

**BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY**

Basic Financial Statements

Year ended June 30, 2025 and 2024

(With Independent Auditor's  
Report Thereon)



Certified  
Public  
Accountants

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**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Basic Financial Statements

June 30, 2025 and 2024

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## Independent Auditor's Report

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

### Report on the Audits of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Burbank-Glendale-Pasadena Airport Authority (the Authority) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, identified as Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Macias Gini & O'Connell LLP*

Walnut Creek, California  
December 22, 2025

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

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

The management of the Authority presents the following narrative overview of the Authority's financial activities for the fiscal years ended June 30, 2025 and 2024. The following discussion and analysis should be read in conjunction with the accompanying basic financial statements.

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

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

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

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

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

### Overview of the Authority's Operations

#### Highlights of Airport Activities

The Airport's Fiscal Year (FY) 2025 total passenger activity of 6,574,819 surpassed historical levels representing a 5.75% increase over FY 2024. The strong passenger activity contributed to the positive fiscal year financial performance. During FY 2025, the Airport was served by nine air carriers as follows: Alaska Airlines, American Airlines, Avelo Airlines, Delta Air Lines, Frontier Airlines, JetBlue Airways, Southwest Airlines, Spirit Airlines, and United Airlines.

The Airport's passenger increase was driven by several factors including a stronger demand for leisure travel. The Airlines also initiated additional frequencies and destinations to different markets. Compared to previous years, the Airport has experienced a growth in airline competition that has provided more options to the travelers utilizing the Airport.

During FY 2025, the \$1.3 billion safety related Replacement Passenger Terminal (RPT) project, which commenced construction in December 2023, continued to achieve major milestones. In January 2025, the final steel beam was hoisted into place, completing the RPT's steel structure; in February 2025, construction of the parking garage began while mechanical, electrical, and plumbing systems were installed in the RPT; and in June 2025, installation of the curtain wall system and terrazzo flooring began at the RPT while the parking garage continued to rise vertically. The project's Plan of Finance includes the proceeds from the 2024 Bond issue, federal grants, a commercial paper program, Passenger Facility Charges, Authority funds, and a programmed 2026 Bond issuance for the remainder of the project costs. The RPT is currently on schedule and on budget for opening in October 2026.

The major portion of demand for air travel at the Airport is strongly influenced by local socioeconomic characteristics of the Southern California region, and the Airport's proximity to Los Angeles, the San Fernando Valley, and Ventura County make it a convenient gateway to many leisure travel destinations and important economic sub-regions. While FY 2025 exhibited a positive trend in activity and financial performance, the Airport is cognizant that there are potential external influences that may negatively impact its future operations. These include the impacts of inflation leading to the potential of an economic recession, geopolitical instability leading to increased goods/materials and labor costs, and other external factors outside the control of the Airport that may dampen the demand for air travel. Despite uncertainties that may occur in the future, the Airport remains geographically well positioned for long-term success as a strong origin and destination Airport serving the Southern California Los Angeles basin area.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

### Passenger and Other Activity

The following table presents a comparative summary of passenger and other activity in FY 2025, FY 2024, and FY 2023:

Description	2025	2024	2023	% increase (decrease)	
				FY 2025/24	FY 2024/23
Commercial carrier flight operations (takeoffs and landings)	68,799	63,422	63,904	8.5%	(0.8)%
Landed weight (in pounds)	4,691,973,760	4,301,739,260	4,433,115,288	9.1	(3.0)
Total passengers	6,574,819	6,217,454	5,973,893	5.7	4.1
Departing passengers (enplaned)	3,279,474	3,120,928	2,979,039	5.1	4.8
Arriving passengers (deplaned)	3,295,345	3,096,526	2,994,854	6.4	3.4
Cargo tonnage (in tons)	37,212	36,739	38,979	1.3	(5.7)

Passenger levels at the Airport increased by 5.7% and 4.1% compared to the prior year in FY 2025 and 2024, respectively. Of the 6,574,819 and 6,217,454 passengers during FY 2025 and 2024, respectively, Southwest Airlines is the largest air carrier serving the Airport with 55.5% and 60.8% of total passengers in FY 2025 and 2024, respectively. While Southwest Airlines remains the largest commercial air carrier serving the Airport, increased activity by other signatory airlines has reduced Southwest's market share.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

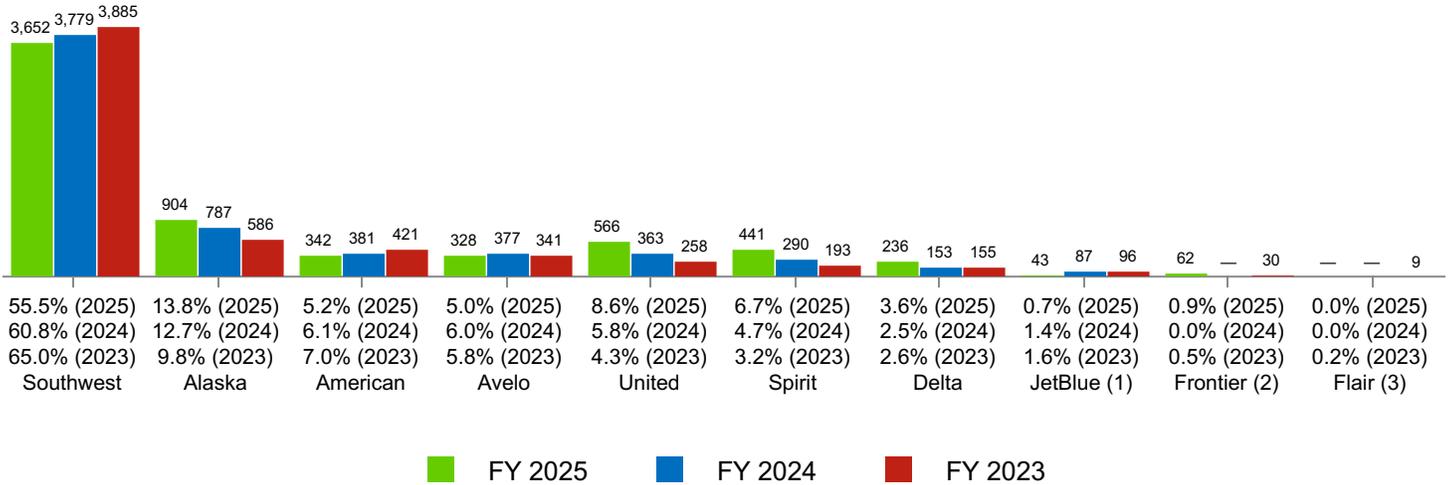
Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

The chart below presents the passenger market share by airline for FY 2025, FY 2024, and FY 2023:

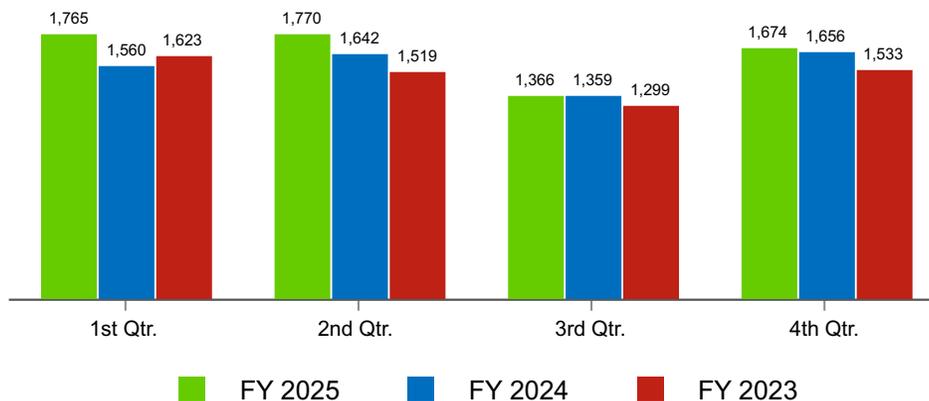
**Airlines and Percentage of Market Share  
(passengers in thousands)**



- (1) JetBlue suspended operations from October 2024 to March 2025 and resumed service as of April 2025.
- (2) Frontier Airlines became a non-signatory beginning in FY 2023, ceased operations in March 2023, and reinstated services as of November 2024.
- (3) Flair Airlines ceased operations in November 2022.

The following chart presents the passenger levels by quarter for FY 2025, FY 2024, and FY 2023:

**Total Passengers by Fiscal Quarter  
(in thousands)**



# **BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

## **Management's Discussion and Analysis**

June 30, 2025 and 2024

(Unaudited)

### **Commercial Air Carrier Flight Activities**

The total number of commercial air carrier flights was 68,799 and 63,422, resulting in an increase of 8.5% and a decrease of 0.8% from the prior fiscal year for FY 2025 and 2024, respectively. Aircraft landed weight increased 9.1% and decreased 3.0% from the prior fiscal year for FY 2025 and 2024, respectively. The top three carriers in terms of landed weight were Southwest Airlines, Alaska Airlines, and United Airlines. In total, these three airlines contributed 70.8% and 72.2% of the total landed weight at the Airport for FY 2025 and 2024, respectively.

### **Air Cargo Activities**

Freight and mail cargo at the Airport for FY 2025 and 2024 were 37,212 and 36,739 tons, respectively. FY 2025 and FY 2024 resulted in an increase of 1.3% and a decrease of 5.7% in air cargo tonnage from the prior fiscal year for FY 2025 and 2024, respectively. Federal Express (FedEx) and United Parcel Service (UPS) are the top air freight carriers accounting for 95.5% and 95.2% of the total freight cargo for FY 2025 and 2024, respectively.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

### Overview of the Authority's Financial Activities

#### Financial Highlights, Fiscal Year 2025

- Assets exceeded liabilities and deferred inflows of resources (net position) at the close of the fiscal year by \$700,811,841.
- Operating revenues were \$81,865,485.
- Operating expenses before depreciation and amortization were \$61,939,288.
- Nonoperating revenues, net of nonoperating expenses were \$25,598,764, primarily consisting of Passenger Facility Charges, Customer Facility Charges, investment income, and noncapital grants, reduced by debt service interest expense, other interest and fiscal charges, bond issuance costs, and noncapital Replacement Passenger Terminal project expenses.
- Capital contributions from the Federal Aviation Administration's (FAA) Infrastructure Investment and Jobs Act - Bipartisan Infrastructure Law (IIJA-BIL) grants were \$38,175,051, and were used for Phase 2 design and construction of the Replacement Passenger Terminal project.
- Net position increased by \$69,810,156 primarily due to increased operating and nonoperating revenues, the Authority's prudent management of expenses, and the increase of federal grant funds awarded and used for the construction of the Replacement Passenger Terminal.

#### Financial Highlights, Fiscal Year 2024

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

### Net Position Summary

A summary of the Airport's net position as of June 30, 2025, 2024, and 2023 is presented below:

	<b>Schedule of Net Position</b>						
	2025	2024	2023	FY 2025/24		FY 2024/23	
				increase (decrease)		increase (decrease)	
				Amount	%	Amount	%
<b>Assets:</b>							
Current unrestricted assets	\$ 87,689,238	\$ 44,070,690	\$ 50,168,631	\$ 43,618,548	99.0%	\$ (6,097,941)	(12.2)%
Current restricted assets:							
Cash and investments held							
by bond trustee	389,483,977	747,693,555	15,995,174	(358,209,578)	(47.9)	731,698,381	4,574.5
Other restricted cash and							
investments	102,470,125	90,765,825	89,090,863	11,704,300	12.9	1,674,962	1.9
Other restricted receivables	7,671,985	5,974,688	2,452,171	1,697,297	28.4	3,522,517	143.6
Noncurrent unrestricted assets:							
Facility Development Reserve	220,132,453	205,132,453	205,132,453	15,000,000	7.3	—	—
Leases receivable	583,411	3,525,701	6,663,553	(2,942,290)	(83.5)	(3,137,852)	(47.1)
Capital assets, net	844,882,693	427,025,433	324,518,102	417,857,260	97.9	102,507,331	31.6
Noncurrent restricted assets:							
Debt service reserve surety	2,671,948	2,764,085	4,728	(92,137)	(3.3)	2,759,357	58,362.0
Total assets	<u>1,655,585,830</u>	<u>1,526,952,430</u>	<u>694,025,675</u>	<u>128,633,400</u>	8.4	<u>832,926,755</u>	120.0
<b>Liabilities:</b>							
Current liabilities	113,584,736	59,218,092	19,598,063	54,366,644	91.8	39,620,029	202.2
Liabilities payable							
from restricted assets	21,612,920	11,435,533	8,245,196	10,177,387	89.0	3,190,337	38.7
Noncurrent liabilities	815,937,431	818,519,943	72,049,628	(2,582,512)	(0.3)	746,470,315	1,036.1
Total liabilities	<u>951,135,087</u>	<u>889,173,568</u>	<u>99,892,887</u>	<u>61,961,519</u>	7.0	<u>789,280,681</u>	790.1
<b>Deferred inflows of resources:</b>							
Deferred inflows - leases	3,638,902	6,777,177	10,244,382	(3,138,275)	(46.3)	(3,467,205)	(33.8)
Deferred amount on refunding	—	—	102,010	—	—	(102,010)	(100.0)
Total deferred inflows of resources	<u>3,638,902</u>	<u>6,777,177</u>	<u>10,346,392</u>	<u>(3,138,275)</u>	(46.3)	<u>(3,569,215)</u>	(34.5)
<b>Net position:</b>							
Net investment in capital							
assets	340,145,318	250,621,896	252,577,172	89,523,422	35.7	(1,955,276)	(0.8)
Restricted, debt service	82,481,217	118,115,788	23,980,877	(35,634,571)	(30.2)	94,134,911	392.5
Restricted, capital projects	84,289,166	72,288,115	71,516,622	12,001,051	16.6	771,493	1.1
Restricted, federal asset seizure	26,517	25,702	25,049	815	3.2	653	2.6
Restricted, other purposes	3,652,282	3,568,353	3,484,425	83,929	2.4	83,928	2.4
Unrestricted	190,217,341	186,381,831	232,202,251	3,835,510	2.1	(45,820,420)	(19.7)
Total net position	<u>\$ 700,811,841</u>	<u>\$ 631,001,685</u>	<u>\$ 583,786,396</u>	<u>\$ 69,810,156</u>	11.1%	<u>\$ 47,215,289</u>	8.1%

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

### Net Position

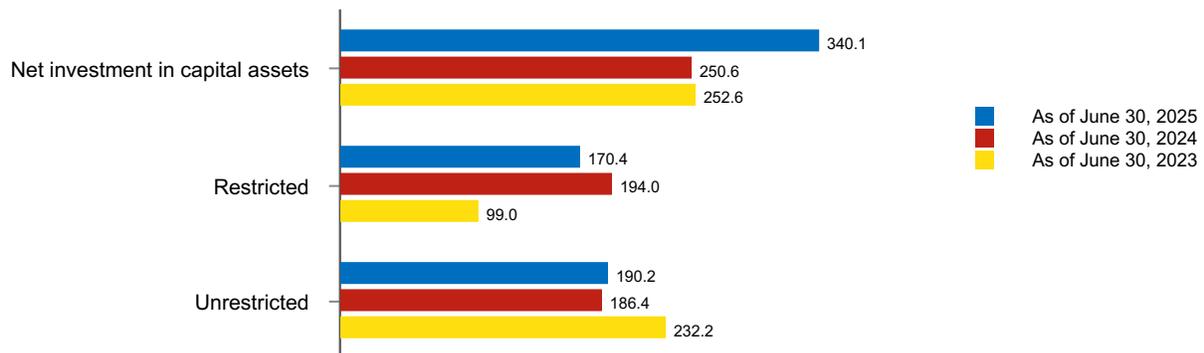
Net position may serve over time as a useful indicator of the Authority's financial position at fiscal year-end. The Authority's assets exceeded its liabilities, deferred inflows of resources, and beginning net positions by \$69,810,156 and \$47,215,289 resulting in ending net positions of \$700,811,841 and \$631,001,685 as of June 30, 2025 and 2024, respectively, which continued the Authority's steady increase in net position from its June 30, 2023 ending net position of \$583,786,396.

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

The second component of the Authority's net position represents resources that are subject to external restrictions on how they may be used. Of this restricted net position, 48.4%, 60.9%, and 24.2% are for repayment of long-term debt and 49.5%, 37.3%, and 72.2% are for construction of capital assets at June 30, 2025, 2024, and 2023, respectively. A very small percentage of restricted net position, comprising less than 0.1% at June 30, 2025, 2024 and 2023, is for uses pursuant to the Federal Asset Seizure Program. Lastly, 2.1%, 1.8%, and 3.5% are for other restricted purposes.

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

**Net Position as of June 30, 2025, 2024, and 2023**  
(in millions of dollars)



The Authority's positive unrestricted net position balance decreased for the fiscal years ended June 30, 2025 and 2024, as compared to the fiscal year ended June 30, 2023, due to a temporary reduction in operating cash from payments for the RPT project that will subsequently be reimbursed through RPT funding sources.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

### ***Current Unrestricted Assets***

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

The Authority's current unrestricted assets increased by \$43,618,548, or 99.0%, and decreased by \$6,097,941, or 12.2%, in FY 2025 and 2024, respectively. The net increase in FY 2025 is primarily from an increase in operating cash from positive financial performance and reimbursement of RPT project expenses through RPT funding sources, reduced by the transfer of \$15,000,000 to the unrestricted Facility Development Reserve. The net decrease in FY 2024 reflected a temporary reduction in operating cash due to payments for the RPT project that will subsequently be reimbursed through RPT funding sources.

### ***Current Restricted Assets***

The Authority's current restricted assets decreased by \$344,807,981, or 40.8%, and increased by \$736,895,860, or 685.2%, in FY 2025 and 2024, respectively. The net decrease in FY 2025 is primarily due to the use of the 2024 Series A and B Bond proceeds for the RPT project. The net increase in FY 2024 is primarily due to unspent proceeds from the issuance of the 2024 Bonds that will be used to finance a portion of the cost of the RPT project. Current restricted assets consist primarily of cash and investments held by a trustee that are restricted based on constraints placed on assets through external parties such as creditors, grantors, leases, trust agreements, contributors, laws or regulations of other governments, or enabling legislation. Current restricted funds are nondiscretionary in terms of use and provide for payment of debt service on Authority bonds, reserves for outstanding bonds, reserves for operations and maintenance, and construction of long-term assets.

### ***Noncurrent Unrestricted Assets***

The Authority's noncurrent unrestricted assets include the Facility Development Reserve, the noncurrent portion of lease receivables, and capital assets.

The Facility Development Reserve was established by the Authority during FY 2000 to provide for the development of a replacement terminal and other Airport facilities. The actual appropriation of these funds to selected facility development projects is determined based on the approval of the Authority. In FY 2025, the Authority transferred \$15,000,000 of excess revenues from the current operating fund to the Facility Development Reserve. In FY 2024, the Authority did not transfer any funds to the Facility Development Reserve.

The noncurrent portion of leases receivable of \$583,411 and \$3,525,701 as of June 30, 2025 and 2024, respectively, that was recorded to conform to the requirements of GASB Statement No. 87, *Leases*, which was effective July 1, 2020. The decrease in this balance is due to lease contracts reaching maturity with fewer material leases being added due to the anticipated move to the RPT in October 2026.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

The largest portion of the Authority's noncurrent assets are its capital assets, primarily due to the ongoing construction of the RPT. A summary of the Airport's capital assets as of June 30, 2025, 2024, and 2023 is presented below:

Capital assets:				FY 2025/24		FY 2024/23	
	2025	2024	2023	increase (decrease)		increase (decrease)	
				Amount	%	Amount	%
Land	\$ 160,065,894	\$ 160,065,894	\$ 160,065,894	\$ —	—%	\$ —	—%
Other non-depreciable capital assets	1,128,515	1,128,515	1,128,515	—	—	—	—
Construction in progress	575,603,088	147,756,131	32,649,419	427,846,957	289.6	115,106,712	352.6
Buildings and improvements	257,558,854	256,902,208	255,974,998	656,646	0.3	927,210	0.4
Runways and improvements	160,211,443	160,120,870	159,622,308	90,573	0.1	498,562	0.3
Machinery and equipment	41,486,796	39,501,833	38,711,805	1,984,963	5.0	790,028	2.0
Intangible right to use asset	660,984	660,984	660,984	—	—	—	—
Less accumulated depreciation and amortization	(351,832,881)	(339,111,002)	(324,295,821)	(12,721,879)	3.8	(14,815,181)	4.6
Total capital assets, net	<u>\$ 844,882,693</u>	<u>\$ 427,025,433</u>	<u>\$ 324,518,102</u>	<u>\$ 417,857,260</u>	97.9%	<u>\$ 102,507,331</u>	31.6%

The Authority's net capital assets increased by \$417,857,260, or 97.9%, in FY 2025 and increased by \$102,507,331, or 31.6%, in FY 2024. The increases in FY 2025 and FY 2024 were primarily due to an increase in construction in progress related to the RPT project. Total depreciable capital asset additions in FY 2025 and 2024 were \$3,900,159 and \$2,312,329, respectively, and total non-depreciable capital asset additions, consisting of construction in progress, in FY 2025 and 2024 were \$431,747,116 and \$117,419,041, respectively. Total deletions, including transfers from construction in progress to depreciable and non-depreciable capital assets, were \$3,900,159 and \$2,312,329, respectively.

Significant capital asset additions in FY 2025 include:

- Communication center radio dispatch consoles
- Regional Intermodal Transportation Center public art panels
- Shuttle EV charging station - Lot D
- Hangar building improvements
- Airside pavement rehabilitation
- Aircraft Rescue and Firefighting truck replacement
- Vehicle replacements, including an airfield tractor mower
- IT server infrastructure

Significant capital asset additions in FY 2024 include:

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

The Authority had significant contract commitments outstanding as of June 30, 2025 for various capital projects totaling \$654,870,349, of which approximately 98.6% was for the RPT project with the remaining for the Part 150 Noise Study, Runway / Taxiway Shoulder Rehabilitation Design, Building 36 Security / Ramp Access Doors Replacement, Mobile Police Firearms Training Range, Escalator Rehabilitation / Replacement, SEQ Reconfiguration Design, SEQ RPS Reconfiguration Construction, and Taxiway A/C Extension Design projects.

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

### ***Noncurrent Restricted Assets***

The Authority's noncurrent restricted asset is the prepaid 2024 Bonds debt service surety and bond insurance. In connection with the issuance of the Authority's 2024 Bonds, the Authority purchased a debt service reserve surety policy in lieu of funding a cash-funded debt service reserve and also obtained a municipal bond insurance policy guaranteeing the timely payment of principal and interest to bondholders. The up-front premiums paid for the surety and bond insurance are amortized as a component of interest expense over the life of the 2024 Bonds. The unamortized portion of the bond reserve surety and bond insurance are \$2,671,948 and \$2,764,085 as of June 30, 2025 and 2024, respectively.

### ***Current Liabilities***

Current liabilities increased by \$54,366,644, or 91.8%, and \$39,620,029, or 202.2%, in FY 2025 and 2024, respectively. The FY 2025 increase is primarily due to additional vendor accruals, with the majority related to the RPT project. The FY 2024 increase was primarily due to additional vendor accruals, with the majority related to the RPT project, and unearned revenue primarily related to prepayments by tenants and the American Rescue Plan Act (ARPA) concessions grant.

### ***Liabilities Payable from Restricted Assets***

Liabilities payable from restricted assets increased by \$10,177,387, or 89.0%, in FY 2025 and \$3,190,337, or 38.7%, in FY 2024. The increase in FY 2025 and FY 2024 reflects a decrease of \$4,235,000, due to the final maturity of the 2015 Bonds, and an increase of \$315,000, respectively, in the current portion of principal payable for the 2012 and 2015 Bonds plus the increase in interest payable of \$14,412,387 and \$2,875,337 in FY 2025 and FY 2024, respectively. The large increase in interest payable in FY 2025 was due to the accrued interest payable for the 2024 Bonds.

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

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

**Noncurrent Liabilities**

A summary of the Airport's noncurrent liabilities as of June 30, 2025, 2024, and 2023 is presented below:

	2025	2024	2023	FY 2025/24		FY 2024/23	
				increase (decrease)		increase (decrease)	
				Amount	%	Amount	%
Noncurrent liabilities:							
Revenue bonds payable, less							
current portion	\$ 787,485,000	\$ 789,655,000	\$ 71,280,000	\$ (2,170,000)	(0.3)%	\$ 718,375,000	1,007.8%
Original issue premium, net	27,386,081	28,333,008	589,438	(946,927)	(3.3)	27,743,570	4,706.8
Subscription liabilities, noncurrent	26,838	102,227	180,190	(75,389)	(73.7)	(77,963)	(43.3)
Total long-term liabilities	<u>\$ 814,897,919</u>	<u>\$ 818,090,235</u>	<u>\$ 72,049,628</u>	<u>\$ (3,192,316)</u>	(0.4)%	<u>\$ 746,040,607</u>	1,035.5%

As of June 30, 2025 and 2024, the Authority's outstanding long-term debt consisted of its outstanding 2012 (Series A and B) and 2024 (Series A, B, and C) bonds of \$787,485,000 and 2012 (Series A and B), 2015 (Series B), and 2024 (Series A, B, and C) bonds of \$789,655,000, respectively, and unamortized premiums of \$27,386,081 and \$28,333,008, respectively. In FY 2024, the Authority issued the 2024 Bonds in the par amount of \$724,780,000.

The Authority's long-term liabilities decreased by \$3,192,316, or 0.4%, and increased by \$746,040,607, or 1,035.5%, in FY 2025 and 2024, respectively. The decrease in FY 2025 includes the reclassification of the current portion of the 2012 Bonds of \$2,170,000 and amortization of the original premium on the 2012 and 2024 Bonds of \$946,927, and the reclassification of the current portion of the subscription liabilities of \$75,389. The increase in FY 2024 is primarily due to the issuance of the 2024 Bonds in the par amount of \$724,780,000 plus its original issue premium of \$28,301,811.

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

**Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net assets that applies to future periods that will not be recognized as an inflow of resources (revenue) until that time. The Authority's deferred inflows of resources consist of resources related to leases measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods of \$3,638,902 and \$6,777,177 at June 30, 2025 and 2024, respectively.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

**Changes in Net Position Summary**

A condensed summary of the Authority's changes in net position for fiscal years ended June 30, 2025, 2024, and 2023 is presented below:

**Schedule of Revenues, Expenses, and Changes in Net Position**

	2025	2024	2023	FY 2025/24		FY 2024/23	
				increase (decrease)		increase (decrease)	
				Amount	%	Amount	%
Operating revenues	\$ 81,865,485	\$ 74,990,094	\$ 72,536,457	\$ 6,875,391	9.2%	\$ 2,453,637	3.4%
Operating expenses	75,829,144	73,216,436	70,348,895	2,612,708	3.6	2,867,541	4.1
Operating income	6,036,341	1,773,658	2,187,562	4,262,683	240.3	(413,904)	(18.9)
Nonoperating revenues, net	25,598,764	31,073,839	25,849,947	(5,475,075)	(17.6)	5,223,892	20.2
Income before capital contributions	31,635,105	32,847,497	28,037,509	(1,212,392)	(3.7)	4,809,988	17.2
Capital contributions	38,175,051	14,367,792	8,030,233	23,807,259	165.7	6,337,559	78.9
Changes in net position	69,810,156	47,215,289	36,067,742	22,594,867	47.9	11,147,547	30.9
Total net position - beginning	631,001,685	583,786,396	547,718,654	47,215,289	8.1	36,067,742	6.6
Total net position - ending	<u>\$ 700,811,841</u>	<u>\$ 631,001,685</u>	<u>\$ 583,786,396</u>	<u>\$ 69,810,156</u>	11.1%	<u>\$ 47,215,289</u>	8.1%

**Operating Revenues**

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

The following table presents a comparative summary of operating revenues in FY 2025, FY 2024, and FY 2023:

**Comparative Summary of Operating Revenues**

	2025	2024	2023	FY 2025/24		FY 2024/23	
				increase (decrease)		increase (decrease)	
				Amount	%	Amount	%
Parking	\$ 34,736,135	\$ 29,564,588	\$ 29,082,523	\$ 5,171,547	17.5%	\$ 482,065	1.7%
Landing fees	4,837,942	4,458,672	4,586,568	379,270	8.5	(127,896)	(2.8)
Concessions	15,518,880	14,355,798	13,681,344	1,163,082	8.1	674,454	4.9
Tenant rent	19,907,219	19,861,157	19,514,228	46,062	0.2	346,929	1.8
Ground transportation	4,338,831	4,042,279	3,681,065	296,552	7.3	361,214	9.8
Fuel flowage fees	627,883	928,115	623,058	(300,232)	(32.3)	305,057	49.0
Other operating revenues	1,898,595	1,779,485	1,367,671	119,110	6.7	411,814	30.1
Total operating revenues	<u>\$ 81,865,485</u>	<u>\$ 74,990,094</u>	<u>\$ 72,536,457</u>	<u>\$ 6,875,391</u>	9.2%	<u>\$ 2,453,637</u>	3.4%

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

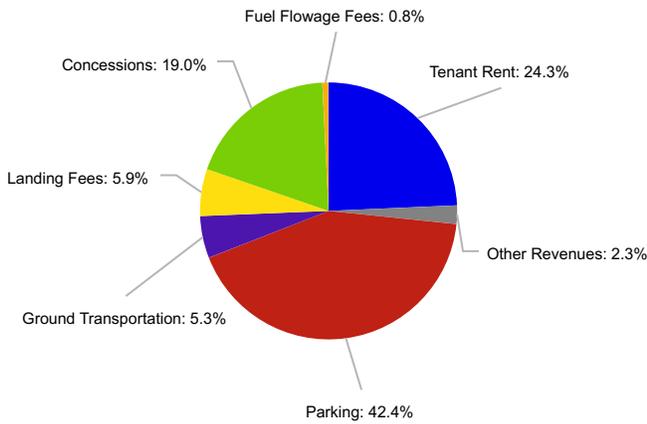
Management's Discussion and Analysis

June 30, 2025 and 2024

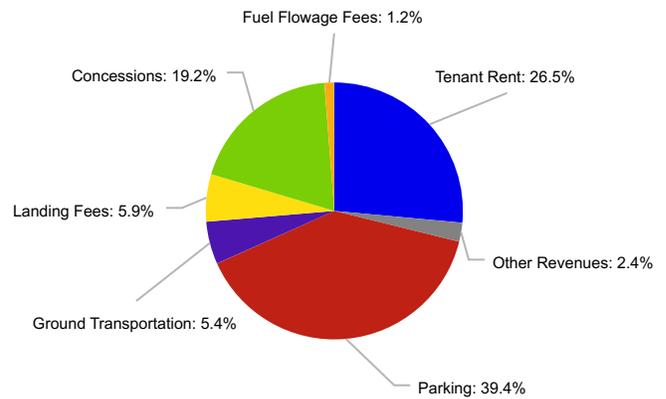
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The charts below present the distribution of major sources of operating revenues in FY 2025 and FY 2024:

**FY 2025**  
**Operating Revenues: \$81.9 Million**

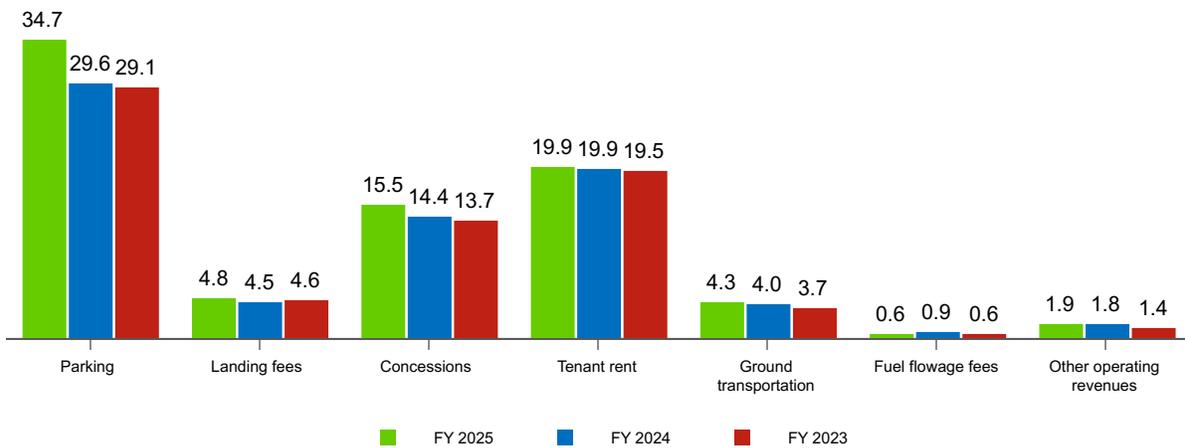


**FY 2024**  
**Operating Revenues: \$75.0 Million**



The chart below presents the comparative summary of operating revenues for FY 2025, FY 2024, and FY 2023:

**Operating Revenues**  
**Years ended June 30, 2025, 2024, and 2023**  
**(in millions)**



## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

In FY 2025, total operating revenues increased by \$6,875,391, or 9.2%, primarily due to a combination of the following:

- (1) increased parking revenues of \$5,171,547, primarily due to continued growth in self-park activity from increased passengers and parking rate increases implemented July 1, 2024 and January 1, 2025;
- (2) increased landing fees of \$379,270, primarily due to increased air carrier flight operations;
- (3) increased concession fees of \$1,163,082, primarily due to increased rental car and in-terminal food and sundries concessions activities resulting from increased passenger activity;
- (4) increased ground transportation revenues of \$296,552, primarily due a continued increase in ride share demand from increased passenger activity;
- (5) decreased fuel flowage fees of \$300,232, primarily due to a one-time payment received in the prior year resulting from a multi-year reconciliation; and
- (6) increased other operating revenues of \$119,110, primarily due to an increase in revenue from third-party aircraft and passenger handling services revenues as a result of increased air carrier and passenger activities.

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

- (1) increased parking revenues of \$482,065, primarily due to a growth in self-park activity from increased passengers;
- (2) decreased landing fees of \$127,896, primarily due to decreases in actual commercial carrier flight operations and total landed weight;
- (3) increased concession fees of \$674,454, primarily due to increased passenger activity;
- (4) increased tenant rent of \$346,929, primarily due to CPI increases to existing leases reduced by termination of certain leases for land required for the RPT project;
- (5) increased ground transportation revenues of \$361,214, primarily due to a continued increase in ride share demand from increased passenger activity;
- (6) increased fuel flowage fees of \$305,057, primarily due to a one-time payment received resulting from a multi-year reconciliation along with an increase in general aviation activity; and
- (7) increased other operating revenues of \$411,814, primarily due to a legal settlement payment received in FY 2024 and an increase in revenue from third-party aircraft and passenger handling services revenues from increased passenger activity.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

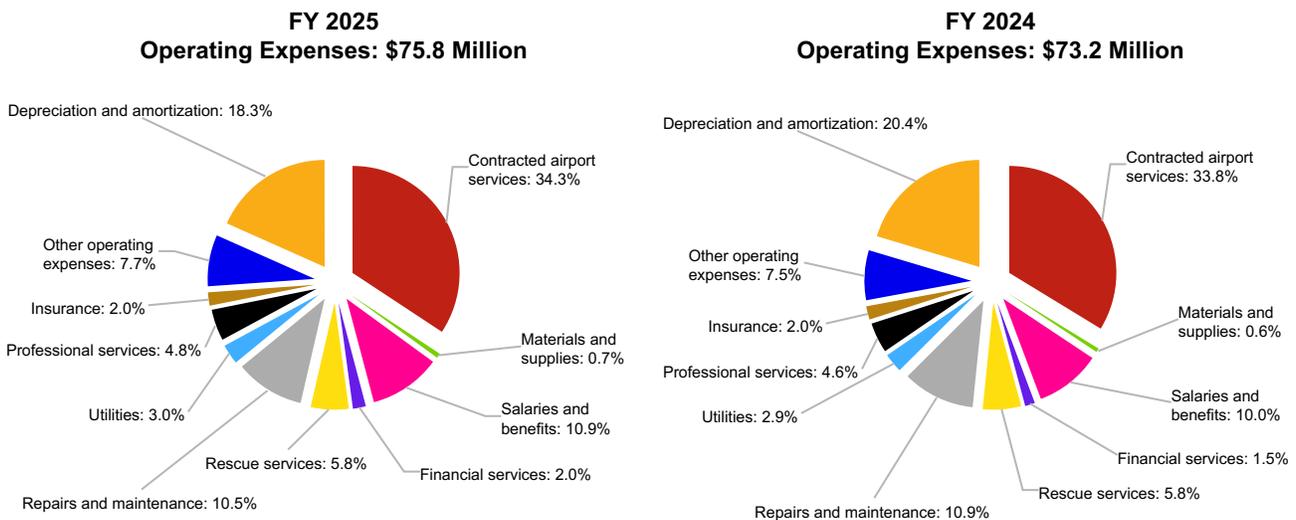
(Unaudited)

### Operating Expenses

The following table presents a comparative summary of operating expenses in FY 2025, FY 2024, and FY 2023:

	Operating Expenses Summary						
	2025	2024	2023	FY 2025/24		FY 2024/23	
				Amount	%	Amount	%
Contracted airport services	\$ 26,004,872	\$ 24,695,925	\$ 23,561,851	\$ 1,308,947	5.3%	\$ 1,134,074	4.8%
Salaries and benefits	8,248,807	7,299,875	7,277,119	948,932	13.0	22,756	0.3
Financial services	1,490,087	1,101,142	1,784,813	388,945	35.3	(683,671)	(38.3)
Rescue services	4,364,700	4,238,948	3,686,682	125,752	3.0	552,266	15.0
Materials and supplies	553,502	448,886	413,816	104,616	23.3	35,070	8.5
Repairs and maintenance	7,933,452	8,006,357	6,859,440	(72,905)	(0.9)	1,146,917	16.7
Utilities	2,293,961	2,132,319	2,008,420	161,642	7.6	123,899	6.2
Professional services	3,615,888	3,370,066	3,028,342	245,822	7.3	341,724	11.3
Insurance	1,528,228	1,487,416	1,341,036	40,812	2.7	146,380	10.9
Other operating expenses	5,905,791	5,523,792	4,894,497	381,999	6.9	629,295	12.9
Operating expenses before depreciation and amortization	61,939,288	58,304,726	54,856,016	3,634,562	6.2	3,448,710	6.3
Depreciation and amortization	13,889,856	14,911,710	15,492,879	(1,021,854)	(6.9)	(581,169)	(3.8)
Total operating expenses	<u>\$ 75,829,144</u>	<u>\$ 73,216,436</u>	<u>\$ 70,348,895</u>	<u>\$ 2,612,708</u>	3.6%	<u>\$ 2,867,541</u>	4.1%

The charts below present the distribution of operating expenses in FY 2025 and FY 2024:



**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

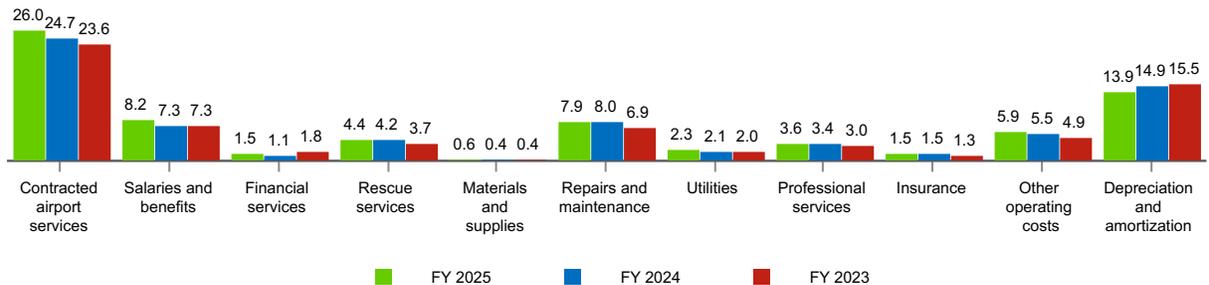
Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

The chart below presents the comparative summary of operating expenses for FY 2025, FY 2024, and FY 2023:

**Operating Expenses**  
**Years ended June 30, 2025, 2024, and 2023**  
**(in millions)**



Total operating expenses increased by \$2,612,708, or 3.6%, in FY 2025 primarily due to a combination of the following:

- (1) increased contracted airport services of \$1,308,947, primarily due to the filling of both vacant and approved additional airport personnel positions;
- (2) increased salaries and benefits of \$948,932, due to the terms of the memorandum of understanding with the Burbank Airport Police Officers Association effective February 1, 2023, and increased worker's compensation insurance premiums;
- (3) increased financial services expenses of \$388,945, primarily due to a one-time refund received in the prior year from the Airport's parking pre-booking operator to credit back excess fees previously collected, and an increase in credit card transaction fees from increased parking activity;
- (4) increased cost for professional services of \$245,822, primarily due to increased traffic safety expenses associated with additional service area requirements and an annual CPI adjustment;
- (5) increased other operating expenses of \$381,999, due to additional parking tax paid to the City of Burbank from positive parking revenue activity; and
- (6) decreased depreciation and amortization expense of \$1,021,854, primarily due to capital assets depreciated in FY 2024 exceeding the impact of new capital asset additions in FY 2025.

## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

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

- (1) increased contracted airport services of \$1,134,074, primarily due to the filling of both vacant and approved airport personnel positions;
- (2) decreased financial services expenses of \$683,671, primarily due to a decrease in processing fees from the Airport's parking pre-booking program due to the transition in parking operator;
- (3) increased cost for aircraft rescue and firefighting services of \$552,266, due to the terms of the collective bargaining agreement with the Burbank Airport Professional Firefighters IAFF Local 1-61 Union effective July 1, 2023;
- (4) increased repairs and maintenance costs of \$1,146,917, primarily due to increased maintenance and janitorial costs resulting from increased passenger activity;
- (5) increased other operating expenses of \$629,295, primarily due to costs associated with the FAA triennial exercise conducted in FY 2024 and additional parking tax paid to the City of Burbank due to positive parking revenue activity; and
- (6) decreased depreciation and amortization expense of \$581,169, primarily due to capital assets depreciated in FY 2023 exceeding the impact of new capital asset additions in FY 2024.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

### **Nonoperating Revenues and Expenses**

The following summary presents a comparison of nonoperating revenues and expenses in FY 2025, FY 2024, and FY 2023:

#### **Comparative Summary of Nonoperating Revenues and Expenses**

	2025	2024	2023	FY 2025/24		FY 2024/23	
				increase (decrease)		increase (decrease)	
				Amount	%	Amount	%
<b>Nonoperating revenues:</b>							
PFC revenues	\$ 16,813,453	\$ 15,932,930	\$ 12,882,716	\$ 880,523	5.5%	\$ 3,050,214	23.7%
CFC revenues	5,913,505	5,397,765	5,035,162	515,740	9.6	362,603	7.2
Investment income	46,748,430	17,530,285	3,781,146	29,218,145	166.7	13,749,139	363.6
Interest income	173,823	267,547	393,501	(93,724)	(35.0)	(125,954)	(32.0)
Gain on retirement of capital assets	35,677	110,515	13,123	(74,838)	(67.7)	97,392	742.1
Other noncapital grants	492,992	768,236	8,147,212	(275,244)	(35.8)	(7,378,976)	(90.6)
	<u>70,177,880</u>	<u>40,007,278</u>	<u>30,252,860</u>	<u>30,170,602</u>	<u>75.4</u>	<u>9,754,418</u>	<u>32.2</u>
<b>Nonoperating expenses:</b>							
Interest expense, debt service	38,031,050	6,380,411	3,735,875	31,650,639	496.1	2,644,536	70.8
Other interest and fiscal charges	2,066,188	8,730	11,273	2,057,458	23,567.7	(2,543)	(22.6)
Bond issuance costs	1,738,637	2,252,292	—	(513,655)	(22.8)	2,252,292	N/A
Sound insulation program	—	—	180	—	N/A	(180)	(100.0)
Replacement terminal development	2,743,241	292,006	655,585	2,451,235	839.4	(363,579)	(55.5)
	<u>44,579,116</u>	<u>8,933,439</u>	<u>4,402,913</u>	<u>35,645,677</u>	<u>399.0</u>	<u>4,530,526</u>	<u>102.9</u>
Total nonoperating revenues (expenses), net	<u>\$ 25,598,764</u>	<u>\$ 31,073,839</u>	<u>\$ 25,849,947</u>	<u>\$ (5,475,075)</u>	<u>(17.6)%</u>	<u>\$ 5,223,892</u>	<u>20.2%</u>

Nonoperating revenues of \$70,177,880 and \$40,007,278 in FY 2025 and FY 2024, respectively, consist of PFC revenues, CFC revenues, net investment income, gain on retirement of capital assets, and other noncapital grants (capital grant revenues are included in capital contributions).

In FY 2025, nonoperating revenues net of nonoperating expenses decreased by \$5,475,075, or 17.6%, primarily due to a combination of the following:

- (1) increased PFC revenues of \$880,523, primarily due to increases in enplaned passengers, interest income from the PFC investment portfolio, and the unrealized gain from the fair valuation of investments in the PFC investment portfolio;
- (2) increased CFC revenues of \$515,740, due to an increase in rental car activity;

## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

(3) increased investment income of \$29,218,145, due to increases in interest income from the Operating investment portfolio, the unrealized gain from the fair valuation of the Operating investment portfolio, and Trustee interest revenue;

(4) increased debt service interest expense of \$31,650,639, primarily due to the interest expense accrual for the 2024 Bonds;

(5) increased other interest and fiscal charges of \$2,057,458, due to quarterly maintenance fees associated with the Authority's commercial paper program as part of the RPT Plan of Finance;

(6) decreased bond issuance costs of \$513,655, due to the decrease in financial support service expenditures associated with the prior-period issuance of the 2024 Bonds; and

(7) increased replacement passenger terminal development expenses of \$2,451,235, due to an increase in non-capital RPT related professional services costs.

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

(1) increased PFC revenues of \$3,050,214, primarily due to increases in enplaned passengers, interest income from the PFC investment portfolio, and the unrealized gain from the fair valuation of investments in the PFC investment portfolio;

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

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

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

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

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

(7) decreased replacement terminal development expenses of \$363,579, due to a decrease in non-capital RPT related professional services costs.

### **Capital Contributions**

Capital contributions amounting to \$38,175,051 and \$14,367,792 were recorded in FY 2025 and FY 2024, respectively. In FY 2025, these amounts represent FAA IJJA-BIL grants for the continued design and construction of the Replacement Passenger Terminal project and a FAA AIP grant for the purchase of an ARFF truck replacement. In FY 2024, these amounts represent FAA IJJA-BIL grants for the design and preconstruction of the Replacement Passenger Terminal project.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

### ***Replacement Passenger Terminal Project***

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

Since the passage of Measure B, the Authority has advanced the RPT project through key regulatory, planning, and financial milestones, including securing conditional FAA approval of the Airport Layout Plan, completing the NEPA Environmental Impact Statement, validating the project concept and cost, conducting public charrettes, selecting a program manager and progressive design-build team, and establishing both interim and federal funding sources while developing a long-term financing plan.

The Authority reinstated this important safety project in September 2021 after an 18-month suspension due to the COVID-19 pandemic. In May 2022, Jacobs Project Management Co. assumed program management responsibilities of the project. On December 19, 2022, the Authority awarded a progressive design-build agreement to Holder, Pankow, TEC Joint Venture (HPTJV). In April 2023, the Authority selected the "Icon" design concept, and on January 25, 2024, the Authority broke ground on the project. On May 6, 2024, the Authority approved HPTJV's guaranteed maximum price (GMP) of \$1.11 billion, with a total project budget of \$1.3 billion.

RPT project funding is supported by a combination of General Airport Revenue Bonds (GARBs), FAA AIP and IJJA-BIL grants, Passenger Facility Charges (PFC), and the Authority's Facility Development Reserve Fund. On May 30, 2024, the Authority issued \$724.8 million in bonds to finance much of the project and related costs, while federal awards through October 2025 total \$96.7 million in IJJA-BIL and AIP grants. The Authority has approval to use \$61.7 million in PFC revenue, for project design and, in part, to serve as the local match for the IJJA-BIL grants supporting the RPT project. The Authority also has standby letters of credit of \$200 million that have not yet been utilized. Additional federal funding continues to be pursued, with the final FY 2026 bond issuance anticipated in Q4 FY 2026.

In FY 2025, the RPT project advanced through several major construction milestones, including the placement of the final steel beam onto the terminal building, progressing building enclosure and interior systems, and making steady headway on site civil and utility work. Design and permitting phases were finalized, allowing construction to transition fully into vertical and interior development. By June 2025, the terminal's primary structure was fully in place, the parking garage basement was complete, and overall progress remained on schedule with a planned October 2026 opening.

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

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

***Requests for Information***

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

## **BASIC FINANCIAL STATEMENTS**

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Statements of Net Position

June 30, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Current unrestricted assets:		
Cash and investments – operating fund (note 3)	\$ 59,790,629	\$ 27,276,938
Grants receivable	12,557,898	1,779,528
Leases receivable (note 7)	3,055,491	3,251,476
Accounts receivable	4,034,637	7,995,050
Accrued interest receivable	7,918,493	3,487,067
Prepaid expenses	332,090	280,631
Total current unrestricted assets	87,689,238	44,070,690
Current restricted assets:		
Cash and investments (note 3):		
Cash and investments held by bond trustee	389,483,977	747,693,555
Other restricted cash and investments:		
Operating Reserve Fund	16,101,125	15,284,081
Bond Surplus Fund	1,459,500	2,601,563
Authority Areas Reserve	3,652,282	3,568,353
Asset Forfeiture Fund	26,517	25,702
Proceeds from sale of Airport property	2,104,502	2,104,502
Facility Rent Reserve	1,651,914	620,952
Passenger Facility Charge Fund	75,905,446	64,950,519
Customer Facility Charge Fund	1,568,839	1,610,153
Total other restricted cash and investments	102,470,125	90,765,825
Total current restricted cash and investments	491,954,102	838,459,380
Passenger Facility Charge receivables	1,076,994	1,674,685
Customer Facility Charge receivables	538,312	503,575
Accrued interest receivable	6,056,679	3,796,428
Total current restricted assets	499,626,087	844,434,068
Noncurrent unrestricted assets:		
Cash and investments – Facility Development Reserve (note 3)	220,132,453	205,132,453
Leases receivable (note 7)	583,411	3,525,701
Capital assets (note 4):		
Land	160,065,894	160,065,894
Other nondepreciable capital assets	1,128,515	1,128,515
Construction in progress	575,603,088	147,756,131
Buildings and improvements	257,558,854	256,902,208
Runways and improvements	160,211,443	160,120,870
Machinery and equipment	41,486,796	39,501,833
Intangible right to use asset (note 8)	660,984	660,984
Less accumulated depreciation and amortization	(351,832,881)	(339,111,002)
Total capital assets, net	844,882,693	427,025,433
Total noncurrent unrestricted assets	1,065,598,557	635,683,587
Noncurrent restricted assets:		
2024 Bonds debt service reserve surety and bond insurance (note 5)	2,671,948	2,764,085
Total assets	\$1,655,585,830	\$1,526,952,430

## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Statements of Net Position

June 30, 2025 and 2024

(Continued)

<b>Liabilities</b>	<b>2025</b>	<b>2024</b>
Current liabilities:		
Accounts payable and accrued expenses	\$ 107,656,432	\$ 49,243,486
Salaries and benefits payable	261,776	239,307
Unearned revenue	3,159,663	6,801,314
Customer deposits	1,874,487	1,862,376
Compensated absences, current	556,989	993,646
Subscription liabilities, current (note 8)	75,389	77,963
Total current liabilities	113,584,736	59,218,092
Liabilities payable from restricted assets:		
Current portion of long-term debt (note 5)	2,170,000	6,405,000
Accrued interest payable	19,442,920	5,030,533
Total liabilities payable from restricted assets	21,612,920	11,435,533
Noncurrent liabilities:		
Revenue bonds payable, less current portion (note 5)	787,485,000	789,655,000
Original issue premium, net (note 5)	27,386,081	28,333,008
Compensated absences, noncurrent	1,039,512	429,708
Subscription liabilities, noncurrent (note 8)	26,838	102,227
Total noncurrent liabilities	815,937,431	818,519,943
Total liabilities	951,135,087	889,173,568
<b>Deferred Inflows of Resources</b>		
Deferred inflows - leases (note 7)	3,638,902	6,777,177
Total deferred inflows of resources	3,638,902	6,777,177
<b>Net Position</b>		
Net investment in capital assets	340,145,318	250,621,896
Restricted:		
Debt service	82,481,217	118,115,788
Capital projects	84,289,166	72,288,115
Federal asset seizure	26,517	25,702
Other purposes	3,652,282	3,568,353
Unrestricted	190,217,341	186,381,831
Total net position	\$ 700,811,841	\$ 631,001,685

See accompanying notes to basic financial statements.

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## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Statements of Revenues, Expenses and Changes in Net Position

Years ended June 30, 2025 and 2024

	2025	2024
Operating revenues:		
Charges for services:		
Parking	\$ 34,736,135	\$ 29,564,588
Landing fees	4,837,942	4,458,672
Concessions	15,518,880	14,355,798
Tenant rent	19,907,219	19,861,157
Ground transportation	4,338,831	4,042,279
Fuel flowage fees	627,883	928,115
Other operating revenues	1,898,595	1,779,485
Total operating revenues	81,865,485	74,990,094
Operating expenses:		
Contracted airport services	26,004,872	24,695,925
Salaries and benefits	8,248,807	7,299,875
Financial services	1,490,087	1,101,142
Rescue services	4,364,700	4,238,948
Materials and supplies	553,502	448,886
Repairs and maintenance	7,933,452	8,006,357
Utilities	2,293,961	2,132,319
Professional services	3,615,888	3,370,066
Insurance	1,528,228	1,487,416
Other operating expenses	5,905,791	5,523,792
Total operating expenses before depreciation and amortization	61,939,288	58,304,726
Operating income before depreciation and amortization	19,926,197	16,685,368
Depreciation and amortization (note 4)	13,889,856	14,911,710
Operating income	6,036,341	1,773,658
Nonoperating revenues (expenses):		
Passenger Facility Charge revenue, including interest (note 9)	16,813,453	15,932,930
Customer Facility Charge revenue (note 10)	5,913,505	5,397,765
Investment income, net	46,748,430	17,530,285
Interest income (note 7)	173,823	267,547
Interest expense, debt service	(38,031,050)	(6,380,411)
Other interest and fiscal charges	(2,066,188)	(8,730)
Bond issuance costs	(1,738,637)	(2,252,292)
Gain on retirement of capital assets	35,677	110,515
Other noncapital grants (note 12d)	492,992	768,236
Replacement terminal development	(2,743,241)	(292,006)
Total nonoperating revenues, net	25,598,764	31,073,839
Income before capital contributions	31,635,105	32,847,497
Capital contributions (note 12d)	38,175,051	14,367,792
Changes in net position	69,810,156	47,215,289
Total net position – beginning of year	631,001,685	583,786,396
Total net position – end of year	\$ 700,811,841	\$ 631,001,685

See accompanying notes to basic financial statements.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Statements of Cash Flows

Years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from airline carriers, tenants, and others	\$ 82,196,584	\$ 75,193,337
Cash paid to suppliers of goods and services	(49,765,367)	(48,092,822)
Cash paid for employees' services	(8,053,191)	(7,103,435)
Cash paid for parking taxes to the City of Burbank	(3,549,392)	(3,100,781)
Cash paid for replacement terminal development	(2,743,241)	(292,006)
Cash paid from settlement for hangar floors	(9,847)	(25,440)
Net cash provided by operating activities	18,075,546	16,578,853
Cash flows from noncapital financing activities:		
Other noncapital grants	516,986	1,361,325
Net cash provided by noncapital financing activities	516,986	1,361,325
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(373,819,444)	(82,179,765)
Proceeds from sale of capital assets	35,677	110,515
Principal paid on revenue bonds	(6,405,000)	(6,090,000)
Interest paid on revenue bonds	(24,473,453)	(4,152,663)
Interest paid on subscriptions	(6,096)	(8,730)
Interest received on leases	173,823	267,547
Non-interest fiscal charges	(2,060,092)	—
Proceeds from sale of bonds	—	753,081,811
Prepaid bond surety and insurance	—	(2,772,019)
Cash paid for bond issuance costs	(1,748,887)	(2,242,042)
Passenger Facility Charge program receipts	13,694,604	12,612,936
Customer Facility Charge program receipts	5,878,768	5,330,885
Capital contributions received	27,372,688	13,742,510
Net cash provided by (used in) capital and related financing activities	(361,357,412)	687,700,985
Cash flows from investing activities:		
Interest received on investments	32,872,414	6,841,716
Purchases of investments not considered cash equivalents	(56,817,019)	(738,076,816)
Proceeds from the sale or maturity of investments not considered cash equivalents	359,946,230	44,773,309
Net cash used in investing activities	336,001,625	(686,461,791)
Net increase in cash and cash equivalents	(6,763,255)	19,179,372
Cash and cash equivalents, beginning of year	56,346,585	37,167,213
Cash and cash equivalents, end of year	\$ 49,583,330	\$ 56,346,585

## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Statements of Cash Flows

Years ended June 30, 2025 and 2024

(Continued)

	2025	2024
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 6,036,341	\$ 1,773,658
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	13,889,856	14,911,710
Other nonoperating expenses	(2,743,241)	(292,006)
Changes in assets and liabilities:		
Accounts receivable	3,960,413	(4,680,340)
Prepaid expenses	(51,459)	143,582
Accounts payable and accrued expenses	417,560	(357,797)
Salaries and benefits payable	22,469	37,253
Compensated absences	173,147	159,186
Unearned revenue	(3,641,651)	4,674,318
Customer deposits	12,111	209,290
Net cash provided by operating activities	\$ 18,075,546	\$ 16,578,854
Reconciliation of cash and cash equivalents to the statements of net position:		
Operating fund	\$ 59,790,629	\$ 27,276,938
Restricted cash and investments	491,954,102	838,459,380
Facility Development Reserve	220,132,453	205,132,453
Cash, cash equivalents, and investments	771,877,184	1,070,868,771
Investments not considered cash equivalents	(722,293,854)	(1,014,522,186)
Cash and cash equivalents, end of year (note 3)	\$ 49,583,330	\$ 56,346,585
Summary of significant noncash capital, investing and financing activities:		
Amortization of original issue premiums	\$ (946,927)	\$ (558,241)
Amortization of 2005 Bonds deferred amount on refunding	—	(102,010)
Change in fair value of investments	(10,900,878)	(8,738,374)
Capital assets acquired by accounts payable	(100,942,358)	(42,936,721)
Net change in lease receivable on lessor lease transactions	3,138,275	3,467,205
Net change in grants receivable related to federal awards	(10,778,370)	(32,193)

See accompanying notes to basic financial statements.

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# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

### (1) Nature of Authority

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

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

### (2) Summary of Significant Accounting Policies

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

#### (a) Basis of Accounting

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

#### (b) Description of Basic Financial Statements

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

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

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Those assets are restricted due to external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments through constitutional provisions or enabling legislation. At June 30, 2025 and 2024, net positions of \$84,195,884 and \$72,891,832, respectively, are restricted by enabling legislation.
- *Unrestricted* – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

### **(c) Operating and Nonoperating Revenues and Expenses**

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

**(d) *Restricted Assets***

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

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

**(e) *Grants and Capital Contributions***

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

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

**(f) *Passenger Facility Charge Revenues***

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

**(g) *Customer Facility Charge Revenues***

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

### (h) *Revenues and Cash Accounts*

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

- **Operating Fund** – The balance in this fund is to be used for payment of operations and maintenance costs as they become due and payable.
- **Rebate Fund** – Amounts on deposit in the Rebate Fund shall be applied to satisfy federal tax law requirements. As of June 30, 2025 and 2024, there was no balance in the Rebate Fund.
- **Debt Service Funds** – Bond interest currently payable on the 2012 and 2015 Bonds is deposited to each bond issue's debt service fund monthly prior to each semiannual payment. Currently payable bond principal on the 2012 and 2015 Bonds is transferred to each bond issue's debt service fund monthly prior to each annual payment. These cash funds are held by a trustee who pays the bond interest and principal when due. The balance in the Debt Service Funds at June 30, 2025 and 2024 is \$5,494,700 and \$5,217,887, respectively, for the 2012 Bonds, and \$0 and \$4,707,667, respectively, for the 2015 Bonds.

CFCs, as received, and RITC Facility Rents, as needed, are deposited to the 2012 Bonds Debt Service Fund each month prior to each semiannual interest and each annual bond principal payment currently payable.

- **Debt Service Reserve Funds** – An amount equal to the lesser of (i) ten percent of the initial offering price of the Revenue Bonds, (ii) greatest annual debt service from the current period to the maturity of the Revenue Bonds, or (iii) 125% of average annual debt service from the current period to the maturity of the Revenue Bonds, is to be held by the trustee in these funds to be used in the event that monies in the respective Debt Service Funds are insufficient to meet payments when due. A debt service reserve surety in an amount of \$3,664,397 and equal to 10% of the original offering price was obtained for the 2015 Bonds in lieu of a debt service reserve fund. Additionally, a debt service reserve surety in an amount of \$48,607,907 was obtained for the 2024 Bonds in lieu of a debt service reserve fund. During the years ended June 30, 2025 and 2024, the required balance in the Debt Service Reserve Fund, calculated using the greatest annual debt service from the current period to the maturity of the Revenue Bonds, is \$5,838,000 for the 2012 Bonds. The residual balance in the Debt Service Reserve Fund that was left over from the refunding of the 2005 Bonds at June 30, 2025 and 2024 is \$0 and \$166,162, respectively. The balance in the Debt Service Reserve Fund for the 2012 Bonds at June 30, 2025 and 2024 is \$7,032,698 and \$6,714,925, respectively.
- **Operating Reserve Fund** – The balance in this fund is to be used to pay operation and maintenance costs in the event that monies in the Operating Fund are insufficient. The Authority maintains a reserve equivalent to one-fourth of the annual operations and maintenance budget. The balance in the Operating Reserve Fund at June 30, 2025 and 2024 is \$16,101,125 and \$15,284,081, respectively.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

- **Subordinated Indebtedness Fund** – In the event that additional debt is incurred, which is expressly made subordinate or junior in right of payment to the 2015 Bonds or 2012 Bonds, this fund will be established and used to pay principal, interest, and other allowable costs associated with the subordinated indebtedness. As of June 30, 2025 and 2024, there was no balance in the Subordinated Indebtedness Fund.
- **Reserve and Contingency Fund** – The balance in this fund is to be used to pay the costs of extraordinary repairs and replacements of Airport facilities to the extent that such costs are not provided from the proceeds of insurance or from other funds. Any remaining balances in the Reserve and Contingency Fund, not required to meet any deficiencies in the Debt Service Fund or Debt Service Reserve Funds or not needed for any of the purposes for which such Fund was established, shall be transferred to the Operating Fund, and any remaining excess may be deposited in the Surplus Fund. As of June 30, 2025 and 2024, there was no balance in the Reserve and Contingency Fund.
- **Surplus Fund** – All monies remaining in the Revenue Fund at year-end are to be deposited in this fund and may be transferred to offset other fund deficiencies in the following priority order: first in the Debt Service Fund, second in the applicable Debt Service Reserve Fund, third to the Subordinated Indebtedness Fund, and fourth to the Reserve and Contingency Fund. Amounts in the Surplus Fund not required to meet a deficiency as set forth above shall be applied or set aside as allowed for in the bond indenture. As of June 30, 2025 and 2024, there was \$1,459,500 and \$2,601,563, respectively, in the Surplus Fund to be transferred to any of the funds mentioned above. Amounts transferred to the Surplus Fund may be used for purposes of computation of the debt service coverage ratio.
- **Cost of Issuance Funds** – The balance in this fund provides for the payment of costs to issue the 2012, 2015, and 2024 Bonds not paid directly from escrow at the closing of the sale of the respective bonds. This fund is held by a trustee and is subject to the terms and conditions as set forth in the bond indenture. As of June 30, 2025 and 2024, there is \$0 and \$22,928, respectively, in the Cost of Issuance Funds pertaining to the 2024 Bonds.
- **Construction Funds** – The balance in this fund provides for the payment of applicable Capital Improvements identified to be financed from the 2012 Series A and B Bonds, the 2015 Series A and B Bonds, and the 2024 Series A and B Bonds. These funds are held by a trustee and are subject to the terms and conditions as set forth in the bond indenture. As of June 30, 2025 and 2024, there are \$74 and \$70 for the 2012 Series A and B Bonds and \$302,701,212 and \$638,667,653 for the 2024 Series A and B Bonds.

### *(i) Other Cash Accounts*

The Authority maintains the following additional restricted cash:

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

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

The Authority maintains the following board-designated cash:

- **Facility Development Reserve** – Reserve established during fiscal year (FY) 2000 to provide for the future development of terminal and other Airport facilities. The actual appropriation of these funds to selected facility development projects will be determined based on the approval of the Authority. In FY 2025 \$15,000,000 of excess revenues was transferred to the Facility Development Reserve and in FY 2024, no amount was transferred to the Facility Development Reserve.

### *(j) Capital Assets*

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

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

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

## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Notes to Basic Financial Statements

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#### **(k) *Compensated Absences***

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

Employees are entitled to 100 hours of sick leave during each year (50 hours for job share employees). Employees may accrue sick leave or may receive payment for any unused portion of sick leave days exceeding ten (10) days.

Vacation and sick leave are accrued as earned by employees.

Employees are also entitled to bank up to 180 hours of overtime and one (1) floating holiday for personal leave. Employees will receive ten (10) hours of pay (five (5) hours for job share employees) for each floating holiday utilized.

At June 30, 2025, the Authority recorded \$1,596,501 of accrued compensated absences, a net increase of \$173,147 from the prior year balance of \$1,423,354.

#### **(l) *Fair Value Measurements***

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

#### **(m) *Investments and Invested Cash***

In accordance with California Government Code (Code) Section 53600 et seq., the Authority adopts an investment policy annually for the Operating and PFC portfolios that, among other things, authorizes types of allowable investments, maximum maturities, maximum concentration of investments by type of investment and issuer, minimum ratings for certain types of investments, and how the investments may be held. These criteria on investments and invested cash related to the Authority's bonded debt are governed by the related Master Indenture of Trust. The Authority further limits all investments to be more restrictive than the Code. Authorized investments and invested cash include U.S. Treasury securities, corporate notes, federal agency securities, money market mutual funds, bankers' acceptances, commercial paper, negotiable and non-negotiable certificates of deposit, repurchase agreements, guaranteed investment contracts and funds deposited in the State Treasurer's Local Agency Investment Fund (LAIF). Additional restrictions in the Authority's investment policy over the requirements of the Code include: (1) smaller maximum portions of the portfolios for certain investment types (e.g., U.S. Agency securities, negotiable and time certificates of deposit, bankers' acceptances, commercial paper, money market mutual funds, LAIF), (2) smaller maximum portions of the portfolios invested in a single institution/

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

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issuer (e.g., negotiable and time certificates of deposit, corporate notes, bankers' acceptances, commercial paper) (3) limiting the underlying investments of money market mutual funds to U.S. Treasury securities, and (4) excluding investments in reverse repurchase agreements and securities lending agreements, collateralized mortgage obligations and similar investments, debt securities issued by other local agencies and shares of beneficial interest issued by joint powers authorities formed in accordance with Section 6509.7 of the Code. The restrictions in the Code and the additional limitations in the Authority's investment policy mitigate the Authority's interest rate risk, credit risk, concentration of credit risk, and custodial credit risk related to its various investments.

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

**(n) *Statements of Cash Flows***

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

**(o) *Prepaid Expenses***

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

**(p) *Use of Estimates***

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

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**(q) Income Taxes**

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

**(r) Accounting Pronouncements Adopted During the Fiscal Year**

The following accounting pronouncements were issued by the Governmental Accounting Standards Board (GASB), and were implemented by the Authority during the fiscal year ended June 30, 2025:

- GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 is effective for the Authority's fiscal year ended June 30, 2025. Application of GASB 101 did not have a significant impact on the financial statements for the year ended June 30, 2025.
- GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide information to users of government financial statements about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. GASB Statement No. 102 is effective for the Authority's fiscal year ending June 30, 2025. Application of Statement No. 102 did not have any financial impact on the Authority.

**(s) Accounting Pronouncements Issued, Not Yet Effective**

The following GASB Statements have been issued but are not yet effective for the year ended June 30, 2025. The Authority is assessing what financial statement impact, if any, these Statements will have:

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

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- GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to establish requirements for certain types of capital assets to be disclosed separately for purposes of note disclosures, and to establish requirements for capital assets held for sale and note disclosures for those capital assets. The requirements of this statement are effective for the Authority's financial statements for the year ending June 30, 2026.
- GASB Statement No. 105, *Subsequent Events*. The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement are effective for the Authority's financial statements for fiscal year ending June 30, 2027.

**(t) *Reclassification of Prior Year Presentation***

Certain reclassifications have been made to the FY 2024 Basic Financial Statements to conform with the current year's presentation. Such reclassifications did not impact net position and change in net position.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

**(3) Cash and Investments**

**(a) Cash and Investments**

(i) Cash and investments at June 30, 2025 and 2024 are classified in the accompanying statements of net position as follows:

	<u>2025</u>	<u>2024</u>
Cash and investments – unrestricted assets:		
Operating fund	\$ 59,790,629	\$ 27,276,938
Facility Development Reserve	220,132,453	205,132,453
Total cash and investments – unrestricted assets	<u>279,923,082</u>	<u>232,409,391</u>
Cash and investments – restricted assets:		
Cash and investments held by bond trustee:		
Debt service reserve fund – 2005 Bonds	—	166,162
Debt service fund – 2012 Bonds	5,494,700	5,217,887
Debt service reserve fund – 2012 Bonds	7,032,698	6,714,925
Construction funds – 2012 Bonds	74	70
Debt service fund – 2015 Bonds	—	4,707,667
Cost of issuance funds – 2024 Bonds	—	22,928
Capitalized interest funds – 2024 Bonds	74,255,291	92,196,261
Construction funds – 2024 Bonds	302,701,214	638,667,655
Total cash and investments held by bond trustee	<u>389,483,977</u>	<u>747,693,555</u>
Other restricted cash and investments:		
Operating Reserve fund	16,101,125	15,284,081
Bond Surplus fund	1,459,500	2,601,563
Authority Areas Reserve fund	3,652,282	3,568,353
Asset Forfeiture fund	26,517	25,702
Proceeds from sale of Airport property	2,104,502	2,104,502
Facility Rent Reserve fund	1,651,914	620,952
Passenger Facility Charge fund	75,905,446	64,950,519
Customer Facility Charge fund	1,568,839	1,610,153
Total other restricted cash and investments	<u>102,470,125</u>	<u>90,765,825</u>
Total cash and investments – restricted assets	<u>491,954,102</u>	<u>838,459,380</u>
Total cash and investments	<u>\$ 771,877,184</u>	<u>\$ 1,070,868,771</u>

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

(ii) Cash and investments as of June 30, 2025 and 2024 consist of the following:

	2025	2024
Operating portfolio cash and investments:		
Cash and cash equivalents:		
Cash on hand	\$ 500	\$ 500
Deposits with financial institutions	17,387,706	8,655,694
Money market mutual funds	9,260,804	23,500,912
LAIF	13,917,121	14,296,678
Total cash and cash equivalents	40,566,131	46,453,784
Investments:		
U.S. Treasury securities	96,005,665	77,610,863
U.S. Agency securities	90,407,482	74,860,713
Medium-term corporate notes	77,939,644	57,689,184
Total investments	264,352,791	210,160,760
Total cash and cash equivalents and investments in operating portfolio	304,918,922	256,614,544
Passenger Facility Charge Fund:		
Cash and cash equivalents:		
Deposits with financial institutions	6,081,241	8,223,423
Money market mutual funds	1,367,119	59,225
Total cash and cash equivalents	7,448,360	8,282,648
Investments:		
U.S. Treasury securities	24,683,145	25,871,650
U.S. Agency securities	24,113,474	17,621,465
Medium-term corporate notes	19,660,467	13,174,756
Total investments	68,457,086	56,667,871
Total cash and cash equivalents and investments in passenger facility charge fund	75,905,446	64,950,519
Customer Facility Charge Fund:		
Deposits with financial institutions	1,568,839	1,610,153
Investments held by bond trustee:		
Money market mutual funds	134,267,461	66,735,189
U.S. Treasury securities	255,216,516	680,958,366
Total cash and cash equivalents and investments	389,483,977	747,693,555
Total cash and cash equivalents and investments	\$ 771,877,184	\$ 1,070,868,771

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

	2025	2024
Summary of cash and investments:		
Cash and cash equivalents:		
Cash on hand	\$ 500	\$ 500
Deposits with financial institutions	25,037,786	18,489,270
Money market mutual funds	10,627,923	23,560,137
LAIF	13,917,121	14,296,678
Total cash and cash equivalents	49,583,330	56,346,585
Investments:		
U.S. Treasury securities	120,688,810	103,482,513
U.S. Agency securities	114,520,956	92,482,178
Medium-term corporate notes	97,600,111	70,863,940
Money market mutual funds held by bond trustee	134,267,461	66,735,189
U.S. Treasury securities held by bond trustee	255,216,516	680,958,366
Total investments	722,293,854	1,014,522,186
Total cash and cash equivalents and investments	\$ 771,877,184	\$1,070,868,771

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

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

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

## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Notes to Basic Financial Statements

June 30, 2025 and 2024

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

a. Percentages apply separately to the Operating portfolio and the Passenger Facility Charge Fund portfolio.

Excludes amounts held by bond trustee.

### (c) *Investments Authorized Under the Master Indenture of Trust*

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

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

**(d) *Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time, as necessary to provide the cash flow and liquidity needed for operations. The Authority monitors the interest rate risk in its portfolios by measuring the weighted average maturity of the portfolios and limiting them to an average level recommended by its professional investment manager, currently approximately 1.1 years. The Authority also employs a “buy and hold” investment strategy whereby investments are held to maturity and redeemed at par. This strategy limits the Authority’s exposure to declines in fair value to unforeseen emergencies when the need for cash beyond that which is planned and anticipated may arise.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

The weighted average maturity of each authorized investment type by pool at June 30, 2025 and 2024 are as follows:

Authorized investment type	June 30, 2025		June 30, 2024	
	Amount	Weighted average maturity (in years)	Amount	Weighted average maturity (in years)
Operating portfolio cash equivalents and investments:				
Operating portfolio investments:				
U.S. Treasury securities	\$ 96,005,664	1.97	\$ 77,610,863	1.43
U.S. Agency securities	90,407,482	1.75	74,860,713	1.11
Medium-term corporate notes	<u>77,939,644</u>	2.00	<u>57,689,184</u>	0.98
Total operating portfolio investments	<u>264,352,790</u>	1.90	<u>210,160,760</u>	1.19
Operating portfolio cash equivalents:				
Money market mutual funds	9,260,804	0.27	23,432,787	0.14
LAIF	<u>13,917,121</u>	0.69	<u>14,296,678</u>	0.60
Total operating portfolio cash equivalents	<u>23,177,925</u>	0.52	<u>37,729,465</u>	0.31
Total operating portfolio cash equivalents and investments	<u>287,530,715</u>	1.79	<u>247,890,225</u>	1.06
Passenger Facility Charge (PFC) Fund cash equivalents and investments:				
PFC Fund investments:				
U.S. Treasury securities	24,683,146	2.10	25,871,650	0.80
U.S. Agency securities	24,113,474	1.97	17,621,465	1.21
Medium-term corporate notes	<u>19,660,467</u>	2.24	<u>13,174,756</u>	0.98
Total PFC Fund investments	<u>68,457,087</u>	2.09	<u>56,667,871</u>	0.97
PFC Fund cash equivalents – money market mutual funds	<u>1,367,119</u>	0.27	<u>47,100</u>	0.14
Total PFC Fund cash equivalents and investments	<u>69,824,206</u>	2.05	<u>56,714,971</u>	0.97
Investments held by bond trustee:				
Money market mutual funds	134,267,461	0.27	66,735,189	0.14
U.S. Treasury securities	<u>255,216,516</u>	0.42	<u>680,958,366</u>	0.70
Total investments held by bond trustee	<u>389,483,977</u>	0.37	<u>747,693,555</u>	0.65
Total cash equivalents and investments	<u>\$ 746,838,898</u>	1.07	<u>\$1,052,298,751</u>	0.76

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

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

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

**(f) *Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented on the next page is the minimum rating required by (where applicable) the Code, the Authority's investment policy or the Master Indenture of Trust, as amended and restated, and the actual rating as of June 30, 2025 and 2024 for each investment type.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

Authorized investment type	Amount	Minimum legal rating	Not required to be rated or not rated	Rating as of year-end		
				AAA	AA	A
As of June 30, 2025:						
Operating portfolio cash equivalents and investments:						
Operating portfolio investments:						
U.S. Treasury securities	\$ 96,005,664	N/A	\$ 96,005,664	\$ —	\$ —	\$ —
U.S. Agency securities:						
Fed. Farm Credit Bank	14,177,812	N/A	—	—	14,177,812	—
Fed. Home Loan Bank	36,423,824	N/A	—	—	36,423,824	—
Fed. Home Loan Mort. Corp.	8,128,613	N/A	—	—	8,128,613	—
Fed. National Mort. Assn.	31,677,233	N/A	—	—	31,677,233	—
Total U.S. Agency securities	90,407,482		—	—	90,407,482	—
Medium-term corporate notes	77,939,644	A	—	—	13,203,912	64,735,732
Total operating portfolio investments	264,352,790		96,005,664	—	103,611,394	64,735,732
Operating portfolio cash equivalents:						
Money market mutual funds	9,260,804	AAA	—	9,260,804	—	—
LAIF	13,917,121	N/A	13,917,121	—	—	—
Total operating portfolio cash equivalents	23,177,925		13,917,121	9,260,804	—	—
Total operating portfolio cash equivalents and investments	287,530,715		109,922,785	9,260,804	103,611,394	64,735,732
Passenger Facility Charge (PFC) Fund cash equivalents and investments:						
PFC Fund investments:						
U.S. Treasury securities	24,683,146	N/A	24,683,146	—	—	—
U.S. Agency securities:						
Fed. Farm Credit Bank	6,543,132	N/A	—	—	6,543,132	—
Fed. Home Loan Bank	9,204,826	N/A	—	—	9,204,826	—
Fed. Home Loan Mort. Corp.	1,843,909	N/A	—	—	1,843,909	—
Fed. National Mort. Assn.	6,521,607	N/A	—	—	6,521,607	—
Total U.S. Agency securities	24,113,474		—	—	24,113,474	—
Medium-term corporate notes	19,660,467	A	—	—	2,993,797	16,666,670
Total PFC Fund investments	68,457,087		24,683,146	—	27,107,271	16,666,670
PFC Fund cash equivalents:						
Money market mutual funds	1,367,119	AAA	—	1,367,119	—	—
Total PFC Fund cash equivalents and investments	69,824,206		24,683,146	1,367,119	27,107,271	16,666,670
Investments held by bond trustee:						
Money market mutual funds	134,267,461	AAA	—	134,267,461	—	—
U.S. Treasury securities	255,216,516	N/A	255,216,516	—	—	—
Total investments bond trustee	389,483,977		255,216,516	134,267,461	—	—
Total cash equivalents and investments	<u>\$ 746,838,898</u>		<u>\$ 389,822,447</u>	<u>\$ 144,895,384</u>	<u>\$ 130,718,665</u>	<u>\$ 81,402,402</u>

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

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

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

**(g) Fair Value Measurements**

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

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

The Authority has the following recurring fair value measurements as of June 30, 2025 and 2024:

Authorized investment type	June 30, 2025				June 30, 2024			
	Total	Level 1	Level 2	Not Levelled	Total	Level 1	Level 2	Not Levelled
Operating portfolio cash equivalents and investments:								
Operating portfolio investments:								
U.S. Treasury securities	\$ 96,005,664	\$ 96,005,664	\$ —	\$ —	\$ 77,610,863	\$ 77,610,863	\$ —	\$ —
U.S. Agency securities:								
Fed. Farm Credit Bank	14,177,812	—	14,177,812	—	16,658,919	—	16,658,919	—
Fed. Home Loan Bank	36,423,824	—	36,423,824	—	26,113,496	—	26,113,496	—
Fed. Home Loan Mort. Corp.	8,128,613	—	8,128,613	—	6,839,417	—	6,839,417	—
Fed. National Mort. Assn.	31,677,233	—	31,677,233	—	25,248,881	—	25,248,881	—
Total U.S. Agency securities	90,407,482	—	90,407,482	—	74,860,713	—	74,860,713	—
Medium-term corporate notes	77,939,644	—	77,939,644	—	57,689,184	—	57,689,184	—
Total Operating portfolio investments	264,352,790	96,005,664	168,347,126	—	210,160,760	77,610,863	132,549,897	—
Operating portfolio cash equivalents:								
Money market mutual funds <sup>1</sup>	9,260,804	—	—	9,260,804	23,432,787	—	—	23,432,787
LAIF	13,917,121	—	—	13,917,121	14,296,678	—	—	14,296,678
Total Operating portfolio cash equivalents	23,177,925	—	—	23,177,925	37,729,465	—	—	37,729,465
Total Operating portfolio cash equivalents and investments	287,530,715	96,005,664	168,347,126	23,177,925	247,890,225	77,610,863	132,549,897	37,729,465

Note 1 - Valued at net asset value (NAV)

(continued)

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

Authorized investment type	June 30, 2025				June 30, 2024			
	Total	Level 1	Level 2	Not Leveled	Total	Level 1	Level 2	Not Leveled
Passenger Facility Charge (PFC) Fund								
cash equivalents and investments:								
PFC Fund investments:								
U.S. Treasury securities	\$ 24,683,146	\$ 24,683,146	\$ —	\$ —	\$ 25,871,650	\$ 25,871,650	\$ —	\$ —
U.S. Agency securities:								
Fed. Farm Credit Bank	6,543,132	—	6,543,132	—	4,649,270	—	4,649,270	—
Fed. Home Loan Bank	9,204,826	—	9,204,826	—	5,392,765	—	5,392,765	—
Fed. Home Loan Mort. Corp.	1,843,909	—	1,843,909	—	1,709,854	—	1,709,854	—
Fed. National Mort. Assn.	6,521,607	—	6,521,607	—	5,869,576	—	5,869,576	—
Total U.S. Agency securities	24,113,474	—	24,113,474	—	17,621,465	—	17,621,465	—
Medium-term corporate notes	19,660,467	—	19,660,467	—	13,174,756	—	13,174,756	—
Total PFC Fund investments	68,457,087	24,683,146	43,773,941	—	56,667,871	25,871,650	30,796,221	—
PFC Fund cash equivalents – money market mutual funds <sup>1</sup>	1,367,119	—	—	1,367,119	47,100	—	—	47,100
Total PFC Fund cash equivalents and investments	69,824,206	24,683,146	43,773,941	1,367,119	56,714,971	25,871,650	30,796,221	47,100
Investments held by bond trustee:								
Money market mutual funds <sup>1</sup>	134,267,461	—	—	134,267,461	66,735,189	—	—	66,735,189
U.S. Treasury securities	255,216,516	255,216,516	—	—	680,958,366	680,958,366	—	—
Total investments bond trustee	389,483,977	255,216,516	—	134,267,461	747,693,555	680,958,366	—	66,735,189
Total cash equivalents and investments	<u>\$ 746,838,898</u>	<u>\$ 375,905,326</u>	<u>\$ 212,121,067</u>	<u>\$ 158,812,505</u>	<u>\$1,052,298,751</u>	<u>\$ 784,440,879</u>	<u>\$ 163,346,118</u>	<u>\$ 104,511,754</u>

Note 1 - Valued at net asset value (NAV)

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

### (h) **Concentration of Credit Risk**

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

Issuer	Authorized investment type	Reported amount at June 30,			
		2025		2024	
		Amount	Fund %	Amount	Fund %
Operating portfolio investments:					
Federal Home Loan Bank	U.S. Agency securities	\$ 36,423,824	13.31%	\$ 26,113,496	11.18%
Federal National Mortgage Association	U.S. Agency securities	31,677,233	11.58	25,248,881	10.81
Federal Farm Credit Bank	U.S. Agency securities	14,177,812	5.18	16,658,919	7.13
Passenger Facility Charge Fund investments:					
Federal National Mortgage Association	U.S. Agency securities	6,521,607	9.34	5,869,576	10.35
Federal Home Loan Bank	U.S. Agency securities	9,204,826	13.18	5,392,765	9.51
Federal Farm Credit Bank	U.S. Agency securities	6,543,132	9.37	4,649,270	8.20

### (i) **Custodial Credit Risk**

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

## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Notes to Basic Financial Statements

June 30, 2025 and 2024

At June 30, 2025 and 2024, a portion of the Authority's deposits with financial institutions were uninsured and the collateral was held in accordance with the Code by the pledging financial institution in the Authority's name, as follows:

	2025	2024
Cash deposits:		
Insured	\$ 250,000	\$ 250,000
Uninsured, collateral held in the Authority's name	26,047,293	20,662,165
Total cash deposits	26,297,293	20,912,165
Plus deposits in transit	183,446	371,621
Less outstanding checks	(1,442,953)	(2,794,516)
Carrying amount of cash deposits	\$ 25,037,786	\$ 18,489,270

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

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

The Authority is a voluntary participant in the LAIF that is regulated by the Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying basic financial statements at amounts based upon the Authority's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the Authority's position in the LAIF pool. As of June 30, 2025 and 2024, the total amount invested by all California local governments and special districts in LAIF was \$24.2 billion and \$22.0 billion, respectively. LAIF is part of the State of California's Pooled Money Investment Account (PMIA), which as of June 30, 2025 and 2024 had a balance of \$179.2 billion and \$178.3 billion, respectively. The PMIA is not SEC-registered, but is required to invest according to the Code.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

**(4) Capital Assets**

Changes in capital assets for the year ended June 30, 2025 were as follows:

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Capital assets not being depreciated:				
Land	\$ 160,065,894	\$ —	\$ —	\$ 160,065,894
Other non-depreciable assets	1,128,515	—	—	1,128,515
Construction in progress	<u>147,756,131</u>	<u>431,747,116</u>	<u>(3,900,159)</u>	<u>575,603,088</u>
Total capital assets not being depreciated	<u>308,950,540</u>	<u>431,747,116</u>	<u>(3,900,159)</u>	<u>736,797,497</u>
Capital assets being depreciated/ amortized:				
Building and improvements	256,902,208	656,646	—	257,558,854
Runways and improvements	160,120,870	90,573	—	160,211,443
Machinery and equipment	39,501,833	3,152,940	(1,167,977)	41,486,796
Intangible right to use asset	<u>660,984</u>	<u>—</u>	<u>—</u>	<u>660,984</u>
Total capital assets being depreciated/ amortized	<u>457,185,895</u>	<u>3,900,159</u>	<u>(1,167,977)</u>	<u>459,918,077</u>
Less accumulated depreciation/ amortization for:				
Building and improvements	(173,979,449)	(5,148,460)	—	(179,127,909)
Runways and improvements	(128,133,594)	(7,162,348)	—	(135,295,942)
Machinery and equipment	(36,631,829)	(1,437,672)	1,167,977	(36,901,524)
Intangible right to use asset	<u>(366,130)</u>	<u>(141,376)</u>	<u>—</u>	<u>(507,506)</u>
Total accumulated depreciation/ amortization	<u>(339,111,002)</u>	<u>(13,889,856)</u>	<u>1,167,977</u>	<u>(351,832,881)</u>
Total capital assets being depreciated/ amortized, net	<u>118,074,893</u>	<u>(9,989,697)</u>	<u>—</u>	<u>108,085,196</u>
Total capital assets, net	<u>\$ 427,025,433</u>	<u>\$ 421,757,419</u>	<u>\$ (3,900,159)</u>	<u>\$ 844,882,693</u>

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

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

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

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

**(5) Long-Term Debt**

The following is a summary of changes in long-term debt for the years ended June 30, 2025 and 2024:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Year ended June 30, 2025:					
Revenue bonds payable:					
2012 Revenue Bonds:					
2012 Series A	\$ 6,715,000	\$ —	\$ —	\$ 6,715,000	\$ —
2012 Taxable Series B	60,215,000	—	(2,055,000)	58,160,000	2,170,000
Plus deferred amounts for original issue premium	112,202	—	(6,234)	105,968	—
2015 Revenue Bonds:					
2015 Series B	4,350,000	—	(4,350,000)	—	—
2024 Revenue Bonds:					
2024 Series A	34,680,000	—	—	34,680,000	—
2024 Series B	642,420,000	—	—	642,420,000	—
2024 Taxable Series C	47,680,000	—	—	47,680,000	—
Plus deferred amounts for original issue premium	28,220,807	—	(940,694)	27,280,113	—
Total long-term debt payable	<u>\$824,393,009</u>	<u>\$ —</u>	<u>\$ (7,351,928)</u>	<u>\$817,041,081</u>	<u>\$ 2,170,000</u>

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Year ended June 30, 2024:					
Revenue bonds payable:					
2012 Revenue Bonds:					
2012 Series A	\$ 6,715,000	\$ —	\$ —	\$ 6,715,000	\$ —
2012 Taxable Series B	62,165,000	—	(1,950,000)	60,215,000	2,055,000
Plus deferred amounts for original issue premium	118,435	—	(6,233)	112,202	—
2015 Revenue Bonds:					
2015 Series B	8,490,000	—	(4,140,000)	4,350,000	4,350,000
Plus deferred amounts for original issue premium	471,003	—	(471,003)	—	—
2024 Revenue Bonds:					
2024 Series A	—	34,680,000	—	34,680,000	—
2024 Series B	—	642,420,000	—	642,420,000	—
2024 Taxable Series C	—	47,680,000	—	47,680,000	—
Plus deferred amounts for original issue premium	—	28,301,811	(81,004)	28,220,807	—
Total long-term debt payable	<u>\$ 77,959,438</u>	<u>\$753,081,811</u>	<u>\$ (6,648,240)</u>	<u>\$824,393,009</u>	<u>\$ 6,405,000</u>

**(a) 2012 Revenue Bonds**

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

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

The 2012 Series A Bonds are due in annual installments ranging from \$1,155,000 to \$5,560,000 from July 1, 2041 to July 1, 2042 at an interest rate of 5.000% payable semiannually on July 1 and January 1 - beginning July 1, 2012, the 2012 Series A Bonds are subject to optional redemption by the Authority, without premium, in whole or in part on

## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

### Notes to Basic Financial Statements

June 30, 2025 and 2024

any date on and after July 1, 2022 at a redemption price equal to the principal and accrued interest to the redemption date on the portion to be redeemed.

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

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

#### **(b) 2015 Revenue Bonds**

On April 30, 2015, the Authority issued \$32,260,000 of 2015 Airport Revenue Bonds (2015 Bonds) with an effective interest rate of 2.553% and at an original issue premium of \$4,383,971. The 2015 Bonds, issued as parity bonds with the 2012 Bonds, were issued in two series to defease the 2005 Airport Revenue Bonds (2005 Bonds). The 2015 Bonds were special obligations of the Authority payable solely from, and secured solely by a pledge of, the net revenues and amounts in certain funds established under the Master Indenture of Trust, as amended and restated, and the Debt Service Reserve Fund (provided through a surety).

The 2015 Revenue Bonds reached final maturity on July 1, 2024. The \$1,335,000 Airport Revenue Bonds, 2015 Series A (non-AMT) ("2015 Series A Bonds") were repaid in two annual installments on July 1, 2016, and July 1, 2017, at interest rates of 3.000% and 4.000%, respectively. The \$30,925,000 Airport Revenue Bonds, 2015 (AMT) Series B ("2015 Series B Bonds") were repaid in annual installments ranging from \$2,070,000 to \$4,350,000 from July 1, 2016, through July 1, 2024, with interest rates between 3.000% and 5.000%, paid semiannually from January 1, 2016, through July 1, 2024.

#### **(c) 2024 Revenue Bonds**

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

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### Notes to Basic Financial Statements

June 30, 2025 and 2024

The \$34,680,000 Airport Senior Revenue Bonds 2024 Series A (non-AMT) (2024 Series A Bonds) is due in one annual installment of \$34,680,000 on July 1, 2054 at an interest rate of 4.000% payable semiannually on July 1 and January 1 beginning January 1, 2025. The 2024 Series A Bonds are subject to redemption prior to maturity at the option of the Authority and from any source of funds, in whole or in part on any date on and after July 1, 2034 at a Redemption Price equal to the principal amount of the 2024 Series A Bonds to be redeemed, plus unpaid accrued interest thereon to the date fixed for redemption, without premium.

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

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

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

A bond insurance policy was obtained for certain maturities of the 2024 Bonds totaling \$257,860,000 in principal to protect bondholders against a default with respect to scheduled bond principal and interest payments. Additionally, a debt service reserve surety was obtained for the \$48,607,907 debt service reserve requirement on the 2024 Bonds. Additionally, the premiums on the bond insurance and debt service reserve surety have been capitalized and are being amortized over the life of the 2024 Bonds. The total unamortized bond insurance and debt service reserve surety premiums at June 30, 2025 and 2024 is \$2,671,948 and \$2,764,085, respectively.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

**(d) Bonds Payable**

Balances of bonds payable as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
2024 Series A (Non-AMT) Airport Senior Revenue Bonds of \$34,680,000	\$ 34,680,000	\$ 34,680,000
2024 Series B (AMT) Airport Senior Revenue Bonds of \$642,420,000	642,420,000	642,420,000
2024 Series C (Taxable) Airport Senior Revenue Bonds of \$47,680,000	47,680,000	47,680,000
2015 Series B (AMT) Airport Revenue Bonds of \$30,925,000	—	4,350,000
2012 Series A (AMT) Airport Revenue Bonds of \$6,715,000	6,715,000	6,715,000
2012 Series B (Taxable) Airport Revenue Bonds of \$75,450,000	58,160,000	60,215,000
	<u>\$ 789,655,000</u>	<u>\$ 796,060,000</u>

**(e) Annual Debt Service Requirements to Maturity**

Revenue bonds debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Payable in year ending			
June 30:			
2026	\$ 2,170,000	\$ 38,825,493	\$ 40,995,493
2027	2,290,000	38,701,460	40,991,460
2028	2,420,000	38,570,475	40,990,475
2029	15,930,000	38,089,721	54,019,721
2030	16,765,000	37,237,609	54,002,609
2031 – 2035	97,800,000	171,867,079	269,667,079
2036 – 2040	125,625,000	143,455,633	269,080,633
2041 – 2045	147,480,000	109,436,952	256,916,952
2046 – 2050	166,960,000	71,962,206	238,922,206
2051 – 2055	212,215,000	25,726,894	237,941,894
	<u>\$ 789,655,000</u>	<u>\$ 713,873,522</u>	<u>\$ 1,503,528,522</u>

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

**(f) Pledged Revenues**

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

The computation of the coverage rate covenant and general rate covenant as of June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Pledged Revenues	\$ 28,968,816	\$ 24,134,764
Transfers to Surplus Fund	1,458,284	2,599,983
Net Pledged Revenues	\$ 30,427,100	\$ 26,734,747
Accrued debt service on 2012 Bonds	\$ 5,833,134	\$ 5,832,433
Less: Customer Facility Charges collected and deposited to the debt service fund	(5,810,980)	(5,330,885)
Accrued debt service on 2015 Bonds	—	4,567,500
Net accrued debt service on parity obligations	\$ 22,154	\$ 5,069,048
Ratio of Net Pledged Revenues to net accrued debt service on parity obligations	1,373.44	5.27
Pledged Revenues plus transfers to Surplus Fund	\$ 30,427,100	\$ 26,734,747
Less: transfers to Operating Reserve	(817,044)	(1,430,106)
Less: net accrued debt service on parity obligations	(22,154)	(5,069,048)
Excess of pledged revenues over net accrued debt service on parity obligations and transfers to Operating Reserve	\$ 29,587,902	\$ 20,235,593

The estimated aggregate total amount of pledged net revenues and amounts in the funds established under the Master Indenture of Trust related to the 2012 and 2024 Bonds is equal to the remaining debt service on the 2012 and 2024 Bonds at June 30, 2025 of

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

\$1,503,528,522. The pledged revenues are in force during the term of the 2012 and 2024 Bonds with final maturity on July 1, 2054.

### **(g) Events of Default**

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

### **(6) Retirement Plan**

Effective February 1, 2023 through June 30, 2026, the Authority entered into a replacement Memorandum of Understanding with the Burbank Airport Police Officers Association (BAPOA) which includes the continued implementation of a 401(a) employer-sponsored defined contribution plan (401(a) Plan) and a 457(b) government deferred compensation plan (457(b) Plan) sponsored by the BAPOA. The Authority contributes 7.5%, as of July 1, 2024, of eligible base salaries and overtime as a retirement contribution to the 401(a) Plan, payable as part of bi-weekly payroll. Effective February 1, 2023, officers may make voluntary contributions to the 457(b) Plan with the Authority matching and contributing up to a maximum of 6% of eligible base salaries. Officers may take loans against contributions. All employees are eligible to participate upon hire and contributions and earnings vest immediately. The 401(a) Plan and the 457(b) Plan are administered by Transamerica Retirement Solutions.

Total salaries and benefits for the Airport Police Officers were \$8,248,807 and \$7,299,875 for the years ended June 30, 2025 and 2024, respectively. The Authority's contributions have been calculated using the base salary plus overtime amount of \$5,936,090 and \$5,490,268 for the years ended June 30, 2025 and 2024, respectively. The Authority made the required accruals and contributions, amounting to \$429,772 and \$368,528 in the years ended June 30, 2025 and 2024, respectively.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

### (7) Leases

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

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

#### (a) *Regulated Leases*

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

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

The Authority also maintains other numerous aeronautical agreements that are considered regulated leases. These agreements include two FBOs that provide general aviation services and hangar leases for aircraft storage and cargo operations. Revenues from regulated leases of \$16,900,562 and \$16,205,876 were recorded in the years ended June 30, 2025 and 2024, respectively. These revenue are included in Tenant rent revenues on the Statement of Revenues, Expenses and Changes in Net Position.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

### **(b) Short-term and Variable Payment Leases**

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

The Authority has various short-term leases for Airport property and land. These short-term leases are based on a month-to-month term. Revenues from short-term leases of \$1,154,033 and \$1,293,362 were recorded in the years ended June 30, 2025 and 2024, respectively. These revenues are included in Parking, Concessions, and Tenant rent revenues on the Statement of Revenues, Expenses and Changes in Net Position.

The Authority has various variable payment leases with in-terminal concessions and rental car companies. These leases have variable payments based on 1) activities, such as a percentage of sales or an amount per transaction, 2) annually adjusted rates, not based on an index such as the Consumer Price Index, and square footage re-allocations due to activity based metrics, and/or 3) a percentage of the prior year's total remitted amount. Revenues from variable payment leases of \$10,540,783 and \$9,949,431 were recorded in the years ended June 30, 2025 and 2024, respectively. These revenues are included in Concessions and Tenant rent revenues on the Statement of Revenues, Expenses and Changes in Net Position.

### **(c) Other Leases**

The Authority recognizes a lease receivable and a deferred inflow of resources for fixed payment concession leases and non-aeronautical property leases. Fixed payment concession leases include food and beverage, sundries, and advertising tenants at the Airport. Non-aeronautical property leases contain various leases for property and space that are used for non-aeronautical purposes such as vehicle and equipment storage.

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

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

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

At June 30, 2025 and 2024, the Authority's current lease receivables are \$3,055,491 and \$3,251,476, respectively, and noncurrent lease receivables are \$583,411 and \$3,525,701, respectively. For each of the fiscal years ended June 30, 2025 and 2024, the Authority reported lease revenue, included in Concessions and Tenant rent on the Statement of Revenues, Expenses and Changes in Net Position, of \$7,341,190 and \$7,528,118, respectively, of which \$2,679,822 and \$2,473,620, respectively, were related to over-MAG revenues. Additionally, for each fiscal years ended June 30, 2025 and 2024, the Authority reported interest income of \$173,823 and \$267,547, respectively, related to lease payments received.

The future expected lease receivable and revenue balances are summarized as follows:

Fiscal year ending June 30:	Beginning Lease Receivable	Annual Lease Revenue	Ending Lease Receivable	Interest Revenue
2026	\$ 3,638,902	\$ 3,055,491	\$ 583,411	\$ 68,812
2027	583,411	583,411	—	4,315

**(8) Subscription-Based Information Technology Arrangements**

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

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

The subscription assets as of June 30, 2025 and 2024 totaled \$660,984 and \$660,984, respectively, and the related accumulated amortization as of June 30, 2025 and 2024 totaled \$507,505 and \$366,130, respectively. The remaining subscription liabilities, including both current and noncurrent portions, as of June 30, 2025 and 2024 totaled \$102,227 and \$180,190, respectively. The amount of expenses recognized for fiscal years ended June 30, 2025 and 2024 for variable and other payments not previously included in the measurement of the subscription liabilities was \$0 for both fiscal years.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

Principal and interest requirements to maturity for subscription liabilities are summarized as follows:

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

**(9) Passenger Facility Charges**

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

Total PFC revenue for the years ended June 30, 2025 and 2024 totaled \$16,813,453 and \$15,932,930, respectively. These amounts include interest income net of any unrealized gain or loss from the change in fair market valuation of the PFC investment portfolio totaling \$3,716,539 and \$3,145,765, respectively.

During the year ended June 30, 2025, funds totaling \$5,805,591 for eligible costs expended on PFC projects during FY 2025 were reimbursed to the Operating Fund from the PFC Fund. During the year ended June 30, 2024, funds totaling \$15,676,455 for eligible costs expended on PFC projects during FY 2024 were reimbursed to the Operating Fund from the PFC Fund.

**(10) Customer Facility Charges**

Effective December 1, 2009, the Authority adopted a \$10 CFC per rental car transaction to provide for the planning, design, construction and financing of a CRCF in accordance with *California Civil Code Section 1936 et. seq.*, as amended. Effective July 1, 2011, the Authority implemented an alternative CFC rate of \$6 per rental car transaction day up to a maximum of five days. All CFC funds collected are maintained in a separate account administered by the Authority prior to disbursement. CFC revenue for the years ended June 30, 2025 and 2024 totaled \$5,913,505 and \$5,397,765, respectively. In accordance with the Bond Indenture, all CFC revenues collected subsequent to July 1, 2014 are transferred to the 2012 Bonds Debt Service Fund, which amounted to \$5,810,980 and \$5,330,885 for the years ended June 30, 2025 and 2024, respectively. CFC revenues plus residual Facility Rent, as necessary, are used to pay debt service on the 2012 Bonds. The balance in the CFC Fund of \$1,568,839 is available for uses in accordance with the agreements between the Authority and the RACs for operation in the CRCF.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

### **(11) Related-Party Transactions**

The Authority is charged for services and items from City of Burbank departments that are categorized in the various expense line items in the statements of revenues, expenses, and changes in net position and are included in various capital assets for permits and related fees. The most significant related-party transactions with the City are payments for utilities and City parking tax. Amounts due to related parties at June 30, 2025 and 2024 are included in accounts payable and accrued expenses on the accompanying basic financial statements.

The Airport is subject to a 12% tax on parking revenue payable to the City of Burbank on a quarterly basis. The Authority incurred parking tax expense totaling \$3,693,430 and \$3,143,961 during the years ended June 30, 2025 and 2024, respectively. Amounts due to the City of Burbank for parking taxes were \$973,541 and \$829,503 at June 30, 2025 and 2024, respectively.

The Authority incurred electricity, water, and wastewater utilities expenses related to various operating activities, non-operating activities, and capital projects from Burbank Water and Power during the years ended June 30, 2025 and 2024 totaling \$3,007,091 and \$2,898,369 (including amounts charged back to tenants of \$805,598 and \$852,324), respectively. Amounts due to Burbank Water and Power were \$249,205 and \$274,428 at June 30, 2025 and 2024, respectively.

The Authority approved deposit payments for aid-in-construction and plan check fees with the City of Burbank for Burbank Water and Power to purchase long-lead electrical infrastructure items required to provide temporary and eventually permanent power to the Replacement Passenger Terminal. The deposits of \$20,980,970 and \$1,411,000, for aid-in-construction and plan check fees, respectively, were paid during the fiscal year ended June 30, 2025 and 2024. An additional \$40,000 was paid to Burbank Water and Power in June 2024 for site inspection fees.

### **(12) Commitments and Contingencies**

#### **(a) *Litigation and Claims***

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; war risk and natural disasters for which the Authority carries commercial insurance, subject to deductibles ranging from \$1,000 to \$100,000. No settlements exceeded insurance coverage in the past three fiscal years. There were no significant lawsuits or claims pending against the Authority at June 30, 2025.

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Notes to Basic Financial Statements

June 30, 2025 and 2024

**(b) Contracted Services**

The Authority has contracted with TBI to perform certain airport administrative, maintenance, ARFF services, and operational services. Compensation under the agreement is based on a base management fee and reimbursement of operating costs, primarily salaries and benefits. A budget for TBI costs is prepared each year and is subject to review and approval as part of the Authority's annual budget process. The management fee is adjusted annually based on increases or decreases to certain operating costs. Costs incurred under the contract for the years ended June 30, 2025 and 2024, respectively, are as follows:

	<u>2025</u>	<u>2024</u>
Contracted airport services	\$ 18,304,342	\$ 16,857,148
Aircraft rescue and firefighting services	4,364,700	4,238,948
Capitalized to constructed capital assets	2,392	37,340
Other expenses	116,747	139,924
Total airport management contract costs	<u>\$ 22,788,181</u>	<u>\$ 21,273,360</u>

The Authority has contracted with Ace Parking for self-park management and valet parking services. Compensation under the contract is based on a fixed management fee and reimbursement of operating costs. These costs are subject to review and approval as part of the Authority's annual budget process. Costs under the contract for the years ended June 30, 2025 and 2024 are \$5,501,801 and \$5,503,008, respectively.

Ace Parking also provides turn-key employee and customer shuttle services to and from the Airport's remote parking lots. The costs of the shuttle services for the years ended June 30, 2025 and 2024 are \$2,198,729 and \$2,335,769, respectively.

**(c) Contract Commitments**

The Authority had significant contract commitments outstanding as of June 30, 2025 for various capital projects totaling \$654,870,349, of which approximately 98.6% was for the RPT project with the remaining for the Part 150 Noise Study, Runway / Taxiway Shoulder Rehabilitation Design, Building 36 Security / Ramp Access Doors Replacement, Mobile Police Firearms Training Range, Escalator Rehabilitation / Replacement, SEQ Reconfiguration Design, SEQ RPS Reconfiguration Construction, and Taxiway A/C Extension Design projects.

**(d) Federal and Other Grants**

As of June 30, 2025, the Authority had nonexpended, noncancelable grant commitments of \$27,785,512 of which \$26,861,591 is related to the RPT design and construction, and \$923,921 for the Part 150 Noise Study.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

Notes to Basic Financial Statements

June 30, 2025 and 2024

The Authority has been awarded various federal and other grants. Grants awarded and expenditures against those grants for the years ended June 30, 2025 and 2024, respectively, are as follows:

Award Date	Award Amount	Project description	Expenditures charged to grant	
			2025	2024
Dec. 2021	\$ 2,560,424	ARPA Concessions Rent Relief	\$ 1,577,203	\$ 396,947
Jul. 2023	851,601	Replacement ARFF Truck	851,601	—
Jul. 2023	102,833	Wildlife Hazard Assessment Mngmt. Plan	41,663	61,169
Sep. 2023	1,625,370	Noise Compatibility Plan Study	451,329	250,120
Sep. 2023	30,000,000	RPT Phase 1 Design (65.54% of Design)	6,711,687	12,295,068
Sep. 2023	15,890,229	RPT Phase 1 Design (34.46% of Design)	7,994,459	2,072,724
Aug. 2024	17,300,000	RPT Phase II Construction	14,449,699	—
Aug. 2024	8,167,605	RPT Phase II Construction	8,167,605	—
Total expenditures charged to federal grants			<u>40,245,246</u>	<u>15,076,028</u>
May 2022	60,000	Cal OES High Frequency Communications Equipment Program	—	60,000
Total expenditures charged to local grants			<u>—</u>	<u>60,000</u>
Total expenditures charged to grants			<u>\$ 40,245,246</u>	<u>\$ 15,136,028</u>

The ARPA concessions rent relief grant provided direct pass-through funding to eligible concessionaires for financial relief from COVID-19 pandemic impacts at the Airport. The FY 2025 amount above represents total credits applied to concessionaire rent and MAG, reported in the Authority's concession revenue line item on the Statements of Revenues, Expenses and Changes in Net Position and reducing the Authority's unearned revenue on the Statements of Net Position for the fiscal year ended June 30, 2025. In FY 2024 this amount represents the Authority's recovery of financial relief previously provided to concessionaires during the pandemic, and is reported in the Authority's other noncapital grants line item for the fiscal year ended June 30, 2024, with the remaining amount recorded as unearned revenue on the Statements of Net Position.

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

Subsequent to June 30, 2025, the Authority received two FAA administered IJA grants and one AIP grant in the amounts of \$9.3 million (Airport Terminal Program), \$8.1 million (Airport Infrastructure Grants) and \$7.9 million for the RPT project, respectively.

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## Notes to Basic Financial Statements

June 30, 2025 and 2024

### **(13) Replacement Passenger Terminal Project**

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

Since the passage of Measure B, the Authority has advanced the RPT project through key regulatory, planning, and financial milestones. After an 18-month COVID-19 pandemic suspension, the project was reinstated in 2021. In May 2022, Jacobs Project Management Co. assumed program management responsibilities of the project. The Authority selected and the FAA approved the progressive design-build delivery method for the project. On December 19, 2022, the Authority awarded a progressive design-build agreement to Holder, Pankow, TEC Joint Venture (HPTJV). The Authority selected the "Icon" design concept in 2023, broke ground in January 2024, and approved a \$1.11 billion guaranteed maximum price (GMP) in May 2024 within an overall project budget of \$1.3 billion.

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

During FY 2025, the Authority received two FAA IIJA-BIL grants in the amount of \$17.3 million (Airport Terminal Program) and \$8.2 million (Airport Infrastructure Grants) for eligible building construction element costs of the project. In addition, the Authority received approval to collect and use PFC Application 22 in the amount of \$13.3 million to serve as the local match to previously awarded FAA IIJA-BIL grants. These amounts, together with the \$45.9 million in FAA IIJA-BIL grants for eligible design and preconstruction costs approved in FY 2024 and the \$48.4 million from PFC Application 21 for eligible design costs approved in FY 2023, represented the federal funding sources utilized during FY 2025 for the RPT project. Subsequent to June 30, 2025, the Authority received two additional FAA IIJA grants, an \$8.1 million Airport Infrastructure Grant in August 2025 and a \$9.3 million Airport Terminal Program grant in October 2025, along with a \$7.9 million FAA Airport Improvement Program grant in October 2025. The final FY 2026 bond issuance is anticipated in Q4 FY 2026.

In FY 2025, the Authority advanced the terminal's design, completed major steel work, and achieved the topping out of the structural frame in January 2025. Site work continued with grading, utility installation, and key infrastructure preparation, while the parking garage basement was finished and vertical construction began. Interior and exterior systems have also progressed, including installation of mechanical, electrical, and plumbing systems as well as early work on the building enclosure, such as the curtain wall system. By June 2025, the project had moved fully into enclosure and interior build-out, with the terminal on schedule for its planned October 2026 opening.

More information and ongoing updates to the RPT project can be found at [www.elevatebur.com](http://www.elevatebur.com).