

Financial Statements

FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



ONTARIO INTERNATIONAL AIRPORT AUTHORITY
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Independent Auditor's Report

To the Board of Commissioners
Ontario International Airport Authority

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of the Ontario International 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 present fairly, in all material respects, the financial position of the Ontario International Airport Authority as of June 30, 2025 and 2024 and the changes in its financial position and its cash flows thereof 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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

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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits 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 audits 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.

To the Board of Commissioners
Ontario International Airport Authority

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 the 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 audits, 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 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, which 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 auditing standards generally accepted in the United States of America, 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 5, 2025 on our consideration of the Ontario International Airport 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 Ontario International Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of audits performed in accordance with *Government Auditing Standards* in considering the Ontario International Airport Authority's internal control over financial reporting and compliance.



December 5, 2025

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

The following discussion and analysis of the financial performance and activity of the Ontario International Airport Authority (Authority) provides an overview of the Authority's financial statements for the years ended June 30, 2025 and 2024. Information for the previous year ended June 30, 2023 has been included to provide a better insight into the overall financial position of the Authority. This Management's Discussion and Analysis (MD&A) has been prepared by management and should be read and considered in conjunction with the Authority's Basic Financial Statements.

The Authority is a business-type entity and, as such, the Basic Financial Statements consists of the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, the Statements of Cash Flows, and the Notes to Financial Statements.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Authority History

The Authority was organized on August 27, 2012, under a joint powers agreement between the City of Ontario, CA and the County of San Bernardino, CA (together Municipalities) pursuant to California Government Code Section 6500. The purpose of the Authority is to exercise such powers for the operation, maintenance, management, administration, development, and marketing of the Ontario International Airport (ONT).

The Authority acquired substantially all assets and liabilities of ONT from the City of Los Angeles department known as Los Angeles World Airports (LAWA) on November 1, 2016.

Airport Funding Methodology

Funding for operations at ONT is determined by the Authority's Signatory Airline Operating Use and Terminal Lease Agreements (ULAs) between the Authority and all signatory passenger and cargo airlines operating at ONT. When an airline signs a ULA, it is designated as a Signatory Airline. The ULAs also determine the budget and financing methodology which the Authority and airlines agree to follow. Airport budget methodologies throughout the United States are usually characterized as either compensatory or residual, although some airports have a hybrid methodology, which combines both features.

The Authority operates under a residual methodology. The ULAs establish two cost centers for purpose of determining rates and charges payable by the Signatory Airlines and other users of the airport facilities: airfield and terminal. ULAs have an airline rate-setting methodology where all landing fees and terminal rental rates are calculated on a residual basis. Signatory Airlines are required to provide for break-even financial operations of ONT under the ULAs.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Airport Funding Methodology – continued

Additional detailed information regarding ULAs may be found in Note 2 and Note 10 in the accompanying Notes to Financial Statements.

Airline Rates and Charges

The Authority has ULAs with seven signatory domestic passenger airlines, two signatory international passenger airlines, and four signatory cargo airlines that expired on September 30, 2024 and are currently under holdover on month-to-month tenancy. The ULAs provide a method for securing the financial stability of the Authority through a schedule of rates and charges. The following table details some of the key rates and charges included in the agreement.

Type	Unit	June 30, 2025		June 30, 2024		January 1 - June 30, 2023		
		Signatory	Non-Signatory	Signatory	Non-Signatory	Signatory	Non-Signatory	
Landing Fees								
Aircraft Over 25,000 Pounds	Per 1,000 lbs. MGLW	\$ 1.94	\$ 2.43	\$ 1.83	\$ 2.29	\$ 1.64	\$ 2.05	
Aircraft Over 12,500 Pounds up to 25,000 Pounds	Per Landing	\$ 59.00	\$ 74.00	\$ 59.00	\$ 74.00	\$ 59.00	\$ 74.00	
Aircraft Less Than 12,500 Pounds	Per Landing	\$ 31.00	\$ 38.00	\$ 31.00	\$ 38.00	\$ 31.00	\$ 38.00	
Terminal Rental Rates								
Terminal Space (Monthly)	PSFPM	\$ 7.63	9.54	\$ 7.26	9.08	\$ 7.63		
Terminal Space (Annual)	PSFPY	N/A	N/A	N/A	N/A	N/A	\$ 114.48	
Terminal Use Fees (Gate Use Charges)								
Non-Preferential Gate Use Fee	Per Operation	\$ 344.87	\$ 344.87	\$ 344.87	\$ 344.87	\$ 378.30	\$ 378.30	
Jet Bridge Utility Fee on Non-Preferential Gate	Per Operation	N/A	N/A	N/A	N/A	N/A	N/A	
FIS Use Fees								
FIS Use Fee	Per Deplaned Passenger	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00	

The following discussion and analysis of the financial performance and activity of the Ontario International Airport Authority (the "Authority") provides an overview of the Authority's financial statements for the year ended June 30, 2025, and selected comparative information for the year ended June 30, 2024. This Management Discussion and Analysis ("MD&A") has been prepared by management and should be read in conjunction with the Authority's Basic Financial Statements.

Overview of the Financial Statements

The Authority's financial report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB").

The Statements of Net Position present the Authority's financial position as of a point in time, and includes all assets, deferred outflows, liabilities, and deferred inflows, with the difference presented as net position. Net position consists of: net investment in capital assets, which includes capital assets funded from unrestricted and restricted sources, net of accumulated depreciation and outstanding debt attributable to acquisition of the capital assets; restricted, when constraints are imposed by third parties or enabling legislation on assets or deferred outflows of resources, net of any liabilities and deferred inflows of resources which will be liquidated with the restricted assets; or unrestricted, which includes all remaining assets, deferred outflows of resources, liabilities and deferred inflows of resources not included in the other two categories. Over time, increases or decreases in net position

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Overview of the Financial Statements – continued

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 revenues, expenses, and other changes in net position over a period of time, typically one year. Revenues and expenses are categorized as either operating or non-operating based upon management's policy as established in accordance with definitions set forth by GASB. Operating revenues are presented as aeronautical, such as landing fees and facilities rent, or nonaeronautical, such as parking and concessions. Operating expenses include costs such as contractual services, public safety and personnel. Nonoperating revenues and expenses include passenger facility charges, investment income and interest expense.

The Statements of Cash Flows present the changes in cash and cash equivalents over a period of time, typically one year. Sources and uses of cash and cash equivalents are presented as operating, non-capital financing, capital and related financing, or investing activities.

Notes to the financial statements assist users to make better informed decisions by allowing them to: understand the accounting policies used to prepare the financial statements; assess comparability with other airports or periods; evaluate the quality and nature of the amounts and disclosures; and improve transparency and accountability to build trust with stakeholders. The notes also disclose required information related to legal and regulatory requirements, contingent liabilities and commitments, related party transactions, and subsequent events.

Airport Activities and Highlights

Number of Enplaned Passengers

The number of enplaned passengers is an indicator of a region's economic activity. Airports with consistently increasing enplanements are often in areas with a strong local economy and increases in population. Revenue is generally directly proportional to passenger facility fees, parking and concessions. For funding purposes, the Federal Aviation Administration's Airport Improvement Program allocates funds partially based on enplanement levels, and airports with over 10 thousand annual enplaned passengers qualify as a primary airport and can receive additional funding. The Authority uses enplanement data in forecasting terminal capacity, determining the timing and size of terminal expansions or when to build new terminals and facilities, runway usage and operational needs. Airlines use enplanement data to determine the number of flights and route decisions by airport.

The number of enplaned passengers for the years ended June 30 were as follows:

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Airport Activities and Highlights – continued

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Domestic	3,321,460	3,140,571	2,899,550
International	219,567	237,032	143,367
Total	<u>3,541,027</u>	<u>3,377,603</u>	<u>3,042,917</u>

For the years ended June 30, 2025 and 2024, the total number of enplanements was 3.5 million and 3.4 million, respectively, representing an increase of 0.1 million passengers (5%).

For the years ended June 30, 2025 and 2024, the number of domestic enplanements was 3.3 million (94% of total enplaned passengers) and 3.1 million (93% of total enplaned passengers), respectively, representing an increase of 0.2 million domestic passengers (6%). The increase was primarily due to additional flights from existing passenger airlines to several key hub airports. There were no significant changes in the type and size of the domestic passenger aircraft during the year.

For the years ended June 30, 2025 and 2024, the number of international enplanements was 0.2 million (6% of total enplaned passengers) and 0.2 million (7% of total enplaned passengers), respectively, representing a decrease of 17.4 thousand international passengers, or 7%. The decrease was primarily due to one airline temporarily terminating service to one destination early in the year, and another location mid-year. Further, another airline reduced service to one destination from five times weekly to three times weekly. There were no significant changes to the type and size of the international passenger aircraft during the year.

Maximum Certified Landed Weight

Maximum certified landed weight (“MCLW”) is a critical metric for measuring financial, operational and planning purposes. For financial purposes, landing fee revenue is directly proportional to the size of airliners and offsets operating and maintenance costs, infrastructure upgrades, and expansion. For performance purposes, MCLW is used to assess airport usage by different airlines and air traffic trends (e.g. passenger vs. cargo). For capacity planning and infrastructure design purposes, MCLW affects runway and taxi design, pavement management schedules, and terminal and gate planning. For cargo and freight operations purposes, MCLW is used to measure freight volume, warehouse capacity planning and customs processing, and attracting cargo and logistics operators. For regulatory compliance and funding purposes, MCLW is used for airport classification (e.g. commercial vs. general aviation), determining eligibility for federal grants and funding, and ensuring compliance with safety and infrastructure standards.

The maximum certified landed weight (in thousands) for the years ended June 30, were as follows:

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JUNE 30, 2025 AND 2024

Airport Activities and Highlights – continued

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Passenger	4,095,189,474	3,829,059,746	3,454,547,000
Cargo	<u>4,629,631,700</u>	<u>4,336,225,900</u>	<u>5,026,489,400</u>
	<u>8,724,821,174</u>	<u>8,165,285,646</u>	<u>8,481,036,400</u>

For the years ended June 30, 2025 and 2024, the total MCLW (in thousands) was 8.7 million and 8.1 million, respectively, representing an increase of 600 thousand pounds, or 7%.

For the years ended June 30, 2025 and 2024, the MCLW (in thousands) for passenger airlines was 4.1 million (47% of total MCLW) and 3.8 million (47% of total MCLW), respectively, representing an increase of 0.3 million pounds, or 7%. The increase was primarily due to the number of deplaned passengers and is consistent with the increase in landings.

For the years ended June 30, 2025 and 2024, the MCLW (in thousands) for cargo airlines was 4.6 million (53% of total MCLW) and 4.3 million (53% of total MCLW), respectively, representing an increase of 0.3 million pounds, or 7%. The increase was primarily due to one cargo airline securing a contract with the US Postal Service, requiring the use of larger aircraft. OIAA expects the MCLW for 2026 to be consistent with 2025.

Number of Landings

The number of landings is a key metric for determining operations loads, infrastructure demand, passenger and cargo flow, and strategic importance within the aviation network. Operational loads determine operating requirements such as slot allocation efficiency. Infrastructure demands determine runway expansion and maintenance, air traffic control enhancements, and planning of capital expenditures. Passenger and cargo flow are key to increasing airport operations efficiency and maximizing airport capacity. Strategic importance shapes how airports position and market themselves locally, domestically and globally. By tracking and monitoring landings over time, trends in seasonality, economic recovery and the effect of route changes by airlines are identifiable.

The number of landings for the years ended June 30, were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Passenger	28,288	26,301	24,505
Cargo	<u>16,364</u>	<u>16,219</u>	<u>18,148</u>
Total	<u>44,652</u>	<u>42,520</u>	<u>42,653</u>

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Airport Activities and Highlights – continued

For the years ended June 30, 2025 and 2024, the total number of landings was 44.7 thousand and 42.5 thousand, respectively, representing an increase of 2.2 thousand, or 5%.

For the years ended June 30, 2025 and 2024, the number of landings for passenger airlines was 28.3 thousand (63% of total landings) and 26.3 thousand (62% of total landings), respectively, representing an increase of two thousand landings, or 8%. The increase was primarily due to additional flights from existing passenger airlines, which was consistent with the increase in MCLW, indicating that there were no significant changes in the type and size of aircraft.

For the years ended June 30, 2025 and 2024, the number of landings for cargo airlines was 16.3 thousand (37% of total landings) and 16.2 thousand (38% of total landings), respectively, representing an increase of .1 thousand, or 1%. The percentage increase was significantly lower than the MCLW percentage increase of 7% due to the use of larger aircraft with approximately the same number of landings.

Financial Highlights

Summary of Operations and Changes in Net Position

Total operating revenues increased by \$8.4 million (7.2%) in 2025 over 2024. The increase in operating revenues is comprised of an increase in aeronautical revenues of \$5.4 million (10.7%) and an increase in nonaeronautical revenues of \$2.9 million (4.4%). Aeronautical revenues are driven by aeronautical activity and the annual rates and charges established by the Authority pursuant to ULAs. Nonaeronautical revenues are primarily driven by variable revenue associated with passenger activity, such as parking and concessions.

Total operating expenses increased by \$9.2 million (9.7%) in 2025 over 2024. Operating expenses are primarily driven by services necessary to support airport and passenger activity levels.

Total net nonoperating revenues decreased by \$2.7 million (16.2%) in 2025 over 2024. Decreases in nonoperating revenues in 2025 were primarily associated with Other Non-Operating Expenses related to a settlement payment to MAG US Lounge Management LLC, a former Parking and Airport Lounge Operator, in the amount of \$5.4 million. As part of the settlement, expenses recorded in a previous year, in the amount of \$1.3 million, are no longer considered payable, and now offset the \$5.4 million expense. Other Non-Operating Expenses are being offset by increases in Interest Income \$0.8 million (18.2%), which is a result of higher interest rates, Passenger Facility Charges \$0.4 million (2.6%), due to increased passenger activity, and Customer Facility Charges \$0.3 million (7.6%), due to increased rental car transactions.

Capital contributions of \$17.2 million decreased by \$71.2 million (80.6%) in 2025 from 2024; the primary reason for the decrease was the prior-year one-time payment from the City of Ontario related to the FAA Noise Land Program in 2024. Additional information related to the Noise Land funds can be found in Note 16 of the accompanying Notes to Financial Statements.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Summary of Operations and Changes in Net Position – continued

The Authority's assets exceeded liabilities as of June 30, 2025 by \$319.8 million compared to \$282.9 million as of June 30, 2024. The Authority experienced an increase in net position of \$37.0 million (13.1%) in 2025 compared to an increase of \$115.4 million (68.9%) in 2024.

	2025	2024	Increase (Decrease)	
			\$	%
OPERATING REVENUES				
Aeronautical	\$ 56,131,671	\$ 50,693,637	\$ 5,438,034	10.7 %
Nonaeronautical	68,926,885	65,999,265	2,927,620	4.4
Total Operating Revenues	125,058,556	116,692,902	8,365,654	7.2
OPERATING EXPENSES	104,081,975	94,920,799	9,161,176	9.7
Net Operating Income Before Depreciation and Amortization	20,976,581	21,772,103	(795,522)	(3.7)
Depreciation and Amortization	15,074,214	11,273,505	3,800,709	33.7
Net Operating Income (Loss)	5,902,367	10,498,598	(4,596,231)	43.8
NONOPERATING REVENUES (EXPENSES)				
Nonoperating Revenues	23,230,301	21,928,044	1,302,257	5.9
Nonoperating Expenses	9,351,014	5,360,638	3,990,376	74.4
Total Nonoperating Revenues, Net	13,879,287	16,567,406	(2,688,119)	(16.2)
Net Income Before Capital Contributions	19,781,654	27,066,004	(7,284,350)	(26.9)
CAPITAL CONTRIBUTIONS				
Federal Grants and Other	17,172,593	88,374,309	(71,201,716)	(80.6)
Increase in Net Position	36,954,247	115,440,313	(78,486,066)	(68.0)
NET POSITION – BEGINNING OF YEAR	282,879,734	167,439,421	115,440,313	68.9
NET POSITION – END OF YEAR	\$ 319,833,981	\$ 282,879,734	\$ 36,954,247	13.1 %

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Summary of Operations and Changes in Net Position – continued

Total operating revenues increased by \$30.0 million (34.5%) in 2024 over 2023. The increase in operating revenues is comprised of an increase in aeronautical revenues of \$21.6 million (74.3%) and an increase in nonaeronautical revenues of \$8.4 million (14.5%). Aeronautical revenues are driven by aeronautical activity and the annual rates and charges established by the Authority pursuant to ULAs. Nonaeronautical revenues are primarily driven by variable revenue associated with passenger activity, such as parking and concessions.

Total operating expenses increased by \$15.4 million (19.4%) in 2024 over 2023. Operating expenses are primarily driven by services necessary to support airport and passenger activity levels.

Nonoperating revenues increased by \$5.4 million (32.6%) in 2024 over 2023. Increases in nonoperating revenues in 2024 were primarily associated with Interest Income, which increased \$3.6 million (505.8%) over 2023. Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) revenues also increased \$1.4 million (10.9%) and \$0.3 million (10.1%), respectively.

Nonoperating expenses increased by \$0.8 million (18.1%) in 2024 over 2023 as a result of the Authority's repayment of normal debt service.

Capital contributions of \$88.4 million increased by \$73.4 million (490.6%) in 2024 over 2023 as a result of an increase in capital projects supported by grant activity during 2024 as well as the receipt of \$54.5 million in Noise Land Funds from the City of Ontario. Additional information related to the Noise Land funds can be found in Note 16 of the accompanying Notes to Financial Statements.

The Authority's assets exceeded liabilities as of June 30, 2024 by \$282.9 million compared to \$167.4 million as of June 30, 2023. The Authority experienced an increase in net position of \$115.4 million (68.9%) in 2024 compared to an increase of \$25.7 million (18.1%) in 2023.

Additional detailed information may be found in the sections that follow in this MD&A.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Summary of Operations and Changes in Net Position – continued

	2024	2023	Increase (Decrease)	
			\$	%
OPERATING REVENUES				
Aeronautical	\$ 50,693,637	\$ 29,086,791	\$ 21,606,846	74.3 %
Nonaeronautical	65,999,265	57,646,699	8,352,566	14.5
Total Operating Revenues	116,692,902	86,733,490	29,959,412	34.5
OPERATING EXPENSES	94,920,799	79,499,436	15,421,363	19.4
Net Operating Income Before Depreciation and Amortization	21,772,103	7,234,054	14,538,049	201.0
Depreciation and Amortization	11,273,505	8,485,077	2,788,428	32.9
Net Operating Income	10,498,598	(1,251,023)	11,749,621	(939.2)
NONOPERATING REVENUES (EXPENSES)				
Nonoperating Revenues	21,928,044	16,533,000	5,395,044	32.6
Nonoperating Expenses	5,360,638	4,539,792	820,846	18.1
Total Nonoperating Revenues, Net	16,567,406	11,993,208	4,574,198	38.1
Net Income Before Special Item and Capital Contributions	27,066,004	10,742,185	16,323,819	152.0
CAPITAL CONTRIBUTIONS				
Federal Grants and Other	88,374,309	14,964,592	73,409,717	490.6
Increase in Net Position	115,440,313	25,706,777	89,733,536	349.1
NET POSITION – BEGINNING OF YEAR	167,439,421	141,732,644	25,706,777	18.1
NET POSITION – END OF YEAR	\$ 282,879,734	\$ 167,439,421	\$ 115,440,313	68.9 %

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Statements of Net Position

Current unrestricted assets increased by \$11.9 million (11.6%) in 2025 over 2024. The increase primarily resulted from increases in cash and cash equivalents of \$26.2 million (36.3%) and accounts receivable of \$1.4 million (16.4%) offset by a decrease in Grants Receivable of \$15.9 million (89.4%).

Current restricted assets increased \$0.02 million in 2025 over 2024. Additional detailed information regarding the Authority's restricted cash balances may be found in Note 3 in the accompanying Notes to Financial Statements.

Noncurrent unrestricted assets increased by \$30.8 million (11.9%) in 2025 over 2024. The increase primarily resulted from an increase in net capital assets of \$31.5 million (12.3%). The increase in capital assets was primarily attributable to an increase in capital project activity under the Authority's Capital Improvement Program. Additional detailed information may be found in the Capital Assets section in this MD&A. This increase was offset by the \$0.7 million (37.9%) decrease in noncurrent lease receivables in 2025 from 2024.

Noncurrent restricted assets increased by \$6.0 million (5.7%) in 2025 over 2024, primarily as a result of cash and cash equivalents increasing by \$5.6 million (5.5%) as a result of increases to the Authority's balances of Passenger Facility Charges and Customer Facility Charges Funds. Restricted Accounts Receivable also increased \$0.4 million (14.4%).

Current unrestricted liabilities decreased by \$5.8 million (11.4%) in 2025 over 2024. The decrease primarily resulted from a decrease in accounts payable of \$7.1 million (30.9%) related to reduced construction invoices payable at the end of the fiscal year. Additional details related to the construction projects at the airport can be found in Note 18 in the accompanying Notes to the Financial Statements.

Current restricted liabilities increased by \$19.0 thousand (2.9%) in 2025 over 2024. The increase is due to the Authority's repayment of normal debt service.

Unrestricted noncurrent liabilities increased by \$18.2 million (14.2%), as long-term debt increased by \$18.1 million (14.2%), due to the Authority's borrowing an additional \$25.0 million from the Revolving Credit Facility, offset by normal debt service. Additional detailed information may be found in the Debt section in this MD&A.

Deferred Inflow of Resources decreased by \$0.7 million (26.4%) in 2025 over 2024 as the Authority received lease payments during 2025 from its concession leases and other terminal leases.

The Authority's net position increased by \$37.0 million (13.1%) in 2025 over 2024.

Net investment in capital assets decreased by \$5.4 million (3.9%) in 2025 over 2024 and represented 41.5% of total net position in 2025 compared to 48.9% in 2024. Net investment in capital assets represents the Authority's capital asset purchases, cash restricted for capital projects, cash restricted for debt service, less accumulated depreciation and amortization and outstanding debt incurred to acquire those assets. The Authority uses capital assets to provide services to its passengers, visitors, and tenants that generate future revenue streams.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Statements of Net Position – continued

Although the Authority's investment in its capital assets are reported net of related debt, the resources needed to repay this debt must be provided from operations since the capital assets themselves cannot be used to retire these liabilities.

The Authority's restricted net position increased by \$24.0 million (27.6%) in 2025 over 2024 and represented 34.6% of total net position in 2025 compared to 30.7% in 2024. Restricted net position represents resources that are subject to restrictions from government grantors, bond resolutions, and government regulatory authorities on how they may be used. The increase in restricted net position in 2025 over 2024 is attributable to increase in Cash and Cash Equivalents is related to the increase in Passenger Facility Charges.

The remaining unrestricted net position balance of \$76.2 million for 2025 may be used for any lawful purpose of the Authority. Unrestricted net position increased by \$18.4 million (31.9%) in 2025 over 2024 and represented 23.8% of total net position in 2025 compared to 20.4% in 2024.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Statements of Net Position – continued

	2025	2024	Increase (Decrease)	
			\$	%
ASSETS				
Current Unrestricted Assets	\$ 114,678,482	\$ 102,770,234	\$ 11,908,248	11.6 %
Current Restricted Assets	673,802	654,782	19,020	2.9
Noncurrent Unrestricted Assets	288,908,358	258,091,691	30,816,667	11.9
Noncurrent Restricted Assets	110,092,281	104,117,311	5,974,970	5.7
Total Assets	514,352,923	465,634,018	48,718,905	10.5
LIABILITIES				
Current Liabilities Payable from Unrestricted Assets	44,856,214	50,652,763	(5,796,549)	(11.4)
Current Liabilities Payable from Restricted Assets	673,802	654,782	19,020	2.9
Noncurrent Liabilities Payable from Unrestricted Assets	147,043,322	128,803,387	18,239,935	14.2
Total Liabilities	192,573,338	180,110,932	12,462,406	6.9
DEFERRED INFLOW OF RESOURCES				
Deferred Inflow of Resources – Leases	1,945,604	2,643,352	(697,748)	(26)
Total Deferred Inflow of Resources	1,945,604	2,643,352	(697,748)	(26)
Total Liabilities and Deferred Inflow of Resources	194,518,942	182,754,284	11,764,658	6.4
NET POSITION				
Net Investment in Capital Assets Restricted	132,844,627	138,280,433	(5,435,806)	(3.9)
Unrestricted	110,766,083	86,799,252	23,966,831	27.6
Total Net Position	\$ 319,833,981	\$ 282,879,734	\$ 36,954,247	13.1 %

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Statements of Net Position - continued

Current unrestricted assets increased by \$2.0 million (1.9%) in 2024 over 2023. The increase primarily resulted from increases in accounts receivable of \$1.0 million (13.4%) and grants receivable of \$3.5 million (24.5%) offset by a decrease unrestricted cash and cash equivalents of \$3.3 million (4.4%).

Current restricted assets remained flat in 2024 over 2023. Additional detailed information regarding the Authority's restricted cash balances may be found in Note 3 in the accompanying Notes to Financial Statements.

Noncurrent unrestricted assets increased by \$57.0 million (28.3%) in 2024 over 2023. The increase resulted from an increase in net capital assets of \$57.7 million (29.1%). The increase in capital assets was primarily attributable to an increase in capital project activity under the Authority's Capital Improvement Program. Additional detailed information may be found in the Capital Assets section in this MD&A.

Noncurrent restricted assets increased by \$39.5 million (61.2%) in 2024 over 2023. Noncurrent restricted cash and cash equivalents increased by \$39.2 million (62.8%). The increase was partially due to the receipt of \$54.5 million in Noise Land Funds from the City of Ontario, \$43.9 million of which is considered restricted. The increase in noncurrent restricted cash and cash equivalents was partially offset by a reduction to the 2021 Series Revenue Bond, as approximately \$20.7 million of eligible capital project expenditures were drawn in 2024. The increases in noncurrent restricted assets were partially offset by a decrease in noncurrent leases receivable of \$0.7 million (26.4%) as the Authority received lease payments during 2024 from its concession leases and other terminal leases.

Current unrestricted liabilities decreased by \$9.4 million (15.6%) in 2024 over 2023. The decrease primarily resulted from a decrease in due to airlines and partners of \$25.1 million (89.3%) from the ULAs annual true-up provision for 2024. Additional detailed information regarding this true-up may be found in the Revenues section of this MD&A. This decrease is offset by an increase in accounts payable of \$12.0 million (110.2%). This increase is primarily due to the increase in construction activity, funded both by grants and bonds, and the related invoices payable at the end of the fiscal year. Additional details related to the construction projects at the airport can be found in Note 18 in the accompanying Notes to the Financial Statements.

Current restricted liabilities increased by \$14.9 thousand (2.3%) in 2024 over 2023. The increase is due to the Authority's repayment of normal debt service.

Noncurrent liabilities decreased by \$6.9 million (5.1%), as long-term debt decreased by \$6.7 million (5.0%), due to the Authority's normal debt service. Additional detailed information may be found in the Debt section in this MD&A.

Deferred Inflow of Resources decreased by \$0.7 million (20.0%) in 2024 over 2023 as the Authority received lease payments during 2024 from its concession leases and other terminal leases.

The Authority's net position increased by \$115.4 million (68.9%) in 2024 over 2023.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Statements of Net Position – continued

Net investment in capital assets increased by \$46.6 million (50.8%) in 2024 over 2023 and represented 48.9% of total net position in 2024 compared to 54.8% in 2023. Net investment in capital assets represents the Authority's capital asset purchases, cash restricted for capital projects, cash restricted for debt service, less accumulated depreciation and amortization and outstanding debt incurred to acquire those assets. The Authority uses capital assets to provide services to its passengers, visitors, and tenants that generate future revenue streams. Although the Authority's investment in its capital assets are reported net of related debt, the resources needed to repay this debt must be provided from operations since the capital assets themselves cannot be used to retire these liabilities.

The Authority's restricted net position increased by \$57.6 million (197.2%) in 2024 over 2023 and represented 30.7% of total net position in 2024 compared to 17.4% in 2023. Restricted net position represents resources that are subject to restrictions from government grantors, bond resolutions, and government regulatory authorities on how they may be used. The increase in restricted net position in 2024 over 2023 is attributable to the receipt of Noise Land Funds from the City of Ontario and normal increases in restricted cash and receivables for PFCs and CFCs.

The remaining unrestricted net position balance of \$57.8 million for 2024 may be used for any lawful purpose of the Authority. Unrestricted net position increased by \$11.3 million (24.2%) in 2024 over 2023 and represented 20.4% of total net position in 2024 compared to 27.8% in 2023.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Statements of Net Position – continued

	2024	2023	Increase (Decrease)	
			\$	%
ASSETS				
Current Unrestricted Assets	\$ 102,770,234	\$ 100,807,068	\$ 1,963,166	1.9 %
Current Restricted Assets	654,782	639,914	14,868	2.3
Noncurrent Unrestricted Assets	258,091,691	201,116,079	56,975,612	28.3
Noncurrent Restricted Assets	104,117,311	64,591,585	39,525,726	61.2
Total Assets	465,634,018	367,154,646	98,479,372	26.8
LIABILITIES				
Current Liabilities Payable from Unrestricted Assets	50,652,763	60,033,447	(9,380,684)	(15.6)
Current Liabilities Payable from Restricted Assets	654,782	639,914	14,868	2.3
Noncurrent Liabilities Payable from Unrestricted Assets	128,803,387	135,738,340	(6,934,953)	(5.1)
Total Liabilities	180,110,932	196,411,701	(16,300,769)	(8.3)
DEFERRED INFLOW OF RESOURCES				
Deferred Inflow of Resources - Leases	2,643,352	3,303,524	(660,172)	(20.0)
Total Deferred Inflow of Resources	2,643,352	3,303,524	(660,172)	(20.0)
Total Liabilities and Deferred Inflow of Resources	182,754,284	199,715,225	(16,960,941)	(8.5)
NET POSITION				
Net Investment in Capital Assets	138,280,433	91,703,690	46,576,743	50.8
Restricted	86,799,252	29,204,360	57,594,892	197.2
Unrestricted	57,800,049	46,531,371	11,268,678	24.2
Total Net Position	\$ 282,879,734	\$ 167,439,421	\$ 115,440,313	68.9 %

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Revenues

Total 2025 revenues of \$165.5 million decreased by \$61.5 million (27.1%) in 2025 over 2024. The decrease was primarily attributable to a decrease in capital contributions revenue of \$71.2 million (80.6%). Aeronautical operating revenues increased by \$5.4 million (10.7%). Increases include nonaeronautical operating revenues of \$2.9 million (4.4%) and non-operating revenue increases of \$1.3 million (5.9%).

Aeronautical revenues are driven by aeronautical activity and the landing fees and terminal rents, which are based on annual rates and charges established by the Authority pursuant to ULAs. The increase in aeronautical revenues was primarily the result of the increase in the annual rates and charges based on the cost recovery methodology and increases to operating expenses and capital expenditures in 2025 over 2024. The reconciled 2025 annual rates and charges exceeded 2024, as 2025 operating and capital expenses increased to serve the growing passenger traffic. Aeronautical revenue from landing fees increased by \$1.8 million (11.6%) in 2025 over 2024. Facilities rent increased by \$3.2 million (22.3%) in 2025 over 2024. Land rent revenue increased by 0.3 million (2.4%).

The increase in nonaeronautical revenues in 2025 over 2024 was primarily the result of a \$1.6 million (3.9%) increase in Parking and Ground Transportation revenue as a result of increased passenger traffic. Total concessions revenue of \$16.8 million also increased in 2025, by \$0.7 million (4.3%) over total concessions revenue of \$16.1 million in 2024. Concession revenue increases were the result of an increase in passenger activity in 2025 over 2024 and new food and beverage concessionaire outlets opening in terminals 2 and 4. Concession revenue increases in 2025 over 2024 include an increase in Food and Beverage of \$0.6 million (20.8%), rental car increase of \$0.1 million (0.8%) and other concessions, which primarily consists of revenues from advertising, of \$0.1 million (7.6%). These increases were offset by a \$0.04 million (2.1%) decrease in News and Gift Revenues. Non-airline terminal rent increased by \$0.2 million (9.7%) in 2025 over 2024. Other nonaeronautical operating revenues increased by \$0.7 million (86.5%) in 2025 over 2024. Other nonaeronautical operating revenues primarily consist of badging and filming revenues. Parking and ground transportation revenue of \$41.0 million had increased \$1.6 million or (3.9%) and was driven by increased passenger activity.

Increases in nonaeronautical revenues in 2025 over 2024 were offset by a decrease in operating grants of \$0.3 million (3.9%). The Authority recognized \$6.6 million in grant funding from the American Rescue Plan Act of 2021 (ARPA) in both 2025 and 2024. As of June 30, 2025, the Authority has \$5.1 million in ARPA funds available for future drawdowns.

Nonoperating revenues increased by \$1.3 million (5.9%) in 2025 over 2024. The increase was primarily the result of an increase in interest income of \$0.8 million (18.2%) as a result of higher interest rates. PFC revenues of \$0.4 million (2.6%) in 2025 over 2024. Increases in PFC revenues were the result of an increase in passenger activity levels in 2025 over 2024. CFC revenues also increased \$0.3 million (7.6%). The increase was offset by a reduced gain on Disposition of Assets of \$0.1 million (90.5%).

Capital contributions of \$17.2 million in 2025 were \$71.2 million (80.6%) lower than 2024 capital contributions of \$88.4 million. The decrease is primarily attributable to the prior-year one-time receipt of \$54.5 million received by the Authority from the City of Ontario. These funds represented the proceeds from the disposition of properties originally acquired under the FAA Noise Land

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Revenues – continued

Program (NLP) during LAWA's ownership of the Airport. The remaining decrease reflects fewer grant awards for the current year capital projects.

	2025	2024	Increase (Decrease)	
			\$	%
OPERATING REVENUES				
Aeronautical:				
Landing Fees	\$ 1,699,065	\$ 1,522,641	\$ 1,765,424	11.6 %
Facilities Rent	1,796,154	1,454,851	3,247,303	22.3
Land Rent	1,413,645	1,380,467	332,178	2.4
Airline Fees	7,208,807	7,115,678	93,129	1.3
Total Aeronautical Revenues	56,131,671	50,693,637	5,438,034	10.7
Nonaeronautical:				
Facilities and Land Rent	1,330,257	1,252,094	78,163	6.2
Non-Airline Terminal Rent	1,661,887	1,515,062	1,46,825	9.7
Parking and Ground Transportation	41,027,139	39,481,867	1,545,272	3.9
Concessions:				
Rental Cars	9,832,480	9,757,148	75,332	0.8
Food and Beverage	3,310,378	2,740,848	569,530	20.8
Gifts and News	2,029,299	2,073,581	(44,282)	(2.1)
Other Concessions	1,631,909	1,517,178	114,731	7.6
Operating Grants	6,575,000	6,841,906	(266,906)	(3.9)
Other Nonaeronautical Operating Revenues	1,528,536	81,958	708,955	86.5
Total Nonaeronautical Revenues	68,926,885	65,999,265	2,927,620	4.4
Total Operating Revenues	125,058,556	116,692,902	8,365,654	7.2
NONOPERATING REVENUES				
Investment Income, Net	5,054,389	4,275,321	779,068	18.2
Passenger Facility Charges	1,416,901.7	1,381,407.8	354,939	2.6
Customer Facility Charges	3,994,712	3,710,860	283,852	7.6
Gain on Disposition of Assets	12,183	127,785	(115,602)	(90.5)
Total Nonoperating Revenues	23,230,301	21,928,044	1,302,257	5.9
CAPITAL CONTRIBUTIONS				
Federal Grants and Other	17,172,593	88,374,309	(71,201,716)	(80.6)
Total Revenues	\$ 165,461,450	\$ 226,995,255	\$ (61,533,805)	(27.1) %

Total 2024 revenues of \$227.0 million increased by \$108.8 million (92.0%) in 2024 over 2023. The increase was primarily attributable to aeronautical operating revenues of \$21.6 million (74.3%), non-aeronautical operating revenues of \$8.4 million (14.5%), nonoperating revenues of \$5.4 million (32.6%), and capital contributions of \$73.4 million (490.6%). Capital contributions include \$54.5 million in Noise Land Funds from the City of Ontario.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Revenues – continued

Aeronautical revenues are driven by aeronautical activity and the annual rates and charges established by the Authority pursuant to ULAs. The increase in aeronautical revenues was primarily the result of the cost recovery of operating expenses and capital expenditures in 2024 over 2023.

The reconciled 2024 annual rates and charges exceeded 2023, as 2023 included previous period adjustments to capital expenditures charged to the airlines per the terms of the ULAs.

Aeronautical revenue from landing fees increased by \$10.0 million (193.1%) in 2024 over 2023. Facilities rent increased by \$11.2 million (329.9%) in 2024 over 2023. The 2024 Airline fees increased \$0.6 million (9.1%) in 2024 over 2023. These increases in aeronautical revenue were partially offset by decreases in aeronautical land rent of \$0.2 million (1.3%).

The increase in nonaeronautical revenues in 2024 over 2023 was primarily the result of an increase in parking and ground transportation of \$6.6 million (20.1%). The increase in parking and ground transportation was driven by increased passenger activity. Total concessions revenue of \$16.1 million increased by \$1.9 million (13.4%) in 2024 over total concessions revenue of \$14.2 million in 2023. Concession revenue increases were the result of an increase in passenger activity in 2024 over 2023 and new food and beverage concessionaire outlets opening in terminals 2 and 4. Concession revenue increases in 2024 over 2023 include an increase in rental cars of \$0.3 million (3.5%), food and beverage of \$1.2 million (82.0%), gifts and news of \$0.1 million (6.4%), and other concessions, which primarily consists of revenues from advertising, of \$0.2 million (15.4%). Non-airline terminal rent increased by \$0.1 million (5.9%) in 2024 over 2023. Other nonaeronautical operating revenues increased by \$0.1 million (13.6%) in 2024 over 2023. Other nonaeronautical operating revenues primarily consist of badging and filming revenues. Increases in nonaeronautical revenues in 2024 over 2023 were partially offset by a decrease in nonaeronautical facilities and land rent revenues of \$0.1 million (9.0%).

Increases in nonaeronautical revenues in 2024 over 2023 were offset by a decrease in operating grants of \$0.2 million (3.0%). The Authority recognized \$6.6 million in grant funding from the American Rescue Plan Act of 2021 (ARPA) in both 2024 and 2023. As of June 30, 2024, the Authority has \$11.7 million in ARPA funds available for future drawdowns.

Nonoperating revenues increased by \$5.4 million (32.6%) in 2024 over 2023. The increase was primarily the result of an increase in PFC revenues of \$1.4 million (10.9%) in 2024 over 2023. Increases in PFC revenues were the result of an increase in passenger activity levels in 2024 over 2023. Other increases in nonoperating revenues include an increase in net investment income of \$3.6 million (505.8%) as a result of market performance, which varies from year to year, and CFC revenues of \$0.3 million (10.1%).

Capital contributions of \$88.4 million in 2024 were \$73.4 million (490.6%) higher than 2023 capital contributions of \$15.0 million. This increase was attributable to \$54.5M received by the Authority from the City of Ontario. These funds represent the proceeds from the disposition of properties originally acquired under the FAA Noise Land Program (NLP) during LAWA's ownership of the Airport. Under an arrangement between LAWA, the FAA, and the City of Ontario, the City was responsible for implementing the Noise Land Program which included the purchase of certain properties. The original funding for the purchase of the NLP properties was provided by LAWA and the FAA.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Revenues – continued

The \$54.5 million received by the OIAA reflects residual amounts from the disposition of NLP properties managed by the City and its Industrial Development Authority in accordance with FAA's Airport Improvement Program (AIP) Handbook. The remaining increase in Capital Contributions were a result of increases in Federal Airport Improvement Program (AIP) grant revenues received from the Federal Aviation Administration (FAA) as work on eligible AIP projects progressed.

	2024	2023	Increase (Decrease)	
			\$	%
OPERATING REVENUES				
Aeronautical:				
Landing Fees	\$ 15,224,641	\$ 5,194,113	\$ 10,030,528	193.1 %
Facilities Rent	14,548,851	3,384,381	11,164,470	329.9
Land Rent	13,804,467	13,985,845	(181,378)	(1.3)
Airline Fees	7,115,678	6,522,452	593,226	9.1
Total Aeronautical Revenues	50,693,637	29,086,791	21,606,846	74.3
Nonaeronautical:				
Facilities and Land Rent	1,252,094	1,375,783	(123,689)	(9.0)
Non-Airline Terminal Rent	1,515,062	1,431,104	83,958	5.9
Parking and Ground Transportation	39,481,867	32,870,076	6,611,791	20.1
Concessions:				
Rental Cars	9,757,148	9,423,111	334,037	3.5
Food and Beverage	2,740,848	1,505,946	1,234,902	82.0
Gifts and News	2,073,581	1,949,187	124,394	6.4
Other Concessions	1,517,178	1,314,569	202,609	15.4
Operating Grants	6,841,906	7,055,702	(213,796)	(3.0)
Other Nonaeronautical Operating Revenues	819,581	721,221	98,360	13.6
Total Nonaeronautical Revenues	65,999,265	57,646,699	8,352,566	14.5
Total Operating Revenues	116,692,902	86,733,490	29,959,412	34.5
NONOPERATING REVENUES				
Investment Income (Loss), Net	4,275,321	705,745	3,569,576	(505.8)
Passenger Facility Charges	13,814,078	12,450,838	1,363,240	10.9
Customer Facility Charges	3,710,860	3,370,712	340,148	10.1
Gain on Disposition of Assets	127,785	5,705	122,080	2,139.9
Total Nonoperating Revenues	\$ 21,928,044	\$ 16,533,000	\$ 5,395,044	32.6 %
CAPITAL CONTRIBUTIONS				
Federal Grants and Other	88,374,309	14,964,592	73,409,717	490.6
Total Revenues	\$ 226,995,255	\$ 118,231,082	\$ 108,764,173	92.0 %

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Expenses

Total expenses increased by \$17.0 million (15.2%) in 2025 over 2024. The increase in total expenses is comprised of increases in operating expenses of \$9.2 million (9.7%), depreciation and amortization expense of \$3.8 million (33.7%), and nonoperating expenses of \$4.0 million (74.4%).

Operating expenses increased by \$9.2 million (9.7%) in 2025 over 2024. Personnel expenses of \$21.3 million increased by \$4.7 million (28.1%) in 2025 over 2024 personnel expenses of \$16.6 million. The Authority's increase in personnel expenses in 2025 over 2024 is the result of the Authority adding new positions and filling vacancies to align staffing levels with airport activity levels and needs.

Other increases in operating expenses in 2025 over 2024 include contractual services of \$1.8 million (4.9%), insurance and administration of \$0.1 million (3.8%), marketing and public relations of \$0.4 million (5.8%), materials and supplies of \$1.7 million (103.9%), and other operating expenses of \$0.9 million (46.3%). Increases in operating expenses in 2025 over 2024 are the result of the Authority aligning expenditure levels with airport and passenger activity levels. These increases were offset by decreases in Public Safety of \$0.6 million (2.7%) and Telecommunications and Utilities of \$0.2 million (2.3%). The Authority also incurred an increase of bad debt expense in 2025 of \$0.3 million. Bad debt expense can vary from year to year. Depreciation and amortization expense increased by \$3.8 million (33.7%) in 2025 over 2024 as a result of the Authority placing new assets into service as projects were completed during 2025.

Nonoperating expenses increased by \$4.0 million (74.4%) in 2025 over 2024. The increase was primarily the result of an increase in other non-operating expenses of \$3.6 million (296.1%), which includes an expense from a legal settlement in the \$5.4 million resulting from a dispute with former operator, MAG US Lounge Management LLC, offset by the reversal of \$1.3 million in related expenses.

For the years ended June 30, operating expenses were as follows (in thousands):

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Expenses – continued

	2025	2024	Increase (Decrease)	
			\$	%
OPERATING EXPENSES				
Personnel	\$ 21,314,832	\$ 16,643,305	\$ 4,671,527	28.1 %
Public Safety	22,113,506	22,723,669	(610,163)	(2.7)
Contractual Services	38,113,537	36,345,356	1,768,181	4.9
Insurance and Administration	1,949,581	1,877,942	71,639	3.8
Marketing and Public Relations	7,365,355	6,963,208	402,147	5.8
Materials and Supplies	3,375,739	1,655,662	1,720,077	103.9
Telecommunication and Utilities	6,691,275	6,845,994	(154,719)	(2.3)
Bad Debt (Recovery) Expense	176,172	(172,439)	348,611	(202.2)
Other Operating Expenses	2,981,978	2,038,102	943,876	46.3
Total Operating Expenses	104,081,975	94,920,799	9,161,176	9.7
Depreciation and Amortization	15,074,214	11,273,505	3,800,709	33.7
NONOPERATING EXPENSES				
Interest Expense	4,564,749	4,154,822	409,927	9.9
Debt Issuance Costs	10,000	-	10,000	100.0
Other Non-Operating Expenses	4,776,265	1,205,816	3,570,449	296.1
Total Nonoperating Expenses	9,351,014	5,360,638	3,990,376	74.4
Total Expenses	\$ 128,507,203	\$ 111,554,942	\$ 16,952,261	15.2 %

Total expenses increased by \$19.0 million (20.6%) in 2024 over 2023. The increase in total expenses is comprised of increases in operating expenses of \$15.4 million (19.4%), depreciation and amortization expense of \$2.8 million (32.9%), and nonoperating expenses of \$0.8 million (18.1%).

Operating expenses increased by \$15.4 million (19.4%) in 2024 over 2023. Personnel expenses of \$16.7 million increased by \$4.7 million (39.3%) in 2024 over 2023 personnel expenses of \$12.0 million.

The Authority's increase in personnel expenses in 2024 over 2023 is the result of the Authority adding new positions and filling vacancies to align staffing levels with airport activity levels and needs. Other increases in operating expenses in 2024 over 2023 include public safety of \$2.0 million (9.4%), contractual services of \$6.1 million (20.2%), insurance and administration of \$0.1 million (6.6%), marketing and public relations of \$1.1 million (18.8%), materials and supplies of \$0.8 million (103.5%), telecommunication and utilities of \$0.9 million (14.7%), and other operating expenses of \$0.6 million (37.0%). Increases in operating expenses in 2024 over 2023 are the result of the Authority aligning expenditure levels with airport and passenger activity levels. The Authority also incurred a reduction of bad debt expense in 2024 of \$0.2 million. Bad debt expense can vary from year to year. Depreciation and amortization expense increased by \$2.8 million (32.9%) in 2024 over 2023 as a result of the Authority placing new assets into service as projects were completed during 2024.

Nonoperating expenses increased by \$0.8 million (18.1%) in 2024 over 2023. The increase was primarily the result of an increase in other non-operating expenses of \$1.2 million (100.0%), which includes an expense from an arbitrage tax rebate of \$0.7 million derived from earnings on the tax-exempt 2021 Series Bonds.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Expenses – continued

	2024	2023	Increase (Decrease)	
			\$	%
OPERATING EXPENSES				
Personnel	\$ 16,643,305	\$ 11,950,238	\$ 4,693,067	39.3 %
Public Safety	22,723,669	20,770,240	1,953,429	9.4
Contractual Services	36,345,356	30,234,146	6,111,210	20.2
Insurance and Administration	1,877,942	1,761,063	116,879	6.6
Marketing and Public Relations	6,963,208	5,862,878	1,100,330	18.8
Materials and Supplies	1,655,662	813,575	842,087	103.5
Telecommunication and Utilities	6,845,994	5,971,128	874,866	14.7
Bad Debt Expense	(172,439)	648,868	(821,307)	(126.6)
Other Operating Expenses	2,038,102	1,487,300	550,802	37.0
Total Operating Expenses	94,920,799	79,499,436	15,421,363	19.4
Depreciation and Amortization	11,273,505	8,485,077	2,788,428	32.9
NONOPERATING EXPENSES				
Interest Expense	4,154,822	4,349,792	(194,970)	(4.5)
Debt Issuance Costs	-	190,000	(190,000)	(100.0)
Other Non-Operating Expenses	1,205,816		1,205,816	100.0
Total Nonoperating Expenses	5,360,638	4,539,792	820,846	18.1
Total Expenses	\$ 111,554,942	\$ 92,524,305	\$ 19,030,637	20.6 %

Capital Assets

Net capital assets increased by \$31.6 million (12.3%) in 2025 over 2024. The increase resulted from \$58.5 million of capital assets being placed into service offset by a decrease in Construction in Progress of \$11.9 million (20.3%) and accumulated depreciation and amortization of \$15.1 million (32.6%). Capital expenditures in construction in progress (CIP), land improvements, and building and improvements accounted for the majority of capital asset additions during 2025. The most significant 2025 CIP was the Runway 8R-26L Rehabilitation, the Terminal 1 Apron Rehabilitation Program and the Security Screening Checkpoint Expansion Program.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Capital Assets – continued

	2025	2024	Increase (Decrease)	
			\$	%
Capital Assets – Not Depreciated:				
Land	\$ 56,503,866	\$ 56,503,866	\$ -	- %
Air Avigation Easements	7,273,370	7,273,370	-	-
Construction in Progress	46,499,803	58,377,337	(11,877,534)	(20.3)
Total	110,277,039	122,154,573	(11,877,534)	(9.7)
Capital Assets – Depreciated and Amortized:				
Land Improvements	150,740,271	97,347,974	53,392,297	54.8
Buildings and Improvements	57,681,269	55,713,276	1,967,993	3.5
Information Technology				
Hardware and Software	11,488,106	9,788,872	1,699,234	17.4
Furniture and Fixtures	1,180,840	607,391	573,449	94.4
Machinery and Equipment	6,627,226	6,646,951	(19,725)	(0.3)
Vehicles	8,389,736	7,500,199	889,537	11.9
Subscription Assets	2,575,908	2,575,908	-	-
Total	238,683,356	180,180,571	58,502,785	32.5
Less: Accumulated Depreciation and Amortization	61,260,688	46,189,057	15,071,631	32.6
Capital Assets – Depreciated and Amortized, Net	177,422,668	133,991,514	43,431,154	32.4
Capital Assets, Net	\$ 287,699,707	\$ 256,146,087	\$ 31,553,620	12.3 %

The Authority's capital assets are principally funded by the proceeds of revenue bonds, operating revenues, PFCs, CFCs, and federal and state grants.

Net capital assets increased by \$57.7 million (29.1%) in 2024 over 2023. The increase resulted from \$69.8 million of capital expenditures offset by an increase in accumulated depreciation and amortization of \$11.0 million and capital asset disposals of \$1.1 million in 2024. Capital expenditures in construction in progress (CIP), land improvements, and building and improvements accounted for 97.1% of capital asset additions during 2024. The most significant 2024 CIP was the Runway 8R-26L Rehabilitation and Connecting Taxiways Program and the Runway 26R ILS Upgrade, both of which were still in progress at the end of 2024.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Capital Assets – continued

	2024	2023	Increase (Decrease)	
			\$	%
Capital Assets – Not Depreciated:				
Land	\$ 56,503,866	\$ 56,503,866	\$ -	- %
Air Avigation Easements	7,273,370	7,273,370	-	-
Construction in Progress	58,377,337	39,709,075	18,668,262	47.0
Total	122,154,573	103,486,311	18,668,262	18.0
Capital Assets – Depreciated and Amortized:				
Land Improvements	97,347,974	53,839,375	43,508,599	80.8
Buildings and Improvements	55,713,276	51,490,395	4,222,881	8.2
Information Technology				
Hardware and Software	9,788,872	7,608,330	2,180,542	28.7
Furniture and Fixtures	607,391	420,196	187,195	44.5
Machinery and Equipment	6,646,951	5,910,739	736,212	12.5
Vehicles	7,500,199	7,248,914	251,285	3.5
Subscription Assets	2,575,908	3,690,402	(1,114,494)	(30.2)
Total	180,180,571	130,208,351	49,972,220	38.4
Less: Accumulated Depreciation and Amortization	46,189,057	35,221,937	10,967,120	31.1
Capital Assets – Depreciated and Amortized, Net	133,991,514	94,986,414	39,005,100	41.1
Total Capital Assets, Net	\$ 256,146,087	\$ 198,472,725	\$ 57,673,362	29.1 %

Additional detailed information regarding capital asset activity may be found in Note 4 in the accompanying Notes to Financial Statements.

Debt Administration

Debt service coverage is a covenant of the Authority's bond resolutions requiring that annual net airport system revenues be maintained in an amount expressed as a multiple of times annual principal and interest payments on the related debt. This coverage serves as an indicator to bondholders that funds are available for timely debt service payments. Net airport system revenue is calculated based on the ULAs between the Authority and its signatory airlines and includes several additions to and subtractions from revenue and expense amounts reported in the Basic Financial Statements.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Debt Administration – continued

The Authority is required to maintain debt service coverage ratios for the 2016 and 2021 Revenue Bonds. The Authority is also required to maintain a debt service coverage ratio for the Revolving Credit Facility agreement that the Authority entered into on February 1, 2024.

The required debt service coverage ratio for the 2016 and 2021 Revenue Bonds is 125% of annual principal and interest payments. The debt service coverage ratio was 316.6% as of June 30, 2025 compared to 324.9% and 155.4% as of June 30, 2024 and 2023, respectively.

The required debt service coverage ratio for the Revolving Credit Facility is 110% of annual principal and interest payments. The debt service coverage ratio was 3,132% as of June 30, 2025 compared to 67,685% as of June 30, 2024.

As of June 30, 2025 and 2024, the Authority was in compliance with all financial covenants. Variances in the debt service coverage year-over-year are primarily attributable to normal debt service and changes in net airport system revenue.

	2025	2024	Increase (Decrease)	
			\$	%
Revenue Bonds:				
Series 2016	\$ 6,040,000	\$ 11,860,000	\$ (5,820,000)	(49.1) %
Series 2021:				
Series 2021 A	57,750,000	57,750,000	-	-
Series 2021 A Premium	10,448,280	10,851,429	(403,149)	(3.7)
Series 2021 B	41,685,000	41,685,000	-	-
Series 2021 B Premium	7,398,660	7,863,498	(464,838)	(5.9)
Series 2021 C	3,905,000	3,905,000	-	-
Total Series 2021	121,186,940	122,054,927	(867,987)	(0.7)
Total Revenue Bonds	127,226,940	133,914,927	(6,687,987)	(5.0)
Direct Borrowings:				
Revolving Credit Facility	25,483,771	483,771	-	-
Total Direct Borrowings	25,483,771	483,771	25,000,000	5,167.7
Total Long-Term Debt	\$ 152,710,711	\$ 134,398,698	\$ 18,312,013	13.6 %

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

Debt Administration – continued

As of June 30, 2024, the Authority had total long-term debt outstanding of \$134.4 million. The debt consisted primarily of 2021 Revenue Bonds of \$122.1 million and 2016 Revenue Bonds of \$11.9 million. The decrease in debt of \$6.5 million (4.6%) in 2024 over 2023 was primarily due to the Authority's normal debt service

	2024	2023	Increase (Decrease)	
			\$	%
Revenue Bonds:				
Series 2016	\$ 11,860,000	\$ 17,505,000	\$ (5,645,000)	(32.2) %
Series 2021:				
Series 2021 A	57,750,000	57,750,000	-	-
Series 2021 A Premium	10,851,429	11,254,578	(403,149)	(3.6)
Series 2021 B	41,685,000	41,685,000	-	-
Series 2021 B Premium	7,863,498	8,328,335	(464,837)	(5.6)
Series 2021 C	3,905,000	3,905,000	-	-
Total Series 2021	122,054,927	122,922,913	(867,986)	(0.7)
Total Revenue Bonds	133,914,927	140,427,913	(6,512,986)	(4.6)
Direct Borrowings:				
Revolving Credit Facility	483,771	483,771	-	-
Total Direct Borrowings	483,771	483,771	-	-
Total Long-Term Debt	\$ 134,398,698	\$ 140,911,684	\$ (6,512,986)	(4.6) %

Airline Cost Per Enplanement (CPE)

Airline Cost Per Enplanement ("CPE") is a measurement used in the airline and airport industries to show the average cost an airline incurs to enplane one passenger at a given airport. This figure is derived by dividing total passenger airline revenues earned by the total number of enplaned passengers.

CPE for the years ended June 30, were as follows:

	2025	2024	2023
Airline Cost per Enplanement:			
Passenger Airline Revenues	\$ 27,392,418	\$ 22,969,044	\$ 6,531,620
Enplaned Passengers	3,541,027	3,377,563	3,042,917
Cost per Enplanement	\$ 7.74	\$ 6.80	\$ 2.15

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025 AND 2024

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 ONTARIO INTERNATIONAL AIRPORT AUTHORITY, 1923 E. Avion St., Ontario, CA 91761.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents – Note 3	\$ 98,203,230	\$ 72,044,289
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$529,488 and \$584,303 at June 30, 2025 and 2024, Respectively	9,951,438	8,546,070
Grants Receivable	1,877,181	17,722,939
Leases Receivable – Current – Note 10	736,953	697,748
Interest Receivable	397,207	390,852
Prepaid Expenses	3,512,473	3,368,336
Total Unrestricted Current Assets	114,678,482	102,770,234
Restricted Assets:		
Cash and Cash Equivalents	673,802	654,782
Total Restricted Current Assets	673,802	654,782
Total Current Assets	115,352,284	103,425,016
Noncurrent Assets:		
Unrestricted Assets		
Leases Receivable – Noncurrent – Note 10	1,208,651	1,945,604
Capital Assets – Note 4:		
Not Depreciated	110,277,039	122,154,573
Depreciated and Amortized, Net of Accumulated Depreciation and Amortization of \$61,260,688 and \$46,189,058 at June 30, 2025 and 2024, Respectively	177,422,668	133,991,514
Net Capital Assets	287,699,707	256,146,087
Total Unrestricted Noncurrent Assets	288,908,358	258,091,691
Restricted Assets		
Cash and Cash Equivalents – Note 3	107,226,972	101,611,819
Accounts Receivable	2,865,309	2,505,492
Total Restricted Noncurrent Assets	110,092,281	104,117,311
Total Noncurrent Assets	399,000,639	362,209,002
TOTAL ASSETS	\$ 514,352,923	\$ 465,634,018

See Accompanying Notes to Financial Statements

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
LIABILITIES		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	\$ 15,785,247	\$ 22,846,162
Accrued Expenses	10,453,718	10,101,126
Accrued Payroll and Vacation	3,280,058	1,821,217
Accrued Interest	495,747	451,568
Customer Deposits – Note 5	859,586	600,225
Due to Airlines and Partners – Note 6	1,009,712	2,996,613
Unearned Revenues – Note 5	6,321,038	5,382,744
Subscription Liability – Current – Note 11	347,122	347,122
Current Portion of Long-Term Debt – Note 7	6,303,986	6,105,986
Total Unrestricted Current Liabilities	44,856,214	50,652,763
Payable from Restricted Assets:		
Accrued Interest	69,802	72,782
Current Portion of Long-Term Debt – Note 7	604,000	582,000
Total Restricted Current Liabilities	673,802	654,782
Total Current Liabilities	45,530,016	51,307,545
Noncurrent Liabilities:		
Payable from Unrestricted Assets:		
Subscription Liability – Noncurrent – Note 11	-	339,138
Arbitrage - Rebate Liability – Noncurrent – Note 7	1,240,597	753,537
Long-Term Debt – Note 7:		
Revenue Bonds – Series 2016	-	6,040,000
Revenue Bonds – Series 2021	120,318,954	121,186,941
Revolving Credit Facility	25,483,771	483,771
Total Long-Term Debt	145,802,725	127,710,712
Total Unrestricted Noncurrent Liabilities	147,043,322	128,803,387
Total Liabilities	192,573,338	180,110,932
DEFERRED INFLOW OF RESOURCES		
Deferred Inflow of Resources – Leases – Note 10	1,945,604	2,643,352
Total Deferred Inflow of Resources	1,945,604	2,643,352
Total Liabilities and Deferred Inflow of Resources	194,518,942	182,754,284
NET POSITION		
Net Investment in Capital Assets – Note 4	132,844,627	138,280,433
Restricted – Note 8	110,766,083	86,799,252
Unrestricted	76,223,271	57,800,049
Total Net Position	319,833,981	282,879,734
TOTAL LIABILITIES AND NET POSITION	\$ 514,352,923	\$ 465,634,018

See Accompanying Notes to Financial Statements

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – CONTINUED
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Aeronautical:		
Landing Fees	\$ 16,990,065	\$ 15,224,641
Facilities Rent	17,796,154	14,548,851
Land Rent	14,136,645	13,804,467
Airline Fees	7,208,807	7,115,678
Total Aeronautical Revenues	56,131,671	50,693,637
Nonaeronautical:		
Facilities and Land Rent	1,330,257	1,252,094
Non–Airline Terminal Rent	1,661,887	1,515,062
Parking and Ground Transportation	41,027,139	39,481,867
Concessions:		
Rental Cars	9,832,480	9,757,148
Food and Beverage	3,310,378	2,740,848
Gifts and News	2,029,299	2,073,581
Other Concessions	1,631,909	1,517,178
Operating Grants	6,575,000	6,841,906
Other Nonaeronautical Operating Revenues	1,528,536	819,581
Total Nonaeronautical Revenues	68,926,885	65,999,265
Total Operating Revenues	125,058,556	116,692,902
OPERATING EXPENSES		
Personnel	21,314,832	16,643,305
Public Safety	22,113,506	22,723,669
Contractual Services	38,113,537	36,345,356
Insurance and Administration	1,949,581	1,877,942
Marketing and Public Relations	7,365,355	6,963,208
Materials and Supplies	3,375,739	1,655,662
Telecommunication and Utilities	6,691,275	6,845,994
Bad Debt (Recovery) Expense	176,172	(172,439)
Other Operating Expenses	2,981,978	2,038,102
Total Operating Expenses	104,081,975	94,920,799
Net Operating Income Before Depreciation and Amortization	20,976,581	21,772,103
Depreciation and Amortization	15,074,214	11,273,505
Net Operating Income (Loss)	\$ 5,902,367	\$ 10,498,598

See Accompanying Notes to Financial Statements

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – CONTINUED
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
NONOPERATING REVENUES (EXPENSES)		
Investment Income, Net	\$ 5,054,389	\$ 4,275,321
Passenger Facility Charges	14,169,017	13,814,078
Customer Facility Charges	3,994,712	3,710,860
Interest Expense	(4,564,749)	(4,154,822)
Debt Issuance Costs	(10,000)	-
Gain on Disposition of Assets	12,183	127,785
Other Nonoperating Expenses	(4,776,265)	(1,205,816)
	13,879,287	16,567,406
Total Nonoperating Revenues, Net	13,879,287	16,567,406
Net Income Before Capital Contributions	19,781,654	27,066,004
 CAPITAL CONTRIBUTIONS		
Federal Grants and Other	17,172,593	88,374,309
Increase in Net Position	36,954,247	115,440,313
 NET POSITION – BEGINNING OF YEAR	282,879,734	167,439,421
 NET POSITION – END OF YEAR	\$ 319,833,981	\$ 282,879,734

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Airlines and Tenants	\$ 116,112,770	\$ 84,392,907
Receipts from Operating Grants	6,575,000	\$ 9,230,725
Payments to Suppliers	(75,201,340)	\$ (74,505,776)
Payments for Personnel Services	(19,855,991)	(16,095,372)
	27,630,439	3,022,484
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Federal Grants and Other Capital Contributions	33,018,351	82,492,567
Acquisition of Capital Assets	(61,765,712)	(59,945,886)
Proceeds from Sale of Capital Assets	12,183	127,785
Proceeds from Issuance of Revolving Credit Facility	25,000,000	-
Principal Paid on Long-Term Debt	(5,820,000)	(5,645,000)
Debt Issuance Costs	(10,000)	-
Passenger Facility Charge Receipts	13,838,100	13,525,942
Customer Facility Charge Receipts	3,965,812	3,669,946
Interest Paid on Long-Term Debt	(5,391,536)	(5,034,472)
Other Non-Operating Expenses	(3,732,555)	(452,279)
	(885,357)	28,738,603
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Realized Gain (Loss) in Local Agency Investment Fund (LAIF)	1,784,777	1,651,009
Interest Earned on Cash and Cash Equivalents	3,263,257	2,495,449
	5,048,034	4,146,458
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,793,115	35,907,545
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	174,310,890	138,403,345
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 206,104,004	\$ 174,310,890

See Accompanying Notes to Financial Statements

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS – CONTINUED
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	\$ 5,902,367	\$ 10,498,598
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:		
Bad Debt Expense (Recovery)	176,172	(172,439)
Depreciation and Amortization	15,074,214	11,273,505
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(1,581,540)	(838,033)
Grants Receivable	-	2,388,819
Leases Receivable	697,748	660,172
Prepaid Expenses	(144,137)	(597,329)
Accounts Payable	3,970,572	4,332,185
Accrued Expenses	3,563,196	209,301
Accrued Payroll and Vacation	1,458,841	547,933
Customer Deposits	259,361	39,572
Due to Airlines and Partners	(1,986,901)	(25,052,044)
Unearned Revenues	938,294	392,416
Deferred Inflow of Resources – Leases	(697,748)	(660,172)
Net Cash Provided by Operating Activities	\$ 27,630,439	\$ 3,022,484
 NONCASH NONOPERATING, CAPITAL, FINANCING, AND INVESTING ACTIVITIES		
Amortization of 2021 Revenue Bond Premiums	\$ 867,986	\$ 867,986
Capital Assets Acquired through Accounts Payable and Accrued Expenses	\$ 5,054,292	\$ 19,853,033

See Accompanying Notes to Financial Statements

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – ORGANIZATION AND REPORTING ENTITY

The Ontario International Airport Authority (the “Authority”) was organized on August 27, 2012, under a joint powers agreement between the City of Ontario, CA and the County of San Bernardino, CA pursuant to California Government Code Section 6500. The purpose of the Authority is to exercise such powers for the operation, maintenance, management, administration, development, and marketing of the Ontario International Airport (“ONT”).

The Authority is governed by a commission of five members, each serving in his or her individual capacities. Two members are appointed from the City of Ontario Council, one member from the County Supervisorial District, with the remaining two members selected from the community at large.

For financial reporting purposes, component units are entities that are legally separate organizations for which the Authority is financially accountable, and other organizations for which the nature and significance of their relations with the Authority are such that exclusion would cause the Authority’s financial statements to be misleading or incomplete. The Authority is financially responsible if it appoints a voting majority of the organization’s governing body or the organization is fiscally dependent on the Authority and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority. Based on these criteria, the Authority determined that there were no blended or discrete component units, and the Authority was not a component unit of any other entity.

Acquisition of ONT by the Authority

As of the Transfer Date of November 1, 2016, the Authority acquired substantially all assets and liabilities of ONT from the City of Los Angeles department known as Los Angeles World Airports (“LAWA”) pursuant to a Settlement Agreement (Settlement Agreement) executed on December 22, 2015. The Settlement Agreement provided for a schedule of payments by the Authority to LAWA as compensation for the transfer of ONT to the Authority, including from cash on hand and Passenger Facility Charge (PFC) revenues received or to be received by the Authority. As of April 2021, all amounts due to LAWA under the Settlement Agreement had been paid.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Measurement Focus

The financial statements of the Authority are presented using the accrual basis of accounting and the economic resources measurement focus in accordance with generally accepted accounting principles in the United States of America (“GAAP”), as prescribed by the Governmental Accounting Standards Board (“GASB”). Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred. Revenues from airlines, concessions, leases, rental cars, and parking are recognized as operating revenues. Financing and investing related transactions are recognized as non-operating revenues. All expenses related to operating the Authority are recognized as operating expenses. Interest expense and financing costs are recognized as non-operating expenses. The Authority reports the operations as one Business-Type

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Activity in a Proprietary Fund that is accounted for on a flow of economic resources measurement focus.

With this measurement focus, all assets and liabilities associated with the operation of this fund are included in the accompanying Statements of Net Position.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with GAAP requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include allowance for doubtful accounts, grants receivable, leases receivable, the useful lives of capital assets and contingent liabilities. Actual results could differ from those estimates.

Risk Management, Types and Assessments

The Authority is exposed to various risks or losses related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Authority mitigates these risks by purchasing commercial insurance with standard deductibles for all significant insurable risks. There have been no significant changes in insurance coverage during 2025, and settlements have not exceeded insurance coverage for the fiscal years 2025 or 2024.

Losses arising from claims and judgments are expensed when 1) it is probable that an asset has been impaired, or a liability has been incurred at the date of the financial statements; and 2) the amount of the loss can be reasonably estimated.

Restricted Assets and Liabilities

Certain assets and liabilities of the Authority are classified as restricted in the accompanying Statements of Net Position in accordance with applicable bond covenants, FAA regulations, or other legal requirements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, checking, savings, money market accounts, and cash equivalent mutual funds. Investments are categorized as cash equivalents if their maturity date is three months or less at the date of purchase.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

The Authority's policy is to invest in certificates of deposit, federal treasury and agency securities, cash equivalent mutual funds, and repurchase agreements, and to hold such investments to maturity. In accordance with this policy, investments are purchased so that maturities will occur as projected cash flow needs arise in connection with daily operations, construction projects, and bond debt service requirements.

In accordance with California Government Code (Code) Section 53600 et seq., the Authority adopts an investment policy annually for the Operating, Passenger Facility Charge ("PFC") and Customer Facility Charge ("CFC") portfolios that, among other things, authorizes types of allowable investments, maximum maturities, maximum concentration of investments by type of investment and issuer, minimum ratings for certain types of investments, and how the investments may be held. These criteria on investments and invested cash related to the Authority's bonded debt are governed by the related Master Indenture of Trust. 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"). The restrictions in the Code 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, which are included in Cash and Cash Equivalents in the accompanying Statements of Net Position, are carried at fair value. Fair value is determined based upon market closing prices or bid/asked prices for regularly traded securities. 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 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.

Accounts Receivable

The Authority extends unsecured credit to certain tenants, the U.S. government, and state and local agencies. Receivables are recognized at the gross value when earned. Receivables are reduced by an estimate for an allowance for doubtful accounts based on collection history, aviation industry trends and current information regarding the credit worthiness of the debtors. When collection efforts result in receipt of amounts previously written off against the allowance, revenue is recognized for the amounts collected.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Grants Receivable

The Authority receives grants for its Capital Improvement Program and certain operating expenses from the Federal Airport Improvement Program (“AIP”) of the Federal Aviation Administration (“FAA”) and the U.S. Department of Homeland Security (“DHS”). Amounts due from governmental agencies under the terms of the grant agreements are accrued as the related reimbursable costs are incurred.

Capital Assets

Capital assets are stated at historical cost. Costs for capital assets under construction include direct, indirect project management costs and financing costs incurred. The Authority’s policy is to capitalize assets with a cost of \$5,000 or more and an estimated useful life of more than one year.

The estimated useful lives are as follows:

Land Improvements	5 – 30 Years
Buildings and Improvements	5 – 33 Years
Information Technology Hardware	1 – 10 Years
Furniture and Fixtures	3 – 7 Years
Machinery and Equipment	1 – 12 Years
Vehicles	5 – 12 Years

Depreciation is calculated on the straight-line method over the estimated useful lives of the capital assets, and is recognized as an operating expense in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

Maintenance, repairs, and minor improvements and replacements are expensed as incurred. Permanently impaired capital assets are written down to the measured impaired value, and capital assets the Authority has determined will no longer be used are written off completely.

Restricted Assets and Liabilities

Certain assets and liabilities of the Authority are classified as restricted in the accompanying Statements of Net Position in accordance with applicable bond covenants, FAA regulations, or other legal requirements.

Customer Deposits and Unearned Revenue

The Authority holds customer security deposits, advanced rent payments from certain tenants, and certain other payments applicable to future periods. Such amounts have been presented as Customer Deposits and Unearned Revenues, respectively, in the accompanying Statements of Net Position.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

Effective July 1, 2024, the Authority implemented GASB Statement No. 101, Compensated Absences (“GASB 101”), which improves financial reporting by aligning the recognition and measurement guidance for compensated absences under a unified model. The standard defines a compensated absence as leave for which employees may receive a) cash payments when the leave is used for time off; b) other cash payments, such as payment for unused leave upon termination of employment; or c) noncash settlements. Under the standard, a liability should be recognized for leave that has not been used and leave that has been used but not yet paid or settled. Leave that has not been used should be recognized in a compensated absences liability 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.

The liability was measured using current pay rates and accumulated hours, and included applicable salary-related payments, such as the amounts paid under the 401(a) Plan – Defined Contribution Plan for Governmental Employees and Medicare.

Compensated absences may be used for vacation, illness, or personal reasons and may be carried forward up to a maximum of 800 hours. Employees may elect in March or November of each year to receive cash payments for all accumulated unpaid compensated absence balances. As a result, the Authority classified compensated absences as a current liability payable from unrestricted assets in the accompanying Statements of Net Position.

The requirements of GASB 101 were effective for fiscal years beginning after December 15, 2023.

This change in accounting principle is preferable because the unified recognition and measurement model in GASB 101 results in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and more accurately estimates the amount of compensated absences that a government will pay or settle. This model can be applied consistently to any type of compensated absence, improving comparability in financial reporting by governments.

Debt Premiums, Discounts and Covenants

The 2016 and 2021 revenue bonds are special obligations of the Authority issued on a senior-lien basis under the Master Trust Indenture and are payable solely from, and secured solely by, Pledged Revenues. Pledged Revenues are defined in the Master Indenture as all income, receipts, earnings, and revenues received by the Authority. Net Pledged Revenues are defined as operating revenue plus investment income on operating funds, less operating expenses before depreciation and amortization.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Debt Premiums, Discounts and Covenants – continued

Revenue bonds are reported net of applicable premiums or discounts. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method. The costs of issuing general airport revenue bonds, except prepaid insurance, are expensed as incurred. Insurance is recorded as a prepaid asset and amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method.

The bond indenture agreements contain various affirmative, negative, and financial covenants. The Bond Indenture agreement requires the Authority to reserve and deposit monthly one twelfth of the upcoming annual principal amount of the bonds maturing and one sixth of the upcoming semi-annual interest payable. The primary financial covenant is a Debt Service Coverage Ratio. As senior debt, the Bonds are subject to a separate senior debt service coverage requirement, which is performed independently of any subordinate or junior-lien debt and is used to demonstrate compliance with the rate covenant defined as, “net pledged revenues equal to at least 125% of aggregate annual debt service for that fiscal year”. If the Authority violates the covenant, it will not constitute a default in the event the Authority cures violation within 120 days of its discovery.

For the years ended June 30, 2025 and 2024, net pledged revenues were \$26.5 million and \$27.1 million, annual debt service requirement were \$8.4 and \$8.3 million, representing a debt service ratios of 317% and 325%, respectively.

The Airport also maintains a Revolving Credit Facility Agreement, which is a subordinate-lien obligations payable from Net Revenues remaining after payment of senior-lien debt service. These obligations are issued under separate authorizing documents and do not share in the senior pledge of Net Revenues under the Master Trust Indenture. Debt service coverage for subordinate-lien obligations is calculated using Net Revenues net of senior-lien debt service requirements, and is reported separately from the senior coverage calculation for disclosure and compliance purposes.

The Revolving Credit Facility Agreement required Debt Service Coverage equal to at least 110% of aggregate annual debt service for that fiscal year. The available net revenues after senior-lien debt payments for years 2025 and 2024 were \$18.1 million and \$18.8 million, respectively. Debt service coverage for 2025 and 2024 were 3,132% and 67,685%, respectively.

Deferred Inflow of Resources

The statements of net position report a separate section for deferred inflow of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and, therefore, are not recognized as an inflow of resources until earned.

GASB Statement No. 87, *Leases* establishes a deferred inflow, representing the initial value of lease receivable and systematically reduced and recognized as lease revenue over the term of the lease.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Position

The Authority classifies Net Position in three components. Net investment in Capital Assets consists of the Authority's capital assets, cash restricted for capital assets, cash restricted for debt service less accumulated depreciation and amortization and outstanding debt incurred to acquire those assets. The restricted component of net position consists of restricted assets reduced by liabilities. Unrestricted net position is the remaining net position that does not meet the definition of Net investment in Capital Assets or restricted net position.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act ("Act"), which authorized domestic airports to impose a passenger Facility charge on enplaning passengers. In accordance with the program, revenues may be used to pay eligible costs for approved airport projects, including debt service, which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

The maximum amount allowable is \$4.50 per enplaned passenger. Charges are collected by airlines and remitted to the Authority monthly, net of an administrative fee of \$0.11 per enplaned passenger. Total authorized collections and the time period for collections are established with each approved application. In accordance with the Act, the Authority's AIP passenger entitlement apportionment is reduced by certain percentages.

The Authority's applications for were approved as "Impose and Use". The Authority recognizes revenues when the underlying exchange between the passenger and the airlines. In accordance with the requirements of the program, charges collected are maintained in an interest-bearing account. Program assets and receivables are reported as Current Restricted Assets in the accompanying Statements of Net Position. Revenues are reported as Nonoperating Revenues in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

Customer Facility Charges

Under Section 1936 of the California Civil Code, an Airport may require that rental car companies operating on the airport impose a CFC to:

- (i) finance, design, and construct consolidated airport car rental facilities
- (ii) finance, design, construct, and operate common-use transportation systems that move passengers between airport terminals and those consolidated car rental facilities, and acquire vehicles for use in that system
- (iii) finance, design, and construct terminal modifications solely to accommodate and provide customer access to common-use transportation system

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Customer Facility Charges – continued

Charges must be charged on a per contract basis and are limited to \$10 per contract. Under certain circumstances, an alternative fee may be imposed that exceeds this amount.

The Authority requires on-airport rental car operators to collect \$10 per rental car contract, which is remitted to the Authority monthly. Revenues are recognized on an accrual basis when the rental car contract has been settled. Due to their restricted use, program assets and receivables are presented as Noncurrent Restricted Assets in the accompanying Statements of Net Position. Revenues are reported as Nonoperating Revenues in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

Leases

The Authority determines whether an agreement is a lease at inception. A lease is defined as a noncancellable contract with a third party that conveys control of the right to use another entity's nonfinancial asset for more than a twelve month period in exchange for fixed consideration.

The lease term includes the noncancellable period of the lease and any additional periods covered by an option by the lessee or lessor to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the lessee and the lessor have a unilateral option are excluded from the lease term. Variable payments based on the future performance of the lessee or lessor, or usage of the underlying asset are not included in the measurement of lease assets or liabilities. Authority leases that establish a minimum annual guarantee for variable payments are considered fixed in substance and are in the lease measurement of assets or liabilities. The portion of variable payments that exceed minimum annual guarantees are treated as variable.

For lease agreements that contain multiple components, each component is evaluated separately for accounting treatment under GASB 87. The Authority excludes contract components for the joint use of space as these components do not provide a right to determine how the underlying asset is used.

Non-Regulated Leases

Leases with lessors are recognized as intangible assets as a right of use asset, and current and long-term liabilities in the Statement of Net Position. Lease liabilities represent the Authority's obligation to make lease payments and are recognized at the effective date based on the present value of the expected lease payments over the lease term, less any incentives. Interest is recognized ratably over the lease term. The Authority is not a lessee in any agreement.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Non-Regulated Leases - continued

Leases with lessees are included in current and long-term lease receivable, and deferred inflows of resources in the Statements of Net Position. Lease receivables represent the Authority's right to receive lease payments and are recognized at the effective date based on the present value of the payments expected to be received over the lease term, reduced by any incentives given, and an allowance for doubtful accounts. Lease receivables exclude regulated and short-term leases as well as variable payments that are based on asset use or activity. Lease receivables are reduced by the principal portion of payments, and the remaining portion of payments is recognized as interest revenue. Deferred inflows of resources are recognized at the effective date as the total lease receivable, including any payments received at or before the commencement of the lease, less any incentives given. Deferred inflows of resources are recognized as revenue based on the effective interest method over the lease term.

Unless explicitly stated, or implicit within the agreement, the discount rate used to calculate lease right-of-use assets and liabilities, or lease receivable is based on the monthly Secured Overnight Financing Rate ("SOFR") plus a markup based on the length of the lease, which approximates the Authority's incremental borrowing rate.

The Authority is not aware of any impairments to the lease receivables or deferred inflows of resources during the year-ended June 30, 2025 or 2024.

The types of land and facilities leases with lessees are as follows:

Terminal Concessions

Space in the Authority's terminals are leased to concessionaires and are primarily for food, beverages, gifts and news. This includes non-exclusive master concessionaire agreements for multiple locations and offerings, and generally require the lessee to make substantial improvements to the space.

Revenues from these leases are based on a percentage of gross sales and vary by concessionaire, agreement, the type of goods and services offered, and may be subject to a minimum annual guarantee, which are based on a percentage of the previous years' percentage revenues, vary from year to year, and are not fixed in substance. Lease terms and options to extend or terminate the agreement vary. Termination or cancellation provisions in the agreements, excluding those for default, provide for termination for convenience. Terminations for convenience generally require the Authority to reimburse the lessee for the unamortized cost of improvements made by the lessee.

Rental Car Agreements

The Authority has entered into agreements with multiple rental car companies. The current agreements expired February 2023 but were extended by the Authority for two one-year periods. However, the agreements are subject to a 30-day cancellation clause by the Authority or the lessee, and consequently are considered short-term leases.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Rental Car Agreements - continued

These agreements include lease and non-lease provisions. Lease provisions cover assigned space, including land and facilities, that are recognized as lease revenue.

Non-lease provisions are for fees to operate at the Authority, and are based on a percentage of their gross sales. These non-lease fees are subject to a fixed minimum annual guarantee amount. This component of the agreement is excluded from lease definition requirements as the agreements are currently considered short-term leases.

Terminal and Terminal Area Facility Rentals

The Authority leases space within the terminal and terminal area for nonaeronautical purposes. Payments for current agreements are fixed over the noncancelable terms of the leases, including annual increases, if any. These payments have been discounted as of the lease effective date at the Authority's lessor discount rate. The agreements do not provide options or termination provisions that impact the lease terms.

Other Aeronautical Facilities and Land

Lease agreements for other aeronautical use space include facilities and land for general aviation, ground servicing, aircraft maintenance, fueling and cargo processing. Agreements with terms of one year or less, do not include options to extend the use of space after the lease expiration, and is on a month-to-month tenancy basis thereafter. Lease agreements that are for more than one year may provide for options to extend and include indexed and/or fair market value rate adjustments. Options to extend and rate adjustments are not included in minimum lease payments.

Regulated Leases as Lessor

The Airline Operating Use and Terminal Lease Agreements ("ULA"s) provide for the use and occupancy of facilities at the airport and establishes the rates and charges, including landing fees and terminal rents, to be paid by the signatory and non-signatory airlines serving the airport. Airline payments of rents, fees and other charges pay for the costs assigned to the airline-supported cost centers. Signatory airlines agree to pay fees that allow the Authority to recover the total cost requirement of the airline-supported cost centers, which include airfield and terminal. Benefits of being a signatory airline include priority in the allocation of common use and permitted gates and facilities; signatory rates and charges do not include premiums; and certain voting rights, such as majority-in-interest approvals. Terms for non-signatory airlines include: subordination to the priority of signatory airlines' allocation of common use and permitted gates and facilities; pay a premium over signatory rates and charges, and have no voting rights.

2016 – 2024 ULA

This ULA established the rate-setting mechanisms for the costs of operating at ONT on a residual basis. This methodology establishes two residual cost centers at ONT: airfield and terminal. The net annual requirement for the airfield and terminal cost centers are recovered through landing fees and terminal rents, respectively.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2016 – 2024 ULA - continued

Landing fees are assessed to each airline for every aircraft landing at the Authority based on the Maximum Gross Landing Weight (“MGLW”) of that aircraft. Terminal rents are assessed using the airlines’ leased space plus an allocation of common use space.

Signatory rates are established at the beginning of each year based on the Authority’s adopted budgeted and forecasted aviation activity. At the discretion of the Authority, signatory rates can also be amended mid-year

based on the Authority’s amended budgeted and forecasted aviation activity. Non-signatory airlines are required to pay a premium on these rates that amounted to 25% for the years ended June 30, 2025 and 2024. From October 1, 2024 through June 30, 2025, tenants operated on a month-to-month basis until June 30, 2025.

2025 ULAs

Effective July 1, 2025, the Authority entered into ULAs with signatory and non-signatory airlines that expire over various years. The ULAs are hybrid agreements, which include elements of both compensatory and residual rate-making methodologies. The ULAs are compensatory in that the costs are allocated to specified cost centers, and the users of those cost centers are responsible for paying the costs.

The residual element of the ULAs provides that the Authority will share its revenue, after certain expenses, referred to as Net Remaining Revenue (“NRR”), with the signatory airlines. To calculate the Authority’s and signatory airlines’ respective shares of NRR, the amount is reduced by depreciation and debt service coverage on revenue bonds. The remaining NRR is then shared between the Authority and signatory airlines in accordance with the ULAs, as applicable. The signatory airlines’ share of NRR, referred to as transfers, is used to reduce airline rates and charges in the year following the year the NRR is earned. The Authority uses its share of NRR to finance its Capital, Operating and Maintenance Investment Program (COMIP) or for any other lawful purpose.

Annual rates and charges are based on projected activity and costs, and are adjustable during the year to provide for full cost recovery plus debt service coverage if revenues fall below certain projections. Rate making features are designed to ensure the Authority’s debt service and related coverage obligations are met. These adjustments are referred to as “Extraordinary Coverage Protection Payments.” The revenue bonds require there to be 125 percent coverage on the debt service on the Bonds. The Authority sets its airline rates and charges to recover its costs in the airline-supported cost centers. These costs include 100 percent of the debt service assigned to these cost centers, plus debt service coverage at varying amounts, depending on the Airport and the year, to satisfy, with respect to this debt service, the 125 percent coverage covenant included in the bond.

The Use and Lease Agreement also provides for an annual settlement whereby rates and charges are recalculated using audited financial data to determine any airline over- or under-payment for airline-supported cost centers.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Subscription-Based Information Technology Agreements

The Authority determines whether an agreement is a subscription-based information technology agreement (“SBIT”) at inception. A SBIT is defined as a noncancellable contract with a third party that conveys control of the right to use information technology software alone or in combination with tangible capital assets for more than a twelve month period in exchange for consideration. The subscription term includes the noncancellable period of the agreement and any additional periods covered by an option by either party to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both parties have a unilateral option are excluded from the subscription term.

Subscriptions are recognized in capital assets, and current and long-term liabilities in the Statement of Net Position. Subscription liabilities represent the Authority’s obligation to make subscription payments and are recognized at the effective date based on the present value of the expected subscription payments over the subscription term, less any incentives. Interest is recognized ratably over the subscription term.

Unless explicitly stated, or implicit within the subscription agreement, the discount rate used to calculate the SBIT is based on the monthly Secured Overnight Financing Rate (“SOFR”) plus a markup based on the length of the subscription, which approximates the Authority’s incremental borrowing rate.

The Authority is not aware of any impairments to the SBITs during the year-ended June 30, 2025 or 2024.

New Accounting Standards

Implementation of the following GASB pronouncements were effective for the year ended June 30, 2025:

GASB Statement No. 104, Disclosure of Certain Capital Assets.

GASB Statement No. 103, Financial Reporting Model Improvements.

The GASB issued pronouncements may impact future financial presentations. Management has not currently determined what impact implementation of these statements may have on the financial statements of the Authority.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits with Financial Institutions

As of June 30, 2025, the carrying amount of the Authority's deposits was approximately \$169.8 million and the bank balance was approximately \$171.7 million. As of June 30, 2024, the carrying amount of the Authority's deposits was approximately \$140 million and the bank balance was approximately \$180 million. The difference between the carrying amounts and the bank balances represents outstanding checks, deposits in transit, and other reconciling items.

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, investments with longer maturities have greater fair value sensitivity to changes in market interest rates. One of the ways 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. These varied maturities also provide consistent cash flow and fulfill liquidity needs for operations. The Authority monitors interest rate risk inherent in its portfolio by measuring the segmented time distribution of its portfolio. The Authority had no specific limitations with respect to this metric.

Custodial Risk (Deposits)

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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority maintains deposits at a financial institution, which are collateralized in accordance with California law. California Government Code requires that financial institution secure deposits made by a state or local government by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair 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 deposits by pledging first trust deed mortgage notes having a value of 150% of the secured deposits.

Insurance through the Federal Deposit Insurance Corporation (FDIC) may be applicable to the first \$250,000 of institutional deposit accounts, with any balance above this amount covered by the collateralization requirement.

Custodial Credit Risk (Investments)

Custodial credit risk for investments is the risk that the Authority will not be able to recover the value of its investments in the event of a counterparty failure. The Authority uses third-party banks' custody and safekeeping services for its registered investment securities. Securities are held in custody at third-party banks registered in the name of the Authority and are segregated from securities owned by those institutions or held in custody by those institutions.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED

Credit Risk (Investments)

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. California Government Code Section 53601 limits the types of investment instruments that may be purchased by the Authority. While the Pooled Money Investment Account (PMIA), which oversees LAIF, is not rated by S&P, Moody's, or Fitch, all of the securities within the PMIA are highly rated, as required by California Government Code and the PMIA's Investment Policy.

Cash and cash equivalents consisted of the following as of June 30, 2025 and 2024:

	Cash and Cash Equivalents	
	2025	2024
Deposits with Financial Institutions	\$ 169,805,986	\$ 139,797,649
Local Agency Investment Fund (LAIF)	36,298,018	34,513,241
Total Cash and Cash Equivalents	\$ 206,104,004	\$ 174,310,890

As of June 30, 2025 and 2024, cash and cash equivalents were classified as follows:

	Cash and Cash Equivalents	
	2025	2024
Unrestricted	\$ 98,203,230	\$ 72,044,289
Restricted:		
Debt Service Reserve – 2016 Revenue Bonds	6,558,423	514,145
Debt Service Reserve – 2021 Revenue Bonds	373,082	373,082
Projects Fund – 2021 Revenue Bonds	-	17,972,841
Passenger Facility Charge Fund	53,137,078	37,734,105
Customer Facility Charge Fund	3,920,312	1,760,549
Surplus Revenue Fund	43,911,879	43,911,879
Total Restricted Cash and Cash Equivalents	107,900,774	102,266,601
Total Cash and Cash Equivalents	\$ 206,104,004	\$ 174,310,890

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS – CONTINUED

Investment in State Investment Pools

The Authority is a voluntary participant in the LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority's investments in this pool are reported as Cash and Cash Equivalents in the accompanying Statements of Net Position at net asset value 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 each portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

Investments are authorized in accordance with California Government Code Section 53601 and under the provisions of the Authority's investment policy. The table that follows identifies the investment types that are authorized by the Authority's investment policy and State Government Code. The table also identifies certain provisions of the Authority's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of bond proceeds held by the bond trustee that are governed by provisions of debt agreements of the Authority, in addition to the general provisions of the Authority's investment policy and State Government Code.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Quality Requirement</u>	<u>Maximum % of Portfolio</u>	<u>Maximum Investment in One Issue</u>
U.S. Treasury Obligations	5 Years	N/A	None	None
U.S. Agency Securities	5 Years	N/A	None	None
Supranational	5 Years	AA	30%	10%
Bankers' Acceptances	180 Days	AAA/Aaa	40%	5%
Commercial Paper	270 Days	A-1 ; P-1 ; F-1	25%	5%
Negotiable Certificates of Deposit	5 Years	A	30%	5%
Medium-Term Notes	5 Years	A	20%	5%
Money Market Mutual Funds	N/A	AAA/Aaa	20%	5%
Repurchase Agreements	1 Year	A	None	None
Local Agency Investment Fund	N/A	N/A	None	\$65 Million
Local Government Investment Pool	N/A	N/A	None	\$65 Million
U.S. State and California Agency Indebtedness	5 Years	A	20%	5%
Placement Service Certificates of Deposit	3 Years	N/A	30%	5%
Time Certificates of Deposit	3 Years	*	20%	5%
Bank Deposits	N/A	*	None	None

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – CAPITAL ASSETS

For the year ended June 30, 2025, capital asset activity is as follows (in thousands):

	For the Year Ended June 30, 2025				
	Balance at June 30, 2024	Reclassifications	Additions	Deletions	Balance at June 30, 2025
Capital Assets – Not Depreciated:					
Land	\$ 56,503,866	\$ -	\$ -	\$ -	\$ 56,503,866
Air Avigation Easements	7,273,370	-	-	-	7,273,370
Construction in Progress	58,377,337	(58,536,252)	46,658,715	-	46,499,803
Total	122,154,573	(58,536,252)	46,658,715	-	110,277,039
Capital Assets – Depreciated and Amortized:					
Land Improvements	97,347,974	53,392,296	-	-	150,740,271
Buildings and Improvements	55,713,276	1,981,736	-	(13,743)	57,681,269
Information Technology Hardware and Software	9,788,872	1,699,234	-	-	11,488,106
Furniture and Fixtures	607,391	573,449	-	-	1,180,840
Machinery and Equipment	6,646,951	-	-	(19,725)	6,627,226
Vehicles	7,500,199	889,537	-	-	8,389,736
Subscription Assets	2,575,908	-	-	-	2,575,908
Total	180,180,571	58,536,252	-	(33,468)	238,683,356
Less: Accumulated Depreciation and Amortization:					
Land Improvements	(20,177,586)	-	(7,821,096)	-	(27,998,682)
Buildings and Improvements	(12,167,161)	-	(3,513,759)	-	(15,680,920)
Information Technology Hardware and Software	(4,167,868)	-	(1,771,314)	-	(5,939,182)
Furniture and Fixtures	(207,178)	-	(125,576)	-	(332,754)
Machinery and Equipment	(5,419,778)	-	(382,972)	2,583	(5,800,167)
Vehicles	(2,228,819)	-	(852,608)	-	(3,081,427)
Subscription Assets	(1,820,667)	-	(606,889)	-	(2,427,556)
Total	(46,189,057)	-	(15,074,214)	2,583	(61,260,688)
Capital Assets – Depreciated and Amortized, Net	133,991,514	58,536,252	(15,074,214)	(30,885)	177,422,668
Capital Assets, Net	\$ 256,146,087	-	\$ 31,584,501	\$ (30,885)	\$ 287,699,707

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – CAPITAL ASSETS – CONTINUED

For the year ended June 30, 2024, capital asset activity is as follows (in thousands):

	For the Year Ended June 30, 2024				
	Balance at June 30, 2023	Reclassifications	Additions	Deletions	
Capital Assets – Not Depreciated:					
Land	\$ 56,503,866	\$ -	\$ -	\$ -	\$ 56,503,866
Air Avigation Easements	7,273,370	-	-	-	7,273,370
Construction in Progress	39,709,075	(1 9,383,739)	38,052,001	-	58,377,337
Total	1 03,486,311	(1 9,383,739)	38,052,001	-	1 22,1 54,573
Capital Assets – Depreciated and Amortized:					
Land Improvements	53,839,375	1 6,461 ,1 02	27,047,497	-	97,347,974
Buildings and Improvements	51 ,490,395	1 ,621 ,487	2,601 ,394	-	55,71 3,276
Information Technology Hardware and Software	7,608,330	642,095	1 ,538,447	-	9,788,872
Furniture and Fixtures	420,1 96	1 54,1 05	33,090	-	607,391
Machinery and Equipment	5,91 0,739	504,950	231 ,262	-	6,646,951
Vehicles	7,248,91 4	-	251 ,285	-	7,500,1 99
Subscription Assets	3,690,402	-	-	(1 ,1 1 4,494)	2,575,908
Total	1 30,208,351	1 9,383,739	31 ,702,975	(1 ,1 1 4,494)	1 80,1 80,571
Less: Accumulated Depreciation and Amortization:					
Land Improvements	(1 5,047,433)	-	(5,1 30,1 53)	-	(20,1 77,586)
Buildings and Improvements	(8,866,467)	-	(3,300,694)	-	(1 2,1 67,1 61)
Information Technology Hardware and Software	(3,305,458)	-	(862,41 0)	-	(4,1 67,868)
Furniture and Fixtures	(97,1 37)	-	(1 1 0,041)	-	(207,1 78)
Machinery and Equipment	(5,024,820)	-	(394,958)	-	(5,41 9,778)
Vehicles	(1 ,360,459)	-	(868,360)	-	(2,228,81 9)
Subscription Assets	(1 ,520,1 63)	-	(606,889)	306,385	(1 ,820,667)
Total	(35,221 ,937)	-	(1 1 ,273,505)	306,385	(46,1 89,057)
Capital Assets – Depreciated and Amortized, Net	94,986,41 4	1 9,383,739	20,429,470	(808,1 09)	1 33,991 ,51 4
Capital Assets, Net	<u>\$1 98,472,725</u>	<u>\$ -</u>	<u>\$58,481 ,471</u>	<u>\$ (808,1 09)</u>	<u>\$256,1 46,087</u>

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – CAPITAL ASSETS – CONTINUED

For the years ended June 30, 2025 and 2024, depreciation and amortization expense was \$15.1 million and \$11.2 million, respectively.

Net Investment in capital assets as of June 30, 2025 and 2024 is as follows:

	2025	2024
Capital Assets	\$ 348,960,394	\$ 302,335,144
Cash Restricted for Capital Projects	-	17,972,841
Less: Accumulated Depreciation and Amortization	(61,260,688)	(46,189,057)
Less: Outstanding Debt	(153,951,307)	(135,152,235)
Less: Retention Payable	(556,650)	-
Less: Subscription Liability	(347,122)	(686,260)
Net Investment in Capital Assets	\$ 132,844,627	\$ 138,280,433

NOTE 5 – CUSTOMER DEPOSITS AND UNEARNED REVENUES

The Authority holds security deposits, advanced rent payments from certain tenants, and certain other payments applicable to future periods. Such amounts have been classified as Customer Deposits and Unearned Revenues in the accompanying Statements of Net Position. Customer Deposits and Unearned Revenues amounted to \$859,586 and \$6,321,038 as of June 30, 2025. Customer Deposits and Unearned Revenues amounted to \$600,225 and \$5,382,744 as of June 30, 2024.

NOTE 6 – DUE TO AIRLINES AND PARTNERS

Due to Airlines

Pursuant to the ULAs' annual true-up provision, landing fees and terminal rents invoiced by the Authority to signatory airlines for the years ended June 30, 2025 and 2024 were determined to be in excess of amounts needed to fund the annual airfield and terminal cost center requirements at ONT (surplus). The surplus for the year ended June 30, 2025 in the amount of \$672,003 will be issued to signatory airlines in the form of credits subsequent to year end. The surplus for the year ended June 30, 2024 in the amount of \$2,475,589 was issued to signatory airlines in the form of credits during the year ended June 30, 2025. As of June 30, 2025 and 2024, \$337,709 and \$521,024, respectively, of the credits issued to signatory airlines for prior year annual true-ups have not been used by signatory airlines. The credits due to signatory airlines as of June 30, 2025 and 2024 are included in Due to Airlines and Partners in the accompanying Statements of Net Position.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – LONG-TERM DEBT

Long-term debt consisted of the following as of June 30, 2025 and 2024:

Public Offerings

Bonds Payable – Series 2016

On November 1, 2016, the Authority issued \$52,015,000 of 2016 Airport Revenue Bonds (2016 Bonds) at par, with effective interest rates ranging from 1.290% to 2.998%. The 2016 Bonds are special limited obligations of the Authority payable solely from, and secured solely by, a pledge of the net revenues and amounts in certain funds established under the Master Indenture of Trust, as amended, and the Debt Service Reserve Fund (provided through a surety). The 2016 Bonds are subject to redemption at the Authority's option prior to maturity, subject to a redemption premium. The 2016 Bonds were issued to extinguish LAWA 2006 Bonds as part of the Authority's acquisition of the ONT from LAWA and to pay bond issuance costs.

The 2016 Bonds are due in principal installments on May 15 annually with semi-annual interest installments due on May 15 and November 15 each year. In connection with the bond financing, the Authority secured a Reserve Surety Bond with a face value of \$5,201,500 to provide coverage for debt service. The balance outstanding on the 2016 Bonds as of June 30, 2025 and 2024 was \$6,040,000 and \$11,860,000, respectively. Interest expense for the years ended June 30, 2025 and 2024 amounted to \$321,632 and \$481,365 respectively.

The required debt service payments for the Series 2016 Bonds for the years ending June 30 are as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	<u>6,040,000</u>	<u>181,079</u>	<u>6,221,079</u>
Total	<u>\$ 6,040,000</u>	<u>\$ 181,079</u>	<u>\$ 6,221,079</u>

Bonds Payable – Series 2021

On April 21, 2021, the Authority issued \$124,731,218 of 2021 Airport Revenue Bonds, Series 2021 A, Series 2021 B, and Series 2021 C (2021 Revenue Bonds) including a premium in the amount of \$21,391,218, with effective interest rates ranging from 1.875% to 5.000%. The 2021 Revenue Bonds are special limited obligations of the Authority payable solely from, and secured solely by, a pledge of the net revenues and amounts in certain funds established under the Master Indenture of Trust, as amended, and the Debt Service Reserve Fund (provided through a surety). The 2021 Revenue Bonds are subject to redemption at the Authority's option prior to maturity, subject to a redemption premium. The 2021 Revenue Bonds were issued primarily to fund the Capital Improvement

Program (CIP), to extinguish outstanding debt due to LAWA in connection with the acquisition of ONT, and to refinance Subordinated Revenue Notes.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – LONG-TERM DEBT—CONTINUED

The 2021 Revenue Bonds are due in principal installments on May 15 annually with semi-annual interest installments due on May 15 and November 15 each year. In connection with the bond financing, the Authority secured a Reserve Surety Bond with a face value of \$6,863,850 to provide coverage for debt service. The balance outstanding on the 2021 Revenue Bonds as of June 30, 2025 and 2024 was \$121,186,941 and \$122,054,927, which includes unamortized bond premiums of \$17,846,940 and \$18,714,927, respectively.

Interest expense for the years ended June 30, 2025 and 2024 amounted to \$4,476,979 and \$4,476,979, respectively. Amortization of the 2021 Revenue Bond premium for the years ended June 30, 2025 and 2024 amounted to \$867,986 and \$867,986, respectively, and is included as a reduction to interest expense in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

The required debt service payments for the Series 2021 Revenue Bonds for the years ending June 30 are as follows:

For the Year Ending June 30,	Principal	Premium	Interest	Total
2026	\$ -	\$ 867,986	\$ 4,476,979	\$ 4,476,979
2027	2,385,000	867,986	4,476,979	6,861,979
2028	2,430,000	867,986	4,432,259	6,862,259
2029	2,505,000	867,986	4,355,600	6,860,600
2030	2,630,000	867,986	4,230,350	6,860,350
2031 – 2035	15,270,000	4,339,930	19,041,750	34,311,750
2036 – 2040	18,910,000	4,339,930	15,391,550	34,301,550
2041 – 2045	23,295,000	2,441,851	11,012,250	34,307,250
2046 – 2050	29,320,000	2,015,745	4,987,500	34,307,500
2051	6,595,000	369,555	263,800	6,858,800
Total	<u>\$ 103,340,000</u>	<u>\$17,846,941</u>	<u>\$ 72,669,017</u>	<u>\$ 176,009,017</u>

The 2016 and 2021 Revenue Bonds are special obligations of the Authority payable solely from, and secured solely by, Pledged Revenues. Pledged Revenues are defined in the Master Indenture as all income, receipts, earnings, and revenues received by the Authority. Net Pledged Revenues are defined as operating revenue plus investment income on operating funds, less operating expenses before depreciation and amortization.

The Bond Indenture agreements contain various affirmative, negative, and financial covenants. The Bond Indenture agreement requires the Authority to reserve and deposit monthly one twelfth of the upcoming annual principal amount of the bonds maturing and one sixth of the upcoming semi-annual interest payable. The primary financial covenant is a Debt Service Coverage Ratio defined as, “net pledged revenues equal to at least 125% of aggregate annual debt service for that fiscal year”. If the Authority violates the covenant, it will not constitute a default in the event the Authority cures violation within 120 days of its discovery.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – LONG-TERM DEBT—CONTINUED

During the year ended June 30, 2025, Net Pledged Revenues were \$26.5 million, compared to annual debt requirements of \$8.4 million. Net Pledged Revenues were \$27.1 million compared to annual debt requirements of \$8.3 million for the year ended June 30, 2024.

Arbitrage - Rebate Liability

The Authority has a liability related to the arbitrage rebate requirements under the Tax Reform Act of 1986 (the “Tax Reform Act”), as amended for the tax-exempt 2021 Series Bonds issued by the Authority. The arbitrage rebate provisions require the Authority to rebate the U.S. Treasury any earnings on bond proceeds that exceed the bond yield if those earnings are not used for qualifying tax-exempt purposes within a specified period. As of June 30, 2025 the Authority recorded a liability for the arbitrage rebate totaling \$1,240,597.

Direct Borrowings and Placements

Revolving Credit Facility

On February 1, 2023, the Authority entered into a Revolving Credit Facility agreement with a financial institution. The lender made available to the Authority a revolving line of credit in the maximum principal amount of \$50,000,000, the proceeds of which are to be used to finance a portion of the cost of the Authority’s capital improvement program, including terminal, parking lot, airfield, and roadway improvements. During the Revolving Credit Period, the lender agrees to make revolving taxable and tax-exempt loans (Notes) to the Authority. As of November 8, 2024, the Authority amended the agreement with the financial institution for the Notes to mature on July 30, 2027 (Facility Maturity Date). As of October 23, 2025, the Authority entered into a second amendment to increase the maximum principal amount to \$100,000,000. The Facility Maturity Date remains July 30, 2027.

Interest is due quarterly. Principal payments are due quarterly beginning on the first business day of the third full calendar month following the Facility Maturity Date. The taxable portion of the Revolving Credit Facility bears interest at a variable rate equal to the Daily 1M SOFR plus the Taxable SOFR Rate. The nontaxable portion of the Revolving Credit Facility bears interest at a variable rate equal to 79% of the Daily 1M SOFR plus the Tax-exempt SOFR Rate. Interest rates at June 30, 2025 were 4.91% for the taxable portion of the Revolving Credit Facility, and 3.94% for the nontaxable portion of the Revolving Credit Facility. As of June 30, 2025 and 2024 interest on the Revolving Credit Facility totaled \$578,334 and \$27,717, respectively.

The Notes are secured by Net Pledged Revenues, junior and subordinate to the 2021 Revenue Bonds. Net Pledged Revenues are defined as Pledged Revenues less maintenance and operating expenses.

The Revolving Credit Facility agreement contains various affirmative, negative, and financial covenants. The Bond Indenture agreement requires the Authority to reserve and deposit monthly one twelfth of the upcoming annual principal amount of the bonds maturing and one sixth of the upcoming semi-annual interest payable. The primary financial covenant is a Debt Service Coverage Ratio defined as, “Net Pledged Revenues equal to at least 110% of aggregate annual debt service for that fiscal year”.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – LONG-TERM DEBT—CONTINUED

Long-term debt activity for the year ended June 30, 2025 follows:

	For the Year Ended June 30, 2025				
	Balance at June 30, 2024	Additions	Reductions	Balance at June 30, 2025	Current Portion
Revenue Bonds:					
Series 2016	\$ 11,860,000	\$ -	\$ (5,820,000)	6,040,000	\$ 6,040,000
Series 2021:					
Series 2021 A	57,750,000	-	-	57,750,000	-
Series 2021 A Premium	10,851,429	-	(403,149)	10,448,280	403,149
Series 2021 B	41,685,000	-	-	41,685,000	-
Series 2021 B Premium	7,863,498	-	(464,837)	7,398,660	464,837
Series 2021 C	3,905,000	-	-	3,905,000	-
Total Series 2021	122,054,927	-	(867,986)	121,186,940	867,986
Total Revenue Bonds	133,914,927	-	(6,687,986)	127,226,940	6,907,986
Direct Borrowings:					
Revolving Credit Facility	483,771	25,000,000	-	25,483,771	-
Total Direct Borrowings	483,771	25,000,000	-	25,483,771	-
Total Long-Term Debt	<u>\$ 134,398,698</u>	<u>\$ 25,000,000</u>	<u>\$ (6,687,986)</u>	<u>\$ 152,710,711</u>	<u>\$ 6,907,986</u>

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – LONG-TERM DEBT – CONTINUED

Long-term debt activity for the year ended June 30, 2024 follows:

	For the Year Ended June 30, 2024				
	Balance at June 30, 2023	Additions	Reductions	Balance at June 30, 2024	Current Portion
Revenue Bonds:					
Series 2016	\$ 17,505,000	\$ -	\$ (5,645,000)	11,860,000	\$ 5,820,000
Series 2021:					
Series 2021 A	57,750,000	-	-	57,750,000	-
Series 2021 A Premium	11,254,578	-	(403,149)	10,851,429	403,149
Series 2021 B	41,685,000	-	-	41,685,000	-
Series 2021 B Premium	8,328,335	-	(464,837)	7,863,498	464,837
Series 2021 C	3,905,000	-	-	3,905,000	-
Total Series 2021	<u>122,922,913</u>	<u>-</u>	<u>(867,986)</u>	<u>122,054,927</u>	<u>867,986</u>
Total Revenue Bonds	140,427,913	-	(6,512,986)	133,914,927	6,687,986
Direct Borrowings:					
Revolving Credit Facility	483,771	-	-	483,771	-
Total Direct Borrowings	<u>483,771</u>	<u>-</u>	<u>-</u>	<u>483,771</u>	<u>-</u>
Total Long-Term Debt	<u>\$ 140,911,684</u>	<u>\$ -</u>	<u>\$ (6,512,986)</u>	<u>\$ 134,398,698</u>	<u>\$ 6,687,986</u>

NOTE 8 – RESTRICTED NET POSITION

As of June 30, 2025 and 2024, restricted net position includes restricted assets required to be set aside to repay principal and interest under debt covenants, except for those principal and interest payments included in net investment in capital assets; and to comply with other legal or contractual requirements; less liabilities payable from these assets.

As of June 30, 2025 and 2024, restricted net position consisted of the following (in thousands):

	2025	2024
Restricted Net Position:		
Customer Facility Charges	\$ 4,285,822	\$ 2,097,159
Passenger Facility Charges	55,636,877	39,902,987
Debt Service Reserve – 2016 Revenue Bonds	6,558,423	514,145
Debt Service Reserve – 2021 Revenue Bonds	373,082	373,082
Surplus Revenue Fund	<u>43,911,879</u>	<u>43,911,879</u>
Total Restricted Net Position	<u>\$ 110,766,083</u>	<u>\$ 86,799,252</u>

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 – RELATED PARTY TRANSACTIONS

The Authority has entered into agreements with both the City of Ontario (City) and San Bernadino County (County) for various services. Through these agreements, the City provides public safety, information technology, and other administrative services to the Authority. In addition, the Authority purchases water and waste utilities from the City. The Authority's parking operations are subject to a city parking tax. These taxes are included in the daily parking rates and taxes paid are netted against parking revenues. The Authority is also under Agreement with the County for Emergency Management materials and services and pays license and permit expenses for work conducted at the Airport.

Amounts due to the City total \$2,417,686 and \$4,423,966, for the years ended June 30, 2025 and 2024, respectively. Amounts due to the County total \$14,021 and \$27,160 as of June 30 2025 and 2024, respectively. Amounts due are included in Accounts Payable and Accrued Expenses in the accompanying Statements of Net Position. The following summarizes the Authority's expenses for services provided by the City and the County for the years ended June 30:

	2025	2024
City of Ontario		
Public Safety	\$ 21,974,674	\$ 22,723,669
Administrative Services	-	1,140,469
Utilities	1,204,734	1,079,364
Parking Taxes	3,392,095	3,328,187
Sponsorships and Other	30,235	32,463
Total City of Ontario	26,601,738	28,304,152
San Bernadino County		
Emergency Management Materials & Supplies	82,978	62,736
Sponsorships	15,000	15,000
Licenses and Permits	5,818	5,821
Total San Bernardino County	103,796	83,557
Total Related Party Transactions	\$ 26,705,534	\$ 28,387,709

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 - LEASES

Non-regulated lessor leases consisted of the following as of June 30, 2025 and 2024:

	2025	2024
Concession Leases:		
Leases of terminal facilities or land under various concession arrangements for food and beverage, gifts and news, advertising and other nonaeronautical concessions. Digital advertising lease, fixed payments total \$100,000 annually, with provisions for variable payments that exceed annual fixed payments. There were no variable payments for 2025 and 2024. The lease receivable is discounted at 4.11% and expires in June 2040.	\$ 1,090,997	\$ 1,144,947
Other Terminal Leases:		
Leases of terminal space based on square footage and nonairline tenant leases for office and other nonaeronautical uses. Payments range from \$50,675 - \$57,035, with a lease stated 3.5% annual increase, The lease receivable is discount rate is 2.05% and expires in September 2026.	854,607	1,498,405
Total Leases Receivable	1,945,604	2,643,352
Less: Current Portion	736,953	697,748
Leases Receivable – Noncurrent	\$ 1,208,651	\$ 1,945,604

Lease interest income recognized for the years ended June 30, 2025 and 2024 was approximately \$70,784 and \$85,753, respectively, and is included in the following financial statement categories in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

	2025	2024
Interest Income from Leases:		
Concessions	\$ 46,049	\$ 48,217
Facilities and Land Rent	24,735	37,536
Total Interest Income From Leases	\$ 70,784	\$ 85,753

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10– LEASES – CONTINUED

The expected future lease payments, which are included in the measurement of the current and noncurrent lease receivables as of June 30, 2025 are as follows:

For the Year Ending June 30,	Lease Receivable	Lease Interest	Total
2026	736,954	54,981	791,935
2027	232,430	42,029	274,459
2028	61,019	38,982	100,001
2029	63,573	36,426	99,999
2030	66,237	33,763	100,000
2031 – 2035	375,193	124,806	499,999
2036 - 2040	410,198	39,801	449,999
Total	<u>\$ 1,945,604</u>	<u>\$ 370,788</u>	<u>\$ 2,316,392</u>

Other Aeronautical Facilities and Land

Revenues by major lease type are included in the following financial statement categories in the accompanying Statements of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2025:

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10– LEASES – CONTINUED

	For the Year Ended June 30, 2025		
	Preferential	Exclusive	Total
Terminal:			
Signatory	\$ 3,216,462	\$ 4,150,338	\$ 7,366,800
Nonsignatory	-	267,669	267,669
Airside Land and Facilities:			
Signatory	-	9,830,272	9,830,272
Nonsignatory	-	25,176	25,176
General Aviation	-	641,590	641,590
Ground Handling and Aviation Support	-	3,262,643	3,262,643
	\$ 3,216,462	\$ 18,177,688	\$ 21,394,150
Aeronautical Revenues:			
Facilities			\$ 9,057,080
Land			12,337,070
			\$ 21,394,150

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 – LEASES – CONTINUED

Revenues by major lease type are included in the following financial statement categories in the accompanying Statements of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2024:

	For the Year Ended June 30, 2024		
	Preferential	Exclusive	Total
Terminal:			
Signatory	\$ 2,415,365	\$ 3,016,641	\$ 5,432,006
Nonsignatory	-	375,631	375,631
Airside Land and Facilities:			
Signatory	-	10,167,158	10,167,158
Nonsignatory	-	15,692	15,692
General Aviation	-	617,227	617,227
Ground Handling and Aviation Support	-	3,133,297	3,133,297
	\$ 2,415,365	\$ 17,325,646	\$ 19,741,011

The expected future minimum lease payments from regulated leases as of June 30, 2025 are as follows:

For the Year Ending June 30,	Amount
2026	\$ 10,735,450
2027	8,822,672
2028	8,648,013
2029	8,648,013
2030	6,404,934
2031 – 2035	28,302,182
2036 – 2040	26,533,739
2041 – 2045	26,533,739
2046 – 2050	26,533,739
2051 – 2055	3,980,061
Total	\$ 155,142,543

Minimum lease payments include required payments, excluding variable portions of those payments, using lease rates effective on the later of June 30, 2025, or the lease effective date. Leases that are classified as short-term are not included in the totals.

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NOTE 11 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The Authority has entered into SBITAs with various third parties that allow the Authority the right to use and control third party software, alone or in combination with other assets, the terms of which expire in 2026. The subscription asset and related accumulated amortization are included in capital assets on the Statements of Net Position. The measurement of the subscription liability is based on the present value of lease payments expected to be paid during the subscription term. The subscription has an interest rate of 2.35%. A summary as of June 30, 2025 is as follows:

Subscription Asset	\$ 2,575,908
Accumulated Amortization	\$ 2,427,556
Term	36 – 50 Months

Future principal and interest payment requirements related to the Authority's subscription liability as of June 30, 2025 are as follows:

For the Year Ending June 30,	Principal and Interest Requirements to Maturity		
	Principal	Interest	Total
2026	\$ 347,122	\$ 8,171	\$ 355,293
Total	<u>\$ 347,122</u>	<u>\$ 8,171</u>	<u>\$ 355,293</u>

In accordance with GASB 96, the Authority does not recognize a lease liability or right-to-use asset for SBITAs that are considered short-term, or maintenance or support arrangement.

NOTE 12 – RETIREMENT PLANS

The Authority established and maintains three defined contribution retirement plans for the benefit of employees. The Authority does not participate in the United States Social Security system. The plans are administered by an unrelated third party. Significant plan requirements are as follows:

401(a) Plan – Defined Contribution Plan for Governmental Employees

The Authority established the Ontario International Airport Authority 401(a) Defined Contribution Plan (401(a) Plan), which is administered by an unrelated third-party. All employees participate in the Authority's 401(a) Plan. The Authority contributes 10% of the employee's eligible wages and 12% of eligible wages for executive employees.

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NOTE 12 – RETIREMENT PLANS - CONTINUED

Employees may not contribute to the plan. All employer contributions are fully vested at the date of contribution. For the plan years ended June 30, 2025 and 2024, the maximum permissible contributions are \$70 thousand and \$69 thousand per employee, respectively. Amounts contributed to the plan for the years ended June 30, 2025 and 2024 amounted to \$1.4 million and \$1.2 million, respectively.

457(b) Plan – Employee Deferred Compensation Plan

The Ontario International Airport Authority 457(b) Deferred Compensation Plan is an employee funded retirement plan. All employee contributions are fully vested at the time of contribution. The Authority does not make any contributions or provide for matching under this plan.

457(f) Plan

The Ontario International Authority 457(f) Deferred Compensation Plan is a non-qualified deferred compensation arrangement which provides supplemental retirement benefits to a select management group. The plan has no active participants and no plan assets as of June 30, 2025 and 2024.

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NOTE 13 – CONCENTRATION OF OPERATING REVENUES

A significant portion of the Authority's earnings and revenues are directly or indirectly attributable to the activity of a number of major airlines, tenants, and concessionaires. The Authority's earnings and revenues could be materially and adversely affected should any of these major customers discontinue operations and should the Authority be unable to replace those airlines with similar activity.

Significant customers for the years ended June 30, 2025 and 2024 consisted of the following:

Customer	Customer Type	2025		2024	
		Revenues	% of Operating Revenues	Revenues	% of Operating Revenues
Customer A	Cargo Carrier	\$ 10,445,723	8.4 %	\$ 9,182,031	7.9 %
Customer B	Passenger Carrier	8,891,505	7.1	12,239,406	10.5
Customer C	Cargo Carrier	6,325,193	5.1	5,255,516	4.5
Customer D	Rental Car Company	4,745,962	3.8	4,799,155	4.1
Customer E	Passenger Carrier	3,621,767	2.9	3,590,532	3.1
Customer F	Rental Car Company	3,158,942	2.5	2,665,958	2.3
Customer G	Cargo Carrier	2,925,580	2.3	1,574,548	1.3
Customer H	Passenger Carrier	2,741,658	2.2	2,376,137	2.0
Customer I	Passenger Carrier	2,537,555	2.0	2,055,949	1.8
Customer J	Passenger Carrier	2,529,635	2.0	1,146,661	1.0
Customer K	Passenger Carrier	2,038,598	1.6	1,054,631	0.9
Customer L	Concessionaire	2,037,624	1.6	769,596	0.7
Customer M	Passenger Carrier	1,886,144	1.5	1,523,376	1.3

NOTE 14 – PASSENGER FACILITY CHARGES (PFCS)

The PFC Program for ONT was established under previous ownership by LAWA. In accordance with the Settlement Agreement for the Authority's acquisition of ONT from LAWA, a PFC application was submitted to the FAA to authorize use of PFC collections at ONT for a single project at the Los Angeles International Airport (LAX). On July 18, 2016, the FAA issued a Final Agency Decision approving this application (16-05-C-00-ONT), which approved the imposition of a \$4.50 PFC at ONT for use on the LAX project. On September 16, 2016, the FAA approved amendment number 1 (16-05-C-01-ONT) to increase the approved amount for the project from \$47,338,500 to \$117,338,550. The Authority was required to remit ONT PFC revenues directly to LAWA until it paid in full amounts due under its loan agreement with LAWA.

On April 17, 2020 the Authority submitted an amendment to the FAA to repay its current obligation to LAWA, in a lump sum payment through the issuance of new bonds (see Note 7). The application amendment (16-05-C-02-ONT) was approved by the FAA on May 15, 2020. This amendment represented the following changes:

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NOTE 14 – PASSENGER FACILITY CHARGES (PFCS) - CONTINUED

	<u>Previously</u>	<u>Revised</u>	<u>Net Increase (Decrease)</u>
LAX Project:			
Pay-As-You-Go	\$ 117,338,500	\$ 86,885,234	\$ (30,453,266)
PFC Bond Capital	-	30,453,266	30,453,266
PFC Bond Financing and Interest	-	41,973,708	41,973,708
Total	<u>\$ 117,338,500</u>	<u>\$ 159,312,208</u>	<u>\$ 41,973,708</u>

PFC revenues for the years ended June 30, 2025 and 2024 were approximately \$14.2 million and \$13.8 million, respectively.

The following summarizes expenditures deemed allowable by management based on prior FAA approval for the PFC program for the years ended June 30:

	<u>2025</u>	<u>2024</u>
PFC Bond Financing and Interest:		
Debt Service – 2021 Revenue Bonds:		
Series 2021 A	\$ 736,532	\$ 736,532
Series 2021 B	66,909	66,909
Total Debt Service – 2021 Revenue Bonds	<u>803,441</u>	<u>803,441</u>
Total	<u>\$ 803,441</u>	<u>\$ 803,441</u>

NOTE 15 – CUSTOMER FACILITY CHARGES (CFCS)

CFCs on rental car contracts are used to pay debt service on the portion of Series 2016 Revenue Bonds attributable to Consolidated Rental Car Facility (CONRAC), capital costs, and operating costs for shuttle services to transport passengers to and from the terminal and the CONRAC.

CFC revenues for the years ended June 30, 2025 and 2024 were approximately \$4.0 million and \$3.7 million, respectively.

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NOTE 15 – CUSTOMER FACILITY CHARGES (CFCS) - CONTINUED

The following summarizes expenditures deemed allowable by management for the CFC program for the years ended June 30:

	2025	2024
Debt Service – 2016 Revenue Bonds	\$ 511,744	\$ 615,269
Shuttle Services	1,474,865	1,636,256
Capital Costs	-	329,002
Total	\$ 1,986,609	\$ 2,580,526

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Construction Projects

At June 30, 2025, total commitments for contractual services for grant funded and other construction projects were approximately \$125,743,278. As of June 30, 2025, the unpaid balance was approximately \$24,642,318. These commitments will be funded in whole or in part by grants of \$25,072,732, bonds, and discretionary funds.

NOTE 17 – RISK MANAGEMENT

Risk Management, Types and Assessments

The Authority is exposed to various risks or losses related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Authority mitigates these risks by purchasing commercial insurance with standard deductibles for all significant insurable risks. There have been no significant changes in insurance coverage during 2025, and settlements have not exceeded insurance coverage for the fiscal years 2025 or 2024.

Losses arising from claims and judgments are expensed when 1) it is probable that an asset has been impaired, or a liability has been incurred at the date of the financial statements; and 2) the amount of the loss can be reasonably estimated.

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NOTE 18 – SPECIAL ITEMS

FAA Noise Land Program Contributions

During Fiscal Year 2024, the Authority received \$54,488,000 from the City of Ontario and its Industrial Development Authority in accordance with FAA's AIP Handbook, Order 5100.38D, which represented the proceeds from the disposition of properties originally acquired under the FAA Noise Land Program during LAWA's ownership of the Airport. In connection with the arrangement between LAWA, the FAA and the City of Ontario, the City of Ontario was responsible for implementing the Noise Land Program which included the purchase of certain properties. Of the amount received, unrestricted cash was approximately \$10,576,000, restricted cash was approximately \$43,912,000, and capital contributions in the accompanying Statements of Revenues, Expenses, and Changes in Net Balance was \$54,488,000. The revenue related to the transaction were included in Capital Contributions in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. These funds remain unutilized as of June 30, 2025.



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