



Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Burbank-Glendale-Pasadena Airport Authority (the Authority) as of and for the year ended June 30, 2015, and have issued our report thereon dated December 4, 2015.

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

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

Los Angeles, California
December 4, 2015

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Calculation of Rates and Charges Ratio⁽¹⁾

Year Ended June 30, 2015

(Unaudited)

Pledged revenues	\$ 51,099,117
Less operating expenses	<u>38,249,302</u>
Net revenues	12,849,815
Transfers to Surplus Fund	<u>2,601,563</u>
Net revenues plus transfers to Surplus Fund	<u><u>\$ 15,451,378</u></u>
Deposits and charges:	
Accrued debt service – 2005 Airport Revenue Bonds ⁽²⁾	\$ 5,040,312
Accrued debt service – 2012 Airport Revenue Bonds ⁽³⁾	5,832,095
Deposit of Customer Facility Charge revenue to Debt Service Fund	(5,550,353)
Accrued debt service – 2015 Airport Revenue Bonds ⁽⁴⁾	<u>262,885</u>
Net accrued debt service	5,584,939
Deposits to debt service reserve fund(s)	—
Amounts due credit providers	—
Deposits to operating reserve account	128,622
Payments for outstanding subordinate obligations	—
Deposits to Reserve and Contingency Fund	<u>—</u>
Total deposits and charges	<u><u>\$ 5,713,561</u></u>
Deposits and charges coverage ratio	2.70
Required deposits and charges coverage ratio	1.00
Net revenues plus transfers to Surplus Fund	<u><u>\$ 15,451,378</u></u>
Net accrued debt service	<u><u>\$ 5,584,939</u></u>
Debt service coverage ratio	2.77
Required debt service coverage ratio	1.25

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

⁽²⁾ Accrued debt service represents the principal and interest due on January 1, 2015 and April 30, 2015. The 2005 Airport Revenue Bonds were defeased on April 30, 2015 and the balance of principal and interest due totaling \$46,028,188 was deposited with the escrow trustee on April 30, 2015 and paid to bondholders on July 1, 2015.

⁽³⁾ Accrued debt service represents the interest due on January 1, 2015 and July 1, 2015.

⁽⁴⁾ Accrued debt service represents the interest for May and June 2015 due on January 1, 2015.