

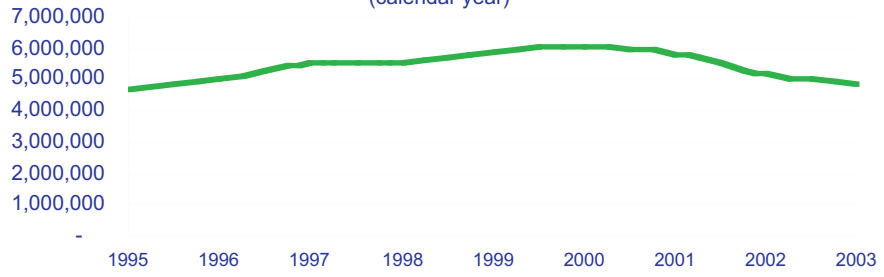
# Comprehensive Annual Financial Report

For the year ended April 30, 2004



KANSAS CITY  
AVIATION DEPARTMENT

Annual Enplanements  
(calendar year)



# Comprehensive Annual Financial Report

For the  
Department of Aviation  
an Enterprise Fund of the  
City of Kansas City, Missouri

For the year ended  
April 30, 2004

Prepared by:

Michael F. Zonsius, CPA  
Assistant Director of Aviation - Finance & Accounting

Michael C. Burris  
Deputy Director of Aviation - Finance & Administration

# Governance

Kansas City (the City) is a constitutionally chartered city and political subdivision of the State of Missouri, incorporated on June 3, 1850. The City is the central city of an fifteen-county Metropolitan Statistical Areas (MSA) situated at the confluence of the Kansas and Missouri rivers.

The City is governed by a city council comprised of a mayor and twelve (12) other elected members. The entire city council is elected to four-year terms of which only two terms may be consecutive. The mayor and six of the council members are elected at large and six council members are elected by the residents of their districts. The city council is responsible for establishing City policy and overseeing City affairs.

The mayor appoints four members of the city council to serve on the City's Aviation Committee. This committee performs in-depth reviews of proposed aviation department legislation and objectives. Subsequent to the review of department legislation, the Committee will forward a recommendation to the full city council for approval.

The city council is also responsible for appointing the city manager who is responsible for implementing the City policies approved by the city council. The city manager appoints and has oversight responsibility over the director of aviation.

The director of aviation (the Director) is responsible for the operation and maintenance of the Department's three facilities; Kansas City International Airport, Charles B. Wheeler Downtown Airport and Richards Gebaur. The Director is also responsible for the department staffing requirements and operates the department via eight divisions. Each division manager is responsible for budgeting and overseeing the daily operations of their respective division.



**CITY OF KANSAS CITY, MISSOURI**

Kay Barnes, Mayor

City Council Members

Council Members-at-Large

District 1 ..... Deb Hermann  
District 2 ..... Bonnie Sue Cooper  
District 3 ..... Troy Nash  
District 4 ..... Jim Glover  
District 5 ..... Rebecca "Becky" Nace →  
District 6 ..... Alvin L. Brooks →

→ Denotes member of Aviation Committee

District Council Members

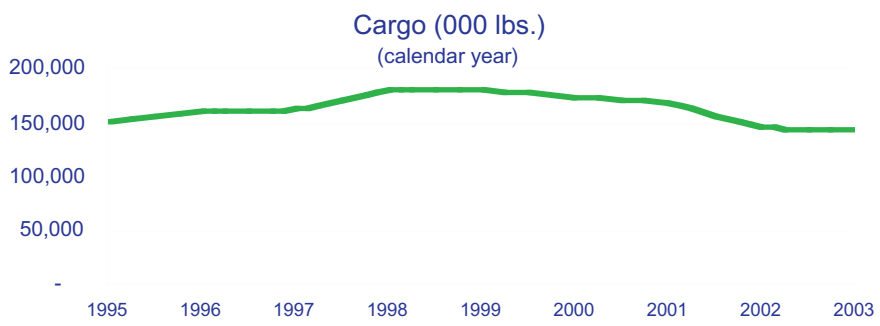
District 1 .....Bill Skaggs →  
District 2 .....John Fairfield  
District 3 ..... Sandra McFadden-Weaver  
District 4 ..... Jim Roland  
District 5 ..... Terry Riley →  
District 6 ..... Charles A. Eddy

Wayne Cauthen, City Manager

**DEPARTMENT OF AVIATION**

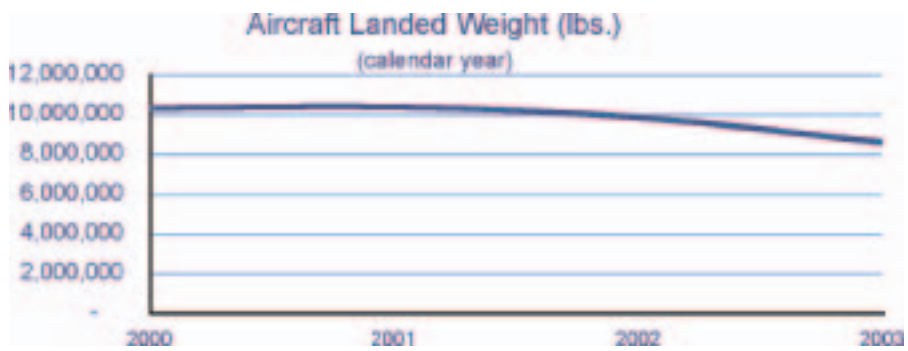
Philip Brown     Executive Director, Acting at April 30, 2004

Philip Brown     Deputy Director/Operations & Maintenance  
Michael Burris     Deputy Director/Finance & Administration



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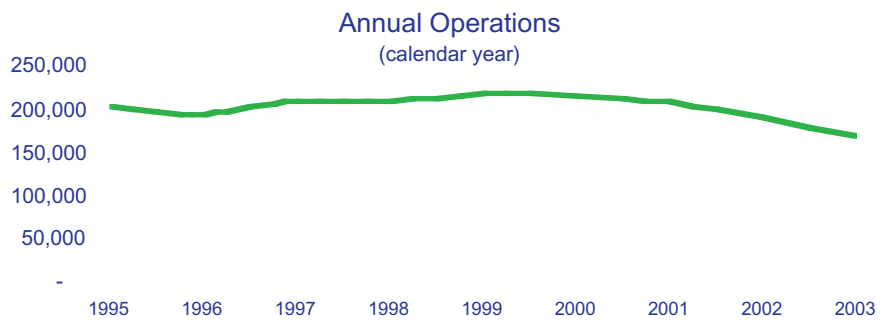




# INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

TRANSMITTAL LETTER  
ORGANIZATIONAL CHART





August 2, 2004

Honorable Mayor and City Council Members,

City of Kansas City Missouri;

Mr. Wayne Cauthen, City Manager, City of Kansas City, Missouri;

Citizens of Kansas City; and,

Fellow Employees:

With great pride, we hereby present the Comprehensive Annual Financial Report (CAFR) of the Department of Aviation (Department) for the City of Kansas City, Missouri (City) for the fiscal year ended April 30, 2004. This is the Department's first ever attempt to produce a comprehensive report of this nature to memorialize the financial results for not only this year, but previous years as well. This report was prepared by the Accounting & Finance Division of the Department, which is committed to the accurate disclosure of reporting to the city council and citizens of the the City.

The financial statements, statistical, and bond disclosure information contained herein are representations of the Department management, which bears the responsibility for the accuracy, completeness, and fairness of this report. To the best of our knowledge, these representations are accurate in all material respects.

Unlike previous annual reports, this report is prepared in accordance with the guidelines set forth by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards a Certificate of Achievement to all public entities whose CAFR has attained the high standards of public financial reporting, including accounting principles generally accepted in the United States of America (GAAP) promulgated by the Government Accounting Standards Board (GASB). Subsequent to publication of this report, it will be submitted for consideration by GFOA in meeting the high standards of disclosure and reporting.

In accordance with GFOA's criteria for awarding a Certificate of Achievement for Excellence in Financial Reporting, this report is comprised of five sections:

1. Introductory Section, including this transmittal letter.
2. Financial Section, including the independent auditors' opinion, management's discussion and analysis, financial statements, related footnotes, required supplementary information, and other supplementary information.
3. Statistical Section, providing financial, economic, and industry-specific information.
4. Compliance Section, including Passenger Facility Charge.
5. Bond Disclosure Section, including all reports necessary for continuing bond disclosure.

#### The Department

The Department of Aviation is a department of the City of Kansas City, Missouri, and commenced operations concurrent with the dedication of the Kansas City Municipal Airport, now the Charles B. Wheeler Downtown Airport, on August 17, 1927. The Department now oversees operations at three transportation facilities; Kansas City International Airport, Charles B. Wheeler Downtown Airport, and Richards-Gebaur Intermodal Facility.

#### *Kansas City International Airport*

Kansas City International Airport (MCI) is located 18 miles north of downtown Kansas City, Missouri, and is comprised of 10,423 acres. MCI officially opened on November 11, 1972 and serves as the primary passenger air carrier airport. MCI has three fully instrumented runways and a full complement of parallel taxiways that are capable of handling any aircraft in service today. To accommodate all passengers, the airport has three passenger terminals that have a total of over one million square feet with 71 boarding gates and 44 passenger boarding bridges. Each of the three terminals includes a full complement of offices, food and beverage concession areas, restrooms, news and gift shops, departure lounges, and baggage handling facilities. The airport has 23,213 parking spaces to accommodate vehicles for airport visitors.

# TRANSMITTAL LETTER

## *Charles B. Wheeler Downtown Airport*

The Charles B. Wheeler Downtown Airport formerly served as Kansas City's air carrier airport prior to MCI's opening in 1972. The airport is conveniently located across the river from the downtown area and is comprised of 697 acres. The airport currently services the general aviation community as a reliever airport with two fixed base operations, hangar, tie-down, maintenance aircraft rental, and charter and training services. The airport is also home to a college-level aircraft maintenance school and aircraft museum.

## *Richards -Gebaur Intermodal Facility*

Richards-Gebaur (RG), located on the south side of the City, is a former United States Air Force Base that closed January 10, 2000. The City/Department accepted the responsibility of operating the facility until August 3, 1999 when a public referendum was passed to approve the closing of the airport's runway to establish an intermodal freight transportation facility. Part of RG is currently under a lease agreement with Kansas City Southern Railroad for the development of the intermodal facility. On April 19, 2001, the city council accepted the master plan and approved the recommendation that RG remain closed for aviation purposes. RG has 1,690 acres.

## **Population and Employment**

Kansas City, Missouri, is the most centrally located principal city in the United States and such a logistically favorable location has allowed the City to flourish as a mecca for transportation-related industries and companies, as evidenced by the decision of 11 major passenger air carriers, 5 major cargo air carriers, 5 class I railroads and well over 100 trucklines to serve Kansas City. Within a three-hour flight, one can be within any one of the fifty 50 major cities in the "lower 48." And not only is Kansas City served in the air, but on the ground as well. The City is the second largest railroad hub in the country (Chicago is first) and is also the headquarters for Kansas City Southern. Located at the cross hairs of America, the City is well suited for truck transportation and is the headquarters for Yellow Freight Ways as well as five *Fortune 500* companies.

The City has a metropolitan statistical area (MSA) that includes a total of 15 counties, 8 and 7 of these counties are located in the states of Missouri and Kansas, respectively. Those counties located in Missouri include Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray and those located in Kansas include Bates, Franklin, Johnson, Leavenworth, Miami, and Wyandotte. In total, this 15 county MSA encompasses an area of 7,605 square miles. Within this MSA are three principal cities; Kansas City, Missouri, Overland Park, Kansas, and Kansas City, Kansas.

The primary Air Service Area (ASA) serves the population within and beyond the MSA and includes the Buchanan, Missouri and Douglas, Kansas counties. In total, 2,081,451 residents live within the ASA. No other hub airport overlaps the primary ASA, the nearest large hub airport, St. Louis, is located 250 miles away. Small hub airports, Des Moines and Wichita, are each located 190 miles away. The population of the MSA comprises 91.1 percent of the ASA's population and, therefore, all discussion of economic trends will focus on the MSA.

The "bell weather" economic indicator is the unemployment rate. The unemployment for the MSA, as compared with the states and national averages, are as follows:

	FYE04	FYE03
Kansas City MSA	5.2%	6.0%
State, Missouri	4.7	5.7
State, Kansas	4.7	5.4
National	5.6	6.0

As shown, there has been an improvement in the unemployment rate for the MSA and this favorably compares with the unemployment rate changes for both the states and national averages. This decline in unemployment was accompanied by a decrease in the MSA's civilian labor force of 0.3 percent.

The Kansas City MSA inflation rate for the second half of 2003, was 1.4 percent, the approximate same increase for the same period the prior year. On a calendar-year basis, it appears that the inflation rate is trending back to earlier percentage increases as shown on the following page.



Annual Inflation Increases	
2000	4.0%
2001	3.3
2002	0.1
2003	1.7

## Highlights

### *December 2003: Terminals Deliver Mobility-Based Technologies*

As part of a Terminal Improvement and Modernization Program, the three terminals, A, B, and C, installed devices to deliver mobility-based technologies that allow travelers to freely conduct business while in the terminal, all the while enhancing MCI's reputation as one of the nation's friendliest airports. The installed technologies line the terminals and management buildings with a single, converged, high-speed network transporting video, voice, and operational data to all airport divisions. Airport software systems connected to the network share data with airlines, airport personnel, and passengers. The majority of the technology is designed to improve operations, reduce costs, and enhance airport security. The WiFi (wireless internet), the flight information systems, and the www.flykci.com web site elements were built to enhance the MCI passenger experience.

### *January 2004: Economy Parking Lot*

The Economy Parking Lot was opened at a cost of \$62 million. The lot has a capacity of 15,243 and replaces the former Satellite Parking Lot. The lot has heated bus shelters, a new revenue control system, real-time parking availability signs; and it allows customers to be transported directly to their terminal, bypassing unnecessary stops at the other two terminals.

### *January 2004: Enterprise Car Rental*

Enterprise Car Rental began operations in January leasing space that was vacated when National and Alamo Car Rental Agencies merged. Enterprise is one of eight car rental agencies that operate at MCI.

### *January 2004: Charles B. Wheeler Downtown Airport Master Plan*

The city council approved the Charles B. Wheeler Downtown Airport Master Plan. This approval was the culmination of a three-year effort and concluded that the economic benefit derived from the airport was \$280 million. The plan recommends a 20-year development program at an estimated cost of \$70 million.

### *April 2004: Terminal Improvement Project (update)*

Renovations in two of the three airport terminals, Terminals A & C, were completed. The renovated terminals include terrazzo floors, new restaurants and shops with a Kansas City flair, updated flight information displays, heating and cooling systems, baggage-handling systems, and ground transportation kiosks. The total budgeted cost to complete all three terminals is \$258 million. The remaining terminal, Terminal B, will be completed by December 2004.

### *April 2004: Frontier Airlines Establishes Maintenance Base*

Frontier Airlines established a maintenance base to support its seven and five daily flights to Los Angeles and Denver. This base will employ 12 mechanics and is one of three maintenance bases for Frontier, including Denver and Phoenix.

### *Air Service*

The changes in passenger airline service this past year is as follows:

	Daily Departures	Non-Stop Destinations
FYE03 Balance	217	51
Increases	18	3
Reductions	(28)	(7)
FYE04 Balance	207	47

Most of the reductions in daily departures are attributed to American Airlines' decision to reduce the number of flights to St. Louis from 15 to 6. Other notable reductions came from reductions in both daily departures and destinations to small regional cities within Missouri and Kansas.

To the credit of our Marketing Department led by Mr. Tom McKenna, three new destinations were added, Orange County, California; Washington Dulles; and Hays, Kansas.

# TRANSMITTAL LETTER

## Environment Management

The Department endeavors to be as environmentally friendly as possible. To this end, the Department has established the Environmental Management Division, staffed with two full-time employees. This division is managed by Ms. Sabrina Attaluri and staffed with Mr. Bob Jones who, in addition to his other environmental management duties, works with all the storm water runoff collected in the areas around the airport. Also, at year-end, the entire 24 bus fleet operated on environmentally friendly compressed natural gas (CNG) in addition to 7 other Division vehicles. To accommodate the growing fleet of CNG vehicles, the Department doubled the capacity of the CNG fueling system.

## Grant Management

The Department relies heavily on the Department of Transportation, Federal Aviation Administration, Airport Improvement Program grants (AIP) to fund many of its capital improvement projects, including the cost of land, aircraft rescue and firefighting equipment, and costs associated with passenger security. Normally, these grants will fund between 75 and 90 percent of the entire project. The remaining portion is funded by Department funds.

The Department had activity in 15 grants in FYE04. Of these grants, 14 were Department of Transportation, Federal Aviation Administration, Airport Improvement Program grants, and the 1 remaining was a Missouri Department of Transportation grant. During FYE04, 6 grants were opened, 5 closed and, as the year came to a close, 10 remained open. One of the remaining open grants is for the Charles B. Wheeler Downtown Airport.

Please see Page 54, Schedule of Grants Open for more details.

## Cash Management

The City administers the cash management of the Department's funds and invests them in accordance with the City's charter Section 2-1611, *Investment of idle cash*. This section allows for the investment of idle cash in financial instruments that are safe, liquid, and offer a high yield, in that order of priority. The City maintains pooled and restricted investments in accordance with the city charter investment policy.

## Internal Control

The Department's internal control structure is an important and integral part of its entire accounting system. The current structure in place is designed to provide reasonable, but not absolute, assurance that :

1. Assets are safeguarded against loss from unauthorized use or disposition,
2. Transactions are executed in accordance with management's authorization,
3. Financial records are reliable for preparing financial statements and maintaining accountability for assets,
4. There is compliance with applicable laws and regulations.

The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits that are likely to be derived from them, and that the evaluation of costs and benefits require estimates and judgement by management.

We believe that the Department's internal control framework adequately safeguards assets and provides reasonable assurance and proper recording of financial transactions. Management also believes that the data in this CAFR, as presented, is accurate in all material respects, that it presents fairly the financial position, results of operations, and cash flows of the Department, and that all disclosures necessary to enable the reader to gain maximum understanding of the Department's financial affairs have been included herein.

The Department has an internal audit division that consists of two full-time employees. An audit committee comprised of the director of aviation and two deputy directors directs the duties and audits of this division.



## The Budget

Department management has long recognized the importance of proper and accurate budgeting. To this end, the Department annually creates a budget and submits it to the City for approval.

Department control of the budget is maintained using encumbrances. A report of year-to-date actuals vs. budget is prepared monthly and distributed to all division managers.

## Awards

The Economic Development Department, managed by Zoe Holmes, earned first place in Airport with the Best Concessions Management Team awarded by *Airport Revenue News*.

To the credit of our Information Technology Division, led by Ron Crain, MCI scored 4.61 out of a possible 5.0 points in the 2004 Traveler Service Point Rating developed by *Elite Services Group*. This score beat the entire field of 49 other airports garnering the top airport in the country for delivering mobility-based technologies that help travelers conduct business while using the airport.

Finally, Mr. Dave Bowen, division manager for the MCI Operations Division, received MCI's fourth FAA Annual Certification with no inspection discrepancies.

## Acknowledgements

The production of this report is not an individual, but cooperative effort of all the Divisions within the Aviation Department and, to this end, we say a corporate thank you to all Divisions and their respective employees. However, we also recognize the ultimate responsibility for this report vests with the Accounting & Finance Division and we applaud their efforts in their endeavor to accurately portray the financial operations in this unprecedented comprehensive annual financial report.

The overall success of this Department is attributed to our most valuable assets ... its employees. We salute all employees and honorably recognize the following for their service longevity:

### *25 years of service*

Beckie Ludden, Parking & Bus  
Gregory McNack, Facilities Custodial

### *20 years of service*

Sandy Komula, Engineering  
Lawrence Paradine, Facilities Custodial  
John Shafer, Field Maintenance  
Robert Shields, Parking & Bus  
Joyce Wright, Human Resources

### *15 years of service*

Dennis Hodges, Facilities Structural  
Gene Huffmon, Facilities Structural  
David Killough, Parking & Bus  
Jo Lipari, Engineering  
Eugene Sage, Field Maintenance

### *10 years of service*

Karen Campbell, Parking & Bus  
Jo Ann Haney, Parking & Bus  
Willie Jones, Facilities Custodial  
Jerry Lackey, Parking & Bus  
Al Lomax, Airport Police  
Lavieta Son, Airport Police  
James Wine, Airport Police

Lastly, the undersigned acknowledges the support of the City of Kansas City, Missouri, City Council and Mr. Wayne Cauthen, City Manager.

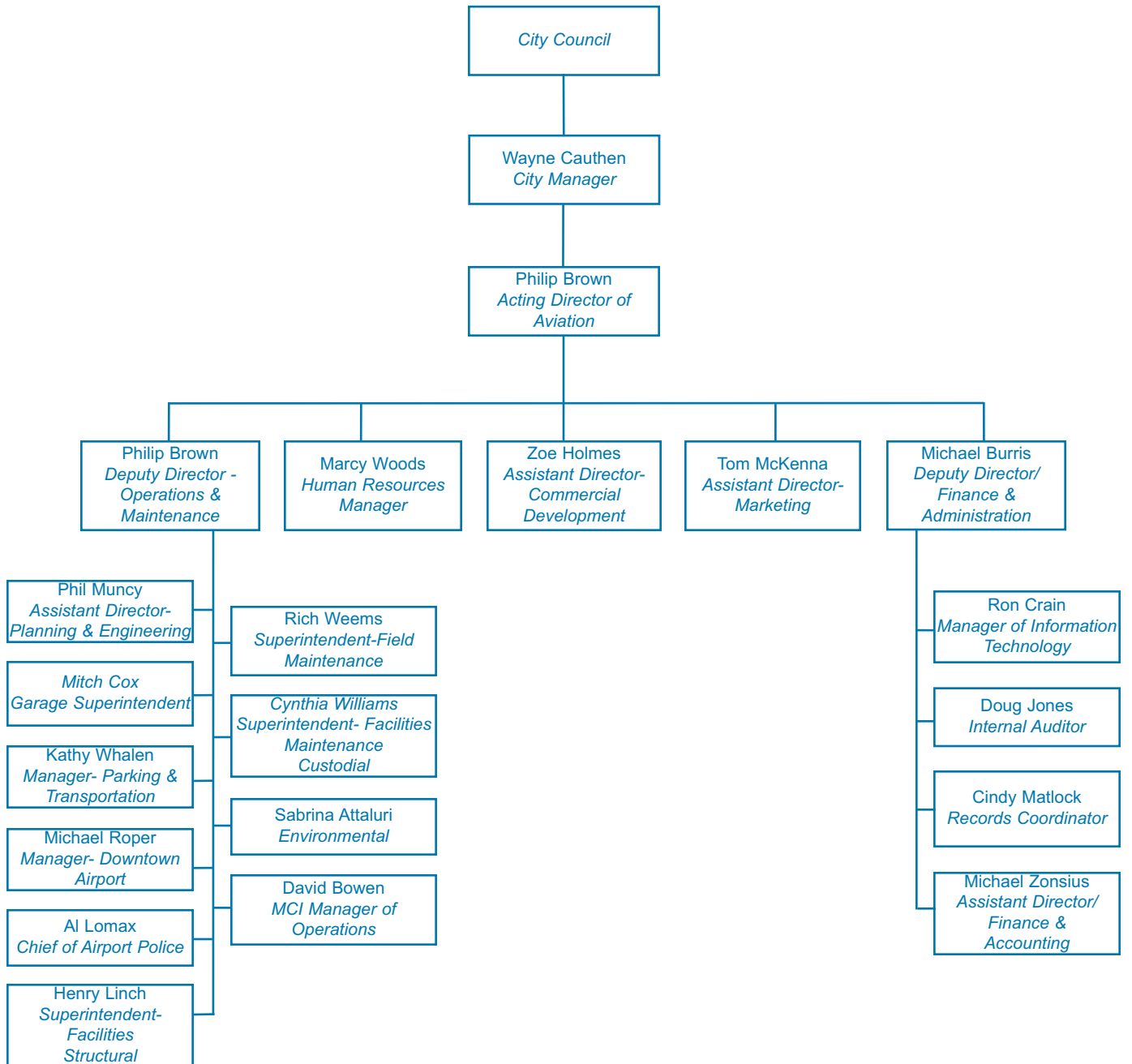


Philip K. Brown  
Acting Executive Director at April 30, 2004



Michael C. Burris  
Deputy Director, Finance & Accounting

# ORGANIZATION CHART





# FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

INDEPENDENT AUDITORS' REPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FINANCIAL STATEMENTS, INCLUDING NOTES TO FINANCIAL STATEMENTS

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# INDEPENDENT AUDITORS' REPORT



KPMG LLP, Suite 1000, 1000 Walnut Street, Kansas City, MO 64106-2162

Honorable Mayor and Members of the City Council, Kansas City, Missouri:

We have audited the accompanying financial statements of the City of Kansas City Airports Fund (the Fund) as of and for the years ended April 30, 2004 and 2003, as listed in the table of contents. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in note 1, the financial statements present only the Fund and are not intended to present fairly the financial position of the City of Kansas City, Missouri, and the respective changes in its financial position and cash flows for the years ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of April 30, 2004 and 2003, and the changes in its financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 21 through 25 is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the management discussion and analysis information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the Fund's financial statements. The introductory section, other supplementary information, statistical section, and bond disclosure section are presented for the purpose of additional analysis and are not a required part of the financial statements. The introductory section, other supplementary information, statistical section, and bond disclosure section have not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads 'KPMG LLP'. The letters are bold and slightly slanted, with a casual, professional appearance.

Kansas City, Missouri  
August 2, 2004

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis (MD&A) of the City of Kansas City, Missouri's Aviation Department (Department) provides an introduction and overview of the Department's financial statements and activities for the fiscal year ending April 30, 2004. The Kansas City Airports Fund is an enterprise fund of the City of Kansas City, Missouri, (the City) and is supported wholly by airport user charges. No general tax fund revenues are used for the administration, promotion, operation, or maintenance of the airports in the system. The Department is charged with the responsibility to operate and maintain the City's two airports; Kansas City International Airport (MCI) and Charles B. Wheeler Downtown Airport (MKC), and the Richards-Gebaur Intermodal Transportation Facility (Richards-Gebaur).

The information contained herein should be considered in conjunction with the financial statements, notes, and other supplemental information in order to provide a complete understanding of the financial performance and activities this past year. The City combines the financial operations of the City's two airports and Richards-Gebaur into one set of financial statements for the entire Department.

## Overview of the Financial Statements

The accompanying financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America, as set forth by the Governmental Accounting Standards Board (GASB). Revenues and expenses are recognized when earned and incurred, not when received or paid. Capital assets, except land and construction in process, are depreciated over their useful lives. (See the notes to the financial statements for significant accounting policies).

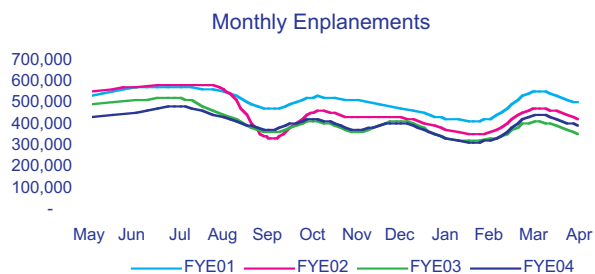
The statement of net assets presents comparative information of the Department's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the Department's financial position.

The statement of revenues, expenses and changes in net assets presents information showing how the Department's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The statement of cash flows relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Department's cash accounts through operating activities, financing activities, and investing activities are listed on this report.

## Airport Activities and Highlights

As shown below, the airport and the entire aviation industry, for that matter, continue to reel from the events of 911. However, as shown below, recent enplanement reports for March and April show increases for the same periods compared to the prior year.



Despite the following decreases in airport activities this year, the Department continued to have favorable financial results:

	FYE04	FYE03	Percent Change
Enplanements	4,906,735	4,987,421	(1.6)
Aircraft Landed Weight (lbs.)	8,462M	9,443M	(10.4)
Operations (calendar)	170,758	191,325	(10.7)
Cargo (lbs.)	144,410	147,681	(2.2)

Operating revenues increased for the third consecutive year and reached their second highest level in the past 10 years. Accompanying this favorable increase was a favorable decrease in operating expenses, the third consecutive decrease in as many years.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Financial Position and Assessment

Summary of Statement of Net Assets (in thousands):

	FYE04	FYE03	Percent Change
<b>Assets:</b>			
Current assets-unrestricted	\$133,192	\$181,504	(26.6)
Current assets-restricted	113,636	156,967	(27.6)
Capital assets	601,064	521,688	15.2
Bond issue costs	3,369	3,545	(5.0)
<b>Total assets</b>	<b>\$851,261</b>	<b>\$863,704</b>	<b>(1.4)</b>
<b>Liabilities:</b>			
Current liabilities	\$ 11,904	\$ 24,959	(52.3)
Current from restricted	20,095	19,720	6.2
Long-term	364,279	375,206	(2.9)
<b>Total liabilities</b>	<b>396,278</b>	<b>419,885</b>	<b>(5.6)</b>
<b>Net Assets:</b>			
Invested in capital, net of debt	\$271,379	\$235,286	(15.3)
Restricted	59,359	56,830	4.5
Unrestricted	124,245	151,703	18.1
<b>Net assets</b>	<b>454,983</b>	<b>443,819</b>	<b>2.5</b>
<b>Liabilities and net assets</b>	<b>\$851,261</b>	<b>\$863,704</b>	<b>(1.4)</b>

Total assets decreased approximately \$12.4 million, or 1.4 percent, from the previous year, despite an \$11.2 million increase in net assets. The decrease in liabilities was primarily due to the reduction in current liabilities, accounts payable specifically, and the reduction in outstanding bond balances due to principal payments. Accounts payable decreased due to a higher than normal balance in construction in progress payables on record at FYE03. Further, a concerted effort was made to reduce the FYE04 balance in accounts payable as much as possible to simplify the year end transition to a new accounting software package. Total assets and liabilities increased in FYE03 due to the issuance of \$130,010,000 in General Improvement Revenue Bonds to fund the terminal improvement project and economy parking lot. Historical financial information can be in the statistical section of this report.

A portion of the Department's net assets, \$59,359K and \$56,830K, for FYE04 and FYE03, respectively, are subject to spending restrictions. These assets are not available for new spending as they have already been committed as follows (in thousands):

	FYE04	FYE03	Percent Change
<b>Assets:</b>			
Debt service	\$26,097	\$29,113	(10.4)
Operating & maintenance	8,362	1,750	377.8
Construction proceeds	42,509	96,048	55.7
Passenger facility charge	13,529	13,504	0.2
Customer facility charge	17,929	12,339	45.3
Other	5,210	4,213	23.7
<b>Total assets</b>	<b>\$113,636</b>	<b>156,967</b>	<b>27.6</b>

Funding for these commitments has been secured as restricted assets as noted in note 5 to the accompanying financial statements.

## Summary of Statement of Revenues, Expenses and Changes in Net Assets (in thousands):

	FYE04	FYE03	Percent Change
Operating revenues	\$ 69,374	\$ 68,051	1.9
Operating expenses	(49,212)	(51,131)	(3.8)
Depreciation & amortization	(28,610)	(27,293)	4.8
<b>Operating loss</b>	<b>(8,448)</b>	<b>(10,373)</b>	<b>18.6</b>
Non-operating revenues	25,770	31,836	(19.1)
Non-operating expenses	(9,415)	(16,046)	(41.3)
<b>Income before capital contributions</b>	<b>7,907</b>	<b>5,417</b>	<b>46.0</b>
Capital contributions	3,257	7,451	(56.3)
<b>Change in net assets</b>	<b>11,164</b>	<b>12,868</b>	<b>(13.2)</b>
Total net assets-beginning of the year	443,819	430,951	2.9
<b>Total net assets-end of year</b>	<b>\$454,983</b>	<b>\$443,819</b>	<b>2.5</b>

Despite an operating loss of \$8.4 million, this was an improvement over the FYE03 loss by \$1.9 million, or 18 percent, and approximately the same as the FYE02 loss. The operating losses incurred over the past three years are attributed to increased costs that, in part, resulted from the 911 events.

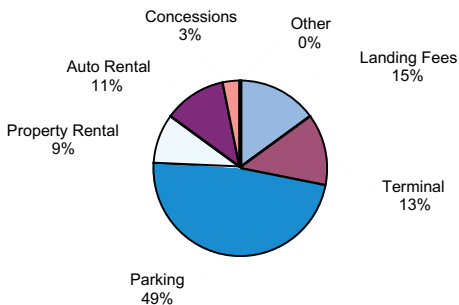
The Department's change in net assets decreased \$1.7 million, or 13 percent. FYE03 change in net assets decreased \$1.6 million from the prior year as well. Despite the improvement in the operating profit and a modest 3 percent improvement in nonoperating profit, capital contributions decreased \$4.2 million.



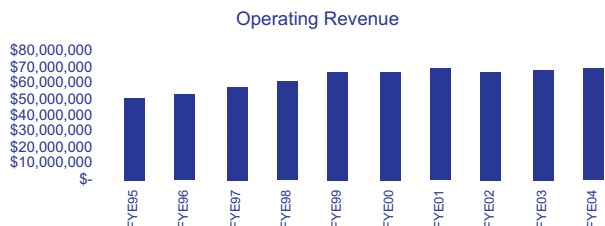
**Summary of Operating Revenues ( in thousands)**

	FYE04	FYE03	Percent Change
Airfield fees	\$10,228	\$10,205	0.2
Terminal building and apron	9,303	9,574	(2.8)
Parking	33,293	31,869	4.5
Rental car	7,865	7,291	7.9
Concessions	2,044	2,248	(9.1)
Other property rental	6,353	6,201	2.5
Other operating revenue	287	663	(56.7)
<b>Total operating revenue</b>	<b>\$69,374</b>	<b>68,051</b>	<b>1.9</b>

The increase in operating revenues, \$1.3 million, typified the operating results for the past fiscal year as this revenue remained relatively constant with only a 1.9 percent increase from the previous year. Most of this increase is attributed to the revenue derived from passenger automobile parking revenue, which increased approximately \$1.4 million.



The increase in parking revenues was accompanied with other less notable increases in airfield fees, rental car, and other property rental revenue. Decreases in terminal building and apron, concessions, and other operating revenue totaled \$851 thousand in FYE04.



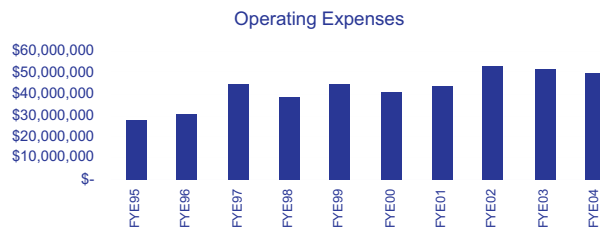
Operating revenues have consistently increased over the past three years returning to pre-911 levels, as shown above.

**Summary of Operating Expenses ( in thousands)**

	FYE04	FYE03	Percent Change
Salaries, wages & benefits	\$21,121	\$22,366	(5.6)
Contractual services	25,474	26,280	(3.1)
Commodities	2,616	2,485	5.2
<b>Total operating expenses</b>	<b>\$49,212</b>	<b>\$51,131</b>	<b>(3.8)</b>

Operating expenses had a favorable impact on the operating profit decreasing \$1.9 million, or 3.8 percent. Salaries, wages & benefits had a decline of \$1.2 million due to the early retirement of 40 employees in the prior year. Spearheading the overall decrease in operating expenses was management's desire to have a decrease in expenses to mirror any decreases in operating revenues that would result from the reduction in passenger traffic and airline activity.

As shown above, operating expenses have continued to decrease in both FYE04 and FYE03. The decrease in FYE03 was largely attributed to a higher than normal amount of contractual expenditures in FYE02. This higher than normal amount was due to the write-off of \$6 million in fees associated with a People-Mover project



**Summary of Depreciation and Amortization (in thousands)**

	FYE04	FYE03	Percent Change
Depreciation	\$20,015	\$18,694	7.1
Depreciation-grant	8,385	8,465	(0.9)
Amortization	210	134	56.7
<b>Total non-cash expenses</b>	<b>\$28,610</b>	<b>\$27,293</b>	<b>4.8</b>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Of the \$1.3 million increase, \$0.7 million is attributable to the addition of \$52 million economy parking lot that is depreciated over a 15-year useful life.

## Summary of Nonoperating revenue (in thousands)

	FYE04	FYE03	Percent Change
Interest	\$ 4,879	\$ 9,171	(46.85)
Passenger facility charge	13,880	13,687	1.4
Customer facility charge	5,887	5,792	1.6
Operating grant	937	3,022	(69.0)
Other	187	164	-
<b>Total nonoperating revenue</b>	<b>\$25,770</b>	<b>\$31,836</b>	<b>(19.0)</b>

Interest revenue decreased \$4.3 million as a result of the declining balance in the construction account funds. On average, the Department earned 2.04 and 2.78 percent in FYE04 and FYE03, respectively, on its invested funds. FYE04 interest revenue is comprised of \$3.3 and \$1.5 million in unrestricted and restricted interest revenue, respectively.

## Summary of Nonoperating expense (in thousands)

	FYE04	FYE03	Percent Change
Interest	\$9,324	\$15,698	(40.6)
Other	91	348	(73.9)
<b>Total nonoperating expense</b>	<b>\$9,415</b>	<b>\$16,046</b>	<b>(41.3)</b>

For this past year, the Department had the following additions and deductions from its interest paid on its outstanding bonds:

Interest paid	\$20,242,593
Interest capitalized	(10,905,918)
Accrued interest	(372,493)
Amortized loss on refunding	571,711
Amortized bond discount	93,027
Amortized premium	(304,623)
<b>Interest Expense</b>	<b>\$9,324,297</b>

## Budgetary Comparison

In FYE04, the Department had an adopted budget of \$57.8 million and, due to its recognition of encumbrance accounting in its budgetary practices, had an available budget of \$66.5 million. The Department incurred \$47.0 million of budgetary expenditures, thus having approximately \$10.7 million in uncommitted funds at the close of FYE04. A more detailed schedule of the budget is provided in the Other Supplementary Information section of this report.

## Capital Assets

The Department's capital assets, as of April 30, 2004, were approximately \$601,064,000 (net of accumulated depreciation), accounted for 70.6 percent of total assets, and increased \$79,375,911 from the previous year.

Equipment increased \$784K, mostly as a result of the purchase of a new 1,500-gallon aircraft rescue and fire fighting truck in the amount of \$695,442, which was predominantly financed via an FAA Grant in the amount of \$512,569, or 75 percent of the actual cost. Construction in progress increased \$47,425,466 due to the construction of the MCI Terminal Improvement Project and the Economy Parking Lot.

The Department retired \$181,310 in buildings and equipment in FYE04. The buildings include mobile homes that were used as the the Parking and Bus Division offices until their office building was completed.

Please see note 3 on page 34 for more details

## Debt Administration

Total debt outstanding at FYE04 was \$377,160,000, of which \$11,285,000 is due within one year. The amount outstanding reflects a decrease of \$10,790,000 from the previous year.

To take advantage of the favorable interest rate market, the Department is anticipating refinancing its Series 1994A issue on June 10, 2004. This refinancing is expected to generate \$4.6 million, or 17 percent, in present value savings.

Moody's and Standard & Poor's (S&P) credit ratings for the 2003A and B bond issues are A2 and A+, respectively. The rating agencies have cited MCI's financial strength, low airline cost per enplaned passenger, and the steady recovery of passenger enplanements as the reason for the investment grade rating.





### Airline Rates & Charges

Airline rates and charges represent the fees received by an airport from the airlines for their use of the airport's facilities and for the privilege of operating at an airport. The calculation of the airline rates and charges is based on the provisions of the airline use and lease agreement. It is important to maintain low airline rates and charges in order to remain cost-competitive.

The use and lease agreement between the City and the airlines expired April 30, 2003 and was extended to April 30, 2005. A new agreement is currently being negotiated.

The rates and charges billed to the airlines were as follows:

	FYE03	FYE02
Signatory landing fee <sup>1</sup>	\$ 1.10	\$ 0.896
Terminal rental rate	27.90/sf	31.23/sf
Fuel flowage fee	0.06/gal	.06/gal
Terminal apron rental	284.11/lf	274.36/lf

<sup>1</sup> per 1,000lbs. of aircraft landed weight

Landing fees and terminal rental rates for non-signatory airlines are assessed at 125 percent of the established rates.

### Passenger Facility Charges

The Federal Aviation Administration has approved a Passenger Facility Charge (PFC) for a multi-project capital program at \$3.00 per enplanement. The fee is collected on passenger's airline tickets and the airlines reimburse themselves for collecting the fee by retaining eight cents of each PFC. Projects named in the program application have been approved for total PFC collections of \$338,871,661.

On June 29, 2004, the Department submitted a new PFC application to the Federal Aviation Administration proposing to implement a revised PFC program that will increase the total amount of PFCs approved for collection by approximately \$38.3 million, and to extend the estimated the PFC expiration date to December 1, 2017. In accordance with Federal Aviation Administration Regulations, a consultation with the air carriers was conducted on April 29, 2004 to describe the process of developing the airport's revised PFC program. The results of the Federal Aviation Administration review is pending.

PFC revenue earned on an accrual basis for the previous three fiscal years is as follows:

FYE02	\$16,134,494
FYE03	13,686,560
FYE04	13,879,589

The revenue collected in FYE04 is 1.4 percent greater than the previous year.

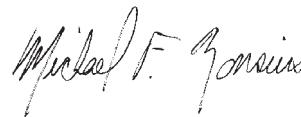
### Customer Facility Charges

A Customer Facility Charge (CFC) of \$3.00 per-transaction-day on rental cars was implemented on January 1, 2001 to fund the debt service on the subordinate General Airport Revenue Bonds issued in December 2000 and to pay for the preliminary design and engineering of the new consolidated rental car facility.

### Request for Information

This financial report is designed to provide the Department's management, investors, creditors, and customers with a general overview of the Kansas City Airports Fund's finances and to demonstrate the Department's accountability for the funds it receives and expends. For additional information about this report, please contact the undersigned at, Kansas City International Airport, P. O. Box 20047, Kansas City, Missouri 64195-0047

This report is respectfully submitted by,



Michael F. Zonsius, CPA  
Assistant Director/  
Finance & Accounting

August 2, 2004

# STATEMENT OF NET ASSETS

## AS OF APRIL 30, 2004 AND 2003

ASSETS	FYE04	FYE03
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$125,868,377	\$ 173,626,211
Accounts receivable	5,561,171	6,197,014
Allowance for doubtful accounts	(827,606)	(994,920)
Grants receivable	114,362	135,424
Interest receivable	1,181,584	1,401,766
Prepaid insurance and other	655,609	561,472
Inventories	638,716	576,444
<b>Total current assets-unrestricted</b>	<b>133,192,213</b>	<b>181,503,411</b>
Restricted assets:		
Cash and cash equivalents	112,578,764	155,709,635
Interest receivable	1,056,829	1,257,122
<b>Total current assets-restricted</b>	<b>113,635,593</b>	<b>156,966,757</b>
<b>Total current assets</b>	<b>246,827,806</b>	<b>338,470,168</b>
Non-current assets:		
Capital assets:		
Land (nondepreciable)	36,679,779	35,953,163
Buildings and building improvements	223,336,440	222,371,144
Infrastructure	394,617,150	337,658,530
Equipment	34,056,514	32,536,261
	688,689,883	628,519,098
Accumulated depreciation	(339,044,701)	(310,824,361)
	349,645,182	317,694,737
Construction in progress (nondepreciable)	251,419,111	203,993,645
<b>Total capital assets</b>	<b>601,064,293</b>	<b>521,688,382</b>
Bond issue costs, net of amortization of \$695,225 and \$661,766, respectively	3,369,302	3,545,377
<b>Total assets</b>	<b>\$851,261,401</b>	<b>\$863,703,927</b>

The notes are an integral part of these financial statements.



LIABILITIES and NET ASSETS	FYE04	FYE03
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	\$4,752,613	\$ 18,039,369
Accrued payroll, vacation, and sick leave	2,037,800	1,847,870
Security deposits	105,495	128,850
Prepaid lease revenue	4,117,656	4,283,513
Workers' compensation liability	890,576	659,656
<b>Total current liabilities payable from unrestricted assets</b>	<b>11,904,140</b>	<b>24,959,258</b>
Payable from restricted assets:		
Matured bonds and coupons	299,373	261,800
Accrued interest and fiscal agent fees	2,713,425	3,085,918
Revenue bonds, current portion	11,285,000	10,790,000
Construction contract and retainages payable	5,660,233	5,445,405
Due to other governments	136,491	136,491
<b>Total current liabilities payable from restricted assets</b>	<b>20,094,522</b>	<b>19,719,614</b>
<b>Total current liabilities</b>	<b>31,998,662</b>	<b>44,678,872</b>
Non-current liabilities:		
Bonds payable, net of current portion	365,875,000	377,160,000
Unamortized bond discount, premium and deferred refunding charge	(1,595,563)	(1,953,674)
<b>Total non-current liabilities</b>	<b>364,279,437</b>	<b>375,206,326</b>
<b>Total liabilities</b>	<b>396,278,099</b>	<b>419,885,198</b>
Net assets:		
Invested in capital assets, net of related debt	271,378,585	235,285,763
Restricted	59,359,396	56,830,152
Unrestricted	124,245,321	151,702,814
<b>Total net assets</b>	<b>454,983,302</b>	<b>443,818,729</b>
<b>Total liabilities and net assets</b>	<b>\$851,261,401</b>	<b>\$863,703,927</b>

The notes are an integral part of these financial statements.

# STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

## FOR THE YEARS ENDED APRIL 30, 2004 AND 2003

	FYE04	FYE03
Operating revenues:		
Airfield fees	\$10,228,110	\$10,204,660
Terminal	9,302,622	9,573,569
Parking	33,293,350	31,869,141
Property rental	6,353,902	6,201,322
Auto rental	7,864,913	7,290,691
Concessions	2,044,290	2,248,520
Other	286,530	663,543
<b>Total operating revenues</b>	<b>69,373,717</b>	<b>68,051,446</b>
Operating expenses:		
Salaries, wages, and employee benefits	21,120,771	22,365,738
Contractual services	25,474,042	26,280,324
Commodities	2,616,891	2,485,170
<b>Total operating expenses before depreciation and amortization</b>	<b>49,211,704</b>	<b>51,131,232</b>
<b>Operating income before noncash operating expenses</b>	<b>20,162,013</b>	<b>16,920,214</b>
Non-cash operating expenses:		
Depreciation	20,015,305	18,693,725
Depreciation-grant proceeds	8,385,188	8,465,330
Amortization	209,533	133,872
<b>Total non-cash expenses</b>	<b>28,610,026</b>	<b>27,292,927</b>
<b>Total operating loss</b>	<b>(8,448,013)</b>	<b>(10,372,713)</b>
Nonoperating revenues:		
Interest	4,879,174	9,171,250
Passenger facility charge	13,879,589	13,686,560
Customer facility charge	5,886,939	5,792,046
Operating grant revenue	936,958	3,022,340
Other	187,230	163,840
<b>Total nonoperating revenue</b>	<b>25,769,890</b>	<b>31,836,036</b>
Nonoperating expense:		
Interest	9,324,298	15,698,287
Other	91,017	348,165
<b>Total nonoperating expense</b>	<b>9,415,315</b>	<b>16,046,452</b>
<b>Income before capital contributions</b>	<b>7,906,562</b>	<b>5,416,871</b>
Capital contributions	3,258,011	7,450,857
<b>Changes in net assets</b>	<b>11,164,573</b>	<b>12,867,728</b>
Total net assets - beginning of the year	443,818,729	430,951,001
<b>Total net assets - end of the year</b>	<b>\$454,983,302</b>	<b>\$443,818,729</b>

The notes are an integral part of these financial statements.



# STATEMENT OF CASH FLOWS

## FOR THE YEARS THEN ENDED APRIL 30, 2004 AND 2003

	FYE04	FYE03
Cash flows from operating activities:		
Cash received from providing services	\$69,653,034	\$67,726,883
Cash paid to employees, including benefits	(20,930,841)	(22,801,455)
Cash paid to suppliers	(41,303,178)	(27,282,278)
<b>Cash provided by operating activities</b>	<b>7,419,015</b>	<b>17,643,150</b>
Cash flows from noncapital financing activities:		
Proceeds from grants	936,958	3,022,340
Due to other governments	-	(5,517,238)
Due to other funds	-	77,144
<b>Cash provided by (used in) noncapital financing activities</b>	<b>936,958</b>	<b>(2,417,754)</b>
Cash flows from capital and related financing activities:		
Bond issue costs paid	(33,458)	(1,759,766)
Acquisition and construction of capital assets	(96,872,489)	(110,379,572)
Construction contract and retainage	214,828	3,214,902
Matured coupons	37,573	-
Proceeds from bond issuance	-	132,941,887
Principal payments on revenue bonds	(10,790,000)	(10,246,740)
Interest payments	(20,242,594)	(13,912,757)
Passenger facility charges	13,879,589	13,686,560
Customer facility charges	5,886,939	5,792,046
Other	96,213	(184,325)
Capital contributed by federal government	3,279,074	9,557,005
<b>Cash provided by (used in) capital and related financing activities</b>	<b>(104,544,325)</b>	<b>28,709,240</b>
Cash flows from investing activities:		
Interest received	5,299,647	10,563,391
<b>Cash provided by investing activities</b>	<b>5,299,647</b>	<b>10,563,391</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(90,888,705)</b>	<b>54,498,027</b>
Cash and cash equivalents at beginning of year	329,335,846	274,837,819
<b>Cash and cash equivalents at end of year</b>	<b>\$238,447,141</b>	<b>\$329,335,846</b>
Reconciliation to Statement of Net Assets Cash and Cash Equivalents:		
Unrestricted	\$125,868,377	\$173,626,211
Restricted	112,578,764	155,709,635
<b>Cash and cash equivalents at end of year</b>	<b>\$238,447,141</b>	<b>\$329,335,846</b>

The notes are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS, CONTINUED

	FYE04	FYE03
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$(8,448,013)	\$(10,372,713)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	28,610,026	27,292,927
Accounts receivable	468,529	(40,512)
Prepaid insurance and other	(94,137)	(169,455)
Inventories	(62,273)	91,228
Accounts payable	(13,286,755)	1,391,986
Accrued payroll, vacation, and sick leave	189,930	(435,717)
Security deposits	(23,355)	11,951
Prepaid lease revenue	(165,857)	(126,546)
Workers compensation liability	230,920	-
Cash provided by operating activities	<u>\$ 7,419,015</u>	<u>\$17,643,150</u>

The Notes are an integral part of these financial statements.



# NOTES TO FINANCIAL STATEMENTS

## Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The Kansas City Airports Fund (Fund) is owned by and is a fund of the City of Kansas City, Missouri (the City). The Fund is utilized to account for the operations of the City's two airports, Kansas City International Airport (MCI) and the Charles B. Wheeler Downtown Airport (Downtown) as well as the Richards-Gebaur Intermodal Transportation Facility (RG).

### *Basis of Accounting*

The City accounts for the Fund as a proprietary enterprise fund. The accompanying financial statements are prepared on the accrual basis of accounting, wherein revenues are recorded when earned and expenses are recorded when incurred.

### *Proprietary Accounting and Financial Reporting*

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Fund follows all GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principal Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with or contradict GASB pronouncements.

### *Operating versus nonoperating*

The Fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from the rental of property or utilization of airport facilities and infrastructure.

### *Revenue Recognition*

Airfield fees - are principally landing fees generated from scheduled airlines and nonscheduled airlines, including charters, and are based on the aircraft's landed weight. The fee structure is determined annually based on an agreement between the City and signatory airlines, which takes into account the Department's operating expenses and the total annual landed weight of aircraft. Fuel flowage fees are included in airfield fees comprising 6.7 percent of these fees. Airfield fees are recognized as part of operating revenues when the airline-related facilities are utilized.

Rents - Terminal and other, parking, car rental rents, and concessions are generated from airlines, parking structures and lots, food, rental cars, fixed base operators, and other commercial tenants. Leases for the airlines are based on a cost recovery basis. Rental revenue is recognized over the life of the respective leases and concession revenue is recognized partially based on reported concession revenue and partially based on minimum rental guarantee.

### *Cash and Cash Equivalents*

The Fund investments maintained in the City's pooled investments are readily convertible to known amounts of cash and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates. Accordingly, for purposes of the statements of cash flows, these investments are considered cash equivalents.

### *Inventories*

Inventories, consisting of machine parts, fuel, and supplies, is valued at the lower of cost or market.

# NOTES TO FINANCIAL STATEMENTS

## Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, continued

### *Capital Assets and Depreciation*

Capital assets are stated at cost and include assets funded by proceeds of revenue and general obligation bonds, grants, and contributions. Normal maintenance and repairs are charged to expense as incurred. Renewals and betterments are capitalized when placed into service and are depreciated over the remaining estimated useful lives of the related properties.

At the time of retirement or other disposition of properties, the assets and related depreciation accounts are relieved of the amounts included therein and the resulting gain or loss is recognized.

The provision for capitalization and depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

	Useful Life (yrs.)	Capitalization Threshold
Building and building improvements	25	\$100,000
Runway, aprons, and roads	15	25,000
Equipment	3 - 10	5,000

### *Capitalization of Interest*

Interest costs incurred that relate to the acquisition or construction of capital assets acquired with tax-exempt debt are capitalized. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested idle debt proceeds over the same period. Capitalized interest in FYE04 was \$10,905,918.

### *Prepaid Revenue*

The Fund reports prepaid lease revenue on its statements of net assets when resources are received by the Fund before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenses. In subsequent periods, when revenue recognition criteria are met or when the Fund has a legal claim to the resources, the liability for deferred revenue is removed from the statements of net assets and the revenue is recognized.

### *Original Bond Issue Discount, Premium, and Deferred Refunding Charge*

Original bond issue discount, premium, and deferred refunding charge on long-term indebtedness are amortized using the straight-line basis over the life of the debt to which it relates.

### *Contributed Capital*

Contributions of capital assets received from other entities, including those from other City funds, grants, and assistance received from other governmental units for the acquisition of capital assets, are recorded as capital contributions. Contributions received for operating purposes are included in other nonoperating income.





*Vacation and Sick Leave Benefits*

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. Vacation is accumulated at an annual rate of 10 to 20 days, depending on the employee's length of service. Sick leave is accumulated at the rate of 3.7 hours per two-week pay period. The maximum amount of vacation that may be carried forward, which is accrued in the Fund, is two times the amount earned in a year. Sick leave with pay may be accumulated up to a limit of 3,000 hours. Upon separation from service, employees may convert accrued sick leave at the ratio of four hours of sick leave to one hour of vacation leave credit. Retiring employees 55 years or older with at least 25 years of creditable service; employees who are to receive a line-of-duty disability pension; employees who qualify for a City pension and retire with a normal retirement, take early retirement at age 60 or thereafter, or die are entitled to sick leave credit at the rate of two hours of sick leave to one hour of vacation leave credit.

*Interfund Payments*

Interfund payments consist primarily of payments to the City's general fund for administrative, data processing, and accounting services, as well as payments for fire operation services. These charges are recorded in the contractual services section of the statements of revenues, expenses, and changes in fund net assets.

A summary of the administrative and fire protection service charges are as follows:

	Administrative Service Charge	Fire Protection Service Charge
FYE01	\$3,009,353	\$2,167,243
FYE02	3,158,616	2,354,314
FYE03	4,028,889	2,288,132
FYE04	3,179,344	2,354,384

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

*Reclassifications*

Certain reclassification of prior year amounts have been made to conform to the current year presentation.

**Note 2. DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool, which is available for use by most funds. Interest earned on investments is allocated to the various funds on the basis of month-end cash and investment balances. The Fund participates in the pool and, at April 30, 2004, had cash-on-hand short-term investments, restricted assets, and accrued interest receivable of \$125,868,377, \$113,635,593, and \$1,181,584, respectively in the pool. At April 30, 2003, the Fund had cash and short-term investments, restricted assets, and accrued interest receivable of \$173,626,211, \$156,966,757, and \$1,401,766, respectively, invested in the pool. Information concerning the City's investment policy and carrying accounts by type of investment or deposit categorized by custodial credit risk can be found in the City's basic financial statements.

# NOTES TO FINANCIAL STATEMENTS

## Note 3. CAPITAL ASSETS

Fixed asset activity for the year ended April 30, 2004 and 2003 is as follows :

	FYE03	Additions	Retirement	Reclass	FYE04
Land <sup>1</sup>	\$ 35,953,163	\$ -	\$ -	\$ 726,616	\$ 36,679,779
Buildings <sup>2</sup>	222,371,144	-	50,449	1,015,745	223,336,440
Infrastructure <sup>2</sup>	337,658,530	-	-	56,958,620	394,617,150
Equipment <sup>2</sup>	32,536,261	784,394	130,861	866,720	34,056,514
Construction in progress <sup>1</sup>	203,993,645	106,961,761	-	(59,536,295)	251,419,111
	832,512,743	107,746,155	181,310	(31,406)	940,108,994
Accumulated depreciation	310,824,361	28,401,650	(181,310)	-	339,044,701
<b>Total</b>	<b>\$521,688,382</b>				<b>\$601,064,293</b>

	FYE02	Additions	Retirement	Reclass	FYE02
Land <sup>1</sup>	\$ 35,928,163	\$ -	\$ -	\$ 25,000	\$ 35,953,163
Buildings <sup>2</sup>	222,371,144	-	-	-	222,371,144
Infrastructure <sup>2</sup>	334,605,943	-	-	3,052,587	337,658,529
Equipment <sup>2</sup>	28,836,544	4,366,717	(714,000)	47,000	32,536,261
Construction in progress <sup>1</sup>	101,091,962	110,222,683	-	(7,321,000)	203,993,645
	722,833,756	114,589,400	(714,000)	(4,196,413)	832,512,743
Accumulated depreciation	284,365,891	27,159,055	(700,585)	-	310,824,361
<b>Total</b>	<b>\$438,467,865</b>				<b>\$521,688,382</b>

<sup>1</sup> Nondepreciable

<sup>2</sup> Depreciable

## Note 4. ADVANCES FROM AIRLINES

Under the signatory lease agreements for MCI, the airlines have agreed to a guaranteed minimum amount of rentals and fees based on expected levels of use of airport facilities. If the payments received from the airlines differ from computed amounts due, based on actual landing weights and other factors, the Fund and airlines settle the payment differences.

## Note 5. BONDS OUTSTANDING AND RESTRICTED ASSETS

Bonds outstanding in the Fund at April 30, 2004 and 2003 are as follows:

Series	Type	Coupon Range (%)	Original Issuance	Bond Rating <sup>1</sup>	Yield Range	Final Maturity	FYE04 Balance	FYE03 Balance
1994A	GARB	5.5 - 7.00	\$ 39,210,000	Aaa, AAA	5.50% - 7.05%	Sep 2012	\$ 36,655,000	\$ 37,205,000
1995A	GARB	4.00 - 6.75	41,020,000	Aaa, AAA	4.00% - 5.15%	Sep 2009	27,960,000	30,525,000
1997A	GARB	5.30 - 5.50	29,495,000	Aaa, AAA	5.30% - 5.55%	Sep 2014	29,495,000	29,495,000
1999	GARB	5.00 - 5.25	35,260,000	Aaa	3.80% - 5.15%	Sep 2008	20,110,000	24,195,000
2001	PFC	5.00 - 5.00	140,000,000	Aaa, AAA	3.23% - 5.32%	Apr 2026	132,930,000	136,520,000
2003A	GARB	5.75 - 4.75	76,955,000	Aaa, AAA	2.75% - 4.75%	Sep 2027	76,955,000	76,955,000
2003B	GARB	5.375 - 4.25	53,055,000	Aaa, AAA	4.12% - 4.39%	Sep 2018	53,055,000	53,055,000
							<b>377,160,000</b>	<b>387,950,000</b>
							11,285,000	10,790,000
							<b>\$365,875,000</b>	<b>\$377,160,000</b>

<sup>1</sup> Moody's, Standard & Poor's, respectively.



Changes in bonds payable in FYE04 and FYE03 are as follows:

	FYE03	Additions	Retirements	FYE04
Less Current	\$387,950,000	\$ -	\$10,790,000	\$377,160,000
	(10,790,000)	-	-	(11,285,000)
<b>Total</b>	<b>\$377,160,000</b>			<b>\$365,875,000</b>

	FYE02	Additions	Retirements	FYE03
Less Current	\$268,265,000	\$130,010,000	\$10,325,000	\$387,950,000
	(10,325,000)	-	-	(10,790,000)
<b>Total</b>	<b>\$257,940,000</b>			<b>\$377,160,000</b>

Unamortized bond discount, premium and deferred refunding charge at April 30, 2004 and 2003 are as follows:

	FYE04	FYE03
Unamortized bond discount	\$1,603,153	\$1,694,176
Deferred charge on refunding	3,517,938	4,089,649
Unamortized bond premium	(3,525,528)	(3,830,151)
	<b>\$1,595,563</b>	<b>\$1,953,674</b>

The annual requirements to retire the bonds outstanding as of April 30, 2004 are as follows:

	Principal	Interest	Total
FYE05	\$ 11,285,000	\$ 19,409,579	\$ 30,694,579
FYE06	11,815,000	18,824,025	30,639,025
FYE07	12,380,000	18,207,190	30,587,190
FYE08	12,985,000	17,556,268	30,541,268
FYE09	16,040,000	16,806,419	32,846,419
FYE10-14	96,760,000	68,116,820	164,876,820
FYE15-19	115,065,000	39,096,293	154,161,293
FYE20-24	60,855,000	18,353,195	79,208,195
FYE25-28	39,975,000	3,491,360	43,466,360
<b>Total</b>	<b>\$377,160,000</b>	<b>\$219,861,149</b>	<b>\$597,021,149</b>

On March 6, 2003, the City issued \$76,955,000 and \$53,055,000 in General Improvement Airport Revenue Bonds authorized by voters in 2000 and 1988, respectively. The \$76,955,000 bond was issued for the purpose of paying a portion of the costs of the Terminal Improvement Project, which involves extensive capital improvements to the existing terminal buildings at MCI. The \$53,055,000 bond was issued for the purpose of paying a portion of the costs of the acquisition, construction, and equipping of a long-term economy parking facility at MCI.

On August 1, 2001, the City issued \$140,000,000 in PFC Revenue Bonds. The bonds are backed by the passenger facility charge on ticketed passengers that pass through MCI for the purpose of financing the design and construction costs of terminal improvements at MCI. These bonds have an average interest rate of 5%. The bonds mature annually in amounts ranging from \$3,480,000 to \$9,550,000 during fiscal years 2003 through 2026.

# NOTES TO FINANCIAL STATEMENTS

## Note 5. REVENUE BONDS AND RESTRICTED ASSETS, continued

On December 15, 2000, the City issued \$10,000,000 in General Improvement Airport Revenue Bonds authorized by voters in 2000. The bonds are primarily backed by the Customer Facility Charge on the rental of cars at MCI and subordinated by general airport revenues. The Fund used excess operating funds to purchase the bonds at issuance. The bond issuance has not been reflected in the accompanying financial statements since they have not been issued to the public.

Under the terms of various ordinances enacted at issuance of revenue bonds, the Fund must maintain adequate insurance coverage, rates, and fees sufficient to pay reasonable and proper operating and maintenance expenses and scheduled debt service requirements.

The ordinances also establish priorities for the allocation of revenues. After meeting normal operating and maintenance expenses, all remaining monies are to be allocated to the following accounts in the order listed on the next page.

Restricted accounts and special reserves are reported on the accompanying statements of net assets as restricted assets and are as follows at April 30, 2004:

Account	Restricted assets	Net Assets restricted
Reserve	\$15,275,500	\$15,275,500
Operations & maintenance	1,951,189	1,000,000
Deferred maintenance and replacement	6,410,983	750,000
Principal and interest	10,821,389	10,821,389
Construction	42,509,427	-
Drug Enforcement Agency	55,054	55,054
Passenger facility charge	13,528,927	13,528,927
Customer facility charge	17,928,526	17,928,526
Other Restricted	5,154,599	-
Total at April 30, 2004	\$113,635,593	\$59,359,396
Total at April 30, 2003	\$156,966,757	\$56,830,152



The ordinances also establish priorities for the allocation of revenues. This allocation is to the following accounts in the order listed below:

Operation and Maintenance Account	Pay all current operation and maintenance expenses.
Airline O & M Reserve Account	For the accumulation of up to \$1,000,000 to pay for reasonable and proper operating and maintenance expenses of the airports.
Principal and Interest Account for Senior GARBs	For the accumulation of monies to meet the maturing senior GARB bond principal and interest requirements.
Bond Reserve Account for Senior GARBs	For the accumulation of senior GARB bond reserves.
Principal and Interest Account for Subordinate GARBs	For the accumulation of monies to meet the maturing subordinate GARB bond principal and interest requirements.
Deferred Maintenance Reserve Account	For the accumulation of monies to pay O & M expenses and unusual or extraordinary maintenance or repairs.
Extension and Bond Retirement Account	Accumulate all monies remaining in the Airport Fund Account after the preceding deposits have been made to be used for any lawful purpose, including payments for capital purposes.

At April 30, 2004, the City was in compliance with the provisions of the ordinances relating to the maintenance of restricted accounts and special reserves and coverage requirements. Resources received with purpose restrictions are shown as restricted until the resources are used for the specified purpose.

#### NOTE 6. LEGAL DEBT MARGIN

The City computes its legal debt margin for general obligation bonds ordinary indebtedness and additional indebtedness based on Sections 26(b) to (c) and 26(d) to (e), respectively, of the State Constitution of Missouri. The bonds issued for aviation purposes and subject to these financial statements are not subject to the legal debt margin of those State Constitution sections. Therefore, no legal debt margin computation is made for the bonds issued for aviation purposes.

#### *Voted Authority for Issuance*

On August 2, 1988, the City held an election at which election the qualified voters of the City approved the City's issuance of up to \$330,000,000 principal amount of airport revenue bonds to be payable solely from the revenues derived by the City from the operation of its airports, including all future improvements and extensions thereto, for the purpose of paying the cost of extending and improving the airports owned and operated by the City, including runways, terminal buildings, and related facilities. On August 8, 2000, the voters approved an additional \$395,000,000 of airport revenue bonds for improvements at the airports. As of April 30, 2004, the City has issued \$319,815,000 of general airport revenue bonds payable from the 1988 authorization and \$86,955,000 of the 2000 authorization. This leaves \$10,185,000 from the 1988 authorization and \$308,045,000 from the 2000 authorization. The City intends to issue the balance of the authorization in future financing.

# NOTES TO FINANCIAL STATEMENTS

## Note 7. LEASE AGREEMENTS

Facilities at MCI are leased through May 31, 2005 to principal (signatory) airlines serving the airport. Total annual rentals are based on actual operating expenses of the airport and are allocated among the airlines based on percentage of terminal space occupied and traffic volume. Landing fees assessed to the signatory airlines are assessed based on the aircraft's landed weight. Total revenues under these operating lease agreements paid by the signatory airlines for the years ended April 30, 2004 and 2003 were \$17,638,897 and \$18,267,247, respectively.

In addition to the leases described above, the City leases space in the Richards-Gebaur, MKC, and MCI Airports under long term non-cancelable operating leases. Certain leases include contingent rentals based upon sales. Total revenues under these operating lease agreements for the years ended April 30, 2004 and 2003 were \$16,240,326 and \$15,977,804, respectively, which included contingent rentals.

Future minimum rentals under such leases for each of the next five years and thereafter are as follows:

Year	Amount
FYE05	\$ 5,511,221
FYE06	5,118,117
FYE07	4,715,145
FYE08	3,700,703
FYE09	3,590,228
FYE10-14	15,007,766
FYE15-19	13,583,004
FYE20-24	10,986,899
FYE25-29	7,878,073
FYE30-34	5,663,805
FYE35-39	4,869,419
FYE40-44	4,750,000
FYE45-49	4,750,000
FYE50-54	950,000

## Note 8. RICHARDS-GEBAUR MEMORIAL AIRPORT

During the FYE00, the Federal Aviation Administration (FAA) approved the City's request to close the Richards-Gebaur Memorial Airport (RG). This approval waived the City's obligation to maintain certain RG parcels for aeronautical use and from the City's federal grant agreement assurance allowing for the public aeronautical use of RG.

The City subsequently closed RG and leased certain parcels as nonaeronautical, revenue producing airport property. This property will be used as both an intermodal freight center (Phase I Property) and an ancillary railroad facility (Phase II Property). These two properties are leased from the City to the Port Authority of Kansas City, Missouri (the Authority) and then subleased from the Authority to Kansas City Southern Railroad (KCSR).

The City and FAA completed a Memorandum of Agreement (MOA) on March 20, 2000 in which the City agreed to diligently pursue the relocation and construction of a replacement general aviation airport, subject to applicable FAA approval, within five years. The City completed the master planning process for the relocated airport and decided against the construction of a relocated airport. RG was placed into permanent closure status with concurrence from the FAA. Certain stipulations as documented in the MOA require the City to set up escrow accounts for the repayment of federal obligations and revenue received from airport property



In accordance with the MOA, the City was required to pay \$5,000,000 plus interest as partial settlement for grant funds received for the development of RG. The settlement was accrued as a nonoperating expense as of April 30, 2002, and was paid in FYE03.

In addition, all proceeds from the sale, lease, or other disposition of RG, up to a maximum of \$18 million as outlined in the table below, are restricted for general aviation projects. Once the percentage has been reached, the remainder of RG lease revenue may be used for AIP (Airport Improvement Program) or CIP (Capital Improvement Program) projects at Downtown or MCI.

Through June 17, 2003	100%
June 18, 2003 — June 17, 2006	50
June 18, 2006 — June 17, 2021	25
June 18, 2021 through lease term	0

*Lease Agreement with Related Party*

On December 30, 1999, the City entered into a Lease Agreement (Lease) with the Authority to lease certain RG property referred to as Phase I and Phase II Property for the purpose of subleasing said properties to KCSR. KCSR has leased Phase I and Phase II Property from the Authority for the purpose of constructing an intermodal freight center and an ancillary railroad facility, respectively.

The term of the Lease between the Authority and the City is 50 years beginning January 9, 2000. On the 10th day of each January throughout the term of the Lease, the Authority is to pay rent as follows:

Years 1 — 6	7% of the appraised value of the Phase I Property and, if applicable, 7% of the Phase II Property if construction begins prior to June 1, 2002.
Years 7 — 50	10% of the appraised value of the Phase I Property and, if applicable, 10% of the Phase II Property.

The appraised value for the Phase I and Phase II Property is \$6,100,000 and \$3,400,000, respectively. Rental income related to this Lease is approximately \$665,000 per year for the first five years.

For the years 1 through 20 of the Lease term, the rent payable will be adjusted every five years based upon the consumer price index and the specific terms of the Lease. For years 21 through 50, the rent will be increased every year by 1.5 percent based upon year 20's rent due.

At any time after the twenty-third anniversary of the inception of the Lease, the Authority will have the option to purchase Phase I and Phase II Property for a purchase price that is equal to the fair market value of both properties at that time.

The Fund has accounted for the Lease as an operating lease and had lease revenue of \$665,000 for each of the fiscal years ended April 30, 2004 and 2003.

# NOTES TO FINANCIAL STATEMENTS

## Note 9. EMPLOYEE RETIREMENT PLAN

The City has a contributory, single employer, defined benefit pension plan, The Civilian Employees' Retirement System (the Plan), covering substantially all employees administered by a retirement board (Board). The Board issues publicly available financial reports that include financial statements and required supplementary information about the Plan. The Board is responsible for establishing or amending plan provisions. The financial reports may be obtained by writing to The Retirement Board of the Police Retirement System of Kansas City, Missouri, 1328 Agnes, Kansas City, Missouri 64127 or by calling 816-482-8138.

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The employer contributions are established by the Board. Level percentages of payroll employer contribution rates are determined using the individual entry age normal method.

As a condition of participation in the Plan, members are required to contribute 5 percent of their salary to the Plan. The Department contributes the balance required to pay pensions and maintain the system on an actuarially sound basis. For the year ended April 30, 2004, the Department contributed at a rate of 7.9 percent of members' salaries.

The pension summary is as follows::

	Actuarial Accrued Liability	Funded (Unfunded) Actuarial Liability	Pension Plan Contribution
FYE02	\$573,340,000	\$643,559,000	\$ 869,411
FYE03	630,683,900	3,341,900)	914,511
FYE04	707,513,176	(82,615,523)	1,286,205

A determination, separate from the City's other funds and departments, is not made for the actuarial accrued liability and unfunded actuarial liability.

## Note 10. RISK MANAGEMENT

The Fund 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 City is entitled to the defense of sovereign immunity against tort action that provides immunity except in two areas, motor vehicles and condition of City property; however, plaintiffs are limited to a maximum of \$300,000 per person and \$2,000,000 per occurrence in these two areas. The City has retained the risk for these amounts and the deductibles on commercial insurance for other risks of loss. Settled claims have not exceeded commercial insurance coverage for the past two years.

The City has established a Cumulative Insurance Reserve Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. All funds of the City participate in the program and make payments to the Cumulative Insurance Reserve Fund based on actual amounts needed to pay prior and current year claims. The claims expense for the Fund, which includes an estimate of claims incurred but not reported (IBNR), totaled \$890,576 and \$659,656 for the fiscal years ending April 30, 2004 and 2003, respectively. The IBNR was determined based upon historical claims experience.





# OTHER SUPPLEMENTARY INFORMATION

## SCHEDULE OF ACTUAL VS. BUDGETED EXPENSES UNAUDITED

	Adopted Budget FYE04	Available Budget FYE04	Expenses <sup>1</sup> FYE04	Uncommitted FYE04
Wages and benefits	\$24,661,741	\$24,673,741	\$21,288,840	\$ 3,384,901
Contractual services	29,204,729	33,755,637	22,189,752	5,495,561
Commodities	3,011,590	5,054,608	2,668,357	1,536,635
Capital outlay	929,000	3,042,432	930,585	402,986
Operations	\$57,807,060	\$66,526,418	\$47,077,535	\$10,820,083
Debt service	\$29,304,666	\$29,304,666	\$30,070,963	\$ (766,297)

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their respective governments over the course of the year. The Department revises its original budget over the course of the year for a variety of reasons. Under the current reporting model, the Department provides budgetary comparison information as other supplementary information.

<sup>1</sup> Expenses for budgeting purposes are on a cash basis.

# OTHER SUPPLEMENTARY INFORMATION

## SCHEDULE OF INSURANCE IN FORCE UNAUDITED

Insurer	Insurance Type	Limits of Coverage/	Deductible	FYE Premium
Old Republic	Airport General Liability-Primary	\$30,000,000	\$100,000	\$253,508
Lloyd's of London	Airport General Liability-Excess	\$320,000,000	N/A	\$226,333
Phoenix Aviation	War Risk Liability	\$50,000,000	\$100,000	\$348,094
Chubb	Property	\$250,000,000 limit real/personal \$25,000	\$25,000	\$171,136
Genesis (2000), Northland	Law Enforcement Liability	\$1,000,000 each person occurrence/ annual aggregate	\$50,000	\$ 62,465
Self-insured	Workers' Compensation			
Self-insured	Automobile			



SCHEDULE OF CONSTRUCTION IN PROGRESS  
 UNAUDITED

Description	Amount
MCI car rental facility	\$8,919,942
MCI satellite parking	1,724,935
MCI terminal improvement project	224,106,964
PFC PAY As You Go:	
MKC storm drainage improvement	441,041
MCI airfield generator	2,825
MCI land acquisition Tract 109	964
MCI taxiways B, G, M rehabilitation	69,840
MCI automated access control	732,896
MCI apron rehab Phase IV	2,225,605
MCI apron rehab Phase VI, VII	43,896
PFC Development Project	12,367
MKC replace well	795,836
MCI construction ARFF facility	592,681
MCI APEX Project	708,334
MCI building upgrade 533 Mexico Avenue	410,506
MCI AVL in airport buses	312,189
MCI parking revenue control system	3,152,239
MCI upgrade CNG facility	409,668
MCI reroof 130 Bogota Street building	329,727
MCI construction advisor services	304,807
MCI rehab tower parking lot	498,914
MCI Communications Backbone	1,538,612
MCI K. Sonnier fountain	496,130
MCI asbestos abatement management	362,390
MKC demolish building east of Richards Road	375,860
All Other Projects below \$300,000	5,607,868
<b>Total projects</b>	<b>254,177,036</b>
Less projects charges expensed	2,757,925
<b>Total construction-in-process</b>	<b>\$251,419,111</b>

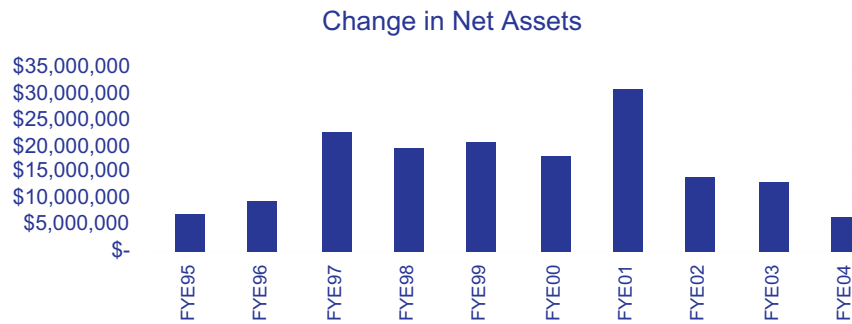
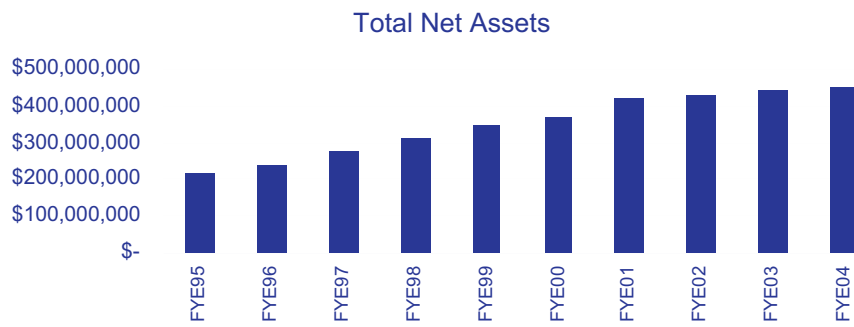
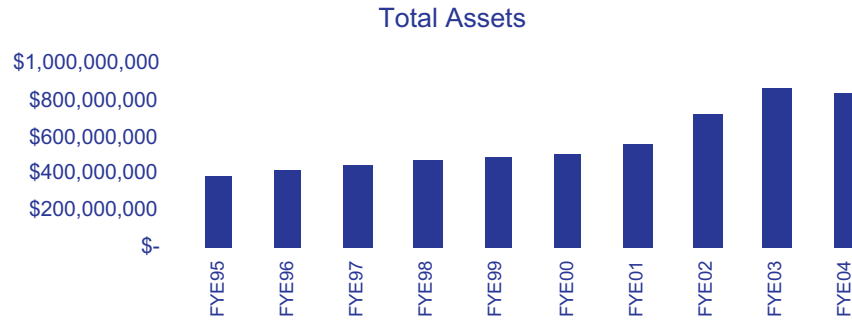
# OTHER SUPPLEMENTARY INFORMATION

## SCHEDULE OF BOND ISSUE COSTS UNAUDITED

Bond Issue	Amount
1994A	\$182,163
1995	216,666
1997A	364,384
1999A	182,154
2001 PFC	1,325,935
2003A	1,028,489
2003B	731,278
2004E	33,458
<b>Total</b>	<b>4,064,527</b>
Less accumulated amortization	695,225
<b>FYE04 Balance</b>	<b>\$3,369,302</b>



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# STATISTICAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

SCHEDULE OF HISTORICAL NET ASSETS AND CASH FLOWS  
SCHEDULE OF HISTORICAL REVENUES AND EXPENSES  
SCHEDULE OF UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS  
SCHEDULE OF GRANTS OPEN  
SCHEDULE OF HIGHEST PAYING CUSTOMERS  
SCHEDULE OF DEPARTMENT FULL-TIME AND EQUIVALENT EMPLOYEES BY DIVISION  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS BY FACILITY  
MAP OF NON-STOP FLIGHTS  
SCHEDULE OF PASSENGER AND CARGO AIRLINES  
SCHEDULE OF AIRLINE SERVICE  
SCHEDULE OF RATES & CHARGES  
SCHEDULE OF FACILITY INFORMATION

# STATISTICAL INFORMATION

## SCHEDULE OF HISTORICAL NET ASSETS AND CASH FLOW INFORMATION

	FYE95	FYE96	FYE97	FYE98
Statement of net assets:				
Current assets	\$ 26,099,639	\$ 42,145,560	\$ 44,279,108	\$ 49,867,254
Restricted assets	155,393,190	141,474,699	134,857,816	128,305,718
Fixed assets	350,376,260	369,144,306	417,632,544	479,189,636
Accumulated depreciation	(161,787,239)	(175,297,261)	(192,348,739)	(211,412,950)
Construction in progress	17,850,545	36,678,489	41,099,113	31,208,283
Bond issue costs	416,674	573,505	799,564	889,586
Due from other funds	-	-	-	1,333,469
<b>Total assets</b>	<b>388,349,069</b>	<b>414,719,268</b>	<b>446,319,406</b>	<b>479,380,996</b>
Current liabilities	4,995,922	8,273,852	8,893,697	13,133,553
Current liabilities from restricted assets	8,116,283	8,264,919	8,815,615	11,175,632
Long-term liabilities	150,243,467	158,275,054	152,500,433	139,458,133
<b>Total liabilities</b>	<b>172,355,672</b>	<b>174,813,825</b>	<b>170,209,745</b>	<b>163,767,318</b>
Contributed capital	98,022,037	108,085,172	116,432,758	132,532,504
Retained earnings / net assets	117,971,360	131,820,271	159,676,903	183,081,174
<b>Total liabilities and net assets</b>	<b>\$388,349,069</b>	<b>\$414,719,268</b>	<b>\$446,319,406</b>	<b>\$479,380,996</b>
Cash Flow Information:				
Operating profit before				
depreciation & amortization	\$22,317,953	\$23,490,833	\$13,630,548	\$23,929,686
Depreciation & amortization	14,975,183	16,556,439	18,302,898	20,382,937
<b>Total operating profit/(loss)</b>	<b>\$ 7,342,770</b>	<b>\$ 6,934,394</b>	<b>(\$4,672,350)</b>	<b>\$ 3,546,749</b>
Capital contributions	\$9,686,036	\$10,604,131	\$13,446,863	\$11,649,282
Capital acquisitions	18,005,602	39,326,676	53,823,406	59,494,192





FYE99	FYE00	FYE01	FYE02	FYE03	FYE04
\$ 30,319,143	\$ 143,965,136	\$ 161,646,608	\$ 165,960,388	\$ 181,503,411	\$ 133,192,213
143,061,612	35,108,721	37,285,843	121,391,304	156,966,757	113,635,593
489,013,372	494,881,394	535,827,948	621,741,794	628,519,098	688,689,883
(226,889,575)	(245,330,844)	(263,913,086)	(284,365,891)	(310,824,361)	(339,044,701)
60,828,209	80,468,160	97,242,089	101,091,962	203,993,645	251,419,111
783,577	831,634	699,061	1,919,483	3,545,377	3,369,302
1,383,789	3,984,106				
<b>498,500,127</b>	<b>513,908,307</b>	<b>568,788,463</b>	<b>727,739,040</b>	<b>863,703,927</b>	<b>851,261,401</b>
9,031,037	8,497,440	14,527,635	24,040,441	24,959,258	11,904,140
9,142,506	8,535,982	9,815,711	14,807,598	19,719,614	20,094,522
135,253,145	130,725,091	127,932,228	257,940,000	375,206,326	364,279,437
<b>153,426,688</b>	<b>147,758,513</b>	<b>152,275,574</b>	<b>296,788,039</b>	<b>419,885,198</b>	<b>396,278,099</b>
136,059,350	132,159,930	141,085,580	134,462,070		
209,014,089	233,989,864	275,427,309	296,488,931	443,818,729	454,983,302
<b>\$498,500,127</b>	<b>\$513,908,307</b>	<b>\$568,788,463</b>	<b>\$727,739,040</b>	<b>\$863,703,927</b>	<b>\$851,261,401</b>
\$22,961,708	\$26,576,275	\$25,805,967	\$14,169,532	\$16,920,214	\$20,162,013
17,840,736	21,105,183	21,682,523	22,735,719	27,292,927	28,610,025
<b>\$ 5,120,972</b>	<b>\$ 5,471,092</b>	<b>\$ 4,123,444</b>	<b>(\$8,566,187)</b>	<b>(\$10,372,713)</b>	<b>(\$8,448,012)</b>
\$13,455,399	\$2,729,040	\$15,518,707	\$13,307,685	\$9,557,005	\$3,279,073
42,504,755	30,397,438	57,073,651	92,012,560	110,379,572	96,872,489

# STATISTICAL INFORMATION

## SCHEDULE OF HISTORICAL REVENUES AND EXPENSES

	FYE95	FYE96	FYE97	FYE98
Operating revenues:				
Airfield	\$9,330,657	\$9,581,748	\$10,222,160	\$9,887,450
Terminal and aprons	9,653,587	10,976,228	11,963,883	11,937,618
Other property rentals	9,988,530	10,020,583	10,885,215	12,316,187
Parking <sup>1</sup>	-	-	-	-
Rental car <sup>1</sup>	-	-	-	-
Concessions <sup>1</sup>	-	-	-	-
Parking & concessions <sup>1</sup>	21,382,006	23,291,614	24,871,665	27,549,491
Other	41,925	40,697	52,608	140,874
<b>Total operating revenue</b>	<b>50,396,705</b>	<b>53,910,870</b>	<b>57,995,531</b>	<b>61,831,620</b>
Nonoperating revenues:				
Interest income	7,038,488	11,157,710	9,519,551	10,178,657
Passenger facility charge	-	1,045,082	14,729,258	15,682,026
Customer facility charge	-	-	-	-
Operating/Federal grant	-	-	8,887,444	197,919
Other income	-	80,291	188,299	103,436
<b>Total nonoperating revenue</b>	<b>7,038,488</b>	<b>12,283,083</b>	<b>33,324,552</b>	<b>25,964,119</b>
Capital contributions	-	-	-	-
<b>Total revenue</b>	<b>57,435,193</b>	<b>66,193,953</b>	<b>91,320,083</b>	<b>87,795,739</b>
Operating expenses:				
Personnel services & benefits	12,494,742	14,078,586	16,609,174	16,362,601
Contractual services	10,110,952	10,593,086	12,672,688	13,898,934
Commodities	5,111,955	5,342,944	14,627,340	7,232,021
Other	361,103	405,421	455,781	408,378
<b>Total operating expense</b>	<b>28,078,752</b>	<b>30,420,037</b>	<b>44,364,983</b>	<b>37,901,934</b>
Non cash expenses:				
Depreciation	14,897,457	15,925,368	17,990,519	20,303,667
Amortization	77,726	631,071	312,379	79,270
<b>Total Non Cash Expense</b>	<b>14,975,183</b>	<b>16,556,439</b>	<b>18,302,898</b>	<b>20,382,937</b>
Nonoperating expenses:				
Interest expense	7,469,051	9,776,000	5,953,636	9,709,310
Other expense	-	-	-	-
<b>Total nonoperating expense</b>	<b>7,469,051</b>	<b>9,776,000</b>	<b>5,953,636</b>	<b>9,709,310</b>
Transfer to other fund	50,000	-	-	-
<b>Total expense</b>	<b>50,572,986</b>	<b>56,752,476</b>	<b>68,621,517</b>	<b>67,994,181</b>
<b>Change in net assets</b>	<b>\$6,862,207</b>	<b>\$9,441,477</b>	<b>\$22,698,566</b>	<b>\$19,801,558</b>

<sup>1</sup> During the years FYE95 through FYE00 parking, rental car, and concession revenues were all included in parking & concessions revenues.



FYE99	FYE00	FYE01	FYE02	FYE03	FYE04
\$10,912,386	\$9,750,600	\$9,919,277	\$9,533,402	\$10,204,660	\$10,228,110
9,179,225	9,401,496	9,630,210	10,894,533	9,573,569	9,302,622
4,478,829	4,576,828	5,630,947	6,095,620	6,201,322	6,353,902
-	-	32,773,679	29,791,619	31,869,141	33,293,350
-	-	7,773,929	7,238,643	7,290,691	7,864,913
-	-	3,740,279	2,855,587	2,248,520	2,044,290
42,150,141	43,873,844	-	-	-	-
93,908	32,009	143,254	810,837	663,543	286,530
<u>66,814,489</u>	<u>67,634,777</u>	<u>69,611,575</u>	<u>67,220,241</u>	<u>68,051,446</u>	<u>69,373,717</u>
9,134,514	7,486,337	14,711,152	9,725,987	9,171,250	4,879,174
15,752,125	16,409,710	17,207,518	16,134,494	13,686,560	13,879,589
-	-	1,776,234	6,186,432	5,792,046	5,886,939
108,292	46,883	123,049	1,223,993	3,022,340	936,958
79,291	-	1,463,226	-	163,840	187,230
<u>25,074,222</u>	<u>23,942,930</u>	<u>35,281,179</u>	<u>33,270,906</u>	<u>31,836,036</u>	<u>25,769,890</u>
-	-	-	9,118,124	7,450,857	3,258,011
<u>91,888,711</u>	<u>91,577,707</u>	<u>104,892,754</u>	<u>109,609,271</u>	<u>107,338,339</u>	<u>98,401,618</u>
17,105,678	18,108,645	18,292,675	20,509,676	22,365,738	21,120,771
13,945,951	18,855,000	20,486,708	27,350,108	23,004,062	25,474,042
12,583,113	4,005,745	4,940,937	5,082,986	5,663,077	2,616,891
218,039	89,112	85,288	107,939	98,355	-
<u>43,852,781</u>	<u>41,058,502</u>	<u>43,805,608</u>	<u>53,050,709</u>	<u>51,131,232</u>	<u>49,211,704</u>
17,779,943	21,075,416	21,632,145	22,630,206	27,159,055	28,400,492
60,793	29,767	50,378	105,513	133,872	209,533
<u>17,840,736</u>	<u>21,105,183</u>	<u>21,682,523</u>	<u>22,735,719</u>	<u>27,292,927</u>	<u>28,610,025</u>
9,522,835	8,919,383	8,428,713	12,280,379	15,698,287	9,324,298
2,147,324	-	7,104,353	348,165	91,017	-
<u>9,522,835</u>	<u>11,066,707</u>	<u>8,428,713</u>	<u>19,384,732</u>	<u>16,046,452</u>	<u>9,415,315</u>
-	-	-	-	-	-
<u>71,216,352</u>	<u>73,230,392</u>	<u>73,916,844</u>	<u>95,171,160</u>	<u>94,470,611</u>	<u>87,237,044</u>
<u>\$20,672,359</u>	<u>\$18,347,315</u>	<u>\$30,975,910</u>	<u>\$14,438,111</u>	<u>\$12,867,728</u>	<u>\$11,164,573</u>

# STATISTICAL INFORMATION

## SCHEDULE OF UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS

	Cash & Cash Equivalents & Investments	Passenger Facility Charge	Customer Facility Charge	DEA Forfeited Property	Richards- Gebaur
FYE01	\$147,248,851	\$ -	\$1,279,740	\$115,335	\$6,639,703
FYE02	155,209,796	8,809,380	6,659,616	104,373	5,034,134
FYE03	173,626,211	13,503,621	12,339,400	123,724	2,504,857
FYE04	125,868,377	13,528,927	17,928,526	55,054	3,764,239



Airlines Operations & Maintenance	Deferred Maintenance & Replacement	Principal & Interest	Bond Reserve	Construction Proceeds	Other	Total
\$1,725,534	\$4,158,593	\$5,639,649	\$14,776,000	\$2,274,074	\$302,343	\$184,159,822
1,000,000	750,000	8,176,953	15,275,500	73,506,105	311,962	274,837,819
1,000,000	750,000	13,837,907	15,275,000	96,048,330	326,297	329,335,347
1,951,189	6,410,983	10,821,389	15,275,500	42,509,427	333,531	238,447,141

# STATISTICAL INFORMATION

## SCHEDULE OF GRANTS OPEN

Grant Number	Location	Description	Maximum Balance	Executed	Status
AIP 3-29-0041-12	MKC	Master plan	\$230,866	FYE00	Closed FYE04
AIP 3-29-0041-13	MKC	Rwy 1/19 safety area extension	450,000	FYE04	Open
AIP 3-29-0040-28	MCI	Rehabilitate terminal aprons	10,485,334	FYE98	Closed FYE04
AIP 3-29-0040-31	MCI	Apron rehabilitation - Phase V	6,402,660	FYE00	Closed FYE04
AIP 3-29-0040-32	MCI	Rehabilitate taxiways B & G	16,252,545	FYE01	Closed FYE04
AIP 3-29-0040-34	MCI	ARFF building	4,125,000	FYE02	Open
AIP 3-29-0040-36	MCI	Airport security operating grant	1,057,659	FYE02	Open
AIP 3-29-0040-37	MCI	Security enhancements	8,864,132	FYE03	Open
AIP 3-29-0040-38	MCI	Emergency airfield generator	1,419,276	FYE04	Open
AIP 3-29-0040-39	MCI	Land acquisition	702,492	FYE04	Closed FYE04
AIP 3-29-0040-40	MCI	Glycol treatment	150,000	FYE04	Closed FYE04
AIP 3-29-0040-41	MCI	Acquire Two ARFF vehicles	1,346,426	FYE04	Open
AIP 3-29-0040-42	MCI	Security enhancements - holdroom	517,194	FYE04	Open
AIP 3-29-0040-43	MCI	Security enhancements - terminal	15,000,000	FYE04	Open
CMAQ-3300 (481)	MCI	MODOT - buses	663,500		Closed FYE04



SCHEDULE OF HIGHEST PAYING CUSTOMERS

	FYE03		FYE04	
	Rank	Amount	Rank	Amount
Southwest Airlines	1	\$4,804,652	1	\$4,657,049
Hertz Car Rental	3	2,013,156	2	2,193,635
American Airlines	2	2,088,927	3	2,116,212
Avis Rent-A-Car	4	1,904,547	4	2,013,541
Delta Airlines	7	1,601,187	5	1,865,965
Vanguard Car Rental	5	1,655,220	6	1,642,180
United Airlines	6	1,649,577	7	1,390,867
Northwest Airlines	10	1,289,364	8	1,334,688
US Airways	9	1,367,758	9	1,273,485
Continental Airlines	11	1,184,572	10	1,154,382

# STATISTICAL INFORMATION

## SCHEDULE OF DEPARTMENT OF AVIATION FULL-TIME AND EQUIVALENT EMPLOYEES BY DIVISION

<u>Division</u>	<u>FTEs</u>	<u>Wages</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Total</u>
Administration	10	\$ 967,240	\$1,016,445	\$ 22,682	\$ 2,006,367
Human Resources	5	270,407	250,164	8,251	528,822
Accounting & Finance	27	1,163,849	417,182	16,820	1,597,851
Information Technology	11	641,965	1,915,058	75,732	2,632,755
Marketing	8	493,259	744,926	10,755	1,248,940
Economic Development	14	786,530	1,680,421	106,927	2,573,878
Engineering	20	801,268	469,917	18,336	1,289,521
Airport Police	129	4,541,523	1,975,026	97,021	6,613,570
Parking & Bus	66	2,403,273	3,495,477	11,459	5,910,209
Operations	11	726,888	2,562,922	16,615	3,306,425
Field Maintenance	74	2,475,102	541,790	957,170	3,974,062
Facilities Custodial	92	3,003,633	820,862	432,885	4,257,380
Facilities Structural	36	1,482,091	5,340,259	158,239	6,980,589
Fleet Maintenance	16	755,607	270,264	567,356	1,593,227
Environmental	-	-	106,072	-	106,072
Downtown Airport	13	608,136	731,003	116,643	1,455,782
Richards-Gebaur	-	-	253,031	-	253,031
Maintenance projects	-	-	2,883,223	-	2,883,223
<b>Total</b>	<b>532</b>	<b>\$21,120,771</b>	<b>\$25,474,042</b>	<b>\$2,616,891</b>	<b>\$49,211,704</b>

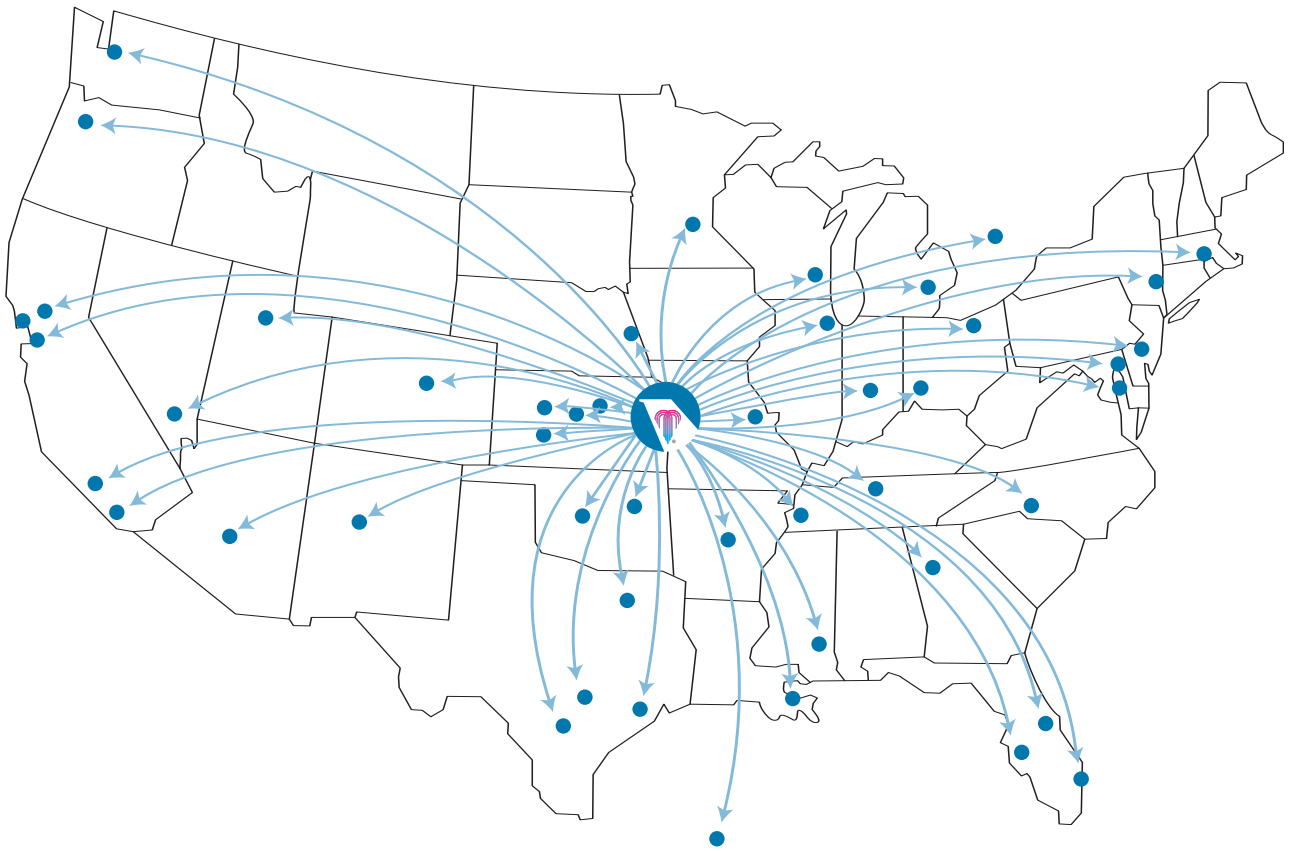




SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS BY FACILITY  
FOR THE YEAR THEN ENDED APRIL 30,2004

	Kansas City International	Charles B. Wheeler Downtown	Richards- Gebaur	Total
Operating revenues:				
Airfield fees	\$9,811,001	\$ 417,109	\$ -	\$10,228,110
Terminal	9,076,240	226,382	-	9,302,622
Parking	33,229,510	63,840	-	33,293,350
Property rental	3,410,272	1,592,115	1,351,515	6,353,902
Auto rental	7,864,913	-	-	7,864,913
Concessions	2,044,290	-	-	2,044,290
Other	275,905	306	10,319	286,530
Total operating revenues	65,712,131	2,299,752	1,361,834	69,373,717
Operating expenses:				
Salaries, wages, and employee benefits	20,512,635	608,136	-	21,120,771
Contractual services	24,490,008	731,003	253,031	25,474,042
Commodities	2,500,248	116,643	-	2,616,891
Total operating expenses before depreciation and amortization	47,502,891	1,455,782	253,031	49,211,704
Noncash operating expenses:				
Depreciation	25,844,031	1,904,506	651,956	28,400,493
Amortization	209,533	-	-	209,533
Total noncash expenses	26,053,564	1,904,506	651,956	28,610,026
Total operating income/(loss)	(7,844,324)	(1,060,536)	456,847	(8,448,013)
Nonoperating revenues:				
Interest	4,784,656	-	94,518	4,879,174
Passenger facility charge	13,879,589	-	-	13,879,589
Customer facility charge	5,886,939	-	-	5,886,939
Operating grant revenue	936,958	-	-	936,958
Other	187,230	-	-	187,230
Total nonoperating revenue	25,675,372	-	94,518	25,769,890
Nonoperating expense:				
Interest	9,324,298	-	-	9,324,298
Other	91,017	-	-	91,017
Total nonoperating expense	9,415,315	-	-	9,415,315
Total nonoperating income	16,260,057	-	94,518	16,354,575
Net income before capital contributions	8,415,733	(1,060,536)	551,365	7,906,562
Capital contributions	3,144,128	113,8823	-	3,258,011
Changes in net assets	\$11,559,861	(\$946,653)	\$551,365	\$11,164,573

# STATISTICAL INFORMATION



## FLY NON-STOP FROM KCI TO THE FOLLOWING CITIES:

AirTran Airways  
 Albuquerque  
 Atlanta  
 Baltimore  
 Cancun, Mexico  
 Charlotte  
 Chicago  
 Cincinnati  
 Cleveland  
 Dallas/Ft. Worth  
 Denver  
 Detroit  
 Dodge City, KS  
 Ft. Lauderdale  
 Great Bend, KS  
 Hays, KS  
 Houston Indianapolis  
 Las Vegas  
 Little Rock  
 Los Angeles  
 Manhattan, KS  
 Memphis  
 Milwaukee  
 Minneapolis

Nashville  
 New Orleans  
 New York  
 Oakland  
 Oklahoma City  
 Omaha  
 Orange County  
 Orlando  
 Philadelphia  
 Phoenix  
 Portland  
 Providence  
 Sacramento  
 Salt Lake City  
 San Antonio  
 San Diego  
 San Francisco  
 Seattle  
 St. Louis  
 Tampa  
 Toronto, Canada  
 Tulsa  
 Washington, D.C.



## SCHEDULE OF PASSENGER AND CARGO AIRLINES

### *MAJOR / NATIONALS*

AirTran Airways ‡  
America West ‡  
American ‡  
Continental ‡  
Delta ‡  
Frontier Airlines ‡  
Midwest Airlines ‡  
Northwest ‡  
Southwest ‡  
United ‡  
US Airways ‡

### *MAJOR / INTERNATIONAL*

Air Canada Jazz

### *REGIONAL / COMMUTERS*

Continental Express  
Delta Connection/ASA ‡  
Delta Connection/Comair ‡  
Delta Connection/SkyWest ‡  
Northwest Airlink/Mesaba ‡  
United Express/Air Wisconsin ‡  
US Airways Express/Air Midwest  
US Airways Express/Chautauqua ‡  
US Airways Express/Mesa ‡  
US Airways Express/MidAtlantic

### *ALL-CARGO CARRIERS*

Air Cargo Carriers  
Airborne Express ‡  
BAX Global ‡  
DHL  
Eagle Global Logistics  
Emery Worldwide ‡  
Federal Express ‡  
Kitty Hawk  
Skyway Enterprises  
United Parcel Service ‡

‡ denotes signatory airline

# STATISTICAL INFORMATION

## SCHEDULE OF AIRLINE SERVICE

<u>CARRIER</u>	<u>NONSTOP</u>	<u>ONE-STOP, SAME-PLANE SERVICE</u>
AirTran Airways	Atlanta (ATL)	Miami (MIA)
America West	Phoenix (PHX)	Sacramento (SMF) Spokane (GEG)
American	Chicago (ORD) Dallas/Fort Worth (DFW) New York (LGA)	Atlanta (ATL) Washington, D.C. (IAD)
Continental	Houston (IAH) Newark (EWR)	
Continental Express	Cleveland (CLE) Houston (IAH) Newark (EWR)	Burlington (BTV) Richmond (RIC) Guadalajara (GDL)
Delta	Atlanta (ATL)  Cincinnati (CVG)	Richmond (RIC) San Salvador (SAL) Savannah (SAV) Syracuse (SYR) Tallahassee (TLH) Albany (ALB) Grand Rapids (GRR) Newark (ERW)
Delta Connection/ASA	Dallas/Fort Worth (DFW)	New Orleans (MSY)
Delta Connection/Comair	Cincinnati (CVG)	Baltimore (BWI)
Delta Connection/SkyWest	Dallas/Fort Worth (DFW) Salt Lake City (SLC)	
Frontier Airlines	Denver (DEN) Los Angeles (LAX)	Las Vegas (LAS)
Midwest Airlines	Des Moines (DSM) Milwaukee (MKE) New York (LGA) San Antonio (SAT) Santa Anna (SNA) Washington D.C. (DCA)	Boston (BOS)
Northwest	Detroit (DTW)  Memphis (MEM) Minneapolis/St Paul (MSP)	Buffalo (BUF) Columbus (CMH) Green Bay (GRB) Greenville/Spartanburg (GSP) Madison (MSN) Louisville (SDF) Sacramento (SMF) Madison (MSN) Sioux Falls (FSD)
Northwest Airlin/Mesaba	Memphis (MEM)	



SCHEDULE OF AIRLINE SERVICE, CONTINUED

<u>CARRIER</u>	<u>NONSTOP</u>	<u>ONE-STOP, SAME- PLANE SERVICE</u>
Southwest	Albuquerque (ABQ) Baltimore (BWI) Chicago (MDW)	Tucson (TUS) Buffalo (BUF) Columbus (CMH) Detroit (DTW) Raleigh/Durham (RDU)
	Indianapolis (IND) Las Vegas (LAS)	Burbank (BUR) Ontario (ONT) San Jose (SJC)
	Los Angeles (LAX) Manchester (MHT) Nashville (BNA) Oakland (OAK) Oklahoma City (OKC) Orlando (MCO) Portland (PDX) Phoenix (PHX)	Houston (HOU) Fort Lauderdale (FLL)
	Providence (PVD) San Diego (SAN) Sacramento (SMF) Salt Lake City (SLC) Seattle/Tacoma (SEA) St Louis (STL)	Oakland (OAK) Ontario (ONT)
	Tampa (TPA) Tulsa (TUL)	Cleveland (CLE) Louisville (SDF)
United	Chicago (ORD)	Houston (HOU)
	Denver (DEN)	Cincinnati (CVG) Cleveland (CLE) Indianapolis (IND) Pittsburgh (PIT) New York (EWR) Albuquerque (ABQ) Oakland (OAK)
United Express/Air Wisconsin	Denver (DEN) Washington D.C.(IAD)	
US Airways	Charlotte (CLT)	Boston (BOS) New York (LGA) Raleigh/Durham (RDU)
	Philadelphia (PHL)	Albany (ALB)
	Pittsburgh (PIT)	Boston (BOS) Buffalo (BUF) Raleigh/Durham (RDU)
US Airways Express/Chautauqua	Pittsburgh (PIT)	Columbus (CMH)
US Airways Express/Mesa	Charlotte (CLT) Washington D.C. (DCA)	Syracuse (SYR)
US Airways/MidAtlantic	Philadelphia (PHL)	
US Airways Express/Air Midwest	Dodge City, KS (DDC) Great Bend, KS (GBD) Hays, KS (HYS) Little Rock, AR (LIT) Manhattan, KS (MHK)	Garden City, KS (GCK)  Salina, KS (SLN)

# STATISTICAL INFORMATION

## SCHEDULE OF RATES & CHARGES

	FYE00	FYE01	FYE02	FYE03	FYE04
Landing fee (per 1,000lbs.)					
Signatory, MKC	\$1.0570	\$ 0.9575	\$ .8146	\$ 1.0674	\$ 1.10
Nonsignatory					
Preferential terminal aircraft apron (lineal feet)	253.62	260.96	282.36	284.11	284.11
Exclusive ticket counter base rate	27.04	30.33	31.23	27.90	27.90
Passenger loading bridges (per month)	-	-	1,487.70	1,671.45	1,671.45
Passenger facility charges (per enplanement)	3.00	3.00	3.00	3.00	3.00
Custom facility fees (per contract day)	-	-	3.00	3.00	3.00
Remaining over night parking fee	-	-	125.00	125.00	125.00
FIS fee custom facility use fee	2.50	2.50	2.50	2.50	2.50
Employee parking (changed Jan 03)	9.00	9.00	9.00	24.00	24.00
Tenant terminal parking fee (per month)					35.00
Parking:					
Facility	Time Period				
Terminal parking A, B, & C	0 - 1/2 hr			Free	Free
	1/2 - 1 hr.			\$ 1.00	\$ 1.00
	1 - 2hrs.			2.00	2.00
	2 - 3 hrs.			4.00	4.00
	3 - 4hrs.			6.00	6.00
	4 - 5hrs.			8.00	8.00
	5 - 6hrs.			10.00	10.00
	6 - 7hrs.			12.00	12.00
	7 - 8hrs.			14.00	14.00
	8 - 9 hrs.			16.00	16.00
9 - 24hrs. daily maximum			18.00	18.00	
Circle parking lot E	0 - 1/2hr.			Free	Free
	1/2 - 1 hr.			\$ 1.00	\$ 1.00
	1 - 2hrs.			2.00	2.00
	2 - 3 hrs.			4.00	4.00
	3 - 4hrs.			6.00	6.00
	4 - 5hrs.			8.00	8.00
5 - 24hrs. daily maximum			10.00	10.00	
Economy parking lot	0 - 1/2hr.			Free	Free
	1/2 - 24hrs.			\$5.00	\$5.00



## SCHEDULE OF FACILITY INFORMATION

### *Kansas City International Airport*

Size (acres):	10,423	
Elevation (ft):	1,026	
Airport code:	MCI	
Runways:	1L/19R	10,801 X 150ft
	1R/19L	9,500 x 150ft
	9 /27	9,500 x 150ft

#### Terminal information:

	Terminal A	Terminal B <sup>1</sup>	Terminal C	Total
Boarding gates	30	13	22	71
Passenger boarding bridges	15	12	13	44
Food & beverages	6	6	5	17
News/gifts	3	5	1	9

<sup>1</sup> At April 30, 2004 Terminal B was being renovated as part of the Terminal Improvement Project and the entire terminal could not be utilized.

#### Parking:

Terminal A	2,000
Terminal B	2,000
Terminal C	2,200
Circle "E"	1,750
Economy A	3,734
Economy B	5,917
Economy C	<u>5,612</u>
Total all public lots	23,213
Employee parking	1,500

### *Charles B. Wheeler Downtown Airport*

Size (acres):	697	
Elevation (ft):	759	
Airport code:	MKC	
Runways:	1/19	7,002 X 150ft
	3/21	5,050 x 150ft

#### Operations

Year	Domestic Air Carrier	Commuter/ Air Taxi	All-Cargo	General Aviation	Military	Total
2002	82	20,166	0	103,079	1,133	124,460
2003	34	19,213	0	97,434	830	117,477
January - April 2004	18	6,668	0	26,4354	215	33,255

### *Richards-Gebaur*

Size (acres):	1,690
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# COMPLIANCE SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

INDEPENDENT AUDITORS' REPORT  
SCHEDULE OF PFC FUNDS COLLECTED AND EXPENDED  
SCHEDULE OF NOTES OF PFC FUNDS COLLECTED AND EXPENDED

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# INDEPENDENT AUDITORS' REPORT

ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY  
CHARGE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE  
AND THE SCHEDULE OF PFC FUNDS COLLECTED AND EXPANDED



KPMG LLP, Suite 1000, 1000 Walnut Street, Kansas City, MO 64106-2162

Aviation Department of the City of Kansas City, Missouri::

We have audited the compliance of the City of Kansas City, Missouri Airports Fund (Aviation Department) with the types of compliance requirements described in the Passenger Facility Charge Program Audit Guide that are applicable to its passenger facility charge (PFC) program for the year ended April 30, 2004. Compliance with the requirements of laws and regulations pertaining to the passenger facility charge requirements is the responsibility of the Aviation Department's management. Our responsibility is to express an opinion on the Aviation Department's compliance based on our audit. 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 Passenger Facility Charge Program Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material and direct effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Aviation Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Aviation Department's compliance with those requirements. In our opinion, the Aviation Department complied, in all material respects, with the requirements referred to above that are applicable to the passenger facility charge program for the year ended April 30, 2004.

**Internal Control Over Compliance:** The management of the Aviation Department is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the Aviation Department's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Passenger Facility Charge Program Audit Guide. Our consideration of the internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations applicable to the passenger facility charge program that would be material in relation to the passenger facility charge program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

**Schedule of PFC Funds Collected and Expended:** We have audited the financial statements of the City of Kansas City, Missouri Airports Fund as of and for the years ended April 30, 2004 and 2003, and have issued our report thereon dated August 2, 2004. Our audits were performed for the purpose of forming an opinion on the financial statements of the City of Kansas City, Missouri Airports Fund taken as a whole. The accompanying schedule of PFC funds collected and expended (the Schedule) for the year ended April 30, 2004 is presented for purposes of additional analysis, as specified in the Passenger Facility Charge Program Audit Guide and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole. This report is intended for the information and use of the city council, Aviation Department management, and the Federal Aviation Administration and is not intended to be, and should not be, used by anyone other than these specified parties.

**KPMG LLP**

Kansas City, Missouri  
August 2, 2004

# COMPLIANCE SECTION

City of Kansas City Missouri  
 Passenger Facility Charge (PFC) Program  
 Schedule of PFC Funds Collected and Expended  
 April 30, 2004

<u>PFC Project</u>	<u>Description</u>	<u>Approved for</u>	<u>Project authorized amount</u>	<u>PFC funds expended</u>
PFC #1.1	Paving of runway 1/R/19L, taxiways E & F, and all connecting taxiways	Collection and use	\$8,833,000	\$8,409,781
PFC #1.2	CIP #E24, terminal remodeling design phase	Collection and use	7,811,645	3,428,141
PFC #1.3	Taxiway D rehabilitation	Collection and use	427,000	426,763
PFC #1.4	Aircraft rescue and firefighting vehicles	Collection and use	265,000	264,944
PFC #1.5	Overlay runway 1L/19R, taxiway A, A1-A9	Collection and use	6,722,000	6,722,000
PFC #1.6	Terminal apron rehabilitation	Collection and use	43,068,844	30,567,208
PFC #1.7	Land acquisition	Collection and use	16,195,617	10,629,350
PFC #1.8	Terminal apron lights	Collection and use	1,080,000	630,529
PFC#1.9	Overlay runway 9/27 and taxiway C, C1-C9	Collection and use	6,050,932	4,549,975
PFC #1.10	Expand general aviation apron	Collection and use	3,386,747	-
PFC #1.11	Construct federal inspection services facility	Collection and use	4,949,000	4,099,526
PFC #1.12	Overlay of taxiway B	Collection and use	7,535,190	5,188,975
PFC #1.13	Terminal remodel-construction phase	Collection and use	109,056,123	12,957,627
PFC #2.1	Airfield storm drainage-MKC	Collection and use	14,683,184	1,778,498
PFC #2.2	Construction aircraft hold apron	Collection and use	3,900,303	3,900,303
PFC #2.3	Automated access control system	Collection and use	3,500,000	682,455
PFC #2.4	Reconstruct taxiway D	Collection and use	667,387	-
PFC #2.5	PFC development and administration	Collection and use	1,094,103	319,607
PFC #3.1	Terminal equipment	Collection and use	86,711,790	10,162,844
PFC #3.2	Airfield lighting generator	Collection and use	2,000,000	278,875
PFC #3.3	Relocate airfield lighting generator	Collection and use	1,200,000	-
PFC #3.4	Overlay runway 1/19-MKC	Collection and use	9,733,796	-
			<b>\$338,871,661</b>	<b>\$104,997,401</b>
Funds expended by quarter:				
Second quarter-2003				\$350,173
Third quarter-2003				3,808,556
Fourth quarter-2003				162,642
First quarter-2004				7,371,756
Less April 2003				(122,894)
Plus April 2004				86,246
				<b>\$11,656,479</b>
PFC collections				\$13,154,116
Interest earned on PFC collections				1,513,546
<u>Total PFC revenue</u>				<u>\$14,667,662</u>

See accompanying notes to schedule of PFC funds collected and expended.



City of Kansas City, Missouri  
Notes to Schedule of PFC Funds Collected and Expended  
April 30, 2004

(1) General

The Kansas City Aviation Department applied for and the Federal Aviation Administration (FAA) approved a passenger facility charge (PFC) financing for a multi-project capital program (re: 14 CFR Part 158) at the Kansas City International Airport. Imposition of a \$3.00 PFC per enplaned passenger fee began on March 1, 1997. Based on subsequent amendments, the PFCs are approved through May 1, 2013. This fee is charged to passengers at the time each ticket is sold by an airline. The airlines are reimbursed for collecting the fee by retaining eight cents (\$0.08) of each PFC. Projects have been approved for total PFC collections of 38,871,661. Revenue earned on a cash basis for fiscal year ended 2004 was \$13,154,116 and is recorded as nonoperating revenues in the Kansas City Airports Fund of the City of Kansas City, Missouri's financial statements for the year ended April 30, 2004.

(2) Basis of Accounting

The schedule of PFC funds Collected and Expended (Schedule) is prepared on the cash basis of accounting, wherein revenues are recorded when received and expenses are recorded when paid. Airlines collect PFC charges based on passenger enplanement and submit these charges to the Kansas City Aviation Department the following month.

(3) Relationship to Quarterly Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the PFC quarterly reports of funds collected and expended.

(4) PFC Bonds

On August 1, 2001, the Kansas City Airports Fund issued \$140,000,000 in PFC Revenue Bonds. The bonds are backed by the PFC on ticketed passengers that pass through Kansas City International Airport, for the purpose of financing the design and construction cost of terminal improvements at the Kansas City International Airport. The bonds mature annually through 2026.

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# BOND DISCLOSURE SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

- SCHEDULE OF ANNUAL PASSENGER ENPLANEMENTS
- SCHEDULE OF MONTHLY ENPLANEMENTS
- SCHEDULE OF CHANGES IN U.S. DOMESTIC MONTHLY ENPLANEMENTS
- SCHEDULE OF AIRLINES MARKET SHARE
- SCHEDULE OF AIRCRAFT OPERATIONS
- SCHEDULE OF ENPLANED CARGO
- SCHEDULE OF COMMERCIAL AIRCRAFT LANDED WEIGHT BY AIRLINE
- SCHEDULE OF COMMERCIAL AIRCRAFT LANDINGS
- SCHEDULE OF ANNUAL PARKING REVENUE BY FACILITY
- SCHEDULE OF TOTAL AIRPORT SYSTEM REVENUE & EXPENSES
- SCHEDULE OF HISTORICAL OPERATING & MAINTENANCE EXPENSES
- SCHEDULE OF HISTORICAL REVENUES
- SCHEDULE OF HISTORICAL AIRLINE COST PER ENPLANED PASSENGER
- SCHEDULE OF HISTORICAL GARB DEBT SERVICE COVERAGE
- SCHEDULE OF PFC BOND SUFFICIENCY COVENANT
- SCHEDULE OF PFC REVENUES
- SCHEDULE OF SUMMARY AIRPORT SYSTEM REVENUE AND EXPENSES

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# BOND DISCLOSURE SECTION

Table IV-1

## SCHEDULE OF ANNUAL PASSENGER ENPLANEMENTS

CY 1991-2003

Year	Domestic		International <sup>1</sup>		Total Enplanements	
	Actual	% of Total	Actual	% of Total	Actual	% Change
1991	3,473,333	100.0%	0	0.0%	3,473,333	-
1992	3,668,288	98.9	42,557	1.1	3,710,845	6.8%
1993	3,936,402	99.1	33,952	0.9	3,970,354	7.0
1994	4,419,734	99.0	46,241	1.0	4,465,975	12.5
1995	4,702,667	99.1	41,226	0.9	4,743,893	6.2
1996	5,002,074	99.2	42,240	0.8	5,044,314	6.3
1997	5,478,912	98.9	62,658	1.1	5,541,570	9.9
1998	5,531,409	99.0	55,228	1.0	5,586,637	0.8
1999	5,861,565	99.0	58,014	1.0	5,919,579	6.0
2000	6,013,923	98.9	66,372	1.1	6,080,295	2.7
2001	5,802,901	99.0	56,255	1.0	5,859,156	(3.6)
2002	5,148,924	99.2	42,892	0.8	5,191,816	(11.4)
2003	4,828,048	99.5	22,223	0.5	4,850,271	(6.6)

<sup>1</sup> International enplanements by Air Canada, Air Canada Jan, and charter airlines.

# BOND DISCLOSURE SECTION

Table IV-3

## SCHEDULE OF MONTHLY ENPLANEMENTS

CY2000-2003

Kansas City International Airport Enplanements <sup>1</sup>

	2000	2001	2002	2003	2004	00/01	01/02	02/03	03/04
January	413,748	429,001	380,992	338,163	337,474	3.7%	(11.2)%	(11.2)%	(0.2)%
February	431,252	430,547	362,465	331,667	326,816	(0.2)	(15.8)	(8.5)	(1.5)
March	529,936	553,679	477,432	412,804	441,391	4.5	(13.8)	(13.5)	6.5
April	474,108	501,130	427,839	361,699	395,116	5.7	(14.6)	(15.5)	
May	536,468	560,096	495,070	434,235		4.4	(11.6)	(12.3)	
June	574,389	577,152	510,659	457,406		0.5	(11.5)	(10.4)	
July	576,169	581,617	523,136	488,213		0.9	(10.1)	(6.7)	
August	552,246	562,629	447,074	434,728		1.9	(20.5)	(2.8)	
September	472,411	337,565	361,990	376,967		(28.5)	7.2	4.1	
October	527,776	459,472	416,715	426,811		(12.9)	(9.3)	2.4	
November	510,846	433,503	368,549	376,603		(15.1)	(15.0)	2.2	
December	480,946	432,765	419,895	410,975		(10.0)	(3.0)	(2.1)	
<b>Total</b>	<b>6,080,295</b>	<b>5,859,156</b>	<b>5,191,816</b>	<b>4,850,271</b>	<b>1,500,797</b>				

<sup>1</sup> International enplanements by Air Canada, Air Canada Jan, and charter airlines.

<sup>2</sup> Source: Kansas City Aviation Department records.

<sup>3</sup> Source: Air Transport Association (ATA). ATA data includes only scheduled service by ATA-member airlines. As of November 2003, ATA members included Alaska, Aloha, America West, American, American Trans Air, Continental, Delta, Hawaiian, JetBlue, Midwest Express, Northwest, Southwest, United, and US Airways.



Table IV-3B

SCHEDULE OF CHANGES IN U.S. DOMESTIC MONTHLY ENPLANEMENTS  
CY2000-2003

Month	2000-01	2001-02	2002-03	2003-04
January	4.1%	(13.9)%	2.7%	(2.0)%
February	(3.3)	(11.7)	(1.8)	5.5%
March	(1.7)	(10.0)	(5.5)	4.5%
April	(0.5)	(12.8)	(5.8)	10.2%
May	(2.3)	(10.4)	5.3	
June	(2.2)	(10.5)	(3.9)	
July	0.1	(10.6)	(0.9)	
August	3.2	(10.7)	(5.2)	
September	(34.5)	28.9	(1.7)	
October	(21.5)	10.1	(1.0)	
November	(18.5)	0.7	0.8	
December	(13.6)	11.0	(4.0)	

# BOND DISCLOSURE SECTION

Table IV-5

## SCHEDULE OF AIRLINES MARKET SHARE

CY 1999-2003

Domestic Air Carrier:	1999	2000	2001	2002	2003	Jan-Apr04
AirTran	0	0	0	11,657	79,641	24,510
America West	138,521	142,203	147,114	132,673	110,870	37,908
American	579,187	555,249	510,931	745,935	743,973	201,572
Continental <sup>1</sup>	253,511	281,023	235,322	221,043	223,499	65,742
Delta	642,021	642,237	545,588	486,098	512,778	148,012
Frontier <sup>2</sup>	0	43,606	79,115	87,769	121,151	46,702
Midwest Express <sup>3</sup>	154,742	164,139	234,287	260,693	213,787	64,783
Northwest	454,100	465,205	430,065	394,437	414,465	109,639
Southwest	1,581,679	1,786,987	1,767,242	1,575,617	1,566,408	511,497
TWA <sup>4</sup>	368,120	369,391	271,950	0	0	0
United	551,985	463,053	443,882	380,854	370,314	116,892
US Airways	385,233	380,931	344,361	276,920	251,976	70,484
Vanguard <sup>5</sup>	594,754	582,904	681,046	456,092	0	0
<b>Subtotal domestic air carrier</b>	<b>5,703,853</b>	<b>5,876,928</b>	<b>5,690,903</b>	<b>5,029,788</b>	<b>4,608,862</b>	<b>1,397,741</b>
<b>Commuter:</b>						
Air Midwest	132,914	113,906	87,154	50,738	25,367	7,898
Air Wisconsin	0	0	0	0	24,970	17,058
America West/Mesa	0	0	0	0	13,683	10,120
Atlantic Southeast	0	0	0	0	20,501	15,673
Chautauqua	0	0	0	0	0	3,302
Comair <sup>6</sup>	23,153	22,518	14,076	33,006	51,231	11,835
Northwest Airlink Express <sup>1</sup>	358	0	0	0	0	0.0
Redwing Airways	1,287	571	0	0	0	0
SkyWest <sup>6</sup>	0	0	10,768	35,392	77,798	25,286
<b>Subtotal commuter</b>	<b>157,712</b>	<b>136,995</b>	<b>111,998</b>	<b>119,136</b>	<b>213,550</b>	<b>91,172</b>
<b>Foreign Air Carrier:</b>						
Air Canada	24,265	24,299	20,660	15,353	2,802	0
Air Canada Jazz	0	0	0	0	7,303	2,647
<b>Subtotal foreign carrier</b>	<b>24,265</b>	<b>24,299</b>	<b>20,660</b>	<b>15,353</b>	<b>10,105</b>	<b>2,647</b>
<b>Charter<sup>7</sup></b>	<b>33,749</b>	<b>42,073</b>	<b>35,595</b>	<b>27,539</b>	<b>17,754</b>	<b>9,237</b>
<b>Total all airlines</b>	<b>5,919,579</b>	<b>6,080,295</b>	<b>5,859,156</b>	<b>5,191,816</b>	<b>4,850,271</b>	<b>1,500,797</b>

<sup>1</sup> Includes enplanements by Continental Express.

<sup>2</sup> Frontier began service between Kansas City and Denver in June 2000.

<sup>3</sup> Includes enplanements by Skyway, the designated commuter airline for Midwest Express at the airport.

<sup>4</sup> Effective December 2001, TWA's enplanements are reported together with American's enplanements.

<sup>5</sup> On July 30, 2002, Vanguard filed for Chapter 11 bankruptcy protection and ceased all operations.

<sup>6</sup> SkyWest began service between Kansas City and Salt Lake City in May 2001. Comair and Skywest operate as Delta Connection affiliates at the airport.

<sup>7</sup> Charter includes Sunworld in 2002.

Source: Kansas City Aviation Department records.



1999	2000	2001	2002	2003
0.0%	0.0%	0.0%	0.2%	1.6%
2.3	2.3	2.5	2.6	2.3
9.8	9.1	8.7	14.4	15.3
4.3	4.6	4.0	4.3	4.6
10.8	10.6	9.3	9.4	10.6
0.0	0.7	1.4	1.7	2.5
2.6	2.7	4.0	5.0	4.4
7.7	7.7	7.3	7.6	8.5
26.7	29.4	30.2	30.3	32.3
6.2	6.1	4.6	0.0	0.0
9.3	7.6	7.6	7.3	7.6
6.5	6.3	5.9	5.3	5.2
10.0	9.6	11.6	8.8	0.0
96.4%	96.7%	97.1%	96.9%	95.0%

2.2	1.9	1.5	1.0	0.5
0.0	0.0	0.0	0.0	0.5
0.0	0.0	0.0	0.0	0.3
0.0	0.0	0.0	0.0	0.4
0.0	0.0	0.0	0.0	0.0
0.4	.3	0.2	0.6	1.1
0.01	0.0	0.0	0.0	
0.02	0.01	0.0	0.0	0.0
0.00	0.00	0.18	0.7	1.6
2.7%	2.3%	1.9%	2.3%	4.4%

0.4	0.4	0.4	0.3	0.06
0.0	0.0	0.0	0.0	0.15
0.4%	0.4%	0.4%	0.3%	0.2%

0.6	0.7	0.6	.05	0.4
100.0%	100.0%	100.0%	100.0%	100.0%

# BOND DISCLOSURE SECTION

Table IV-7

## SCHEDULE OF AIRCRAFT OPERATIONS

CY 1991-2004

Year	Domestic Air Carrier <sup>1</sup>	Commuter/ Air Taxi	All-Cargo	General Aviation <sup>2</sup>	Military	Total
1991	111,295	40,068	6,730	17,088	1,647	176,828
1992	103,060	50,313	6,738	15,600	1,805	177,516
1993	110,119	49,327	10,086	17,319	1,964	188,815
1994	114,629	54,989	14,642	17,490	1,320	203,070
1995	118,433	58,602	10,854	15,420	1,044	204,353
1996	113,992	55,612	12,386	14,234	960	197,184
1997	123,889	61,518	12,092	13,386	679	211,564
1998	125,385	61,009	13,548	12,029	534	212,505
1999	145,912	48,210	12,232	12,499	963	219,816
2000	151,298	43,487	11,560	11,253	714	218,312
2001	148,178	36,818	14,834	8,793	1,074	209,697
2002	137,500	35,837	9,146	8,008	834	191,325
2003	116,367	35,826	9,526	8,302	737	170,758
January - April 2004	38,179	10,255	3,510	2,469	267	54,680

<sup>1</sup> Includes aircraft operations by domestic air carriers, Air Canada, and charter operations.

<sup>2</sup> General aviation includes civil itinerant and local aircraft operations.

Source: Kansas City Aviation Department based on FAA Airport Operations Monthly Summary.



Table IV-9  
 SCHEDULE OF ENPLANED CARGO  
 CY 1991-2003

Year	Mail	% of	Air Freight	% of	Total Cargo
	Weight	Total	Weight	Total	(000 lbs)
1991	36,079	38.1%	58,557	61.9%	94,636
1992	43,848	39.9	65,952	60.1	109,800
1993	49,446	37.5	82,313	62.5	131,759
1994	54,921	35.3	100,577	64.7	155,498
1995	57,934	38.3	93,182	61.7	151,116
1996	58,627	36.1	103,635	63.9	162,262
1997	54,244	33.3	108,818	66.7	163,062
1998	51,036	28.2	129,840	71.8	180,876
1999	49,380	27.3	131,349	72.7	180,729
2000	54,598	31.1	120,696	68.9	175,294
2001	44,566	26.4	124,057	73.6	168,623
2002	35,227	23.9	112,454	76.1	147,681
2003	35,293	24.4	109,117	75.6	144,410
Jan - April 2004	11,795	23.1	39,226	76.9	51,021

Source: Kansas City Aviation Department records.

# BOND DISCLOSURE SECTION

Table IV-8a

## SCHEDULE OF COMMERCIAL AIRCRAFT LANDED WEIGHT BY AIRLINE

CY 2000 - 2003 AND JAN - APR 2004

	2000	2001	2002	2003	Jan-Apr04	2000-01	2001-02	2002-03
<b>Domestic Air Carrier:</b>								
AirTran	00	0	25,782	113,132	37,544	n.a.	n.a.	338.8%
America West	189,172	185,116	175,548	129,851	50,978	(2.1)%	(5.2)%	(26.0)
American	793,214	782,619	1,209,367	1,198,838	299,426	(1.3)	54.5	(0.9)
Continental <sup>1</sup>	367,837	343,209	311,412	289,793	91,667	(6.7)	(9.3)	(6.9)
Delta	865,293	806,245	703,752	639,090	202,400	(6.8)	(12.7)	(9.2)
Frontier <sup>2</sup>	60,384	108,774	144,565	156,705	67,065	80.1	32.9	8.4
Midwest Express <sup>3</sup>	412,881	606,992	695,167	542,387	155,288	47.0	14.5	(22.0)
Northwest	633,420	604,563	587,897	590,625	186,880	(4.6)	(2.8)	0.5
Southwest	3,052,597	3,118,127	3,025,830	2,924,833	937,743	2.1	(3.0)	(3.3)
TWA	486,077	425,760	0	0	0	(12.4)	(100.0)	n.a
United	737,023	639,073	538,592	478,661	150,470	(13.3)	(15.7)	(11.1)
US Airways	568,878	567,580	454,183	378,093	113,650	(0.2)	(20.0)	(24.6)
Vanguard	824,834	968,336	754,930	0	0	17.4	(22.0)	n.a.
<b>Subtotal domestic air carrier</b>	<b>8,991,610</b>	<b>9,156,393</b>	<b>8,627,026</b>	<b>7,442,008</b>	<b>2,293,111</b>	<b>1.8</b>	<b>(5.8)</b>	<b>(14.1)</b>
<b>Commuter:</b>								
Air Midwest	269,899	217,228	151,049	66,604	16,557	(19.5)	(30.5)	(55.9)
Air Wisconsin	0	0	0	32,801	23,970	n.a.	n.a.	n.a.
Atlantic Southeast	0	0	0	27,871	18,142	n.a.	n.a.	n.a.
Chautauqua	0	0	0	0	3,532			
Comair	32,242	22,466	47,188	62,839	16,591	(30.3)	110.0	33.2
Mesa	0	0	0	14,888	11,229	n.a.	n.a.	n.a.
Redwing Airways	0	0	0	0	0	(100.0)	n.a.	n.a.
SkyWest	0	11,139	41,877	96,115	30,503	n.a.	275.9	129.5
<b>Subtotal commuter</b>	<b>304,328</b>	<b>250,833</b>	<b>240,114</b>	<b>301,118</b>	<b>120,524</b>	<b>(17.6)</b>	<b>(4.3)</b>	<b>22.4</b>
<b>Foreign Air Carrier:</b>								
Air Canada	44,744	39,459	30,562	6,940		(11.8)	(22.5)	(77.3)
Air Canada Jazz	0	0	0	16,544	6,755	n.a.	n.a.	n.a.
<b>Subtotal foreign carrier</b>	<b>44,744</b>	<b>39,459</b>	<b>30,562</b>	<b>23,484</b>	<b>6,755</b>	<b>(11.8)</b>	<b>(22.5)</b>	<b>(23.2)</b>
<b>Charter<sup>5</sup>:</b>	<b>32,471</b>	<b>67,493</b>	<b>65,694</b>	<b>28,717</b>	<b>11,631</b>	<b>(107.9)</b>	<b>(2.7)</b>	<b>(56.4)</b>
All Cargo Carrier								
Air Cargo Carriers, Inc.	5,605	5,175	7,548	11,491	3,886	(7.7)	45.9	52.2
Airborne Express	83,824	81,363	87,242	92,295	33,094	(2.9)	7.2	5.8
BAX Global	101,759	73,466	74,342	79,121	23,083	(27.8)	1.2	6.4
DHL Airways	74,727	68,170	76,092	82,015	27,360	(8.8)	11.6	7.8
Emery Worldwide <sup>5</sup>	176,176	141,039	84,846	98,800	45,194	(19.9)	(39.8)	16.4
Federal Express <sup>5</sup>	241,516	259,861	310,350	291,237	101,429	7.6	19.4	(16.0)
Kitty Hawk International Inc.	83,796	60,422	75,773	66,788	22,344	(27.9)	25.4	(11.9)
UPS	109,422	114,429	129,519	127,804	43,577	4.6	13.2	(11.6)
Others <sup>6</sup>	0	12,768	0	2,940		n.a.	(100.0)	n.a.
<b>Subtotal cargo</b>	<b>876,824</b>	<b>816,691</b>	<b>845,711</b>	<b>849,845</b>	<b>299,967</b>	<b>(6.9)</b>	<b>3.6</b>	<b>(4.7)</b>
<b>Total all airlines</b>	<b>10,249,976</b>	<b>10,330,869</b>	<b>9,809,107</b>	<b>8,558,129</b>	<b>2,731,988</b>	<b>0.8</b>	<b>(5.1)</b>	<b>(12.8)</b>

Source: Kansas City Aviation Department records. "n.a." stands for not applicable due to the recent entry into or exit from the MCI market by the respective airlines.

<sup>1</sup> Includes operations by Continental Express.

<sup>2</sup> Frontier began service at MCI in June 2000.

<sup>3</sup> Includes operations by Skyway, the designated commuter airline for Midwest Express at MCI.

<sup>4</sup> Charter category includes passenger and cargo operations; Sunworld operations in 2002.

<sup>5</sup> Emery Worldwide includes passenger and cargo operations; Sunworld operations in 2002.

<sup>6</sup> Others include Eagle Global Logistics, Reliant Airlines, and Zantop International.





Table IV-8b

## SCHEDULE OF COMMERCIAL AIRCRAFT LANDINGS

CY 2000-2004

Domestic Air Carrier:	2000	2001	2002	2003	Jan-Apr04	2000-01	2001-02	2002-03
AirTran	0	0	248	1,088	361	n.a.	n.a.	338.7%
America West	1,613	1,617	1,516	1,140	449	0.2%	(6.2)%	(24.8)
American	5,851	5,759	8,753	8,876	2,334	(1.6)	52.0	1.4
Continental <sup>1</sup>	4,051	3,948	3,905	4,174	1,463	(2.5)	(1.1)	6.9)
Delta	6,379	5,862	4,936	4,578	1,480	(8.1)	(15.8)	(7.3)
Frontier <sup>2</sup>	542	991	1,287	1,329	543	82.8	29.9	3.3
Midwest Express <sup>3</sup>	4,121	6,160	6,754	5,135	1,533	49.5	9.6	(24.0)
Northwest	5,673	5,498	5,464	5,593	1,770	(3.1)	(0.6)	2.4
Southwest	26,042	26,490	25,641	24,706+	7,891	1.7	(3.2)	(3.6)
TWA	3,500	3,259	0	0	0	(6.9)	n.a.	n.a.
United	4,684	4,496	4,405	3,966	1,326	(4.0)	(2.0)	(10.0)
US Airways	5,059	4,653	3,623	3,181	1,000	(8.0)	(22.1)	(20.7)
Vanguard	8,093	8,947	6,233	0	0	10.6	(30.3)	(100.0)
<b>Subtotal domestic air carrier</b>	<b>75,608</b>	<b>77,680</b>	<b>72,765</b>	<b>63,766</b>	<b>20,150</b>	<b>2.7</b>	<b>(6.3)</b>	<b>(12.8)</b>
Commuter:								
Air Midwest	16,259	12,112	9,027	3,978	995	(25.5)	(25.5)	(55.9)
Air Wisconsin	0	0	0	643	510	n.a.	n.a.	n.a.
Atlantic Southeast	0	0	0	593	386	n.a.	n.a.	n.a.
Chautauqua	0	0	0	0	83	n.a.	n.a.	n.a.
Comair	686	478	1,004	1,337	353	(30.3)	110.0	33.2
Mesa	0	0	0	336	250	n.a.	n.a.	n.a.
Redwing Airways	322	0	0	n.a.	0	n.a.	n.a.	2,187
SkyWest	0	237	891	2,045	649	n.a.	275.9	129.5
<b>Subtotal commuter</b>	<b>17,267</b>	<b>12,827</b>	<b>10,922</b>	<b>8,932</b>	<b>3,226</b>	<b>(25.7)</b>	<b>(14.9)</b>	<b>(19.6)</b>
Foreign Air Carrier:								
Air Canada	944	834	605	140	0	(11.7)	(27.5)	(76.9)
Air Canada Jazz	0	0	0	352	143	n.a.	n.a.	n.a.
<b>Subtotal foreign carrier</b>	<b>944</b>	<b>834</b>	<b>605</b>	<b>492</b>	<b>143</b>	<b>(11.7)</b>	<b>(27.5)</b>	<b>(18.7)</b>
Charter <sup>5</sup> :	611	762	424	229	76	(24.7)	(44.4)	(46.5)
All Cargo Carrier								
Air Cargo Carriers, Inc.	298	248	334	508	171	(16.8)	34.7	52.1
Airborne Express	575	593	575	834	323	3.1	(3.0)	45.0
BAX Global	579	484	395	468	135	(16.4)	(18.4)	18.5
DHL Airways	518	505	509	514	171	(2.5)	0.8	1.0
Emery Worldwide <sup>5</sup>	428	474	521	607	280	10.7	9.9	16.5
Federal Express <sup>5</sup>	1,022	1,000	1,202	1,106	381	(2.2)	20.2	(18.2)
Kitty Hawk International Inc.	545	430	542	423	147	(21.1)	260.0	(22.0)
UPS	505	526	495	470	161	4.2	(5.9)	(14.5)
Others <sup>6</sup>	0	264	0	3		n.a.	n.a.	n.a.
<b>Subtotal cargo</b>	<b>4,470</b>	<b>4,524</b>	<b>4,573</b>	<b>4,933</b>	<b>1,769</b>	<b>1.2</b>	<b>1.1</b>	<b>4.2</b>
<b>Total all airlines</b>	<b>98,900</b>	<b>96,627</b>	<b>89,289</b>	<b>78,352</b>	<b>25,364</b>	<b>(2.3)</b>	<b>(7.6)</b>	<b>(13.0)</b>

Source: Kansas City Aviation Department records. "n.a." stands for not applicable due to the recent entry into or exit from the MCI market by the respective airlines.

<sup>1</sup> Includes operations by Continental Express.<sup>2</sup> Frontier began service at MCI in June 2000.<sup>3</sup> Includes operations by Skyway, the designated commuter airline for Midwest Express at MCI.<sup>4</sup> Charter category includes passenger and cargo operations; Sunworld operations in 2002.<sup>5</sup> Emery Worldwide includes passenger and cargo operations; Sunworld operations in 2002.<sup>6</sup> Others include Eagle Global Logistics, Reliant Airlines, and Zantop International.

# BOND DISCLOSURE SECTION

Table V-6

## SCHEDULE OF ANNUAL PARKING REVENUE BY FACILITY

CY 1991-2004, FYE03 - FYE04

	Terminal Garages		Circle E		Satellite Lot		Economy Lot		All Facilities	
	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% Change
1991	\$5,984,052	46.5%	\$2,708,800	21.1%	\$4,165,627	32.4%	-	-	\$12,858,478	
1992	8,620,926	57.4	2,197,230	14.6	4,207,537	28.0	-	-	15,025,693	16.9%
1993	10,531,815	61.4	2,317,090	13.5	4,311,017	25.1	-	-	17,159,922	14.2
1994	12,244,426	60.7	3,117,728	15.5	4,797,534	23.8	-	-	20,159,687	17.5
1995	13,111,668	59.8	3,522,873	16.1	5,276,817	24.1	-	-	21,911,358	8.7
1996	13,599,495	55.5	4,157,381	17.0	6,746,168	27.5	-	-	24,503,044	11.8
1997	14,230,445	54.4	4,189,832	16.0	7,741,402	29.6	-	-	26,161,679	6.8
1998	17,562,618	58.5	4,036,496	13.4	8,432,502	28.1	-	-	30,031,615	14.8
1999	18,125,006	58.8	3,573,169	11.6	9,122,890	29.6	-	-	30,821,064	2.6
2000	18,306,789	58.1	3,764,175	11.9	9,441,256	30.0	-	-	31,512,220	2.2
2001	16,432,640	56.4	3,533,783	12.1	9,192,771	31.5	-	-	29,159,194	-7.5
2002	15,986,278	52.9	3,970,522	13.1	10,261,788	34.0	-	-	30,218,588	3.6
2003	16,024,067	51.8	4,042,477	13.1	10,880,497	35.2	-	-	30,947,041	2.4

	Terminal Garages	Circle E	Satellite Lot/ Economy	Other	All Facilities
FYE03	\$15,746,191	\$4,021,795	\$10,776,766	\$1,324,389	\$31,869,141
FYE04	16,497,560	4,110,987	11,072,774	1,612,029	33,293,350



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# BOND DISCLOSURE SECTION

Table VI-2  
 SCHEDULE OF TOTAL AIRPORT SYSTEM REVENUE & EXPENSES  
 FOR FISCAL YEARS

	FYE97	FYE98	FYE99	FYE00
Net revenues available for GARB debt service				
Total revenues	\$63,653,749	\$71,695,807	\$76,123,316	\$76,530,240
Total expenses	(32,694,419)	(33,243,878)	(34,094,820)	(36,785,722)
<b>Net revenues</b>	<b>\$30,959,330</b>	<b>\$38,451,929</b>	<b>\$42,028,496</b>	<b>\$39,744,518</b>
Revenues and expenses per GAAP				
Operating revenues	\$57,995,531	\$61,831,620	\$66,922,781	\$67,634,777
Operating expenses	(62,355,502)	(58,205,601)	(61,632,724)	(62,133,918)
Operating income(loss)	(4,359,971)	3,626,019	5,290,057	5,500,859
Other income (expense) - net	27,058,537	16,175,539	15,382,302	12,846,456
Net income per GAAP	22,698,566	19,801,558	20,672,359	18,347,315
Add back <sup>1</sup> :				
Depreciation expense				
Interest expense on bonds				
Repayment of FAA grants for Richards- Gebaur <sup>2</sup>				
Amortization of bond costs				
Nonoperating expense				
Deduct: <sup>3</sup>				
PFC revenue				
Operating grant revenue				
Capital grant revenue				
Interest income on PFCs and bond accounts <sup>4</sup>				
Other adjustments				
Nonoperating revenue				
Richards-Gebaur operating revenues				
<b>Net revenues available for debt service</b>	<b>\$30,959,330</b>	<b>\$38,451,929</b>	<b>\$42,028,496</b>	<b>\$39,744,517</b>

<sup>1</sup> Included in expenses presented pursuant to GAAP, but not included in expenses for operating and maintaining the airports pursuant to the bond ordinances.

<sup>2</sup> Due to the closing of Richards-Gebaur, the Department repaid the FAA for grant funds (plus interest) received for Richards-Gebaur in prior years.

<sup>3</sup> Included in revenues presented pursuant to GAAP, but not included in revenues available to pay debt service on GARBs pursuant to the bond ordinances.

<sup>4</sup> Interest income on unspent PFC funds; unspent Series 2001 PFC Bond proceeds; and the balances in the accounts established pursuant to the bond ordinances.

<sup>5</sup> The FYE02 adjustments in the bottom of the table have been restated since the continuing disclosure information was prepared in 2003.

<sup>6</sup> The FYE03 adjustments in the bottom of the table have been restated since the continuing disclosure information was prepared in 2004.



FYE01	FYE02	FYE03	FYE04
\$85,661,307	\$78,092,196	\$77,079,062	78,036,771
(41,870,632)	(52,876,746)	(51,131,232)	(49,211,704)
<u>\$43,790,675</u>	<u>\$25,215,450</u>	<u>\$25,947,830</u>	<u>\$28,825,067</u>
\$69,611,575	\$67,220,241	\$68,051,446	\$69,373,717
(65,437,753)	(75,680,915)	(78,424,158)	(77,821,729)
<u>4,173,822</u>	<u>(8,460,674)</u>	<u>(10,372,713)</u>	<u>(8,448,012)</u>
26,802,088	22,898,785	23,240,441	19,612,585
<u>30,975,910</u>	<u>14,438,111</u>	<u>12,867,728</u>	<u>11,164,573</u>
21,632,145	22,630,206	27,159,055	28,400,493
8,428,713	12,280,379	15,698,287	9,324,298
-	5,517,238	-	-
50,378	105,513	133,872	209,533
		348,165	91,017
(17,207,518)	(16,134,494)	(13,686,560)	(13,879,589)
(123,049)	(1,223,993)	(3,022,340)	(936,958)
-	(9,118,124)	(7,450,857)	(3,258,011)
(1,324,020)	(5,029,598)	(5,270,678)	(741,224)
1,358,116	1,750,212	-	-
		(163,840)	(187,230)
		(665,002)	(1,361,835)
<u>\$43,790,675</u>	<u>\$25,215,450</u>	<u>\$25,947,830</u>	<u>\$28,825,067</u>

# BOND DISCLOSURE SECTION

Table VI-3  
**SCHEDULE OF HISTORICAL OPERATING & MAINTENANCE EXPENSES**  
 FOR FISCAL YEARS ENDING APRIL 30  
 AUDITED

	FYE98	FYE99	FYE00	FYE01	FYE02	FYE03
By expense category:						
Salaries, wages, & benefits	\$16,362,602	\$16,959,299	\$18,108,645	\$18,292,675	\$20,509,675	\$22,365,738
Contractual services	10,518,905	10,742,513	11,994,359	15,925,308	25,528,489	26,280,324
Utilities	3,380,027	3,128,787	3,146,221	3,871,593	3,340,415	
Commodities and supplies	2,573,965	2,825,152	2,561,678	3,091,249	2,515,840	2,485,170
Property and liability insurance	408,379	439,069	974,819	689,807	982,327	
<b>Total O&amp;M expenses</b>	<b>\$33,243,878</b>	<b>\$34,094,820</b>	<b>\$36,785,722</b>	<b>\$41,870,632</b>	<b>\$52,876,746</b>	<b>\$51,131,232</b>
BY cost center:						
Airline cost centers						
Direct:						
Runways and taxiways	\$1,536,064	\$1,602,301	\$2,561,608	\$1,804,996	\$1,874,311	\$2,082,982
Terminal buildings <sup>1</sup>	3,031,364	3,128,184	2,724,334	2,890,832	5,651,782	6,433,716
Terminal aprons	545,737	566,939	870,544	705,117	780,214	850,807
Passenger boarding bridges <sup>2</sup>	0	0	0	0	583,101	669,095
Indirect:						
General administrative	\$9,462,711	\$9,739,955	\$10,702,588	\$10,662,670	\$11,257,435	\$12,892,215
Airport police	2,595,977	2,684,917	3,153,734	3,436,643	4,256,731	5,243,102
Heating, cooling, & ventilation	2,130,823	2,069,262	2,589,673	3,141,574	0	0
ARFF	1,457,649	1,489,710	1,714,034	2,320,543	2,513,127	2,474,258
Terminal building structural	1,159,124	1,202,302	1,726,945	1,557,511	0	0
Field maintenance administration	889,437	909,367	901,968	819,091	821,583	862,717
Other <sup>3</sup>	1,588,724	1,646,317	1,161,999	1,154,257	1,149,925	1,303,520
<b>Total - Airline Cost Centers</b>	<b>\$24,397,610</b>	<b>\$25,039,253</b>	<b>\$28,107,427</b>	<b>\$28,493,234</b>	<b>\$28,888,209</b>	<b>\$32,812,412</b>
Nonairline cost centers <sup>4</sup>	8,846,268	9,055,567	8,678,295	13,377,398	23,988,537	18,318,911
<b>Total O&amp;M expenses</b>	<b>\$33,243,878</b>	<b>\$34,094,820</b>	<b>\$36,785,722</b>	<b>\$41,870,632</b>	<b>\$52,876,746</b>	<b>\$51,131,323</b>

<sup>1</sup> In order to simplify the cost center listing, the Heating, cooling, & ventilation cost center and the terminal building Structural cost center are combined into the terminal building cost center for FYE02 - FYE04. Both of those cost centers are allocated 100% to the terminal building cost center.

<sup>2</sup> The passenger boarding bridges cost center was added as a separate cost center effective FYE2002.

<sup>3</sup> "Other" represents the following indirect cost centers: ambulance service, apron security posts, support area roads, inter-terminal bus, mobile response, law enforcement officers (LEOs) and baggage handling maintenance.

<sup>4</sup> O&M Expenses for the following facilities are not charged to the airlines: public parking lots, public parking garage, employee parking facilities, general aviation area, taxicab shelters, and other miscellaneous non-airline facilities.



FYE04

21,120,771  
25,474,042

2,616,891

            
\$49,211,704

2,228,110  
4,845,484  
862,742  
735,256

11,671,654  
4,733,097

2,544,812

929,613  
2,730,044

\$31,280,812

17,930,892

\$49,211,704

# BOND DISCLOSURE SECTION

Table VI-5  
 SCHEDULE OF HISTORICAL REVENUES  
 FOR FISCAL YEARS ENDING APRIL 30

	FYE98	FYE99	FYE00	FYE01	FYE02	FYE03
<b>Airfield:</b>						
Landing fees	\$9,308,980	\$10,215,812	\$8,295,142	\$9,043,841	\$9,018,013	\$9,635,966
Fuel flowage fees	558,373	696,332	762,666	571,403	515,391	568,694
<b>Total airfield</b>	<b>9,867,353</b>	<b>10,912,144</b>	<b>9,057,808</b>	<b>9,615,244</b>	<b>9,533,404</b>	<b>10,204,660</b>
<b>Terminal:</b>						
<b>Terminal building:</b>						
Airline terminal	5,413,234	7,074,324	6,974,131	7,115,268	8,099,347	6,699,753
Other terminal	841,269	436,987	238,213	205,986	649,305	791,127
<b>Concessions:</b>						
Food & beverage	853,615	955,015	1,069,010	1,142,622	593,852	630,950
News and gifts	1,065,418	1,143,546	1,212,563	1,296,798	1,297,957	765,728
Other concessions.	816,823	803,688	829,216	750,401	614,791	498,285
Terminal apron area	1,945,541	2,036,086	1,813,613	2,591,819	2,559,897	1,851,504
<b>Total terminal</b>	<b>10,935,900</b>	<b>12,449,646</b>	<b>12,136,746</b>	<b>13,102,894</b>	<b>13,815,149</b>	<b>11,237,347</b>
Parking revenue	28,812,740	30,997,010	32,094,178	31,993,244	29,557,225	31,654,833
Rental car revenue	6,258,517	6,645,197	7,594,848	7,773,928	7,238,643	7,290,691
Aviation service area	2,703,671	3,400,697	3,966,792	3,506,368	4,036,332	3,782,221
Other prop/revenue	3,240,492	2,584,109	3,200,324	3,620,506	3,119,611	3,216,692
Customer facility charges <sup>1</sup>	0	0	0	1,776,234	6,186,432	5,792,046
Interest revenue	9,877,134	9,134,514	8,479,544	14,272,889	4,605,400	3,900,572
<b>Total revenue</b>	<b>\$71,695,807</b>	<b>\$76,123,316</b>	<b>76,530,240</b>	<b>\$85,661,307</b>	<b>\$78,092,196</b>	<b>\$77,079,062</b>

<sup>1</sup> The Department began collecting rental car customer facility charge ("CFC") Revenues on January 1, 2001.





FYE04	% Increase
\$ 9,545,944	(0.9%)
<u>682,166</u>	20.4
10,228,110	0.2
6,637,060	(0.9)
750,258	(5.2)
587,303	(6.9)
862,171	(12.6)
439,099	(11.9)
<u>1,694,001</u>	(8.5)
10,969,892	2.4
33,089,817	4.5
7,864,913	7.9
3,559,507	5.9
2,299,644	(28.5)
5,886,939	1.6
<u>4,137,949</u>	6.1
\$78,036,771	1.2

# BOND DISCLOSURE SECTION

Table VI-10  
 SCHEDULE OF HISTORICAL AIRLINE COST PER ENPLANED PASSENGER  
 FOR FISCAL YEARS ENDING APRIL 30

	Landing Fees <sup>1</sup>	Terminal Building Rents	Terminal Apron Fees	Other Terminal	Total	Enplaned Passengers <sup>2</sup>	Cost per Enplaned Passenger
FYE01	\$8,155,158	\$7,115,268	\$2,591,819		\$17,862,245	6,145,608	\$2.91
FYE02	8,027,629	8,099,347	2,559,897		18,686,873	5,593,527	3.34
FYE03	8,628,009	6,699,753	2,638,202		17,965,963	4,987,421	3.60
FYE04	8,534,887	6,637,060	1,694,001	750,258	17,616,206	4,905,086	3.59

<sup>1</sup> Excludes airfield fees paid by cargo carriers.

<sup>2</sup> Enplanements on a fiscal year basis. The annual enplanements shown on this table do not match the annual enplanements shown on Table IV-1, which are presented on a calendar year basis.



Table VI-11  
**SCHEDULE OF HISTORICAL GARB DEBT SERVICE COVERAGE**  
 FOR FISCAL YEARS ENDING APRIL30  
 ACTUAL

	FYE01	FYE02	FYE03	FYE04	Avg. Annual Increase
<b>Revenues:</b>					
Airfield	\$9,615,244	\$9,533,404	\$10,204,660	10,228,110	0.2%
Terminal	13,102,894	13,815,149	12,040,212	10,969,892	(8.9)
Parking	31,993,244	29,557,225	31,654,833	33,089,817	4.5
Rental cars	7,773,928	7,238,643	7,290,691	7,864,913	7.9
Aviation services area	3,506,368	4,036,332	3,786,651	3,559,507	(6.0)
Other property rentals	3,620,506	3,119,611	3,287,914	2,299,644	(30.1)
Customer facility charges	1,776,234	6,186,432	5,792,046	5,886,939	1.6
Interest revenue	14,272,889	4,605,400	3,900,572	4,137,949	6.1)
<b>Total revenues</b>	<b>85,661,307</b>	<b>78,092,196</b>	<b>77,957,578</b>	<b>78,036,771</b>	<b>(0.1)</b>
<b>Cash provided by capitalized interest:</b>				<b>3,455,944</b>	
<b>Total cash available for debt service</b>	<b>85,661,307</b>	<b>78,092,196</b>	<b>77,957,578</b>	<b>81,492,715</b>	
<b>O&amp;M expenses:</b>					
Salaries, wages & benefits	18,292,675	20,509,675	22,365,738	21,120,771	(5.6)
Contractual services	15,925,308	25,528,489	26,280,324	25,474,042	(3.1)
Utilities	3,871,593	3,340,415			
Commodities & supplies	3,091,249	2,515,840	2,485,170	2,616,891	5.3
Property & liability insurance	689,807	982,327			
<b>Total O&amp;M expenses</b>	<b>41,870,632</b>	<b>52,876,746</b>	<b>51,131,232</b>	<b>49,211,704</b>	<b>(3.8)</b>
<b>Net revenues available for debt service</b>	<b>43,790,675</b>	<b>25,215,450</b>	<b>26,826,346</b>	<b>32,281,011</b>	
<b>Senior GARB debt service:</b>					
Series 1994A Bonds	3,051,400	3,089,703	3,085,095	3,093,020	
Series 1995 Bonds	4,078,440	4,184,970	4,172,590	4,163,245	
Series 1997A Bonds	1,619,395	1,619,395	1,619,395	1,619,395	
Series 199A Bonds	5,255,488	5,225,738	5,242,113	5,248,006	
Series 2003A Bonds				3,660,381	
Series 2003B Bonds				2,832,546	
<b>Currently outstanding GARBS</b>	<b>14,004,723</b>	<b>14,119,806</b>	<b>14,119,193</b>	<b>20,616,593</b>	
<b>Senior GARB coverage</b>	<b>3.13</b>	<b>1.79</b>	<b>1.90</b>	<b>1.57</b>	
<b>Total GARB debt service</b>					
Series 2000 subordinate GARBS <sup>1</sup>	246,667	740,000	740,000	740,000	
Future subordinate GARBS	0	0	0	0	
<b>Subtotal</b>	<b>246,667</b>	<b>740,000</b>	<b>740,000</b>	<b>740,000</b>	
<b>Total GARB debt service</b>	<b>\$14,251,390</b>	<b>\$14,859,806</b>	<b>\$14,859,193</b>	<b>21,356,593</b>	
<b>Total GARB coverage</b>	<b>3.07</b>	<b>1.70</b>	<b>1.81</b>	<b>1.51</b>	

<sup>1</sup> Series 2000 subordinate GARBS were issued in December 2000.

# BOND DISCLOSURE SECTION

Table VI-13  
**SCHEDULE OF PFC REVENUES**  
 FOR FISCAL YEARS ENDING APRIL 30

	2001	2002	2003	2004
Total enplanements [A] <sup>1</sup>	6,145,608	6,593,527,	4,987,421	4,905,086
% of PFC enplaned passengers [B]	<div style="border: 2px solid blue; padding: 10px;"> <p>This information was presented in the Report of the Airport Consultant on a projected basis to calculate projected PFC revenues. However, this calculation is not relevant for the presentation of historical PFC Revenues.</p> </div>			
PFC enplaned passengers [C = A x B]				
PFC exempt air carriers [D]				
PFC eligible enplanements [E= C-D]				
PFC rate [F]				
PFC revenues [G = E x F]	\$17,207,518	\$16,134,494	\$13,686,560	\$13,879,589

<sup>1</sup> Fiscal year enplanements from Table VI-10.

<sup>2</sup> PFC revenues from the Department's audited financial statements.



Table VI-14  
**SCHEDULE OF PFC BOND SUFFICIENCY COVENANT**  
 FOR FISCAL YEARS ENDING APRIL 30  
 (IN \$ MILLIONS, EXCEPT SUFFICIENCY TEST COVENANT)

	FYE01	FYE02	FYE03	FYE04
Sufficiency covenant:				
PFC Authority <sup>1</sup>	\$338.9	\$338.9	\$338.9	\$338.9
Less: PFC Pay-As-You-Go Costs paid to date <sup>2</sup>	54.1	82.4	79.9	79.6
PFC Pay-As-You-Go Contractual Commitments <sup>3</sup>	0.0	0.0	0.0	0.0
Debt service paid to date on the Series 2001 Bonds	0.0	4.5	13.6	25.4
Projected debt service on any junior lien bonds	0.0	0.0	0.0	0.0
Plus: Funds on deposit on any junior lien bonds	0.0	0.0	0.0	0.0
Subtotal (A)	\$284.8	\$252.0	\$245.3	\$233.9
Debt service requirements (B)	\$238.5	\$234.0	\$224.9	220.1
Sufficiency test covenant (must be at least 1.05) (A/B)	1.19	1.08	1.09	1.06

<sup>1</sup> PFC Authority approved by the FAA.

<sup>2</sup> Includes PFC Pay-As-You-Go costs related to approved PFC applications.

<sup>3</sup> PFC Pay-As-You-Go contractual commitments that have not yet been paid. For purposes of this analysis, it is assumed that all contractual commitments are paid as incurred.





