50	-	39.68	74.40	18.10	92.50
Merck & Co Inc	NOTE	1.300	05/18/18	882.91	975.00	-	70.42	162.51	22.10	184.61
Treasury Note	NOTE	1.000	05/31/18	3,448.77	4,125.00	-	22.54	698.77	(37.10)	661.67
FHLMC	NOTE	4.875	06/13/18	14,015.63	-	-	17,062.50	3,046.87	(2,150.82)	896.05
Southern California Gas Company	NOTE	1.550	06/15/18	731.94	-	-	893.40	161.46	(34.74)	126.72
Nevada Power Company	NOTE	6.500	08/01/18	1,868.75	-	-	2,491.67	622.92	(444.48)	178.44
Berkshire Hathaway Finance Corp	NOTE	2.000	08/15/18	696.66	-	-	971.66	275.00	(83.15)	191.85
Treasury Note	NOTE	1.500	08/31/18	1,263.59	-	-	1,895.38	631.79	(146.04)	485.75
Microsoft Corporation	NOTE	1.300	11/03/18	642.78	650.00	-	101.11	108.33	(0.96)	107.37
Treasury Note	NOTE	1.500	12/31/18	3,016.49	-	-	3,782.97	766.48	(133.63)	632.85
Commonwealth Edison Company	NOTE	2.150	01/15/19	728.01	-	-	934.06	206.05	(65.41)	140.64
Oracle Corporation	NOTE	1.208	01/15/19	64.45	-	3.52	197.20	129.23	(8.53)	120.70
Treasury Note	NOTE	1.250	01/31/19	2,812.50	-	-	3,770.60	958.10	(142.48)	815.62
BB&T Corp	NOTE	2.250	02/01/19	421.88	-	-	562.50	140.62	(19.82)	120.80
Simon Property Group LP	NOTE	2.200	02/01/19	506.00	-	29.94	711.33	175.39	(27.22)	148.17
IBM Corp	NOTE	1.950	02/12/19	470.71	-	-	649.46	178.75	(28.83)	149.92
Cisco Systems Inc	NOTE	4.950	02/15/19	1,306.25	-	-	1,821.88	515.63	(353.85)	161.78
Union Pacific Corporation	NOTE	2.250	02/15/19	498.75	-	52.50	761.90	210.65	(70.72)	139.93
Johnson & Johnson	NOTE	0.905	03/01/19	245.38	-	-	370.09	124.71	(4.01)	120.70
Unitedhealth Group Inc	NOTE	1.625	03/15/19	207.64	-	-	343.05	135.41	28.24	163.65
Lowes Companies Inc	NOTE	1.150	04/15/19	38.65	-	-	144.07	105.42	3.31	108.73
Apple Inc	NOTE	0.934	05/06/19	-	-	-	91.07	91.07	8.69	99.76
Public Service Electric And Gas	NOTE	1.800	06/01/19	930.00	-	-	1,116.00	186.00	15.50	201.50
Target Corporation	NOTE	2.300	06/26/19	878.47	-	-	1,089.31	210.84	(65.68)	145.16
FNMA Bench	NOTE	1.750	09/12/19	1,762.64	-	-	2,841.81	1,079.17	(167.18)	911.99
Treasury Note	NOTE	1.500	10/31/19	24.86	-	-	795.65	770.79	(241.14)	529.65
Treasury Note	NOTE	1.625	12/31/19	2,859.38	-	-	3,585.94	726.56	(109.54)	617.02
Arizona Public Service Company	NOTE	2.200	01/15/20	647.78	-	-	831.11	183.33	(6.24)	177.09
Pepsico Inc	NOTE	4.500	01/15/20	1,855.00	-	-	2,380.00	525.00	(285.71)	239.29
Medtronic Inc	NOTE	2.500	03/15/20	415.28	-	-	686.11	270.83	(95.81)	175.02

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
05/01/16-05/31/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
United Technologies Corporation	NOTE	4.500	04/15/20	250.00	-	-	718.75	468.75	(247.94)	220.81
American Express Credit Corp	NOTE	2.375	05/26/20	664.67	771.88	-	21.44	128.65	(2.86)	125.79
Travelers Cos Inc	NOTE	3.900	11/01/20	273.00	273.00	111.80	325.00	213.20	(114.90)	98.30
Public Service Company of Colorado	NOTE	3.200	11/15/20	1,696.89	1,840.00	-	163.55	306.66	(113.14)	193.52
Subtotal				\$ 118,558.05	\$ 64,074.70	\$ 679.95	\$ 88,531.80	\$ 33,368.50	\$ (14,394.25)	\$ 18,974.25
CASH EQUIVALENTS										
Blackrock Liquidity Funds				-	88.50	-	-	88.50	-	88.50
BOA Temp Overnight Deposit				-	0.81	-	-	0.81	-	0.81
Columbia Treasury Reserve				-	71.66	-	-	71.66	-	71.66
Subtotal				\$ -	\$ 160.97	\$ -	\$ -	\$ 160.97	\$ -	\$ 160.97
TOTAL				\$ 118,558.05	\$ 64,235.67	\$ 679.95	\$ 88,531.80	\$ 33,529.47	\$ (14,394.25)	\$ 19,135.22

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND ELEVEN MONTHS ENDED MAY 31, 2016 & 2015

Monthly Performance					May 2016	Fiscal YTD Performance (July 2015 - May 2016)				
Actual \$ May 2016	Budget May 2016	Actual \$ Prior Year May 2015	Note	Variance Actual Vs. Budget		Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
OPERATING ACTIVITY										
CASH RECEIPTS FROM OPERATIONS										
\$307,123	\$284,917	\$279,827	(2)	\$22,206	Landing/Fuel Fees	\$3,205,822	\$3,134,087	\$3,132,403	(2)	\$71,735
1,824,443	1,718,000	1,636,339	(3)	106,443	Parking Fees	18,013,258	17,732,000	17,691,235	(3)	281,258
895,259	902,081	850,644	(4)	(6,822)	Rental Receipts - Terminal Building	10,432,646	9,922,891	9,837,648	(4)	509,755
945,852	903,335	869,443	(5)	42,517	Rental Receipts - Other Buildings	10,786,263	9,936,685	10,661,592	(5)	849,578
208,976	59,167	60,354	(6)	149,809	Other Receipts	1,323,397	650,837	1,070,848	(6)	672,560
386,884	120,833	312,755	(7)	266,051	Investment Receipts - Treasurer/Other Interest Earned	1,468,248	1,329,163	1,371,437	(7)	139,085
<u>\$4,568,537</u>	<u>\$3,988,333</u>	<u>\$4,009,362</u>	<u>(1)</u>	<u>\$580,204</u>		<u>\$45,229,634</u>	<u>\$42,705,663</u>	<u>\$43,765,163</u>	<u>(1)</u>	<u>\$2,523,971</u>
CASH DISBURSEMENTS FROM OPERATIONS										
(\$75,134)	(\$84,851)	(\$77,958)	(9)	\$9,717	Administrative Supplies & Costs	(\$807,146)	(\$1,006,467)	(\$860,449)	(9)	\$199,321
(218,353)	(376,008)	(367,828)	(10)	157,655	Operating Supplies & Maintenance	(2,944,203)	(3,698,588)	(3,541,165)	(10)	754,385
(2,087,705)	(2,282,362)	(2,093,235)	(11)	194,657	Contractual Operating Costs	(21,306,034)	(21,222,925)	(20,444,894)	(11)	(83,109)
(224,389)	(263,522)	(264,384)	(12)	39,133	Contractual Professional Services	(4,028,154)	(4,256,242)	(4,155,627)	(12)	228,088
(434,750)	(364,873)	(319,366)	(13)	(69,877)	Wages & Benefits	(4,332,794)	(4,441,631)	(4,203,075)	(13)	108,837
(18,252)	(64,885)	(21,830)	(14)	46,633	Other Operating Costs	(279,225)	(548,735)	(329,859)	(14)	269,510
(358,454)	(358,454)	(133,597)		0	Bond Debt Service - 2015 Bonds	(3,942,994)	(3,942,994)	(5,173,913)		0
0	0	0	(15)	0	Parking Tax	(2,089,669)	(2,066,250)	(2,052,709)	(15)	(23,419)
<u>(\$3,417,037)</u>	<u>(\$3,794,955)</u>	<u>(\$3,278,198)</u>	<u>(8)</u>	<u>\$377,918</u>		<u>(\$39,730,219)</u>	<u>(\$41,183,832)</u>	<u>(\$40,761,691)</u>	<u>(8)</u>	<u>\$1,453,613</u>
INCREASE (DECREASE) IN CASH FROM OPERATIONS										
<u>\$1,151,500</u>	<u>\$193,378</u>	<u>\$731,164</u>		<u>\$958,122</u>		<u>\$5,499,415</u>	<u>\$1,521,831</u>	<u>\$3,003,472</u>		<u>\$3,977,584</u>
FACILITY IMPROVEMENT / NOISE MITIGATION TRANSACTIONS										
CASH DISBURSEMENTS										
(\$125)	\$0	(\$354,457)	(16)	(\$125)	Sound Insulation Program Costs	(\$385,229)	(\$25,000)	(\$2,362,385)	(16)	(\$360,229)
(3,913,372)	(2,581,461)	(3,336,288)	(17)	(1,331,911)	Other Facility Improvement Program Project Costs	(12,252,664)	(6,929,121)	(9,036,530)	(17)	(5,323,543)
0	0	(40,783)	(18)	0	Regional Intermodal Transportation Center	(30,590)	0	(4,906,364)	(18)	(30,590)
<u>(\$3,913,497)</u>	<u>(\$2,581,461)</u>	<u>(\$3,731,528)</u>		<u>(\$1,332,036)</u>		<u>(\$12,668,483)</u>	<u>(\$6,954,121)</u>	<u>(\$16,305,279)</u>		<u>(\$5,714,362)</u>
CASH RECEIPTS FROM FUNDING SOURCES										
\$0	\$0	\$339,240	(16)	\$0	FAA Grants - Sound Insulation Program	\$303,958	\$0	\$1,912,838	(16)	\$303,958
1,114,332	1,858,784	162,880	(19)	(744,452)	FAA Grants - Facility Improvement Program	2,134,404	2,888,522	634,007	(19)	(754,118)
11,071	190	25,668	(20)	10,881	Other Grants	121,491	60,080	1,552,260	(20)	61,411
0	0	0		0	Bond Proceeds Reimbursement	0	0	536,328		0
0	0	0	(21)	0	OCIP Insurance refund	500,000	0	0	(21)	500,000
0	0	0		0	Customer Facility Charge Receipts/Reserves	0	0	(512,960)		0
754,595	908,987	0	(22)	(154,392)	Passenger Facility Charge Receipts/Reserves	6,887,889	1,883,094	5,630,930	(22)	5,004,795
590,945	211,330	173,467	(23)	379,615	Facility Development Fund (Authority Reserves)	4,285,439	2,399,265	5,631,657	(23)	1,886,174
<u>\$2,470,943</u>	<u>\$2,979,291</u>	<u>\$701,255</u>		<u>(\$508,348)</u>		<u>\$14,233,181</u>	<u>\$7,230,961</u>	<u>\$15,385,060</u>		<u>\$7,002,220</u>
INCREASE (DECREASE) - FACILITY / NOISE MITIGATION TRANSACTIONS										
<u>(\$1,442,554)</u>	<u>\$397,830</u>	<u>(\$3,030,273)</u>		<u>(\$1,840,384)</u>		<u>\$1,564,698</u>	<u>\$276,840</u>	<u>(\$920,219)</u>		<u>\$1,287,858</u>
NET ACTIVITY VS. BUDGET										
<u>(\$291,054)</u>	<u>\$591,208</u>	<u>(\$2,299,109)</u>		<u>(\$882,262)</u>		<u>\$7,064,113</u>	<u>\$1,798,671</u>	<u>\$2,083,253</u>		<u>\$5,265,442</u>
<u>(\$590,945)</u>	<u>(\$211,330)</u>	<u>(\$173,467)</u>		<u>(\$379,615)</u>	LESS USE OF AUTHORITY RESERVES	<u>(\$4,285,439)</u>	<u>(\$2,399,265)</u>	<u>(\$5,631,657)</u>		<u>(\$1,886,174)</u>
NET INCREASE (DECREASE) IN CASH - TOTAL										
<u>(\$881,999)</u>	<u>\$379,878</u>	<u>(\$2,472,576)</u>		<u>(\$1,261,877)</u>	(see note below)	<u>\$2,778,674</u>	<u>(\$600,594)</u>	<u>(\$3,548,404)</u>		<u>\$3,379,268</u>

Notes: (a) The FY 2016 adopted budget approved use of \$4,624,500 of Authority Reserves to provide funding for the airport share of capital projects. See additional discussion at note 23.

(b) In April 2016, the Authority closed on the sale of the B-6 Trust and the Kenwood Lot properties. Net proceeds of \$63.2 million and \$2.1 million, respectively, were deposited to the Facility Development Reserve and invested in accordance with the 2016 Investment Policy.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND ELEVEN MONTHS ENDED MAY 31, 2016 & 2015

General Comments

The Schedule of Cash Receipts and Disbursements ("Schedule") represents the cash basis activity for the month and fiscal year-end compared to the allocation of the annual adopted budget.

The Schedule consists of two sections: Operating Activity and Facility Improvement/Noise Mitigation Transactions. Receipts are shown as positive amounts and disbursements as negative amounts. Favorable budget variances are shown as positive amounts and unfavorable variances as negative amounts. Because this Schedule is on a cash basis, cash timing differences may contribute to budget variances.

The Operating Activity receipts include charges for services (parking, landing fees and concessions), tenant rents, fuel flowage fees, other revenues and investment receipts. The Operating Activity disbursements include costs of services, materials, contracts, personnel and debt service.

Facility Improvement / Noise Mitigation Transactions represent the activity for the Authority's capital program, which consists of (a) the Sound Insulation Program, (b) Other Facility Improvement Program Projects, and (c) the Regional Intermodal Transportation Center ("RITC"). The RITC project was completed in FY 2015.

The FY 2016 Capital Program expenditures are primarily funded by the following sources:

- FAA-approved Passenger Facility Charge ("PFC") program receipts/reserves;
- Grants;
- Facility Development Funds (Authority Reserves).

The notes below provide additional information regarding the performance results detailed in the "Schedule of Cash Receipts and Disbursements."

A Supplemental Schedule of Cash Receipts and Disbursements reflecting the activities related to the Series 2012 Bond debt service and repayment to the Authority of the loans provided to the Rent-A-Car Companies ("RACs") for the Regional Intermodal Transportation Center / Consolidated Rental Car Facility is also presented.

NOTE (1) - Cash Receipts from Operations

Cash receipts from operations are favorably ahead of budget FYTD May due to better than expected performance primarily in parking, concessions and filming revenues. On the accrual basis, all categories of operating revenues are favorably ahead of budget FYTD 2016 by \$2,603,394. See notes 2 through 7 for additional information regarding operating receipts.

NOTE (2) - Landing/Fuel Fees

Landing fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of \$0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. Landing fees and fuel fees performed ahead of the budget forecast FYTD 2016. Accrual basis revenues for this line item are ahead of budget FYTD 2016 by \$108,343.

NOTE (3) - Parking Fees

Parking fee revenues performed ahead of the budget forecast. Accrual basis parking fees are \$309,964 ahead of budget FYTD 2016.

NOTE (4) - Rental Receipts - Terminal Building

Terminal Building rental receipts exceed the budget FYTD May primarily due to the timing of receipts and additional concession revenues received above the minimum annual guarantee. Accrual basis terminal building rents are \$562,459 ahead of budget FYTD 2016.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND ELEVEN MONTHS ENDED MAY 31, 2016 & 2015

NOTE (5) – Rental Receipts - Other Buildings

Other Buildings rental receipts exceed the budget FYTD May primarily due to the timing of receipts. This line item includes a partial settlement from the unlawful detainer claim against Affordable Storage and reimbursement for utilities billed in FY 2015. Accrual basis other building receipts are \$618,993 ahead of budget in FYTD 2016.

NOTE (6) – Other Receipts

This category consists primarily of off-airport access fees and film location revenues. This line item favorably exceeds the budget FYTD May primarily due to strong film location revenues. Accrual basis other revenues are \$713,649 ahead of budget FYTD 2016.

NOTE (7) – Investment Receipts - Treasurer

This line item represents cash received from the investment of funds. These receipts fluctuate in response to interest rate and portfolio balance changes and the timing of coupon payments and individual investment maturities and sales. Accrual basis investment income, including the interest earned on loans to Rent-A-Car Companies, exceeds the budget FYTD May by \$289,986.

NOTE (8) – Cash Disbursements from Operations

Overall operating disbursements are favorably under budget FYTD 2016. On an accrual basis operating disbursements are favorably within budget parameters. See additional information on operating disbursements in notes 9 through 15.

NOTE (9) – Administrative Supplies & Costs

This line item includes office supplies, printing, postage and delivery, office equipment service and lease, recruiting, membership, uniform, Commission meeting, conference and training costs. This line item is under budget FYTD May primarily due to lower than anticipated expenses and to the timing of payments.

NOTE (10) – Operating Supplies & Maintenance

This line item includes utilities, fuel, general repairs and maintenance, landscaping, supplies and telephone costs. This line item is under budget FYTD May primarily due to lower than budgeted fuel costs and the timing of payments.

NOTE (11) – Contractual Operating Costs

This line item includes various contractual operating costs such as ARFF services, janitorial services, systems and vehicle repair, parking operations and the TBI Airport Management contract costs. This line item exceeds the budget FYTD May due to the timing of payments; specifically, the payment in July of May and June TBI Airport Management costs (this offsets June 2015 which was under budget by a corresponding amount). This line item is within budget on the accrual basis.

NOTE (12) – Contractual Professional Services

This line item includes various professional services such as legal, auditing, noise, financial and insurance.

NOTE (13) – Wages and Benefits

Wages and Benefits consist of payroll and fringe benefit costs for the Airport Police officers, and include the impact of the terms of the new Memorandum of Understanding effective February 2014. Wages and benefits include overtime for film location services which are recovered through the related revenue. Wages and benefits are under budget FYTD May primarily due to savings in worker's compensation premium costs.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND ELEVEN MONTHS ENDED MAY 31, 2016 & 2015

NOTE (14) – Other Operating Costs

This line item includes public relations/advertising, air service retention, license and permits and bad debt expense. This line item is under budget FYTD May primarily due to lower than expected expenditures in Air Service Retention and the timing of payments.

NOTE (15) – Parking Tax

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. April 2016 parking tax remittance, in the amount of \$497,133, covers the months of January, February and March 2016. The next remittance, covering the months of April, May and June 2016, is due July 2016.

NOTE (16) – Sound Insulation Program

The FY 2016 Sound Insulation Program expenditures represents the closeout of the single family modules in the program. A Part 150 Study is under final FAA review and upon conclusion may result in eligible multi-family and an additional number of single family residences being added to the sound insulation program in the future.

NOTE (17) – Other Facility Improvement Program Projects

Other Facility Improvement Program Projects expenditures exceed the budget FYTD 2016 by \$5,323,543 primarily due to expenditures related to the Airfield Lighting Project of \$1,335,494 for FY 2015 and \$804,997 for FY 2016, which were reimbursed from PFC funds (see Note 22), the FY 2016 Replacement Terminal Development Project expenditures, and the Runway Shoulder Rehabilitation and Runway Rehabilitation Design, which were partially reimbursed by AIP grants. The PFC Application for the Airfield Lighting Project was approved by the FAA in August 2015 and cumulative project expenditures were reimbursed from the PFC Fund in August and September 2015.

NOTE (18) – Regional Intermodal Transportation Center

The Regional Intermodal Transportation Center project was completed in FY 2015. \$30,590 of final completion expenditures related to FY 2015 were paid in the current year.

NOTE (19) – FAA Grants – Other Facility Improvement Program Projects

FAA Grants – Other Facility Improvement Program Projects are under budget FYTD May by \$754,118 due to the timing of grant reimbursements for eligible expenditures.

NOTE (20) – Other Grants

Other grants represent federal grants, other than FAA AIP grants, and local grants that fund or partially fund the Ground Access Study. \$103,141 in grant funds were received FYTD May related to the Ground Access Study, of which approximately \$25,000 related to FY 2015 expenditures.

NOTE (21) – OCIP Insurance Refund

Due to the strong safety measures taken during the construction of the RITC and other OCIP-covered projects, the Insurance Underwriter returned \$500,000 of excess OCIP reserves to the Authority. Approximately \$336,000 was related to the 2012 Bonds and was transferred to the 2012 Bonds Debt Service Fund in June. The balance was retained by the Authority.

NOTE (22) – Passenger Facility Charge Receipts/Reserves

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges. A PFC Application was approved in August 2015 for the Airfield Lighting Project. Cumulative expenditures for this project were reimbursed from the PFC Fund in August and September 2015. This line item is ahead of budget FYTD 2016 due to the reimbursement for the Airfield Lighting Project.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND ELEVEN MONTHS ENDED MAY 31, 2016 & 2015****NOTE (23) – Facility Development Fund (Authority Reserves)**

The FY 2016 adopted budget programmed the use of Authority Reserves as a funding source for the airport share of capital projects. This line item exceeds the budget FYTD May primarily due to Replacement Terminal Project expenditures.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

**SUPPLEMENT SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
REGIONAL INTERMODAL TRANSPORTATION CENTER / CONSOLIDATED RENTAL CAR FACILITY PAYMENTS AND COLLECTIONS
MONTH AND ELEVEN MONTHS ENDED MAY 31, 2016 & 2015**

Monthly Performance					May 2016	Fiscal YTD Performance (July 2015 - May 2016)				
Actual \$ May 2016	Budget May 2016	Actual \$ Prior Year May 2015	Note	Variance Actual Vs. Budget		Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
\$495,713	\$410,000	\$498,870	(1)	\$85,713	Customer Facility Charge Receipts	\$5,280,256	\$4,510,000	\$5,075,327	(1)	\$770,256
94,558	101,864	191,917	(2)	(7,306)	Facility Rent	1,039,622	1,120,504	2,159,177	(2)	(80,882)
(486,380)	(486,380)	(486,008)		0	Payments to Bond Trustee for 2012 Bond Debt Service	(5,350,180)	(5,350,180)	(5,346,088)		0
(23,656)	(25,484)	(67,443)	(3)	1,828	Loan Principal Repayments to the Authority	(260,091)	(280,324)	(758,773)	(3)	20,233
<u>\$80,235</u>	<u>\$0</u>	<u>\$137,336</u>	(4)	<u>\$80,235</u>		<u>\$709,607</u>	<u>\$0</u>	<u>\$1,129,643</u>	(4)	<u>\$709,607</u>

General Comments

The debt service on the 2012 Revenue Bonds and the repayment to the Authority of the loans to the Rent-A-Car Companies ("RACs") is payable from Customer Facility Charges ("CFCs") and Facility Rents. Under the terms of the Bond Indenture, as amended, all CFCs collected subsequent to July 1, 2014 are remitted to the Bond Trustee for the 2012 Bond debt service.

On July 1, 2014, the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the respective Rent-A-Car Companies became effective, including the collection of Facility Rent.

Note (1) – Customer Facility Charge ("CFC") Receipts

CFCs of \$6 per day per transaction, up to a maximum of five days, are collected and applied to the 2012 Bond debt service. CFCs received in May and fiscal year-to-date ("FYTD") exceeded the budget due to better than expected car rental activity.

Note (2) – Facility Rent

Facility Rent are under budget FYTD May due to the timing of receipts.

Note (3) – Loan Principal Repayments to the Authority

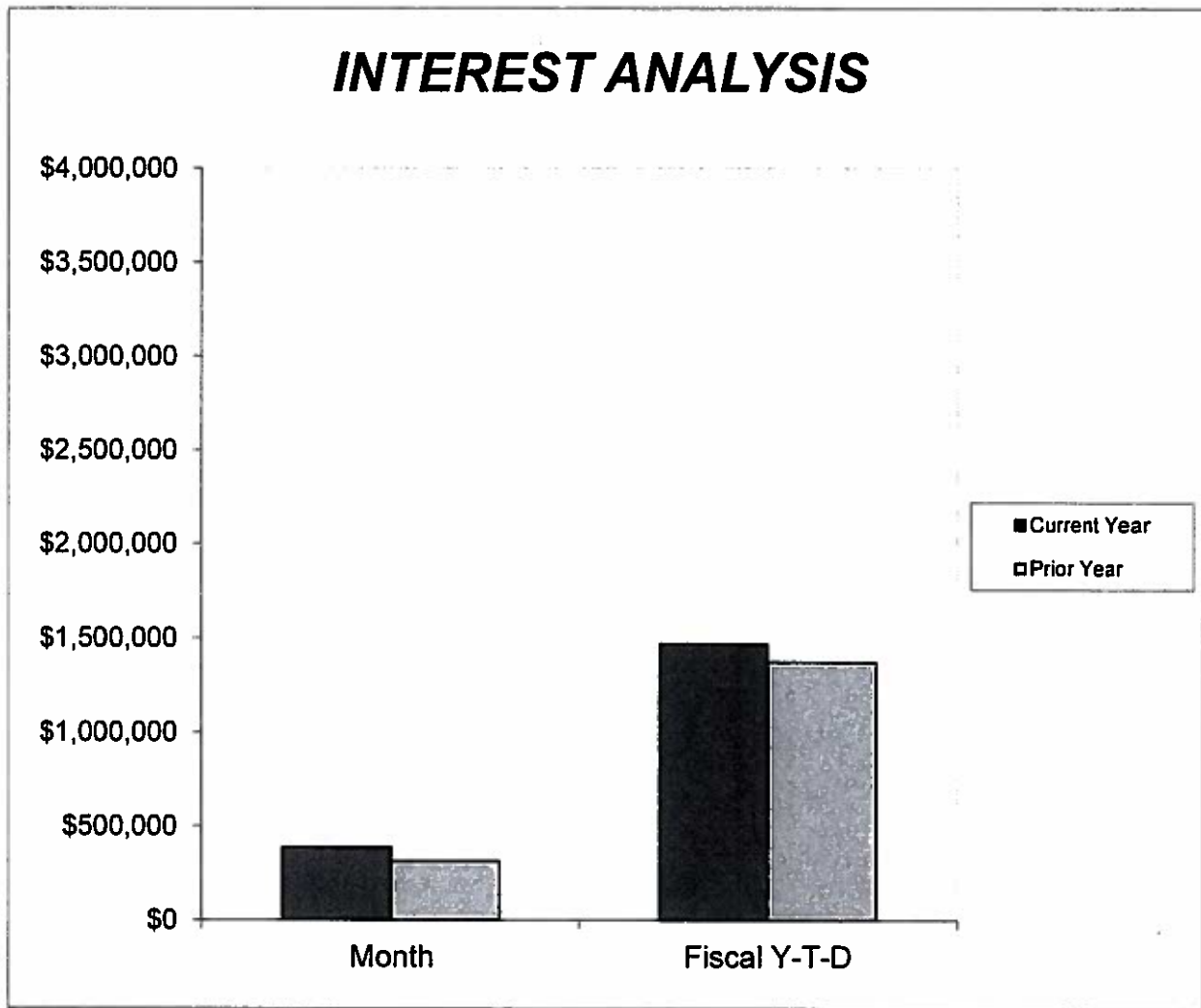
Repayments of the loan principal to the Authority from the Rent-A-Car Companies are under budget FYTD May (\$20,233) due to timing of receipts. The principal portion of the payment will be deposited as reimbursement to the Authority's Facility Development Fund. The interest portion of the loan repayment is recorded as investment income.

Note (4) – Net RITC / ConRAC Facility Payments and Collections

A positive amount in this line indicates that cash has been received above the required payment obligations. At fiscal year-end, upon conclusion of the required reconciliation, any excess surplus accumulated will be evaluated and applied toward the allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the Rent-A-Car Companies.

In the event of a shortfall of receipts to meet the required payment obligations (i.e., CFC collections perform under budget projections), the Authority holds the right to adjust the Facility Rent paid by the rental car companies on a 30-day notice.

Burbank-Glendale-Pasadena Airport Authority



	May 2016	May 2015
Interest Receipts - - Month	\$386,884	\$312,755
Interest Receipts - - Fiscal Y-T-D	\$1,468,248	\$1,371,437
Month End Portfolio Balance	\$215,411,633	\$146,404,944
Yield to Maturity	0.91%	0.59%

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
AUGUST 15, 2016**

**AUDITOR REQUIRED COMMUNICATIONS FOR
THE FY 2016 FINANCIAL AUDITS**

SUMMARY

In accordance with applicable professional standards, the Authority's auditor, Macias Gini & O'Connell LLP ("MGO") has provided the attached letter to the Commission outlining its audit responsibilities, and planned scope and timing of the FY 2016 financial audits. Also attached is a copy of the annual engagement letter, which substantially conforms to the professional services agreement between the Authority and MGO for audit services. Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission that it note and file these communications.

BACKGROUND

In accordance with professional standards issued by the American Institute of Certified Public Accountants ("AICPA"), MGO has issued the attached letter which (1) outlines its responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance") related to the Single Audit of federal grant programs; and (2) outlines its planned scope and timing of the FY 2016 audits. The Auditor's responsibilities and management's responsibilities are detailed in the accompanying letters.

As the Committee functions as the Authority's Audit Committee, this letter provides a basic outline of the auditor's responsibilities related to the audits, together with its basic audit approach in accordance with professional standards.

Staff met with the MGO partner, manager and senior auditor on July 14, 2016, for an audit planning meeting to discuss in detail any significant accounting, auditing and reporting matters that may affect the FY 2016 financial audits, as well as to discuss the timing of audit fieldwork and reporting. Audit fieldwork will begin on September 19, 2016, with the final reports expected to be issued prior to the Thanksgiving holidays.

STAFF RECOMMENDATION

Staff seeks a Finance and Administration Committee recommendation to the Commission that it note and file these Auditor communications.



Certified
Public
Accountants

Sacramento

Walnut Creek

San Francisco

Oakland

Los Angeles

Century City

Newport Beach

San Diego

May 12, 2016

To the Honorable Board of Commissioners
Burbank-Glendale-Pasadena Airport Authority

We are engaged to audit the basic financial statements of the Burbank-Glendale-Pasadena Airport Authority (the Authority) for the year ended June 30, 2016. We are also engaged to perform a compliance audit of the Passenger Facility Charge Program in accordance with compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and of the Customer Facility Charge Program in accordance with compliance requirements set forth under the *California Civil Code Section 1936, as amended by Senate Bill (SB) 1192 and Assembly Bill (AB) 359*, and an examination on the Authority's compliance with covenants and other requirements as outlined in any the related indentures issued related to outstanding debt issues. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)

As stated in our engagement letter dated May 12, 2016, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the Authority's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the Authority's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Authority's compliance with those requirements.

Accounting principles generally accepted in the United States of America provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the Schedule of Expenditures of Federal Awards, Schedule of Passenger Facility Charge Revenues and Expenditures, Schedule of Customer Facility Charge Revenues and Expenditures, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately September 19, 2016 and to issue our reports no later than December 5, 2016. Mark Tillotson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

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

Very truly yours,

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Macias Gini & O'Connell LLP

May 12, 2016

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

Ladies and Gentlemen:

We are pleased to confirm our understanding of the services we are to provide Burbank-Glendale-Pasadena Airport Authority (the Authority) for the year ended June 30, 2016. We will audit the basic financial statements of the Authority as of and for the year ended June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of Expenditures of Federal Awards
- 2) Schedule of Passenger Facility Charge Revenues and Expenditures
- 3) Schedule of Customer Facility charge Revenues and Expenditures

We will also perform a compliance audit on the Authority's federal award programs in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Passenger Facility Charge Program in accordance with compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the Customer Facility Charge Program in accordance with compliance requirements set forth under the *California Civil Code Section 1936, as amended by Senate Bill (SB) 1192 and Assembly Bill (AB) 359*. In addition, we will also conduct an examination on the Authority's compliance with covenants and other requirements as outlined in any Indentures issued related to outstanding debt issues.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the Uniform Guidance.
- Internal control related to the Passenger Facility Charge Program and an opinion (or disclaimer of opinion) on compliance with requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.
- Internal control related to the Customer Facility Charge Program and opinion (or disclaimer of opinion) on compliance with requirements described in the *California Civil Code Section 1936, as amended by SB 1192 and AB 359*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration; the *California Civil Code Section 1936, as amended by SB 1192 and AB 359*; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our Single Audit. Our report will be addressed to Board of Airport Commissioners of the Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Authority in the performance of our services. Any discussions that you have with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, you agree to inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by auditing standards generally accepted in the United States of America.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

As required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by Federal Aviation Administration, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to the program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by Federal Aviation Administration.

As required by the *California Civil Code Section 1936, as amended by SB 1192 and AB 359*, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to the program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the *California Civil Code Section 1936, as amended by SB 1192 and AB 359*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the Office of Management and Budget (*OMB Compliance Supplement*) for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

The *Passenger Facility Charge Audit Guide for Public Agencies*, issued by Federal Aviation Administration requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to the program. Our procedures will consist of tests of transactions and other applicable procedures described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by Federal Aviation Administration for the types of compliance requirements that could have a direct and material effect on the Authority's program.

The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to the program in our report on compliance issued pursuant to the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by Federal Aviation Administration.

The *California Civil Code Section 1936, as amended by SB 1192 and AB 359* requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to the program. Our procedures will consist of tests of transactions and other applicable procedures described in the *California Civil Code Section 1936, as amended by SB 1192 and AB 359* for the types of compliance requirements that could have a direct and material effect on the Authority's program. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to the program in our report on compliance issued pursuant to the *California Civil Code Section 1936, as amended by SB 1192 and AB 359*.

Management Responsibilities

Management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance. Management is responsible for identifying new federal awards made after December 26, 2014 and additional funding to existing awards made after that date, which are subject to the Uniform Guidance.

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements (including award agreements).

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud

could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations and schedules we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Board of Airport Commissioners; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Macias Gini & O'Connell LLP (MGO) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of MGO personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Authority or the Authority's oversight Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation. However, MGO does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signature below, you acknowledge and agree that upon expiration of the seven year period MGO shall be free to destroy our records related to this engagement.

We expect to begin our audit on approximately September 19, 2016 and to issue our reports no later than December 5, 2016. Mark Tillotson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our agreed-upon hourly rates not to exceed \$102,296. The not-to-exceed, all-inclusive maximum fees for the Single Audit Reports presume that no more than two single audit programs require testing. Should additional programs require testing, the cost of each additional program is not to exceed \$6,838. Our agreed-upon hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed

until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letter of comments received during the period of the contract. Our 2012 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Mark A. Tillotson, *Partner*
Macias Gini & O'Connell LLP

RESPONSE:

This letter correctly sets forth the understanding of Burbank-Glendale-Pasadena Airport Authority.

Management signature: _____



Title: _____

Director, Financial Services

Date: _____

5/12/2016

September 17, 2015

System Review Report

To the Partners of Macias Gini & O'Connell LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Macias Gini & O'Connell, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Macias Gini & O'Connell, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Macias Gini & O'Connell, LLP has received a peer review rating of *pass*.

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
AUGUST 15, 2016**

**SIXTH AMENDMENT TO
LEASE AND CONCESSION AGREEMENT
MCS BURBANK LLC**

SUMMARY

Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission for approval of a sixth amendment to the Lease and Concession Agreement ("Agreement") with the Airport's food and beverage concessionaire, MCS Burbank LLC ("MCS"). The sixth amendment will provide MCS with 95 square feet of additional space at its existing Peet's Coffee location in Terminal B to provide additional seating for its customers. The proposed Amendment will generate an additional \$8,539 annually through an increase to the minimum annual guarantee ("MAG") and space rent combined. The new total rent for MCS will be \$1,400,695 annually.

BACKGROUND

The Authority entered into a Lease and Concession Agreement with MCS effective May 5, 1992, to operate various food and beverage concessions in the passenger terminal complex. The original ten-year term of the Agreement was extended under the second amendment to June 30, 2013, and subsequent amendments have extended the term to June 30, 2023. MCS currently leases over 14,000 square feet of terminal space which is comprised of food and beverage concession, office and storage space.

MCS is a tenant in good standing that consistently performs over the MAG. Currently MCS pays the Airport Authority the greater of MAG or percentage of gross revenues (12% food and beverage/17% alcohol). The current MAG amount is \$1,108,097 and the space rental income is \$265,626 annually.

LEASE DETAILS

<u>Effective Date:</u>	September 6, 2016
<u>Lease Term:</u>	Expires June 30, 2023
<u>Annual Adjustment:</u>	CPI Adjusted Annually
<u>MAG:</u>	Increase of \$6,863 annually
<u>Space Rent:</u>	Increase of \$1,676 annually

IMPACT ON REVENUE

The proposed sixth amendment will have a positive revenue impact to the Authority of approximately \$8,539 annually.

STAFF RECOMMENDATION

Staff seeks a Finance and Administration Committee recommendation to the Commission approving the proposed sixth amendment to the Lease and Concession Agreement between MCS Burbank LLC and the Burbank-Glendale-Pasadena Airport Authority, and to authorize the Authority President to execute same.



**SIXTH AMENDMENT TO
LEASE AND CONCESSION AGREEMENT**

This SIXTH AMENDMENT TO LEASE AND CONCESSION AGREEMENT (this "Sixth Amendment") is dated as of _____, 2016 by and between the BURBANK- GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Lessor"), and MCS BURBANK, LLC, a Nevada limited liability company ("Concessionaire").

RECITALS

A. Lessor and Concessionaire entered into a Lease and Concession Agreement dated December 31, 2000, a First Amendment dated October 15, 2001, a Second Amendment dated September 2, 2003, a Third Amendment dated November 5, 2012, a Fourth Amendment dated May 5, 2014, and a Fifth Amendment to Lease and Concession Agreement dated February 2, 2015 (the "Agreement"), pursuant to which Concessionaire was granted a food and beverage sales concession at locations within the air passenger terminal of the Burbank-Glendale-Pasadena Airport ("Airport").

B. Lessor and Concessionaire desire to amend the Agreement to add additional space to the Premises.

THEREFORE, the parties hereto agree as follows:

1. **Defined Terms.** Unless this Sixth Amendment provide otherwise, capitalized terms used herein shall have the meanings set forth in the Agreement.

2. **Premises.** As of _____, 2016, the Premises shall be increased by an additional 95 square feet, and all references to the "Premises" in the Lease shall include such additional space. Exhibit "A" to the Lease is hereby replaced with Exhibit "A" attached hereto which includes such additional space.

3. **Minimum Annual Privilege Fee; Minimum Annual Guarantee.** Section 7.1.1 of the Agreement is hereby amended as of _____, 2016 to read in full as follows:

"7.1.1 Minimum Annual Guarantee; Annual Adjustment. The Minimum Annual Guarantee shall be One Million One Hundred Fourteen Thousand Nine Hundred Sixty and 20/100 Dollars (\$1,114,960.20). Beginning on January 1, 2017, and on each January 1 thereafter during the remainder of the Term ("Adjustment Date"), the Minimum Annual Guarantee shall be increased (an "Adjustment") in proportion to the percentage increase, if any, in the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor for all Urban Consumers – all items (base years 1982-1984 = 100) for Los Angeles – Riverside – Orange County, CA (SMSA) ("Index") for the month of December immediately preceding the Adjustment Date as compared to the Index for the month of December in the immediately preceding calendar year, provided

that, in no event shall any Adjustment be greater than three percent (3%) of the amount of the Minimum Annual Guarantee immediately preceding such Adjustment. Lessor shall calculate the amount of increase in the Minimum Annual Guarantee after United States Department of Labor publishes the applicable December Index and shall give Concessionaire notice of the amount of the increase. Concessionaire shall continue to pay installments of the unadjusted Minimum Annual Guarantee until Lessor notified Concessionaire of the amount of increase. Concessionaire shall pay the amount of the increase in the Minimum Annual Guarantee, multiplied by the number of installments coming due since the Adjustment Date, with the installment of Minimum Annual Guarantee next coming due under this Agreement, and shall thereafter pay the installments of Minimum Annual Guarantee due under this Agreement at such increased rate. If the Index referred to in this section is changed, discontinued, or revised during the Term, Lessor shall use the available Consumer Price Index published by the United States Department of Labor that obtains substantially the same result provided by the Index referred to herein.

4. Section 7.2. As of _____, 2016, Section 7.2.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

"Rental Payments. In addition to the amounts payable under Subsection 7.1, during the remaining Term of this Agreement, monthly in advance, without deduction or offset, the Concessionaire shall pay to the Lessor as Premises rent ("Rental Payment") the amount of Twenty-Three Thousand Eight Hundred Eleven and 33/100 Dollars (\$23,811.33)."

IN WITNESS WHEREOF, this Sixth Amendment has been executed by the undersigned as of the date first written above.

LESSOR:

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY, a public entity

By: _____
Print Name: _____
Title: _____

CONCESSIONAIRE:

MCS BURBANK, LLC,
a Nevada limited liability company


By:  _____
Print Name: Steven Mann
Title: VP.

EXHIBIT "A"

REVISED DESCRIPTION OF PREMISES
(INCLUDING THE ADDED SPACE)

(Attached.)

EXHIBIT "B"

ADDITIONAL NEW CAPITAL IMPROVEMENT PROGRAM

(Attached.)

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
AUGUST 15, 2016
COMMITTEE PENDING ITEMS**

Future

1. Vacant Aviation Hangars and Market Conditions
2. Replacement Terminal Project Finance Primer