CITY OF BURBANK

WATER AND POWER

ANNUAL REPORT

Fiscal Year 2024-2025

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CORE VALUES

FIND A WAY
Drive to get it done.

CONTINUOUSLY IMPROVE
Be curious, learn, improve, repeat.

INCLUDE OTHERS
Care, collect, collaborate, and create with intent.

BE RESPECTFUL
Safeguard one another, the community, and the environment.

DELIVER THE FUTURE
Innovate with insight and purpose.

CITY OF BURBANK
ELECTRIC AND WATER UTILITY ENTERPRISE FUNDS
Management Discussion and Analysis
Year ended June 30, 2025

The management of the City of Burbank's Electric and Water Utility Enterprise Funds (Management) offers this Management Discussion and Analysis (MD&A) as an overview of the financial activities of utility operations for the fiscal year ending June 30, 2025 (fiscal year). The MD&A is intended to serve as an introduction to the Electric and Water Utility Enterprise Funds' (Utility) basic financial statements and is intended to provide an objective and easily understandable analysis of the financial activities based on current known facts, decisions, and conditions. Management encourages readers to utilize the information in the MD&A in conjunction with the accompanying basic financial statements and notes.

In addition, Management has elected to provide highlights to the basic financial statements, as well as vital statistics and other relevant information, concerning the Utility. All amounts in these documents, unless otherwise indicated, are expressed in thousands of dollars; and some of the totals may not foot due to rounding.

Overview of the Basic Financial Statements

For comparative purposes, this analysis includes the financial statements of the Utility for the two most recent fiscal years. Included as part of the financial statements are the following statements and notes:

The Statement of Net Position presents information on the Utility's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as total net position.

The Statement of Revenues, Expenses, and Changes in Fund Net Position presents information on how the Utility's net position changed during the two most recent fiscal years. Financial results are recorded using the accrual basis of accounting. Under this method, all changes in net position are reported as soon as the underlying events occur, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement for some items may affect cash flows in future fiscal periods (examples include billed but uncollected revenues and employee earned but unused vacation leave).

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash from operations, non-capital financing, capital and related financing and investing activities.

The Notes in the basic financial statements provide additional information that is essential for a full understanding of the data provided within these financial statements.

Electric Utility Fund

Highlights:

- Total net position increased by $14,357 for the fiscal year due to favorable operating results.
- The Electric Utility continued with its asset optimization strategy. A net wholesale margin of $1,510 was generated primarily during high energy prices during summer heat waves.
- In March 2025, Moody's affirmed the Electric Utility's 'Aa3' rating with a stable outlook and in May 2025, S&P Global Ratings affirmed its 'AA-' rating on the Electric Utility with a negative outlook.

- In July 2024, the Electric Utility refunded the 2010A Build America Bonds (BABs) for debt service savings and elimination of sequestration risk.

- For the fiscal year, the Electric Utility's availability rate was 99.998%. The system average interruption was only 12.03 minutes per customer served. A low frequency of outages means a lower overall system average outage duration. The Burbank outage frequency rate was approximately 0.32 outages per customer served every year or an outage per customer every 3.14 years.

- The Electric Utility met California's Renewables Portfolio Standard (RPS) goal of 44% for calendar year 2024 and is on track to meet the RPS goal of 46% for calendar year 2025.

Financial Analysis

Schedule of Revenues, Expenses, and Changes in Fund Net Position (*$ in thousands*)

	2025	2024	Incr. (Decr.)
Retail sales (in MWh)	961,401	942,640	18,761
Operating revenues:			
Retail	$ 191,991	$ 173,453	$ 18,538
Wholesale	22,452	23,197	(745)
Other revenues	16,035	6,962	9,073
Total operating revenues	230,478	203,612	26,866
Operating expenses:			
Power supply and fuel – retail	123,907	101,742	22,165
Purchased power and fuel – wholesale	20,942	20,975	(33)
Transmission expense	10,545	9,468	1,077
Distribution expense	13,442	13,118	323
Other operating expenses	34,291	29,626	4,665
Depreciation	22,663	20,569	2,094
Total operating expenses	225,790	195,498	30,292
Operating income	4,688	8,114	(3,426)
Nonoperating income (expenses):			
Interest income	9,724	8,423	1,301
Intergovernmental	270	363	(93)
Lease rentals	355	471	(116)
Lease interest expense	-	(57)	57
Interest expense	(7,477)	(9,284)	1,807
Gain (loss) on disposal of capital assets	52	(517)	569
Other income (expenses), net	355	2,442	(2,087)
Total nonoperating income (expenses)	3,279	1,841	1,438
Income before contributions	7,967	9,955	(1,989)
Capital contributions and transfers:			
Customer capital contributions	6,390	2,832	3,558
Transfers from the City	-	116	(116)
Transfers to the City	-	(401)	401
Total capital contributions and transfers	6,390	2,547	3,843
Change in net position	14,357	12,502	1,854
Net position, beginning of year	304,656	292,154	12,502
Net position, end of year	**$ 319,013**	**$ 304,656**	**$ 14,357**

Retail (primarily sales to residential and commercial customers) and wholesale revenues were the primary revenue sources for the Electric Utility. Retail revenues made up 83.3% of the Electric Utility's operating revenues. Retail energy sales increased by 18,761 MWh, or 2.0%, compared to the prior fiscal year primarily due to a warmer summer. Commercial load made up about 63.5% of the Electric Utility's retail load and decreased by 3.3% from the prior year; while residential load made up 30.8% of the Electric Utility's retail load and increased by 2.1% from the prior year. Retail revenues were higher by $18,538, or 10.7%, due to the 8.0% rate increase that became effective on July 1, 2024 and higher retail sales

Wholesale trading opportunities exist because the Electric Utility can market excess capacity, energy, and transmission. Wholesale margins of $1,510 contributed to the Electric Utility's financial performance by increasing the Electric Utility's operating income. Wholesale margin was $745 or 3.2% lower than the prior fiscal year primarily driven by lower regional spreads, lower volatility due to solar plants coupled with batteries, and months of Intermountain Power Project (IPP) testing causing Southern Transmission System (STS) transmission derates. The Electric Utility continued to utilize its asset optimization strategy during heat waves and cold snaps to benefit retail ratepayers.

Other revenues consist of ONE Burbank revenues, transmission, telecommunications, and other miscellaneous revenues. These revenues were $9,073, or 130.3%, higher than the prior fiscal year primarily due to a second insurance reimbursement of $6,624 for the Golden State Substation fire that occurred in April 2020. The first reimbursement of $3,000 was received in fiscal year 2020-21. Other revenues for the year also included emission credit proceeds received from the California Air Resources Board.

ONE Burbank is a fiber optic-based infrastructure program that includes dark fiber, carrier-class internet, and high-speed managed services for local Burbank businesses. ONE Burbank generated $3,693 in revenues compared to $3,958 in the prior fiscal year. The decrease was due to a downturn in the Los Angeles film and television industry and construction at the Warner Ranch site, causing a temporary disconnection of services.

The Cap-and-Invest Program, adopted by the California Air Resources Board (CARB), went into effect on January 1, 2012, and emission obligations commenced on January 1, 2013, for compliance to Assembly Bill 32 (AB 32), the Global Warming Solutions Act of 2006. Under AB 32, CARB is mandated to implement regulations that reduce greenhouse gas (GHG) emissions by capping them. Electric utilities were given emission allowances to cover all or most of their obligations at the beginning of the regulation. Electric utilities can buy or sell the allowances to comply with the emission regulation. During the fiscal year, the Electric Utility sold excess allowances in auction and made $3,191. The auction revenues have restrictions on how the proceeds may be used. They must be used for the benefit of retail ratepayers and align with AB 32's climate goals, spent on projects or activities that reduce GHG emissions for customers and utilities must report expected GHG reductions from these funded projects.

Retail power supply and fuel expenses were $22,165, or 21.8%, higher than the prior fiscal year primarily due to higher retail sales, limited coal supply for the Intermountain Power Project (IPP), the purchase of more renewable resources to meet state regulatory requirements and additional power purchases required during the month-long maintenance of Magnolia Power Plant. Transmission expenses were $1,077, or 11.4%, higher than the prior fiscal year primarily because of increased operation and maintenance costs for the transmission projects, mainly the Southern Transmission System (STS).

Other operating expenses were $4,665, or 15.7%, higher than the prior fiscal year, primarily due to higher salaries and benefits coupled with actuarial loss related to GASB Statement No. 68, "Accounting and Financia Reporting for Pensions" (GASB 68). Additional information on GASB 68 can be found in Note 14 to the basic financial statements.

In addition to the annual required pension contribution, the Electric Utility also made an additional voluntary lump sum payment to CalPERS to reduce the City's unfunded actuarial liability during the fiscal year. The Electric Utility contributed $2,062 this fiscal year compared to $1,030 in the prior fiscal year. This additional payment is included in power supply and fuel – retail, distribution, and other operating expenses.

Depreciation expense is computed on the straight-line method over the estimated useful lives of the assets. For the fiscal year, depreciation expense was higher by $2,094, or 10.2%, primarily due to additional assets being place into service.

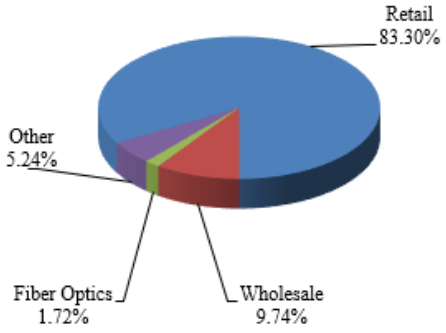
Interest income was $1,301, or 15.5%, higher than the prior fiscal year. The increase is primarily because of interest earned on the funds from the 2023 Electric Revenue Bonds, based on the timing of bond drawdowns as well as the increasing interest rate environment, and $2,119 in market value adjustment of investment holdings per GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" compared to the prior fiscal year of $245.

As of June 30, 2025, the Electric Utility had $164,055 in outstanding revenue bonds, consisting of $120 million of fixed rate tax-exempt bonds issued in March 2023 to fund capital expenditures and $44,055 of refunding bonds issued in July 2024 to refund the 2010 Build America Bonds (see Debt Administration). The Electric Utility paid $7,477 in interest expense compared to $9,284 in the prior fiscal year.

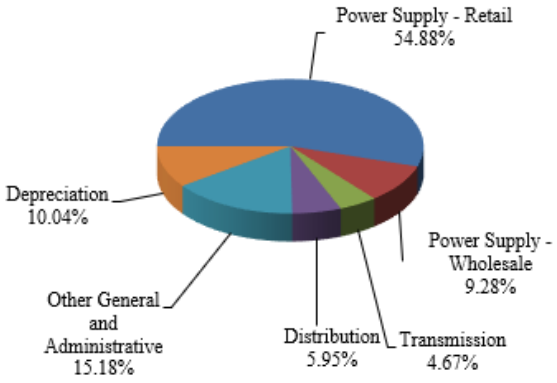
Other income (expenses), net was $2,087, or 85.5%, lower than the prior fiscal year. The prior fiscal year included subsidy rebates of $1,648 related to the 2010 Electric Revenue Build America Bonds.

Customer capital contributions were $3,558, or 125.6%, higher compared to the prior fiscal year primarily due to the Electric Utility devoting more resources to its capital projects and infrastructure construction with the funds from the 2023 Electric Revenue Bonds and increased aid-in-construction of capital projects.

Operating Revenues



Operating Expenses



The Electric Utility Fund's net position as of June 30, 2025, and June 30, 2024, were as follows:

Schedule of Net Position *($ in thousands)*

	2025	2024	Incr. (Decr.)
Assets			
Current and regulatory assets	$ 242,911	$ 238,786	$ 4,125
Noncurrent and regulatory assets	7,014	6,743	271
Capital assets, net of accumulated depreciation	394,466	358,200	36,266
Total assets	**644,391**	**603,729**	**40,662**
Deferred outflows of resources			
Deferred outflows of resources	22,554	33,393	(10,839)
Total deferred outflows of resources	**22,554**	**33,393**	**(10,839)**
Liabilities			
Current liabilities	78,664	47,481	31,183
Noncurrent and regulatory liabilities	259,735	270,770	(11,035)
Total liabilities	**338,399**	**318,251**	**20,148**
Deferred inflows of resources			
Deferred inflows of resources	9,533	14,215	(4,681)
Total deferred inflows of resources	**9,533**	**14,215**	**(4,681)**
Net position			
Net investment in capital assets	254,537	251,774	2,763
Restricted for public benefits	10,571	10,829	(258)
OPEB	3,413	2,814	599
Unrestricted	50,492	39,239	11,253
Total net position	**$ 319,013**	**$304,656**	**$ 14,357**

Changes in total net position may serve as useful indicators of the Electric Utility Fund's financial strength over time.

The primary driver of the increase in total assets by $40,662 during the fiscal year is an increase of capital assets and construction in progress resulted from the 2023 Electric Revenue Bonds proceed offset by lower account receivables. The decrease in deferred outflows of resources of $10,839 during the fiscal year is mainly due to a decrease in deferred amounts from pensions. Additional information on GASB 68 and GASB Statement No. 75 (GASB 75) as it relates to pensions and OPEB can be found in Notes 14 and 15 to the basic financial statements.

Total liabilities increased by $20,073 primarily due to an increase of customer deposits offset with a decrease in net OPEB liability and net pension liability. GASB 68 requires governments to recognize their long-term obligation for pension benefits as a liability and to measure the annual costs of pension benefits more comprehensively and comparably. GASB 75 requires the accounting and financial reporting of an OPEB liability to be reported on the face of the financial statements as it recognizes and measures liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Deferred inflows of resources as of June 30, 2025, decreased by $4,682, compared to the prior fiscal year primarily due to lower deferred value of forward natural gas contracts. GASB 53 requires governments to recognize, measure, and disclose information regarding derivative instruments.

Total net position increased by $14,357, or 4.7%, compared to the prior fiscal year due to favorable operating results (see Schedule of Revenues, Expenses, and Changes in Fund Net Position). A significant portion or 79.8% of the Electric Utility's total net position was in capital assets (see Capital Assets), 3.3% was restricted for public benefits, 1.1% was restricted for OPEB, and 15.8% was unrestricted.

Capital Assets

As of June 30, 2025, the largest portion of the Electric Utility's total assets, $394,466, or 61.2%, was invested in capital assets. The Electric Utility invested $58,923 in the acquisition and construction of capital assets funded from the 2023 Electric bonds, cash reserves and capital contribution from customers. Most of these investments were for the expansion and replacement of the distribution system. These investments have resulted in improved efficiency and reliability of the Electric Utility.

The Electric Utility, in alignment with the Electric Distribution Master Plan, continues to make strategic capital investments in the 4 kV to 12 kV conversions during the fiscal year to improve the robustness and reliability of the electric system. Converting 4 kV to 12 kV lines is a capital investment strategy that will help the Electric Utility manage its aging infrastructure by upgrading old 4 kV distribution equipment to new 12 kV standards, thereby enhancing system reliability, and reducing long term costs. The 12 kV conversions improve grid efficiency by transmitting electricity at a higher operating voltage which significantly reduces power losses and translates to cost reduction.

Burbank Water and Power completed the rebuild of Golden State substation in the 4th quarter of 2024. The scope of the rebuild included replacing the existing 22.4 MVA transformer banks with new 33.6 MVA banks, replacing the existing damaged metal clad 12 kV switchgear with new double

bus double breakers 12 kV arc-resistant switchgear housed in a prefabricated metal building, adding two capacitor banks to replace the existing one, and adding/replacing other miscellaneous equipment.

The rebuild increased the capacity size of the substation by 50% with provisions to further increase the capacity in the future, if needed. The station will assist in serving power to Burbank residents, new developments in the area, and will assist in BWP's 4 to 12kV conversions. As part of the rebuild, new equipment that adheres to updated safety standards has been installed. These enhancements are specifically designed to better protect field personnel and ensure a safer working environment.

Some of the major capital investments for the fiscal year include:

($ in thousands)		
Build Service to Large Project Over 1 MVA	$	10,974
Golden State Substation Rebuild	$	7,528
4 kV to 12 kV Conversions	$	4,183
Campus Stormwater Management Program	$	4,021
Build New Customer Transformer Stations, 750 kVA & Under	$	3,457
Media District Substation	$	3,307
Overhead/Underground Distribution Lines	$	2,939
Regional Intermodal Transportation Center Solar and Battery	$	2,154
Service Replacements	$	1,050
Backup Control Center (ECC)	$	1,004
69 kV and 34.5 kV Line Upgrade/Replacements/Reconfigurations	$	757
Replace Substation Equipment	$	651
ONE Burbank Network Infrastructure Expansion	$	608
Provide Fiber Optic Services to Customers City Wide	$	529
OT Cyber Security Protection & Monitoring	$	415
Customer Information System Replacement/Upgrade	$	332
Replace Station High Voltage Oil Circuit Breakers	$	328
Protective Relay Network Replacement	$	307
Roof Replacement Program	$	279
Replacement of AMI	$	258
Total	**$**	**45,081**

The results of maintenance and pro-active capital investments are reflected in the exceptional system-wide reliability statistics. For the fiscal year, the Electric Utility's availability rate was 99.998%, or in other words the average Burbank resident could expect to experience only one electric service outage of just 39 minutes every 3.14 years. The system average interruption was only 12 minutes per customer. A low frequency of outages helped minimize the system average outage duration. The Burbank outage frequency rate was approximately 0.32 outages per customer every year.

In May 2024, Burbank Water and Power was designated a Diamond Level utility, the highest RP3 designation by APPA. APPA is an association of not-for-profit and community-owned utilities that power more than 2,000 towns and cities nationwide. APPA's RP3 program recognizes utilities that demonstrate high proficiency in reliability, safety, workforce development, and system

improvement. The RP3 application is carefully evaluated every three years to ensure that the criteria are relevant, thorough, and is keeping up with industry trends and best practices. The Diamond Level designation will be effective until April 2027.

Additional information on capital assets can be found in Note 6 to the basic financial statements.

Debt Administration

As of June 30, 2025, the Electric Utility had $164,055 in outstanding revenue bonds. The revenue bonds consisted of $44,055 of 2024 Refunding Bonds issued in July 2024 and $120,000 of 2023 Revenue Bonds issued in March 2023. The 2024 Electric Revenue Bonds were issued on July 12, 2024, to refund the 2010 Electric Revenue BABs for debt service saving and elimination of sequestration risk. The 2023 Electric Revenue Bonds were issued primarily to fund the replacement of two electric substations, investment in renewable projects, and the modernization of the electric systems. These projects will provide long-term benefits to ratepayers and support the load growth over the next few years with the state's housing development requirements. During the Fiscal Year, Burbank has drawn down $41,180 to cover expenditures and capital outlay associated with these electric projects. As of June 2025, over $32,000 in bond proceeds remain for future electric projects.

In March 2025, Moody's affirmed the Electric Utility's 'Aa3' rating with a stable outlook, primarily due to strong underling city economy and customer base, willingness to raise rates on the part of City Council, historically sound debt coverage and liquidity provide, and increasing renewable power generation in energy mix.

In May 2025, S&P affirmed the Electric Utility's 'AA-' rating with a negative outlook, primarily due to diverse power supply mix, continued compliance with environmental regulations, maintenance of several formalized financial management policies and practices, lack of additional debt plans, and favorable alignment of operations with management's strategic goals. The negative outlook reflects S&P's concern that recent financial improvements may not be sustained, elevated wildfire risk due to Burbank's proximity to high fire-threat areas, and broader economic challenges and potential affordability constraints from future rate hikes.

Environmental, Supply, and Economic Factors

During the beginning of the fiscal year, Burbank experienced supply issues with one of its renewable counterparties. The Retreat Fire that occurred in Washington late July 2024, burned over 45,000 acres. This fire led to the proactive shut off of the Tieton Hydro facility. The fire resulted in the damage of transmission supports and lines. As a result of repairs and downtime, generation resumed in early September, but annual generation was down about 52% as a result.

During the fiscal year, Los Angeles County experienced heavy windstorm activity. On January 7th and 8th, Burbank experienced high speed winds, peaking at around 80 mph. Multiple outages occurred from trees falling on power lines, damaging utility poles and transformers. During the 7th, around 17,900 customers were without power and approximately 50% of these customers had their power restored before the morning of the 8th. The average outage during these two days was 4.5 hours, ranging from 30 minutes to 8 hours.

Along with the windstorms, Southern California also suffered from major fires in the month of January. The greater Los Angeles area suffered from the Eaton Fire and Palisades Fire, among

others. These two fires alone burned over 37,000 acres of land. An evacuation warning, for Burbank, was imminent due to dangers of the spread of fires and the poor air quality reaching critical levels. In the end, Burbank did not suffer any structural damage from the fires, and no evacuation warning was given but the surrounding fires caused enormous damages to neighboring communities.

During the fiscal year, the Electric Utility received renewable energy from existing renewable contracts. Renewable resources included solar, wind, small hydropower, geothermal, and biomethane and landfill gases. These resources came from 6 different states ranging from within California to out-of-state in Wyoming, Utah, Nevada, Washington, and Oregon.

The Electric Utility met the Renewables Portfolio Standard (RPS) goal of 44% for calendar year 2024 and is on track to meet the RPS compliance goal of 46% for calendar year 2025. Staff continues to evaluate renewable resources for future compliance requirements.

Although coal supply constraint has alleviated, coal shortage was a continuing challenge at Intermountain Power Project (IPP) and generation has been curtailed since October 2021. IPP participants agreed to limit output of the IPP units, but to maintain a minimum megawatt supply to preserve the integrity of the Southern Transmission System while meeting the participants' minimal needs during lower energy price and demand periods. This operational change will enable a buildup of the coal supply for use during higher energy periods.

Los Angeles Department of Water and Power (LADWP), the City of Burbank, and the City of Glendale are participants in the IPP Repowered Project. The project is evaluating and working toward green hydrogen production, storage, and power generation. Burbank will evaluate whether to move forward with hydrogen participation.

Natural gas in Southern California is an on-going concern. The Electric Utility continues to experience natural gas reliability and affordability challenges due to supply and demand mismatches. The Electric Utility gas need is served by Southern California Gas Company (SoCal Gas). SoCal Gas's system capacity and supply are primarily a function of two components: (1) transmission pipelines, which bring gas into and then distribute it throughout the system; and (2) underground natural gas storage connected to its transmission pipelines. The transmission pipeline operation has reductions and outages, and operating constraints from the California Public Utilities Commission (CPUC) restricting the use of the Aliso Canyon Storage Facility (Aliso Canyon).

Aliso Canyon updated storage capacity is 68.6 billion cubic feet (Bcf) with no withdrawal protocol restriction. The CPUC voted 5-1 to increase Aliso Canyon storage capacity from 41.6 Bcf and ended withdrawal protocol on August 31, 2023. Total storage capacity of Aliso Canyon is 86 Bcf. The former Aliso Canyon Withdrawal Protocol restricted gas withdrawal only to be used when curtailment was imminent and during times of high demand to ensure reliability for Southern California. The storage and withdrawal limitation contributed to the natural gas price spikes in the winter of 2023, and this action could mitigate future gas price spikes and moderate gas and electricity prices.

Water Utility Fund

Highlights:

- Total net position increased by $4,475 for the fiscal year due to favorable operating results.
- In July 2024, the Water Utility refunded the 2010 Water Revenue BABs for debt service saving and elimination of sequestration risk.
- In May 2025, S&P downgraded the Water Utility's 'AAA' rating to 'AA+' with a stable outlook.

Financial Analysis

Schedule of Revenues, Expenses, and Changes in Fund Net Position *($ in thousands)*

	2025	2024	Incr. (Decr.)
Potable water (in AF)	13,795	12,773	1,022
Recycled water (in AF)	3,060	2,881	180
Operating revenues:			
Potable water sales	$ 35,556	$ 30,807	$ 4,749
Recycled water sales	5,457	4,606	851
Other revenues	2,169	1,230	938
Total operating revenues	43,182	36,643	6,539
Operating expenses:			
Water supply expenses	14,186	12,144	2,042
Operations, maintenance and administration	15,164	14,901	262
Other operating expenses	5,692	3,238	2,454
Depreciation	4,760	4,510	250
Total operating expenses	39,802	34,793	5,009
Operating income	3,380	1,850	1,530
Nonoperating income (expenses):			
Interest income	1,293	1,996	(703)
Intergovernmental	-	500	(500)
Lease rentals	24	28	(5)
Bond interest expense	(777)	(2,524)	(1,747)
Gain (loss) on disposal of capital assets	-	36	(36)
Other income (expenses), net	36	782	(746)
Total nonoperating income (expenses)	577	818	(241)
Income before contributions	3,957	2,668	1,289
Capital contributions and transfers:			
Customer capital contributions	518	149	370
Total capital contributions and transfers	518	149	370
Change in net position	4,475	2,817	1,659
Net position, beginning of year	75,336	72,519	2,817
Net position, end of year	**$ 79,811**	**$ 75,336**	**$ 4,475**

Potable water sales were the primary source of revenue for the Water Utility. Potable water revenue made up 82.3% of the total Water Utility operating revenues. Potable water sales volume increased by 1,022-acre feet (AF), or 8.0%, compared to the prior fiscal year. The increase in residential sales was due to less rainfall compared to the prior fiscal year. Burbank received 6.43 inches of rain this fiscal year compared to 25.2 inches and 30.8 inches in the prior fiscal year and fiscal year 2022-2023, respectively. Potable water revenues were higher by $4,749, or 15.4%, compared to the prior fiscal year due to the rate increase of 9.0% that became effective on July 1, 2024, and higher sales volume.

Recycled water sales made up 12.6% of total water sales. Using recycled water for landscaping and industrial or commercial cooling towers helps support Burbank's sustainability goals. During the fiscal year, 14 temporary customer connections were removed from the recycled water system. Recycled water sales volume increased by 180 AF, or 6.2% due to less rainfall compared to the prior year. Recycled water revenues were higher by $851, or 18.5%, compared to the prior fiscal year due to the rate increase of 9.0% that became effective on July 1, 2024, and higher sales volume.

Water supply expenses were higher by $2,042, or 16.8%, compared to the prior fiscal year primarily driven by a rate increase from Metropolitan Water District (MWD) and higher demand. The BOU supplied approximately 12,301 AF or 78.4% of the City's potable water supply for the fiscal year compared to approximately 11,877 AF or 82.9% in the prior fiscal year. The increase in BOU local production during the last four fiscal years is due to technological and operational changes; although the ability to operate at this higher level of production is subject to a variety of factors, including review and approval by the Environmental Protection Agency and the California Division of Drinking Water. Water produced at the BOU costs less than the imported treated MWD water. The increase in water supply expenses is also attributable to an increase in treated water supplied by MWD. MWD supplied approximately 3,391 AF of the City's potable water supply for the fiscal year compared to approximately 2,442 AF in the prior fiscal year.

Operations, maintenance, and administration expenses were $262, or 1.8%, higher than the prior fiscal year, primarily due to higher salaries and benefits.

Other operating expenses were $2,454, or 75.8%, higher compared to the prior fiscal year due to higher costs of shared services from the Electric fund for salaries and benefits, contractual services, software and hardware, and supplies. Included is a $1,028 settlement payment as part of a continuing series of agreements aimed at resolving past environmental impacts on groundwater resources, offset by issuance costs related to the 2024 Water bond refunding.

In addition to the annual required pension contribution, the Water Utility also made an additional voluntary lump sum payment to CalPERS to reduce the City's unfunded actuarial liability during the fiscal year. The Water Utility contributed $330 in the fiscal year compared to $165 in the prior fiscal year. This additional payment is included in the operations, maintenance, and administration expenses and other operating expenses.

Depreciation expense is computed on the straight-line method over the estimated useful lives of the assets. For the fiscal year, depreciation expense was higher by $250, or 5.5%, primarily due to completion of more capital projects being put into service.

Interest income was $703, or 35.2% lower than the prior fiscal year primarily because of less interest income earned on the proceeds from the 2021 bonds. The 2021 bonds were used to help fund

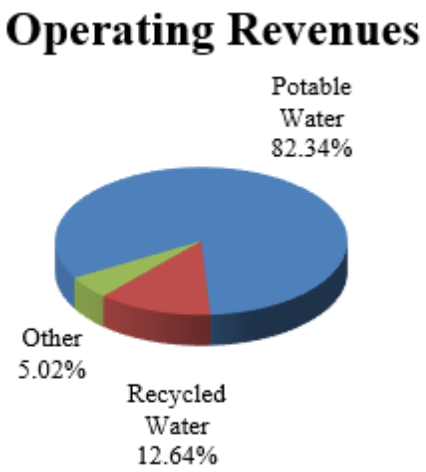
project expenditures and capital outlay. In December 2024, the balance of the bond was drawn down entirely, covering over $6,600 in capital project related expenditures.

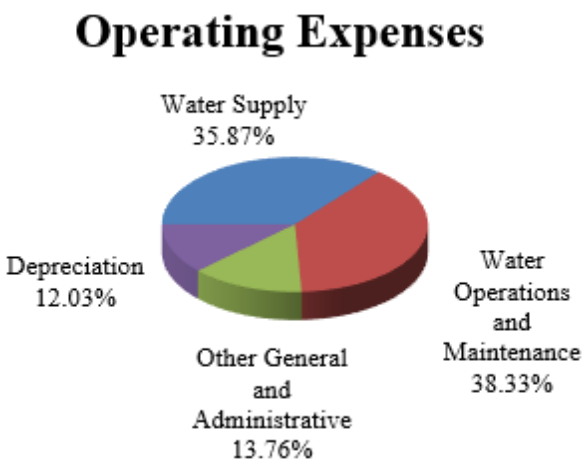
Intergovernmental revenue was $500 lower than the prior fiscal year due to the receipt of funds from the California Water and Wastewater Arrearage Payment Program (CWWAPP) for COVID-19 relief, in the previous fiscal year. CWWAPP extended funding to cover water debt from residential and commercial customers accrued to December 31, 2022. CWWAPP prioritized drinking water residential and commercial arrearages. The Water Utility did not receive funds during the fiscal year.

As of June 30, 2025, the Water Utility had $45,140 in outstanding revenue bonds. The Water Utility paid $777 in bond interest expense compared to $2,524 in the prior fiscal year.

Other income (expenses), net was $746, or 95.4% lower than the prior fiscal year. The prior fiscal year included subsidy rebates of $772 related to the 2010 Water Revenue Build America Bonds. In July 2024, the Water Utility refunded the 2010 Water Revenue BABs for debt service saving and elimination of sequestration risk.

Customer capital contributions were $370, or 248.6%, higher compared to the prior fiscal year primarily due to the Water Utility devoting more resources to its capital projects and infrastructure construction with increased aid-in-construction of capital projects.





The Water Utility Fund's net positions as of June 30, 2025, and June 30, 2024, were as follows:

Schedule of Net Position *($ in thousands)*

	2025	2024	Incr. (Decr.)
Assets			
Current and regulatory assets	$ 34,777	$ 36,957	$ (2,181)
Noncurrent and regulatory assets	108	132	(24)
Capital assets, net of accumulated depreciation	110,531	104,945	5,586
Total assets	**145,416**	**142,034**	**3,381**
Deferred outflows of resources			
Deferred outflows of resources	3,438	5,108	(1,670)
Total deferred outflows of resources	**3,438**	**5,108**	**(1,670)**
Liabilities			
Current liabilities	5,292	5,202	90
Noncurrent and regulatory liabilities	63,192	65,797	(2,605)
Total liabilities	**68,484**	**70,999**	**(2,515)**
Deferred inflows of resources			
Deferred inflows of resources	559	807	(247)
Total deferred inflows of resources	**559**	**807**	**(247)**
Net position			
Net investment in capital assets	58,908	57,256	1,652
Unrestricted	20,903	18,080	2,823
Total net position	**$ 79,811**	**$ 75,336**	**$ 4,475**

Changes in total net position may serve as useful indicators of the Water Utility Fund's financial strength over time.

As of June 30, 2025, total assets increased by $3,381, or 2.4%, during the fiscal year due to an increase in capital assets, offset by a decrease in restricted non-pooled cash. The Water Utility invested in the acquisition and construction of capital assets funded from cash reserves, 2021 bonds, and AIC funds. Deferred outflows of resources decreased by $1,670, or 32.7%, during the fiscal year due to a decrease in deferred amounts from pensions. Additional information on GASB 68 and GASB 75 relating to pensions and OPEB can be found in Notes 14 and 15 to the basic financial statements.

Total liabilities as of June 30, 2025, decreased by $2,559, or 3.6%, compared to the prior fiscal year. The decrease was primarily due to a decrease in non-current liabilities driven by lower revenue bonds payable balance and lower net pension liability. Deferred inflows of resources as of June 30,

2025, decreased by $247, or 30.6%, compared to the prior fiscal year primarily due to deferred amounts on pensions and OPEB.

Total net position increased by $4,475, or 5.9%, compared to the prior fiscal year due to favorable operating results (see Schedule of Revenues, Expenses, and Changes in Fund Net Position). A significant portion or 73.8% of the Water Utility's total net position was in capital assets (see Capital Assets), and 26.2% was unrestricted.

Capital Assets

As of June 30, 2025, the Water Utility invested $110,531, or 76.0%, of its total assets in capital improvements. Capital improvement programs are designed to upgrade, replace, and expand the water system infrastructure, ensure reliability, and provide safe drinking water and services at competitive rates.

For the fiscal year, the Water Utility invested $10,354 in the acquisition and construction of capital assets funded from cash reserves, 2021 bonds, and AIC funds. Most of the investments were for the replacement and upgrade of distribution water mains, service expansions and meter replacements.

BWP maintains active capital improvement programs such as main and service, and meter replacement initiative, which are specifically designed to modernize, rehabilitate, and expand infrastructure. These proactive programs aim to enhance system reliability, ensure safe water delivery, and ensure accurate measurement of customer consumption. On the operations side, BWP has demonstrated exceptional performance, with a water loss rate of approximately 17 gallons per connection per day (GPCD), which is lower than the national average of 43 GPCD and the state average of 35 GPCD.

To sustain and further improve system integrity, BWP leverages advanced predictive technologies. Acoustic, non-destructive condition assessments are layered with satellite imagery to assess pipeline risk, detect early signs of deterioration, and prioritize capital expenditures under an asset management framework. This integrated, risk-based approach ensures that investments are both cost-effective and targeted toward highest-impact interventions. These ongoing and proactive investments are fully aligned with BWP's mission: delivering safe drinking water, maintaining reliable production and distribution facilities, and providing competitive rates to customers.

In November 2021, the Water Utility issued $24.5 million in tax-exempt revenue bonds to accelerate capital improvement projects—upgrading the City's main pumping station and reservoir, accelerating pipeline replacements, and funding other system enhancements. These projects will yield enduring benefits for current ratepayers and future generations.

BWP is currently conducting a comprehensive planning study to assess the feasibility of a potable reuse project aimed at enhancing the City's long-term water supply reliability and sustainability. The initial phase is anticipated to produce approximately 2 million gallons per day (MGD) of advanced purified water, with the treatment system designed for modular expansion as additional wastewater sources become available. In parallel, BWP is collaborating with six regional partner agencies to evaluate a potential desalination initiative that could yield an additional 6 MGD through a strategic water exchange utilizing the Metropolitan Water District's (MWD) aqueduct system. Together, these efforts exemplify BWP's commitment to pursuing innovative, diversified, and regionally integrated water supply solutions for the future.

Some of the major capital investments for the fiscal year include:

($ in thousands)		
Potable Meter Replacements	$	3,068
Potable Small Water Mains	$	1,895
Potable Large Water Mains	$	1,298
Potable System Expansion	$	1,226
Potable Storage Reservoirs and Tanks	$	537
Campus Stormwater Management Program	$	525
Potable Hydrants Replacement	$	336
Potable Production Facilities	$	307
Potable Boosters	$	242
Potable Valve Replacements	$	232
Total	**$**	**9,665**

Additional information on capital assets can be found in Note 6 to the basic financial statements.

Debt Administration

As of June 30, 2025, the Water Utility had $45,140 in outstanding revenue bonds. The revenue bonds consisted of $22,630 of 2024 Water Revenue Bonds and $22,510 of 2021 bonds. The 2021 bonds were used to help fund project expenditures and capital outlay. In December 2024, the balance of the bond was drawn down entirely, covering over $6,600 in capital project related expenditures.

In July 2024, the Water Utility refunded the 2010 Water Revenue BABs for debt service saving and elimination of sequestration risk.

In May 2025, S&P downgraded the Water Utility's 'AAA' rating to 'AA+' with a stable outlook primarily due to a weakening in the local economy and declining reserve and liquidity levels. The downgrade also reflects heightened exposure to environmental and climate-related risks, including droughts, wildfires, emerging contaminants, and seismic activity, which increase the system's potential for financial stress and underscore the need for stronger liquidity buffers. Although the Water Utility maintains sound management practices, strong rate-setting authority, and robust debt service coverage projections, S&P believes the system's current liquidity—expected to decline temporarily as capital projects are funded—does not meet the resiliency standards typical of 'AAA'-rated peers. The softer regional economy, characterized by slower job growth and macroeconomic headwinds in the Los Angeles area, further contributes to reduced financial flexibility.

Environmental, Supply, and Economic Factors

Aridification. California and the west are experiencing longer and more frequent drier weather conditions that scientists believe are a long-term trend referred to as aridification.

The State has a history of experiencing periods of drought, including most recently in 2020-2022 and 2012-2016. During the last recent drought, in April 2021, Governor Newsom declared a drought state of emergency in 41 of the State's 58 counties, primarily in the northern portion of the State and in the Central Valley. In July 2021, Governor Newsom issued an executive order expanding the drought state of emergency to 50 of the State's 58 counties and calling for Californians to voluntarily reduce water use by 15%. By October 2021, Governor Newsom issued an executive order expanding the drought state of emergency to all 58 counties within California.

The State Water Project (SWP), which is one source of water for MWD, is a state water management project that collects water from rivers in the northern part of the State and through a network of aqueducts and pumping stations and redistributes it to the southern part of the State. Water allocation from the SWP varies according to factors including reservoir storage, weather projections, and projected runoff into streams, reservoirs, and aquifers. These factors are impacted by precipitation that usually occurs from December through April, when California historically receives more than 90% of its snow and rain.

The Colorado River Basin is also a critical water supply for Southern California. In the winter of 2023, a series of storms brought snow and rain to near record levels at some locations. The wet year provided above average precipitation at many locations but not uniformly good or record setting as the Colorado River Basin was in the amidst of a 20-year drought (2001-2022). The drought condition prompted the Bureau of Reclamation to declare an official shortage condition due to the lowering of Lake Mead's water level behind Hoover Dam to below 1,075 feet on August 16, 2021, the historic Colorado River Shortage Declaration. The next day, on August 17, 2021, MWD declared a Water Supply Alert signaling an urgent need throughout the region to do more to reduce water use and asked water agencies to look within their respective water shortage contingency plans to implement appropriate local actions to achieve conservation through the current drought conditions

On May 31, 2023, the State Water Resources Control Board re-adopted the emergency water conservation regulation. The emergency water conservation regulation was originally adopted on May 24, 2022, in response to the then drought condition with final approval on June 10, 2022. The regulation bans the use of potable water on decorative or non-functional grass at commercial, industrial, institutional properties, and common areas managed by homeowners' associations throughout California. Businesses that use recycled water are not subject to this regulation. The new regulation defines non-functional turf as a ground cover surface of mowed grass that is solely ornamental and not otherwise used for human recreation purposes. In addition to not applying to residences, non-functional turf does not include school fields, sports fields, and areas regularly used for civic or community events. This regulation signals that Californians must continue to use water wisely as the state grapples with extreme weather and plans for possible dry conditions of multi-year drought which can impact communities with vulnerable water supplies across California, a region vulnerable to drought and water shortages. Ongoing efforts to improve water conservation, increase the use of recycled water, and manage groundwater sustainably will be crucial to maintaining a stable water supply for the growing population amid the challenges of climate change.

Water Supply Availability and Treatment. With the heavy rainfall during the winter of 2023 and strong water runoff, MWD offered water for storage under its Cyclic Storage Program, and the Water Utility is participating in the program to benefit its ratepayers. The Cyclic Storage Program was created in 2017 by MWD to allow water utilities and municipalities to store water supply that was more than MWD's demand and storage capacity. The program allows MWD to deliver water in

advance of demand to Member Agencies for storage in groundwater basins. Member agencies participating in the program are charged MWD's rate for full service untreated water in effect at the time the stored water is purchased from a Cyclic Storage Account. Water delivered under the Cyclic Storage Program does not affect the capacity charge. In fiscal year 2020, a "temporary interconnection" (LAIX) agreement between the Water Utility and LADWP was completed. This temporary interconnection allows the Water Utility to use the excess capacity at the BOU for LADWP to benefit Burbank ratepayers when Burbank's water demand is lower than BOU capacity. The transfer agreement stipulates that LADWP will directly pay MWD for the treated surface water used to blend with the treated ground water and will reimburse the Water Utility for their volumetric portion of the costs to operate, maintain, distribute, and pump the water. The LAIX began normal operation in October 2019 and continues to be operable to date.

Per- and Polyfluoroalkyl Substances (PFAS). PFAS are a group of synthetic chemicals used in commercial and industrial processes and products since the 1940s. These chemicals are resistant to break down or break down very slowly and are known as "forever chemicals". While there are thousands of PFAS, some widely used and studied are perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS). Research has linked PFAS to potential environmental and human health impacts.

In April 2024, the U.S. Environmental Protection Agency (EPA) published a final rule establishing a national drinking water limit of six PFAS. Public water systems have three years to begin monitoring these PFAS and two additional years to comply with the limits set by the EPA. The SWRCB has also established detection and reporting limits for PFAS in its water quality report. Specifically, SWRCB has set a notification level (NL) and a response level (RL) for four PFAS compounds: PFOA, PFOS, perfluoro butane sulfonate (PFBS) and perfluorohexanesulfonic acid (PFHxS). NL refers to a lower concentration at which water agencies must notify the public about PFAS presence and RL indicates a concentration level where agencies must take action to remove or provide treatment for the contaminated water source.

For the past two decades, BWP has been removing trace amounts of PFAS from its groundwater wells using a granular activated carbon (GAC) removal process as water passes through the BOU. The Water Utility conducted a pilot study for PFAS treatment at the BOU that was approved by the SWRCB - Division of Drinking Water that focused on the single liquid phase granular activated carbon (LPGAC) process. During the study, water quality samples were conducted, and the results were compiled as required and outlined in the pilot study plan. The BOU processed up to 230 million gallons of water to obtain the required water quality data for analysis. The results of the pilot study were approved and on July 17, 2025, the State Water Resources Control Board Division of Drinking Water issued Permit Amendment No. 1910179PA-005 that recognizes that the BOU treats elevated levels of perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS) and perfluorohexane sulfonic acid (PFHxS) to below their respective individual Consumer Confidence Report Detection Levels.

Requests for Information

This financial report is designed to provide a general overview of the Electric and Water Utility Enterprise Funds. Questions concerning any information provided in this report, or requests for additional financial information, should be addressed to Joseph Lillio, Chief Financial Officer, Burbank Water and Power, 164 W. Magnolia Blvd., Burbank, CA 91502.

CITY OF BURBANK
WATER AND ELECTRIC UTILITY ENTERPRISE FUNDS
Statement of Net Position
June 30, 2025
(With partial comparative financial information for the year ended June 30, 2024)
(in thousands)

	Electric		Water	
Assets	**2025**	**2024**	**2025**	**2024**
Current and regulatory assets:				
Cash and cash equivalents				
General operating	$ 139,318	99,990	25,152	19,298
Restricted nonpooled cash and cash equivalents	40,853	79,288	698	6,903
Greenhouse gas credits' proceeds	69	69	-	-
Lower carbon fuel credits' proceeds	2,053	2,469	-	-
Total cash and cash equivalents	182,294	181,816	25,850	26,201
Accounts receivable, net	20,169	20,442	4,737	4,042
Inventories	19,914	14,522	1,451	1,117
Derivative instruments	1,162	3,729	-	-
Leases receivable	327	319	24	23
Due from the City of Burbank	276	310	-	-
Deposits and prepaid expenses	18,224	17,402	2,617	5,527
Interest receivable	545	246	98	47
Total current and regulatory assets	242,911	238,786	34,777	36,957
Noncurrent and regulatory assets:				
Leases receivable	3,601	3,929	108	132
OPEB assets	3,413	2,814	-	-
Total noncurrent and regulatory assets	7,014	6,743	108	132
Capital assets :				
Land	2,734	2,734	309	309
Rights to purchase power	299	299	-	-
Utility plant and buildings	646,614	601,876	183,988	180,449
Machinery and equipment	91,073	88,417	10,218	9,331
Leased assets	1,309	1,151	-	-
Subscription assets	1,886	2,529	153	153
Construction in progress	66,130	54,972	13,764	7,980
Total utility plant and equipment	810,045	751,978	208,432	198,222
Less accumulated depreciation/amortization	(415,579)	(393,778)	(97,901)	(93,277)
Total capital assets, net	394,466	358,200	110,531	104,945
Total capital, noncurrent and regulatory assets	401,480	364,943	110,639	105,077
Total assets	644,391	603,729	145,416	142,034
Deferred outflows of resources:				
Deferred amounts from loss on bond refundings	2,588	-	391	-
Deferred amounts from pensions	17,908	29,789	2,748	4,670
Deferred amounts from OPEB	2,058	3,604	299	438
Total deferred outflows of resources	22,554	33,393	3,438	5,108

See accompanying notes to basic financial statements. (Continued)

CITY OF BURBANK
WATER AND ELECTRIC UTILITY ENTERPRISE FUNDS
Statement of Net Position
June 30, 2025
(With partial comparative financial information for the year ended June 30, 2024)
(in thousands)

	Electric		Water	
Liabilities	**2025**	**2024**	**2025**	**2024**
Current liabilities:				
Accounts payable	$ 15,284	10,091	2,026	2,181
Accrued expenses	279	2,165	82	-
Bond interest payable	684	763	173	206
Regulatory credits	-	46	-	-
Leases payable	264	215	-	-
Subscriptions payable	454	786	37	35
Customer deposits	57,023	30,780	1,272	1,119
Current portion of revenue bonds payable, net	4,140	2,295	1,555	1,555
Current portion of compensated absences	536	340	147	106
Total current liabilities	78,664	47,481	5,292	5,202
Noncurrent liabilities:				
Revenue bonds payable, net	175,635	178,568	50,386	51,728
Compensated absences	8,314	8,054	1,242	1,021
Regulatory credits	836	1,106	-	-
Leases payable	195	301	-	-
Subscriptions payable	254	708	81	118
Net OPEB liability	1,808	2,730	330	498
Net pension liability	72,693	79,303	11,153	12,432
Total noncurrent and regulatory liabilities	259,735	270,770	63,192	65,797
Total liabilities	338,399	318,251	68,484	70,999
Deferred inflows of resources:				
Deferred amounts on pensions	76	444	11	70
Deferred amounts on OPEB	4,564	5,955	423	588
Deferred amounts from leases	3,731	4,087	125	149
Deferred amounts from derivative instruments	1,162	3,729	-	-
Total deferred inflows of resources	9,533	14,215	559	807
Net Position				
Net position:				
Net investment in capital assets	254,537	251,774	58,908	57,256
Restricted for public benefits	10,571	10,829	-	-
Restricted for OPEB	3,413	2,814	-	-
Unrestricted	50,492	39,239	20,903	18,080
Total net position	$ 319,013	304,656	79,811	75,336

CITY OF BURBANK
WATER AND ELECTRIC UTILITY ENTERPRISE FUNDS
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025
(With partial comparative financial information for the year ended June 30, 2024)
(in thousands)

	Electric		Water	
	2025	2024	2025	2024
Operating revenues:				
Sale of power-retail	$ 191,991	173,453	-	-
Sale of power and fuel-wholesale	22,452	23,197	-	-
Sale of water	-	-	41,013	35,413
Other revenues	16,035	6,962	2,169	1,230
Total operating revenues	230,478	203,612	43,182	36,643
Operating expenses:				
Power supply expenses-retail	123,907	101,742	-	-
Purchased power and fuel expenses-wholesale	20,942	20,975	-	-
Water supply expenses	-	-	14,186	12,144
Water maintenance and operation expenses	-	-	15,164	14,901
Transmission expenses	10,545	9,468	-	-
Distribution expenses	13,442	13,118	-	-
Other operating expenses	34,291	29,626	5,692	3,238
Depreciation/amortization	22,663	20,569	4,760	4,510
Total operating expenses	225,790	195,498	39,802	34,793
Operating income	4,688	8,114	3,380	1,850
Nonoperating income (expenses):				
Interest income	9,724	8,423	1,293	1,996
Intergovernmental	270	363	-	500
Lease revenues	355	471	24	28
Bond interest expense	(7,477)	(9,284)	(777)	(2,524)
Lease interest expense	-	(57)	-	-
Gain (loss) on disposal of capital assets	52	(517)	-	36
Other income (expenses), net	355	2,442	37	782
Total nonoperating income (expenses)	3,279	1,841	577	818
Income before contributions and transfers	7,967	9,955	3,957	2,668
Capital contributions	6,390	2,832	518	149
Capital contributions from the city	-	116	-	-
Transfers to the city	-	(401)	-	-
Total capital contributions and transfers	6,390	2,547	518	149
Change in net position	14,357	12,502	4,475	2,817
Net position, beginning of year	304,656	292,154	75,336	72,519
Net position, June 30, 2025	$ 319,013	304,656	79,811	75,336

See accompanying notes to basic financial statements

CITY OF BURBANK

WATER AND ELECTRIC UTILITY ENTERPRISE FUNDS

Statement of Cash Flows

For the Year Ended June 30, 2025

(with partial comparative information for the year ended June 30, 2024)

(in thousands)

	Electric		Water	
	2025	2024	2025	2024
Cash flows from operating activities:				
Cash received from customers	$ 230,783	209,435	42,486	35,856
Cash paid to suppliers	(143,131)	(134,101)	(22,539)	(28,455)
Cash paid to employees	(35,631)	(31,001)	(9,755)	(8,794)
Other income (expense)	1,032	2,640	90	833
Net cash provided by operating activities	53,053	46,973	10,282	(560)
Cash flows from noncapital financing activities:				
Intergovernmental	270	-	-	-
Proceeds from other governmental agencies	-	363	-	500
Transfers to / from City of Burbank	-	(285)	-	-
Net cash provided by (used in) noncapital financing activities	270	78	-	500
Cash flows from capital and related financing activities:				
Proceeds from debt issuance	52,479	-	26,584	-
Principal payments - bond	(54,712)	(2,790)	(27,813)	(1,744)
Payments on leases	-	(1,011)	-	-
Payments on software-based info technology arrangements	-	(622)	-	-
Interest paid	(7,557)	(9,295)	(810)	(2,528)
Contributed capital	6,390	2,832	518	149
Acquisition and construction of assets	(58,923)	(42,334)	(10,354)	(13,081)
Proceeds/(loss) from sales of capital assets	52	(517)	-	36
Net cash used in capital and related financing activities	(62,271)	(53,737)	(11,875)	(17,168)
Cash flows from investing activities:				
Interest received	7,306	8,605	840	1,476
Change in fair value	2,120	(245)	402	531
Net cash provided by investing activities	9,426	8,360	1,242	2,007
Net increase (decrease) in cash and cash equivalents	478	1,674	(351)	(15,221)
Cash and cash equivalents - July 1	181,816	180,142	26,201	41,422
Cash and cash equivalents - June 30	$ 182,294	181,816	25,850	26,201

CITY OF BURBANK
WATER AND ELECTRIC UTILITY ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2025
(with partial comparative information for the year ended June 30, 2024)
(in thousands)

	Electric		Water	
	2025	2024	2025	2024
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities :				
Operating income (loss)	$ 4,688	8,114	3,380	1,850
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation/amortization	22,663	20,569	4,760	4,510
Capital asset acquired through leasing arrangement	158	-	-	-
Other income (expense), net	1,032	2,640	90	833
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	305	5,817	(695)	(788)
(Increase) decrease in derivative instruments	-	2,313	-	-
(Increase) decrease in inventories	(5,392)	(4,770)	(335)	32
(Increase) decrease in prepaid items	(823)	91	2,909	(105)
(Incr) decr in deferred outflows from pensions/OPEB	13,426	4,236	2,061	623
Change in reporting of operating income and other income/(expense), net	(158)	2,161	-	-
Incr (decr) in accounts payable and accrued expenses	1,747	(1,543)	(688)	(7,328)
Increase (decrease) in leases/subscriptions payable	(843)	(373)	(35)	153
Increase (decrease) in net pension and OPEB liability	(8,131)	(4,586)	(1,447)	(664)
Increase (decrease) in deferred inflows	(2,115)	634	(247)	84
Increase (decrease) in compensated absences	456	881	263	96
Increase (decrease) in regulatory credits	(318)	898	-	-
Increase (decrease) in customer deposits	26,357	9,891	267	144
Total adjustments	48,365	38,859	6,902	(2,410)
Net cash provided by operating activities	$ 53,053	46,973	10,282	(560)

See accompanying notes to basic financial statements

NOTE 1: Summary of Significant Accounting Policies

(A) Accounting Methods

The reporting model includes financial statements prepared using full accrual accounting for the Electric and Water Utility Funds' (Utility Funds) activities of the City of Burbank (city). This approach includes not just current assets and liabilities, but also capital and other long-term assets, as well as long-term liabilities and deferred outflows / inflows of resources. Accrual accounting also reports all the revenues and costs of providing services each fiscal year, not just those received or paid in the current fiscal year or soon thereafter.

The basic financial statements include the following:

Statement of Net Position – The Statement of net position is designed to display the financial status of the reporting entity. The Net position of the Electric and Water Utility Funds are separated into three categories – 1) Net investment in capital assets, 2) Restricted for debt service, and 3) Unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted net position are those in which use is restricted through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of entities with jurisdiction, or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net position consists of net position that do not meet the definition of restricted or net investment in capital assets.

Statement of Revenues, Expenses and Changes in Fund Net Position – The Statement of revenues, expenses and changes in fund net position reports revenues by major source and distinguishes between operating and nonoperating revenues and expenses.

Statement of Cash Flows – For the purposes of the Statement of cash flows, the Electric and Water Utility Funds include their portion of the city's pooled cash and investments and restricted investments with an original maturity of three months or less as cash equivalents. The Utility Funds consider the pooled cash and investments to be a demand deposit account whereby monies may be withdrawn or deposited at any time without prior notice or penalty.

(B) Basis of Presentation

The Utility Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be recovered primarily through user charges or (b) where the City Council has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital expenditures, public policy, management control, accountability and other purposes.

(C) Reporting Entity

The Utility Funds' operations were established by the city in 1913. Burbank Water and Power (BWP) manages the generation, purchase, transmission, distribution, and sale of water and electric energy. The activities of BWP are overseen by the City Council and the BWP Board, which also recommends the BWP biannual budgets to the City Council.

The Electric and Water Utility Enterprise Funds are used to account for the operation, maintenance, and construction of the city-owned electric and water utility. The city considers the Utility Funds to be Enterprise Funds (a proprietary fund type) as defined under accounting principles generally accepted in the United States of America. As an integral part of the city's overall operations, the Utility Funds' operations are also included in the city's Annual Comprehensive Financial Report (ACFR).

The Utility Funds follow the regulatory accounting criteria set forth per the GASB (Government Accounting Standards Board) Codification, where the effects of the ratemaking process are recorded in the financial statements. As a result, certain revenues and expenses have been recorded in the Electric and Water Utility Enterprise Funds in order to not impact future electric and water rates to customers.

Only the funds of the Electric and Water Utility are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City of Burbank, California.

(D) Self-Insurance

The Utility Funds are part of the city's self-insurance programs, which provide coverage for general liability and workers' compensation claims. See NOTE 17 Self-Insurance, for additional information on the city's self-insurance programs.

(E) Capital Assets

Capital assets are recorded at cost or, in the case of gifts or contributed assets, at acquisition value at the date of donation. The threshold for capitalizing assets is $10 or greater, except

for betterments which could be less. When items are sold or retired, related gains or immaterial losses are included in nonoperating income (expenses). Material losses on retirements are reported as regulatory assets, as provided by GASB Statement No. 62, to be collected from future ratepayers. There were no material losses on retirements as of June 30, 2025. Maintenance and repairs that do not add value to or materially extend useful lives of assets are expensed as incurred. Improvements to plant and equipment are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Electric transformers are capitalized when purchased. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets as follows (see NOTES 6-8):

Boiler Plant	20 to 30 years
Buildings and Improvements	25 to 40 years
Distribution Stations	20 to 40 years
Electric Meters	10 to 15 years
Electric Vehicle Charging Stations	5 years
Gas Turbine	25 to 30 years
Lease assets	Shorter of the useful life of underlying asset or lease term
Machinery and Equipment (except vehicles)	5 to 40 years
Office Equipment	5 years
Poles, Towers, and Fixtures	30 to 40 years
Production Plant	20 to 40 years
Reservoirs and Tanks	40 years
Subscription assets	Shorter of the useful life of underlying asset or subscription term
Transformers	30 years
Transmission Equipment	40 years
Transmission Structures	40 years
Vehicles	5 to 12 years
Water Meters	20 years
Water Services	30 years
Water Wells and Springs	40 years

(F) Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable includes billed and unbilled utility customer accounts, wholesale power sales, and miscellaneous charges unpaid as of June 30, 2025, offset by estimates for uncollectible accounts. Estimated allowances for uncollectible accounts are adjusted to the 91 days and over receivables' balances (see NOTE 3).

(G) Inventories

Inventories consist of materials and supplies held for future consumption and are priced at average cost (see NOTE 4).

(H) Deposits and Prepaid Expenses

The Utility Funds, in the normal course of operations place deposits and reserves with other governmental agencies, power providers and vendors, and record them as such. The Utility Funds also prepay certain expenses, recording them as prepaid, which are then recognized as expense as benefits are received (see NOTE 5).

(I) Restricted Nonpooled Investments

The Utility Funds have restricted nonpooled investments, in the form of debt service and parity reserves, to comply with the covenants contained in the various debt indentures requiring the establishment of certain specific accounts (see NOTES 2 and 9).

(J) Compensated Absences

The cost of employees' vested compensated absences, such as vacation and sick pay benefits, are accrued as they are earned by the employees (see NOTE 9).

(K) Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(L) Revenue Recognition

Revenues are recorded in the period in which they are earned. The Utility Funds accrue estimated unbilled revenue for energy and water sold but not billed at the end of the fiscal period (see NOTE 3). All residential and commercial accounts are billed monthly. Operating revenues consist of retail and wholesale sales of electricity, and sales of potable and recycled water. Nonoperating income consists of charges for electric and water related work performed for customers such as aid-in-construction (AIC), subsidies/rebates, work performed for others, and other uses of utility property.

The Electric Utility Fund's revenues include grant reimbursements from the California Energy Commission (CEC) for systems modernization projects and new electric vehicle charging stations. The CEC total grants of $1,000 allows for 100% prorated reimbursement for approved expenditures. During the fiscal year, the CEC grant of $1,000 was fully recognized as operating revenue and fully depreciated as operating expense (see NOTE 13).

During the prior fiscal year, the Electric Utility Fund's revenues included a grant from the California Department of Transportation (CalTrans) of $1,000 for the installation of at least ten Direct Current Fast Charging (DCFC) stations in the city for use by the general public (see

NOTE 13). The Electric Utility is deferring payments received for these capital assets to match corresponding depreciation expense over their useful lives, as allowed by Accounting Standards Codification (ASC) 980 rules under GASB Statement No. 62.

(M) Operating Expenses

Purchased power and fuel expenses include all open market purchases of energy and fuel, firm contracts for the purchase of energy and fuel, energy production costs, and the costs of entitlements for energy and transmission (see NOTE 11).

Water supply expenses include purchased water, electricity used to pump water, and chemicals used in water treatment.

Other operating expenses include all costs associated with the Utility Funds' operations and maintenance of general plant and equipment, administration, customer service, telecom and internet services, public benefits programs, warehousing, security, technology operations, work for others, and transfers to the city for cost allocations including capital assets.

The annual adjustments to pension and OPEB expenses are reported as operating expenses for each operating unit and in other operating expenses. These adjustments can be material and result in significant increases or decreases from fiscal year to fiscal year, and this should be considered when reviewing the Utility Funds' financial statements (see NOTES 14-15).

(N) Bond Premiums and Discounts, and Debt Issuance Costs

Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bond issuance costs, including underwriters' discount, are expensed and reported as Other income (expenses), net (see NOTE 9).

(O) Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Utility Funds' prior year financial statements, from which this selected data was derived. Some prior year data may be classified differently for proper reporting and comparison purposes.

(P) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the city's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on

the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms. Investments are reported at fair value (see NOTE 14).

(Q) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB's plan and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms (see NOTE 15).

(R) Leases

In accordance with GASB Statement No. 87 leases, the Utility transitioned to a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard the lessee is required to recognize a lease liability and an intangible asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease assets are recorded at the amount of the initial measurement of the lease term, less any lease incentive received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the asset into service. Lease assets are amortized using straight-line depreciation over the useful life of the underlying asset. A lease payable is recognized at the commencement date based on the present value of expected lease payments over the lease term, less any incentives. Interest expense is recognized ratably over the contract term. The lease liability is reduced by the principal portion of lease payments made (see NOTE 7).

(S) GASB 96 Subscription-Based Information Technology Arrangements (SBITA)

In accordance with GASB Statement No. 96, the Utility recognizes a subscription asset and a corresponding subscription liability. The subscription liability is recognized at the commencement date based on present value of expected SBITA payments over the SBITA term, less any SBITA incentives at or before the commencement of the SBITA term along with any initial direct costs that are ancillary charges necessary to place the SBITA asset into service. SBITA assets are amortized using a straight-line amortization over the shorter of the term of the arrangement or useful life of the underlying asset. Interest expense is recognized ratably over the contract term. The subscription liability is reduced by the principal portion of subscription payments made (see NOTE 8).

NOTE 2: Cash and Investments

Cash and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

	Electric	Water	Total
Unrestricted cash and investments	$ 141,441	25,152	**$ 166,593**
Restricted investments	40,853	698	41,551
Total	**$ 182,294**	**25,850**	**$ 208,144**
Cash on hand	$ 13	-	**$ 13**
Held by fiscal agent	40,853	698	**41,551**
Equity in City investment pool	141,428	25,152	**166,580**
Total	**$ 182,294**	**25,850**	**$ 208,144**

The Utility Funds have investments of debt proceeds held by bond trustee that are classified as current restricted nonpooled investments.

The city combines the cash and investments of all funds into two pools (the city pool, and the Housing Authority pool), except for funds required to be held by outside fiscal agents under the provisions of bond indentures. The Utility Funds have investments of debt proceeds held by bond trustee that are classified as current restricted nonpooled investments.

(A) Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the city manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Investments held by fiscal agents consists mostly of money market mutual funds, which are due in less than one year.

(B) Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by

(where applicable) the Code, the city's investment policy, or debt agreements, and the Moody's actual rating as of year-end for each investment type.

(C) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The amount of deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance or collateralized under California law.

The Code and the city's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). 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 city deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

(D) Fair Value Measurements

The city categorizes its fair values measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are quoted prices of similar assets in active markets and Level 3 inputs are significant unobservable inputs.

NOTE 3: Accounts Receivable

Accounts receivable for the Utility Funds as of June 30, 2025, are:

	Electric	Water
	2025	2025
Billed accounts receivable	$ 13,780	$ 2,648
Unbilled accounts receivable	8,222	2,330
Allowance	(1,833)	(242)
Total	**$ 20,169**	**$ 4,737**

The Electric Fund's billed accounts receivable includes $2,535 of power purchases and aid-in-construction sales accruals.

The Water Fund's billed and unbilled accounts receivable increased 20% over the prior fiscal year due to a 9% rate increase in July 2024, and increased potable and recycled water sales of 416 millions of gallons, or 8%, over the prior fiscal year.

The Electric and Water Funds' allowance for uncollectible accounts increased by 248% and 143%, respectively. During the fiscal year, Management prioritized a major utility billing system upgrade, temporarily deferring customer collection efforts. This delay resulted in a significant increase in aged receivables over 90 days for the Utility Funds.

NOTE 4: Inventories

Inventories for the Utility Funds as of June 30, 2025, are:

	Electric	Water
	2025	2025
Materials and supplies inventory	$ 19,914	$ 1,451

The Electric and Water Utility inventories increased by $5,392 and $334, respectively, from the prior fiscal year. The Electric Fund's increase was due to the buildup of cable for future projects and the deployment of electric meter replacements throughout the city. The Water Fund's increase was due to the purchase of ductal iron for main line and fire hydrant replacements in the coming years. The cost of some materials substantially increased during the fiscal year, making it prudent to invest in inventory for cost savings.

NOTE 5: Deposits and Prepaid Expenses

The Electric Utility Fund shows a total of $18,224 in deposits and prepaid expenses. The composition of these deposits and prepaid expenses includes a $7,690 prepayment to the Southern California Public Power Authority (SCPPA) Natural Gas Reserve for future gas deliveries, a $5,049 deposit with SCPPA for future use in projects, a $3,690 deposit with SCPPA as a fuel reserve for the Magnolia Power Project (MPP), $1,250 for various capital outlay purchases for electric distribution, and $752 in operating and administrative prepaid expenses; offset by excess renewables produced by SCPPA projects resulting in additional true-up payments due of $207.

The Water Utility Fund shows a total of $2,617 in deposits and prepaid expenses. The composition of these deposits and prepaid expenses includes $2,455 for prepaid groundwater inventory, $108 in operating and administrative prepaid expenses, and $54 for a prepaid capital asset purchase.

NOTE 6: Capital Assets

Electric	Balance as of June 30, 2024	Additions	Deletions	Transfers	Balance as of June 30, 2025
Capital assets not being depreciated:					
Land	$ 2,734	-	-	-	**$ 2,734**
Construction in progress	54,972	57,998	(42)	(46,798)	**66,130**
Total capital assets not being depreciated	**57,706**	**57,998**	**(42)**	**(46,798)**	**68,864**
Capital assets being depreciated:					
Rights to purchase power	299	-	-	-	**299**
Accumulated depreciation	-	(87)	-	-	**(87)**
Buildings and improvements	601,876	-	-	44,738	**646,614**
Accumulated depreciation	(317,731)	(18,522)	-	-	**(336,253)**
Machinery and equipment	88,417	805	(215)	2,066	**91,073**
Accumulated depreciation	(74,632)	(3,053)	215	-	**(77,470)**
Lease assets	1,151	158	-	-	**1,309**
Accumulated depreciation	(559)	(210)	-	-	**(769)**
Subscription assets	2,529	-	(643)	-	**1,886**
Accumulated depreciation	(856)	(787)	643	-	**(1,000)**
Total capital assets being depreciated, net	**300,494**	**(21,696)**	**-**	**46,804**	**325,602**
Total net capital assets	**$ 358,200**	**36,302**	**(42)**	**6**	**$ 394,466**

Water	Balance as of June 30, 2024	Additions	Deletions	Transfers	Balance as of June 30, 2025
Capital assets not being depreciated:					
Land	$ 309	-	-	-	**$ 309**
Construction in progress	7,980	9,912	(21)	(4,107)	**13,764**
Total capital assets not being depreciated	**8,289**	**9,912**	**(21)**	**(4,107)**	**14,073**
Capital assets being depreciated:					
Buildings and improvements	180,449	-	-	3,539	**183,988**
Accumulated depreciation	(86,353)	(4,371)	-	-	**(90,724)**
Machinery and equipment	9,331	460	(138)	565	**10,218**
Accumulated depreciation	(6,894)	(360)	138	-	**(7,116)**
Subscription assets	153	-	-	-	**153**
Accumulated depreciation	(30)	(31)	-	-	**(61)**
Total capital assets being depreciated, net	**96,656**	**(4,302)**	**-**	**4,104**	**96,458**
Total net capital assets	**$ 104,945**	**5,610**	**(21)**	**(3)**	**$ 110,531**

NOTE 7: Leases

(A) Leases Receivable

As of June 30, 2025, the Electric Utility Fund had one active building lease. The lease has receipts that range from $431 to $431 and interest rates that range from 2.7400% to 2.7400%. As of June 30, 2025, the total combined value of the lease receivable is $3,928, the total combined value of the short-term lease receivable is $327, and the combined value of the deferred inflow of resources is $3,731. The leases had $0 of variable receipts and $0 of Other Receipts, not included in the Lease Receivable, within the fiscal year.

Electric Utility Fund Leases Lessor Receivable

	Principal	Interest
2026	$ 327	$ 104
2027	337	94
2028	346	85
2029	355	76
2030	365	66
2031-2035	1,984	171
2036	213	2
	$ 3,928	**$ 597**

As of June 30, 2025, the Water Utility Fund had one active Infrastructure lease. The lease has receipts that range from $27 to $27 and interest rates that range from 2.7400% to 2.7400%. As of June 30, 2025, the total combined value of the lease receivable is $132, the total combined value of the short-term lease receivable is $24, and the combined value of the deferred inflow of resources is $125.

Water Utility Fund Leases Lessor Receivable

	Principal	Interest
2026	$ 24	$ 3
2027	24	3
2028	25	2
2029	26	1
2030	26	1
2031-35	7	0
	$ 132	**$ 10**

(B) Lessee Assets and Liabilities

On July 1, 2021, the Electric Utility Fund entered into a 71-month lease as lessee for the use of a GE Intl, Inc. engine lease. An initial lease liability was recorded in the amount of $586. As of June 30, 2025, the value of the lease liability is $130. The Electric Utility Fund is required to make annual fixed payments of $130. The lease has an interest rate of 2.7400%. The value of the asset as of June 30, 2025, of $694 with accumulated amortization of $469 is included with equipment on the Lease Class activities table found below.

On April 1, 2022, the Electric Utility Fund entered into a 60-month lease as lessee for the use of Crown Castle Fiber LLC telecommunications license agreement. An initial lease liability was recorded in the amount of $457. As of June 30, 2025, the value of the lease liability is $171. The Electric Utility Fund is required to make monthly fixed payments of $8. The lease has an interest rate of 2.7400%. The value of the asset as of June 30, 2025, of $457 with accumulated amortization of $297 is included with Infrastructure on the Lease Class activities table found below.

On June 01, 2025, the Electric Utility Fund entered into a 60-month lease as lessee for the use of UBEO West LLC printers. An initial lease liability was recorded in the amount of $158. As of June 30, 2025, the value of the lease liability is $158, and the value of the short-term lease liability is $38. The Electric Utility Fund is required to make annual fixed payments of $42. The lease has an interest rate of 2.8590%. The value of the asset as of June 30, 2025, of $158 with accumulated amortization of $3 is included with equipment on the Lease Class activities table found below.

Electric Utility Fund Lease Assets

	Electric
	2025
Lease Assets:	
Machinery and equipment	$ 694
Telcommunications	457
Printers	158
Total lease assets	1,309
Accumulated amortization	(769)
Total lease assets, net	**$ 540**

Electric Utility Fund Leases Payable, Current and Long-term

	Electric 2025
Leases Payable:	
Current -	
Right-to-use lease for a gas turbine	$ 130
Colocation space and services	96
UBEO printers	38
Total current	264
Noncurrent -	
Right-to-use lease for a gas turbine	-
Colocation space and services	75
UBEO printers	120
Total noncurrent	195
Total Lease Liability	**$ 459**

NOTE 8: Subscription Assets and Liabilities

As of June 30, 2025, the Electric Fund had 5 active subscriptions. The subscriptions have payments that range from $15 to $326 and interest rates that range from 1.7100% to 3.0183%. As of June 30, 2025, the total combined value of the subscription liability is $708, and the total combined value of the short-term subscription liability is $454. The combined value of the assets, as of June 30, 2025, of $1,886 with accumulated amortization of $1,000 is included within the Subscription Class activities table found below.

Electric Utility Fund Subscription Assets

	Electric 2025
Subscription Assets:	
Security training software	$ 46
Integrated energy trading software	1,224
Enterprise security system software	616
Total subscription assets	1,886
Accumulated amortization	(1,000)
Total subscription assets, net	**$ 886**

Electric Utility Fund Subscription Payable, Current and Long-Term

	Electric
	2025
Subscription Payable:	
Current -	
Integrated energy trading software	$ 248
Enterprise security system software	205
Total current subscriptions payable	**454**
Noncurrent -	
Integrated energy trading software	254
Enterprise security system software	-
Total noncurrent subscriptions payabl	**254**
Total subscriptions payable	**$ 708**

As of June 30, 2025, the Water Fund had one active subscription for the Water Utility's AMI (advanced metering infrastructure) communications and data routing software. The subscription has payments that range from $39 to $43 and interest rates of 2.736%. As of June 30, 2025, the total combined value of the subscription liability is $118, and the total combined value of the short-term subscription liability is $37. The combined value of the asset, as of June 30, 2025, is $153 with accumulated amortization of $61.

NOTE 9: Revenue Bonds Payable and Long-Term Liabilities

(A) Revenue Bonds Payable

All the revenue bonds issued by the Electric or Water Utility Funds are secured by a pledge of a lien upon the net revenues of the Electric or Water Utility Funds, depending on the purpose of the debt, as well as all amounts on deposit in the funds and accounts established under the indenture, including the reserve account. Net reserves include all revenues received by the Electric or Water Utility Funds, less amounts required for payment of operating expenses.

In July 2024, the Electric and Water Utility Funds issued the Revenue Refunding Bonds, Series of 2024 in the amounts of $46,060 and $23,475, respectively. These bonds were issued to refund all the outstanding Electric and Water Revenue Bonds, Series 2010B to eliminate sequestration risk and pay costs of issuance of the 2024 Bonds. The Electric Revenue Refunding Bonds are payable in installments ranging from $2,005 to $3,470, with a Coupon rate of 5.00%. The Water Revenue Refunding Bonds are payable in installments ranging from $890 to $2,070, with a Coupon rate of 5.00%. Payments are made semiannually on June 1 and December 1, with the final payments to be made on June 1, 2040. These revenue refunding bonds were issued at a premium of $6,418 for the Electric Utility and $3,109 for the Water Utility and are to be amortized using the effective interest method over the life of the outstanding revenue bonds

or 16 years. The bonds are secured by a pledge of net revenues of the Electric and Water Enterprise Funds, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account. The issuance of these revenue refunding bonds resulted in an accounting loss of $2,760 for the Electric Utility and $417 for the Water Utility. The accounting losses are recorded as a deferred debit to be amortized over the life of the outstanding revenue refunding bonds or 16 years. For the fiscal year, the Electric and Water Utility Funds amortized the accounting losses of $172 and $26, respectively, as reported in nonoperating bond interest expense.

With the Revenue Refunding Bonds, Series of 2024 issuance, the Electric and Water Utility Funds extinguished the outstanding debt of its Revenue Bonds, Series 2010B (Taxable Build America Bonds), eliminating sequestration risk. The principal amounts extinguished for the 2010B Revenue Bonds were $50,455 and $26,045, respectively. The unamortized bond discount on the Electric and Water Series 2010B revenue bonds were written off to bond interest and redemption expense in the amounts of $135 and $58, respectively. In addition, the Electric and Water Utility Funds paid accrued interest on the Series 2010B revenue bonds of $360 and $164, respectively, and earned interest of $22 and $1, respectively. With the proceeds of the Electric and Water Utility Funds Revenue Refunding Bonds, Series of 2024, cost of issuance and underwriter discount expenses were paid in the amounts of $397 and $344, respectively.

	Electric
2023 Series Bonds:	**2025**
These bonds were issued to partially finance the costs of certain improvements to the Electric System, including but not limited to the replacement of two electric substations, investment in renewable projects, the replacement of other infrastructure, facilities, equipment and other upgrades; pay the cost of issuance; and fund a deposit to the Parity Reserve Fund. Payable in installments ranging from $2,055 to $7,670. The Interest rate is 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2053. The bonds are secured by a pledge of net revenues of the Electric Enterprise Fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 120,000
Less:	
Current portion	(2,055)
Original issue discount/premium	9,958
Long-term Bonds Series 2023	**$ 127,903**

	Electric
2024 Series Refunding Bonds:	**2025**
These bonds were issued to refund all the outstanding Electric Revenue Bonds, Series 2010B to eliminate sequestration risk and pay costs of issuance of the 2024 Bonds. Payable in installments ranging from $2,055 to $3,470. The Coupon rate is 5.000%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the Electric Enterprise Fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 44,055
Less:	
Current portion	(2,085)
Original issue discount/premium	5,762
Long-term bond refundings Series 2024	**$ 47,732**
Total Electric long-term revenue bonds	**$ 175,635**

	Water
2021 Series Bonds:	**2025**
These bonds were issued to finance a portion of the costs of the 2021 Water Project, to pay the costs of issuance of the Series 2021 Bonds, and to prepay the SWRCB loans. Payable in installments ranging from $430 to $1,245. Interest rates range from 4.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2051. The bonds are secured by a pledge of net revenues of the Water Enterprise Fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 22,510
Less:	
Current portion	(510)
Original issue discount/premium	4,051
Long-term Bonds Series 2021	**$ 26,051**

	Water
2024 Series Refunding Bonds:	**2025**
These bonds were issued to refund all the outstanding Water Revenue Bonds, Series 2010B to eliminate sequestration risk and pay costs of issuance of the 2024 Bonds. Payable in installments ranging from $890 to $2,070. The Coupon rate is 5.000%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the Water Enterprise Fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 22,585
Less:	
Current portion	(1,045)
Original issue discount/premium	2,795
Long-term bond refundings Series 2024	**$ 24,335**
Total Water long-term revenue bonds payable	**$ 50,386**

The Electric and Water Funds are in compliance with the covenants contained in the various debt indentures, which require the establishment of certain specific accounts for the revenue and revenue/refunding bonds.

A schedule of aggregate maturities on bonds payable subsequent to June 30, 2025, is as follows on the next page.

	Electric		Water		
	Principal	Interest	Principal	Interest	Total
2026	4,140	8,099	1,555	1,997	**15,791**
2027	4,345	7,887	1,660	1,914	**15,806**
2028	4,555	7,664	1,760	1,826	**15,805**
2029	4,785	7,431	1,875	1,733	**15,824**
2030	5,025	7,185	1,995	1,633	**15,838**
2031-2035	29,105	31,800	10,830	6,604	**78,339**
2036-2040	36,445	23,602	14,080	3,660	**77,787**
2041-2045	23,600	16,669	4,555	1,736	**46,560**
2046-2050	30,120	10,149	5,540	709	**46,518**
2051-2053	21,935	2,229	1,245	-	**25,409**
Total	**$ 164,055**	**$ 122,715**	**$ 45,095**	**$ 21,812**	**$ 353,677**

(B) Pledged Revenue

The Electric and Water Utility Funds have debt issuances outstanding that are collateralized by the pledging of utility net revenues. The amount and term of the remainder of these commitments are indicated in the Revenue Bonds Payable tables in Section (B). Utility net

revenues are pledged to secure the payment of the principal and redemption premium, if any, and interest on the bonds outstanding, and any parity debt. All remaining utility net revenues, after making the aforementioned secured payments, will be available to the Electric and Water Funds for all lawful utility purposes. The pledge of utility net revenues shall be irrevocable until all the bonds and parity debt are no longer outstanding.

		FY 24-25 Net Revenue Pledged	Total Bond Principal Debt	Total Bond Interest Debt	Principal Paid this Fiscal Year	Interest Paid this Fiscal Year
Electric Utility	$	27,393	164,055	122,715	2,005	7,557
Water Utility	$	8,393	45,095	21,812	1,555	810

(C) Utility Funds' Long-Term Liabilities

The following is a summary of changes in the Electric Utility Fund's long-term liabilities as of June 30, 2025:

Electric	June 30, 2024	Additions	Retirements	June 30, 2025	Due within 1 Year
Revenue Bonds Payable:					
2010 Series B Bonds	50,455	-	(50,455)	-	-
2023 Series Bonds	120,000	-	-	120,000	2,055
2024 Series Refunding Bonds	-	46,060	(2,005)	44,055	2,085
Compensated Absences *	8,394	456	-	8,850	536
	$ 178,849	**46,516**	**(52,460)**	**172,905**	**$ 4,676**
Less unamortized bond premium (discount)	10,408			15,720	
Total	**$ 189,257**			**$ 188,625**	

* The change in compensated absences is shown as a net change.

The following is a summary of changes in the Water Utility Fund's long-term liabilities as of June 30, 2025:

Water	June 30, 2024	Additions	Retirements	June 30, 2025	Due within 1 Year
Loans and Revenue Bonds Payable:					
2010 Series B Bonds	26,045	-	(26,045)	-	-
2021 Series Bonds	22,980	-	(470)	22,510	510
2024 Series Refunding Bonds	-	23,475	(890)	22,585	1,045
Compensated Absences *	1,127	-	262	1,389	147
	$ 50,152	**23,475**	**(27,143)**	**46,484**	**$ 1,702**
Less unamortized bond premium (discounts)	4,258			6,846	
Total	**$ 54,410**			**$ 53,330**	

* The change in compensated absences is shown as a net change.

NOTE 10: Related Party Transactions

The city allocates certain administrative and overhead costs to the Electric and Water Utility Funds in the other operating expenses category. These costs for the year ending June 30, 2025, were as follows:

	Electric 2025	Water 2025
Administrative and overhead costs	$ 7,407	$ 1,497

The city receives a 7% Utility Users Tax on electric revenues that is not reflected in the Electric Utility Fund's financial statements; it is recorded directly into the General Fund. This tax for the year ended June 30, 2025, is $12,486.

In addition, the city receives a 7% In-lieu of Taxes on electric retail revenues that is not reflected in the Electric Fund's financial statements; the Electric in-lieu is recorded directly into the General Fund, and the Street Lighting in-lieu is recorded directly into the Street Lighting Fund. The in-lieu for the year ending June 30, 2025, were Electric in-lieu of $10,379 and Street Lighting in-lieu of $2,830.

During the fiscal year, the Tieton Hydropower Project borrowed $276 from the city to fund expenditures incurred at year-end. The balance due was paid in August 2025.

NOTE 11: Power Supply and Fuel Expenses – Retail

A - RETAIL ENERGY SUPPLY

The city receives electricity through firm contracts, local generation and market purchases. The majority of electricity is delivered through firm contracts, which include "take or pay", "take and pay" and term purchases. Local generation and market purchases supplement firm contracts to meet the city's retail load requirements.

B - JOINT POWERS AGENCY CONTRACTS

The city, through its Electric Utility Fund, has entered into several "take or pay" and “take and pay” contracts through its participation in two joint power agencies, the Intermountain Power Agency (IPA) and the Southern California Public Power Authority (SCPPA) in order to meet the electric needs of its customers. These contracts are not considered joint ventures since the city has no interest in the assets, liabilities, or equity associated with any of the projects to which these contracts refer.

Under the “take or pay” contract, the city is obligated to pay its share of the indebtedness regardless of the ability of the contracting agency to provide electricity or the city’s need for the electricity. The city is only obligated to pay its share of the indebtedness upon delivery of energy under the “take and pay” contracts. However, in the opinion of management, the city does not have a financial responsibility for purposes of GASB Statement No. 14, "Financial Reporting Entity", because the IPA and SCPPA do not depend on revenue from the city to continue in existence.

These contracts constitute an obligation of the Electric Utility Fund to make debt service payments from its operating revenues. The Electric Utility Fund's share of debt service is not recorded as an obligation on the accompanying basic financial statements; however, it is included as a component of its power supply expenses.

During the fiscal years ended June 30, 2025, and 2024, the Electric Fund made payments totaling $53,071 and $40,145 for "take or pay" contracts, respectively, and $16,500 and $17,487 for the "take and pay" contracts, respectively.

(a) Intermountain Power Agency

In 1980, the city, along with the California Cities of Los Angeles, Anaheim, Glendale, Pasadena and Riverside, entered into a power sales contract with IPA, which obligates each purchaser to purchase, on a "take or pay" basis, a percentage share of capacity and energy generated by the Intermountain Power Project (IPP) in Utah. The city, through contract, is entitled to 60 megawatts (MW) or 3.371% of the 1,800 MW of generation at the plant. In addition, the city entered into an Excess Power Sales Agreement, also on a "take or pay" basis, with Utah municipal and cooperative IPP purchasers, which provides for the city to obtain up to an additional 0.797% (14 MW) when not used by the Utah municipal or cooperative IPP purchasers.

The Senate Bill 1368, which became effective in January 2007 prohibits any investment in baseload generation that does not meet specific emissions performance standards, subject to certain exceptions. In light of this restriction, the initial power sales contracts will terminate on June 15, 2027, and will be replaced with combined cycle natural gas units by November 22, 2025, and continue for a term ending in 2077. Pursuant to the provisions of the power sales contracts, the IPP participants also agreed to reduce the initially planned generation capacity from 1,200 MW to 840 MW. This would allow for compliance with greenhouse gas ("GHG") emissions performance standards. Some of the power purchasers under the original power sales

contracts will continue to be IPP participants under the Renewal Power Sales Contracts. The cities of Anaheim, Riverside, and Pasadena will not be power purchasers under the Renewal Power Sales Contracts. The city will take a smaller share of 28 MW generation capacity under the Renewal Power Sales Contracts, and LADWP and the City of Glendale both increased their respective generation shares.

(b) Southern California Public Power Authority

SCPPA membership consists of 11 Southern California cities and one public irrigation district of the State of California, which serves the electric power needs of its Southern California electricity customers. SCPPA, a public entity organized under the laws of the State of California, was formed by a joint powers agreement dated November 1, 1980, pursuant to the Joint Exercise of Powers Act of the State of California. SCPPA was created for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The joint power agreement has a term of 50 years.

Hoover Uprating Project

The city is a participant in SCPPA's Hoover Uprating Project, consisting primarily of the uprating of the 17 generating units at the hydroelectric power plant of the Hoover Dam. The city has a 15.9574% (15 MW) entitlement interest in SCPPA's approximately 94 MW interest in the total capacity and allocated energy of Hoover. The city has executed a power sales contract with SCPPA under which the city has agreed to make monthly payments on a "take-or-pay" basis in exchange for its share of SCPPA's proportionate share of Hoover capacity and allocated energy.

Palo Verde Nuclear Generation Station (PVNGS)

The city has a 4.40% entitlement interest (9.7 MW) and a 5.91% ownership interest in PVNGS, including certain associated facilities and contractual rights, a 5.56% ownership in the Arizona Nuclear Power Project ("ANPP") High Voltage Switchyard and associated contractual rights, and a 6.55% share of the rights to use certain portions of the ANPP Valley Transmission System. Commercial operation and initial deliveries from PVNGS Units 1 and 2 commenced in 1986 and Unit 3 commenced in 1987.

Southern Transmission System Project (STS)

Pursuant to an agreement dated May 1, 1983, with the IPA, SCPPA made payments-in-aid of construction to IPA to defray all costs of acquisition and construction of the STS, which provides for the transmission of energy from the Intermountain Generating Station in Utah to Southern California. STS commenced commercial operations in July 1986. The Department of Water and Power of the City of Los Angeles (LADWP), a member of SCPPA, serves as project manager and operating agent of IPP. The STS consists of a 488-mile transmission line and the associated converter station on each end. The 500 kV DC bi-pole transmission lines are currently rated at

2,400 MW as a result of an upgrade completed in December 2010. The city's ownership share of this project is 4.498%.

Magnolia Power Project (MPP)

In March 2003, the city, along with the Cities of Anaheim, Cerritos, Colton, Glendale and Pasadena, entered into a power sales agreement with SCPPA for MPP. MPP commenced commercial operations in Burbank, California in September 2005. MPP is a combined-cycle natural gas-fired generation plant with a nominal rate net base capacity of 242 MW, but can boost its output to 310 MW, if needed. The city has entitlement up to 97.6 MW or 30.992% of its output. The city's share of outstanding debt is 32.350% which excludes debt relating solely to the City of Cerritos. The city is also MPP's operating agent.

Prepaid Natural Gas Project (PNGP)

The PNGP primarily consists of the acquisition by SCPPA of the right to receive an aggregate amount of approximately 135 billion cubic feet of natural gas, which subsequently was reduced to approximately 90 billion cubic feet as a result of restructuring to accelerate a portion of the long-term savings, reduce the remaining volumes of gas to be delivered, and shorten the overall duration of five prepaid agreements (with the city, and the Cities of Anaheim, Colton, Glendale and Pasadena).

The city's natural gas supply agreement with SCPPA is expected to provide approximately one-fourth of the city's gas requirements for MPP. The city has no obligation under the natural gas supply agreement to pay for gas not delivered.

Milford I Wind Project (M1WP)

M1WP is located near Milford, Utah and began commercial operations in November 2009. The facility is a 200 MW nameplate capacity wind farm comprised of 97 wind turbine generators, delivered by a 90-mile transmission line, 345 kV, extending from the generation site to the IPP switchyard in Delta, Utah. This plant generates enough capacity to supply electricity to power more than 60,000 homes and offset over 366,000 tons per year of carbon dioxide that would otherwise be emitted from a coal-powered plant. SCPPA (on behalf of project participants LADWP, the city and the City of Pasadena, California) acquired 100.000% of this facility and issued bonds in 2010 to finance the purchase by prepayment of a specified quantity of energy from this facility over the 20-year delivery term, with a guaranteed annual quantity in each year. The city's share of this project is 5.000% of the total capacity of 10 MW, energy, and environmental attribute rights produced at this facility.

Mead-Adelanto Project (MA)

SCPPA also entered into an agreement dated December 17, 1991, to acquire a 67.917% interest in the MA, a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. Funding for these projects was provided by a transfer from the Multiple Projects Fund, and commercial operations commenced in April 1996.

LADWP serves as the operations manager of MA. The project is a 202-mile, 500 kV AC transmission line with a rating of 1,200 MW. The City's ownership share of MA is 11.534%.

Tieton Hydro Project (THP)

This facility was acquired by SCPPA in November 2009 with 100.000% of entitlement shares. Each of the two project participants, the city and the City of Glendale, California, have an equal 50.000% entitlement share of this project. THP is a run of the reservoir hydroelectric facility, comprised of a powerhouse constructed at the base of the United States Bureau of Reclamation (USBR) Tieton Dam on the Tieton River in the State of Washington, on a 21-mile, 115 kV transmission line from the plant substation to the interconnection of the electrical grid. The powerhouse has a maximum capacity of 20 MW, with a nameplate capacity of 13.6 MW. USBR owns and operates the dam and controls the flows into the Tieton River from the Rimrock Lake reservoir, which was created by the dam. Average annual generation from this plant is approximately 48,000 megawatt hours (MWh). The city is also Tieton's operating agent.

Mead-Phoenix Project (MP)

SCPPA entered into an agreement dated December 17, 1991, to acquire an interest in the MP, a transmission line extending between the West Wing substation in Arizona and the Marketplace substation in Nevada. The agreement provides SCPPA with an 18.308% interest in the West Wing-Mead project, a 17.756% interest in the Mead substation project component and a 22.408% interest in the Mead-Marketplace component. The project is a 256-mile, 500 kV AC transmission line with a rating of 1,300 MW. The city's ownership share of MP is 15.400%.

Natural Gas Project (NGP)

The NGP was acquired by SCPPA in 2005 and 2006 and is being developed for the primary purpose of providing the participants with stable long-term supplies of gas for the purpose of fueling their electric generation needs. SCPPA issued 2008 Bonds to provide monies for the refinancing of the city's share of the costs of acquisition and development of the NGP through the redemption of a portion of SCPPA's draw down bonds previously issued for the NGP. SCPPA has sold entitlements to 100.000% of the production capacity of the NGP pursuant to separate gas sales agreements with the five participants - the city, and the Cities of Anaheim, Colton, Glendale and Pasadena. The participants are obligated to pay for such production capacity, including amounts required to pay debt service on bonds issued to finance their respective share of the NGP, on a "take or pay" basis. The city has 14.286% of entitlement shares in the Pinedale, Wyoming Subproject (2005 purchase), and 27.273% of entitlement shares in the Barnett, Texas Subproject (2006 purchase).

Ameresco/Chiquita Landfill Gas Project

Ameresco/Chiquita Landfill Gas Project is located in Valencia, California near Lake Castaic and began commercial operations in November 2010. The renewable energy is generated using landfill gas produced at the Chiquita Canyon Landfill. This plant has a total generating capacity

of 10 MW and SCPPA members receive 100.000% of the project output. The participants on the project are the city and the City of Pasadena. The city contracted to purchase approximately 16.700% or 1.7 MW.

Don A. Campbell Geothermal (aka Wild Rose)

In November 2013, the city began to receive geothermal energy output from the Wild Rose Geothermal (aka Don A. Campbell) Project, located in Mineral County, Nevada. The term of this agreement is 20 years. This is a geothermal power generating facility with a generating nameplate capacity of 25 MW and a projected capacity of 16.2 MW. The city and the City of Los Angeles are project participants. The city contracted to purchase approximately 15.380% (3.845 MW).

Pebble Springs Wind Project

Pebble Springs is located in Gilliam County, Oregon, near the town of Arlington and began commercial operations in early 2009. The term of this agreement is 18 years. The city, and the Cities of Los Angeles and Glendale receive the entire energy output of 99 MW. The city contracted to purchase approximately 10.000% (10 MW).

Copper Mountain 3 Solar Project

Copper Mountain 3 Solar Project is located near Boulder City, Nevada, approximately 25 miles southeast of Las Vegas, Nevada. The facility is the third phase of one of the largest photovoltaic solar facilities in the U.S. situated on about 1,400 acres of land. The city and the City of Los Angeles entered into a 20-year power sales agreement through SCPPA. The city's share of this project is 16.000% (40 MW) of the total capacity of 250 MW. In May 2014, ahead of schedule, the city began to receive solar energy output from Copper Mountain 3. The plant went from partial commercial operations to full commercial operations in 2015.

Desert Harvest 2 Solar Project

In December 2017, the city, along with the Cities of Anaheim and Vernon, entered into a power sales agreement with SCPPA for Desert Harvest Project. The Desert Harvest Project is located in Riverside County, California and began commercial operations in December 2020. Desert Harvest II Solar Project supplies energy and renewable attributes to SCPPA under a twenty-five-year Renewable Energy Credit (REC) + Index structure contract. The city and the Cities of Anaheim and Vernon are the participants. The city contracted to purchase approximately 31.34% of its output.

A summary of the city's contracts and related projects and its commitments on June 30, 2025, are shown below:

	City of Burbank portion*	City of Burbank share of bonds	City of Burbank obligation relating to total debt service
Intermountain Power Project Renewal Contract[1]	3.334%	$ 60,267	$ 98,495
SCPPA: [2]			
Southern Transmission System [3]	4.498%/4.222%	55,463	104,315
Magnolia Power Project (Project A)	32.350%	60,744	76,646
Prepaid Natural Gas Project #1	33.000%	77,339	100,113
Milford I Wind Project	5.000%	2,642	2,980
Tieton Hydropower Project	50.000%	13,293	18,714
Natural Gas Project - Barnett	100.000%	5,484	6,771
Natural Gas Project - Pinedale	100.000%	1,771	2,186
SCPPA Total		216,736	311,725
Total		$ 277,003	$ 410,220

* Burbank shares in % and amounts are estimated based on weighted average.

[1] Based on the 2022 Series A and B IPA outstanding bonds.

[2] All SCPPA listed obligations are "take or pay" contracts except the Prepaid Natural Gas Project #1, a "take and pay" contract, and the Milford I Wind Project, a prepaid purchase power agreement.

[3] The Southern Transmission System principal is gross of capitalized interest of $4.425M for fiscal years 2025/26 through 2027/28.

The following schedule details the amount of principal and interest that is due and payable by the City as part of the joint power agency contracts, by project, in the fiscal year indicated (year ending June 30).

	2025/26		2026/27		2027/28	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	$ -	3,019	1,831	2,974	1,921	2,881
SCPPA: [2]						
Southern Transmission System	1,494	2,968	1,721	2,893	860	2,639
Magnolia Power Project (Project A)	3,905	2,301	4,110	2,157	4,324	2,005
Prepaid Natural Gas Project #1	4,886	3,784	5,166	3,520	5,858	3,231
Milford I Wind Project	613	132	644	101	676	69
Tieton Hydropower Project	618	630	650	599	680	567
Natural Gas Project - Barnett	854	331	824	279	801	230
Natural Gas Project - Pinedale	276	107	266	90	259	74
Total	$ 12,645	13,271	15,211	12,614	15,378	11,696

	2028/29		2029/30		2031/35	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	$ 2,016	2,784	2,116	2,681	12,261	11,682
SCPPA:						
Southern Transmission System *	1,063	2,596	1,115	2,543	6,513	11,822
Magnolia Power Project (Project A)	4,552	1,845	4,789	1,675	27,973	5,481
Prepaid Natural Gas Project #1	6,588	2,912	7,192	2,568	41,727	6,609
Milford I Wind Project	710	35	-	-	-	-
Tieton Hydropower Project	715	533	750	497	4,358	1,883
Natural Gas Project - Barnett	779	181	760	134	1,467	132
Natural Gas Project - Pinedale	251	59	245	43	473	43
Total	$ 16,673	10,945	16,968	10,142	94,772	37,651

	2036/40		2041/45		2046/50	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	$ 15,602	8,261	19,910	3,827	4,611	119
SCPPA:						
Southern Transmission System	8,538	9,984	10,630	7,664	13,589	4,704
Magnolia Power Project (Project A)	11,091	439	-	-	-	-
Prepaid Natural Gas Project #1	5,922	149	-	-	-	-
Milford I Wind Project	-	-	-	-	-	-
Tieton Hydropower Project	5,523	713	-	-	-	-
Natural Gas Project - Barnett	-	-	-	-	-	-
Natural Gas Project - Pinedale	-	-	-	-	-	-
Total	$ 46,676	19,546	30,540	11,491	18,199	4,823

	2051/55		Total	
	Principal	Interest	Principal	Interest
Intermountain Power Project	$ -	-	60,267	38,228
SCPPA:				
Southern Transmission System	9,940	1,037	55,463	48,851
Magnolia Power Project (Project A)	-	-	60,744	15,902
Prepaid Natural Gas Project #1	-	-	77,339	22,774
Milford I Wind Project	-	-	2,642	338
Tieton Hydropower Project	-	-	13,293	5,421
Natural Gas Project - Barnett	-	-	5,484	1,287
Natural Gas Project - Pinedale	-	-	1,771	416
Total	$ 9,940	1,037	277,003	133,217

For further information regarding SCPPA, please visit www.scppa.org.

C - Hedge Policies and Outstanding Hedge Contracts

The Electric Utility Fund utilizes natural gas hedging as outlined in its Energy Risk Management Policy. The purpose of hedging is to protect against fluctuating prices and deliver stable and competitive rates to its retail customers.

(a) Derivative Instruments

In accordance with GASB Statement No. 53, the Electric Fund recorded the fair values of its financial natural gas hedges on the statement of net position. As June 30, 2025, the fair value of the financial natural gas hedges was approximately $1,162 and was recorded as current assets and deferred inflow of resources on the Statement of Net Position.

The Electric Utility Fund entered into natural gas hedging contracts to stabilize the cost of gas needed to produce electricity to serve its customers. It is designed to cap gas prices over a portion of the forecasted gas requirements. The Electric Utility Fund does not speculate when entering into financial transactions. Financial hedges are variable to fixed-price swaps, and hedge transactions are layered in to achieve dollar cost averaging. For the prior fiscal year, the Electric Fund entered into three FY 2024-25 gas hedging contracts that resulted in the purchase of natural gas and were recorded in the Power supply expenses-retail account. As such, the related deferrals recorded in FY 2023-24 have been eliminated.

As of June 30, 2025, the Electric Fund's financial natural gas hedges are as follows:

Gas Hedging Contract	Contract Quantity	Contract Price	First Effective Date	Last Effective Date	Fair Value
FY25-28	1,826,000 MMBtu*	$6.162 avg	July 1, 2025	June 30, 2028	($1,162)

*one million British thermal units

The fair value of the natural gas hedges was affected by a decrease in the contracted natural gas prices during the year. All fair values were estimated using a third party forward curve subscription by StoneX Financial Inc.

D - California Cap-and-Trade Program and Renewable Portfolio Standards

The California Air Resources Board (CARB), the lead agency for the state's air quality management and climate change programs, administers the Cap-and-Trade Program, which includes the California Carbon Allowances (CCAs) and the Low Carbon Fuel Standard (LCFS) Programs. California Assembly Bill 32 (the California Global Warming Solutions Act of 2006) and the Senate Bill 32 (California Global Warming Solutions Act of 2016) established statewide targets to reduce GHG emissions. SB-32 requires GHG emissions to be reduced to 40% below the 1990 levels by 2030.

In addition, Senate bill 100 (SB100), signed in September 2018, requires a joint agency report to the Legislature every four years and establishes a policy requiring that 100% of California's electric retails sales be supplied by renewable energy and zero-carbon resources by 2045. These legislative acts collectively form the foundation for the CEC's Renewable Portfolio Standard (RPS) and long-term decarbonization goals for electric utilities statewide.

The Cap-and-Trade Program sets a statewide limit on the total amount of GHG emissions from large industrial facilities in California. Under this program, CARB allocates CCAs to load serving entities, which give agencies the right to emit a specific amount of carbon dioxide equivalent or CO2e. On June 30, 2025, the City of Burbank had sufficient allocated GHG allowances to covers its retail sales. At that date, the city had CCAs with a market value of $65,390. Additionally, as of June 30, 2025, the LCFS Program had a restricted cash balance of $2,053, compared to the prior fiscal year-end balance of $2,469. During the fiscal year, no LCFS credits were sold, thus no revenues were recorded.

The California Renewable Portfolio Standard (RPS) Program, administered by the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC), tracks compliance with state laws such as SB 100 and SB 350 that require a percentage of retail electricity sales to come from renewable sources. RECs are tracked through the Western Renewable Energy Generation Information System (WREGIS), where each certificate represents 1 MWh of renewable generation and are classified as one of three Portfolio Content Categories (PCCs). REC types include PCC1 (bundled energy and attributes), PCC2 (firmed and shaped unbundled energy), and PCC3 (unbundled or tradable attributes only). As of June 30th, 2025, the City of Burbank had RECs with a market value of $3,913, which are a combination of PCCs of the RPS Program.

NOTE 12: Purchased Power and Fuel Expenses - Wholesale

The Electric Utility Fund has been involved in the wholesale market for many years. Since 2000, the Electric Utility Fund's strategy has been one of primarily optimizing revenues from temporarily underutilized electric assets to develop wholesale net margins that reduce its power supply expenses.

The Electric Utility continues using the wholesale margin as an offset to its overall power supply expenses.

Wholesale margins for the year ended June 30, 2025, are as follows:

	2025
Wholesale Revenues	$ 22,452
Wholesale Costs	20,942
Wholesale Margin	$ **1,510**

NOTE 13: Regulatory Credits and Deferred Revenue

The Electric Utility regulatory credits as of June 30, 2025, were as follows:

Regulatory Credits - Electric Fund	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Deferred CEC grant	$ 46	-	(46)	-
Deferred Greenhouse Gas proceeds	69	-	-	69
Cal Trans electric vehicle chargers grant	991	-	(224)	767
Total Regulatory Credits - Electric Fund	**$ 1,106**	-	**(270)**	**836**

During the prior fiscal year, the Electric Utility discovered that $46 of California Arrearage Payment Program (CAPP) grant funds were erroneously applied to ineligible customers' accounts. At the end of the prior fiscal year, the Electric Utility and the grantor, the State of California, were in discussions regarding the potential refunding of the ineligible application of the $46 grant proceeds. These grant funds in dispute were recorded as deferred revenues. During the fiscal year, BWP and the State came to an agreement, resulting in the Electric Utility applying $38 towards eligible customer accounts and refunding the remaining $8 to the State. At the end of the fiscal year, deferred revenues were reported at $0.

On January 22, 2013, the Electric Utility was awarded a grant of $1,000 from the California Energy Commission (CEC) in support of the Department of Energy's systems' modernization capital projects funded during fiscal years 2010-11 through 2014-15. The Electric Utility was deferring payments received for these capital assets to match corresponding depreciation expense over their useful lives, as allowed by Accounting Standards Codification (ASC) 980 rules under GASB Statement No. 62. The Electric Utility recognized revenue and depreciation

expense of $46. The deferred CEC payments reported as regulatory credits in current liabilities have been fully recognized and depreciated.

During fiscal year 2014-15, the Electric Utility sold GHG allowance credits at auction, resulting in proceeds of $69. These proceeds were reported as deferred inflows of resources and will remain deferred until such time that the City Council authorizes use that supports the intent of California Assembly Bill 32, which includes mitigating risks associated with climate change while improving energy efficiency, expanding the use of renewable energy resources, cleaner transportation, and reducing waste. The deferred GHG proceeds were reported as regulatory credits in noncurrent liabilities and were $69.

In January 2024, the Electric Utility received grant payments of $1,000 from the California Department of Transportation (CalTrans) for the installation of public electric vehicle chargers. The Electric Utility is deferring payments received for these capital assets to match corresponding depreciation expense over their useful lives, as allowed by Accounting Standards Codification (ASC) 980 rules under GASB Statement No. 62. During the fiscal year the Electric Utility installed two DC (direct current) fast electric vehicle charger installations in the city for a total cost of $224. The Electric Utility recognized revenue of $224, and depreciation expense of $8. The deferred grant proceeds were reported as regulatory credits in noncurrent liabilities and were $767.

NOTE 14: Retirement Plan

(A) Pension Plans

The Utility Funds participate in the city's Miscellaneous Employee Defined Benefit Plans and the Utility Funds' share of net pension liability is reported as a cost sharing plan in these financial statements.

a. Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the city's Miscellaneous (Non-Safety) Employee Pension Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and city resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

b. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily defined

benefits. For employees hired into the plan with the 2.5% at 55 formula, eligibility for service retirement is age 50 with at least 5 years of service. PEPRA (Public Employees' Pension Reform Act) miscellaneous members become eligible for service retirement upon attainment of age of 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at the June 30, 2024, measurement date, are summarized as follows:

	Miscellaneous	
	Prior to	On or After
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.5%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.50%
Required employer contribution rates	10.960%	10.960%

c. Contributions

Contributions Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The city is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City Miscellaneous Plan employer contributions to CalPERS for the fiscal year were $30,771. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

(B) Net Pension Liability

As of June 30, 2025, the Utility Funds reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous Plan as follows:

Proportionate Share of Net Pension Liability		
	June 30, 2025	June 30, 2024
Electric Utility Fund	$ 72,693	$ 79,303
Water Utility Fund	11,153	12,432

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The Utility Funds' proportionate share of net pension liability was based on a projection of the Utility Funds' long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Electric and Water Utility's proportionate share of the net pension liability for the Miscellaneous Plan as of the June 30, 2024, measurement was as follows:

	Electric Utility	Water Utility
Proportion - June 30, 2024	34.74%	5.33%

(C) Pension Expenses and Deferred Outflows /Inflows of Resources Related to Pensions

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/ expenditure) until that time.

The Utility has the following pension outflow that qualifies for reporting in this category:

- Deferred outflows related to pensions equal to employer contributions made after the measurement date of the net pension liability.

- Deferred outflows from pensions resulting from differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions through the Plan.

- Deferred outflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions through the Plan.

- Deferred outflows related to pensions for differences between projected and actual earnings on investments of the pensions plan fiduciary net position. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For reporting purposes, pension inflows have been combined on the Statement of Net Position. The Utility has the following pension inflows that qualify for reporting in this category:

- Deferred inflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

For the measurement year ended June 30, 2024, the city recognized pension expense for the Electric and Water Funds of $13,206 and $2,026, respectively. On June 30, 2025, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Electric	Water	Electric	Water
Pension contributions subsequent to measurement date	$ 10,690	1,640	-	-
Differences between actual and expected experience	2,033	312	76	11
Change in assumptions	639	98	-	-
Net differences between projected and actual earnings on plan investments	4,545	697	-	-
Total	**$ 17,908**	**2,748**	**76**	**11**

For the Electric and Water Utility Funds, $10,690 and $1,640, respectively, were reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending	Electric Utility	Water Utility
2026	1,343	206
2027	8,569	1,315
2028	(1,171)	(180)
2029	(1,599)	(244)
Thereafter	-	-
Total Deferred Inflows of Resources	**$ 7,142**	**$ 1,097**

a. Actuarial Assumptions

The June 30, 2023, actuarial valuation was rolled forward to determine the June 30, 2024, total pension liability, based on the following actuarial methods and assumptions:

	Miscellaneous Plan
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.300%
Payroll Growth	2.800%
Salary Increases [1]	
Mortality [2]	
Post Retirement Benefit Increase [3]	

[1] Varies by entry age and service.

[2] The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the "2021 CalPERS Experience Study and Review of Acturial Assumptions". Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

[3] The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

b. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will

be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

c. Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis point.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Long-term Strategic Asset Allocation	Current Allocation (a, b)
Public Equities - Cap Weighted	30.00%	30.00%
Public Equities - Factor Weighted	12.00%	12.00%
Private Equity	13.00%	12.90%
Treasury	5.00%	5.10%
Mortgage-Backed Securities	5.00%	5.10%
Investment Grade Corporates	10.00%	6.60%
High Yield	5.00%	4.50%
Emerging Market Sovereign Bonds	5.00%	5.10%
Private Debt	5.00%	2.20%
Real Assets	15.00%	15.20%
Strategic Financing	-5.00%	-1.80%
Total	100.00%	

(a) An expected inflation rate of 2.30% used for this period.
(b) Figures are based on the 2022 Asset Management Liability study.

d. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Utility for the Miscellaneous Plan, calculated using the discount rate, as well as what the Utility's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (actual amounts):

Utility Funds' Allocation		
	Elec	Water
	5.90%	
$	123,214	$ 18,904
	6.90%	
$	72,693	$ 11,153
	7.90%	
$	31,042	$ 4,763

(D) Pension Plan Fiduciary Net Position

Detailed information about the Miscellaneous pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 15: Post-Retirement Health Care Benefits

(A) PEMHCA

The CalPERS Public Employees' Medical and Hospital Care Act (PEMHCA) plan under the authority of section 22750 to 22948 of the State of California's government code, is an agent multiple employer plan. The city pays the required PEMHCA minimum contribution for all miscellaneous employees retiring directly from the city who enroll in a CalPERS medical plan. The 2025 PEMHCA minimum contribution amount is $158 (in dollars) per month. In addition, the city pays retiree health contribution amounts of $100 (in dollars) per month for 13 management retirees, and $188 (in dollars) per month for 9 IBEW retirees. For these management/IBEW retirees, the PEMHCA minimum required contribution of $158 (in dollars) is paid in addition to the retiree health contribution amounts. The allocated proportionate share to the retiree health contribution amounts to the Utility is 19.700% to the Electric Fund and 3.594% to the Water Fund. The PEMHCA benefit provisions are established and amended through negotiations between the city and its unions.

(B) BERMT

The Burbank Employees Retiree Medical Trust (BERMT) is a single employer, defined benefit plan. The BERMT was established in April 2003 by the city's employee associations to provide post-retirement medical benefits to all non-safety employees, including elected and appointed officials. BERMT members represented by a bargaining group are required to contribute $50 (in dollars) per pay period, and the city contributes $50 (in dollars) per pay period for these members. BERMT members unrepresented by a bargaining group are not able to make employee contributions, and the city contributes $100 (in dollars) per pay period for these members. BERMT plan provisions and contribution requirements are established by and may be amended by the BERMT board.

The trust is controlled by the seven voting members from the various employee associations appointed to three-year terms. The city appoints an eighth member to the board, but that member is non-voting. Investments are determined by the BERMT plan trustees and are governed by the Employee Retirement Income Security Act of 1974 (ERISA) provisions.

Eligibility for benefits require that members retire from the city and have reached age 58 with a minimum of 5 years of contributions into the plan. The benefit ranges from $150 to $630 (in dollars) in reimbursements per month based on number of contributions for eligible medical expenses. For the fiscal year 2024-25, the city contributed $1,630 to BERMT. BERMT is not subject to GASB 75 reporting.

(C) Utility Retiree Medical Trust (URMT)

The URMT is an agent multiple employer plan, established during the 2008-09 fiscal year for IBEW members and 12 management employees as a supplement to benefit payments from BERMT and PEMHCA. The total target benefit is $1,200/month (in dollars) for individuals aged 50 to age 64 and $750/month (in dollars) for those age 65 and above, with the exception that for qualifying employees who retire after December 16, 2015 and who have not contributed to Medicare while employed at Burbank and who are also not otherwise eligible for premium-free Medicare Part A at age 65 and older, the maximum amount at age 65 and older shall be $975/month (in dollars), including payments from BERMT, PEMHCA minimum and URMT. For the fiscal year 2024-25 the city contributed $48.

(D) Funding Policy

The city has pre-funded the PEMHCA and URMT Plans through CalPERS OPEB Trust (CERBT) and has a policy of contributing 100% of the city's Actuarially Determined Contribution (ADC) each year. For the fiscal year 2024-25 (measurement period of June 30, 2024), the city contributed $4,768, consisting of $1,782 in implied subsidy payment contributions netted against $3,138 in benefit payments and administrative expense.

CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information for the city, not individualized, but in aggregate with the other CERBT participating agencies.

This report may be obtained at the following address:

PEMHCA, CERBT—State of California, 400 Q Street, Sacramento, CA 95811

The Utility Retiree Medical Trust does not issue a separate financial statement.

(E) Employees Covered

As of June 30, 2025, measurement date, the following current and former Miscellaneous employees were covered by the URMT plan:

Net OPEB Liability/(Asset)	URMT
Inactive employees or beneficiaries currently receiving benefits	72
Active employees	151
Total	**223**

(F) Contributions

The URMT and PEMHCA contribution requirements are established by city policy and may be amended. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2025, the city's total contributions of $4,230 consist of payments to the trust of $4,178 to PEMHCA and $52 to URMT. The proportionate share of the PEMHCA payments of $823 and $150 were allocated to the Electric and Water Utility Funds, respectively; the URMT payments of $52 were allocated to the Electric Utility Fund.

(G) Net OPEB Liability/(Asset)

The city's net OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation dated June 30, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability are on the next page.

Miscellaneous Plan	PEMHCA	URMT
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.25%	6.25%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	2.75%	2.75%
Expected long term investment rate of return	6.25%	6.25%
Healthcare cost trends (PEMHCA)	6.25% Medicare (Kaiser), 7.50% Medicare (Non-Kaiser), 8.50% Non-Medicare, decreasing to 3.45% in 2076 and later	
Benefit Increase trend rates (URMT)	0.00% to 2023, then 3.50% after	
Pre-retirement turnover	Derived from CalPERS pension plan	
Mortality [1]		

[1] The probabilities of mortality are derived using CalPERS 2000-2019 Experience Study..

a. *Actuarial Assumptions*

The actuarial assumptions used in the June 30, 2024, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the city.

b. *Expected Long-term Rate of Return*

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation CERBT-Strategy 1	Expected Real Return
Global Equity	49.00%	4.56%
Fixed Income	23.00%	1.56%
TIPS (Treasury Inflation-Protected Security)	5.00%	-0.08%
REITs (Real Estate Investment Trust)	20.00%	4.06%
Commodities	3.00%	1.22%
	100.00%	

c. *Discount Rate*

The discount rate used to measure the total OPEB liability/(asset) was 6.25%. The projection of cash flows used to determine the discount rate assumed that the city's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset).

d. *Change of Discount Rate*

The discount rate used in the June 30, 2024, valuation was 6.25%, which did not change from the June 30, 2023, valuation discount rate of 6.25%.

(H) Changes in the UTILITY NET OPEB - URMT Plan Liability/(Asset)

a. *URMT Net OPEB Liability*

Changes in the net OPEB liability - URMT	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024 (Measurement date)	$ 10,997	13,811	(2,814)
Changes in the year:			
Service cost	308		308
Interest on the total OPEB liability	698		698
Contributions - employer		70	(70)
Contributions - employee		22	(22)
Net investment income		1,517	(1,517)
Benefit payments	(245)	(245)	-
Administrative expenses		(4)	4
Net Changes	761	1,360	(599)
Balance at June 30, 2025	**$ 11,758**	**15,171**	**(3,413)**

b. PEMHCA Net OPEB Liability

As of June 30, 2025, the Utility Funds reported net OPEB liability/(asset) for its proportionate share of the net OPEB liability of the PEMHCA plan, with a measurement date of June 30, 2024, as follows:

Net OPEB Liability - PEMHCA Plan	June 30, 2025
Electric Utility	$ 1,808
Water Utility	330

c. Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability/(asset) of the Utility, as well as what the Utility's net OPEB liability/(assets) would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate:

	PEMHCA	URMT
1% Decrease	5.25%	5.25%
Net OPEB Liability	$ 3,943	$ (1,353)
Current Trend	6.25%	6.25%
Net OPEB Liability	$ 2,138	$ (3,413)
1% Increase	7.25%	7.25%
Net OPEB Liability	$ 632	$ (5,052)

d. Sensitivity of the net OPEB liability/(asset) to changes in healthcare cost trend rates

The following presents the net OPEB liability/(asset) of the city, as well as what the city's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)	PEMHCA	URMT
1% Decrease (Asset)	$ 380	$ (6,312)
Current Trend	$ 2,138	$ (3,413)
1% Increase	$ 4,288	$ 282

(l) OPEB expense and deferred outflows/inflows of resources related to OPEB

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The Utility has the following OPEB outflow that qualifies for reporting in this category:

- Deferred outflow related to OPEB equal to employer contributions made after the measurement date of the net pension liability.

- Deferred outflows related to OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the plans.
- Deferred outflows related to OPEB for differences between projected and actual earnings on investments of the OPEB plan fiduciary net position. These amounts are amortized over five years.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For reporting purposes, pension inflows have been combined on the Statement of Net Position. The Utility has the following pension inflows that qualify for reporting in this category:

- Deferred inflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the Plan.

- Deferred inflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the Plan.

For the fiscal year ended June 30, 2025, the Utility recognized OPEB expense / (revenue) of ($285) and ($251) for PEMHCA and URMT, respectively.

On June 30, 2025, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PEMHCA	
	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date:		
Electric Fund	$ 823	$ -
Water Fund	150	-
Differences between actual and expected experience:		
Electric Fund	-	(1,693)
Water Fund	-	(309)
Change in assumptions:		
Electric Fund	756	(624)
Water Fund	139	(114)
Differences between projected and actual earnings:		
Electric Fund	57	
Water Fund	10	
Total	**$ 1,935**	**$ (2,740)**

	URMT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date		
Electric Fund	$ 52	-
Differences between actual and expected experience		
Electric Fund	86	(1,110)
Change in assumptions		
Electric Fund	157	(1,137)
Differences between projected and actual earnings		
Electric Fund	127	-
Total	**$ 422**	**$ (2,247)**

The $973 and $52 reported as deferred outflows of resources related to contributions subsequent to the measurement date for PEMHCA and URMT respectively, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts

reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	PEMHCA	URMT
2026	(858)	(448)
2027	96	32
2028	(260)	(595)
2029	(315)	(598)
Thereafter	(441)	(268)
Total Deferred Inflows of Resources	**$ (1,777)**	**$ (1,877)**

NOTE 16: Self-Insurance

The City has self-insurance programs to provide for general liability and workers' compensation claims. The City is self-insured for the first $1,000 on each general liability claim against the City. The City also self-insures for the first $2,000 for each workers compensation claim.

The City is insured with outside insurance carriers for up to $65,000 for general liability claims and there have not been any settlements in excess of insurance coverage for the past three years. Additional information regarding all the city's self-insurance programs can be found in the city's ACFR.

NOTE 17: Contingencies

(A) Potential Litigation

BWP is presently involved in certain matters of litigation that have arisen in the normal course of conducting electric and water operations. Management believes, based on consultation with the city attorney, that these cases in the aggregate are not expected to result in a material adverse financial impact on either the Electric or Water Funds.

NOTE 18: Subsequent Events

In July 2024, the Tieton Hydropower Project, a SCPPA project with the city and the City of Glendale as participants with each having a 50% entitlement share, suffered significant damage to the plant as a result of the Retreat Fire in Yakima County, WA. During the fiscal year, SCPPA made efforts to seek reimbursement for damages estimated at $1,000. After the fiscal year, these efforts resulted in denial of any claims for reimbursement.

On July 9, 2025, SCPPA, on behalf of project participants LADWP, the City of Glendale, and the City of Burbank, issued $553.9 million in revenue bonds to finance the Southern Transmission System Renewal Project.

On July 17, 2025, The State Water Resources Control Board Division of Drinking Water issued Permit Amendment No. 1910179PA-005 that recognizes that the BOU (Burbank Operable Unit) treats elevated levels of perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS) and perfluorohexane sulfonic acid (PFHxS) to below their respective individual Consumer Confidence Report Detection Levels.

During the first and second quarters to date of fiscal year 2025/26, the Electric Utility Fund drew down projects' proceeds of $14,697 from the Electric Fund's 2023 bond issue. These proceeds were deposited to the Electric Fund's operating cash account to cover qualified projects' spending.

In August 2025, the Water Utility received $2,346 for a term settlement with no restrictions placed on the use of these funds.

In September, 2025, the Electric Utility sold a portion of its California Carbon Allowances (CCA) inventory in the recent Quarterly CCA auction. Proceeds from the sales were $15,663 from the California Air Resources Board Auction. Use of proceeds is restricted to, according to California Code of Regulations (CCR) Title 17, Section 95892(d)(3) A-D, funding construction or purchase of eligible renewable generation, ratepayer owned renewables, and energy storage projects that aid the utility's integration of renewable electricity; funding programs or activities designed to reduce greenhouse gas emissions; funding projects that reduce emissions of sulfur hexafluoride or hydrofluorocarbons, and wildfire risk reduction or forest carbon sequestration activities; distribution of allocated allowance auction proceeds to some or all ratepayers in a non-volumetric manner; and related administrative and outreach costs, and education programs.

Effective October, 2025, retroactively applied as of July 1, 2025, the Electric Utility Fund voluntarily changed its method of accounting for customer capacity charges. A capacity charge is collected or billed to recover the cost of sub-transmission and substation capacity to serve new load from the distribution system in a particular area of the city. From October, 2023 until June, 2025, certain capacity charges were recorded as Customer deposits in current liabilities, and remained as such until services were or will be energized to complete a customer's project. The new method of accounting for capacity charges will be to recognize charges as electric revenue immediately when collected or billed. Management believes the immediate recognition is preferable as indicated per the GAAP (generally accepted accounting principles) ASC (accounting standards codification) – 606 revenue recognition five-step model. This model includes 1) identifying the contract with the customer, 2) identifying the performance obligations (where capacity charges often represent a "stand-ready" obligation), 3) determining the transaction price, 4) allocating the transaction price to performance obligations, and 5) recognizing revenue as obligations are satisfied. For "stand-ready" capacity obligations, revenue is recognized over the period the capacity is available. Exceptions include contracts explicitly stating the capacity charge may be refundable; in this case, capacity charges will be recorded as a liability when collected or billed and recognized as electric revenue when services are energized.

CITY OF BURBANK * ELECTRIC AND WATER UTILITY FUNDS * SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2025 (in thousands)

* REQUIRED SUPPLEMENTARY INFORMATION *

SCHEDULE OF NET PENSION LIABILITY INFORMATION AND RATIOS

Last 10 Fiscal Years *

ELECTRIC FUND

Fiscal Year Ended Measurement Period	2025 2024	2024 2023	2023 2022	2022 2021	2021 2020
Plan's Proportionate Share of Net Pension Liability in %	34.74%	34.32%	34.32%	34.27%	34.27%
Plan's Proportionate Share of Net Pension Liability in $	$ 72,693	$ 79,303	$ 80,714	$ 33,366	$ 75,580
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.27%	78.59%	77.57%	90.18%	76.99%
Covered-Employee Payroll	31,677	29,725	30,136	29,612	27,710
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	229.48%	266.79%	267.83%	112.68%	272.75%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 10,690	$ 12,313	$ 11,895	$ 10,220	$ 11,867

WATER FUND

Fiscal Year Ended Measurement Period	2025 2024	2024 2023	2023 2022	2022 2021	2021 2020
Plan's Proportionate Share of Net Pension Liability in %	5.33%	5.38%	5.38%	5.54%	5.54%
Plan's Proportionate Share of Net Pension Liability in $	$ 11,153	$ 12,432	$ 12,653	$ 5,394	$ 12,218
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.27%	78.59%	77.57%	90.18%	76.99%
Covered-Employee Payroll	$ 4,860	$ 4,660	$ 4,724	$ 4,787	$ 4,480
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	229.48%	266.79%	267.83%	112.68%	272.75%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 1,640	$ 1,930	$ 1,865	$ 1,652	$ 1,918

* - Fiscal year 2015 was the 1st year of implementation.

Additional information regarding this Schedule can be found in the city's Annual Comprehensive Financial Report.

CITY OF BURBANK * ELECTRIC AND WATER UTILITY FUNDS * SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2025 (in thousands)

* REQUIRED SUPPLEMENTARY INFORMATION *

SCHEDULE OF NET PENSION LIABILITY INFORMATION AND RATIOS

Last 10 Fiscal Years *

ELECTRIC FUND

Fiscal Year Ended / Measurement Period	2020 / 2019	2019 / 2018	2018 / 2017	2017 / 2016	2016 / 2015
Plan's Proportionate Share of Net Pension Liability in %	34.27%	34.96%	34.96%	34.96%	34.96%
Plan's Proportionate Share of Net Pension Liability in $	$ 74,938	$ 73,226	$ 78,580	$ 71,305	$ 58,442
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.49%	76.63%	74.40%	74.83%	78.81%
Covered-Employee Payroll	27,500	$ 28,470	$ 27,615	$ 27,587	$ 27,521
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	272.50%	257.20%	284.55%	258.47%	212.36%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 7,321	$ 6,663	$ 5,864	$ 5,355	$ 4,788

WATER FUND

Fiscal Year Ended / Measurement Period	2020 / 2019	2019 / 2018	2018 / 2017	2017 / 2016	2016 / 2015
Plan's Proportionate Share of Net Pension Liability in %	5.54%	5.49%	5.49%	5.49%	5.49%
Plan's Proportionate Share of Net Pension Liability in $	$ 12,114	$ 11,499	$ 12,340	$ 11,198	$ 9,178
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.49%	76.63%	74.40%	74.83%	78.81%
Covered-Employee Payroll	$ 4,446	$ 4,471	$ 4,337	$ 4,332	$ 4,322
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	272.50%	257.20%	284.55%	258.47%	212.36%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 1,183	$ 1,046	$ 921	$ 841	$ 752

* - Fiscal year 2015 was the 1st year of implementation.

Additional information regarding this Schedule can be found in the city's Annual Comprehensive Financial Report.

* REQUIRED SUPPLEMENTARY INFORMATION *

Schedule of Miscellaneous Plan Pension Contributions - 2025

ELECTRIC FUND

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021
Actuarially Determined Contribution	$ 9,648	$ 9,567	$ 9,150	$ 7,478	$ 8,880
Contributions in Relation to the Actuarially Determined Contribution	(10,690)	(12,313)	(11,895)	(10,220)	(11,622)
Contribution Deficiency (Excess)	$ (1,042)	$ (2,746)	$ (2,746)	$ (2,742)	$ (2,742)
Covered-Employee Payroll	$ 35,412	$ 31,294	$ 28,472	$ 29,153	$ 27,711
Contributions as a Percentage of Covered-Employee Payroll	30.19%	39.34%	41.78%	35.06%	41.94%
Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

WATER FUND

	2025	2024	2023	2022	2021
Actuarially Determined Contribution	$ 1,480	$ 1,500	$ 1,434	$ 1,209	$ 1,436
Contributions in Relation to the Actuarially Determined Contribution	(1,640)	(1,930)	(1,865)	(1,652)	(1,879)
Contribution Deficiency (Excess)	$ (160)	$ (430)	$ (430)	$ (443)	$ (443)
Covered-Employee Payroll	$ 5,433	$ 4,906	$ 4,463	$ 4,713	$ 4,480
Contributions as a Percentage of Covered-Employee Payroll	30.19%	39.34%	41.78%	35.06%	41.94%
Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

* REQUIRED SUPPLEMENTARY INFORMATION *

Schedule of Miscellaneous Plan Pension Contributions - 2025

ELECTRIC FUND

Fiscal Year Ended June 30,	2019	2018	2017	2016
Actuarially Determined Contribution	$ 7,463	$ 6,657	$ 5,355	$ 4,788
Contributions in Relation to the Actuarially Determined Contribution	(7,463)	(6,657)	(5,355)	(4,788)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Covered-Employee Payroll	$ 28,470	$ 27,615	$ 27,587	$ 27,521
Contributions as a Percentage of Covered-Employee Payroll	26.21%	24.11%	19.41%	17.40%
Valuation Date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

WATER FUND

	2019	2018	2017	2016
Actuarially Determined Contribution	$ 1,172	$ 1,045	$ 841	$ 752
Contributions in Relation to the Actuarially Determined Contribution	(1,172)	(1,045)	(841)	(752)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Covered-Employee Payroll	$ 4,471	$ 4,337	$ 4,332	$ 4,322
Contributions as a Percentage of Covered-Employee Payroll	26.21%	24.11%	19.41%	17.40%
Valuation Date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

CITY OF BURBANK * ELECTRIC AND WATER UTILITY FUNDS * SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2025 (in thousands)

* REQUIRED SUPPLEMENTARY INFORMATION *

Schedule of Plan Contributions - OPEB

Last Ten Fiscal Years[1]

In Thousands

UTILITY FUNDS	PEMHCA	PEMHCA	PEMHCA	PEMHCA	PEMHCA	PEMHCA	PEMHCA	PEMHCA
Fiscal Year	**6/30/2025**	**6/30/2024**	**6/30/2023**	**6/30/2022**	**6/30/2021**	**6/30/2020**	**6/30/2019**	**6/30/2018**
Actuarially determined contribution	$ 602	$ 683	$ 676	$ 423	$ 410	$ 621	$ 608	$ 598
Contributions in relation to the actuarially determined contribution	(973)	(1,111)	(1,304)	(241)	(423)	(603)	(608)	(598)
Contribution deficiency (excess)	$ (371)	$ (427)	$ (628)	$ 182	$ (13)	$0	$0	$0
Covered payroll	$ 36,402	$ 33,599	$ 26,852	$ 16,880	$ 17,282	$ 18,828	$ 16,928	$ 16,671
Contributions as a percentage of covered-employee payroll	2.67%	3.31%	4.85%	1.43%	2.45%	3.20%	3.59%	3.59%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

* Agent multiple employers	Entry age normal; Level percentage of pay
* Amortization method	Level percentage of pay
* Amortization period	19-year fixed period for 2024/25
* Asset valuation method	Market value
* Discount rate	6.25%
* Inflation	2.50%
* Investment rate of return	6.25%
* Mortality	CalPERS 2000-2019 experience study

[1] Fiscal year 2018 was the first year of implementation; therefore, eight years are shown.

CITY OF BURBANK * ELECTRIC AND WATER UTILITY FUNDS * SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2025 (in thousands)

* REQUIRED SUPPLEMENTARY INFORMATION *

Schedule of Plan Contributions - OPEB

Last Ten Fiscal Years[1]

In Thousands

UTILITY FUNDS	URMT	URMT	URMT	URMT	URMT	URMT	URMT	URMT
Fiscal Year	**6/30/2025**	**6/30/2024**	**6/30/2023**	**6/30/2022**	**6/30/2021**	**6/30/2020**	**6/30/2019**	**6/30/2018**
Actuarially determined contribution	$ 39	$ 18	$ 17	$ 231	$ 224	$ 170	$ 167	$ 154
Contributions in relation to the actuarially determined contribution	(52)	(70)	(323)	(229)	(228)	(170)	(167)	(154)
Contribution deficiency (excess)	$ (13)	$ (52)	$ (306)	$ 2	$ (4)	$0	$0	$0
Covered payroll	$ 24,092	$ 17,306	$ 18,164	$ 17,448	$ 18,172	$ 19,521	$ 17,698	$ 17,084
Contributions as a percentage of covered-employee payroll	0.22%	0.40%	1.78%	1.31%	1.25%	0.87%	0.94%	0.90%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

* Agent multiple employers	Entry age normal; Level percentage of pay
* Amortization method	Level percentage of pay
* Amortization period	19-year fixed period for 2024/25
* Asset valuation method	Market value
* Discount rate	6.25%
* Inflation	2.50%
* Investment rate of return	6.25%
* Mortality	CalPERS 2000-2019 experience study

[1] Fiscal year 2018 was the first year of implementation; therefore, eight years are shown.

* SUPPLEMENTAL INFORMATION *

SCHEDULE OF CHANGES IN THE NET URMT LIABILITY/(ASSET) AND RELATED RATIOS
Last 10 Fiscal Years*

In Thousands

Fiscal year end	2025	2024	2023	2022	2021	2020	2019	2018
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Service cost	$ 308	$ 289	$ 282	$ 351	$ 340	$ 299	291	283
Interest on the total OPEB liability	698	686	645	862	802	715	668	623
Actual vs. expected experience	-	(689)	-	(1,134)	-	320	-	-
Assumption changes	-	145	-	(2,197)	-	178	-	-
Benefit payments	(245)	(248)	(287)	(254)	(266)	(285)	(256)	(222)
Net Change in Total OPEB liability	761	183	640	(2,372)	876	1,227	703	684
Total OPEB Liability - Beginning of Year	10,997	10,814	10,174	12,546	11,670	10,443	9,740	9,056
Total OPEB Liability - End of Year (a)	11,758	10,997	10,814	10,174	12,546	11,670	10,443	9,740
Plan Fiduciary Net Position:								
Contributions - employer	70	323	229	228	170	167	154	148
Contributions - employee	22	76	229	230	168	167	154	148
Net investment income	1,517	843	(1,966)	3,154	405	657	717	889
Administrative expenses	(4)	(4)	(4)	(4)	(5)	(2)	(17)	(5)
Benefit payments	(245)	(248)	(287)	(254)	(266)	(285)	(256)	(222)
Net Change in Plan Fiduciary Net Position	1,360	990	(1,799)	3,354	472	704	752	958
Plan Fiduciary Net Position - Beginning of Year	13,811	12,821	14,620	11,266	10,794	10,090	9,338	8,380
Plan Fiduciary Net Position - End of Year (b)	15,171	13,811	12,821	14,620	11,266	10,794	10,090	9,338
Net OPEB liability/(asset) - Ending (a) - (b)	$ (3,413)	$ (2,814)	$ (2,007)	$ (4,446)	$ 1,280	$ 876	$ 353	$ 402
Plan fiduciary net position as a percentage of the total OPEB liability	129.03%	125.59%	118.56%	143.70%	89.80%	92.49%	96.62%	95.87%
Covered payroll	$ 17,306	$ 18,164	$ 18,164	$ 17,448	$ 19,521	$ 17,698	17,084	18,086
Net OPEB liability as a percentage of covered payroll	-19.72%	-15.49%	-11.05%	-25.48%	6.56%	4.95%	2.07%	2.22%

Notes to Schedule

1. There were no changes in benefits.
2. There were no changes in assumptions.

* Fiscal year ended June 30, 2018, was the first year of implementation; therefore, only eight years are shown.

* SUPPLEMENTAL INFORMATION *

SCHEDULE OF NET PEMHCA LIABILITY INFORMATION AND RATIOS

Last 10 Fiscal Years * In Thousands

ELECTRIC FUND

Fiscal Year Ended June 30, Measurement Date	2025 6/30/2024	2024 6/30/2023	2023 6/30/2022	2022 6/30/2021	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018	2018 6/30/2017
Plan's Proportionate Share of Net PEMCHA Liability in %	19.70%	19.70%	19.99%	12.79%	12.79%	12.79%	12.79%	12.79%
Plan's Proportionate Share of Net PEMCHA Liability in $	$ 1,808	$ 2,730	$ 5,098	$ 1,996	$ 2,486	$ 2,506	$ 5,034	$ 5,039
Plan Fiduciary Net Position as a Percentage of the Total PEMCHA Liability	84.66%	76.07%	60.40%	74.72%	64.75%	63.03%	43.22%	40.30%
Covered-Employee Payroll	$ 28,415	$ 22,339	$ 22,332	$ 14,629	$ 15,937	$ 14,329	$ 14,111	$ 14,004
Plan Net PEMCHA Liability/(Asset) as a Percentage of Covered-Employee Payroll	6.36%	12.22%	22.83%	13.64%	15.60%	17.49%	35.68%	35.98%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 939	$ 1,084	$ 318	$ 358	$ 506	$ 504	$ 506	$ 405

WATER FUND

Fiscal Year Ended June 30, Measurement Date	2025 6/30/2024	2024 6/30/2023	2023 6/30/2022	2022 6/30/2021	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018	2018 6/30/2017
Plan's Proportionate Share of Net PEMCHA Liability in %	3.59%	3.59%	3.69%	2.32%	2.32%	2.32%	2.32%	2.32%
Plan's Proportionate Share of Net PEMCHA Liability in $	$ 330	$ 498	$ 941	$ 362	$ 451	$ 455	$ 913	$ 914
Plan Fiduciary Net Position as a Percentage of the Total PEMCHA Liability	84.66%	76.07%	60.40%	74.72%	64.75%	63.03%	43.22%	40.30%
Covered-Employee Payroll	$ 5,184	$ 4,075	$ 4,122	$ 2,654	$ 2,891	$ 2,599	$ 2,560	$ 2,540
Plan Net PEMCHA Liability/(Asset) as a Percentage of Covered-Employee Payroll	6.36%	12.22%	22.83%	13.64%	15.60%	17.49%	35.68%	35.98%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 171	$ 198	$ 59	$ 65	$ 92	$ 91	$ 92	$ 73

* There were no changes in benefits.
* There were no changes in assumptions.
* Fiscal year 2018 was the 1st year of implementation; therefore, only eight years are shown.

Additional information regarding all pension and OPEB schedules can be found in the city's Annual Comprehensive Financial Report.

* SUPPLEMENTAL INFORMATION *

Schedule 1

ANNUAL ELECTRIC SUPPLY Fiscal Year ended June 30, 2025		
Resource	**MWh**	**Percentage**
Renewables[1]	508,470	50.4%
Intermountain Power Project	100,970	10.0%
Magnolia Power Project	174,050	17.2%
Spot Purchases	161,970	16.0%
Palo Verde Nuclear	34,380	3.4%
On-Site Generation	12,070	1.2%
Hoover Uprating	17,880	1.8%
Total[2]	**1,009,790**	**100.0%**

[1]Renewable resources include the Milford Phase I Wind Project, Tieton Hydropower Project, Pebble Springs Wind Project, Copper Mountain Solar Project, Don A. Campbell Geothermal Project, Tule Hydro, Desert Harvest II Solar Project, Spot and long-term renewable certificates, local generation from BWP Valley Pumping Plant, customer and utility solar installations, and an exchange agreement. For the Fiscal Year ended June 30, 2025, renewable energy resources made up approximately 52.9% of Burbank's total retail sales. This number differs from the official Renewable Portfolio Standard (RPS) calculation and compliance period, which are based on retail sales and calendar year.

[2]Does not equal total sales to customers throughout the City due to distribution losses and timing differences in billing cycle.

Schedule 2

CUSTOMERS, SALES, ELECTRIC REVENUES AND DEMAND Fiscal Years ended June 30					
	2021	**2022**	**2023**	**2024**	**2025**
Number of Retail Service:					
Residential	46,152	46,290	46,688	46,155	46,658
Commercial[1]	6,861	6,880	6,959	6,914	6,890
Large Commercial[1]	84	82	82	84	80
Total	**53,097**	**53,252**	**53,729**	**53,153**	**53,628**
Retail Kilowatt-hour Sales (millions)					
Residential	287	275	286	259	275
Commercial	448	477	475	461	475
Large Commercial	227	228	232	223	211
Total	**962**	**979**	**993**	**943**	**961**
Electric Revenues ($ in thousands):					
Retail	$ 149,846	$ 154,304	$ 165,417	$ 173,453	$ 191,991
Wholesale	$ 42,088	$ 21,486	$ 40,324	$ 23,197	$ 22,452
Other[2]	$ 9,040	$ 6,600	$ 7,146	$ 6,962	$ 16,035
Total	**$ 200,974**	**$ 182,390**	**$ 212,887**	**$ 203,612**	**$ 230,478**
Peak Demand (MW)	292	246	290	263	309

[1]Meter counts include all billed meters.

[2]Other miscellaneous revenues include transmission, telecommunications, intergovernmental, and other miscellaneous revenues. Other miscellaneous revenues do not include aid-in-construction.

CITY OF BURBANK WATER AND POWER

* SUPPLEMENTAL INFORMATION *

Schedule 3

SYSTEM WEIGHTED AVERAGE BILLING PRICE – ELECTRIC [1] (Cents per Kilowatt-hour)					
	2021	2022	2023	2024	2025
Residential [2]	15.86	16.01	17.12	19.25	21.50
Commercial	16.02	16.21	17.30	18.51	19.83
Large Commercial	13.96	14.08	15.05	16.02	16.53
System Weighted Average Electric Rate	15.49	15.66	16.72	18.12	19.58

[1] All weighted average rates exclude annual in-lieu transfers to the City's General Fund and street lighting transfers. City voters passed Measure T in June 2018 to continue a direct transfer of not more than 7% of BWP's gross annual sales of electricity to pay for City's essential services.

[2] Residential includes multi-family dwellings.

Schedule 4

ANNUAL WATER SUPPLY Fiscal Year ended June 30, 2025		
Resource	**Acre Feet (AF)**	**Percentage**
Metropolitan Water District	3,391	21.6%
Local Production – BOU	12,301	78.4%
Total	**15,692**	**100.0%**

* SUPPLEMENTAL INFORMATION *

Schedule 5

CUSTOMERS, WATER SALES, WATER REVENUES Fiscal Years ended June 30					
	2021	2022	2023	2024	2025
Number of Water Service:					
Potable					
Residential[1]	22,188	22,216	22,211	21,955	22,189
Commercial[2]	3,212	3,211	3,206	3,189	3,187
Other[3]	1,184	1,195	1,192	1,177	1,189
Recycled	250	256	262	276	262
Total	**26,834**	**26,878**	**26,871**	**26,597**	**26,827**
AF Sales Per Year:					
Potable					
Residential[1]	12,642	11,713	9,630	9,772	10,768
Commercial[2]	2,645	2,943	2,794	2,824	2,947
Other[3]	170	200	231	176	188
Recycled	2,927	3,134	2,673	2,852	3,149
Total in AF	**18,384**	**17,990**	**15,328**	**15,624**	**17,052**
Water Revenues ($ in thousands):					
Retail[4]	$ 32,961	$ 32,876	$ 32,703	$ 35,413	$ 41,013
Other[5]	$ 1,064	$ 1,083	$ 1,280	$ 1,230	$ 2,169
Total	**$ 34,025**	**$ 33,959**	**$ 33,983**	**$ 36,643**	**$ 43,182**
Maximum Demand Day (AF)	57.1	60.1	54.6	51.9	51.7

[1]Residential includes multi-family dwellings.
[2]Commercial includes Large Commercial.
[3]Other includes city department water, school, fire protection, and miscellaneous users
[4]Potable and Recycled.
[5]Other operating revenues include connection fees, recycled water credits and other miscellaneous revenues.

* SUPPLEMENTAL INFORMATION *

Sched 6

WEIGHTED AVERAGE BILLING PRICE – POTABLE WATER ($ per CCF[1])					
	2021	2022	2023	2024	2025
Residential[2]	4.18	4.33	5.04	5.46	5.84
Commercial[3]	4.29	4.25	4.85	5.12	5.41
Weighted Average Water Rate Potable	4.20	4.31	5.00	5.39	5.75

[1]CCF is one hundred of cubic feet; one AF is equal to approximately 435.6 CCF.

[2]Residential includes multi-family dwellings.

[3]Commercial includes Large Commercial.

INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the City Council
City of Burbank, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Electric and Water Utility Funds (hereafter, the Funds) of the City of Burbank, California (hereafter, the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Funds' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Funds of the City as of June 30, 2025, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 Funds' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Honorable Members of the City Council
City of Burbank, California

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over the Funds. 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 Funds' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required pension and other post-employment benefits schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 audit 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.

Summarized Comparative Information

We have previously audited the financial statement of the Funds for the year ended June 30, 2024, and expressed an unmodified audit opinion on those financial statements in our report dated March 24, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Honorable Members of the City Council
City of Burbank, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2026, on our consideration of the City's internal control over the Funds' financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over the Funds' financial reporting and compliance.

LSL, LLP

Irvine, California
May 14, 2026