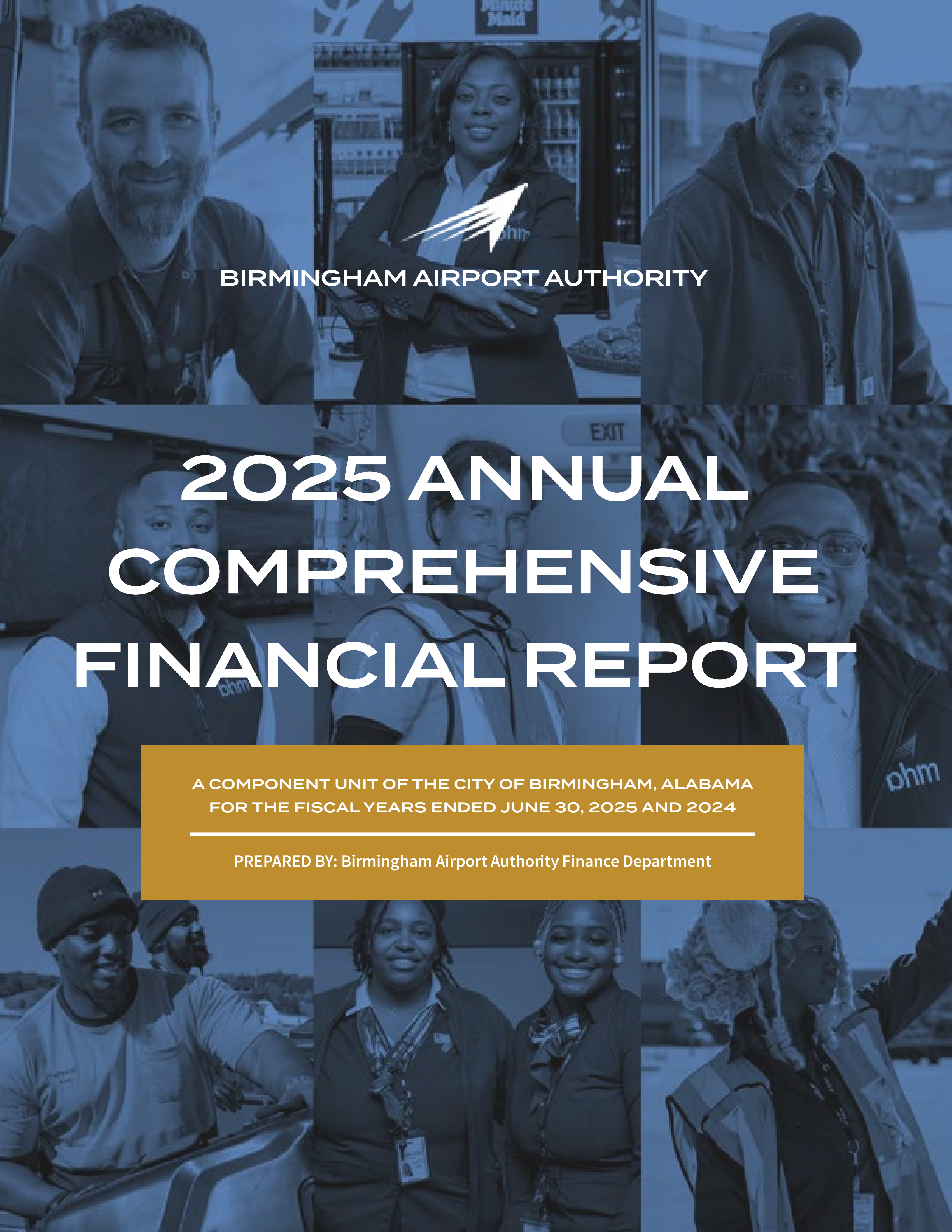

BIRMINGHAM AIRPORT AUTHORITY

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

A COMPONENT UNIT OF THE CITY OF BIRMINGHAM, ALABAMA
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

PREPARED BY: Birmingham Airport Authority Finance Department

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COMPLIANCE

BY THE NUMBERS (UNAUDITED)

“My days are spent assessing critical and emergency electrical systems and making repairs when needed, using my skills and knowledge to help maintain the essential services the airport provides. What I value most is the strong sense of family here—everyone works together.”

JAMES REED | ELECTRICIAN, MAINTENANCE DEPARTMENT

INTRODUCTION

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Birmingham Airport Authority
Alabama

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

INTRODUCTION (UNAUDITED)

MEET THE TEAM

BOARD OF DIRECTORS

Ashby Pate
BAA Board Chair
Lightfoot, Franklin & White LLC

Tommy Spina
BAA Vice Chair
Criminal Defense Lawyer

Jennifer Reid Egbe
BAA Secretary
Huie, Fernambucq & Stewart, LLP

Del Davis
BAA Treasurer
Founder/CEO, Smart Growth Management, LLC

Darlene Wilson Gallien
Relay Accounting Management

David Germany
First Horizon

Valerie Collins Thomas
CEO, The VAL Group

Mayor Randall Woodfin
Mayor of Birmingham

EXECUTIVE TEAM

Ronald F. Mathieu, C.M.
President & CEO

Cathryn Smith
Executive Administrator, Board Administrator & Assistant Secretary

Jim Payne, C.M., A.C.E.
Chief Operating Officer

Ingrid Hairston, A.A.E., PMP
Chief Revenue Officer

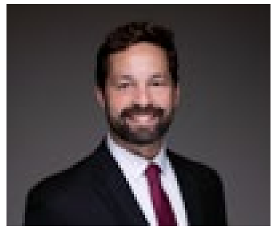
Korey Campbell, MBA, C.M.
Chief Financial Officer & Assistant Treasurer

TJ Williams
Vice President of Air Service Development

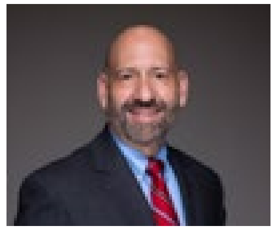
Matthew Nelson, C.M.
Vice President of Facilities

Paulette Maddox, MHRM
Vice President of Human Resources

Cameron Thompson, C.M., A.C.E., ASC
Vice President of Operations



Marcelo Lima, A.A.E.
Vice President of Planning & Development



Ed Seoane, MBA, CPSM, C.M.
Vice President of Purchasing

Kim Hunt, C.M., MPA
Vice President of Communications

INTRODUCTION (UNAUDITED)

Birmingham Airport Authority

LETTER OF TRANSMITTAL TO THE BOARD

January 30, 2026

Birmingham Airport Authority
5900 Messer Airport Highway
Birmingham, Alabama 35212

Board Members and Citizens of the City of Birmingham:

It is our pleasure to present the Annual Comprehensive Financial Report ("ACFR") of the Birmingham Airport Authority ("the Authority"), for the fiscal years ended June 30, 2025 and 2024. The responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Authority. To the best of our knowledge and belief, the enclosed information is accurate and complete in all material respects and reported in a manner designed to present fairly the financial position, results of operations, and cash flows in accordance with the Generally Accepted Accounting Principles ("GAAP").

GAAP requires that management provide a narrative overview and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the financial section of the ACFR.

ORGANIZATION

The Authority is an independent authority of the City of Birmingham ("the City") that was established in June 1986. Birmingham-Shuttlesworth International Airport ("the Airport") is operated by the Authority pursuant to an 84-year lease ("the City Lease"), which became effective on September 16, 1986, and has been subsequently amended to expire on September 15, 2070. Under the terms of the City Lease, all real property acquired by the Authority is conveyed to the City and becomes subject to the terms and conditions of the City Lease. The Authority is governed by a seven-member Board of Directors ("the Board"). The Board appoints a President and CEO who is responsible for managing the overall operation of the Airport. Directors of the Board are nominated by the Mayor of the City and appointed by the City Council. Directors are appointed to staggered six-year terms. The Mayor is a non-voting ex-officio director. The current members of the Board are Ashby Pate (Chairperson), Tommy Spina (Vice Chairperson), Del Davis (Treasurer), Jennifer Egbe (Secretary), Valerie Thomas, Darlene Wilson, David Germany, and Randall Woodfin (Mayor Ex-Officio Member).

The operations and improvements at the Airport are funded by airport user charges, Passenger Facility Charges, Customer Facility Charges, bond funds, and funds received from the Federal Aviation Administration ("FAA") and the Transportation Security Administration. No general tax fund revenues are used to operate or maintain the Airport. Mr. Ronald F. Mathieu C.M., President and Chief Executive Officer, has overall responsibility for the management, administration, and planning of organizational activities for the Authority. Mr. Mathieu has an experienced staff to aid him in carrying out the responsibilities of the position.

The City Lease requires that the annual operating budget and the five-year capital improvement budget of the Authority be submitted to the Mayor of the City and the City Council for approval. The Authority maintains financial records in accordance with generally accepted accounting principles and practices and is subject to an independent audit at any time at the discretion of the City. On June 1, 1990, the City Lease was amended such that the Authority's financial obligation under the City Lease was subordinated to any pledge of the Authority of its revenues to secure any indebtedness.

ECONOMIC CONDITIONS

The Birmingham-Hoover Metropolitan Statistical Area was renamed the Birmingham Metropolitan Statistical Area ("MSA") in 2024 by the U.S. Office of Management and Budget. The MSA's unemployment rate for June 2025 was 2.8%, compared to 3.0% in June 2024. The area's unemployment rate was better than the 3.2% rate for the state of Alabama and the 4.1% rate for the entire United States. COVID-19 was declared a global pandemic near the end of the Airport's 2020 fiscal year and impacted travel at all airports across the country. Traffic locally and nationally has rebounded strongly since then. Through the first quarter of fiscal year 2026, passenger enplanements at the Airport were 6% greater than the prior year and 11% greater than in fiscal year 2019, the fiscal year prior to the pandemic.

The primary service region for the Birmingham-Shuttlesworth International Airport, the MSA, has a diverse economic base and is the principal center of finance, trade, health care, manufacturing, transportation, and education in the state of Alabama. The MSA includes the following seven counties, ordered based on population size (largest to smallest): Jefferson, Shelby, St. Clair, Blount, Walker, Chilton, and Bibb. Jefferson County, which had an estimated population of approximately 665,000 in 2024, is the center of the MSA and covers 6,145 square miles. Birmingham, situated in the county seat, has an estimated population of approximately 195,000.

With nearly 3.3 million passengers this past fiscal year, the Airport is Alabama's busiest commercial service airport. In FY 2025, the Airport was served by five major airlines providing travelers with 134 peak daily flights and nonstop service to 22 airports in 19 cities. The Airport is also served by three all-cargo operators, Federal Express, Mountain Air, and United Parcel Service. Additionally, Kuehne+Nagel provides cargo charters into the Airport on a weekly basis. The cargo enplaned and deplaned by these carriers, combined with the "belly" cargo transported by the passenger airlines, totaled nearly 29,400 tons of cargo at the Airport in FY 2025. The Airport also receives significant activity from General Aviation aircraft. According to the FAA's Air Traffic Activity System, the Airport had more than 100,000 itinerant and local operations in FY 2025, with 39% of those operations categorized as general aviation activity. General aviation is a broad classification covering all aviation activity other than scheduled commercial service and military aviation. General aviation activity therefore covers a range that includes personal, business, training, and emergency service activity.

INTRODUCTION (UNAUDITED)

MAJOR INITIATIVES AND DEVELOPMENT

The Authority's five-year Capital Improvement Plan (CIP) for fiscal years 2026 – 2030 has appropriation requirements of approximately $111 million, which includes over $90.5 million in federal funds. This CIP was developed in conjunction with the latest master plan study, pavement management system recommendations and coordination with the Federal Aviation Administration (FAA). The improvements identified in this 5-year CIP will be funded by FAA Airport Improvement Program (AIP) funds, as well as funds from the Bipartisan Infrastructure Law (BIL), and local airport funds. The Authority continually reviews its CIP to address changing economic and air traffic demands, operating conditions, and assessments of facility conditions.

In 2025, the Authority completed critical airport projects to ensure the continuity of safe and efficient aviation and passenger activity, while also enhancing capacity at BHM. The most notable construction project completed in 2025 was the Taxiway 'H' connectors project. This $6 million project reconstructed four taxiway connectors between Taxiway 'H' and Runway 6/24. The project will allow continued access to and from the runway for all of the north end tenants at BHM. This includes the west FBO, multiple corporate hangars and the Alabama Air National Guard. Other notable construction projects underway in 2025 include the Environmental Assessment of the Taxiway 'A' relocation, as well as the installation of three new baggage screening devices for TSA in the Checked Baggage Reconciliation Area (CBRA).

In 2026, the BAA will continue the growth trend with significant construction and design improvements on the horizon. Construction activities include a $15 million reconstruction of the final 2,000 feet of Runway 24. This project will increase the runway weight bearing capacity, allowing for continued use of heavy air cargo aircraft operations at BHM. The project will support the on-going growth and expansion of international freight in central Alabama. Additionally, the design phase for the Village Creek realignment will kick off, marking a significant step forward in the Airfield Safety and Capacity Program at BHM. Relocating Village Creek will unlock the necessary real estate to properly align Taxiway 'A' into federal design standards, reducing delays and increasing safety and capacity.

FINANCIAL INFORMATION

Management's Discussion and Analysis (MD&A), starting on page 24, summarizes the Authority's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position and reviews the changes from fiscal year 2024 to fiscal 2025 and certain comparisons from fiscal year 2023 to 2024. The actual financial statements and related footnotes are presented on pages 34 to 92. The information contained in the MD&A should be considered in conjunction with the information contained in this report.

INTERNAL CONTROL STRUCTURE FRAMEWORK

The financial statements of the Authority are prepared following U.S. generally accepted accounting principles applicable to governmental unit enterprise funds. This results in financial statements prepared on an accrual basis. Internal control is a process affected by an entity's governing board, management, and other personnel and designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) safeguarding of assets from loss from unauthorized use or disposition; (b) execution of transactions in accordance with management's authorization; (c) reliability of financial records for preparing financial statements and maintaining accountability for assets; (d) effectiveness and efficiency of operations; and (e) compliance with applicable laws and regulations, including contracts and grant agreements.

Internal controls, no matter how well designed and operated, can provide only reasonable assurance to management and the board regarding achievement of an entity's control objectives. The likelihood of achievement is affected by limitations inherent to internal control. Such limitations include:

- Human judgment in decision-making can be faulty;
- Breakdowns in internal controls can occur due to errors or mistakes;
- Controls can be circumvented by the collusion of two or more people or management override of internal controls;
- Costs of an entity's internal controls should not exceed the benefits that are expected to be derived; and
- Custom, culture and the corporate governance system inhibit irregularities by management, but they are not absolute deterrents.

All internal control evaluations occur within the above framework. We believe that the Authority's internal controls adequately meet the objectives listed above and have devoted considerable time this past year to attract and retain individuals in our Finance Department who embrace the concept of a healthy internal control environment.

INDEPENDENT AUDIT

Our independent auditor, Banks, Finley, White & Co., audit the financial statements of the Authority on an annual basis. The financial section of this report includes the independent auditor's report on the basic financial statements.

The Authority is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200, "Audits of State and Local Governments". All schedules and reports required under these federal and state regulations are included in the compliance section of this report.

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Birmingham Airport Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the eighth consecutive year that the Authority has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully Submitted,

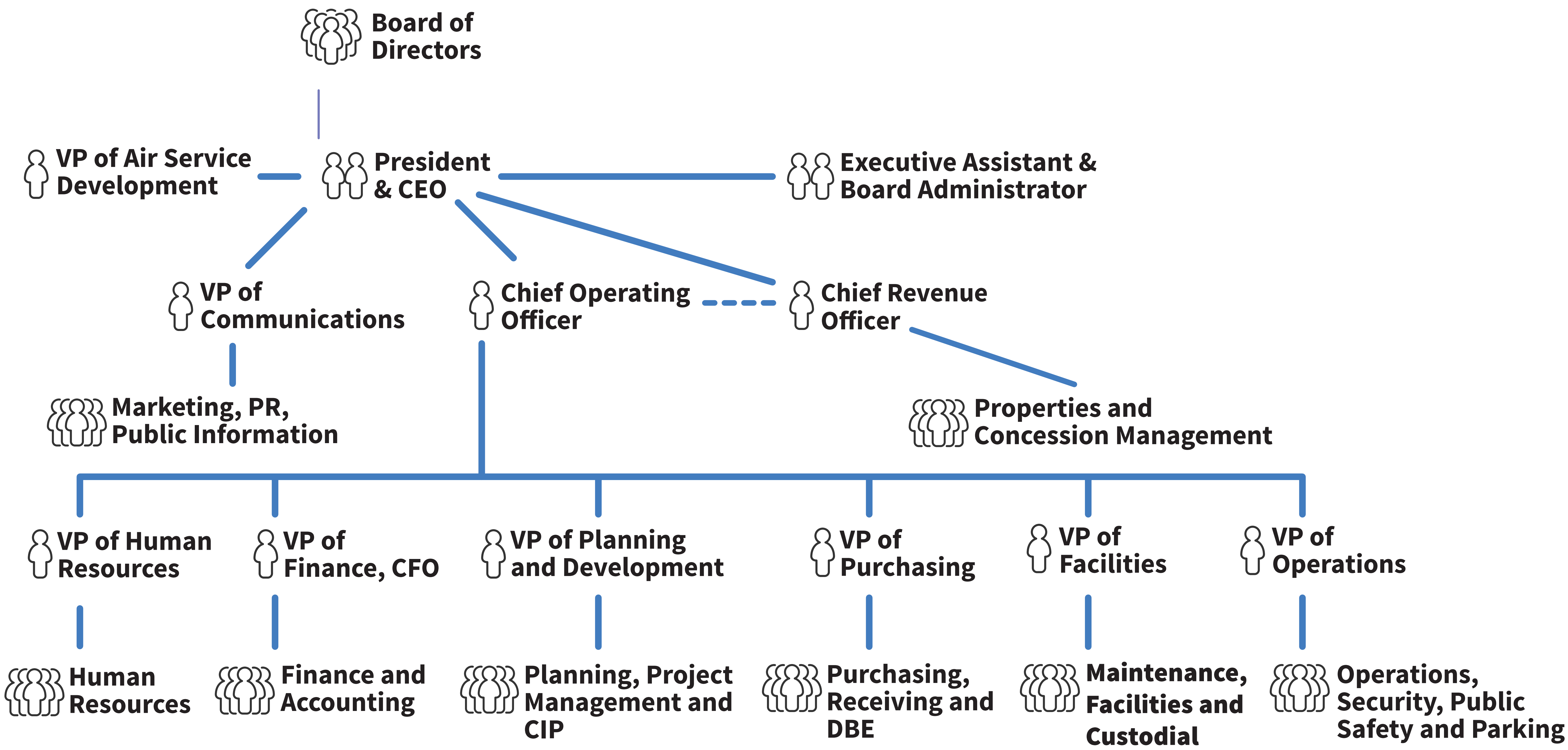
Ronald F. Mathieu C.M.
President and Chief Executive Officer

Korey Campbell
Chief Financial Officer

Birmingham Airport Authority

INTRODUCTION (UNAUDITED)

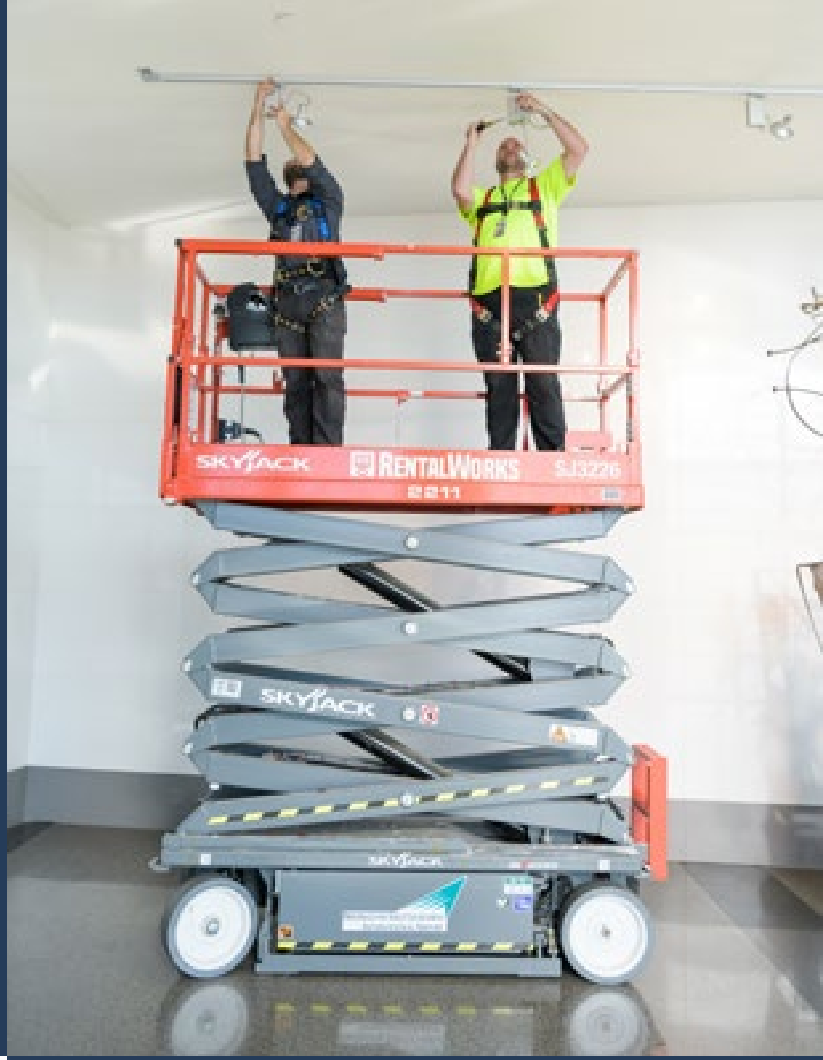
ORGANIZATION CHART



VISION

WHAT WE ASPIRE TO BE.

To be a driving force of economic development for the region and a showcase for Southern hospitality.



MISSION

WHO WE ARE. WHAT WE DO.

To operate a safe, efficient, hospitable and state-of-the-art airport that promotes a healthy economy and environment.

"My day is spent making repairs throughout the terminal to ensure the best possible experience for passengers. I've always enjoyed working with my hands and solving problems, and my favorite part of working here is the opportunity to meet travelers from around the world and make new friends."

PHILLIP WILDER | MRW, FACILITIES

"My days are busy and well organized, focused on maintaining areas critical to aircraft safety. I pursued a career as an equipment operator because I enjoy working outdoors with a variety of machinery, and my favorite part of working at the airport is being surrounded by like-minded people while learning something new every day."

EDWARD GIBSON | EQUIPMENT OPERATOR, MAINTENANCE DEPARTMENT

FINANCIAL

INDEPENDENT AUDITOR'S REPORT

BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of the,
Birmingham Airport Authority
Birmingham, Alabama

OPINION

We have audited the accompanying financial statements of the business-type and fiduciary fund activities of the Birmingham Airport Authority (the Authority) a component unit of the City of Birmingham, Alabama, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

BASIS FOR OPINION

We conducted our 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 24-33 and required supplementary information schedules on pages 94-105 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

INDEPENDENT AUDITOR'S REPORT (CONT.)

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.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards and the schedule of passenger facility charge revenues and disbursements, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the PFC Guide issued by the FAA, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical and sustainability sections but does not include the basic financial statements and our auditor's report thereon.

Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards

Birmingham, Alabama
January 30, 2026

Banks, Finley White & Co.

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

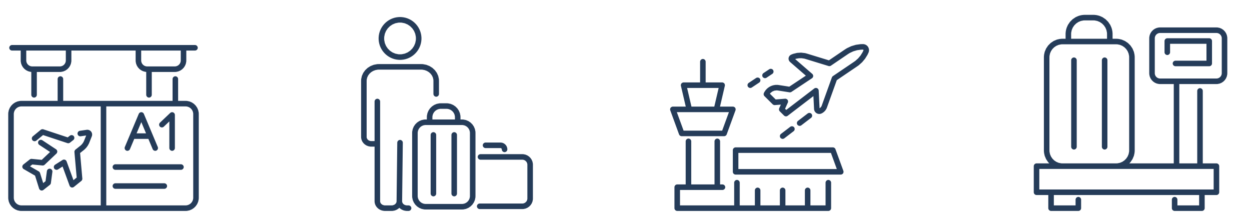
FISCAL YEARS ENDED JUNE 30, 2025, 2024, AND 2023

The following Management Discussion and Analysis (MD&A) of the Birmingham Airport Authority ("the Authority") presents a narrative overview of the financial activities of the Authority, which operates the Birmingham-Shuttlesworth International Airport ("the Airport"), for the fiscal years ended June 30, 2025, and 2024 with selected comparative information for the fiscal year ended June 30, 2023.

Following this MD&A are the basic financial statements of the Authority, the notes to the financial statements, and supplementary information. The report includes the following three basic financial statements: the statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows. The accompanying notes to the financial statements are essential to a full understanding of the data contained in the financial statements. The supplementary information 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.

AIRPORT ACTIVITIES AND HIGHLIGHTS

Activities at the Airport during fiscal year 2025 increased by 2.8%, 2.6%, 6.6%, and 6.9% for Enplanements, Total Passengers, Passenger Air Carrier Operations, and Passenger Air Carrier Landed Weight in comparison to fiscal year 2024. During fiscal year 2024, Enplanements, Total Passengers, Passenger Air Carrier Operations, and Passenger Air Carrier Landed Weight experienced double digit increases in comparison to fiscal year 2023.



2.8% ENPLANEMENTS

2.6% TOTAL PASSENGERS

6.6% AIR CARRIER OPERATIONS

6.9% PASSENGER AIR CARRIER LANDED WEIGHT

	2025	2024	2023
Enplanements	1,622,212	1,577,506	1,434,680
% Increase / (Decrease)	2.8%	10.0%	11.3%

	2025	2024	2023
Total Passengers	3,252,994	3,169,211	2,874,268
% Increase / (Decrease)	2.6%	10.3%	11.5%
Passenger Air Carrier Operations	39,774	37,320	31,866
% Increase / (Decrease)	6.6%	17.1%	3.2%
Passenger Air Carrier Landed Weight	2,012,768	1,882,499	1,629,185
% Increase / (Decrease)	6.9%	15.5%	9.0%

Five major passenger carriers, eleven regional carriers, three regularly scheduled all-cargo carriers, and one cargo charter airline served the Airport during the fiscal year. The Airport added one passenger carrier and lost one cargo charter carrier in fiscal year 2025. The carriers serving the Airport were unchanged from fiscal years 2024 and 2023.

FINANCIAL POSITION SUMMARY

The statements of net position present the financial position of the Authority. The statements include all assets, deferred outflows of resources, liabilities, deferred inflow of resources, and net position of the Authority. A summary comparison of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2025, 2024 and 2023 is as follows:

SUMMARY STATEMENTS OF NET POSITION JUNE 30, 2025, 2024, AND 2023

ASSETS	2025	2024	2023
Current Assets	161,614,250	140,171,492	134,004,929
Non-current Assets	2,477,980	10,245,194	18,064,487
Capital Assets	545,782,692	541,154,909	522,067,770
Total Assets	**$709,874,924**	**$691,571,595**	**$674,137,186**
Deferred Outflows of Resources	4,473,131	4,755,781	4,864,165
Total Assets & Outflows of Resources	**$714,348,055**	**$696,327,376**	**$679,001,351**

FINANCIAL

SUMMARY STATEMENTS OF NET POSITION JUNE 30, 2025, 2024, AND 2023 (CONT.)

LIABILITIES	2025	2024	2023
Current Liabilities	17,141,531	19,461,727	12,160,715
Non-current Liabilities	122,214,488	128,445,036	133,223,413
Total Liabilities	**$139,356,020**	**$147,906,763**	**$145,384,128**
Deferred Inflows of Resources	7,708,497	14,707,879	22,788,157
NET POSITION			
Net Investments in Capital Assets	435,195,790	422,812,674	401,217,302
Restricted	38,557,351	33,533,653	27,922,749
Unrestricted	93,530,398	77,366,407	81,689,015
Total Net Position	**$567,283,539**	**$533,712,734**	**$510,829,066**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	**$714,348,055**	**$696,327,376**	**$679,001,351**

In fiscal year 2025, total assets increased by $18.3 million to $709.9 million. Total assets grew to $691.6 million in 2024 from $674.1 million in 2023. Deferred outflows of resources decreased by 5.9% to $4.5 million in fiscal year 2025 from $4.8 million in 2024. Deferred outflows of resources decreased by 2.2% in 2024 from the $4.9 million recorded the prior year.

The Authority's total liabilities decreased by 5.8% in fiscal year 2025 to $139.4 million. The change was caused largely by decreases in accounts payable and accrued expenses and revenue bonds payable. Total liabilities increased by $2.5 million, from $145.4 million to $147.9 million, as of June 30, 2024.

Deferred inflows of resources dropped by $7.0 million to $7.7 million in fiscal year 2025 because of large declines in deferred inflow of resources related to leases and pensions. From 2023 to 2024, deferred inflows of resources decreased by 35.5%, to $14.7 million, due to declines in deferred inflow of resources related to leases and pensions.

Net Position over time is an indicator of the Authority's financial standing. The Authority's net position exceeded liabilities by $567.3 million on June 30, 2025. This represents a $33.6 million increase from June 30, 2024. From June 30, 2023 to 2024, net position grew by $22.9 million, or 4.5%. The components of net position include net investment in capital assets, restricted funds used for debt service, federal grants and programs, and unrestricted funds. Net investment in capital assets increased by 2.9% to $435.2 million in fiscal year 2025 and grew by 5.4% to $422.8 million from 2023 to 2024. Restricted net position improved to $38.6 million in fiscal year 2025, which was a $5.0 million increase from fiscal year 2024. 2024 experienced growth of 20.1% in restricted net position compared to 2023 due to growth in debt service and federal grants. Unrestricted net position increased by $16.2 million in the current fiscal year compared to a decrease of $4.3 million from 2023 to 2024.

The largest portion of the Authority's net position is its investment in capital assets (e.g., land, buildings, infrastructure improvements, and equipment), less the amount of related debt outstanding. The Authority uses these capital assets to provide services to its passengers, tenants, and business partners; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations.

An additional portion of the Authority's net position represents bond reserve funds, passenger and customer facility charges, federal grant contributions, and other assets that are subject to various restrictions and federal regulations. The remaining unrestricted net assets may be used to meet any of the Authority's ongoing obligations.

FINANCIAL OPERATIONS SUMMARY

Net position increased by $33.6 million in fiscal year 2025, compared to an increase of $22.9 million in 2024.

SUMMARY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OPERATING REVENUES	2025	2024	2023
Aviation Revenues	24,970,067	21,264,145	25,717,176
Concession Revenues	30,066,611	29,010,527	26,382,904
Other Revenues	7,856,701	6,551,129	5,455,159
Total Operating Revenues	**62,893,380**	**56,825,801**	**57,555,239**
OPERATING EXPENSES	2025	2024	2023
Salaries & Benefits	11,319,328	11,501,265	10,780,739
Professional & Contracted Services	10,895,727	10,121,045	10,237,504
Materials, Supplies & Maintenance	2,414,131	2,929,185	3,191,022
Other Operating Expenses	11,671,983	9,822,499	9,876,260
Total Operating Expenses Before Depreciation & Amortization	**$36,301,169**	**$34,373,994**	**$34,085,525**

SUMMARY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONT.)

OPERATING EXPENSES	2025	2024	2023
Depreciation & Amortization	19,213,927	18,061,340	19,442,814
Total Operating Expenses	**$55,515,096**	**$52,435,334**	**$53,528,339**
Operating Income (Loss) Before Non-operating Revenues (Expenses)	7,378,284	4,390,467	4,026,900
NON-OPERATING REVENUES	2025	2024	2023
Federal Grants (ARPA, CARES, CRSAA)	-	-	324,704
Passenger Facility Charges	6,271,436	6,186,368	5,555,672
Customer Facility Charges	4,713,233	4,711,327	4,316,754
Interest Income	5,107,991	3,922,155	2,055,919
Other Non-Operating Revenues	290,724	411,258	1,032,294
Total Non-Operating Revenues	**$16,383,384**	**$15,231,108**	**$13,285,343**
NON-OPERATING EXPENSES	2025	2024	2023
Interest Expense	4,195,627	4,517,308	5,043,572
Other Non-Operating Expenses	-	-	-
Total Non-Operating Expenses	**$4,195,627**	**$4,517,308**	**$5,043,572**
Total Non-Operating Revenues (Expenses)	**$12,187,757**	**$10,713,800**	**$8,241,771**
Income (Loss) Before Capital Contributions from Federal Agencies	19,566,041	15,104,267	12,268,671
Capital Contributions from Federal Agencies	14,004,764	7,779,401	5,319,454
NET POSITION	2025	2024	2023
Increase (Decrease) in Net Position	**33,570,805**	**22,883,668**	**17,588,125**
Total Net Position, Beginning of the Year	**$533,712,734**	**$510,829,066**	**$493,240,941**
Total Net Position, End of the Year	**$567,283,539**	**$533,712,734**	**$510,829,066**

- Operating Revenues grew by 10.7% from $56.8 million in fiscal year 2024 to $62.9 million in fiscal year 2025. The growth was due to double digit increases in Aviation and Other Revenues.
- Operating Revenues decreased by 1.3% in fiscal year 2024 from $57.6 million in 2023 to $56.8 million in 2024 due to lower airline terminal rates and landing fees.
- Operating Expenses before depreciation and amortization grew to $36.3 million in fiscal year 2025. The increase was driven by growth in Salaries and Benefits and Other Operating expenses.
- Operating Expenses before depreciation and amortization grew slightly to $34.4 million in fiscal year 2024. Salaries and Benefits were $721 thousand higher while decreases were experienced in all other operating expense categories.
- In fiscal year 2025, Non-Operating Revenues improved by $1.2 million, 7.6%, to $16.4 million, largely due to higher interest income.
- Non-Operating Revenues increased by $1.9 million, 14.6%, to $15.2 million in fiscal year 2024, due to higher PFCs, CFCs, and interest income.
- In fiscal year 2025, interest expense decreased by $322 thousand to $4.2 million from $4.5 million in 2024.
- Interest expense decreased by $526 thousand to $4.5 million in fiscal year 2024 from $5.0 million in 2023.
- Capital Contributions from Federal Agencies increased by $6.2 million to $14.0 million as result of several airfield projects that occurred during fiscal year 2025.
- In fiscal year 2024, Capital Contributions from Federal Agencies improved by 46.2%, $2.5 million more than the $5.3 million in 2023.

SUMMARY OF CASH FLOW ACTIVITIES

The following shows a summary of the major sources and uses of cash and cash equivalents for the past three years. Cash and cash equivalents are considered cash-on-hand, bank deposits and highly liquid investments with an original maturity of three months or less:

FISCAL YEARS ENDED JUNE 30, 2025, 2024, AND 2023

	2025	2024	2023
Cash Flows from Operating Activities	18,300,101	23,224,919	15,673,077
Cash Flows from Noncapital Financing Activities	-	-	324,704
Cash Flows from (Used for) Capital and Related Financing Activities	(10,992,820)	(29,651,970)	(351,375)
Cash Flows from (Used for) Investing Activities	(3,122,850)	15,306,409	2,655,423
Net Increase (Decrease) in Cash and Cash Equivalents	**$4,184,431**	**$8,879,358**	**$18,301,829**
CASH AND CASH EQUIVALENTS			
Beginning of the Year	**$82,053,402**	**$73,174,044**	**$54,872,215**
End of the Year	**$86,237,833**	**$82,053,402**	**$73,174,044**

In fiscal year 2025 the Authority experienced a net increase of $4.2 million in cash and cash equivalents. This was $4.7 million lower than the $8.9 million increase from 2023 to 2024. The decrease was the result of lower cash flows from operating activities and $3.1 million that was invested. The net increase of $8.9 million in 2024 was a $9.4 million decline when compared to fiscal year 2023. At the end of fiscal year 2025, cash and cash equivalents were $86.2 million, compared to $82.1 million in fiscal year 2024, and $73.2 million in fiscal year 2024.

FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a proprietary fund with revenues recognized when earned and expenses recognized when incurred. Capital assets are capitalized and (except land and construction in progress) are depreciated over their useful lives.

Amounts are restricted for debt service and, where applicable, for construction activities. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

AIRLINE RATES AND CHARGES

On June 17, 2022, the Authority entered into a new three-year lease agreement with each of the four major airlines serving Birmingham. The new agreement became effective on July 1, 2022, and expired on June 30, 2025. On June 10, 2025, the Birmingham Airport Authority's Board of Directors approved the Air Carrier Rate Resolution, effective July 1, 2025. The resolution utilizes the same rate-making methodology that was in place in the prior airline agreement.

Airline cost per enplaned passenger represents the cost of an airline to operate at an airport. It is calculated by adding the airport charges paid by the passenger airlines during a fiscal year and dividing that sum by the number of passengers enplaned during the twelve-month period.

AIRLINE REVENUES, ENPLANEMENTS, AND CPE

	2025	2024	2023
Terminal Building Charges	12,751,154	12,775,036	13,639,077
Aircraft Parking Charges	746,712	565,990	488,552
Landing Fees	7,595,509	6,947,327	10,397,831
Total Airline Charges	**$21,093,375**	**$20,288,353**	**$24,525,460**
Enplanements	1,622,212	1,577,506	1,434,680
Airline Cost per Enplaned Passenger	$13.00	$12.86	$17.09

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2025, the Authority expended $24.8 million on capital activities. Five projects accounted for nearly 60% of the total cost. Those projects were Overflow Apron Rehab ($4.7 million), Taxiway H Connectors Rehab ($4.2 million), Air Cargo Facility Design and Construction ($2.1 million), Terminal Apron Joint Seal ($1.7 million), and Ground Power Units for Passenger Boarding Bridges ($1.7 million). The balance was largely spent on other airfield and terminal projects. Please refer to the Notes to the Financial Statements, Note 7 “Changes in Capital Assets”, for more information related to the Authority’s capital acquisitions and construction activities.

LONG-TERM DEBT OUTSTANDING

On July 9, 2020, the Authority issued the Birmingham Airport Authority Airport Revenue Refunding Bonds, Series 2020. The bonds consisted of a principal amount of $102,130,000 and a premium of $19,959,828, for a total of $122,089,828. The Series 2020 Bonds were issued to provide funds to refund the Authority’s Series 2010 Bonds outstanding in the principal amount of $138,590,000. Other sources of funds used to refund the Series 2010 bonds included $19,151,475 from debt service reserve and other reserve funds.

The Series 2020 Bonds mature no later than July 1, 2040, and require semiannual interest payments on January 1 and July 1, beginning January 1, 2021, at rates ranging between 4.0 and 5.0 percent. Principal payments on the Series 2020 Bonds are due annually beginning July 1, 2023.

The Series 2020 net bond proceeds of $139,386,888 (after payment of $1,853,034 in issuance cost) were deposited into the refunding escrow fund with Synovus Bank to refund the Series 2010 bonds. As of June 30, 2025, the outstanding balance on the Series 2020 bonds, net of the bond premium was $91.4 million.

Please refer to the Notes to the Financial Statements, Note 9 “Revenue Bonds Payable”, for more information related to the Authority’s long-term debt outstanding.

As of June 30, 2024, the Airport’s underlying ratings of its bond obligations were:	Fitch’s Bond Rating: A (Stable)	Moody's Bond Rating: A2 (Stable)

PASSENGER FACILITY CHARGE (“PFC”)

The Authority initially received approval from the FAA to impose a PFC of $3.00 per enplaned passenger beginning August 1, 1997, not to exceed $7,657,558, primarily to finance the rehabilitation of the main runway. Subsequently, the Authority requested and received approval to increase the charge per enplanement to $4.50, and to increase the total collection amount to $215,544,765. The PFC approval amount changes over time due to project closures and application amendments. The Authority is currently authorized to collect $200,091,019.

The Authority has used PFCs to finish the rehabilitation of the main runway, to pay for the rehabilitation of the air carrier apron, to relocate a sanitary sewer lift station, to remove obstructions from beyond the end of the main runway, and to design, construct and finance a terminal modernization program. The Authority’s remaining authorization for the use of PFC is to pay a portion of the debt service on the Series 2020 Bonds, which were issued to refund the Series 2010 Bonds. The collection period is scheduled to end on September 1, 2035. Through June 30, 2025, the Authority has collected PFCs, including interest earnings thereon, totaling $138,390,007. For further details related to the current year, see the Schedule of Passenger Facility Charges in the Compliance Section of this report.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority’s finances for all those interested. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Chief Financial Officer, Birmingham Airport Authority, 5900 Messer Airport Highway, Birmingham, Alabama 35212, or call 205-595-0533.

FINANCIAL

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024 ASSETS OF DEFERRED OUTFLOWS OF RESOURCES

UNRESTRICTED ASSETS	2025	2024
CURRENT ASSETS		
Cash & Cash Equivalents	46,900,858	51,808,550
Investments	62,335,912	47,412,768
Grants Receivable	2,861,489	2,061,328
Accounts Receivable*	3,776,667	2,996,571
Lease Receivable, Current	4,288,675	3,607,404
Prepaid Expenses	672,174	738,692
Inventory	522,930	407,218
Total Current Unrestricted Assets	**$121,358,705**	**$109,032,531**
RESTRICTED ASSETS	2025	2024
PASSENGER FACILITY CHARGES FUNDS		
Cash and Cash Equivalents	9,311,284	12,717,968
Accounts Receivable	543,631	518,837
CUSTOMER FACILITY CHARGES FUNDS		
Cash and Cash Equivalents	10,558,833	8,850,149
Accounts Receivable	374,939	375,272
REVENUE BOND RESERVE FUNDS		
Cash and Cash Equivalents	19,466,858	8,676,735
Total Restricted Assets	**$40,255,545**	**$31,138,961**
Total Current Assets	**$161,614,250**	**$140,171,492**

* Net of allowance for uncollectables of $50,569 and $104,483 in 2025 and 2024, respectively.

STATEMENTS OF NET POSITION (CONT.)

RESTRICTED ASSETS	2025	2024
NON-CURRENT ASSETS		
Restricted Investments	-	5,500,000
Lease Receivable, Non-Current	1,513,685	3,894,548
Net OPEB Asset	582,865	412,604
Prepaid Expenses	381,430	438,042
CAPITAL ASSETS	2025	2024
Capital Assets, Net of Accumulated Depreciation	545,298,651	541,015,769
Lease and Subscription Right-of-Use Assets, Net of Accumulated Amortization	484,041	139,140
Total Capital Assets	**$545,782,692**	**$541,154,909**
Total Non-Current Assets	**$548,260,674**	**$551,400,103**
Total Assets	**$709,874,924**	**$691,571,595**

DEFERRED OUTFLOWS OF RESOURCES	2025	2024
Deferred Outflow of Resources Related to OPEB	466,995	582,754
Deferred Outflow of Resources Related to Pension and EPP	4,006,136	4,173,027
Total Deferred Outflows of Resources	**$4,473,131**	**$4,755,781**
Total Assets and Deferred Outflows of Resources	**$714,348,055**	**$696,327,376**

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION (CONT.)

CURRENT LIABILITIES	2025	2024
PAYABLE FROM UNRESTRICTED ASSETS		
Accounts Payable and Accrued Expenses	2,023,605	4,360,295
Deferred Revenue	851,673	513,460
Advances and Deposits	111,669	63,207
Lease Liabilities, Current	194,788	81,124
Compensated Employee Absences	350,815	214,808
Total Payable from Unrestricted Assets	**$3,532,550**	**$5,232,894**
PAYABLE FROM RESTRICTED ASSETS		
Construction Contracts Payable	5,728,731	6,486,333
Accrued Interest Payable	2,115,250	2,252,500
Current Maturities of Revenue Bonds Payable	5,765,000	5,490,000
Total Payable from Restricted Assets	**$13,608,981**	**$14,228,833**
Total Current Liabilities	**$17,141,531**	**$19,461,727**
NON-CURRENT LIABILITIES		
Compensated Employee Absences	1,146,634	1,153,453
Lease Liabilities, Non-Current	266,554	52,028
Revenue Bonds Payable, Net of Unamortized Bond Premium	98,631,826	106,232,750
Net Pension Liability	22,169,474	21,006,805
Total Non-Current Liabilities	**$122,214,488**	**$128,445,036**
Total Liabilities	**$139,356,020**	**$147,906,763**

DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow of Resources Related to Leases	5,344,682	6,871,676
Deferred Inflow of Resources Related to Pension and EPP	1,339,672	6,812,833
Deferred Inflow of Resources Related to OPEB	1,024,143	1,023,370
Total Deferred Inflows of Resources	**$7,708,497**	**$14,707,879**

NET POSITION		
Net Investment in Capital Assets	**$435,195,790**	**$422,812,674**
Restricted: For Debt Service	17,351,608	11,924,235
Restricted: OPEB	582,865	412,604
Restricted: Federal Grants and Programs	20,622,878	21,196,814
Total Restricted	**$38,557,351**	**$35,533,653**
Total Unrestricted	**$93,530,398**	**$77,366,407**
Total Net Position	**$567,283,539**	**$533,712,734**
Total Liabilities, Deferred Inflows of Resources, and Net Position	**$714,348,055**	**$696,327,376**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

OPERATING REVENUES	2025	2024
Aviation Revenues	24,970,067	21,264,145
Concession Revenues	30,066,611	29,010,527
Airport Rentals	5,091,601	4,139,757
Aviation Services	2,354,006	1,810,828
Miscellaneous Revenues	411,094	600,544
Total Operating Revenues	**$62,893,380**	**$56,825,801**

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (CONT.)

OPERATING EXPENSES	2025	2024
Salaries and Benefits	11,319,328	11,501,265
Professional and Contracted Services	10,895,727	10,121,045
Materials, Supplies, and Maintenance	2,414,131	2,929,185
Other Operating Expenses	11,671,983	9,822,499
Total Operating Expenses Before Depreciation and Amoritization	**$36,301,169**	**$34,373,994**
Depreciation and Amortization	19,213,927	18,061,340
Total Operating Expenses	**$55,515,096**	**$52,435,334**
Operating Income (Loss) Before Non-Operating Revenues (Expenses)	**$7,378,284**	**$4,390,467**
NON-OPERATING REVENUES (EXPENSES)	2025	2024
Passenger Facility Charges	6,271,436	6,186,368
Customer Facility Charges	4,713,233	4,711,327
Interest Income	5,107,991	3,922,155
Interest Expense	(4,195,627)	(4,517,308)
Insurance Settlement and Other	(242,523)	(1,298,815)
Gain on Disposal of Capital Assets	99,317	-
Net Increase in the Fair Value of Investments	433,930	1,710,073
Total Non-Operating Revenues (Expenses)	**$12,187,757**	**$10,713,800**
Income (Loss) Before Capital Contributions from Federal Agencies	19,566,041	15,104,267
Capital Contributions from Federal Agencies	14,004,764	7,779,401
NET POSITION	2025	2024
Increase in Net Position	33,570,805	22,883,668
Total Net Position, Beginning of the Year	**$533,712,734**	**$510,829,066**
Total Net Position, End of the Year	**$567,283,539**	**$533,712,734**

STATEMENTS OF CASH FLOWS FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2025	2024
Cash received from customers and tenants	60,933,160	57,183,423
Cash paid to suppliers for goods and services	(31,442,919)	(24,643,189)
Cash paid for personnel costs	(11,190,140)	(9,315,315)
Net cash provided by operating activities	**$18,300,101**	**$23,224,919**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	4,844,834	3,492,807
(Purchases) Sales of Investments	(7,967,684)	11,813,602
Net Cash Provided by Investing Activities	**($3,122,850)**	**$15,306,409**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(25,700,626)	(37,203,648)
Disposal of Capital Assets	102,714	-
Receipts from Federal Grants, Passenger Facility Charges, and Customer Facility Charges	24,164,811	16,857,330
Interest Paid on Capital Debt	(4,332,877)	(4,505,000)
Principal Paid on Capital Debt	(5,490,000)	(5,230,000)
Revenue From Tenant Leases	263,158	429,348
Net Cash (Used for) Capital and Related Financing Activities	**($10,992,820)**	**($29,651,970)**
Net (Decrease) Increase in Cash and Cash Equivalents	4,184,431	8,879,358
Cash and Cash Equivalents, Beginning of the Year	**$82,053,402**	**$73,174,044**
Cash and Cash Equivalents, End of the Year	**$86,237,833**	**$82,053,402**

See accompanying Notes to the Financial Statements

STATEMENTS OF CASH FLOWS (CONT.)

RECONCILIATION OF CASH & CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS	2025	2024
Cash and Cash Equivalents - Unrestricted Assets	46,900,858	51,808,550
Cash and Cash Equivalents - Restricted Assets	39,336,975	30,244,852
Total	**$86,237,833**	**$82,053,402**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	7,378,283	4,390,467
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:		
Depreciation and Amortization	19,213,927	18,061,340
Bad Debt Expense	(89,480)	1,857
(INCREASE) DECREASE IN OPERATING ASSETS		
Receivables (Net)	(780,095)	685,724
Prepaid Expenses and Deferred Revenue	509,805	(557,387)
Inventory	(115,712)	(137,840)
Lease Receivables and Deferred Inflows	(1,566,787)	(3,529)
INCREASE (DECREASE) IN OPERATING LIABILITIES		
Compensated Employee Absences	129,188	130,640
Accounts Payable and Accrued Expenses	(2,336,694)	2,628,040
Lease Liabilities	154,996	(50,490)
Net Pension and OPEB Liability and Related Deferred Outflows/Inflows of Resources for Pension	(4,197,330)	(1,923,903)
Net Cash Provided by (Used in) Operating Activities	**$18,300,101**	**$23,224,919**
SUPPLEMENTAL CASH FLOW INFORMATION		
Issuance of new SBITAs	349,002	246,011
Increase in Fair Value of Investments	9,433,144	1,710,073
Amortization of Bond Discount	(1,539,408)	(1,725,739)

STATEMENTS OF FIDUCIARY NET POSITION - OPEB TRUST FUND AND EXECUTIVE PENSION PLAN (EPP) JUNE 30, 2025 AND 2024

	2025			2024		
	EPP	OPEB	TOTAL	EPP	OPEB	TOTAL
ASSETS						
Cash and Cash Equivalents	924,726	1,971,062	2,895,788	362,506	1,886,680	2,249,186
NET POSITION						
RESTRICTED FOR:						
OPEB	-	1,971,062	1,971,062	-	1,886,680	1,886,680
EPP	924,726	-	924,726	362,506	-	362,506
Total Net Position	**924,726**	**1,971,062**	**2,895,788**	**362,506**	**1,886,680**	**2,249,186**

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - OPEB TRUST FUND AND EXECUTIVE PENSION PLAN (EPP) FOR THE FISCAL YEAR ENDED JUNE 30, 2025 AND 2024.

	2025			2024		
	EPP	OPEB	TOTAL	EPP	OPEB	TOTAL
ADDITIONS						
Employer Contributions	510,434	48,073	558,507	340,738	35,327	376,065
Investment Income	51,786	91,574	143,360	21,768	88,086	109,854
Total Additions	**$562,220**	**$139,647**	**$701,867**	**$362,506**	**$123,413**	**$485,919**
DEDUCTIONS						
Benefit Payments, Including Refunds of Member Contributions		48,073	48,073	-	35,327	35,327
Administrative Expense	-	7,192	7,192	-	7,363	7,363
Total Deductions	**-**	**$55,265**	**$55,265**	**-**	**$42,690**	**$42,690**
Net Increase (Decrease) in Fiduciary Net Position	**$562,220**	**$84,382**	**$646,602**	**$362,506**	**$80,723**	**$443,229**
Net position - Beginning	**$362,506**	**$1,886,680**	**$2,249,186**	**-**	**$1,805,957**	**$1,805,957**
Net position - Ending	**$924,726**	**$1,971,062**	**$2,895,788**	**$362,506**	**$1,886,680**	**$2,249,186**

See accompanying Notes to the Financial Statements

"As VP of Facilities, I oversee operations, maintenance, safety compliance, and staff to support a safe and positive passenger experience. Driven by a passion for efficiency and problem-solving, I enjoy creating a welcoming environment. As a Birmingham native, I value giving back to my home airport while working with a dedicated team.

MATTHEW NELSON | VICE PRESIDENT OF FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: NATURE OF ORGANIZATION AND REPORTING ENTITY

NATURE OF ORGANIZATION

The Birmingham Airport Authority ("the Authority") was incorporated on June 6, 1986, as a nonprofit corporation under the provisions of the Code of Alabama, Title 4, Chapter 3, Article 2. The Authority is governed by a seven member Board of Directors, who are nominated by the Mayor and confirmed by the City Council of the City of Birmingham ("the City").

The City owns the Birmingham-Shuttlesworth International Airport (the "Airport"). Pursuant to a Lease, Assignment and Operating Agreement dated September 16, 1986, as amended twice by an Amendment to Lease, Assignment and Operating Agreement dated October 1, 2009, and August 18, 2025, the City transferred to the Authority custody, control and management of the Airport for a term that currently expires on September 15, 2070, subject to certain conditions contained in the City Lease. The Authority pays the sum of $10 as annual rent to the City during the term of the Agreement. As of June 30, 2025, the Authority was in compliance with the terms and conditions of the Agreement.

REPORTING ENTITY

The Authority meets the criteria set forth in accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the City's general purpose financial statements based on the City's responsibility for the appointment of the Authority members, and their approval of capital programs and certain debt issuances and the Authority's annual operating budget. As a component unit of the City, the Authority's financial statements are discretely presented on the City's general-purpose financial statements. The accompanying financial statements present the financial position of the Authority only. The Authority does not have any component units and is not involved in any joint ventures.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounting policies of the Authority conform to accounting principles accepted in the United States of America applicable to state and local governmental agencies.

BASIS OF PRESENTATION - FUND ACCOUNTING

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Authority has two categories of funds: proprietary and fiduciary.

PROPRIETARY FUNDS

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The Authority has no internal service funds.

The Authority is accounted for as a proprietary fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Authority is that the cost (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Authority under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Authority's own programs.

The Authority maintains a trust fund for the other post-employment benefit (OPEB) plan fund that was established to meet its liability for the payment of the health and related benefits for its retired employees under long established employee benefit plans. Additional details regarding the OPEB can be found in Note 13, Other Post-Employment Benefits.

The Authority has a second trust fund to manage and maintain the funds for the qualified 401(a) Executive Pension Plan (EPP). Additional information details regarding the EPP can be found in Note 12, Executive Pension Plan.

BASIS OF PRESENTATION - ROUNDING

Amounts in these financial statements and related tables are rounded to the nearest dollar. Consequently, totals may not sum precisely.

MEASUREMENT FOCUS

The basic financial statements presented are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. The financial statements are presented in accordance with GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments, and related GASB pronouncements.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from trust funds.

NEW ACCOUNTING PRONOUNCEMENTS

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The Authority has implemented the provisions of Statement No. 99.

In December 2023, the GASB issued Statements No. 102, "Certain Risk Disclosures". The objective of this statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2024. The Authority has implemented GASB Statement No. 102.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements". This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority is evaluating the impact that adoption of this Statement will have on its financial statements.

In September 2024, the GASB issued Statement No. 104, “Disclosure of Certain Capital Assets”. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority is evaluating the impact that adoption of this Statement will have on its financial statements.

USE OF ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RESTRICTED ASSETS

Funds are set aside as restricted, and they are not available for current expenses when constraints placed on their use are legally enforceable due to either:

- Externally imposed requirements by creditors (such as through debt covenants), grantors or contributors.
- Laws or regulations of other governments.

DESIGNATED ASSETS

The Authority’s management designates funds for capital projects, debt service and other specific commitments; these funds would otherwise be available for operations.

INVENTORY

Inventories include the following on June 30, 2025, and 2024:

	2025	2024
Baggage Handling System Parts	$339,097	$270,437
Jet Bridge Parts	$183,833	$136,781
Total	**$522,930**	**$407,218**

Inventory is valued at cost which approximates the lower of cost or net realizable value using the first-in/first-out (FIFO) method. Inventory is recorded as expenditures when used.

CAPITAL ASSETS

Capital assets are tangible and intangible assets, which include land, property, plant, equipment and right to use leased equipment. Capital assets are recorded at historical cost or estimated historical cost, if actual amounts are unavailable, except for donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement, which are reported at acquisition value at the time of contribution. There were no such service concession arrangements during fiscal year 2025 and 2024. Depreciation/amortization has been provided over the estimated useful lives using the straight-line method. Estimated useful lives by asset category are as follows:

10–40 YEARS	5–30 YEARS	5–15 YEARS	5–15 YEARS	VARIES BY AGREEMENT
BUILDINGS	INFRASTRUCTURE IMPROVEMENTS	MACHINERY AND EQUIPMENT	FURNITURE AND FIXTURES	RIGHT OF USE ASSETS

Cost of constructed fixed assets includes design and construction costs that accumulate until completion of the respective project. Interest incurred during capital asset construction periods is expensed in accordance with GASB Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period”. No depreciation is provided on construction in progress until construction is complete and the asset is placed in service. When property and equipment are disposed of, the related cost and accumulated depreciation are removed from the accounts with any gains or losses on disposition being reflected in current operations. The Authority capitalizes all capital assets in excess of $5,000. Maintenance and repairs are expensed as incurred.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The statements of net position will sometimes report a separate section for deferred outflows of resources and/or deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and, therefore, not recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and, therefore, not recognized as an inflow of resources (revenue) until then.

AIRPORT IMPROVEMENT PROGRAM

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program (“AIP”) of the Federal Aviation Administration (“the FAA”), with typically 10% of project expenditures provided by the Authority. Funding provided under government grants is considered earned as the related allowable expenditures are incurred.

TRANSPORTATION SECURITY ADMINISTRATION GRANT

Certain expenditures for airport capital improvements are funded through a Transportation Security Administration (“TSA”) grant program, with 0% to 10% provided by the Authority. Funding provided under government grants is considered earned as the related allowable expenditures are incurred.

PASSENGER FACILITY CHARGES

The Authority is authorized to impose a Passenger Facility Charge ("PFC") on enplaning passengers. The PFC can be collected until the date on which the total PFC revenue collected, plus interest thereon, equals the allowable cost of the approved projects, which is $200,091,019. The collection period ends on September 1, 2035. The PFC funds are available for authorized construction projects and debt service under an approved FAA application. PFCs, along with related interest earnings, are recorded as nonoperating revenue when earned.

CUSTOMER FACILITY CHARGES

On November 19, 2012, the Authority's Board of Directors adopted a resolution authorizing Rental Car Agencies operating at the Airport to impose a Customer Facility Charge ("CFC"). The resolution was amended August 18, 2020, and again on January 19, 2021. The purpose of the CFC is to provide funding for a Quick Turn Around Facility to house all rental car companies. Effective January 1, 2013, companies that operate under a Rental Car Concession Agreement at the Airport began assessing each customer an initial CFC of $5.00 per transaction day. The total amounts collected are reported and remitted monthly to the Authority by the rental car companies.

The Authority is authorized to pledge the CFCs collected, by resolution or trust indenture, to pay the costs and expenses of purchasing property, financing, designing, constructing, operating, relocating, and maintaining the Quick Turn Around Facilities.

CFCs are segregated from all other funds and assets of the Authority. The total amount collected net of borrowings, expenses and interest earned, was $10,558,834 and $8,850,148 as of June 30, 2025, and 2024, respectively. A certain portion of the CFCs have been set aside as reserve CFC funds based on mutual agreement between the Authority and the rental car companies.

REVENUE CLASSIFICATIONS

Revenue is recognized when earned. The Authority classifies revenues as operating or non-operating based on the following criteria:

Operating revenues are from the revenue sources that constitute the principal ongoing activity of the operations of the Airport. The major components of operating revenue consist of aviation revenue, concession revenue, airport rentals, aviation services, and other miscellaneous fees and charges. Landing fees and terminal building rates are charged based on recovery of actual costs for operating and maintaining the Airport airfield and terminal areas.

Non-operating revenues are from revenue sources related to financing activities and other activities which do not constitute the principal ongoing activities of the Authority's operations. These include PFCs, CFCs, interest income, and grant revenue related to specific programs.

EXPENSE CLASSIFICATIONS

The Authority classifies expenses as operating or non-operating based on the following criteria: Operating expenses relate to the principal ongoing activities of the operations of the Airport. The major components of operating expenses consist of salaries and benefits, professional and contractual services, materials, supplies and maintenance, utilities, repairs and other services, and depreciation and amortization.

Non-operating expenses relate to financing activities and other activities which do not constitute the principal ongoing activities of the Authority's operations. The primary non-operating expense is interest.

FEDERAL GRANTS

When a grant agreement is approved and all eligibility requirements have been met, the expenditures are recorded as a federal grant receivable and as a capital grant contribution.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Authority considers cash-on-hand, bank deposits and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

INVESTMENTS

State statutes authorize the Authority to invest in U.S. government obligations or in bonds of the State of Alabama or in any county or municipality therein, or in certificates of deposit collaterally secured by a pledge of U.S. government obligations. Investments are accounted for in accordance with GASB Statement No. 72, Fair Value Measurement and Application, which requires that certain investments be recorded at fair value (e.g., quoted market prices).

RECEIVABLES

Accounts receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts is based on collection history, and current information regarding the creditworthiness of the tenants and others doing business with the Authority. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

BONDS PAYABLE, BOND ISSUE COSTS, ORIGINAL ISSUE DISCOUNT AND DEFERRED LOSS ON BOND REFUNDINGS

Bonds payable are recorded at the principal amount outstanding, net of any applicable premium or discount. Bonds outstanding, which have been refunded and economically defeased, are not included in long-term debt. The related assets are not included in investments. Any loss on refunding, which is the difference between the reacquisition price and the net carrying amount on the old debt, is recognized as deferred outflow of resources and amortized as a component of interest expense over the shorter of either 1) the original life of the refunded debt or 2) the life of the refunding debt. Bond issue costs, original issue discount and deferred loss on refunding on long term indebtedness are deferred and amortized using the effective interest method over the life of the debt to which it relates.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Birmingham Retirement and Relief System (Retirement and Relief System Tier I and Tier II or "the City Plan") and the Authority's Executive Pension Plan (the "EPP") and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Additional information regarding the City Plan can be found in Note 11 and the EPP can be found in Note 12.

Investments for all pension plans are reported at fair value.

OTHER POSTEMPLOYMENT LIABILITY

For purposes of measuring total/net other post-employment liability ("OPEB"), deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Additional information regarding the total/net other post-employment liability can be found in Note 13.

COMPENSATED ABSENCES

Employees earn PTO at graduated rates based on their length of service. Hourly employees earn 4.6 hours per pay period, for the first year and up to 11.1 hours per pay period, for ten or more years. Salaried employees are awarded their time on January 1st of each year and earn 15 days the first year, up to 36 days for ten or more years.

After the accumulation of 160 hours (20 days), at least 80 hours (10 days) of PTO must be taken each calendar year. PTO may carryover up to a maximum of 360 hours (45 days) into the next calendar year. Employees shall be paid by January 31st of the following calendar year for PTO time not taken, up to 208 hours (26 days) that has been earned beyond the referenced maximum. All PTO hours accumulated but unused at the employee's separation will be paid out at the employee's regular rate of pay on the first pay period after the termination, pending the return of all Airport issued property.

As of June 30, 2025, and June 30, 2024, the compensated absences accruals were $1,497,449 and $1,368,261 respectively.

ARBITRAGE REBATE

The U.S. Treasury has issued regulations on calculating the rebate due the Federal government on arbitrage profits, calculating arbitrage penalties, and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the Authority temporarily invests the proceeds of tax-exempt debt in securities with higher yields. For the years ended June 30, 2025, and 2024, the Authority had no arbitrage rebate liability.

RETENTION PAYABLE

The Authority enters into construction contracts that may include retention provisions such that a certain percentage of the contract amount is held for payment until completion of the contract and acceptance by the Authority. The Authority's policy is to record retention payable as contracted work is completed and accepted. Retention payable is included in construction contracts payable on the accompanying statements of net position.

COMPONENTS OF NET POSITION

The Authority's net position classifications are as follows:

NET INVESTMENT IN CAPITAL ASSETS

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

RESTRICTED NET POSITION

This component of net position represents restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or through constitutional provisions or enabling legislation.

UNRESTRICTED NET POSITION

This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

NET POSITION FLOW ASSUMPTION

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts reported as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

RECLASSIFICATION

For the fiscal year ended June 30, 2025, the Authority reclassified from Unrestricted Net Position to Restricted Net Position: For OPEB, the amount of net OPEB assets as this represents resources not available for general operating purposes.

This reclassification resulted in a restatement of beginning net position balances as of July 1, 2024, as follows:

NET POSITION	AS PREVIOUSLY REPORTED	RECLASSIFICATION	AS RESTATED
Net Investment in Capital Assets	**422,812,674**	**-**	**422,812,674**
Restricted	**-**	**-**	**-**
For Debt Service	11,924,235	-	11,924,235
For OPEB	-	412,604	412,604
Federal Grants and Programs	21,196,814	-	21,196,814
Unrestricted	**77,779,011**	**(412,604)**	**77,366,407**

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

It is the Authority's policy to invest only in obligations of the U.S. Treasury, U.S. Government Agencies, State of Alabama obligations, and short-term bank certificates of deposit.

The Authority's cash and cash equivalents and investments are subject to several types of risk, which are examined in more detail below:

CUSTODIAL CREDIT RISK OF BANK DEPOSITS

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits (in excess of FDIC insurance) may not be returned to it. The carrying amount of the Authority's deposits, certificates of deposits and cash on hand was $47,215,119 and $51,447,717 and the related bank balance was $47,213,519 and $51,446,117 at June 30, 2025 and 2024, respectively. The Authority also had restricted cash deposited with a trustee, with a carrying and bank balance amount of $29,262,171 and $35,744,851 at June 30, 2025 and 2024, respectively.

The Authority's deposit policy for custodial credit risk limits deposits to financial institutions that are members of the Alabama State Treasury's Security for Alabama Funds Enhancement ("SAFE") Program. Under the SAFE program, the Authority's funds are protected through a collateral pool administered by the Alabama State Treasury. Banks doing business within the state of Alabama and holding deposits of public funds belonging to the state, counties, cities, or agencies of state and local governments must pledge securities to the SAFE program pool which are held as collateral against these deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the state Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, every bank participating in the pool would share the liability for the remaining balance.

CREDIT RISK

Credit risk is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. Unrestricted investments in U.S. Government T-Notes and U.S. Treasury Bills had a fair value of $72,448,013 and $67,404,228 as of June 30, 2025, and 2024 respectively. U.S. Government obligations are not considered to have credit risk and do not require disclosure of credit quality.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification (investments acquired from a single issuer). The Authority's cash deposits are held in several financial institutions and are fully insured by the Federal Deposit Insurance Corporation (FDIC), the U.S. Government, and the SAFE Program.

The Authority's investment policy limits its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments. The Authority has no formal policy regarding custodial credit risk. The Authority is not exposed to custodial credit risk.

INTEREST RATE RISK

Interest rate risk is the possibility that an interest rate change could adversely affect an investment's fair value. The Authority's investment policy is to match its investments with anticipated cash flow requirements. The Authority will generally not directly invest in securities maturing more than five years from the date of purchase. However, funds may be invested in securities exceeding five years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

TYPE OF INVESTMENT	LESS THAN 1	1 TO 5	6 TO 10	MORE THAN 10	6/30/25 TOTAL	6/30/24 TOTAL
U.S. Treasury Bills	-	-	-	-	-	9,001,458
U.S. Government T-Notes	44,676,070	27,771,944	-	-	72,448,013	47,883,845
U.S. Treasury/ SLGS Agency Securities	-	-	-	-	-	10,990,001
Total	**$44,676,070**	**$27,771,944**	**-**	**-**	**$72,448,013**	**$67,875,304**

NOTE 4: FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS REPORTED AT FAIR VALUE

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs consist of quoted market prices in active markets for identical assets; Level 2 inputs consist of significant other observable inputs; Level 3 inputs consist of significant unobservable inputs. Certain items required to be reported at their net asset value (NAV) are not subject to level disclosure.

TYPE OF INVESTMENT	PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	6/30/25 TOTAL	6/30/24 TOTAL
U.S. Treasury Bills	-	-	-	-	9,001,458
U.S. Government T-Notes	72,448,013	-	-	72,448,013	47,883,845
U.S. Treasury/ SLGS Agency Securities	-	-	-	-	10,990,001
Total Investments at Fair Value	**$72,448,013**	**-**	**-**	**$72,448,013**	**$67,875,304**

SECURITY VALUATION DISCLOSURE:

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 & 3 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Pricing source: ICE Interactive Data.

The fair value presented herein is based on pertinent information available to management as of June 30, 2025 and 2024. Although management is not aware of any factors that would significantly affect fair value amounts, future events, or other valuation techniques for determining fair value may differ significantly from the amounts presented herein.

NOTE 5: LEASES

LEASE ARRANGEMENTS WITH THE AUTHORITY AS THE LESSOR

The Authority is the lessor of terminal space, land, hangars, and buildings at the Airport to air carriers and other tenants under various operating leases for periods through 2055. Some of the leases, in addition to non-cancellable amounts at fixed rates, provide for additional payments based on usage or activity. For purposes of GASB No. 87 implementation, the Authority's leases have been classified as:

1. Subject to GASB No. 87 – Non-Regulated Leases
2. Not Subject to GASB No. 87 – Short Term Leases and Regulated Leases

LEASES SUBJECT TO GASB NO. 87

In accordance with GASB No. 87, the Authority recognizes a lease receivable and a deferred inflow of resources for leases subject to GASB No. 87. For these leases, the Authority is reporting Lease Receivable of $5.8 million for the fiscal year ended June 30, 2025. The Authority also reported lease revenue of $4.3 million and interest revenue of $270 thousand related to lease payments received. The leases managed by the Authority do not have an implicit rate of return, therefore the Authority has used their incremental borrowing rate of 4.75% to discount the lease revenue to the net present value.

The Leases Subject to GASB No. 87 are summarized below.

NON-REGULATED LEASES

Concessions

The Authority leases concession space throughout the terminal for food and beverage, and retail goods. The terms of these leases range from 7 to 8 years. The concession leases include a Minimum Annual Guarantee ("MAG") and a variable revenue component based on a percentage of gross sales.

Rental Cars

The Authority leases land, office and counter space, and ready return parking spaces to the rental car companies for a term of 5 years. During the first year of the agreement the tenant is required to pay concession fees equal to 10% of gross revenues. Beginning in year two, the agreement include a MAG and a variable revenue component based on a percentage of gross sales.

Building

The Authority leases office space in Building 9 (also known as the Outparcel Building or Flight Service Center) to the TSA and the FAA. The terms of these agreements include a fixed revenue component based on square footage. These agreements are set to expire in 2026 and 2027, respectively.

The future minimum lease receipts for the next five fiscal years and the next five-years increment are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
July 1, 2025 - June 30, 2026	4,288,675	93,850	4,382,525
July 1, 2026 - June 30, 2027	492,340	7,998	500,338
July 1, 2027 - June 30, 2028	505,867	5,418	511,285
July 1, 2028 - June 30, 2029	479,917	2,874	482,791
July 1, 2029 - June 30, 2030	19,784	1,034	20,818
July 1, 2030 - June 30, 2035	15,778	422	16,199
Total	**$5,802,360**	**$111,597**	**$5,913,957**

LEASES NOT SUBJECT TO GASB NO. 87

SHORT-TERM LEASES

In accordance with GASB No. 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for a lease that is less than 12 months. This also includes leases that have expired and are in a month-to-month status.

REGULATED LEASES

In accordance with GASB No. 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings. The U.S. Department of Transportation and the FAA regulate aviation leases between airports and air carriers and other aeronautical users. The Authority has regulated leases with five passenger airlines, three cargo airlines, and multiple hangar tenants.

The use and lease agreement between the airlines and the Authority includes exclusive, preferential, and joint use of certain spaces at the Airport. The square footage breakdown of the airline leased space is listed below.

FY 2025 TERMINAL LEASED SPACE

	AMERICAN	DELTA	SOUTHWEST	UNITED	SPIRIT	TOTAL
Terminal Sq. Ft.	16,047	15,209	17,255	9,711	2,171	60,393
Apron Sq. Ft.	273,822	365,096	182,548	182,548	-	1,004,013
Lease Gates	3	4	2	2	-	11

FY 2025 CARGO TERMINALS LEASED SPACE

	DELTA	SOUTHWEST	UPS	FEDEX	KUEHNE + NAGEL	TOTAL
Terminal Sq. Ft.	5,785	5,480	12,873	25,048	52,609	101,795
Terminal Apron Sq. Ft.	1,713	1,575	103,448	113,077	155,895	375,708

The Authority has hangar lease agreements with 24 different entities. The list of hangars and the related square footage under lease is listed below.

NO.	HANGAR TENANT	SQ. FT. %
1	MPT of 69th Street (Hangar 25B & 25C)	248,242
2	Encompass Health Corp (Hangar 20)	177,357
3	Regions Bank Lease (Hangar 21B)	129,798
4	Harbert 24 LLC (Hangar 25)	124,107
5	Drummond Company (Hangar 2)	118,022
6	Southern Company (Hangar 32)	115,220
7	H28 LLC (Hangar 28)	110,853
8	Encompass Health (Hangar 20)	107,674
9	Hangar 24 LLC (Hangar 24)	105,563
10	Air Quarters LLC (Hangar 29)	99,735
11	Ergon Holding LLC (Hangar 32)	93,516
12	McWane Inc. (Hangar 1)	90,165
13	BHM Hanger LLC (Hangar 4)	84,375
14	Hangar 27 LLC (Hangar 27)	83,850
15	Robins and Morton LLC (Hangar 23)	71,829
16	OWL Hangar II (Hangar 30)	71,513
17	Ligon Air LLC (Hangar 26)	70,640
18	Building 31 LLC (Hangar 31)	66,151
19	SynFuel Holdings LLC (Hangar 29B)	57,901
20	LIV Development (Hangar 22)	52,475
21	Flag Air, Inc. (Hangar 21)	49,310
22	Thompson Tractor (Hangar 6)	39,073
23	Labcorp (Hangar 7)	31,350
24	Vulcan Materials (Hangar 5)	32,906
		2,231,625

The Authority recognized the following regulated lease revenue inflows in fiscal year 2025:

Airline Lease Revenue	5,432,807
Hangar Lease Revenue	4,979,351
Total Regulated Lease Revenue	**$10,412,159**

The future expected minimum payments related to regulated leases are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
July 1, 2025 – June 30, 2026	5,963,980	-	5,963,980
July 1, 2026 – June 30, 2027	6,319,693	-	6,319,693
July 1, 2027 – June 30, 2028	6,062,360	-	6,062,360
July 1, 2028 – June 30, 2029	5,434,033	-	5,434,033
July 1, 2029 – June 30, 2030	3,788,811	-	3,788,811
July 1, 2030 – June 30, 2035	15,265,374	-	15,265,374
July 1, 2035 – June 30, 2040	11,927,648	-	11,927,648
July 1, 2040 – June 30, 2045	9,070,106	-	9,070,106
July 1, 2045 – June 30, 2050	6,822,092	-	6,822,092
July 1, 2050 – June 30, 2055	4,442,659	-	4,442,659
Total	**$75,096,756**	**-**	**$75,096,756**

LEASE ARRANGEMENTS WITH THE AUTHORITY AS THE LESSEE

The Authority leases copy machines and postage equipment under agreements reported as operating leases and the annual lease payments are recorded as expenses. The current agreements have approximately three-year terms. The future payments associated with those leases are:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
July 1, 2025 – June 30, 2026	10,454	1,165	11,619
July 1, 2026 – June 30, 2027	10,962	657	11,619
July 1, 2027 – June 30, 2028	8,841	147	8,988
Total	**$30,257**	**1,969**	**$32,226**

The assets leased to the Authority are as follows:

RIGHT-OF-USE ASSET	
Office Equipment	32,557
Less: Accumulated Depreciation	(1,565)
Total	**$30,991**

NOTE 6: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority has entered into subscription-based information technology arrangements (“SBITA”) involving leasing and accounts receivable management, mass communication, gate management, and procurement and accounts payable. All SBITA have fixed, periodic payments over the subscription periods, which range from 2 – 5 years and expire no later than 2028. There are no commitments or outflows of resources related to SBITA that are not yet effective.

Future subscription payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
July 1, 2025 – June 30, 2026	184,334	14,225	198,559
July 1, 2026 – June 30, 2027	141,109	6,899	148,008
July 1, 2027 – June 30, 2028	105,642	1,981	107,623
Total	**$431,085**	**$23,105**	**$454,190**

The subscription assets of leased to the Authority are as follows:

RIGHT-OF-USE ASSET	
SBITA	756,557
Less: Accumulated Depreciation	(303,507)
Total	**$453,050**

NOTE 7: CHANGES IN CAPITAL ASSETS

A summary of the changes in capital assets for the years ended June 30, 2025, and 2024, is as follows:

	BALANCE AT 7/1/24	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/25
CAPITAL ASSETS NOT BEING DEPRECIATED				
Land	199,347,716	-	-	199,347,716
Construction in Progress	42,453,158	24,943,024	(49,473,497)	17,922,685
Total Capital Assets Not Being Depreciated	**$241,800,874**	**$24,943,024**	**($49,473,497)**	**$217,270,401**
CAPITAL ASSETS BEING DEPRECIATED				
Buildings	325,201,606	31,452,760	-	356,654,366
Infrastructure improvements	241,700,785	14,693,356	-	256,394,142
Machinery and equipment	73,666,142	3,639,543	(1,366,976)	75,938,709
Furniture and fixtures	7,739,530	14,985	-	7,754,515
Lease Right of Use (Office Equipment)	42,512	-	(9,955)	32,557
SBITA	245,039	511,518	-	756,557
Total Capital Assets Being Depreciated	**$648,595,614**	**$50,312,161**	**($1,376,931)**	**$697,530,845**
LESS: ACCUMULATED DEPRECIATION				
Buildings	130,987,629	7,786,417	-	138,774,046
Infrastructure improvements	164,876,626	7,363,989	-	172,240,615
Machinery and equipment	49,434,207	4,975,215	(1,095,924)	53,313,498
Furniture and fixtures	3,794,704	590,620	-	4,385,323
Lease Right of Use (Office Equipment)	30,908	-	(29,343)	1,565
SBITA amortization	117,499	186,008	-	303,507
Total Accumulated Depreciation	**$349,241,573**	**$20,902,249**	**($1,125,267)**	**$369,018,554**
Total Capital Assets Depreciated, Net	**$299,354,041**	**$29,409,912**	**($251,664)**	**$328,512,292**
Total Capital Assets, Net	**$541,154,909**	**$54,352,936**	**($49,725,161)**	**$545,782,692**

	BALANCE AT 7/1/23	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/24
CAPITAL ASSETS NOT BEING DEPRECIATED				
Land	199,347,716	-	-	199,347,716
Construction in Progress	12,428,987	37,664,524	(7,640,353)	42,453,158
Total Capital Assets Not Being Depreciated	**$211,776,703**	**$37,664,524**	**($7,640,353)**	**$241,800,874**
CAPITAL ASSETS BEING DEPRECIATED				
Buildings	324,755,910	445,696	-	325,201,606
Infrastructure improvements	236,227,627	5,473,158	-	241,700,785
Machinery and equipment	71,711,413	2,295,493	(340,764)	73,666,142
Furniture and fixtures	6,988,563	750,967	-	7,739,530
Lease Right of Use (Office Equipment)	236,613	-	(194,101)	42,512
SBITA	53,746	191,293	-	245,039
Total Capital Assets Being Depreciated	**$639,973,872**	**$9,156,607**	**($534,865)**	**$648,595,614**
LESS: ACCUMULATED DEPRECIATION				
Buildings	123,360,607	7,627,022	-	130,987,629
Infrastructure improvements	158,086,097	6,790,529	-	164,876,626
Machinery and equipment	44,938,252	4,836,719	(340,764)	49,434,207
Furniture and fixtures	3,261,896	532,808	-	3,794,704
Lease Right of Use (Office Equipment)	20,400	10,508	-	30,908
SBITA amortization	15,553	101,946	-	117,499
Total Accumulated Depreciation	**$329,682,805**	**$19,899,532**	**($340,764)**	**$349,241,573**
Total Capital Assets Depreciated, Net	**$310,291,067**	**($10,742,925)**	**($194,101)**	**$299,354,041**
Total Capital Assets, Net	**$522,067,770**	**$26,921,599**	**($7,834,454)**	**$541,154,909**

Depreciation and amortization expense in the amount of $19,213,927 and $18,061,340 was charged for the years ended June 30, 2025, and 2024, respectively.

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NOTE 8: CHANGES IN LONG – TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2025, and 2024 are summarized as follows:

	BALANCE JUNE 30, 2024	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2025	DUE WITHIN 1 YEAR
Revenue Bond Payable	96,900,000	-	(5,490,000)	91,410,000	5,765,000
Plus: Unamortized Premium	14,822,750	-	(1,835,924)	12,986,826	-
Revenue Bonds Payable, Net	**$111,722,750**	**-**	**($7,325,924)**	**$104,396,826**	**$5,765,000**
Compensated Employee Absences	1,368,261	129,188	-	1,497,449	350,815
Net Pension Liability	21,006,805	1,162,669	-	22,169,474	-
Lease Liability (Office Equipment)	12,948	17,309	-	30,257	10,454
Subscription Based IT Arrangements	120,204	310,881	-	431,085	184,334

	BALANCE JUNE 30, 2023	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2024	DUE WITHIN 1 YEAR
Revenue Bond Payable	102,130,000	-	(5,230,000)	96,900,000	5,490,000
Plus: Unamortized Premium	16,756,960	-	(1,934,210)	14,822,750	-
Revenue Bonds Payable, Net	**$118,886,960**	**-**	**($7,164,210)**	**$111,722,750**	**$5,490,000**
Compensated Employee Absences	1,237,621	130,640	-	1,368,261	214,808
Net Pension Liability	18,279,294	2,727,511	-	21,006,805	-
Lease Liability (Office Equipment)	27,231	-	(14,283)	12,948	12,948
Subscription Based IT Arrangements	156,411	-	(36,207)	120,204	68,176

NOTE 9: REVENUE BONDS PAYABLE

SERIES 2020

On July 9, 2020, the Authority issued the Birmingham Airport Authority Airport Revenue Refunding Bonds, Series 2020. The bonds consisted of a principal amount of $102,130,000 and a premium of $19,959,828, for a total of $122,089,828. The Series 2020 Bonds were issued to provide funds to refund the Authority's Series 2010 Bonds outstanding in the principal amount of $138,590,000. Other sources of funds used to refund the Series 2010 bonds included $19,151,475 from debt service reserve and other reserve funds.

The Series 2020 Bonds mature no later than July 1, 2040, and require semiannual interest payments on January 1 and July 1, beginning January 1, 2021, at rates ranging between 4.0 and 5.0 percent. Principal payments on the Series 2020 Bonds are due annually beginning July 1, 2023.

The Series 2020 net bond proceeds of $139,386,888 (after payment of $1,853,034 in issuance cost) were deposited into the refunding escrow fund with Synovus Bank to refund the Series 2010 bonds.

A summary of the revenue bonds payable for the years ended June 30, 2025, and 2024 is as follows:

	MATURITY YEAR	ORIGINAL INTEREST RATE RANGE	FACE VALUE OUTSTANDING 6/30/25	FACE VALUE OUTSTANDING 6/30/24
Series 2020, $102,130,000 Original Principal	2040	4% - 5%	91,410,000	96,900,000
Less: Current Maturities	-	-	(5,765,000)	(5,490,000)
Add: Unamortized Premium	-	-	12,986,826	14,822,750
Total Revenue Bonds Payable	**-**	**-**	**$98,631,826**	**$106,232,750**

The following shows debt service to maturity for the Series 2020 Bonds:

FYE JUNE 30	PRINCIPAL	INTEREST	TOTAL	BALANCE
2026	5,765,000	4,086,375	9,851,375	85,645,000
2027	6,055,000	3,790,875	9,845,875	79,590,000
2028	6,360,000	3,480,500	9,840,500	73,230,000
2029	6,675,000	3,154,625	9,829,625	66,555,000
2030	7,010,000	2,812,500	9,822,500	59,545,000
2031-2035	25,545,000	9,767,125	35,312,125	34,000,000
2036-2040	27,765,000	4,110,900	31,875,900	6,235,000
2041	6,235,000	124,700	6,359,700	-
Total	**$91,410,000**	**$31,327,600**	**$122,737,600**	

NOTE 10: CAPITAL CONTRIBUTIONS

Since its inception, the Authority has received capital contributions from the City of Birmingham, in the form of net assets transferred as of the date of inception, and through Federal grants and Passenger Facility Charges as follows:

CAPITAL CONTRIBUTIONS

	INCEPTION TO DATE	2025	2024
City of Birmingham	12,359,477	-	-
Federal	454,602,449	13,576,001	7,779,401
Passenger Facility Charges	136,217,346	6,271,436	6,186,368
Total	**$603,179,272**	**$19,847,437**	**$13,965,769**

NOTE 11: PENSION PLAN

GENERAL INFORMATION

The City participates in one multi-employer agency defined benefit plan, the City of Birmingham Retirement and Relief System (Retirement and Relief System Tier I and Tier II), that has two participating entities, the City and the Jefferson County Department of Health (Health Department), and two single employer defined benefit pension plans, the City of Birmingham Firemen’s and Policemen’s Supplemental Pension System (Firemen’s and Policemen’s System) and, the City of Birmingham Unclassified Employees’ Pension & Relief System (Unclassified Pension and Relief System) which provides pension benefits for substantially all employees. Each of the three plans was established by state law and is administered by a separate board of managers.

The funding methods and determination of benefits payable were established by the legislative acts creating such plans and provide that the pension plan funds are to be funded from employee contributions, employer contributions, and income from the investment of accumulated funds. The cost of administering the plans is funded by the City. The City acts as the trustee for these plans. Separate financial statements are presented in the City’s ACFR for the pension funds.

PLAN DESCRIPTION

RETIREMENT AND RELIEF SYSTEM

This system covers all eligible civil service, appointed, elected, Airport Authority, and E911 employees, along with Health Department employees. Membership is mandatory for civil service and Airport Authority employees and is effective upon employment. Appointed, elected and E911 employees have the option of participating in this plan or in an alternative retirement plan. The plan is closed to Health Department new hires.

BENEFITS PROVIDED

RETIREMENT AND RELIEF SYSTEM (TIER I PARTICIPANTS)

A participant hired prior to July 1, 2017, may retire at (a) age 60 if they have completed 5 years of credited service, or (b) any age if he/she has completed 30 years of credited service, and receive a pension benefit of 2.50% of final average salary for each year of credited service. This amount cannot be greater than 75% of the final average salary nor less than $400 per month. The service credit used to determine the benefit amount may be increased by credit granted for unused sick leave (on a percent of possible total basis). The final average salary is defined as the highest average compensation over any 36-month period of the employee’s last ten years of participation. A participant may retire early at age 55 if they have completed 25 years of credited service and will receive a benefit amount equal to 1.85% of final average salary for each year of credited service.

DISABILITY

A Tier I participant is eligible for disability benefits after 5 years of credited service. The benefit amount is 2% of final average salary at disability for each year of credited services, payable immediately. This amount cannot be greater than 60% of the final average salary nor less than $400.

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EXTRAORDINARY DISABILITY

If a Tier I or Tier II participant becomes disabled as the result of a job-related injury, they may be eligible for an extraordinary disability benefit regardless of years of service. The benefit begins on the date the participant ceases to receive a salary as a City employee, provided the Pension Board has approved the application. The benefit amount is 70% of the participant's monthly salary at the time of the accident.

TERMINATION

A lump sum of contributions without interest is payable to a Tier I participant terminating prior to eligibility for a pension from the plan. Tier I participants terminating after 5 years of credited service who leave their contributions in the Plan have a non- forfeitable right to a monthly pension beginning at age 60. The form and amount of the pension are the same as the Normal pension.

OPTIONAL BENEFIT FORMS

A participant retiring under the plan may choose, in lieu of an annuity for life, an optional form of benefit including a joint and survivor annuity reduced as described above, a partial lump sum option or a Social Security option. Optional forms will be calculated as the actuarial equivalent of the life annuity form.

DEATH BENEFITS

If a Tier I participant dies prior to his attainment of eligibility for vesting or retirement, if not married, a lump sum of contributions without interest is payable to the beneficiary. If an active vested Tier I participant or vested inactive Tier I participant dies, 60% of the accrued pension benefit, multiplied by the service percentage, is payable to the surviving spouse, if any, during their remaining lifetime. The service percentage is as follows: 5 years – 50%; 6 years – 60%; 7 years – 70%, 8 years - 80%; 9 years – 90%; 10 or more years – 100%. The spousal benefit is deferred to the date the Tier I participant would have been age 60 or would have accrued 20 years of credited service. The spouse may elect an immediate return of the participant's own contributions in lieu of the annuity.

DEFERRED RETIREMENT OPTION PLAN (DROP)

A Tier I participant with 33 years of service or who is at least age 63 with 23 years of service may elect up to a 36-month Back-DROP. The participant's monthly benefit will be calculated using credited service and final average salary as of the Back-DROP date, and the participant will receive a lump sum equal to the number of months dropped back times the retirement benefit, accumulated with interest.

RETIREMENT AND RELIEF SYSTEM (TIER II PARTICIPANTS)

A participant hired on or after July 1, 2017, may retire at (a) age 62 if they have completed 10 years of credited service, or (b) any age if he/she has completed 30 years of credited service, and receive a pension benefit of 2.25% of final average salary for each year of credited service. This amount cannot be greater than 67.5% of the final average salary nor less than $400 per month. The service credit used to determine the benefit amount may be increased by credit granted for unused sick leave (on a percent of possible total basis). The final average salary is defined as the highest average compensation over any 36-month period of the employee's last ten years of participation. A Tier II participant may retire early at age 55 if they have completed 25 years of credited service and will receive a benefit amount equal to 1.85% of final average salary for each year of credited service.

DISABILITY

A Tier II participant is eligible for disability benefits after 10 years of credited service. The benefit amount is 2.00% of final average salary at disability for each year of credited services, payable immediately. This amount cannot be greater than 60% of the final average salary nor less than $400.

TERMINATION

A lump sum of contributions without interest is payable to a Tier II participant terminating prior to eligibility for a pension from the plan. Tier II participants terminating after 10 years of credited service who leave their contributions in the Plan have a non- forfeitable right to a monthly pension beginning at age 62. The form and amount of the pension are the same as the Normal pension.

DEATH BENEFITS

If a Tier II participant dies prior to his attainment of eligibility for vesting or retirement, if not married, a lump sum of contributions without interest is payable to the beneficiary. If an active vested Tier II participant or vested inactive Tier II participant dies, 60% of the accrued pension benefit, multiplied by the applicable service percentage, is payable to the surviving spouse, if any, during their remaining lifetime. The service percentage is as follows: 10 years of service – 50%; 11 years of service – 60%; 12 years of service – 70%, 13 years of service - 80%; 14 years of service – 90%; 15 or more years of service – 100%. The spousal benefit is deferred to the date the Tier II participant would have been age 62 or would have accrued 20 years of service. The spouse may elect an immediate return of the participant's own contributions in lieu of the annuity.

OPTIONAL BENEFIT FORMS

A participant retiring under the plan may choose, in lieu of an annuity for life, an optional form of benefit including a joint and survivor annuity reduced as described above, a partial lump sum option or a Social Security option. Optional forms will be calculated as the actuarial equivalent of the life annuity form.

DEFERRED RETIREMENT OPTION PLAN (DROP)

A Tier II participant with 33 years of service or who is at least age 63 with 23 years of service may elect up to a 36-month Back-DROP. The participant's monthly benefit will be calculated using credited service and final average salary as of the Back-DROP date and the employee will receive a lump sum equal to the number of months dropped back times the retirement benefit, accumulated with interest.

CONTRIBUTIONS

Prior to July 1, 2017, the City, Airport Authority, and E911 participants each contributed one-half of the required contribution payable as a percentage of compensation for the year, exclusive of overtime and subject to statutory limits. The participants and City contributions were equal to 7.0% and 7.0%, respectively, effective July 1, 2015, and continuing through June 30, 2017. Effective July 1, 2017, the City contributions increased to 7.25%. Effective July 1, 2018, the City contributions increased to 8.50%. Between 2019 and 2025, employee contributions and City contributions changed on July 1 in accordance with the chart below.

CONTRIBUTIONS (CONT.)

EFFECTIVE DATE	CITY CONTRIBUTIONS	EMPLOYEE CONTRIBUTIONS
July 1, 2019	12.0%	7.0%
July 1, 2020	9.0%	7.0%
July 1, 2021	16.50%	7.5%
July 1, 2022	16.83%	7.5%
July 1, 2023	17.26%	7.5%
July 1, 2024	17.83%	7.5%
July 1, 2025	19.23%	7.5%

Effective July 1, 2020, the City E911 participants each contributed one-half of the required contribution payable as a percentage of compensation for the year, exclusive participants contribute 6.00%. The plan is funded by contributions from participants, the City, Airport Authority, E911, Health Department and income from the investment of accumulated funds.

MEMBERSHIP DATA

As of most recent measurement date of the net pension liability, membership data for the pension plans are as follows:

RETIREMENT & RELIEF SYSTEM

MEASUREMENT DATE	JUNE 30, 2025
Retirees and Beneficiaries Currently Receiving Benefits	3,695
Inactive members with a vested right to a deferred or immediate benefit, including 344 future pensioners currently receiving benefits from the Supplemental System	408
Inactive Members Due a Refund of Contributions	411
Active Members	3,298
Total Participants	**7,812**

The stand-alone financial report for the plan is available on the City's website at www.birminghamal.gov, Open Data, Finance.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSION

The net pension liability (NPL) is the difference between the "Total Pension Liability" (TPL) and the plan's "fiduciary net position" (FNP). At June 30, 2025, the Authority reported a liability of $21,797,220 for its proportionate share of the net pension liability. The City's net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the pay provided in the participant data provided for actuarial valuation purposes as of July 1, 2023. This basis is intended to measure the proportion of each employer's long-term funding requirements.

NET PENSION LIABILITY	RETIREMENT AND RELIEF SYSTEM	
Measurement Date	June 30, 2025	June 30, 2024
Total Pension Liability	$1,763,742,860	$1,716,576,504
Fiduciary Net Position	1,199,048,038	1,132,685,907
Net Pension Liability (Asset)	**$564,694,822**	**$583,890,597**
Plan Fiduciary Net Position As A Percentage of Total Pension Liability	67.98%	65.99%

The Authority's proportionate share of NPL is 3.86% and 3.60% for the years ended June 30, 2025 and 2024, respectively.

DETERMINATION OF PROPORTIONATE SHARE BY EMPLOYER

	CITY	AIRPORT AUTHORITY	EMERGENCY COMMUNICATION DISTRICT	TOTAL
FY 2025 Covered Employee Payroll	221,414,933	8,943,935	1,525,267	$231,884,135
Percent of FY 2025 Covered Employee Payroll	95.48%	3.86%	0.66%	100%
Share of NPL as of June 30, 2025	539,170,616	21,797,220	3,726,986	$564,694,822
FY 2024 Covered Employee Payroll	200,363,015	7,526,203	1,086,728	$208,975,946
Percent of FY 2024 Covered Employee Payroll	95.88%	3.60%	0.52%	100%
Share of NPL as of June 30, 2024	559,834,305	21,020,061	3,036,231	$583,890,597

For the year ended June 30, 2025 and 2024, the Authority recognized pension expense of ($2,852,233)and ($615,385) respectively.

PENSION EXPENSE — TOTAL FOR ALL EMPLOYERS

REPORTING DATE FOR EMPLOYER UNDER GASB 68	JUNE 30, 2025	JUNE 30, 2024
MEASUREMENT DATE	JUNE 30, 2025	JUNE 30, 2024
Components of Pension Expense		
Service Cost	27,406,890	24,369,971
Interest	122,196,446	119,020,834
Expensed Portion of Current-Period in Proportion	-	-
Current-Period Benefit Changes	-	(184,107)
Expensed Portion of Current-Period Difference Between Expected and Actual Experience in the Total Pension Liability	3,648,344	3,115,180
Expensed Portion of Current-Period Changes of Assumptions	-	-
Member Contributions	(17,908,235)	(15,842,422)
Projected Earnings on Pension Plan Investments	(80,084,992)	(76,466,546)
Expensed Portion of Current-Period Differences Between Actual and Projected Earnings on Pension Plan Investments	(8,481,557)	(6,544,611)
Administrative Expense	603,959	518,452
Other	-	-
Recognition of Beginning of Year Deferred Outflows of Resources as Pension Expense	63,975,301	119,038,610
Recognition of Beginning of Year Deferred Inflows of Resources as Pension Expense	(199,033,450)	(194,988,480)
Net Amortization of Deferred Amounts from Changes in Proportion Pension Expense	-	-
Pension Expense	**(87,677,294)**	**(27,963,119)**

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY

The Change in Net Pension Liability for Retirement and Relief System for the Fiscal Year ended June 30, 2025, is as follows:

REPORTING DATE FOR EMPLOYER UNDER GASB 68	JUNE 30, 2025	JUNE 30, 2024
MEASUREMENT DATE	JUNE 30, 2025	JUNE 30, 2024
Total Pension Liability		
Service Cost	27,406,890	24,369,971
Interest	122,196,446	119,020,834
Change in Benefit Terms	-	(184,107)
Differences Between Expected and Actual Experience	14,593,373	12,460,717
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Member Contributions	(117,030,353)	(112,775,224)
Net change in Total Pension Liability	47,166,356	42,892,191
Total Pension Liability - Beginning	1,716,576,504	1,673,684,313
Total Pension Liability - Ending	1,763,742,860	1,716,576,504
Plan Fiduciary Net Position		
Contributions - Employer	38,086,410	35,021,915
Contributions - Employee	5,509,021	15,842,422
Net Investment Income	17,908,235	109,189,597
Benefit Payments, Including Refunds of Member Contributions	122,492,777	(112,775,224)
Administrative Expense	(117,030,353)	(518,452)
Other	(603,959)	-
Net Change in Plan Fiduciary Net Position	66,362,131	46,760,258
Plan Fiduciary Net Position - Beginning	1,132,685,907	1,085,925,649
Plan Fiduciary Net Position - Ending	1,199,048,038	1,132,685,907
Net Pension Liability - Ending	564,694,822	583,890,597
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.98%	65.99%
Covered Payroll	238,776,467	211,232,293
Plan Net Pension Liability as a Percentage of Covered Payroll	236.50%	276.42%

ASSUMPTIONS AND OTHER DATA

SCHEDULE OF ASSUMPTIONS	
Valuation Date	July 1, 2024
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll, using 2.25% annual increases
Amortization Period	Closed, 28 years remaining as of July 1, 2023
Asset Valuation Method	Fair value of assets less unrecognized returns in each of the last five years
Investment Rate of Return	7.25%, including inflation, net of pension plan investment expense
Wage Inflation	2.25%
Salary Increases	2.25%, plus age-related salary scale
Mortality Rates	
Pre-retirement	Sex-distinct Pri-2012 Employee Amount-weighted Mortality Table, with rates multiplied by 70%, projected generationally using Scale MP-2021
Healthy	Sex-distinct Pri-2012 Healthy Retiree Amount-weighted Mortality Table, with rates multiplied by 110%, projected generationally using Scale MP-2021
Disabled	Sex-distinct Pri-2012 Disabled Retiree Amount-weighted Mortality Table, set back two years for males and set forward two years for females, projected generationally using Scale MP-2021

The following table presents the Authority's proportionate share of NPL.

ALLOCATION OF JUNE 30, 2025 NET PENSION LIABILITY (NPL)

	COVERED EMPLOYEE PAYROLL	PROPORTION OF NET PENSION LIABILITY	PROPORTIONATE SHARE OF NET PENSION LIABILITY	PROPORTIONATE SHARE OF PENSION EXPENSE
Retirement and Relief System	$231,884,135	100%	$564,694,822	($87,677,294)
Airport Authority	$8,943,935	3.86%	$21,797,200	($3,384,344)

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 inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

RETIREMENT AND RELIEF SYSTEM PENSION PLAN INVESTMENTS

ASSET CLASS	TARGET ALLOCATION	LONG-TERM EXPECTED REAL RATE OF RETURN
Large Cap Domestic Equity	27%	6.08%
Small and Mid-Cap Domestic Equity	10%	5.98%
International Equity	23%	4.98%
Core Fixed Income	17%	1.38%
Short-Term High Yield Fixed Income	4%	3.08%
Private Equity	15%	9.48%
Cash	3%	0.78%
Other Fixed Income	1%	1.38%
Total	**100%**	

DISCOUNT RATE

The discount rate used to measure the TPL was 7.25% as of June 30, 2025 and June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at 7.50% of compensation and that employer contributions will be made at rates equal to the actuarial determined contribution. In addition, there are anticipated contributions from the City and the Supplemental System to the Retirement and Relief System, on behalf of Fire and Police retirees who are receiving benefits from the Supplemental System. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2025 and June 30, 2024.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability (asset) for the City and the Authority, calculated using the discount rate, as well as what the City's net pension liability would have been if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher than the current rate:

AS OF JUNE 30, 2025	1% DECREASE (6.25%)	CURRENT DISCOUNT RATE (7.25%)	1% INCREASE (8.25%)
Retirement and Relief System	$759,110,906	$564,694,822	$400,938,702
Airport Authority	$29,301,681	$21,797,220	$15,476,234
AS OF JUNE 30, 2024	**1% DECREASE (6.25%)**	**CURRENT DISCOUNT RATE (7.25%)**	**1% INCREASE (8.25%)**
Retirement and Relief System	$772,519,351	$583,890,597	$424,919,128
Airport Authority	$27,810,697	$21,020,061	$15,297,089

SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

At June 30, 2025 and 2024, the Authority 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
As of June 30, 2025		
Differences Between Expected and Actual Experience	784,067	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	735,095
Changes of Assumptions	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,210,991	593,328
Total	**$3,995,058**	**$1,328,423**

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
As of June 30, 2024		
Differences Between Expected and Actual Experience	604,295	52,901
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	70,882	-
Changes of Assumptions	587,603	5,198,977
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,896,979	1,553,423
Total	**$4,159,759**	**$6,805,301**

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2025 will be recognized in pension expense as follows:

YEAR ENDED JUNE 30	CURRENT	PRIOR
2025	N/A	(135,058,149)
2026	32,249,961	37,083,175
2027	(11,121,869)	(6,288,655)
2028	(11,377,824)	(6,544,610)
2029	(8,481,557)	-
2030	-	-
Thereafter	-	-

NOTE:
Average expected remaining service is four years as of June 30, 2025 and June 30, 2024.

NOTE 12: EXECUTIVE PENSION PLAN

GENERAL INFORMATION

The Birmingham Airport Authority created the single employer defined benefit Qualified 401(a) Executive Pension Plan (EPP) effective January 1, 2022, to provide enhanced retirement benefits for select executive employees. The employees vesting period in the City of Birmingham Retirement and Relief System (R&R) was inadvertently misrepresented during the hiring process. This plan was established to supplement the benefits provided under the R&R by ensuring that the participants are placed in substantially the same position as the eligibility and benefit terms of Tier I participants of the R&R. The plan aims to offer qualified pension benefits to three specific participants, ensuring they receive appropriate retirement benefits even if they retire before becoming vested in the R&R. The plan is not open to new participants and is tailored specifically for the three eligible executives.

PLAN DESCRIPTION

A participant may retire at age 60 if they have completed 5 years of credited service and receive a pension benefit of 2.50% of final average salary multiplied by years of service. This amount cannot be greater than 75% of the final average salary nor less than $400 per month. The final average salary is defined as the highest average compensation over any 36-month period of the employee's last ten years of participation.

DISABILITY

A participant is eligible for disability benefits after 5 years of service, experience total disability, and meet other plan requirements. The benefit amount is 1.75% of final average salary at disability for each year of credited services. This amount cannot be greater than 52.5% of the final average salary nor less than $400.

TERMINATION

If a participant no longer meets the definition of an eligible employee due to severance of employment, they will remain a participant for all purposes other than contributions. Once contributions made to the plan are distributed or forfeited, the participant will no longer be considered a participant for any purpose. If a terminated participant is rehired, they will not be eligible to participate in the plan for purposes of benefit accrual or vesting during their period of rehire. Upon subsequent termination, the participant will remain entitled to any benefits they were eligible for at the time of their initial severance of employment, prior to any period of rehire. If a participant severs employment before being eligible to receive a benefit, any Employer Contributions made to the Pension Fund will be forfeited to the Pension Fund.

EMPLOYEE ROLLOVER CONTRIBUTION

The Employee Rollover Contribution refers to the direct rollover of employee contributions from the R&R to the EPP. The Employee Rollover Contribution ensures that employee contributions made to the R&R are transferred to the EPP if the participant retires before becoming vested in the R&R. This rollover is crucial for the Participant to receive their full benefits under the Executive Pension Plan and avoid reductions.

DEATH BENEFITS

Death benefits are payable if a vested participant dies while receiving a normal retirement benefit or is eligible to receive a normal retirement benefit. If a participant dies before becoming eligible for a normal retirement benefit, the total employee rollover contributions made to the plan, without interest and less one-half of any disability retirement benefits paid, will be refunded to the surviving spouse or child, or the designated severance beneficiary.

If the participant is married, the surviving spouse is entitled to a monthly benefit equal to 60% of the normal or disability retirement benefit the participant was receiving or would have been entitled to receive. Payments cease if the surviving spouse remarries but may resume if the subsequent marriage ends due to annulment, divorce, or death. If the deceased Participant is unmarried, the surviving child(ren) will receive the same benefit as the surviving spouse (60% of the Participant's benefit).

CONTRIBUTIONS

Contributions to the EPP are made by both the employer and the employee. Employer contributions include general contributions to fully fund the annual cost and retroactive contributions to amortize unfunded liabilities. Employee contributions are made to the R&R and may be rolled over to the EPP if the participant terminates employment before becoming vested in the R&R. For the fiscal years ended June 30, 2024, and 2023, the Authority's contributions to the EPP were $510,434 and $340,738, respectively.

RETIREMENT AFTER 10 YEARS OF SERVICE

When a participant retires after 10 years of service, they are vested in both the EPP and the R&R. The EPP will pay the difference between the benefit calculated under its formula and the benefit provided by the R&R. The funds in the EPP are used to ensure the participant receives their full promised benefit, with no forfeiture of vested amounts.

PARTICIPANT DATA

As of most recent measurement date of the net pension liability, participant data for the pension plans are as follows:

Demographic Data	June 30, 2025
Active Participants	**3**
Average Age	**64.5**
Average Years of Service	**5.7**
Average Compensation	**$227,941**

PENSION LIABILITIES, PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATE TO EPP PENSION EXPENSE

For the years ended June 30, 2025 and 2024, the Authority recognized pension expense related to the EPP of $193,962 and $191,728, respectively. The components of the pension expense for the EPP for fiscal year ended June 30, 2025 and 2024, are as follows:

REPORTING DATE FOR EMPLOYER UNDER GASB 68	JUNE 30, 2025	JUNE 30, 2024
MEASUREMENT DATE	JUNE 30, 2025	JUNE 30, 2024
Components of Pension Expenses		
Service Cost	$160,318	$145,653
Interest	70,635	53,677
Current-Period Benefit Changes	-	-
Expensed Portion of Current-Period Difference Between Expected and Actual Experience in the Total Pension Liability	4,444	6,634
Expensed Portion of Current-Period Changes of Assumptions	-	-
Member Contributions	-	-
Projected Earnings on Pension Plan Investments	(44,785)	(12,352)
Expensed Portion of Current-Period Differences Between Actual and Projected Earnings on Pension Plan Investments	(1,401)	(1,884)
Administrative Expense	-	-
Other	-	-
Recognition of Beginning of Year Deferred Outflows of Resources as Pension Expense	-	-
Recognition of Beginning of Year Deferred Inflows of Resources as Pension Expense	6,634	-
Net Amortization of Deferred Amounts From Changes in Proportion	(1,883)	-
Pension Expense	**$193,962**	**$191,728**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

The EPP's change in Net Pension Liability for the Fiscal Year ended June 30, 2025 and 2024, are as follows:

REPORTING DATE FOR EMPLOYER UNDER GASB 68	JUNE 30, 2025	JUNE 30, 2024
MEASUREMENT DATE	JUNE 30, 2025	JUNE 30, 2024
Total Pension Liability		
Service Cost	$160,318	$145,653
Interest	70,635	53,677
Change In Benefit Terms	-	-
Differences Between Expected And Actual Experience	8,888	19,902
Changes Of Assumptions	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-
Net Change in Total Pension Liability	**$239,841**	**$219,232**
Total Pension Liability - Beginning	813,957	594,725
Total Pension Liability - Ending	**$1,053,798**	**$813,957**
Plan Fiduciary Net Position		
Contributions - Employer	$510,434	$340,738
Contributions - Employee	-	-
Net Investment Income	51,786	21,768
Benefit Payments, Including Refunds of Member Contributions	-	-
Administrative Expense	-	-
Other	-	-
Net Change in Plan Fiduciary Net Position	**$562,220**	**$362,506**
Plan Fiduciary Net Position - Beginning	362,506	-
Plan Fiduciary Net Position - Ending	**$924,726**	**$362,506**
Net Pension Liability - Ending	$129,072	$451,451
Plan Fiduciary Net Position as a Percentage of The Total Pension Liability	87.75%	44.54%
Covered Payroll	$769,254	$704,257
Plan Net Pension Liability as a Percentage of Covered Payroll	16.78%	64.10%

ACTUARIAL ASSUMPTIONS

The total pension liability as of June 30, 2025 and June 30, 2024, which was determined based on the results of actuarial valuations as of July 1, 2024 and July 1, 2023, respectively used the following actuarial assumptions, applied to all periods included in the measurement:

ASSUMPTION TYPE	ASSUMPTION
Wage Inflation	2.25%
Salary Increases	6.00%
Net Investment Rate of Return	7.25%
Mortality	
Pre-Retirement	Sex-distinct Pri-2012 Employee Amount-weighted Mortality Table with rates multiplied by 70%
Healthy	Sex-distinct Pri-2012 Healthy Retiree Amount-weighted Mortality Table, with rates multiplied by 110%
Disabled	Sex-distinct Pri-2012 Disabled Retiree Amount-weighted Mortality Table, set back two years for males and set forward two years for females
Future Improvement	Generational projection using MP-2021 improvement scale

Detailed information regarding all actuarial assumptions can be found in the July 1, 2024 and July 1, 2023 actuarial valuations.

DETERMINATION OF DISCOUNT RATE AND INVESTMENT RATES 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 inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

ASSET CLASS	TARGET ALLOCATION	LONG-TERM EXPECTED REAL RATE OF RETURN
Domestic equities	47%	6.10%
International Equities	9%	6.20%
Core Fixed Income	35%	1.90%
High Yield Fixed Income	2%	3.50%
Cash and Equivalents	7%	1.10%
Total	**100%**	

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2025, and June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of both June 30, 2025, and June 30, 2024.

DISCOUNT RATE SENSITIVITY

The following presents the net pension liability of the sensitivity of the EPP as of June 30, 2025, calculated using the discount rate of 7.25%, as well as what the EPP's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate.

NET PENSION LIABILITY WITH DISCOUNT RATE SENSITIVITY

	1% DECREASE IN DISCOUNT RATE (6.25%)	CURRENT IN DISCOUNT RATE (7.25%)	1% INCREASE IN DISCOUNT RATE (8.25%)
Net Pension Liability as of June 30, 2025	**$228,892**	**$129,072**	**$42,943**
Net Pension Liability as of June 30, 2024	**$532,735**	**$451,451**	**$381,416**

SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

At June 30, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the EPP from the following sources:

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

REPORTING DATE FOR EMPLOYER UNDER GASB 68	JUNE 30, 2025	JUNE 30, 2024
MEASUREMENT DATE	JUNE 30, 2025	JUNE 30, 2024
Deferred Outflows of Resources		
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Difference between expected and actual experience in the Total Pension Liability	11,078	13,268
Total deferred outflows of resources	**$11,078**	**$13,268**
Deferred inflows of resources		
Changes of assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11,249	7,532
Difference between expected and actual experience in the Total Pension Liability	-	-
Total Deferred Inflows of Resources	**$11,249**	**$7,532**

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES (CONT.)

REPORTING DATE FOR EMPLOYER UNDER GASB 68	JUNE 30, 2025	JUNE 30, 2024
MEASUREMENT DATE	JUNE 30, 2025	JUNE 30, 2024
Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Will Be Recognized as Follows:		
Reporting Date for Employer Under GASB 68 Year Ended June 30, 2025	N/A	4,751
2026	7,795	4,751
2027	(3,283)	(1,883)
2028	(3,283)	(1,883)
2029	(1,400)	-
2030	-	-
Thereafter	-	-

NOTE: Average expected remaining service is two years as of June 30, 2024.

NOTE 13: OTHER POST EMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

PLAN DESCRIPTION

The Authority's defined benefit other post-employment benefits (OPEB) Plan and the Birmingham Airport Retiree Medical and Life Insurance Plan (BARMLIP), provides OPEB for all permanent full-time employees of the Authority. BARMLIP is a single-employer defined benefit OPEB plan administered by the Authority. Article III of the Lease and Use agreement with the City of Birmingham grants the Authority the right to establish benefit terms and financing requirements. The plan does not have a stand-alone financial report.

On October 22, 2018, the Authority's Board of Directors authorized the creation and funding of an investment OPEB Trust to meet the requirements of GASB 85. The purpose of the OPEB Trust was for the Authority to meet its liability for the payment of health and related benefits for its retired employees under long established employee benefit plans. Management has a plan whereby cash contributions are intended to be made to help offset the anticipated increased outflows in future years to cover retiree benefits.

The Plan is administered by the management of the Authority, and it's governed by the Chief Financial Officer and in his absence by the CEO. The Authority's Board of Directors authorized an OPEB Trust Investment Policy on November 11, 2018.

As of June 30, 2025, the OPEB Trust has a balance of $1,971,062 and is overfunded by $582,865.

BENEFITS PROVIDED

The Authority provides healthcare and life insurance benefits for retirees. The Authority adopted a policy to pay for the cost of postemployment health insurance for eligible employees. Participants in the BAA OPEB plan must meet one of the retirement eligibility requirements below and must also retire directly from active employment to be eligible to receive benefits upon retirement.

- Attain age 60 with at least 5 years of service with the Authority, or
- Attain age 55 with at least 25 years of service with the Authority, or
- Complete at least 30 years of service with the Authority.

Retirees who meet the eligibility requirements, as listed above, are entitled to receive a subsidy amount equal to the amount the Authority pays for single coverage for an active employee. Retirees may receive the subsidy until they reach the age of 65, become Medicare eligible, are covered under another policy or deceased. The benefits paid under this plan are reimbursements for the cost of coverage, and proof of coverage is required.

The retiree is responsible for paying the applicable balance of the monthly health insurance premium. The retiree may elect to have their portion of the health insurance deducted from their monthly pension benefit or elect to mail a check to the Authority by the 10th of each month for their portion.

The plan also provides all retirees with life insurance benefits up to a maximum of $100,000, of which the Authority pays 100% of the premiums. The benefit reduces by 50% once the retiree reaches age 70.

Retirees, dependent spouses, and other dependents can participate in the Authority's dental plan. However, the Retiree is responsible for 100% of the premium cost.

EMPLOYEES COVERED BY BENEFIT TERMS:

At June 30, 2025, the following employees were covered by the benefit terms:

ACTIVE PARTICIPANTS IN VALUATION	
Active Members	115
Average Age	47.1
Average Years of Service	6.0
Total Payroll	$9,049,852

RETIRED PARTICIPANTS	
Number with Life Insurance	41
Average Age	74.3
Number Receiving Health Insurance Reimbursement	0
DEPENDENTS/SPOUSES	
Number with Dental Insurance	7

The Net OPEB Liability was determined by an actuarial valuation as of the measurement date, calculated based on the discount rate and actuarial assumptions contained within the note.

NET OPEB LIABILITY		
REPORTING DATE FOR EMPLOYER UNDER GASB 75	JUNE 30, 2025	JUNE 30, 2024
MEASUREMENT DATE	JUNE 30, 2025	JUNE 30, 2024
Components of Net OPEB Liability		
Total OPEB Liability	$1,388,197	$1,474,076
Plan Fiduciary Net Position	1,971,062	1,886,680
Net OPEB Liability	(582,865)	(412,604)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	141.99%	127.99%
Covered Payroll	9,049,852	8,446,342
Net OPEB liability as a Percentage of Covered Payroll	-6.44%	-4.89%

SENSITIVITY ANALYSIS

The following presents the NOL of Airport Authority, calculated using the discount rate of 5.2%, as well as what the Airport Authority's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (4.2%) or 1-percentage-point higher (6.2%) than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

AS OF JUNE 30, 2025	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Net OPEB liability (Asset)	($403,383)	($582,865)	($732,125)
	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB liability (Asset)	($629,181)	($582,865)	($527,152)
AS OF JUNE 30, 2024	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability (Asset)	($200,516)	($412,604)	($586,841)
	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB liability (Asset)	($456,773)	($421,604)	($359,331)

SCHEDULE OF CHANGES IN NET OPEB LIABILITY – LAST TWO FISCAL YEARS

REPORTING DATE FOR EMPLOYER UNDER GASB 75		
Total OPEB Liability	JUNE 30, 2025	JUNE 30, 2024
Service Cost	$134,052	$98,288
Interest on Total OPEB Liability	62,263	62,998
Effect of Plan Changes	-	-
Effect of Economic/Demographic (Gains) or Losses	-	(409,254)
Effect of Assumption Changes or Inputs	(234,121)	263,215
Benefit Payments	(48,073)	(35,327)
Net Change In Total OPEB Liability	**($85,879)**	**($20,080)**
Total OPEB Liability – Beginning	**1,474,076**	**1,494,156**
Total OPEB Liability – Ending	**$1,388,197**	**$1,474,076**

REPORTING DATE FOR EMPLOYER UNDER GASB 75		
PLAN FIDUCIARY NET POSITION	JUNE 30, 2025	JUNE 30, 2024
Employer Contributions	$48,073	$35,327
Member Contributions	-	-
Net Investment Income	91,574	88,086
Benefit Payments	(48,073)	(35,327)
Administrative Expense	(7,192)	(7,363)
Net Change in Plan Fiduciary Net Position	**$84,382**	**$80,723**
Plan Fiduciary Net Position – Beginning	**1,886,680**	**1,805,957**
Plan Fiduciary Net Position – Ending	**$1,971,062**	**$1,866,680**
Net OPEB Liability – Ending	**($582,865)**	**($412,604)**
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	141.99%	127.99%
Covered Payroll	$9,049,852	$8,446,342
Plan Net OPEB Liability as Percentage of Covered Payroll	-6.44%	-4.89%

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The following charts reflect the deferred inflows and outflows of resources related to OPEB. Deferred inflows and outflows are differences between actual and expected experience that are not reflected in the current year's expenses.

REPORTING DATE FOR EMPLOYER UNDER GASB 75	JUNE 30, 2024	JUNE 30, 2023
Measurement Date	JUNE 30, 2024	JUNE 30, 2023
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	$134,376	$167,970
Changes of Assumptions	332,619	408,980
Net Difference Between Projected and Actual Earnings	-	5,804
Contributions Made Subsequent to Measurement Date	-	-
Total Deferred Outflows of Resources	**$466,995**	**$582,754**

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES (CONT.)

REPORTING DATE FOR EMPLOYER UNDER GASB 75	JUNE 30, 2025	JUNE 30, 2024
Measurement Date	JUNE 30, 2025	JUNE 30, 2024
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	($584,732)	($725,249)
Changes of Assumptions	(419,849)	(298,121)
Net Difference Between Projected And Actual Earnings	(19,562)	-
Contributions Made Subsequent to Measurement Date	-	-
Total Deferred Inflows of Resources	**($1,024,143)**	**($1,023,370)**

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expenses as follows:

2026	2027	2028	2029	2030	Thereafter*
($143,218)	($152,028)	($96,317)	($96,413)	($58,023)	($11,149)

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

OPEB EXPENSE		
REPORTING DATE FOR EMPLOYER UNDER GASB 75	JUNE 30, 2025	JUNE 30, 2024
Measurement Date	JUNE 30, 2025	JUNE 30, 2024
Service Cost	$134,052	$98,288
Interest on Total OPEB Liability	62,263	62,998
Effect Of Plan Changes	-	-
Administrative Expense	7,192	7,363
Member Contributions	-	-
Expected Investment Return Net of Investment Expenses	(74,007)	(72,092)
Recognition of Deferred Inflows/Outflows Or Resources	-	-

OPEB EXPENSE		
REPORTING DATE FOR EMPLOYER UNDER GASB 75	JUNE 30, 2025	JUNE 30, 2024
Measurement Date	JUNE 30, 2025	JUNE 30, 2024
Recognition of Economic/Demographic Gain or Losses	(106,923)	(106,923)
Recognition of Assumption Changes or Inputs	(36,032)	1,130
Recognition of Investment Gains or Losses	7,799	15,825
OPEB Expense	**($5,656)**	**$6,589**

ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHOD

The following actuarial methods and assumptions were used in the June 30, 2024 funding valuation.

Rationale for Assumptions:	**The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation are shown in the Birmingham Retirement and Relief System Experience Study Report for the five-year period ended June 30, 2020. Based on the results of that study as well as professional judgment, no additional demographic changes are warranted at this time and will be assessed again in the next five-year review. The Birmingham Airport Authority participates in this pension plan, and the demographic assumptions for "General Employees" of that plan apply to the Birmingham Airport Authority.**
Payroll Increases:	**2.25%**
Discount Rates:	**5.20% for June 30, 2025, and 3.93% for June 30, 2024. The discount rate is based on the yield for 20-year, tax-exempt, general obligation municipal bonds with an average rating of AA/Aa or higher.**
Long-Term Expected Rate of Return on Plan Assets:	**5.20% for June 30, 2025 and 3.93% for June 30, 2024.**
Mortality Pre-Retirement:	**Pri-2012 Employee Amount-weighted Mortality Table, with rates modified by 70%, projected generationally using Scale MP-2021.**
Mortality Post-retirement:	**Pri-2012 Healthy Retiree Amount-weighted Mortality Table, with rates modified by 110%, projected generationally using Scale MP-2021.**
Mortality Disabled Annuitants:	**Pri-2012 Disabled Retiree Amount-weighted Mortality Table, set back two years for males and set forward two years for females, projected generationally using Scale MP-2021.**

DISABILITY RATES BEFORE RETIREMENT

AGE	20	25	30	35	40	45	50	55	60
Disability	**0.20%**	**0.20%**	**0.20%**	**0.20%**	**0.20%**	**0.20%**	**0.65%**	**0.65%**	**0.65%**

*20% of disability is assumed to be on the job disability.

TERMINATION RATES BEFORE RETIREMENT

YEARS OF SERVICE	< 1	1	2	3	4	5	6	7	8	9
Rate (%) Withdrawal	13.00	13.00	13.00	10.00	10.00	10.00	10.00	6.50	6.50	6.50
YEARS OF SERVICE	10	11	12	13	14	15	16-19	20-24	25-29	30+
Rate (%) Withdrawal	6.50	4.00	4.00	4.00	4.00	4.00	2.50	1.50	1.00	0.00

RETIREMENT RATES

Employees are assumed to retire, after meeting the service requirements, in accordance with the following rates:

PRIOR TO JULY 1, 2021

Age	Rate %
Under 50	0.0
50 52	35.0
53-54	25.0
55-61	12.0
62-73	25.0
74 & over	100.0

ON OR AFTER JULY 1, 2021

Age	Rate %
Under 55	0.0
55-61	12.0
62-73	25.0
74 & Over	100.0

SALARY SCALE

Age	Rate %
20	7.00
25	5.75
30	5.75
35	5.00
40	4.50
45	4.00
50	4.00
55	3.00
60	2.65
65	2.65
70 & over	2.25

The salary scale assumption includes an allowance for inflation of 2.25% per year. The assumption is based on the Airport Authority's pay plan, along with analysis completed in conjunction with an Experience Study Report for the five-year period ended June 30, 2020.

Per Capita Cost Development	**Per capita costs are based on the Health Subsidy ($681.81) with no age-adjustments. It is assumed that no implicit rate of subsidy is associated with those benefits.**
Assumed 2024 Average Health Subsidy (Single Employee)	**$681.81**
Life Insurance Premium	**The monthly life insurance premium is $2.90 per $1,000 and is 100% paid by the Airport Authority**
Dental	**Retirees can elect coverage for self, spouse, or dependents. Retiree is responsible for 100% of the premium cost.**
Dependents	**Not covered**
Actuarial Cost Method	**Entry Age Normal, Level Percentage of Pay.**

NOTE 14: DEFERRED COMPENSATION PLAN

The Authority offers all employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan is placed in an account when paid that is controlled by the employee, not the Authority. It is the opinion of the Authority's legal counsel that the Authority has no liability for losses under the plan.

In fiscal year 2024, the Authority's Board of Director's created a new 457(f) plan with the CEO as the sole participant. The plan credits defined amounts each year to the participant's account between fiscal years 2024 and 2028. The funds are controlled by the Authority and are not made available until 30 days after the participant reaches the age of 66, is determined to have a disability, is terminated without cause, or dies. The Authority recognizes the scheduled amount credited to the account, plus interest, as a liability.

NOTE 15: MAJOR CUSTOMERS

On June 17, 2022, the Authority entered into a new three-year lease agreement with each of the four major airlines serving Birmingham. The new agreement became effective on July 1, 2022, and expired on June 30, 2025. On June 10, 2025, the Birmingham Airport Authority's Board of Directors approved the Air Carrier Rate Resolution, effective July 1, 2025. The resolution utilizes the same rate-making methodology that was in place in the prior airline agreement. The conversion to rates by resolution has had no impact on air carrier operations at BHM.

NOTE 16: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Authority has purchased commercial insurance for all risk above minimal deductible amounts. In addition, all tenants and users of the Airport are required to have commercial insurance coverage naming the Authority as additional insured.

During fiscal year 2025, the Authority obtained commercial property and automobile coverage valued at $522,484,838 for a premium of $608,148. The Authority also maintains crime, cyber, terrorism, premises and professional liability insurance policies valued at $208,400,000 for premiums of $201,857. No liability is recorded as of June 30, 2025, for outstanding claims or for any potential claims incurred but not reported as of that date. Settled claims have not exceeded these commercial coverages by any material amounts during the year ended June 30, 2025.

NOTE 17: LITIGATION/CONTINGENCY

The Authority is a defendant in various lawsuits and is aware of pending claims arising in the ordinary course of its activities. These lawsuits seek monetary damages that could potentially have an impact on the operations of the Authority. The outcome of these lawsuits is not presently determinable and the status ranges from an early discovery stage to various levels of appeal of judgements. The Authority intends to defend itself vigorously against all suits; however, no prediction can be made, as of the date thereof, with respect to the liability of the Authority for such claims or the outcome of such suits.

NOTE 18: RELATED PARTY TRANSACTIONS

The Authority reimburses the City for the cost of providing police and fire protection services to the Airport. Amounts charged by the City are reported as operating expenses during the year incurred and totaled $3,885,632 and $4,313,113 for the fiscal years ended June 30, 2025, and 2024, respectively.

NOTE 19: COMMITMENTS

On June 30, 2025, the Authority was committed under contracts for the following construction and planning projects:

PROJECT DESCRIPTION	COMMITTED AMOUNT
Twy Alpha Relocation EA	588,929
Rapid Intervention Vehicle	404,559
Taxiway H Connectors Rehabilitation	2,353,525
Taxiway P&N Crack Seal & Seal Coat	1,478,113
Cargo Apron Joint Seal	143,992
Terminal Apron Joint Seal	2,064,890
Twy H Strengthening & Realignment	11,603,506
Runway Intersection Drainage Improvements	52
Runway 24 Strengthening	1,345,200
SRE (Snow Removal Equipment) Facility Pro Def	331,725
Taxiway Alpha Patching	2,125
BAA Office Expansion	35,970
CCTV Upgrade	1,419,755
Utility Master Plan	30,265
Pump Station Control Panel	584,721
Replace Generator For Parking Deck Elevators	54,259
ATO Southend Buildout	213,811
Terminal Restrooms & SARA Renovations	216,966

COMMITMENTS (CONT.)

PROJECT DESCRIPTION	COMMITTED AMOUNT
UPS Battery Backup (8) Replace	3,925
Air Cargo Bldg - CCTV Installation	36,965
Network / WiFi Refresh	419,094
Parking Deck Accent Lights	23,273
Sustainable Management Plan	262,415
TSA CBRA Expansion	4,437,177
Total All Projects	**28,055,211**

NOTE 20: RISKS AND UNCERTAINTIES

There are certain risks within the aviation industry that are unknown at this time that could affect the Airport. The industry is subject to the strength of the economy and can be negatively impacted by additional national and global situations that are beyond the control of the Authority. Some of these uncertainties, including war, terrorism, pandemics, and the price of jet fuel, could adversely affect the financial performance of the Airport and other airports and airlines nationwide.

FINANCIAL

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) LAST 10 FISCAL YEARS (1)

SCHEDULE OF THE PLAN'S FIDUCIARY NET POSITION AS PERCENTAGE OF TOTAL

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability	$1,763,742,860	$1,716,576,504	$1,673,684,313	$1,635,731,434	$1,550,750,248	$2,227,765,845	$1,973,741,484	$1,783,042,202	$1,745,211,041
Less: Plan Fiduciary Net Pension	$1,199,048,038	$1,132,685,907	$1,085,925,649	$1,055,885,895	$1,222,136,520	$993,999,847	$1,042,877,491	$1,055,421,690	$1,038,084,945
City's Net Pension Liability	$564,694,822	$583,890,597	$587,758,664	$579,845,539	$328,613,728	$1,233,765,998	$930,863,993	$727,620,512	$707,126,096
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	67.98%	65.99%	64.88%	64.55%	78.81%	44.62%	52.84%	59.19%	59.48%

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

The following tables present the Authority's allocation of Net Pension Liability:

Allocation of June 30, 2025 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	8,943,935	3.86%	21,797,220
Total for All Employers	**231,884,135**		**564,694,986**

Allocation of June 30, 2024 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	7,526,203	3.60%	21,020,061
Total for All Employers	**208,975,946**		**583,890,597**

Allocation of June 30, 2023 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	6,174,635	3.11%	18,279,294
Total for All Employers	**$198,531,283**		**$587,758,664**

Allocation of June 30, 2022 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	6,509,037	3.41%	19,772,699
Total for All Employers	**$190,612,100**		**$579,844,539**

Allocation of June 30, 2021 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	6,781,292	3.36%	11,041,421
Total for All Employers	**$202,026,478**		**$328,613,728**

Allocation of June 30, 2020 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	7,104,956	3.55%	43,798,694
Total for All Employers	**$200,234,161**		**$1,233,765,998**

(1) Information in all Required Supplementary Information Schedules is presented for the year in which the information is available. Information will be added each year until a full 10 year trend is presented.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (CONT.)

THE FOLLOWING TABLES PRESENT THE AUTHORITY'S ALLOCATION OF NET PENSION LIABILITY:

Allocation of June 30, 2019 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	6,991,168	3.36%	31,277,030
Total for All Employers	**$208,175,344**		**$930,863,993**

Allocation of June 30, 2018 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	7,494,780	3.67%	26,703,673
Total for All Employers	**$203,984,897**		**$727,620,512**

Allocation of June 30, 2017 to Net Pension Liability (NPL)			
EMPLOYER	COVERED EMPLOYEE	PERCENTAGE	NPL
Authority	6,561,793	3.28%	23,193,736
Total for All Employers	**$200,205,482**		**$707,126,096**

SCHEDULE OF THE EMPLOYER CONTRIBUTIONS – PENSION PLAN

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution*	38,090,266	35,027,358	32,795,771	33,322,262	33,322,262	32,166,230	31,146,931	30,063,990	30,564,212
Contribution in Relation to the Actuarially Determined Contribution	43,595,431	35,021,915	33,917,517	34,988,353	28,280,924	24,225,209	19,652,651	17,276,073	16,554,808
Contribution Deficiency (Excess)	(5,505,165)	5,443	(1,121,746)	(1,666,091)	5,041,338	7,941,021	11,494,280	12,787,917	14,009,404
Covered Payroll**	238,776,467	211,232,293	202,125,080	189,292,160	186,487,229	201,581,514	197,988,943	202,177,529	200,441,743
Contributions As Percentage of Covered Payroll	18.26%	16.58%	16.78%	18.48%	15.17%	12.02%	9.93%	8.55%	8.26%

NOTES TO THE SCHEDULE:

*The actuarially determined contribution is equal to the total calculated contribution in the most recent actuarial valuation, minus the portion expected to be covered by employee contributions.

**Payroll is estimated based on employee contribution ratess as follows: FY 2017 - 7.25%, FY 2018 - 8.50%, FY 2019, 20 - 7.00%, FY 2021, 24 - 7.50%. The City's contributions as a percentage of covered-employee payroll are greater than the City's statutory contribution rate, since they reflect contributions made by the City on behalf of retired members in the Firemen's and Policemen's Supplemental Pension Plan, as well as transfers from the Supplemental Plan.

NOTES:

Valuation Date: Actuarially determined contribution rates are calculated using a July valuation date as of the beginning of the fiscal year in which contributions are reported.

The following methods and assumptions are used to determine contribution rates:

Actuarial Cost Method	Entry age actuarial cost method
Amortization Method	Level Percent of Payroll, using 2.25% annual increases
Remaining Amortization Period	Closed, 28 years remaining as of July 1, 2023
Asset Valuation Method	The fair value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

Actuarial Assumptions	2025
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Inflation Rate	2.25%
Projected Salary Increases	2.25%, plus age-related (General Employees) or service-related (Fire and Police) salary scale

Actuarial Assumptions	2024
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Inflation Rate	2.25%
Projected Salary Increases	2.25%, plus age-related (General Employees) or service-related (Fire and Police) salary scale

Actuarial Assumptions	2023
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Inflation Rate	2.25%
Projected Salary Increases	2.25%, plus age-related (General Employees) or service-related (Fire and Police) salary scale

Actuarial Assumptions	2022
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Inflation Rate	2.25%
Projected Salary Increases	2.25%, plus age-related (General Employees) or service-related (Fire and Police) salary scale

Actuarial Assumptions	2021
Investment Rate of Return	7.50%, including inflation, net of pension plan investment expense
Inflation Rate	2.50%
Projected Salary Increases	2.50%, plus age-related salary scale based on participant group

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – AIRPORT AUTHORITY

Reporting Date for Employer under GASB 68 and of June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Airport Authority Covered Payroll (2)	Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	3.86%	21,797,220	8,943,935	236.50%	67.98%
2024	3.60%	21,020,061	7,526,203	276.42%	65.99%
2023	3.11%	18,279,294	6,174,635	290.79%	64.88%
2022	3.41%	19,772,699	6,509,037	306.32%	64.55%
2021	3.36%	11,041,421	6,781,292	162.82%	78.81%
2020	3.55%	43,798,692	7,104,956	616.45%	44.62%
2019	3.36%	31,277,030	6,991,168	447.38%	52.84%
2018	3.67%	26,073,673	7,494,780	347.89%	59.19%
2017	3.28%	23,196,736	6,561,763	353.47%	59.48%

(2) Payroll is estimated on the actual employee contributions received and a 7.5% contribution rate.

SCHEDULE OF STATUTORILY ESTABLISHED EMPLOYER AND EMPLOYEE CONTRIBUTIONS

Year Ended June 30	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	1,470,284	1,682,784	(212,500)	8,943,935	18.26%
2024	1,260,985	1,260,789	196	7,526,203	16.58%
2023	1,019,948	1,238,697	(218,749)	6,174,635	20.06%
2022	Not available	1,418,504	(1,418,504)	6,509,037	21.79%
2021	Not available	1,117,176	(1,117,176)	6,781,292	16.47%
2020	Not available	1,013,244	(1,013,244)	7,104,956	14.26%
2019	Not available	(660,239)	660,239	6,991,168	-9.44%
2018	Not available	(634,032)	634,032	7,494,780	-8.46%
2017	Not available	Not available	Not available	6,561,763	Not available

SCHEDULE OF CONTRIBUTIONS – OTHER POST-EMPLOYMENT BENEFIT PLAN

Year Ended June 30:	Actuarially Determined Contributions (2)	Actual Employer Contribution (3)	Contribution Deficiency/ (Ex-cess)	Covered Employee Payroll (4)	Contributions as a Percentage of Covered Employee Payroll
2025	139,320	48,073	91,247	9,049,852	0.53%
2024	133,254	35,327	97,927	8,446,342	0.42%
2023	116,752	63,577	53,175	7,626,414	0.83%
2022	174,683	382,465	(207,782)	5,638,486	6.78%
2021	-	4,874	(4,874)	7,119,300	0.07%
2020	-	2,597	(2,597)	7,157,316	0.04%
2019	228,002	1,373,750	(1,145,748)	6,937,207	19.80%
2018	228,002	15,211	212,791	7,726,430	0.20%
2017	250,339	17,066	233,273	9,014,199	0.19%

(2) All "Actuarially Determined Contributions" through June 30, 2017, were determined as the "Annual Required Contribution" under GASB 43 and 45

(3) Employer contributions include trust contributions and explicit subsidy payments directly to retirees from the Authority's own resources. They also include estimated implicit subsidt payments for retirees from the Authority's own resources.

(4) Covered employee payroll represents earnable compensation for those eligible for future benefits under the Plan.

(5) Information for fiscal years ending June 30, 2017 through June 30, 2023 were taken from the June 30, 2023 GASB 75 disclosure report completed by the prior actuary. The fiscal 2024 actuarially determined contribution was also calculated by the prior actuary.

NOTES TO SCHEDULE:

Methods and assumptions used to determine contribution rates:

VALUATION DATE	Actuarial valuations for funding purposes are performed biennially as of June 30. The most recent valuation was performed as of June 30, 2024
DISCOUNT RATE	Beginning of year GASB 75 discount rate.
ASSET METHOD	Fair Value
ACTUARIAL COST METHOD	Entry Age Normal, Level Percentage of Pay
AMORTIZATION METHOD	Level dollar, Closed, 30 years

SCHEDULE OF INVESTMENT RETURNS – OTHER POST-EMPLOYMENT BENEFIT PLAN

Year	Net Money-Weighted Rate of Return
2025	4.86%
2024	4.89%
2023	3.68%
2022	0.19%
2021	0.10%
2020	1.85%
2019	1.12%
2018	Not available
2017	Not available

SCHEDULE OF CHANGES IN NET OPEB LIABILITY – OTHER POST EMPLOYMENT BENEFIT PLAN

Reporting Date for Employer under GASB 75	2025	2024	2023	2022	2021	2020	2019	2018
Measurement Date	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	134,052	98,288	115,460	159,598	114,677	104,857	149,784	157,857
Interest on Total OPEB Liability	62,263	62,998	44,523	57,041	43,252	44,000	58,565	50,036
Effect of Plan Changes	-	-	-	-	-	-	-	-
Effect of Economic/Demographic (Gains) or Losses	-	(409,254)	200,336	(484,675)	44,771	(64,227)	(110,006)	(21,092)
Effect of Assumption Changes or Inputs	(234,121)	263,215	23,645	(289,709)	224,573	93,854	(304,568)	(51,762)
Benefit Payments	(48,073)	(35,327)	(63,577)	(20,349)	(4,874)	(2,597)	(7,420)	(15,211)
Net Change in Total OPEB Liability	**(85,879)**	**(20,080)**	**320,387**	**(578,094)**	**422,399**	**175,887**	**(213,645)**	**119,828**
Total OPEB Liability – Beginning	**1,474,076**	**1,494,156**	**1,173,769**	**1,751,863**	**1,329,464**	**1,153,577**	**1,367,222**	**1,247,394**
Total OPEB Liability – Ending	**$1,388,197**	**$1,474,076**	**$1,494,156**	**$1,173,769**	**$1,751,863**	**$1,329,464**	**$1,153,577**	**$1,367,222**
Plan Fiduciary Net Position								
Employer Contributions	48,073	35,327	63,577	382,465	4,874	2,597	1,373,750	15,211
Member Contributions	-	-	-	-	-	-	-	-
Net Investment Income	91,574	88,086	64,167	2,986	1,422	25,428	7,671	-
Benefit Payments	(48,073)	(35,327)	(63,577)	(20,349)	(4,874)	(2,597)	(7,420)	(15,211)
Administrative Expense	(7,192)	(7,363)	(7,069)	(5,990)	(5,570)	(5,534)	-	-
Net Change in Plan Fiduciary Net Position	**84,382**	**80,723**	**57,098**	**359,112**	**(4,148)**	**19,894**	**1,374,001**	**-**
Plan Fiduciary Net Position – Beginning	**1,886,680**	**1,805,957**	**1,748,859**	**1,389,747**	**1,393,895**	**1,374,001**	**-**	**-**
Plan Fiduciary Net Position – Ending	**1,971,062**	**1,886,680**	**1,805,957**	**1,748,859**	**1,389,747**	**1,393,895**	**1,374,001**	**-**
Net OPEB Liability – Ending	**($582,865)**	**($412,604)**	**($311,801)**	**($575,090)**	**$362,116**	**($64,431)**	**($220,424)**	**$1,367,222**
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	141.99%	127.99%	120.87%	149.00%	79.33%	104.85%	119.11%	0.00%
Covered Employee Payroll (2)	9,049,852	8,446,342	7,626,414	5,638,486	7,119,300	7,157,316	6,937,207	7,726,430
Plan Net OPEB Liability as a Percentage of Covered Employee Payroll	(6.44%)	(4.89%)	(4.09%)	(10.20%)	5.09%	(0.90%)	(3.18%)	17.70%

(2) Covered employee payroll represents earnable compensation for those eligible for future benefits under the Plan.

SCHEDULE OF THE EXECUTIVE PENSION PLAN'S FUDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL

	2025	2024	2023
Total Pension Liability	1,053,798	813,957	594,725
Less: Plan Fiduciary Net Pension	924,726	362,506	0
Net Pension Liability (2)	$129,072	$451,451	$594,725
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	87.75%	44.54%	0.00%

(2) These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plans's benefit obligation or the need for or the amount of future contributions

SCHEDULES OF THE EMPLOYER CONTRIBUTIONS – EXECUTIVE PENSION PLAN

	2025	2024	2023
Actuarially Determined Contribution	510,434	314,527	0
Contribution in Relation to the Actuarially Determined Contribu-tion	510,434	340,738	0
Contribution Deficiency (Excess)	0	(26,211)	0
Covered Payroll	769,254	704,257	650,636
Contributions as Percentage of Covered Payroll	66.35%	48.38%	0.00%

NOTES TO SCHEDULE:

Methods and assumptions used to determine contribution rates for the year ended june 30, 2025 are based on the july 1, 2023 actuarial valuation:

VALUATION DATE	Actuarially determined contribution is calculated using a july valuation date as of the beginning of the fiscal year in which contributions are reported
ACTUARIAL COST METHOD	Entry age
AMORTIZATION METHOD	Level percent of payroll, using 6.00% Annual increases
REMAINING AMORTIZATION PERIOD	Two years as of July 1, 2023
ASSET VALUATION METHOD	At fair value
INVESTMENT RATE OF RETURN	7.25%
INFLATION RATE	2.25%
PROJECTED SALARY INCREASES	6.00%
MORTALITY	

— **PRE-RETIREMENT:** Sex-distinct Pri-2012 employee amount-weighted mortality table with rates multiplied by 70%, projected generationally using scale mp-2021

— **HEALTHY ANNUITANT:** Sex-distinct Pri-2012 healthy retiree amount-weighted mortality table, with rates multiplied by 110%, projected generationally using scale mp-2021

— **DISABLED:** Sex-distinct Pri-2012 disabled retiree amount-weighted mortality table, set back two years for males and set forward two years for females, projected generationally using scale mp-2021

— **OTHER INFORMATION:** Same as those used in the July 1, 2023 funding actuarial valuation

"As the Property Manager at Birmingham–Shuttlesworth International Airport, I oversee both aeronautical and non-aeronautical properties, including corporate hangars, FBOs, and rental car partners, ensuring they are well maintained and running efficiently. I enjoy working in an airport setting that facilitates travelers' connections to their destinations through BHM, and I value the responsibility of supporting both ownership and tenant needs."

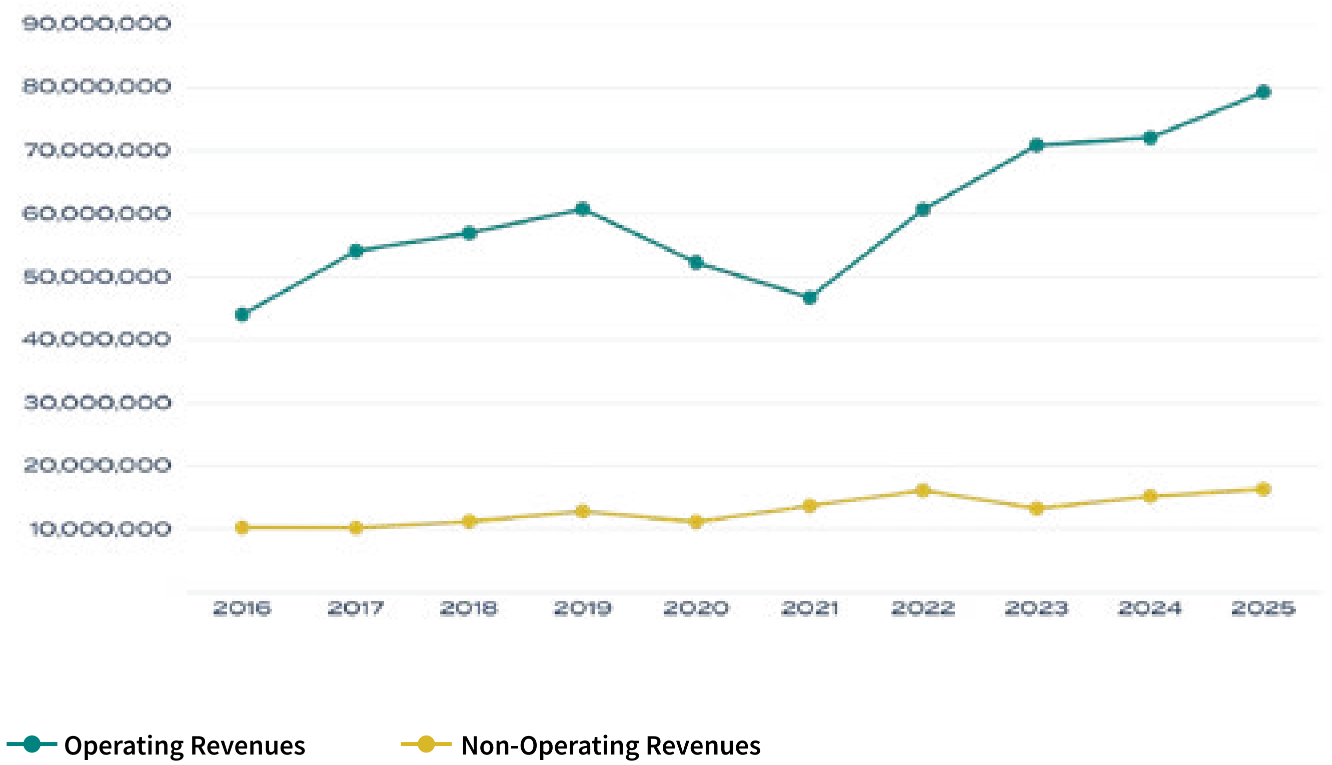
IESHA R. BYERS | PROPERTY MANAGER

STATISTICAL

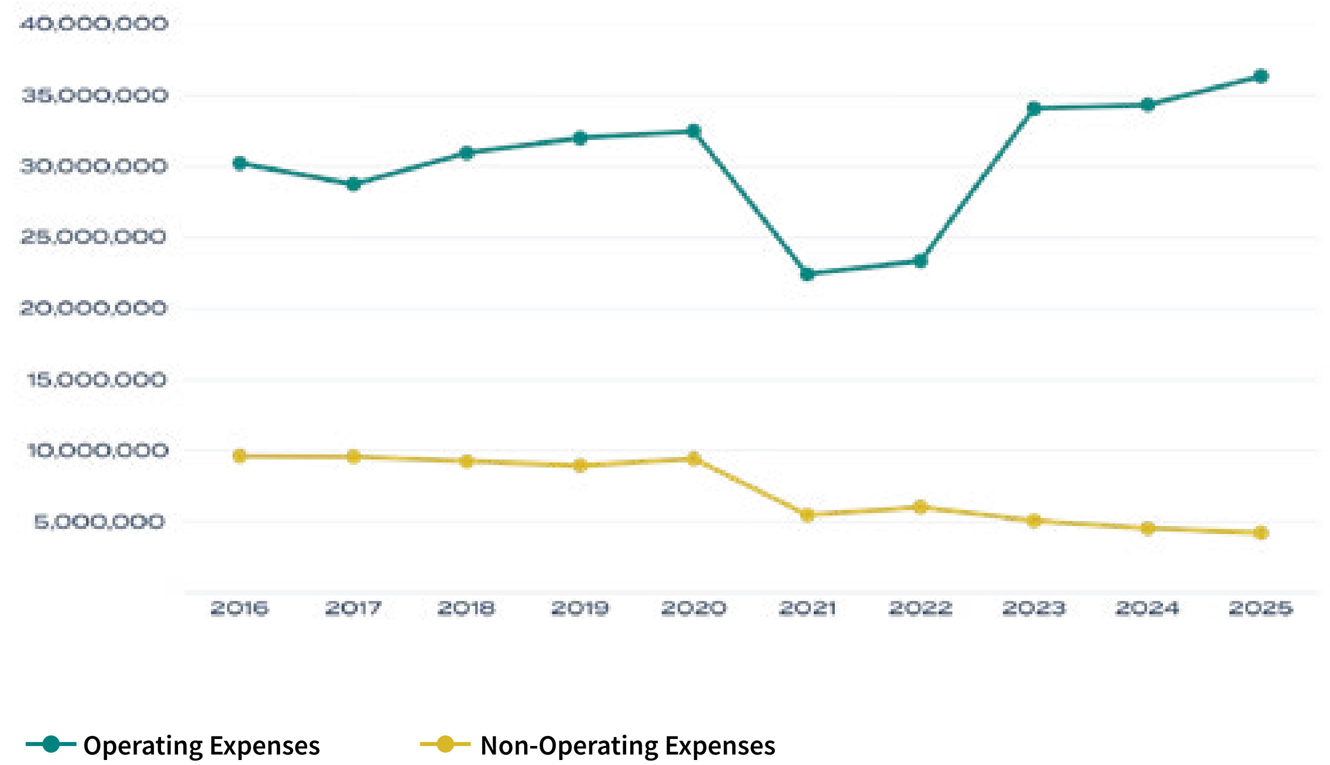
STATISTICAL INFORMATION (UNAUDITED)

FINANCIAL TREND DATA

TOTAL REVENUES 2016 – 2025



TOTAL EXPENSES 2016 – 2025



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues	$44,046,195	$43,829,278	$45,705,337	$47,908,957	$41,102,647	$33,016,039	$44,474,078	$57,555,239	$56,825,801	$62,893,380
Non-Operating Revenues	$10,309,408	$10,253,286	$11,247,285	$12,830,275	$11,181,877	$13,727,614	$16,168,133	$13,285,343	$15,231,108	$16,383,384
Operating Expenses	$30,225,569	$28,731,918	$30,956,641	$32,009,214	$32,438,998	$22,414,700	$23,354,952	$34,085,525	$34,373,994	$36,301,169
Non-Operating Expenses	$9,614,728	$9,572,401	$9,250,551	$8,935,626	$9,423,759	$5,459,251	$6,014,711	$5,043,572	$4,517,308	$4,195,627

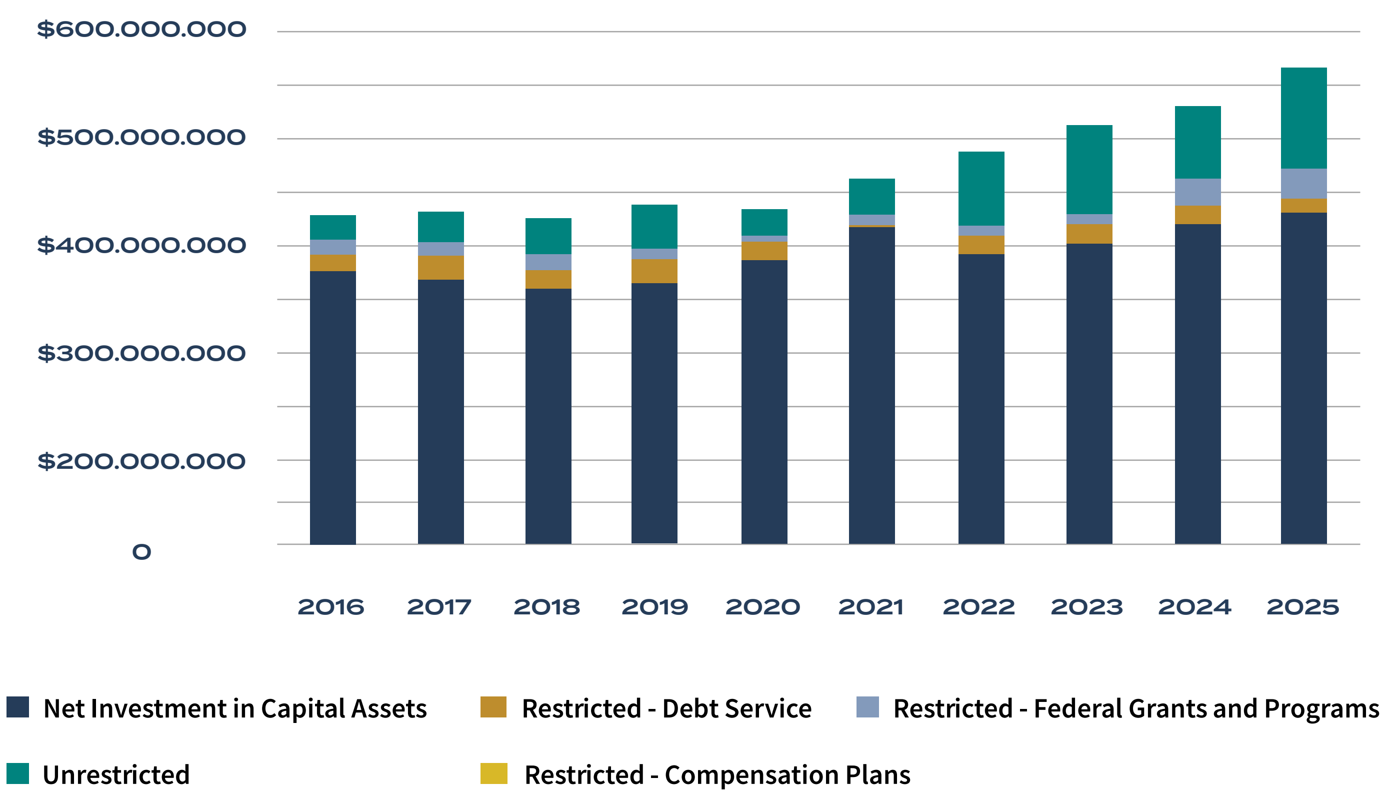
SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

NET POSITION AT YEAR END

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Investments in Capital Assets	$358,269,422	$353,534,611	$351,827,237	$353,013,496	$388,862,507	$421,175,955	$393,718,715	$401,217,302	$422,812,674	$435,195,790
Restricted Net Position										
Restricted for Debt Service	23,613,285	24,041,654	24,581,248	25,294,000	15,733,499	55,637	10,794,475	16,572,355	11,924,235	17,351,608
Federal Grants and Programs	19,075,186	18,903,430	17,802,172	17,609,106	5,380,857	10,201,543	11,120,183	11,350,394	21,196,814	20,622,878
OPEB	-	-	-	-	64,431	-	575,090	311,801	412,604	582,865
Unrestricted	30,881,474	39,014,644	40,779,939	43,879,762	29,718,519	36,129,045	77,032,478	81,377,214	77,366,407	93,530,398
Total Net Position	**$431,839,367**	**$435,494,339**	**$434,990,596**	**$439,796,364**	**$439,759,813**	**$467,562,183**	**$493,240,941**	**$510,829,066**	**$533,712,734**	**$567,283,538**

NET POSITION AS OF JUNE 30 FOR EACH OF THE YEARS PRESENTED



PFC COLLECTIONS

	2016	2017	2018	2019	2020
PFC Collections and Interest Income	$5,095,712	$5,223,462	$5,710,690	$6,139,766	$4,075,347
Year-over-Year Change	-3.19%	2.51%	9.33%	7.51%	-33.62%

	2021	2022	2023	2024	2025
PFC Collections and Interest Income	$3,182,058	$5,148,351	$5,628,587	$6,497,736	$6,618,109
Year-over-Year Change	-21.92%	61.79%	9.33%	15.44%	1.85%

STATISTICAL INFORMATION (UNAUDITED)

CHANGE IN NET POSITION

OPERATING REVENUES

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Aviation Revenues	$18,231,429	$18,624,349	$19,335,890	$19,037,947	$17,489,109	$16,397,963	$17,835,735	$25,717,176	$21,264,145	$24,970,067
Concession Revenues	22,478,650	21,940,863	22,810,454	24,431,197	19,226,592	12,698,687	22,152,856	26,382,904	29,010,527	30,066,611
Airport Rentals	1,783,837	1,672,487	2,022,078	2,975,630	3,041,033	2,752,883	3,002,030	3,803,996	4,139,757	5,091,601
Aviation Services	750,965	763,630	804,324	834,290	811,239	769,061	996,365	1,078,820	1,810,828	2,354,006
Miscellaneous Revenues	801,314	827,949	732,591	629,893	534,674	397,445	487,092	572,343	600,544	411,094
Total Operating Revenues	**$44,046,195**	**$43,829,278**	**$45,705,337**	**$47,908,957**	**$41,102,647**	**$33,016,039**	**$44,474,078**	**$57,555,239**	**$56,825,801**	**$62,893,380**

NON-OPERATING REVENUES

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Federal grants - CARES, CRRSAA, ARPA	-	-	-	-	2,374,536	7,147,198	5,594,884	324,704	-	-
Passenger Facility Charges	5,258,436	5,208,341	5,708,601	6,135,296	4,057,275	3,175,906	5,141,308	5,555,672	6,186,368	6,271,436
Customer Facility Charges	4,830,565	4,745,406	4,908,780	5,168,987	3,806,147	2,989,088	3,855,981	4,316,754	4,711,327	4,713,233
Interest Income	110,407	239,243	480,042	1,141,005	948,041	271,625	1,502,452	2,055,919	3,922,155	5,107,991
Gain (Loss) on Disposal of Capital Assets	110,000	-	-	-	-	171,464	21,605	6,306	-	99,317
Settlement - Insurance and Others	-	27,283	(10,925)	9,332	(4,591)	(27,667)	51,903	19,071	(1,298,815)	(242,523)
Unrealized Gain on Investments (Net)	-	33,013	160,787	375,655	469	-	-	1,006,917	1,710,073	433,930
Total Non-Operating Revenues	**$10,309,408**	**$10,253,286**	**$11,247,285**	**$12,830,275**	**$11,181,877**	**$13,727,614**	**$16,168,133**	**$13,285,343**	**15,231,108**	**$16,383,384**
TOTAL REVENUES	**$54,355,603**	**$54,082,564**	**$56,952,622**	**$60,739,232**	**$52,284,524**	**$46,743,651**	**$60,642,211**	**$70,840,582**	**$72,056,909**	**$79,276,764**

SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

CHANGE IN NET POSITION (CONT.)

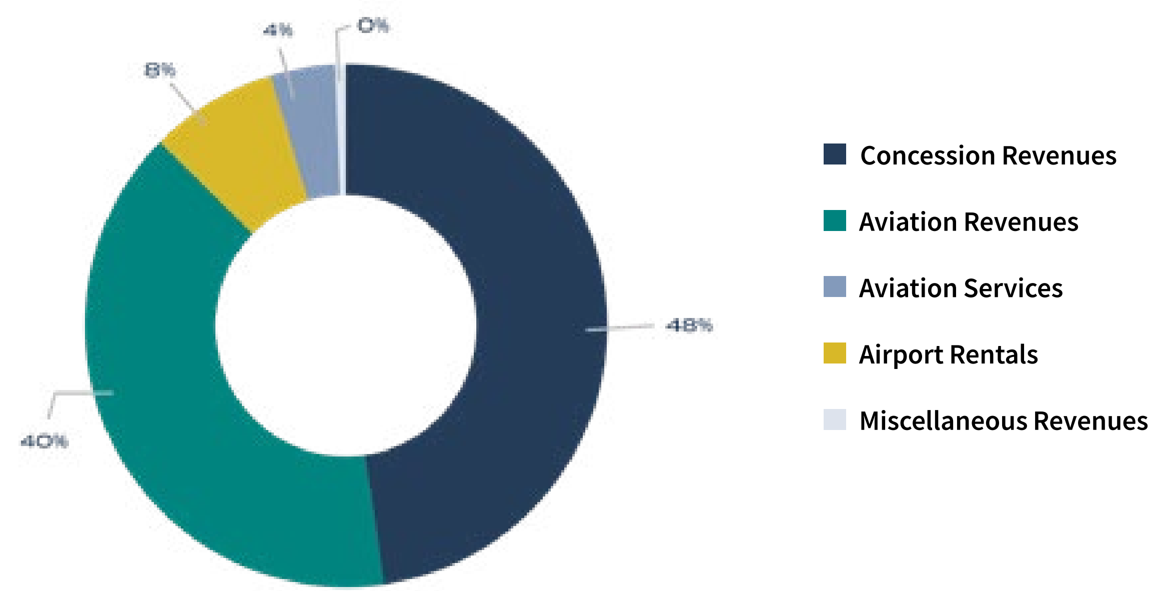
OPERATING EXPENSES	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Salaries and Benefits	$16,073,206	$15,068,098	$15,890,399	$15,507,055	$17,261,949	$8,544,770	$7,061,838	$10,780,739	$11,501,265	$11,319,328
Professional/Contracted Services	7,550,984	7,659,450	8,944,073	10,206,340	9,250,780	8,087,158	7,933,618	10,237,504	10,121,045	10,895,727
Materials/Supplies/ Maintenance	1,217,508	1,347,247	1,306,763	1,426,681	1,373,997	1,739,358	2,035,599	3,191,022	2,929,185	2,414,131
Other Operating Expenses	5,383,871	4,657,123	4,815,406	4,869,138	4,552,272	4,043,414	6,323,897	9,876,260	9,822,499	11,671,983
Total Operating Expenses	**$30,225,569**	**$28,731,918**	**$30,956,641**	**$32,009,214**	**$32,438,998**	**$22,414,700**	**$23,354,952**	**$34,085,525**	**$34,373,994**	**$36,301,169**
Depreciation and Amortization	16,311,707	17,342,863	17,258,899	17,361,529	18,006,437	19,597,391	17,450,371	19,442,814	18,061,340	19,213,927
NON-OPERATING EXPENSES										
Interest Expenses	9,606,613	9,572,401	9,250,551	8,935,626	8,777,415	4,142,760	5,085,440	5,043,572	4,517,308	4,195,627
Loss on Extinguishment of Debt	-	-	-	-	434,313	-	-	-	-	-
Bond Issuance Cost	-	-	-	-	212,031	1,268,183	-	-	-	-
Unrealized Loss on Investments (Net)	8,115	-	-	-	-	48,308	929,271	-	-	-
Total Non-Operating Expenses	**$9,614,728**	**$9,572,401**	**$9,250,551**	**$8,935,626**	**$9,423,759**	**$5,459,251**	**$6,014,711**	**$5,043,572**	**$4,517,308**	**$4,195,627**
TOTAL EXPENSES	**$56,152,004**	**$55,647,182**	**$57,466,091**	**$58,306,369**	**$59,869,194**	**$47,471,342**	**$46,820,034**	**$58,571,911**	**$56,952,642**	**$59,710,723**
Federal Contributions	**$7,600,907**	**$4,937,446**	**$9,726**	**$2,372,906**	**$7,548,115**	**$28,530,055**	**$11,856,581**	**$5,319,454**	**$7,779,401**	**$14,004,764**
TOTAL CHANGE IN NET POSITION	**$5,804,506**	**$3,372,828**	**$(503,743)**	**$4,805,769**	**$(36,555)**	**$27,802,366**	**$25,678,758**	**$17,588,125**	**$22,883,668**	**$33,570,805**

SOURCE: Birmingham Airport Authority Records

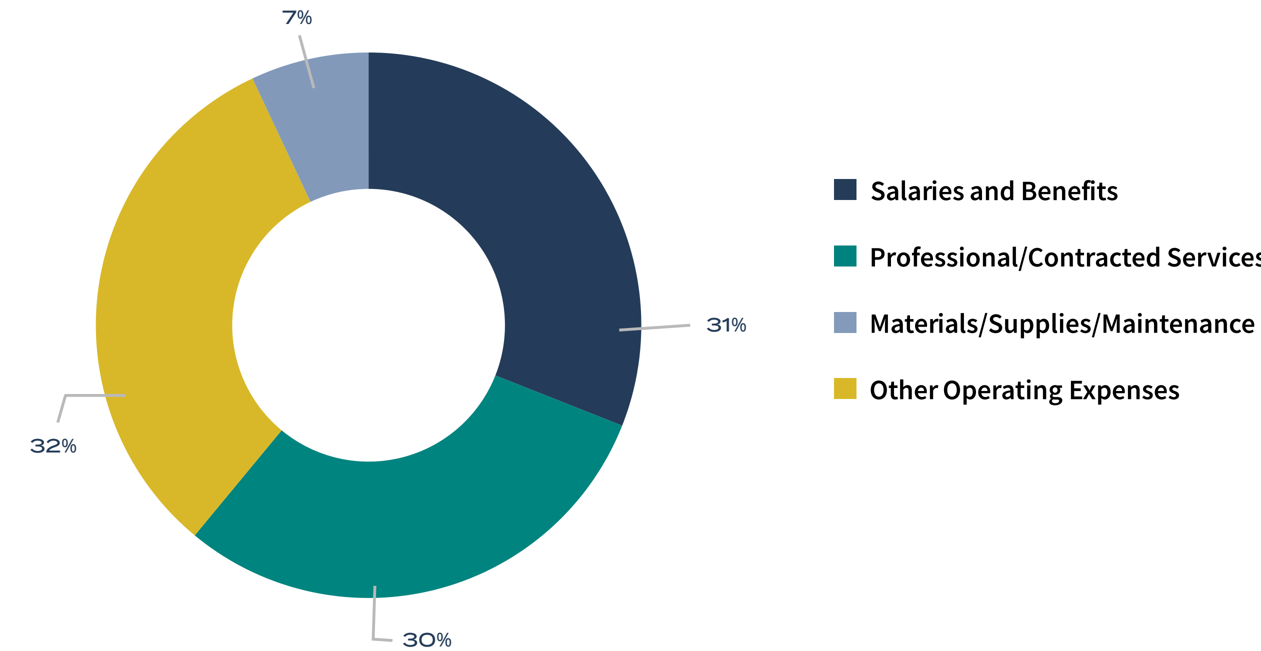
STATISTICAL INFORMATION (UNAUDITED)

REVENUE CAPACITY DATA

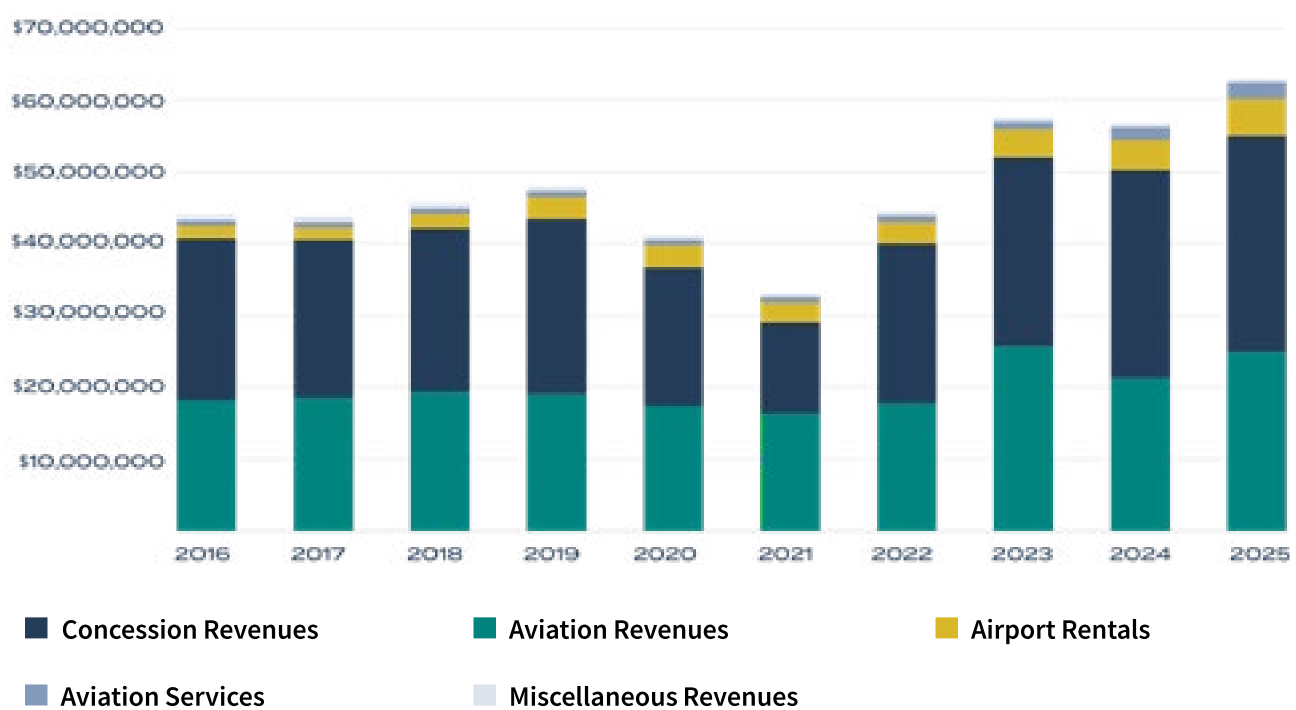
FY2025 OPERATING REVENUE COMPOSITION



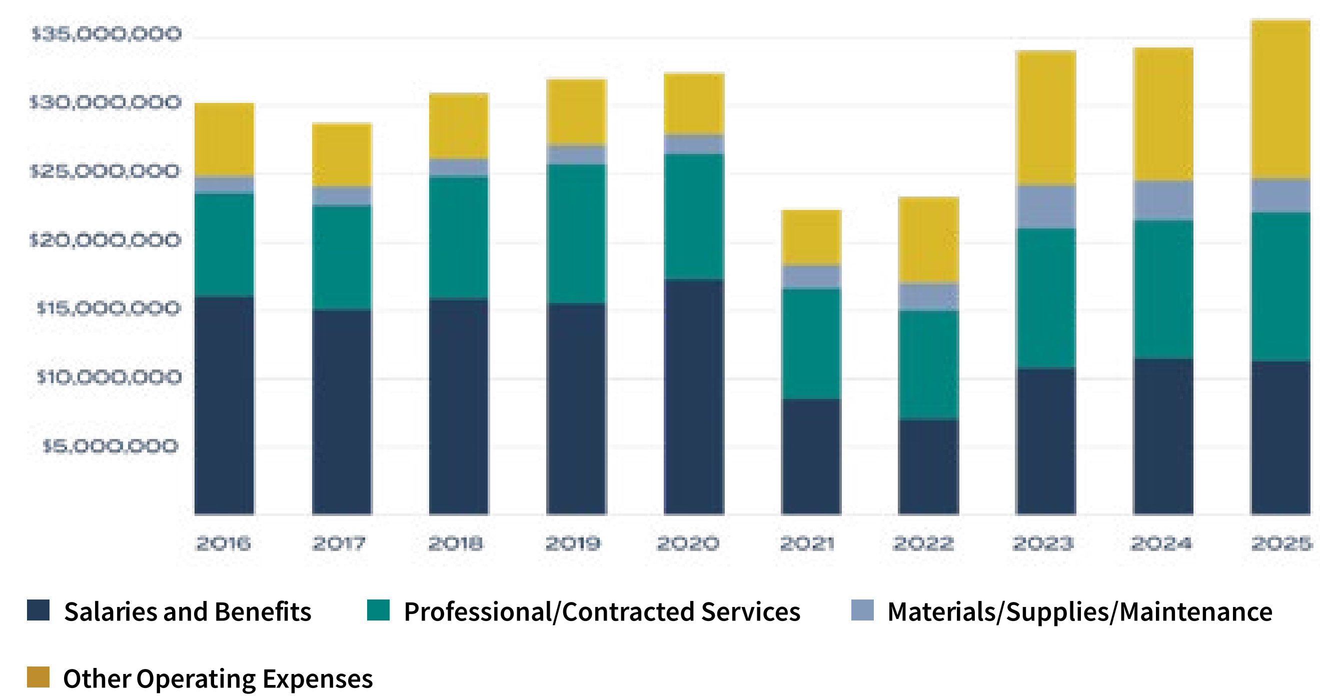
FY2025 OPERATING EXPENSE COMPOSITION



10 YEAR REVENUE COMPOSITION



10 YEAR EXPENSE COMPOSITION



STATISTICAL INFORMATION (UNAUDITED)

DEBT CAPACITY DATA

PLEDGED REVENUES

AVIATION REVENUES

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Landing Fees	10,114,416	10,303,116	11,136,231	10,605,258	8,832,724	8,230,502	9,031,592	11,451,763	8,036,191	9,550,140
Airline Space Rentals	7,347,579	7,280,533	7,076,646	7,319,174	7,558,016	7,417,827	7,677,845	13,263,253	11,966,385	13,774,172
Other Airline Fees and Charges[1]	769,434	1,040,700	1,123,013	1,113,515	1,098,369	749,636	1,126,298	1,002,160	1,261,569	1,645,747
Subtotal	**$18,231,429**	**$18,624,349**	**$19,335,890**	**$19,037,947**	**$17,489,109**	**$16,397,963**	**$17,835,735**	**$25,717,176**	**$21,264,145**	**$24,970,068**

CONCESSION REVENUES

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Automobile Parking	14,344,228	13,751,891	14,412,546	15,537,390	11,646,835	6,895,580	14,118,883	16,403,034	18,361,981	19,389,214
Rental Car Operations	5,627,300	5,620,811	5,758,239	6,036,642	5,281,777	4,495,813	5,874,735	6,953,249	7,160,634	6,953,177
Restaurant and Retail	1,906,579	2,071,587	2,089,437	2,193,078	1,693,004	886,413	1,582,444	1,997,683	2,410,970	2,340,601
Ground Transportation	271,037	186,782	217,861	254,537	215,366	107,315	136,098	159,689	224,172	296,741
Terminal Advertising	279,327	262,755	282,802	350,518	264,683	208,142	223,258	328,171	256,974	334,982
Vending, Other Concession and Lessor Fees	50,179	47,037	49,569	59,032	124,927	105,424	217,438	541,078	595,796	751,897
Subtotal	**$22,478,650**	**$21,940,863**	**$22,810,454**	**$24,431,197**	**$19,226,592**	**$12,698,687**	**$22,152,856**	**$26,382,904**	**$29,010,527**	**$30,066,611**

AIRPORT RENTALS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Terminal Office Space	-	-	-	-	435,778	-	279,672	275,816	49,624	49,624
Building Leases	1,783,837	1,672,487	2,022,078	2,975,630	2,605,255	2,752,883	2,722,358	3,528,180	4,090,133	5,041,977
Subtotal	**$1,783,837**	**$1,672,487**	**$2,022,078**	**$2,975,630**	**$3,041,033**	**$2,752,883**	**$3,002,030**	**$3,803,996**	**$4,139,757**	**$5,091,601**

NOTES:
1) Apron, ramp overnight parking, and per turn fees.
2) FBO, Aircraft MRO and services provided to airlines.
3) ATM, Utilities reimbursement, TSA law enforcement reimbursement.
4) Event and meeting room rental, settlements and claims, other misc. revenue.

SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

PLEDGED REVENUES (CONT.)

AVIATION SERVICES	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Airfield Operations[2]	418,992	419,109	425,459	435,327	460,464	445,373	540,309	630,248	1,438,921	2,098,662
Fuel Commissions and Sales	331,973	344,521	378,865	398,963	350,775	323,688	456,056	448,572	371,907	255,344
Subtotal	**$750,965**	**$763,630**	**$804,324**	**$834,290**	**$811,239**	**$769,061**	**$996,365**	**$1,078,820**	**$1,810,828**	**$2,354,006**
MISCELLANEOUS REVENUES										
Airport Services Sold[3]	603,267	690,303	694,864	629,893	534,674	139,412	193,311	176,033	225,000	211,947
Miscellaneous Income[4]	198,047	137,646	37,727	-	-	258,033	293,781	396,310	375,544	199,147
Subtotal	**$801,314**	**$827,949**	**$732,591**	**$629,893**	**$534,674**	**$397,445**	**$487,092**	**$572,343**	**$600,544**	**$411,094**
TOTAL OPERATING REVENUES										
Total	**$44,046,195**	**$43,829,278**	**$45,705,337**	**$47,908,957**	**$41,102,647**	**$33,016,039**	**$44,474,078**	**$57,555,239**	**$56,825,801**	**$62,893,380**

NOTES:
1) Apron, ramp overnight parking, and per turn fees.
2) FBO, Aircraft MRO and services provided to airlines.
3) ATM, Utilities reimbursement, TSA law enforcement reimbursement.
4) Event and meeting room rental, settlements and claims, other misc. revenue.

SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

PLEDGED REVENUES AND DEBT SERVICE RATIOS

NET REVENUES	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenue	$44,046,195	$43,829,278	$45,705,337	$47,908,957	$41,102,647	$33,016,039	$44,474,078	$57,555,239	$56,825,801	$62,893,380
Interest Income, Including Lease Interest Income	110,407	239,243	480,042	1,141,005	948,041	271,625	1,502,452	2,055,919	3,922,155	5,107,991
Other Non-Operating Revenues	10,199,001	10,014,043	10,767,243	11,689,270	10,233,836	13,455,989	14,665,681	11,229,424	11,308,953	11,275,393
Gross Revenues	54,355,603	54,082,564	56,952,622	60,739,232	52,284,524	46,743,653	60,642,211	70,840,582	72,056,909	79,276,764
Less: Operating Expenses Before Depreciation	(30,225,569)	(28,731,918)	(30,956,641)	(32,009,214)	(32,438,998)	(22,414,700)	(23,354,952)	(34,085,525)	(34,373,994)	(36,301,169)
Net Pledged Revenue	**$24,130,034**	**$25,350,646**	**$25,995,981**	**$28,730,018**	**$19,845,526**	**$24,328,953**	**$37,287,259**	**$36,755,057**	**$37,682,915**	**$42,975,595**
DEBT SERVICE										
Principal	$6,590,000	$6,930,000	$7,270,000	$7,625,000	$8,015,000	$-	$-	$ -	$5,230,000	$5,765,000
Interest	9,864,700	9,572,401	9,250,551	8,935,626	8,581,675	4,660,578	4,766,500	4,766,500	4,635,750	4,176,560
Debt Service Subtotal	**16,454,700**	**16,502,401**	**16,520,551**	**16,560,626**	**16,596,675**	**4,660,578**	**4,766,500**	**4,766,500**	**9,865,750**	**9,941,560**
Less PFC Revenue Available for Debt Service	(5,001,138)	(5,000,738)	(5,003,738)	(5,000,713)	(5,002,463)	-	-		(5,230,000)	(5,765,000)
Total Debt Service	**$11,453,563**	**$11,501,663**	**$11,516,814**	**$11,559,913**	**$11,594,212**	**$4,660,578**	**$4,766,500**	**$4,766,500**	**$4,635,750**	**$4,176,560**
COVERAGE OF DEBT SERVICE	1.47	1.54	1.57	1.73	1.20	5.22	7.82	7.71	3.82	4.32
Net Required Revenue Per Bond Rate Covenant	**$14,316,953**	**$14,377,079**	**$14,396,017**	**$14,449,891**	**$14,492,765**	**$5,825,723**	**$5,958,125**	**$5,958,125**	**$5,794,688**	**$5,220,700**
RATIO OF REQUIRED REVENUE	1.69	1.76	1.81	1.99	1.37	4.18	6.26	6.17	6.50	8.23

NOTES:
Debt service requirement, per debt service shedule, is equal to interest expense paid on Jan 1 and July 1, and principal paid on July 1 of each year. Amortization of bond discount is excluded. Certain passenger facility charge revenue is available to cover required debt service.

Net revenues in each fiscal year are required to be at least equal to the larger of either (1) the debt service and reserve transfer requirements of each fiscal year or; (2) 125% of the debt service requirements for such fiscal year.

SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

PLEDGED REVENUES FOR THE QTA

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Customer Facility Charge Collections	$4,577,500	$4,351,870	$5,553,524	$5,085,336	$4,162,963	$2,736,842	$3,909,950	$4,355,116	$4,640,950	$4,713,565
Customer Facility Charge Bond	-	-	-	-	7,000,000	-	-	-	-	-
CFC Interest Income	36,039	64,079	107,691	166,017	51,082	1,866	1,505	57,126	262,098	284,046
Total Resources Available for Debt Service	**$4,613,539**	**$4,415,949**	**$5,661,215**	**$5,251,353**	**$11,214,045**	**$2,738,708**	**$3,911,455**	**$4,412,242**	**$4,903,048**	**$4,997,611**
Total Annual CFC Expenses	**(207,097)**	**(3,930,703)**	**(7,206,521)**	**(7,276,963)**	**(22,245,840)**	**(2,457,773)**	**(1,337,065)**	**(1,610,456)**	**(3,013,020)**	**(3,288,926)**
Net Pledged Revenue	**$4,406,442**	**$485,246**	**($1,545,305)**	**($2,025,610)**	**($11,031,795)**	**$280,935**	**$2,574,390**	**$2,801,786**	**$1,890,028**	**$1,708,685**

NOTES:

On November 19, 2012, the Authority's Board of Directors elected to impose a Customer Facility Charge of $5.00 per transaction day to fund a Quick Turn Around Facility "QTA" at the Airport..

The Authority borrowed $7,000,000 from BBVA Compass to pay the costs of the QTA Facility and the costs of issuing the bond. The bond, which was secured by CFC revenue, was repaid in full on June 18, 2021.

SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

OUTSTANDING DEBT AND DEBT PER ENPLANED PASSENGER

OUTSTANDING DEBT BY TYPE (1)

	2016	2017	2018	2019
2003A Revenue Bonds, Fixed Rate (2)	$17,440,000	$15,105,000	$12,640,000	$10,055,000
2007 Revenue Bonds, Fixed Rate (2)	25,980,000	23,110,000	20,085,000	16,915,000
2010 Revenue Bonds, Fixed Rate (3)	146,140,000	144,755,000	143,315,000	141,800,000
2020 Revenue Bonds, Fixed Rate	-	-	-	-
Subtotal, Revenue Bonds Payable	**189,560,000**	**182,970,000**	**176,040,000**	**168,770,000**
Unamortized Discount/ Premium	(481,232)	(483,323)	(485,985)	(489,159)
Total Outstanding Debt Payable	**$189,078,768**	**$182,486,677**	**$175,554,015**	**$168,280,841**
Lease Liability (Office Equipment)	-	-	-	-
Subscription Based IT Arrangements	-	-	-	-
Total Outstanding Debt Payable and Lease Liability	**$189,078,768**	**$182,486,677**	**$175,554,015**	**$168,280,841**
Total Enplaned Passengers	**1,349,032**	**1,336,065**	**1,409,531**	**1,533,824**
Outstanding Debt Per Enplaned Passenger	$140.16	$136.59	$124.55	$109.71

NOTES:
(1) Includes both current and long-term liabilities (See Note 8)
(2) Defeased by the Authority on December 31, 2019
(2) Defeased by the Authority on August 10, 2020

OUTSTANDING DEBT BY TYPE (1)

	2020	2021	2022	2023	2024	2025
2003A Revenue Bonds, Fixed Rate (2)	$-	$-	$-	$-	$-	$-
2007 Revenue Bonds, Fixed Rate (2)	-	-	-	-	-	-
2010 Revenue Bonds, Fixed Rate (3)	140,235,000	-	-	-	-	-
2020 Revenue Bonds, Fixed Rate	-	102,130,000	102,130,000	102,130,000	96,900,000	91,410,000
Subtotal, Revenue Bonds Payable	**140,235,000**	**102,130,000**	**102,130,000**	**102,130,000**	**96,900,000**	**91,410,000**
Unamortized Discount/ Premium	(7)	20,571,750	18,714,315	16,756,960	14,822,750	12,986,457
Total Outstanding Debt Payable	**$140,234,993**	**$122,701,750**	**$120,844,315**	**$118,886,960**	**$111,722,750**	**$104,396,457**
Lease Liability (Office Equipment)	-	-	-	7,549	11,604	30,991
Subscription Based IT Arrangements	-	-	40,852	176,092	127,536	453,050
Total Outstanding Debt Payable and Lease Liability	**$140,234,993**	**$122,701,750**	**$120,885,167**	**$119,070,601**	**$111,861,890**	**$104,880,498**
Total Enplaned Passengers	**1,119,455**	**747,272**	**1,289,296**	**1,434,680**	**1,577,506**	**1,622,212**
Outstanding Debt Per Enplaned Passenger	$125.27	$164.20	$93.76	$82.99	$70.91	$64.65

SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

OPERATING INFORMATION

PASSENGER STATS BY CARRIER

AIRLINES	FISCAL YEAR 2016		FISCAL YEAR 2017		FISCAL YEAR 2018		FISCAL YEAR 2019	
	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share
American Airlines, Inc.	3,851	0.1%	734	0.0%	684	0.0%	544	0.0%
Envoy Air - AA	88,414	3.3%	73,721	2.8%	111,816	4.0%	109,501	3.6%
Air Wisconsin - AA	134,336	5.0%	81,879	3.1%	6,010	0.2%	-	0.0%
Express Jet - AA	2,168	0.1%	4,816	0.2%	29,175	1.0%	7,493	0.2%
Mesa Airlines - AA	146,613	5.4%	168,447	6.3%	156,101	5.5%	226,843	7.4%
PSA Airlines - AA	232,405	8.6%	266,838	10.0%	314,256	11.1%	334,649	10.9%
Piedmont Airlines - AA	-	0.0%	12,003	0.4%	13,038	0.5%	41,667	1.4%
Tran State - AA	-	0.0%	17,739	0.7%	23,600	0.8%	6,116	0.2%
Republic America - AA	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest - AA	-	0.0%	-	0.0%	15,185	0.5%	275	0.0%
American Airlines, Inc. Subtotal	**607,787**	**22.6%**	**626,177**	**23.5%**	**669,865**	**23.8%**	**727,088**	**23.7%**

AIRLINES	FISCAL YEAR 2020		FISCAL YEAR 2021		FISCAL YEAR 2022		FISCAL YEAR 2023		FISCAL YEAR 2024		FISCAL YEAR 2025	
	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share
American Airlines, Inc.	42,690	1.9%	20,631	1.4%	151,666	5.9%	259,188	9.0%	112,174	3.5%	112,983	3.5%
Envoy Air - AA	101,876	4.5%	121,337	8.1%	175,037	6.8%	171,592	6.0%	262,009	8.3%	284,489	8.7%
Air Wisconsin - AA	-	0.0%	-	0.0%	-	0.0%	2,547	0.1%	7,836	0.2%	11,219	0.3%
Express Jet - AA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Mesa Airlines - AA	123,173	5.5%	65,024	4.4%	42,261	1.6%	23,113	0.8%	-	0.0%	-	0.0%
PSA Airlines - AA	306,600	13.7%	250,492	16.8%	363,261	14.1%	348,719	12.1%	440,753	13.9%	435,653	13.4%
Piedmont Airlines - AA	9,672	0.4%	5,989	0.4%	19,611	0.8%	51	0.0%	1,957	0.1%	5,363	0.2%
Tran State - AA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Republic America - AA	-	0.0%	29,635	2.0%	11,822	0.5%	10,786	0.4%	57,427	1.8%	10,689	0.3%
SkyWest - AA	9,488	0.4%	11,119	0.7%	19,201	0.7%	5,830	0.2%	4,002	0.1%	30,390	0.9%
American Airlines, Inc. Subtotal	**593,499**	**26.4%**	**504,227**	**33.8%**	**782,859**	**30.4%**	**821,826**	**28.6%**	**886,158**	**28.0%**	**890,786**	**27.4%**

SOURCE: Airline Reports

STATISTICAL INFORMATION (UNAUDITED)

PASSENGER STATS BY CARRIER (CONT.)

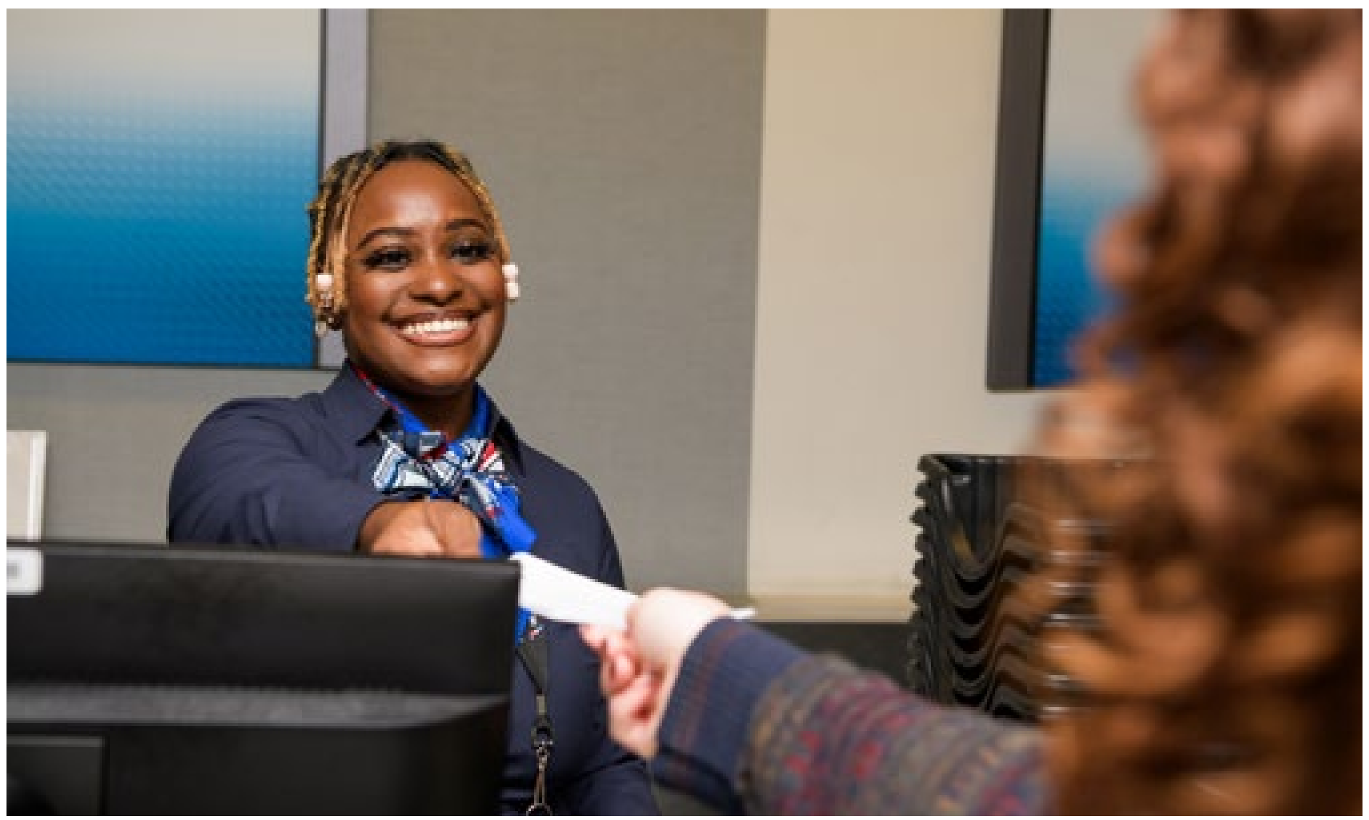
AIRLINES	FISCAL YEAR 2016		FISCAL YEAR 2017		FISCAL YEAR 2018		FISCAL YEAR 2019		FISCAL YEAR 2020		FISCAL YEAR 2021		FISCAL YEAR 2022		FISCAL YEAR 2023		FISCAL YEAR 2024		FISCAL YEAR 2025	
	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share
Delta Airlines	746,020	27.7%	724,089	27.1%	765,772	27.2%	804,660	26.2%	595,680	26.5%	254,121	17.0%	709,176	27.5%	756,681	26.3%	783,331	24.7%	794,272	24.4%
Express Jet (ASA) - DL	134,821	5.0%	94,620	3.5%	46,408	1.6%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Endeavor Air - DL	21,524	0.8%	12,185	0.5%	17,611	0.6%	56,997	1.9%	13,849	0.6%	95,693	6.4%	72,324	2.8%	74,032	2.6%	145,521	4.6%	118,356	3.6%
GoJet - DL	-	0.0%	28,429	1.1%	95,930	3.4%	36,966	1.2%	30,460	1.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Shuttle America - DL	2,383	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Skywest - DL	-	0.0%	23,676	0.9%	2,596	0.1%	92,542	3.0%	75,519	3.4%	-	0.0%	10,803	0.4%	14,143	0.5%	26,948	0.9%	55,470	1.7%
Republic - DL	-	0.0%	-	0.0%	-	0.0%	-	0.0%	21,359	1.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		0.0%
Delta Airlines Subtotal	**904,748**	**33.6%**	**882,999**	**33.1%**	**928,317**	**32.9%**	**991,165**	**32.3%**	**736,867**	**32.8%**	**349,814**	**23.4%**	**792,303**	**30.7%**	**844,856**	**29.4%**	**955,800**	**30.2%**	**968,098**	**29.8%**
Southwest Airlines	**883,260**	**32.8%**	**855,357**	**32.1%**	**852,572**	**30.2%**	**903,211**	**29.5%**	**608,480**	**27.1%**	**428,227**	**28.7%**	**726,242**	**28.2%**	**885,601**	**30.8%**	**976,706**	**30.8%**	**1,003,493**	**30.8%**
United Airlines	-	0.0%	-	0.0%	480	0.0%	1,673	0.1%	2,624	0.1%	269	0.0%	468	0.0%	685	0.0%	6,837	0.2%	839	0.0%
Express Jet - UA	164,076	6.1%	185,951	7.0%	139,756	5.0%	108,650	3.5%	55,518	2.5%	6,959	0.5%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Mesa Airlines - UA	64	0.0%	-	0.0%	13,435	0.5%	55,504	1.8%	60,999	2.7%	61,361	4.1%	45,130	1.8%	51,948	1.8%	115,428	3.6%	76,653	2.4%
SkyWest - UA	135,060	5.0%	93,068	3.5%	104,017	3.7%	90,458	3.0%	120,365	5.4%	99,840	6.7%	144,038	5.6%	136,216	4.7%	167,921	5.3%	130,173	4.0%
Republic Airways - UA	-	0.0%	23,154	0.9%	57,291	2.0%	11,191	0.4%	18,657	0.8%	21,616	1.4%	19,857	0.8%	4,663	0.2%	6,523	0.2%	11,541	0.4%
Air Wisconsin - UA	-	0.0%	-	0.0%	4,670	0.2%	14,753	0.5%	12,009	0.5%	2,455	0.2%	15,051	0.6%	39,934	1.4%	-	0.0%	-	0.0%
Go Jet - UA	-	0.0%	-	0.0%	25,820	0.9%	81,722	2.7%	1,709	0.1%	3,905	0.3%	1,687	0.1%	5,309	0.2%	39,990	1.3%	62,150	1.9%
Commute Air - UA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	14,494	1.0%	50,055	1.9%	83,230	2.9%	13,848	0.4%	60,686	1.9%
Tran State - UA	-	0.0%	-	0.0%	-	0.0%	8,620	0.3%	8,552	0.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United Airlines Subtotal	**299,200**	**11.1%**	**302,173**	**11.3%**	**345,469**	**12.3%**	**372,571**	**12.2%**	**280,433**	**12.5%**	**210,899**	**14.1%**	**276,286**	**10.7%**	**321,985**	**11.2%**	**350,547**	**11.1%**	**342,042**	**10.5%**

SOURCE: Airline Reports

STATISTICAL INFORMATION (UNAUDITED)

PASSENGER STATS BY CARRIER (CONT.)

AIRLINES	FISCAL YEAR 2016		FISCAL YEAR 2017		FISCAL YEAR 2018		FISCAL YEAR 2019		FISCAL YEAR 2020		FISCAL YEAR 2021		FISCAL YEAR 2022		FISCAL YEAR 2023		FISCAL YEAR 2024		FISCAL YEAR 2025	
	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share	Total Passenger	Market Share
Xtra Airways	-	0.0%	1,304	0.0%	288	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		0.0%		0.0%		0.0%
Frontier	-	0.0%	-	0.0%	22,854	0.8%	71,290	2.3%	25,337	1.1%	-	0.0%	-	0.0%		0.0%		0.0%		0.0%
Via Air	-	0.0%	-	0.0%	-	0.0%	903	0.0%	-	0.0%	-	0.0%	-	0.0%		0.0%		0.0%		0.0%
Spirit	-	0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	48,575	1.5%
Total Passengers	**2,694,995**	**100.0%**	**2,668,010**	**100.0%**	**2,819,365**	**100.0%**	**3,066,228**	**100.0%**	**2,244,616**	**100.0%**	**1,493,167**	**100.0%**	**2,577,690**	**100.0%**	**2,874,268**	**100.0%**	**3,169,211**	**100.0%**	**3,252,994**	**100.0%**



STATISTICAL INFORMATION (UNAUDITED)

OPERATIONAL STATISTICS

TOTAL PASSENGERS

FISCAL YEAR	TOTAL	PERCENTAGE CHANGE
2016	2,694,995	1.2%
2017	2,668,010	-1.0%
2018	2,819,365	5.7%
2019	3,066,228	8.8%
2020	2,244,616	-26.8%
2021	1,493,167	-33.5%
2022	2,577,690	72.6%
2023	2,874,268	11.5%
2024	3,169,211	10.3%
2025	3,252,994	2.6%

PASSENGER AIRCRAFT OPERATIONS

FISCAL YEAR	TOTAL	INCREASE (DECREASE)	PERCENTAGE CHANGE
2016	38,492	862	2.3%
2017	37,706	(786)	-2.0%
2018	38,982	1,276	3.4%
2019	41,364	2,382	6.1%
2020	33,288	(8,076)	-19.5%
2021	23,540	(9,748)	-29.3%
2022	30,864	7,324	31.1%
2023	31,866	1,002	3.2%
2024	37,320	5,454	17.1%
2025	39,774	2,454	6.6%

SOURCE: Airline Reports

PASSENGER ENPLANEMENTS

FISCAL YEAR	TOTAL	PERCENTAGE CHANGE
2016	1,349,032	1.4%
2017	1,336,065	-1.0%
2018	1,409,531	5.5%
2019	1,533,824	8.8%
2020	1,119,455	-27.0%
2021	747,272	-33.2%
2022	1,289,296	72.5%
2023	1,434,680	11.3%
2024	1,577,506	10.0%
2025	1,622,212	2.8%

PASSENGER AIRCRAFT LANDED WEIGHT (IN THOUSANDS OF POUNDS)

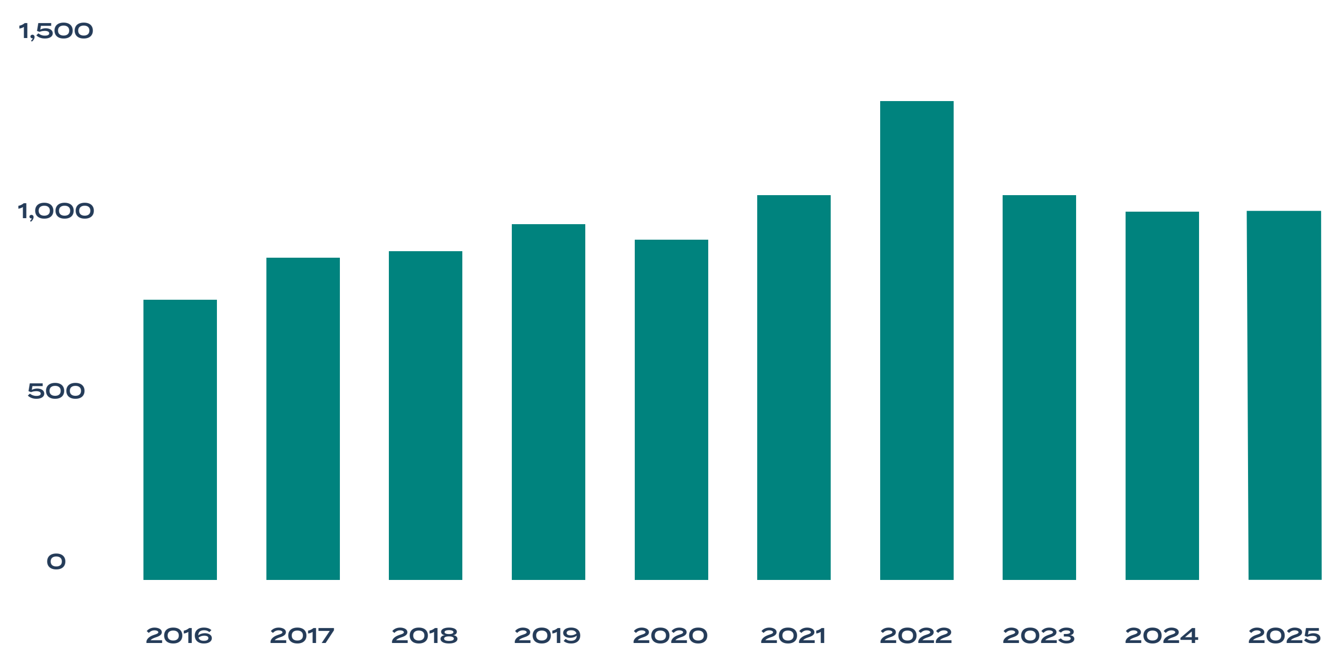
FISCAL YEAR	TOTAL	INCREASE (DECREASE)	PERCENTAGE CHANGE
2016	1,624,706	(10,464)	-0.6%
2017	1,656,428	31,722	2.0%
2018	1,738,586	82,158	5.0%
2019	1,833,622	95,036	5.5%
2020	1,487,485	(346,137)	-18.9%
2021	1,064,578	(422,907)	-28.4%
2022	1,494,718	430,140	40.4%
2023	1,629,185	134,467	9.0%
2024	1,882,499	253,314	15.5%
2025	2,012,768	130,269	6.9%

STATISTICAL INFORMATION (UNAUDITED)

CASH AVAILABLE FOR OPERATIONS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Unrestricted Cash and Cash Equivalents	$ 28,488,429	$ 34,430,543	$ 39,525,666	$ 32,075,429	$ 53,142,353	$ 39,682,286	$ 36,913,811	$ 40,971,297	$ 51,808,550	$ 46,900,857
Unrestricted Investments	20,168,903	25,926,563	26,398,830	40,599,347	10,146,525	30,208,732	56,945,002	61,575,792	47,412,768	62,335,912
Total Cash Available for Operations	**48,657,332**	**60,357,106**	**65,924,496**	**72,674,776**	**63,288,878**	**69,891,018**	**93,858,813**	**102,547,089**	**99,221,318**	**109,236,769**
Operating Expenses Less Non-Cash Pension Expense	25,432,220	25,230,897	27,060,856	27,606,851	25,600,510	24,383,945	27,013,701	35,685,300	36,016,632	40,089,307
Days in Fiscal Year	366	365	365	365	366	365	365	364	365	364
Days Funded	700	873	889	961	905	1,046	1,268	1,046	1,006	992

DAYS CASH ON HAND



AIRPORT INFORMATION

LOCATION
4 Miles Northeast of Downtown Birmingham

RUNWAYS
18 / 36 - 7,099 ft x 150ft
6 / 24 - 12,007 ft x 150ft

RENTAL CAR FACILITY
8 Rental Car Agencies

AREA
2,170 Acres

ELEVATION
650 ft MSL

COMMERCIAL AIRLINE APRON
1,812,216 ft

AIRPORT CODE
BHM

NUMBER OF GATES HARDSTAND POSITION
19/4

TERMINAL SPACE

Airlines	88,527 SF
Concession and Office Space	149,122 SF
Circulation Space	147,250 SF
Utilities	17,162 SF
Other	23,062 SF
Total	**425,123 SF**

PUBLIC PARKING SPACES

Parking Garage	4,678
Economy Lot	919
Overflow Parking	380
Cell Phone Waiting Lot	40
Total	**6,017**

SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

SUMMARY OF CERTAIN RATES AND CHARGES (1)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
SIGNATORY										
Landing Fees (2)	$5.59	$5.66	$5.55	$5.20	$5.18	$6.71	$5.39	$5.85	$3.66	$3.52
Terminal Space Rentals (3)	$69.45	$66.98	$70.30	$68.42	$72.25	$65.89	$66.49	$106.90	$95.43	$95.43
Apron Fees (3)	$1.50	$1.26	$1.31	$1.31	$1.15	$1.02	$1.09	$32,893	$28,761	$35,108
NON-SIGNATORY (4)										
Landing Fees (2)	$6.99	$7.08	$6.94	$6.50	$6.48	$8.39	$6.74	N/A	N/A	N/A
Terminal Space Rentals (3)	$86.81	$83.73	$87.88	$85.53	$90.31	$82.36	$83.11	N/A	N/A	N/A
Apron Fees (3)	$1.88	$1.58	$1.64	$1.64	$1.44	$1.28	$1.36	N/A	N/A	N/A
Aircraft Overnight Parking (per occurrence)	$105.00	$105.00	$105.00	$105.00	$105.00	$113.00	$133.51	$90.12	$78.80	$96.19
PARKING RATES (5)										
Parking Deck Daily	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00	$12.00	$17.00
Parking Deck Hourly	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00	$24.00	$26.00
Economy Lot	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00

NOTES:
1) Airline rates and charges are post-audit.
2) Per 1,000 pounds of landed weight.
3) Per square foot per year up to FY 2022. Changed to per gate in FY 2023.
4) Non-signatory rate premium was eliminated in FY 2023.
5) Maximum per day. A parking rate increase was implemented on 7/1/25.

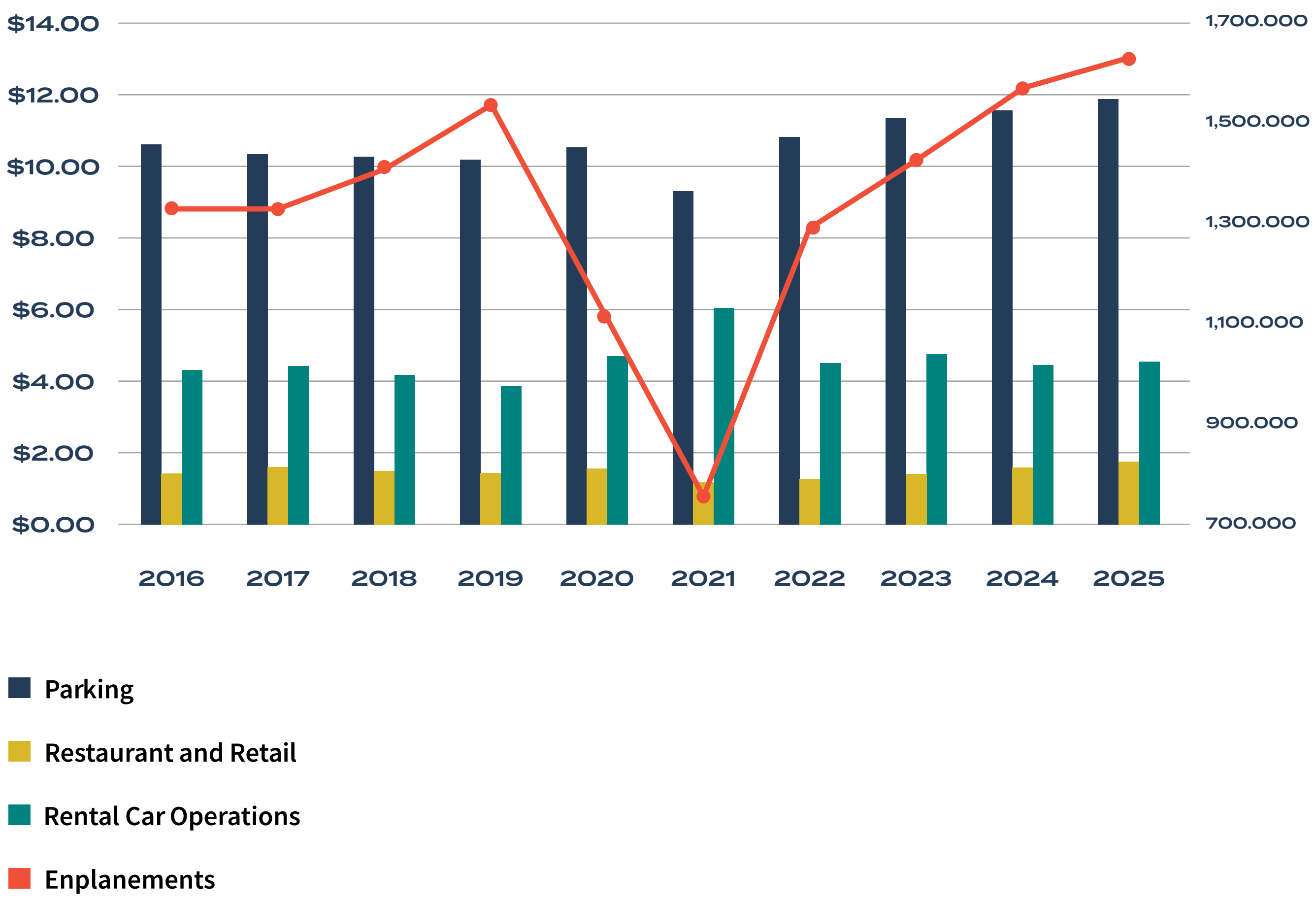
SOURCE: Birmingham Airport Authority Records

EMPLOYEE STAFFING

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Employees	131	158	166	160	155	125	100	107	118	119

STATISTICAL INFORMATION (UNAUDITED)

KEY CONCESSION REVENUE SOURCES PER ENPLANEMENT



OPERATING REVENUE PER ENPLANEMENT

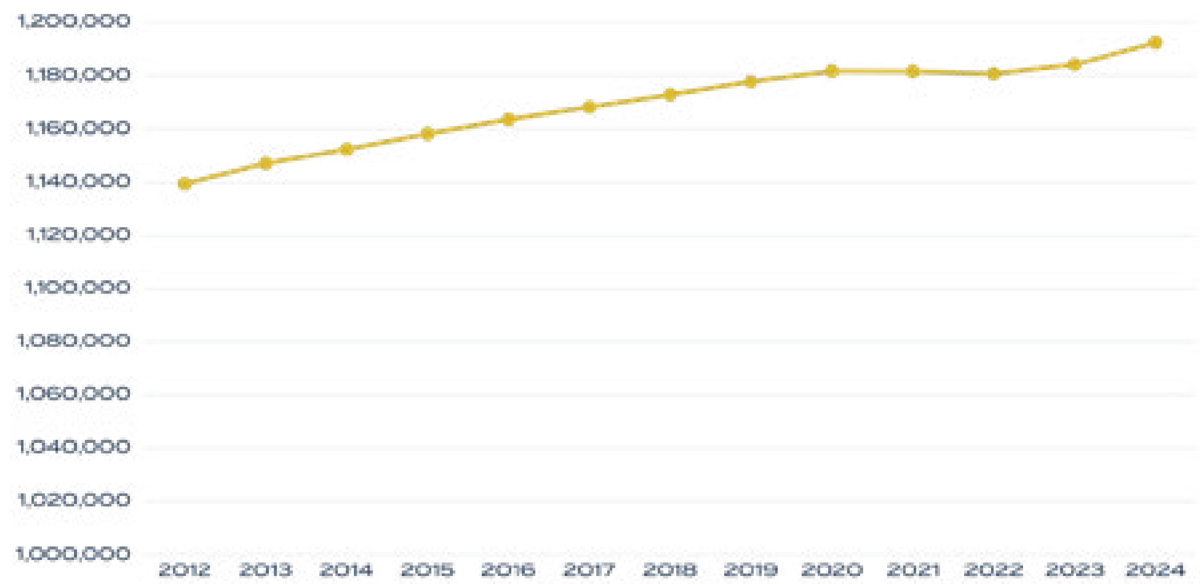
REVENUE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Parking	$10.63	$10.29	$10.23	$10.13	$10.40	$9.23	$10.95	$11.43	$11.64	$11.95
Restaurant and Retail	$1.41	$1.55	$1.48	$1.43	$1.51	$1.19	$1.23	$1.39	$1.53	$1.44
Rental Car Operations	$4.17	$4.21	$4.09	$3.94	$4.72	$6.02	$4.56	$4.85	$4.54	$4.29

SOURCE: Birmingham Airport Authority Records

STATISTICAL INFORMATION (UNAUDITED)

DEMOGRAPHIC & ECONOMIC STATISTICS

BIRMINGHAM MSA POPULATION (2012-2024)



SOURCE: Bureau of Economic Analysis (2012-2023), US Census Bureau Annual Estimates of the Resident Population for Metropolitan Statistical Areas in the United States and Puerto Rico: April 1, 2020 to July 1, 2024
NOTE: Birmingham MSA includes Jefferson, Bibb, Blount, Chilton, St. Clair, Shelby, and Walker Counties.

BIRMINGHAM MSA LARGEST TEN EMPLOYERS (2024 COMPARED TO 2015)

EMPLOYERS	2024			2015		
	Local Employees	Rank	% of MSA Employment	Local Employees	Rank	% of MSA Employment
University of Alabama at Birmingham	28,000	1	4.9%	23,000	1	4.4%
Mercedes-Benz U.S. International Inc.	6,500	2	1.1%	3,500	9	0.7%
Children's of Alabama	5,500	3	1.0%	4,585	5	0.9%
Honda Manufacturing of Alabama	4,500	4	0.8%	4,800	3	0.9%
Ascension St. Vincent's	4,800	5	0.8%	4,524	6	0.9%
Alabama Power Company	3,670	6	0.6%	3,982	8	0.8%
Grandview Medical Center	2,784	7	0.5%	-	-	0.0%

SOURCE: Birmingham Business Journal, Book of Lists (2015-2016 and 2024-2025).
NOTE: Due to rounding, percentages may not add up precisely to the total provided

BIRMINGHAM MSA LARGEST TEN EMPLOYERS (2024 COMPARED TO 2015) CONT.

EMPLOYERS	2024			2015		
	Local Employees	Rank	% of MSA Employment	Local Employees	Rank	% of MSA Employment
Protective Life Corp.	1,738	8	0.3%	-	-	0.0%
American Cast Iron Pipe Co.	1,600	9	0.3%	-	-	0.0%
Brasfield & Gorrie	1,306	10	0.2%	-	-	0.0%
Regions Financial Corp.	-	-	0.0%	7,700	2	1.5%
Brookwood Baptist Health	-	-	0.0%	4,703	4	0.9%
AT&T	-	-	0.0%	4,517	7	0.9%
Blue Cross Blue Shield of Alabama	-	-	0.0%	3,105	10	0.6%
Total	**60,398**	-	**10.6%**	**64,416**	-	**12.3%**
Est. MSA Employment	569,700	-	-	521,900	-	-

BIRMINGHAM MSA STATISTICAL SUMMARY

Year	Average Employment[2]	Personal Income ($000s)[1]	Per Capita Personal Income[1]	Median Age[1]	School Enrollment[1]	Average Unemployment Rate (%)[2]
2015	521,900	$52,040,731	$44,930	38.2	281,264	5.5
2016	526,500	$52,884,668	$45,450	38.8	282,094	5.4
2017	531,800	$55,532,746	$47,533	38.6	282,680	4.2
2018	541,200	$58,020,009	$49,464	39.1	277,096	3.5
2019	549,500	$60,413,090	$51,292	38.8	258,399	2.9
2020	526,100	$63,974,956	$54,135	38.7	262,344	6.0
2021	540,500	$71,106,058	$60,175	39.4	263,196	3.1
2022	554,900	$73,497,329	$62,244	39.3	270,347	2.3
2023	564,800	$77,785,110	$65,681	39.4	275,123	2.3
2024	569,700	N/A	N/A	39.0	282,304	2.9

NOTES:
(1) U.S. Census Bureau; Bureau of Economic Analysis
(2) U.S. Bureau of Labor Statistics
2024 Personal income metrics provided by the BEA were not available at time of publication due to the government shutdown.

COMPLIANCE

"My day is a balance of coordinating with internal and external stakeholders and making timely decisions that ensure the safety and security of everyone at the airport. I was drawn to this role because it allows me to serve the community through leadership, logistics, and problem-solving in a high-impact environment where every decision is rooted in safety and customer experience. My favorite part of working at the airport is being at the center of a marketplace where people, technology, and global connections come together daily to make a meaningful economic impact."

CAMERON THOMPSON I VICE PRESIDENT OF OPERATIONS

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of the,
Birmingham Airport Authority
Birmingham, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary fund activities of the Birmingham Airport Authority ("the Authority"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements, and have issued our report thereon dated January 30, 2026.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Birmingham, Alabama
January 30, 2026

Banks, Finley White & Co.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

BANKS, FINLEY, WHITE & CO.

To the Board of Directors of the,
Birmingham Airport Authority
Birmingham, Alabama

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the Birmingham Airport Authority's ("the Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2025. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program

AUDITOR'S REPORT (CONT.)

on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Birmingham, Alabama
January 30, 2026

Banks, Finley White & Co.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR	CFDA NUMBER	ID NUMBER	EXPENDITURES
U.S. DEPARTMENT OF TRANSPORTATION			
FEDERAL AVIATION ADMINISTRATION			
Airport Improvement Program			
ARPA	20.106	3-01-0014-118-2022	$26,458
	20.106	3-01-0014-119-2023	$207,177
	20.106	3-01-0014-121-2024	$543,993
	20.106	3-01-0014-122-2024	$375,122
	20.106	3-01-0014-123-2023	$4,951,784
	20.106	3-01-0014-124-2023	$992,462
	20.106	3-01-0014-125-2023	$3,842,627
	20.106	3-01-0014-126-2024	$604,458
	20.106	3-01-0014-127-2024	$1,562,028
	20.106	3-01-0014-128-2024	$180,874
	20.106	3-01-0014-129-2024	$289,018
Total U.S. Department of Transportation			**$13,576,001**
U.S. DEPARTMENT OF HOMELAND SECURITY			
Transportation Security Administration	97.117	70T04022T7672N007	$428,763
Total Expenditures of Federal Awards			**$14,004,764**

COMPLIANCE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Birmingham Airport Authority ("the Authority") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

The Authority has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

SCHEDULE OF FINDINGS & QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

TYPE OF AUDITOR'S REPORT ISSUED (UNMODIFIED)		
Internal control over financial reporting:		
Material weakness(es) identified?	YES	NO
Significant deficiencies identified that are not considered to be material weaknesses?	YES	None Reported
Noncompliance material to financial statements noted?	YES	NO

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	YES	NO
Significant deficiencies identified that are not considered to be material weaknesses?	YES	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	YES	NO
IDENTIFICATION OF MAJOR PROGRAMS		
Federal Assistance Listing Numbers		20.106
Name of Federal Program	Airport Improvement Program	
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee Qualified as Low-Risk Auditee?	YES	NO

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH REQUIREMENTS ISSUED BY THE FEDERAL AVIATION ADMINISTRATION

BANKS, FINLEY, WHITE & CO.

To the Board of Directors of the,
Birmingham Airport Authority
Birmingham, Alabama

REPORT ON COMPLIANCE FOR PASSENGER FACILITY CHARGE PROGRAM

Opinion

We have audited the Birmingham Airport Authority's ("the Authority") compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration ("the Guide"), that could have a direct and material effect on its Passenger Facility Charge ("PFC") Program for the year ended June 30, 2025.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the PFC program for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Guide issued by the FAA. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements of referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the PFC Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with a type of compliance requirement of the Guide on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a

AUDITOR'S REPORT (CONT.)

type of compliance requirement of the Guide will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a PFC program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

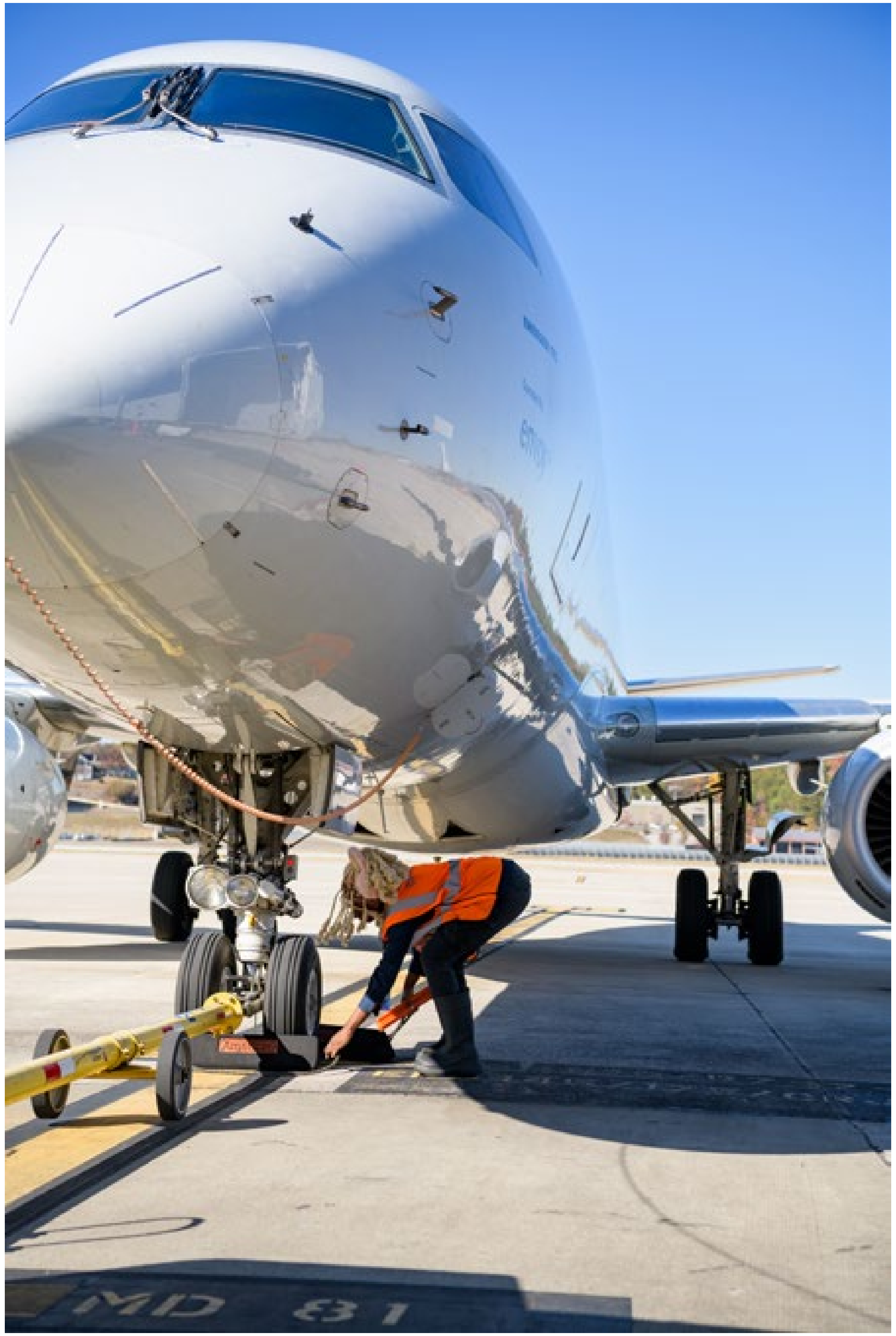
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the Guide issued by the FAA. Accordingly, this report is not suitable for any other purpose.

REPORT ON PASSENGER FACILITY CHARGE REVENUES AND DISBURSEMENTS SCHEDULES REQUIRED BY THE PFC GUIDE

We have audited the basic financial statements of the Authority, as of and for the year ended June 30, 2025, and have issued our report thereon dated January 30, 2026, which contained an unmodified opinion on those financial statements and a reference to other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying passenger facility charge revenues and disbursements schedules are presented for purposes of additional analysis as required by the Guide and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the passenger facility charge revenues and disbursements schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Birmingham, Alabama
January 30, 2026

Banks, Finley, White & Co.



SCHEDULE OF PFCS COLLECTED AND EXPENDED

FOR THE YEAR ENDED JUNE 30, 2025

QUARTER ENDED	PFC CHARGES RECEIVED	INTEREST EARNED	TOTAL RECEIVED
Beginning Balance	$129,970,444	$1,826,247	$131,796,691
09/30/24	$1,568,169	$112,876	$1,681,045
12/31/24	$1,495,170	$115,672	$1,610,842
03/31/25	$1,514,543	$63,566	$1,578,108
06/30/25	$1,668,761	$54,560	$1,723,322
Total 2025	**$6,246,643**	**$346,673**	**$6,593,316**
Total Program to Date	**$136,217,086**	**$2,172,920**	**$138,390,007**

QUARTER ENDED	EXPENDITURES ON APPROVED PROJECTS	NET PER FINANCIAL STATEMENTS
Beginning Balance	$119,078,723	$12,717,968
09/30/24	-	$1,681,045
12/31/24	-	$1,610,842
03/31/25	$10,000,000	(8,421,892)
06/30/25	-	$1,723,322
Total 2025	**$10,000,000**	**(3,406,684)**
Total Program to Date	**$129,078,723**	**$9,311,284**
Receivable at June 30, 2025	-	$543,631
PFC Funds to be used for future debt service payments and capital projects	**-**	**$9,854,914**

NOTES TO THE SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED & EXPENDED

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Passenger Facility Charges Collected and Expended includes all the PFCs and the interest earnings thereon collected by the Authority from August 1, 1997 (original date of approval) through June 30, 2025. The schedule also includes all funds expended life to date. The Authority currently collects $4.50 per enplaned passenger. The current approval for charges, as approved by the Federal Aviation Administration, is estimated to end on September 1, 2035.

NOTE 2: BASIS OF ACCOUNTING

The Schedule of Passenger Facility Charges Collected and Expended was prepared on the accrual basis of accounting. PFCs are recorded as revenue when earned and expenditures for debt service and approved capital projects are recorded as expenditures are incurred. Expenditures are incurred in accordance with the approved FAA application for use.

NOTE 3: PROGRAM COSTS

The amounts shown as current year revenues and expenses represent only the Passenger Facility Charges portions of the project costs. Entire project costs may be more than shown.

NOTE 4: RECONCILIATION TO STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Passenger facility charges are reported on an accrual basis in the Authority's Statement of Revenues, Expenses, and Changes in Net Position in the Annual Comprehensive Financial Report. Reporting standards adopted by the FAA require, for purposes of the Schedule of PFC Collected and Expended, that such charges be reported on a cash basis. A reconciliation between cash collections and revenues reported on the accrual basis is as follows:

FISCAL YEAR 2025	
Passenger Facility Charges	
PFC Funds Received per Schedule of PFC Collected and Expended	$6,246,643
Less Prior Year Accrual	(518,837)
Add Current Year	543,631
Amount Per Statement of Revenues, Expenses, and Changes in Net Position	**$6,271,436**

> *"As a Southwest Airlines customer service agent at Birmingham-Shuttlesworth International Airport, I assist passengers at the ticket counter and gate, manage boarding and luggage, and work closely with team members in a fast-paced, customer-focused environment. I enjoy helping people, staying calm under pressure, and being part of a close-knit team that helps a diverse mix of travelers feel welcomed and supported while representing the city."*
>
> **DARIUS BOYD |** CUSTOMER SERVICE AGENT, SOUTHWEST AIRLINES

BY THE NUMBERS

BY THE NUMBERS

FISCAL YEAR 2025 BAA PROJECT SUMMARIES

TAXIWAY 'H' REALIGNMENT

Taxiway 'H' is a partial parallel taxiway to BHM's primary runway, Runway 6/24. The Taxiway currently serves Aircraft Design Group (ADG) III aircraft, meaning those with a maximum wingspan of less than 118 feet. This is due to its proximity to hangars adjacent to the Taxiway. This project will realign the taxiway, providing greater separation distances to the hangars, and therefore allowing the use of ADG IV aircraft (wingspan of up to 170 feet). The $755 thousand design phase for the project was completed in May of 2025. The $10.7 million construction phase is now underway, with a completion date expected in October of 2026.

TAXIWAY 'H' CONNECTORS – CONSTRUCTION PHASE

Taxiway 'H' is a partial parallel taxiway to BHM's primary runway, Runway 6/24. Used, primarily by general aviation traffic, it also serves as a backup access route for commercial carriers when Taxiway 'A' is closed for repairs. Taxiway 'H' has four connectors that provide access to and from Runway 6/24. These four connectors had been heavily used and needed strengthening and rehabilitation. This $6.0 million construction project extended the life of the pavement, allowing for continuous access to Runway 6/24 for years to come. The project was successfully completed in June of 2025.

TERMINAL RESTROOM RENOVATIONS – DESIGN

Since the last restroom renovations at BHM, nearly 12 years ago, many of the fixtures and features to the existing public restrooms and Service Animal Relief Area (SARA) facilities are showing wear and need replacement. This project will provide for public restroom and SARA improvements in the terminal Sterile area that will improve efficiency and safety for the traveling public.

The goal of the project is to complete a full renovation of new flooring, wall covers, vents, fixtures, stalls and lighting to four restroom sets within the BHM terminal secured area. Each restroom will be stripped to the studs and reconstructed with enhanced fixtures and features that will provide for an improved passenger experience for the nearly 3.3 million passengers at BHM. This project will renovate eight restrooms (four female and four male) within the three concourses at BHM, as well as several family restrooms, lactation room and one SARA facility on Concourse C. The $457 thousand design phase was completed in mid-2025. The $4.0 million construction phase began in January of 2026 and is currently underway.

MARKET O&D PASSENGER MARKET SHARE

3,114,998 MILLION
passengers served (in and out)

5
Airlines

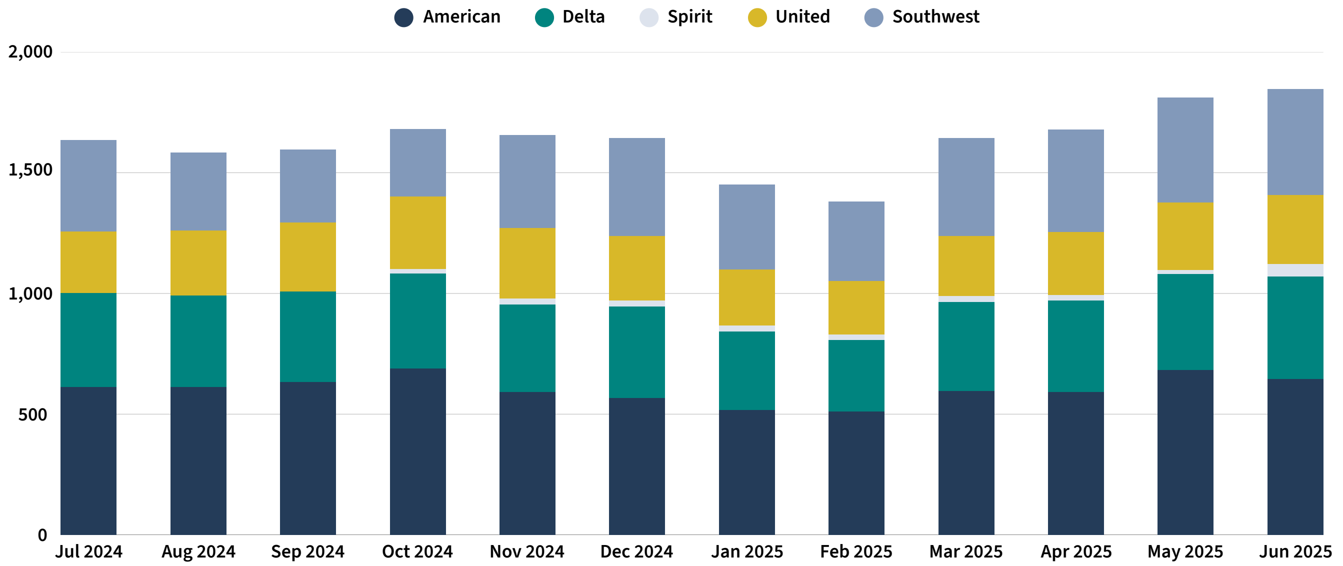
134
Peak Daily Flights (In and out)

22
Destination airports Served Nonstop to 19 unique cities

96%
Customer Satisfaction Rate

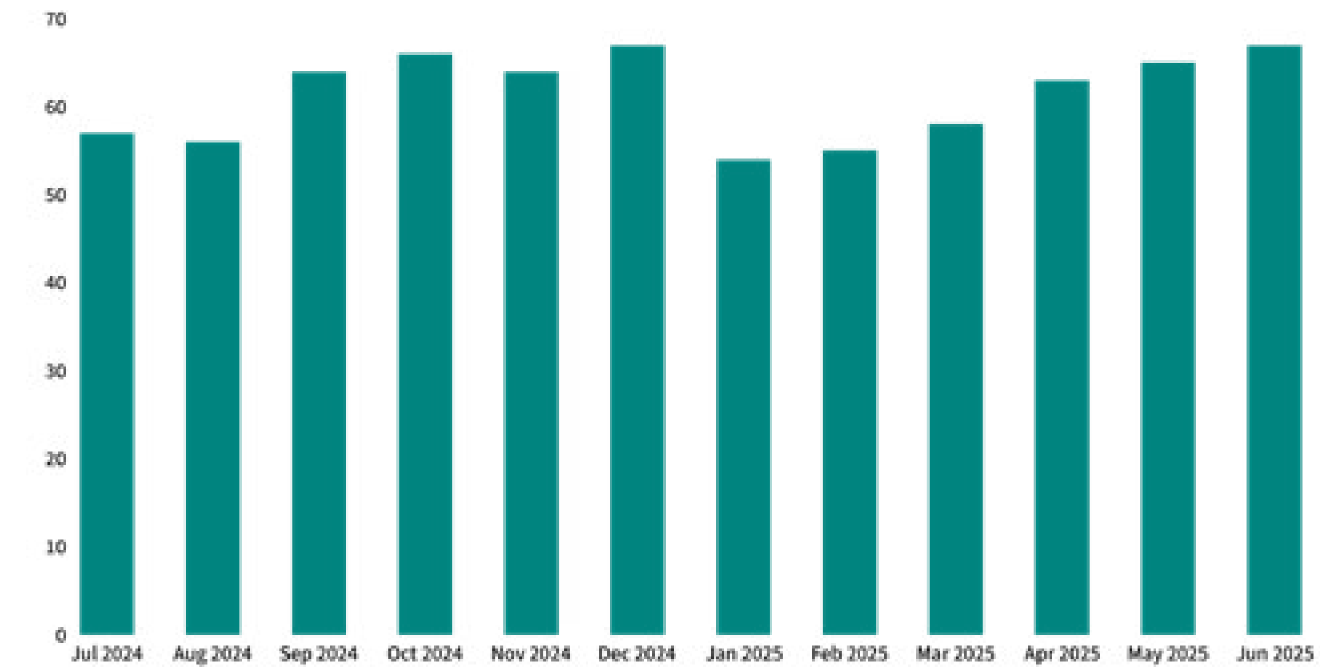
BHM DAILY DEPARTURES

DAILY DEPARTURES BY AIRLINE



Source: Diio Mi – T-100 Dynamic Table BHM outbound flown monthly departures (ops > 3) and peak day of scheduled flights by month

SCHEDULED PEAK DAILY DEPARTURES



BHM CATCHMENT AREA | 60 MINUTE DRIVE

The Birmingham Catchment Area was defined as the geographic region surrounding the Birmingham-Shuttlesworth International Airport that is approximately a 60 minute drive from the airport.

BY THE NUMBERS

TOP 20 DOMESTIC O&D MARKETS

RANK	DESTINATION	O&D PASSENGERS	O&D REVENUE ($)	AVERAGE FARE ($)	YOY % CHANGE		
					PAX	REV	FARE
1	Orlando, FL (MCO)	163,889	29,159,791	178	(5%)	14%	20%
2	New York, NY (LGA)	115,857	31,502,049	272	(8%)	8%	17%
3	Dallas, TX (DFW)	109,721	24,447,430	223	(0%)	(1%)	(1%)
4	Dallas, TX (DAL)	105,748	16,827,673	159	6%	12%	6%
5	Denver, CO	102,536	22,565,420	220	(6%)	0%	6%
6	Tampa, FL	93,331	15,950,105	171	(8%)	3%	12%
7	Washington, DC (DCA)	92,824	21,121,636	228	(0%)	1%	1%
8	Las Vegas, NV	87,905	23,728,016	270	(2%)	5%	7%
9	Houston, TX (IAH)	76,322	17,183,177	225	(5%)	3%	8%
10	Chicago, IL (ORD)	72,851	16,800,506	231	7%	13%	6%
11	Fort Lauderdale, FL	64,256	7,676,977	119	164%	47%	(45%)
12	Chicago, IL (MDW)	62,314	10,126,013	162	(11%)	2%	14%
13	Baltimore, MD	61,714	10,841,507	176	(9%)	(2%)	8%
14	Phoenix, AZ (PHX)	61,184	14,909,702	244	17%	3%	(12%)
15	Philadelphia, PA	60,509	14,485,209	239	9%	6%	(3%)
16	Houston, TX (HOU)	55,136	9,392,075	170	(11%)	5%	19%
17	Miami, FL	54,856	11,889,083	217	27%	7%	(16%)
18	Charlotte-Douglas, NC	54,360	15,175,056	279	1%	12%	12%
19	Detroit, MI	49,325	13,746,871	279	(3%)	2%	5%
20	Boston, MA	45,984	11,129,793	242	11%	6%	(5%)
All Domestic O&D Markets		**3,114,998**	**799,675,332**	**257**	**3%**	**3%**	**0%**

Overall, passengers were up 3%, revenue increased 3%, and fares remained unchanged.

Source: Diio Mi, YE Q2 2025

BY THE NUMBERS

TOP 20 INTERNATIONAL O&D MARKETS

Rank	Destination	O&D Passen-gers	O&D Revenue ($)	Aver-age Fare ($)	YOY % Change Pax	Rev	Fare
1	Cancun, Mexico	14,594	3,680,872	252	7%	3%	(4%)
2	London, UK (LHR)	12,019	8,325,275	693	(16%)	(7%)	11%
3	Toronto, Canada	10,685	2,609,229	244	10%	(10%)	(18%)
4	Montego Bay, Jamaica	10,466	2,887,097	276	0%	(1%)	(1%)
5	Punta Cana, Dominican Republic	9,712	3,007,568	310	4%	(4%)	(8%)
6	Mexico City, Mexico	9,577	2,939,078	307	(2%)	(6%)	(4%)
7	Paris-De Gaulle, France	7,930	4,972,452	627	1%	2%	1%
8	Rome-Da Vinci, Italy	6,582	5,115,717	777	4%	9%	5%
9	San Jose del Cabo, Mexico	6,471	2,035,166	315	8%	14%	5%
10	Nassau, Bahamas	6,140	1,666,693	271	22%	18%	(3%)
10	Vancouver, Canada	5,058	1,858,310	367	4%	(5%)	(8%)
11	Guatemala City, Guatemala	4,687	1,447,423	309	70%	51%	(11%)
13	Montreal, Canada	4,503	1,278,966	284	19%	2%	(15%)
14	San Jose, Costa Rica	4,475	1,460,563	326	51%	42%	(6%)
15	Queretaro, Mexico	4,473	1,312,948	293	20%	21%	1%
16	Tokyo-Haneda, Japan	4,359	5,201,507	1,193	29%	17%	(9%)
17	Providenciales, Turks and Caicos Islands	4,011	1,372,313	342	27%	23%	(3%)
18	Leon/Guanajuato, Mexico	3,979	1,170,048	294	11%	3%	(7%)
19	Guadalajara, Mexico	3,806	1,153,642	303	12%	12%	(0%)
20	Amsterdam, Netherlands	3,720	2,959,019	795	4%	22%	17%
All International O&D Markets		**296,118**	**154,051,184**	**520**	**9%**	**5%**	**(4%)**

International markets made up 10% of total O&D passengers and 19% of O&D revenue; overall, international traffic was up 9% year-over-year.

Source: Diio Mi, YE Q2 2025

DEMOGRAPHICS REPORT FOR POSTAL CODES WITHIN 50 MILES OF BHM

Note: 2023 data is sourced from the US Census American Community Survey (ACS) 2023 5-year estimates. 2020 data is sourced from US Census 2020 Redistricting Data (PL 94-171). 2010 data is sourced from US Census 2010 Redistricting Data (PL 94-171). The ACS 2024 5-year estimates were not available at the time of publication due to the governmental shutdown.

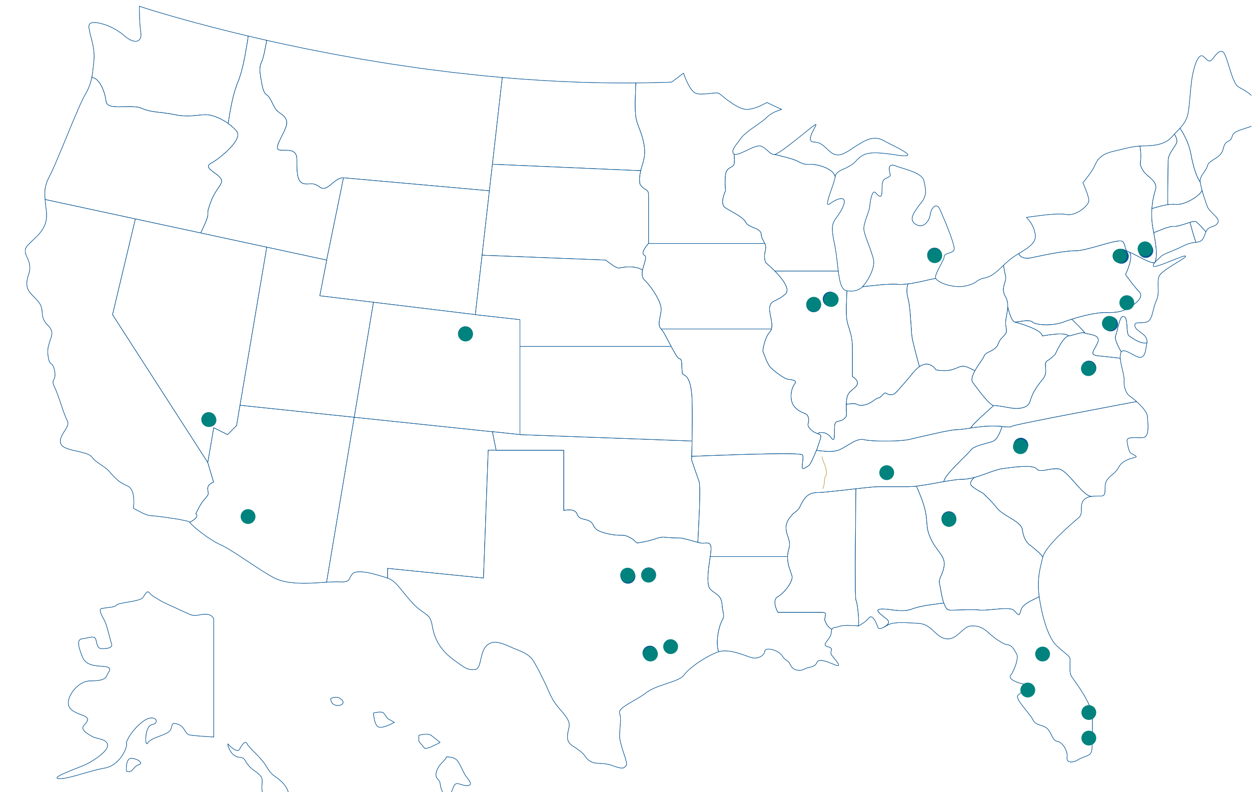
GENERAL	2023	2020	2010
Households	602,685	598,396	494,244
Median Household Value	$162,100	$147,230	$109,300
Average Household Income	$77,053	$67,766	$61,402
Per Capita Income	$34,966	$29,463	$24,643
POPULATION			
Total	1,354,140	1,350,442	1,290,391
White	883,628	864,400	913,890
African American	360,070	355,924	330,251
Hispanic	74,024	72,360	N/A
Asian	18,595	20,422	14,902
Hawaiian/Other Pacific Islander	497	630	288
Native American/Alaska Native	3,877	5,416	3,499
Other	13,449	31,290	15,490

BIRMINGHAM AIRPORT AUTHORITY INTERSTATE ACCESS MAP

BHAM FOOTPRINT

BHM is conveniently located about 4.5 miles east of downtown Birmingham and the uptown entertainment district. Complete with restaurants, bars, hotels, event facilities, and a 45,000 seat stadium adjacent to interstates 20 and 59 with easy access to interstates 459, 65 and 22.

BHM NONSTOP ROUTE MAP SUMMER 2025 MAP



DELTA	AMERICAN	SOUTHWEST	UNITED	SPIRIT
Atlanta (ATL)	Charlotte (CLT)	Baltimore (BWI)	Chicago O'Hare (ORD)	Detroit (DTW)
Detroit (DTW)	Chicago O'Hare (ORD)	Chicago-Midway (MDW)	Denver (DEN)	Fort Lauderdale (FLL)
New York-La Guardia (LGA)	Dallas/Fort Worth (DFW)	Dallas-Love (DAL)	Houston-Intercontinental (IAH)	Newark (EWR)
	Miami (MIA)	Denver (DEN)		
	Philadelphia (PHL)	Houston-Hobby (HOU)		
	Washington-National (DCA)	Las Vegas (LAS)		
		Nashville (BNA)		
		Orlando (MCO)		
		Phoenix (PHX)		
		Tampa (TPA)		

BHM GLOBAL AIR SERVICE ACCESS (MARCH 2026)

BHM OFFERS GLOBAL ACCESS TO 381 DESTINATIONS (20 NONSTOP AND 361 ONE-STOP)

4 AIRLINES TO 20 NON-STOP DESTINATIONS: ATL, BNA, BWI, CLT, DAL, DCA, DEN, DFW, DTW, HOU, IAH, LAS, LGA, MCO, MDW, MIA, ORD, PHL, PHX, AND TPA

BY THE NUMBERS

NONSTOP AND ONE-STOP DESTINATIONS

DOMESTIC | 270 MARKETS 20 NONSTOP AND 250 ONE-STOP)

ABE	BFL	CAE	CYS	ERI	GCC	HOU*	LAN	MCO*	MSY
ABI	BGM	CAK	DAB	ESC	GCK	HPN	LAS*	MCW	MTJ
ABQ	BGR	CHA	DAL*	EUG	GEG	HRL	LAW	MDT	MYR
ABY	BIH	CHO	DAY	EVV	GGG	HTS	LAX	MDW*	OAJ
ACT	BIL	CHS	DCA*	EWN	GJT	HYS	LBB	MEM	OAK
ACV	BIS	CID	DEN*	EWR	GNV	IAD	LBF	MFE	OGG
AEX	BMI	CLE	DFW*	EYW	GPT	IAH*	LCH	MFR	OKC
AGS	BNA*	CLL	DHN	FAR	GRB	ICT	LEX	MHK	OMA
ALB	BOI	CLT*	DIK	FAT	GRI	IDA	LFT	MHT	ONT
AMA	BOS	CMH	DLH	FAY	GRK	ILM	LGA*	MIA*	ORD*
ANC	BPT	CMI	DRO	FCA	GRR	IMT	LGB	MKE	ORF
ART	BQK	COD	DSM	FLG	GSO	IND	LIH	MLB	PBI
ASE	BRO	COS	DTW*	FLL	GSP	JAC	LIT	MLI	PDX
ATL*	BTM	COU	DVL	FLO	GTF	JAN	LNK	MLU	PGV
ATW	BTR	CPR	EAR	FMN	GUC	JAX	LRD	MOB	PHF
AUS	BTV	CRP	EAU	FNT	HDN	JFK	LSE	MOT	PHL*
AVL	BUF	CRW	ECP	FOD	HHH	JMS	LYH	MRY	PHX*
AVP	BUR	CSG	EGE	FSD	HLN	JST	MAF	MSN	PIA
AZO	BWI*	CVG	ELM	FSM	HNL	KOA	MBS	MSO	PIR
BDL	BZN	CWA	ELP	FWA	HOB	LAF	MCI	MSP	PIT

* Non-stop market also served via one-stop.

DOMESTIC | 270 MARKETS (CONT.)

PLN	SAT	SRQ	YUM
PNS	SAV	STL	
PRC	SBA	STT	
PSC	SBN	STX	
PSP	SBP	SUN	
PVD	SBY	SUX	
PVU	SCE	SWO	
PWM	SDF	SYR	
RAP	SEA	TLH	
RDD	SFO	TPA*	
RDM	SGF	TRI	
RDU	SGU	TUL	
RIC	SHR	TUS	
RIW	SHV	TVC	
RKS	SJC	TXK	
RNO	SJT	TYR	
ROA	SJU	TYS	
ROC	SLC	VCT	
ROW	SLN	VLD	
RST	SMF	VPS	
RSW	SNA	VRB	
SAF	SPI	XNA	
SAN	SPS	XWA	

INTERNATIONAL 111 | ONE-STOP MARKETS

AGU	DOH	JNB	OAX	SVD
AMS	DOM	KIN	OCJ	SXM
ANU	DUB	LHR	PBC	TAM
AUA	EIS	LIM	PLS	TQO
AXA	ELH	LIR	POP	TRC
BAQ	EZE	LIS	POS	UIO
BCN	FCO	LOS	PTY	UVF
BDA	FPO	LRM	PUJ	VER
BGI	FRA	MAD	PVG	XPL
BJX	GCM	MBJ	PVR	YEG
BOG	GDL	MDE	QRO	YOW
BON	GEO	MEX	ROR	YUL
BRU	GGT	MGA	RTB	YVR
BZE	GIG	MHH	SAL	YWG
CDG	GND	MID	SAP	YYC
CLO	GRU	MLM	SCL	YYZ
CMW	GUA	MTY	SDQ	ZCL
CTG	GYE	MUC	SJD	ZIH
CUN	HAV	MVD	SJO	ZRH
CUR	HND	MXP	SKB	
CUU	HOG	MZT	SLP	
CZM	HUX	NAS	SNU	
DGO	ICN	NRT	STI	

"My day is filled with sunshine and rainbows—pure happiness. I wanted to pursue this role because I'm proud to be part of a company that truly values its employees and offers endless opportunities for growth. My favorite part of working at Birmingham-Shuttlesworth International Airport is meeting and interacting with people from all walks of life while working alongside my family."

DAVISON PETTWAY JR
SOUTHWEST AIRLINES
RAMP AGENT