



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

# Advisory Circular

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**Subject:** GUIDE FOR AIRPORT FINANCIAL  
REPORTS FILED BY AIRPORT SPONSORS

**Date:** April 19, 2004  
**Initiated by:** AAS-400

**AC No:** 150/5100-19C  
**Change:**

**1. REVISION.** This revision announces the following changes:

**a. Security Reimbursements.** Since the events of September 11, 2001, the level of security services that airports provide to their carriers has increased substantially. To reflect this increase, we are including security reimbursements in Aeronautical Operating Revenue.

**b. Enplanements.** Each year the air carriers report their enplanements to the FAA. In response to requests from the public, the FAA will now incorporate that enplanement data into the Form 5100-127, Operating and Financial Summary. The FAA will enter this data. This change will not require airports to gather or enter any additional data.

**c. Hardcopy Forms.** Since airports may now enter information directly on the web, the FAA will no longer automatically accept hardcopy forms. The FAA will make exceptions for airports that have difficulty accessing the site.

**d. Succession.** This revision supersedes the previous version, dated January 15, 2003.

**2. PREVIOUS REVISIONS.** Previous revisions introduced the Web site for the financial reports and incorporated comments from sponsors, airport managers, and the public. It also included changes made necessary by the issuance of the final Federal Aviation Administration (FAA) Policy and Procedures Concerning the Use of Airport Revenue (Policy) (64 FR 7696).

**3. INTRODUCTION.** Section 111 of the Federal Aviation Administration Authorization Act of 1994, Public Law 103-305 (August 23, 1994) (FAA Authorization Act of 1994), required sponsors to

file two new reports. Section 111(a) required sponsors to report amounts the airport paid to any other units of government and the purpose for each payment. It also required sponsors to report all services and property that the airport provided to other units of government and the amount of compensation the airport received. Section 111(b) required sponsors to use the FAA's uniform format to report funds collected and spent at their airports. These sections are codified at 49 U.S.C. § 47107(19).

Congress enacted the reporting requirements to inform the public about how airports collect and disburse their funds and to provide the FAA with a means for evaluating sponsor compliance with revenue-use requirements. Both 49 U.S.C. § 47107(b) and 47133 require sponsors to use airport revenue for the capital or operating costs of the airport, the local airport system, or other local facilities that are directly and substantially related to air transportation of passengers or property. Congress exempted certain financial arrangements from the requirement.

**4. PURPOSE.** This Advisory Circular (AC) provides sponsors with guidance for filing reports in accordance with 49 U.S.C. § 47107(a)(15) and (19). It does not impose new obligations, so the terms "mandatory" and "must" refer to statutory obligations that already exist.

**5. APPLICABILITY.** This AC applies to sponsors of commercial service airports that agreed to the Airport Improvement Program (AIP) grant assurances issued on or after January 1, 1995.

**6. SOURCES.** This AC incorporates by reference the following legislation, regulations, policies, procedures, and grant assurances.

**a. 49 U.S.C. § 47107(a)(15).** This provision codifies section 111(b) of the FAA Authorization Act of 1994; it requires sponsors to annually report to the Secretary of Transportation funds collected and spent at their airports.

**b. 49 U.S.C. § 47107(a)(19).** This provision codifies sections 111(a) of the FAA Authorization Act of 1994; it requires sponsors to report amounts the airport paid to any other units of government and the purpose for each payment. It also requires the sponsor to report all services and property that the airport provided to other units of government and the amount of compensation the airport received.

**c. 49 U.S.C. § 47107(b) and 47133.** These provisions establish the airport revenue-use requirement.

**d. 49 U.S.C. § 47107(m).** This provision establishes the requirement for airports that receive Federal grants or other Federal financial assistance to include a review and opinion concerning the use of airport revenue in their single audits. Office of Management and Budget (OMB) Circular A-133 provides guidance for conducting the single audit.

**e. Federal Register Notice on Airport Financial Reports (61 FR 11077), dated March 18, 1996.** This document announced the initial availability of formats for the preparation and filing of the reports.

**f. Federal Register Notice on Airport Financial Reports (61 FR 39499), dated July 29, 1996.** This document extended the filing date for airport financial reports from 60 to 120 days after an airport's fiscal year end.

**g. Federal Register Notice on Policy and Procedures Concerning the Use of Airport Revenue (64 FR 7696), dated February 16, 1999.** This is the final policy on the use of airport revenue. It also contains information pertaining to the single audit requirements of the FAA Reauthorization Act of 1996.

**h. Grant Assurance 26.** This grant assurance implements the requirements of 49 U.S.C. § 47107(a)(15) and (19) that established the sponsor obligation to file financial reports.

**i. Grant Assurance 25.** This grant assurance implements the revenue-use requirements of 49 U.S.C. § 47107(b) and 47133.

**j. FAA Order 5190.6.** This order, titled "Airport Compliance Requirements," provides policy guidance to the FAA for its administration of airport compliance.

## **7. FINANCIAL REPORTING REQUIREMENTS.**

Sponsors of each obligated commercial service airport that meets the following criteria must annually file.

**a. Obligated.** An airport is obligated if it is—

- Owned or operated by an entity that agreed to AIP grant assurances issued on or after January 1, 1995, and
- Subject to the revenue-use requirements.

**b. Commercial Service.** An airport is commercial service if it—

- Provides commercial service as defined by 49 U.S.C. § 47102 (enplanes 2,500 or more passengers annually), and
- Provided commercial service in the preceding calendar year.

## **8. COMMERCIAL SERVICE EXPLAINED.**

To determine which airports provide commercial service, the FAA uses airport enplanement data. To determine if an airport is a commercial service airport in the current calendar year, the FAA uses enplanement data from the preceding calendar year. For example, if during 2002 the airport had at least 2,500 enplanements, the FAA would classify it as commercial service for its 2003 fiscal year. Consequently, the FAA would require the sponsor to file the reports for the airport's 2003 fiscal year.

**9. AIRPORT FINANCIAL REPORTS.** Section 111(b) of the FAA Authorization Act of 1994 requires the FAA to issue a simplified financial reporting format to help the public understand how airports collect and disperse their funds. The original version was first published in the *Federal Register* (61 FR 11077) on March 18, 1998.

**a. Completed Forms.** Airport sponsors must provide the requested information on FAA Form 5100-127. We do not accept General Purpose Financial Statements in lieu of this form.

**b. Conformance with Generally Accepted Accounting Principles (GAAP).** The intent of Form 5100-127 is to provide sponsors with a

simplified format for reporting how their airports collect and disburse funds. The form arranges the data in accordance with the Government Accounting Standards Board Statement No. 34. We ask that sponsors note where their reporting departs from generally accepted accounting principles.

**c. FAA Form 5100-126, “Financial Governmental Payment Report.”** As required by section 111(a) of the FAA Authorization Act of 1994, the FAA Form 5100-126 provides sponsors with the format for reporting the amounts their airport paid to governmental units and all services and property provided to such units. The revised form incorporated the requirements of the Policy.

**d. Airport Financial Report Instructions.** The appendices of this AC provide instructions for completing the forms. These instructions supersede the instructions included in the FAA’s *Federal Register* notice on Airport Financial Reports (61 FR 11077), dated March 18, 1996, and the instruction in the previous version of this AC.

**10. FINANCIAL REPORTING WEB SITE.** The Airport Financial reporting Web site gathers and disseminates the Congressionally mandated financial reports.

**a. Address.** To access the Web site, go to the FAA Airports home page at [http://www.faa.gov/airport\\_airtraffic/airports](http://www.faa.gov/airport_airtraffic/airports). From the topics index, select Airport Financial Reporting Program. The site may also be accessed directly at <http://cats.airports.faa.gov>.

**b. Registration Form.** Only those wishing to file or amend reports or FAA personnel wishing to use program queries must register. To do so,

- Select either “File or amend an Airport Financial Report” or “FAA Airports Division user.”
- At the logon page, select “Register.”
- Enter the required information, including your user name and password.
- The FAA will send an e-mail validation of your registration. Upon receipt of the validation, you may log on.

**c. Filing Reports.** To file or amend airport financial reports—

- Select “File or Amend Airport Financial Reports.”
- To log on, enter your user name and password.
- Select your airport.
- Choose the data entry forms provided.

**d. Viewing Financial Reports.** Airport Financial Reports are publicly available. For viewing, there is no need to register or to log on. To view a report—

- Select “View an Airport Financial Report.”
- At the reports page, select an airport. We recommend you first enter the state in which the airport is located. Doing so will narrow the list of airports to those located in that state.

**e. Signature.** When filing hardcopy reports, the sponsor must sign the reports to certify that the information on the forms is true and accurate. The FAA now encourages filing the reports on the Web and no longer automatically accepts hardcopy forms.

**f. Help Desk.** The Help Desk number is (202) 267-3085. Call this number for questions that pertain to filing requirements, filing procedures, and Web site problems.

**11. REPORT DUE DATE.** The reports are due within 120 days of an airport’s fiscal year end.

**12. EXTENSIONS.** A sponsor may request an extension of up to 60 days.

**a. Web Site Requests.** To request an automatic 60 day extension on the Web site—

- Select “File or Amend Airport Financial Reports.”
- Enter user name and password.
- Select your airport.
- Select the extension request option.

**b. Letter Requests.** A sponsor's written request must state the reason for the extension. Address the request to—

Airports Compliance Division (AAS-400)  
ATTN: AIRPORT FINANCIAL REPORTS  
Federal Aviation Administration  
800 Independence Ave  
Washington DC 20591

**c.** The FAA may grant extensions up to 60 days. Consequently, Web site requests that exceed 60 days will default to the 60-day maximum. An airport that cannot file within 60 days should send a written explanation to the above address.

**13. SPONSORS OPERATING MORE THAN ONE AIRPORT.** Generally, sponsors must submit separate reports for each obligated commercial service airport. Sponsors that operate multiple commercial service airports may request an exception. Sponsors requesting an exception must submit a written request to the above address. The request must explain why the sponsor is requesting the consolidation and provide a list of the affected airports.

**14. HARDCOPY SUBMISSIONS.** Since airports may now enter their information directly on the web, the FAA will no longer automatically accept hardcopy forms. The FAA will make exceptions for airports that have difficulty accessing the site. When the FAA receives a hardcopy form, it will record the form as having been received. Then it will return the form to the airport, asking it to file electronically. Sponsors permitted to file hardcopy forms must send one set to the FAA office that administers the sponsor's grants and one set to the above address. The airport's principal financial officer must sign the hardcopy reports. The FAA will not accept unsigned forms.

**15. SUBMISSION OF UNAUDITED DATA.**

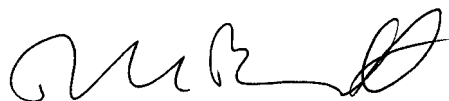
While the Act of 1994 did not require audited information, the FAA prefers audited data. If the sponsor cannot obtain audited information in time to meet the due date, the sponsor may request an extension. If the audited information is not available within the extension period, the sponsor should submit unaudited data. The sponsor should indicate in the space provided at the top of FAA Form 5100-127 whether the data is audited or unaudited. At a later date, the airport sponsor may submit amended reports that are based on audited information.

**16. MONITORING AND COMPLIANCE.**

The FAA will monitor and review report submissions. If a sponsor fails to submit its reports, the FAA will issue a letter notifying the sponsor of the overdue report. If the reports are not received within 30 days of the letter, the FAA will take action under 14 CFR Part 16, *Rules of Practice for Federally-Assisted Airport Proceedings*, to withhold future entitlement and discretionary AIP grant awards, and the FAA may suspend payments on existing grants.

**17. ENPLANEMENTS.**

Each year the FAA National Planning Branch collects enplanement data from air carriers that provide commercial service to airports. The FAA accumulates this information by airport and uses it in its formula for the distribution of Airport Improvement Program funds. It also posts this information on the Airports Web site ([http://www.faa.gov/airports\\_airtraffic/airports/](http://www.faa.gov/airports_airtraffic/airports/)). Due to the number of requests to have this enplanement data reported on the financial forms, the FAA will now also include enplanement data on the Form 5100-127. The FAA will enter this data. We will not require airports to gather or enter any additional data. Placing this information on Form 5100-127 is consistent with our mandate to inform the public about how airports collect and disburse their funds.



DAVID L. BENNETT  
Director, Office of Airport Safety and Standards

## Appendix 1. Instructions for Completing the “Operating and Financial Summary,” Federal Aviation Administration Form 5100-127

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**Instructions.** The following instructions pertain to hardcopy forms. Instructions for Web site forms are similar but are geared to those forms. To access instructions for a Web site form, click a blue highlighted line on the form, and the instructions for that line will appear. Hardcopy forms should be completed using a sans serif (Helvetica, Arial, etc.), 7-point font.

**Airport Name:** Insert airport name.

**Sponsor:** Insert sponsor name.

**Sponsor Employer Identification Number:** Insert the Employer Identification Number (EIN) that the airport or sponsor uses for the Office of Management and Budget (OMB) Circular A-133 single audit of the airport’s Airport Improvement Program (AIP) grants.

**Consolidated Report:** Enter “yes” or “no.” However, sponsors must obtain FAA approval prior to filing consolidated reports, AC paragraph 13.

**Fiscal Year End Date:** Insert the ending date of the fiscal year for which the information is provided.

**Location ID:** Indicate the FAA location identifier, which is a 3- or 4-digit alphanumeric code.

**State:** Enter the two-digit abbreviation for the state where the airport is located.

**Date When AIP Was Last Audited as a Major Program:** Insert the date that AIP was last audited as a major program (refers to the Single Audit described at OMB Circular A-133).

**Audited Information:** Enter “yes” or “no.”

### Summary of Revenues and Expenses:

**A. Aeronautical Operating Revenue.** This section includes all revenue derived from the aeronautical use of the airport. Aeronautical use is any activity that involves, makes possible, is required for the safety of, or is otherwise directly related to the operation of aircraft. Aeronautical use includes services provided by air carriers related

directly and substantially to the movement of passengers, baggage, mail, and cargo on the airport. Individuals and businesses, when engaged in the operation of aircraft or flight support, are aeronautical users. Enter the annual total receipts for each category listed below:

**1. Landing fees.** Enter the fees charged to aircraft owners and operators for the use of runways, taxiways, landing strips, runway protection zones, and clearways. Fees for parking aircraft should be reported on line 3, “Apron charges/tie downs.”

**2. Terminal/international arrival area rental or other charges.** Enter revenue earned from aeronautical use of the terminal facilities and ground space for the purpose of moving passengers and their baggage. This revenue includes charges for aeronautical use of the terminal buildings as office space, check-in and ticket counters, hold rooms, passenger baggage claim and staging areas, and other operational and maintenance facilities necessary for the air transportation of passengers. Report revenues from use of airport property for cargo operations, including passenger baggage claim, but do not include cargo and hangar rentals reported on line 5, “Cargo and hangar rental.”

**3. Apron charges/tie downs.** Enter revenue earned from the parking of aircraft on airport property.

**4. FBO revenue: contract or sponsor operated.** With the exception of charges reported in other categories, enter the fees charged to Fixed-Base Operators (FBOs) for the use of airport facilities and land. FBOs are typically privately owned businesses that provide flight and aircraft support services to aeronautical users of the airport, such as the sale of aircraft fuel, aircraft maintenance, and hangar facilities.

**5. Cargo and hangar rentals.** Enter revenues earned from the use of airport facilities and land for the purpose of cargo operations and the hangaring of aircraft. If a cargo or hangar facility is leased for nonaeronautical purposes, record the revenue under “land rental and non-terminal facilities,” section B.1 below.

**6. Aviation fuel tax retained for airport use.**

Enter tax collections from the sale of aviation fuel retained for the capital or operating costs of the airport or the local system of airports.

**7. Fuel sales net profit/loss or fuel flowage fees.** Enter the airport owner or operator's net profit or loss from the sale of aviation fuel and the gallonage fee for aviation fuel sold and dispensed on airport property. Also, include fees the airport charges to aircraft owners, operators, and fuel providers, such as the fuel flowage fees charged to FBOs for fueling aircraft on airport property.

**8. Security reimbursements.** Enter reimbursements received for security services provided on behalf of airlines and other aeronautical users.

**9. Miscellaneous.** Enter the various smaller sources of operating revenue from the aeronautical use of the airport. The revenues reported in this category should not exceed 5 percent of total aeronautical revenues.

**10. Other.** Enter the revenue from all other aeronautical operating revenues earned from the aeronautical use of the airport. Attach a list providing a description of each type (with the respective amount) included in the total for this category.

**B. Nonaeronautical Operating Revenue.** This section includes all revenues associated with the running and operation of the airport that are not derived from the aeronautical use of the airport. Enter the total annual receipts for each category listed below:

**1. Land rental and non-terminal facilities.**

Enter nonaeronautical rents received for the use of airport property, including manufacturing, warehousing, farming, and other activities.

**2. Terminal food and beverages.** Enter revenue from restaurants, snack bars, coffee shops, and beverage stores.

**3. Terminal retail stores.** Enter revenue from news stands, bookstores, gift shops, clothing stores, banks, currency exchanges, postal facilities, hotel reservation desks, business centers, barbershops, shoeshine stands, computer games, gambling machines, pay telephones, advertising space, specialty stores, duty-free and tax-free shops, and other retail operations.

**4. Terminal other.** Include revenue from other nonaeronautical terminal uses not otherwise listed.

**5. Rental cars.** Enter revenue from rental car operations within or outside of the terminal.

**6. Parking.** Enter the revenues earned from the sponsor's operation of on-airport parking facilities and/or from management contracts or other operating agreements for on-airport parking.

**7. Miscellaneous.** Enter the various small sources of operating revenue from the nonaeronautical use of the airport. The revenues reported in this category should not exceed 5 percent of the total nonaeronautical revenues.

**8. Other.** Enter the revenue from all other nonaeronautical operating revenues earned from the nonaeronautical use of the airport, such as hotel or car valet services. Attach a list providing a description of each type (with the respective amount) included in the total for this category.

**C. Nonoperating Revenues.** This section includes revenues that are not derived from operations. Enter the total annual receipts for each category listed below.

**1. Interest income restricted and nonrestricted.** Enter the interest income received from restricted and nonrestricted investments.

**2. Grant receipts.** Enter the amount of AIP grant and other grant payments received in the reporting fiscal year.

**3. Passenger Facility Charges.** Enter the Passenger Facility Charges received during the reporting fiscal year.

**4. Other.** Enter the other nonoperating revenues received during the reporting fiscal year. Attach a list providing a description of each type with the respective amount included in the total for this category.

**D. Operating Expenses.** Enter the annual operating expense incurred for each applicable category listed below:

**1. Personnel compensation and benefits.** Enter the salaries and wages of personnel directly employed by the airport, and include benefits such as health insurance, life insurance, and employee pensions. If an agency or department of the local

government operates the airport, enter only the personnel expenses for employees assigned to the department or agency who operate the airport.

**2. Communications and utilities.** Enter the cost of communication services and utilities used in the course of operating the airport, including telephones, electricity, and water.

**3. Supplies and materials.** Enter the cost of supplies and materials needed to operate the airport.

**4. Repairs and maintenance.** Enter the cost of repairs and maintenance of airport facilities and equipment.

**5. Contractual services.** Enter the cost of services paid to commercial enterprises and government agencies. Such costs include consulting, legal, accounting, auditing, security, firefighting, advertising, engineering, training, lobbying, maintenance, janitorial services, architectural fees, and financial services. Do not include items already recorded in the other expense categories.

**6. Insurance, claims, and settlements.** Enter the costs of insurance coverage and/or claims and settlements paid by the airport.

**7. Miscellaneous.** Enter the airport's various small operating expenses. The expenses in this category should not exceed 5 percent of the total operating expenses.

**8. Other.** Enter the total dollar amount of all other operating expenses incurred in the course of running the airport that were not already reported in this section. Attach a list providing a description of each type (with the respective amount) included in the total for this category.

#### **E. Nonoperating Expenses.**

**1. Interest expense.** Enter reporting period interest expenses.

**2. Other.** Enter other nonoperating expenses. Attach a list providing a description of each type (with the respective amount) included in the total for this category.

**F. Depreciation.** If the airport depreciates its assets, enter the depreciation for the reporting fiscal year.

#### **Other Financial Information:**

**G. Reporting Year Proceeds.** Other receipts include funds the airport would not normally report as operating or nonoperating revenue.

**1. Bond proceeds.** Enter reporting year proceeds from the sale of bonds.

**2. Proceeds from sale of property.** Enter the proceeds from the sale of property. Include any net gain or loss on the sale of such property in line C.4 or E.2.

**3. Contributed capital.** Enter capital contributions from Federal, state, and other governments; airlines; tenants; and sponsors. Do not include items already reported as nonoperating revenue.

**4. Other.** Enter the total dollar amount of all other receipts. Such receipts may include tax revenues, revenues from services provided to other governmental units and/or businesses, notes, loans, and private funds. The airport sponsor must attach a list providing a description of each type of revenue and other receipts (with the respective amount) included in the total for this category. Do not include amounts already reported as other items.

#### **H. Reporting Year Expenditures for Projects.**

**1. Airfield.** Enter airfield capital expenditures, even if the structure did not become operational during the fiscal year. In addition, please provide a brief description of each project reported in this category.

**2. Terminal.** Enter terminal capital expenditures, even if the facility or improvement did not become operational during the fiscal year. In addition, please provide a brief description of each project reported in this category.

**3. Parking.** Enter parking facility capital expenditures, even if the facility did not become operational during the fiscal year. In addition, please provide a brief description of each project reported in this category.

**4. Roadway, rail, and transit.** Enter roadway, rail, and transit capital expenditures, even if the facility or improvement did not become operational during the fiscal year. In addition, please provide a brief description of each project reported in this category.

**5. Other capital expenditures.** Enter other capital expenditures, even if the facility or improvement did not become operational during the fiscal year. In addition, please provide a brief description of each project reported in this category.

**I. Reporting Year Debt Payments, Including Interest.** Enter the principal payments on bonds, commercial paper, and other debt instruments. Do not include interest expense that is already reported as nonoperating expense.

**J. Indebtedness at End of Year.**

**1. Bonds.** Enter bond indebtedness at the end of the reporting period.

**2. Loans.** Enter loan indebtedness at the end of the reporting period.

**3. Other.** Enter other indebtedness at the end of the reporting period.

**K. Net Assets.** Enter net assets at the end of the reporting period (net assets are total assets less total liabilities).

**L. Restricted Financial Assets.**

**1. Restricted debt service reserve.** Enter financial assets, including cash, that are restricted to the payment of debt.

**2. Restrictions for renewals and replacements.** Enter financial assets, including cash, that are set aside for renewals and replacements of airport facilities, equipment, and property.

**3. Other restricted financial assets.** Enter other restricted financial assets, including cash.

**M. Unrestricted Financial Assets, Including Cash.** Enter unrestricted financial assets, including cash, at the end of the reporting period.

**Filing Instructions:**

**Airport mailing address.** Please provide the complete address.

**Signature and date.** The airport's principal financial officer must sign the report.

**Printed name and telephone number.** Please provide.

**Title.** Please complete.

**Mailing instructions.** Please mail the report to the address specified in paragraph 12b.



## Appendix 2. Instructions for Completing the “Financial Governmental Payment Report,” Federal Aviation Administration Form 5100-126

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**Instructions.** The following instructions pertain to hardcopy forms. Instructions for Web site forms are similar but are geared to those forms. To access the instructions for a Web site form, click a blue highlighted line on the form, and the instructions for that line will appear. Hardcopy forms should be completed using a sans serif (Helvetica, Arial, etc.), 7- point font.

**Airport Name:** Insert airport name.

**Location ID:** Indicate the FAA location identifier, which is a 3- to 4-digit alphanumeric code.

**Fiscal Year End:** Insert the ending date of the fiscal year for which the information is provided.

**Payments to Other Government Units:** Airports often make payments to the city, county, state, and Federal governments and other political subdivisions. Enter payments for services, fees, reimbursements, equipment charges, utilities, bond payments, grandfathered payments, and the other payments indicated on the form. Do not include payments of less than \$1,000 or payments for payroll tax, workers compensation, employee benefits, FICA, or employee retirement accounts. Please complete a separate form for each unit of government. For instance, complete a separate form for payments the airport made to the city, county, state, and Federal governments. If the airport did not make payments to any governmental units during the fiscal year, the airport must write “NONE” in the first box of this section.

**Name of government entity.** Insert the name of the government entity to which the airport made payments. Use a separate form for each government entity.

**Type of payment.** Please complete the appropriate lines. With regard to the “Other” line, attach a schedule that lists the type and amount of each payment; attach a similar schedule for central services.

**Amount.** Enter the amount of the payment.

**Example 1.** City A owns and operates ABC International Airport. ABC International Airport

uses vehicles from the City A’s motor pool to support airport operations. The City’s Department of Transportation runs the motor pool. This fiscal year, the airport’s cost of the motor pool service totaled \$50,000, and the airport paid \$50,000 for those services. Based on this information, the ABC International Airport would report that it made a payment of \$50,000 to City A for fleet services.

**Example 2.** County B owns and operates CBA Regional Airport. CBA Regional Airport, however, does not have its own engineering or legal staff, so the County B Engineering Department handles the airport’s engineering and the County B Legal Department handles the airport’s legal work. County B charges CBA Regional Airport for the engineering and legal services through an indirect cost allocation plan. For this fiscal year, County B allocated \$75,000 to the airport. Of this amount, \$25,000 was for engineering and \$50,000 was for legal services. Based on this information, the CBA Regional Airport would pay the \$75,000 and report that it made a payment to engineering for \$25,000 and a payment to legal services for \$50,000. If either payment were less than \$1,000, the airport would not report it.

**Property and (or) Services Provided to Other Governmental Units:** Airports often provide property and (or) services to other units of government for a variety of reasons or purposes. For example, an airport provides the parks department land for a golf course, or it may provide aeronautical facilities to a sheriff’s search and rescue unit. Services provided to other units of government may include services provided by employees of the airport, such as ground maintenance for a parks department, right of way for county roads, or easements for electrical power metered through the airport. Please complete a separate form for each unit of government. For instance, complete a separate form for property and (or) services the airport made to the city, county, state, and Federal governments. If the airport did not provide property and (or) services to any government units during the fiscal year, the airport must write “NONE” in the first box of this section. Each form should be filled out, as follows:

**Property and (or) services provided.** List all property and (or) services provided to a unit of government, such as a city, county, or state agency. Do not include land provided to the FAA for NAVAIDs and other air traffic control equipment or land and airport facilities that the airport provides to other government units to be used exclusively for operational requirements of the airport. If the sponsor did not provide property and (or) services to other government units during the fiscal year, the airport must write "NONE" in the first box of this section.

**Name of government entity.** Insert the name of the government entity (i.e., city, county, state, or Federal government) to which the airport provided property and (or) services. Use a separate box for each government entity. Use additional copies of the form for payments to other government entities.

**Department.** Insert the governmental department or agency that received the property and (or) service from the airport (e.g., parks and recreation department or public works department). Report each property and (or) service provided to the same agency or department separately, repeating the agency or department name in the "Department" column for each property and (or) service provided.

**Use.** Enter whether the service or use was aeronautical or nonaeronautical by inserting an "A" or "N" in the box.

**Type.** Enter whether the airport received fair market value, less than fair market value, or nominal value for the service or property that the airport provided by entering "FMV," "L," or "N" in the box.

**Fair market value.** Enter the fair market value of the service or property provided.

**Value of in-kind services.** If the unit of government paid for the service or property with in-kind services, enter the value of the services provided, and attach a schedule that describes the service.

**Cash compensation.** Enter the cash compensation that the unit of government paid for the service or property provided.

**Example 1:** City A is the owner and operator of the ABC International Airport. The ABC International Airport allows the Parks and Recreation Department of City A to use six acres of airport property for little league baseball fields. City A pays the airport \$1 a year for the use of land. A parcel of land adjacent to the baseball fields is leased to an aeronautical user of the airport for \$1,000 per acre, making the estimated value of the land used by the Parks and Recreation Department \$6,000. Based on this information, the ABC International Airport would report the following: City A, Parks and Recreation, "Use as Baseball Fields," "N," "N," \$6,000, None, \$1.

**Example 2:** City A owns ABC International Airport and County B owns a park adjacent to the airport. The city and county entered into a contract where the city agreed to provide the park's mowing and snowplowing for the county for \$30,000. The city deposited the \$30,000 into the airport's fund. The airport's cost of providing these services was \$26,000. Based on this information, the airport would report the following: County B, Department of Parks, "Mowing and Snowplowing," "N," "FMV," \$26,000, None, \$30,000.

#### **Filing Instructions:**

**Signature and date.** The airport's principal financial officer must sign the report.

**Printed name and telephone number.** Please complete.

**Title.** Please complete.

**Mailing instructions.** Please mail the report to the address specified in AC paragraph 12b.