



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

Advisory Circular

Subject: Guide for Airport Financial
Reports Filed by Airport Sponsors

Date: June 23, 2011

AC No: 150/5100-19D

Initiated by: ACO-100

Change:

1. Revision. In response to inquiries from the public for relevant financial information, the Federal Aviation Administration (FAA) announces the following changes to its financial reporting program and, in particular, to FAA Form 5100-127, Operating and Financial Summary. This revision incorporates changes for 2009 and 2010 going forward.

- a. We revised Form 127 to include separate lines for reporting passenger airline aeronautical revenue and non-passenger aeronautical revenue. In the past, the FAA combined this information into a single heading and did not distinguish between the two categories.
- b. We made various line item changes to conform to generally accepted accounting methodology.
- c. We added a section on operating statistics to enhance the evaluation of operating results.
- d. We will no longer collect information on unrestricted net assets. Instead, we will collect information on “unrestricted cash and investments.” This number will better reflect the airport’s liquidity. Airports that do not have this information will leave this line blank.
- e. We added a check box in both Form 126 and Form 127 where the airport’s chief financial officer must certify to the accuracy of the information reported.

2. Succession. This revision supersedes the edition dated April 19, 2004. The original Advisory Circular (AC) was dated September 10, 1998.

3. Previous Revisions. Previous revisions of this AC converted paper reports to electronic filing, included security reimbursements in Aeronautical Operating Revenue, and incorporated enplanement data in Form 127.

4. FAA Authorization Act of 1994. Section 111 of the Federal Aviation Administration Authorization Act of 1994, Public Law 103-305 (August 23, 1994) (FAA Authorization Act of 1994), requires sponsors to file financial information with the FAA.

- a. Section 111(a) requires sponsors to report payments their airports made to other units of government and the purpose of those payments. It also requires sponsors to report all services and property their airports provided to other units of government and the amount of compensation received. FAA Form 5100-126 satisfies these requirements.
- b. Section 111(b) requires sponsors to report funds collected and spent at their airports. FAA Form 5100-127 satisfies this requirement.

5. Purpose. Congress enacted the reporting requirements to inform the public about how airports collect and disburse funds and to provide the FAA with a means of evaluating sponsor compliance with revenue-use requirements. This Advisory Circular (AC) provides sponsors with guidance for filing reports in accordance with sections 111(a) and (b) (incorporated into the United States Code at 49 U.S.C. § 47107(a) and (19)). It does not impose new obligations.

6. Applicability. This AC applies to sponsors of commercial service airports that signed Airport Improvement Program (AIP) grant assurances on or after January 1, 1995.

7. Commercial Service. The FAA defines commercial service as airports with 2,500 or more enplanements in the preceding calendar year (49 U.S.C. § 47102).

8. 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 report to the Secretary of Transportation funds collected and spent at their airports annually.
- 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 the airport provided to other units of government and the amount of compensation the airport received for such services and property.
- 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 the 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, Reports and Inspections.** 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, Airport Revenues.** This grant assurance implements the revenue-use requirements of 49 U.S.C. § 47107(b) and 47133.
 - j. **FAA Order 5190.6.** This order, which was initially titled "Airport Compliance Requirements" and is now titled "Airport Compliance Manual," provides policy guidance to the FAA for its administration of airport compliance.
- 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. **FAA Form 5100-127, Operating and Financial Summary.** 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. 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.
 - b. **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 incorporates the requirements of the policy.

10. Airport Financial Report Instructions. The appendices of this AC provide instructions for completing the forms. The instructions included in this revision supersede instructions from the *Federal Register* notice on Airport Financial Reports (61 FR 11077), dated March 18, 1996, and the instruction from previous versions of this AC.

11. Financial Reporting Website. The airport financial reporting website gathers and disseminates the information on Forms 126 and 127. The website's address is <http://cats.airports.faa.gov>.

- a. **Viewing Financial Reports.** Airport Financial Reports are publicly available. It is not necessary to register or to log on to view the forms.
- b. **Signature.** Beginning in 2010, a signature block will appear after the airport activates the "certify and file" button. The airport's principal financial officer will be required to certify the accuracy of their report.
- c. **Help Desk.** The Help Desk number is (202) 267-8701. Call this number for questions that pertain to filing requirements, filing procedures, and website problems.

12. Report Due Date. The reports are due within 120 days of the end of the airport's fiscal year.

13. Extensions. A sponsor may request an automatic 60-day extension on the website. An airport that cannot file within the 60-day extension should send a written explanation to:

Airport Compliance and Management Analysis (ACO)
Audit Staff (ACO-20)
ATTN: AIRPORT FINANCIAL REPORTS
Federal Aviation Administration
800 Independence Ave, SW
Washington DC 20591

14. 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 that allows them to file consolidated reports. 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 affected airports.

15. Hardcopy Submissions. Since airports may now enter their information directly on the internet, the FAA will no longer accept hardcopy forms. The FAA will make exceptions for airports that have difficulty accessing the site. The airport's principal financial officer must sign the hardcopy reports. The FAA will not accept unsigned forms.

16. Submission of Unaudited Data. While the FAA Authorization 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. The sponsor may then submit audited information when it becomes available..

17. 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 Code of Federal Regulations (CFR) Part 16, *Rules of Practice for Federally-Assisted Airport Proceedings*, to withhold future entitlement and discretionary AIP grant awards; the FAA may also suspend payments on existing grants.



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

Instructions. To access instructions for a website form, click a blue highlighted line on the form, and the instructions for that line will appear.

Airport Name: Insert airport name.

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.

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

1.0 Passenger Airline Aeronautical Revenue. This section includes all revenue derived from the aeronautical use of the airport by passenger airlines, as opposed to cargo, general aviation, and military, which are summarized in Section 2.0. 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. Passenger aeronautical revenues include landing fees, terminal rentals and leases, gate use fees, federal inspection fees, and any other costs associated with the terminal that may be billed to the passenger airline separately, such as terminal area apron charges and aircraft tie down fees. The total of this category when divided by total enplanements yield the industry metric, Airline Cost (or Payments) Per Enplanement Passenger. Enter the annual total receipts for each category listed below.

1.1 Passenger airline landing fees. Enter the fees charged to aircraft owners and operators for the use of runways, landing strips, runway protection zones, and clearways. Fees for parking aircraft should be reported on line 1.3, "Apron charges/tie downs."

1.2 Terminal arrival fees, rents, and utilities. Enter revenue earned from passenger airlines for the use of the terminal facilities and ground space for the purpose of moving passengers and their baggage. This revenue includes charges for lease or rental of terminal buildings as office space, check-in and ticket counters, hold rooms, passenger baggage claim and staging areas; gate turn fees; and any other terminal costs, such as utilities, that may not be included in the lease or rental payment.

1.3 Terminal area apron charges/tiedowns. Enter revenue earned from the parking or tiedowns of passenger aircraft on airport property near the terminals.

1.4 Federal Inspection Fees. Enter revenues paid by airlines for federal inspection fees for international passengers.

1.5 Other passenger aeronautical fees. Using the drop down box, enter other fees passenger airlines paid for aeronautical services or terminal areas that were not otherwise recorded in the above categories, including security fees. Report TSA and FAA reimbursements on line 2.7.

2.0 Non-Passenger Aeronautical Revenue. The purpose of this section is to record other aeronautical revenues not associated with the direct transport of passengers.

2.1 Landing fees from cargo. Enter landing fees paid by cargo airlines.

2.2 Landing fees from GA and military. Enter landing fees paid by general aviation (GA) and military aircraft.

2.3 FBO revenue; contract or sponsor-operated. With the exception of charges reported in other categories, enter the fees charged to Fixed Base Operations (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.

2.4 Cargo and hangar rentals. Enter revenues earned from the use of airport facilities that pertain to cargo operations, aircraft maintenance, and aircraft hangaring. Report on line 4.1 nonaeronautical uses that that pertain to facilities, hangars, or land use.

2.5 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.

2.6 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.

2.7 Security reimbursement from Federal Government. Enter reimbursements from TSA or other federal/state organizations. Security fees/reimbursements from passenger airlines should be included in line 1.5.

2.8 Other non-passenger aeronautical revenue. Using the drop down box, enter revenue from all other non-passenger aeronautical uses.

3.0 Total Aeronautical Revenue. This is the sum of lines 1.6 and 2.9 Passenger Airline Aeronautical Revenue and Non-Passenger Aeronautical Revenue.

4.0 Nonaeronautical Revenue. This section pertains to nonaeronautical revenues from airport operations (revenues not derived from uses described in Sections 1 and 2 above). Enter the total annual receipts for each category listed below.

4.1 Land and non-terminal facility leases and revenues. Enter revenues received for nonaeronautical rentals and leases or the use of airport land, buildings, and property, including manufacturing, warehousing, farming, and other activities.

4.2 Terminal - food and beverage. Enter all concessions fees/revenues to the airport from restaurant, snack bars, coffee shops, and beverage stores located in the terminals. Note: This excludes non-terminal food and beverage fees/revenues.

4.3 Terminal - retail stores and duty free. Enter revenue from retail and duty free operations in the terminals, including: news stands, bookstores, gift shops, clothing stores, banks, currency exchanges, postal facilities, business centers, computer games, gambling machines, pay telephones, specialty stores, and tax-free shops.

4.4 Terminal - services and other. Include revenues for services such as telecommunications, internet access, advertising, barbershops, shoeshine stands, spas, and revenues from other nonaeronautical terminal uses not otherwise listed.

4.5 Rental cars - excludes customer facility charges. Enter revenues from rental car operations within or outside of the terminal, including off airport rental car operations. Do not include amounts paid for customer facility charges or customer transportation charges. Report those amounts on line 4.8.

4.6 Parking and ground transportation. Enter revenues earned from airport parking and ground transportation operations and from parking and ground transportation management contracts, including valet services, revenues from off-airport parking, and fees from ground transportation companies (taxis, limos, and shuttles).

4.7 Hotel. Enter revenues received from hotel operations that are owned by the airport, and/or fees for hotels operated by a third party for the airport under a management contract.

4.8 Other. Using the drop down box, enter the revenue from all other nonaeronautical operating revenues earned from the nonaeronautical use of the airport.

5.0 Total Operating Revenue. This is the sum of 3.0 and 4.9 and should represent total operating revenues per the airport's Statement of Revenues, Expenses, and Net Assets.

6.0 Operating Expenses. Enter the annual operating expense incurred for each applicable category listed below.

6.1 Personnel compensation and benefits. Enter the salaries and wages of personnel directly employed by the airport. 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 that operates the airport.

6.2 Communications and utilities. Enter the cost of communication services and utilities used in the course of operating the airport, including telephones, electricity, heating and air conditioning, and water.

6.3 Supplies and materials. Enter the cost of supplies and materials needed to operate the airport. Do not include items already recorded in the other expense categories.

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

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

6.6 Other Operating Expenses. Enter the cost of services paid to commercial enterprises and government agencies. Such costs include consulting, legal, accounting, auditing, security, firefighting, law enforcement, engineering, training, lobbying, maintenance, janitorial services, architectural fees, repairs and maintenance, financial services, marketing, advertising, and promotion. Do not include items already recorded in lines 6.1 through 6.5.

6.7 Sub-total of lines 6.1 through 6.6.

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

7.0 Operating Income (Loss). Record the difference between Total Operating Revenues (line 5.0) and Total Operating Expenses (line 6.10).

8.0 Non-Operating Revenue (Expenses) and Capital. This section includes revenues and expenses that are not derived from operations. Enter the total annual receipts for each category listed below. Use the minus sign to denote negative numbers.

8.1 Interest income - restricted and non-restricted. Enter total interest income recognized during the reporting period from all sources, both restricted and non-restricted investments.

8.2 Interest expense. Enter interest expense recognized during the airport's fiscal year. Enter this amount as a negative number using the minus sign.

8.3 Grant receipts. Enter the amount of AIP, federal, state and local grants received and recorded as revenue during the reporting period.

8.4 Passenger Facility Charges. Enter the Passenger Facility Charges (PFC) received and recorded as revenue during the reporting period.

8.5 Capital contributions. Enter cash and other capital contributions from the airport sponsor and other sources. Do not include items already reported elsewhere on this form. For withdrawal of capital, use a minus sign.

8.6 Special items (loss). Enter extraordinary items that are unusual, infrequent, and not reported elsewhere on this form. For further clarification refer to paragraphs 53-55, Statement No. 34, Government Accounting Standards Board. Indicate losses with minus sign.

8.7 Other. Using the drop down box, enter the other revenues and expenses not otherwise reported. Use minus sign to report expenses.

9.0 Net Assets

9.1 Change in Net Assets. This number is self-calculating. It should be equal to the sum of Operating Income (Loss), line 7.0, plus Total Non-Operating Revenue (Expense), line 8.8.

9.2 Net assets (deficit) at beginning of year. Enter net assets at the beginning of the reporting period. This should agree with the balance entered in the prior year's Form 127, line 9.3.

9.3 Net assets (deficit) at end of year. Enter net assets as of the end of the airport's fiscal year. This should be line 9.1 plus 9.2.

10.0 Capital Expenditures and Construction in Progress.

10.1 Airfield. Enter airfield capital expenditures, even if the structure did not become operational during the fiscal year.

10.2 Terminal. Enter terminal capital expenditures, even if the facility or improvement did not become operational during the fiscal year.

10.3 Parking. Enter parking facility capital expenditures, even if the facility did not become operational during the fiscal year.

10.4 Roadways, rail, and transit. Enter roadway, rail, and transit capital expenditures, even if the facility or improvement did not become operational during the fiscal year.

10.5 Other. Enter other capital expenditures, even if the facility or improvement did not become operational during the fiscal year.

11.0 Indebtedness at End of Year

11.1 Long Term Bonds (GA, GARB, PFC, etc.). Enter bond indebtedness at the end of the reporting period for GARB/GA/GO & "Double Barrel" PFC and Stand Alone PFC Debt. (GARB - General Airport Revenue Bonds; GA - General Aviation Bonds; GO - General Obligation Bonds). These are typically issued by cities with smaller airports and are also known as Tax Supported Debt). Double Barrel Bonds are bonds issued where both PFCs and airport revenues are available for debt service. PFC Debt refers to debt that is to be repaid exclusively with PFCs. This line should include all long-term airport debt, excluding interim financing and special facility bonds.

11.2 Loans and interim financing. Enter loan indebtedness at the end of the reporting period where the debt is short-term or interim in nature for interim financing or working cash purposes only.

11.3 Special facility bonds. Special facility bonds are typically issued through a property development corporation and are typically being repaid by an airline or tenant for improvements/facilities through special lease payments rather than through the airport's normal fee structure. This may be airline related or non-airline related. NOTE: THIS EXCLUDES OFF BALANCE SHEET DEBT.

12.0 Externally Restricted Assets

12.1 Externally Restricted Debt reserve. Enter restricted assets (restricted cash, investments, and accounts receivables -- less restricted payables) that are restricted to the repayment of principal and interest or for debt service reserves.

12.2 Other Externally Restricted Assets. Enter restricted assets recorded for purposes other than debt and capital renewal and replacement.

13.0 Unrestricted Cash and Investments. Enter unrestricted cash and cash equivalents, and unrestricted short-term investments from the current asset section, and unrestricted long-term investments from the non-current assets section of the Statement of Net Assets. If the Statement of Net Assets information is not available, leave blank.

14.0 Reporting Year Proceeds.

14.1 Bond proceeds. Enter proceeds from the sale of bonds during the reporting period.

14.2 Proceeds from sale of property. Enter the proceeds from the sale of property. The net gain or loss from the sale should also be reported on line 8.7.

15.0 Debt Service.

15.1 Debt service, excluding coverage. Enter the amount of principle and interest paid during the airport's fiscal year for long-term bonds and indebtedness from line 11.1. Exclude principal and interest on short-term interim financing (line 11.2) and special facility bonds (line 11.3).

15.2 Debt service, net of PFCs and Offsets. Enter the amount from 15.1, less PFCs used to pay debt service.

16.0 Operating Statistics (*optional for airports having fewer than 25,000 enplanements in the preceding calendar year). The purpose of this section is to identify some of the key airport operating statistics for the reporting period.

16.1 Enplanements. Enter the total number of enplanements for the airport's fiscal year. Use airport fiscal year for reporting all items in Section 16. (This line is optional for airports having fewer than 25,000 enplanements in the preceding calendar year.)

16.2 Landed weights in pounds. Enter the total amount of landed weights for the reporting period on this line. (This line is optional for airports having fewer than 25,000 enplanements in the preceding calendar year.)

16.3 Signatory landing fee rate per 1,000 lbs. Enter the final average signatory landing fee rate charged by the airport for the reporting period. Note: This should be net of settlement if any is included in the charge. (This line is optional for airports having fewer than 25,000 enplanements in the preceding calendar year.)

16.4 Annual aircraft operations. Enter the total annual aircraft operations (passenger and non-passenger airlines) for the reporting period. (This line is optional for airports having fewer than 25,000 enplanements in the preceding calendar year.)

16.5 Passenger Airline Cost per Enplanement. Calculate and enter the airline cost per enplanement. This ratio is calculated as total passenger aeronautical revenues (line 1.6) divided by total enplanements (line 16.1). (This line is optional for airports having fewer than 25,000 enplanements in the preceding calendar year.)

16.6 Full Time Equivalent Employees at End of Year. Enter full time equivalent employees at the end of the airport's fiscal year. (This line is optional for airports having fewer than 25,000 enplanements in the preceding calendar year.)

16.7 Security and law enforcement costs. Enter the cost of providing the airport with security and law enforcement services. Include direct and indirect costs, including costs incurred for airport employees, sponsor employees, and contract services. We recognize

these costs are already included in Section 6, Operating Expenses. This is a separate compilation.

16.8 ARFF costs. Enter the cost of providing the airport with Aircraft Rescue and Fire Fighting (ARFF) services. Include direct and indirect costs, including costs incurred for airport employees, sponsor employees, and contract services. We recognize this cost is already included in Section 6, Operating Expenses. This is a separate compilation.

16.9 Repairs and maintenance. Enter the cost of repairs and maintenance of airport facilities and equipment. We recognize these costs are already included in Section 6, Operating Expenses. This is a separate compilation.

16.10 Marketing/Advertising/Incentives. Enter the cost of airport marketing, advertising and incentives paid to, or on behalf of, air carriers. We recognize these costs are already included in Section 6, Operating Expenses. This is a separate compilation.

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

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, branches of the federal government, 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, to the county, to the state, and to branches of the federal government. 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.

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, to the county, to the state, and to branches of the federal government. 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 branch of the 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 as needed to report 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. (Nonaeronautical use; received nominal value; fair market value is \$6,000; no in-kind services provided; \$1 actual cash received.)

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. (Nonaeronautical use; received fair market value; fair market value is \$26,000; no in-kind service provided; \$30,000 actual cash received.)